
Financial Results Briefing

First Half of Fiscal 2013
(Ended November 30, 2013)

January 15, 2014

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■ Briefing on Financial Results:

About 25 minutes

1. Overview of Financial Results for the First Half of Fiscal 2013
2. Outlook for Fiscal 2013 Full Year Financial Results
3. Status and Outlook for Individual Business Segments

■ Q&A: 30 minutes

1. Overview of Financial Results for
the First Half of Fiscal 2013
(June 1 – November 30, 2013)

1-1. Key Points

Overall:

Net sales and operating income approximately as forecasted

Net sales	¥15,826 million	YoY +16.7%	(+¥2,260 million)
Operating income	¥213 million	Return to profitability	(+¥728 million)

Transportation Systems:

Significant increase in revenues and earnings

Net sales	¥9,860 million	YoY +28.8%	(+¥2,203 million)
Segment income	¥1,064 million	YoY +88.3%	(+¥499 million)

Industrial Systems:

Slight increase in revenues, return to profitability

Net sales	¥5,332 million	YoY +1.8%	(+¥96 million)
Segment income	¥172 million	Return to profitability	(+¥217 million)
(Excluding automotive vehicle use)	¥235 million	Return to profitability	(+¥178 million)

Information Equipment Systems:

Slight decrease in revenues, decrease in earnings

Net sales	¥630 million	YoY -5.8%	(-¥39 million)
Segment income	¥17 million	YoY -68.5%	(-¥37 million)

1-2. Overview of Consolidated Financial Results

(Millions of yen)

	1H FY2012	1H FY2013	YoY change
Net sales	13,570	15,830	+2,260
Operating income	(520)	210	+730
(%)	(—)	(1.3%)	(—)
Ordinary income	(280)	270	+550
(%)	(—)	(1.7%)	(—)
Net income	(400)	60	+460
(%)	(—)	(0.4%)	(—)
Net income per share (yen)	(8.32)	1.20	+9.52

1H FY2013 Forecasts	Difference
16,000	-170
200	+10
(1.3%)	(±0)
200	+70
(1.3%)	(+0.4%)
120	-60
(0.8%)	(-0.4%)
2.46	-1.26

Orders received	15,280	18,250	+2,970
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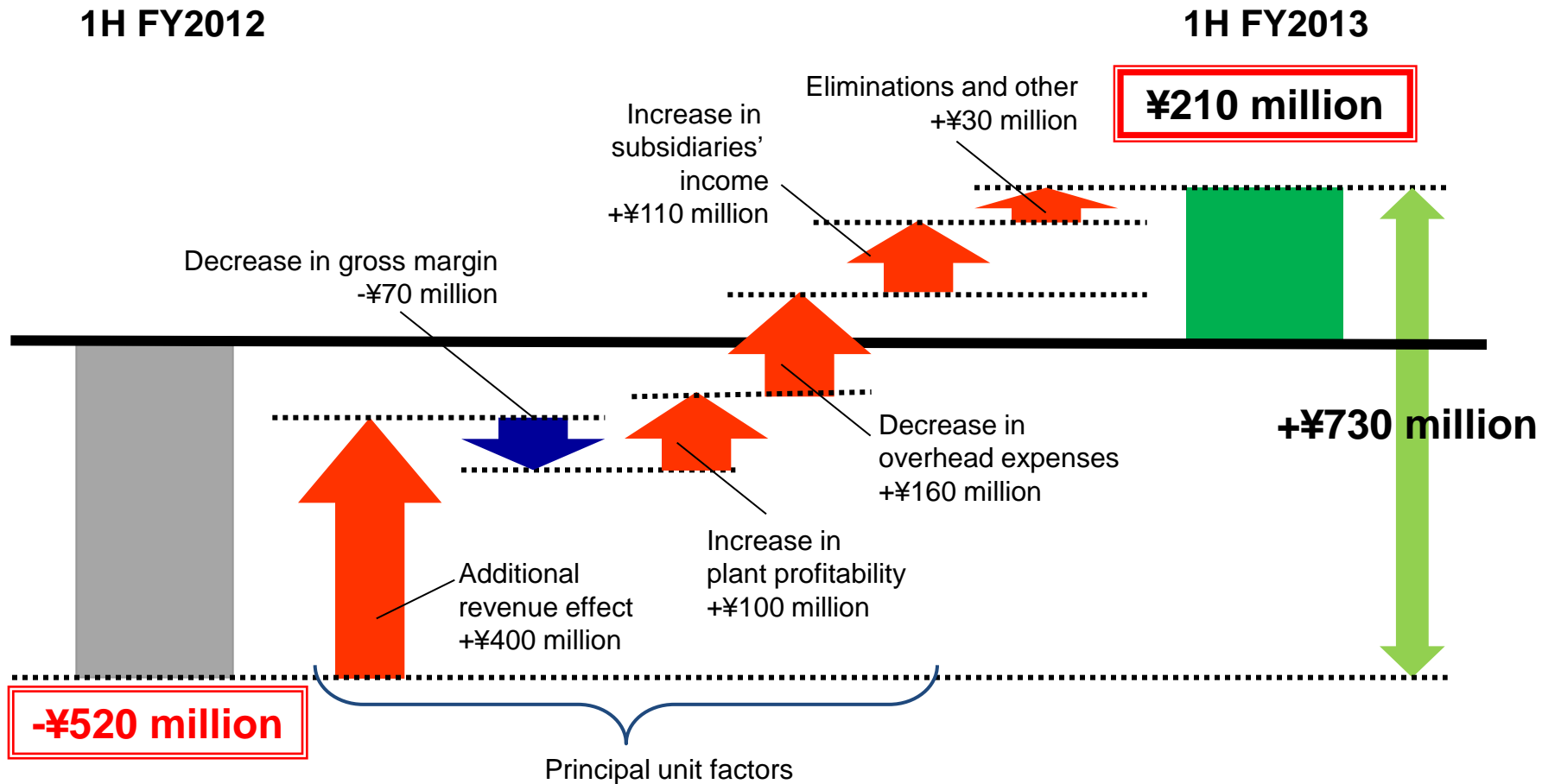
19,600	-1,350
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1-3. Overview of Business Segment Results

