

February 10, 2015

**Consolidated Financial Results**  
**Year-to-Date through the 3<sup>rd</sup> Quarter**  
**From April 1 through December 31, 2014 of FY ending March 31, 2015**

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2014, through December 31, 2014

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Current Year First 3 Quarters Year-to-Date (YTD)	25,358	481	680	407	7.99Yen
Converted into Millions of U.S. dollars	210.4	4.0	5.6	3.4	US\$0.066
Last Year First 3 Quarters YTD	26,168	797	737	590	11.57Yen
Percent Change from Last Year First 3 Quarters YTD	△3.1%	△39.6%	△7.8%	△31.0%	-

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of ¥120.53=U.S.\$1.00

## 2. Financial Status

December 31, 2014

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of Current Year 3rd Quarter Dec. 31, 2014	41,253	13,941	30.6%	247.84Yen
Converted into Millions of U.S. dollars	342.3	115.7	-	US\$2.056
End of Last 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 ¥120.53=U.S.\$1.00

## 3. Forecast of Current Fiscal Year, which will end on March 31, 2015 (Revised)

	Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Whole fiscal year	35,000	600	800	300	5.88Yen

During first three quarters of the current Fiscal Year (April to December, 2014), the easing monetary policy by the government and the Bank of Japan brought the rapid devaluation of Yen, which enabled the improvement of Japanese corporation's performances, especially of those in exporting industries. The raw material and energy prices, which had been surging for a while, keep declining since early autumn. Still, perils of the price decrease have not been enough for us to enjoy its effect on profit improvement.

Under such circumstance, Tomoegawa recorded revenues of ¥25,358 million for the first three quarters, which was  $\Delta$ ¥890 million or  $\Delta$ 3.1% lower than the same period revenue of the previous year. Please note that, the previous year's numbers include ¥398 million of revenues from TFC, which is no longer included in Tomoegawa's consolidated financial report. If the effect of TFC exclusion is considered, the real revenue decrease should be  $\Delta$ ¥411 million or  $\Delta$ 1.6%.

As for the segment revenue of Plastic Material Processing business, the result was ¥15,953 million, which is  $\Delta$ ¥499 million or  $\Delta$ 3.0% ( $\Delta$ ¥100 million after excluding TFC's revenues) lower than the same period number of last fiscal year. During the months leading to December, Flat Panel Display (FPD) business and Electronic Materials business have been in a temporary slow down mode, and positive impact of weakened Yen on Toner business was not large enough to cover that loss. The revenue of Paper/Coated Paper Manufacturing business was ¥9,345 million, which is  $\Delta$ ¥313 million or  $\Delta$ 3.2%. The launch of new functional paper products, developed through the applications of our coating, thermal controlling and paper milling technologies were not large enough to cover the demand decrease for existing products.

Our consolidated Operating Income was ¥481 million ( $\Delta$ ¥315 million,  $\Delta$ 39.6%), which is lower than the amount we estimated. Plastic Material Processing business earned ¥542 million ( $\Delta$ ¥87 million,  $\Delta$ 13.9%) as Operating Income. The profitability improvement in FPD business has been stalled during the 3rd

Quarter. In the field of Electronic Material business, while the demand of the existing products has decreased, we also had to cope with the price adjustment to protect our market share. Toner business was assisted by the favorable turn of currency exchange rate, still part of that was countered by the sales and profit decline of our subsidiary in US. Paper/Coated Paper Manufacturing business experienced a loss of  $\Delta$ ¥90 million ( $\Delta$ ¥208 million,  $\Delta$ 177.0%), which was caused by the continuous sales decline and continuous rise in raw material and fuel prices.

Our Ordinary Income was ¥680 million ( $\Delta$ ¥57 million,  $\Delta$ 7.8%). Thanks to the foreign exchange gains and equity method investment gain from affiliates, this number was higher than Operating Income. Net Income was ¥407 million ( $\Delta$ ¥182 million,  $\Delta$ 31.0%), as the extraordinary loss from demolition cost of water intake equipment at our closed factory location in Shingu is counted.

We have been committed to launching new products with our highest priority. We expect to launch several new products of Electronic Material business and Paper business, during upcoming 4th Quarter. However, we do not expect immediate contribution from those items on revenues and profits of the current fiscal year. Those should come in next year or later. In the field of Toner business, although the profit level has been brought up by the unexpected favorable turn of Yen exchange rate, it has not compensated the unfavorable US sales environment and the effect of inventory adjustment during the First Half.

Taking above factors into consideration, we have decided to make downward revise on our yearly forecast figures we announced in last May; such as Operating and Net Income. Forecasted Operating Income figure is now ¥600 million (the previous forecast was ¥1,000 million), and Net Income figure is now ¥300 million (¥500 million). Ordinary Income estimation does not change.