TOYO INK SC

Consolidated Financial Results (Japanese Accounting Standards)
for the Fiscal Year ended March 2011

May 13, 2011

Name of Listed Company: TOYO INK SC HOLDINGS CO., LTD. Listings: Tokyo Stock Exchange
Code: 4634 URL: http://schd.toyoinkgroup.com
Representative: Katsumi Kitagawa, President, CEO
Contact: Hiroya Aoyama, Director, CFO Tel: +81-3-3272-5731
Scheduled date of ordinary shareholders' meeting: June 29, 2011
Scheduled date of commencement of dividend payments: June 30, 2011
Scheduled date of submission of financial report: June 29, 2011
Supplementary documents for financial results: Yes
Financial results briefing: Yes (for institutional investors and securities analysts)

(Amounts of less than million yen are omitted.)

1. Consolidated business results for the year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

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

Year ended	Net sales		Operating income		Recurring income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March, 2011	245,732	8.7	19,152	43.6	19,002	39.7	11,517	75.7
March, 2010	226,074	-5.7	13,339	257.3	13,604	462.0	6,556	–

(Note) Comprehensive income: Fiscal 2010 6,551 million yen (-47.1%) Fiscal 2009 12,383 million yen (–%)

Year 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, 2011	38.60	–	8.2	7.0	7.8
March, 2010	21.77	–	4.8	5.2	5.9

(Note) Equity in earnings of associated companies: Fiscal 2010 178 million yen Fiscal 2009 -217 million yen

(2) Financial position

Year ended	Total assets	Net assets	Net worth/Total assets	Net worth per share
	Million yen	Million yen	%	Yen
March, 2011	274,797	146,034	51.7	476.26
March, 2010	266,463	144,943	52.2	466.41

(Note) Net worth: Fiscal 2010 142,115 million yen Fiscal 2009 139,186 million yen

(3) Consolidated cash flow condition

Year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
March, 2011	22,859	-12,376	-4,179	26,732
March, 2010	26,147	-5,419	-12,631	21,037

2. Dividend

	Dividends per share					Dividends total (annual)	Dividend payout ratio (consolidated)	Dividends/ Net assets
	End of Q1	End of Q2	End of Q3	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March, 2010	–	4.50	–	5.50	10.00	3,002	45.9	2.2
March, 2011	–	6.00	–	6.00	12.00	3,580	31.1	2.5
March, 2012 (Forecast)	–	6.00	–	6.00	12.00		37.7	

3. Forecast for the year ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(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
First half	116,000	-4.9	7,400	-26.4	7,400	-25.4	4,100	-30.7	13.74
Full-year	240,000	-2.3	17,000	-11.2	17,000	-10.5	9,500	-17.5	31.84

4. Others
(1) Important changes of subsidiaries during the term: No
(2) Changes in accounting policies and/or the method of presentation
1) Change due to the modification in accounting methods: Yes
2) Any other changes: No
(Note) For details, please refer to "4. Consolidated Financial Statements (7) Changes to important matters for the consolidated financial statements" on page 23 of the accompanying materials.

(3) Number of shares issued (Common stock)
1) Numbers of shares issued at the end of the terms (including treasury shares):
Fiscal 2010: 303,108,724 shares Fiscal 2009: 303,108,724 shares
2) Number of treasury shares at the end of the terms:
Fiscal 2010: 4,711,810 shares Fiscal 2009: 4,687,741 shares
3) Average numbers of shares issued during the terms:
Fiscal 2010: 298,409,136 shares Fiscal 2009: 301,103,870 shares

Reference: Financial summary (non-consolidated) (Amounts of less than million yen are omitted.)

1. Non-consolidated business results for the year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(1) Results of operations (Percentages show year-on-year rates.)

Year ended	Net sales		Operating income		Recurring income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March, 2011	171,876	6.3	11,032	65.7	14,603	62.8	9,046	127.8
March, 2010	161,674	-2.0	6,660	–	8,971	865.7	3,971	–

Year ended	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
March, 2011	30.31	–
March, 2010	13.19	–

(2) Financial conditions

Year ended	Total assets	Net assets	Net worth/Total assets	Net worth per share
	Million yen	Million yen	%	Yen
March, 2011	235,850	131,833	55.9	441.81
March, 2010	225,001	127,900	56.8	428.59

(Note) Net worth: Fiscal 2010 131,833 million yen Fiscal 2009 127,900 million yen

* Status of audit procedures
This financial summary does not need to undergo audit procedures under the Financial Instruments and Exchange Act. Audit procedures for financial statements under the Financial Instruments and Exchange Act have not been completed at the time of the announcement of this financial summary.

* 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. For notes about assumptions of earnings forecasts and the use of earnings forecasts, refer to "(3) Forecasts for the next fiscal year" of "1. Operating Results" on page 6 of the accompanying materials.
2. The Company will hold a financial results briefing for investors as follows. Reference materials for financial results and forecasts used in the briefing will be posted on the Company's website after the close of the briefing.
- May 25, 2011 (Wednesday): Briefing for institutional investors and security analysts.

Accompanying Materials – Contents

1. Operating Results

(1) Analysis of operating results

(Million yen)

	Net sales	Operating income	Recurring income	Net income
March, 2011	245,732	19,152	19,002	11,517
March, 2010	226,074	13,339	13,604	6,556
Growth rate (%)	8.7	43.6	39.7	75.7

The global economy staged a gradual recovery during the first half of the consolidated fiscal year under review, supported by strong domestic demand in emerging economies. However, given weakening business confidence in Western countries and a slowdown in Japanese exports linked to a rapid appreciation of the yen, the global economic recovery began to struggle in the second half of the period. The Great East Japan Earthquake, which struck on March 11, 2011, caused unparalleled hardship and damage, with widespread economic consequences. In the operating environment surrounding the Toyo Ink Group, demand for printing inks remained weak in Japan. This was accompanied by further price hikes of raw materials, and the procurement of materials was partly hindered under the influence of the earthquake.

Notwithstanding this challenging environment, the Group moved forward with structural reform and innovation (growth in profits from new businesses) in the final year of its medium-term management plan, called the “SCC-I (Specialty Chemical Maker Challenge I) Revival Plan,” which the Group reviewed after the occurrence of the worldwide recession.

With respect to structural reform, the Group undertook comprehensive cost-cutting measures and adopted a more selective investment policy to slash total fixed costs and improve its cash flows. It actively implemented supply chain management to improve procurement processes both in Japan and overseas and to build a flexible production system better able to respond to changes in demand. This ensured the manufacture of the right products with the right materials at the right volumes. In addition, the Group integrated affiliates in Japan and restructured business in North American Region to achieve even more efficient business operations.

With respect to innovation, we took steps such as boosting the use of new natural materials in our products in Printing and Information Business to develop and expand sales of products in the environment-related field. We also established bases in Brazil and expanded operations in China, India, and other emerging markets. In the Packaging Business, the Group made comprhensive solution proposals in Printing and Coating areas to help create a low carbon society and expanded its businesses, especially in China, Southeast Asia, and North America. In Polymer and Coating Business, we expanded sales of adhesives for food packaging, for displays and solar batteries, adhesives, and adhesive compounds for the electronics-related field as well as sales of coating products. In Color and Functional Materials Business, we expanded sales of liquid crystal display-related products and advanced product development by taking advantage of the Group’s core technologies in solar batteries and secondary batteries. In addition, as in the previous consolidated fiscal year, we announced new products at the Group’s private show, to positive reviews.

As a result of these activities, sales in the consolidated fiscal year under review stood at 245,732 million yen, an 8.7% increase year on year. Thanks to stronger sales of high-function products and the effects of cost-cutting initiatives, profits increased significantly. Operating income increased 43.6% from a year earlier to 19,152 million yen, while recurring income rose 39.7%, to 19,002 million yen. Net income in the consolidated fiscal year stood at 11,517 million yen, a 75.7% increase year on year.

Results by segment are as follows:

(Million yen)

	Net sales			Operating income		
	Previous term	Term under review	Change (%)	Previous term	Term under review	Change (%)
Printing and Information Business	76,793	76,786	-0.0	1,249	2,689	115.2
Packaging Business	49,958	54,441	9.0	3,039	3,109	2.3
Polymer and Coating Business	47,865	52,177	9.0	3,735	4,158	11.3
Color and Functional Materials Business	50,526	63,303	25.3	4,556	9,068	99.0
Others	5,673	6,539	15.2	179	-487	–
Subtotal	230,818	253,247	9.7	12,760	18,538	45.3
Eliminations or corporate	-4,743	-7,515	–	579	613	–
Total consolidated	226,074	245,732	8.7	13,339	19,152	43.6

(i) Printing and Information Business

In offset inks, sales of mainstay sheet-fed inks and web offset inks remained weak in Japan, reflecting shrinking markets for these products, but demand for RC products (ultraviolet cure inks and coating materials) grew, thanks to the Company's sales promotion initiatives. Newspaper inks were strong despite the challenging industry environment. However, surges in raw materials prices pressured income and the rapid appreciation of the yen caused a further deterioration in the profitability of exports. Sales of ink-jet materials also expanded, particularly in South Korea. However, the demand for ink-jet materials slowed in the second half of the fiscal year under review, resulting in a further deterioration in income.

Meanwhile, China saw an improvement in demand as well as special demand from the Expo, while sales in inland areas also increased. In Southeast Asia, demand also recovered and sales rose in India.

Sales of graphic arts machinery, including small machines such as print inspection equipment for newspaper and large printing machines, remained weak in the face of further reductions in plant and equipment investment by customers responding to the low performance in the domestic printing market and the impact of the earthquake. Sales of graphic arts supplies were also sluggish.

As a result of the above factors, sales of the overall Printing and Information Business stood at 76,786 million yen, a decrease of 0.0% year on year and operating income amounted to 2,689 million yen, an increase of 115.2% compared to the previous fiscal year.

(ii) Packaging Business

In Japan, demand for mainstay gravure inks for packaging held firm. Given strong needs for printing materials for exports, demand for gravure inks for construction materials also held steady, but demand for gravure inks for printing remained sluggish. The very hot weather through the summer contributed to the strong growth in flexographic inks for corrugated cardboard for beverage packaging.

Overseas, demand for gravure inks for food packaging grew in China and Southeast Asia, and sales of eco-friendly inks expanded in the same manner as in Japan. In addition, in North America, demand for gravure inks for construction materials started to recover and sales of flexographic inks expanded.

However, rising raw material prices both in Japan and overseas in the second half of the fiscal year under review had a negative impact on income.
The gravure cylinders business in Japan remained steady, reflecting firm demand for food packaging. However, sales of equipment were sluggish, as customers reduced capital spending.
As a result of the above factors, sales in the overall Packaging Business stood at 54,441 million yen, up 9.0% compared to the previous fiscal year, and operating income amounted to 3,109 million yen, rising 2.3% year on year.

