Consolidated Quarterly Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2009

February 6, 2009

TOYO INK MFG, CO., LTD. Listings: Tokyo Stock Exchange
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1. Consolidated business results for the first three quarters of fiscal 2008 ending March 31, 2009
(From April 1, 2008 to December 31, 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	%
Three Quarters, Fiscal 2008	188,784	--	4,079	--	3,631	--	-2,257	--
Three Quarters, Fiscal 2007	192,365	4.7	7,257	-27.3	7,226	-30.2	3,887	-40.0

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
Three Quarters, Fiscal 2008	-7.46	--
Three Quarters, Fiscal 2007	12.85	12.06

(2) Financial position

	Total assets	Net assets	Net worth/Total assets	Net worth per share
	Million yen	Million yen	%	Yen
Three Quarters, Fiscal 2008	288,976	147,356	48.4	462.46
Fiscal 2007	294,961	160,493	51.8	505.02

(Note): Net worth: First Three Quarters, Fiscal 2008: 139,878 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)	-----	-----	-----	--	--

(Note) Revision in dividend forecasts for the quarter under review: Yes
Year-end dividends for the current fiscal year have not yet been determined as announced in the “Notice of Revisions in Results and Dividend Forecasts” published on February 6, 2009.

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	243,000	-5.6	5,000	-52.4	3,300	-66.4	-3,000	--	-9.92

(Note) Revision in consolidated business performance forecasts for the quarter under review: Yes

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 three quarters, fiscal 2008: 303,108,724 shares
Fiscal 2007: 303,108,724 shares
(ii) Numbers of treasury shares at the end of the terms:
First three quarters, fiscal 2008: 645,035 shares
Fiscal 2007: 624,410 shares
(iii) Average numbers of shares issued during the terms (consolidated accumulation periods):
First three quarters, fiscal 2008: 302,474,816 shares
First three quarters, fiscal 2007: 302,480,503 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 three quarters of the previous year are presented for reference purposes.

During the first three quarters under review, the global economy, whose growth had remained stagnant because of the subprime loan issue and fluctuations in resource prices, fell into a severe, unprecedented recession triggered by the so-called Lehman shock in September 2008.
The operating environment surrounding the Toyo Ink Group suffered not only sharp declines in demand in the domestic printing market (which had remained sluggish) and demand from the automobile and electronics industries (which had remained firm), but also a profit squeeze attributable to the appreciation of the yen and rises in raw material prices.
In this environment, the Tokyo Ink Group advanced an operational shift to high-function products for growing markets, invested intensively in growing regions, and worked to cut costs. However, consolidated sales for the first three quarters under review decreased 1.9% year on year, to ¥188,784 million, and consolidated operating income and consolidated recurring income fell, with the former declining 43.8% year on year, to ¥4,079 million, and the latter dropping 49.7% year on year, to ¥3,631 million. The bottom line recorded a consolidated net loss of ¥2,257 million in comparison with consolidated net income of ¥3,887 million for the same period of the previous year. This came primarily as a result of recording extraordinary losses such as a valuation loss on investment securities, as announced on January 26, 2009.

Business results by segment

(1) Results by business group

(i) Printing inks

In addition to a continued decline in demands for sheet-fed, web offset and newspaper inks in Japan in an environment of ongoing printing market downsizing because of factors including the greater use of the Internet, demand dropped sharply in the third quarter, including for products for advertising use. Exports of domestically-produced inks also remained sluggish under the effects of the yen’s substantial appreciation, in addition to a heavy income squeeze that resulted from rises in raw material prices throughout the period. 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. 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 China and Southeast Asia, partly thanks to special demand related to the Beijing Olympics. In contrast, they remained weak in North America and Oceania mainly owing to rises in raw material prices.
With respect to gravure inks, while domestic sales of inks for published matters remained low, gravure inks for coating materials achieved steady results. Although the Group instituted cost-cutting measures and revised sales prices, 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 weak in North America.
As a result of the above factors, consolidated sales for the printing inks segment grew 0.8% year on year, to ¥81,974 million. However, consolidated operating income plunged 35.3% year on year, to ¥4,093 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 declined substantially, owing to low demand for capital investment in Japanese printing markets. Anticipatory development costs for self-developed products further 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 18.2% year on year to ¥19,945 million, and the latter sliding 36.5% year on year to ¥453 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 but declined in the third quarter. Growth in demand for exported cans also remained slow in China, South Korea and Southeast Asia. Rising raw material prices continued to keep income low both in Japan and overseas.

