

Financial Results Briefing Fiscal 2013 (Ended May 2014)

July 11, 2014

Toyo Denki Seizo K.K.



- Briefing on Financial Results: 30 minutes
 1. Overview of Financial Results for Fiscal 2013
 2. Outlook for Financial Results for Fiscal 2014
 3. New Medium-Term Management Plan
“Next 100”

- Q&A: 30 minutes

1. Overview of Financial Results for Fiscal 2013

1-1. Key Points

Overall: Increase in revenues, significant increase in earnings

- Net sales YoY +14.3% (+¥4,380 million)
- Operating income YoY +114.8% (+¥580 million)

Transportation Systems: Significant increase in revenues and earnings

- Net sales YoY +28.1% (+¥4,870 million)
- Segment income YoY +24.1% (+¥460 million)

Industrial Systems: Decrease in revenues, increase in earnings

- Net sales YoY -5.4% (-¥620 million)
- Segment income YoY +23.8% (+¥100 million)

Information Equipment Systems: Increase in revenues, significant increase in earnings

- Net sales YoY +7.5% (+¥130 million)
- Segment income YoY +31.3% (+¥80 million)

1-2. Overview of Consolidated Financial Results

(Millions of yen)

	Fiscal 2012	Fiscal 2013	YoY change
Net sales	30,580	34,960	+4,380
Operating income	500	1080	+580
%	1.6%	3.1%	+1.5%
Ordinary income	1,150	1,040	-110
%	3.8%	3.0%	-0.8%
Net income	720	640	-80
%	2.4%	1.8%	-0.6%
Net income per share (yen)	14.98	13.37	-1.61
Orders received	33,950	42,570	+8,620

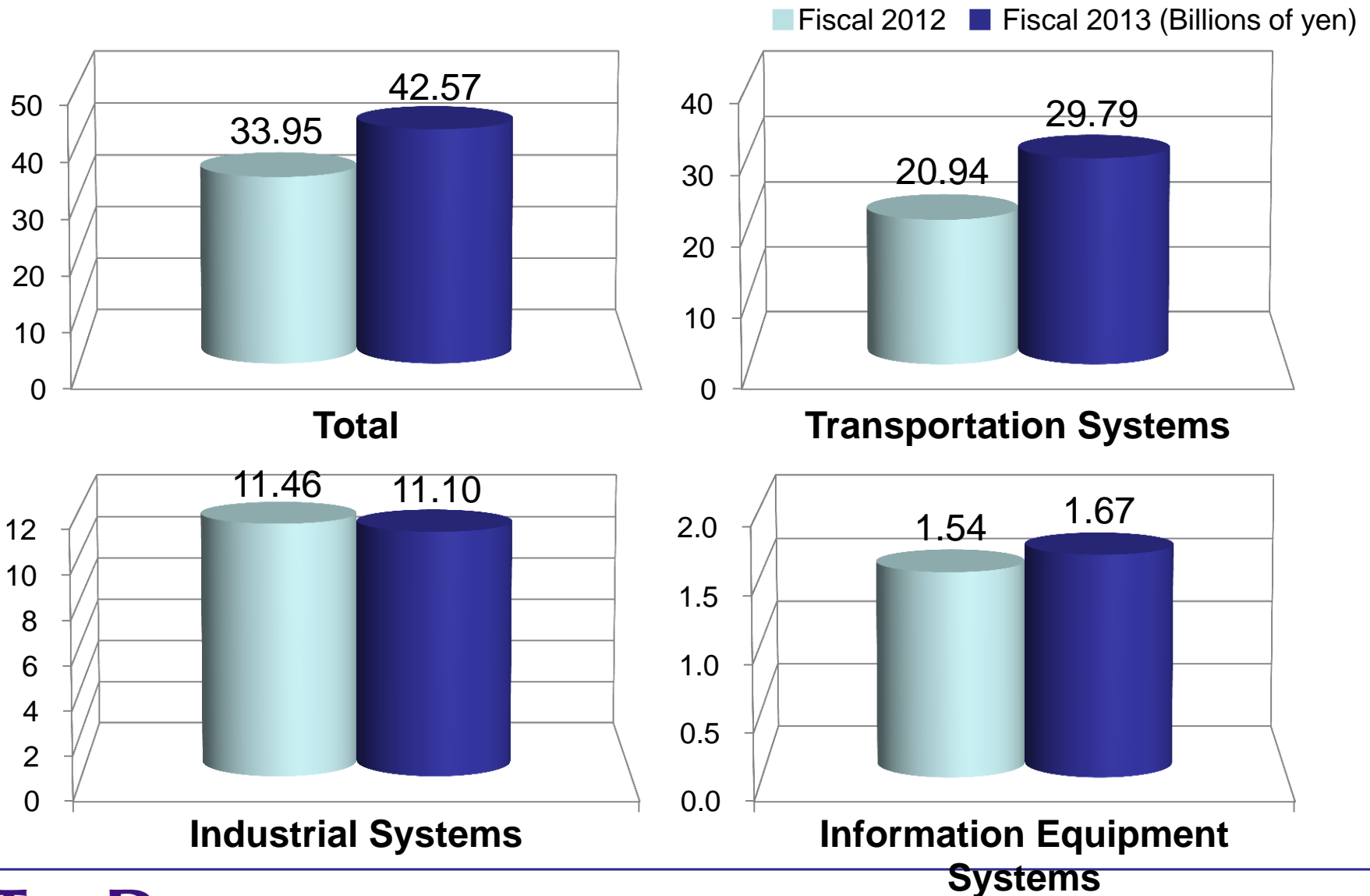
Fiscal 2013 Forecast	Difference
36,000	-1,040
1,500	-420
4.2%	-1.1%
1,500	-460
4.2%	-1.2%
750	-110
2.1%	-0.3%
15.40	+2.03
41,000	+1,570

