

INTERIM CONSOLIDATED FINANCIAL STATEMENTS for the FY2004

(for the first half of fiscal year March 31, 2005 ended September 30, 2004)

Name of Company: **Toyo Ink Mfg. Co., Ltd.** Nov. 15, 2004
 Stock Listings: Tokyo
 Security Code No.: 4634 (URL <http://www.toyoink.co.jp/>)
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 Date of Board Meeting for Settlement of Accounts: Nov. 15, 2004
 Application of US Accounting Standards: No

1. Consolidated operating results for the first half of FY 2004 (from Apr. 1, 2004 to Sept. 30, 2004)

(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)	%
First half of FY2004	112,486	6.1	6,965	75.7	7,401	102.5
First half of FY2003	105,983	-2.0	3,963	-18.2	3,654	-18.6
FY2003	216,406		9,444		8,752	

	Net income		Net income per share (Basic)		Net income per share (Diluted)	
	JPY(million)	%	JPY		JPY	
First half of FY2004	2,623	32.8	9.49		7.85	
First half of FY2003	1,975	-0.9	7.15		6.00	
FY2003	3,477		12.10		10.27	

Note 1 : Equity in earnings of associated companies : 259M JPY (first half of FY2004), 128M JPY (first half of FY2003), 181M JPY(FY2003)

2 : Average number of outstanding shares (consolidated) : 276,384,338shares(first half of FY2004), 276,441,697shares(first half of FY2003), 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 first half of FY.

(2) Financial conditions

	Total assets	Shareholders' equity	Shareholders' equity/ Total assets	Shareholders' equity per share
	JPY(million)	JPY(million)	%	JPY
As of Sept. 30, 2004	267,438	122,478	45.8	443.17
As of Sept. 30, 2003	264,684	120,144	45.4	434.63
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) : 276,368,700shares(first half of FY2004), 276,431,226shares(first half of FY2003), 276,401,644shares(FY2003)

(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)
First half of FY2004	10,892	-7,840	-4,117	15,060
First half of FY2003	11,741	-8,733	-6,848	13,986
FY2003	18,353	-12,852	-6,245	16,066

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

Number of consolidated subsidiaries : 64
 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 : 2
 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, 2005 (FY2004)

FY2004 ending Mar.,2005	Net sales	Recurring income	Net income
	JPY(million)	JPY(million)	JPY(million)
	225,000	12,500	5,000

Note : Projected net income per share for the year ending March 31, 2005 is 17.61yen

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.