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. 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 three quarters under review.

With respect to coating materials, sales of high-function products related to electronics dropped for the first three quarters, and income was compressed because of factors such as 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 7.9% year on year, to ¥40,908 million. However, consolidated operating income fell 24.5% year on year, to ¥2,450 million.

(iv) Chemicals and media materials

In the chemicals and media materials segment, domestic demand for both commodity-type pigments for printing inks and high-function pigments for LDC declined rapidly in the third quarter, and exports of such pigments also fell due to the sharp appreciation of the yen. 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 an operational shift to high-function pigments.

In plastic colorants, sales increased significantly thanks to firm demand for products for containers and our aggressive expansion of overseas operations, while sales of products for automobile use declined in the third quarter. However, income was squeezed by rises in raw material prices and the generation of anticipatory expenses in France and Thailand, where we set up production bases during the first three quarters under review.

Demand for LCD color filter materials for TV use was strong with the arrival of the Beijing Olympics in the first half but remained weak in the third quarter because of a fall in demand. However, sales of ink-jet materials 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 three quarters under review.

As a result of the factors outlined above, both consolidated sales and operating income declined for the chemicals and media materials segment, with the former decreasing 4.0% year on year, to ¥44,906 million and the latter falling 0.7% year on year, to ¥5,187 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 8.7% year on year, to ¥5,555 million, and consolidated operating income decreased 50.3% year on year, to ¥112 million.

(2) Results by location

(i) Japan

Not only did demand for LCD color filter materials, which was firm in the first half, decline sharply in the third quarter, but sales also dropped further for offset inks, graphic arts machinery and pigments, all of which saw slower growth in sales since the beginning of the current fiscal year. In contrast, sales of gravure inks for coating materials, adhesives and ink-jet materials remained relatively solid.

Income was squeezed throughout the period as cost reductions and adequate cost shifting to sales prices failed to offset raw material prices, which soared and remained at high levels. In addition, since a sharp fall in sales in the third quarter prevented us from recovering fixed expenses, the Group had no choice but to see a substantial decline in income across the businesses. 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, both consolidated sales and operating income dropped for Japan, with the former slipping 2.3% year on year, to ¥144,662 million and the latter dropping 70.4% year on year, to ¥1,427 million.

(ii) Asia-Oceania

In China, where business had continued to boom, export-related demand declined on the back of the appreciation of the local currency and a higher awareness of food safety, and income was squeezed because of factors including rises in raw material prices and personnel expenses. Although sales of LCD color filter materials remained generally strong in Taiwan, demand headed sharply downward from early autumn.

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

As a result of these factors, consolidated sales for Asia-Oceania increased 7.7% year on year, to ¥50,981 million. However, consolidated operating income for the region sank 16.7% year on year, to ¥2,632 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 46.4% year on year, to ¥2,866 million. However, consolidated operating loss for the region shrank substantially to ¥610 million (compared with ¥1,503 million recorded in the first three quarters 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 dropped sharply for colorants for automobile use in the third quarter. With the Group's withdrawal from the monochrome electrostatic toner business and lower yen-denominated results owing to the weakened dollar, it recorded net sales of ¥5,589 million, a decline of 24.7% year on year, and an operating loss of ¥22 million for North America in the first three quarters under review, compared with operating income of ¥186 million in the same period of the previous year.

2. Qualitative Data on the Consolidated Financial Position

The balance of total assets at the end of the third quarter under review stood at ¥288,976 million, down ¥5,985 million from the balance at the beginning of the fiscal year.

Inventories increased as a result of the development of business activities including those by overseas affiliates, while tangible fixed assets decreased owning to constraints on new capital expenditures. Investment securities also declined with a fall in the appraised value.

The balance of liabilities at the end of the third quarter under review was ¥141,619 million, up ¥7,151 million from the balance at the beginning of the fiscal year. Accounts payable increased as the payment dates were deferred to the next month given that the final day of the period was a holiday. In addition, short-term loans payable also expanded attributable to aggressive capital investment by overseas affiliates.