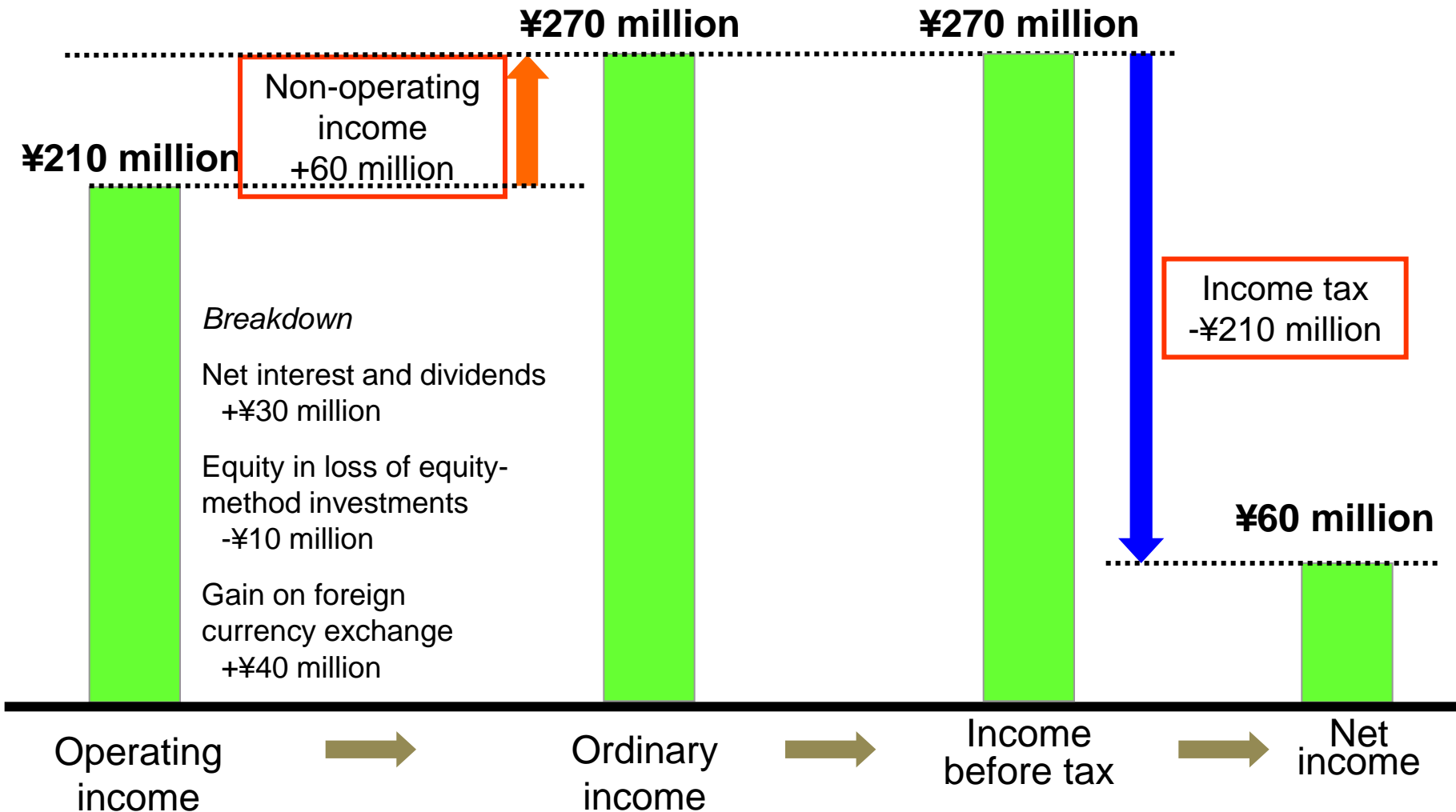
(Millions of yen)

