
Financial Results Briefing

First Half of Fiscal 2015

(Ended November 30, 2015)

January 14, 2016
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- Briefing on Financial Results: 25 minutes
 1. Overview of Financial Results for the First Half of Fiscal 2015
 2. Current Status of the Medium-Term Management Plan—“Next 100; Beyond 100 years”

- Q&A: 30 minutes

1. Overview of Financial Results for
the First Half of Fiscal 2015
(June 1–November 30, 2015)

1-1. Overview of Consolidated Financial Results

Net sales and operating income are at the same level as last year.

Production standardization and other are progressing faster than planned.

Net Sales and Operating Income

Transportation Systems are at the same level as last year. Profitability of Industrial Systems has improved for increased profit.

Ordinary Income

Equity in earning of affiliates increased, but down due to losses on exchange.

Orders Received

Transportation Systems are at the same level as last year. Industrial Systems are slightly down from last year.

(Billions of yen)

	1H	1H	1H	YoY		Difference	
	FY2013	FY2014	FY2015	Change	(%)		(%)
Net sales	15.82	19.07	18.75	-0.32	-1.7%	+0.75	+4.2%
Operating income (%)	0.21 (1.3%)	0.58 (3.1%)	0.61 (3.3%)	+0.03 (+0.2%)	+4.7%	+0.31 (1.7%)	+103.9%
Ordinary income	0.27	0.87	0.71	-0.16	-18.8%	+0.36	+102.7%
Net income	0.05	0.52	0.47	-0.04	-8.2%	+0.27	+136.5%
Net income per share (yen)	1.20	10.69	9.82	-0.87	—	—	—
Orders received	18.25	19.60	19.13	-0.47	-2.4%	-0.37	-1.9%
Ratio of overseas sales to net sales	26.1%	42.6%	33.1%	-9.5%	—		

1-2. Factors Contributing to YoY Changes in Operating Income

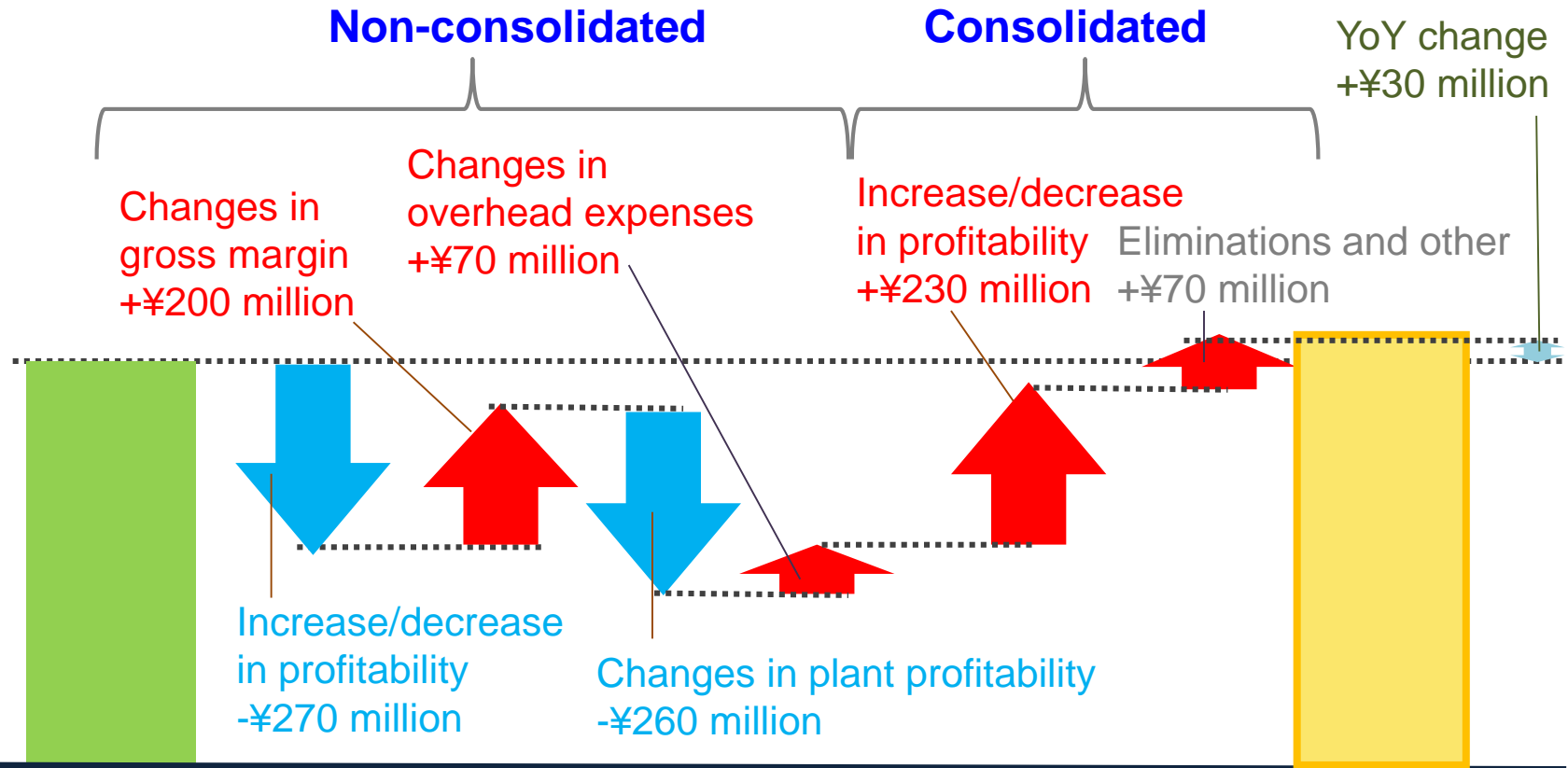
Slight reduction in rebound from last year in non-consolidated results; improvement in profitability among subsidiaries.

