

CONSOLIDATED FINANCIAL STATEMENTS for the FY2004

(for the fiscal year ended March 31, 2005)

May 10, 2005

Name of Company:

TOYO INK MFG. CO., LTD.

Stock Listings:

Tokyo

Security Code No.:

4634 (URL <http://www.toyoink.co.jp/>)

Address of Head Office

3-13, Kyobashi 2-chome, Chuo-ku, Tokyo 104-8377

Phone

+81-3-3272-5731

Representative:

Mr. Kunio Sakuma, President, CEO

Contact:

Mr. Takeshi Suzuki, Director, CFO

Date of Board Meeting for Settlement of Accounts:

May 10, 2005

Name of Other Related Company

TOPPAN PRINTING CO., LTD. (Security Code No.7911)

Voting Rights by Other Related Company:

23.23%

Application of US Accounting Standards:

No

1. Consolidated operating results for the FY 2004 (from April 1, 2004 to March 31, 2005)

(1) Results of operations Note : Amounts of less than million yen are omitted.

	Net sales		Operating income		Recurring income	
	JPY(million)	%	JPY(million)	%	JPY(million)	%
FY2004	229,318	6.0	12,264	29.9	12,506	42.9
FY2003	216,406	-0.3	9,444	16.7	8,752	15.9

	Net income		Net income per share (Basic)	Net income per share (Diluted)
	JPY(million)	%	JPY	JPY
FY2004	5,126	47.4	18.07	15.05
FY2003	3,477	65.6	12.10	10.27

	Return on equity	Recurring income/ Total assets	Recurring income/ Net sales
	%	%	%
FY2004	4.1	4.6	5.5
FY2003	2.9	3.3	4.0

Note 1: Equity in earnings of associated companies : 398M JPY(FY2004), 181M JPY(FY2003)

2: Average number of outstanding shares (consolidated) : 276,360,061shares(FY2004), 276,428,689shares(FY2003)

3: Change in method of accounting : None

4: % change for net sales, operating income, recurring income and net income are presented in comparison with the previous FY.

(2) Financial conditions

	Total assets	Shareholders' equity	Shareholders' equity/ Total assets	Shareholders' equity per share
	JPY(million)	JPY(million)	%	JPY
As of March 31, 2005	271,364	125,198	46.1	452.62
As of March 31, 2004	268,066	122,060	45.5	441.12

Note : Number of outstanding shares at the end of the fiscal year (consolidated) :

276,314,561shares(as of March 31, 2005), 276,401,644shares(as of March 31, 2004)

(3) Results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents
	JPY(million)	JPY(million)	JPY(million)	JPY(million)
FY2004	20,137	-14,062	-7,462	14,525
FY2003	18,353	-12,852	-6,245	16,066

(4) Scope of consolidation and application of equity method :

Number of consolidated subsidiaries : 62
 Number of non-consolidated subsidiaries accounted for by the equity method: none
 Number of associated companies accounted for by the equity method: 10

(5) Changes in scope of consolidation and application of equity method :

Number of companies newly consolidated : 1
 Number of companies excluded from consolidation : 4
 Number of companies newly accounted for by the equity method : none
 Number of companies excluded from the equity method of accounting: 1

2. Forecast for the Year Ending 31 March, 2006 (FY2005)

	Net sales	Recurring income	Net income
	JPY(million)	JPY(million)	JPY(million)
First half ending Sept. 2005	113,000	5,700	2,200
FY2005 ending Mar. 2006	235,000	13,000	6,000

Note : Projected net income per share for the year ending March 31, 2006 is 21.24yen

The company bases its forecasts on assumptions that are believed to be reasonable under information available at the time of the forecasts. Actual results may materially differ from these forecasts due to potential risks and uncertainties.