		Transportation Systems	Industrial Systems	Information Systems	Adjustment Amount	Total
Orders received	1H FY2012	7,960	6,350	970	3	15,280
	1H FY2013	10,620	6,590	1,030	2	18,250
	YoY change	+2,660	+240	+60	-1	+2,970
Net sales	1H FY2012	7,660	5,240	670	3	13,560
	1H FY2013	9,860	5,330	630	2	15,830
	YoY change	+2,200	+90	-40	-1	+2,260
Segment income	1H FY2012	570	-50	50	-1,090	-520
	1H FY2013	1,060	170	10	-1,040	210
	YoY change	+490	+220	-40	+50	+730

1-4. Factors Contributing to Changes in Operating Income



1-5. Details of Non-Operating Income and Expenses



1-6. Consolidated Financial Position

(Millions of yen)

	May 31, 2013	November 30, 2013	Change	Notes
Total assets	42,360	46,030	+3,670	
Current assets	21,940	24,790	+2,850	Cash and deposits: ¥1,250 million
Fixed assets	20,420	21,250	+830	Gain on revaluation of marketable securities: ¥900 million
Total liabilities	23,840	27,070	+3,230	
Of which, interest-bearing debt	9,830	11,990	+2,160	
Net assets	18,520	18,960	+440	
Equity ratio	43.7%	41.2%	-2.5%	
Net assets per share (yen)	384.14	393.31	+9.17	

2. Outlook for Fiscal 2013 Full Year Financial Results

2-1. Outlook for Consolidated Financial Results for Fiscal 2013

	FY2012	1H FY2013	No change to full-year forecast FY2013 Forecasts	(Millions of yen) Compared with FY2012
Orders received	33,950	18,250	41,000	+7,050
Net sales	30,580	15,830	36,000	+5,420
Operating income (%)	500 (1.6%)	210 (1.3%)	1,500 (4.2%)	+1,000 (+2.6%)
Ordinary income (%)	1,150 (3.8%)	270 (1.7%)	1,500 (4.2%)	+350 (+0.4%)
Net income (%)	720 (2.4%)	60 (0.4%)	750 (2.1%)	+30 (-0.3%)
Net income per share (yen)	14.98	1.20	15.40	+0.42

3. Status and Outlook for Individual Business Segments

3-1. Order Environment by Business Segment

	Comments
Market overall	<ul style="list-style-type: none"> (1) Domestic economy shows an improvement trend (2) Despite a lingering sense of uncertainty regarding China, overall overseas improvement (3) Exchange rates hovering at current levels
Transportation Systems	<ul style="list-style-type: none"> (1) Market in Japan bottomed out in FY2012 and is on track for recovery (2) In international markets, demand for high-speed rail systems and urban transportation networks continues to be strong
Industrial Systems	<ul style="list-style-type: none"> (1) Expect capital investment in Japan to recover. However, automotive testing equipment segment is strong. (2) Expectation surrounding growth mainly in Southeast Asia
Information Equipment Systems	<ul style="list-style-type: none"> (1) Capitalize on demand for railway station operating equipment before consumption tax increase (2) Expect growth in market for energy-efficient and location monitoring solutions for remote monitoring systems

