



ANNUAL REPORT
FY 2020

MESSAGE TO OUR SHAREHOLDERS

Greetings

We (TOWA) are No.1 in the world for semiconductor molding equipment and precision molds to protect the semiconductor chips by using resin.

We hold the world's top class core technology in ultra-precision mold. So far, we have accomplished various technology innovations in molding process such as multi-plunger system and compression system, singulation process (last half of molding process) and automation technologies relating to these.

Expanding technologies such as 5G, IoT (Internet of Things), AI (Artificial Intelligence) and automatic driving system and services using big data are all realized by semiconductors. Big growth in these business fields is expected to continue.

For many years we have led molding and singulation process in semiconductor packaging field. This success is wholly based on seeking what our customers really need thoroughly, putting our business philosophy "Strive to develop key technologies and maintain 'quarter-lead' over the competition in order to insure that our innovative products are always the first to market" into practice and creating new market.

Our original compression technology is the molding method with no resin flow and best for leading-edge semiconductor packaging — the technology required for the packaging has become more and more difficult as layering and modularization in semiconductor memory and 5G related devices goes on.

And the compression method makes the efficiency in the use of resin almost 100%. The compression method contributes greatly to customer's cost reduction and reduces the amount of waste, which makes it a more environmentally friendly molding technology.

The compression technology is unrivaled from its release in 2009.

Economic Overview

For most of the current consolidated fiscal year, the global economy remained in a difficult situation amid the global spread of the novel coronavirus, but some signs of recovery were observed reflecting the additional economic measures taken by national governments, the benefits of vaccination, and other factors.

Performance

In the semiconductor industry, rising demand for IT-related products stemming from the growth of remote working and online courses, and the full-scale rollout of the 5G high-speed communication standard have caused a tight semiconductor supply. Coupled with this, a sharp recovery in demand for automobiles and industrial equipment has created a global shortage of semiconductors. In response, semiconductor manufacturers increased capital investment to reinforce their supply systems and the market environment remained strong.

Under these circumstances, the Group completed a new factory under TOWA (Nantong) Co., Ltd. in February 2021. With enhanced production capacity and diversified production bases in the expanding Chinese market, a production system that enables stable supply even in an emergency is now in place. Additionally, as a leading company of semiconductor molding equipment, we steadily responded to demands for better quality in concert with the sophistication of semiconductors. As a result, we recorded significant growth in our operating results, with full-year orders received hitting a record high of 40,927 million yen. (an increase of 132,27 million yen compared to the previous consolidated fiscal year, up 47.8%)

Regarding the impact of the novel coronavirus on business results, since there were no major delays in production, delivery, equipment installation work, etc., the impact on our business was negligible. That being said, we will thoroughly implement infection prevention measures across the Group and carry out business activities while continuously paying close attention to the infection status in each region.

The Group performances in this consolidated fiscal year are recorded as follows:

Net sales 29,760 million yen (an increase of 4,451 million yen compared to the previous consolidated fiscal year, up 17.6%)

Operating income 3,618 million yen (an increase of 2,806 million yen and 4.5 fold compared to that of the previous consolidated fiscal year)

Ordinary income 3,818 million yen (an increase of 3,171 million yen and 5.9 fold compared to that of the previous consolidated fiscal year)

Net income attributable to owners of parent 2,663 million yen (an increase of 2,294 million yen and 7.2 fold compared to that of the previous consolidated fiscal year)

The main factors of (year-on-year) increase/decrease in operating income for the current consolidated fiscal year are as follows.

Impact of increased sales	an increase of 1,851 million yen
Impact of improved product mix	an increase of 111 million yen
Impact of increased unit selling prices, cost reduction, etc.	an increase of 452 million yen
Impact of decreased loss on valuation, reversal of loss on valuation, etc.	an increase of 615 million yen
Impact of increased SG&A expenses	a decrease of 223 million yen

The results by segment are as follows.

“Semiconductor manufacturing equipment business”

In the semiconductor manufacturing equipment business, molding equipment and molds saw a surge in sales in the China region, where in-house semiconductor production is being promoted, while singulation equipment, mainly for smartphones and other 5G-related products, also enjoyed remarkable growth in sales. As a result, net sales rose to 26,536 million yen. On the income front, along with the increase in net sales, an increase in sales of compression molds for memory products and other factors improved profitability. Consequently, operating income skyrocketed to 3,333 million yen (an increase of 2,715 million yen and 5.4 fold compared to that of the previous consolidated fiscal year).

“Fine plastic molded products business”

As for the operating results of the fine plastic molded products business, the sales of medical devices such as thermometers was steady. As a result we recorded net sales 1,806 million yen (an increase of 192 million yen compared to the previous consolidated fiscal year, up 11.9%), and operating income 389 million yen (an increase of 146 million yen compared to the previous consolidated fiscal year, up 60.5%).

