
Financial Results Briefing

First Half of Fiscal 2011
(Ended November 30, 2011)

January 13, 2012

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- Briefing on Financial Results:
About 25 minutes
 1. Overview of Financial Results for the First Half of Fiscal 2011
 2. Outlook for Fiscal 2011 Full Year Financial Results
 3. Status and Outlook for Individual Business Segments
 4. Other Topics
- Q&A: 30 minutes

1. Overview of Financial Results for
the First Half of Fiscal 2011
(June 1 – November 30, 2011)

1-1. Key Points

Overall:

Net sales steady year on year, decrease in earnings

Net sales	¥18,830 million	YoY -0.5%	(-¥88 million)
Operating income	¥515 million	YoY - 19.8%	(-¥127 million)

Transportation Systems:

Decrease in revenues and earnings

Net sales	¥12,033 million	YoY -8.6%	(-¥1,133 million)
Segment income	¥1,377 million	YoY -7.7%	(-¥115 million)

Industrial Systems:

Increase in revenues and earnings

Net sales	¥6,326 million	YoY +19.1%	(+¥1,016 million)
Segment income	¥52 million	YoY -10.3%	(-¥6 million)
(Excluding new businesses:	¥191 million	YoY +105.4%	(+¥98 million)

Information Systems:

Increase in revenues and earnings

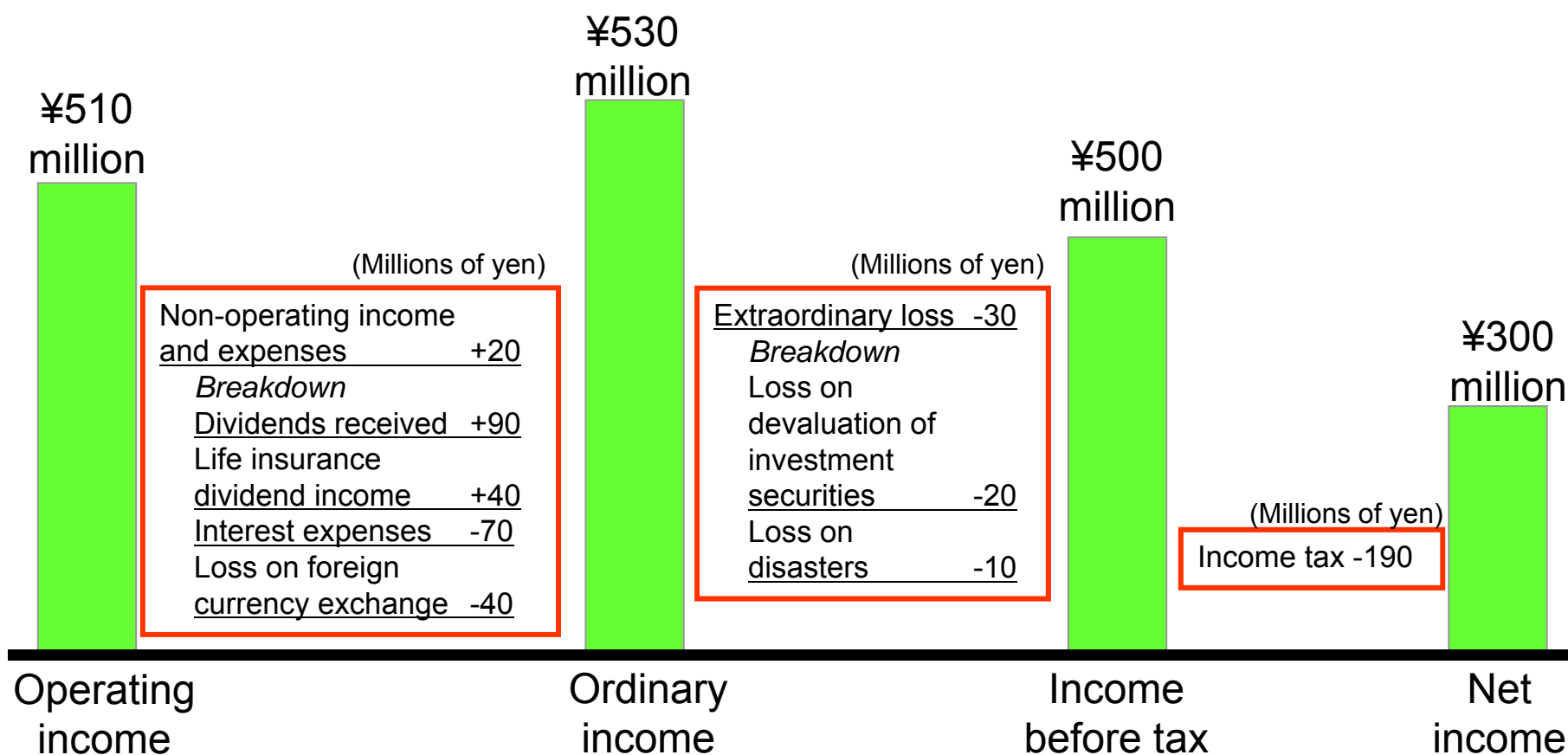
Net sales	¥465 million	YoY +6.2%	(+¥27 million)
Segment income	¥39 million	YoY --	(+¥39 million)
			(Returned to profit)

1-2. Overview of Consolidated Financial Results

(Millions of yen)

	1H FY2010	1H FY2011	YoY change	1H FY2011 Forecasts	Difference
Net sales	18,918	18,830	-88	19,000	-170
Operating income	642	515	-127	700	-185
%	3.4%	2.7%	-0.7%	3.7%	-1.0%
Ordinary income	574	525	-49	700	-175
%	3.0%	2.8%	-0.2%	3.7%	-0.9%
Net income	196	303	+107	300	+3
%	1.0%	1.6%	+0.6%	1.6%	--
Net income per share (yen)	4.43	6.29	+1.86	6.57	-0.28
Orders received	16,353	16,884	+531	21,200	-4,316