1H FY2014

¥580 million

1H FY2015

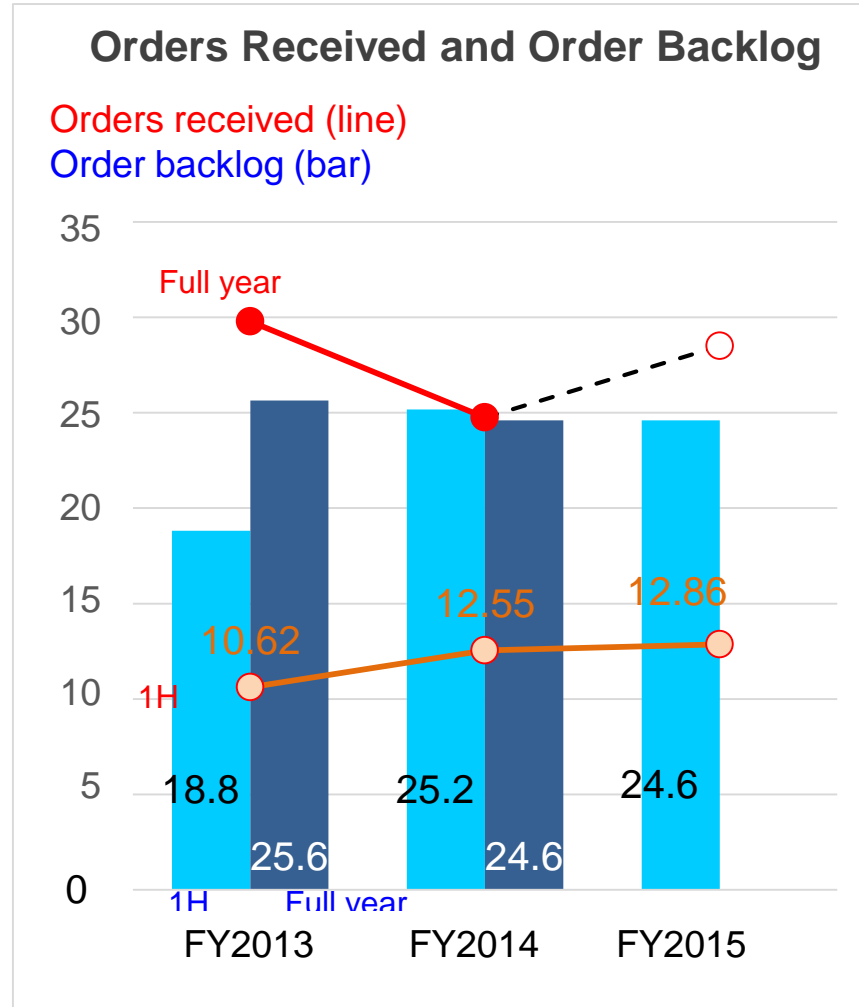
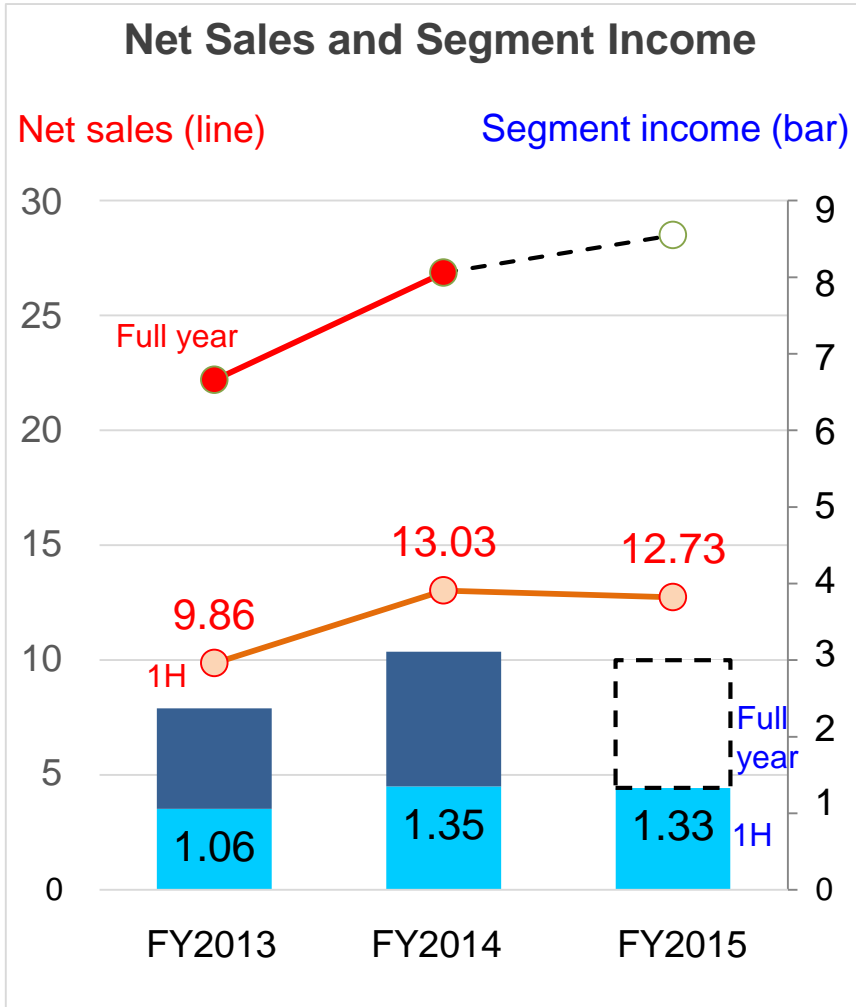
¥610 million



1-3. Segment Performance: Transportation Systems

Profit is at same level as last year. Order backlog has remained high.