“Laser processing equipment business”

As for the operating results of the laser processing equipment business, orders and sales in the first half year were sluggish, although the current orders and sales environment is on a recovery trend as demand for electronic components is increasing alongside the recovery in demand for automobiles and industrial machinery. For these and other reasons, we recorded net sales 1,364 million yen (a decrease of 373 million yen compared of the previous consolidated fiscal year, down 21.5%), and operating loss 103 million yen (the operating loss of the previous consolidated fiscal year was 48 million yen).

Looking Ahead

With a longstanding commitment to continual technical progress, the Group has ever since its founding upheld its Corporate Mission to “contribute to the growth of the world’s industries by boldly devoting all of our energy to producing results for the purpose of developing and providing key enabling technologies for each successive generation of products, while maintaining a ‘quarter-lead’ over the competition.”

With this Corporate Mission as the foundation for all our activities, we aim to create the world’s most advanced solutions in anticipation of market needs and to improve our corporate value, by thoroughly optimizing QCDS (Quality, Cost, Delivery and Service), pursuing safety, complying with laws and untiringly pursuing CS (Customer Satisfaction), which means to satisfy customer needs.

Raising “Pursuing true value as a manufacture” as the theme, we announced the long-term management vision "TOWA 10 Year Vision" in March 2014 aiming to achieve net sales of 50 billion yen and business profit ratio of 16% ten 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". And we formulated the First Mid-Term Business Plan (April 2014-March 2017) as the first Milestone on the road to the achievement of "TOWA 10 Year Vision".

Under our Second Mid-Term Business Plan (April 2017-March 2020), we reinforced our business foundations, strengthened existing businesses and implemented individual growth strategies, with an aim to open up new markets that would allow us to increase profit opportunities and enhance our corporate value. As a result, we successfully affirmed our superiority in the most advanced packaging market with TOWA’s proprietary compression technology and also developed new businesses by applying our core technologies.

And the Third Mid-Term Business plan(April 2020-March 2024) lays out our goals for the final four years of the “TOWA 10 Year Vision”, that being to improve our added-value, improve our profitability, and build a solid financial base by making a paradigm shift. At the same time, we aim to achieve the “TOWA 10 Year Vision” by constructing an even more effective system of governance, proactively promoting SDGs, and greatly contributing to the development of society and industry.

The basic policies of the Third Mid-Term Business Plan and the strategies for each issues are as follows:

1. Theme

Achieving the “TOWA 10 Year Vision” by making a paradigm shift

2. Basic policies

- ◎Realize the added-value inherent to our proprietary technologies, quality and business processes (know-how) by making a paradigm shift to improve profitability.
- ◎Strengthen market competitiveness and financial base by maximizing throughput.
- ◎Expand new businesses and profits based on our core technologies.
- ◎Cultivate human resources who will lead the next generation.
- ◎Increase corporate value by enhancing corporate governance and undertaking initiatives for achieving SDGs.

3. Business strategies

“Semiconductor manufacturing equipment business”

- ▶Strengthen market competitiveness and profitability by using added-value to differentiate ourselves from competitors.
- ▶Reinforce our production system and financial base by practicing MIP (Minimal Inventory & Period) designed to shorten lead time and reduce inventories.
- ▶Anticipate customer needs and develop environment-friendly products promptly by proactively investing resources in development.

“Fine plastic molded products business”

- ▶Enhance the added-value of the TOWA brand and increase the business scale as a proposal-based processing manufacturer on a core of processing, molding and assembly technologies.
- ▶Further pursue quality, cost and delivery in order to build a stable profitable structure.

“New business”

- ▶Develop applications of our core technologies in order to create new core business that will help reshape our business portfolio.
- ▶Release TOWA-original products.
- ▶Expand TSS (Total Solution Services), remodeling and other businesses on a global scale in order to increase business opportunities.
- ▶Improve competitiveness and increase market share by utilizing our global production bases to reduce costs.

“Laser processing equipment business”

- ▶Step up application development in order to bring new products to market.
- ▶Make full use of our global production and sales bases in order to increase production capacity, reduce costs, and strengthen sales system and services.

4. Strategies by function

[Sales strategies]

- ▶ Enhance process support and build business models that can be produced only with our technology, thereby expanding sales and improving profitability.
- ▶ Expand the range of utilization of our proprietary compression devices.
- ▶ Enter cutting-edge (5G, in-vehicle, AI), middle-range and low-end markets in order to expand market presence.
- ▶ Build a global sales and management system in order to increase customer satisfaction.

[Production strategies]

- ▶ Optimize our global production and purchasing system in order to reduce costs and shorten lead times.
- ▶ Improve production technologies in order to increase confidence in quality.
- ▶ Introduce new production technologies and work to make high value-added products.
- ▶ Build a business structure that can respond to changes in the environment (risks).