1-3. Overview of Business Segment Results

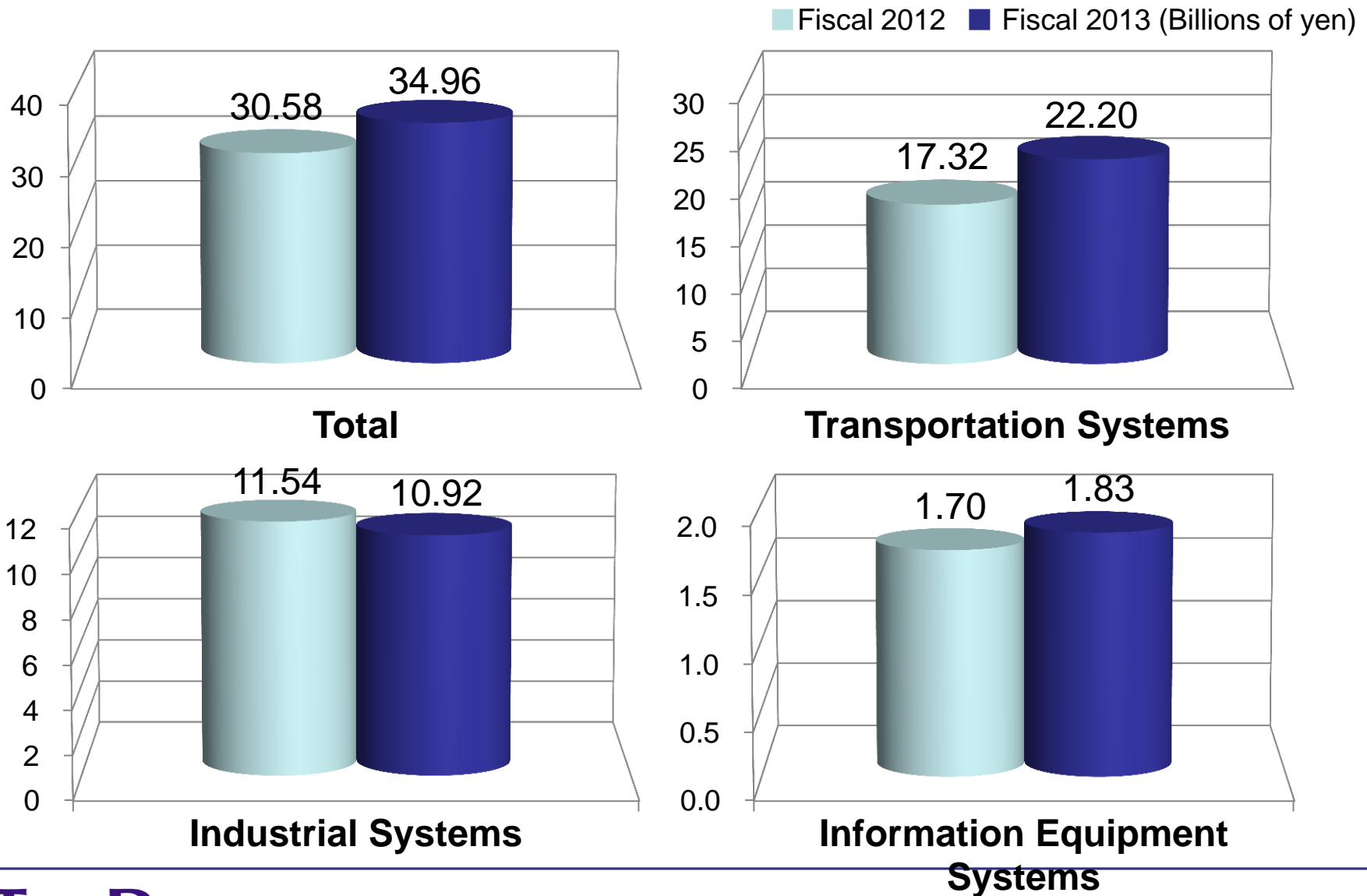
(Millions of yen)

		Trans- portation Systems	Industrial Systems	Automotive vehicle electrical equipment	Information Equipment Systems	Adjustment and other amounts	Total
Orders received	Fiscal 2012	20,940	11,460	510	1,540	6	33,950
	Fiscal 2013	29,790	11,100	260	1,670	6	42,570
	YoY change	+8,850	-360	-250	+130	–	+8,620
Net sales	Fiscal 2012	17,320	11,540	400	1,700	6	30,580
	Fiscal 2013	22,200	10,920	280	1,830	6	34,960
	YoY change	+4,880	-620	-120	+130	–	+4,380
Segment income	Fiscal 2012	1,910	430	-140	270	(2,150)	500
	Fiscal 2013	2,370	540	-130	350	(2,220)	1,080
	YoY change	+460	+90	+10	+80	-70	+580

