

Financial Results Briefing

Fiscal 2009 (Ended May 2010)

July 13, 2010

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- Briefing on Financial Results:
About 25 minutes
 1. Overview of Financial Results for Fiscal 2009
 2. Outlook for Financial Results for Fiscal 2010
 3. Outlook for Individual Business Segments
 4. Other Topics
- Q&A: 30 minutes

1. Overview of Financial Results for Fiscal 2009

Overall:

Increase in revenues, substantial decrease in earnings

- Net sales YoY +6.6 % (+ ¥2,202 million)
- Operating income YoY -30.2 % (- ¥421 million)

Transportation Systems:

Significant increase in revenues, increase in earnings

- Net sales YoY +24.0 % (+ ¥4,583 million)
- Operating income YoY +16.9 % (+ ¥254 million)

Industrial Systems:

Large drop in revenues, loss incurred

- Net sales YoY -27.5 % (- ¥3,404 million)
- Operating income YoY — (- ¥763 million)

1-2. Overview of Consolidated Financial Results

(Millions of yen)

	Fiscal 2008	Fiscal 2009	YoY change
Orders received	36,464	37,954	+1,490
Net sales	33,226	35,429	+2,203
Operating income	1,396	975	-421
%	4.2%	2.8%	
Ordinary income	1,267	982	-285
%	3.8%	2.8%	
Net income	103	512	+ 409
%	0.3%	1.4%	
Net income per share (yen)	2.32	11.63	

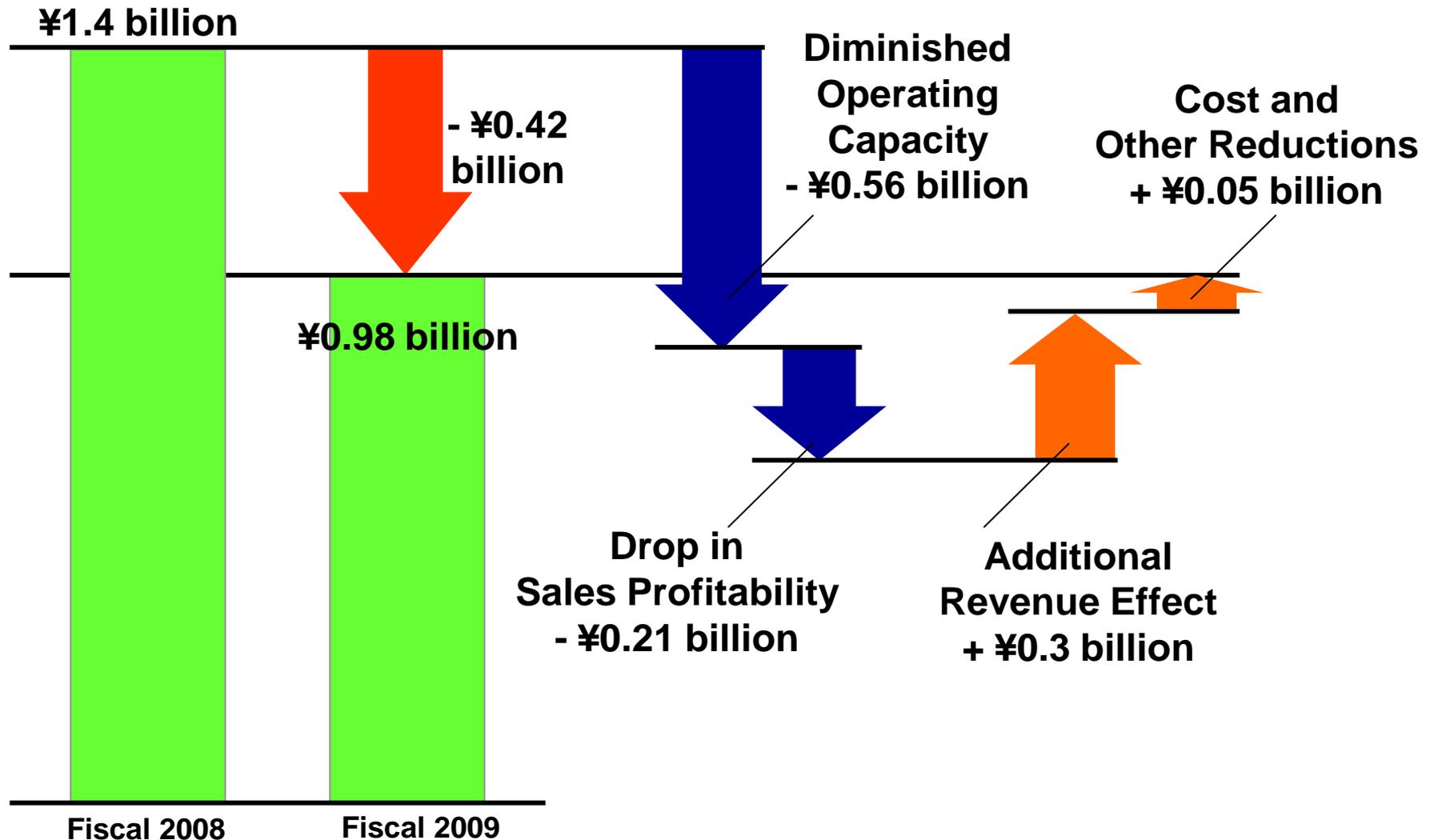
Fiscal 2009 Forecasts	Difference
40,000	-2,046
35,000	+429
1,300	-325
3.7%	
1,200	-218
600	-88

1-3. Overview of Business Segment Results

(Millions of yen)

		Transportation Systems	Industrial Systems	Information Systems	Total
Orders received	Fiscal 2008	24,353	10,036	2,073	36,464
	Fiscal 2009	26,644	9,172	2,137	37,994
	YoY change	2,292	-864	65	+1,491
Net sales	Fiscal 2008	19,122	12,399	1,704	33,226
	Fiscal 2009	23,706	8,995	2,727	35,429
	YoY change	4,584	-3,404	1,023	+2,203
Operating income	Fiscal 2008	1,501	10	-115	1,396
	Fiscal 2009	1,755	-753	-27	975
	YoY change	254	-763	88	-421

1-4. Factors Contributing to Changes in Operating Income



1-5. Consolidated Financial Position

(Millions of yen)

	May 31, 2009	May 31, 2010	YoY change	Notes
Total assets	32,780	34,385	+1,605	
Current assets	20,205	20,697	+492	
Fixed assets	12,575	13,683	+1,108	Engineering Center, etc.
Total liabilities	20,316	21,799	+1,483	
Of which, interest- bearing debt	6,361	7,175	+814	
Net assets	12,464	12,585	+121	
Equity ratio	38.0%	36.7%		
Net assets per share (yen)	282.40			

1-6. Dividends

- (1) Toyo Denki's fundamental policy calls for a stable dividend
- (2) In addition to strategic allocation to research and development, capital expenditure, and overseas expansion with the objectives of future business expansion and strengthening of the management base, internal reserves are used to strengthen the company's financial position

(Yen)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Annual dividend per share	6.00	6.00	6.00	6.00	6.00

(Forecast)