1. Group Corporate Overview

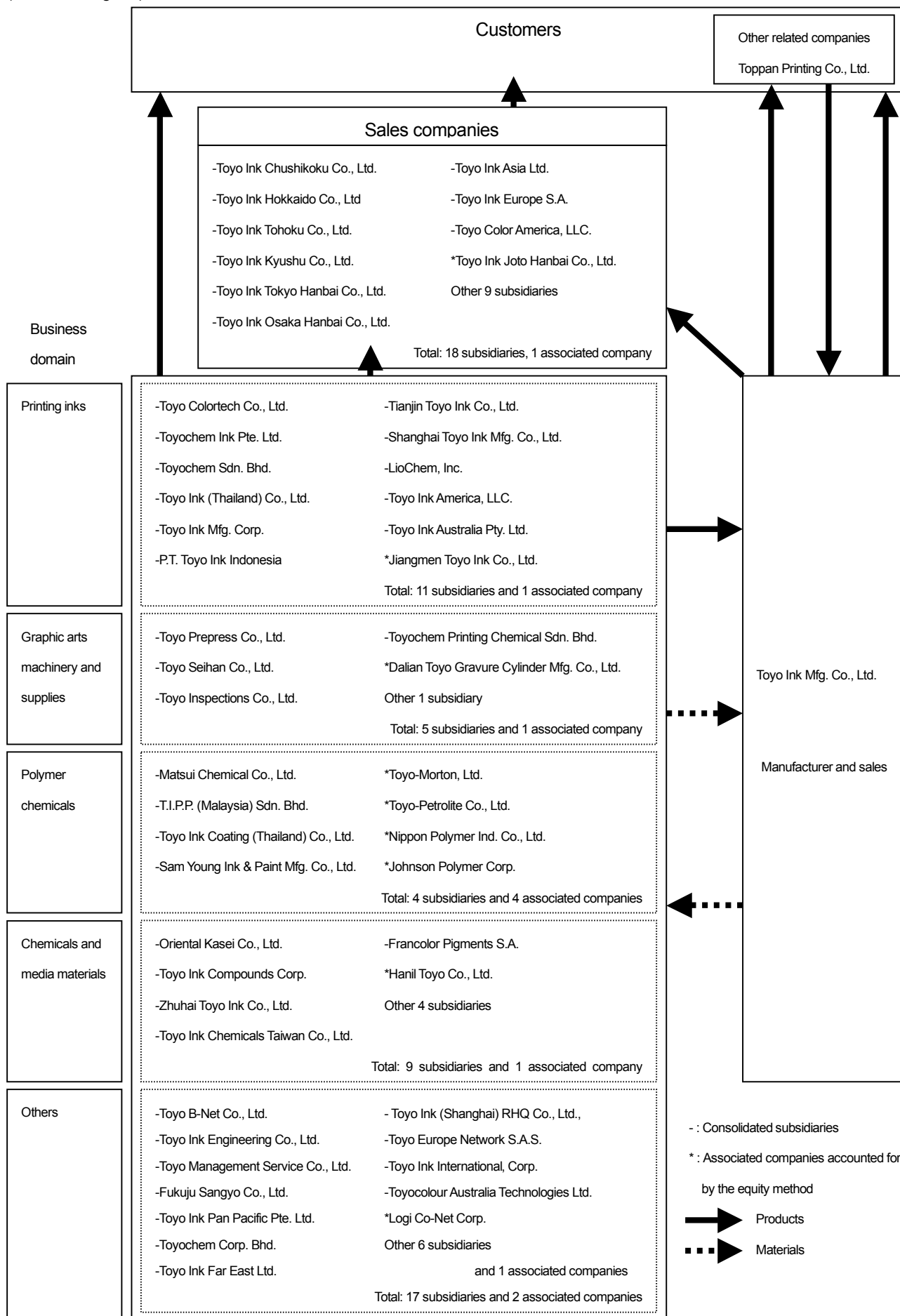
Our corporate group is organized by the company which presents the consolidated financial statements (Toyo Ink Mfg. Co., Ltd.), 64 subsidiaries, and 10 associated companies.

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 cylinders, 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, 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 is trading the products and the commodities with other subsidiaries / affiliated companies and Toppan Printing Co., Ltd.

(Business diagram)



A director of Toyo Seikan Co., Ltd. (which is our customer) serves concurrently with the director of Toyo Ink Mfg. Co., Ltd.

Interim Consolidated Financial Statements

(1) Consolidated Balance Sheets

(unit : JPY million)

