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To Whom It May Concern

Company name Toyo Denki Seizo K.K.  
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 Representative Director  
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 Stock Exchange)  
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**Toyo Denki Describes Differences between Consolidated Earnings Forecasts and Actual Results for the Fiscal Year Ended May 31, 2018 and Extraordinary Income and Extraordinary Loss Recognized**

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. Toyo 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)

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

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.