(iii) Polymer and Coating Business

In Japan, sales of can coatings (finishes) for mainstay drink cans posted strong growth on the back of record high temperatures during summer. In addition, sales were strong in Southeast Asia, given the stronger demand for drink cans in the area. Sales of resins for construction purposes were weak in the first half of the fiscal year under review, but slowly recovered in the second half in Japan.
For adhesives, demand for packaging remained steady in Japan, South Korea, and Southeast Asia. Sales of products for solar cells also grew. Demand for adhesives for labels held steady, and sales of products for displays and electronics remained strong. Sales of coating materials for electronics expanded in South Korea, China, and Taiwan. However, demand for the products slowed in the second half of the fiscal year. Meanwhile, to strengthen its adhesives business, in June 2010, the Company acquired all shares of Toyo-Morton, Ltd., a consolidated subsidiary (the Company formerly held 50% of the voting rights), which has subsequently become a wholly owned subsidiary.
As a result of the above factors, sales in the overall Polymer and Coating Business were 52,177 million yen, up 9.0% from a year ago, while operating income was 4,158 million yen, rising 11.3% year on year.

(iv) Color and Functional Materials Business

Sales of commodity-type pigments for automobiles were strong in the first half of the fiscal year under review, and those of printing inks grew in the second half. In terms of profits, however, surges in the prices of certain raw materials and the rapid appreciation of the yen continued to pressure earnings from export products.
Demand for plastic colorants for containers was robust in Japan, and sales of plastic colorants for electronics also increased. With the initiatives taken by the Company to develop operating bases and bolster sales, overseas sales of plastic colorants for automobiles, consumer electronics and office automation equipment remained strong.
Sales of high-function pigments and materials for LCD color filters generally remained strong. This performance owed to strong demand for television sets in emerging countries such as China, and rising demand in Japan inspired by the launch of new types of television sets and the introduction of digital terrestrial broadcasting, as well as a recovery in demand for medium-to-small panels used for tablet terminals and smartphones. Demand slowed, given the start at the outset of this autumn of an inventory correction in the market for products for displays, mainly for television sets. However, demand recovered quickly, and generally remained steady.
As a result of the above factors, sales in the overall Color and Functional Materials Business stood at 63,303 million yen, a rise of 25.3% compared to the previous fiscal year and operating income reached 9,068 million yen, up 99.0% year on year.

(2) Analysis of financial position

(i) Assets, liabilities, and net assets

(Million yen)

	End of previous fiscal year	End of fiscal year under review	Change
Total assets	266,463	274,797	8,333
Liabilities	121,519	128,763	7,243
Net assets	144,943	146,034	1,090

Total assets at the end of the fiscal year under review stood at 274,797 million yen, an increase of 8,333 million yen from the level at the beginning of the fiscal year. Liabilities at the end of the fiscal year were 128,763 million yen, an increase of 7,243 million yen from the level at the beginning of the fiscal year. Net assets at the end of the fiscal year stood at 146,034 million yen, a rise of 1,090 million yen from the level at the beginning of the fiscal year.

Given robust sales in the fiscal year under review, accounts receivable and accounts payable increased. Meanwhile, property, plant and equipment fell, reflecting a restraint in capital spending. Cash and deposits rose, due to the rise in profits and the reduction in investments.

Long-term loans payable that became due within one year were transferred to short-term loans payable.

Retained earnings increased in net assets, while accumulated other comprehensive income decreased, reflecting weak stock market and the appreciation of the yen.

(ii) Cash flows

(Million yen)

	Previous term	Term under review	Change
Cash flows from operating activities	26,147	22,859	-3,288
Cash flows from investing activities	-5,419	-12,376	-6,957
Cash flows from financing activities	-12,631	-4,179	8,451
Balance of cash and cash equivalents	21,037	26,732	5,695

Cash and cash equivalents (“cash”) at the end of the fiscal year under review stood at 26,732 million yen, up 5,695 million yen from the level at the beginning of the fiscal year.

Cash provided by operating activities stood at 22,859 million yen, a decline in cash inflows of 3,288 million yen year on year, mainly reflecting increases in cash outflows from notes and accounts receivable and inventories associated with the growing sales, offsetting a significant increase in cash inflows from income before income taxes and minority interests.

Cash used in investment activities were 12,376 million yen, an increase in cash outflows of 6,957 million yen year on year, reflecting the payments to raise the rate of voting rights in Toyo-Morton to one hundred percent, in addition to an increase in cash outflows from the acquisition of stocks of business partners.

Cash used in financial activities stood at 4,179 million yen, a decline in cash outflows of 8,451 million yen from the previous fiscal year primarily reflecting the progress in repaying interest-bearing liabilities in the previous consolidated fiscal year.

Trends in Group cash flows are as follows:

	Term ended March, 2008	Term ended March, 2009	Term ended March, 2010	Term ended March, 2011
Capital adequacy ratio (%)	51.8	50.5	52.2	51.7
Market value-based capital adequacy ratio (%)	35.4	23.1	47.0	43.0
Ratio of interest-bearing debt to cash flows (years)	6.8	9.7	2.6	2.9
Interest coverage ratio (times)	8.2	6.6	24.1	23.7

Capital adequacy ratio: Shareholders' equity / total assets

Market value-based capital adequacy ratio: Market capitalization / total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / cash flows

Interest coverage ratio: Cash flows / interest payments

(Notes) 1. Each indicator is calculated using consolidated financial data.

2. Market capitalization is computed based on the number of shares issued excluding treasury stock.

3. Cash flows denote cash flows from operating activities.

4. Interest-bearing debt denotes all debts and discounted notes receivable recorded in consolidated balance sheets that pay interest.

(3) Forecasts for the next fiscal year

(Million yen)

	Net sales	Operating income	Recurring income	Net income
Term ending March, 2012	240,000	17,000	17,000	9,500
Term ended March, 2011	245,732	19,152	19,002	11,517
Growth rate (%)	-2.3	-11.2	-10.5	-17.5

Japan has finally started to concentrate on rebuilding after the Great East Japan Earthquake dealt a severe blow to the country. However, there are still concerns about the supply of raw materials and power, as well as a weakening of consumer confidence. This is expected to exert a grave and sustained impact, which will not be able to be offset by corporate efforts alone.

Although the Group plans to minimize adverse impacts on its performance by fulfilling its responsibility to supply products to customers, flexibly responding to changes in demand and enhancing risk management, with an emphasis on corporate social responsibility (CSR), we expect to post net sales of 240,000 million yen in the next consolidated fiscal year, down 2.3% from a year earlier; operating income of 17,000 million yen, declining 11.2% year on year; recurring income of 17,000 million yen, down 10.5%; and net income of 9,500 million yen, down 17.5%.

2. Group Overview

The Toyo Ink Group is constituted of the Company, 63 consolidated subsidiaries and 9 equity method affiliate companies.

Business lines of the Group are as follows:

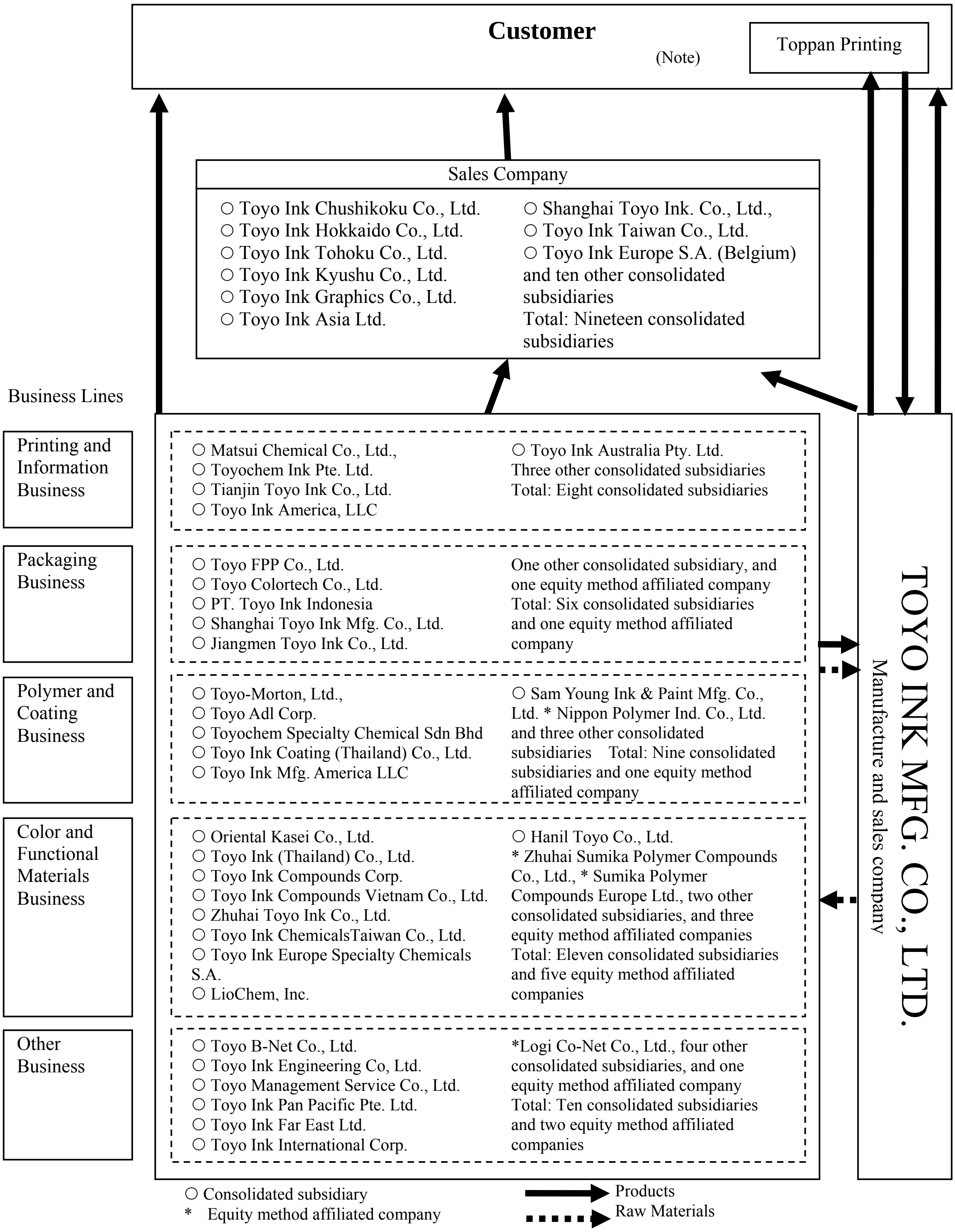
Business line	Major Business	Major Company	
Printing and Information Business	Offset inks, metal printing inks, printing machines, printing equipment, prepress systems, printing supplies ink-jet materials and others	Domestic	The Company, Matsui Chemical Co., Ltd. and others
		Overseas	Tianjin Toyo Ink Co., Ltd., Toyo Ink America, LLC, Toyo Ink Australia Pty. Ltd. and others
Packaging Business	Gravure inks, flexographic inks, gravure cylinders and others	Domestic	The Company, Toyo FPP Co., Ltd. (Note) and others
		Overseas	Shanghai Toyo Ink Mfg. Co., Ltd., Jiangmen Toyo Ink Co., Ltd. and others
Polymer and Coating Business	Can coatings, resins, adhesives, adhesive compounds, coating materials, natural materials and others	Domestic	The Company, Toyo-Morton, Ltd., Toyo Adl Corp. and others
		Overseas	Toyochem Specialty Chemical Sdn Bhd, Toyo Ink Mfg. America, LLC, Sam Young Ink & Paint Mfg. Co., Ltd. and others
Color and Functional Materials Business	Organic pigments, processed pigments, plastic colorants, color filter materials and others	Domestic	The Company, Oriental Kasei Co., Ltd. and others
		Overseas	Toyo Ink (Thailand) Co., Ltd., Toyo Ink Compounds Vietnam Co., Ltd., Zhuhai Toyo Ink Co., Ltd., Toyo Ink Chemicals Taiwan Co., Ltd., Toyo Ink Europe Specialty Chemicals S.A., LioChem, Inc. and others
Other Business	Service provision, real estate rental business management, holding company for subsidiaries and others	Domestic	The Company, Toyo B-Net Co., Ltd., Toyo Ink Engineering Co, Ltd. and others
		Overseas	Toyo Ink Pan Pacific Pte. Ltd., Toyo Ink Far East Ltd., Toyo Ink International Corp. and others
Sales Business	Sales of products handled by the Group companies	Domestic	Toyo Ink Chushikoku Co., Ltd., Toyo Ink Hokkaido Co., Ltd., Toyo Ink Tohoku Co., Ltd., Toyo Ink Kyushu Co., Ltd., Toyo Ink Graphics Co., Ltd. and others
		Overseas	Toyo Ink Asia Ltd., Shanghai Toyo Ink Co., Ltd., Toyo Ink Europe S.A. (Belgium) and others