Group Corporate Overview

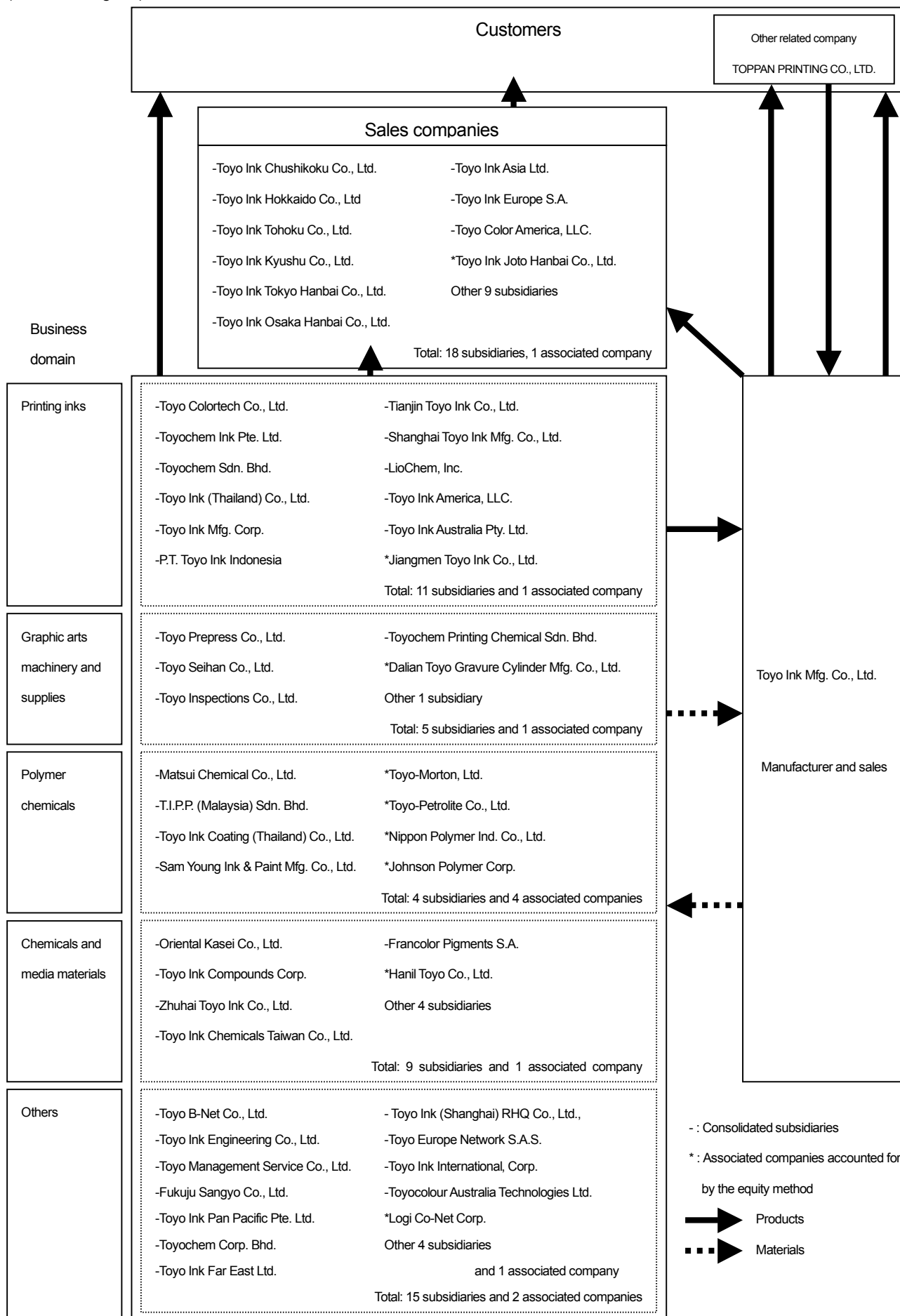
Our corporate group is organized by the company which presents the consolidated financial statements (TOYO INK MFG. CO., LTD.), 62 subsidiaries, and 10 associated companies.

