Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2012

May 14, 2012

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
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Scheduled date of ordinary shareholders' meeting: June 28, 2012
Scheduled date of commencement of dividend payments: June 29, 2012
Scheduled date of submission of financial report: June 28, 2012
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, 2012 (from April 1, 2011 to March 31, 2012)

(1) Business results (cumulative totals)

(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 2012	245,337	-0.3	13,648	-28.7	13,445	-29.2	7,238	-37.2
March 2011	245,958	8.7	19,145	43.4	19,002	39.7	11,517	75.7

(Note) Comprehensive income: Fiscal 2011 4,902 million yen (-25.2%) Fiscal 2010 6,551 million yen (-47.1%)

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 2012	24.26	–	5.1	4.8	5.6
March 2011	38.60	–	8.2	7.0	7.8

(Note) Equity in earnings of associated companies: Fiscal 2011 -8 million yen Fiscal 2010 178 million yen

(2) Financial position

Year ended	Total assets	Net assets	Net worth/Total assets	Net assets per share
	Million yen	Million yen	%	Yen
March 2012	283,144	146,913	50.6	479.71
March 2011	274,797	146,034	51.7	476.26

(Note) Net worth: Fiscal 2011 143,140 million yen Fiscal 2010 142,115 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 2012	18,453	-10,354	-1,880	32,644
March 2011	22,859	-12,376	-4,179	26,732

2. Dividends

	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, 2011	–	6.00	–	6.00	12.00	3,580	31.1	2.5
March, 2012	–	6.00	–	6.00	12.00	3,580	49.5	2.5
March, 2013 (Forecast)	–	6.00	–	6.00	12.00		44.8	

3. Forecasts for the year ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

(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	126,000	2.4	7,500	1.9	7,500	4.2	3,800	7.6	12.73
Full-year	255,000	3.9	16,000	17.2	16,000	19.0	8,000	10.5	26.81

* Notes:

(1) Important changes of subsidiaries during the term (changes in specific subsidiaries accompanied by a change in the scope of consolidation): No

(2) Changes in accounting policies and changes or restatement of accounting estimates
  - (i) Changes in accounting policies due to the modification in accounting methods: No
  - (ii) Changes in accounting policies other than (i): No
  - (iii) Changes in accounting estimates: No
  - (iv) Restatement: No

(3) Numbers of shares issued (common shares)
  - (i) Numbers of shares issued (including treasury shares):
    - Fiscal 2011: 303,108,724 shares
    - Fiscal 2010: 303,108,724 shares
  - (ii) Numbers of treasury shares at the end of the terms:
    - Fiscal 2011: 4,718,072 shares
    - Fiscal 2010: 4,711,810 shares
  - (iii) Average numbers of shares issued during the terms (consolidated accumulation periods):
    - Fiscal 2011: 298,393,341 shares
    - Fiscal 2010: 298,409,136 shares

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

Non-consolidated business results for the year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(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 2012	15,745	–	5,662	–	6,336	–	3,984	–
March 2011	171,876	6.3	11,032	65.7	14,603	62.8	9,046	127.8

Year ended	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
March 2012	13.35	–
March 2011	30.31	–

The Group adopted a holding company structure as a result of a company split effective April 1, 2011. As a result of this shift, the Group's financial position and business results in the fiscal year under review have fluctuated significantly compared with the previous fiscal year. Disclosure of percentage changes from the previous period is omitted because of the inability to provide appropriate variance analysis.

(2) Financial position

Year ended	Total assets	Net assets	Net worth/Total assets	Net assets per share
	Million yen	Million yen	%	Yen
March 2012	147,420	131,261	89.0	439.90
March 2011	235,850	131,833	55.9	441.81

(Note) Net worth: Fiscal 2011 131,261 million yen Fiscal 2010 131,833 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 28, 2012 (Monday): 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, 2012	245,337	13,648	13,445	7,238
March, 2011	245,958	19,145	19,002	11,517
Growth rate (%)	-0.3	-28.7	-29.2	-37.2

During the consolidated fiscal year under review, the Japanese economy remained sluggish in the first half of the period, given the difficulty in procuring raw materials, restricted production output resulting from constraints associated with uncertainties over electric power supply, and stagnant consumer confidence in the wake of the Great East Japan Earthquake. The second half saw a slowdown in the world economy, including that of the developing countries that had been the main drivers behind the global economy: flooding in Thailand disrupted supply chains again, the financial crisis in Europe deepened, and the yen strengthened sharply.