(Note) In April 2010, Toyo Prepress Co., Ltd., a wholly-owned subsidiary of the Company, merged with Fukujyu Industry Inc., another wholly owned subsidiary of the Company, and changed its name to Toyo FPP Co., Ltd.

The Company deals with Toppan Printing Co., Ltd., an affiliate of the Company, in finished goods and merchandise.

The organization chart is as follows:

(Organization Chart)



(Note) One director of Toyo Seikan Kaisha, Ltd., a customer of the Company, is also a director of the Company.

3. Management Policy

(1) Basic management policy

All corporate activities of the Group are guided by a corporate philosophy of "People-oriented management," a corporate policy of "Aiming to be a company creating new values for human culture throughout the world," and guiding principles that call for customer satisfaction, employee satisfaction, and community satisfaction.

As a manufacturer in the 21st century, we will consistently propose and provide new value for ever-changing living from consumers' perspective, will consider harmony with the environment centered on the conservation of energy and materials, as well as a commitment to safety and security, and will fulfill the corporate social responsibility of a chemical corporation. Through these activities we will aspire to maximize the satisfaction of all stakeholders.

To this end, we will establish a healthy and robust operating base and enhance corporate value with the development of environmentally friendly products, the proactive disclosure of information in IR and PR activities, appropriate internal controls and corporate governance, and management focused on efficiency and performance.

(2) Target management indicators

The Group, which has entered its second century, has adopted the corporate vision set out in SCC2017, which describes the direction we seek to take over the period from fiscal 2008 to fiscal 2016, ending March 31, 2017. SCC stands for "Specialty Chemical maker Challenge." Under this corporate vision, we will continue to reform our business and profit structures to increase not only sales and profit but also ROA and ROE, as a company creating high added value.

(3) Medium- to long-term management strategy

Under SCC2017, we aim to evolve into a specialty chemical maker that is able to make a global contribution, based on a firm corporate policy. We will achieve the goals in SCC2017 in three three-year medium-term management plans, named SCC-I, II, and III. The medium-term management plan SCC-I from FY2008 is the first step.

In fiscal 2011, the Group will introduce the medium-term management plan SCC-II as the second stage of SCC2017. This plan was revised to reflect the influence of the Great East Japan Earthquake and was renamed "Renaissance Plan," aiming at a strong recovery from the challenging industry environment. We will pursue the following three basic policies and implement related measures.

First, we will swiftly and tenaciously pursue product development, market exploration, and marketing-led business expansion, creating new revenue growth. With the launch of SCC-II, we will establish and operate four business domains (Living & Healthcare, Information & Communication, Fine Imaging & Printing and Energy & Environment) as strategic nucleuses for the development of new products and businesses. To support this, technologies possessed by the Group will be brought together as a technology platform that will be used for organic growth. Specifically, the platform will have three groups: specialty materials, materials processing, and material converting. Globally, we will rapidly develop our operations, especially in China, Southeast Asia, India, and other emerging countries, by devising and executing sophisticated strategies and flexibly utilizing our management resources. Moreover, we will improve the Group's market share by consistently stepping up our activities to offer solutions to customers to respond to their needs and challenges and by raising the level of customer satisfaction.

Second, we aim to continue to boost revenue sources through innovation in manufacturing, by producing the right categories of products using the right materials in the right quantities at the right places. To ensure profitability, we will continue our efforts to achieve manufacture innovation and upgrade and expand global supply chain management (SCM) through collaboration between the production departments and the sales, technology, procurement, and distribution departments. This will be accompanied by business development in all areas, from materials to processed products, product upgrades for global competitiveness, response to changes in demand and to multi-line trends, improvement of quality assurance levels, and eco-friendly operations.

In April 2011, the Group adopted a holding company structure to strengthen the value-creation functions of each of its businesses, while improving overall corporate value and maximizing Group synergy. The Group is committed to making the most of this new governance structure for business management, emphasizing speed and the flexible use of the Group's overall management resources. It also aims to strengthen "sustainable management" with an emphasis on harmony with the environment, risk response, global coexistence, and corporate social responsibility (CSR).

(4) Our challenges

With the launch of the new medium-term management plan SCC-II Renaissance Plan described above, we recognize that fiscal 2011 is a year of significant change, with the shift to a holding company, as well as the second foundation year for the Group to evolve into a specialty chemical manufacturer.

To make a strong start in an environment of considerable social and economic uncertainty, both in Japan and in the world, in the aftermath of the Great East Japan Earthquake, the Group's challenges in fiscal 2011 are: (1) accelerate technology development, develop pioneering businesses and to expand sales areas to accelerate growth; (2) expand and upgrade the product lineup and manufacturing based on local production for local consumption, while strengthening cost controls based on manufacturing innovation; and (3) strengthen collaboration with other companies, promote global expansion, and improve Group synergies through flexible management.

To address these issues and achieve our goals, we plan the following measures in our businesses:

In the Printing and Information Business, the Group will seek to develop and expand sales of ink-jet products and functional coating materials for touch screen panels and other high function products, while further streamlining businesses in Japan and reducing costs through raw material replacement. In addition, we will rapidly advance our global strategy by expanding our operating bases in China, India, Southeast Asia, Brazil, and other countries and areas, as well as upgrading products to meet needs specific to each region.

In the Packaging Business, we will pursue product development and sales expansion in eco-friendly fields and sanitary areas, while continuing to streamline our businesses and replace raw materials in this business segment as well. We will also expand our presence in India, Brazil, and other emerging countries, and strengthen the flexographic ink business in North America.

In the Polymer and Coating Business, we will develop systems for raw material procurement and production on a global scale in existing businesses such as adhesives for packaging purposes. We will also seek to develop and expand sales of high function products for display products and electronics markets, as well as in energy markets, such as products for solar batteries and secondary batteries, and those for the health care market.

In the Color and Functional Materials Business, we will refine the global SCM system by streamlining operations in Japan and encouraging the collaboration of overseas production facilities in commodity-type pigments and plastic colorants. The Group is also striving to increase market share and stabilize its position as the industry's leading brand in high function pigments and LCD color filters for display products, by responding quickly to massive demand in China and other regions. In addition, we will upgrade and expand other product lines in environmental energy fields, such as raw materials for secondary batteries.

With respect to the broad effects of the Great East Japan Earthquake on business activities in general, the Group plans to minimize the adverse impact on its performance by fulfilling its responsibility to supply products to customers, flexibly responding to changes in demand and enhancing risk management, with an emphasis on corporate social responsibility (CSR).

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	As of March 31, 2010	As of March 31, 2011
(Assets)		
Current assets		
Cash and bank deposits	*2 21,037	*2 26,760
Notes and accounts receivable	78,520	80,172
Marketable securities	696	678
Goods and products	21,624	21,091
Work-in-process	1,323	1,223
Raw material and supplies	9,980	11,737
Deferred income tax assets	2,280	2,667
Others	2,159	3,894
Allowance for doubtful receivables	-711	-681
Total current assets	136,912	147,545
Fixed assets		
Property, plant and equipment		
Building and structures	*2 81,388	*2 80,253
Accumulated depreciation	-48,467	-49,030
Building and structures (net amount)	32,920	31,223
Machinery and vehicles	*2 130,614	*2 126,265
Accumulated depreciation	-107,508	-106,409
Machinery and vehicles (net amount)	23,106	19,856
Tools, furniture and fixtures	19,938	19,858
Accumulated depreciation	-17,318	-17,345
Tools, furniture and fixtures (net amount)	2,620	2,513
Land	*2 26,674	*2 26,660
Leased assets	77	165
Accumulated depreciation	-32	-55
Leased assets (net amount)	44	110
Construction in progress	1,294	2,251
Total property, plant and equipment	86,661	82,616
Intangible fixed assets	297	1,041
Investments and other assets		
Investment in securities	*1 30,794	*1 30,713
Deferred income tax assets	1,194	1,443
Others	11,273	12,093
Allowance for doubtful receivables	-669	-657
Total investments and other assets	42,592	43,593
Total fixed assets	129,551	127,251
Total assets	266,463	274,797

(Million yen)

	As of March 31, 2010	As of March 31, 2011
(Liabilities)		
Current liabilities		
Notes and accounts payable	36,610	39,407
Short-term loans payable	*2 16,341	20,129
Accrued income taxes	1,365	5,221
Others	12,619	15,050
Total current liabilities	66,937	79,809
Long-term liabilities		
Long-term loans payable	50,317	45,206
Deferred income tax liabilities	2,225	1,342
Liability for employees' retirement benefits	1,325	1,387
Provision for environmental measures	339	337
Asset retirement obligations	–	31
Others	375	646
Total long-term liabilities	54,582	48,953
Total liabilities	121,519	128,763
(Net assets)		
Shareholders' equity		
Common stock	31,733	31,733
Capital surplus	32,920	32,920
Retained earnings	83,661	91,749
Treasury stock, at cost	-1,718	-1,727
Total shareholders' equity	146,596	154,675
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	-112	-1,862
Foreign currency translation adjustments	-7,297	-10,696
Total accumulated other comprehensive income	-7,409	-12,559
Minority interests	5,756	3,918
Total net assets	144,943	146,034
Total of liabilities and net assets	266,463	274,797

