

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 May 13, 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)	20,000	1,000	900	800	31.98
Revised forecast (B)	22,000	2,900	2,850	2,800	111.94
Difference (B-A)	2,000	1,900	1,950	2,000	
Percentage change (%)	10.0	190.0	216.7	250.0	
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)	19,000	700	600	500	19.99
Revised forecast (B)	21,300	2,600	2,550	2,500	99.95
Difference (B-A)	2,300	1,900	1,950	2,000	
Percentage change (%)	12.1	271.4	325.0	400.0	
FY2009 (ended March 31, 2010)	13,481	- 572	- 451	- 371	- 14.87

3. Reason for Revision

As TOWA announced on July 29, 2010, we have revised our performance forecast of the second quarter due to the consolidated net sales of the first quarter of this fiscal year (ending in March 2011) remaining at a level above that originally forecast, as well as the growing pace of orders placed and strengthening business conditions. Although we believe that continued steady growth will be maintained in the semiconductor market as it is pulled along by factors such as the increases in demand for electronic devices in emerging nations, it is predicted that semiconductor demand in the second half of the year will be temporarily subjected to adjustments such that it is possible that capital investments for all semiconductor manufacturers will be subjected to a relative slowdown in comparison with the first half of the year. Accordingly, predicted consolidated net sales for TOWA during the second half of the year is set at 10 billion yen as originally planned and 22 billion yen for the entire fiscal year. Additionally, our earnings have been maintained at a level greatly exceeding our original planning due to factors such as consolidated net sales surpassing our original projections, cost reductions for products subject to ongoing measures, and the establishment of efficient production systems. Although foreign exchange variations and other unstable factors are still present, given the current market environment, we do not envision conditions arising that would result in large-scale profit ratio fluctuations. Accordingly, we are predicting the following earnings forecast for the entire fiscal year: operating income of 2.9 billion yen, up 1.9 billion from original forecast; ordinary income of 2.85 billion yen, up 1.95 billion; and net income of 2.8 billion yen, up 2 billion.

4. Revision of Dividends for the fiscal year ended March 31, 2011

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Previous forecast (As of May 13,2010)	—	0.00	—	—	—
Revised forecast	—	0.00	—	10.00	10.00
FY2010	—	—	—		
FY2009 (ended March 31, 2010)	—	0.00	—	0.00	0.00

5. Reason for Revision

As announced on May 13, 2010, the payment of end-of-year dividends for the fiscal year ending in March 2011 had not yet been determined as it was necessary for recovery in the semiconductor market to be completely ensured. However, as mentioned above, end-of-year dividends will be paid due to the business performance for the first quarter of this fiscal year (ending in March 2011) having exceeded the predicted level of performance, and, notwithstanding that the semiconductor market is undergoing temporary corrections during this term, because we believe that there are, in general, clear trends towards a steady recovery.