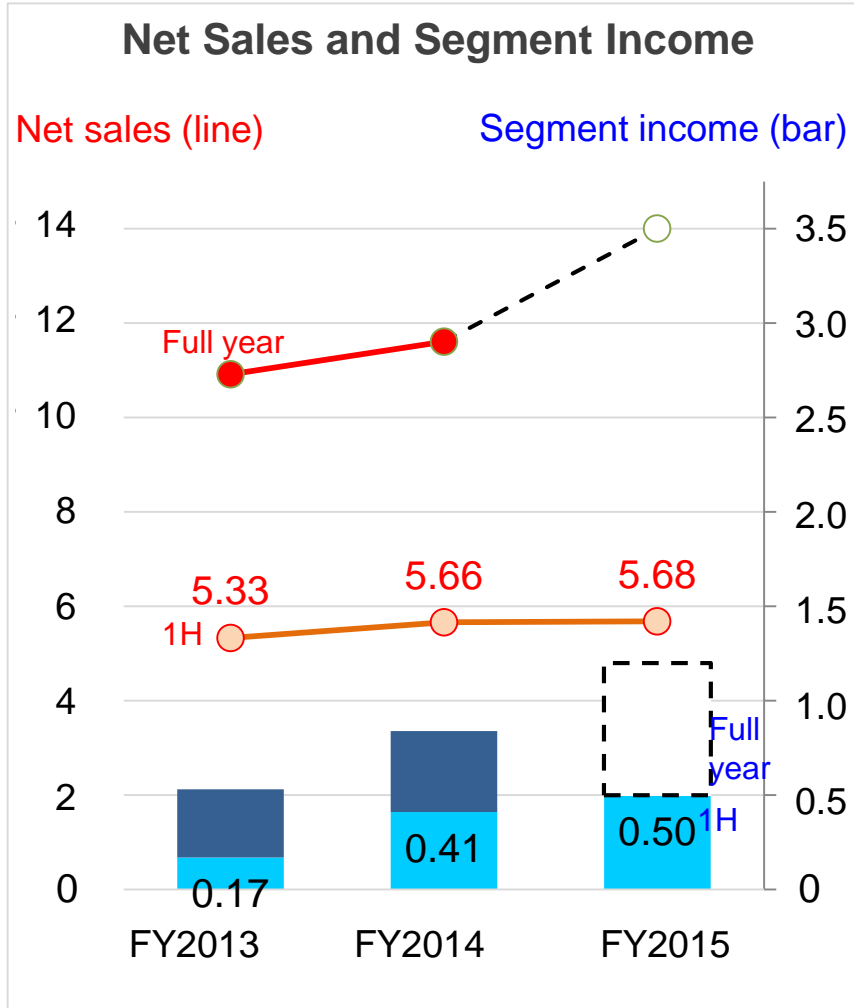
(Billions of yen)



1-4. Segment Performance: Industrial Systems

Order environment, in general, is unpredictable, but testing equipment for automobile development is robust.