Following is the details of our corporate group;

Business Domain	Main Products	Companies	
Printing Inks	Offset inks, Gravure inks, etc.	Japan	Toyo Ink Mfg. Co., Ltd., etc.
		Overseas	Toyochem Sdn. Bhd., Tianjin Toyo Ink Co., Ltd., LioChem, Inc., Toyo Ink America, LLC., Toyo Ink Australia Pty. Ltd., etc.
Graphic arts machinery and supplies	Printing machinery, Prepress systems, Printing supplies, Gravure cylinder making, etc.	Japan	Toyo Ink Mfg. Co., Ltd., Toyo Prepress Co., Ltd., Toyo Seihan Co., Ltd., etc.
		Overseas	Toyochem Printing Chemical Sdn. Bhd., Dalian Toyo Gravure Cylinder Mfg. Co., Ltd., etc.
Polymer chemicals	Can coating finishes, Metal decorative inks, Resins, Adhesives, Waxes, Adhesive tapes, etc.	Japan	Toyo Ink Mfg. Co., Ltd., Matsui Chemical Co., Ltd., Toyo-Petrolite Co., Ltd., Toyo-Morton, Ltd., etc.
		Overseas	T.I.P.P. (Malaysia) Sdn. Bhd., Sam Young Ink & Paint Mfg. Co., Ltd., etc.
Chemicals and media materials	Organic pigments, Processed pigments, Dye stuff, Plastic colorants, Resist inks for color filters Electronic materials, Inkjet inks, etc.	Japan	Toyo Ink Mfg. Co., Ltd., Oriental Kasei Co., Ltd., etc.
		Overseas	Zhuhai Toyo Ink Co., Ltd., Toyo Ink Chemicals Taiwan Co., Ltd. Francolor Pigments S.A., Hanil Toyo Co., Ltd., etc.
Others	Software development, Human resources management, Lease management of real estate, Investment for subsidiaries, etc.	Japan	Toyo Ink Mfg Co., Ltd., Toyo B-Net Co., Ltd., Toyo Ink Engineering Co., Ltd., etc.
		Overseas	Toyo Ink Pan Pacific Pte. Ltd., Toyo Ink Far East Ltd., Toyo Ink (Shanghai) RHQ Co., Ltd., Toyo Europe Network S.A.S., Toyo Ink International Corp., etc.
Sales	Sales of products which are handled TOYO INK Group	Japan	Toyo Ink Chushikoku Co., Ltd., Toyo Ink Hokkaido Co., Ltd., Toyo Ink Tohoku Co., Ltd., Toyo Ink Kyushu Co., Ltd., Toyo Ink Tokyo Hanbai Co., Ltd., etc.
		Overseas	Toyo Ink Asia Ltd., Toyo Ink Europe S.A. (Belgium), Toyo Color America, LLC., etc.

In addition, our company trade products and commodities with TOPPAN PRINTING CO., LTD. which is an other related company.

(Business diagram)



A director of TOYO SEIKAN CO., LTD. (which is our customer) serves concurrently with the director of TOYO INK MFG. CO., LTD.

Consolidated Financial Statements
(1)Consolidated Balance Sheets

(unit : JPY million)

