



Our Heart and Technology for the Future

Financial Results Briefing

First Half of Fiscal 2009 (Ended November 30, 2009)

January 15, 2010
Toyo Denki Seizo K.K.

Program

President's Briefing: About 20 minutes

1. Financial Results for the First Half of Fiscal 2009
2. Outlook for Fiscal 2009 Full Year Financial Results
3. Status of Business Segments
4. Other Topics
5. Progress under the Challenge Up Plan

Q&A: About 30 minutes

1. Financial Results for the First Half of Fiscal 2009

1-1. Year on Year Change in Financial Results

(Millions of yen)

	1H/FY2008	1H/FY2009	YoY Change
Orders received	18,199	19,764	+1,565
Net sales	16,092	14,919	-1,173
Operating income	802	(157)	-959
Percent of sales	5.0%	(1.1)%	
Ordinary income	703	(179)	-882
Percent of sales	4.4%	(1.2)%	
Net income	79	(221)	-300
Percent of sales	0.5%	(1.5)%	
Net income per share (yen)	1.79	(5.03)	-6.82

1. Financial Results for the First Half of Fiscal 2009

1-2. Results Compared to Previous Forecasts

(Millions of yen)

	1H/FY2009 Forecasts	1H/FY2009 Results	Difference
Orders received	21,000	19,764	-1,236
Net sales	14,000	14,919	+919
Operating income	(100)	(157)	- 57
Percent of sales	(0.7)%	(1.1)%	
Ordinary income	(100)	(179)	- 79
Percent of sales	(0.7)%	(1.2)%	
Net income	(200)	(221)	- 21
Percent of sales	(1.4)%	(1.5)%	
Net income per share (yen)	(4.53)	(5.03)	-0.50

1. Financial Results for the First Half of Fiscal 2009

1-3. Business Segment Results Compared to Previous Forecasts

(Millions of yen)

		Transportation Systems	Industrial Systems	Information Systems	Total
Orders received	1H/FY2009 forecasts	14,300	5,600	1,100	21,000
	1H/FY2009 results	13,724	4,543	1,496	19,764
	Difference	(576)	(1,057)	+396	(1,236)
Net sales	1H/FY2009 forecasts	9,500	4,100	400	14,000
	1H/FY2009 results	10,063	4,351	504	14,919
	Difference	+563	+251	+104	+919
Operating income	1H/FY2009 forecasts	390	(370)	(120)	(100)
	1H/FY2009 results	457	(466)	(147)	(157)
	Difference	+67	(96)	(27)	(57)

1. Financial Results for the First Half of Fiscal 2009

1-4. Year on Year Change in Financial Position

Comparative Consolidated Statement of Financial Position

(Millions of yen)

	May 31, 2009	Nov. 30, 2009	YoY Change	Comments
Total assets	32,780	33,549	+769	
Current assets	20,205	20,982	+777	
Fixed assets	12,575	12,566	-9	
Total liabilities	20,316	21,870	+1,554	
Of which, interest bearing debt	6,361	6,945	+584	
Net assets	12,464	11,678	-786	
Equity ratio	38.0%	34.8%	-3.2%	
Net assets per share (yen)	282.40	265.06	-17.34	

2. Outlook for Fiscal 2009 Full Year Financial Results

2-1. Market Outlook by Segment

	Outlook
Market overall	<ul style="list-style-type: none"> (1) Numerous railway infrastructure investment schemes are expected in every region of the globe (2) Downturn in capital investment should bottom out; however, recovery remains uncertain (3) Under deflationary conditions, the job market will remain bleak; subdued personal consumption will continue
Transportation Systems	<ul style="list-style-type: none"> (1) Domestic orders are expected to remain flat (2) Robust demand for high-speed rail and urban transportation network development in China
Industrial Systems	<ul style="list-style-type: none"> (1) Downturn in capital investment should bottom out; however, recovery remains uncertain
Information Systems	<ul style="list-style-type: none"> (1) Market scale for IC card-compatible equipment relating particularly to railway station operations will remain unchanged (2) The remote monitoring system market is undergoing growth
New Business	<ul style="list-style-type: none"> (1) Growing trend from gasoline vehicles to electric vehicles

