

May 15, 2014

Consolidated Financial Results of the Fiscal Year Ended March 31, 2014
And
Outlook for Fiscal Year Ending March 31, 2015

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2013, through March 31, 2014

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
FY 2013 ended March 31, 2014	34,613	918	980	606	11.88Yen
Converted into Millions of U.S. dollars	336.3	8.9	9.5	5.9	US\$0.115
FY 2012 ended March 31, 2013	34,722	529	324	224	4.39Yen
Percent Change From FY 2012	△0.3%	73.4%	202.6%	170.6%	-
Original Forecast Figures of FY 2013	37,000	800	700	400	7.84Yen

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of
¥102.92=U.S.\$1.00

2. Financial Status

March 31, 2014

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of FY 2013 March 31, 2014	39,378	12,891	30.5%	235.33Yen
Converted into Millions of U.S. dollars	382.6	125.3	-	US\$2.287
End of FY 2012 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
¥102.92=U.S.\$1.00

3. Forecast of Current Fiscal Year, which will end on March 31, 2015

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
First Half	17,000	550	450	300	5.88Yen
Whole fiscal year	35,000	1,000	800	500	9.80Yen

During the Fiscal Year 2013 (April 1, 2013 through March 31, 2014), Japanese economy continued its moderate-but-steady recovery that is supported by robust domestic consumption, as seen in the adjustment of high Yen exchange rate, rising stock prices, and the improvement of individual consumption and employment indexes. On the other hand, European debt problem and the growth slowdown in the emerging economies make future projections of the world economy somewhat unclear, even though U.S. economy shows the signs of continued recovery, such as improvement in corporate performances and unemployment figures.

As for TOMOEGAWA's operation, plastic material processing business suffered from a sales decline caused by the demand shift of semiconductor related products from PC items to tablet related products. But the toner business recorded strong figures thanks to the improvement of export environment and its effect on sales expansion in overseas markets. In the field of functional sheets and specialty papers business, the continuous cost reduction efforts, such as improvement of yield and energy efficiency, were taken in order to deal with the rising prices of fuel and raw materials.

As a result, TOMOEGAWA recorded revenues of ¥34,613 million for fiscal year 2013 (FY2013; April 1 2013 to March 31 2014), which was ¥109 million or 0.3% lower than the sales figures of the last fiscal year. Despite the sales increase in toner business, the removal of display related material joint venture TFC Co., Ltd. from our consolidated companies caused this slight sales decline. Our Operating Income, Ordinary Income, and Net Income were ¥918million (+¥388million, +73.4% from previous year's figure), ¥980million (+¥656million, +202.6%), and ¥606million (+¥382million, +170.6%), respectively. The effect of foreign exchange fluctuation is the main reason why Ordinary Income exceeded Operating Income. As all of above profit numbers exceeded original estimations, we plan to declare year-end dividend payment at 6 Yen per share that includes 1 Yen commemorative dividend to celebrate TOMOEGAWA's 100th anniversary.

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 at the end of FY2014, which is our 100th anniversary year. In the last two years, our group companies have worked hard to accomplish the goals set in that Mid-Term Management Plan. For example, as an effort to promote further business globalization, we established a new representative office in Taiwan during FY2013. Our ratio of foreign country sales to overall sales in FY2013 has increased to 35%, up from 30% and 26% over the last 2 years' figures, thanks to the productivity and profitability improvement at the factories in US and China.

As for the new business and new product development, we put emphases on the field of electric insulating material technology and function paper business. We are also making an effort to set up new business of the coating technology application, as a response to structural shift in the flat panel display industry. Even though there have been several positive progresses during past 2 years, these projects need more time than originally estimated to start contributing to our profit.

In addition to above actions, we will allocate more of our resources into marketing efforts in both domestic and overseas markets during FY2014 (April 1, 2014 to March 31, 2015). Those directions shown in FY2014 plan will be put in the Sixth Mid-Term Management Plan that will set our foundation of the Next 50 years.

The estimation of FY2014 results is as follows;

The decrease in existing product continues, while the launch of new products gradually starts to contribute. We are targeting to revenues of ¥35,000million which is about the same (+1.1%) amount as the sales of last fiscal year (FY2013). Assuming the foreign exchange rate stays at current level, we are targeting to Operating Income of ¥1,000million (+8.9%), Ordinary Income of ¥800million (△18.4%), and Net Income of ¥500million (△17.5%), those

lower-than-previous-years numbers are the result of the spending made in marketing promotion and product development as the investment that enables us to have business growth in following years. Lastly, making stable and consecutive dividend payment is our policy, so our target dividend payment for next fiscal year will be 5 Yen per share.

Your continuous support of TOMOEGAWA will be greatly appreciated.