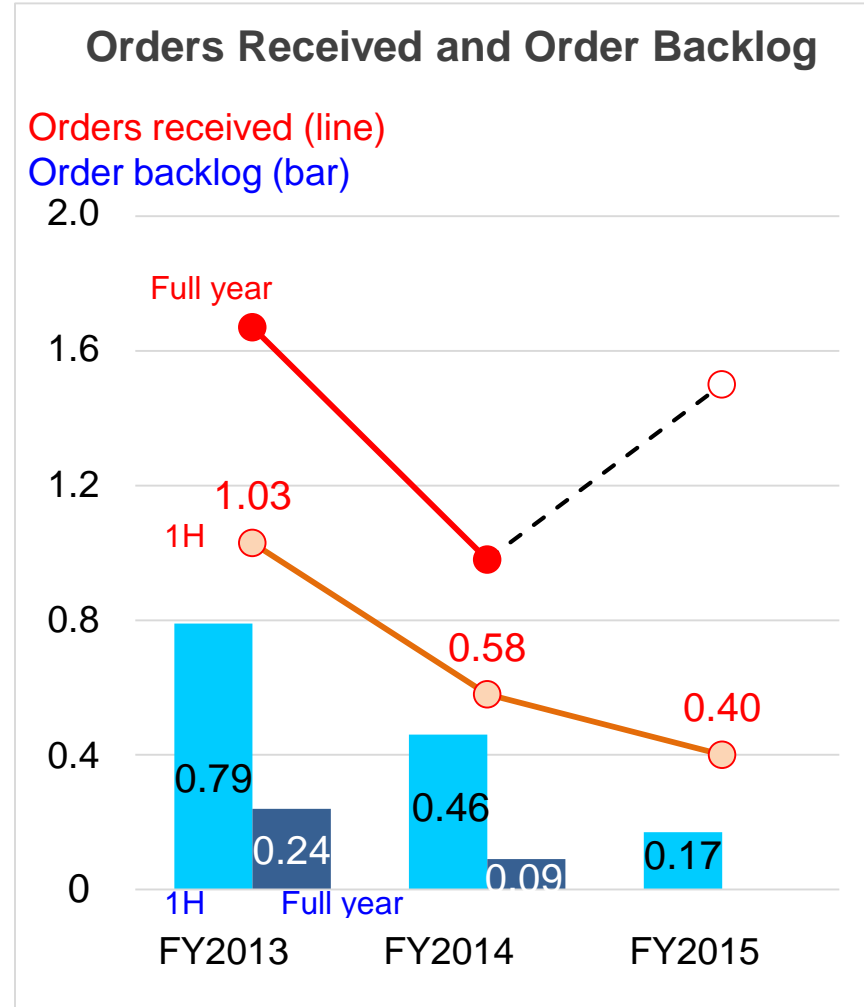
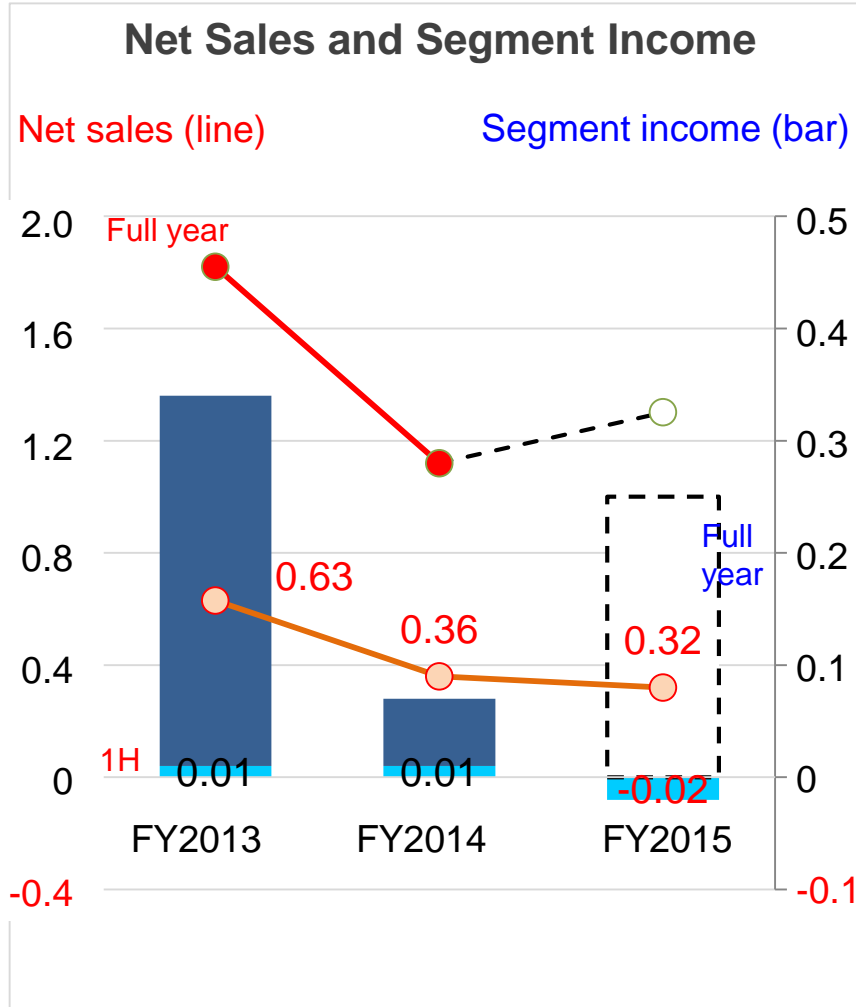
(Billions of yen)



1-5. Segment Performance: Information Equipment Systems

Upgrade demand for station operating equipment is entering changeover period.

(Billions of yen)



1-6. Consolidated Financial Position

(Billions of yen)

	FY2014		FY2015	YoY Change
	Nov. 30, 2014	May 31, 2015	Nov. 30, 2015	
Total assets	50.7	53.0	54.3	+3.6
Current assets	26.2	25.6	27.1	+0.9
Fixed assets	24.5	27.4	27.2	+2.7
Total liabilities	28.4	28.1	29.5	+1.1
Of which, interest-bearing debt	10.1	9.4	10.8	+0.6
Net assets	22.3	24.9	24.8	+2.5
<i>Equity ratio</i>	43.9%	46.9%	45.7%	+1.7%

Assets

Fixed Assets: Increase due to rise in market price of investment securities (+¥2.1 billion)

Net Assets

Increase in retained earnings (+¥0.7 billion) and increase in accumulated other comprehensive income (+¥1.7 billion)

1-7. Consolidated Financial Forecast for Fiscal 2015

Orders achieved the initial target, contributing to the NEXT100 final year (ending May 2017).

	FY2014		FY2015		YoY Change	
	1H	Full Year	1H	Full Year Forecast	1H	Full Year
Net sales	19.07	39.61	18.74	44.00	-0.31	+4.38
Operating income (%)	0.58 (3.1%)	1.59 (4.0%)	0.61 (3.3%)	2.10 (4.8%)	+0.02 (+0.2%)	+0.50 (+0.7%)
Ordinary income	0.87	2.05	0.70	2.20	-0.16	+0.14
Net income	0.52	1.10	0.47	1.40	-0.04	+0.29
Net income per share (yen)	10.69	23.15	9.82	29.05	-0.87	+5.90
Dividend forecast		6 yen/share		6 yen/share		
Orders received	19.60	39.06	19.13	46.00	-0.47	+6.94
Year-end order backlog	31.36	31.34	31.59			

(Billions of yen)

