

# Financial Results Briefing

## Fiscal 2011 (Ended May 2012)

July 12, 2012

Toyo Denki Seizo K.K.



- Briefing on Financial Results: 15 minutes
  1. Overview of Financial Results for Fiscal 2011
  2. Outlook for Financial Results for Fiscal 2012
- Dash 2015 New Mid-Term Management Plan: 15 minutes
- Q&A: 30 minutes

# 1. Overview of Financial Results for Fiscal 2011

## Overall: Slight increase in revenues, increase in earnings

- Net sales YoY +1.8% (+¥677 million)
- Operating income YoY +13.2% (+¥198 million)

## Transportation Systems:

### Decrease in revenues and earnings

- Net sales YoY -6.5% (-¥1,666 million)
- Segment income YoY -11.6% (-¥354 million)

## Industrial Systems: Increase in revenues and earnings

- Net sales YoY +10.5% (+¥1,170 million)
- Segment income YoY +54.3% (+¥89 million)

## Information Equipment Systems\*:

### Significant increase in revenues and earnings

- Net sales YoY + 200% (+¥1,170 million)
- Segment income YoY +660% (+¥565 million)

## 1-2. Overview of Consolidated Financial Results

(Millions of yen)

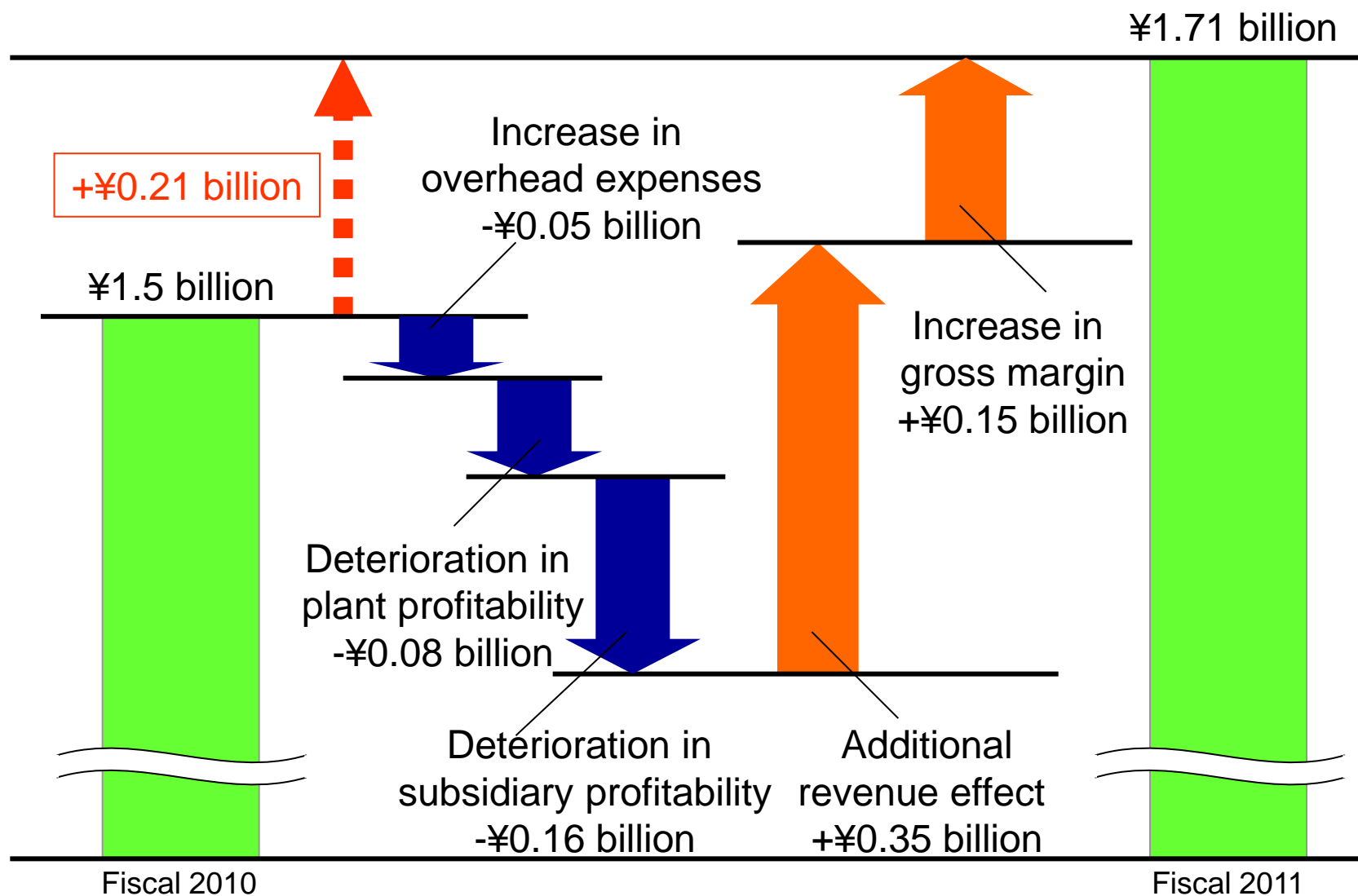
	Fiscal 2010	Fiscal 2011	YoY change		Fiscal 2010 Forecast	Difference
Net sales	37,893	38,570	+677		40,000	-1,430
Operating income	1,503	1,701	+198		1,800	-99
%	4.0%	4.4%	+0.4%		4.5%	-0.1%
Ordinary income	1,577	1,788	+211		1,800	-12
%	4.2%	4.6%	+0.4%		4.5%	+0.1%
Net income	678	785	+107		750	+35
%	1.8%	2.0%	+0.2%		1.9%	+0.1%
Net income per share (yen)	14.86	16.29	+1.43		—	—
Orders received	34,850	32,670	-2,180		40,500	-7,830