2. Outlook for Financial Results for Fiscal 2010

2-1. Key Fiscal 2010 Forecast Points

Overall:

Increase in revenues and earnings

- Net sales YoY approx. +¥600 million
- Operating income YoY approx. +¥600 million

Industrial Systems:

Substantial increase in revenues, return to profit

- Net sales YoY approx. +¥1,800 million
- Operating income YoY approx. +¥1,200 million

Transportation Systems:

Slight drop in revenues earnings

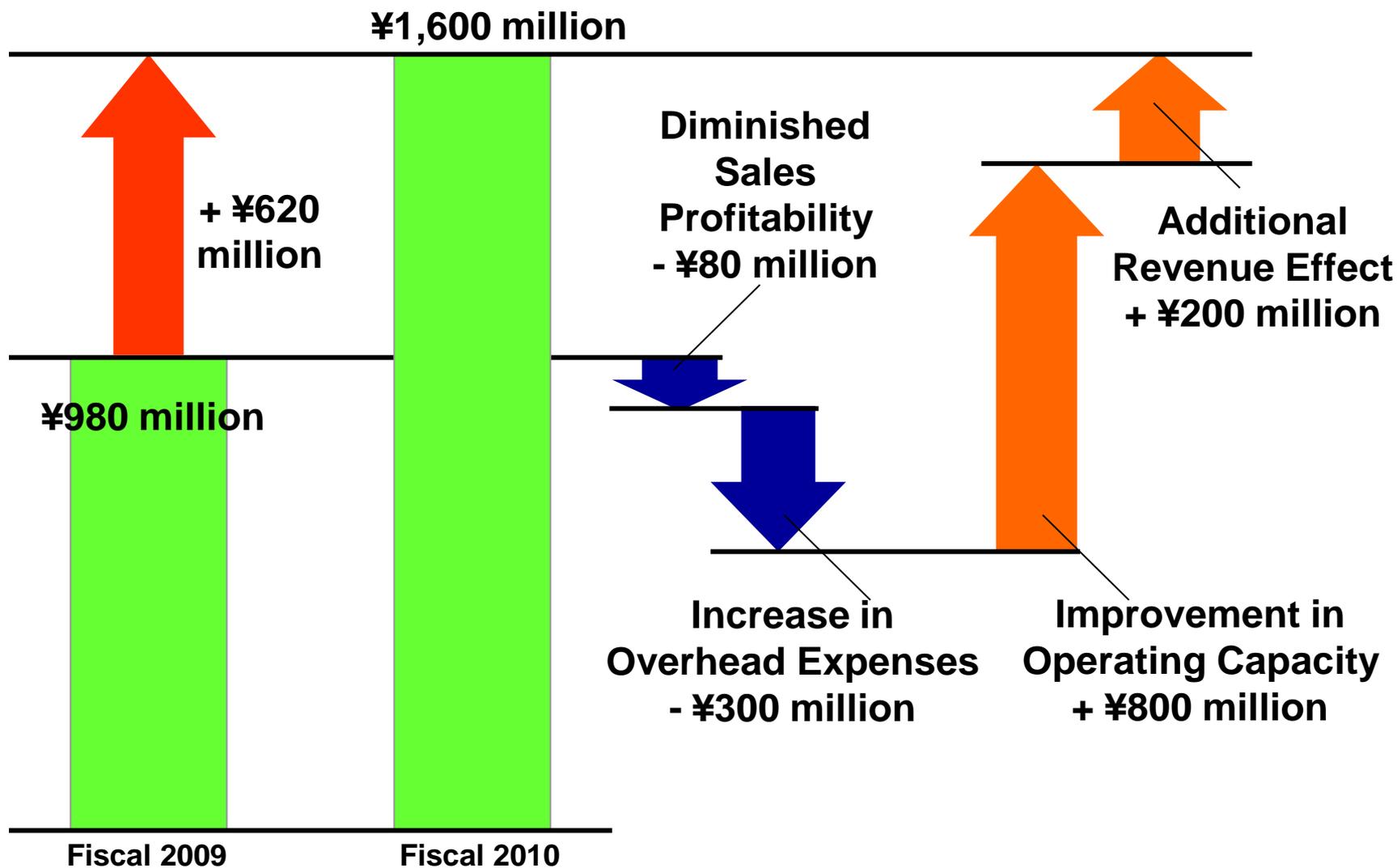
- Net sales YoY approx. -¥300 million
- Operating income YoY approx. -¥300 million

2-2. Outlook for Consolidated Financial Results for Fiscal 2010

(Millions of yen)

	Fiscal 2009	Fiscal 2010 (Forecast)	YoY change
Orders received	37,954	42,000	+4,046
Net sales	35,429	36,000	+571
Operating income	975	1,600	+625
%	2.8%	4.4%	
Ordinary income	982	1,500	+518
%	2.8%	4.2%	
Net income	512	800	+288
%	1.4%	2.2%	
Net income per share (yen)	11.63	18.17	

2-3. Factors Contributing to Forecast Changes in Operating Income



3. Outlook for Individual Business Segments

3-1. Order Environment by Business Segment

	Comments
Market overall	(1) Domestic economy to remain flat throughout fiscal 2010 (2) Continued strong infrastructure investment
Transportation Systems	(1) Domestic orders are expected to remain flat (2) Firm overseas demand for high-speed railway systems as well as urban transportation networks
Industrial Systems	(1) Recovery in capital investment mainly in the automobile industry (2) Increase in business inquiries targeting Southeast Asia and China
Information Systems	(1) Settled orders in IC-compatible equipment relating to railway station operations (2) Energy efficient remote control systems to drive market growth

3-2. Performance Forecasts by Business Segment

(Millions of yen)

		Transportation Systems	Industrial Systems	Information Systems	New Business	Total
Orders received	Fiscal 2009	26,644	9,172	2,137	(300) ¹	37,954
	Fiscal 2010	25,000	13,000	3,000	1,000	42,000
	YoY change	-1,646	3,828	863	1,000	4,046
Net sales	Fiscal 2009	23,706	8,995	2,727	(213) ¹	35,429
	Fiscal 2010	23,400	10,800	1,400	400	36,000
	YoY change	-306	1,805	-1,327	400	571
Operating income	Fiscal 2009	1,755	-753	-27	(-150) ¹	975
	Fiscal 2010	1,400	440	-100	-140	1,600
	YoY change	-355	1,193	-73	-140	625

¹Fiscal 2009 portion to be included in Industrial Systems

3-3. Transportation Systems

(1) Consolidated financial results for fiscal 2009

	Fiscal 2008	Fiscal 2009	YoY change
Orders received	24,353	26,644	+2,291
Net sales	19,122	23,706	+4,584
Operating income	1,501	1,755	+254
%	7.8%	7.5%	

(2) Forecast for consolidated financial results for fiscal 2010

(Millions of yen)

	Fiscal 2010 (Forecast)	YoY change
Orders received	25,000	-1,645
Net sales	23,400	-306
Operating income	1,400	-355
%	6.0%	

3-4. Industrial Systems

(1) Consolidated financial results for fiscal 2009

	Fiscal 2008	Fiscal 2009	YoY change
Orders received	10,036	9,172	-864
Net sales	12,399	8,995	-3,404
Operating income	10	-753	-763
%	0.1%	—	