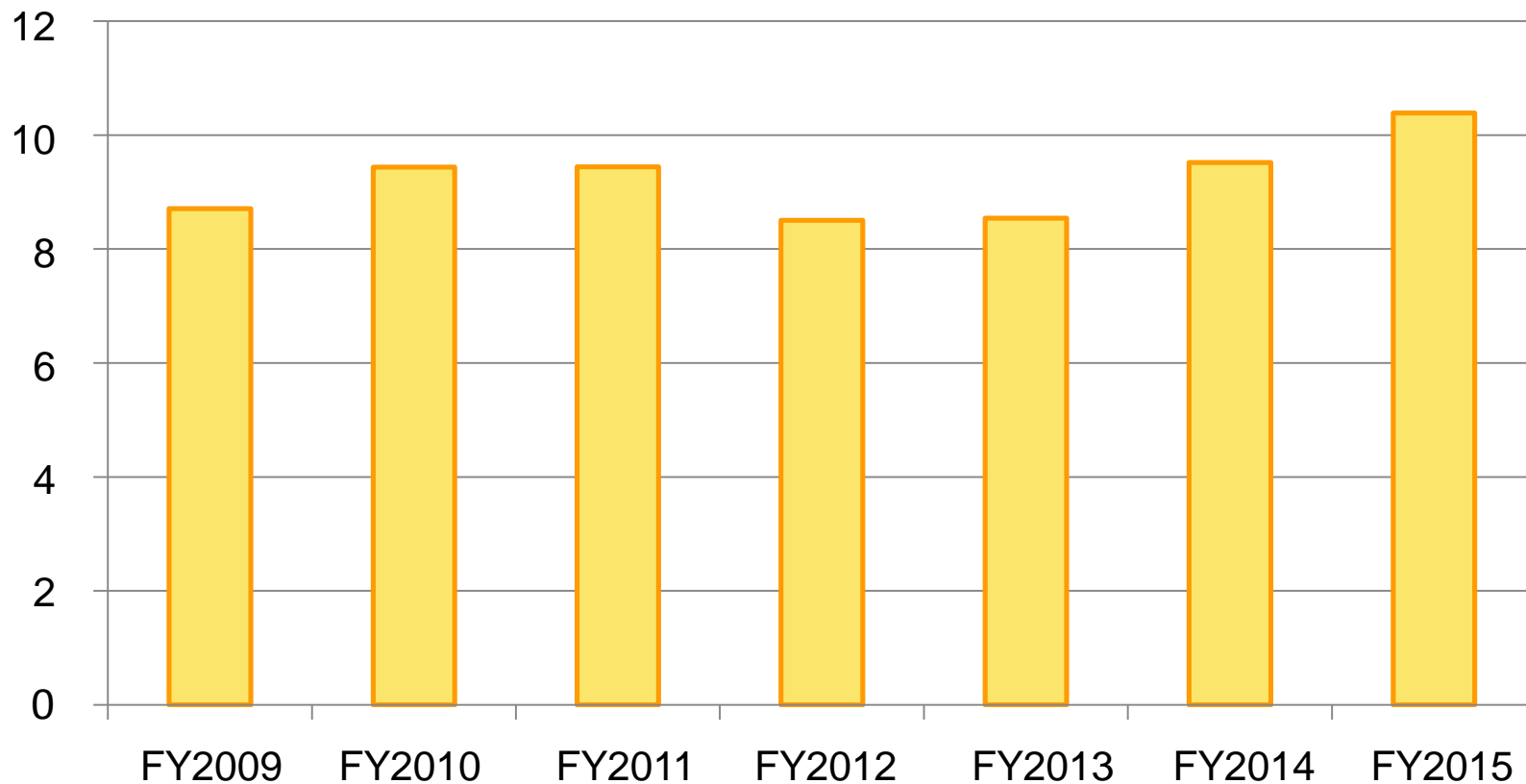
1-8. Segment Outlook

(Billions of yen)

		Transportation Systems	Industrial Systems	Information Equipment Systems	Adjustment	Total
FY2015 (Full Year Forecast)	Net sales	28.50	14.00	1.50	—	44.00
	Segment income	3.20	1.20	0.23	-2.53	2.10
	Orders received	28.50	16.20	1.30	—	46.00
YoY Change	Net sales	+1.63	+2.39	+0.37	—	+4.38
	Segment income	+0.08	+0.35	+0.16	-0.09	+0.50
	Orders received	+3.74	+2.88	+0.32	—	+6.93

(Billions of yen)

Net Sales Trend (simple sum)



