Financial Results for the First Half of the Fiscal Year Ending March 31, 2009

November 7, 2008

TOYO INK MFG, CO., LTD. Listings: Tokyo Stock Exchange
Code: 4634 URL: http://www.toyoink.co.jp/
Representative: Kunio Sakuma, President, CEO
Contact: Takeshi Suzuki, Senior Managing Director, CFO Tel: +81-3-3272-5731
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Scheduled dividend payment date: December 5, 2008

1. Consolidated business results for the First Half of Fiscal 2008 ending March 31, 2009
(From April 1, 2008 to September 30, 2008) (Amounts of less than million yen are omitted.)

(1) Business results (cumulative totals) (Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Recurring income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Half, Fiscal 2008	125,735	--	4,110	--	4,249	--	1,125	--
First Half, Fiscal 2007	124,683	3.2	4,198	-36.6	4,334	-35.8	1,714	-60.6

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
First Half, Fiscal 2008	3.72	3.58
First Half, Fiscal 2007	5.67	5.37

(2) Financial position

	Total assets	Net assets	Net worth/Total assets	Net worth per share
	Million yen	Million yen	%	Yen
First Half, Fiscal 2008	293,259	155,489	50.4	489.05
Fiscal 2007	294,961	160,493	51.8	505.02

(Note): Net worth: First Half, Fiscal 2008: 147,921 million yen
Fiscal 2007: 152,760 million yen

2. Dividends

	Dividends per share				
(Date of standard)	End of Q1	End of Q2	End of Q3	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2007	--	5.50	--	5.50	11.00
Fiscal 2008	--	5.50	-----	-----	-----
Fiscal 2008 (Forecast)	-----	-----	--	5.50	11.00

(Note) Revision in dividend forecasts for the first half under review: None

3. Forecasts for the year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

(Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	260,000	1.0	10,200	-3.0	10,000	1.8	3,800	-43.4	12.56

(Note) Revision in consolidated business performance forecasts for the first half under review: No

4. Others

(1) Important changes of subsidiaries during the term: Yes
Companies added to the scope: -- companies (names)
Companies removed from the scope: one company (name: Toyo Ink Europe Holdings S.A.S.)
(Note) Please refer to [Qualitative Information, Financial Statements, etc.], "Others" on page 6 for details.

(2) Application of simplified accounting treatment and accounting treatment peculiar to the production of quarterly consolidated financial statements: No

(3) Changes in accounting policies
(i) Changes due to the modification in accounting methods: Yes
(ii) Any other changes: Yes
(Note) Please refer to [Qualitative Information, Financial Statements, etc.], "Others" on page 6 for details.

(4) Numbers of shares issued (common shares)
(i) Numbers of shares issued (including treasury shares):

First Half, Fiscal 2008:	303,108,724 shares
Fiscal 2007:	303,108,724 shares

(ii) Numbers of treasury shares at the end of the terms:

First Half, Fiscal 2008:	638,665 shares
Fiscal 2007:	624,410 shares

(iii) Average numbers of shares issued during the terms (consolidated accumulation periods):

First Half, Fiscal 2008:	302,476,968 shares
First Half, Fiscal 2007:	302,477,532 shares

* Explanations about the proper use of financial forecasts and other important notes

(1) The above forecasts are based on the information available on the date these materials are released and incorporate assumptions about uncertainties that may affect future earnings. Actual earnings could differ materially from these forecasts due to various factors in the future.

(2) Starting in the current consolidated fiscal year, the *Accounting Standard for Quarterly Financial Reporting* (Accounting Standard Boards of Japan Statement No. 12 dated March 14, 2007) and *Implementation Guidance for the Accounting Standard for Quarterly Financial Reporting* (Accounting Standard Boards of Japan Implementation Guidance No. 14 dated March 14, 2007) apply. Quarterly consolidated financial statements are also produced in compliance with the "Quarterly Consolidated Financial Statement Rules."
Quarterly consolidated financial statements are produced in compliance with the Quarterly Consolidated Financial Statement Rules after revision in accordance with the conditional clause of Sub-paragraph 5, Paragraph 1, Article 7 of the Supplementary Provision for the "Cabinet Office Regulations for Partial Revision of Rules Pertaining to the Terms, Forms and Production Methods of Financial Statements" (Cabinet Office Regulation No. 50 issued on August 7, 2008).

[Qualitative Information, Financial Statements, etc.]

1. Qualitative Information on Consolidated Results of Operations

(Note) Ratios of year-on-year changes and figures for the first half of the previous fiscal year are presented for reference purposes.