2. Outlook for Fiscal 2009 Full Year Financial Results

2-2. Consolidated Forecasts

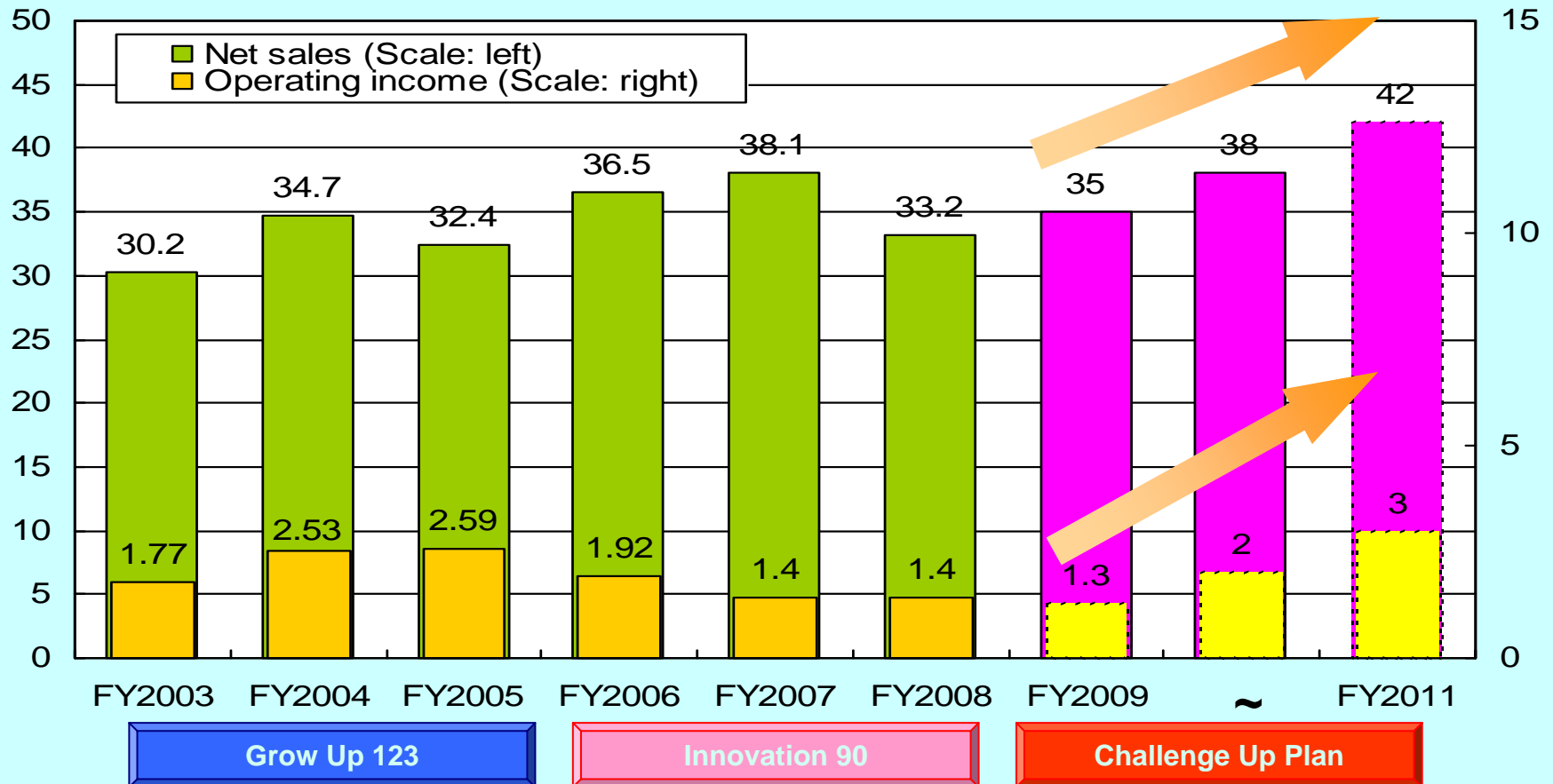
(Millions of yen)

	FY2008	FY2009 Forecasts	YoY Change
Orders received	36,464	40,000	+3,536
Net sales	33,226	35,000	+1,774
Operating income	1,396	1,300	-96
Percent of sales	4.2%	3.7%	
Ordinary income	1,267	1,200	-67
Percent of sales	3.8%	3.1%	
Net income	103	600	+497
Percent of sales	0.3%	1.7%	
Net income per share (yen)	2.32	13.59	+11.27