1-4. Overview of Business Segment Results: Orders Received

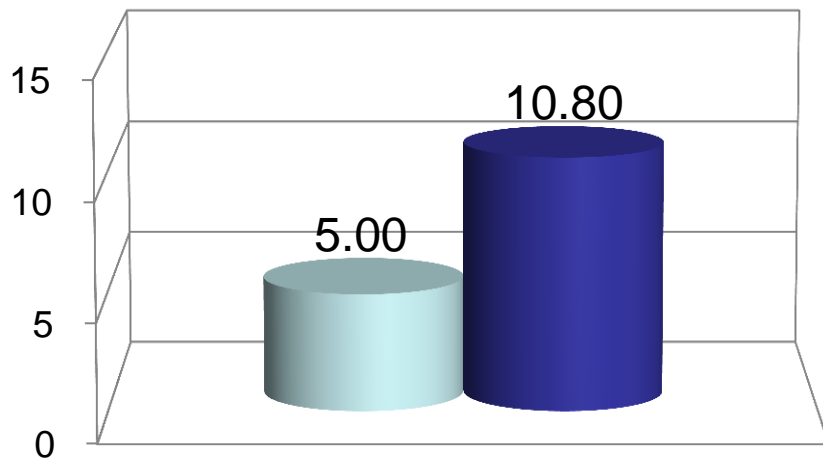


1-5. Overview of Business Segment Results: Net Sales

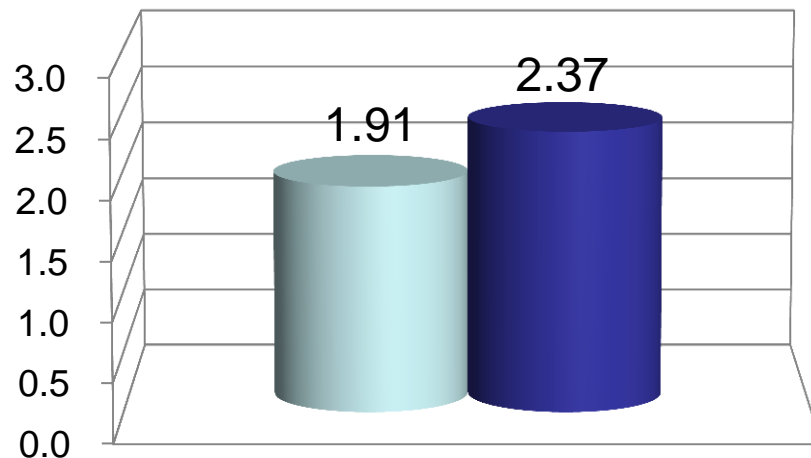


1-6. Overview of Business Segment Results: Segment Income

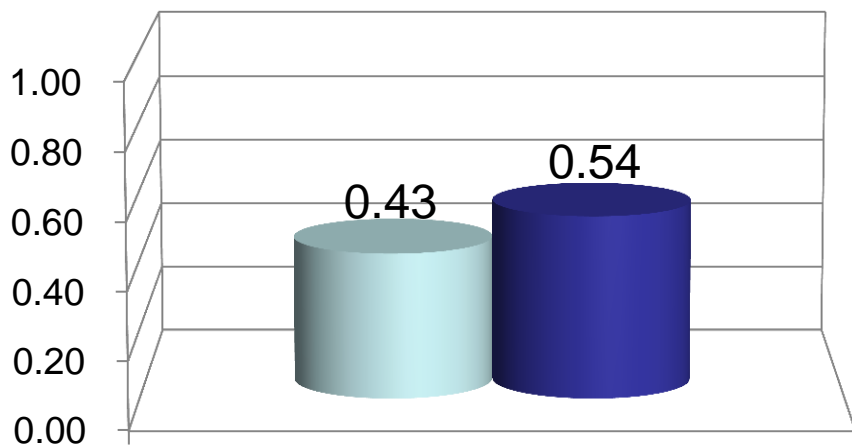
Fiscal 2012 Fiscal 2013 (Billions of yen)



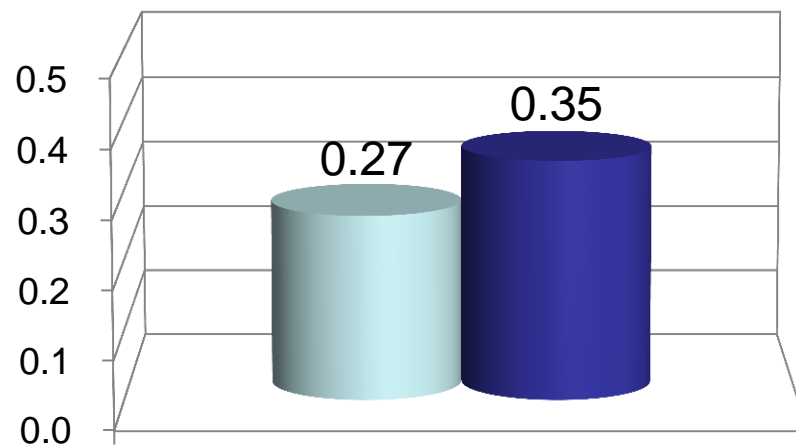
Total (Operating Income)



