

Financial Results for the Fiscal Year Ended in March 2007

May 16, 2007

Company Name: TOWA CORPORATION
 Stock Listings: First Section of Tokyo Stock Exchange
 First Section of Osaka Securities Exchange
 Code Number: 6315
 URL: <http://www.towajapan.co.jp>
 Representative: Yoichi Kawahara, President and COO
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 Date of general shareholders' meeting: June 28, 2007
 Payment date of cash dividends: June 29, 2007
 Filling date of financial statements: June 29, 2007

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the FY 2006 (April 1, 2006 through March 31, 2007)

(1) Consolidated Financial Results (%of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2006	25,159	28.1	1,224	-	1,289	-	1,038	-
FY2005	19,641	-18.5	-3,012	-	-2,778	-	-5,923	-

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Yen	Yen	%	%	%
FY2006	41.59	-	7.4	3.6	4.9
FY2005	-275.58	-	-40.8	-7.4	-15.3

Reference: Equity in earnings of affiliates: 256 million yen (For FY2006), 226 million yen (For FY2005)

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY2006	34,925	14,941	42.8	597.27
FY2005	36,602	13,003	35.5	541.43

Reference: Equity at the end of FY2006: 14,941 million yen, Equity at the end of FY2005: 13,003 million yen

(3) Consolidated Situation of a Cash Flow

	Cash flow from sales activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2006	1,894	252	-2,203	3,542
FY2005	-166	-1,548	2,232	3,588

2. Cash Dividends

	Cash dividends per share			Total amount of cash dividends (annual)	Dividends payout ratio (Consolidated)	Ratio of total amount of dividends to shareholders' equity (consolidated)
	Interim	Year-end	Annual			
	Yen	Yen	Yen	Million yen	%	%
FY2005	0.00	0.00	0.00	-	-	-
FY2006	0.00	5.00	5.00	125	12.0	0.9
FY2007(E)	0.00	10.00	10.00	-	16.7	-

3. Forecast of Consolidated Results for FY2007 (April 1, 2007 through March 31, 2008)

(% of change from previous year)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Interim	12,000	-2.8	700	25.1	600	13.5	500	25.0	19.98
Year-end	26,000	3.3	1,900	55.2	1,700	31.8	1,500	44.4	59.96

4. Others

(1) Changes in significant subsidiaries during FY2006

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

(2) Changes in Accounting Principles, Procedures and the Presentation of the Consolidated Financial Statements

Changes based on revisions of accounting standard: Yes

Changes other than above: No

(3) Number of shares issued and outstanding (common stock)

Number of shares issued and outstanding at the end of each fiscal year (including treasury shares):

FY2006 25,021,832 shares, FY2005 24,021,832 shares

Number of treasury shares at the end of each fiscal year:

FY2006 6,418 shares, FY2005 5,576 shares

(Preference) Outline of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the FY 2006 (April 1, 2006 through March 31, 2007)

(1) Non-Consolidated Financial Results

(%of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2006	20,444	25.6	1,644	-	1,689	-	573	-
FY2005	16,277	-5.6	-1,456	-	-1,363	-	-5,846	-

	Net income per share	Diluted net income per share
	Yen	Yen
FY2006	22.98	-
FY2005	-272.04	-

(2) Non-Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY2006	32,308	13,250	41.0	529.71
FY2005	31,982	12,017	37.6	500.38

Reference: Equity at the end of FY2006: 13,250 million yen, Equity at the end of FY2005: 12,017 million yen

2. Forecast of Non-Consolidated Results for FY2007 (April 1, 2007 through March 31, 2008)

(% of change from previous year)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Interim	11,500	12.9	600	-39.7	500	-52.8	450	27.8	17.99
Year-end	25,000	22.3	1,700	3.4	1,500	-11.2	1,400	143.9	55.97