1-3. Details of Non-Operating Income and Expenses and Extraordinary Losses

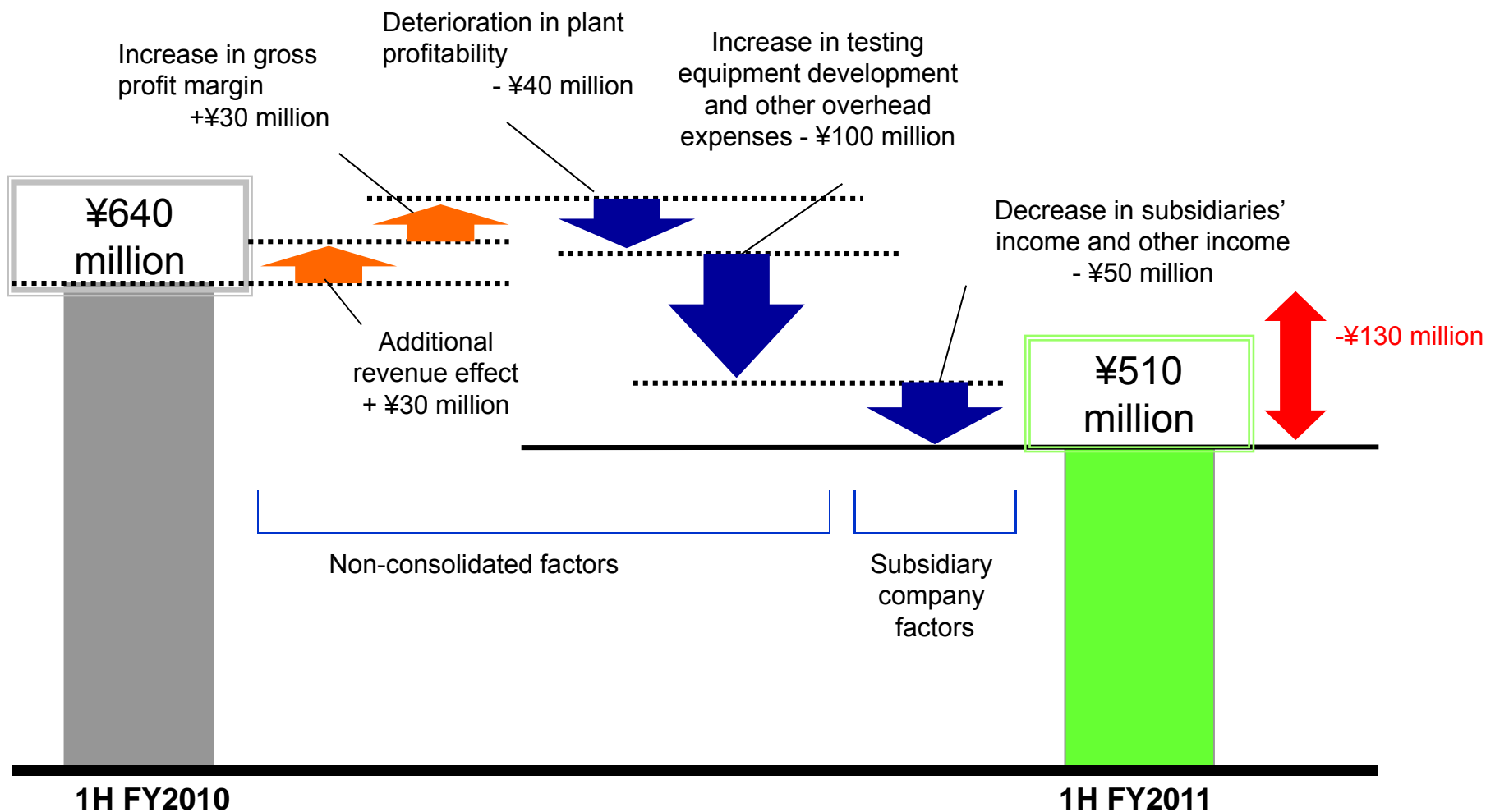


1-4. Overview of Business Segment Results

(Millions of yen)

		Transportation Systems	Industrial Systems	Information Systems	Adjustment Amount	Total
Orders received	1H FY2010	10,176	5,445	730	—	16,353
	1H FY2011	8,786	6,574	1,518	5	16,884
	YoY change	-1,390	+1,129	+788	+5	+531
Net sales	1H FY2010	13,166	5,310	438	2	18,918
	1H FY2011	12,033	6,326	465	5	18,830
	YoY change	-1,133	+1,016	+27	+3	-88
Segment income	1H FY2010	1,492	58	-0	-937	642
	1H FY2011	1,377	52	39	-979	515
	YoY change	-115	-6	+39	-42	-127

1-5. Factors Contributing to Changes in Operating Income



1-6. Consolidated Financial Position

(Millions of yen)

	May 31, 2011	November 30, 2011	Change	Notes
Total assets	36,892	39,156	+2,264	
Current assets	21,621	22,930	+1,309	
Fixed assets	15,270	16,226	+956	Mutual holding of shares with East Japan Railway Company
Total liabilities	22,623	24,829	+2,206	
Of which, interest-bearing debt	6,535	10,664	+4,129	
Net assets	14,268	14,327	+59	
Equity ratio	38.7%	36.6%	-2.1%	
Net assets per share (yen)	295.89	297.12	+1.23	

1-7. Major Shareholders

Excerpt from the Company's First Half Business Report for the 151st Period
Submitted on January 13, 2012

As of November 30, 2011

Name	Address	No. of Shares Held (Thousands of Shares)	No. of Shares Held as a Percentage of Total Issued and Outstanding Shares (%)
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo, Japan	3,013	6.19
East Japan Railway Company	2-2-2 Yoyogi, Shibuya-ku, Tokyo, Japan	2,400	4.93
Toyota Industries Corporation	2-1, Toyoda-cho, Kariya-shi, Aichi	2,100	4.31
Hitachi, Ltd. (Standing Proxy: Trust & Custody Services Bank, Ltd.)	1-8-12 Harumi, Chuo-ku, Tokyo	2,100	4.31
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	1,586	3.26
Employees Stock Ownership Plan	2-9-2, Kyobashi, Chuo-ku, Tokyo	1,410	2.90
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	1,318	2.71
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	1,053	2.16
The Bank of Yokohama, Ltd. (Standing Proxy: Trust & Custody Services Bank, Ltd.)	1-8-12, Harumi, Chuo-ku, Tokyo	1,038	2.13
OHKURAYAJuutaku Co., Ltd	2-4-1, Nishi-shinjuku, Shinjuku-ku, Tokyo	1,030	2.12
Total	—	17,048	35.02

Note: The number of shares held is recorded in accordance with names listed on the shareholders' register. This reflects the difficulty in ascertaining as a company exhaustive details of the number of shares applicable to the trust services of trust and banking companies.

2. Outlook for Fiscal 2011 Full Year Financial Results

2-1. Outlook for Consolidated Financial Results for Fiscal 2011

(Millions of yen)

	FY2010	FY2011 (Initial Forecast)	FY2011 (Revised Forecast)	Compared with Initial Forecast
Orders received	34,850	40,500	40,500	±0
Net sales	37,893	40,800	40,000	-800
Operating income	1,503	2,600	1,800	-800
%	4.0%	6.4%	4.5%	-1.9%
Ordinary income	1,577	2,600	1,800	-800
%	4.1%	6.4%	4.5%	-1.9%
Net income	678	1,300	750	-550
%	1.8%	3.2%	1.9%	-1.3%
Net income per share (yen)	14.86	28.48	16.43	-12.0

3. Status and Outlook for Individual Business Segments

3-1. Order Environment by Business Segment

	Comments
Market overall	<ul style="list-style-type: none">(1) Continued strong yen(2) Slight improvement in domestic economic conditions(3) Continued strong infrastructure investment in China and other emerging countries
Transportation Systems	<ul style="list-style-type: none">(1) Domestic orders to remain flat(2) Continued robust overseas demand for urban transportation networks
Industrial Systems	<ul style="list-style-type: none">(1) Recovery in capital investment in automobile industry and raw material manufacturers(2) Increase in inquiries concerning business in Southeast Asia and China
Information Systems	<ul style="list-style-type: none">(1) Settled orders in IC-compatible equipment relating to railway station operations; focus on renewal demand(2) Expectations that energy efficient remote control systems will help expand the market

3-2. Transportation Systems

(1) Consolidated financial results for 1H FY2011

	1H FY2010	1H FY2011	YoY change
Orders received	10,176	8,786	-1,390
Net sales	13,166	12,033	-1,133
Segment income	1,492	1,377	-115
Profit ratio	11.3%	11.4%	+0.1%

(2) Forecast for consolidated financial results for FY2011

(Millions of yen)

	FY2010	FY2011 Forecast	YoY change
Orders received	21,756	20,900	-856
Net sales	25,657	23,700	-1,957
Segment income	3,055	2,570	-485
Profit ratio	11.9%	10.8%	-1.1%

3-3. Industrial Systems

(1) Consolidated financial results for 1H FY2011

	1H FY2010	1H FY2011	YoY change
Orders received	5,445	6,574	+1,129
Net sales	5,310	6,326	+1,016
Segment income ¹	58 (93)	52 (191)	-6 (+98)
Profit ratio ¹	1.1% (2.7%)	0.8% (3.1%)	-0.3% (+0.4%)

(2) Forecast for consolidated financial results for FY2011

(Millions of yen)

	FY2010	FY2011 Forecast	YoY change
Orders received	11,988	17,100	+5,112
Net sales	11,095	14,000	+2,905
Segment income ¹	164 (291)	780 (980)	+616 (+689)
Profit ratio ¹	1.5% (2.7%)	5.6% (7.3%)	+4.1% (+4.6%)

1. Figures in parentheses indicate results excluding new businesses

3-4. Information Systems

(1) Consolidated financial results for 1H FY2011

	1H FY2010	1H FY2011	YoY change
Orders received	730	1,518	+788
Net sales	438	465	+27
Segment income	-0	39	+39
Profit ratio	—	8.4%	—

(2) Forecast for consolidated financial results for FY2011

(Millions of yen)

	FY2010	FY2011 Forecast	YoY change
Orders received	1,105	2,500	+1,395
Net sales	1,133	2,300	+1,167
Segment income	101	370	+269
Profit ratio	8.9%	16.1%	+7.2%

4. Other Topics

4-1. Electrical Equipment Order for the Macau APM Rail Transportation System

- Macau light rapid transit system scheduled to come online in 2015
- Toyo Denki has received an order for electrical equipment for use in fully automated, driverless rubber-tired automated people mover (APM) rail carriages from Mitsubishi Heavy Industries, Ltd.