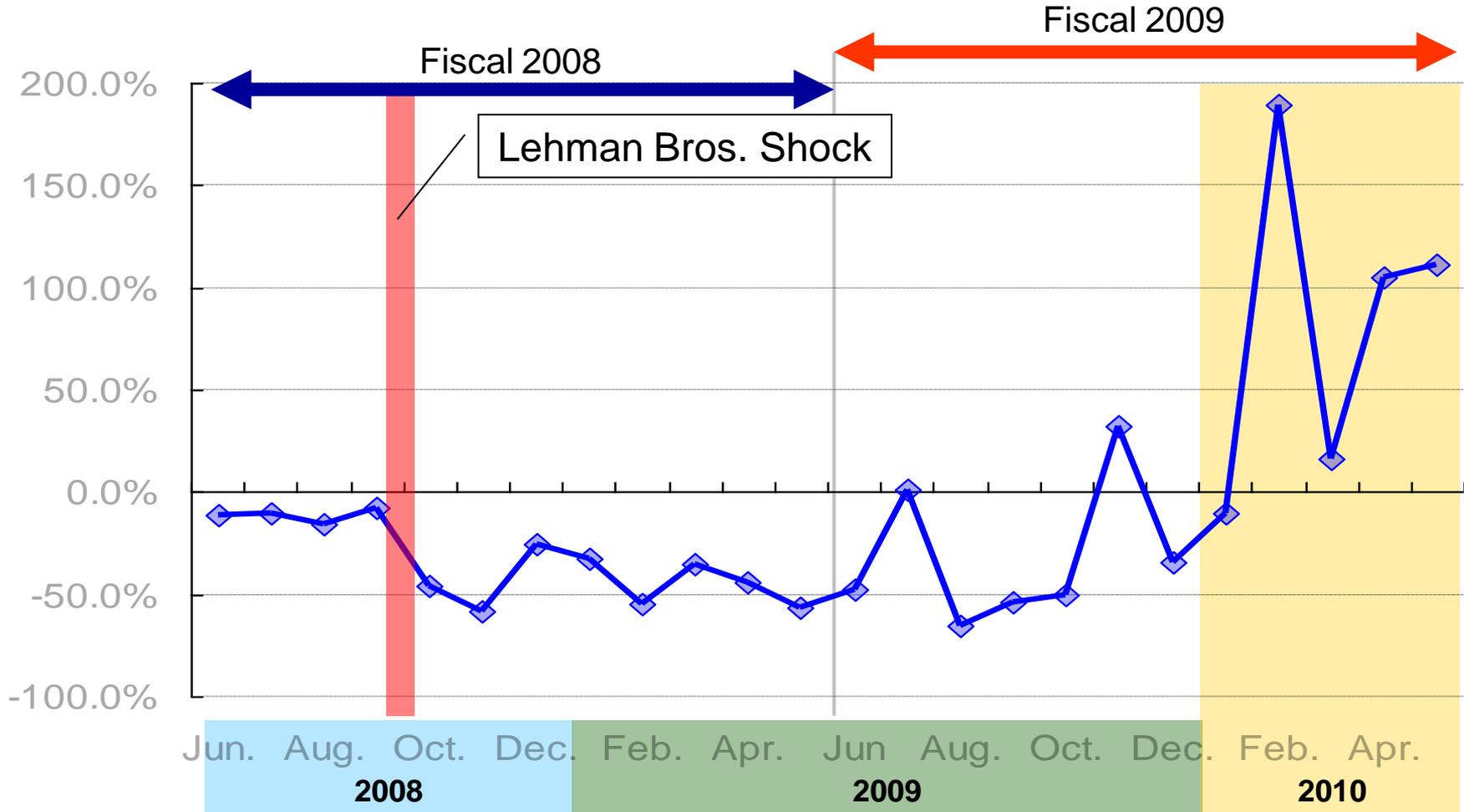
(2) Forecast for consolidated financial results for fiscal 2010

(Millions of yen)

	Fiscal 2010 (Forecast)	YoY change
Orders received	13,000	+3,828
Net sales	10,800	+1,805
Operating income	440	+1,193
%	4.1%	

3-5. Trends in Industrial Systems Orders

Year-on-Year Rates of Order Growth (%)



3-6. Information Systems

(1) Consolidated financial results for fiscal 2009

	Fiscal 2008	Fiscal 2009	YoY change
Orders received	2,073	2,138	+65
Net sales	1,704	2,727	+1,023
Operating income	-115	-27	+88
%	--	--	

(2) Forecast for consolidated financial results for fiscal 2010

(Millions of yen)

	Fiscal 2010 (Forecast)	YoY change
Orders received	3,000	+862
Net sales	1,400	-1,327
Operating income	-100	-73
%	--	

3-7. New Business

(1) Consolidated financial results for fiscal 2009

	Fiscal 2008	Fiscal 2009	YoY change
Orders received	300	300	--
Net sales	300	213	--
Operating income	-100	-150	--
%	--	--	

(2) Forecast for consolidated financial results for fiscal 2010

(Millions of yen)

	Fiscal 2010 (Forecast)	YoY change
Orders received	1,000	+700
Net sales	400	+187
Operating income	-140	+10
%	--	

