

FY2015 Consolidated Financial Results

(April 1, 2015 through March 31, 2016)

May 10, 2016

Company Name: TOWA CORPORATION
 Stock Listings: First Section of 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: (075)692-0251
 Date of general shareholders' meeting: June 29, 2016
 Payment date of cash dividends: June 30, 2016
 Filing date of financial statements: June 28, 2016
 Financial Results Supplemental Materials: Yes
 Financial Results Presentation Meeting: Yes

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the FY 2015 (April 1, 2015 through March 31, 2016)

(1) Consolidated Financial Results

(%of change from previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2015	22,186	4.9	1,940	-1.9	2,057	-10.4	1,790	-7.4
FY2014	21,150	—	1,979	—	2,296	—	1,934	—

Note: Comprehensive income: 1,152 million yen(-62.2%) (For FY2015), 3,046 million yen(— %) (For FY2014)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Yen	Yen	%	%	%
FY2015	71.60	—	8.5	6.4	8.7
FY2014	77.35	—	10.1	7.5	9.4

Reference: Equity in earnings of affiliates: 38 million yen (For FY2015), 26 million yen (For FY2014)

Note: Year-on-year increases/decreases for the fiscal year ended March 31, 2015, are not stated as changes in accounting policies have been applied retroactively.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY2015	32,327	21,947	66.8	862.84
FY2014	31,735	21,060	65.4	829.32

Reference: Equity at the end of FY2015: 21,580 million yen, Equity at the end of FY2014: 20,741 million yen

Note: The Company has changed its accounting policies from this consolidated fiscal year.

To conform to this change, figures for the fiscal year ended March 31, 2015 have been applied retroactively.

(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 the end of period
	Million yen	Million yen	Million yen	Million yen
FY2015	3,254	-1,806	-868	6,027
FY2014	2,590	-1,430	-1,170	5,617

Note: The Company has changed its accounting policies from this consolidated fiscal year.

To conform to this change, figures for the fiscal year ended March 31, 2015 have been applied retroactively.

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)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2014	—	0.00	—	10.00	10.00	250	12.9	1.3
FY2015	—	0.00	—	10.00	10.00	250	14.0	1.2
FY2016(E)	—	0.00	—	10.00	10.00		13.2	

Note: The Company has changed its accounting policies from this consolidated fiscal year.

To conform to this change, dividends payout ratio (consolidated) and ratio of total amount of dividends to shareholders' equity (consolidated) for the fiscal year ended March 31, 2015 have been applied retroactively.

3. Forecast of Consolidated Results for FY2016 (April 1, 2016 through March 31, 2017)

(% 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	11,700	5.2	1,020	-11.5	1,020	-15.4	920	-21.2	36.78
Year-end	23,500	5.9	2,100	8.2	2,100	2.1	1,900	6.1	75.97

4. Others

(1) Changes in significant subsidiaries during FY2015

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

(2) Changes in Accounting Policies, Accounting estimation and Restatement

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

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

- ① Number of shares issued and outstanding at the end of each fiscal year (including treasury shares):
FY2015 25,021,832 shares, FY2014 25,021,832 shares
- ② Number of treasury shares at the end of each fiscal year:
FY2015 11,253 shares, FY2014 11,059 shares
- ③ Average number of outstanding stock for each fiscal year:
FY2015 25,010,659 shares, FY2014 25,011,015 shares

(Preference) Outline of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the FY 2015 (April 1, 2015 through March 31, 2016)

(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	%
FY2015	20,617	3.0	1,004	-33.7	992	-46.7	1,658	-4.3
FY2014	20,012	23.2	1,515	539.3	1,861	382.2	1,734	339.9

	Net income per share	Diluted net income per share
	Yen	Yen
FY2015	66.32	—
FY2014	69.33	—

(2) Non-Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY2015	28,320	18,580	65.6	742.93
FY2014	27,550	17,256	62.6	689.97

Reference: Equity at the end of FY2015: 18,580 million yen, Equity at the end of FY2014: 17,256 million yen

2. Forecast of Non-Consolidated Results for FY2016 (April 1, 2016 through March 31, 2017)

(% of change from previous year)

	Net Sales		Ordinary income		Net income		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Interim	10,300	-2.0	420	-45.1	280	-80.6	11.20
Year-end	21,000	1.9	1,000	0.7	660	-60.2	26.39

*** Implementation status of audit procedures**

This consolidated financial results report is not subject to audit procedures by independent auditors under Japan's Financial Instruments and Exchange Law. At the time of release of this report, audit procedures under the Financial Instruments and Exchange Law have not been completed.

*** 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 the currently available information and actual results could differ from the forecast for various reasons.