Amid this challenging environment, the Toyo Ink Group positioned the fiscal year under review as the second foundation year for the Group and adopted a new governance system with the shift to a holding company. It also launched the new medium-term management plan SCC-II (Specialty Chemical maker Challenge II) Renaissance Plan in a bid to stage a strong recovery in an environment of considerable social and economic uncertainty in the aftermath of the Great East Japan Earthquake. With the aim of evolving into a specialty chemical manufacturer, the Group pursued its basic policies in the medium-term management plan: “new driving forces for growth”; “innovation in manufacturing”; and “management to make the most of the new governance structure.”

For “new driving forces for growth” in the Printing and Information Related Business, the Group worked to increase its share in the existing market by improving its brand power and developing the business in emerging economies, including Brazil and India. It also sought to develop new products and expand sales in response to new demand for areas such as ink-jet materials, products with high UV sensitivity, and rice ink using rice bran. In the Packaging Materials Related Business, the Group continued its sales expansion efforts in Japan as well as overseas and launched initiatives to establish, increase, expand and improve production and sales bases in China, India, Viet Nam and North America. It also developed non-Toluene/non-MEK type gravure ink and high-quality flexographic ink for flexible packing. In the Polymers and Coatings Related Business, the Group worked to expand sales of new products, including solventless laminating adhesives, adhesives for PET (polyethylene terephthalate) bottle labels that help reduce carbon dioxide emissions, adhesive compounds for displays and adhesives for panels. The Group also pursued to reinforce production facilities for adhesives in Japan and overseas. In the Colorants and Functional Materials Related Business, efforts were made to expand sales of LCD-related products in China and other countries and reinforce the production facilities for plastic colorants in South Korea, Indonesia and Saudi Arabia. In addition, the Group worked to develop and expand sales of electrode materials for solar batteries and secondary batteries, and in response to these commitments reinforced the high performance disperse / milling facilities. Moreover, as in the previous consolidated fiscal year, we unveiled products developed by the Group and new products at the Group’s private show to positive reviews and sales expansion.

For “innovation in manufacturing,” taking the disrupted supply chains and power shortage from the effects of the Great East Japan Earthquake as a lesson, the Group sought to strengthen its response to risks in the event of a disaster through such measures as broadening procurement methods for raw materials, developing complementary systems for production, promoting power-saving efforts, and developing private power generation and cogeneration systems. The Group opened a new factory for pigments and colorants with an eye to increasing productivity in China as part of its efforts to foster efficiency in the production processes in general. It also furthered its efforts to develop a system for “local production for local consumption” and raw material procurement in order to directly connect itself to the sales market.

For “management to make the most of the new governance structure,” the Group focused its efforts on areas such as the consolidation of subsidiaries in Japan and overseas as well as alliances with other companies to help expedite its business activities and improve the level of sustainable management. Furthermore, as part of the Group’s efforts to enhance global development and business development initiatives, Toyo SC Trading Co., Ltd. was established to serve as the leader to guide the Group’s expansion into uncharted regions.

As a result of these activities, sales in the consolidated fiscal year under review stood at 245,337 million yen (a 0.1% increase compared with the Group's forecast and a 0.3% decrease compared with the previous fiscal year). Due to a higher-than-expected surge in raw material prices and other factors, profits were down with operating income at 13,648 million yen (down 2.5% and down 28.7%), recurring income at 13,445 million yen (down 2.6% and down 29.2%), and net income at 7,238 million yen (down 0.8% and down 37.2%).

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 Related Business	76,786	76,108	-0.9	2,689	1,367	-49.2
Packaging Materials Related Business	54,441	55,562	2.1	3,109	1,735	-44.2
Polymers and Coatings Related Business	52,177	52,541	0.7	4,158	2,791	-32.9
Colorants and Functional Materials Related Business	63,303	62,636	-1.1	9,068	6,210	-31.5
Others	6,765	6,073	-10.2	-494	1,437	
Subtotal	253,473	252,921	-0.2	18,531	13,541	-26.9
Eliminations or corporate	-7,515	-7,583	–	613	106	–
Total consolidated	245,958	245,337	-0.3	19,145	13,648	-28.7

(i) Printing and Information Related Business

In offset inks, domestic demand remained weak in the first half of the fiscal year under review in the printing, commercial printing and newspaper printing markets. This was caused by a structural recession resulting from the progress of digitization, voluntary advertising restraints due to the earthquake and power shortages, and delay in the economic recovery. Under these circumstances, the Group's net sales were on par with the level posted in the previous fiscal year. The result was attributable to the business achieving greater market share by differentiating its service and expanding sales of sophisticated products, including products with high UV sensitivity. However, operating income was adversely affected by factors such as a significant rise in raw material costs and failed to meet the Group's forecast, in spite of price revisions made in the latter half of the fiscal year. Overseas sales expanded, mainly in China, Southeast Asia and India, but overseas operating income failed to meet the Group's forecast due to sluggish imports from Japan on the sharp appreciation of the yen and a surge in raw material prices.