4. Other Topics

4-1. Delivery of Electrical Equipment for the New Model Skyliner

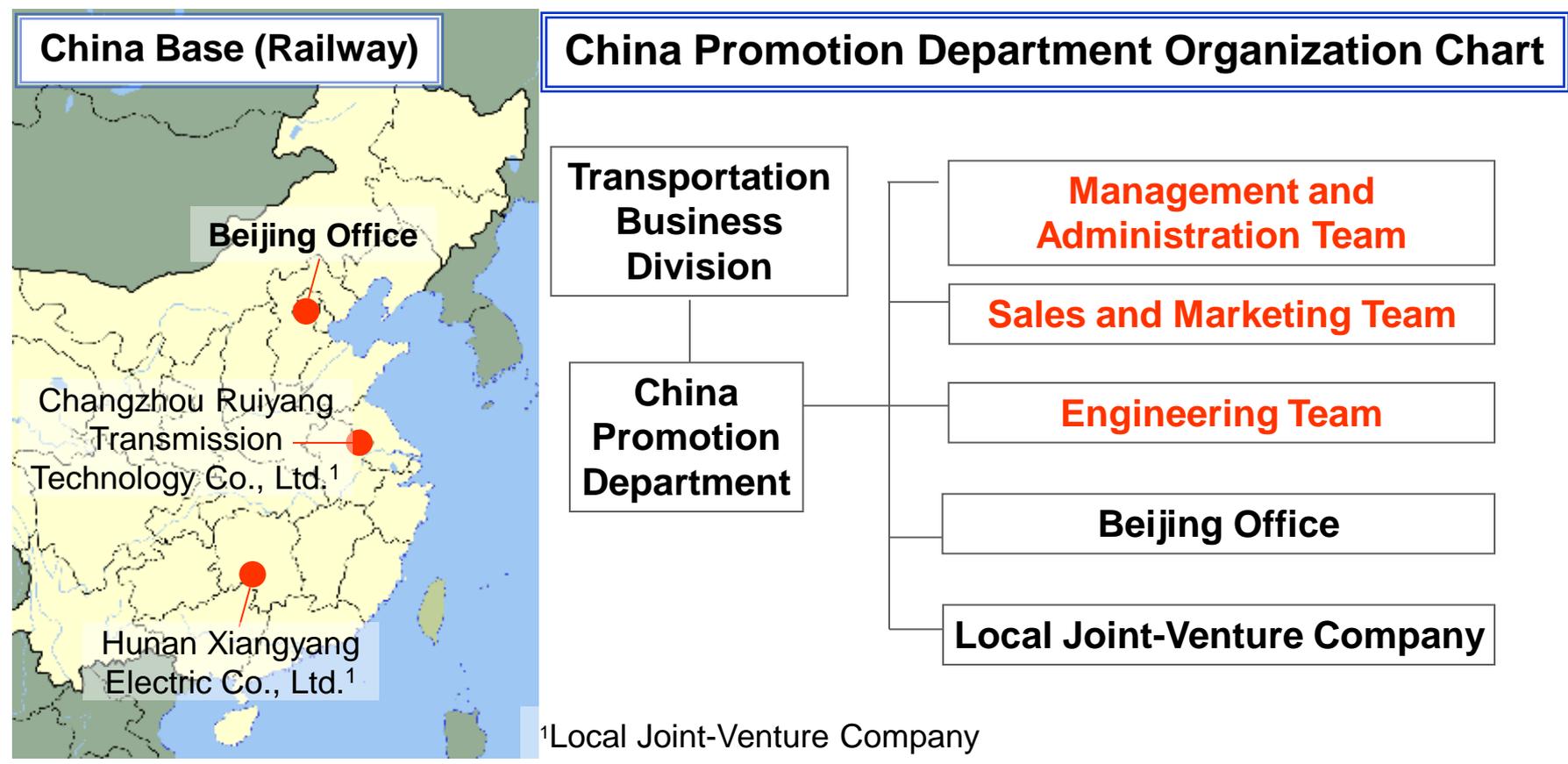
Delivery to Keisei Electric Railway Co., Ltd., of electrical equipment for the company's new Narita Sky Access (new Keisei Skyliner Express) (order for an eight-coach train (64 carriages))



訳注: 赤字は仮訳(固有名詞)です。

4-2. China Promotion Department Established in Transportation Business Division

China Promotion Department newly established on April 1, 2010 to address the growing demand for railway infrastructure in China



4-4. Order for Electrical Equipment for the Chengdu Metro Line 2

Chengdu Metro Route Map



- ◆ March 2010
Order for electrical equipment
for the Chengdu Metro Line 2

Orders received in 2007
for the Chengdu Metro
Line 1 scheduled to open
in October 2010;
Deliveries currently
in progress

Chengdu Metro Line 1

4-5. Future Overseas Business Development

1. Transportation Systems

- Urban transportation in China
- Urban transportation in the U.S.
- High-speed rail worldwide



Light Rail Transit (Dallas Area Rapid Transport)

2. Industrial Systems

- Set up the China Promotion Project



Inverters for sale in China (VF62CE, VF62C)

4-6. Engineering Center Completed

Construction of the Engineering Center completed in January 2010



Engineering Center



Wind power generator

Panoramic view of Yokohama Works

Thank you for your interest.

<http://www.toyodenki.co.jp>

Inquiries

PR, IR, and CSR Department, Planning Division

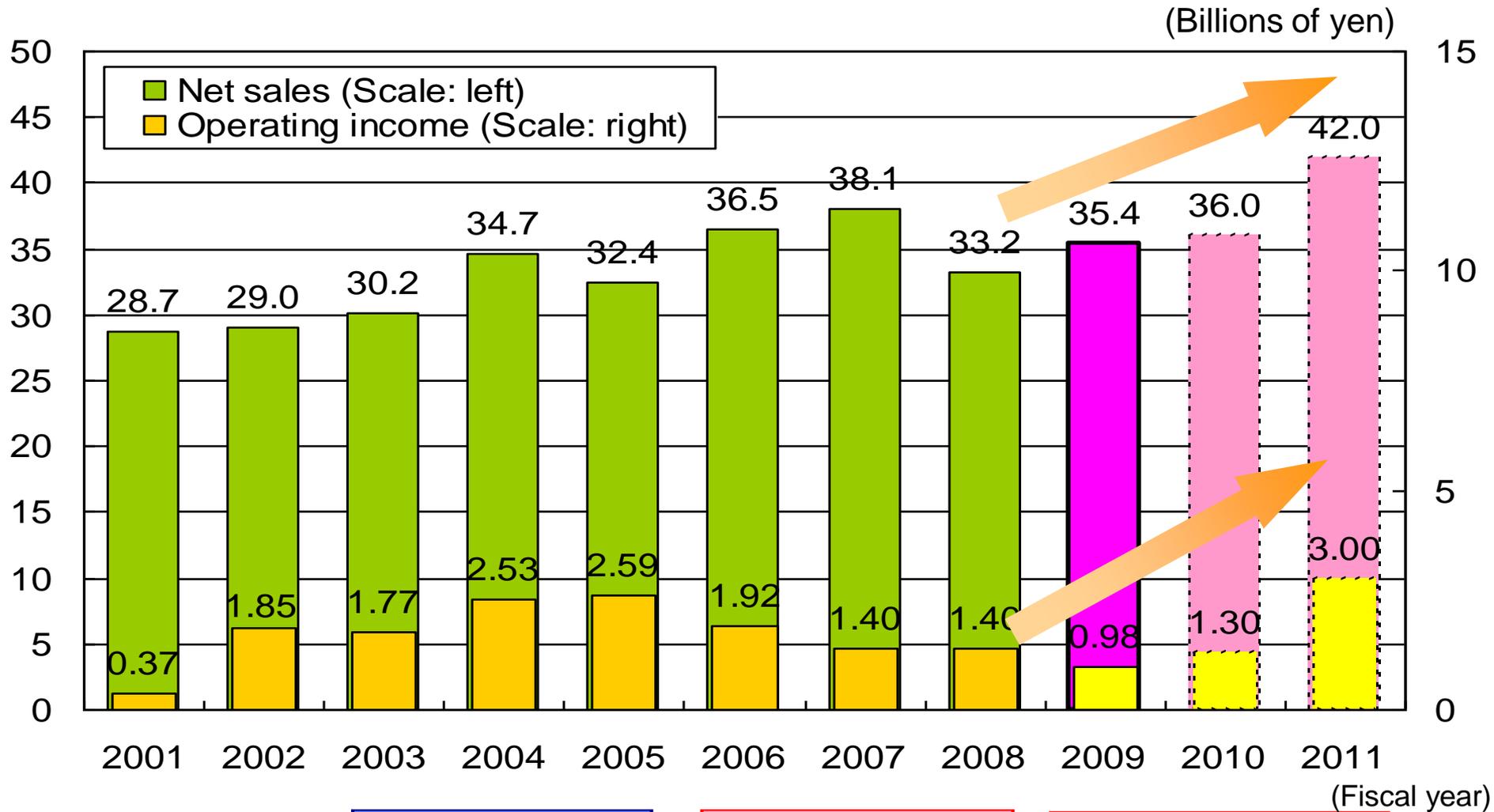
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Reference: Changes in Consolidated Net Sales and Operating Income, and Forecast