[Development strategies]

- ▶ Enhance competitiveness of existing equipment (transfer, compression, FMS).
- ▶ Establish de facto standards through mold process development and the next-generation molding innovation.
- ▶ Develop new TOWA-original products.

[Human resources/organizational strategies]

- ▶ Establish the TOWA Global Technology Center as a platform for wide-ranging business support from process development to solution proposals.
- ▶ Consolidate marketing functions to reinforce the organization.
- ▶ Cultivate global leaders through rotation of the next-generation human resources.
- ▶ Promote workstyle reform through IT-driven work efficiency improvements.

5. Business Target

We have set the target for the Group as follows.

Recognizing these as important indicators, we will strive to increase our corporate value.

(Millions of yen)

	FY2020	FY2021	FY2022	FY2023	
Net sales	297	380	420	500	
Net sales (breakdown)	Semiconductor manufacturing equipment business	211	263	263	310
	Fine plastic molded products business	18	19	20	21
	New business	54	75	110	139
	Laser processing equipment business	14	23	27	30
Operating income	36	50	60	80	
Ordinary income	38	50	60	80	
Net income attributable to owners of parent	27	35	42	56	

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

We would like to express our heartfelt appreciation for your support.

We look forward to your continuing support and assistance in the future.

August 2021

Hirokazu Okada

President & CEO

Consolidated Balance Sheets

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES March 31, 2020 and 2021

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	<i>2020</i>	<i>2021</i>	<i>2021</i>
ASSETS			
Current assets:	¥	¥	\$
Cash on hand and at banks	10,016	10,686	96,522
Notes and accounts receivable :			
Trade	7,107	8,943	80,779
Less: Allowance for doubtful accounts	(2)	0	0
	7,105	8,943	80,779
Inventories	6,654	9,153	82,675
Other current assets	779	1,176	10,622
	24,554	29,958	270,598
Property, plant and equipment, at cost :			
Land	4,341	4,366	39,436
Buildings and structures	16,113	18,196	164,357
Machinery and equipment	14,472	15,203	137,323
Leased assets (Notes 2(8) and 11).....	860	951	8,590
Construction in progress	72	950	8,581
Less: Accumulated depreciation	(22,077)	(23,426)	(211,597)
	13,781	16,240	146,690
Other assets:			
Investment securities (Note 3)	2,690	3,856	34,830
Deferred income taxes (Note 9)	1,129	570	5,149
Asset for retirement benefits(Notes 2(12) and 6)	70	330	2,981
Other	901	837	7,560
	4,790	5,593	50,520
Total assets	43,125	51,791	467,808

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

Consolidated Balance Sheets

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES March 31, 2020 and 2021

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities:	¥	¥	\$
Short-term borrowings (Note 5)	3,800	1,500	13,549
Current portion of long-term debt (Note 5)	1,137	1,340	12,104
Notes and accounts payable	2,719	5,940	53,654
Accrued expenses (Note 2(11))	562	734	6,630
Accrued income taxes	291	798	7,208
Other current liabilities (Notes 2(10) and 5)	2,094	4,328	39,092
Total current liabilities	10,603	14,640	132,237
 Long-term liabilities:			
Long-term debt (Note 5)	4,450	4,610	41,640
Liability for retirement benefits (Notes 2(12) and 6)	727	758	6,847
Deferred tax liabilities (Note 9)	9	7	63
Other long-term liabilities (Note 5)	318	271	2,448
Total long-term liabilities	5,504	5,646	50,998
Total liabilities	16,107	20,286	183,235
 Contingent liabilities (Note 12)			
NET ASSETS			
Shareholders' equity (Note 7)			
Common stock			
Authorized: 80,000,000 shares			
Issued:			
25,021,832 shares at 31st March, 2021	8,933	8,933	80,688
Additional paid-in capital	462	462	4,173
Retained earnings	16,827	19,090	172,433
Less: Treasury stock at cost	(11)	(11)	(99)
Total shareholders' equity	26,211	28,474	257,195
 Accumulated Other Comprehensive Income			
Unrealized gain (loss) on other securities	1,356	2,195	19,827
Translation adjustments	(582)	412	3,721
Retirement benefit adjustments	(59)	101	912
Total accumulated other comprehensive income	715	2,708	24,460
Non-controlling interests	92	323	2,918
Total net assets	27,018	31,505	284,573
Total liabilities and net assets	43,125	51,791	467,808