Order for VVVF control systems and traction motors (55 trains consisting of 2 cars per train: 110 cars)



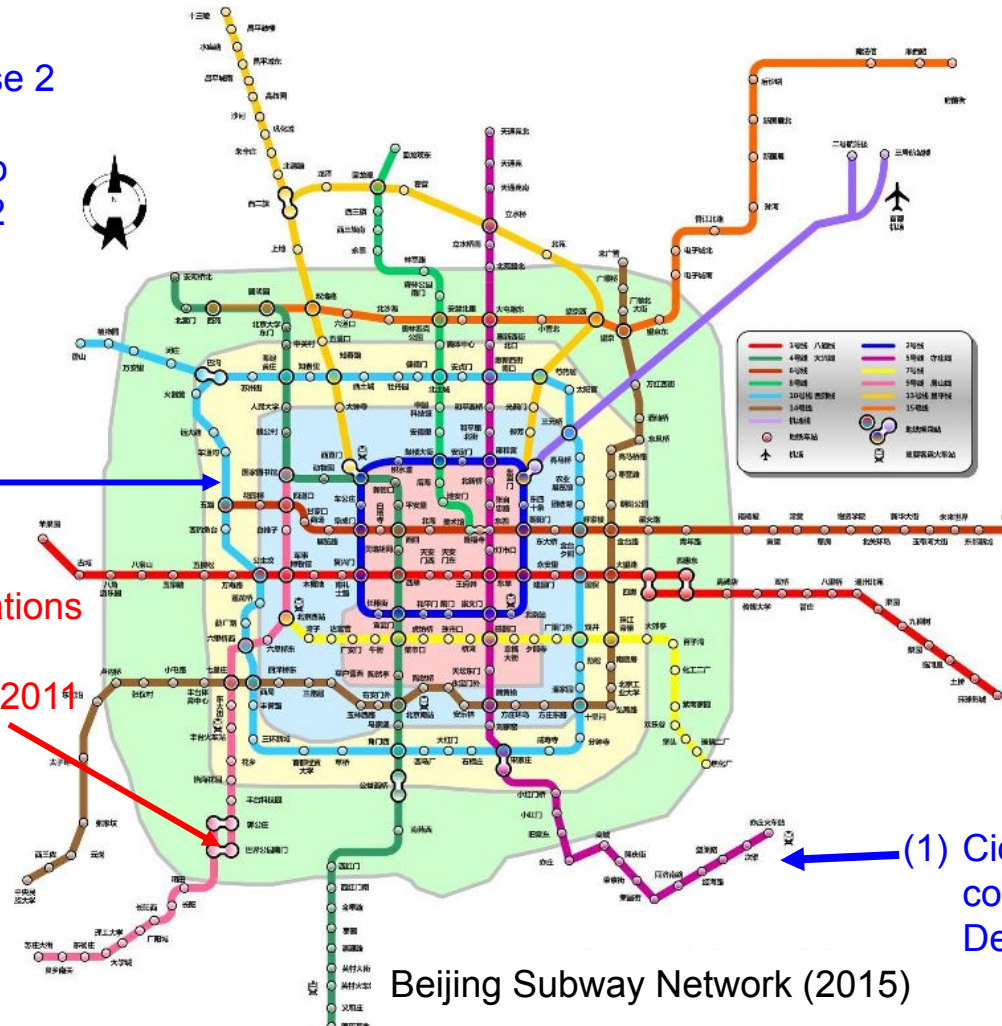
4-2. Delivery of Electrical Equipment for Line 9 of the Beijing Subway Network

■ Line 9 of the Beijing Subway Network opened on December 31, 2011

(3) Line 10 phase 2 construction: Scheduled to open in 2012

(2) Line 9: Operations commenced in December 2011

Toyo Denki received simultaneous orders for three lines within the Beijing Subway Network in July 2009

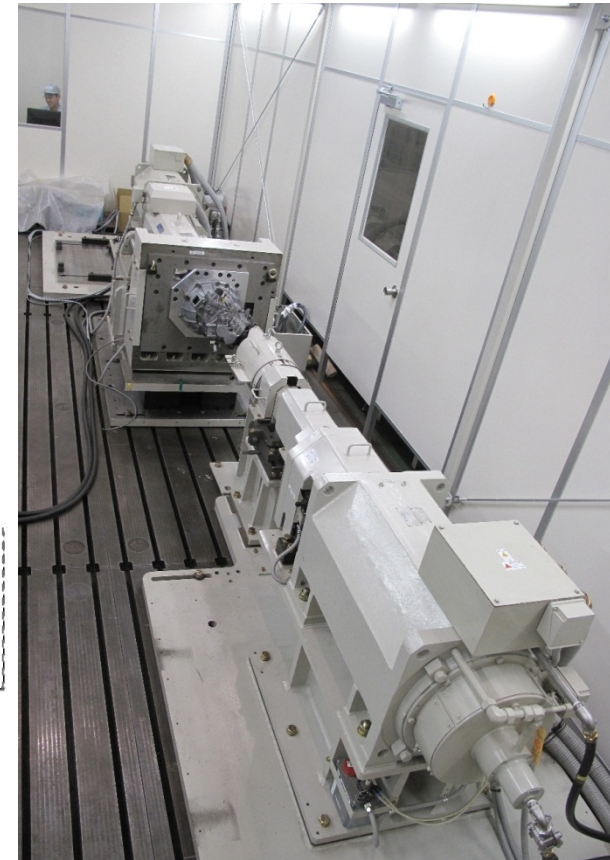
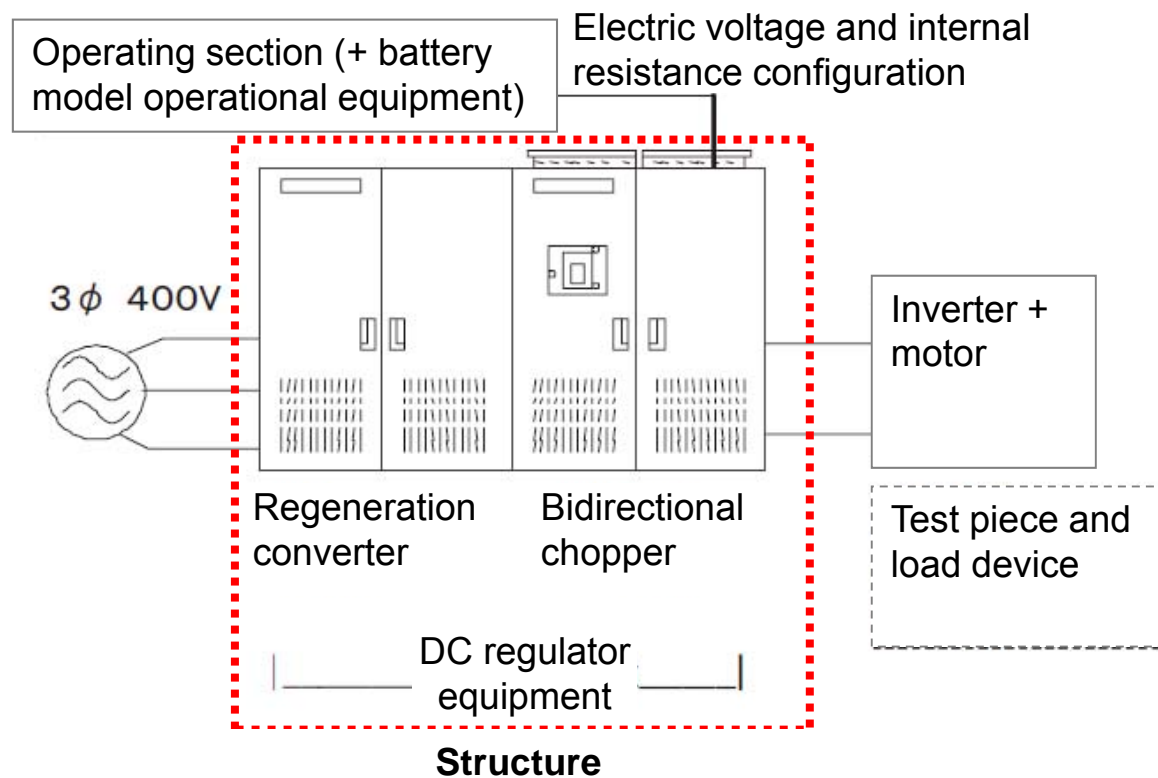


