

August 9, 2013

Consolidated First Quarter Results
April 1, 2013 through June 30, 2013 of FY ending March 31, 2014

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2013, through June 30, 2013

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Current Year First Quarter	8,521	215	270	161	3.16Yen
Converted into Millions of U.S. dollars	86.4	2.2	2.7	1.6	0.032US\$
Last Year First Quarter	8,587	163	245	232	4.56Yen
Percent Change From Last Year First Quarter	△0.8%	31.3%	10.1%	△30.6%	-

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of
¥98.63=U.S.\$1.00

2. Financial Status

June 30, 2013

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of Current Year First Quarter June 30, 2013	41,535	12,915	28.6%	232.71Yen
Converted into Millions of U.S. dollars	421.1	130.9	-	2.359US\$
End of Last Year March 31, 2013	41,909	12,730	28.6%	230.03Yen

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of
¥98.63=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 the First Quarter of the current Fiscal Year (April to June, 2013), the Japanese economy showed signs of a strong recovery; the expectation to the positive effects of easing monetary policy and aggressive fiscal policy by the government brought in the sharp rising stock price and adjustment of historically high Yen exchange rate. Still, concerns about prolonged European debt crisis and the slowdown in the growth of emerging economies make future projections somewhat unclear.

Under such circumstance, Tomoegawa recorded revenues of ¥8,521 million for the first quarter, which was ¥65 million or 0.8% lower than the first quarter revenue of the previous year.

While sales numbers slightly went down, profits have increased. The favorable adjustment of Yen exchange rate, the profitability recovery in overseas business, and the continuous cost reduction effort, contributed to the increase of Operating Income and Ordinary Income to ¥215 million (+¥51 million, +31.3% from first quarter numbers of previous year) and ¥270 million (+¥24 million, +10.1%), respectively. Because of the increase of corporate tax related costs, Net Income has decreased to ¥161million (△¥71 million, △30.6%).

Shrinking in semiconductor related business and Flat Panel Display (FPD) business due to the slumping market condition of both products has been continuing since last summer. To the contrary, the revenue of Toner business increased thanks to the improvement of export environment and of productivity at our China toner plant. As a total, revenue from our plastic related business has increased by ¥74 million (1.4%) to ¥5,354 million from the first quarter revenue of previous year. For the same period, Operating Income from this business increased by ¥109 million and reached ¥118 million.

Functional paper business showed a steady result thanks to the increase of new product sales, but shrinking demand of Coating Papers brought the total revenue from paper business to ¥3,148 million, which is ¥141 million (△4.3%) less than first quarter revenue of previous year. For the same period, Operating Income

from paper business decreased by ¥61 million (Δ 43.2%) and reached ¥81 million.

We TOMOEGAWA set an ideal form of Tomoegawa's status as "R & D oriented cohesive-cultured company that expands globally". As a path to approach that form, we set the target of current year (Fiscal Year 2013, ending on March 31, 2014) as "Stabilize the trend of sales and profit increase by harvesting the result of expansion to global market, to the new business field and launching of new products." Our first quarter results, both sales and profit, were within the close range of our planned figures.

We are promoting new product development, which is the key to future growth, by making use of our advanced electricity insulating evaluation technology in the field of electronic parts. In addition, function paper business has been providing a large contribution to our improvement of business results since last year, so we will invest more resources into this business to assist next new product launch. Furthermore, in the field of FPD business, we continue to shift business structure from used-for-TV products, to the products used for tablet devices and touch screens.

As for the estimated performance after the Second Quarter, although the concern on economic performance and the instability of exchange rate still remain, our effort of structural reorganization of FPD related business has significantly reduced the risk of suffering from further demand decline. Decline of semiconductor related business seems to have hit the bottom and have little room to get worse.

Under such circumstances, TOMOEGAWA Group will accelerate the expansion into the global market and the realization of the fruits of R&D. Through those efforts, we plan to reach the forecast figures we announced in May.