3-2. Transportation Systems

(1) Consolidated financial results for
1H FY2013

(Millions of yen)

	1H FY2012	1H FY2013	YoY change
Orders received	7,960	10,620	+2,660
Net sales	7,660	9,860	+2,200
Segmen t income	570	1,070	+500
Profit ratio	7.4%	10.8%	+3.4%

(2) Forecast for consolidated
financial results for FY2013

(Millions of yen)

	FY2012	FY2013 Forecast	YoY change
Orders received	20,940	24,000	+3,060
Net sales	17,320	21,000	+3,680
Segment income	1,910	2,410	+500
Profit ratio	11.0%	11.5%	+0.5%

3-3. Transportation Systems

■ Status of confirmed/prospective electrical equipment orders for railroads outside of Japan

Project	No. of Vehicles	Order Value	Order Status	Start of Delivery	Timing for Recording Net Sales
Beijing Subway Line 10 additional rail vehicles	192	¥1.7 billion (record in 3Q)	Contract completed	2014~	FY2014~
Los Angeles light rail vehicle (LRV) option contract	97	¥3.0 billion*~	Contract under negotiation	2014~	FY2014~
Extension of Chengdu Metro Line 1 and additional rail vehicles for Line 2	216	¥2.4 billion*~	Working to secure order	2014~	FY2014~
Macao Automated People Mover (APM) option contract	48	¥0.6 billion*~	Working to secure order	2016~	FY2016~
Driving gear units for high-speed railroad in China		¥1.0 billion*~	Working to secure order	2014~	FY2014~