Line 9

(1) Ciqu Line: Operations commenced in December 2010

4-3. DC Regulator Equipment for HEV/EV Test Bench System

- DC regulator equipment that dramatically reduces the development periods for hybrid and electric vehicles



4-4. Orders Received in Information Systems Segment

- Station operation equipment: Development and sale of new conductor's portable terminals

Details: Development of conductor's portable terminals

Ordering party: Railway service operators in Japan (for *shinkansen* and conventional railway lines)

- Remote monitoring systems: Portable terminals for use in the inspection and repair of Japan Freight Railway Company containers

Details: Read and record information tags embedded in containers using portable terminals; forward details of containers requiring inspection and repair on a real time basis utilizing mobile phone networks

Ordering party: Japan Freight Railway Company



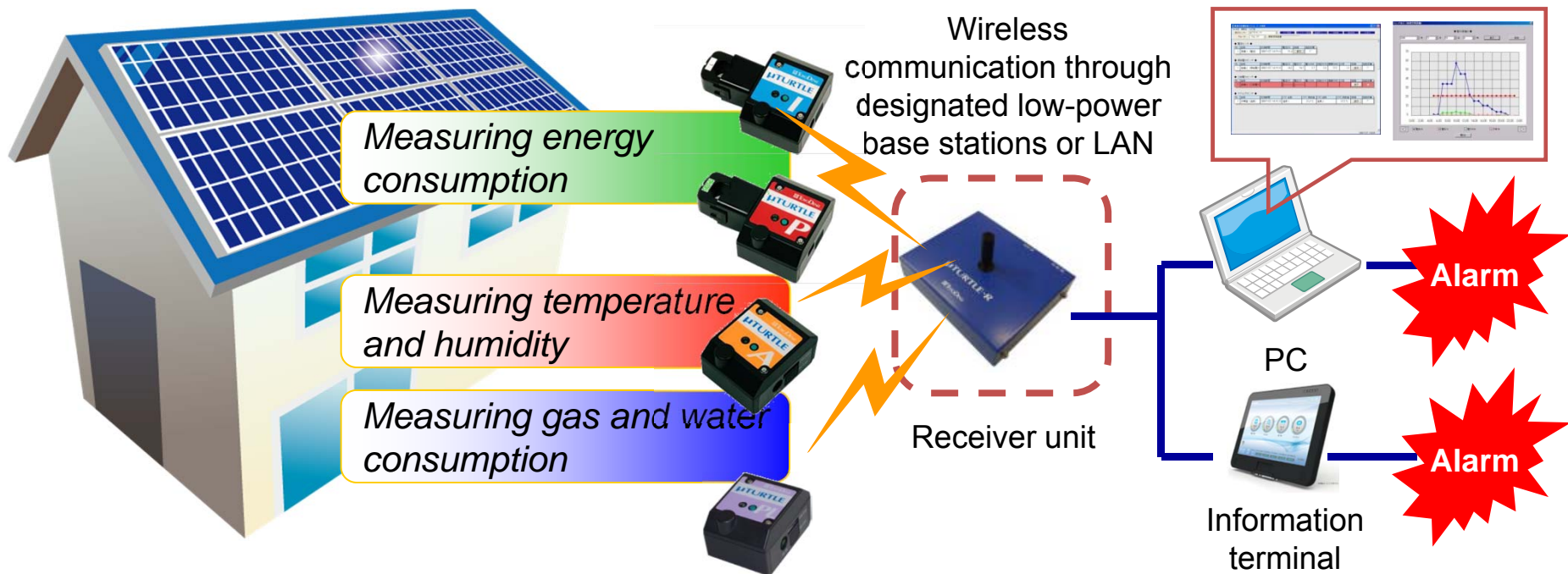
4-5. HEMS Development

■ Home Energy Management System (HEMS) development

Details: Development of systems that utilize sensors to help measure and visualize surges and electric currents

Ordering party: Energy operators in Japan, reconstruction-related projects, etc.

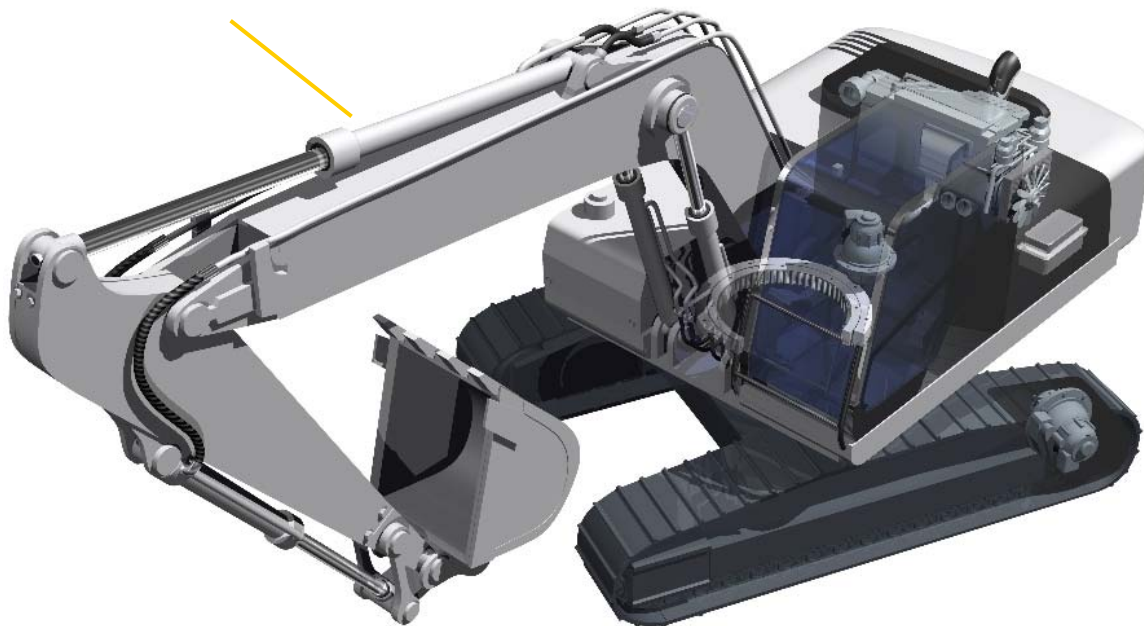
Responding to smart city plans and the need for monitoring systems for the aged



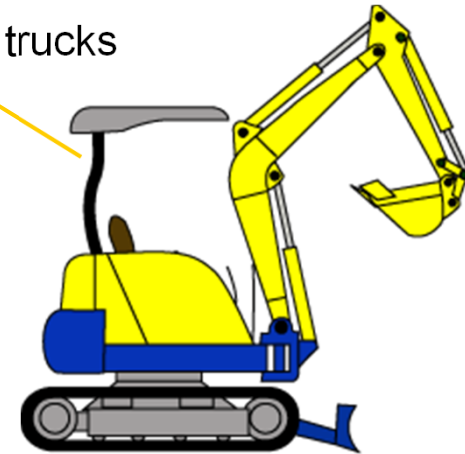
4-6. Hybrid Drive Systems for Construction Machinery