Transportation Systems

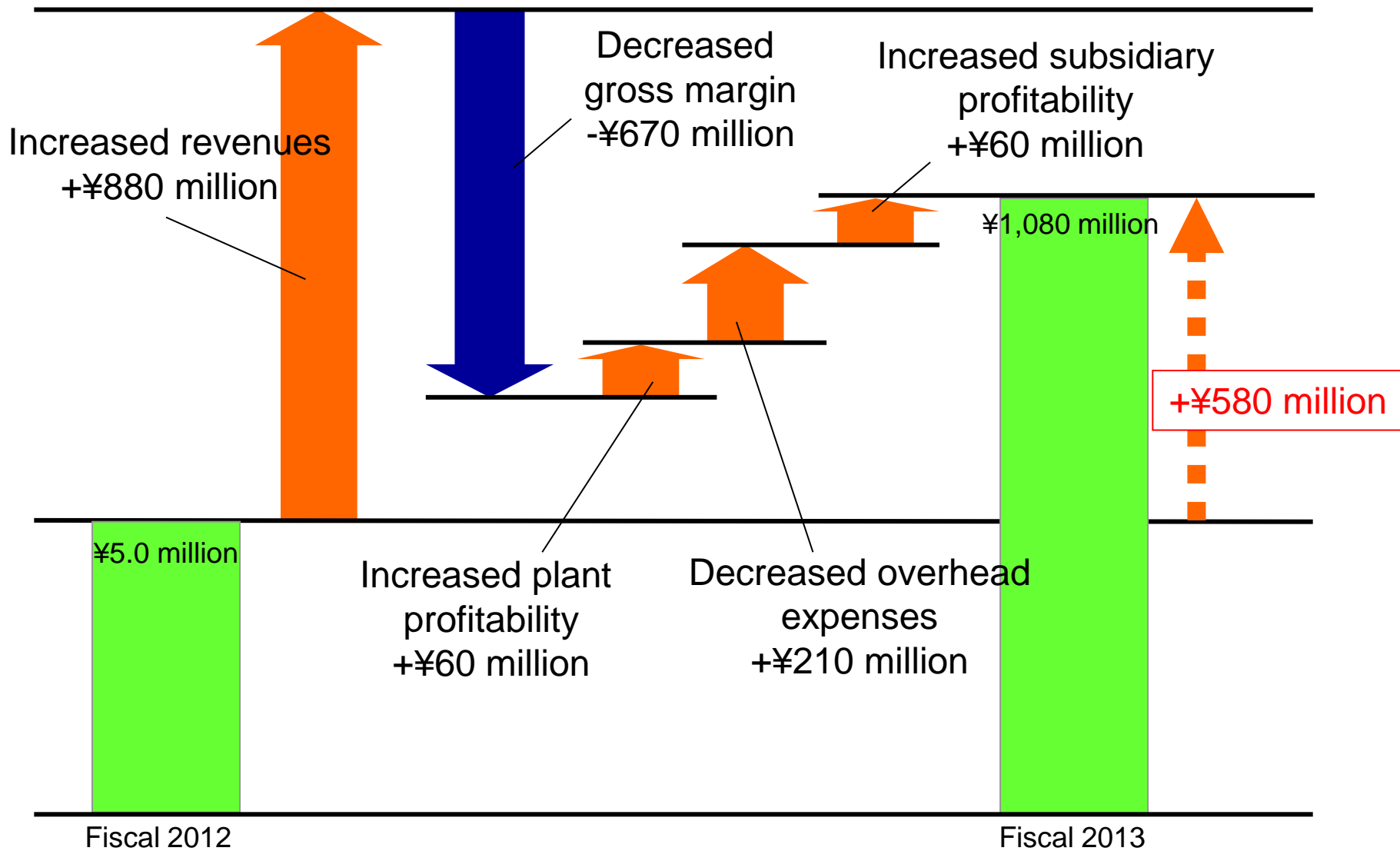


Industrial Systems



Information Equipment Systems

1-7. Factors Contributing to Changes in Operating Income



1-8. Consolidated Financial Position

(Millions of yen)

	May 31, 2013	May 31, 2014	YoY change	Notes
Total assets	42,360	44,750	+2,390	
Current assets	21,940	23,560	+1,620	Including cash and cash equivalents (+1,600)
Fixed assets	20,420	21,200	+780	
Total liabilities	23,840	25,400	+1,560	
Of which, interest-bearing debt	9,830	8,920	-910	
Net assets	18,520	19,350	+830	
Equity ratio	43.7%	43.2%	-0.5%	
Net assets per share (yen)	384.14	401.45	+17.31	

1-9. Dividends

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

(Yen)

	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014 (Forecast)
Annual dividend per share	6.00	6.00	6.00	6.00	6.00