Los Angeles LRV



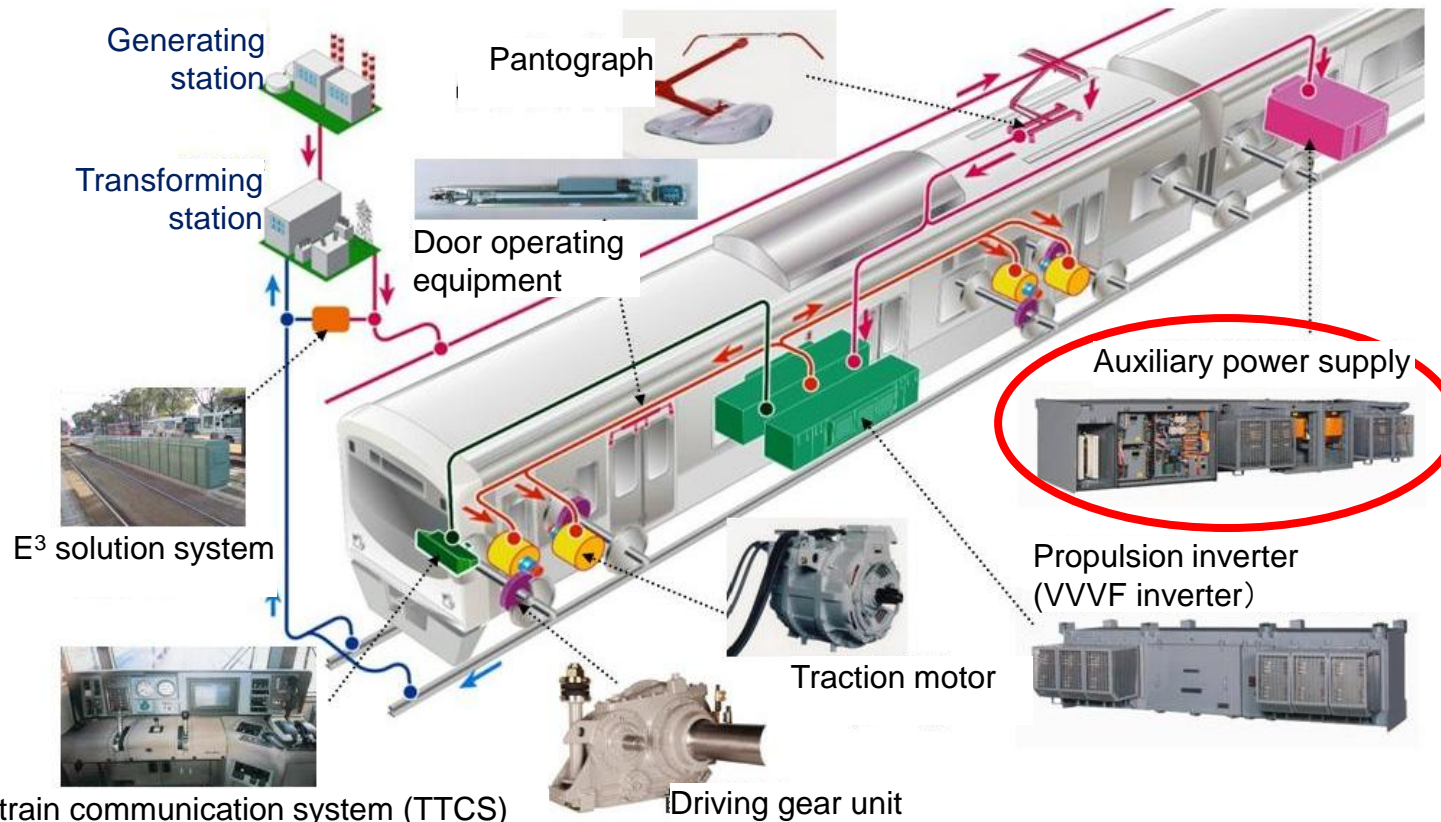
Macao APM

* indicates projected amount

3-4. Transportation Systems

- Acquisition of International Railway Industry Standard (IRIS) certification for rail vehicle auxiliary power supplies

In Europe, acquisition of IRIS certification is recommended for rail business encompassing major rail vehicle manufacturers. Toyo Denki will leverage the acquisition of IRIS certification to further develop its global business.



IRIS
Certification

3-5. Transportation Systems

■ Electrical equipment for JR Tokai Tokaido Shinkansen N700A Series trains

Delivery of electrical equipment under plans to introduce additional N700A Series trains

- N700A Series train introduction plan
(based on announcements by JR Tokai):

Through FY2013	13 sets (208 vehicles)
FY2014	6 sets (96 vehicles)
FY2015	6 sets (96 vehicles)
FY2016	6 sets (96 vehicles)



Shinkansen N700A
(Photo courtesy of JR JR Central)

■ Electrical equipment for JR East Japan Niigata area E129 Series trains

Delivery of electrical equipment under new rail vehicle plan for existing railway line

- New rail vehicle plan: Delivery starting from FY2014
 - 2 vehicles x 30 sets (60 vehicles)
 - 4 vehicles x 25 sets (100 vehicles)
- Electrical equipment to be delivered:
VVVF inverters, auxiliary power supplies, traction motors, driving gear units, pantographs, twin disk couplings, door operating equipment



Rendering of E129 Series train
(Photo courtesy of JR East)

3-6. Industrial Systems

(1) Consolidated financial results for
1H FY2013

(Millions of yen)

	1H FY2012	1H FY2013	YoY change
Orders received	6,350 6,120	6,590 6,470	+240 +350
Net sales	5,240 5,030	5,330 5,210	+90 +180
Segment income	(50) 60	170 240	+220 +180
Profit ratio	— 1.1%	3.2% 4.5%	— +3.4%

(2) Forecast for consolidated
financial results for FY2013

(Millions of yen)

	FY2012	FY2013 Forecast	YoY change
Orders received	11,460 10,950	15,000 14,500	+3,540 +3,550
Net sales	11,540 11,150	13,000 12,500	+1,460 +1,350
Segment income	430 590	990 1,020	+560 +430
Profit ratio	3.8% 5.3%	7.6% 8.2%	+3.8% +2.9%

Note: Figures in blue exclude automotive vehicle use data

3-7. Industrial Systems

■ Preparing to open representative office in Bangkok, Thailand (during FY2014)



- Make effort to expand sales of industrial motors and inverters throughout ASEAN region
- Currently proposing systems based on high-efficiency motors, to meet energy conservation needs of local manufacturers
- Continue proposing upgrades to existing customers