2. Outlook for Fiscal 2009 Full Year Financial Results

2-3. Sales and Operating Income Results and Forecasts

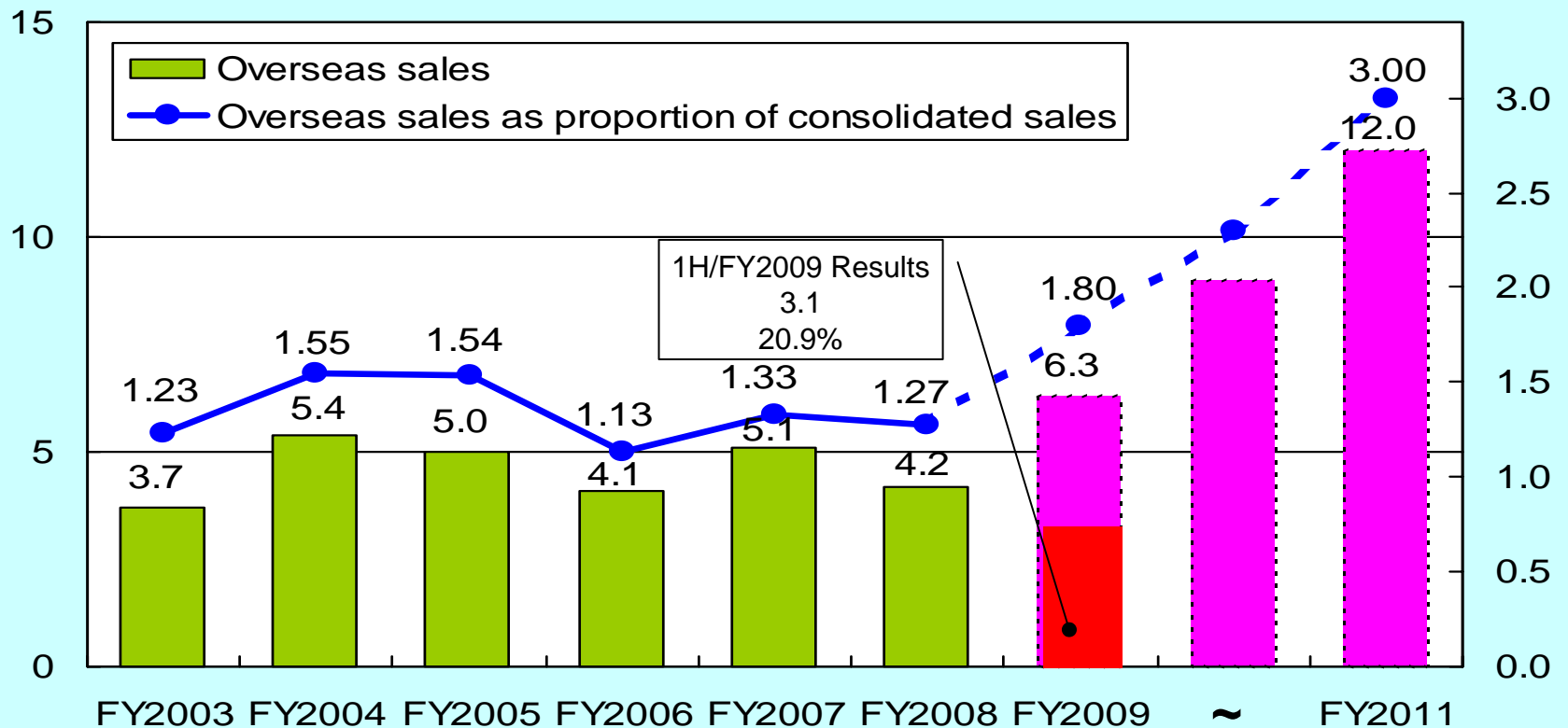
(Billions of yen)



2. Outlook for Fiscal 2009 Full Year Financial Results

2-4. Overseas Sales Results and Forecasts

(Billions of yen, %)



Grow Up 123

Innovation 90

Challenge Up Plan

2. Outlook for Fiscal 2009 Full Year Financial Results

2-5. Policy on Dividends

- (1) Toyo Denki's fundamental policy calls for a stable dividend.
- (2) Internal reserves are used to strengthen the Company's financial position and to strategically allocate to research and development, capital expenditure, and overseas expansion with the objectives of future business expansion and strengthening of the management base.

(Yen)

	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009 (Planned)
Annual dividend per share	5.00	6.00	6.00	6.00	6.00	6.00

Note: Toyo Denki holds approximately 5.4% of its common stock issued and outstanding.

3. Status of Business Segments

3-1. Interim Results and Forecasts for Transportation Systems

(Millions of yen)

Consolidated financial results for 1H/FY2009

	Forecasts	Results	Difference
Orders received	14,300	13,724	-576
Net sales	9,500	10,063	+563
Operating income	390	457	+67
Percent of sales	4.1%	4.5%	+0.4%

Forecasts for FY2009

	FY2009
Orders received	26,700
Net sales	22,500
Operating income	1,650
Percent of sales	7.3%

Comments

- Orders received: Three Beijing subway lines in July 2009
- Net sales: Increase in overseas sales
- Operating income: Contributions from subsidiary companies