Terms Items	FY2004		FY2003		Increase / Decrease
	As of March 31, 2005		As of March 31, 2004		
	Amount	composition	Amount	composition	
(Assets)		%		%	
Current assets	(131,587)	48.5	(129,689)	48.4	(1,897)
Cash and bank deposits	13,614		14,357		-742
Notes and accounts receivable	82,499		80,005		2,494
Marketable securities	1,460		2,025		-565
Inventories	29,919		28,016		1,902
Deferred income tax assets	2,724		2,082		642
Others	2,673		4,352		-1,679
Allowance for doubtful receivables	-1,304		-1,150		-153
Fixed assets	(139,745)	51.5	(138,294)	51.6	(1,450)
Property, plant and equipment	[90,954]	33.5	[90,359]	33.7	[594]
Building and structures	30,084		30,285		-200
Machinery and vehicles	28,640		28,163		477
Tools, furniture and fixtures	3,379		3,258		121
Land	27,234		26,866		368
Construction in progress	1,613		1,786		-172
Intangible fixed assets	[4,013]	1.5	[4,194]	1.6	[-181]
Investments and other assets	[44,777]	16.5	[43,739]	16.3	[1,037]
Investment securities	35,139		33,526		1,613
Deferred income tax assets	746		2,153		-1,407
Others	9,642		9,294		347
Allowance for doubtful receivables	-751		-1,234		483
Deferred assets	(31)	0.0	(82)	0.0	(-50)
Total assets	271,364	100.0	268,066	100.0	3,297

(unit : JPY million)

Terms Items	FY2004		FY2003		Increase / Decrease
	As of March 31, 2005		As of March 31, 2004		
	Amount	composition	Amount	composition	
(Liabilities)		%		%	
Current liabilities	(94,887)	35.0	(94,636)	35.3	(251)
Notes and accounts payable	43,208		38,372		4,836
Short-term loans payable	20,278		23,768		-3,489
Commercial paper	2,000		4,000		-2,000
Current portion of convertible bonds	14,999		13,268		1,731
Accrued income taxes	1,062		1,001		60
Deferred income tax liabilities	-		26		-26
Others	13,338		14,198		-860
Long-term liabilities	(47,792)	17.6	(47,993)	17.9	(-200)
Convertible bonds	14,346		29,345		-14,999
Long-term loans payable	28,208		14,691		13,517
Liability for employees' retirement benefits	1,434		1,422		12
Liability for directors' retirement benefits	601		635		-34
Deferred income tax liabilities	3,025		1,703		1,322
Others	176		195		-19
Total liabilities	142,679	52.6	142,629	53.2	50
(Minority interests)					
Minority interests	3,486	1.3	3,377	1.3	109
(Shareholders' equity)					
Common stock	(24,610)	9.1	(24,610)	9.2	(-)
Additional paid-in capital	(25,824)	9.5	(25,823)	9.6	(0)
Retained earnings	(75,019)	27.6	(72,088)	26.9	(2,931)
Net unrealized gains on available-for-sale securities	(4,168)	1.5	(3,910)	1.4	(258)
Foreign exchange translation adjustments	(-4,283)	-1.6	(-4,266)	-1.6	(-16)
Treasury stock, at cost	(-142)	0.0	(-105)	0.0	(-36)
Total shareholders' equity	125,198	46.1	122,060	45.5	3,137
Total of liabilities, minority interests and shareholders' equity	271,364	100.0	268,066	100.0	3,297

(2) Consolidated Statements of Income

(unit : JPY million)