■ Hybrid drive system applications

➤ Shovel trucks



➤ Mini shovel trucks



➤ Mining machinery



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Inquiries

PR, IR, and CSR Department, Management Planning Division

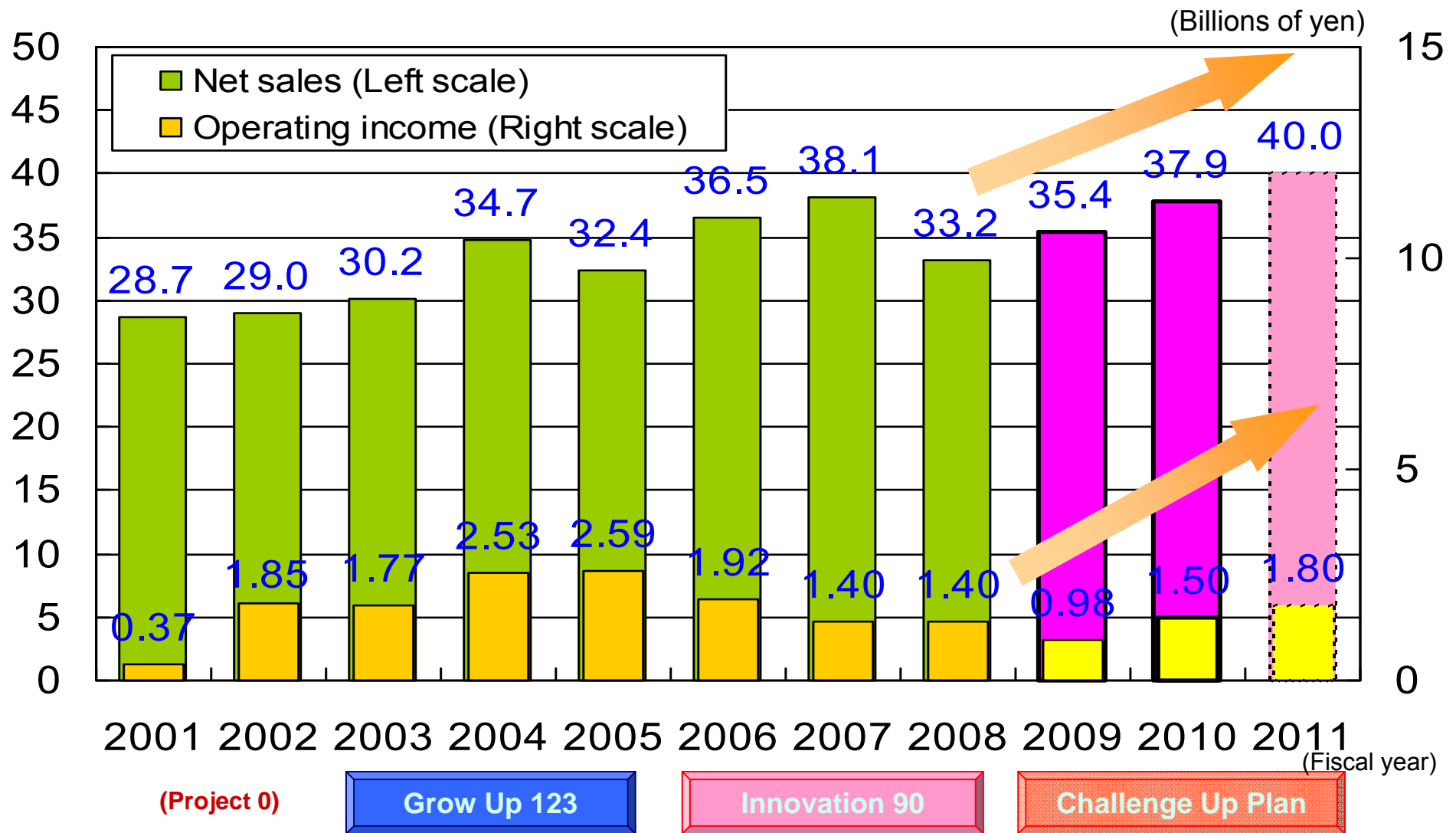
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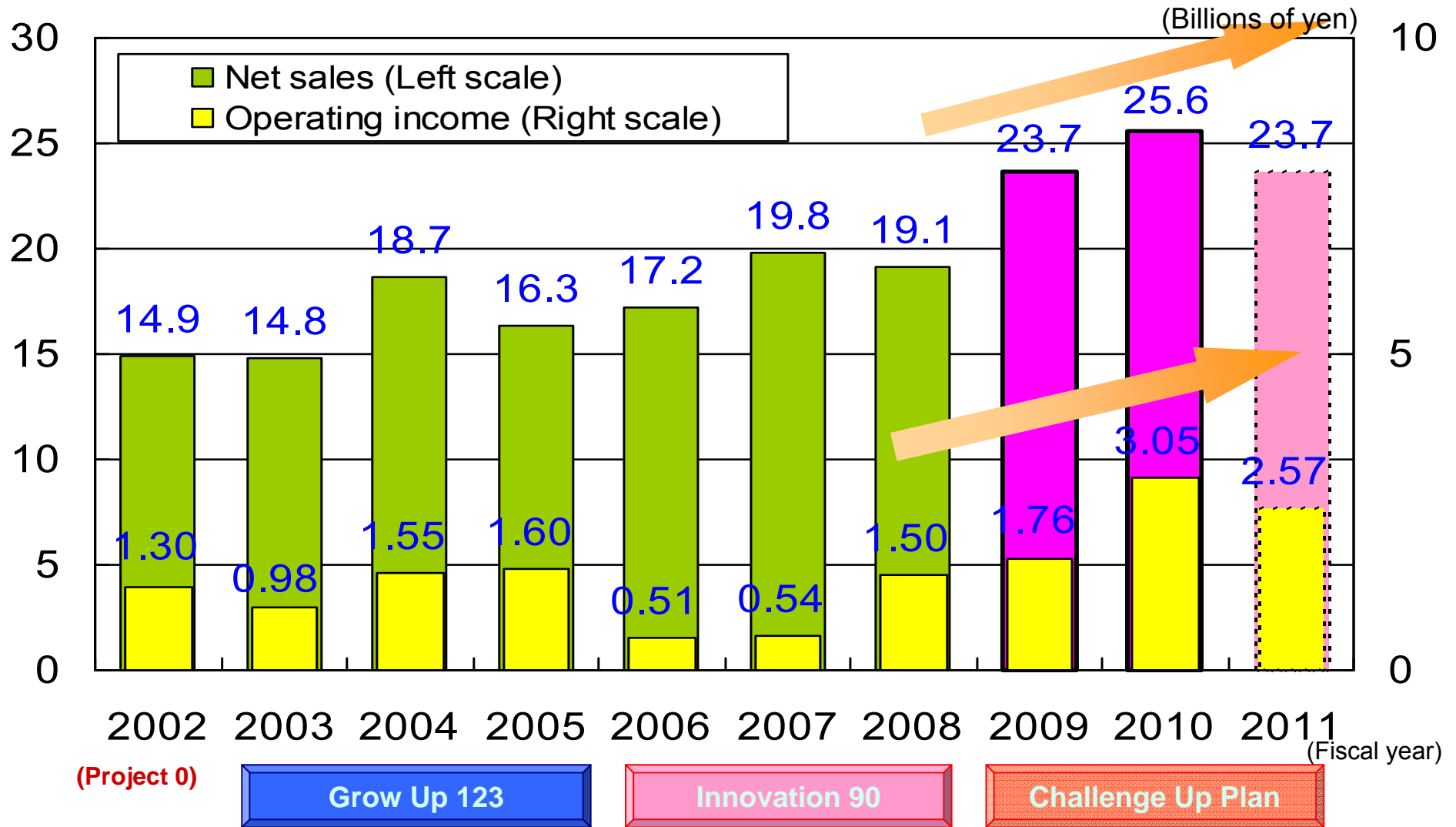
Email: contact@toyodenki.co.jp