Sales of graphic arts machinery and supplies remained slow in the face of the sluggish domestic offset printing market.

As a result, the Printing and Information Related Business recorded lower sales and earnings for the fiscal year under review with sales of 76,108 million yen, down 0.9% year on year, and operating income of 1,367 million yen, down 49.2% year on year.

(ii) Packaging Materials Related Business

In Japan, gravure printing inks remained weak, but gravure inks used for wrapping food, beverages, toiletries and other daily necessities as well as for housing-related use were positive overall despite a slightly weak performance in the second half. Demand for inks used for food wrapping was positive in China and Southeast Asia and sales of eco-friendly inks expanded. In addition, demand for inks used in construction materials showed steady improvement in North America. However, cost cuts and revised selling prices to appropriate levels were not enough to compensate for sharply higher raw material prices both in Japan and overseas. Thus, as with offset inks, conditions remained difficult from the perspective of operating income.

The gravure cylinders business in Japan remained sluggish, resulting from stagnant demand in changing packaging designs due to the effect of the earthquake.

As a result of the above factors, sales in the overall Packaging Materials Related Business were 55,562 million yen, up 2.1% year on year, but operating income was 1,735 million yen, down 44.2% year on year.

(iii) Polymers and Coatings Related Business

Can coatings (finishes) continued to trend downward in Japan. Sales in Thailand -- where a large market for can coatings exists -- were also weak in the latter half of the fiscal year under review due to the effects of the flooding in the country. Sales of resins for construction purposes were solid in Japan, reflecting reconstruction demand in the areas hit by the disaster.

For adhesives, in addition to strong demand for packaging in Japan, South Korea and Southeast Asia, sales of eco-friendly products expanded. Demand for adhesive compounds for labels and displays was strong in the first half of the period, but sluggish in the second half. In contrast, demand for adhesive compounds for automobiles was weak in the first half, but recovered in the second half. However, operating income from both adhesives and adhesive compounds came under pressure as cost cutting and adjusting sale prices to appropriate levels were not enough to cover the sharp increase in raw material costs. Sales of coating materials for advertising were stagnant in the first half of the period in Japan due to a voluntary restraint from holding promotional events or other such activities, while demand for coating materials used in displays and electronics also remained weak.

As a result of the above factors, sales of the overall Polymers and Coatings Related Business were 52,541 million yen, a slight rise of 0.7% year on year, but operating income was 2,791million, down 32.9% year on year.

(iv) Colorants and Functional Materials Related Business

Demand for commodity-type pigments was sluggish in this segment’s major markets, namely printing and automobiles, both in Japan and overseas. In Japan during second half of the period, sales of plastic colorants to the auto industry, which had been weak, recovered, while sales of plastic colorants to the housing industry, which had been strong, turned sluggish. Sales of plastic colorants for consumer electronics and office automation equipment overseas were strong. However, a surge in raw material prices both in Japan and overseas suppressed growth in operating income.

Sales of high-function pigments and materials for LCD color filters expanded further in South Korea and China, but fell sharply in Japan and Taiwan, reflecting weak demand for televisions in Japan, Europe and the United States, as well as sluggish growth in emerging countries, including China.

As a result of the above factors, sales of the overall Colorants and Functional Materials Related Business were 62,636 million yen, down 1.1% year on year, and operating income was 6,210 million yen, down 31.5% 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	274,797	283,144	8,347
Liabilities	128,763	136,230	7,467
Net assets	146,034	146,913	879

Total assets at the end of the fiscal year under review stood at 283,144 million yen, an increase of 8,347 million yen from the level at the beginning of the fiscal year. Liabilities at the end of the fiscal year were 136,230 million yen, an increase of 7,467 million yen from the level at the beginning of the fiscal year. Net assets at the end of the fiscal year stood at 146,913 million yen, a rise of 879 million yen from the level at the beginning of the fiscal year.

Cash and bank deposits and notes, accounts receivable, and accounts payable increased due to a delay in account settlement to the next month because of a bank holiday at the end of the fiscal year under review.