During the first half under review, the global financial crisis that stemmed from the U.S. subprime loan issue and subsequent spirals in resource prices caused economies around the world to experience a serious, simultaneous slowdown.
The operating environment surrounding the Toyo Ink Group also grew increasingly severe as the Japanese printing market slowed, export growth weakened due to exchange rate fluctuations, and prices of raw materials escalated.
In this environment, the Toyo Ink Group advanced an operational shift to high-function products for growing markets, invested intensively in growing regions, and worked to cut costs. As a result, consolidated sales for the first half under review rose 0.8% year on year, to ¥125,735 million. However, consolidated operating income and consolidated recurring income fell slightly, with the former declining 2.1% year on year, to ¥4,110 million, and the latter dropping 2.0% year on year, to ¥4,249 million. Consolidated net income plunged sharply at a year-on-year rate of 34.4%, to ¥1,125 million, as a result of the accrual of extraordinary loss attributable to changes in accounting standards.

Business results by segment

(1) Results by business group

(i) Printing inks

Demands for sheet-fed, web offset and newspaper inks declined further in Japan during the first half under review, as paper prices rose sharply in an environment of ongoing printing market downsizing because of factors including the greater use of the Internet. Exports of domestically-produced inks also remained sluggish under the effects of the yen's substantial year-on-year appreciation, in addition to a heavy income squeeze that resulted from the inability to promptly shift rises in raw material prices onto sales prices. In this tough environment, the Company converted Toyo Ink Joto Hanbai Co., Ltd, a sales company in the capital region, into a wholly owned subsidiary, merged the subsidiary with Toyo Ink Tokyo Hanbai Co., Ltd., and renamed the new company Toyo Ink Graphics Co., Ltd. in July 2008. Within the new structure, the Group has been making an effort to raise sales capabilities and streamline sales.
In overseas markets, sales continued to grow in Southeast Asia. In contrast, they became flat in China and remained weak in North America and Oceania.
With respect to gravure inks, domestic sales of inks for published matters remained low. However, gravure inks for coating materials achieved steady results, and sales of solvents rose. The Group instituted cost-cutting measures and revised sales prices. In spite of the initiatives, income failed to increase because raw material prices climbed at a more rapid pace.
In overseas markets, sales of eco-friendly products expanded in China and Southeast Asia, while sales of inks for construction materials remained sluggish in North America.
As a result of the above factors, consolidated sales for the printing inks segment grew 1.2% year on year, to ¥53,419 million. However, consolidated operating income plunged 22.8% year on year, to ¥3,031 million.

(ii) Graphic arts machinery and supplies

Sales remained sluggish for graphic arts supplies, as total demand for products reached a state of contracted equilibrium, attributable to the establishment of the CTP (computer to plate) printmaking technique.
In graphic arts machinery, sales of machines for ordinary printing declined substantially, owing to low demand for capital investment in Japanese printing markets. Sales increased for our own newspaper printing machines, thanks to renewal demand and expanded sales of newly developed products. However, anticipatory development costs squeezed income from graphic arts machinery.
As a result of the above factors, both consolidated sales and operating income for the graphic arts machinery and supplies segment declined, with the former falling 11.2% year on year to ¥13,273 million, and the latter sliding 9.6% year on year to ¥346 million.

(iii) Polymer chemicals

In the polymer chemicals segment, domestic demand for can coatings (finishes) grew in summer on the back of beverage can demand. Demand also remained strong in Southeast Asia. However, demand for exported cans fell in China. Raw material prices continued to appreciate in Japan and overseas, keeping income low.

With respect to resins, demand for resins for housing, core products for the Group, declined in Japan. However, cost reductions progressed in China and Southeast Asia.

In adhesives, sales of “Dynagrand,” a highly durable adhesive for industrial use, continued to expand in the domestic market. In addition, sales of eco-friendly laminate adhesives for food packages increased in Japan. With the conversion of Toyo ADL Corp. (formerly Toyo Petrolite Co., Ltd.) into a wholly owned subsidiary in the second half of the previous fiscal year, sales of adhesives increased markedly. Nevertheless, skyrocketing raw material prices far exceeded any cost savings or sales price increases both in Japan and abroad. As a result, income from adhesives remained low in the first half under review.

With respect to coating materials, high-function products related to electronics led to expanded sales. However, income failed to grow because of factors including greater depreciation caused by changes in the expected life of fixed assets.

As a result of the factors outlined above, consolidated sales for the polymer chemicals segment grew 11.6% year on year, to ¥27,367 million. However, consolidated operating income fell 11.2% year on year, to ¥1,922 million.

(iv) Chemicals and media materials

In the chemicals and media materials segment, domestic demand for commodity-type pigments for printing inks declined, and exports of such pigments to China fell. Sales dropped, but income rose significantly as a result of the withdrawal from the commodity-type pigment business in Europe in the previous fiscal year, and progress made in the operational shift to high-function pigments. Sales of high-function pigments in Japan, which had risen steadily up until the previous year, ended with poor results because of the market entry into an inventory adjustment period.