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, 2021

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
	¥	¥	\$
Net sales	25,255	29,707	268,332
Cost of sales	18,667	20,090	181,465
Gross profit.....	6,588	9,617	86,867
Selling, general and administrative expenses (Notes 2(13) and 8).....	5,776	5,998	54,178
Operating Income.....	812	3,619	32,689
Other income (expenses)			
Interest and dividend income.....	92	61	551
Interest expenses.....	(50)	(55)	(497)
Foreign exchange gains (losses).....	(289)	(196)	(1,770)
Gain(losses) on sales of investment securities.....		(2)	(18)
Subsidy income.....	32	295	2,665
Other, net.....	48	93	839
Total other income (expenses).....	(167)	196	1,770
Income before income taxes and non-controlling interests.....	645	3,815	34,459
Income taxes (Note 9)			
Current.....	436	1,001	9,042
Deferred.....	(141)	148	1,336
Net Income	350	2,666	24,081
Net Income attributable to non-controlling interests	(19)	3	27
Net Income attributable to owners of parent	369	2,663	24,054
	Yen		<i>U.S. dollars (Note 1)</i>
Amount per share of common stock (Note 2 (16)):	¥	¥	\$
Net Income.....	14.75	106.49	0.962
Diluted net income.....	14.75	106.49	0.962
Cash dividends.....	16.00	16.00	0.145

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, 2021

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	<u>2020</u>	<u>2021</u>	<u>2021</u>
	¥	¥	\$
Net Income	350	2,666	24,081
Other Comprehensive Income			
Unrealized gain on other securities.....	(61)	839	7,579
Translation adjustment.....	(643)	1,020	9,213
Remeasurements of defined benefit plans.....	(105)	160	1,445
Total other comprehensive income	<u>(809)</u>	<u>2,019</u>	<u>18,237</u>
Comprehensive Income	<u>(459)</u>	<u>4,685</u>	<u>42,318</u>
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent.....	(433)	4,656	42,056
Comprehensive income attributable to minority interests.....	(26)	29	262

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, 2021

	<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>		
		¥	¥	¥	¥	¥	¥	¥	¥		
Balance at March 31, 2019	25,021,832	8,933	462	16,716	(11)	1,417	53	46	107	27,723	
Cumulative effects of changes in accounting policies				142						142	
Restated balance at March 31, 2019	25,021,832	8,933	462	16,858	(11)	1,417	53	46	107	27,865	
Net Income	-	-	-	369	-	-	-	-	-	369	
Cash dividends	-	-	-	(400)	-	-	-	-	-	(400)	
Net increase of treasury stock	-	-	-	-	(0)	-	-	-	-	(0)	
Net changes of items other than shareholders' equity	-	-	-	-	-	(61)	(635)	(105)	(15)	(816)	
Balance at March 31, 2020	25,021,832	8,933	462	16,827	(11)	1,356	(582)	(59)	92	27,018	
Net Income	-	-	-	2,663	-	-	-	-	-	2,663	
Cash dividends	-	-	-	(400)	-	-	-	-	-	(400)	
Net increase of treasury stock	-	-	-	-	(0)	-	-	-	-	(0)	
Net changes of items other than shareholders' equity	-	-	-	-	-	839	994	160	231	2,224	
Balance at March 31, 2021	25,021,832	8,933	462	19,090	(11)	2,195	412	101	323	31,505	

	<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>		
		\$	\$	\$	\$	\$	\$	\$	\$		
Balance at March 31, 2020	25,021,832	80,688	4,173	151,992	(99)	12,248	(5,257)	(533)	831	244,043	
Net Income	-	-	-	24,054	-	-	-	-	-	24,054	
Cash dividends	-	-	-	(3,613)	-	-	-	-	-	(3,613)	
Net increase of treasury stock	-	-	-	-	(0)	-	-	-	-	(0)	
Net changes of items other than shareholders' equity	-	-	-	-	-	7,579	8,978	1,445	2,087	20,089	
Balance at March 31, 2021	25,021,832	80,688	4,173	172,433	(99)	19,827	3,721	912	2,918	284,573	

