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Toyo Denki Revises Earnings Forecast for Fiscal 2015

Tokyo, Japan, April 5, 2016 — Toyo Denki Seizo K.K. (hereinafter Toyo Denki) announced today revisions to its consolidated earnings forecast for the fiscal year ending May 31, 2016 (fiscal 2015) that was previously announced on July 10, 2015 in the Summary of Consolidated Business Results for Fiscal 2014.

1. Revisions to Full-Year Earnings Forecast

(1) Revised Consolidated Earnings Forecast for Fiscal Year Ending May 31, 2016

(In millions of yen, except where noted)

| | Net Sales | Operating Income | Ordinary Income | Net Income Attributable to Owners of the Parent | Net Income per Share (Yen) |
|---|-----------|------------------|-----------------|---|----------------------------|
| Previous forecast (A) | 44,000 | 2,100 | 2,200 | 1,400 | 29.05 |
| Revised forecast (B) | 41,000 | 1,700 | 1,600 | 1,000 | 20.75 |
| Change (B-A) | -3,000 | -400 | -600 | -400 | |
| Percent change | -6.8 | -19.0 | -27.3 | -28.5 | |
| (Reference) Previous fiscal year ended May 31, 2015 | 39,617 | 1,596 | 2,056 | 1,105 | 22.94 |

2. Reasons for Revision

Earnings for fiscal 2015 were generally on course through the cumulative first two quarters. However, starting in the third quarter, in the Transportation Systems segment, it was confirmed that some orders for international projects outside of Japan would be delayed until fiscal 2016, and that design costs were expected to be incurred due to an increase in new projects won. Additionally, in the Industrial Systems segment, there were signs that conditions for new orders were weakening as corporations shifted their stance on capital investment. Accordingly, the Company has revised its full-year earnings forecast that was previously announced on July 10, 2015, revising the forecast for net sales to ¥41.0 billion and operating income to ¥1.7 billion. The forecast for ordinary income has been revised to ¥1.6 billion, due to the certainty of incurring currency exchange losses with the sharp decline of the US dollar and sharp rise in the value of the yen. The forecast for net income attributable to owners of the parent has been revised to ¥1.0 billion.