High-efficiency
ED Motor



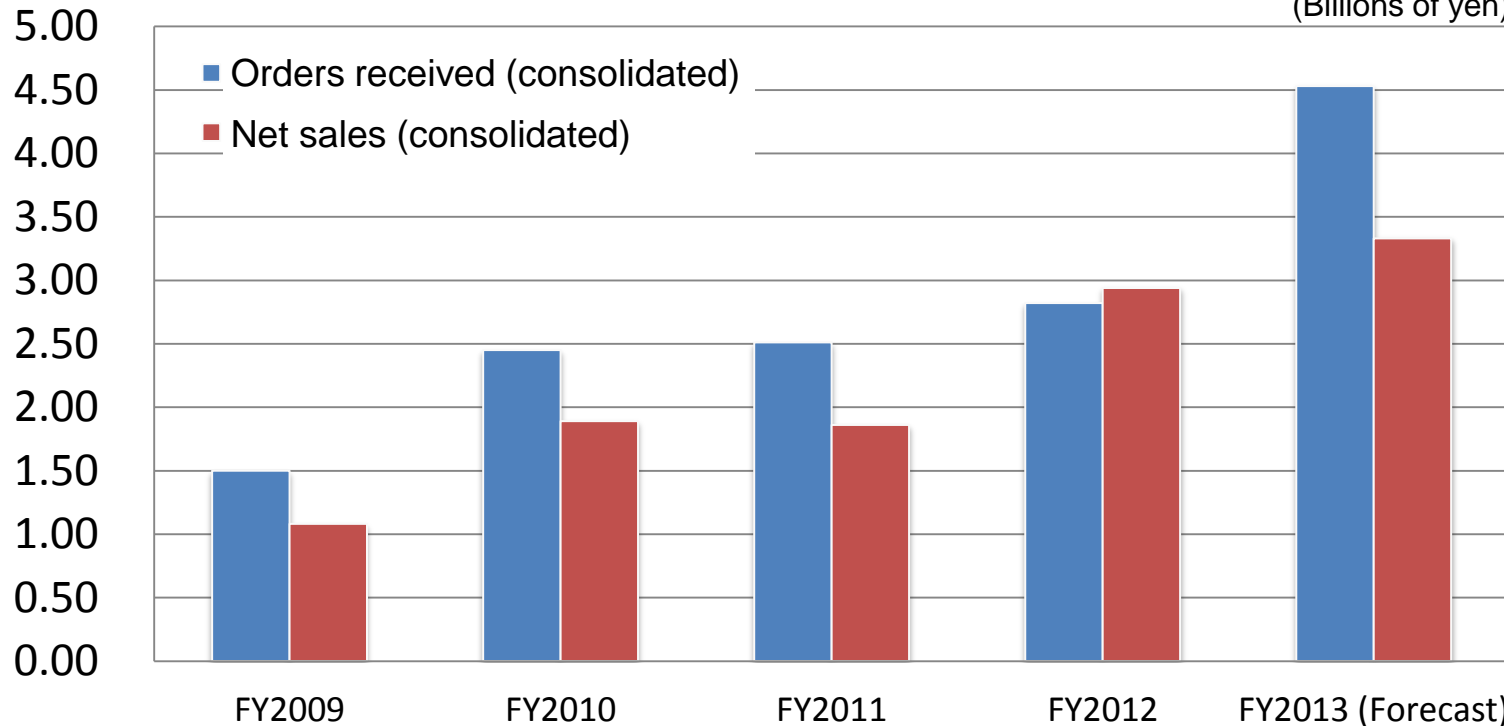
VF66 Series
intelligent inverter

3-8. Industrial Systems

- Automotive testing equipment segment remains strong
 - Increase in inquiries for testing equipment for hybrid/electric vehicle development, in addition to conventional gasoline vehicles
 - Also supporting international development centers opened by major Japanese automakers and auto parts manufacturers

Orders received and net sales for automotive testing equipment

(Billions of yen)



3-9. Information Equipment Systems

(1) Consolidated financial results for
1H FY2013

(Millions of yen)

	1H FY2012	1H FY2013	YoY change
Orders received	970	1,030	+60
Net sales	670	630	-40
Segment income	50	20	-30
Profit ratio	8.1%	2.7%	-5.4%