Items	Terms	FY2004		FY2003		Increase / Decrease	
		From April 1, 2004 to March 31, 2005		From April 1, 2003 to March 31, 2004			
		Amount	Composition	Amount	Composition	Amount	+/-
			%		%		%
Net sales		229,318	100.0	216,406	100.0	12,911	6.0
Cost of sales		174,622	76.1	164,475	76.0	10,147	6.2
Gross profit		54,695	23.9	51,931	24.0	2,764	5.3
Selling, general and administrative expenses		(42,430)	18.6	(42,486)	19.6	(-56)	-0.1
Packing expenses and freight charge		6,971		6,168		803	
Salaries and allowance		9,330		9,459		-128	
Bonuses		2,566		2,653		-87	
Welfare expenses		2,212		2,462		-250	
Depreciation expenses		1,792		1,801		-9	
Research and development expenses		3,288		3,644		-356	
Others		16,268		16,296		-28	
Operating income		12,264	5.3	9,444	4.4	2,820	29.9
Non-operating income		(2,562)	1.2	(2,502)	1.1	(59)	2.4
Interest income		176		242		-65	
Dividend income		296		238		58	
Income from lease and rent		455		391		64	
Equity in earnings of associated companies		398		181		216	
Unrealized gain on derivative instruments		-		171		-171	
Others		1,235		1,277		-42	
Non-operating expenses		(2,320)	1.0	(3,194)	1.5	(-873)	-27.4
Interest expenses		978		1,157		-179	
Compensation for damages		358		-		358	
Loss on foreign currency exchange		-		843		-843	
Others		982		1,193		-210	
Recurring income		12,506	5.5	8,752	4.0	3,753	42.9
Extraordinary profit		(961)	0.4	(2,014)	0.9	(-1,053)	-52.3
Gain on sales of property, plant and equipment		-		296		-296	
Gain on sales of investment securities		874		1,717		-842	
Others		86		-		86	
Extraordinary loss		(4,373)	1.9	(3,596)	1.6	(777)	21.6
Loss on disposals of property, plant and equipment		1,401		1,618		-216	
Loss from dismantle of property, plant and equipment		1,488		-		1,488	
Loss on impairment of investment securities		-		379		-379	
Loss on impairment of merchandise		-		232		-232	
Loss on discontinued operations		332		533		-201	
Environmental spending		161		655		-493	
Loss from cession of a credit		313		-		313	
Loss from prior period adjustment		342		-		342	
Others		333		177		155	
Income before income taxes and minority interests		9,093	4.0	7,170	3.3	1,923	26.8
Income taxes, current		1,715	0.8	1,748	0.8	-33	
Income taxes, deferred		1,887	0.8	1,552	0.7	334	
Minority interests		365	0.2	392	0.2	-26	
Net income		5,126	2.2	3,477	1.6	1,649	47.4

(3) Consolidated Statements of Cash Flows

(unit : JPY million)

Items	Terms	FY2004	FY2003
		From April 1, 2004 to March 31, 2005	From April 1, 2003 to March 31, 2004
		Amount	Amount
I Cash flows from operating activities			
Income before income taxes and minority interests		9,093	7,170
Depreciation and amortization		11,618	11,301
Interest and dividend income		-473	-480
Interest expenses		978	1,157
Loss (gain) on sales of property, plant and equipment, net		33	-222
Loss on disposal of property, plant and equipment, net		1,276	1,360
Gain on sales of investment securities, net		-835	-1,682
Loss on impairment of investment securities		-	379
Equity in earnings of associated companies		-398	-
Loss from prior period adjustment		342	-
Increase/decrease in notes and accounts receivable (- is increase)		-2,864	-365
Increase/decrease in inventories (- is increase)		-1,921	505
Increase/decrease in notes and accounts payable (- is decrease)		5,202	1,244
Others		-117	375
Subtotal		21,934	20,745
Interest and dividend received		853	640
Interest paid		-1,003	-1,158
Income taxes paid		-1,646	-1,874
Net cash provided by operating activities		20,137	18,353
II Cash flows from investing activities			
Increase in time deposits		-461	-177
Decrease in time deposits		65	398
Purchases of marketable securities		-	-30
Proceeds from sales of marketable securities		-	128
Purchases of property, plant and equipment		-14,081	-14,252
Proceeds from sales of property, plant and equipment		475	1,579
Purchases of investment securities		-3,386	-3,548
Proceeds from sales of investment securities		3,441	4,534
Increase in loans receivable		-6	-255
Decrease in loans receivable		236	71
Other in increase/decrease of assets (- is increase)		-344	-1,299
Net cash used in investing activities		-14,062	-12,852
III Cash flows from financing activities			
Increase/decrease in short-term loans payable, net (- is decrease)		-1,352	-286
Increase/decrease in commercial paper, net (- is decrease)		-2,000	-2,500
Proceeds from long-term loans payable		13,893	443
Repayments of long-term loans payable		-2,473	-2,073
Redemption of corporate bonds		-13,268	-
Purchases of treasury stock		-	-21
Proceeds from sales of treasury stock		-	2
Dividends paid		-2,074	-1,659
Dividends paid to minority interests		-149	-115
Others		-38	-34
Net cash used in financing activities		-7,462	-6,245
IV Foreign currency translation adjustments on cash and cash equivalents		-153	-943
V Net decrease in cash and cash equivalents		-1,541	-1,687
VI Cash and cash equivalents, beginning of fiscal year		16,066	17,754
VII Cash and cash equivalents, end of fiscal year		14,525	16,066

