



## Summary of Consolidated Business Results for the First Three Quarters of Fiscal 2018

April 12, 2019

Company Name: Toyo Denki Seizo K. K. Stock Exchange: 1st Section of the Tokyo Stock Exchange  
 Stock Code: 6505 URL: <https://www.toyodenki.co.jp>  
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 Scheduled date of submission of quarterly financial report: April 12, 2019 Scheduled date of commencement of dividend payments: -  
 Preparation of quarterly financial report's supplemental explanatory materials : Yes  
 Holding of quarterly financial results briefing : Yes (for institutional investors and analysts)  
 (Note: Amounts less than one million yen in financial statements and the supplementary data are rounded down.)

### 1. Consolidated Business Results for the First Three Quarters of Fiscal 2018 (June 1, 2018 to February 28, 2019)

#### (1) Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year increase or decrease.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q Fiscal 2018	29,553	5.7	(133)	-	(54)	-	175	513.1
3Q Fiscal 2017	27,947	3.3	(602)	-	(306)	-	28	(87.5)

(Note) Comprehensive income: 3Q Fiscal 2018 (428) million yen [ - %]  
 3Q Fiscal 2017 904 million yen [297.5%]

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
3Q Fiscal 2018	19.03	-
3Q Fiscal 2017	3.04	-

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)
	Millions of yen	Millions of yen	%
3Q Fiscal 2018	61,227	24,627	40.2
As of May 31, 2018	63,291	26,327	41.6

(Reference) Shareholders' equity: 3Q Fiscal 2018 24,627 million yen  
 As of May 31, 2018 26,327 million yen

### 2. Dividend Information

	Annual Dividend (Yen)				
	1Q	Interim	3Q	Fiscal Year-End	Total
	Yen	Yen	Yen	Yen	Yen
As of May 31, 2018	-	0.00	-	50.00	50.00
Fiscal 2018	-	0.00	-		
Fiscal 2018 (Forecast)				30.00	30.00

(Note) Revisions to the most recently announced dividend forecasts: No

(Note) Year-end dividends for Fiscal 2017: Ordinary dividend: 30.00 yen; commemorative dividend: 20.00 yen

### 3. Consolidated Performance Forecast for Fiscal 2018 (June 1, 2018 to May 31, 2019)

(In millions of yen, except where noted; percentage figures show year-on-year increase or decrease.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share (Yen)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	42,500	(0.1)	600	63.5	650	26.1	700	1.1	74.69

(Note) Revisions to the most recently announced performance forecast: Yes

\*Notes:

- (1) Transfers of major subsidiaries during the period : No  
 (transfers of specified subsidiaries accompanied by changes in the scope of consolidation)  
 Newly included: - companies (name of the company)  
 Excluded: - companies (name of the company)
- (2) Application of Special Accounting Practices for the Preparation of Quarterly Consolidated Financial Statement :  
 No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (a) Changes in accounting policies in accordance with revisions to accounting standards and related practices :  
 No
- (b) Any changes other than (a) above : No
- (c) Changes in accounting estimates : No
- (d) Restatement : No

(4) Shares outstanding (common stock)

(a) Number of shares outstanding as of the end of the period (including treasury stock)	February 28, 2019	9,735,000 shares	As of May 31, 2018	9,735,000 shares
(b) Number of shares of treasury stock as of the end of the period	February 28, 2019	792,560 shares	As of May 31, 2018	291,907 shares
(c) Average number of shares for the period (fiscal year-to-date)	3Q Fiscal 2018	9,242,854 shares	3Q Fiscal 2017	9,443,860 shares

\* Quarterly financial reports are not subject to quarterly review procedures by a certified public accountant or audit firm.

\* Disclaimer concerning the Proper Use of Business Forecasts and Other Relevant Specific Items

The forecasts of business results presented in this document are based on management's assumptions and beliefs in light of currently available information. Toyo Denki Seizo K. K. (hereinafter Toyo Denki) cautions readers that due to a variety of factors actual results may differ materially from forecasts. Please refer to "Explanation of Consolidated Performance Forecast and Other Forward-looking Information" in the Accompanying Materials on page 3 for details relating to forecasts of operating results (available in Japanese only).

\*This report is an abridged translation of the Japanese summary consolidated business results, which has been prepared in accordance with accounting principles generally accepted Japan, for reference purpose only.