# 1-3. Overview of Business Segment Results

(Millions of yen)

		Trans- portation Systems	Industrial Systems	Automotive vehicle electrical equipment	Information Equipment Systems	Adjustment and other amounts	Total
Orders received	Fiscal 2010	21,756	11,988	407	1,105	–	34,850
	Fiscal 2011	17,506	12,439	507	2,714	10	32,670
	YoY change	-4,250	+451	+100	+1,609	+10	-2,180
Net sales	Fiscal 2010	25,657	11,095	320	1,133	6	37,893
	Fiscal 2011	23,991	12,265	504	2,303	10	38,570
	YoY change	-1,666	+1,170	+184	+1,170	+4	+677
Segment income	Fiscal 2010	3,055	164	(127)	101	(1,818)	1,503
	Fiscal 2011	2,701	253	(281)	666	(1,920)	1,701
	YoY change	-354	+89	-154	+565	-102	+198

# 1-4. Factors Contributing to Changes in Operating Income



# 1-5. Consolidated Financial Position

(Millions of yen)

	May 31, 2011	May 31, 2012	YoY change	Notes
Total assets	36,892	38,086	+1,257	
Current assets	21,621	21,415	-206	
Fixed assets	15,270	16,670	+1,400	Capital investment for subsidiaries; investment securities
Total liabilities	22,623	23,036	+413	
Of which, interest-bearing debt	6,535	9,385	+2,850	Increase in fixed assets and operating capital
Net assets	14,268	15,049	+781	
Equity ratio	38.7%	39.5%	+0.8%	
Net assets per share (yen)	295.89	312.35	+16.46	



## 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 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012 (Forecast)
Annual dividend per share	6.00	6.00	6.00	6.00	6.00

## 2. Outlook for Financial Results for Fiscal 2012

## 2-1. Order Environment by Business Segment

	Comments
Market overall	<ul style="list-style-type: none"> <li>(1) Domestic economy continues to show improvement trend as demand for disaster recovery take hold</li> <li>(2) Infrastructure investment remains at a high level in China and developing countries</li> </ul>
Transportation Systems	<ul style="list-style-type: none"> <li>(1) Stabilizing domestically due mainly to upgrade demands. Expectation for new Shinkansen projects going forward</li> <li>(2) Overseas railway infrastructure investment remains at high levels, centering on China high speed railway projects</li> </ul>
Industrial Systems	<ul style="list-style-type: none"> <li>(1) Domestic capital investment remains in recovery trend</li> <li>(2) Infrastructure and capital investment in China and developing countries remains at high levels</li> <li>(3) Electrification needs both in and outside Japan are very robust</li> </ul>
Information Equipment Systems	<ul style="list-style-type: none"> <li>(1) Growth in IC card-compatible equipment relating particularly to railway station operations</li> <li>(2) Energy efficient remote control systems to drive market growth</li> </ul>

## 2-2. Key Fiscal 2012 Forecast Points

Overall: Unchanged year on year in revenues and earnings

Net sales	YoY -¥70 million
Operating income	YoY -¥1 million

Transportation Systems:

Decrease in revenues and earnings

Net sales	YoY -11.6% (-¥2,791 million)
Segment income	YoY -11.1% (-¥301 million)

Industrial Systems:

Significant increase in revenues and earnings

Net sales	YoY +25.4% (+¥3,115 million)
Segment income	YoY +370% (+¥687 million)

Information Equipment Systems:

Decrease in revenues and earnings

Net sales	YoY -16.6% (-¥383 million)
Segment income	YoY -67.0% (-¥446 million)

## 2-3. Outlook for Consolidated Financial Results for Fiscal 2012

(Millions of yen)

	Fiscal 2011	Fiscal 2012 (Forecast)	YoY change
Net sales	38,570	38,500	-70
Operating income	1,701	1,700	-1
%	4.4%	4.4%	±0%
Operating income	1,788	1,800	+12
%	4.6%	4.7%	+0.1%
Net income	785	800	+15
%	2.0%	2.0%	±0%
Net income per share (yen)	16.29	16.59	+0.3
Orders received	32,951	45,000	+12,049

## 2-4. Performance Forecasts by Business Segment

(Millions of yen)

		Trans- portation Systems	Industrial Systems	Automotive vehicle electrical equipment	Information Equipment Systems	Adjustment and other amounts	Total
Orders received	Fiscal 2011	17,506	12,439	504	2,714	10	32,670
	Fiscal 2012 (Forecast)	27,100	15,800	550	2,100	—	45,000
	YoY change	+9,594	+3,361	+43	-614	-10	12,330
Net sales	Fiscal 2011	23,991	12,265	505	2,303	10	38,570
	Fiscal 2012 (Forecast)	21,200	15,380	630	1,920	—	38,500
	YoY change	-2,791	+3,115	+125	-383	—	-70
Segment income	Fiscal 2011	2,701	253	(281)	666	(1,920)	1,701
	Fiscal 2012 (Forecast)	2,400	940	(140)	220	(1,870)	1,700
	YoY change	-301	687	+141	-446	+50	-1

## 2-5. Topics: Transportation Systems

- Full set of electrical equipment for North America light rail vehicle (LRV) project

Toyo Denki has been designated as the subcontractor for a full set of electrical equipment for the North America LRVs that Kinki Sharyo is expecting to win the contract for.

