

THE FIRST 9 MONTHS CONSOLIDATED FINANCIAL STATEMENTS for the FY2004

(for the first 9 months of fiscal year March 31, 2005 ended December 31, 2004)

Name of Company: **Toyo Ink Mfg. Co., Ltd.** Feb. 4, 2005
 Stock Listings: Tokyo
 Security Code No.: 4634 (URL <http://www.toyoink.co.jp/>)
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1. Notes to consolidated financial statements

- (1) Adoption of simplified method : None
 (2) Change in accounting policies : None
 (3) 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
 (4) Participation by certified public accountant or audit corporation : None

2. Operating results for the Q1-Q3 of FY 2004(Apr. 1, 2004 through Dec. 31, 2004)

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

	Net sales		Operating income		Recurring income	
	JPY(million)	%	JPY(million)	%	JPY(million)	%
Q1-Q3 / FY2004	169,588	5.7	9,743	40.7	9,934	54.7
Q1-Q3 / FY2003	160,460	-	6,924	-	6,421	-
FY2003	216,406		9,444		8,752	

	Net income		Net income per share (Basic)	Net income per share (Diluted)
	JPY(million)	%	JPY	JPY
Q1-Q3 / FY2004	3,942	15.4	14.26	11.79
Q1-Q3 / FY2003	3,415	-	12.35	10.28
FY2003	3,477		12.10	10.27

Note : % change for net sales, operating income, recurring income and net income are presented in comparison with the previous Q1-Q3 of FY.

(2) Consolidated financial conditions

	Total assets	Shareholders' equity	Shareholders' equity/ Total assets	Shareholders' equity per share
	JPY(million)	JPY(million)	%	JPY
As of Dec. 31, 2004	279,009	124,442	44.6	450.33
As of Dec. 31, 2003	273,530	120,070	43.9	434.38
As of March 31, 2004	268,066	122,060	45.5	441.12

Results of cash flows (consolidated)

	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)
Q1-Q3 / FY2004	16,758	-11,174	-931	21,481
Q1-Q3 / FY2003	18,411	-11,865	-4,248	19,682
FY2003	18,353	-12,852	-6,245	16,066

3. Consolidated forecast for the year ending March 31, 2005 (FY2004)

	Net sales	Recurring income	Net income
	JPY(million)	JPY(million)	JPY(million)
FY2004 ending Mar. 2005	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. Summary of Q3 Consolidated Balance Sheets

(unit : JPY million)

Items	As of Dec. 31, 2004	As of Dec. 31, 2003	As of March 31, 2004
	Amount	Amount	Amount
(Assets)			
I Current assets			
Cash and bank deposits	17,931	18,525	14,357
Notes and accounts receivable	82,808	79,943	80,005
Inventories	29,360	30,428	28,016
Others	10,947	7,612	7,309
Total current assets	(141,047)	(136,510)	(129,689)
II Fixed assets			
Property, plant and equipment	90,375	90,145	90,359
Intangible fixed assets	4,073	4,386	4,194
Investments and other assets	43,492	42,432	43,739
Total fixed assets	(137,941)	(136,964)	(138,294)
III Deferred assets	21	54	82
Total assets	279,009	273,530	268,066
(Liabilities)			
I Current liabilities			
Notes and accounts payable	44,226	45,247	38,372
Short-term loans payable	22,524	24,262	23,768
Current portion of convertible bonds	13,268	-	13,268
Others	22,915	18,702	19,226
Total current liabilities	(102,935)	(88,212)	(94,636)
II Long-term liabilities			
Convertible bonds	29,345	42,614	29,345
Long-term loans payable	14,467	14,348	14,691
Others	4,086	4,806	3,957
Total long-term liabilities	(47,899)	(61,768)	(47,993)
Total liabilities	150,834	149,981	142,629
(Minority interests)			
Minority interests	3,732	3,478	3,377
(Shareholders' equity)			
Common stock	24,610	24,610	24,610
Additional paid-in capital	25,824	25,823	25,823
Retained earnings	73,819	72,013	72,088
Net unrealized gains on available-for-sale securities	3,722	1,458	3,910
Foreign currency translation adjustments	-3,401	-3,737	-4,266
Treasury stock, at cost	-133	-97	-105
Total shareholders' equity	124,442	120,070	122,060
Total of liabilities, minority interests and shareholders' equity	279,009	273,530	268,066

2.Summary of Q1-Q3 Consolidated Statements of Income

(unit : JPY million, %)