The balance of net assets at the end of the third quarter under review was ¥147,356 million, down ¥13,136 million from the balance at the beginning of the fiscal year. 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 third quarter under review stood at ¥13,506 million, up ¥1,419 million from the balance at the beginning of the fiscal year.

Cash provided by operating activities came to ¥6,352 million. Income before income taxes and minority interests was negative, partly owing to the effect of a valuation loss on investment securities, which is a non-cash loss. Cash outflows included an increase in inventories, while other cash changes included an increase in notes and accounts receivable and notes and accounts payable, as the final day of the period was a holiday.

Cash used in investing activities totaled ¥7,114 million. The outflow was primarily due to purchases of property,

plant and equipment.
Cash provided by financing activities was ¥3,911 million. Cash outflows such as the purchase of property, plant and equipment mentioned above and dividends paid were offset by cash inflows such as an increase in short-term loans payable.

3. Qualitative Data on the Consolidated Earnings Forecasts

The global economic recession for the first three quarters was far more serious than predicted, and it is expected to continue in the fourth quarter. In addition, the future of raw material prices and exchange rate fluctuations is becoming increasingly uncertain. In a business environment that is experiencing unprecedented deterioration, the Toyo Ink Group is committed to doing whatever is required to improve cash flows, including taking emergency measures such as a significant reduction in personnel expenses and other costs, the improvement of procurement methods of materials including raw materials, and the deferment of capital investment plans, while at the same time pursuing evolution into a specialty chemical manufacturer. Despite these initiatives, however, the Group was unable to absorb the negative effect of the sharp deterioration of the business environment. In consideration of this situation, as advised in the "Notice of Revisions in Results and Dividend Forecasts" released on February 6, 2009, the Group has revised its forecasts for consolidated sales to ¥243,000 million, consolidated operating income to ¥5,000 million, consolidated recurring income to ¥3,300 million, and net loss of ¥3,000 million, taking into account a valuation loss on investment securities 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 three quarters under review declined ¥98 million, recurring income for the period fell ¥99 million, and net income before income taxes and minority interests increased ¥611 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 three quarters under review fell ¥160 million, and recurring income for the period declined ¥159 million, and net income before income taxes and minority interests increased ¥159 million, respectively.

5. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	End of the consolidated first three quarters accounting period (As of December 31, 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	13,914	12,785
Notes and accounts receivable	87,939	88,369
Marketable securities	466	467
Goods and products	27,305	25,701
Work-in-process	1,406	2,132
Raw material and supplies	13,698	11,384
Deferred income tax assets	1,804	2,608
Others	2,577	2,482
Allowance for doubtful receivables	-775	-758
Total current assets	148,337	145,172
Fixed assets		
Property, plant and equipment		
Building and structures	81,779	81,228
Accumulated depreciation	-46,934	-45,841
Building and structures (net amount)	34,844	35,386
Machinery and vehicles	136,344	138,747
Accumulated depreciation	-107,280	-106,615
Machinery and vehicles (net amount)	29,064	32,132
Tools, furniture and fixtures	19,752	19,434
Accumulated depreciation	-16,521	-16,122
Tools, furniture and fixtures (net amount)	3,231	3,311
Land	26,857	27,424
Leased assets	76	-
Accumulated depreciation	-20	-
Leased assets (net amount)	55	-
Construction in progress	3,601	4,285
Total property, plant and equipment	97,655	102,540
Intangible fixed assets	446	2,237
Investments and other assets		
Investment in securities	27,147	33,443
Deferred income tax assets	4,961	3,568
Others	11,076	8,655
Allowance for doubtful receivables	-649	-656
Total investments and other assets	42,536	45,011
Total fixed assets	140,638	149,788
Total assets	288,976	294,961

(Million yen)