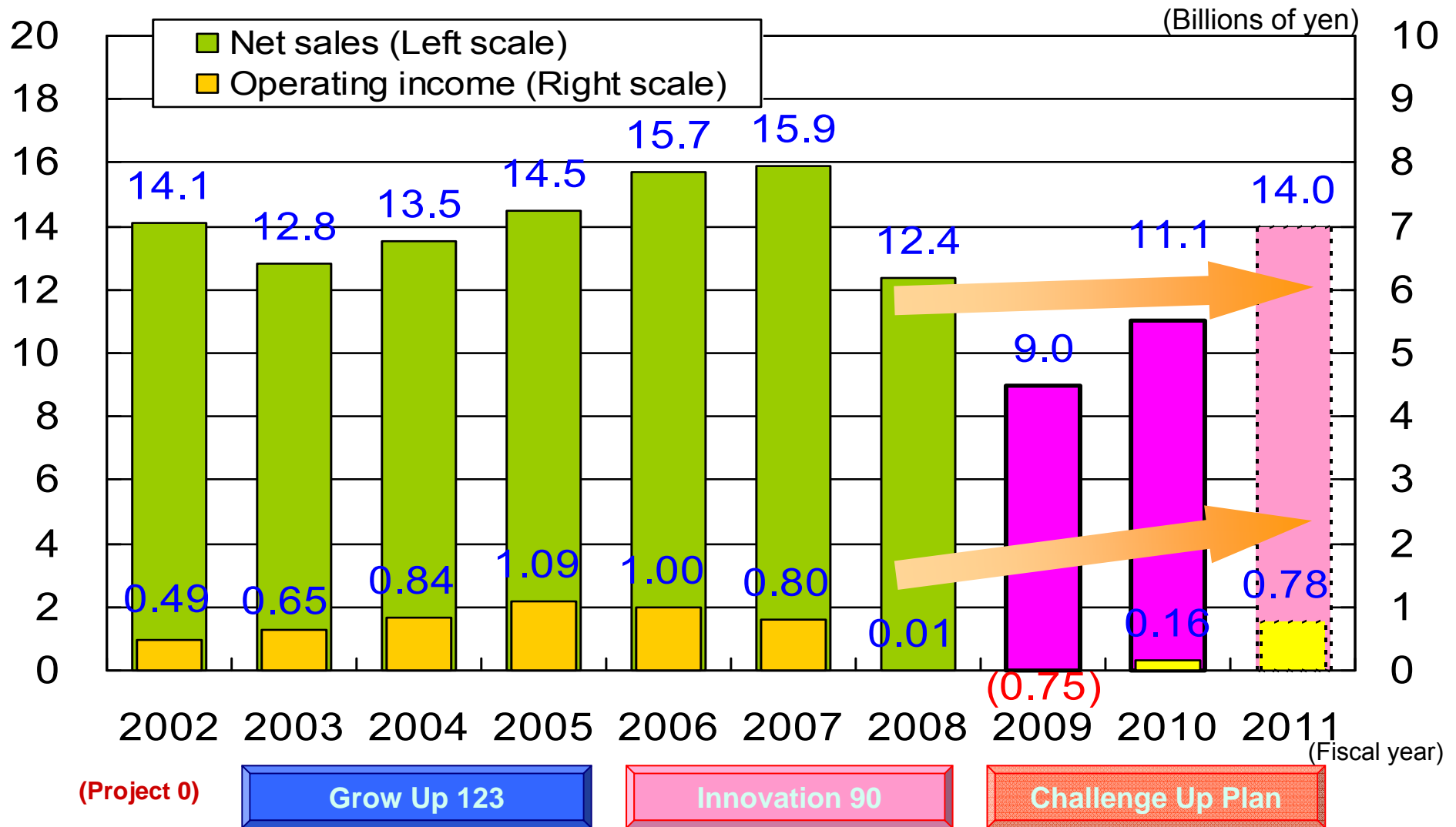
Reference: Trends in Consolidated Net Sales and Operating Income, and Forecast



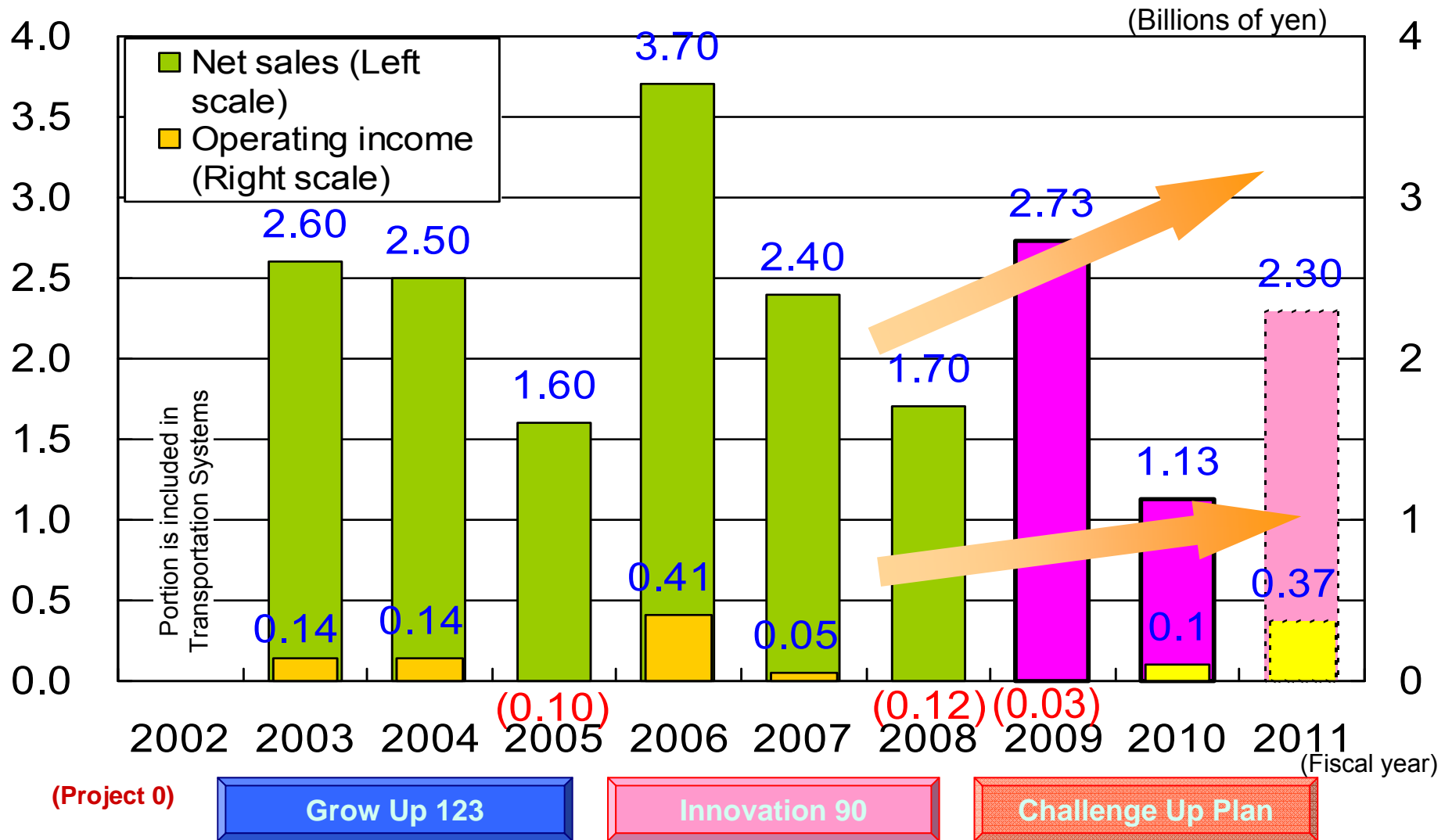
Reference: Performance Trends in Transportation Systems, and Forecast