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, 2021

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	<i>2020</i>	<i>2021</i>	<i>2021</i>
	¥	¥	\$
Cash Flows from Operating Activities:			
Net Income before income taxes and non-controlling interests	645	3,815	34,459
Adjustments for:			
Depreciation	1,503	1,601	14,461
Amortization of goodwill	46	29	262
Interest and dividends income	(92)	(61)	(551)
Interest expenses	50	55	497
Foreign exchange losses (gains)	(22)	109	985
Loss (gain) on sales of investment securities	-	2	18
(Increase) decrease in trade notes and accounts receivable	2,938	(678)	(6,124)
(Increase) decrease in inventories	1,413	(2,190)	(19,781)
(Increase) decrease in other current assets	(68)	(37)	(334)
Increase (decrease) in notes and accounts payable	48	3,079	27,811
Increase(decrease) in accrued and other current liabilities	(65)	226	2,041
Other, net	20	(92)	(831)
Sub-total	6,416	5,858	52,913
Interest and dividends received	92	60	542
Interest paid	(54)	(54)	(488)
Income taxes paid	(422)	(570)	(5,149)
Income taxes refund	320	18	163
Net cash provided by (used in) operating activities	6,352	5,312	47,981
Cash Flows from Investing Activities:			
Purchase of investment securities	(5)	-	-
Sale of investment securities	-	16	145
Purchase of property, plant and equipment	(2,463)	(2,691)	(24,307)
Sale of property, plant and equipment	63	43	388
Other, net	(131)	(136)	(1,228)
Net cash provided by (used in) investing activities	(2,536)	(2,768)	(25,002)
Cash Flows from Financing Activities:			
Increase (decrease) in short-term borrowings	(1,700)	(2,300)	(20,775)
Proceeds from issuance of long-term debt	1,500	1,500	13,549
Repayments of long-term debt	(910)	(1,137)	(10,270)
Purchase of treasury stock	(0)	(0)	(0)
Cash dividends	(400)	(400)	(3,613)
Other, net	(50)	96	867
Net cash provided by (used in) financing activities	(1,560)	(2,241)	(20,242)
Effect of exchange rate changes on Cash and Cash Equivalents	(60)	142	1,283
Net increase(decrease) in Cash and Cash Equivalents	2,196	445	4,020
Cash and Cash Equivalents at Beginning of Period	7,627	9,823	88,727
Cash and Cash Equivalents at End of Period (Note2(3))	9,823	10,268	92,747

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, 2021, which was ¥110.71 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
TOWA LASERFRONT CORPORATION	100	Japan
TOWATEC Co., Ltd.	100	Japan
TOWAM Sdn. Bhd.	100	Malaysia
TOWA (Suzhou) Co., Ltd.	100	People's Republic of China
TOWA (Nantong) Co., Ltd.	90	People's Republic of China
TOWA KOREA Co., Ltd.	100	Republic of Korea
TOWA Asia-Pacific Pte. Ltd.	100	Republic of Singapore
TOWA (Shanghai) Co., Ltd.	100	People's Republic of China
TOWA TAIWAN Co., Ltd.	100	Taiwan
TOWA Semiconductor Equipment Philippines Corp.	100	Republic of the Philippines
TOWA THAI COMPANY LIMITED	100	Kingdom of Thailand
TOWA USA Corporation	100	United States of America
TOWA Europe GmbH	100	Federal Republic of Germany
TOWA Europe B.V.	100	Kingdom of the Netherlands

(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, 2020 and 2021 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	<u>2020</u>	<u>2021</u>	<u>2021</u>
Cash on hand and at banks	¥10,016	¥10,686	\$96,522
Less: Time deposits with deposit term of over three months	<u>¥193</u>	<u>¥418</u>	<u>\$3,775</u>
Cash and cash equivalent at end of year	<u>¥9,823</u>	<u>¥10,268</u>	<u>\$92,747</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) Goodwill

Goodwill is amortized over a period of 5 ~ 8 years by the straight-line method.

(10) Product Warranties

The Company and its subsidiaries have 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, 2021, the liability for expected warranty costs was ¥216 million (\$1,951 thousand).

(11) 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.

(12) 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.

(13) Research and Development Costs

Research and development expenditure is charged to income when incurred.

(14) 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.

(15) 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.

(16) 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, 2020:

Other securities:

	<i>Millions of yen</i>			
	2020			
	Cost	Unrealized gains	Unrealized losses	Book Value (Estimated fair value)
Market value available:				
Equity securities	¥ 783	¥ 1,907	¥ 28	¥ 2,662
	¥ 783	¥ 1,907	¥ 28	¥ 2,662
Market value not available:				
Equity securities	28	-	-	28
Other securities total	¥ 811	¥ 1,907	¥ 28	¥ 2,690

(2) The following is a summary of investments in affiliates and other securities at March 31, 2021

Other securities:

	<i>Millions of yen</i>			
	2021			
	Cost	Unrealized gains	Unrealized losses	Book Value (Estimated fair value)
Market value available:				
Equity securities	¥ 766	¥ 3,062	¥ -	¥ 3,828
	¥ 766	¥ 3,062	¥ -	¥ 3,828
Market value not available:				
Equity securities	28	-	-	28
Other securities total	¥ 794	¥ 3,062	¥ -	¥ 3,856

Other securities:

<i>Thousands of U.S. dollars (Note 1)</i>				
2021				
	Cost	Unrealized gains	Unrealized losses	Book Value (Estimated fair value)
Market value available:				
Equity securities	\$ 6,919	\$ 27,658	\$ -	\$ 34,577
	<u>\$ 6,919</u>	<u>\$ 27,658</u>	<u>\$ -</u>	<u>\$ 34,577</u>
Market value not available:				
Equity securities	253	-	-	253
Other securities total	<u>\$ 7,172</u>	<u>\$ 27,658</u>	<u>\$ -</u>	<u>\$ 34,830</u>