## 2. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of May 31, 2018	End of the First Three Quarters of Fiscal 2018 (February 28, 2019)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,555	2,349
Trade notes and accounts receivable	16,960	15,527
Electronically recorded monetary claims - operating	1,152	1,467
Products and finished goods	1,006	839
Work in process	3,506	4,342
Raw materials and stored goods	3,319	3,400
Advances	30	43
Other accounts receivable	547	321
Other	534	260
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>28,611</b>	<b>28,551</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures	11,981	12,135
Accumulated depreciation	(4,707)	(5,013)
Buildings and structures, net	7,274	7,121
Machinery and equipment	7,742	8,145
Accumulated depreciation	(6,310)	(6,641)
Machinery and equipment, net	1,432	1,504
Land	1,301	1,301
Construction in progress	320	134
Other	3,953	4,256
Accumulated depreciation	(3,116)	(3,402)
Other, net	837	854
<b>Total property, plant and equipment</b>	<b>11,166</b>	<b>10,915</b>
Intangible assets		
Software	885	733
Software in progress	3	-
Other	15	14
<b>Total intangible assets</b>	<b>904</b>	<b>748</b>
Investments and other assets		
Investment securities	19,681	18,350
Deferred tax assets	95	116
Other	2,845	2,557
Allowance for doubtful accounts	(12)	(12)
<b>Total investments and other assets</b>	<b>22,609</b>	<b>21,012</b>
<b>Total fixed assets</b>	<b>34,680</b>	<b>32,676</b>
<b>Total assets</b>	<b>63,291</b>	<b>61,227</b>

## Toyo Denki Seizo K. K. (6505) Summary of Consolidated Business Results for the First Three Quarters of Fiscal 2018

(Millions of yen)

	As of May 31, 2018	End of the First Three Quarters of Fiscal 2018 (February 28, 2019)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	4,057	2,335
Electronically recorded obligations - operating	6,295	6,172
Short-term debt	7,241	10,983
Income taxes payable	180	117
Consumption and other taxes payable	38	254
Accrued expenses	841	939
Advances received	188	149
Deposits received	229	218
Reserve for directors' bonuses	25	19
Reserve for employees' bonuses	814	419
Reserve for order losses	689	589
Other	1,716	361
Total current liabilities	22,320	22,562
Long-term liabilities		
Long-term debt	8,930	8,480
Long-term payables	35	20
Net defined benefit liability	3,862	3,902
Deferred tax liabilities	1,756	1,629
Other	58	4
Total long-term liabilities	14,644	14,038
Total liabilities	36,964	36,600
Net assets		
Shareholders' equity		
Capital stock	4,998	4,998
Capital surplus	3,177	3,177
Retained earnings	10,579	10,282
Treasury stock	(480)	(1,279)
Total shareholders' equity	18,274	17,179
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	8,111	7,520
Foreign currency translation adjustments	188	137
Adjustments of defined benefit plans	(247)	(209)
Total accumulated other comprehensive income	8,052	7,447
Total net assets	26,327	24,627
Total liabilities and net assets	63,291	61,227

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income for the First Three Quarters

	(Millions of yen)	
	3Q FY2017 (June 1, 2017 to February 28, 2018)	3Q FY2018 (June 1, 2018 to February 28, 2019)
Net Sales	27,947	29,553
Cost of sales	22,708	24,252
Gross profit	5,238	5,301
Selling, general and administrative expenses	5,840	5,434
Operating loss	(602)	(133)
Non-operating income		
Interest income	0	1
Dividend income	222	233
Equity in profit of unconsolidated subsidiaries and affiliates	95	-
Foreign exchange gains	29	-
Gain on reversal of environmental expenses	40	-
Miscellaneous income	48	36
Total non-operating income	437	271
Non-operating expenses		
Interest expenses	110	110
Equity in loss of unconsolidated subsidiaries and affiliates	-	11
Loss on disposal of fixed assets	0	3
Foreign exchange losses	-	21
Commission fee	14	-
Miscellaneous loss	15	45
Total non-operating expenses	141	192
Ordinary loss	(306)	(54)
Extraordinary income		
Gain on sales of investment securities	443	571
Other	2	-
Total extraordinary income	446	571
Extraordinary loss		
Expenses for commemorative events of the 100th anniversary	-	53
Loss on sales of non-current assets	7	-
Total extraordinary losses	7	53
Income before income taxes	132	463
Income taxes: Current	147	195
Income taxes: Deferred	(43)	91
Total income taxes	104	287
Net Income	28	175
Net Income Attributable to Owners of the Parent	28	175

## Consolidated Statements of Comprehensive Income for the First Three Quarters

	(Millions of yen)	
	3Q FY2017 (June 1, 2017 to February 28, 2018)	3Q FY2018 (June 1, 2018 to February 28, 2019)
Net Income	28	175
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	779	(590)
Foreign currency translation adjustments	46	5
Adjusted amounts of defined benefit plans	38	37
Share of other comprehensive income of affiliates to which the equity method is applied	11	(56)
Total other comprehensive income	875	(604)
Comprehensive income	904	(428)
Comprehensive income attributable to:		
Owners of the parent	904	(428)
Non-controlling interests	-	-