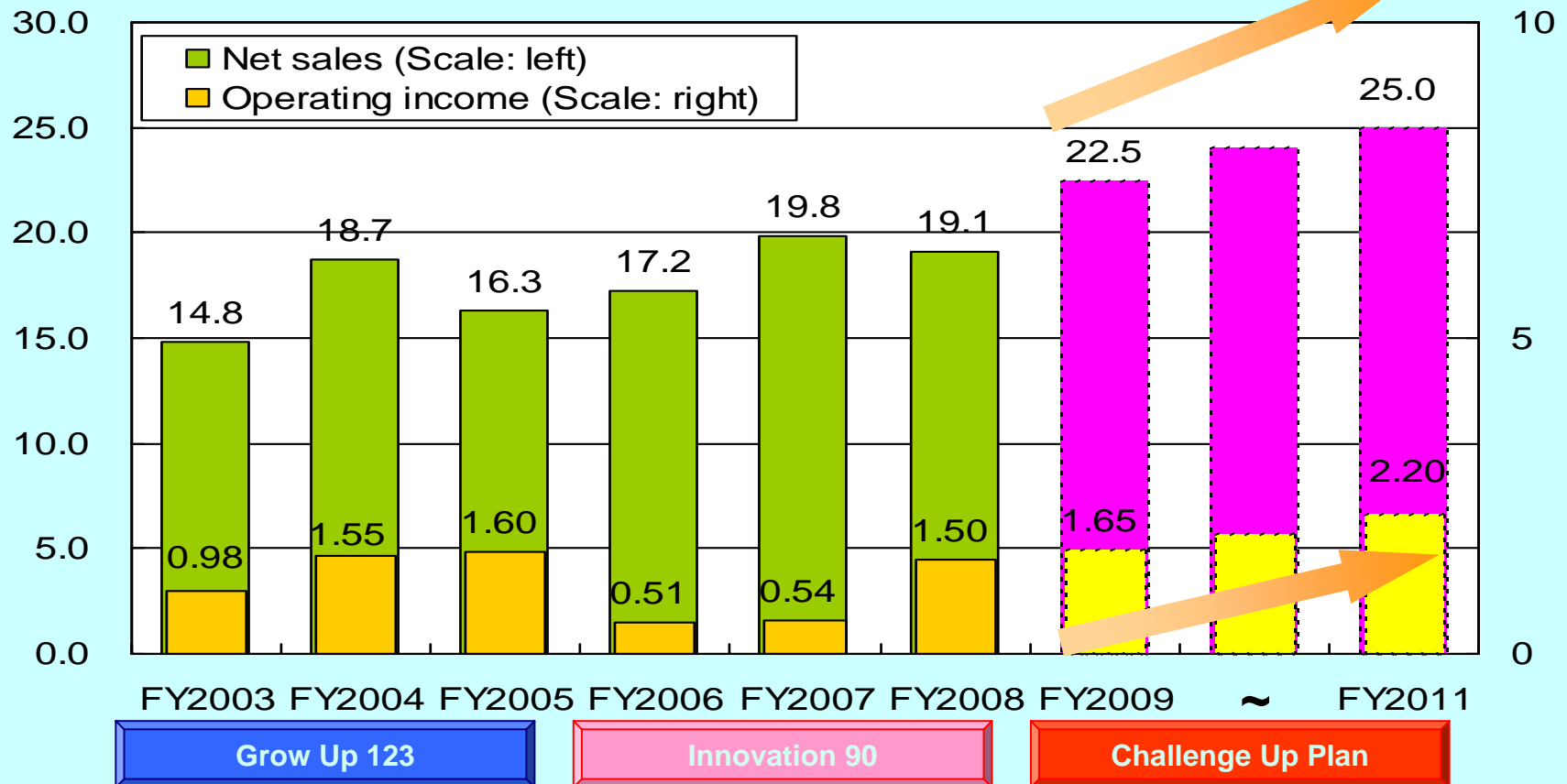
Comments

- Robust demand for high-speed rail and urban transportation network development in China
- Strong likelihood of achieving full fiscal year forecasts

3. Status of Business Segments

3-2. Sales and Operating Income Results and Forecasts for Transportation Systems

(Billions of yen)



3. Status of Business Segments

3-3. Topics on Transportation Systems

(1) Commercial service of the East Japan Railway Company E259 series new Narita Express commenced on October 1, 2009

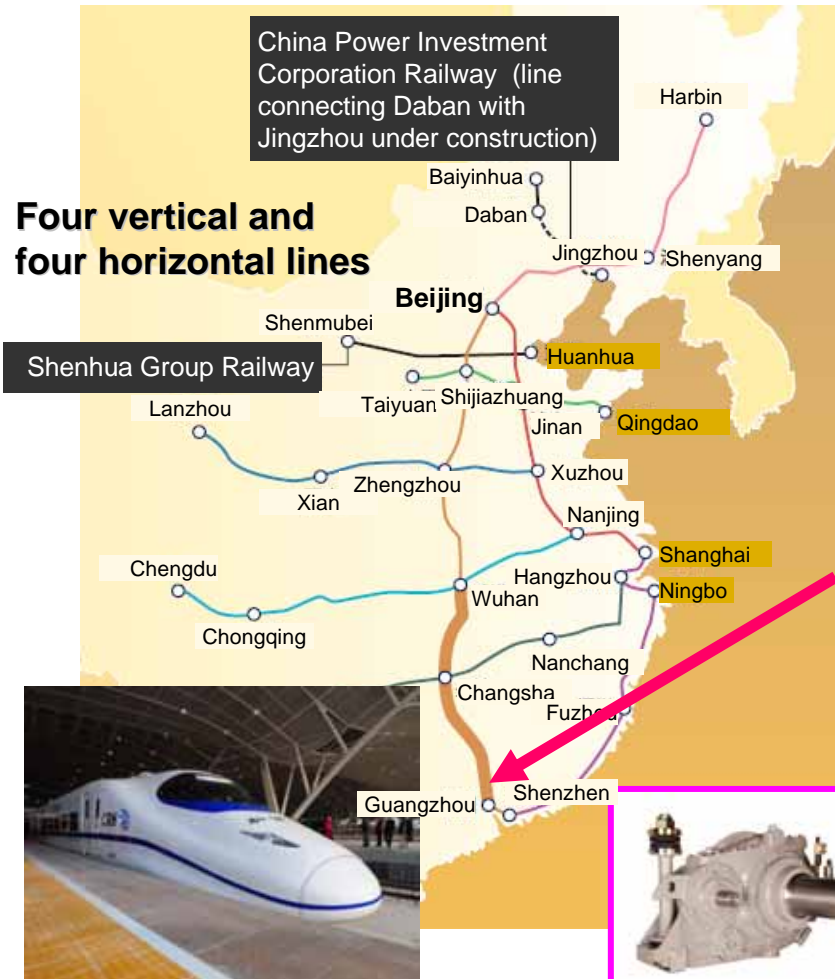
Equipment delivered by the Company:

