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Representative:	Kenzo Terashima, President
Stock exchange:	1st Section of the Tokyo Stock Exchange
Stock Code:	6505
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Toyo Denki Seizo Announces Revisions to Medium-Term Management Plan—"Next 100: Beyond 100 years"

Tokyo, Japan, July 12, 2016—Toyo Denki Seizo K.K. (hereinafter Toyo Denki) today announced revisions to the medium-term management plan "Next 100: Beyond 100 years" (covering the period from June 1, 2014 to May 31, 2017) that was previously announced on July 10, 2014 as below, in light of changing business conditions and hurdles that need to be addressed since the previous announcement.

1. Reasons for Revision

The Toyo Denki Group has been advancing measures such as expansion of overseas net sales in the Transportation Systems segment and acquisition of land in Ryuoh Town, Shiga Prefecture for a new factory with the aim of restructuring production system of two domestic bases, based on the fundamental policy under the medium-term management plan "Next 100: Beyond 100 years" (hereinafter the "Current Plan").

Meanwhile, starting in the previous fiscal year, the business environment faced an increasingly uncertain outlook. Companies took even more cautious approach to capital investment due to factors such as a slowdown in economic growth in emerging Asian countries and stagnation in the economic recovery in Japan in addition to shift toward yen appreciation and weak stock prices, although investments in railway infrastructure remained robust in Japan and overseas.

Taking these into account, the Toyo Denki Group has decided to revise the Current Plan to the medium-term management plan "Next 100: Beyond 100 years, Ver. 2," based on the judgment that it is necessary to establish key policies and add strategies while maintaining the fundamental policy of the Current Plan, and reset the period of the plan and forecast for the final fiscal year accordingly.

2. Gist of Revision

The Toyo Denki Group will set "build a stable business earnings structure" and "restructure production system," which are part of the fundamental policy, as key policies, and newly add and promote strategies where the both key policies are interrelated.

Furthermore, as a major pillar of "restructure production system," New Shiga Factory is scheduled to start operations in the first half of 2018, the year of the 100th anniversary of Toyo Denki's foundation. Aiming to complete the related strategies by this time, the Toyo Denki Group will revise the period of the plan.

3. Details after Revision

(1) Period of the plan: June 1, 2014 – May 31, 2018
(Period of Ver. 2: June 1, 2016 – May 31, 2018)

(2) Fundamental policy

The Toyo Denki Group is committed to drastically improving its corporate value while thoroughly strengthening its management foundation, in order to become a Group well adapted to the new era in view of 2018, the 100th anniversary of its foundation, and beyond.

Aiming to strengthen the management foundation to become a 50 billion yen company under the slogan: "Beyond the 100-Year Mark"

(a) Strengthen international competitiveness
(b) Build a stable business earnings structure
(c) Restructure production system
(d) Promote development of technology
(e) Establish new businesses
(f) Train human resources to support global development

(3) Main strategies newly added

"Build a stable business earnings structure"

- Increase earnings potential by strengthening promotion of productivity reform in Transportation Systems segment
- Stabilize earnings potential by establishing medium- to long-term vision of business structure in Industrial Systems segment

"Restructure production system"

- Strengthen production capacity based on productivity reform in Transportation Systems segment
- Integrate production system based on vision of business structure in Industrial Systems segment

(4) Numerical Management Targets (Consolidated)

(Billions of yen) <Reference>

(a) Corporate	Fiscal 2015	Fiscal 2016 Forecast	Fiscal 2017 Forecast	Fiscal 2016 Initial forecast
Net sales	39.74	43.0	46.0	50.0
Operating income (%)	1.63 (4.1%)	1.9 (4.3%)	2.4 (5.2%)	3.0 (6%)
Ordinary income	1.49	1.8	2.5	3.2
Net income	0.88	1.2	1.7	1.9
Overseas sales (%)	12.65 (32%)	— —	23.0 (50%)	25.0 (50%)

(b) Segment net sales	Fiscal 2015	Fiscal 2016 Forecast	Fiscal 2017 Forecast	Fiscal 2016 Initial forecast
Transportation Systems	26.75	29.0	31.0	31.0
Industrial Systems	12.03	12.5	13.0	16.0
Information Equipment Systems	0.95	1.5	2.0	3.0