- First order: 78 vehicles; approximately 2.6 billion yen
- Option: 157 vehicles; approximately 4.0 billion yen



Photo of an LRV

- E<sup>3</sup> Solution System

Toyo Denki supplied the railway power storing system (test system) that JR West installed for storing regenerative power (at Mihama Station on the Obama Line).

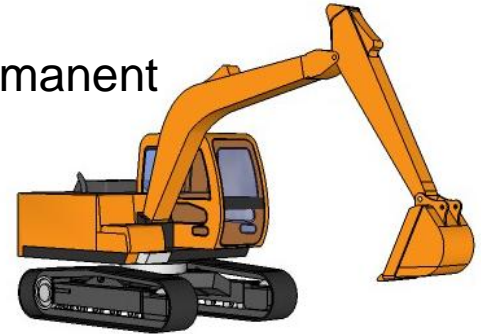


E<sup>3</sup> Solution power storing system

## 2-6. Topics: Industrial and Information Equipment Systems

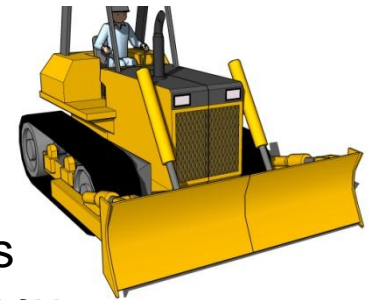
### Industrial Systems

- Concentrating efforts on high efficiency rare-earth-free permanent magnet motors that will be launched in 2013
- Electrical equipment for automotive vehicles  
Established the mass production of electrical parts for hybrid vehicles (HV) in order to meet the Tier 4 Emission Standards for construction equipment.



### Information Equipment Systems

- Railway station operating equipment  
Awarded large order of handheld devices for train conductors from West Japan Rail Company and Kyushu Railway Company.
- Remote monitoring systems  
Received many inquiries for power monitoring in buildings and factories trying to improve energy savings (factories, buildings, hospitals, schools)





## 2-7. Topics: Energy Savings

### ■ 500 kW solar power system at the Yokohama Plant

Installed a 500 kW solar power system on the roof of the Yokohama Plant to reduce peak power consumption and power costs during the summer when the demand for power increases. The system is scheduled to go online in July 2012.



Installation completed



Yokohama Plant

Thank you for your interest.

