

TOWA Announces Difference between Forecast for the First Half of FY2016 and the Results

Company Name: TOWA CORPORATION
 Stock Listings: Tokyo Stock Exchange
 Code Number: 6315
 URL: <http://www.towajapan.co.jp>
 Representative: Hirokazu Okada, President and CEO
 Inquiries: Kiyoshige Gamo, Executive Officer
 Division Manager of Corporate Planning Div.
 Telephone Number: (+81)75-692-0251

TOWA CORPORATION hereby announce the difference between the forecast for the first half of FY2016 announced on May 10, 2016 (hereinafter referred to as "Forecast") and the results announced today.

1. Difference between Forecast and the results
 (From April 1, 2016 to September 30, 2016)

(1) Consolidated

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Forecast (A)	11,700	1,020	1,020	920	36.78
Results (B)	14,154	1,968	2,042	1,608	64.33
Difference (B – A)	2,454	948	1,022	688	
Percentage change (%)	21.0	93.0	100.3	74.9	
(FYI) Results of the first half of FY2015	11,678	1,270	1,326	1,285	51.40

(2) Non-Consolidated

	Net sales	Ordinary income	Net income	Net income per share
	Million Yen	Million Yen	Million Yen	Yen
Forecast (A)	10,300	420	280	11.20
Results (B)	13,233	954	1,111	44.46
Difference (B – A)	2,933	534	831	
Percentage change (%)	28.5	127.3	297.1	
(FYI) Results of the first half of FY2015	11,066	871	1,547	61.88

(Note) The Company has changed its accounting policies from the first-quarter consolidated account period of FY2016 (change of revenue recognition standard). The figures indicated above as the results of the first half of FY2015 are after retroactive application of the change.

2. Reasons of the difference

The consolidated results of the first half of FY2016 has exceeded the Forecast in sales and income mainly by the following reasons:

Semiconductor companies in China have actively invested in facilities supported by abundant funds from Chinese government. Thus, we could make big progress in sales in China; and Our original Compression-System machine has adopted as the most suitable machine for the manufacture of finger print recognition sensors, which rapidly expanding lately. Thus, we could acquire constant purchase orders from OSAT (Outsource Assembly and Test) companies in Korea and Taiwan.

Taking our results in the first half of 2016 and future outlook into consideration, we do not change the forecast of consolidated results of FY2016 from what we announced in “FY2015 Consolidated Financial Results (April 1, 2015 through March 31, 2016)” on May 10, 2016. In case it becomes necessary to change the forecast in future, we will soon make announcements.