	End of the consolidated first three quarters accounting period (As of December 31, 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	50,442	46,992
Short-term loans payable	25,954	19,917
Convertible bonds due for redemption within one year	14,303	14,303
Accrued income taxes	665	2,529
Others	14,513	14,865
Total current liabilities	105,878	98,607
Long-term liabilities		
Long-term loans payable	32,274	32,333
Deferred income tax liabilities	1,493	1,698
Liability for employees' retirement benefits	1,365	1,394
Liability for directors' retirement benefits	230	219
Others	376	215
Total long-term liabilities	35,741	35,860
Total liabilities	141,619	134,468
(Net assets)		
Shareholders' equity		
Common stock	31,733	31,733
Capital surplus	32,920	32,922
Retained earnings	81,424	87,058
Treasury stock, at cost	-250	-249
Total shareholders' equity	145,827	151,464
Valuation and translation adjustment		
Net unrealized gains on available-for-sale securities	-3,227	-541
Foreign currency translation adjustments	-2,721	1,838
Total valuation and translation adjustment	-5,948	1,296
Minority interests	7,477	7,732
Total net assets	147,356	160,493
Total of liabilities and net assets	288,976	294,961

(2) Consolidated income statement
(Cumulative consolidated first three quarters period)

(Million yen)

	Cumulative consolidated first three quarters period (From April 1, 2008 to December 31, 2008)
Net sales	188,784
Cost of sales	152,397
Gross profit	36,386
Selling, general and administrative expenses	
Packing expenses and freight charge	4,824
Salaries and allowance	7,802
Bonuses	1,808
Welfare expenses	1,956
Depreciation expenses	1,287
Research and development expenses	2,062
Other selling, general and administrative expenses	12,565
Total selling, general and administrative expenses	32,307
Operating income	4,079
Non-operating income	
Interest income	122
Dividend income	529
Investment income according to the equity method	139
Others	925
Total non-operating income	1,717
Non-operating expenses	
Interest expenses	909
Loss on foreign currency exchange	762
Others	493
Total non-operating expenses	2,164
Recurring income	3,631
Extraordinary profit	
Gain on sales of property, plant and equipment	179
Others	2
Total extraordinary profit	182
Extraordinary loss	
Loss on sales of property, plant and equipment	319
Loss on re-appraisal of investment securities	3,082
Loss on re-appraisal of inventory assets	511
Loss on discontinued operations	290
Others	27
Total extraordinary loss	4,232
Loss before income taxes and minority interests	-417
Income taxes, current	1,060
Income taxes, deferred	261
Total income taxes	1,321
Minority interests	518
Net loss	-2,257

(3) Consolidated cash flow statement

(Million yen)

	Cumulative consolidated first three quarters period (From April 1, 2008 to December 31, 2008)
Cash flows from operating activities	
Loss before income taxes and minority interests	-417
Depreciation and amortization	9,417
Interest and dividend income	-652
Interest expenses	909
Gain/loss on sale of property, plant and equipment (- is gain)	-161
Loss on disposals of property, plant and equipment	192
Gain/loss on re-appraisal of investment securities (- is gain)	3,082
Equity/loss in earnings of associated companies (- is equity)	-139
Increase/decrease in notes and accounts receivable (- is increases)	-1,577
Increase/decrease in inventories (- is increases)	-4,886
Increase/decrease in notes and accounts payable (- is decreases)	4,738
Others	-1,332
Subtotal	9,172
Interest and dividend received	697
Interest paid	-761
Income taxes paid	-2,756
Net cash provided by operating activities	6,352
Cash flows from investing activities	
Increase in time deposits	-175
Income on certificate of deposit repayment	424
Purchases of property, plant and equipment	-7,230
Proceeds from sales of property, plant and equipment	701
Purchases of investment securities	-1,089
Proceeds from sales of investment securities	202
Income on acquisition of a subsidiary involving a change in the scope of consolidation	56
Others	-4
Net cash used in investing activities	-7,114
Cash flows from financing activities	
Increase/decrease in short-term loans payable, net (- is decrease)	7,935
Proceeds from long-term loans	96
Repayments of long-term loans payable	-717
Dividends paid	-3,209
Dividends paid to minority interests	-205
Others	12
Net cash provided by financing activities	3,911
Foreign currency translation adjustments on cash and cash equivalents	-1,730
Net increase (decrease) in cash and cash equivalents (- is decrease)	1,419
Cash and cash equivalents, beginning of period	12,086
Cash and cash equivalents, end of period	13,506