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

Retained earnings increased in net assets as a result of the recognition of profit from the fiscal year under review. Net unrealized gains on available-for-sale securities decreased due to declines in the market value of investment in securities, and the strong yen caused a decline in foreign currency translation adjustments.

(ii) Cash flows

(Million yen)

	Previous term	Term under review	Change
Cash flows from operating activities	22,859	18,453	-4,405
Cash flows from investing activities	-12,376	-10,354	2,021
Cash flows from financing activities	-4,179	-1,880	2,299
Balance of cash and cash equivalents	26,732	32,644	5,911

Cash and cash equivalents ("cash") at the end of the fiscal year under review stood at 32,644 million yen, up 5,911 million yen from the level at the beginning of the fiscal year.

Cash provided by operating activities stood at 18,453 million yen, a decline in cash inflows of 4,405 million yen year on year, mainly reflecting a rise in the level of cash outflows due to an increase in income taxes paid, offsetting increases in cash inflows from income before income taxes and minority interests as well as from accounts payable because of a bank holiday at the end of the fiscal year under review.

Cash used in investment activities were 10,354 million yen, a decrease in cash outflows of 2,021 million yen year on year, which was within the amount of the cash provided by operating activities, in spite of an increase in cash outflows from the acquisition of property, plant and equipment.

Cash used in financial activities stood at 1,880 million yen, a decline in cash outflows of 2,299 million yen from the previous fiscal year primarily reflecting refinancing of long-term loans payable and payment of dividends.

Trends in Group cash flows are as follows:

	Term ended March, 2009	Term ended March, 2010	Term ended March, 2011	Term ended March, 2012
Capital adequacy ratio (%)	50.5	52.2	51.7	50.6
Market value-based capital adequacy ratio (%)	23.1	47.0	43.0	35.9
Ratio of interest-bearing debt to cash flows (years)	9.7	2.6	2.9	3.7
Interest coverage ratio (times)	6.6	24.1	23.7	18.8

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, 2013	255,000	16,000	16,000	8,000
Term ended March, 2012	245,337	13,648	13,445	7,238
Growth rate (%)	3.9	17.2	19.0	10.5

Looking ahead to the next consolidated fiscal year, although a full-fledged recovery in demand is anticipated in Japan, uncertainties will likely remain in the global economic environment with unresolved concerns about the European financial crisis and the political turmoil in the Middle East.

Although the Group expects to face a persistently distressed operating environment, it will continue to exert efforts in areas including development of new products and brand power, the acceleration of its growth strategies through global development, and innovation in manufacturing. Consequently, we expect to post net sales of 255 billion yen in the next consolidated fiscal year, up 3.9% from a year earlier; operating income of 16 billion yen, up 17.2% year on year; recurring income of 16 billion yen, up 19.0%; and net income of 8 billion yen, up 10.5%.

2. Group Overview

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

In April 2011, the Company adopted a holding company structure. Under the new structure, Toyo Ink Co., Ltd. is incorporated through an incorporation-type demerger that handles the Printing and Information Related Business and the Packaging Materials Related Business; and Toyochem Co., Ltd. is incorporated through an incorporation-type demerger that handles the Polymers and Coatings Related Business and the Colorants and Functional Materials Related Business. Accordingly, the Company changed its trade name to Toyo Ink SC Holdings Co., Ltd. from the previous Toyo Ink Mfg. Co., Ltd.

Business lines of the Group are as follows:

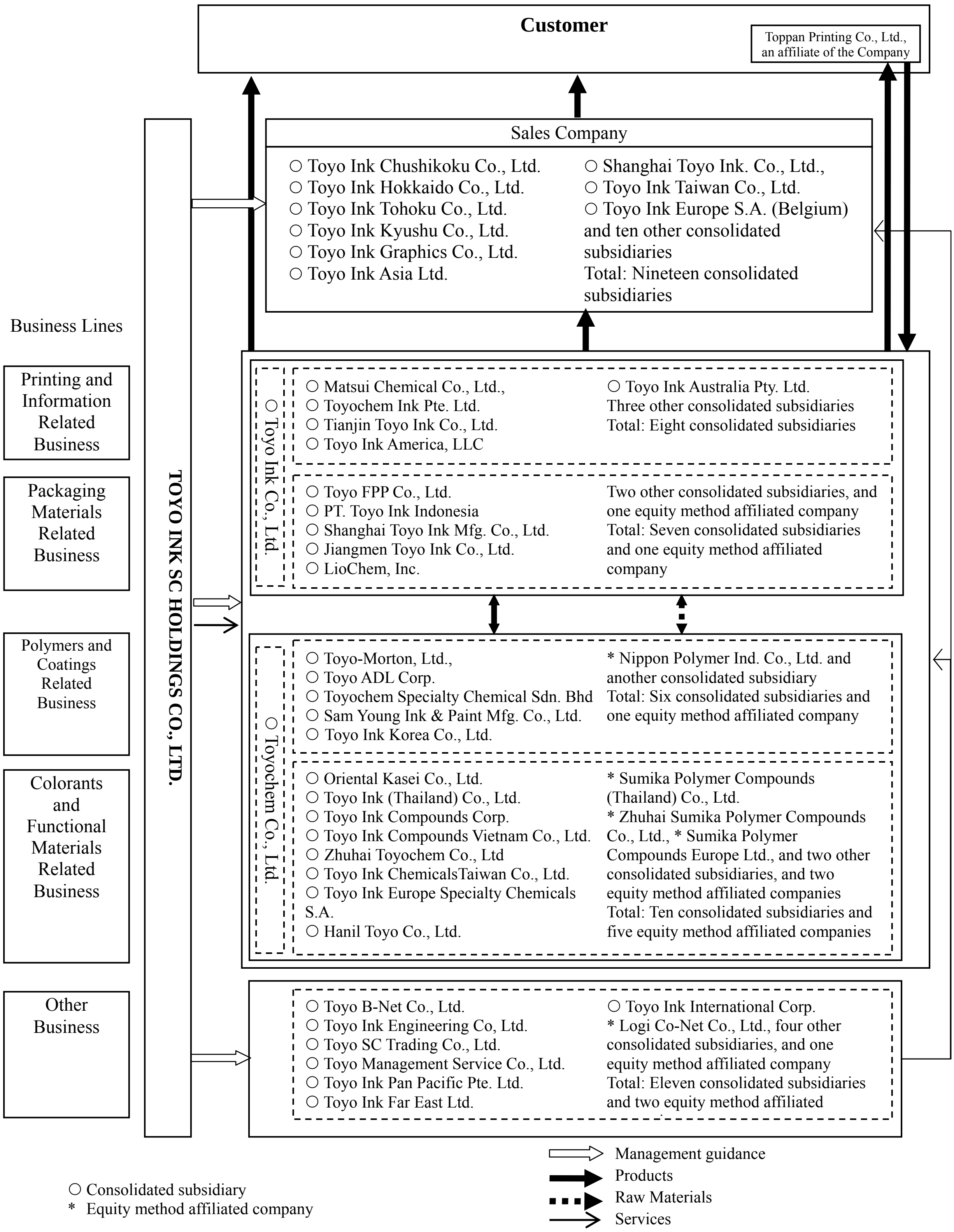
Business line	Major Business	Major Company	
Printing and Information Related Business	Offset inks, metal printing inks, printing machines, printing equipment, prepress systems, printing supplies ink-jet materials and others	Domestic	Toyo Ink Co., Ltd., Matsui Chemical Co., Ltd. and others
		Overseas	Tianjin Toyo Ink Co., Ltd., Toyo Ink America, LLC, Toyo Ink Australia Pty. Ltd. and others
Packaging Materials Related Business	Gravure inks, flexographic inks, gravure cylinders and others	Domestic	Toyo Ink Co., Ltd., Toyo FPP Co., Ltd. (Note) and others
		Overseas	Shanghai Toyo Ink Mfg. Co., Ltd., Jiangmen Toyo Ink Co., Ltd. and others
Polymers and Coatings Related Business	Can coatings, resins, adhesives, adhesive compounds, coating materials, natural materials and others	Domestic	Toyochem Co., Ltd., Toyo-Morton, Ltd., Toyo ADL Corp. and others
		Overseas	Toyochem Specialty Chemical Sdn. Bhd, Sam Young Ink & Paint Mfg. Co., Ltd. and others
Colorants and Functional Materials Related Business	Organic pigments, processed pigments, plastic colorants, color filter materials and others	Domestic	Toyochem Co., Ltd., Oriental Kasei Co., Ltd. and others
		Overseas	Toyo Ink (Thailand) Co., Ltd., Toyo Ink Compounds Vietnam Co., Ltd., Zhuhai Toyochem Co., Ltd. (Note), Toyo Ink Chemicals Taiwan Co., Ltd., Toyo Ink Europe Specialty Chemicals S.A., and others
Other Business	Service provision, real estate rental business management, holding company for subsidiaries and others	Domestic	Toyo Ink Co., Ltd., 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 January, 2012, Zhuhai Toyo Ink Co., Ltd. changed its trade name to Zhuhai Toyochem Co., Ltd.

