

TOWA Announces Revised Forecast for the Fiscal Year 2010

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TOWA CORPORATION announced today a revision of its financial forecast for the fiscal year (from April 1, 2010 to March 31, 2011) from those issued on August 11, 2010.

1. Revision of Consolidated forecast for the fiscal year ended March 31, 2011
 (from April 1, 2010 to March 31, 2011)

(In millions of yen)

	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	2,900	2,850	2,800	111.94
Revised forecast (B)	22,500	3,600	3,500	3,400	135.93
Difference (B-A)	500	700	650	600	
Percentage change (%)	2.3	24.1	22.8	21.4	
FY2009 (ended March 31, 2010)	14,274	- 338	- 345	- 330	- 13.19

2. Revision of Non-Consolidated forecast for the fiscal year ended March 31, 2011
 (from April 1, 2010 to March 31, 2011)

(In millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	21,300	2,600	2,550	2,500	99.95
Revised forecast (B)	21,500	2,800	2,700	2,700	107.94
Difference (B-A)	200	200	150	200	
Percentage change (%)	0.9	7.7	5.9	8.0	
FY2009 (ended March 31, 2010)	13,481	- 572	- 451	- 371	- 14.87

3. Reason for Revision

Based on the extremely healthy state of the semiconductor market for the second quarter ending in March 2011, we have revised upward the earnings forecast for the second quarter as indicated in the "Notification of Revision to Earnings Forecast" announced on 28 October 2010.

On the other hand, due to inventory adjustments by some semiconductor manufacturers and the expected continuation of exchange rates disadvantageous to domestic exports, we believe that the better-than-expected results for the semiconductor market during the first half of the year are unlikely to continue into the second half.

However, strong demand in global markets for electronic devices such as mobile telephones, 3D televisions, and tablet computers is expected to continue to drive the semiconductor market. In addition, the market for LEDs, which have just begun to be used widely in lighting fixtures, is expected to continue expanding steadily.

Therefore, Towa does not expect serious stagnation in the semiconductor market during the second half of the year, and does not anticipate the need for extreme inventory adjustments. Rather, we expect business performance throughout the second half to proceed according to plan.

As a result, we will revise upward the earning forecast for the current fiscal year as indicated above, based on the scope of better-than-expected results from the first half of the year.