Auxiliary power supply apparatus, traction motors, drive gear units, TD couplings, pantographs, and door operating equipment



3. Status of Business Segments

(2) China's high-speed rail network



Four commuter lines running roughly from south to north

- Beijing–Shanghai
- Beijing–Wuhan–Guangzhou–Shenzhen
- Beijing–Shenyang–Harbin
- Shanghai–Hangzhou–Ningbo–Fuzhou–Shenzhen

Four commuter lines running roughly from east to west

- Xuzhou–Zhengzhou–Lanzhou
- Hangzhou–Nanchang–Changsha–Guiyang–Kunming
- Qingdao–Shijiazhuang–Taiyuan
- Nanjing–Wuhan–Chongqing–Chengdu

High-speed rail service connecting Wuhan and Guangzhou:

Service commenced on December 26, 2009

Orders for Toyo Denki's gear units:

Order for 30 trains in January 2009

Additional order for **40 trains** in January 2010



3. Status of Business Segments

(3) Beijing subway network at present

Simultaneous orders received for three Beijing subway lines in July 2009

Second stage of construction of Line 10
 Line 9
 Yizhuang Line



Line 10 train

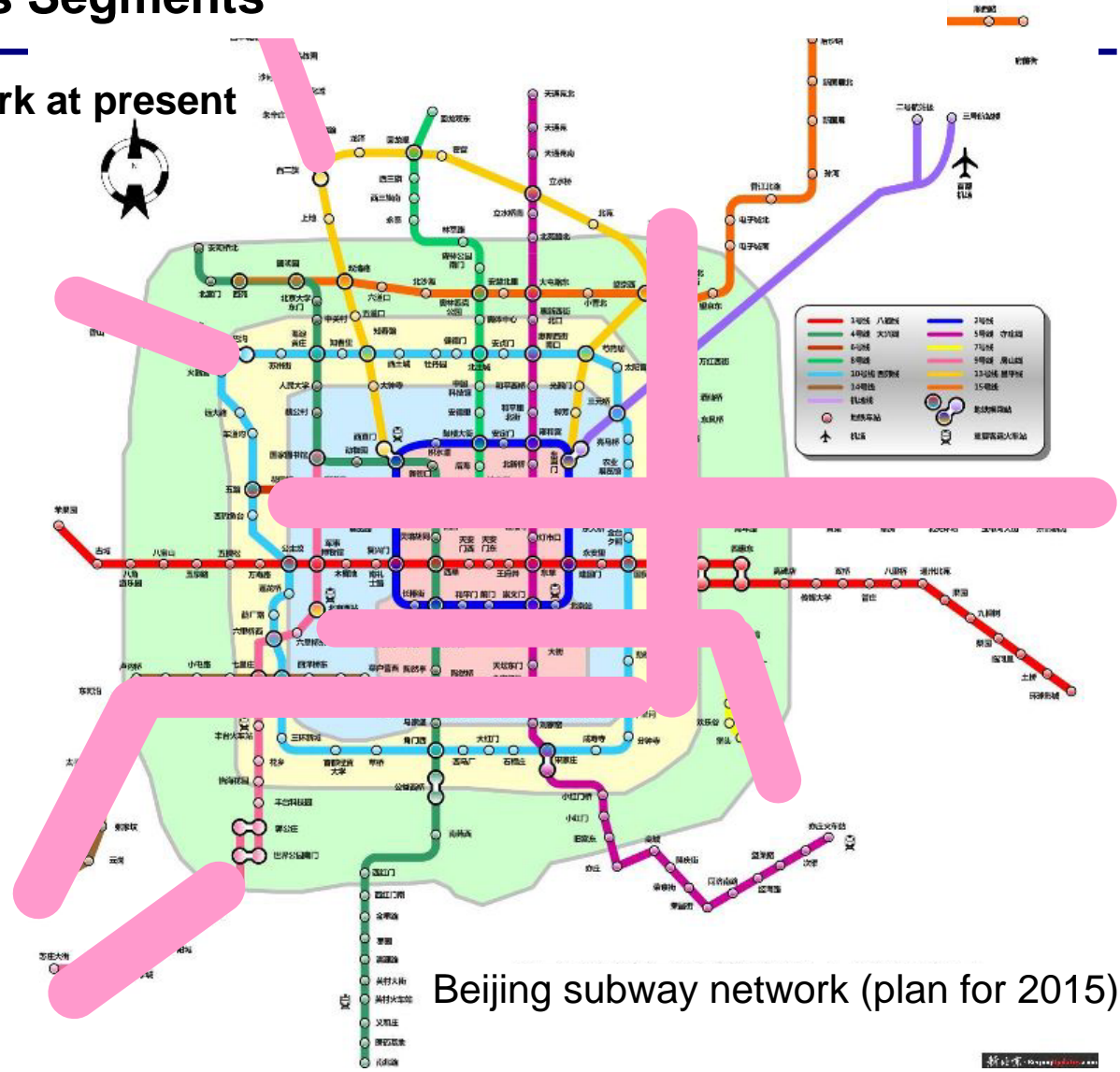


3. Status of Business Segments

(4) Beijing subway network at present (Plan for 2015)