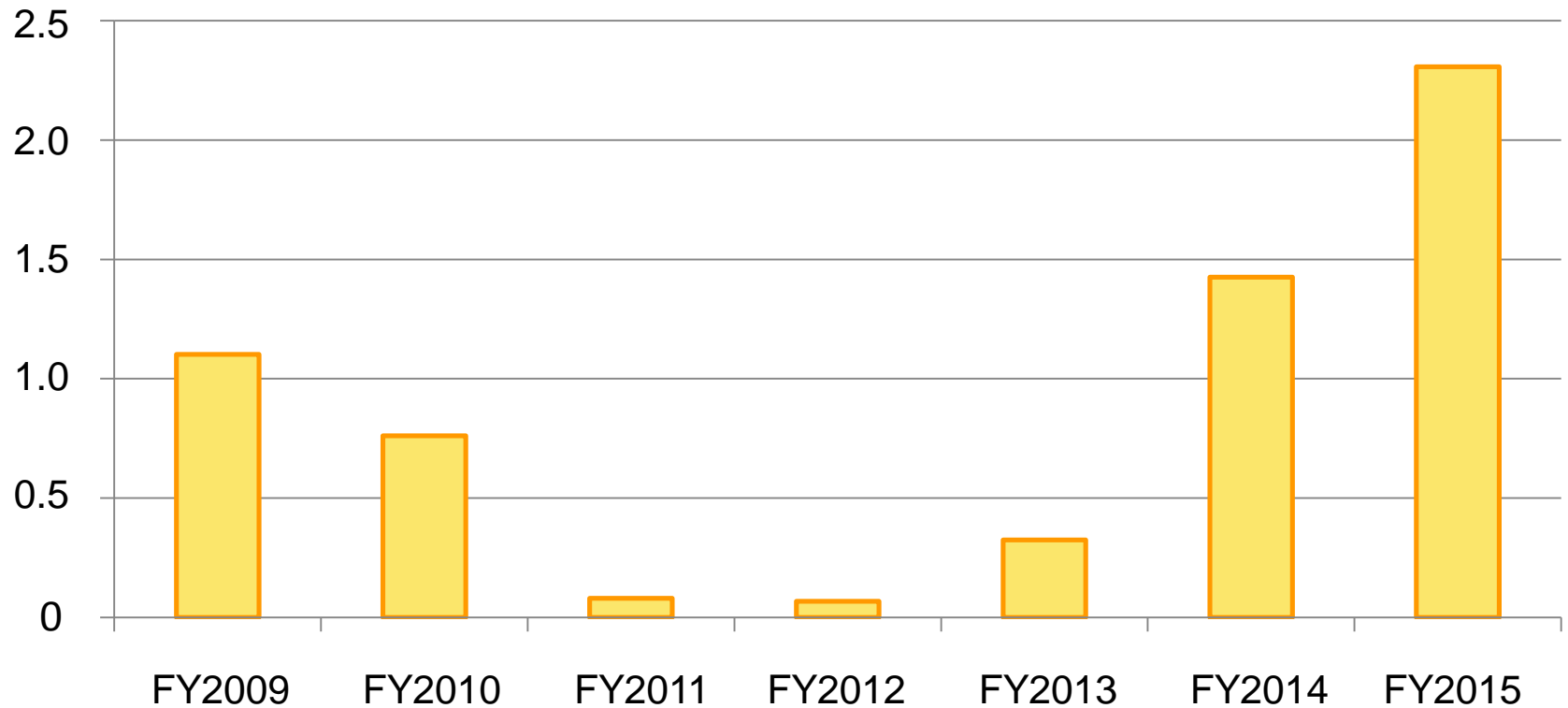
Subject companies

- Toyokouki Co., Ltd.
- Taihei Electric Co., Ltd.

- TD Drive Manufacturing Co., Ltd.
- Toyosangyo K.K.
- Toyo Shoji K.K.

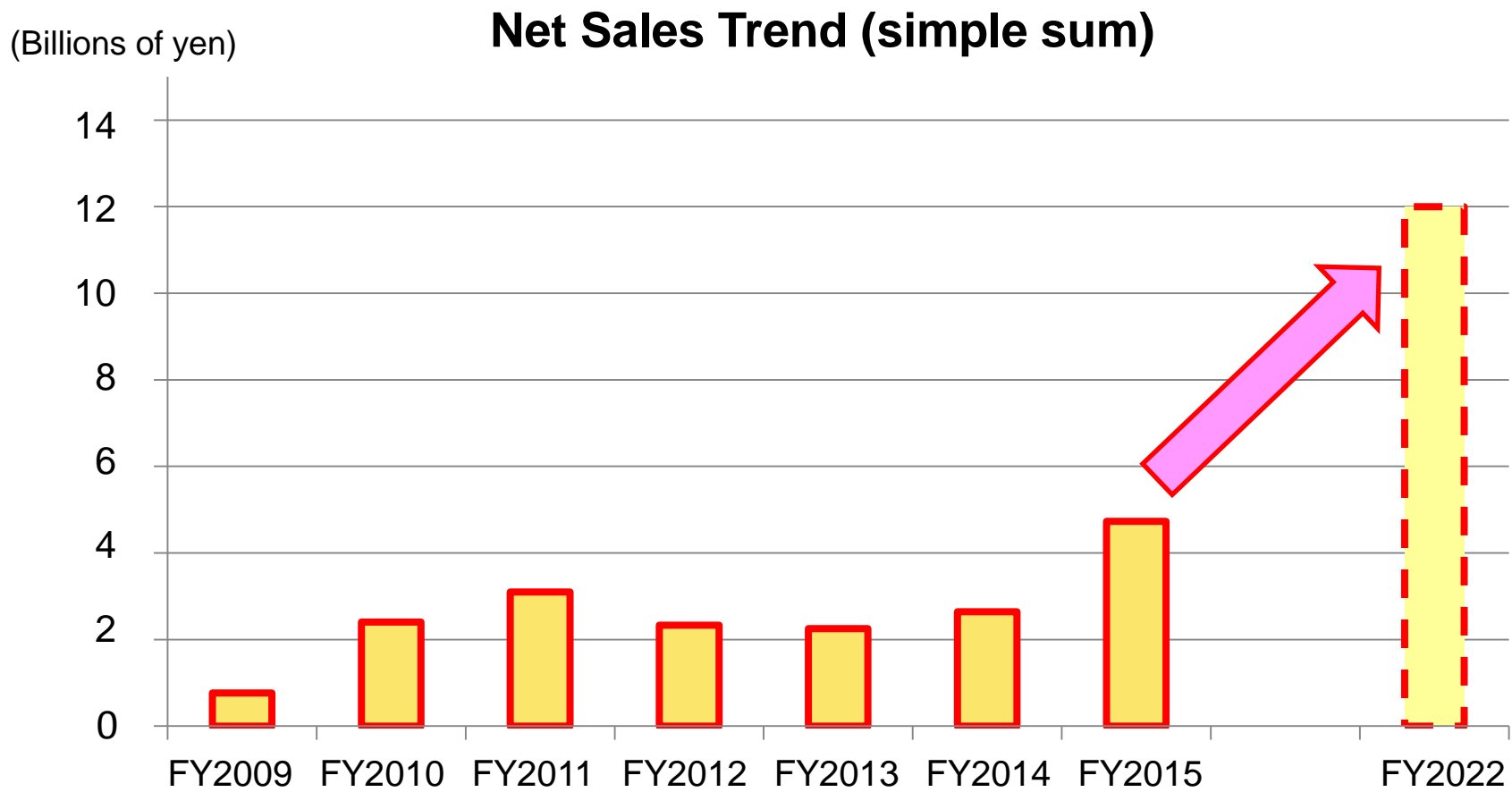
Net Sales Trend (simple sum)