4. Estimated Fair Value of Financial Instruments

As of March 31, 2020 and 2021, 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>			
2020			
	Book Value	Fair Value	Difference
Cash and deposits	¥ 10,016	¥ 10,016	¥ -
Notes and accounts receivable	7,107		
Less: Allowance for Doubtful Accounts	(2)		
	<u>¥ 7,105</u>	<u>¥ 7,105</u>	<u>¥ -</u>
Investment securities	2,662	2,662	-
Total assets	¥ 19,783	¥ 19,783	¥ -
Notes and accounts payable	¥ 2,719	¥ 2,719	¥ -
Short-term borrowings	3,800	3,800	-
Accrued Income taxes	291	291	-
Long-term borrowings	5,587	5,579	(8)
Total liabilities	¥ 12,397	¥ 12,389	¥ (8)
Derivative financial instruments	¥ -	¥ (0)	¥ (0)

<i>Millions of yen</i>			
2021			
	Book Value	Fair Value	Difference
Cash and deposits	¥ 10,686	¥ 10,686	¥ -
Notes and accounts receivable	8,943		
Less: Allowance for Doubtful Accounts	(0)		
	<u>¥ 8,943</u>	<u>¥ 8,943</u>	<u>¥ -</u>
Investment securities	3,828	3,828	-
Total assets	¥ 23,457	¥ 23,457	¥ -
Notes and accounts payable	¥ 5,940	¥ 5,940	¥ -
Short-term borrowings	1,500	1,500	-
Accrued income taxes	798	798	-
Long-term borrowings	5,950	5,937	(13)
Total liabilities	¥ 14,188	¥ 14,175	¥ (13)
Derivative financial instruments	¥ -	¥ -	¥ -

<i>Thousands of U.S. dollars (Note 1)</i>			
2021			
	Book Value	Fair Value	Difference
Cash and deposits	\$ 96,522	\$ 96,522	\$ -
Notes and accounts receivable	80,779		
Less: Allowance for Doubtful Accounts	(0)		
	\$ 80,779	\$ 80,779	\$ -
Investment securities	34,577	34,577	-
Total assets	\$ 211,878	\$ 211,878	\$ -
Notes and accounts payable	\$ 53,654	\$ 53,654	\$ -
Short-term borrowings	13,549	13,549	-
Accrued income taxes	7,208	7,208	-
Long-term borrowings	53,744	53,627	(117)
Total liabilities	\$ 128,155	\$ 128,038	\$ (117)
Derivative financial instruments	\$ -	\$ -	\$ -

Financial instruments for which it is extremely difficult to determine the fair value as of March 31, 2020 and 2021 were as follows, respectively.

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
	Unlisted equity securities	¥ 28	¥ 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 Note6.

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, 2020 are 0.3% and 2021 are 0.3%, respectively.

Long-term debt as of March 31, 2020 and 2021 consisted of the following:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
	Borrowings from financial institutions	¥ 5,587	¥ 5,950
Other Long term liabilities	404	361	3,261
Less: Portion due within one year	(1,223)	(1,430)	(12,917)
	¥ 4,768	¥ 4,881	\$ 44,088

The aggregate annual maturity of long-term debt after March 31, 2021 is summarized as follows:

Years ending March 31,	<i>Millions of Yen</i>	<i>Thousands of U.S. dollars (Note 1)</i>
2022	¥ 1,429	\$ 12,908
2023	1,378	12,447
2024	1,352	12,212
2025 and thereafter	2,151	19,429
	<u>¥ 6,310</u>	<u>\$ 56,996</u>

Regarding loan payables, commitment line contracts with limits of ¥2,500 million (\$22,582 thousand) and term loan contract with limit of ¥3,000 million (\$27,098 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 ¥19,540 million (\$176,497 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, 2019.

(Financial covenant terms included in the 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 ¥19,410 million (\$175,323 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, 2020.

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, 2020 and 2021 were as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Retirement benefit obligations at beginning of year	¥2,399	¥2,538	\$ 22,925
Increase resulting from acquisition of a consolidated subsidiary	-	-	-
Service cost	205	204	1,843
Interest cost	8	9	81
Actuarial (gain) loss	17	(12)	(108)
Retirement benefits paid	(76)	(151)	(1,364)
Others	(15)	13	117
Retirement benefit obligations at end of year	<u>2,538</u>	<u>2,601</u>	<u>\$ 23,494</u>

2) The changes in plan assets for the year ended March 31, 2020 and 2021 were as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Plan assets at beginning of year	¥1,877	¥1,882	\$ 16,999
Expected return on plan assets	56	56	506
Actuarial gain (loss)	(127)	210	1,897
Contributions from the employer	131	130	1,174
Retirement benefits paid	(56)	(105)	(948)
Plan assets at end of year	<u>1,881</u>	<u>2,173</u>	<u>\$ 19,628</u>

