

August 8, 2014

Consolidated First Quarter Results
April 1, 2014 through June 30, 2014 of Fiscal Year Ended March 31, 2015

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2014, through June 30, 2014

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Current Year First Quarter	8,055	80	84	148	2.91Yen
Converted into Millions of U.S. dollars	79.5	0.8	0.8	1.5	0.029US\$
Last Year First Quarter	8,521	215	270	161	3.16Yen
Percent Change From Last Year First Quarter	△5.5%	△62.7%	△68.7%	△8.2%	-

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of
¥101.30=U.S.\$1.00

2. Financial Status

June 30, 2014

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of Current Year First Quarter June 30, 2014	39,577	13,115	30.2%	234.75Yen
Converted into Millions of U.S. dollars	390.7	129.5	-	2.317US\$
End of last Fiscal Year March 31, 2014	39,378	12,891	30.5%	235.33Yen

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of
¥101.30=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 First Quarter of the current Fiscal Year (April to June, 2014), Japanese economy as a whole, showed steady improvement, while anxiety factors such as the increases of raw material prices and energy costs are gradually appearing to surface. As for overseas economies, expectation to the US continuous and strong recovery are countered by the concern over slowdown in the growth of emerging economies such as China, and increase of geo-political risks, which make future projections unclear. Under such circumstance, two of Tomoegawa's plastic material processing businesses recorded different results; Flat Panel Display (FDP) department received more orders for smart phone displays, while the orders for electronic material department, mainly on the semiconductor-related business, remained basically the same, compared to the order numbers of the same period of last fiscal year. As for the toner-related business, sales were weak because of the termination of businesses with a large customer in US. In functional paper business, we worked on sales promotion of new products to ease the damage of shrinkage of the existing products market, which was worsened by the backlash of last minute demands before the consumption tax increase.

TOMOEGAWA recorded revenues of ¥8,055 million for the First Quarter of the current Fiscal Year, which was Δ ¥466 million or Δ 5.5% lower than that of same period of the previous year, due mainly to the slumping toner business and the removal of former subsidiary TFC from the consolidation.

The revenues of plastic material processing business segment and that of functional paper business segment were ¥4,964 million (Δ ¥389 million, Δ 7.3% lower than same period of the previous year), and ¥3,070 million (Δ ¥77 million, Δ 2.3%), respectively.

Our operating income was ¥80 million (Δ ¥134 million, Δ 62.7%) in which, plastic processing business earned ¥81 million (Δ ¥37 million, Δ 31.5%). The profitability improvement in the FPD related business was countered by the profit decrease of toner-related business, that was brought by the sales decrease and temporary profitability fall caused by the production adjustment that was made with the intention to achieve the optimal inventory levels at each of our locations.

Furthermore, functional paper business experienced the loss of Δ ¥12 million (Δ ¥97 million) because of the sales decline, steep rise in fuel prices and planned large-scale repair of production equipment.

Our Ordinary Income and Net Income were ¥84 million (Δ ¥185 million, Δ 68.7%) and ¥148 million (Δ ¥13 million, Δ 8.2%), respectively. Net Income is higher than Ordinary Income because an extraordinary gain was recorded when our already written-off equipment was re-evaluated at the time it was put in the contribution in kind to an affiliated company on April 1.

The temporary negative effects of inventory level optimization and large-scale repair are expected to go away throughout the remainder of the current fiscal year. Decrease in toner business in US will be made up by our effort on expanding our global business. It can be safely assumed that the improvement in display-related business environment will continue, so we will keep launching new products to the market through marketing campaigns and development activities. Taking those factors in consideration, we decided to keep the forecast figures which we announced in May, and continue to work on to reach those targets.