In plastic colorants, domestic sales remained firm for products for automobile use. The Group also expanded overseas operations aggressively. Owing to these developments, sales of plastic colorants increased substantially. With respect to income, results were strong in Vietnam, where operations advanced to full scale. However, anticipatory expenses arose in France and Thailand, where we set up production bases during the first half under review.

Demand for LCD color filter materials for TV use recovered with the arrival of the Beijing Olympics in the first half of the interim period under review. It remained generally strong in the second half, when the market entered an inventory adjustment period. Sales of ink-jet materials also remained favorable. The Group withdrew from production and sales of monochrome electrostatic toners (electronic materials), which had continued to produce poor results, and posted the associated expenses as an extraordinary loss in the first half under review. From this point on, the Toyo Ink Group will look for business opportunities by applying technologies developed over the years to the development of color toners.

As a result of the factors outlined above, consolidated sales for the chemicals and media materials segment decreased 1.3% year on year, to ¥30,743 million. However, consolidated operating income rose sharply at a year-on-year rate of 25.2%, to ¥4,149 million.

(v) Others

In this segment, sales increased for dietary supplements containing bamboo grass extracts, but declined for other products. As a result of this performance, consolidated sales for the segment dropped 15.1% year on year, to ¥3,650 million. However, consolidated operating income increased 13.6% year on year, to ¥143 million.

(2) Results by location

(i) Japan

Both domestic sales and exports fell for offset inks and graphic arts machinery. In contrast, sales of gravure inks grew as a result of sales price revisions and greater solvent sales. Sales of adhesives for industrial and package use also rose, thanks to increased sales of high-function products. Sales decreased for commodity-type and high-function pigments, but LCD color filter materials and ink-jet materials posted strong results.

With respect to income, conditions remained severe, not only for offset inks, gravure inks and adhesives but for all business segments of the Toyo Ink Group, as cost reductions and adequate cost shifting to sales prices failed to offset raw material prices, which soared and remained at high levels. The Group, however, achieved a substantial reduction in expenses incurred in management departments at head office, which are not assignable to segments, through implementing cost-cutting measures across the organization.

As a result of the factors outlined above, consolidated sales for Japan rose 3.5% year on year, to ¥98,591 million. However, consolidated operating income for the region slipped 15.2% year on year, to ¥2,315 million.

(ii) Asia-Oceania

In China, where business had continued to boom, export-oriented industries faced slack growth because of factors including higher personnel expenses, appreciation of the local currency and discontinuation of tax breaks. Printing demand in China also showed signs of decline under the effect of rising paper prices. As a result, sales remained low for products including offset inks and commodity-type pigments, but plastic colorants and adhesives achieved sales expansion. Sales of LCD color filter materials remained generally strong in Taiwan.

In Southeast Asia, sales of offset inks and plastic colorants increased, but income was squeezed by rises in raw material prices. The offset ink manufacturing plant in India was completed according to plan. The plant started pilot production, and the operation created anticipatory expenses. Sales of offset inks remained weak in Oceania.

As a result of these factors, consolidated sales for Asia-Oceania increased 6.7% year on year, to ¥32,803 million. However, consolidated operating income for the region sank 11.7% year on year, to ¥1,827 million.

(iii) Europe

At the end of the previous fiscal year the Toyo Ink Group withdrew from the commodity-type pigment business, which had been its mainstay operation, in view of the business’s sustained deficit on the back of falling demand caused by customers carrying out their own manufacturing, intensifying competition and rises in the prices of raw materials. The Group then advanced a shift to high value-added operations. As a result of this initiative, consolidated sales for Europe plunged 48.3% year on year, to ¥2,000 million. However, consolidated operating loss for the region shrank substantially to ¥271 million (compared with ¥1,100 million recorded in the first half of the previous year), and sales expanded for new businesses, including the high-function pigment business.

(iv) North America

Sales of mainstay gravure inks for construction materials slumped in North America under the effects of reduced housing demand attributable to the subprime mortgage crisis. In addition, sales remained sluggish for colorants for automobile use. With the Group’s withdrawal from the monochrome electrostatic toner business and lower yen-denominated results owing to the weakened dollar, both consolidated sales and operating income for North America fell substantially, with the former declining 31.1% year on year, to ¥3,688 million, and the latter plummeting 94.3% year on year, to ¥7 million.

2. Qualitative Data on the Consolidated Financial Position

The balance of total assets at the end of the first half under review stood at ¥293,259 million, down ¥1,702 million from the balance at the beginning of the interim period.

Notes and accounts receivable and inventory assets increased as a result of operations including those by overseas affiliates, while investment securities decreased with a fall in the appraised value.