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 December 31, 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	81,340	19,910	39,427	43,468	4,637	188,784	–	188,784
(2) Intersegment sales	633	35	1,480	1,438	918	4,506	(4,506)	–
Total sales	81,974	19,945	40,908	44,906	5,555	193,290	(4,506)	188,784
Operating income	4,093	453	2,450	5,187	112	12,297	(8,218)	4,079

(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 December 31, 2008 (Million yen)

	Japan	Asia – Oceania	Europe	North America	Subtotal	Eliminations or corporate	Total consolidated
Net sales							
(1) Sales to customers	133,299	48,076	1,858	5,549	188,784	–	188,784
(2) Intersegment sales	11,363	2,904	1,008	39	15,315	(15,315)	–
Total sales	144,662	50,981	2,866	5,589	204,100	(15,315)	188,784
Operating income or loss (-)	1,427	2,632	-610	-22	3,427	651	4,079

(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 December 31, 2008 (Million yen)

	Asia – Oceania	Europe	The Americas	Africa	Total
I. Sales to foreign customers	50,392	1,995	6,203	142	58,733
II. Consolidated net sales					188,784
III. Ratio of sales to foreign customers (%)	26.7	1.0	3.3	0.1	31.1

(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 Three Quarters in the Previous Fiscal Year

(1) (Summary) Consolidated income statement

(Million yen)

Account title	Previous cumulative consolidated first three quarters period (From April 1, 2007 to December 31, 2007)	Cumulative consolidated first three quarters period (From April 1, 2008 to December 31, 2008)	Increase/decrease		Previous consolidated fiscal year ended March 31, 2008
	Amount	Amount	Amount	Increase/ decrease (%)	Amount
I. Net sales	192,365	188,784	-3,581	-1.9	257,446
II. Cost of sales	152,105	152,397	292	0.2	203,209
Gross profit	40,260	36,386	-3,873	-9.6	54,237
III. Selling, general and administrative expenses	(33,002)	(32,307)	(-695)	-2.1	(43,724)
Packing expenses and freight charge	4,959	4,824	-134		6,608
Salaries and allowance	7,848	7,802	-45		10,475
Bonuses	1,968	1,808	-159		2,651
Welfare expenses	1,890	1,956	65		2,512
Depreciation expenses	1,426	1,287	-139		1,914
Research and development expenses	2,067	2,062	-4		2,748
Others	12,841	12,565	-275		16,814
Operating income	7,257	4,079	-3,178	-43.8	10,512
IV. Non-operating income	(1,553)	(1,717)	(163)	10.6	(2,307)
Interest income	159	122	-36		235
Dividend income	502	529	27		507
Gain on foreign currency exchange	10	–	-10		–
Investment income according to the equity method	–	139	139		–
Others	881	925	43		1,564
V. Non-operating expenses	(1,584)	(2,164)	(580)	36.7	(2,994)
Interest expenses	875	909	33		1,194
Loss on foreign currency exchange	–	762	762		682
Investment loss according to the equity method	72	–	-72		105
Others	636	493	-143		1,012
Recurring Income	7,226	3,631	-3,594	-49.7	9,825
VI. Extraordinary profit	(2,765)	(182)	(-2,583)	-93.4	(2,768)
Gain on sales of property, plant and equipment	620	179	-440		619
Others	2,144	2	-2,142		2,149
VII. Extraordinary loss	(1,616)	(4,232)	(2,615)	161.7	(2,819)
Loss on sales of property, plant and equipment	464	319	-145		580
Loss on re-appraisal of investment securities	23	3,082	3,059		45
Loss on re-appraisal of inventory assets	–	511	511		–
Loss on discontinued operations	1,124	290	-834		2,000
Others	3	27	23		192
Net income/loss before income taxes and minority interests	8,375	-417	-8,792	–	9,774
Income taxes, current	3,283	1,060	-2,223		4,314
Income taxes, deferred	677	261	-416		-1,948
Minority interests	526	518	-7		689
Net income/loss	3,887	-2,257	-6,145	–	6,719

(2) (Summary) Consolidated statements of cash flows (Million yen)