On April 1, 2012, the Company's wholly-owned subsidiary Oriental Kasei Co., Ltd. succeeded the Colorants and Functional Materials Related Business of the Company's wholly-owned subsidiary, Toyochem Co., Ltd., through an absorption-type demerger and merged with the Company's wholly-owned subsidiary, Toyo Plax Co., Ltd., through an absorption-type merger. Accordingly, Oriental Kasei Co., Ltd. changed its trade name to Toyocolor Co., Ltd. on the same day.

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

The organization chart is as follows:
(Organization Chart)



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 introduced 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

As we mark the second year of the medium-term management plan SCC-II Renaissance Plan and its half-way point, we are positioning the following fiscal year as one in which we make steady progress toward achieving SCC2017 and the goals in the medium-term management plan.

The Group's challenges in the following fiscal year are: (1) accelerate new product development to meet anticipated needs, global development and growth strategies in order to establish ourselves as the number one brand; (2) improve manufacturing capabilities and risk response; and (3) enhance corporate governance within the Group and upgrade systems to enable speedy execution.

To address these issues and achieve our goals, we are planning the following measures in each reporting segment:

In the Printing and Information Related Business, the Group identifies the following fiscal term as a year of printing technology innovation and will develop and expand sales of new products that are high-performing and exceptionally eco-friendly for offset inks, newspaper printing inks and highly UV sensitive inks. We will also ensure steady supply through rationalizing production and physical distribution, and promoting in-house production of raw materials aimed at improving the supply chain. In addition, we will continue to expand and upgrade the product lineup and reinforce manufacturing systems based on "local production for local consumption" in countries including China, India and Brazil, and areas where an increase in demand is anticipated.

In the Packaging Materials Related Business, we will continue to develop and expand sales of eco-friendly ink systems and coating groups for industrial materials. In collaboration with our affiliates, we will also develop and expand sales of high-quality flexographic ink systems for which an increase in demand is expected on a global scale. In the overseas markets, the business will develop products suited to each country and area with focus on contributing to "local production for local consumption." In addition, the business will aim an early launch of new production bases in the fastest growing regions, including India and Viet Nam, to improve service networks.

In the Polymers and Coatings Related Business in Japan, we will capture the reconstruction demand in areas such as resins for construction use, and present development proposals for adhesives and coating products to meet anticipated needs in the energy, display and healthcare markets. In addition, we will work on swiftly realizing a stable operation at facilities -- currently undergoing renovations -- aimed at strengthening the production of adhesives in response to increasing demand. In the overseas markets, the business will enhance the mid-market product lineup, while strengthening production facilities for adhesives mainly in China and North America.

In the Colorants and Functional Materials Related Business, we will shift our focus to value-enhanced products in Japan and Europe while pursuing improved services by reinforcing the global SCM system through the expansion and improvement of production bases and alliances in emerging countries in commodity-type pigments and plastic colorants. The Group will strive to maintain and stabilize its position as the industry's leading brand in high-function pigments and LCD color filters for display products, and recombine its networks to ensure stable supply to the changing market. In addition, we will develop and expand sales of products in environmental energy fields, such as electrode materials for solar batteries and secondary batteries. On April 1, 2012, the Group implemented a second reorganization and established Toyocolor Co., Ltd. as a core company for further development and expansion of the Colorants and Functional Materials Related Business.

Furthermore, throughout the entire operation of these businesses, the Group will full-heartedly promote initiatives, such as enhanced management for an efficient turnover of capital, the vitalization of local human resources in the age of globalization, rigorous safety activities and risk management, the strengthening of technology-oriented management, and revitalizing exchange among research divisions.