The balance of liabilities at the end of the first half under review was ¥137,770 million, up ¥3,301 million from the balance at the beginning of the interim period. Short-term loans payable increased with factors such as aggressive capital spending at overseas affiliates.

The balance of net assets at the end of the first half under review was ¥155,489 million, down ¥5,003 million from the balance at the beginning of the interim period. The difference between the appraised and current values of securities decreased, while the appreciation of the yen caused a reduction in the exchange conversion adjustment account.

(State of cash flows)

The balance of cash and cash equivalents (“cash”) at the end of the first half under review stood at ¥11,558 million, down ¥528 million from the balance at the beginning of the interim period.

Cash provided by operating activities came to ¥2,701 million. Cash inflows included net income before income taxes and minority interests and depreciation expenses. Cash outflows resulted from rises in notes and accounts receivable, growth in inventory assets and income taxes paid.

Cash used in investing activities totaled ¥5,983 million. The outflow was primarily due to purchases of property, plant and equipment.

Cash provided by financing activities was ¥3,874 million. Cash inflows included a rise in short-term loans payable, and cash outflows included dividends paid.

3. Qualitative Data on the Consolidated Earnings Forecasts

The global economic slowdown is progressing at a more rapid pace than we had predicted. In addition, the future of raw material prices and exchange rate fluctuations is becoming increasingly uncertain. The Toyo Ink Group is committed to doing whatever is required to secure income. However, results for the third quarter of the current fiscal year and subsequent periods are anticipated to decline from our forecasts at the beginning of the fiscal year. In consideration of this situation, as advised in the “Announcement of Earnings Forecast Revisions” released on November 5, 2008, the Group has revised its forecasts for consolidated sales to ¥260,000 million, consolidated operating income to ¥10,200 million, consolidated recurring income to ¥10,000 million, and net income to ¥3,800 million for the current fiscal year.

4. Others

(1) Important changes of subsidiaries during the term

Toyo Ink Europe Holdings S.A.S., which was a consolidated subsidiary in the previous consolidated fiscal year, was liquidated in the first quarter, and for that reason is excluded from the scope of consolidation.

(2) Application of simplified accounting treatment and accounting treatment peculiar to the production of quarterly consolidated financial statements

Not applicable.

(3) Changes in accounting policies

(i) Beginning in the consolidated fiscal year under review, the Accounting Standards for Quarterly Financial Statements, ASBJ Standard No. 12 dated March 14, 2007, and the Guidance on Accounting Standards for Quarterly Financial Statements, ASBJ Guidance No. 14 dated March 14, 2007, are being applied. In addition, the Company has complied with the Regulations for Quarterly Financial Statements in compiling consolidated quarterly financial statements.

Quarterly consolidated financial statements are produced in compliance with the Quarterly Consolidated Financial Statement Rules after revision in accordance with the conditional clause of Sub-paragraph 5, Paragraph 1, Article 7 of the Supplementary Provision for the “Cabinet Office Regulations for Partial Revision of Rules Pertaining to the Terms, Forms and Production Methods of Financial Statements” (Cabinet Office Regulation No. 50 issued on August 7, 2008).

(ii) Changes in appraisal standards and methods for important assets

Inventories

Previously, calculation for inventory assets held for ordinary sales purposes was based on the cost method using the gross average method. However, beginning in the first consolidated quarter, the Accounting Standards for Measurement of Inventories, ASBJ Standard No. 9 dated July 5, 2006, is applied. Accordingly, the measurement standard for the values entered in balance sheets was changed to the cost method by the gross average method of devaluing book value upon decline of profitability.

As a result of this application, operating income for the first half under review declined ¥44 million, recurring income for the period fell ¥44 million, and net income before income taxes and minority interests decreased ¥556 million, respectively.

(iii) Application of the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

Beginning in the consolidated fiscal year under review, the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force Report No. 18 dated May 17, 2006) is applied to make necessary adjustments in consolidated settlements. The application of the standards has little effect on gain or loss.

(iv) Application of accounting standards for lease transactions

With respect to financing lease transactions other than ownership transfer, the transactions had been conducted based on accounting methods for leasing and rental transactions. However, beginning in the first consolidated quarter, which commenced April 1, 2008, application began of the Accounting Standards for Lease Transactions, ASBJ Standard No. 13 dated June 17 (WP1 Accounting Standards Board of Japan), 1993, with the final revision on March 30, 2007, as well as the Guidance on the Accounting Standards for Lease Transactions, ASBJ Guidelines No. 16 dated January 18 (Accounting System Committee, the Japanese Institute of Certified Public Accountants), 1994, with the final revision on March 30, 2007. Accordingly, the accounting standards for lease transactions have changed to the accounting methods for conventional sales and purchase transactions. In addition, depreciation for leased assets uses the method of assuming the lease period as the expected life, and calculating depreciation by setting the residual value as zero.