3) The balance of retirement benefit obligations and plan assets at fair value as of March 31, 2020 and 2021, 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>
	2020	2021	2021
Funded retirement benefit obligations	¥ 1,811	¥ 1,843	\$ 16,647
Plan assets at fair value	(1,881)	(2,173)	(19,628)
	(70)	(330)	(2,981)
Unfunded retirement benefit obligations	727	758	6,847
Net liability recognized in the consolidated balance sheet	<u>¥ 657</u>	<u>¥ 428</u>	<u>\$ 3,866</u>
Liability for retirement benefits	727	758	6,847
Asset for retirement benefits	(70)	(330)	(2,981)
Net liability recognized in the consolidated balance sheet	<u>¥ 657</u>	<u>¥ 428</u>	<u>\$ 3,866</u>

4) The components of retirement benefit expenses for the year ended March 31, 2020 and 2021 were as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Service cost	¥ 206	¥ 203	\$ 1,834
Interest cost	7	9	81
Expected return on plan assets	(56)	(56)	(506)
Amortization of actuarial (gain) loss	7	29	262
Amortization of past service cost	(17)	(17)	(154)
Retirement benefit expenses	<u>¥ 147</u>	<u>¥ 168</u>	<u>\$ 1,517</u>

5) Remeasurements of defined benefit plans in other comprehensive income (before tax effect) for the year ended March 31, 2020 and 2021 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Past service cost	¥ 17	¥ 17	\$ 154
Actuarial gain (loss)	132	(248)	(2,240)
Total	<u>¥ 149</u>	<u>¥ (231)</u>	<u>\$ (2,086)</u>

6) Retirement benefit adjustments in accumulated other comprehensive income (before tax effect) as of March 31, 2020 and 2021 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Unrecognized past service cost	¥ 118	¥ 101	\$ 912
Unrecognized actuarial gain (loss)	(198)	50	452
Total	¥ (80)	¥ 151	\$ 1,364

7) Plan assets, by major category, as a percentage of total plan assets as of March 31, 2020 and 2021 were as follows:

	2020	2021
Debt securities	42%	37%
Equity securities	31%	33%
General accounts at life insurance companies	20%	17%
Others	7%	13%
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:

	2020	2021
Discount rate	(0.001%)	0.074%
Expected long-term rates of return on plan assets	3.00%	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, 2020 and 2021 were ¥50million and ¥55million (\$497thousand).

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, 2020 and 2021 were ¥330million and ¥749million (\$6,765 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 30.5% for the years ended of March 31, 2020 and 2021.

The deferred tax assets and deferred tax liabilities at March 31, 2020 and 2021 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Deferred tax assets:			
Inventory write down	¥ 732	¥ 608	\$ 5,492
Impairment loss of fixed assets	329	314	2,836
Retirement and severance benefits	232	169	1,527
Trial product for development	504	541	4,887
Net operating loss carried forward	216	217	1,960
Other, net	649	793	7,163
Valuation Allowance	(703)	(725)	(6,549)
	<u>1,959</u>	<u>1,917</u>	<u>17,316</u>
Deferred tax liabilities:			
Other, net	(839)	(1,354)	(12,230)
	<u>(839)</u>	<u>(1,354)</u>	<u>(12,230)</u>
Net deferred tax assets/(liabilities)	<u>¥ 1,120</u>	<u>¥ 563</u>	<u>\$ 5,086</u>

10. Other Comprehensive Income(Loss)

The reclassification adjustments and tax effects for components of other comprehensive income (loss) for the year ended March 31, 2020 and 2021 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Unrealized gain on other securities:			
Amount arising during the year	¥ (62)	¥ 1,181	\$ 10,668
Reclassification adjustments for losses (gains) realized in net income	-	2	18
Before Tax effect	(62)	1,183	10,686
Tax effect	1	(344)	(3,107)
Total unrealized gain on other securities	<u>(61)</u>	<u>839</u>	<u>7,579</u>
Translation adjustments:			
Amount arising during the year	(643)	1,020	9,213
Reclassification adjustments for losses (gains) realized in net income	-	-	-
Total translation adjustments	<u>(643)</u>	<u>1,020</u>	<u>9,213</u>
Remeasurements of defined benefit plans:			
Amount arising during the year	(139)	219	1,978
Reclassification adjustments for losses (gains) realized in net income	(10)	12	108
Before Tax effect	(149)	231	2,086
Tax effect	44	(71)	(641)
Total remeasurements of defined benefit plans	<u>(105)</u>	<u>160</u>	<u>1,445</u>
Total other comprehensive income (loss)	<u>¥ (809)</u>	<u>¥ 2,019</u>	<u>\$ 18,237</u>

11. Leases

(Finance leases as lessee)

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.

