To Whom It May Concern

July 12, 2018

Company name: Toyo Denki Seizo K.K.
Representative: Kenzo Terashima, President, Representative Director
(Code No. 6505 1st Section of the Tokyo Stock Exchange)
Inquiries: Takatoshi Otsuka, General Manager, Management Planning Division (TEL 03-5202-8122)

Toyo Denki Seizo K.K. (hereinafter “Toyo Denki”) today announced details describing differences between its consolidated earnings forecasts for the fiscal year ended May 31, 2018 disclosed on January 11, 2018 and its actual results for the same period made public today. Tokyo Denki also announced that it recognized extraordinary income and extraordinary loss as follows.

1. Differences between Consolidated Earnings Forecasts and Actual Results for the Fiscal Year Ended May 31, 2018 (From June 1, 2017 to May 31, 2018)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Net Sales (Million yen)</th>
<th>Consolidated Operating Income (Million yen)</th>
<th>Consolidated Ordinary Income (Million yen)</th>
<th>Net Income Attributable to Owners of the Parent (Million yen)</th>
<th>Net Income per Share (Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous forecast (A)</td>
<td>41,000</td>
<td>1,300</td>
<td>1,450</td>
<td>1,500</td>
<td>158.24</td>
</tr>
<tr>
<td>Actual results (B)</td>
<td>42,527</td>
<td>366</td>
<td>515</td>
<td>692</td>
<td>73.33</td>
</tr>
<tr>
<td>Change (B-A)</td>
<td>1,527</td>
<td>(934)</td>
<td>(935)</td>
<td>(808)</td>
<td></td>
</tr>
<tr>
<td>Percent change (%)</td>
<td>3.7</td>
<td>-71.8</td>
<td>-64.4</td>
<td>-53.9</td>
<td></td>
</tr>
<tr>
<td>(Reference) Business results for the previous year (the fiscal year ended May 31, 2017)</td>
<td>40,668</td>
<td>1,571</td>
<td>1,663</td>
<td>1,174</td>
<td>123.87</td>
</tr>
</tbody>
</table>

2. Reasons for Difference

Consolidated net sales for the fiscal year ended May 31, 2018 were higher than those for the previous fiscal year and close to the forecast made public on January 11, 2018 due to the actualized results of the change of the business promotion system made on December 1, 2017 in the industrial systems business and strong incoming orders in the information equipment systems business. Meanwhile, consolidated operating income, ordinary income and net income
attributable to owners of the parent were lower than the consolidated earnings forecasts due to increase in cost more than forecasted in the fourth quarter term in which sales concentrate attributing to overseas projects of the transportation systems business and multiple projects of developmental nature for automobile development testing equipment focused with a view to the expansion of the market of the industrial systems business; and a temporary decrease in production capacity in the process of integration of production into the Shiga Ryuo Plant commenced in February 2018 in the industrial systems business.

3. Details of Extraordinary Income (Gain on Sales of Investment Securities)
Toyo Denki recognized gain on sales of investment securities of 806 million yen in extraordinary income due to partial sale of securities held by Toyo Denki.

4. Details of Extraordinary Loss
(1) Expenses for integrating plants
Toyo Denki recognized expenses of 339 million yen for integrating its industry systems business and TD Drive Manufacturing Co., Ltd. into the Shiga Ryuo Plant in extraordinary loss.

(2) Expenses for projects commemorating the 100th anniversary of the founding of Toyo Denki
Toyo Denki recognized expenses of 18 million yen for projects commemorating the 100th anniversary of its founding in extraordinary loss.