

## FY2017 Consolidated Financial Results

(April 1, 2017 through March 31, 2018)

May 10, 2018

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, Division Manager of Corporate Planning Div.  
 Telephone number: +81 75-692-0251  
 Scheduled date of annual shareholders' meeting: June 28, 2018  
 Scheduled dividend payment date: June 29, 2018  
 Scheduled filing date of financial statements: June 27, 2018  
 Presentation meeting on financial results: Yes (targeted at analysts)

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

### 1. Consolidated Financial Results for FY2017 (April 1, 2017 through March 31, 2018)

#### (1) Consolidated Financial Results

(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                                 | %     |
| FY2017 | 31,010      | 12.2 | 3,682            | -3.9 | 3,540           | -14.3 | 3,026                                       | -21.7 |
| FY2016 | 27,632      | 24.1 | 3,831            | 96.1 | 4,131           | 97.4  | 3,867                                       | 111.8 |

[Note] Comprehensive income: FY2017; 3,629 million yen (-16.7%)  
 FY2016; 4,357 million yen (266.7%)

|        | Net income per share | Diluted net income per share | Return on equity | Ordinary income to total assets | Operating income to net sales |
|--------|----------------------|------------------------------|------------------|---------------------------------|-------------------------------|
|        | Yen                  | Yen                          | %                | %                               | %                             |
| FY2017 | 121.02               | —                            | 11.5             | 9.3                             | 11.9                          |
| FY2016 | 154.64               | —                            | 17.1             | 12.2                            | 13.9                          |

[Reference] Equity in earnings of affiliates: FY2017; - million yen  
 FY2016; 2 million yen

#### (2) Consolidated Financial Position

|                      | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
|                      | Million yen  | Million yen | %            | Yen                  |
| As of March 31, 2018 | 40,453       | 27,905      | 69.0         | 1,115.78             |
| As of March 31, 2017 | 36,036       | 25,100      | 68.5         | 987.38               |

[Reference] Equity: March 31, 2018; 27,905 million yen  
 March 31, 2017; 24,694 million yen

(3) Consolidated Situation of Cash Flows

|        | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of FY |
|--------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|        | Million yen                          | Million yen                          | Million yen                          | Million yen                                |
| FY2017 | 2,923                                | -1,699                               | -843                                 | 6,146                                      |
| FY2016 | 2,054                                | -1,194                               | -1,020                               | 5,757                                      |

2. Cash Dividends

|           | Cash Dividends per share |             |             |          |        | Total dividend payment (annual) | Pay-out ratio (consolidated) | Dividend to net assets (consolidated) |
|-----------|--------------------------|-------------|-------------|----------|--------|---------------------------------|------------------------------|---------------------------------------|
|           | 1st Quarter              | 2nd Quarter | 3rd Quarter | Year-end | Annual |                                 |                              |                                       |
|           | Yen                      | Yen         | Yen         | Yen      | Yen    | Million yen                     | %                            | %                                     |
| FY2016    | —                        | 0.00        | —           | 16.00    | 16.00  | 400                             | 10.3                         | 1.8                                   |
| FY2017    | —                        | 0.00        | —           | 16.00    | 16.00  | 400                             | 13.2                         | 1.5                                   |
| FY2018(E) | —                        | 0.00        | —           | 16.00    | 16.00  |                                 | 13.8                         |                                       |

3. Forecast of Consolidated Financial Results for FY2018 (April 1, 2018 through March 31, 2019)

(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                  |
| Interim  | 16,700      | 7.0 | 2,000            | -19.7 | 2,000           | -19.1 | 1,450                                       | -12.5 | 57.98                |
| Year-end | 33,500      | 8.0 | 4,000            | 8.6   | 4,000           | 13.0  | 2,900                                       | 4.2   | 115.96               |

4. Other information

(1) Changes in significant subsidiaries during FY2017

(Changes in specified subsidiaries resulting in changes in scope of consolidation) : None

(2) Changes in accounting policies, accounting estimates and restatement

- 1) Changes in accounting policies along with changes in accounting standards: None
- 2) Other changes in accounting policies besides 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of shares outstanding (common shares)

- 1) Number of shares outstanding (including treasury shares) at the end of each fiscal year:  
FY2017 25,021,832 shares, FY2016 25,021,832 shares
- 2) Number of treasury shares at the end of each fiscal year:  
FY2017 12,266 shares, FY2016 11,698 shares
- 3) Average number of shares outstanding during each fiscal year:  
FY2017 25,009,817 shares, FY2016 25,010,404 shares

(Reference) Outline of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2017 (April 1, 2017 through March 31, 2018)

(1) Non-Consolidated Financial Results

(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  |       |
|--------|-------------|------|------------------|-------|-----------------|-------|-------------|-------|
|        | Million yen | %    | Million yen      | %     | Million yen     | %     | Million yen | %     |
| FY2017 | 28,475      | 11.3 | 1,869            | -17.0 | 1,741           | -27.0 | 2,082       | -27.3 |
| FY2016 | 25,591      | 23.6 | 2,253            | 112.6 | 2,383           | 122.8 | 2,862       | 64.9  |

|        | Net income per share | Diluted net income per share |
|--------|----------------------|------------------------------|
|        | Yen                  | Yen                          |
| FY2017 | 83.25                | —                            |
| FY2016 | 114.44               | —                            |

(2) Non-Consolidated Financial Position

|                      | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
|                      | Million yen  | Million yen | %            | Yen                  |
| As of March 31, 2018 | 34,681       | 23,168      | 66.8         | 926.38               |
| As of March 31, 2017 | 31,018       | 20,921      | 67.4         | 836.51               |

[Reference] Equity: March 31, 2018; 23,168 million yen  
March 31, 2017; 20,921 million yen

2. Forecast of Non-Consolidated Financial Results for FY2018 (April 1, 2018 through March 31, 2019)

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

|          | Net Sales   |     | Ordinary income |       | Net income  |       | Net income per share |
|----------|-------------|-----|-----------------|-------|-------------|-------|----------------------|
|          | Million Yen | %   | Million Yen     | %     | Million Yen | %     | Yen                  |
| Interim  | 15,200      | 6.1 | 1,000           | -27.2 | 700         | -36.5 | 27.99                |
| Year-end | 30,500      | 7.1 | 2,000           | 14.9  | 1,400       | -32.8 | 55.98                |

\* **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 actual results could differ from the forecasts for various reasons.