Items	First half of FY2004		First half of FY2003		FY2003	
	As of Sept. 30, 2004		As of Sept. 30, 2003		As of Mar. 31, 2004	
	Amount	composition	Amount	composition	Amount	composition
(Assets)		%		%		%
Current assets	(131,368)	49.1	(128,299)	48.5	(129,689)	48.4
Cash and bank deposits	14,165		14,322		14,357	
Notes and accounts receivable	80,409		77,753		80,005	
Marketable securities	1,286		1,486		2,025	
Inventories	28,429		30,357		28,016	
Deferred income tax assets	2,798		1,954		2,082	
Others	5,361		3,574		4,352	
Allowance for doubtful receivables	-1,082		-1,150		-1,150	
Fixed assets	(136,048)	50.9	(136,353)	51.5	(138,294)	51.6
Property, plant and equipment	[89,776]	33.6	[91,058]	34.4	[90,359]	33.7
Building and structures	29,795		29,450		30,285	
Machinery and vehicles	28,448		27,516		28,163	
Tools, furniture and fixtures	3,310		3,128		3,258	
Land	26,994		27,299		26,866	
Construction in progress	1,227		3,663		1,786	
Intangible fixed assets	[4,181]	1.6	[4,259]	1.6	[4,194]	1.6
Investments and other assets	[42,091]	15.7	[41,034]	15.5	[43,739]	16.3
Investment securities	32,036		26,836		33,526	
Deferred income tax assets	1,166		5,986		2,153	
Others	10,286		9,924		9,294	
Allowance for doubtful receivables	-1,397		-1,713		-1,234	
Deferred assets	(20)	0.0	(31)	0.0	(82)	0.0
Total assets	267,438	100.0	264,684	100.0	268,066	100.0

(unit : JPY million)

Terms Items	First half of FY2004		First half of FY2003		FY2003	
	As of Sept. 30, 2004		As of Sept. 30, 2003		As of Mar. 31, 2004	
	Amount	composition	Amount	composition	Amount	composition
(Liabilities)		%		%		%
Current liabilities	(94,035)	35.2	(79,728)	30.1	(94,636)	35.3
Notes and accounts payable	39,592		39,528		38,372	
Short-term loans payable	22,235		25,215		23,768	
Commercial paper	3,000		2,500		4,000	
Current portion of convertible bonds	13,268		—		13,268	
Accrued income taxes	1,014		928		1,001	
Deferred income tax liabilities	—		—		26	
Others	14,925		11,556		14,198	
Long-term liabilities	(47,346)	17.7	(61,103)	23.1	(47,993)	17.9
Convertible bonds	29,345		42,614		29,345	
Long-term loans payable	14,381		14,117		14,691	
Liability for employees' retirement benefits	1,418		1,335		1,422	
Liability for directors' retirement benefits	594		591		635	
Deferred income tax liabilities	1,442		2,028		1,703	
Others	164		416		195	
Total liabilities	141,382	52.9	140,832	53.2	142,629	53.2
(Minority interests)						
Minority interests	(3,577)	1.3	(3,707)	1.4	(3,377)	1.3
(Shareholders' equity)						
Common stock	(24,610)	9.2	(24,610)	9.3	(24,610)	9.2
Capital surplus	(25,824)	9.6	(25,823)	9.7	(25,823)	9.6
Retained earnings	(73,472)	27.5	(71,416)	27.0	(72,088)	26.9
Net unrealized gains on available-for-sale securities	(2,842)	1.1	(457)	0.2	(3,910)	1.4
Foreign currency translation adjustments	(-4,150)	-1.6	(-2,070)	-0.8	(-4,266)	-1.6
Treasury stock, at cost	(-120)	0.0	(-92)	0.0	(-105)	0.0
Total shareholders' equity	122,478	45.8	120,144	45.4	122,060	45.5
Total of liabilities, minority interests and shareholders' equity	267,438	100.0	264,684	100.0	268,066	100.0

(2) Interim Consolidated Statements of Income

(unit : JPY million)