(3) Segment Information

(Notes on going concern assumption)

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

Not applicable

(Segment Information)

**Segment Information:**

The First Three Quarters of Fiscal 2017 (June 1, 2017 to February 28, 2018)

Information regarding Net Sales and Income (Loss) by Reporting Segment

(Millions of yen)

	Reporting Segment			Other (Note 1)	Total	Adjustment Amount (Note 2)	Amount Recorded on Quarterly Consolidated Statements of Income (Note 3)
	Transportation Systems	Industrial Systems	Information Equipment Systems				
Net Sales							
Sales to third parties	18,409	8,026	1,506	4	27,947	-	27,947
Inter-segment sales and transfers	13	1	-	542	557	(557)	-
Total	18,422	8,027	1,506	547	28,504	(557)	27,947
Segment profit (loss)	1,372	(21)	156	29	1,535	(2,137)	(602)

- Note: 1. The "Other" segment includes operations not included in reporting segments such as the dispatch of temporary staff.
2. The segment profit (loss) adjustment amount is a loss of 2,137 million yen. This is comprised of an elimination of inter-segment sales and transfer amount at a loss of 1 million yen and corporate expenditure (a loss of 2,136 million yen) that is not allocated to each reporting segment. Corporate expenditure is primarily comprised of selling, general and administrative expenses as well as research and development costs that are not allocated to each reporting segment.
3. Segment profit (loss) has been adjusted with operating loss recorded under the quarterly consolidated statements of income.

The First Three Quarters of Fiscal 2018 (June 1, 2018 to February 28, 2019)

Information regarding Net Sales and Income (Loss) by Reporting Segment

(Millions of yen)

	Reporting Segment			Other (Note 1)	Total	Adjustment Amount (Note 2)	Amount Recorded on Quarterly Consolidated Statements of Income (Note 3)
	Transportation Systems	Industrial Systems	Information Equipment Systems				
Net Sales							
Sales to third parties	19,804	8,638	1,098	11	29,553	-	29,553
Inter-segment sales and transfers	37	0	-	433	472	(472)	-
Total	19,841	8,639	1,098	445	30,025	(472)	29,553
Segment profit	1,457	269	213	25	1,965	(2,099)	(133)

- Notes: 1. The "Other" segment includes operations not included in reporting segments such as the dispatch of temporary staff.
2. The segment profit adjustment amount is a loss of 2,099 million yen. This is comprised of an elimination of inter-segment sales and transfer amount at a loss of 1 million yen and corporate expenditure (a loss of 2,097 million yen) that is not allocated to each reporting segment. Corporate expenditure is primarily comprised

of selling, general and administrative expenses as well as research and development costs that are not allocated to each reporting segment.

3. Segment profit (loss) has been adjusted with operating loss recorded under the quarterly consolidated statements of income.



## 3. Supporting Materials for the Financial Results

## (1) Status of Production, Orders, and Sales

## (a) Production Status

Business segment	3Q FY2017 (June 1, 2017 to February 28, 2018)		3Q FY2018 (June 1, 2018 to February 28, 2019)	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)
Transportation Systems	19,424	67.8	19,232	67.6
Industrial Systems	8,696	30.3	8,343	29.3
Information Equipment Systems	536	1.9	859	3.0
Other	-	-	-	-
Total	28,657	100.0	28,435	100.0

Notes: 1. Amounts are based on sales prices.  
2. Amounts are exclusive of consumption and other taxes.

## (b) Status of Orders Received

Business segment	3Q FY2017 (June 1, 2017 to February 28, 2018)		3Q FY2018 (June 1, 2018 to February 28, 2019)	
	Orders Received (Millions of yen)	Balance (Millions of yen)	Orders Received (Millions of yen)	Balance (Millions of yen)
Transportation Systems	19,924	27,489	16,997	20,947
Industrial Systems	8,208	7,331	9,953	8,004
Information Equipment Systems	2,034	1,440	914	343
Other	4	-	11	-
Total	30,171	36,262	27,877	29,296

Notes: 1. Amounts are based on sales prices.  
2. Amounts are exclusive of consumption and other taxes.

## (c) Sales Status

Business segment	3Q FY2017 (June 1, 2017 to February 28, 2018)		3Q FY2018 (June 1, 2018 to February 28, 2019)	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)
Transportation Systems	18,409	65.9	19,804	67.0
Industrial Systems	8,026	28.7	8,638	29.2
Information Equipment Systems	1,506	5.4	1,098	3.7
Other	4	0.0	11	0.0
Total	27,947	100.0	29,553	100.0

Notes: 1. Amounts are based on sales prices.  
2. Amounts are exclusive of consumption and other taxes.