(6 lines)

Rail lines scheduled for bidding or construction



Beijing subway network (plan for 2015)

3. Status of Business Segments

3-4. Interim Results and Forecasts for Industrial Systems

(Millions of yen)

Consolidated financial results for 1H/FY2009

	Forecasts	Results	Difference
Orders received	5,600	4,543	-1,057
Net sales	4,100	4,351	+251
Operating income	(370)	(466)	-96
Percent of sales	(9.0)%	(10.7)%	-1.7%

Forecasts for FY2009

	FY2009
Orders received	11,300
Net sales	10,300
Operating income	(400)
Percent of sales	(3.3)%

Note: Expected results of New Business are Included in forecasts.

Comments

- Orders received: Substantial decline due to weak capital investment
- Net sales: Forecasts achieved
- Operating income: Impact of subsidiary companies and changes to accounting standards

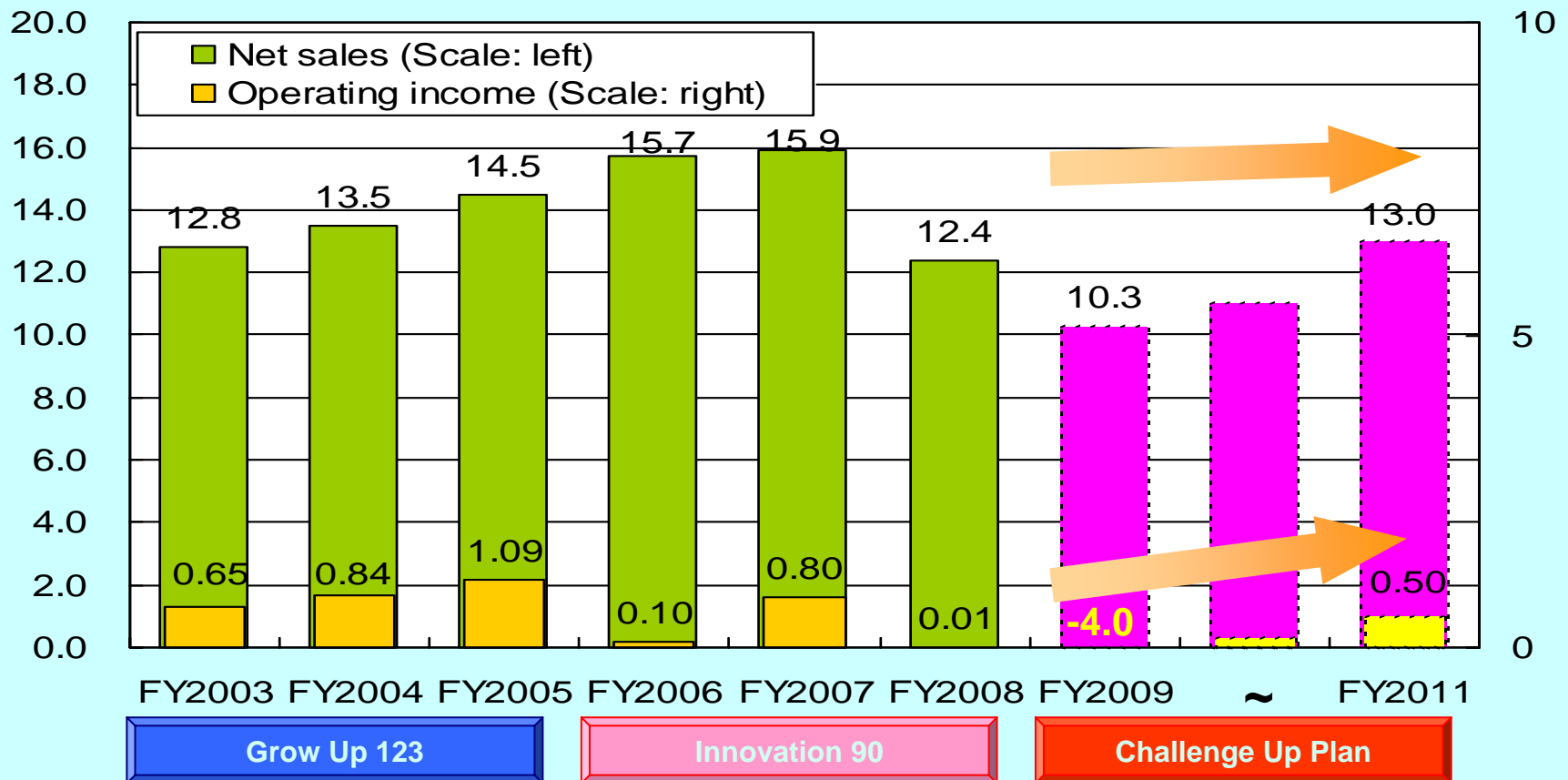
Comments

- Indications that the downturn in capital investment is bottoming out; expectations of a recovery in the second half
- Working toward the achievement of full fiscal year forecasts

3. Status of Business Segments

3-5. Sales and Operating Income Results and Forecasts for Industrial Systems

(Billions of yen)