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

**Inquiries**

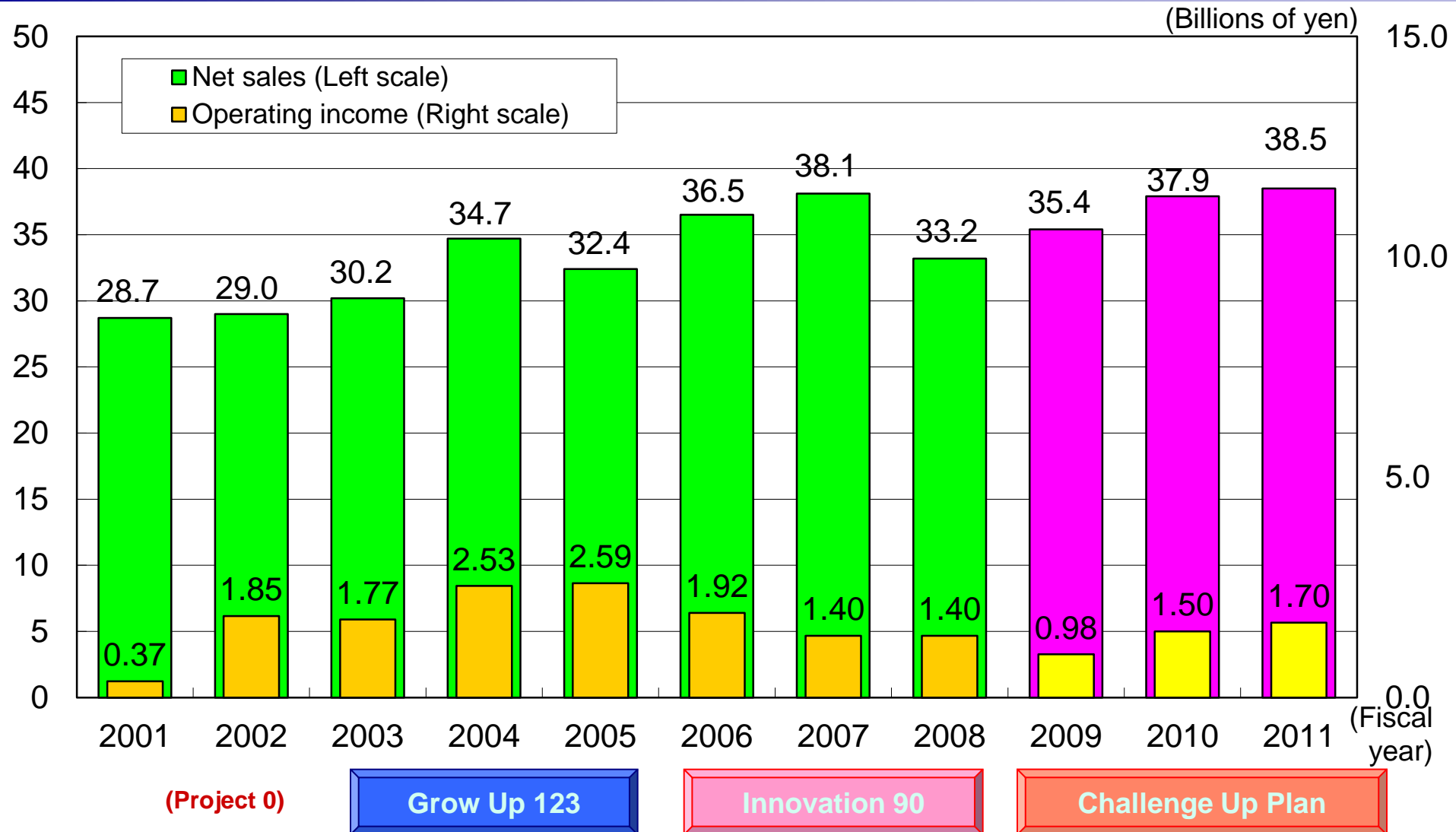
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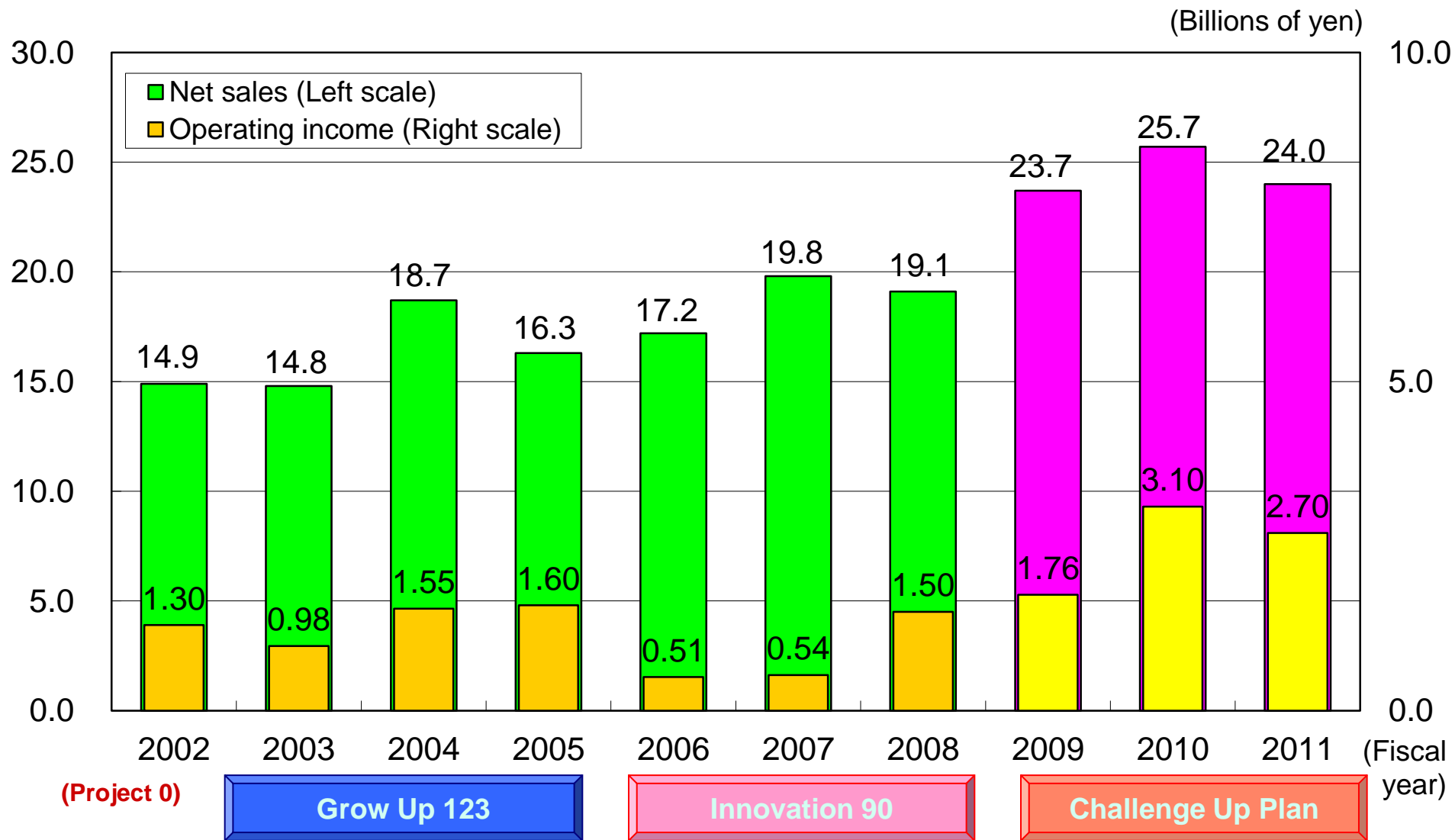