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	As of March 31, 2011	As of March 31, 2012
(Assets)		
Current assets		
Cash and bank deposits	*2 26,760	*2 32,457
Notes and accounts receivable	80,172	*5 81,413
Marketable securities	678	815
Goods and products	21,091	22,009
Work-in-process	1,223	1,248
Raw material and supplies	11,737	12,896
Deferred income tax assets	2,667	2,184
Others	3,894	3,253
Allowance for doubtful receivables	-681	-568
Total current assets	147,545	155,709
Fixed assets		
Property, plant and equipment		
Building and structures	*2 80,253	*2 80,067
Accumulated depreciation	-49,030	-49,774
Building and structures (net amount)	31,223	30,293
Machinery and vehicles	*2 126,265	*2 125,980
Accumulated depreciation	-106,409	-108,295
Machinery and vehicles (net amount)	19,856	17,684
Tools, furniture and fixtures	19,858	20,174
Accumulated depreciation	-17,345	-17,732
Tools, furniture and fixtures (net amount)	2,513	2,441
Land	*2 26,660	*2 26,805
Leased assets	165	184
Accumulated depreciation	-55	-83
Leased assets (net amount)	110	101
Construction in progress	2,251	3,424
Total property, plant and equipment	82,616	80,752
Intangible fixed assets	1,041	895
Investments and other assets		
Investment in securities	*1 30,713	*1 30,476
Deferred income tax assets	1,443	3,882
Others	12,093	12,016
Allowance for doubtful receivables	-657	-587
Total investments and other assets	43,593	45,787
Total fixed assets	127,251	127,435
Total assets	274,797	283,144

(Million yen)

	As of March 31, 2011	As of March 31, 2012
(Liabilities)		
Current liabilities		
Notes and accounts payable	39,407	*5 44,766
Short-term loans payable	20,129	35,306
Accrued income taxes	5,221	4,522
Others	15,050	14,531
Total current liabilities	79,809	99,127
Long-term liabilities		
Long-term loans payable	45,206	31,491
Deferred income tax liabilities	1,342	2,104
Liability for employees' retirement benefits	1,387	1,458
Provision for environmental measures	337	337
Asset retirement obligations	31	31
Others	646	1,678
Total long-term liabilities	48,953	37,103
Total liabilities	128,763	136,230
(Net assets)		
Shareholders' equity		
Common stock	31,733	31,733
Capital surplus	32,920	32,920
Retained earnings	91,749	95,406
Treasury stock, at cost	-1,727	-1,729
Total shareholders' equity	154,675	158,330
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	-1,862	-2,919
Foreign currency translation adjustments	-10,696	-12,269
Total accumulated other comprehensive income	-12,559	-15,189
Minority interests	3,918	3,772
Total net assets	146,034	146,913
Total of liabilities and net assets	274,797	283,144

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

Consolidated statements of income (Million yen)

		From April 1, 2010 to March 31, 2011		From April 1, 2011 to March 31, 2012
Net sales		245,958		245,337
Cost of sales	*1	187,165	*1	191,821
Gross profit		58,792		53,516
Selling, general and administrative expenses				
Packing expenses and freight charge		5,982		5,833
Salaries and allowance		9,439		9,482
Bonuses		2,434		2,395
Welfare expenses		2,353		2,384
Depreciation expenses		1,092		1,175
Research and development expenses	*1	3,288	*1	3,007
Others		15,055		15,587
Total selling, general and administrative expenses		39,647		39,868
Operating income		19,145		13,648
Non-operating income				
Interest income		106		98
Dividend income		509		597
Investment income according to the equity method		178		–
Others		892		695
Total non-operating income		1,686		1,391
Non-operating expenses				
Interest expenses		967		986
Foreign exchange losses		398		186
Investment loss according to the equity method		–		8
Others		464		412
Total non-operating expenses		1,830		1,593
Recurring income		19,002		13,445
Extraordinary profit				
Gain on sales of property, plant and equipment	*2	630	*2	73
Others		4		5
Total extraordinary profit		634		79
Extraordinary loss				
Loss on sales of property, plant and equipment	*3	559	*3	284
Loss on disaster		287		–
Loss on business withdrawal		–		1,198
Loss on liquidation of subsidiaries and affiliates		–		236
Others		590		78
Total extraordinary loss		1,437		1,797
Income before income taxes and minority interests		18,199		11,727
Income taxes, current		6,625		5,140
Income taxes, deferred		-484		-978
Total income taxes		6,140		4,161
Income before minority interests		12,058		7,566
Minority interests		540		328
Net income		11,517		7,238

Consolidated statements of comprehensive income (Million yen)

	From April 1, 2010 to March 31, 2011	From April 1, 2011 to March 31, 2012
Income before minority interests	12,058	7,566
Other comprehensive income		
Net unrealized gains on available-for-sale securities	-1,750	-1,057
Foreign currency translation adjustments	-3,599	-1,554
Share of other comprehensive income of associates accounted for using equity method	-157	-50
Total other comprehensive income	-5,507	*1 -2,663
Comprehensive income	6,551	4,902
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,368	4,607
Comprehensive income attributable to minority interests	182	294