(2) Consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(Million yen)

	From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
Net sales	226,074	245,732
Cost of sales	*1 174,050	*1 186,932
Gross profit	52,024	58,799
Selling, general and administrative expenses		
Packing expenses and freight charge	5,703	5,982
Salaries and allowance	9,644	9,439
Bonuses	2,382	2,434
Welfare expenses	2,255	2,353
Depreciation expenses	1,289	1,092
Research and development expenses	*1 2,631	*1 3,288
Others	14,777	15,055
Total selling, general and administrative expenses	38,684	39,647
Operating income	13,339	19,152
Non-operating income		
Interest income	134	106
Dividend income	465	509
Income from lease and rent	260	226
Gain on foreign currency exchange	475	–
Investment income according to the equity method	–	178
Others	952	892
Total non-operating income	2,288	1,913
Non-operating expenses		
Interest expenses	1,070	967
Depreciation expenses of rental assets	249	233
Foreign exchange losses	–	398
Investment loss according to the equity method	217	–
Others	485	464
Total non-operating expenses	2,022	2,063
Recurring income	13,604	19,002
Extraordinary profit		
Gain on sales of property, plant and equipment	*2 15	*2 630
Gain on sales of investment securities	12	–
Others	–	4
Total extraordinary profit	27	634
Extraordinary loss		
Loss on disposals and sale of fixed assets	*3 628	*3 559
Loss on disaster	–	287
Loss on valuation of investment securities	–	411
Provision for environmental measures	339	–
Others	142	178
Total extraordinary loss	1,109	1,437
Income before income taxes and minority interests	12,523	18,199
Income taxes, current	2,050	6,625
Income taxes, deferred	3,251	-484
Total income taxes	5,301	6,140
Income before minority interests	–	12,058
Minority interests	666	540
Net income	6,556	11,517

(Consolidated statements of comprehensive income)

(Million yen)

	From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
Income before minority interests	–	12,058
Other comprehensive income		
Net unrealized gains on available-for-sale securities	–	-1,750
Foreign currency translation adjustments	–	-3,599
Share of other comprehensive income of associates accounted for using equity method	–	-157
Total other comprehensive income	–	*2 -5,507
Comprehensive income	–	*1 6,551
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	–	6,368
Comprehensive income attributable to minority interests	–	182

(3) Consolidated statements of changes in net assets

(Million yen)

	From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
Shareholders' equity		
Common stock		
Balance at the end of previous period	31,733	31,733
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of the period	31,733	31,733
Capital surplus		
Balance at the end of previous period	32,920	32,920
Changes of items during the period		
Sales of treasury stock	–	0
Total changes of items during the period	–	0
Balance at the end of the period	32,920	32,920
Retained earnings		
Balance at the end of previous period	79,827	83,661
Effect of changes in accounting policies applied to foreign affiliates accounted for by equity method	–	1
Changes of items during the period		
Dividends from surplus	-2,722	-3,431
Net income	6,556	11,517
Sales of treasury stock	-0	–
Total changes of items during the period	3,833	8,086
Balance at the end of the period	83,661	91,749
Treasury stock, at cost		
Balance at the end of previous period	-252	-1,718
Changes of items during the period		
Purchases of treasury stock	-1,467	-9
Sales of treasury stock	1	0
Total changes of items during the period	-1,466	-9
Balance at the end of the period	-1,718	-1,727
Total shareholders' equity		
Balance at the end of previous period	144,229	146,596
Effect of changes in accounting policies applied to foreign subsidiaries	–	1
Changes of items during the period		
Dividends from surplus	-2,722	-3,431
Net income	6,556	11,517
Purchases of treasury stock	-1,467	-9
Sales of treasury stock	0	0
Total changes of items during the period	2,367	8,076
Balance at the end of the period	146,596	154,675

(Million yen)

	From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities		
Balance at the end of previous period	-3,756	-112
Changes of items during the period		
Net changes except for shareholders' equity	3,643	-1,750
Total changes of items during the period	3,643	-1,750
Balance at the end of the period	-112	-1,862
Foreign currency translation adjustments		
Balance at the end of previous period	-8,722	-7,297
Changes of items during the period		
Net changes except for shareholders' equity	1,425	-3,399
Total changes of items during the period	1,425	-3,399
Balance at the end of the period	-7,297	-10,696
Total accumulated other comprehensive income		
Balance at the end of previous period	-12,478	-7,409
Changes of items during the period		
Net changes except for shareholders' equity	5,069	-5,149
Total changes of items during the period	5,069	-5,149
Balance at the end of the period	-7,409	-12,559
Minority interests		
Balance at the end of previous period	5,272	5,756
Changes of items during the period		
Net changes except for shareholders' equity	483	-1,838
Total changes of items during the period	483	-1,838
Balance at the end of the period	5,756	3,918
Total net assets		
Balance at the end of previous period	137,022	144,943
Effect of changes in accounting policies applied to foreign subsidiaries	–	1
Changes of items during the period		
Dividends from surplus	-2,722	-3,431
Net income	6,556	11,517
Purchases of treasury stock	-1,467	-9
Sales of treasury stock	0	0
Net changes except for shareholders' equity	5,552	-6,987
Total changes of items during the period	7,920	1,089
Balance at the end of the period	144,943	146,034

(4) Consolidated statements of cash flows

(Million yen)

	From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
Cash flows from operating activities		
Income before income taxes and minority interests	12,523	18,199
Depreciation and amortization	10,899	9,821
Interest and dividend income	-600	-615
Interest expenses	1,070	967
Gain/loss on sale of property, plant and equipment (- is gain)	–	-599
Loss on disposals of property, plant and equipment	450	339
Gain/loss on valuation of investment securities (- is gain)	–	411
Equity/loss in earnings of associated companies (- is equity)	217	-178
Increase/decrease in notes and accounts receivable (- is increases)	-3,010	-3,935
Increase/decrease in inventories (- is increases)	3,401	-2,381
Increase/decrease in notes and accounts payable (- is decreases)	2,344	4,149
Others	828	-361
Subtotal	28,124	25,816
Interest and dividend received	605	698
Interest paid	-1,085	-963
Income taxes paid	-1,497	-2,692
Net cash provided by operating activities	26,147	22,859
Cash flows from investing activities		
Increase in time deposits	-498	-379
Income on certificate of deposit repayment	776	444
Purchases of property, plant and equipment	-5,038	-7,224
Proceeds from sales of property, plant and equipment	43	879
Purchases of investment securities	-1,189	-4,066
Proceeds from sales of investment securities	513	805
Payments of loans receivable	-15	–
Collection of loans receivable	211	–
Purchase of investments in subsidiaries	–	-2,826
Others	-221	-8
Net cash used in investing activities	-5,419	-12,376
Cash flows from financing activities		
Increase/decrease in short-term loans payable, net (- is decrease)	-1,259	-298
Proceeds from long-term loans payable	6,408	–
Repayments of long-term loans payable	-13,201	–
Repayments of convertible bonds	-100	–
Purchase of treasury stock	-1,467	–
Dividends paid	-2,721	-3,430
Dividends paid to minority interests	-276	-223
Others	-13	-227
Net cash used in financing activities	-12,631	-4,179
Foreign currency translation adjustments on cash and cash equivalents	472	-607
Net increase (decrease) in cash and cash equivalents (- is decrease)	8,569	5,695
Cash and cash equivalents, beginning of period	12,468	21,037
Cash and cash equivalents, end of period	*1 21,037	*1 26,732

(5) Notes on assumption of going business

Not applicable

(6) Important matters for the consolidated financial statements

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
1. Scope of consolidation The Company had 67 consolidated subsidiaries; all of the subsidiaries were consolidated. Names of major consolidated subsidiaries: Matsui Kagaku Co., Ltd.; Toyo B-Net Co., Ltd.; Toyo-Morton, Ltd.; Toyo Ink Chushikoku Co., Ltd.; Tianjin Toyo Ink Co., Ltd.; Toyochem Specialty Chemical SDN. BHD.; Toyo Ink (Thailand) Co., Ltd.; Toyo Ink Chemicals Taiwan Co., Ltd.; Toyo Ink Europe Specialty Chemicals S.A.; Toyo Ink Mfg. America, LLC During the consolidated fiscal year under review, the Company consolidated two subsidiaries and deconsolidated two subsidiaries. - In the consolidated fiscal year under review, TOYO INK BRASIL LTDA. and Toyo Ink Technologies, LLC. were established, and each became a consolidated subsidiary of the Company. - SHANGHAI TOYO PLASTIC COLORANT, which had been a consolidated subsidiary until the previous consolidated fiscal year, merged in the consolidated fiscal year under review with SHANGHAI TOYO INK MFG. CO., LTD., and was removed from the scope of consolidation. - TOYO INK (SHANGHAI) RHQ CO., LTD., which had been a consolidated subsidiary until the previous consolidated fiscal year, was liquidated in the fiscal year under review, and for that reason was removed from the scope of consolidation. During the consolidated fiscal year under review, the Company renamed the following consolidated subsidiary. - Toyochem Specialty Chemical SDN. BHD. (Formerly T.I.P.P. (MALAYSIA) SDN. BHD.)	1. Scope of consolidation The Company had 63 consolidated subsidiaries; all of the subsidiaries were consolidated. Names of major consolidated subsidiaries: Matsui Kagaku Co., Ltd.; Toyo-Morton, Ltd.; Toyo Ink Chushikoku Co., Ltd.; Toyo B-Net Co., Ltd.; Tianjin Toyo Ink Co., Ltd.; Toyo Ink (Thailand) Co., Ltd.; Toyochem Specialty Chemical SDN. BHD.; Toyo Ink Chemicals Taiwan Co., Ltd.; Toyo Ink America, LLC Toyo Ink Europe Specialty Chemicals S.A.; During the consolidated fiscal year under review, the Company consolidated one subsidiary and deconsolidated five subsidiaries. - TM Holdings Ltd., which became a consolidated subsidiary after the Company acquired all of its stock in the consolidated fiscal year under review, merged in the same fiscal year with Toyo-Morton, Ltd., and was removed from the scope of consolidation. - Fukujyu Industry Inc., which had been a consolidated subsidiary until the previous consolidated fiscal year, merged in the consolidated fiscal year under review with Toyo Prepress Co., Ltd., and was removed from the scope of consolidation. - Toyo Inspections Co., Ltd., which had been a consolidated subsidiary until the previous consolidated fiscal year, merged in the consolidated fiscal year under review with Toyo Ink Engineering Co., Ltd., and was removed from the scope of consolidation. - Toyo Ink Customer Service Co., Ltd., which had been a consolidated subsidiary until the previous consolidated fiscal year, was liquidated in the consolidated fiscal year under review, and was removed from the scope of consolidation. - Toyo Ink Technologies, LLC, which had been a consolidated subsidiary until the previous consolidated fiscal year, merged in the consolidated fiscal year under review with Toyo Ink America, LLC, and was removed from the scope of consolidation. During the consolidated fiscal year under review, the Company renamed the following consolidated subsidiaries. - Toyo FPP Co., Ltd. (formerly Toyo Prepress Co., Ltd.) - Toyo Ink Businessnetwork India Pvt. Ltd. (formerly TechNova Toyo Ink (P) Limited)

