

CONSOLIDATED FINANCIAL STATEMENTS for the Year ended March, 2007

Name of company: **TOYO INK MFG. CO., LTD.**

May 21, 2007

Stock listings: Tokyo Security Code No.: **4634** (URL <http://www.toyoink.co.jp/>)

Representative: Mr. Kunio Sakuma, President, CEO

Contact: Mr. Takeshi Suzuki, Managing Director, CFO Phone: +81-3-3272-5731

Date of the General Shareholders' Meeting: June 28, 2007

Date of the beginning of cash dividends: June 29, 2007

Date of filing annual security report: June 29, 2007

1. Consolidated business results for the year ended March, 2007

(from April 1, 2006 to March 31, 2007)

(1) Results of operations

Note: Amounts of less than million yen are omitted.

Years ended	Net sales		Operating income		Recurring income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March, 2007	245,490	3.9	11,869	-9.8	12,249	-13.4	7,900	25.7
March, 2006	236,203	3.0	13,153	7.2	14,142	13.1	6,283	22.6

Years ended	Net income per share (Basic)	Net income per share (Diluted)	Return on equity	Recurring income / Total assets	Operating income / Net sales
	Yen	Yen	%	%	%
March, 2007	26.12	24.33	5.1	4.0	4.8
March, 2006	22.01	20.44	4.5	4.9	5.6

Note : Equity in earnings of associated companies : -0 Million yen(March, 2007), 106 Million yen(March, 2006)

(2) Financial conditions

Years ended	Total assets	Net assets	Net worth / Total assets	Net worth per share
	Millions of Yen	Millions of Yen	%	Yen
March, 2007	307,439	163,509	50.7	515.85
March, 2006	305,336	151,524	49.6	500.38

Note 1: Net worth : 156,017 Million yen(March, 2007), - Million yen(March, 2006)

2: Net assets of March, 2006 do not include minority interests.

(3) Results of cash flows

Years ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March, 2007	20,746	-14,684	-14,267	22,572
March, 2006	21,484	-10,432	3,579	30,366

2. Dividend

Date of standard	Dividends per share			Dividends total (Annual)	Dividend payout ratio (consolidated)	Dividends / Net assets
	interim	Year-end	Annual			
	Yen	Yen	Yen	Millions of Yen	%	%
March, 2006	4.00	4.50	8.50	2,466	38.6	1.8
March, 2007	4.50	6.50	11.00	3,327	42.1	2.2
March, 2008 (Forecast)	5.50	5.50	11.00	—	47.5	—

Note : Breakdown of year-end dividend of the year ended March, 2007 :

Common dividend 4.5, Commemorative dividend 2.0 (Centennial anniversary)

3. Forecast for the year ending 31 March, 2008 (from April 1, 2007 to March 31, 2008)

	Net Sales		Operating income		Recurring income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Interim	123,000	1.8	6,700	1.1	6,800	0.6	3,400	-22.0	11.24
Full-year	255,000	3.9	14,000	18.0	14,200	15.9	7,000	-11.4	23.14

4. Others

(1) Material changes in the scope of consolidation : None

(2) Changes in accounting policies

① Change due to the modification in accounting methods : Yes

② Any other changes : None

(3) Number of shares issued as of the end of the period (Common stock)

① Number of shares issued (including treasury stock) :

March, 2007 303,034 513 shares, March, 2006 303,028,948 shares

② Number of treasury stock at the end of the period : March, 2007 586,042 shares, March, 2006 518,602 shares

Reference: Financial summary (Non-consolidated)

1. Non-consolidated business results for the year ended March, 2007

(from April 1,2006 to March 31, 2007)

(1) Results of operations

Note: Amounts of less than million yen are omitted.

Years ended	Net sales		Operating income		Recurring income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March, 2007	178,301	0.1	6,219	-14.5	10,527	2.9	6,079	7.3
March, 2006	178,127	0.8	7,275	17.5	10,230	22.1	5,663	61.2

Years ended	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
March, 2007	20.10	18.80
March, 2006	19.91	18.52

(2) Financial conditions

Years ended	Total assets	Net assets	Net worth / Total assets	Net worth per share
	Millions of Yen	Millions of Yen	%	Yen
March, 2007	250,003	139,558	55.8	461.41
March, 2006	255,862	139,165	54.4	459.62

Note 1: Net worth : 139,558 Million yen(March, 2007), — Million yen(March, 2006)

2. Forecast for the year ending 31 March, 2008 (from April 1,2007 to March 31, 2008)

	Net Sales		Operationg income		Recurring income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Interim	88,000	-1.7	3,800	15.3	5,000	6.6	2,800	-28.2	9.26
Full-year	182,000	2.1	8,000	28.6	10,000	-5.0	5,500	-9.5	18.18

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.