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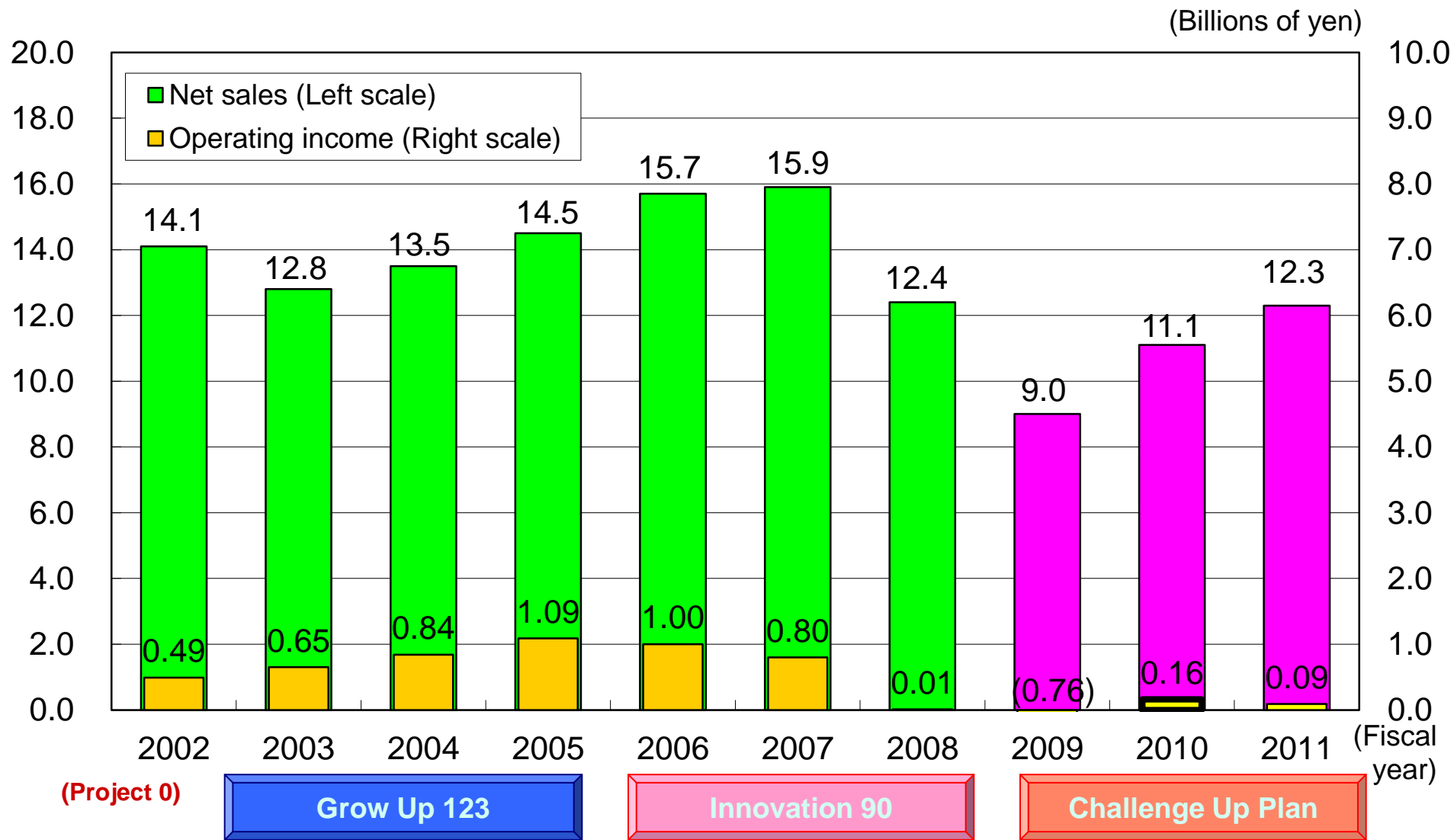
# Reference: Changes in Consolidated Net Sales and Operating Income, and Forecast