2. Outlook for Financial Results for Fiscal 2014

2-1. Order Environment by Business Segment

	Comments
Market overall	<ul style="list-style-type: none"> (1) Japanese economy still on path to recovery (2) Infrastructure investment remains at a high level in China and developing countries
Transportation Systems	<ul style="list-style-type: none"> (1) Upgrade demand is strong in Japan (2) In China, plans for high-speed railways are firming up, and subways are expected to start upgrading equipment (3) Investment for railroad infrastructure outside Japan is trending at a high level
Industrial Systems	<ul style="list-style-type: none"> (1) Capital investment in Japan is in an upswing (2) In Southeast Asia and developing countries, infrastructure and capital investment remains at high levels (3) Both in and outside of Japan, demand for distributed power generation is extremely high
Information Equipment Systems	<ul style="list-style-type: none"> (1) Upgrade will gradually start for railway station operating equipment (2) Energy- and labor-saving remote monitoring systems help expand the market

2-2. Key Fiscal 2014 Forecast Points

Overall: Increase in revenues, significant increase in earnings

- Net sales YoY +14.4% (+¥5,040 million)
- Operating income YoY +95.2% (+¥1,020 million)

Transportation Systems:

Increase in revenues, significant increase in earnings

- Net sales YoY +16.2% (+¥3,600 million)
- Segment income YoY +28.0% (+¥660 million)

Industrial Systems:

Increase in revenues, significant increase in earnings

- Net sales YoY +14.0% (+¥1,530 million)
- Segment income YoY +120.0% (+¥640 million)

Information Equipment Systems:

Decrease in revenues and earnings

- Net sales YoY -4.3% (-¥80 million)
- Segment income YoY -17.8% (-¥60 million)

2-3. Forecast for Consolidated Financial Results for Fiscal 2014

(Millions of yen)

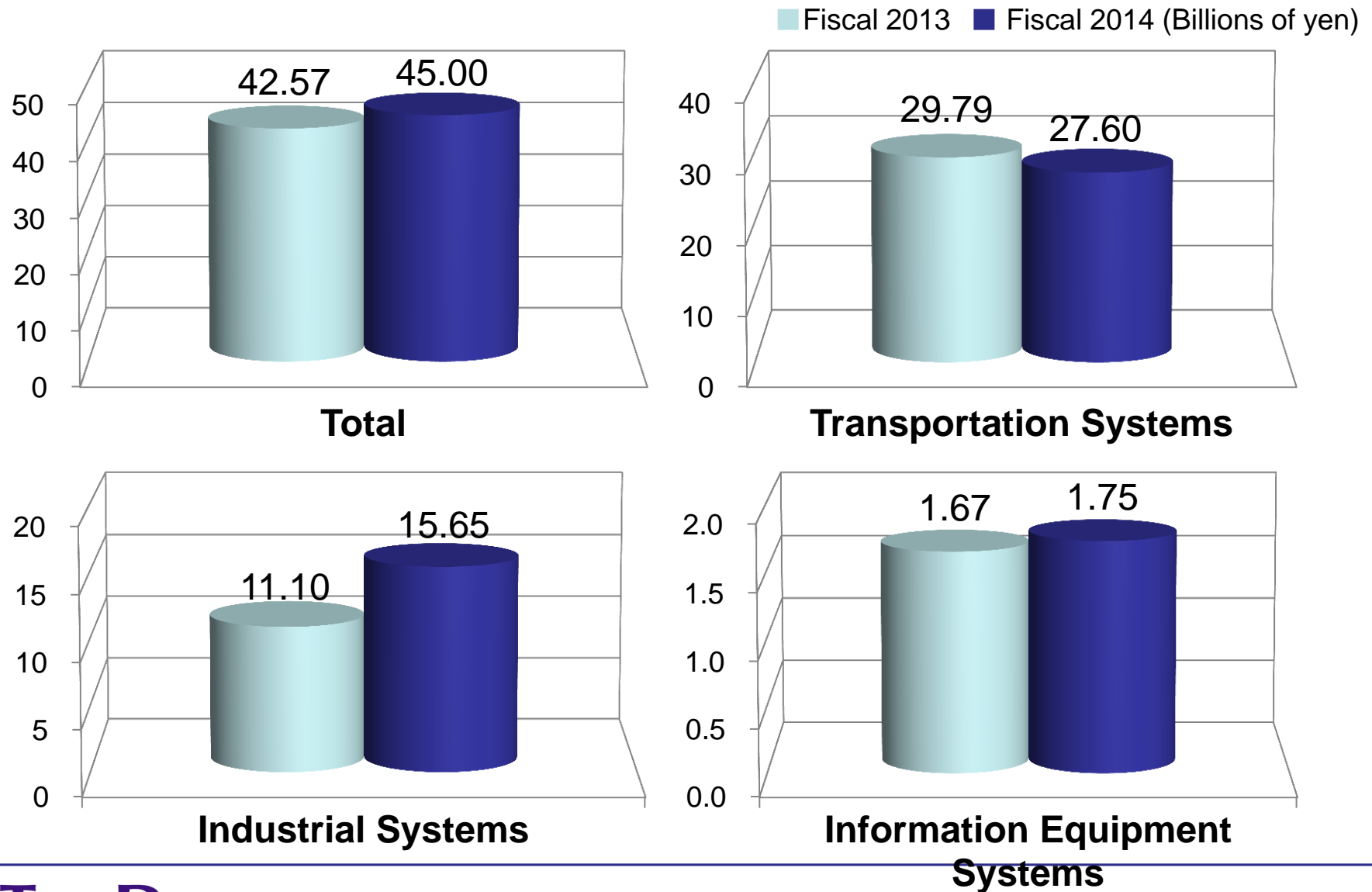
	Fiscal 2013	Fiscal 2014 (Forecast)	YoY change
Net sales	34,960	40,000	+5,040
Operating income	1,080	2,100	+1,020
%	3.1%	5.3%	+2.2%
Operating income	1,040	2,100	+1,060
%	3.0%	5.3%	+2.3%
Net income	640	1,200	+560
%	1.8%	3.0%	+1.2%
Net income per share (yen)	13.37	24.89	+11.52
Orders received	42,570	45,000	+2,430