		Previous cumulative consolidated first three quarters period (From April 1, 2007 to December 31, 2007)	Cumulative consolidated first three quarters period (From April 1, 2008 to December 31, 2008)	Previous consolidated fiscal year ended March 31, 2008
	Account title	Amount	Amount	Amount
I.	Cash flows from operating activities			
	Net income/loss before income taxes and minority interests	8,375	-417	9,774
	Depreciation and amortization	9,573	9,417	13,105
	Interest and dividend income	-661	-652	-743
	Interest expenses	875	909	1,194
	Gain/loss on sale of property, plant and equipment (- is gain)	-403	-161	-402
	Loss on disposals of property, plant and equipment	162	192	221
	Gain/loss on sales of investment securities (- is gain)	-2,144	–	-2,149
	Gain/loss on re-appraisal of investment securities (- is gain)	23	3,082	45
	Equity/loss in earnings of associated companies (- is equity)	72	-139	105
	Increase/decrease in notes and accounts receivable (- is increases)	-3,660	-1,577	379
	Increase/decrease in inventories (- is increases)	-223	-4,886	-1,956
	Increase/decrease in notes and accounts payable (- is decreases)	1,635	4,738	-3,377
	Others	-1,850	-1,332	-1,046
	Subtotal	11,773	9,172	15,150
	Interest and dividend received	693	697	500
	Interest paid	-798	-761	-1,200
	Income taxes paid	-4,298	-2,756	-4,455
	Net cash provided by operating activities	7,369	6,352	9,894
II.	Cash flows from investing activities			
	Increase in time deposits	-401	-175	-924
	Income on certificate of deposit repayment	546	424	665
	Purchases of property, plant and equipment	-12,781	-7,230	-17,994
	Proceeds from sales of property, plant and equipment	1,875	701	1,897
	Purchases of investment securities	-8,907	-1,089	-8,117
	Proceeds from sales of investment securities	6,891	202	7,193
	Balance of payments on acquisition of a subsidiary involving a change in the scope of consolidation	160	56	-940
	Others	-213	-4	-598
	Net cash used in investing activities	-12,831	-7,114	-18,818
III.	Cash flows from financing activities			
	Increase/decrease in short-term loans payable, net (- is decrease)	6,785	7,935	-1,865
	Proceeds from long-term loans payable	10,000	96	19,000
	Repayments of long-term loans payable	-13,843	-717	-14,458
	Dividends paid	-3,472	-3,209	-3,628
	Dividends paid to minority interests	-418	-205	-509
	Others	-22	12	-18
	Net cash used in/provided by financing activities	-972	3,911	-1,480
IV.	Foreign currency translation adjustments on cash and cash equivalents	-88	-1,730	-81
V.	Net increase (decrease) in cash and cash equivalents (- is decrease)	-6,523	1,419	-10,486
VI.	Cash and cash equivalents, beginning of period	22,572	12,086	22,572
VII.	Cash and cash equivalents, end of period	16,049	13,506	12,086

(3) Segment information

[Segment information by business group]

From April 1, 2007 to December 31, 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	80,805	24,323	36,743	45,356	5,136	192,365	–	192,365
(2) Intersegment sales	491	63	1,166	1,405	946	4,072	(4,072)	–
Total sales	81,297	24,386	37,909	46,762	6,082	196,438	(4,072)	192,365
Operating expenses	74,966	23,673	34,663	41,540	5,856	180,700	4,408	185,108
Operating income	6,330	713	3,246	5,222	225	15,738	(8,480)	7,257

[Segment information by location]

From April 1, 2007 to December 31, 2007 (Million yen)

	Japan	Asia – Oceania	Europe	North America	Subtotal	Eliminations or corporate	Total consolidated
Net sales							
(1) Sales to customers	135,758	44,558	4,681	7,367	192,365	–	192,365
(2) Intersegment sales	12,239	2,775	671	59	15,745	(15,745)	–
Total sales	147,998	47,333	5,352	7,426	208,111	(15,745)	192,365
Operating expenses	143,180	44,171	6,856	7,240	201,449	(16,340)	185,108
Operating income or loss (-)	4,817	3,161	-1,503	186	6,661	595	7,257

[Sales to foreign customers]

From April 1, 2007 to December 31, 2007 (Million yen)

	Asia – Oceania	Europe	The Americas	Africa	Total
I. Sales to foreign customers	47,345	4,613	8,016	152	60,128
II. Consolidated net sales					192,365
III. Ratio of sales to foreign customers (%)	24.6	2.4	4.2	0.1	31.3