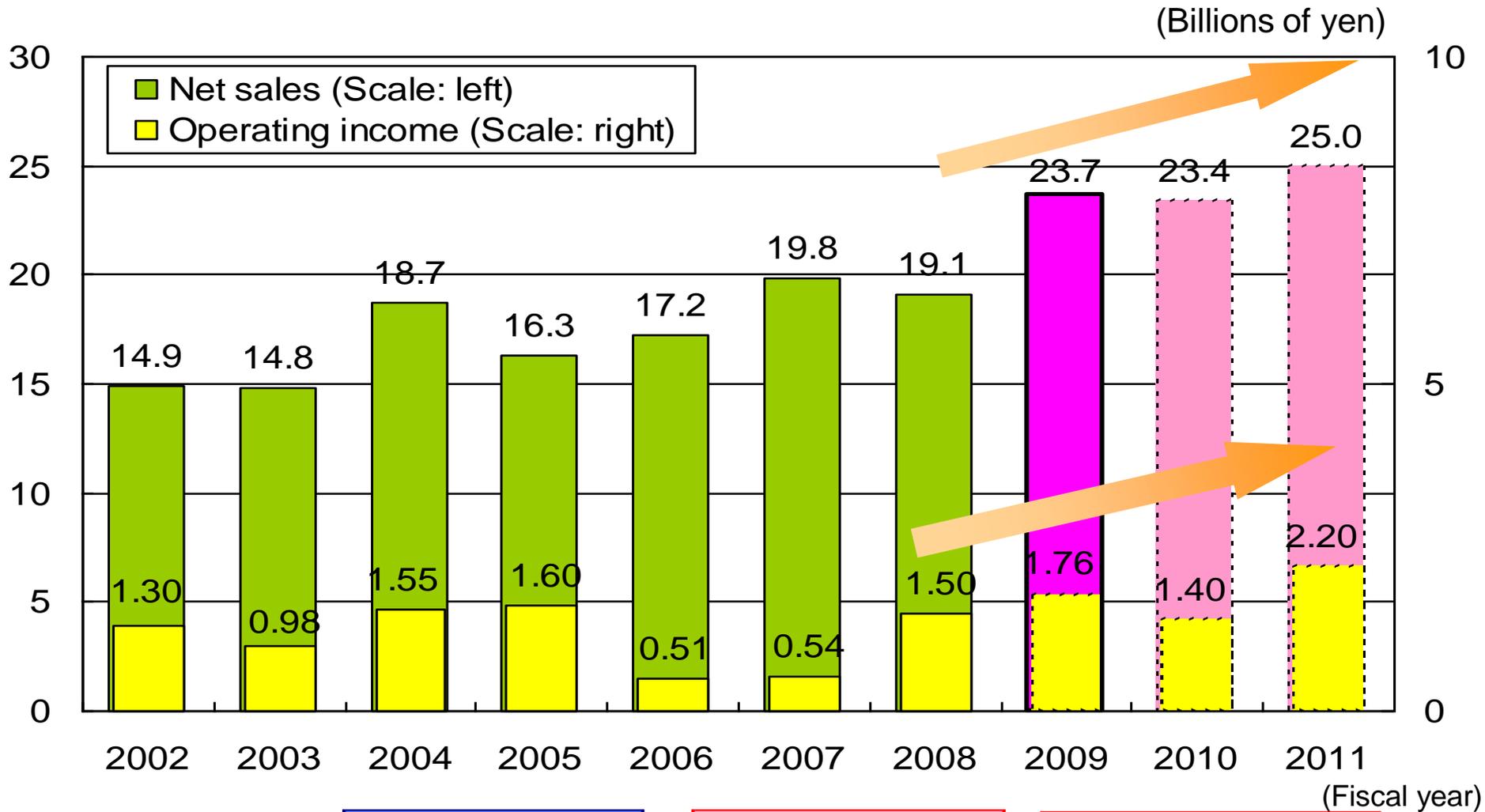
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Challenge Up Plan

Reference: Performance Trends in Transportation Systems, and Forecast



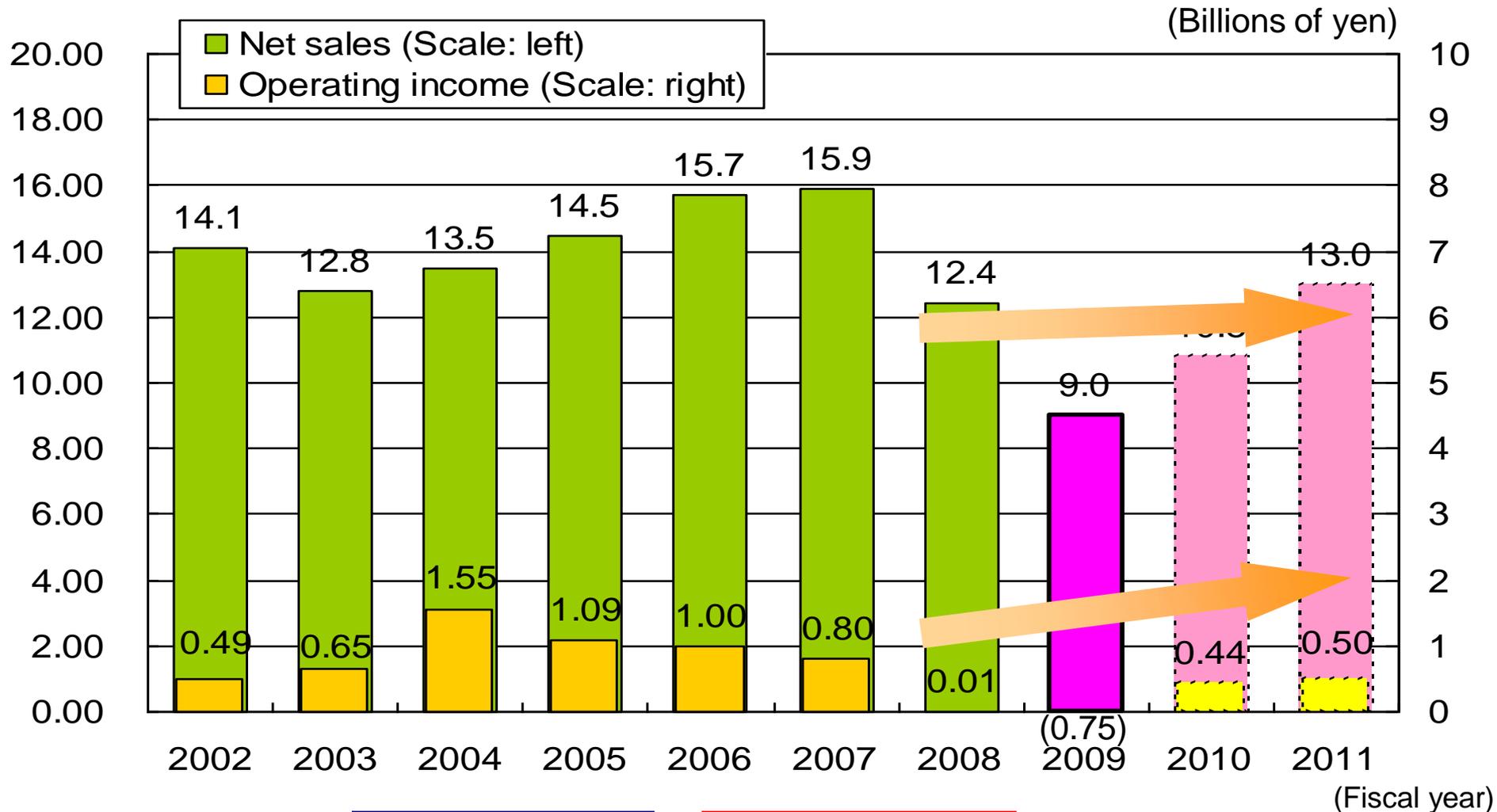
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Challenge Up Plan