Consolidated financial statements

(1) Consolidated Balance sheet

	As of March 31, 2006		As of March 31, 2007		Increase / Decrease Millions of Yen
	Amount (Millions of Yen)	Composition (%)	Amount (Millions of Yen)	Composition (%)	
(Assets)					
I Current assets					
1.Cash and bank deposits		15,518		22,934	
2.Notes and accounts receivable		87,217		87,283	
3.Marketable securities		1,279		616	
4.Inventories		32,688		36,385	
5.Deferred income tax assets		3,145		2,893	
6.Deposit		14,211		—	
7.Others		2,822		3,036	
Allowance for doubtful receivables		-1,375		-921	
Total current assets		155,508	50.9	152,228	49.5
II Fixed assets					
1.Property, plant and equipment					
(1)Building and structures	73,303		77,515		
Accumulated depreciation	-40,883	32,420	-43,227	34,288	
(2)Machinery and vehicles	125,016		130,856		
Accumulated depreciation	-94,832	30,183	-99,702	31,154	
(3)Tools, furniture and fixtures	17,761		18,594		
Accumulated depreciation	-14,183	3,578	-15,003	3,591	
(4)Land		27,103		27,968	
(5)Construction in progress		2,134		5,927	
Total Property, plant and equipment		95,420	31.3	102,929	33.5
2.Intangible fixed assets		3,290	1.1	2,203	0.7
3.Investments and other assets					
(1)Investment in securities		40,790		42,989	
(2)Deferred income tax assets		776		921	
(3)Others		10,366		6,873	
Allowance for doubtful receivables		-816		-707	
Total investments and other assets		51,117	16.7	50,077	16.3
Total fixed assets		149,827	49.1	155,210	50.5
Total assets		305,336	100.0	307,439	100.0

	As of March 31, 2006		As of March 31, 2007		Increase / Decrease Millions of Yen
	Amount (Millions of Yen)	Composition (%)	Amount (Millions of Yen)	Composition (%)	
(Liabilities)					
I Current liabilities					
1. Notes and accounts payable	44,350		50,626		
2. Short-term loans payable	20,419		34,394		
3. Commercial paper	10,000		—		
4. Accrued income taxes	3,633		2,746		
5. Others	16,199		19,636		
Total current liabilities	94,603	31.0	107,404	35.0	12,801
II Long-term liabilities					
1. Convertible bonds	14,346		14,343		
2. Long-term loans payable	28,430		14,093		
3. Deferred income tax liabilities	7,296		6,229		
4. Liability for employees' retirement benefits	1,439		1,487		
5. Liability for directors' retirement benefits	618		203		
6. Others	286		168		
Total long-term liabilities	52,417	17.2	36,525	11.9	-15,891
Total liabilities	147,020	48.2	143,929	46.9	-3,090
(Minority interests)					
Minority interests	6,791	2.2	—	—	—
(Shareholders' equity)					
I Common stock	31,711	10.4	—	—	—
II Capital surplus	32,899	10.8	—	—	—
III Retained earnings	78,926	25.8	—	—	—
IV Net unrealized gains on available-for-sale securities	9,173	3.0	—	—	—
V Foreign currency translation adjustments	-991	-0.3	—	—	—
VI Treasury stock, at cost	-194	-0.1	—	—	—
Total shareholders' equity	151,524	49.6	—	—	—
Total of liabilities, minority interests and shareholders' equity	305,336	100.0	—	—	—