(Segment Information)

(1)Segment Information by Business Group

Consolidated FY 2004 (from April 1, 2004 to March 31, 2005)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Elimination or corporate	Total consolidated
I Net sales and operating income or loss								
(1)Sales to customers	87,538	32,934	41,956	55,931	10,957	229,318	—	229,318
(2)Intersegment sales	300	199	1,040	1,835	3,083	6,459	-6,459	—
Total sales	87,838	33,133	42,997	57,766	14,041	235,777	-6,459	229,318
Operating expenses	78,767	32,001	39,404	47,945	13,626	211,745	5,307	217,053
Operating income	9,070	1,131	3,593	9,821	415	24,032	-11,767	12,264
II Assets, depreciation and capital expenditures								
Assets	85,414	19,772	38,000	59,124	12,846	215,157	56,206	271,364
Depreciation	3,734	557	1,846	3,978	164	10,280	1,337	11,618
Capital expenditures	4,923	410	3,240	4,048	654	13,277	597	13,875

Consolidated FY 2003 (from April 1, 2003 to March 31, 2004)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Elimination or corporate	Total consolidated
I Net sales and operating income or loss								
(1)Sales to customers	84,850	33,460	39,582	51,860	6,653	216,406	-	216,406
(2)Intersegment sales	225	208	1,176	1,629	2,879	6,120	-6,120	-
Total sales	85,076	33,668	40,758	53,490	9,532	222,526	-6,120	216,406
Operating expenses	75,963	33,019	37,145	45,668	9,632	201,429	5,532	206,962
Operating income or loss(-)	9,112	648	3,613	7,821	-100	21,096	-11,652	9,444
II Assets, depreciation and capital expenditures								
Assets	85,135	20,009	36,982	60,070	10,408	212,606	55,460	268,066
Depreciation	3,683	611	1,928	3,628	201	10,054	1,247	11,301
Capital expenditures	6,728	1,208	1,767	6,337	147	16,189	310	16,499

(2)Segment Information by Locations

Consolidated FY 2004 (from April 1, 2004 to March 31, 2005)

(unit : JPY million)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination or corporate	Total consolidated
I Net sales and operating income or loss							
(1)Sales to customers	175,995	36,407	7,312	9,602	229,318	—	229,318
(2)Intersegment sales	15,295	2,002	847	35	18,181	-18,181	—
Total sales	191,290	38,410	8,159	9,638	247,499	-18,181	229,318
Operating expenses	181,687	36,073	8,454	9,542	235,757	-18,704	217,053
Operating income or loss(-)	9,603	2,337	-294	95	11,741	523	12,264
II Assets	168,297	40,903	6,591	7,142	222,934	48,429	271,364

Consolidated FY 2003 (from April 1, 2003 to March 31, 2004)

(unit : JPY million)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination or corporate	Total consolidated
I Net sales and operating income or loss							
(1)Sales to customers	169,376	31,980	7,692	7,355	216,406	-	216,406
(2)Intersegment sales	11,147	1,868	577	21	13,615	-13,615	-
Total sales	180,524	33,849	8,270	7,377	230,021	-13,615	216,406
Operating expenses	174,036	31,060	8,487	7,144	220,729	-13,767	206,962
Operating income or loss(-)	6,488	2,788	-217	232	9,292	151	9,444
II Assets	168,021	37,186	7,177	5,677	218,063	50,003	268,066