With respect to financing lease transactions other than ownership transfer with a lease commencement date falling prior to the initial year of new method application, the accounting method concerning conventional lease and rental transactions continues to be employed.

The application of the standards does not affect gain or loss.

(Additional Information)

Change in the effective life of tangible fixed assets

The Company and its domestic consolidated subsidiaries changed the effective life of machinery, equipment, and vehicles were adjusted beginning the consolidated first quarter, in accordance with the changes in the effective life for such tangible fixed assets in the amendment of the Corporation Tax Law in fiscal 2008.

Accordingly, operating income for the first half under review fell ¥110 million, and recurring income for the period and net income before income taxes and minority interests declined ¥109 million, respectively.

5. Consolidated Financial Statements
(1) Consolidated balance sheet

(Million yen)

	End of the consolidated first half accounting period (As of September 30, 2008)	Summary of consolidated balance sheet for the end of the previous consolidated fiscal year (As of March 31, 2008)
(Assets)		
Current assets		
Cash and bank deposits	12,061	12,785
Notes and accounts receivable	89,642	88,369
Marketable securities	531	467
Goods and products	26,305	25,701
Work-in-process	2,001	2,132
Raw material and supplies	12,631	11,384
Deferred income tax assets	3,587	2,608
Others	2,155	2,482
Allowance for doubtful receivables	-721	-758
Total current assets	148,192	145,172
Fixed assets		
Property, plant and equipment		
Building and structures	81,417	81,228
Accumulated depreciation	-46,675	-45,841
Building and structures (net amount)	34,741	35,386
Machinery and vehicles	137,203	138,747
Accumulated depreciation	-106,876	-106,615
Machinery and vehicles (net amount)	30,326	32,132
Tools, furniture and fixtures	19,650	19,434
Accumulated depreciation	-16,403	-16,122
Tools, furniture and fixtures (net amount)	3,247	3,311
Land	27,101	27,424
Leased assets	44	-
Accumulated depreciation	-15	-
Leased assets (net amount)	28	-
Construction in progress	5,390	4,285
Total property, plant and equipment	100,836	102,540
Intangible fixed assets		
Total intangible fixed assets	529	2,237
Investments and other assets		
Investment in securities	30,324	33,443
Deferred income tax assets	3,126	3,568
Others	10,897	8,655
Allowance for doubtful receivables	-648	-656
Total investments and other assets	43,700	45,011
Total fixed assets	145,066	149,788
Total assets	293,259	294,961

(Million yen)

	End of the consolidated first half accounting period (As of September 30, 2008)	Summary of consolidated balance sheet for the end of the previous consolidated fiscal year (As of March 31, 2008)
(Liabilities)		
Current liabilities		
Notes and accounts payable	47,368	46,992
Short-term loans payable	25,195	19,917
Convertible bonds due for redemption within one year	14,303	14,303
Accrued income taxes	1,073	2,529
Others	13,969	14,865
Total current liabilities	101,909	98,607
Long-term liabilities		
Long-term loans payable	32,299	32,333
Deferred income tax liabilities	1,552	1,698
Liability for employees' retirement benefits	1,404	1,394
Liability for directors' retirement benefits	225	219
Others	377	215
Total long-term liabilities	35,860	35,860
Total liabilities	137,770	134,468
(Net assets)		
Shareholders' equity		
Common stock	31,733	31,733
Capital surplus	32,920	32,922
Retained earnings	86,474	87,058
Treasury stock, at cost	-252	-249
Total shareholders' equity	150,875	151,464
Valuation and translation adjustment		
Net unrealized gains on available-for-sale securities	-2,680	-541
Foreign currency translation adjustments	-273	1,838
Total valuation and translation adjustment	-2,953	1,296
Minority interests	7,567	7,732
Total net assets	155,489	160,493
Total of liabilities and net assets	293,259	294,961

(2) Consolidated income statement
(Cumulative consolidated first half period)

(Million yen)

	Cumulative consolidated first half period (From April 1, 2008 to September 30, 2008)
Net sales	125,735
Cost of sales	100,033
Gross profit	25,701
Selling, general and administrative expenses	
Packing expenses and freight charge	3,205
Salaries and allowance	5,167
Bonuses	1,225
Welfare expenses	1,327
Depreciation expenses	881
Research and development expenses	1,353
Other selling, general and administrative expenses	8,429
Total selling, general and administrative expenses	21,590
Operating income	4,110
Non-operating income	
Interest income	83
Dividend income	288
Investment income according to the equity method	29
Others	690
Total non-operating income	1,092
Non-operating expenses	
Interest expenses	604
Loss on foreign currency exchange	34
Others	314
Total non-operating expenses	953
Recurring income	4,249
Extraordinary profit	
Gain on sales of property, plant and equipment	82
Others	2
Total extraordinary profit	85
Extraordinary loss	
Loss on disposals of property, plant and equipment	230
Loss on re-appraisal of inventory assets	511
Loss on discontinued operations	288
Others	103
Total extraordinary loss	1,134
Income before income taxes and minority interests	3,200
Income taxes, current	879
Income taxes, deferred	868
Total income taxes	1,748
Minority interests	326
Net income	1,125

