

February 10, 2016

Consolidated Financial Results
Year-to-Date through the 3rd Quarter
April 1, through December 31, 2015 of FY ending on March 31, 2016

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2015, through December 31, 2015

	Revenue	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net Income Per Share
This 3 rd Quarter Year-to-Date	25,045	58	△100	△342	△6.71Yen
Converted into Millions of U.S. dollars	207.8	0.5	△0.8	△2.8	△US\$0.056
Last 3 rd Quarter Year-to-Date	25,358	481	680	407	7.99Yen
Percent Change From Last 3 rd Quarter Year-to-Date	△1.2%	△87.8%	—	—	—

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of
 ¥120.54=U.S.\$1.00

2. Financial Status

December 31, 2015

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of this 3rd Quarter Dec. 31, 2015	39,760	13,565	30.7%	239.46Yen
Converted into Millions of U.S. dollars	329.9	112.5	—	US\$1.987
End of FY 2014 March 31, 2015	40,508	14,278	31.8%	252.87Yen

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of
¥120.54=U.S.\$1.00

3. Forecast of Current Fiscal Year, which will end on March 31, 2016

	Revenue	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net Income Per Share
Whole fiscal year	34,000	300	100	△200	△3.92Yen

During the first three quarters of the current Fiscal Year (April to December, 2015), the Japanese economy showed steady growth, as seen in the improvement of the profitability and hiring environment of Japanese corporations that are brought by the devaluated Japanese Yen and the low price of crude oil. Meanwhile, the risk of slowdown in the global economy has arisen due mainly to the deceleration of the Chinese economy and unrest in the Middle East. Most notably, the weak demand for middle and small sized LCD panel products has affected the related display industry overall.

Under such circumstances, even though TOMOEGAWA had taken aim at further growth assisted by sales promotion and cost reduction after having improved first half result, our third quarter results were disappointing. Our third quarter (October to December, 2015) sales amount was ¥8,079 million, which was ¥489 million lower than the second quarter (July to September, 2015) sales. We recorded an operating loss of Δ ¥183 million in the third quarter. The contracted coating business for LCD materials was shrinking due to the production adjustment by the ultimate customer. In the Toner related business, the start up of new contracted business at our US subsidiary was slower than our initial assumption, and the adjustment of production and inventory at subsidiaries in China caused a temporary fall in profit. For the functional paper business, the sales amount of existing products, which were steady during the first half, experienced a sudden decrease, and that made it unable for us to work on expanding cost reduction effort.

As a result, TOMOEGAWA recorded the first three quarters revenues of ¥25,045 million, which was Δ ¥312 million or Δ 1.2% lower than the figures of same period of the previous year. Our consolidated operating income was ¥58 million, which showed a significant decrease (Δ ¥422 million or Δ 87.8%) and our ordinary income was Δ ¥100 million (Δ ¥780 million). The reason behind this large decrease was the value of “equity method investment in affiliates”, which was a big positive during previous fiscal year, but has been negative this year because

of our Display related Joint-venture, which has faced the industry related market downturn.

Net income attributable to owners of parent company was Δ ¥342 million, which was Δ ¥749 million lower than that of same period of previous fiscal year. The cause of net income decrease from the last year was diminishing of last year's one-time extraordinary income, which was ¥161 million worth "Gain on change in equity". Also, TOMOEGAWA recorded ¥38 million in extraordinary loss from cancelation of a contract in this fiscal year. Consequently, our ordinary income and net income attributable to owners of parent company were lower than the forecast amounts we announced in May 2015.

We anticipate that the recovery of contracted coating business and the reverse effect of accounting adjustment in Toner business in China will improve our forth quarter numbers. In addition, thanks to the increase of new products sale in the Paper Business, we assume that our results of the fourth quarter (January to March, 2016) will be in excess of the similar deficit amount we saw in the third quarter. Still, our earnings from the display related business will be much worse than those of previous fiscal year when we recorded the extraordinary profit.

Taking above factors into consideration, TOMOEGAWA has decided to revise our yearly forecast numbers; the forecasted sales amounts, operating income, and ordinary income, which are now ¥34,000 million, ¥300 million, and ¥100 million respectability. Net income (loss) attributable to owners of parent company has been revised down to Δ ¥200 million. Still, we keep our plan that the dividend payment at the end of current fiscal year will be 5 Yen per share.