Terms Items	First half of FY 2004		First half of FY 2003		FY 2003	
	From Apr. 1, 2004 to Sept. 30, 2004		From Apr. 1, 2003 to Sept. 30, 2003		From Apr. 1, 2003 to Mar. 31, 2004	
	Amount	Composition	Amount	Composition	Amount	Composition
Net sales	112,486	100.0	105,983	100.0	216,406	100.0
Cost of sales	84,366	75.0	80,585	76.0	164,475	76.0
Gross profit	28,119	25.0	25,398	24.0	51,931	24.0
Selling, general and administrative expenses	(21,154)	18.8	(21,434)	20.3	(42,486)	19.6
Packing expenses and freight charge	3,336		2,984		6,168	
Salaries and allowance	4,717		4,857		9,459	
Bonuses	1,228		1,274		2,653	
Welfare expenses	1,233		1,378		2,462	
Depreciation expenses	903		846		1,801	
Research and development expenses	1,601		1,714		3,644	
Others	8,132		8,378		16,296	
Operating income	6,965	6.2	3,963	3.7	9,444	4.4
Non-operating income	(1,516)	1.4	(1,060)	1.0	(2,502)	1.1
Interest income	94		128		242	
Dividend income	203		132		238	
Income from lease and rent	223		193		391	
Gain on foreign currency exchange	220		-		-	
Equity in earnings of associated companies	259		128		181	
Others	514		477		1,449	
Non-operating expenses	(1,080)	1.0	(1,369)	1.3	(3,194)	1.5
Interest expenses	502		615		1,157	
Loss on foreign currency exchange	-		202		843	
Others	577		551		1,193	
Recurring Income	7,401	6.6	3,654	3.4	8,752	4.0
Extraordinary profit	(67)	0.1	(1,259)	1.2	(2,014)	0.9
Gain on sales of property, plant and equipment	66		271		296	
Gain on sales of investment securities	-		988		1,717	
Others	0		-		-	
Extraordinary loss	(2,862)	2.6	(1,192)	1.1	(3,596)	1.6
Loss on disposals of property, plant and equipment	1,064		606		1,618	
Loss from dismantle of property, plant and equipment	1,214		-		-	
Loss on impairment of investment securities	-		202		379	
Loss on impairment of merchandise	-		212		232	
Loss from prior period adjustment	342		-		-	
Others	241		170		1,366	
Income before income taxes and minority interests	4,606	4.1	3,721	3.5	7,170	3.3
Income taxes, current	1,051	0.9	973	0.9	1,748	0.8
Income taxes, deferred	717	0.7	527	0.5	1,552	0.7
Minority interests	214	0.2	244	0.2	392	0.2
Net income	2,623	2.3	1,975	1.9	3,477	1.6

(3) Interim Consolidated Statements of Cash Flows

(unit : JPY million)

Items	Terms	First half of FY 2004	First half of FY 2003	FY 2003
		From Apr. 1, 2004 to Sept. 30, 2004	From Apr. 1, 2003 to Sept. 30, 2003	From Apr. 1, 2003 to Mar. 31, 2004
		Amount	Amount	Amount
I Cash flows from operating activities				
Income before income taxes and minority interests		4,606	3,721	7,170
Depreciation and amortization		5,467	5,406	11,301
Interest and dividend income		-297	-260	-480
Interest expenses		502	615	1,157
Gain on sales of property, plant and equipment, net (profit : -)		-60	-254	-222
Loss on disposal of property, plant and equipment		1,056	530	1,360
Gain on sales of investment securities, net (profit : -)		-	-961	-1,682
Loss on impairment of investment securities		-	202	379
Equity in earnings of associated companies		-259	-	-
Loss from prior period adjustment		342	-	-
Increase/decrease in notes and accounts receivable(- is increases)		-430	3,234	-365
Increase/decrease in inventories(- is increases)		-435	-647	505
Increase/decrease in notes and accounts payable(- is decreases)		1,255	1,154	1,244
Others		18	224	375
Subtotal		11,766	12,964	20,745
Interest and dividend received		683	582	640
Interest paid		-516	-608	-1,158
Income taxes paid		-1,040	-1,196	-1,874
Net cash provided by operating activities		10,892	11,741	18,353
II Cash flows from investing activities				
Increase in time deposits		-228	-1,410	-177
Decrease in time deposits		6	266	398
Purchases of marketable securities		-	-31	-30
Proceeds from sales of marketable securities		-	4	128
Purchases of property, plant and equipment		-7,488	-8,501	-14,252
Proceeds from sales of property, plant and equipment		183	338	1,579
Purchases of investment securities		-869	-1,640	-3,548
Proceeds from sales of investment securities		579	3,069	4,534
Increase in loans receivable		-	-318	-255
Decrease in loans receivable		-	90	71
Others		-23	-600	-1,299
Net cash used in investing activities		-7,840	-8,733	-12,852
III Cash flows from financing activities				
Increase/decreases in short-term loans payable, net (- is decrease)		464	-59	-286
Increase/decreases in commercial paper, net (- is decrease)		-1,000	-4,000	-2,500
Proceeds from long-term loans payable		40	-	443
Repayments of long-term loans payable		-2,404	-1,878	-2,073
Purchases of treasury stock		-	-8	-21
Proceeds from sales of treasury stock		-	1	2
Dividends paid		-1,106	-829	-1,659
Dividends paid to minority interests		-95	-72	-115
Others		-17	-1	-34
Net cash used in financing activities		-4,117	-6,848	-6,245
IV Foreign currency translation adjustments on cash and cash equivalents		58	72	-943
V Net decrease in cash and cash equivalents		-1,006	-3,767	-1,687
VI Cash and cash equivalents, beginning of fiscal year		16,066	17,754	17,754
VII Cash and cash equivalents, end of period		15,060	13,986	16,066

