

November 8, 2013

**Consolidated Results for 1<sup>st</sup> Half**  
**From April 1 through September 30, 2013 of FY ending March 31, 2014**

Figures in Million Yen, unless otherwise noted

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

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Current Year First Half	17,422	491	525	366	7.19Yen
Converted into Millions of U.S. dollars	178.2	5.0	5.4	3.8	0.074US\$
Last Year First Half	16,952	197	197	245	4.81Yen
Percent Change From Last Year First Half	2.8%	149.2%	166.3%	49.4%	-

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of ¥97.75=U.S.\$1.00

## 2. Financial Status

September 30, 2013

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of Current Year First Half September 30, 2013	38,822	13,062	31.5%	239.50Yen
Converted into Millions of U.S. dollars	397.2	133.6	-	2.450US\$
End of Last Year March 31, 2013	41,909	12,730	28.0%	230.03Yen

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of  
¥97.75=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
Whole fiscal year	37,000	800	700	400	7.84Yen

During the First Half of the current Fiscal Year (April to September, 2013), the Japanese economy showed a recovery; thanks to the expectation to aggressive monetary and fiscal policy, the correction of high Yen exchange rate and stock price increase were achieved, which led to the improvement of Japanese companies' business results. Still, uncertainties such as the rise of raw material and fuel price, instability of European economy, and the slowdown in the growth of emerging economies make future projections somewhat unclear.

Under such circumstance, Tomoegawa recorded revenues of ¥17,422 million for the First half, which was ¥470 million or 2.8% increase from the revenue of the same period of the previous year. A prolonged slump in the electronics market made the order of semiconductor related business decrease, while sales and profit from toner business have increased thanks to the improvement of export condition and improved state of overseas business.

Our operating income, Ordinary income, and Net income were ¥491 million (+294 million, +149.2% increase from first half numbers of previous year), ¥525 million (+328million, +166.3%), and ¥366 million (+121million, +49.4%), respectively. There was an increase of tax expense and of extraordinary loss. Still, correction of high Yen exchange rate, the profit recovery of overseas businesses, and continuous cost reduction efforts have brought the profit increases shown above.

We TOMOEGAWA set an ideal form of Tomoegawa's status as "R & D oriented cohesive-cultured company that expands globally". We are under the Fifth Mid-Term Management Plan of three years that will conclude during the fiscal year 2014, which is our 100<sup>th</sup> anniversary year. As a path to approach this 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 the global market, to new business fields and launching of new products."

At this point, our results have exceeded our planned figures, thanks to the productivity improvement at our China Plant, and the new production development in the field of function paper business.

As a part of such effort, we are putting our resources into new product development and launch, which is the key to our future growth, by making use of our advanced electric insulating evaluation technology. We recently opened a representative office in Taiwan, where a concentration of the electric industry has been ongoing.

Functional paper business has been providing a large contribution to our improvement of business results since last year. To integrate resources for acceleration of new technological developments and new product launches, and through the fusion of the different technologies, we merged our paper business subsidiary into Tomoegawa Co., Ltd. We expect this move to help further expansion into growing markets such as Asia.

To the contrary, in the field of FPD business, we continue to restructure our business to meet the changes in industrial structure. We have sold majority of our shares in our joint venture to our partner, Zeon Corporation, while making an effort to acquire more businesses of improving functions of small to mid-sized displays.

Through those actions, although the uncertainties from instability in foreign exchange rate fluctuation and economic trend still remain, TOMOEGAWA Group plan to reach the forecasted annual figures we announced in May.