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
2. Application of the equity method The equity method is applied to investments in eight affiliates. Names of major subsidiaries NIPPON POLYMER IND. CO., LTD.; Sumika Polymer Compounds Europe Ltd.	2. Application of the equity method The equity method is applied to investments in nine affiliates. Names of major subsidiaries NIPPON POLYMER IND. CO., LTD.; Sumika Polymer Compounds Europe Ltd. During the consolidated fiscal year under review, the Company made one company equity method affiliates. - Sumika Polymer Compounds Saudi Arabia was established in the consolidated fiscal year under review, and became an equity method affiliate of the Company. (Change in accounting policies) The Company started to apply Accounting Standard for Equity Method of Accounting for Investments (Standards Board of Japan (ASBJ) Statement No. 16 on March 10, 2008), and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (Practical Issues Task Force (PITF) No. 24 on March 10, 2008) in the fiscal year under review. As a result of the applications, recurring income and income before income taxes and minority interests rose 2 million yen each.
3. Fiscal year end of consolidated subsidiaries All overseas consolidated subsidiaries settle their accounts on December 31, which is within three months of the consolidated settlement day. The Company therefore carried out no provisional settlement of accounts. In connection with this, significant transactions accrued until the consolidated settlement day were adjusted for consolidation.	3. Fiscal year end of consolidated subsidiaries Same as at left
4. Accounting standards (1) Important appraisal standards and appraisal method for assets 1) Securities For those with market value Stated at market value based on market prices, etc., as of the period-end (Unrealized valuation gains or losses are reported in the shareholders' equity, and sales costs are determined by the moving average method.) For those without market value Stated at cost as determined by the moving average method. 2) Derivatives Market value method 3) Inventories Products, work-in-process and raw material In principal, the cost method based on the gross average method is applied to the Company and its domestic consolidated subsidiaries. (The value in the balance sheet is calculated by the method of book value devaluation based on lowering of profitability) Overseas consolidated subsidiaries mainly use the gross average method or the lower-of-cost-or-market method according to the first-in, first-out method.	4. Accounting standards (1) Important appraisal standards and appraisal method for assets 1) Securities For those with market value Same as at left For those without market value Same as at left 2) Derivatives Same as at left 3) Inventories Products, work-in-process and raw material Same as at left

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
Goods and supplies In principal, the last cost method was applied to the Company and its domestic consolidated subsidiaries. (The value in the balance sheet is calculated by the method of book value devaluation based on lowering of profitability) Overseas consolidated subsidiaries mainly use the gross average method or the lower-of-cost-or-market method according to the first-in, first-out method.	Goods and supplies Same as at left
(2) Depreciation method of important depreciable fixed assets 1) Property, plant and equipment (excluding leased assets) In particular, the constant percentage method was applied to the Company and its domestic consolidated subsidiaries, except for buildings (not including associated facilities) acquired on or after April 1, 1998, for which the straight-line method was applied. In principal, the straight-line method was applied to overseas consolidated subsidiaries. Major useful lives: Building and structures Eight to 50 years Machinery and vehicles Four to 15 years Tools, furniture and fixtures Three to 15 years	(2) Depreciation method of important depreciable fixed assets 1) Property, plant and equipment (excluding leased assets) Same as at left
2) Leased assets Financing lease transactions that do not involve a transfer of ownership Calculation method for the equivalent of depreciation cost The depreciation method for assets is to use the lease period as useful lives, calculating the residual value of such assets as zero. Of financing lease transactions that do not involve a transfer of ownership, lease transactions that started on or before March 31, 2008 use the accounting method for normal lease transactions.	2) Leased assets Same as at left
(3) Important standards for appropriation of allowances 1) Allowance for doubtful receivables We record an allowance based on historical percentage for ordinary receivables and an estimated amount for specific uncollectible receivables. 2) Liability for retirement benefits to employees We record an amount recognized to have accrued at the end of fiscal year based on estimated amounts of retirement benefit obligations and pension assets at the end of the fiscal year. Past service costs are posted in expenses based on the straight-line method for a fixed period of years (13 years) within the average remaining service years of employees when costs accrue from their service. Unrecognized actuarial differences are posted in expenses after the consolidated fiscal year following their accruals based on the straight-line method for a fixed period of years (13 years) within the average remaining service years of employees.	(3) Important standards for appropriation of allowances 1) Allowance for doubtful receivables Same as at left 2) Liability for retirement benefits to employees We record an amount recognized to have accrued at the end of fiscal year based on estimated amounts of retirement benefit obligations and pension assets at the end of the fiscal year. Past service costs are posted in expenses based on the straight-line method for a fixed period of years (13 years) within the average remaining service years of employees when costs accrue from their service. Unrecognized actuarial differences are posted in expenses after the consolidated fiscal year following their accruals based on the straight-line method for a fixed period of years (13 years) within the average remaining service years of employees.

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
(Change in accounting policies) Starting in the consolidated fiscal year under review, the Partial Amendments of Accounting Standard for Retirement Benefits (Part 3) (Accounting Standards Board of Japan, Standard No. 19, announced on July 31, 2008) is applied. Since actuarial differences are depreciated starting in the following consolidated fiscal year, this change does not influence operating income, recurring income, or net income before taxes and other adjustments. The unaccounted balance of the difference in the retirement benefit liabilities that arises due to the application of the accounting standard is 343 million yen.	
4) Provision for environmental measures The estimated treatment and disposal cost for PCB waste, stipulated as mandatory in the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, is posted. (Additional information) The treatment and disposal cost for PCB wastes had previously been accounted for when the cost arose, but since the monetary importance of the cost has increased, the estimated cost is posted as allowance starting in the consolidated fiscal year under review. As a result, net income before taxes and other adjustments decreased 339 million yen.	3) Provision for environmental measures The estimated treatment and disposal cost for PCB waste, stipulated as mandatory in the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, is posted.
(4) Standards for translating significant foreign currency-denominated assets or liabilities into Japanese yen Foreign currency-denominated monetary receivables and payables are translated into Japanese yen at the spot exchange rates on the consolidated settlement day. The effect of exchange rate changes is posted as a translation gain or loss. In connection with this, assets and liabilities of overseas consolidated subsidiaries are translated into Japanese yen at the spot exchange rates on their settlement day. Revenues and expenses are translated into Japanese yen at the average rate during the year. The effect of exchange rate changes is posted in foreign currency translation adjustments and minority interests in the section of net assets.	(4) Standards for translating significant foreign currency-denominated assets or liabilities into Japanese yen Same as at left
(5) Significant hedge accounting 1) Hedge accounting Among interest swap transactions, those that satisfy special transaction requirements are processed.	(5) Significant hedge accounting 1) Hedge accounting Same as at left
2) Hedging method and hedging target Hedging method: Interest swap transactions Hedging target: Long-term borrowings	2) Hedging method and hedging target Same as at left
3) Hedging policy The Company engages in interest swap transactions to prevent the risk of payable interest rate fluctuations and to fix payable interest cash flow.	3) Hedging policy Same as at left
4) Assessing hedging effectiveness Assessing hedging effectiveness is omitted because interest swap transactions have satisfied requirements for special transactions.	4) Assessing hedging effectiveness Same as at left

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
――――――	(6) Amortization of goodwill and amortization period Goodwill is amortized individually and equally over a reasonable period of up to 20 years. If a reasonable period cannot be estimated, goodwill is amortized equally over a period of five years.
――――――	(7) Cash and cash equivalents in the consolidated cash flow statements In preparing the consolidated cash flow statements, cash on hand, readily available deposits, and short-term liquid investments with maturities not exceeding three months at the time of purchase and little risk of changing value are considered to be cash and cash equivalents.
(6) Other important matters for production of the consolidated financial statements Accounting treatment of consumption tax, etc. Amounts shown are exclusive of consumption tax and local consumption tax.	(8) Other important matters for production of the consolidated financial statements Accounting treatment of consumption tax, etc. Same as at left
5. Valuation of assets and liabilities of consolidated subsidiaries All assets and liabilities of consolidated subsidiaries are valuated with the mark-to-market method.	――――――
6. Amortization of goodwill and negative goodwill Goodwill and negative goodwill are equally amortized individually over a reasonable period of up to 20 years. Those for which a reasonable period cannot be estimated are amortized equally over a period of five years.	――――――
7. Cash and cash equivalents In preparing the consolidated cash flow statements, cash on hand, readily available deposits, and short-term liquid investments with maturities not exceeding three months at the time of purchase and little risk of changing values are considered to be cash and cash equivalents.	――――――

(7) Changes to important matters for the consolidated financial statements

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
―――――――	(Application of the Accounting Standards for Asset Retirement Obligations) The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008) were applied from the fiscal year under review. As a result of the applications, operating income and recurring income decreased 2 million yen, and income before income taxes and minority interests declined 39 million yen.

(8) Changes to basis of presenting consolidated financial statements

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
(Consolidated Statements of Income) "Purchase rebates," which had been listed under an independent category in the previous consolidated fiscal year (211 million yen in the consolidated fiscal year undef review) are less than 10/100 of the total amount of non-operating income, and for that reason listed under "Other" of Non-operating income. "Depreciation expenses of rental assets," which had been included in "Other" of Non-operating expenses in the previous consolidated fiscal year, now exceed 10/100 of the total amount of non-operating expenses, and for that reason are listed under the independent category starting in the consolidated fiscal year under review. "Depreciation expenses of rental assets" included in "Other" of Non-operating expenses in the previous consolidated fiscal year were 232 million yen. "Proceeds from sale of investment securities," which had been included in "Other" of Extraordinary profite in the previous consolidated fiscal year, now exceed 10/100 of the total amount of extraordinary profit, and for that reason are listed under the independent category starting in the consolidated fiscal year under review. "Gain on sales of investment securities" included in "Other" of Extraordinary profit in the previous consolidated fiscal year was 2 million yen. The "loss on valuation of of investment securities," which had been listed under an independent category in the previous consolidated fiscal year (37 million yen in the consolidated fiscal year undef review) is less than 10/100 of the total amount of extraordinary loss, and for that reason is listed under "Other" of extraordinary loss.	(Consolidated Statements of Income) "Gain on sales of investment securities," which had been listed under an independent category in the previous consolidated fiscal year (4 million yen in the consolidated fiscal year under review) is less than 10/100 of the total amount of extraordinary profit, and for that reason listed under "Other" of extraordinary profit. "Loss on valuation of investment securities," which had been included in "Other" of extraordinary loss in the previous consolidated fiscal year, now exceeds 10/100 of the total extraordinary loss, and for that reason is listed under the independent category starting in the consolidated fiscal year under review. The "loss on valuation of investment securities" included in "Other" in extraordinary loss in the previous consolidated fiscal year was 37 million yen. As a result of the application of the Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, March 24, 2009) based on the Accounting Standards for Consolidated Financial Statements (Accounting Standards Board of Japan (ASBJ) Statement No. 22 on December 26, 2008), the item "income before minority interests" is included in the financial statements for the fiscal year under review.