(Segment Information)

(1)Segment Information by Business Group

First half of FY 2004 (from Apr. 1, 2004 to Sep. 30,2004)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Elimination or corporate	Total consolidated
Net sales and operating income								
(1)Sales to customers	42,817	16,163	21,039	27,704	4,762	112,486	-	112,486
(2)Intersegment sales	130	126	493	896	1,521	3,168	-3,168	-
Total sales	42,947	16,289	21,533	28,600	6,283	115,654	-3,168	112,486
Operating expenses	38,346	15,690	19,604	23,085	6,050	102,777	2,742	105,520
Operating income	4,600	599	1,928	5,514	233	12,877	-5,911	6,965

First half of FY 2003 (from Apr. 1, 2003 to Sep. 30,2003)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Elimination or corporate	Total consolidated
Net sales and operating income or loss								
(1)Sales to customers	42,427	15,636	19,759	24,887	3,272	105,983	-	105,983
(2)Intersegment sales	79	76	550	883	1,467	3,058	-3,058	-
Total sales	42,507	15,713	20,310	25,771	4,740	109,042	-3,058	105,983
Operating expenses	38,089	15,602	18,614	22,349	4,786	99,443	2,576	102,020
Operating income or loss(-)	4,418	110	1,695	3,421	-46	9,598	-5,634	3,963

FY 2003 (from Apr. 1, 2003 to Mar. 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
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

(2)Segment Information by Locations

First half of FY 2004 (from Apr. 1, 2004 to Sep. 30,2004)

(unit : JPY million)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination	Total consolidated
Net sales and operating income or loss							
(1)Sales to customers	87,010	17,453	3,583	4,438	112,486	-	112,486
(2)Intersegment sales	7,803	936	331	21	9,093	-9,093	-
Total sales	94,814	18,389	3,915	4,460	121,579	-9,093	112,486
Operating expenses	89,451	17,119	4,036	4,348	114,955	-9,434	105,520
Operating income	5,362	1,270	-121	112	6,624	341	6,965

First half of FY 2003 (from Apr. 1, 2003 to Sep. 30,2003)

(unit : JPY million)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination	Total consolidated
Net sales and operating income							
(1)Sales to customers	82,868	15,660	3,727	3,727	105,983	-	105,983
(2)Intersegment sales	5,028	906	309	0	6,245	-6,245	-
Total sales	87,897	16,566	4,037	3,728	112,229	-6,245	105,983
Operating expenses	85,272	15,068	4,287	3,614	108,242	-6,222	102,020
Operating income	2,624	1,497	-250	114	3,986	-22	3,963

FY 2003 (from Apr. 1, 2003 to Mar. 31, 2004)

(unit : JPY million)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination	Total consolidated
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