2-4. Performance Forecasts by Business Segment

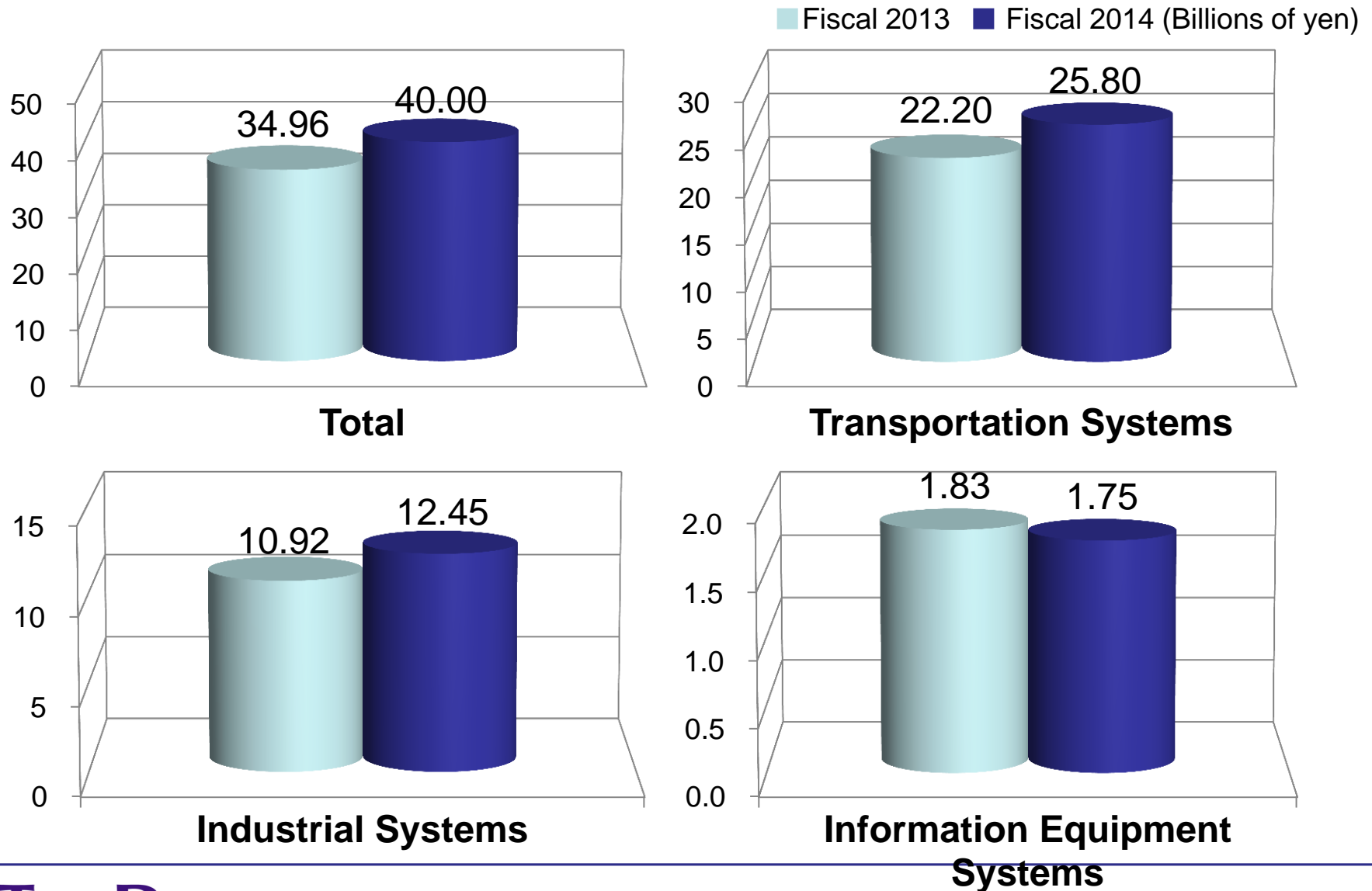
(Millions of yen)