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
(Consolidated Statement of Cash Flows) Since “gain on sale of property, plant and equipment” (¥5 million for the consolidated fiscal year under review), which had been posted separately in the preceding consolidated fiscal year, became insignificant, the amount was posted in “others” in cash flow from operating activities in the consolidated fiscal year under review. Since “loss (gain) on valuation of investment securities” (¥37 million for the consolidated fiscal year under review), which had been posted separately in the preceding consolidated fiscal year, became insignificant, the amount was posted in “others” in cash flow from operating activities in the consolidated fiscal year under review. “Payments of loans receivable,” which had been posted in “others” in cash flow from investing activities in the preceding consolidated fiscal year, became significant, the account title was separately posted in the consolidated fiscal year under review. In connection with this, “pyments of loans receivable” for the preceding consolidated fiscal year stood at ¥7 million. “Collection of loans receivable,” which had been posted in “others” in cash flow from investing activities in the preceding consolidated fiscal year, became significant, the account title was separately posted in the consolidated fiscal year under review. In connection with this, “cllection of loans receivable” for the preceding consolidated fiscal year stood at ¥15 million. “Purchase of treasury stock,” which had been posted in “others” in cash flow from financing activities in the preceding consolidated fiscal year, became significant, the account title was separately posted in the consolidated fiscal year under review. In connection with this, “prchase of treasury stock” for the preceding consolidated fiscal year stood at ¥30 million.	(Consolidated Statement of Cash Flows) During the fiscal year under review, there was an increase in the significance of the item “gain (loss) on sale of property, plant and equipment,” which had been included in “others” in cash flow from operating activities in the preceding consolidated fiscal year. Accordingly, the amount is stated as a separate item in the consolidated fiscal year under review. The amount of “gain (loss) on sale of property, plant and equipment” was 5 million yen for the preceding consolidated fiscal year. During the fiscal year under review, there was an increase in the significance of the item “gain (loss) on valuation of investment securities,” which had been included in “others” in cash flow from operating activities in the preceding consolidated fiscal year. Accordingly, the amount is stated as a separate item in the consolidated fiscal year under review. The amount of “gain (loss) on valuation of investment securities” was 37 million yen for the preceding consolidated fiscal year. During the fiscal year under review, there was a decrease in the significance of the item “payments of loans receivable” (12 million yen for the consolidated fiscal year under review) which had been stated as a separate item in the preceding consolidated fiscal year. Accordingly, the amount is included in “others” in cash flow from investing activities in the consolidated fiscal year under review. During the fiscal year under review, there was a decrease in the significance of the item “collection of loans receivable” (28 million yen for the consolidated fiscal year under review) which had been stated as a separate item in the preceding consolidated fiscal year. Accordingly, the amount is included in “others” in cash flow from investing activities in the consolidated fiscal year under review. During the fiscal year under review, there was a decrease in the significance of the item “purchase of treasury stock” (9 million yen for the consolidated fiscal year under review) which had been stated as a separate item in the preceding consolidated fiscal year. Accordingly, the amount is included in “others” in cash flow from financing activities in the consolidated fiscal year under review.

(9) Additional information

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
―――――――	Effective from the start of the consolidated fiscal year under review, the Group applies the Accounting Standards for Presentation of Comprehensive Income (Accounting Standards Board of Japan (ASBJ) Statement No. 25 on June 30, 2010). However, amounts for “accumulated other comprehensive income” and “total accumulated other comprehensive income” for the preceding consolidated fiscal year are stated in terms of amounts for “valuation and translation adjustment” and “total valuation and translation adjustment”

(10) Explanatory notes to consolidated financial statements

(Notes to consolidated balance sheet) (Million yen)

As of March 31, 2010		As of March 31, 2011	
*1. Shares of affiliates		*1. Shares of affiliates	
Investment securities (stocks)	2,589	Investment securities (stocks)	2,996
*2. Assets pledged as collateral and secured debt		*2. Assets pledged as collateral and secured debt	
Assets pledged as collateral		Assets pledged as collateral	
Building and structures	340	Building and structures	305
Land	773	Land	689
Others	113	Others	86
Total	1,227	Total	1,080
Secured debt		There is no liability corresponding to the above, and the assets pledged are collateral to guarantee liabilities occurring in the Company's transactions with financial institutions.	
Short-term loans payable	40		
3. Liabilities on guarantee		3. Liabilities on guarantee	
The Company extends a guarantee over borrowings from financial institutions, etc. The foreign currency-denominated conversion amount of the yen is based on the exchange rate on the consolidated settlement date.		The Company extends a guarantee over borrowings from financial institutions, etc. The foreign currency-denominated conversion amount of the yen is based on the exchange rate on the consolidated settlement date.	
Sumika Polymer Compounds America, Inc. (US$7,200,000)	669	Sumika Polymer Compounds America, Inc. (US$7,605,000)	682
ZHUHAI SUMIKA POLYMER COMPOUNDS Co., Ltd. (US$2,745,000, etc.)	418	ZHUHAI SUMIKA POLYMER COMPOUNDS Co., Ltd. (US$3,600,000, etc.)	413
Others: five companies	446	Sumika Polymer Compounds (UK) Ltd. (GBP 1,871,000)	250
Employees (housing loans)	845	Others: three companies	343
Total	2,380	Employees (housing loans)	671
		Total	2,311
4. Discounts on notes and accounts receivable	225	4. Discounts on notes and accounts receivable	458
Endorsement of notes and accounts receivable	87	Endorsement of notes and accounts receivable	37

(Notes to consolidated statements of income) (Million yen)

From April 1, 2009 to March 31, 2010		From April 1, 2010 to March 31, 2011	
*1. Research and development expenses included in selling, general and administrative expenses and manufacturing cost for the year were ¥7,099 million.		*1. Research and development expenses included in selling, general and administrative expenses and manufacturing cost for the year were ¥7,179 million.	
*2. Significant components of loss on sales of fixed assets		*2. Significant components of loss on sales of fixed assets	
Machinery and vehicles	9	Land	611
Others	5	Others	18
Total	15	Total	630
*3. Details of loss on disposals and sale of fixed assets are as follows:		*3. Details of loss on disposals and sale of fixed assets are as follows:	
Building and structures	181	Building and structures	233
Machinery and vehicles	360	Machinery and vehicles	291
Others	86	Others	35
Total	628	Total	559

(Notes to consolidated statements of comprehensive income)

From April 1, 2010 to March 31, 2011

*1 Comprehensive income in the consolidated fiscal year immediately proceeding the fiscal year under review

Comprehensive income attributable to owners of the parent	11,625 million yen
Comprehensive income attributable to minority interests	758 million yen
Total	12,383 million yen

*2 Other comprehensive income in the consolidated fiscal year immediately proceeding the fiscal year under review

Net unrealized gains on available-for-sale securities	3,645 million yen
Foreign currency translation adjustments	1,442 million yen
Share of other comprehensive income of associates accounted for using equity method	73 million yen
Total	5,161 million yen

(Notes to consolidated statements of changes in net assets)

From April 1, 2009 to March 31, 2010

1. Matters concerning the type and the number of shares issued and treasury stock (Thousand shares)

	At the end of previous period	Increase	Decrease	At the end of this period
Shares issued				
Common stock	303,108	–	–	303,108
Total	303,108	–	–	303,108
Treasury stock				
Common stock (Note 1, 2)	655	4,035	3	4,687
Total	655	4,035	3	4,687

(Notes) 1. The increase of 4,035,000 own shares of common stock consists of the acquisition of 4,000,000 shares of treasury stock by resolution of the Board of Directors and the purchase of 35,000 shares of less than one unit.
2. A decrease of 3,000 own shares of common stock was attributed to the request for sale of shares of less than one unit.

2. Matters concerning dividend
(1) Dividend payments

Resolution	Type of stock	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary meeting of shareholders on June 26, 2009	Common stock	1,361	4.50	March 31, 2009	June 29, 2009
Board of directors' meeting on November 6, 2009	Common stock	1,360	4.50	September 30, 2009	December 7, 2009

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of stock	Total amount of dividends (million yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Ordinary meeting of shareholders on June 29, 2010	Common stock	1,641	Retained earnings	5.50	March 31, 2010	June 30, 2010

From April 1, 2010 to March 31, 2011

1. Matters concerning the type and the number of shares issued and treasury stock (Thousand shares)

	At the end of previous period	Increase	Decrease	At the end of this period
Shares issued				
Common stock	303,108	–	–	303,108
Total	303,108	–	–	303,108
Treasury stock				
Common stock (Note 1, 2)	4,687	25	1	4,711
Total	4,687	25	1	4,711

(Notes) 1. An increase of 25,000 own shares of common stock was attributed to the purchasing shares of less than one unit.
2. A decrease of 1,000 own shares of common stock was attributed to the request for sale of shares of less than one unit.