Reference: Performance Trends in Industrial Systems, and Forecast



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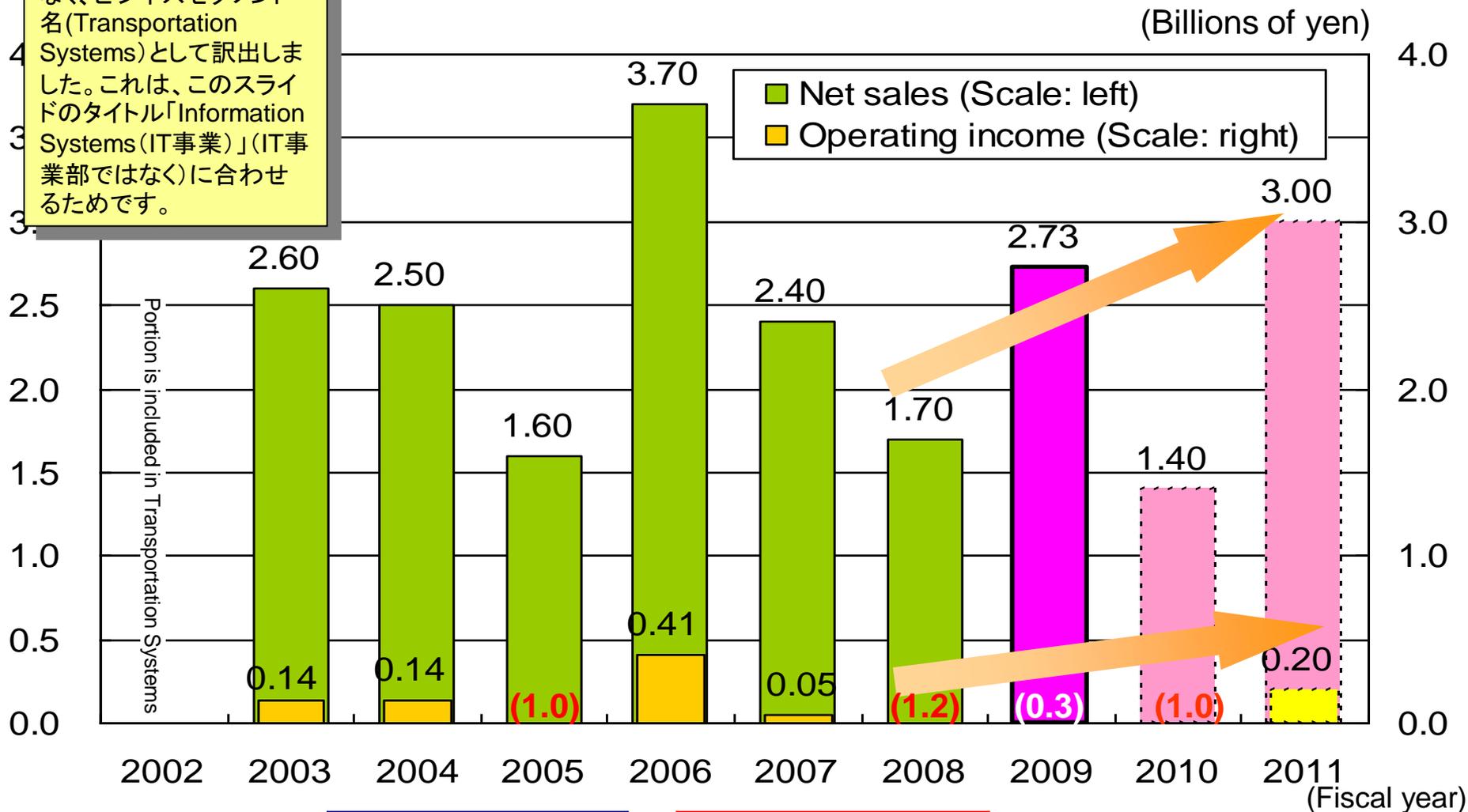
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Challenge Up Plan

Performance Trends in Information Systems, and Forecast

訳注:「交通事業部に含む」は、事業部名 (Transportation Business Division) ではなく、ビジネスセグメント名 (Transportation Systems) として訳出しました。これは、このスライドのタイトル「Information Systems (IT事業)」(IT事業部ではなく) に合わせるためです。



(Project 0)

