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Toyo Denki Announces Foreign Exchange Gains Recorded under Non-Operating Income and Difference between Forecasts for the First Half of Fiscal 2014 and Consolidated Financial Results

Tokyo, Japan, January 14, 2015—Toyo Denki Seizo K.K. (hereinafter Toyo Denki) today announced that it recorded foreign exchange gains under non-operating income during the first half of fiscal 2014, the fiscal year ending May 31, 2015. Due to these gains, consolidated financial results announced today differ from the Company's earnings forecasts for the first half of fiscal 2014, which were announced on July 10, 2014. Details are provided as follows.

1. Difference between Earnings Forecasts and Results

- (1) Difference between Consolidated Earnings Forecasts and Results for the First Half of Fiscal 2014 (June 1, 2014 to November 30, 2014)

(In millions of yen, except where noted)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	18,500	600	600	350	7.26
Results (B)	19,065	584	873	515	10.69
Change (B-A)	565	(15)	273	165	
Percent change	3.1%	(2.7)%	45.5%	47.1%	
First half of previous fiscal year ended May 31, 2014	15,826	213	270	57	1.20

- (2) Reasons for Difference

Although the results for net sales and operating income were relatively close to the respective forecasts previously announced by the Company, the results for ordinary income and net income were considerably above the previous forecasts due to the reason described below in 2.

2. Foreign Exchange Gains Recorded under Non-Operating Income

Toyo Denki recorded foreign exchange gains totaling 250 million yen under non-operating income, which resulted from major changes in currency exchange rates during the first half of fiscal 2014. This amount was mainly generated on November 31, 2014, when the Company's assets and liabilities denominated in foreign currencies were assessed according to the exchange rates on that date.