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Toyo Denki Seizo Releases Consolidated Earnings for First Half of Fiscal 2016 and Revised Full-Year Consolidated Earnings Forecast

Tokyo, Japan, January 12, 2017 — Toyo Denki Seizo K.K. (hereinafter Toyo Denki) today announced its consolidated earnings for the first half (June 1, 2016 to November 30, 2016) of fiscal 2016, which ends on May 31, 2017. Based on the first-half earnings results, the Company also announced revisions to its full-year consolidated earnings forecast for fiscal 2016, which was previously announced on July 12, 2016. The details of the earnings results and revised forecast are summarized below.

1. Difference between Consolidated Earnings Forecasts and Results for the First Half of Fiscal 2016 (June 1, 2016 to November 30, 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)	20,000	500	400	270	28.00
Actual results (B)	18,147	179	334	239	25.13
Change (B-A)	-1,853	-321	-66	-31	
Percent change	-9.3%	-64.2%	-16.5%	-11.4%	
(Reference) Business Results for 1H, fiscal 2015	18,749	611	709	473	49.10

2. Revisions to Consolidated Performance Forecasts for Fiscal 2016 (June 1, 2016 to May 31, 2017)

(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)	43,000	1,900	1,800	1,200	124.50
Revised forecast (B)	41,000	1,600	1,700	1,100	115.62
Difference (B-A)	-2,000	-300	-100	-100	
Percent change	-4.7%	-15.8%	-5.6%	-8.3%	
(Reference) Business results for fiscal 2015	39,746	1,638	1,492	889	92.35

* Net income per share is calculated taking into account the one-for-five share consolidation that went into effect on December 1, 2016, whereby one consolidated share was issued for every five pre-consolidated shares.

3. Reasons for Revision

Net sales and operating income for the first half of fiscal 2016 were lower than forecast due to costs associated with addressing performance enhancements in testing equipment for automotive development in the Industrial Systems segment and higher-than-projected man-hours required to develop new testing equipment for automotive components in the first quarter. Ordinary income was generally in line with the forecast, due to exchange rates recovering to around 112 yen to the US dollar as of the end of the first half, compared with the initial projection of 100 yen to the US dollar. Net income was also generally in line with the forecast, for the same reasons.

The full-year consolidated earnings forecast has been revised to reflect the above.