Items	Q1-Q3 / FY2004	Q1-Q3 / FY2003	Increase / Decrease		Reference
	Amount	Amount	Amount	+/-	FY2003
I Net sales	169,588	160,460	9,127	5.7	216,406
II Cost of sales	128,213	121,149	7,063	5.8	164,475
Gross profit	41,374	39,310	2,064	5.3	51,931
III Selling, general and administrative expenses	31,631	32,385	-754	-2.3	42,486
Operating income	9,743	6,924	2,819	40.7	9,444
IV Non-operating income	1,752	1,632	119	7.3	2,502
V Non-operating expenses	1,562	2,135	-573	-26.9	3,194
Recurring income	9,934	6,421	3,512	54.7	8,752
VI Extraordinary profit	(91)	(1,377)	(-1,286)	-93.4	(2,014)
Gain on sales of property, plant and equipment	70	382	-311	-81.5	296
Gain on sales of investment securities	20	995	-974	-97.9	1,717
VII Extraordinary loss	(3,262)	(1,466)	(1,796)	122.5	(3,596)
Loss on disposals or sales of property, plant and equipment	1,145	629	515	81.9	1,357
Loss on dismantling of property, plant and equipment	1,255	169	1,086	640.9	260
Others	861	667	194	29.1	1,977
Income before income taxes and minority interests	6,763	6,332	430	6.8	7,170
Income taxes	2,517	2,577	-59	-2.3	3,301
Minority interests	302	340	-37	-11.0	392
Net income	3,942	3,415	526	15.4	3,477

3.Summary of Q1-Q3 Consolidated Statements of Cash Flows

(unit : JPY million)

	Q1-Q3 / FY2004	Q1-Q3 / FY2003	Reference FY2003
Items	Amount	Amount	Amount
I Cash flows from operating activities			
Income before income taxes and minority interests	6,763	6,332	7,170
Depreciation and amortization	8,371	8,363	11,301
Increase/decrease in notes and accounts receivable(- is increases)	-2,630	197	-365
Increase/decrease in inventories(- is increases)	-1,003	-1,489	505
Increase/decrease in notes and accounts payable(- is decreases)	6,061	7,629	1,244
Others	529	-863	887
Subtotal	18,090	20,169	20,745
Income taxes paid	-1,638	-1,764	-1,874
Others	306	6	-517
Net cash provided by operating activities	16,758	18,411	18,353
II Cash flows from investing activities			
Purchases of property, plant and equipment	-10,590	-11,855	-14,252
Proceeds from sales of property, plant and equipment	290	739	1,579
Purchases of investment securities	-1,040	-2,079	-3,548
Proceeds from sales of investment securities	769	3,122	4,534
Other in increase/decrease of assets(- is increases)	-603	-1,793	-1,164
Net cash used in investing activities	-11,174	-11,865	-12,852
III Cash flows from financing activities			
Increase/decreases in short-term loans payable, net (- is decrease)	-247	-203	-286
Increase/decreases in commercial paper, net (- is decrease)	3,000	-500	-2,500
Proceeds from long-term loans payable	94	224	443
Repayments of long-term loans payable	-1,632	-2,070	-2,073
Dividends paid	-1,972	-1,564	-1,659
Others	-173	-135	-169
Net cash used in financing activities	-931	-4,248	-6,245
IV Foreign currency translation adjustments on cash and cash equivalents	762	-368	-943
V Net increase (decrease) in cash and cash equivalents	5,415	1,928	-1,687
VI Cash and cash equivalents, beginning of year	16,066	17,754	17,754
VII Cash and cash equivalents, end of period	21,481	19,682	16,066

4. Summary of Segment Information

(1) Segment Information by Business Group

Q1-Q3 consolidated FY 2004 (from Apr. 1, 2004 to Dec. 31, 2004)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Eliminations or corporate	Total consolidated
Net sales	66,239	23,693	32,814	42,882	9,831	175,461	-5,873	169,588
Operating expenses	59,292	22,974	29,892	35,197	9,600	156,957	2,886	159,844
Operating income	6,947	719	2,921	7,684	230	18,504	-8,760	9,743

Q1-Q3 consolidated FY 2003 (from Apr. 1, 2003 to Dec. 31, 2003)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Eliminations or corporate	Total consolidated
Net sales	64,798	23,738	30,660	38,907	7,090	165,196	-4,736	160,460
Operating expenses	57,674	23,539	27,985	33,263	7,182	149,644	3,890	153,535
Operating income or loss(-)	7,124	198	2,675	5,644	-91	15,551	-8,626	6,924

(2) Segment Information by Locations

Q1-Q3 consolidated FY 2004 (from Apr. 1, 2004 to Dec. 31, 2004)

(unit : JPY million)

	Japan	Asia and Oceania	Europe	North America	Subtotal	Eliminations or corporate	Total consolidated
Net sales	141,867	28,653	5,753	6,916	183,190	-13,602	169,588
Operating expenses	134,241	26,712	5,930	6,757	173,643	-13,799	159,844
Operating income or loss(-)	7,625	1,940	-177	158	9,547	196	9,743

Q1-Q3 consolidated FY 2003 (from Apr. 1, 2003 to Dec. 31, 2003)

(unit : JPY million)

	Japan	Asia and Oceania	Europe	North America	Subtotal	Eliminations or corporate	Total consolidated
Net sales	134,005	25,241	5,788	5,486	170,522	-10,062	160,460
Operating expenses	129,245	23,043	6,121	5,320	163,731	-10,196	153,535
Operating income or loss(-)	4,759	2,198	-333	165	6,790	134	6,924