

August 9, 2017

Attention: All concerned parties

Toyo Tanso Co., Ltd.

5-7-12 Takeshima, Nishiyodogawa-ku, Osaka 555-0011, Japan
(Stock Exchange Code: 5310, 1st Section, Tokyo Stock Exchange)

Notification of Posting of Non-operating Expense, Extraordinary Income and Extraordinary Losses (Including Updates on Previous Disclosure), Differences between Consolidated Earnings Forecasts for First Half of the Fiscal Year and Actual Results, and Revisions to Consolidated Earnings Forecasts for the Fiscal Year

The consolidated earnings forecasts for the second quarter of the fiscal year ending December 31, 2017 (April 1 – June 30, 2017) includes the posting of non-operating expenses, extraordinary income, and extraordinary losses. In addition, the consolidated earnings forecasts announced on February 14, 2017 for the first half of the fiscal year ending December 31, 2017 (January 1, 2017 – June 30, 2017) differ from the actual results announced today, as noted below.

Moreover, in light of the results of the first half of the consolidated fiscal year, we have revised the earnings forecast for the consolidated fiscal year (January 1, 2017 – December 31, 2017) as follows.

Particulars

1. Posting of non-operating expenses

As noted in the “(Update on Previous Disclosure) Notice Regarding Posting of Non-operating Expenses (Loss on Misappropriation of Funds) Related to Fraudulent Actions at Overseas Subsidiary” released on August 7, 2017, the Company will post a 228 million yen loss on misappropriation of funds as a non-operating expense in the second quarter of the consolidated fiscal year ending December 31, 2017.

2. Posting of extraordinary income and extraordinary losses (including updates on previous disclosure)

The amount of the impact was reported in the “Notification of Transfer of Equity in Consolidated Subsidiary (Transfer of Subsidiary), Dissolution of Joint Venture Contract and Generation of Extraordinary Income,” dated January 26, 2017. Now that the equity has been transferred and the joint venture contract has been dissolved, the Company has posted extraordinary income including 74 million yen in gains on sales of non-current assets, 87 million yen in gains on the sale of investments in capital of subsidiaries and affiliates and 160 million yen in subsidy income, and also posted 87 million yen in losses on the retirement of non-current assets as extraordinary losses.

As a result of these factors, we posted 321 million yen in extraordinary income and 87 million yen in extraordinary losses compared to the 170 million yen in extraordinary income priced into the initial earnings forecast. When including other factors, we posted 359 million yen in extraordinary income and 110 million yen in extraordinary losses in the consolidated first half of

the fiscal year ending December 31, 2017.

3. Differences between consolidated earnings forecasts and actual results for the first half of the fiscal year ending December 31, 2017 (January 1, 2017 – June 30, 2017)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	15,000	600	650	750	36.17
Actual results (B)	16,564	1,326	1,130	1,129	54.47
Amount of increase/decrease (B-A)	1,564	726	480	379	—
Percentage of increase/decrease (%)	10.4	121.0	73.9	50.6	—
(Ref.) Results for the first half of the previous fiscal year (first half of the fiscal year ended December 31, 2016)	16,941	513	257	241	11.65

4. Revision of figures in consolidated earnings forecast for the year ending December 31, 2017 (January 1, 2017 – December 31, 2017)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	31,000	1,500	1,600	1,500	72.35
Revised forecast (B)	32,500	1,900	1,700	1,600	77.12
Amount of increase/decrease (B-A)	1,500	400	100	100	—
Percentage of increase/decrease (%)	4.8	26.7	6.3	6.7	—
(Ref.) Previous fiscal year results (Year ended December 31, 2016)	32,464	652	759	284	13.71

5. Reasons for differences and revision

In the first half of the fiscal year ending December 31, 2017, at 16,564 million yen, net sales surpassed the forecast of 15,000 million yen by 10.4% due to a recovery in demand for electronics applications and a weaker yen than anticipated. Further progress in reforming the business structure, such as cutting fixed costs, in addition to higher net sales resulted in an operating income of 1,326 million yen, 121.0% higher than the forecast of 600 million yen. Despite the posting of a 228 million yen non-operating expenses, as noted in “1. Posting of non-operating expenses,” the increase in operating income led to an ordinary income of 1,130 million yen, 73.9% higher than the forecast of 650 million yen. Profit attributable to owners of parent totaled 1,129 million yen, 50.6% higher than the forecast of 750 million yen due to the increase in extraordinary income, as noted in “2. Posting of extraordinary income and extraordinary losses

(including updates on previous disclosure).”

In light of results for the first half of the fiscal year, we have revised the consolidated earnings forecasts for the full year released on February 14, 2017. (Assumed exchange rates for the second half: 105 yen/US\$, 115 yen/EUR, and 15 yen/CNY)

Note: The above forecasts are based on the information available when these materials were released, and actual results may differ from these forecasts due to various factors.

Please direct inquiries regarding the current situation to:

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