

TOWA Announces Revised Forecast for the Fiscal Year 2009

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TOWA CORPORATION announced today a revision of its financial forecast for the first half of the fiscal year (from April 1, 2009 to September 30, 2009) from those issued on May 14, 2009.

1. Revision of Consolidated forecast for the first half of the fiscal year (from April 1, 2009 to September 30, 2009)

(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)	4,800	- 500	- 500	- 500	- 19.99
Revised forecast (B)	5,800	- 800	- 950	- 950	- 37.98
Difference (B-A)	1,000	- 300	- 450	- 450	—
Percentage change (%)	20.8	—	—	—	—
First half of FY2008 (ended September 30, 2008)	8,527	- 1,051	- 1,116	- 1,238	- 49.49

2. Revision of Non-Consolidated forecast for the first half of the fiscal year (from April 1, 2009 to September 30, 2009)

(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)	4,800	- 400	- 400	- 400	- 15.99
Revised forecast (B)	5,600	- 900	- 850	- 750	- 29.98
Difference (B-A)	800	- 500	- 450	- 350	—
Percentage change (%)	16.2	—	—	—	—
First half of FY2008 (ended September 30, 2008)	8,186	- 1,154	- 1,239	- 1,276	- 51.02

3. Reason for Revision

In the semiconductor industry, in spite of improved operating rates at assembly houses and semiconductor plants, immediate market prospects remain opaque and makers continue to be wary about making plant investment.

In these circumstances, our new semiconductor resin sealed device – the PMC, and our LED resin sealed device – the LCM, which we launched onto the market in the previous term, are doing well with sales expected to exceed original expectations.

However, due to competition for orders from dwindling plant investment projects and measures to protect existing customers by rival companies, profits in some projects have deteriorated badly and revenues are likely to fall below original forecasts.

For these reasons, the previously announced forecast for the first half of the fiscal year (from April 1, 2009 to September 30, 2009) has been revised in the manner shown above. As for forecast for the complete fiscal year, this will be reviewed when the closing of accounts for the second quarter of FY2009 is announced (scheduled for November 13).

(Note) Caution points concerning statements about future events

Statements contained herein about future business prospects, etc. are based on information that has been obtained by the Group and certain assumptions that are deemed to be rational, however, actual business performance may be subject to major fluctuations depending on various factors.