

August 10, 2012

Consolidated First Quarter Results
April 1 through June 30, 2012 of FY ending March 31, 2013

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2012, through June 30, 2012

	Revenue	Operating Income	Recurring Income	Net Income	First Quarter Net Income per Share
Current Year First Quarter	8,587	163	245	232	4.56Yen
Last Year First Quarter	9,343	490	501	298	5.85Yen

2. Financial Status June 30, 2012

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets per Share
End of Current Year First Quarter June 30, 2012	42,503	12,259	26.6%	221.28Yen
End of last Year March 31, 2012	42,614	12,291	26.6%	222.38Yen

3. Revenue and Income Forecast of Current Fiscal Year ending March 31, 2013

	Revenue	Operating Income	Recurring Income	Net Income	Net Income per Share
First Half	17,500	150	150	50	0.98Yen
Whole fiscal year	36,000	700	700	450	8.82Yen

The direction of the Japanese economy was still unclear and unpredictable during the First Quarter (April to June, 2012) for Tomoegawa. The investment in the recovery from last year's earthquake disaster and government's stimulus action such as a subsidy for environment friendly automobiles provided a necessary boost. However, there are strong obstacles such as prolonged financial instability in Europe, slowing growth in emerging countries, and the worsened exporting environment due to the Yen exchange rate stabilizing at a historically high level.

Under such circumstances Tomoegawa's First Quarter Revenue was ¥8,587 million, which was ¥755 million or 8.1% lower than the same period of the previous year. Our Operating Income, Recurring Income, and Net Income during the First Quarter were ¥163 million (66.6% decrease), ¥245 million (51.0% decrease), and ¥232 million (22.1% decline), respectively. The extreme struggle in the Flat Panel Display industry hit hard the demand for our related products last fall and that effect is still lingering during this quarter. Since we forecasted the situation in our business plan, and countered it with a flexible production structure and other cost reduction efforts, our Consolidated Operating Income and Recurring Income showed a modest increase of ¥76 million (87.3%) and ¥112 million (84.7%) respectively, compared to the previous Quarter (January to March, 2012) while the sales during that period showed a slight decline of 1.9%.

Our first quarter results were within the reasonable range of deviation from the planned figures. The expansion project of our China toner plant, which is a key component to gain a competitive edge in global market, is almost complete. The most advanced facility installed at the site is expected to go into full production and contribute to our business starting the Third Quarter (October to December, 2012). Also, we will shift our R&D activity from the Flat Panel Display related products to new areas to seek the more effective use of our resources. Through those efforts, we plan to reach the forecast figures we announced in May.