

May 15, 2013

Consolidated Financial Results of the Fiscal Year Ended March 31, 2013
And
Outlook for Fiscal Year Ending March 31, 2014

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2012, through March 31, 2013

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
FY 2012 ended March 31, 2013	34,722	529	324	224	4.39Yen
Converted into Millions of U.S. dollars	369.4	5.6	3.4	2.3	0.047US\$
FY 2011 ended March 31, 2012	34,699	297	282	189	3.71Yen
Percent Change From FY 2011	0.1%	78.2%	14.7%	18.5%	-
Forecast of FY 2012 revised in November 2012	35,000	450	450	150	2.94Yen

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of ¥93.99=U.S.\$1.00

2. Financial Status

March 31, 2013

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of FY 2012 March 31, 2013	41,909	12,730	28.0%	230.03Yen
Converted into Millions of U.S. dollars	445.8	135.4	-	2.447US\$
End of FY 2011 March 31, 2012	42,614	12,291	26.6%	222.38Yen

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of
¥93.99=U.S.\$1.00

3. Forecast of Current Fiscal Year, which will end on March 31, 2014

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
First Half	17,000	250	200	100	1.96Yen
Whole fiscal year	37,000	800	700	400	7.84Yen

During first 3 Quarters of past Fiscal Year that ended on March 31, 2013, the business climate surrounding Tomoegawa was harsh; market conditions of our two major business areas, Flat Panel Display (FPD) and Semiconductor production were stagnant, and the Yen exchange rate was stuck at a historically high level. Other outside factors include the prolonged European debt crisis and the slowdown in growth of emerging economies. However, decline of the yen exchange value that followed the administration change within the Japanese government, provided us improvement of profitability and business competitiveness in the export market and showed us signs of a bright future for the year 2013 and beyond.

TOMOEGAWA recorded Revenues of ¥34,722 million for fiscal year 2012 (April 1 2012 to March 31 2013), which was an increase of ¥23 million or 0.1% from the revenue of Fiscal Year 2011. The decline in the FPD and Semiconductor-related business was offset by the sales growth in our Functional Paper business, which showed a remarkable sales increase of new products. Toner business also saw sales growth, which was fueled by previous capital investments at our China toner plant, which is reaching full operations. It is also certain that export of our toner products, which is a major portion of this business, received a boost from the weakening Yen exchange rate.

Our Operating Income, Ordinary Income, and Net Income were ¥529 million (increased by 78.2%), ¥324 million (14.7% increase), and ¥224 million (18.5% increase), respectively. The introduction of a flexible production system into the struggling FPD related business, and continuous cost reduction efforts have contributed to above profit increases. During the July to December period, our sales and profit numbers were weak, but starting January, with upward sales and the effect of a weaker Yen, Income level started to recover and resulted in the positive accumulated Operating Income for whole year.

We TOMOEGAWA are under the Fifth Mid-Term Management Plan that started in the fiscal year 2012, and will conclude during the fiscal year 2014, which is our

100th anniversary year. In that plan, we set and will try to achieve the midterm targets that will help us to reach the ideal form of Tomoegawa's status, which is a "R&D oriented cohesive-cultured company that expands globally". The target of last fiscal year was "increase sales and profits through global expansion and structural reorganization." The global expansion was achieved to a certain degree thanks to the sales and profit provided by the increased capacity and improved efficiency at our China toner plant. Under "the structural reorganization" we have tried to launch newly developed products such as new high-function paper. This effort is still in progress.

In the new fiscal year 2013, we are targeting increased Revenue of ¥37,000 million, Operating Income of ¥800 million, Ordinary Income of ¥700 million and Net Income of ¥400 million.

Our long term goal is to steadily reward our stockholders through increased value of our shares. Also, we consider the proper distribution of profits as the most important task to reward our stockholders. Under this viewpoint, stable and consecutive dividend payment is our basic policy. We decide the dividend amount after considering profit levels, level of retained earnings and financial status from a comprehensive standpoint. Based on the prospects for the next year, upcoming dividend payments will be 5 Yen per share.

Your continuous support of TOMOEGAWA is greatly appreciated.