		Trans- portation Systems	Industrial Systems	Information Equipment Systems	Adjustment and other amounts	Total
Orders received	Fiscal 2013	29,790	11,100	1,670	6	42,570
	Fiscal 2014 (Forecast)	27,600	15,650	1,750	–	45,000
	YoY change	-2,190	+4,550	+80	–	+2,430
Net sales	Fiscal 2013	22,200	10,920	1,830	6	34,960
	Fiscal 2014 (Forecast)	25,800	12,450	1,750	–	40,000
	YoY change	+3,600	+1,530	-80	–	+5,040
Segment income	Fiscal 2013	2,370	540	350	-2,220	1,080
	Fiscal 2014 (Forecast)	3,040	1,180	290	-2,430	2,100
	YoY change	+670	+640	-60	-210	+1,020

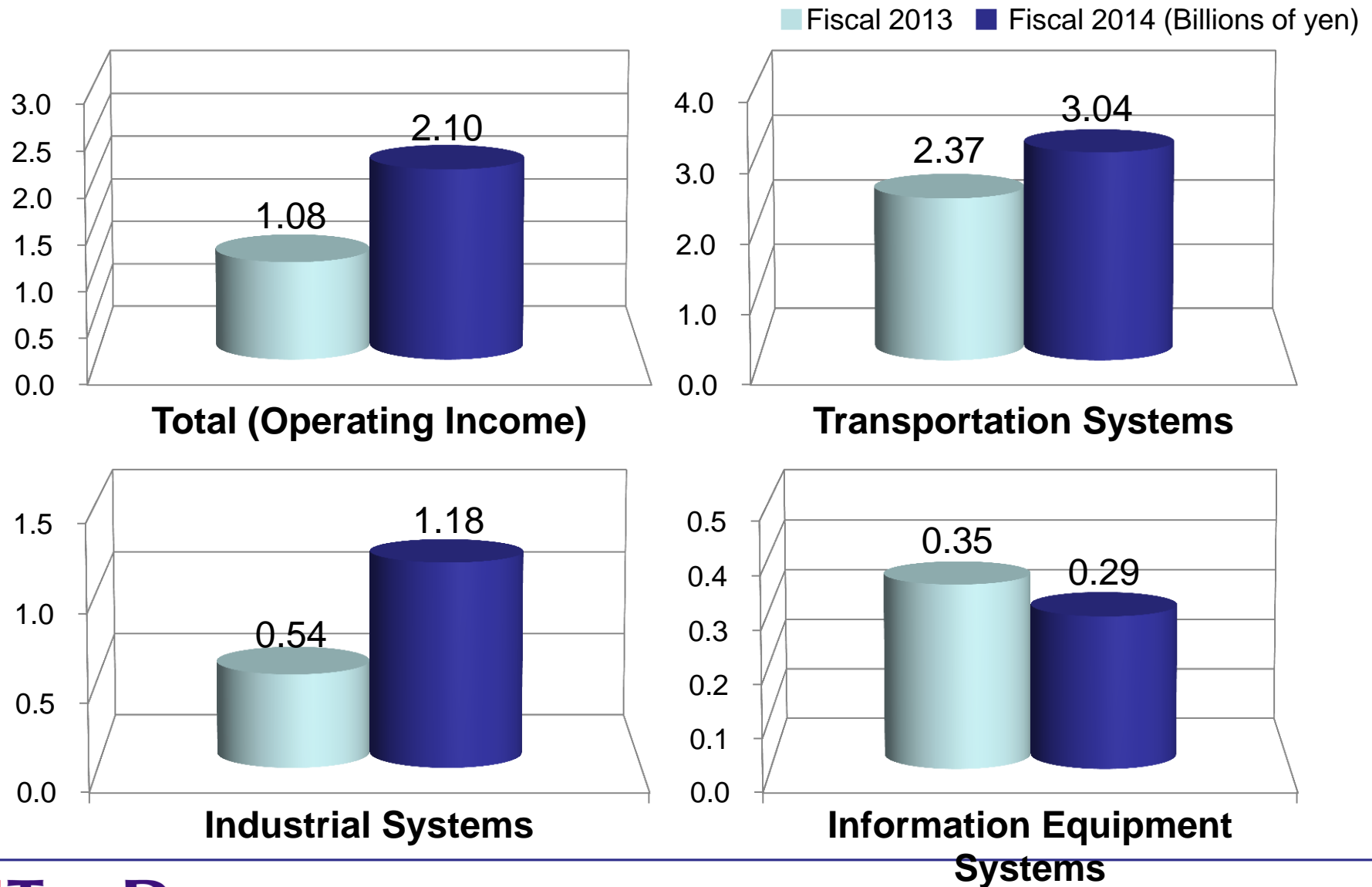
2-5. Segment Performance Forecasts: Orders