(Consolidated second quarter)

(Million yen)

	Consolidated second quarter (From July 1, 2008 to September 30, 2008)
Net sales	64,693
Cost of sales	52,136
Gross profit	12,557
Selling, general and administrative expenses	
Packing expenses and freight charge	1,617
Salaries and allowance	2,581
Bonuses	617
Welfare expenses	617
Depreciation expenses	442
Research and development expenses	691
Other selling, general and administrative expenses	4,050
Total selling, general and administrative expenses	10,617
Operating income	1,939
Non-operating income	
Interest income	46
Dividend income	7
Investment income according to the equity method	0
Others	441
Total non-operating income	496
Non-operating expenses	
Interest expenses	305
Loss on foreign currency exchange	159
Others	149
Total non-operating expenses	615
Recurring income	1,820
Extraordinary profit	
Gain on sales of property, plant and equipment	37
Others	2
Total extraordinary profit	40
Extraordinary loss	
Loss on disposals of property, plant and equipment	131
Loss on discontinued operations	47
Others	25
Total extraordinary loss	204
Income before income taxes and minority interests	1,656
Income taxes, current	-41
Income taxes, deferred	1,179
Total income taxes	1,138
Minority interests	175
Net income	341

(3) Consolidated cash flow statement

(Million yen)

	Cumulative consolidated first half period (From April 1, 2008 to September 30, 2008)
Cash flows from operating activities	
Income before income taxes and minority interests	3,200
Depreciation and amortization	6,193
Interest and dividend income	-372
Interest expenses	604
Gain on sale of property, plant and equipment	-75
Loss on disposals of property, plant and equipment	140
Equity/loss in earnings of associated companies (- is equity)	-29
Increase/decrease in notes and accounts receivable (- is increases)	-1,795
Increase/decrease in inventories (- is increases)	-2,339
Increase/decrease in notes and accounts payable (- is decreases)	244
Others	-695
Subtotal	5,074
Interest and dividend received	421
Interest paid	-601
Income taxes paid	-2,194
Net cash provided by operating activities	2,701
Cash flows from investing activities	
Increase in time deposits	-88
Income on certificate of deposit repayment	273
Purchases of property, plant and equipment	-5,853
Proceeds from sales of property, plant and equipment	462
Purchases of investment securities	-864
Proceeds from sales of investment securities	39
Income on acquisition of a subsidiary involving a change in the scope of consolidation	56
Others	-9
Net cash used in investing activities	-5,983
Cash flows from financing activities	
Increase/decrease in short-term loans payable, net (- is decrease)	6,333
Repayments of long-term loans payable	-681
Dividends paid	-1,663
Dividends paid to minority interests	-139
Others	24
Net cash provided by financing activities	3,874
Foreign currency translation adjustments on cash and cash equivalents	-1,119
Net increase (decrease) in cash and cash equivalents (- is decrease)	-528
Cash and cash equivalents, beginning of period	12,086
Cash and cash equivalents, end of period	11,558

Beginning in the consolidated fiscal year under review, the Accounting Standards for Quarterly Financial Statements, ASBJ Standard No. 12 dated March 14, 2007, and the Guidance on Accounting Standards for Quarterly Financial Statements, ASBJ Guidance No. 14 dated March 14, 2007, are being applied. In addition, the Company has complied with the Regulations for Quarterly Financial Statements in compiling consolidated quarterly financial statements.
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(4) Notes on assumption of going business
Not applicable

(5) Segment information
[Segment information by business group]
From April 1, 2008 to September 30, 2008 (Million yen)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Eliminations or corporate	Total consolidated
Net sales								
(1) Sales to customers	52,982	13,260	26,549	29,977	2,965	125,735	–	125,735
(2) Intersegment sales	436	12	817	766	685	2,719	(2,719)	–
Total sales	53,419	13,273	27,367	30,743	3,650	128,454	(2,719)	125,735
Operating income	3,031	346	1,922	4,149	143	9,593	(5,483)	4,110