# Reference: Performance Trends in Transportation Systems, and Forecast

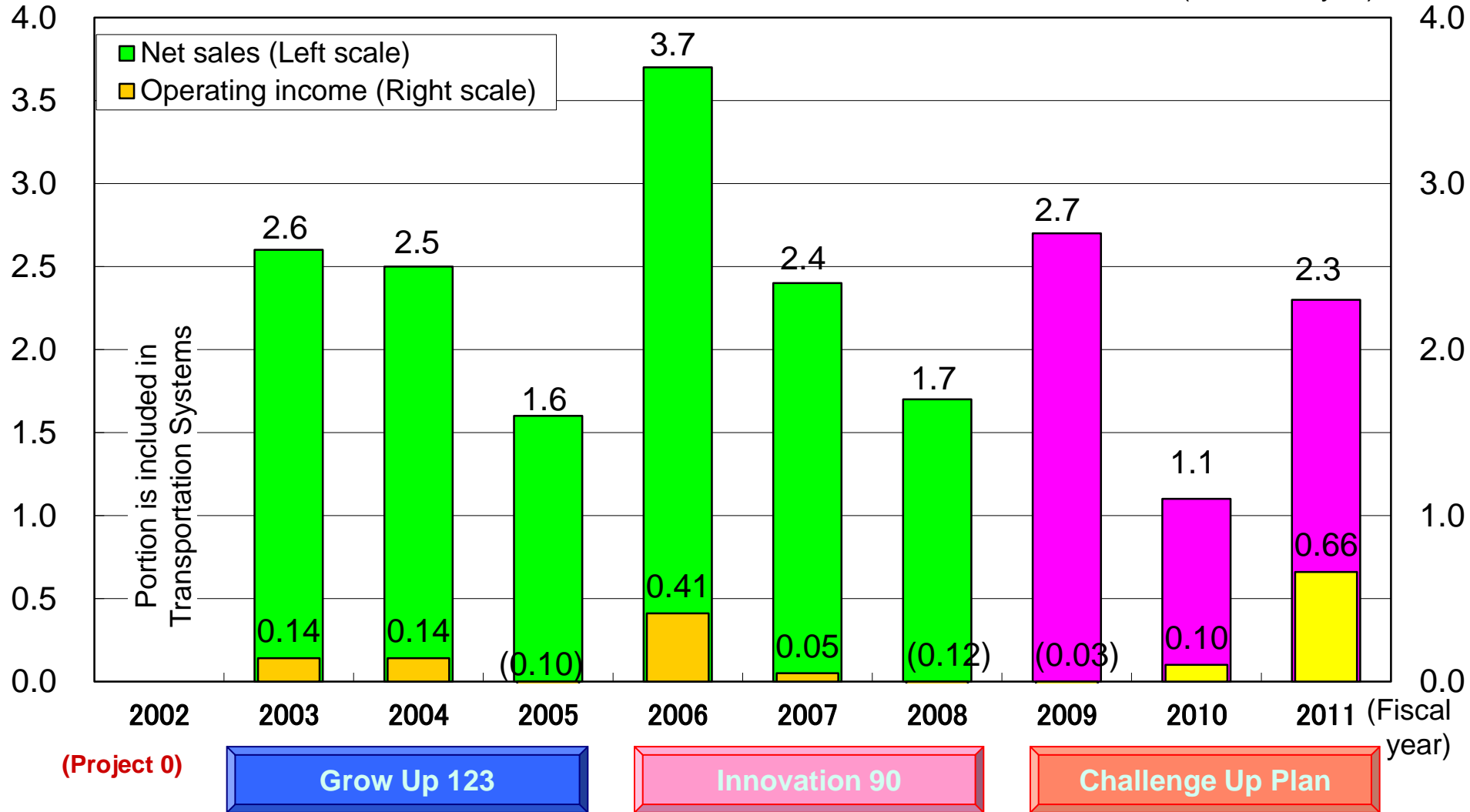


# Reference: Performance Trends in Industrial Systems, and Forecast

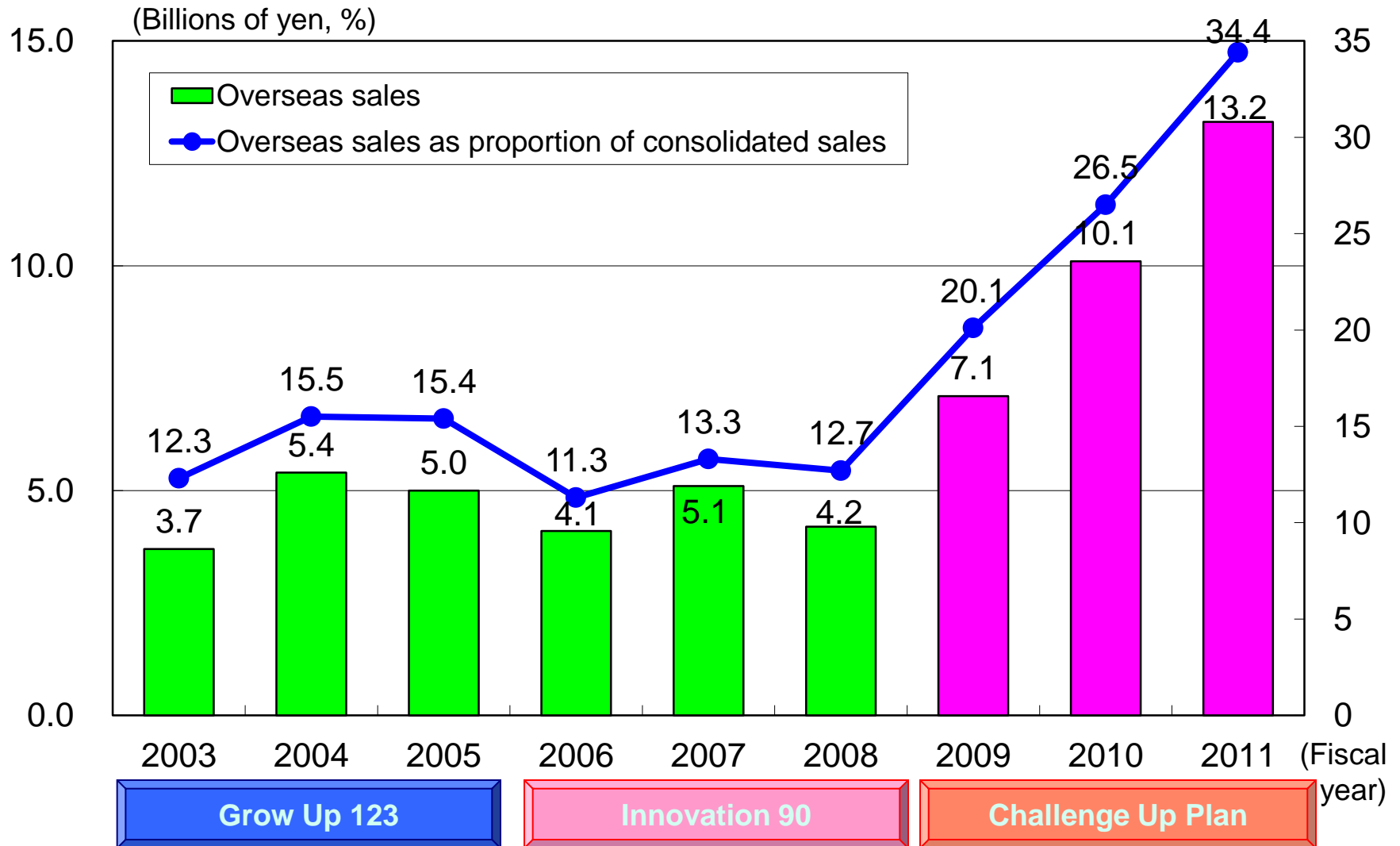


# Reference: Performance Trends in Information Equipment Systems, and Forecast

(Billions of yen)