	As of March 31, 2006		As of March 31, 2007		Increase / Decrease Millions of Yen
	Amount (Millions of Yen)	Composition (%)	Amount (Millions of Yen)	Composition (%)	
(Net assets)					
I Shareholders' equity					
1.Common stock	—	—	31,713	10.3	—
2.Capital surplus	—	—	32,902	10.7	—
3.Retained earnings	—	—	83,968	27.3	—
4.Treasury stock, at cost	—	—	-229	-0.1	—
Total shareholders' equity	—	—	148,354	48.2	—
II Valuation and translation adjustment					
1.Net unrealized gains on available-for-sale securities	—	—	6,417	2.1	—
2.Foreign currency translation adjustments	—	—	1,245	0.4	—
Total valuation and translation adjustment	—	—	7,662	2.5	—
III Minority interests	—	—	7,492	2.4	—
Total net assets	—	—	163,509	53.1	—
Total of liabilities and net assets	—	—	307,439	100.0	—

(2) Consolidated Statements of Income

	From April 1, 2005 to March 31,2006		From April 1, 2006 to March 31,2007		Increase / Decrease Millions of Yen	
	Amount (Millions of Yen)	Composition (%)	Amount (Millions of Yen)	Composition (%)		
I Net sales		236,203	100.0	245,490	100.0	9,286
II Cost of sales		181,614	76.9	191,028	77.8	9,413
Gross profit		54,588	23.1	54,461	22.2	-127
III Selling, general and administrative expenses						
Packing expenses and freight charge	6,551			6,675		
Salaries and allowance	9,537			10,071		
Bonuses	2,668			2,691		
Welfare expenses	2,279			2,422		
Depreciation expenses	1,893			1,895		
Research and development expenses	2,821			2,763		
Others	15,683	41,435	17.5	16,072	42,592	17.4
Operating income		13,153	5.6	11,869	4.8	-1,284
IV Non-operating income						
Interest income	223			239		
Dividend income	432			455		
Income from lease and rent	418			322		
Gain on foreign currency exchange	708			259		
Equity in earnings of associated companies	106			—		
Others	1,119	3,009	1.3	1,032	2,308	1.0
V Non-operating expenses						
Interest expenses	988			1,089		
Compensation for damages	307			—		
Depreciation expenses of rental assets	—			196		
Equity in losses of associated companies	—			0		
Others	722	2,019	0.9	641	1,928	0.8
Recurring Income		14,142	6.0	12,249	5.0	-1,893
VI Extraordinary profit						
Gain on sales of property, plant and equipment	826			—		
Gain on sales of investment securities	774			1,698		
Reversal of allowance for doubtful receivables	—			465		
Gain on termination of employees' retirement benefit	—			1,108		
Others	—	1,600	0.7	93	3,365	1.3
VII Extraordinary loss						
Loss on disposals of property, plant and equipment	966			499		
Loss from dismantle of property, plant and equipment	417			199		
Loss on discontinued operations	611			383		
Environmental spending	1,050			175		
Impairment loss on fixed assets	894			—		
Others	180	4,120	1.8	18	1,276	0.5
Income before income taxes and minority interests		11,623	4.9	14,338	5.8	2,715
Income taxes, current	4,201			4,780		
Income taxes, deferred	551	4,753	2.0	933	5,713	2.3
Minority interests		586	0.2	724	0.3	138
Net income		6,283	2.7	7,900	3.2	1,616

(3) Consolidated statements of retained earnings and changes in net assets

Consolidated statements of changes in net assets

(From April 1, 2006 to March 31, 2007)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	31,711	32,899	78,926	-194	143,343
Changes of items during the period					
Increase by conversion of convertible bonds	1	1			2
Dividends from surplus *			-1,361		-1,361
Dividends from surplus			-1,361		-1,361
Bonuses to directors *			-149		-149
Net income			7,900		7,900
Purchases of treasury stock				-38	-38
Sales of treasury stock		1		4	5
Increase due to exclusion of consolidated companies			13		13
Effect of change in equity ratio in associated companies				-0	-0
Net changes except for shareholders' equity					
Total changes of items during the period	1	2	5,042	-34	5,011
Balance at the end of current period	31,713	32,902	83,968	-229	148,354
	Valuation and translation adjustments			Minority interests	Total net assets
	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustment		
Balance at the end of previous period	9,173	-991	8,181	6,791	158,315
Changes of items during the period					
Increase by conversion of convertible bonds					2
Dividends from surplus *					-1,361
Dividends from surplus					-1,361
Bonuses to directors *					-149
Net income					7,900
Purchases of treasury stock					-38
Disposal of treasury stock					5
Increase due to exclusion of consolidated companies					13
Effect of change in equity ratio in associated companies					-0
Net changes except for shareholders' equity	-2,755	2,236	-518	701	182
Total changes of items during the period	-2,755	2,236	-518	701	5,193
Balance at the end of current period	6,417	1,245	7,662	7,492	163,509

* was one of the disposal of profit resolved at annual shareholders meeting on June, 2006.