(Notes) 1. Industry segments are divided mainly by business groups with consideration given to the similarity of markets.
2. Major products in respective segments:
(1) Printing inks:
Offset inks, gravure inks, and others
(2) Graphic arts machinery and supplies:
Printing presses, printing equipment, prepress systems, printing supplies, gravure cylinders, and others
(3) Polymer chemicals:
Inside and outside can coatings, metal printing inks, resins, adhesives, waxes, coating materials, and others
(4) Chemicals and media materials:
Organic pigments, processed pigments, master batch and plastic colorants, concentrated resin colors, color filter materials, electronics materials, ink-jet materials, and others
(5) Others:
Natural materials, service provision, and others

[Segment information by location]
From April 1, 2008 to September 30, 2008 (Million yen)

	Japan	Asia – Oceania	Europe	North America	Subtotal	Eliminations or corporate	Total consolidated
Net sales							
(1) Sales to customers	89,855	30,961	1,244	3,673	125,735	–	125,735
(2) Intersegment sales	8,735	1,841	756	14	11,348	(11,348)	–
Total sales	98,591	32,803	2,000	3,688	137,083	(11,348)	125,735
Operating income or loss (-)	2,315	1,827	-271	7	3,878	231	4,110

(Notes) 1. The division of countries and regions is based on geographical vicinity.
2. Major countries or regions belonging to segments other than Japan:
(1) Asia – Oceania:
People's Republic of China, Taiwan, Australia, Malaysia and Singapore
(2) Europe:
France and Belgium
(3) North America:
The United States

[Sales to foreign customers]
From April 1, 2008 to September 30, 2008 (Million yen)

	Asia – Oceania	Europe	The Americas	Africa	Total
I. Sales to foreign customers	32,705	1,356	4,027	105	38,194
II. Consolidated net sales					125,735
III. Ratio of sales to foreign customers (%)	26.0	1.1	3.2	0.1	30.4

(Notes) 1. The division of countries and regions is based on geographical vicinity.
2. Major countries or regions belonging to segments:
(1) Asia – Oceania:
People's Republic of China, Taiwan, Australia, Malaysia and Singapore
(2) Europe:
France and Germany
(3) The Americas:
The United States and Mexico
(4) Africa:
South Africa
3. Overseas sales refer to sales achieved by the consolidated subsidiaries in countries and regions other than by the Company and its domestic consolidated subsidiaries (not including internal sales among consolidated subsidiaries).

(6) Notes on significant changes in the amount of shareholders' equity
Not applicable

Reference: Financial Statements and Others Concerning the First Half in the Previous Fiscal Year
(1) (Summary) Consolidated income statement

(Million yen)

Account title	Previous cumulative consolidated first half period (From April 1, 2007 to September 30, 2007)	Cumulative consolidated first half period (From April 1, 2008 to September 30, 2008)	Increase/decrease		Previous consolidated fiscal year ended March 31, 2008
	Amount	Amount	Amount	Increase/ decrease (%)	Amount
I. Net sales	124,683	125,735	1,051	0.8	257,446
II. Cost of sales	98,486	100,033	1,547	1.6	203,209
Gross profit	26,196	25,701	-495	-1.9	54,237
III. Selling, general and administrative expenses	(21,998)	(21,590)	(-407)	-1.9	(43,724)
Packing expenses and freight charge	3,251	3,205	-45		6,608
Salaries and allowance	5,244	5,167	-76		10,475
Bonuses	1,291	1,225	-66		2,651
Welfare expenses	1,304	1,327	22		2,512
Depreciation expenses	946	881	-64		1,914
Research and development expenses	1,362	1,353	-9		2,748
Others	8,597	8,429	-168		16,814
Operating income	4,198	4,110	-88	-2.1	10,512
IV. Non-operating income	(1,173)	(1,092)	(-81)	-6.9	(2,307)
Interest income	100	83	-17		235
Dividend income	275	288	13		507
Gain on foreign currency exchange	174	–	-174		–
Investment income according to the equity method	–	29	29		–
Others	623	690	66		1,564
V. Non-operating expenses	(1,037)	(953)	(-83)	-8.1	(2,994)
Interest expenses	583	604	21		1,194
Loss on foreign currency exchange	–	34	34		682
Investment loss according to the equity method	77	–	-77		105
Others	376	314	-62		1,012
Recurring Income	4,334	4,249	-85	-2.0	9,825
VI. Extraordinary profit	(1,812)	(85)	(-1,727)	-95.3	(2,768)
Gain on sales of property, plant and equipment	618	82	-535		619
Others	1,194	2	-1,192		2,149
VII. Extraordinary loss	(1,521)	(1,134)	(-387)	-25.5	(2,819)
Loss on disposals of property, plant and equipment	378	230	-147		580
Loss on re-appraisal of inventory assets	–	511	511		–
Loss on discontinued operations	1,123	288	-835		2,000
Others	19	103	83		238
Net income before income taxes and minority interests	4,625	3,200	-1,425	-30.8	9,774
Income taxes, current	2,088	879	-1,208		4,314
Income taxes, deferred	478	868	390		-1,948
Minority interests	344	326	-17		689
Net income	1,714	1,125	-589	-34.4	6,719