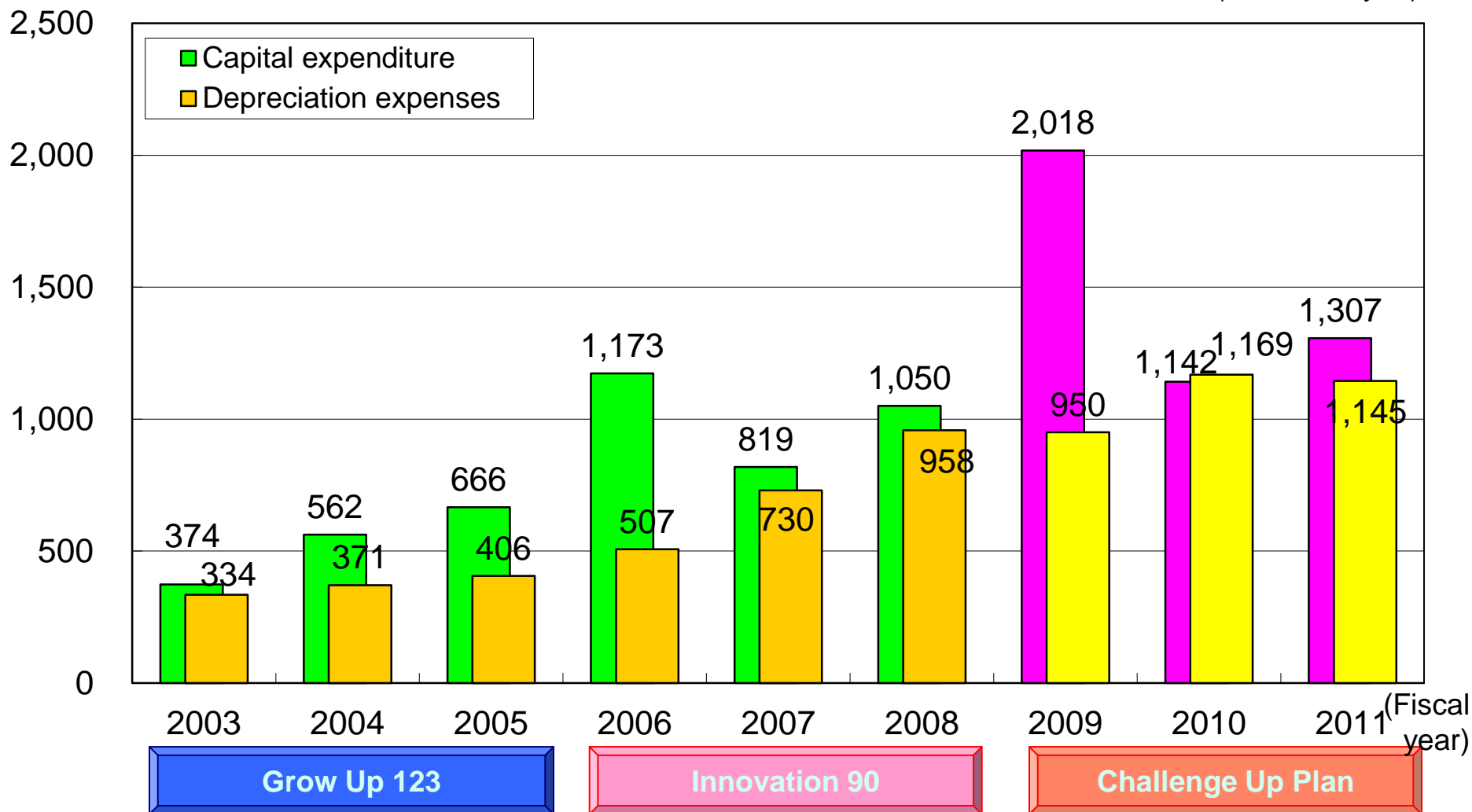


# Reference: Trends in Overseas Sales, and Forecast



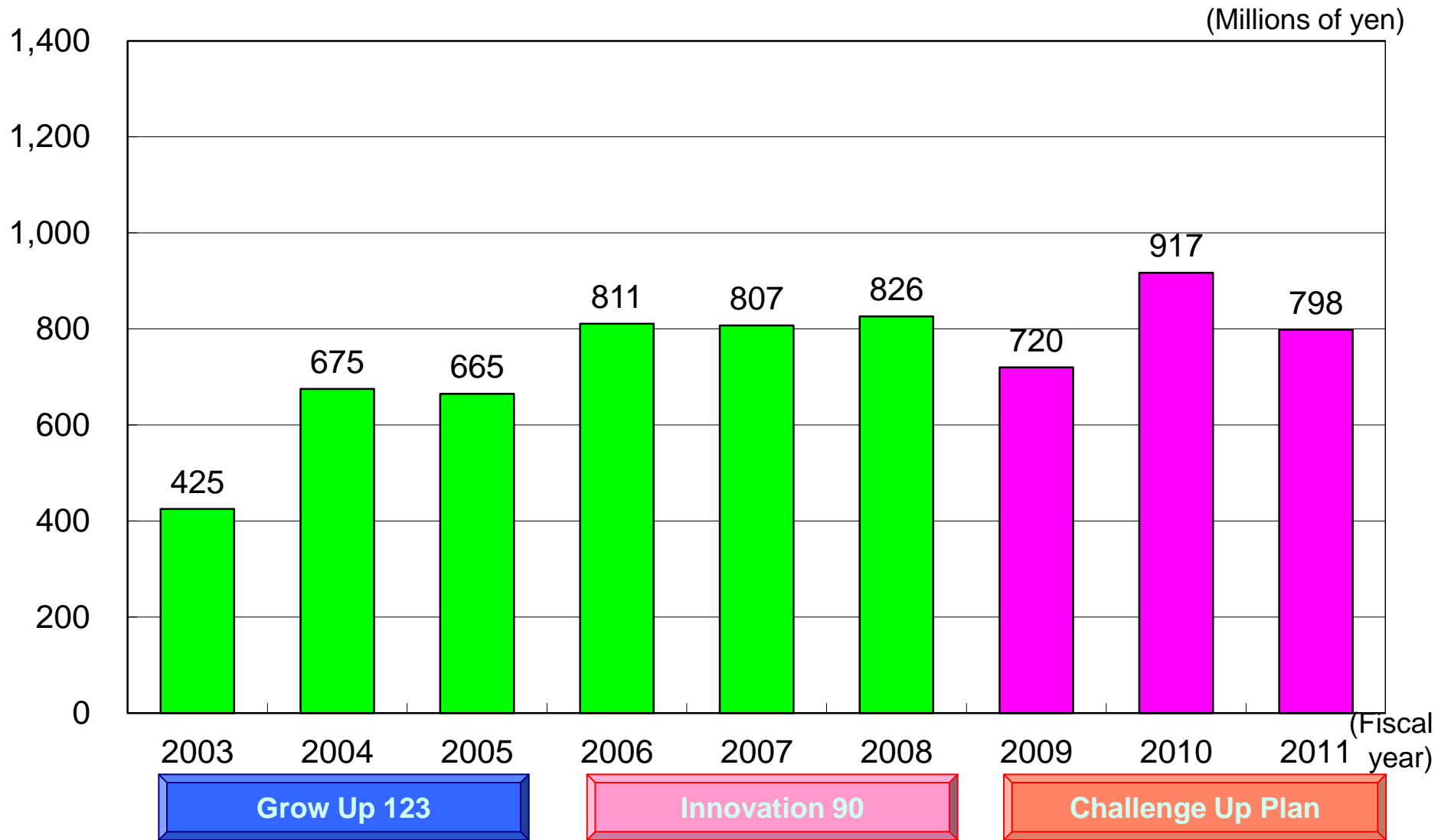
# Reference: Changes in Consolidated Capital Expenditure and Depreciation Expenses, and Forecast

