

June 12, 2020

**Consolidated Financial Results of the Fiscal Year Ended on March 31, 2020**  
and  
**Outlook for Fiscal Year Ending on March 31, 2021**

Figures in Million Yen, unless otherwise noted

1. Revenue and Income from April 1, 2019 through March 31, 2020

	Revenue	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net Income Per Share
FY 2020 ended on March 31, 2020	30,995	△64	△146	510	50.43Yen
Converted into Million U.S. dollars	285.0	△0.5	△1.3	4.6	US\$0.46
FY 2019 ended on March 31, 2019	33,439	672	674	△2,032	△199.93Yen
Change to FY2020 from FY2019	△2,444	△737	△820	2,543	-
Percent Change from FY2019 numbers	△7.3%	-	-	-	-

Note: U.S. dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥108.72

2. Financial Status March 31, 2020

	Total Assets	Net Assets	Capital to Asset Ratio	Net Assets Per Share
End of FY 2020 March 31, 2020	44,186	12,404	20.6%	909.31Yen
Converted into Million U.S. dollars	406.0	113.9	-	US\$8.355
End of FY 2019 March 31, 2019	38,456	11,681	25.8%	978.69Yen

Note: U.S. dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥108.83

### 3. Forecast of Current Fiscal Year, which will end on March 31, 2021

	Revenue	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net Income Per Share
First Half	-	-	-	-	-
Whole fiscal year	-	-	-	-	-

#### **Observation of whole FY2020 (April 2019 to March 2020)**

During Fiscal Year (FY) 2020, TOMOEGAWA Group realized a large contribution from new product launch sales increase. Still, the sales of existing products has been weak throughout the FY, and negative impact from COVID-19, such as temporary shutdown at our factories in China and restrictions and lockdowns in our major markets, limited our 4th Quarter recovery effort. As a result, we experienced large declines in sales and profit amounts in FY2020.

In our Functional Paper business, even though markets of some of its product lines continue to shrink, its profit margin showed improvement, thanks to active marketing and intense cost reduction activities. As for our Toner business, domestic and overseas sales efforts kept the overall sales volume at a similar level as the previous FY. Still, the sales amount declined due to the spreading of fierce price competition to the global market, Yen appreciation, and COVID-19. Our Electronic Material business did not fully recover from previous FY. The semiconductor market showed the sign of improvement, but customers of our product were affected by COVID-19.

Our whole FY2020 sales figure was ¥30,995 million, which is △¥2,444 million or △7.3% lower than the sales figure of previous FY.

As for the profit, our consolidated Operating Income and Ordinary Income were △¥64 million (△¥737 million) and △¥146 million (△¥820 million), respectively. Despite our effort of company-wide cost reduction and productivity improvement, effect of sales decline and fixed cost increase caused by aggressive capital investment during previous FY lead to this result.

As for the Net Income, there is Special Income and Special Loss caused by the additional purchase of shares of Shoei Printing Co., Ltd. at FY

end, which changed Shoei's status from our equity-method affiliated company to our consolidated company. Because of this Special Income and Special Loss, TOMOEGAWA's FY2020 Net Income is ¥510 million, ¥2,543 million improvement from last FY's  $\triangle$ ¥2,032 million.

### **The Projection of FY2021**

We expect our new relationship with Shoei will lead to a profit increase. And at the same time, there is concern on major economic slow-down in public consumption and production activities caused by COVID-19, both domestically and internationally. Under such circumstances, making a reasonable estimation of FY2021 business result becomes extremely difficult, so TOMOEGAWA decided not to announce estimates of FY2021 numbers.

Even though the future business environment outlook is extremely unclear, TOMOEGAWA aim to return to the "Track of Growth" soon, by executing profit improvement plan that includes fixed cost reduction, by the pursuit of synergy among whole Group companies including newly added Shoei Printing, and by launching new products in each area of TOMOEGAWA's business, especially in "5G" related products in Electronic Material business.

Your continuous support of TOMOEGAWA will be greatly appreciated.