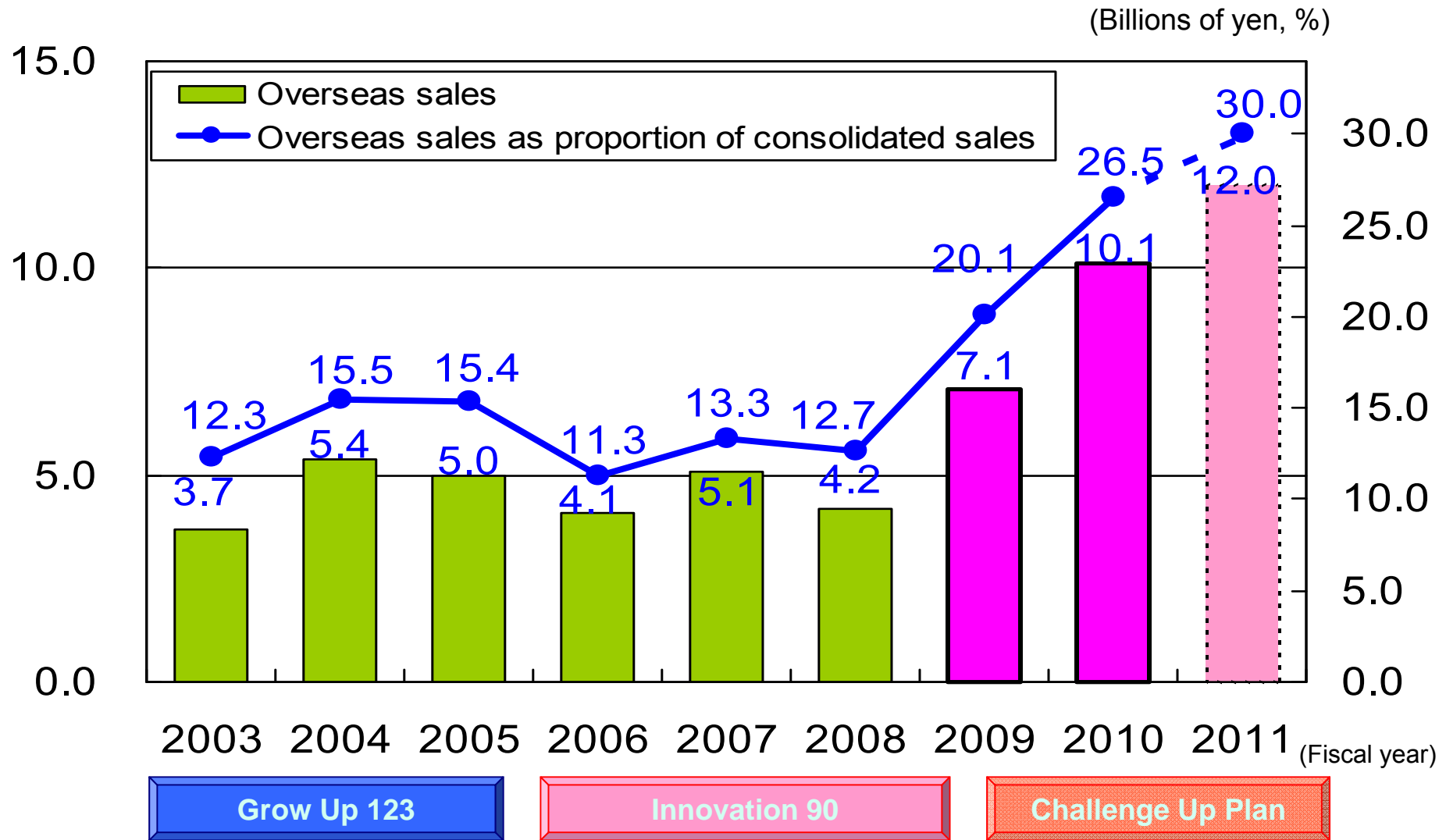
Reference: Performance Trends in Industrial Systems, and Forecast



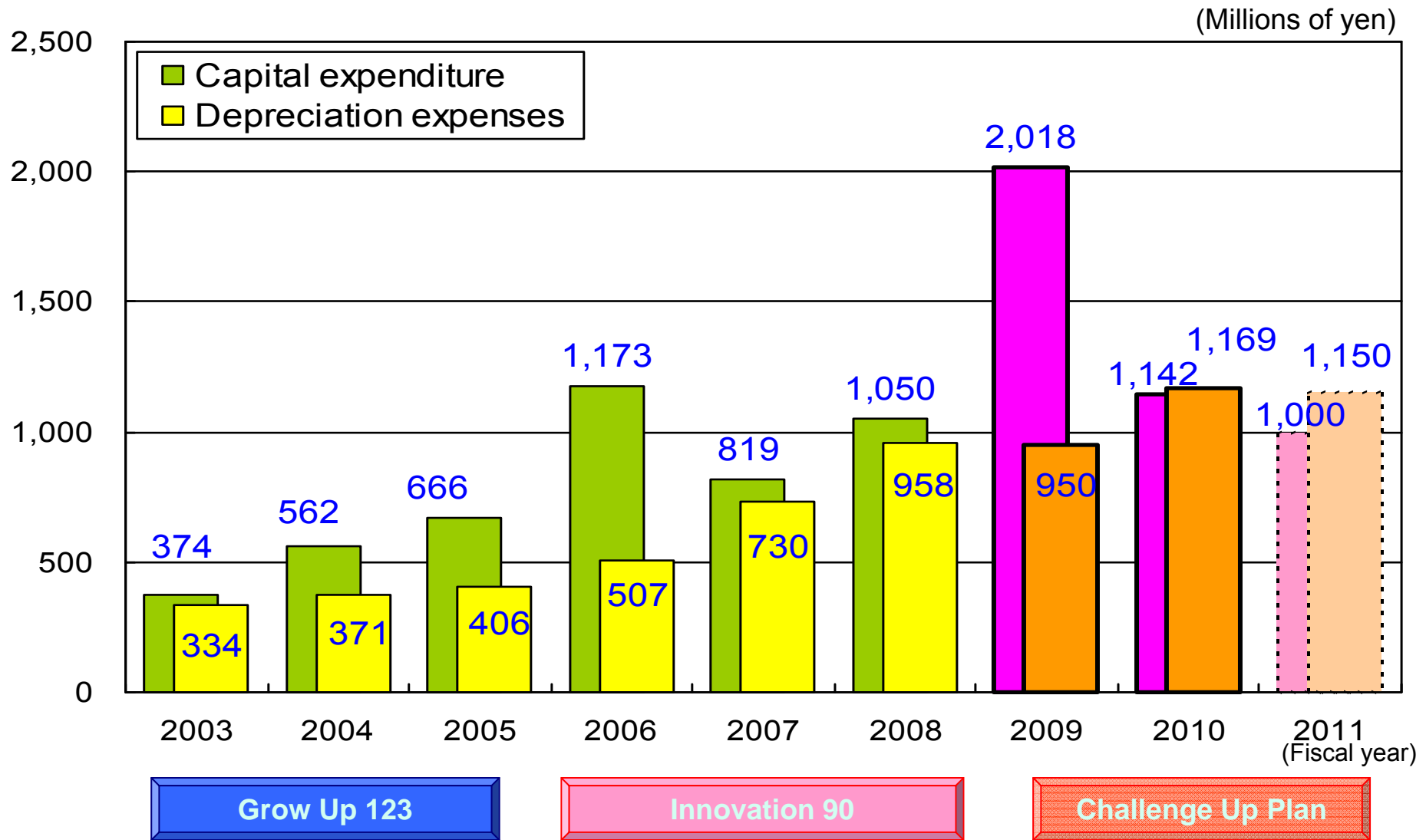
Reference: Performance Trends in Information Systems, and Forecast