(Millions of yen)

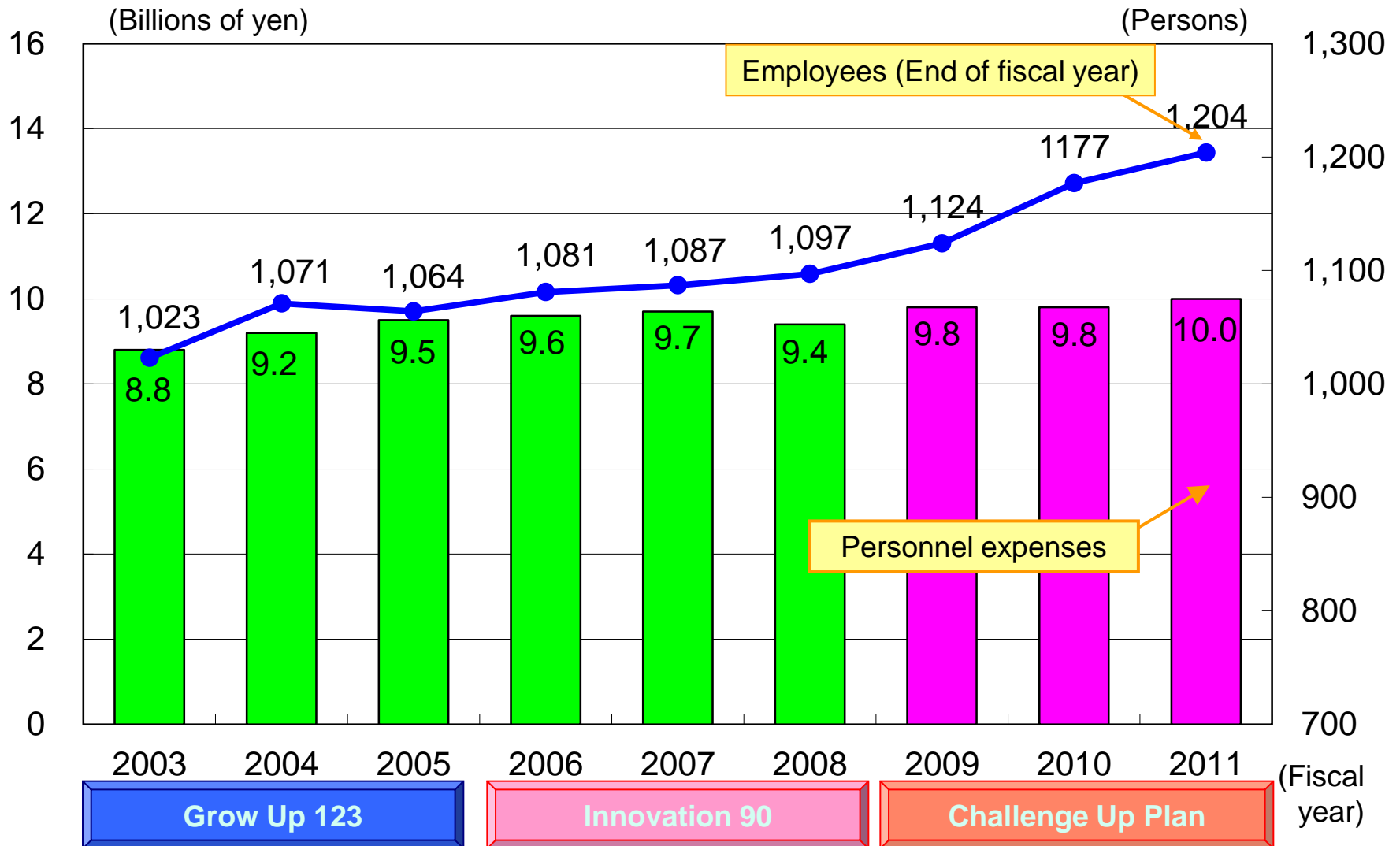




# Reference: Changes in Consolidated Research and Development Expenses, and Forecast



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



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