3. Status of Business Segments

3-6. Interim Results and Forecasts Information Systems

(Millions of yen)

Consolidated financial results for 1H/FY2009

	Forecasts	Results	Difference
Orders received	1,100	1,496	+396
Net sales	400	504	+104
Operating income	(120)	(147)	-27
Percent of sales	(30.0)%	(29.2)%	+0.8%

Forecasts for FY2009

	FY2009
Orders received	2,000
Net sales	2,200
Operating income	50
Percent of sales	2.3%

Comments

- Orders received: **Steady** orders for IC card-compatible equipment
- Net sales: Forecasts achieved
- Operating income: Results are generally in line with forecasts

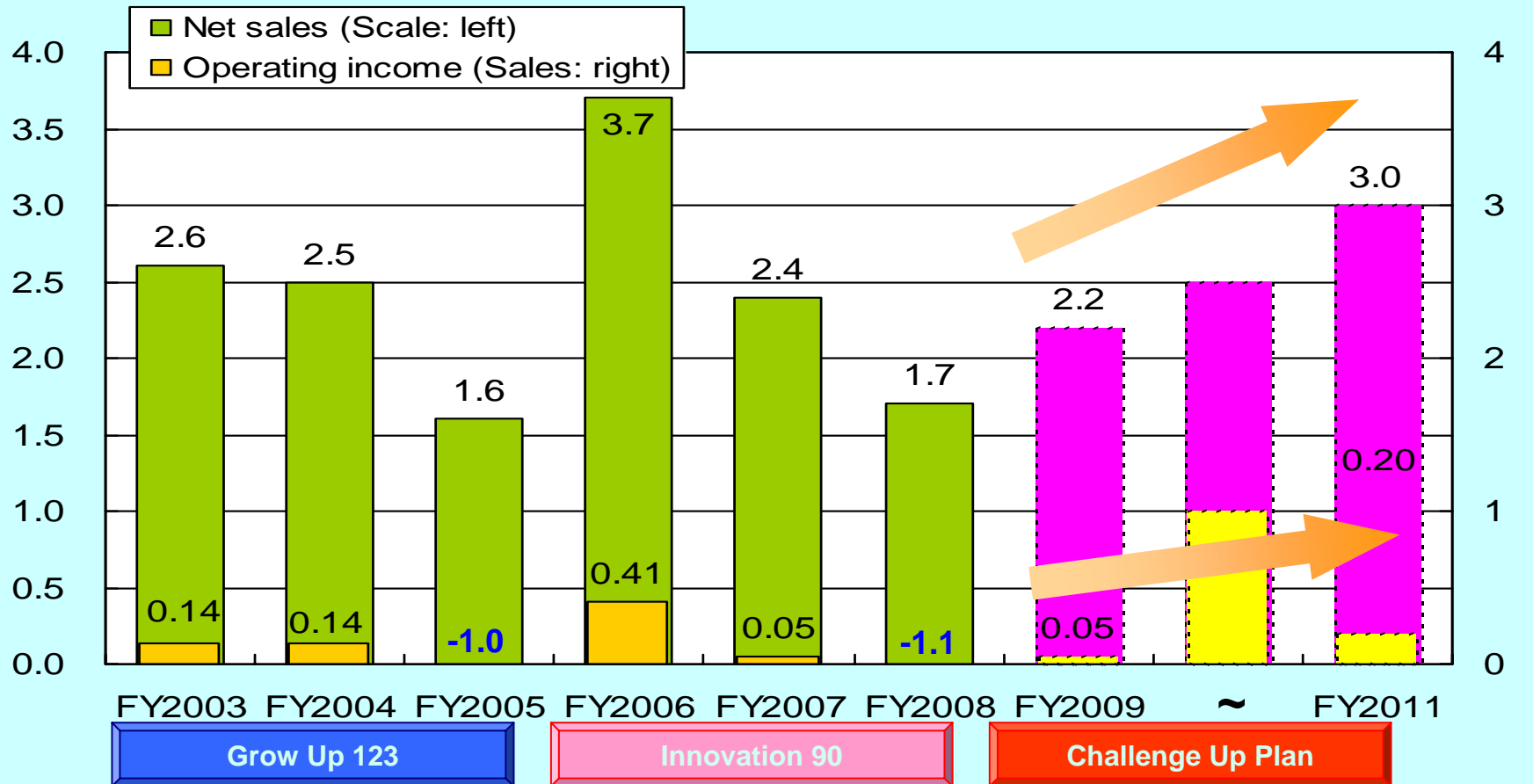
Comments

- Addressed market needs for remote monitoring system and IC-card compatible equipment relating to railway station operations
- Strong likelihood for achieving full fiscal year forecasts

3. Status of Business Segments

3-7. Sales and Operating Income Results and Forecasts for Information Systems

(Billions of yen)

