

FY2019 Second Quarter Consolidated Financial Results

(April 1, 2019 through September 30, 2019)

November 11, 2019

Company name: TOWA CORPORATION
 Stock exchange listings: First Section of Tokyo Stock Exchange
 Code number: 6315
 URL: <http://www.towajapan.co.jp>
 Representative: Hirokazu Okada, President and CEO
 Contact person: Nobutaka Shibahara, Executive Officer and Corporate Planning Div. Manager Tel. +81 75-692-0251
 Scheduled filing date of Quarterly Report: November 12, 2019
 Scheduled dividend payment date: —
 Presentation meeting on Quarterly Results: Yes (for analysts)

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

1. Consolidated Financial Results for the Second Quarter of FY2019 (April 1, 2019 through September 30, 2019)

(1) Consolidated Financial Results for the six months period

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY2019	11,641	- 23.9	- 181	—	- 283	—	- 201	—
2Q FY2018	15,298	- 2.0	873	- 64.9	954	- 61.4	881	- 46.8

[Note] Comprehensive income: Six months ended on September 30, 2019; - 636 million yen (-%)
 Six months ended on September 30, 2018; 487 million yen (- 75.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY2019	- 8.04	—
2Q FY2018	35.26	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sept. 30, 2019	43,011	26,829	62.2
As of March 31, 2019	43,968	27,722	62.8

[Reference] Equity: September 30, 2019; 26,738 million yen
 March 31, 2019; 27,616 million yen

2. Cash Dividends

	Cash Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2018	—	0.00	—	16.00	16.00
FY2019	—	0.00			
FY2019(E)			—	16.00	16.00

[Note] Revisions to the latest forecast of cash dividends: None

3. Forecast of Consolidated Financial Results for FY2019 (April 1, 2019 through March 31, 2020)

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Year-end	25,741	- 9.0	718	- 23.4	616	- 34.4	438	- 50.1	17.51

[Note] Revisions to the latest forecast of financial results: None

4. Other information

- (1) Changes in significant subsidiaries during the six months ended Sept. 30, 2019
(Changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes of accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes of accounting policies accompanied by revision of accounting standard etc.: Yes
 - 2) Changes of accounting policies other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None

[Note] The Company has adopted IFRS 16 “Leases” for an overseas subsidiary from the first quarter of FY2019.
- (4) Number of shares outstanding (common shares)
 - 1) Number of shares outstanding (including treasury stock) as of Sept. 30, 2019: 25,021,832 shares
as of March 31, 2019: 25,021,832 shares
 - 2) Number of treasury stock as of Sept. 30, 2019: 12,560 shares
as of March 31, 2019: 12,526 shares
 - 3) Average number of shares outstanding during the six months ended Sept. 30, 2019: 25,009,276 shares
during the six months ended Sept. 30, 2018: 25,009,499 shares

*** This financial results report is not subject to audit by a certified public accountant or an audit corporation.**

* Explanation on the appropriate use of future earnings projections and other special instructions

The above forecasts reflect the Company's judgments and assumptions based on available information as of the announcement date, and therefore are not guarantees of future performance. Actual results may differ substantially from the forecasts for various reasons.