2. Matters concerning dividend
(1) Dividend payments

Resolution	Type of stock	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary meeting of shareholders on June 29, 2010	Common stock	1,641	5.50	March 31, 2010	June 30, 2010
Board of directors' meeting on November 8, 2010	Common stock	1,790	6.00	September 30, 2010	December 6, 2010

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year
The following is scheduled for resolution:

Resolution	Type of stock	Total amount of dividends (million yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Ordinary meeting of shareholders on June 29, 2011	Common stock	1,790	Retained earnings	6.00	March 31, 2011	June 30, 2011

(Consolidated statement of cash flow statements) (Million yen)

From April 1, 2009 to March 31, 2010		From April 1, 2010 to March 31, 2011	
*1. Reconciliation of the consolidated balance sheet items to cash and cash equivalents in the consolidated cash flows statements		*1. Reconciliation of the consolidated balance sheet items to cash and cash equivalents in the consolidated cash flows statements	
Cash and time deposits	21,037	Cash and time deposits	26,760
Securities	696	Securities	678
Total	21,733	Total	27,439
Time deposits with maturity of more than 3 months	-657	Time deposits with maturity of more than 3 months	-691
Investments in investment limited partnerships	-39	Investments in investment limited partnerships, etc.	-15
Cash and cash equivalents	21,037	Cash and cash equivalents	26,732

(Matters related to retirement benefit) (Million yen)

	From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
1. Overview of the adopted retirement benefits plan	The Company and its domestic consolidated subsidiaries offer a corporate pension fund plan based on a defined-benefit pension plan and a retirement lump sum grants plan, as well as a corporate defined-contribution pension plan based on a defined-contribution pension. Certain domestic consolidated subsidiaries have adopted the Smaller Enterprise Retirement Allowance Mutual Aid Scheme, while certain overseas consolidated subsidiaries have adopted a defined contribution scheme, in addition to a defined benefit pension plan. The Company may also offer premium severance pay to employees on their retirement that is not subject to retirement benefit liabilities based on the actuarial calculation pursuant to the retirement benefit accounting. In connection with this, the Company has set retirement allowance trust.	Same as at left
2. Matters related to the retirement benefit obligations		
(1) Retirement benefit obligations	-34,692	-33,242
(2) Pension assets	32,291	30,387
(3) Unfunded retirement benefit obligations ((1)＋(2))	-2,401	-2,854
(4) Unrecognized actuarial differences	11,934	12,350
(5) Unrecognized prior service cost (Decrease in liabilities)	-3,249	-2,759
(6) Amount (net) in the consolidated balance sheets ((3)＋(4)＋(5))	6,282	6,736
(7) Prepaid pension expenses	7,608	8,124
(8) Liabilities for retirement benefits to employees ((6)－(7))	-1,325	-1,387
(Notes)	1. Extra premium severance pay is not included. 2. Some consolidated subsidiaries calculated the retirement benefit obligations using the simplification method.	1. Extra premium severance pay is not included. 2. Some consolidated subsidiaries calculated the retirement benefit obligations using the simplification method.

(Million yen)

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
3. Matters related to retirement benefit expenses (1) Service expenses (Note 1) 1,167 (2) Interest expenses 796 (3) Expected return -699 (4) Actuarial differences charged to the expenses 1,428 (5) Prior service cost charged to the expenses -489 (6) Retirement benefit expenses ((1) + (2) + (3) + (4) + (5)) 2,204 (7) Premium severance pay 19 (8) Premium payment for defined-contribution pension plans (Note 2) 885 (9) Total ((6) + (7) + (8)) 3,108 (Notes) 1. The retirement benefit expense borne by consolidated subsidiaries employing the simplification method is included in "(1) Service expenses." 2. Premium payment for defined-contribution pension plans refers to premium payments for defined-contribution pension plans and the Smaller Enterprise Retirement Allowance Mutual Aid Scheme, and prepaid retirement benefit payment. 4. Matters related to the basis for computation of the retirement benefit expense and other figures (1) Periodic allocation of expected retirement benefits Fixed amount for each period (2) Discount rate 1.7% in general (3) Rate of expected return 2.5% (4) Years for amortization of prior service cost 13 years (The straight-line method adopts a fixed period of years within the average remaining service period of employees on an accrual basis.) (5) Years for amortization of actuarial differences 13 years (Expenses after the consolidated fiscal year following accruals are posted based on the straight-line method, which adopts a fixed period of years within the average remaining service period of employees.)	3. Matters related to retirement benefit expenses (1) Service expenses (Note 1) 1,173 (2) Interest expenses 577 (3) Expected return -740 (4) Actuarial differences charged to the expenses 1,420 (5) Prior service cost charged to the expenses -489 (6) Retirement benefit expenses ((1) + (2) + (3) + (4) + (5)) 1,941 (7) Premium severance pay 65 (8) Premium payment for defined-contribution pension plans (Note 2) 882 (9) Total ((6) + (7) + (8)) 2,889 (Notes) 1. The retirement benefit expense borne by consolidated subsidiaries employing the simplification method is included in "(1) Service expenses." 2. Premium payment for defined-contribution pension plans refers to premium payments for defined-contribution pension plans and the Smaller Enterprise Retirement Allowance Mutual Aid Scheme, and prepaid retirement benefit payment. 4. Matters related to the basis for computation of the retirement benefit expense and other figures (1) Periodic allocation of expected retirement benefits Same as at left (2) Discount rate 1.7% in general (3) Rate of expected return 2.5% (4) Years for amortization of prior service cost 13 years Same as at left (5) Years for amortization of actuarial differences 13 years Same as at left

(Tax effect accounting)

(Million yen)

As of March 31, 2010

1. Major components of deferred tax assets and liabilities

(Current assets)	
Deferred income tax assets	
Reserve for bonuses	1,082
Loss on valuation of inventories	611
Deferred retained loss	212
Others	586
Deferred income tax assets subtotal	2,493
Valuation reserve	-169
Deferred income tax assets total	2,323
Total of deferred income tax liabilities	-43
Deferred income tax assets (net)	2,280
(Fixed assets)	
Deferred income tax assets	
Depreciation expenses	2,830
Loss on valuation of investment securities	1,867
Deferred retained loss	878
Variance on revaluation of other marketable securities	465
Reserve for retirement benefits	289
Allowance for doubtful accounts	268
Others	872
Deferred income tax assets subtotal	7,473
Valuation reserve	-3,118
Deferred income tax assets total	4,355
Deferred income tax liabilities	
Reserve for advanced appreciation of fixed assets	-3,700
Variance on revaluation of assets of consolidated subsidiaries	-943
Retained income	-382
Others	-360
Total of deferred income tax liabilities	-5,386
Deferred income tax liabilities (net)	-1,031

(Note) Deferred income tax assets and deferred income tax liabilities (net) for the consolidated fiscal year under review are included in the following account titles of the Consolidated Balance Sheets.

Current assets—Deferred income tax assets	2,280
Fixed assets—Deferred income tax assets	1,194
Long-term liabilities—Deferred income tax liabilities	-2,225

As of March 31, 2011

1. Major components of deferred tax assets and liabilities

(Current assets)	
Deferred income tax assets	
Reserve for bonuses	1,116
Loss on valuation of inventories	487
Unpaid business enterprise tax	466
Deferred retained loss	245
Others	796
Deferred income tax assets subtotal	3,112
Valuation reserve	-391
Deferred income tax assets total	2,721
Total of deferred income tax liabilities	-54
Deferred income tax assets (net)	2,667
(Fixed assets)	
Deferred income tax assets	
Depreciation expenses	2,845
Loss on valuation of investment securities	1,810
Variance on revaluation of other marketable securities	1,562
Deferred retained loss	800
Allowance for doubtful accounts	294
Others	920
Deferred income tax assets subtotal	8,233
Valuation reserve	-2,859
Deferred income tax assets total	5,374
Deferred income tax liabilities	
Reserve for advanced appreciation of fixed assets	-3,781
Variance on revaluation of assets of consolidated subsidiaries	-977
Retained income	-380
Others	-133
Total of deferred income tax liabilities	-5,272
Deferred income tax liabilities (net)	101

(Note) Deferred income tax assets and deferred income tax liabilities (net) for the consolidated fiscal year under review are included in the following account titles of the Consolidated Balance Sheets.

Current assets—Deferred income tax assets	2,667
Fixed assets—Deferred income tax assets	1,443
Long-term liabilities—Deferred income tax liabilities	-1,342

(Million yen)

As of March 31, 2010		As of March 31, 2011	
2. Breakdown of major factors in the difference between the effective statutory tax rate and corporate tax burden rate after the application of the tax effect accounting		2. Breakdown of major factors in the difference between the effective statutory tax rate and corporate tax burden rate after the application of the tax effect accounting	
Statutory tax rate	40.69%	Statutory tax rate	40.69%
(Adjustment)		(Adjustment)	
Entertainment expenses and other items not to be included in expenses indefinitely	2.80%	Entertainment expenses and other items not to be included in expenses indefinitely	1.59%
Gain on dividend income not permitted for inclusion in expenses	-1.52%	Gain on dividend income not permitted for inclusion in expenses	-1.14%
Impacts on deconsolidation of dividends received	1.79%	Impacts on deconsolidation of dividends received	2.28%
Impacts on increase/decrease in valuation reserve	0.54%	Experimental and research expense tax credit	-3.13%
Equity/loss in earnings of associated companies	0.71%	Different tax rates on overseas consolidated subsidiaries	-6.37%
Different tax rates on overseas consolidated subsidiaries	-7.75%	Others	-0.18%
Non-posting of deferred tax assets related to the consolidation deletion of companies in deficit	2.69%	Effective tax rate	33.74%
Retained income	1.29%		
Others	1.09%		
Effective tax rate	42.33%		

(Segment information)

a. Segment information by business group

From April 1, 2009 to March 31, 2010 (Million yen)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Eliminations or corporate	Total consolidated
I. Net sales and operating income or loss								
(1) Sales to customers	96,127	24,215	48,888	52,108	4,735	226,074	–	226,074
(2) Intersegment sales	721	66	1,621	1,217	1,196	4,823	-4,823	–
Total sales	96,848	24,281	50,510	53,325	5,931	230,898	-4,823	226,074
Operating expenses	88,075	23,848	43,677	46,460	5,872	207,935	4,800	212,735
Operating income	8,773	433	6,832	6,865	58	22,963	-9,623	13,339
II. Assets, depreciation and capital expenditures								
Assets	86,662	12,193	46,062	59,838	6,398	211,156	55,307	266,463
Depreciation expenses	3,479	349	2,155	4,022	96	10,103	796	10,899
Capital expenditures	1,464	189	878	1,906	68	4,508	384	4,892

(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

3. Among operating expenses, those included in eliminations or corporate that cannot be allocated are mainly expenses at the control section of the head office of the Company and basic research expenses.
   Previous consolidated fiscal year 10,230 million yen

4. Among the assets, major Company-wide assets included in eliminations or corporate are long-term investment assets (investment securities) and assets associated with the control section and the research section of the Company.
   Previous consolidated fiscal year 56,995 million yen

b. Segment information by location

From April 1, 2009 to March 31, 2010 (Million yen)

	Japan	Asia – Oceania	Europe	The Americas	Subtotal	Eliminations or corporate	Total consolidated
I. Net sales and operating income or loss							
(1) Sales to customers	163,362	55,662	1,220	5,828	226,074	–	226,074
(2) Intersegment sales	17,304	2,641	2,041	44	22,032	-22,032	–
Total sales	180,666	58,304	3,262	5,873	248,107	-22,032	226,074
Operating expenses	170,405	55,207	3,634	6,101	235,349	-22,614	212,735
Operating income or loss (-)	10,260	3,096	-372	-228	12,757	581	13,339
II. Assets	147,810	56,326	5,884	7,856	217,877	48,585	266,463

(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, Republic of Korea, Kingdom of Thailand, Australia, Socialist Republic of Viet Nam and Malaysia
(2) Europe:
France and Belgium
(3) The Americas:
The United States and Brazil
Since a subsidiary was established in South American in the consolidated fiscal year under review, the segment name has been changed from North America to the Americas starting in the consolidated fiscal year.
3. Among the assets, major Company-wide assets included in eliminations or corporate are long-term investment assets (investment securities) and assets associated with the control section and the research section of the Company.
Previous consolidated fiscal year 56,995 million yen

c. Sales to foreign cutomers

From April 1, 2009 to March 31, 2010 (Million yen)

	Asia – Oceania	Europe	The Americas	Africa	Total
I. Sales to foreign customers	58,818	1,228	6,036	125	66,209
II. Consolidated net sales					226,074
III. Ratio of sales to foreign customers (%)	26.0	0.5	2.7	0.1	29.3

(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, Republic of Korea, Kingdom of Thailand and Australia
(2) Europe:
Italy, Germany
(3) The Americas:
The United States, Canada
(4) Africa:
Nigeria, Egypt
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).

d. Segment information

1. Overview of reportable segments

The reportable segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

Based on factors such as the type and similarity of operations, the Company has categorized its operations into four groups, which are the reportable segments. They are the Printing and Information Business, the Packaging Business, the Polymer and Coating Business, and the Color and Functional Materials Business. Each business unit operates by establishing comprehensive domestic and overseas strategies for each product and service.