(2) (Summary) Consolidated statements of cash flows

(Million yen)

	Previous cumulative consolidated first half period (From April 1, 2007 to September 30, 2007)	Cumulative consolidated first half period (From April 1, 2008 to September 30, 2008)	Previous consolidated fiscal year ended March 31, 2008
Account title	Amount	Amount	Amount
I. Cash flows from operating activities			
Net income before income taxes and minority interests	4,625	3,200	9,774
Depreciation and amortization	6,119	6,193	13,105
Interest and dividend income	-375	-372	-743
Interest expenses	583	604	1,194
Gain on sale of property, plant and equipment	-403	-75	-402
Loss on disposals of property, plant and equipment	89	140	221
Gain/loss on sales of investment securities (- is gain)	-1,194	–	-2,149
Equity/loss in earnings of associated companies (- is equity)	77	-29	105
Increase/decrease in notes and accounts receivable (- is increases)	1,682	-1,795	379
Increase/decrease in inventories (- is increases)	-83	-2,339	-1,956
Increase/decrease in notes and accounts payable (- is decreases)	-2,854	244	-3,377
Others	-1,145	-695	-1,000
Subtotal	7,121	5,074	15,150
Interest and dividend received	441	421	500
Interest paid	-606	-601	-1,200
Income taxes paid	-2,784	-2,194	-4,455
Net cash provided by operating activities	4,172	2,701	9,894
II. Cash flows from investing activities			
Increase in time deposits	-298	-88	-924
Income on certificate of deposit repayment	372	273	665
Purchases of property, plant and equipment	-8,646	-5,853	-17,994
Proceeds from sales of property, plant and equipment	1,860	462	1,897
Purchases of investment securities	-1,110	-864	-8,117
Proceeds from sales of investment securities	1,429	39	7,193
Balance of payments on acquisition of a subsidiary involving a change in the scope of consolidation	160	56	-940
Others	-127	-9	-598
Net cash used in investing activities	-6,360	-5,983	-18,818
III. Cash flows from financing activities			
Increase/decrease in short-term loans payable, net (- is decrease)	-2,630	6,333	-1,865
Proceeds from long-term loans payable	10,000	–	19,000
Repayments of long-term loans payable	-9,602	-681	-14,458
Dividends paid	-1,964	-1,663	-3,628
Dividends paid to minority interests	-340	-139	-509
Others	-18	24	-18
Net cash used in/provided by financing activities	-4,555	3,874	-1,480
IV. Foreign currency translation adjustments on cash and cash equivalents	597	-1,119	-81
V. Net increase (decrease) in cash and cash equivalents (- is decrease)	-6,146	-528	-10,486
VI. Cash and cash equivalents, beginning of period	22,572	12,086	22,572
VII. Cash and cash equivalents, end of period	16,426	11,558	12,086

(3) Segment information

[Segment information by business group]

From April 1, 2007 to September 30, 2007 (Million yen)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Eliminations or corporate	Total consolidated
Net sales								
(1) Sales to customers	52,586	14,763	23,770	30,096	3,467	124,683	–	124,683
(2) Intersegment sales	203	178	749	1,064	832	3,029	(3,029)	–
Total sales	52,789	14,942	24,519	31,161	4,299	127,713	(3,029)	124,683
Operating expenses	48,865	14,559	22,355	27,847	4,173	117,801	2,682	120,484
Operating income	3,923	382	2,164	3,313	126	9,911	(5,712)	4,198

[Segment information by location]

From April 1, 2007 to September 30, 2007 (Million yen)

	Japan	Asia – Oceania	Europe	North America	Subtotal	Eliminations or corporate	Total consolidated
Net sales							
(1) Sales to customers	87,241	28,697	3,407	5,336	124,683	–	124,683
(2) Intersegment sales	8,028	2,046	462	16	10,553	(10,553)	–
Total sales	95,270	30,743	3,869	5,353	135,236	(10,553)	124,683
Operating expenses	92,539	28,675	4,970	5,215	131,400	(10,915)	120,484
Operating income or loss (-)	2,730	2,068	-1,100	137	3,836	362	4,198

[Sales to foreign customers]

From April 1, 2007 to September 30, 2007 (Million yen)

	Asia – Oceania	Europe	The Americas	Africa	Total
I. Sales to foreign customers	30,120	3,382	5,896	123	39,522
II. Consolidated net sales					124,683
III. Ratio of sales to foreign customers (%)	24.2	2.7	4.7	0.1	31.7