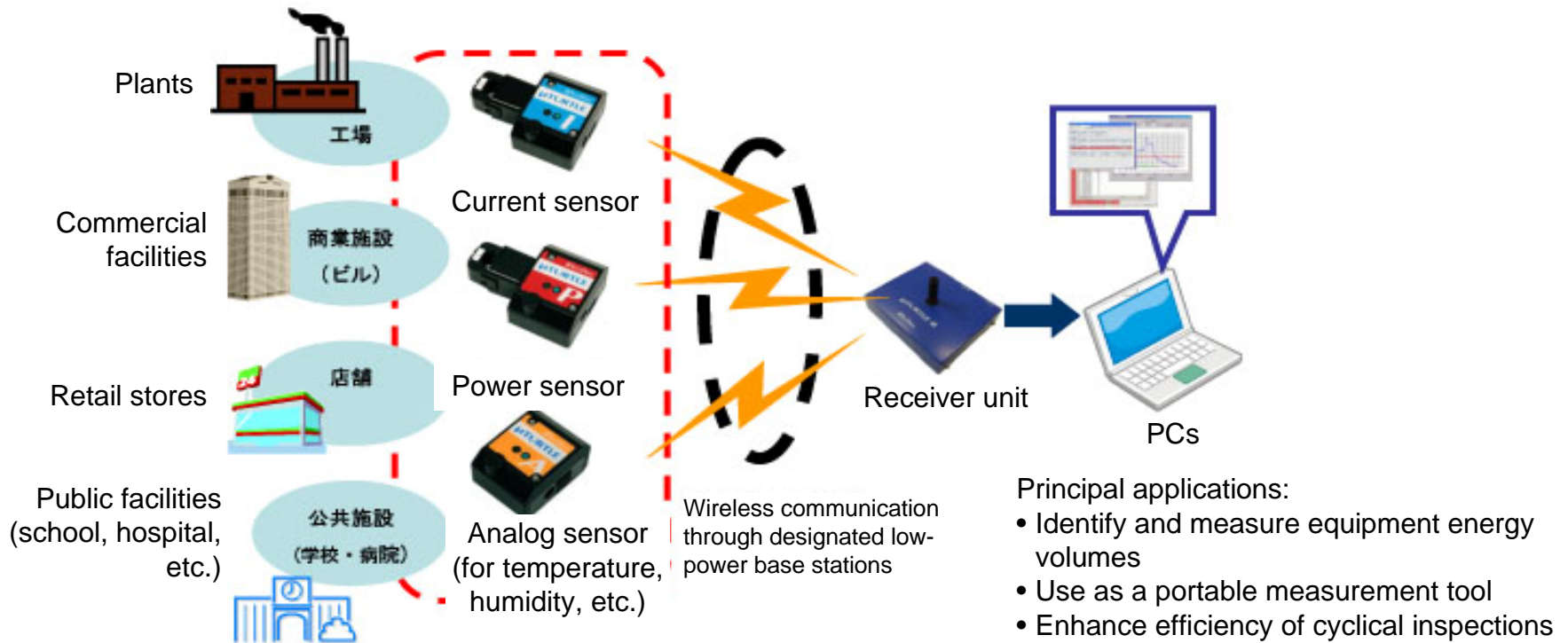


3. Status of Business Segments

3-8. Topics on Information Systems

Sales of Toyo Wireless Measurement System commenced in July 2009

- Features:
- Easy installation with batteryless and wireless design
 - Facilitates easy visualization and monitoring of power usage and flow



4. Other Topics

4-1. Engineering Center Completed

Completion ceremony held on January 20, 2010, and operations scheduled to commence from March 2010

Goals:

- (1) Expand design and development capabilities
- (2) Increase production capacity



Engineering Center

4. Other Topics

4-2. The Engineering Center's Environmentally Friendly Facilities

- (1) Solar power generation
- (2) Wind power generation
- (3) Ice thermal and other energy conservation systems



Engineering Center



Solar panels



Wind-power generation
(Proprietary R&D products)

4. Other Topics

4-3. Social and Environmental Contribution Activities

(1) Onsite lectures on the environment organized by the City of Yokohama

A lecture was held at a special needs school in Yokohama in December 2009. Based on the theme “Building Eco-Friendly Railway Systems Promoting Ecological Integrity through Increased Railway System Use” and attended by approximately 170 high-school students, these lectures served to increase the interest of participants in railways.



(2) Environmentally friendly uniforms

The Company’s Yokohama Works introduced work uniforms made from recycled fibers of plastic bottles



5. Progress under the Challenge Up Plan

(1) Further increase Group corporate value

Crystallizing business alliance with Fuji Electric System Co., Ltd.

(2) Fortify the Group's efforts toward overseas expansion

- Responding to growth in China's rail market
- Strengthening operating platform in the North American rail market
- Building an operating platform in India

(3) Generate new businesses

Building an operating platform in the electric vehicle business

5. Progress under the Challenge Up Plan

(4) Develop new products

- Toyo Wireless Measurement System
- Further developments in in-wheel motors
- Expanding sales of E³ Solution Systems

(5) Bolster CSR activities

- Environmental contribution activities
- Social contribution activities

(6) Establish and promote a dynamic corporate culture

- Commenced comprehensive employee participatory activities
- Implementing 5S (sorting, straightening up, spotlessness, standardizing, and self-restraint) activities

Disclaimer

- Statements concerning financial results forecasts are based on data available as of the date of publication of this material and assumptions concerning the elements of uncertainty that will affect future business performance as of the date of publication of this material. Actual financial results may differ depending on a variety of factors.
- 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.

Thank you for your attention

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