2-6. Segment Performance Forecasts: Net Sales



2-7. Segment Performance Forecasts: Segment Income

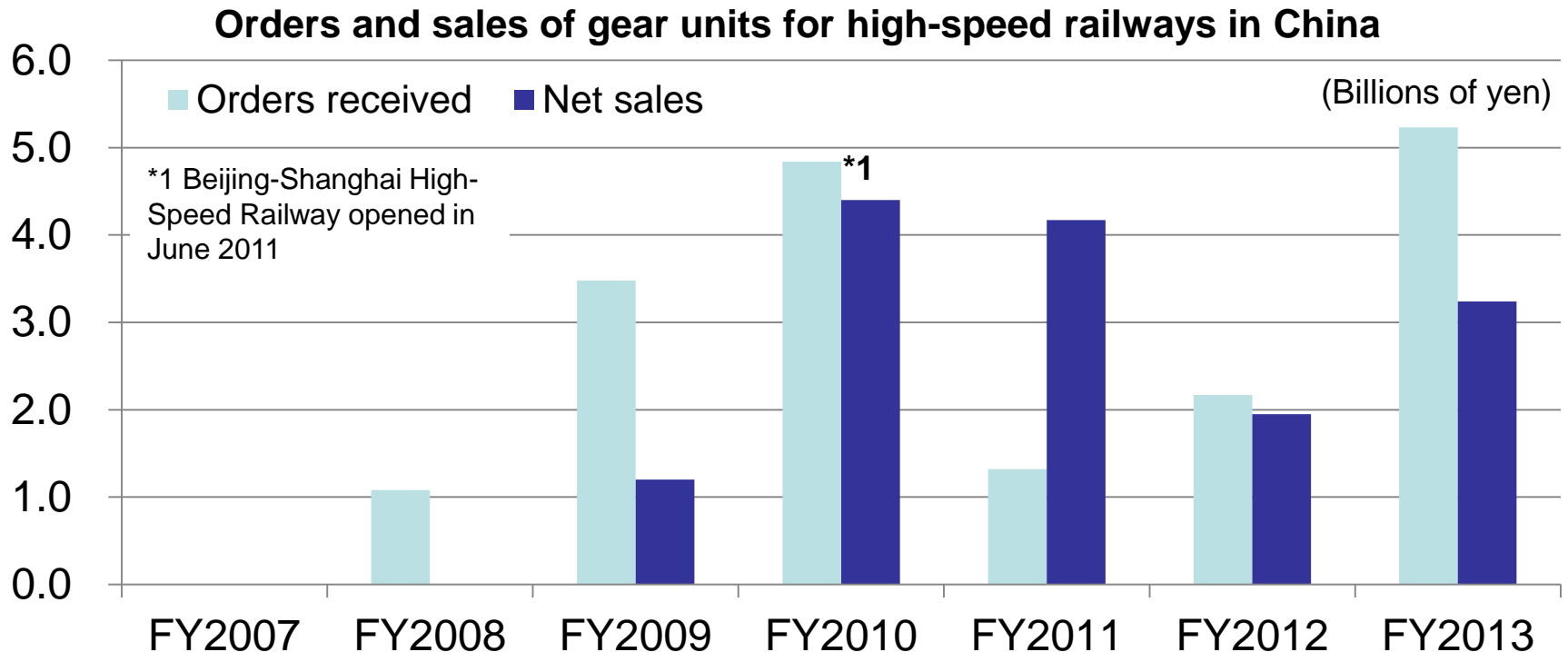


3. Other Topics

3-1. Topics: Transportation Systems

■ Orders and sales for gear units for high-speed railways in China

- Orders received for gear units for high-speed railways in China has recovered
- Increasing product lineup on gear units for applications such as for high speed (above 350 km/h), medium speed (250 to 350 km/h), and cold climate destinations



3-2. Topics: Industrial Systems

■ Expanded sales of biomass power generation systems for Southeast Asia

1. Use of generated energy at the sugar refinery
2. Ethanol refinement



Sugar refinery



Sugarcane waste



Biomass power generation system

A representative office will be opened in Bangkok, Thailand in September 2014 to serve as a base for gathering information.

3-3. Topics: Information Equipment Systems

- Expanded sales of remote monitoring systems for agricultural facilities
 - Visualization via the Internet of temperature and humidity controls for greenhouses, etc.

ビニールハウスや温室の状態を簡単に「見える化」！
東洋電機製造の「遠隔監視システム」は効率的な農業経営を支えています。

「いつでも、どこでも、ハウスの状態を携帯電話で見られるって便利だよ。
ほら、キュウリは自分にとって家族みたいなものだからさ。」

埼玉県で米とキュウリを生産する「江森農園」のご主人、江森 正さんの携帯電話には、
毎朝3時にビニールハウスに設置した遠隔監視システム「ハウスメールF」から
ハウス内の温度や湿度などのデータがEメールが届きます。
また、ハウスに異常が発生した場合は警告がEメールが届きます。

東洋電機製造は、施設農業用の制御機器などを製造する
日本オペレーター株式会社と共に「ハウスメールF」を開発し、
遠隔監視によるビニールハウスや温室の「見える化」を実現。
効率的な農業経営に貢献しています。



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「江森農園」 江森 正さん

A poster featuring a cucumber greenhouse that uses Toyo Denki remote monitoring system

3-4. Topics: Investor Relations Activities

■ First-ever Plant Tour for Stockholders

- Date/Time: Friday, April 11, 2014 from 13:30 to 17:00
- Location: Yokoyama Plant (Kanazawa-ku, Yokohama)
- Number of participants: 31 Toyo Denki stockholders (out of 120 applicants)
- Survey results: 93.5% of the stockholders who participated in the tour responded with "extremely satisfied" or "satisfied"



Thank you for your interest.

<http://www.toyodenki.co.jp>

Inquiries

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