

November 12, 2012

**Consolidated Results for 1<sup>st</sup> Half**  
**From April 1 through September 30, 2012 of FY ending March 31, 2013**

Figures in Million Yen, unless otherwise noted

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

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Current Year First Half	16,952	197	197	245	4.81Yen
Last Year First Half	17,872	316	211	64	1.27Yen
Percent Change From Last Year First Half	(5.2%)	(37.6%)	(6.4%)	277.8%	-

Note

- Numbers in parentheses indicate negative figure or decrease.

2. Financial Status

September 30, 2012

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of current year First Half September 30, 2012	42,916	12,140	26.1%	219.18Yen
End of last Year March 31, 2012	42,614	12,291	26.6%	222.38Yen

### 3. Revised Forecast of Current Fiscal Year, which will end on March 31, 2013

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Revised Forecast	35,000	450	450	150	2.94Yen
Previous Forecast in May 2012	36,000	700	700	450	8.82Yen
Percent Change From Previous Forecast	(2.8%)	(35.7%)	(35.7%)	(66.7%)	-
Last Year Results For FY 2012	34,699	297	282	189	3.71Yen
Percent Change From Last Year Results	0.9%	51.4%	59.2%	(20.7%)	-

#### Note

- Numbers in parentheses indicate negative figure or decrease.

During the first half of the current Fiscal Year (April to September, 2012), the Japanese economy experienced slow, but steady growth in the domestic market thanks to the demand created by the recovery from last year's disaster. To the contrary, the export environment is getting worse due to the lingering effect of strong Yen, problems in overseas markets such as the European sovereign debt crisis and slowing growth of emerging economies like China & India. These global issues are increasing the uncertainty for the Japanese economy.

Under such circumstance, Tomoegawa recorded its First Half revenue of ¥16,952 million, which is △¥920 million or △5.2% lower than the revenue of the same period of the previous year. Our Operating Income, Ordinary Income, and Net Income were ¥197 million (△37.6% decrease), ¥197 million (△6.4% decrease), and ¥245 million (227.8% increase), respectively.

Decline of our revenue was due to recent decreasing demands for the semiconductor related products after this summer, and the prolonged struggle in sales of Flat Panel Display (FPD) related products since last year. Operating Income and Ordinary Income also went downward, partly because we implemented the reduction of production volume in order to lower the inventories to the appropriate level, by utilizing a longer-than-usual summer break.

TOMOEGAWA Group has announced the Fifth Medium-Term Management Plan starting with the current fiscal year. In this plan, we outline the paths to corporate growth as expansion into overseas markets, and the timely launch of competitive high-function materials and products.

To this point, our results have almost gone according to the plan. We successfully introduced some new high function-paper, and in overseas activities, we are expecting the advanced facility located in our China toner plant will soon go into full swing.

However, in the light of economic uncertainty, we downwardly revise the forecast of our current fiscal year which will end in March, 2013. Revised projected Sales figure is ¥35,000 million, △2.8% decline from previous forecast figure, but an increase of 0.9% from the last fiscal year's figure. Our Operating Income, Ordinary Income, and Net Income projections are ¥450 million (△35.7% decline from previous projection, and +51.4% increase from last FY), ¥450 million (△35.7% & +59.2%), and ¥150 million (△66.7% & △20.7%) respectively.

We will make continuous efforts to accomplish annual sales and profit increase, which will put TOMOEGAWA into a quick recovery with sustainable growth.

Your continuous support for TOMOEGAWA will be greatly appreciated.