(4) Consolidated statements of cash flows

	From April 1, 2005 to March 31,2006	From April 1, 2006 to March 31,2007	Increase / Decrease
	Amount (Millions of Yen)	Amount (Millions of Yen)	Millions of Yen
I Cash flows from operating activities			
Income before income taxes and minority interests	11,623	14,338	
Depreciation and amortization	11,552	11,741	
Impairment loss on fixed assets	894	—	
Interest and dividend income	-656	-694	
Interest expenses	988	1,089	
Gain on sales of property, plant and equipment	-747	—	
Loss on disposals of property, plant and equipment	844	438	
Gain on sales of investment securities, net	-738	-1,687	
Equity/loss in earnings of associated companies (- is equity)	-106	0	
Increase/decrease in notes and accounts receivable (- is increases)	-1,715	1,212	
Increase/decrease in inventories(- is increases)	-540	-2,730	
Increase/decrease in notes and accounts payable (- is decreases)	997	5,119	
Others	1,254	-2,141	
Subtotal	23,649	26,687	3,037
Interest and dividend received	715	803	
Interest paid	-977	-1,072	
Income taxes paid	-1,902	-5,671	
Net cash provided by operating activities	21,484	20,746	-737
II Cash flows from investing activities			
Increase in time deposits	-403	-244	
Decrease in time deposits	232	169	
Purchases of property, plant and equipment	-14,795	-14,808	
Proceeds from sales of property, plant and equipment	1,299	255	
Purchases of investment securities	-2,876	-5,062	
Proceeds from sales of investment securities	3,941	5,033	
Proceeds from newly consolidated subsidiaries	1,296	—	
Others	872	-26	
Net cash used in investing activities	-10,432	-14,684	-4,251
III Cash flows from financing activities			
Increase/decrease in short-term loans payable, net (- is decrease)	-3,527	17	
Increase/decrease in commercial paper, net (- is decrease)	8,000	-10,000	
Proceeds from long-term loans payable	2,798	2	
Repayments of long-term loans payable	-301	-1,177	
Redemption of corporate bonds	-823	—	
Dividends paid	-2,210	-2,723	
Dividends paid to minority interests	-448	-356	
Others	91	-30	
Net cash used in/provided by financing activities	3,579	-14,267	-17,847
IV Foreign currency translation adjustments on cash and cash equivalents	1,209	411	-798
V Net increase(decrease) in cash and cash equivalents (- is decrease)	15,841	-7,793	-23,634
VI Cash and cash equivalents, beginning of period	14,525	30,366	15,841
VII Cash and cash equivalents, end of period	30,366	22,572	-7,793

Segment Information

(1) Segment Information by Business Group

(From April 1, 2005 to March 31, 2006)

(millions of Yen)

	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	93,213	33,545	43,170	58,572	7,701	236,203	—	236,203
(2) Intersegment sales	595	77	1,321	1,829	2,979	6,803	-6,803	—
Total sales	93,809	33,623	44,492	60,402	10,680	243,007	-6,803	236,203
Operating expenses	85,445	32,745	41,060	49,713	10,413	219,378	3,671	223,050
Operating income	8,363	877	3,431	10,688	266	23,628	-10,475	13,153
II Assets, depreciation, impairment loss on fixed assets and capital expenditures								
Assets	88,789	18,424	43,294	66,504	9,531	226,544	78,791	305,336
Depreciation expenses	3,750	453	2,070	3,833	112	10,221	1,331	11,552
Impairment loss on fixed assets	—	—	—	—	343	343	551	894
Capital expenditures	3,833	891	2,406	6,177	115	13,426	439	13,865

(From April 1, 2006 to March 31, 2007)

(millions of Yen)

