

TOWA Announces Revised Forecast for the Fiscal Year 2014

Company Name: TOWA CORPORATION
 Representative: Hirokazu Okada, President and CEO
 Code Number: 6315
 Inquiries: Kiyoshige Gamo, Executive Officer
 Division Manager of Corporate Planning Div.
 Telephone Number: (+81)75-692-0251

TOWA CORPORATION announced today a revision of its financial forecast for the fiscal year from those issued on August 8, 2014.

1. Revision of Consolidated forecast for the first half of the fiscal year (from April 1, 2014 to September 30, 2014)

(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)	10,900	1,200	1,100	1,100	43.98
Revised forecast (B)	10,913	1,144	1,468	1,088	43.53
Difference (B-A)	13	-56	368	-12	
Percentage change (%)	0.1	-4.7	33.5	-1.1	
First half of FY2013 (ended September 30, 2013)	8,328	67	100	52	2.10

2. Revision of Consolidated forecast for the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(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)	18,900	1,350	1,200	1,150	45.98
Revised forecast (B)	21,000	2,000	2,300	1,800	71.97
Difference (B-A)	2,100	650	1,100	650	
Percentage change (%)	11.1	48.1	91.7	56.5	
FY2013 (ended March 31, 2014)	17,165	457	666	568	22.72

3. Revision of Non-Consolidated forecast for the first half of the fiscal year (from April 1, 2014 to September 30, 2014)

(In millions of yen)

	Net Sales	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	10,400	900	900	35.98
Revised forecast (B)	10,385	1,182	940	37.61
Difference (B-A)	-15	282	40	
Percentage change (%)	-0.1	31.3	4.4	
First half of FY2013 (ended September 30, 2013)	7,889	-23	-0	-0.04

4. Revision of Non-Consolidated forecast for the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(In millions of yen)

	Net Sales	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	18,200	930	920	36.78
Revised forecast (B)	20,000	1,900	1,600	63.97
Difference (B-A)	1,800	970	680	
Percentage change (%)	9.9	104.3	73.9	
FY2013 (ended March 31, 2014)	16,239	386	394	15.76

5. Reason for Revision

In addition to the active capital investment of the OSAT companies, we were able to leave the result of the ordinary profit exceeding our initial plan during the second period of the connection total period by the improvement of the profitability by the appropriate site production depending on the change of the exchange rate or adding up of the foreign exchange gain by the reappraisal of assets (For details, please refer to “ Notice of Recording the Non-Operating Profit (Foreign Exchange Gain)” announced today).

In addition, as described in “ Notice of recording the extraordinary loss relating to presentation of “ Founder Merit Bonus” ” dated September 26, 2014, we recorded 300 million yen corresponding to the “ Founder Merit Bonus” as the extraordinary loss in the account settlement for the second quarter of the connected total period, but as for the net income of the second quarter, it became the one described above.

It is thought that, in semiconductor market of the second half of this year, quantity demand of semiconductor devices will increase more supported by brisk sales of new smartphones and by market penetration of mobile terminals including low-end smartphones, and it seems that the situation of active demand will continue for the moment.

Therefore it is expected that the capital investment of semiconductor manufacturers and the OSAT companies will remain strong for the moment, and we have decided to revise the full-year earnings forecast as above.