(2) Forecast for consolidated
financial results for FY2013

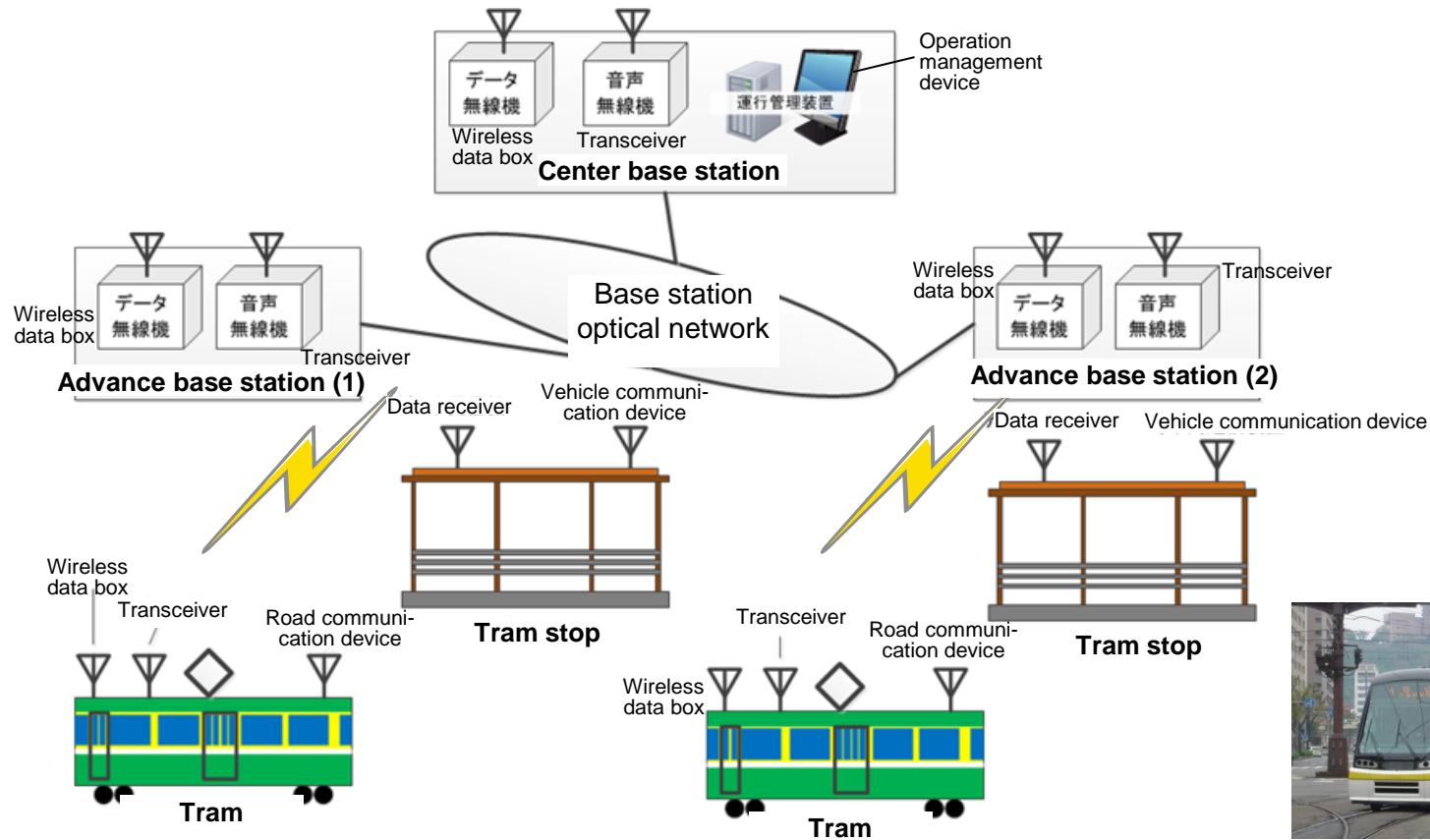
(Millions of yen)

	FY2012	FY2013 Forecast	YoY change
Orders received	1,540	2,000	+460
Net sales	1,700	2,000	+300
Segment income	270	260	-10
Profit ratio	15.6%	13.0%	-2.6%

3-10. Information Equipment Systems

■ First order for tram operation management system

- For Kagoshima City Transportation Bureau
- Monitor tram position wirelessly for greater convenience to users



3-11. R&D Status

■ R&D Status

Category	Description	Remarks
Transportation Systems	Development of low-vibration, low-noise driving gear unit	For high-speed rail
	Development of low-loss high frequency converter	For next-generation auxiliary power supplies
	Development of in-vehicle information display system	Jointly with Fuji Electric
Industrial Systems	Practical development of control circuit-less generating system	For renewable energy applications
	Research on next-generation motor and control	To meet energy-saving regulations
	Research to improve efficiency of on-board electrical equipment	For hybrid electric and electric vehicles
R&D	Research into applications for next-generation semiconductor devices	For next-generation low-loss semiconductor converters

Thank you for your interest.

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

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- 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.