(Operating leases as lessee)

Future minimum lease payments for the remaining lease periods as March 31, 2020 and 2021 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Due within one year	¥ 1	¥ 1	\$ 9
Due over one year	4	3	27
Total	<u>¥ 5</u>	<u>¥ 4</u>	<u>\$ 36</u>

Lease contracts recognized in the consolidated balance sheet by IFRS16 aren't included this table.

12. Contingent Liabilities

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

13. Segment Information

(1) Segment by products

Year ended March 31, 2020	<i>Millions of Yen</i>				
	Semiconductor equipment	Fine plastic mold	Laser Processing machines	Elimination/ Unallocated Assets	Consolidated
.Sales and operating income					
Net sales to customers	¥ 21,904	¥ 1,614	¥ 1,737	¥ -	¥ 25,255
Inter-segment sales	-	-	-	-	-
	<u>21,904</u>	<u>1,614</u>	<u>1,737</u>	<u>-</u>	<u>25,255</u>
Cost of sales and Operating expenses	<u>21,286</u>	<u>1,371</u>	<u>1,786</u>	<u>-</u>	<u>24,443</u>
Operating income (loss)	<u>¥ 618</u>	<u>¥ 243</u>	<u>¥ (49)</u>	<u>¥ -</u>	<u>¥ 812</u>
.Assets					
Total assets	¥ 40,058	¥ 1,812	¥ 1,255	¥ -	¥ 43,125
Depreciation and amortization	¥ 1,382	¥ 87	¥ 34	¥ -	¥ 1,503
Amortization of goodwill	¥ 46	¥ -	¥ -	¥ -	¥ 46
Capital expenditure	¥ 2,671	¥ 71	¥ 32	¥ -	¥ 2,774

Year ended March 31, 2021

Millions of Yen

	Semiconductor equipment	Fine plastic mold	Laser Processing machines	Elimination/ Unallocated Assets	Consolidated
.Sales and operating income					
Net sales to customers	¥ 26,536	¥ 1,807	¥ 1,364	¥ -	¥ 29,707
Inter-segment sales	-	-	-	-	-
	26,536	1,807	1,364	-	29,707
Cost of sales and Operating expenses	23,203	1,417	1,468	-	26,088
Operating income (loss)	¥ 3,333	¥ 390	¥ (104)	¥ -	¥ 3,619
.Assets					
Total assets	¥ 48,367	¥ 2,051	¥ 1,373	¥ -	¥ 51,791
Depreciation and amortization	¥ 1,463	¥ 89	¥ 37	¥ -	¥ 1,589
Amortization of goodwill	¥ 29	¥ -	¥ -	¥ -	¥ 29
Capital expenditure	¥ 3,177	¥ 252	¥ 20	¥ -	¥ 3,449

Year ended March 31, 2021

Thousands of U.S. dollars (Note 1)

	Semiconductor equipment	Fine plastic mold	Laser Processing machines	Elimination/ Unallocated Assets	Consolidated
.Sales and operating income					
Net sales to customers	\$ 239,689	\$ 16,323	\$ 12,320	\$ -	\$ 268,332
Inter-segment sales	-	-	-	-	-
	239,689	16,323	12,320	-	268,332
Cost of sales and Operating expenses	209,584	12,799	13,260	-	235,643
Operating income (loss)	\$ 30,105	\$ 3,524	\$ (940)	\$ -	\$ 32,689
.Assets					
Total assets	\$ 436,880	\$ 18,526	\$ 12,402	\$ -	\$ 467,808
Depreciation and amortization	\$ 13,215	\$ 804	\$ 334	\$ -	\$ 14,353
Amortization of goodwill	\$ 262	\$ -	\$ -	\$ -	\$ 262
Capital expenditure	\$ 28,697	\$ 2,276	\$ 181	\$ -	\$ 31,154

(2) Sales by region

Year ended March 31	Millions of Yen		Thousands of U.S. dollars (Note 1)
	2020	2021	2021
Japan	¥ 4,483	¥ 3,841	\$ 34,694
Overseas			
Asia	19,678	23,943	216,268
America	697	1,537	13,883
Other	397	386	3,487
Overseas total	20,772	25,866	233,638
Consolidated sales	¥ 25,255	¥ 29,707	\$ 268,332

Corporate Information

as of August 30, 2021

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
(consolidated) precision molds, manufacturing systems for
electronic components, precision-molded and
assembly products, medical-use equipment,
laser processing equipment, and precision
machining tools.
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: 549
(as of March 31, 2021) TOWA Group(consolidated): 1,633

URL: <https://www.towajapan.co.jp>

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

Board of Directors

President & CEO
Hirokazu Okada

Director
Hiroshi Uragami
Koichi Ishida
Nobutaka Shibahara

Director
Full-time Audit and Supervisory
Committee Member
Hisayoshi Kobayashi

External Director
Audit and Supervisory Committee
Member
Hajime Kuwaki
Daisuke Wake
Miho Goto

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