

## TOWA Announces Revised Earnings and Dividend Forecast for the Fiscal Year 2008

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TOWA CORPORATION announced today a revision of its financial and dividend forecast for the first half of the fiscal year (from April 1, 2008 to September 30, 2008) and the one for the complete fiscal year ending March 31, 2009 (from April 1, 2008 to March 31, 2009) from those issued on August 11, 2008.

### 1. Revision of Earnings Forecast

#### (1) Revision of Consolidated Forecast

[1] The first half of the fiscal year (from April 1, 2008 to September 30, 2008)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	9,200	- 500	- 500	- 500	- 19.98
Revised forecast (B)	8,500	- 1,100	- 1,150	- 1,250	- 49.97
Difference (B-A)	- 700	- 600	- 650	- 750	—
Percentage change (%)	- 7.6	—	—	—	—
First half of FY2007 (ended September 30, 2007)	11,460	803	824	885	35.41

[2] The complete fiscal year (from April 1, 2008 to March 31, 2009)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	22,000	1,200	1,200	1,200	47.96
Revised forecast (B)	18,500	- 1,000	- 1,150	- 1,250	- 49.97
Difference (B-A)	- 3,500	- 2,200	- 2,350	- 2,450	—
Percentage change (%)	- 15.9	—	—	—	—
FY2007 (ended March 31, 2008)	25,753	2,381	2,125	2,118	84.70

## (2) Revision of Non-Consolidated Forecast

[1] The first half of the fiscal year (from April 1, 2008 to September 30, 2008)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	8,700	- 500	- 500	- 500	- 19.98
Revised forecast (B)	8,200	- 1,150	- 1,250	- 1,300	- 51.97
Difference (B-A)	- 500	- 650	- 750	- 800	—
Percentage change (%)	- 5.7	—	—	—	—
First half of FY2007 (ended September 30, 2007)	10,615	684	550	539	21.58

[2] The complete fiscal year (from April 1, 2008 to March 31, 2009)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	21,000	1,000	1,000	1,000	39.97
Revised forecast (B)	17,500	- 1,050	- 1,250	- 1,300	- 51.97
Difference (B-A)	- 3,500	- 2,050	- 2,250	- 2,300	—
Percentage change (%)	- 16.7	—	—	—	—
FY2007 (ended March 31, 2008)	23,576	1,641	1,234	1,256	50.21

### (3) Reason for Revision

With increased fears of global economic slowdown due to the financial crisis, semiconductor manufacturers are also facing an increasingly severe situation including a worsened supply-demand situation and further drop in memory prices. Consequently capital investment has been decreased more than expected.

Under these circumstances, our group has been receiving requests for postponing delivery and cancellations from our users. Therefore we expect that our net sales and income for the first half of this fiscal year will fall short of the forecast in the last announcement.

We have already taken measures to reverse the results, such as capital investment to increase the production capacity for ultra-precision die, and release of new products. However, as this stagnation in the semiconductor industry is expected to continue for a while, we have revised the consolidated and non-consolidated forecasts announced last time for the fiscal year as well.

## 2. Revision of Dividend Forecast

### (1) Detail of the Revision

(In Yen)

Date of Record	Dividend per Share		
	End of the first half of the fiscal year	End of the fiscal year	Annual
Previous forecast	0.00	12.00	12.00
Revised forecast	0.00	0.00	0.00
FY 2007 (ended March 31, 2008)	0.00	10.00	10.00

### (2) Reason for the Revision of the Dividend Forecast

Due to the revision of earnings forecast this time, we are expecting a net loss of 1.3 billion yen in the non-consolidated forecast for the complete fiscal year. Therefore, we regret to announce that we have revised the forecast dividend for the fiscal year 2008 to nondividend.

\* The above statements and any others in this document that refer to plans and expectations for the first half of the fiscal year and the complete fiscal year involve a number of risks and uncertainties. Many factors could cause the Company's actual results to differ materially from current expectations.