(Billions of yen)



Subject company
• Toyo Denki USA, Inc.

Reference: Contribution of Equity Method Affiliates and Other (China)



- Subject companies
- Changzhou Ruiyang Transmission Technology Co., Ltd.
 - Hunan Xiangyang Electric Co., Ltd.
 - Taiping Zhanyun Automatic Door (Changzhou) Co. Ltd.
 - Beijing Jingche Shuangyang Traction System Co., Ltd.

2. Current Status of the Medium-Term Management Plan—“Next 100; Beyond 100 years”

2-1. Medium-Term Management Plan—“Next 100”

Aiming to strengthen the management foundation as a 50 billion yen company under the slogan: “Beyond the 100-Year Mark.”

- **Period Covered**
FY2014–FY2016
(June 2014–May 2017)

- **Fundamental Policy**

1. Strengthen international competitiveness

2. Build a stable business earnings structure

3. Restructure production system

4. Promote development of technology

6. Train human resources to support global development

5. Establish new businesses

- **Performance Targets**

(Billions of yen)

	NEXT100		
	FY2014	FY2015 (Forecast)	FY2016 (Forecast)
Net sales	39.61	44.00	50.00
Operating income <i>(Operating income margin)</i>	1.59 <i>(4.0%)</i>	2.10 <i>(4.7%)</i>	3.00 <i>(6.0%)</i>
Ordinary income	2.05	2.20	3.20
Net income	1.10	1.40	1.90
Overseas net sales <i>(Ratio of overseas sales to net sales)</i>	15.06 <i>(38.0%)</i>	— <i>(—%)</i>	25.00 <i>(50.0%)</i>

2-2. Fundamental Policy (1): Strengthening International Competitiveness (Transportation Systems) - NEXT100

India: Working on activities to win orders for electrical equipment for high speed railways.

- Exhibited motors and gear units for high speed railways at IREE2015, India's largest railway technology trade show, held in New Delhi in October 2015
- Launched joint initiative with local makers to manufacture electrical equipment in India
- Strengthened information gathering at our Delhi Liaison Office



Toyo Denki booth at IREE2015



Motor (left) and gear unit (right) for high speed railways

2-3. Fundamental Policy (1): Strengthening International Competitiveness (Transportation Systems) - NEXT100

Working on delivering pantographs for Beijing Subway.

- Started local testing for pantograph orders
- Exhibited pantographs at Metro China 2015 held in Beijing in November 2015 and received favorable reviews



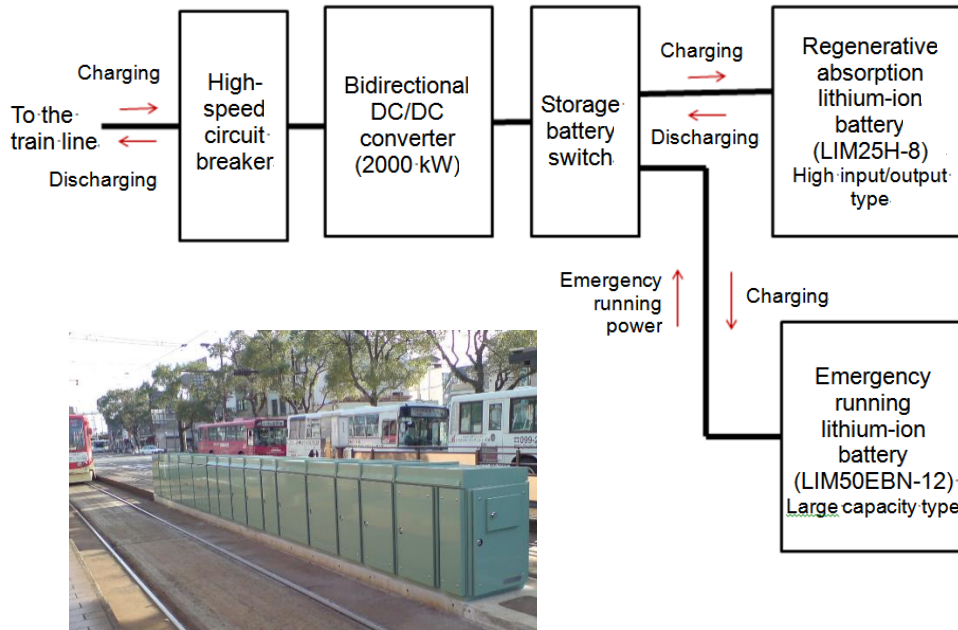
Test pantograph mounted on Line 6 of Beijing Subway



Toyo Denki booth at Metro China 2015

2-4. Fundamental Policy (4): Promoting Development of Technology (Transportation Systems) - NEXT100

1. Received order for E³ Solution System regenerative power storage system from Tokyo Tama Intercity Monorail



Ref: For Kagoshima City Transport Bureau

2. Developed and showed electric door operating equipment at Mass-Trans Innovation Japan 2015



Demonstration of electric door operating equipment at Mass-Trans Innovation Japan 2015

2-5. Fundamental Policy (3): Restructuring Production System

Started detailed investigation of factory campus layout and so forth for our new factory in Shiga.