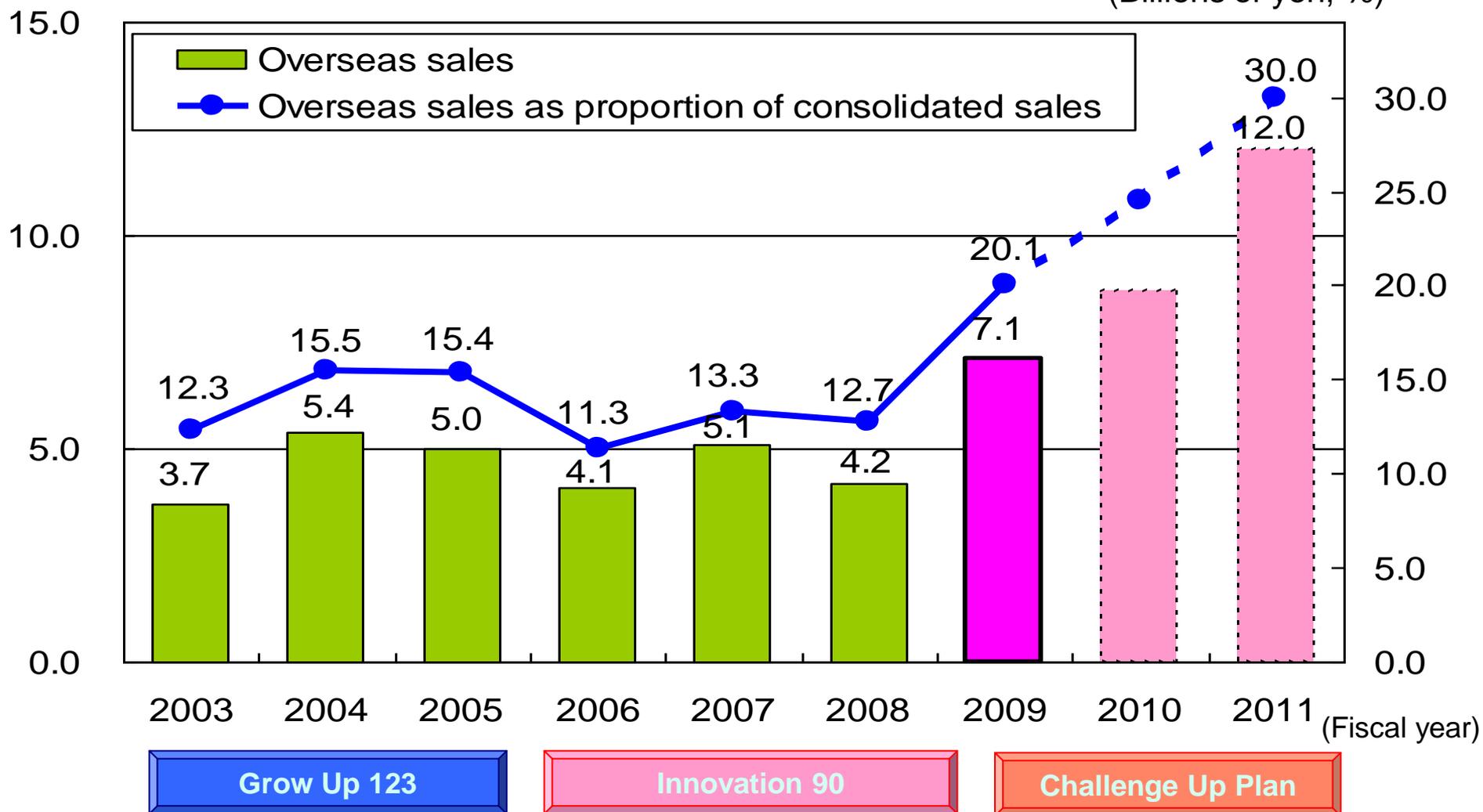
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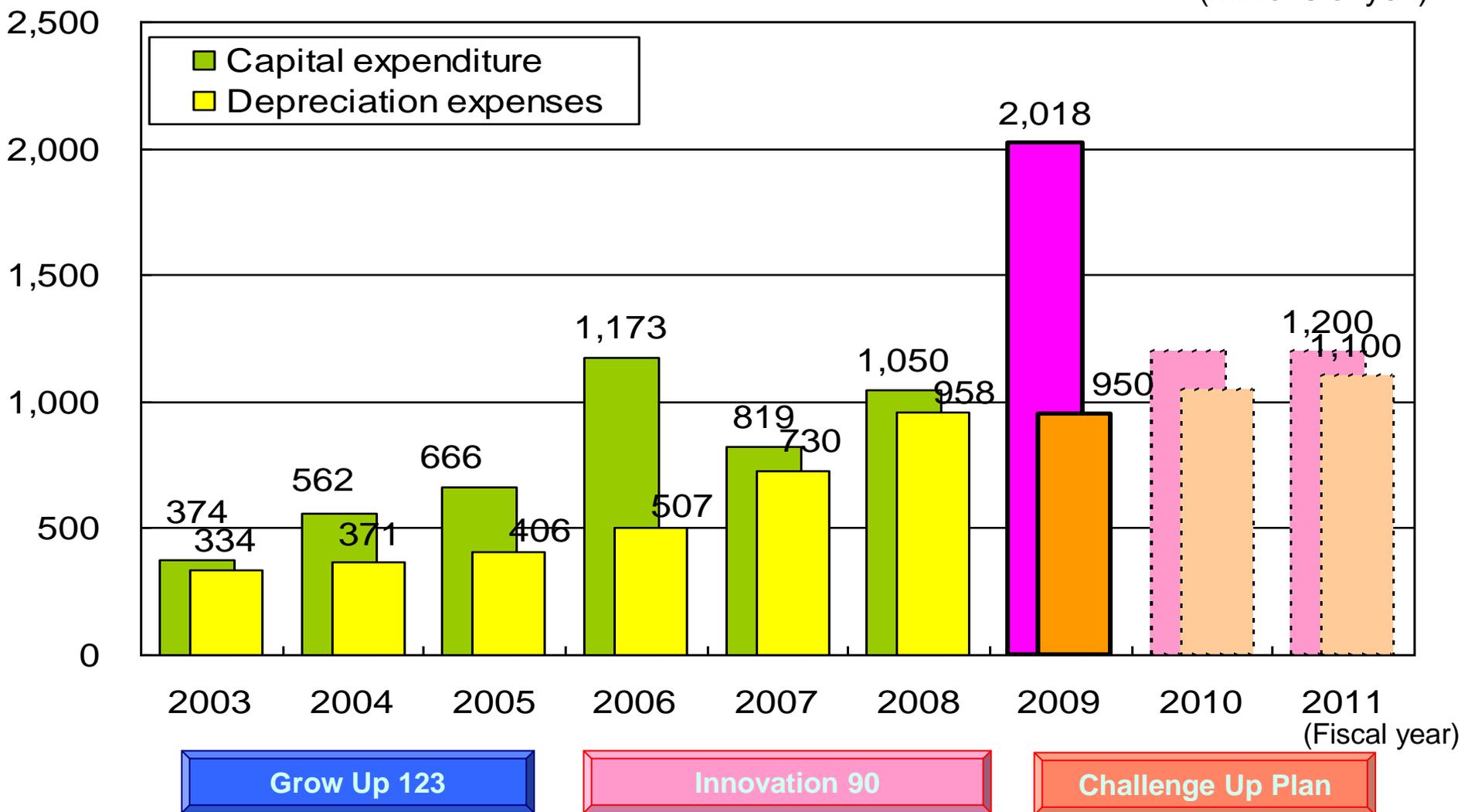
Reference: Trends in Overseas Sales, and Forecast

(Billions of yen, %)



