

August 10, 2021

Consolidated First Quarter Results

April 1, 2021 through June 30, 2021 of Fiscal Year Ending on March 31, 2022

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2021 through June 30, 2021

	Revenue	Operating Income	Ordinary Income	(Note1) Net Income	(Note1) Net Income Per Share
Current Fiscal Year (FY2022) First Quarter (Q1)	7,538	427	584	416	41.22 Yen
Converted into Million U.S. dollars (Note2)	68.8	3.8	5.3	3.7	US\$0.37
Last Fiscal Year (FY2021) Q1	7,051	▲438	▲438	▲645	▲64.51 Yen
Change to FY2022 Q1 from FY2021 Q1	486	866	1,022	1,062	—

Last Fiscal Year (FY2021) H1	13,950	▲865	▲812	▲1,674	—
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Note1: "Net Income" in this paper is "Net Income attributable to owners of parent" in current accounting standards

Note2: U.S. dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥109.52

2. Financial Status June 30, 2021

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of FY 2022 Q1 June 30, 2021	40,547	15,546	29.3%	975.78 Yen
Converted into Million U.S. dollars (Note)	366.5	140.5	-	US\$8.82
End of FY 2021 March 31, 2021	40,658	15,313	28.3%	940.17 Yen

Note: U.S. dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥110.61

3. Forecast of Current Fiscal Year, which will end on March 31, 2022

	Revenue	Operating Income	Ordinary Income	(Note) Net Income	(Note) Net Income Per Share
First Half	16,000	800	750	700	69.74 Yen
Whole fiscal year	33,000	1,200	1,200	1,000	99.63 Yen

Note: "Net Income" in this paper is "Net Income attributable to owners of parent" in current accounting standards

Observation of Current First Quarter Result

During the First Quarter (Q1) of the Fiscal Year (FY) 2022 (April to June, 2021), the sales of Semiconductor-related products and toner products that occupy about 40% of TOMOEGAWA's consolidated revenues, continued its recovery since the last FY Second Half. During that span, we made preparation for the launch of optical film related new products. As a result, we recorded Q1 sales of ¥7,538 million, up ¥486 million or +6.9% from that of previous FY.

Beginning current FY, TOMOEGAWA has adopted ASBJ Statement No. 29 Accounting Standard for Revenue Recognition, whose effect on our Q1 sales is ▲¥449 million. If we compare current Q1 sales and last FY Q1 sales under the previous Revenue Recognition standard, it should have been the increase of ¥936 million.

As for the profit, our consolidated Operating Income was ¥427 million, up ¥866 million from last FY Q1 number, thanks to the steady business activities of Electronics Material Division and Imaging Materials Division, and the effect of Fixed Cost reduction activities we have been conducting for several years, such as the shutdown of No.7 Paper Milling Machine in December 2019 and the closure of US toner plant in September 2020. The profit should have been ¥5 million higher under the previous Revenue Recognition standard.

The consolidated Ordinary Income is ¥584 million, up ¥1,022 million from that of last FY Q1, because of the equity gain from an affiliated company that handles processing of optical film used for displays, thus Ordinary Income is larger than Operating Income.

Net Income is ¥416 million, up ¥1,062 million from that of last FY Q1. In addition to the increase of Ordinary Income, the gain from the sales of our consolidated company Nippon Card Ltd. during Q1 contributed to this increase.

The Projection of the remainder of FY2022

On July 21, 2021, TOMOEGAWA made an upward revision of its business forecast of FY2022, originally released on May 14, 2021, thanks to the order we received relating to the processing of optical film used for current year model smart phone, and to the projection of weaker-than-originally-estimated Yen exchange rate. We will decisively continue the effort to make a structural change, such as the shutdown of No.9 Paper Milling Machine projected in March 2022, and the effort to achieve successful start of mass production of new products. By doing so, we will make sure to achieve the numbers we announced in our revised estimation.

Your continuous support of TOMOEGAWA will be greatly appreciated.