2-6. Fundamental Policy (3): Restructuring Production System

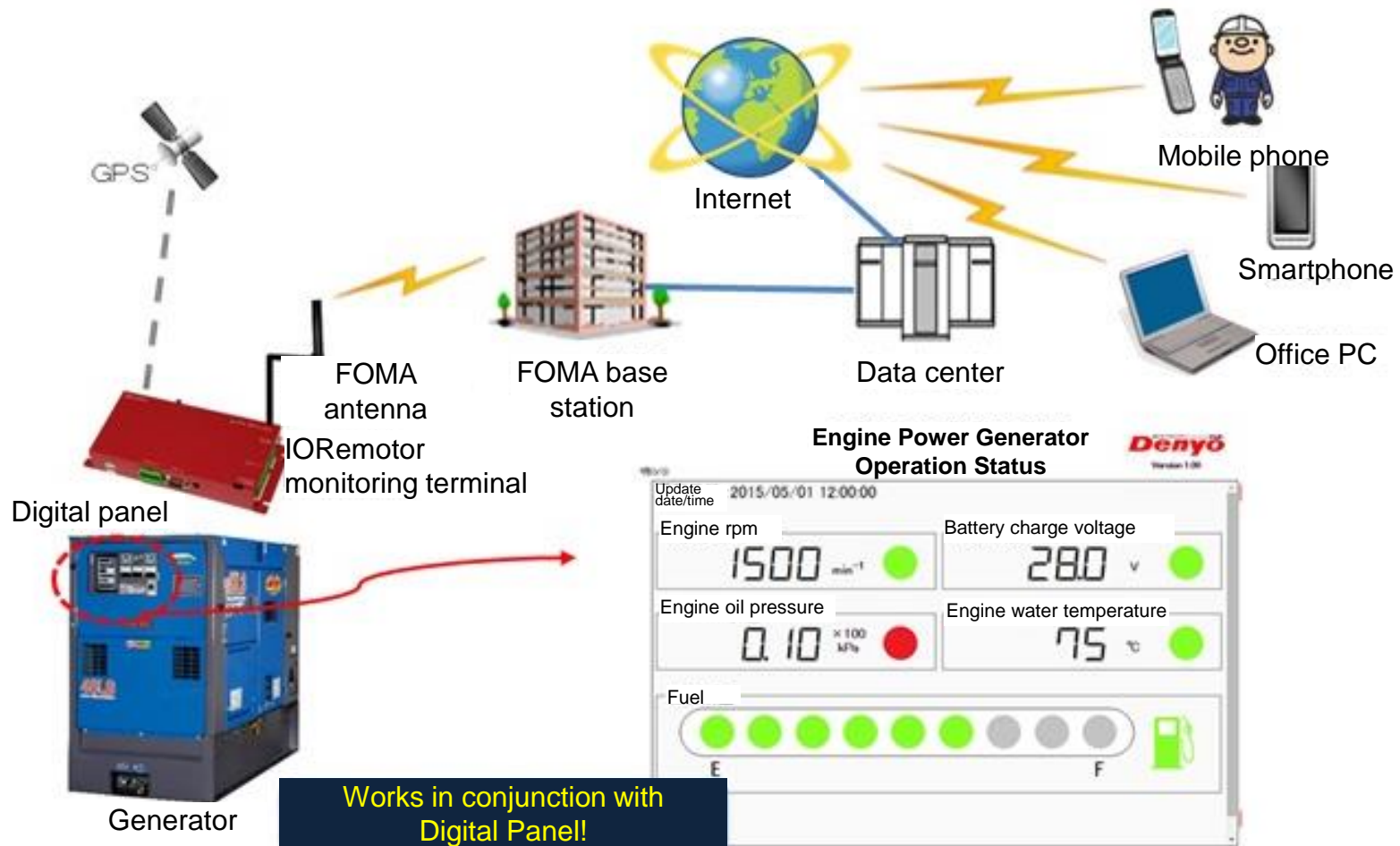
Preparing for operations to startup at the new Shiga factory in March 2018.

Year	Fiscal Period	Month	Events
2015	154	Mar.	Land acquisition contract Signing ceremony
		Apr.– Dec.	
2016	155	Jan.– May	Enter design contract Boring exploration
		Jun.– Dec.	Construction application Contract
2017	156	Jan.	Land handover Groundbreaking
		Feb.– Dec.	
	157		Completion of factory building

Year	Fiscal Period	Month	Events
2018	157	Mar.	Start of operations
		Jun.	100th company anniversary
2019	158	Jul.– Dec.	
	159		

2-7. Fundamental Policy (5): Establishing New Businesses - NEXT100 (Information Equipment Systems)

Joint development with Denyo Co., Ltd. of a communication power generator equipped with remote monitoring functions.



Thank you for your interest.

<https://www.toyodenki.co.jp/en/index.html>

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