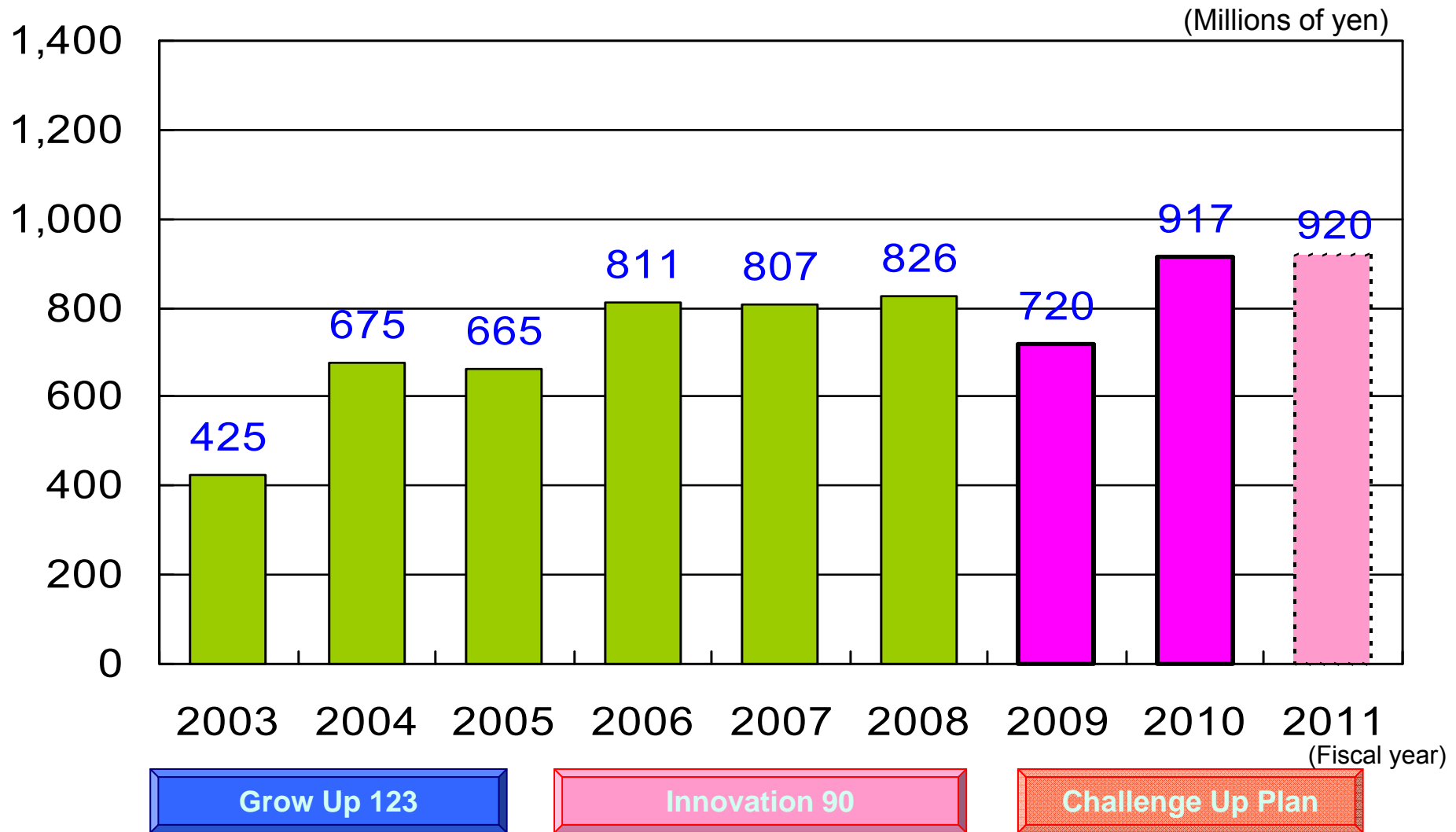
Reference: Trends in Overseas Sales, and Forecast



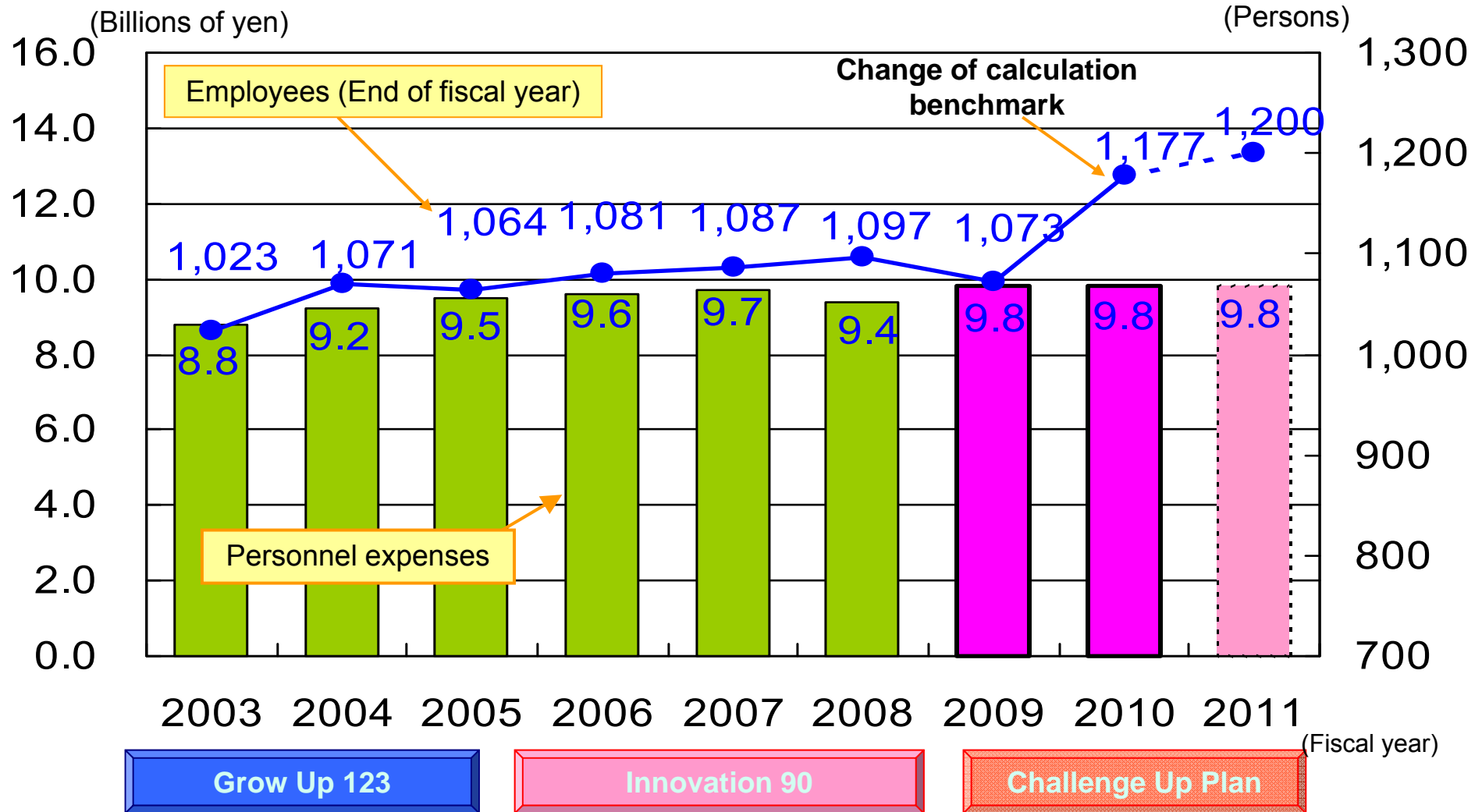
Reference: Trends in Consolidated Capital Expenditure and Depreciation Expenses, and Forecast



Reference: Trends in Consolidated Research and Development Expenses, and Forecast



Reference: Trends in Consolidated Personnel Expenses and Number of Employees, and Forecast



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.
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