	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	100,704	32,822	45,553	59,105	7,304	245,490	—	245,490
(2) Intersegment sales	557	35	1,207	2,512	1,946	6,259	-6,259	—
Total sales	101,262	32,858	46,760	61,617	9,250	251,749	-6,259	245,490
Operating expenses	92,904	31,877	42,891	52,483	9,042	229,199	4,421	233,621
Operating income	8,357	980	3,868	9,134	208	22,549	-10,680	11,869
II Assets, depreciation and capital expenditures								
Assets	95,230	20,442	47,615	69,043	10,713	243,044	64,394	307,439
Depreciation expenses	3,810	486	2,010	4,027	121	10,456	1,284	11,741
Capital expenditures	4,460	463	3,046	8,993	822	17,786	214	18,001

(2) Segment Information by Locations

(From April 1, 2005 to March 31, 2006)

(millions of Yen)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination or corporate	Total consolidated
I Net sales and operating income or loss							
(1)Sales to customers	174,244	43,889	6,845	11,223	236,203	—	236,203
(2)Intersegment sales	17,005	2,766	659	157	20,588	-20,588	—
Total sales	191,250	46,656	7,504	11,380	256,792	-20,588	236,203
Operating expenses	180,725	44,235	8,061	11,133	244,157	-21,106	223,050
Operating income or loss(-)	10,524	2,420	-557	247	12,635	518	13,153
II Assets	171,033	52,752	6,450	6,701	236,938	68,397	305,336

(From April 1, 2006 to March 31, 2007)

(millions of Yen)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination or corporate	Total consolidated
I Net sales and operating income or loss							
(1)Sales to customers	175,872	51,018	6,910	11,687	245,490	—	245,490
(2)Intersegment sales	17,822	3,229	918	53	22,024	-22,024	—
Total sales	193,695	54,248	7,829	11,740	267,514	-22,024	245,490
Operating expenses	184,621	51,290	9,044	11,203	256,158	-22,537	233,621
Operating income or loss(-)	9,074	2,958	-1,214	537	11,356	512	11,869
II Assets	175,860	60,210	9,769	6,589	252,429	55,009	307,439

(3) Sales to foreign customers

(From April 1, 2005 to March 31, 2006)

(millions of Yen)

	Asia-Oceania	Europe	The Americas	Africa	Total
I Sales to foreign customers	45,821	6,796	11,448	188	64,255
II Consolidated net sales					236,203
III Ratio of sales to foreign customers	19.4%	2.9%	4.8%	0.1%	27.2%

(From April 1, 2006 to March 31, 2007)

(millions of Yen)

	Asia-Oceania	Europe	The Americas	Africa	Total
I Sales to foreign customers	53,899	6,743	11,874	283	72,801
II Consolidated net sales					245,490
III Ratio of sales to foreign customers	22.0%	2.8%	4.8%	0.1%	29.7%

Non-consolidated Financial Statements

(1) Summary of Non-consolidated Statements of Income

(millions of Yen)

	From April 1, 2005 to March 31,2006	From April 1, 2006 to March 31,2007
Net sales	178,127	178,301
Cost of sales	143,069	144,091
Gross profit	35,057	34,209
Selling, general and administrative expenses	27,782	27,990
Operating income	7,275	6,219
Non-operating income	4,410	5,695
Non-operating expenses	1,455	1,387
Recurring income	10,230	10,527
Extraordinary profit	1,640	3,071
Extraordinary loss	2,852	3,593
Income before income taxes	9,019	10,004
Income taxes	3,355	3,924
Net income	5,663	6,079

(2) Summary of Non-consolidated Balance Sheets

(millions of Yen)

	As of March 31, 2006	As of March 31, 2007
(Assets)		
Current assets	109,490	101,395
Property, plant and equipment	58,305	60,875
Intangible fixed assets	1,988	1,191
Investment and other assets	86,077	86,540
Total assets	255,862	250,003
(Liabilities)		
Current liabilities	68,303	77,150
Long-term liabilities	48,393	33,294
Total liabilities	116,697	110,444
(Shareholders' equity)		
Common stock	31,711	—
Capital surplus	32,899	—
Retained earnings	65,959	—
Net unrealized gains on available-for-sale securities	8,786	—
Treasury stock, at cost	-191	—
Total shareholders' equity	139,165	—
Total of liabilities and shareholders' equity	255,862	—
(Net assets)		
Common stock	—	31,713
Capital surplus	—	32,902
Retained earnings	—	69,196
Net unrealized gains on available-for-sale securities	—	5,973
Treasury stock, at cost	—	-226
Total net assets	—	139,558
Total of liabilities and net assets	—	250,003