The Printing and Information Business mainly manufactures and sells offset inks, metal printing inks, printing presses, printing equipment, prepress systems, printing supplies, and ink-jet materials. The Packaging Business mainly manufactures and sells gravure inks, flexographic inks and gravure cylinders. The Polymer and Coating Business mainly manufactures and sells can coatings, resins, adhesives, adhesive compounds, coating materials and natural materials. The Color and Functional Materials Business mainly manufactures and sells organic pigments, processed pigments, plastic colorants and color filter materials.

2. Method of calculation for nets sales, profits or losses, assets, and other items by reportable segment

Accounting procedures for reported business segments are generally the same as those stated in “Important Matters for the Consolidated Financial Statements.”

Intersegment earnings and transfer are based on current market prices.

3. Information on net sales, profits or losses, assets, and other items by reportable segment

From April 1, 2009 to March 31, 2010 (Million yen)

	Reported segments					Others (Note) 1	Adjustment (Note) 2	Amounts recorded in Consolidated Financial Statements (Note) 3
	Printing and Information Business	Packaging Business	Polymer and Coating Business	Color and Functional Materials Business	Total			
Net sales								
Sales to customers	76,674	49,233	46,378	49,309	221,595	4,479	–	226,074
Intersegment sales	119	724	1,487	1,217	3,548	1,194	-4,473	–
Total sales	76,793	49,958	47,865	50,526	225,144	5,673	-4,473	226,074
Segment profits (loss)	1,249	3,039	3,735	4,556	12,580	179	579	13,339
Segment assets	80,608	50,393	55,794	68,992	255,788	10,674	–	266,463
Other items								
Depreciation	2,512	1,613	2,219	4,412	10,758	141	–	10,899
Investments in equity method affiliates	–	56	912	1,393	2,361	227	–	2,589
Gains on property, plant and equipment and intangible fixed assets	1,128	826	959	1,918	4,832	60	–	4,892

(Note) 1. The “Others” segment is a business segment that is not included in reportable segments. It includes service provision, etc.

2. An adjustment of 579 million yen in segment profits (losses) mainly represents the deduction of intersegment transactions.

3. Segment profits (losses) have been adjusted with operating income recorded in the consolidated financial statements.

From April 1, 2010 to March 31, 2011 (Million yen)

	Reported segments					Others (Note) 1	Adjustment (Note) 2	Amounts recorded in Consolidated Financial Statements (Note) 3
	Printing and Information Business	Packaging Business	Polymer and Coating Business	Color and Functional Materials Business	Total			
Net sales								
Sales to customers	76,449	53,319	50,664	60,591	241,024	4,707	–	245,732
Intersegment sales	336	1,122	1,512	2,711	5,684	1,831	-7,515	
Total	76,786	54,441	52,177	63,303	246,708	6,539	-7,515	245,732
Segment profits (loss)	2,689	3,109	4,158	9,068	19,026	-487	613	19,152
Segment assets	81,314	52,009	56,105	74,924	264,354	10,442	–	274,797
Other items								
Depreciation	2,263	1,471	2,043	3,837	9,616	205	–	9,821
Investments in equity method affiliates			933	1,837	2,771	225	–	2,996
Gains on property, plant and equipment and intangible fixed assets	1,730	846	2,249	4,660	9,487	129	–	9,617

(Note) 1. The “Others” segment is a business segment that is not included in reportable segments. It includes service provision, etc.
2. An adjustment of 613 million yen in segment profits (losses) mainly represents the deduction of intersegment transactions.
3. Segment profits (losses) have been adjusted with operating income recorded in the consolidated financial statements.

e. Relevant information

From April 1, 2010 to March 31, 2011

1. Information by product and service

Disclosure is omitted since similar information is disclosed as segment information.

2. Information by region

(1) Net sales

(Million yen)

Japan	China	Other	Total
166,697	25,134	53,900	245,732

(Note) Net sales are based on the geographical area of the customers and categorized by country or region.

(2) Property, plant and equipment

(Million yen)

Japan	Overseas	Total
60,931	21,684	82,616

3. Information by major customer

Disclosure is omitted since there are no net sales related to specific customers that exceed 10% of net sales recorded in the consolidated income statement.

f. Information concerning impairment loss of fixed assets by reportable segment

From April 1, 2010 to March 31, 2011

Disclosure is omitted since the amount is of less significance.

g. Information concerning the amount of goodwill amortized and amortized balance by reportable segment

From April 1, 2010 to March 31, 2011

Disclosure is omitted since the amount is of less significance.

h. Information concerning gain on negative goodwill by reportable segment

From April 1, 2010 to March 31, 2011

Not applicable

(Additional information)

The Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 on March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 on March 21, 2008) were applied from the fiscal year under review.

(Per share information)

From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
Net assets per share 466.41 yen Net income per share 21.77 yen With respect to the amount of net income per share after adjustment for residual securities, the figure is not listed because residual securities do not exist.	Net assets per share 476.26 yen Net income per share 38.60 yen With respect to the amount of net income per share after adjustment for residual securities, the figure is not listed because residual securities do not exist.

(Notes) 1. The grounds for the calculation of basic net income/loss per share

	From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011
Net income (loss) (million yen)	6,556	11,517
Amount not belonging to common shareholders (million yen)	–	–
Net income (loss) associated with common shares (million yen)	6,556	11,517
Weighted average number of shares issued and outstanding during the period (thousand shares)	301,103	298,409

2. The grounds for the calculation of net assets per share

	As of March 31, 2010	As of March 31, 2011
Net assets on the consolidated balance sheet (million yen)	144,943	146,034
Amount deducted from total net assets (million yen)	5,756	3,918
Minority interests (million yen)	5,756	3,918
Year-end net assets concerning common shares (million yen)	139,186	142,115
Common shares used for calculation of net assets per share (thousand shares)	298,420	298,396

(Important subsequent events)

From April 1, 209 to March 31, 2010

(Company split due to the shift to the holding company system)

At a meeting of its Board of Directors held on May 17, 2010, the Company passed a resolution on the details of a number of plans for the establishment of a new company and a demerger associated with the shift to the holding company system scheduled for April 1, 2011, contingent on the approval of the regular general meeting of shareholders on June 29, 2010.

For details, please refer to the Notice of Establishment of New Company and Planned Demerger, with Revision of the Articles of Incorporation (Change of Trade Name and Business Purpose) Due to Adoption of a Holding Company Structure, separately announced today.

From April 1, 2010 to March 31, 2011

(Company split due to the shift to the holding company system)

With the approval of the shareholders at the regular general meeting of shareholders held on June 29, 2010, the Company completed a demerger on April 1, 2011 to adopt a holding company structure. Under the new structure, the Company is a demerging company in a incorporation-type demerger; Toyo Ink Co., Ltd. is a company incorporated through an incorporation-type demerger that handles Printing and Information Business and the Packaging Business; and Toyochem Co., Ltd. is a company incorporated through an incorporation-type demerger that handles the Polymer and Coating Business, and the Color and Functional Materials Business. Accordingly, the Company changed its trade name to Toyo Ink SC Holdings Co., Ltd. from the previous Toyo Ink Mfg. Co., Ltd. on the same day.

1. Purpose of the demerger

The purpose of implementing a demerger, in light of the Toyo Ink Group's growth strategies in the future, is as follows:

(1) Bolster the overall corporate value of the Group companies, guided by the holding company

Under the new management structure, guided by the holding company, the Group will take steps to bolster its overall corporate value for the next 100 years, by strengthening Group strategic functions and adopting strategic management that focuses on the balance of the overall Group and the balance among business divisions.

(2) Strengthen the value-creating functions of each company

The Group aims to strengthen the value-creating functions of each business division by ensuring that each division clarifies its responsibilities and authority, making decisions rapidly on strategic recombinations of business fields, etc., and achieving flexible operations geared to diverse business environments.

(3) Exert group synergy

The Group seeks to strengthen the management system of the Toyo Ink Group and maximize synergies globally by ensuring the collaboration of each independent business division.

2. Share allotment in connection with the demerger

Company incorporated through incorporation-type demerger	Number of shares outstanding
Toyo Ink Co., Ltd.	10,000 shares
Toyochem Co., Ltd.	10,000 shares

The above companies incorporated through the incorporation-type demerger have allotted all of their outstanding shares to the Company, respectively.

3. Basis for calculating allotments in connection with the demerger

Each of these new companies are incorporated independently so that the numbers of shares to be allotted do not cause any difference in the practical rights and obligations between the Company and each of the new companies. Accordingly, it is deemed that the numbers of shares to be allotted may be determined at the Company's discretion. Efficient management of the two new companies incorporated through the incorporation-type demerger and the amounts of the capital of these new companies were mainly taken into account in the calculation of allotments.

4. Profiles of the companies incorporated through incorporation-type demerger

(1)	Trade Name	Toyo Ink Co., Ltd.
(2)	Description of Business	Manufacture and marketing in connection with the Printing and Information Business and the Packaging Business
(3)	Representative	Kunio Sakuma, Chairman Katsumi Yamazaki, President, CEO
(4)	Capital	500 million yen
(5)	Net Assets	21,037 million yen
(6)	Total Assets	71,775 million yen

(1)	Trade Name	Toyochem Co., Ltd.
(2)	Description of Business	Manufacture and marketing in connection with the Polymer and Coating Business and the Color and Functional Materials Business
(3)	Representative	Katsumi Kitagawa, Chairman Motohiko Kashioka, President, CEO
(4)	Capital	500 million yen
(5)	Net Assets	16,822 million yen
(6)	Total Assets	53,091 million yen

(Omission of disclosure)

Notes to lease transactions, financial instruments, marketable securities, and derivatives are omitted because their disclosure in the brief announcement of the consolidated financial statements ended March 2011 is not considered important.

5. Others

(1) Management turnover

With respect to the transfer of directors, please refer to the "Announcement of Personnel Changes of Directors," announced separately today.