

February 10, 2017

**Consolidated Year-to-Date Results through the 3rd Quarter
April 1, through December 31, 2016 of FY Ending on March 31, 2017**

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2016, through December 31, 2016

	Revenue	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net Income Per Share
Current Year 3rd Quarter Year-to-Date (YTD)	23,557	296	91	△ 283	△ 5.56Yen
Converted into Millions of U.S. Dollars	202.2	2.5	0.8	△ 2.4	△ US\$0.048
Previous 3rd Quarter YTD	25,045	58	△ 100	△ 342	△ 6.71Yen
Percent Change From Last 3rd Quarter YTD	△ 5.9%	404.9%	-	-	-

Note:

U.S. dollar amounts are converted from Yen, for convenience only, at the rate of ¥116.53=U.S.\$1.00

2. Financial Status

December 31, 2016

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of current 3rd Quarter December 31, 2016	38,561	11,882	27.0%	204.04Yen
Converted into Millions of U.S. dollars	330.9	102.0	-	US\$1.751
End of FY 2015 March 31, 2016	39,399	12,495	27.9%	215.25Yen

Note:

U.S. dollar amounts are converted from Yen, for convenience only,
at the rate of ¥116.53=U.S.\$1.00

3. Forecast of Current Fiscal Year, which will end on March 31, 2017

	Revenue	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net Income Per Share
Whole Fiscal Year	33,000	600	300	50	0.98Yen

During the First three quarters of the current Fiscal Year (April to December 31, 2016), the economic environment surrounding TOMOEGAWA has made the future unforeseeable, even though rapid decline of Yen value after U.S. presidential election was helpful for us.

Under such circumstances, TOMOEGAWA has stayed committed on developing new products. In October 2016, we introduced the new product “Copper Fiber Sheet” which has the characteristics of copper and paper and achieved both high electric conductivity and high heat dissipation. At the same time, we run the effective sales promotions for Display related business and Electronic materials business, and produced the sales amount that surpassed our estimation. With the additional support from Yen depreciation in the latter half of 3rd Quarter (Sep. to Dec. 2016), our 3rd Quarter sales amount of was +3.6% higher than that of previous year. We believe this is the sign that our efforts toward recovery of business performance have made steady progress.

The first three quarters Year-to-Date (YTD) revenues are ¥23,557 million, which was Δ ¥1,487 million or Δ 5.9% lower than that of the previous year. The weak sales numbers during first half is the main cause of this decline.

As for the profit, both Operating and Ordinary income have shown significant increases in this 3rd Quarter. The sales recovery, the productivity improvement, and the energy cost reduction effort to utilize first half Yen appreciation effect, all contributed to this improvement.

Our consolidated YTD operating income of the first three quarters was ¥296 million, which was +¥237 million higher than previous Fiscal year's. Also, our consolidated ordinary income was ¥91 million, which was +¥192 million better than that of previous FY. The profit from “equity method investment in affiliates” surpassed the foreign exchange loss and contributed to this operating income increase.

Net income attributed to owners of parent company was Δ ¥283 million, which was +¥58 million more than that of previous Fiscal year. The reason why the recovery at this profit level is small compared to the profits above was the extraordinary loss from U.S. subsidiary restructuring that was conducted to optimize worldwide toner production.

Regarding TOMOEGAWA's consolidated forecast of current Fiscal Year, there are several instability factors to be considered. As for the Yen/US dollar exchange rate fluctuation, we assume that Yen-based income will only increase from the previous forecast numbers, which was prepared based on the assumption of \$1= ¥100 exchange rate. As for the Display related business, it is expected to continue to be steady during this Fiscal Year, although there are some uncertainties in order numbers that are dependent on inventory change in consumer level product. On the other hand, we anticipate that the cost reduction effect that improved 3rd Quarter income to stay in the future.

TOMOEGAWA has decided to make an upward revision on our yearly forecast. Although the forecast of sales amount is unchanged, Operating income and Ordinary income are increased to ¥600 million and ¥300 million, from ¥300 million and ¥200 million respectively. Net income attributable to owners of parent company has been sustained at ¥50 million, due to recording the extraordinary loss. Lastly, we plan to pay the dividends of ¥5 Yen per share as we announced initially.