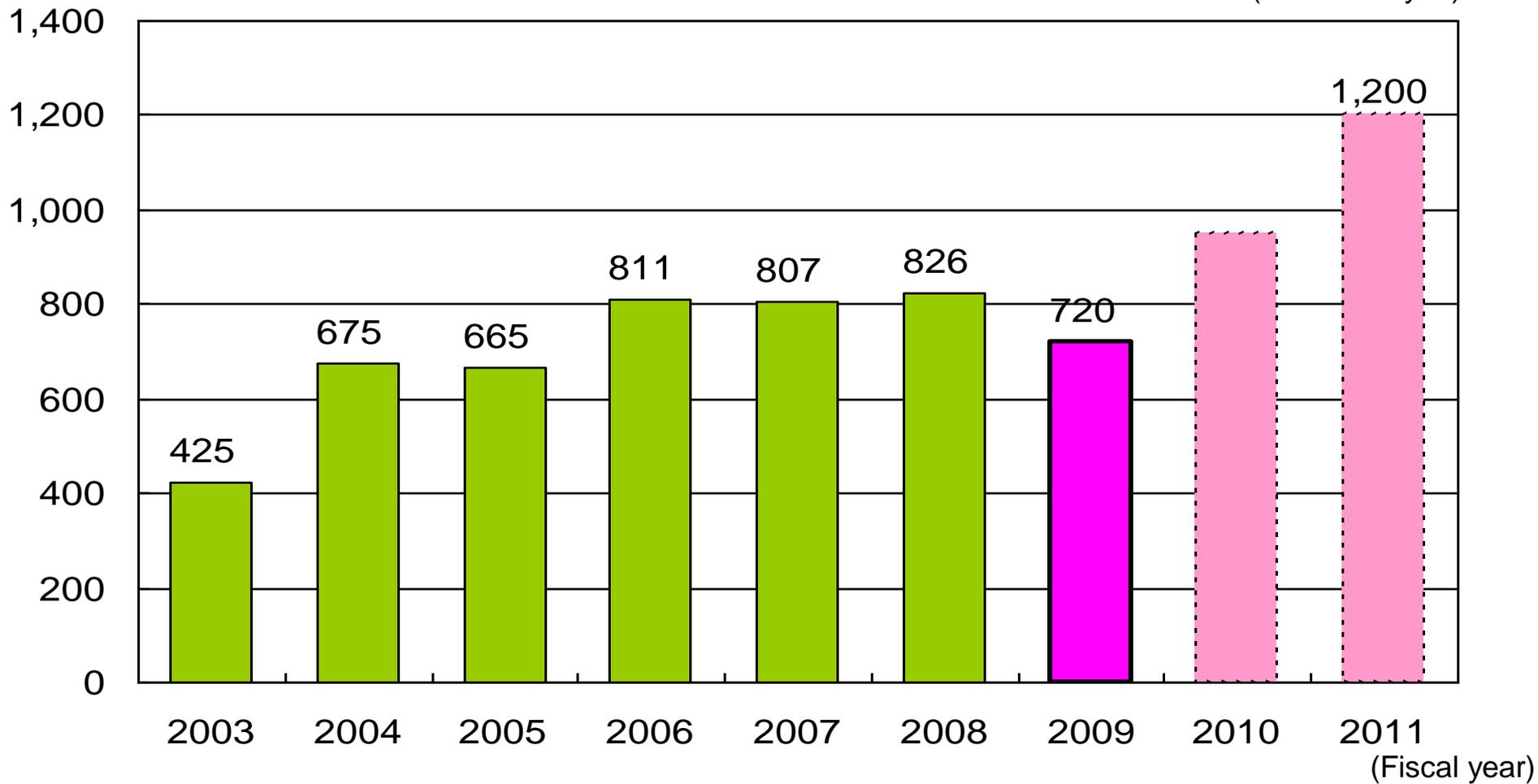
Reference: Changes in Consolidated Capital Expenditure and Depreciation Expenses, and Forecast

(Millions of yen)



Reference: Changes in Consolidated Research and Development Expenses, and Forecast

(Millions of yen)

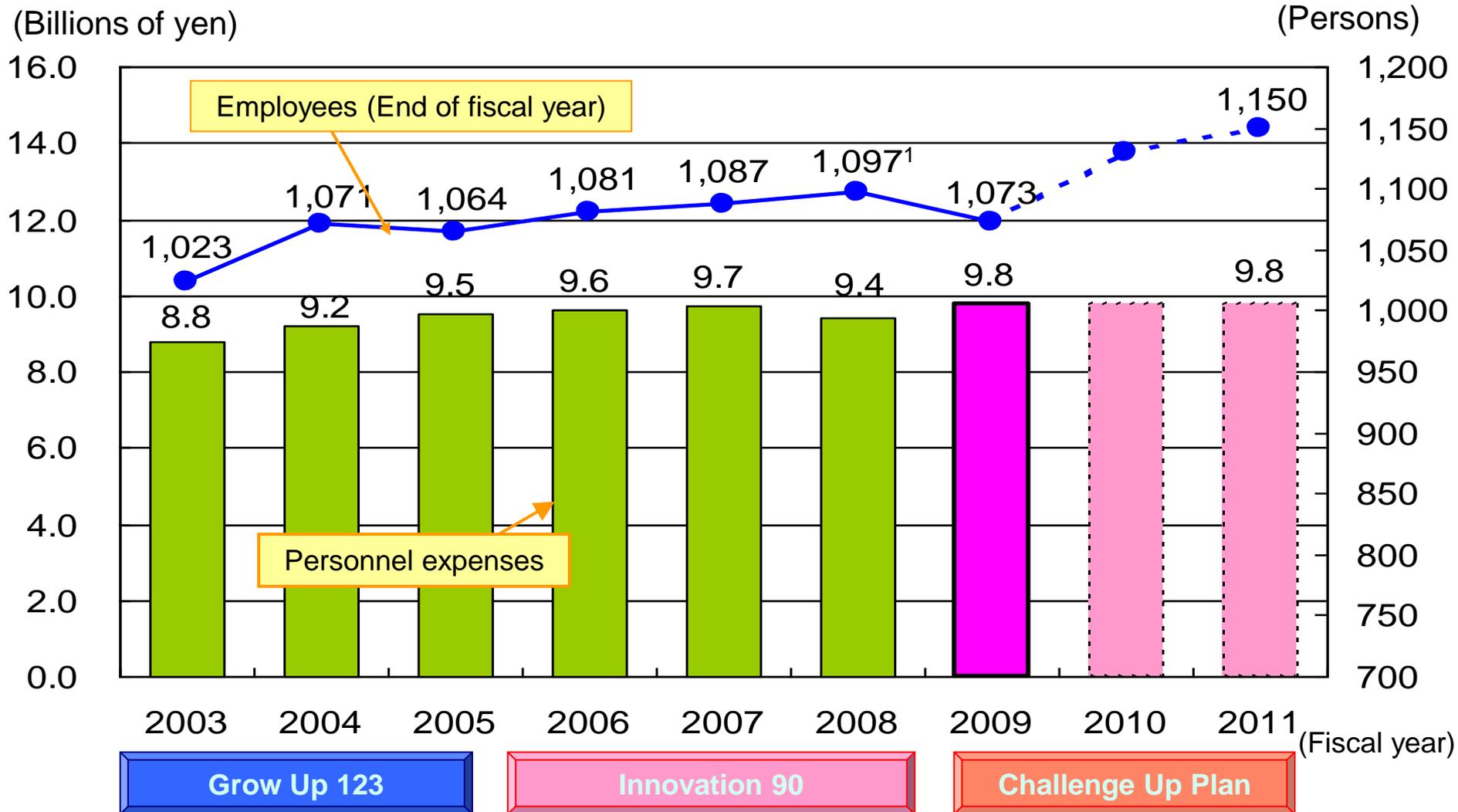


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Reference: Changes in Consolidated Personnel Expenses and Number of Employees, and Forecast



¹Includes approximately 50 contract and fixed-term employees

- Statements concerning financial results forecasts are based on data available as of the date of publication of this material and assumptions concerning the elements of uncertainty that will affect future business performance as of the date of publication of this material. Actual financial results may differ depending on a variety of factors.
- Forward-looking statements contained in this material are the judgments of the Toyo Denki Group based on data available at the time of publication of this material. Such statements and descriptions are by no means comprehensive.