(3) Consolidated statements of changes in net assets

(Million yen)

	From April 1, 2010 to March 31, 2011	From April 1, 2011 to March 31, 2012
Shareholders' equity		
Common stock		
Balance at the beginning of the 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 beginning of the period	32,920	32,920
Changes of items during the period		
Sales of treasury stock	0	-0
Total changes of items during the period	0	-0
Balance at the end of the period	32,920	32,920
Retained earnings		
Balance at the beginning of the period	83,661	91,749
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	-3,431	-3,580
Net income	11,517	7,238
Sales of treasury stock	–	-0
Total changes of items during the period	8,086	3,657
Balance at the end of the period	91,749	95,406
Treasury stock, at cost		
Balance at the beginning of the period	-1,718	-1,727
Changes of items during the period		
Purchases of treasury stock	-9	-3
Sales of treasury stock	0	1
Total changes of items during the period	-9	-1
Balance at the end of the period	-1,727	-1,729
Total shareholders' equity		
Balance at the beginning of the period	146,596	154,675
Effect of changes in accounting policies applied to foreign subsidiaries	1	–
Changes of items during the period		
Dividends from surplus	-3,431	-3,580
Net income	11,517	7,238
Purchases of treasury stock	-9	-3
Sales of treasury stock	0	1
Total changes of items during the period	8,076	3,655
Balance at the end of the period	154,675	158,330

(Million yen)

	From April 1, 2010 to March 31, 2011	From April 1, 2011 to March 31, 2012
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities		
Balance at the beginning of the period	-112	-1,862
Changes of items during the period		
Net changes except for shareholders' equity	-1,750	-1,057
Total changes of items during the period	-1,750	-1,057
Balance at the end of the period	-1,862	-2,919
Foreign currency translation adjustments		
Balance at the beginning of the period	-7,297	-10,696
Changes of items during the period		
Net changes except for shareholders' equity	-3,399	-1,573
Total changes of items during the period	-3,399	-1,573
Balance at the end of the period	-10,696	-12,269
Total accumulated other comprehensive income		
Balance at the beginning of the period	-7,409	-12,559
Changes of items during the period		
Net changes except for shareholders' equity	-5,149	-2,630
Total changes of items during the period	-5,149	-2,630
Balance at the end of the period	-12,559	-15,189
Minority interests		
Balance at the beginning of the period	5,756	3,918
Changes of items during the period		
Net changes except for shareholders' equity	-1,838	-145
Total changes of items during the period	-1,838	-145
Balance at the end of the period	3,918	3,772
Total net assets		
Balance at the beginning of the period	144,943	146,034
Effect of changes in accounting policies applied to foreign subsidiaries	1	–
Changes of items during the period		
Dividends from surplus	-3,431	-3,580
Net income	11,517	7,238
Purchases of treasury stock	-9	-3
Sales of treasury stock	0	1
Net changes except for shareholders' equity	-6,987	-2,776
Total changes of items during the period	1,089	879
Balance at the end of the period	146,034	146,913

(4) Consolidated statements of cash flows

(Million yen)

	From April 1, 2010 to March 31, 2011	From April 1, 2011 to March 31, 2012
Cash flows from operating activities		
Income before income taxes and minority interests	18,199	11,727
Depreciation and amortization	9,821	9,329
Interest and dividend income	-615	-696
Interest expenses	967	986
Gain/loss on sale of property, plant and equipment (- is gain)	-599	-63
Loss on disposals of property, plant and equipment	339	176
Equity/loss in earnings of associated companies (- is equity)	-178	8
Loss on withdrawal from business	–	1,198
Loss on liquidation of subsidiaries and affiliates (- is gain)	–	236
Increase/decrease in notes and accounts receivable (- is increases)	-3,935	-2,107
Increase/decrease in inventories (- is increases)	-2,381	-2,911
Increase/decrease in notes and accounts payable (- is decreases)	4,149	5,817
Others	50	824
Subtotal	25,816	24,525
Interest and dividend received	698	725
Interest paid	-963	-979
Income taxes paid	-2,692	-5,817
Net cash provided by operating activities	22,859	18,453
Cash flows from investing activities		
Increase in time deposits	-379	-440
Income on certificate of deposit repayment	444	436
Purchases of property, plant and equipment	-7,224	-8,796
Proceeds from sales of property, plant and equipment	879	131
Purchases of investment securities	-4,066	-2,098
Proceeds from sales of investment securities	805	813
Purchase of investments in subsidiaries	-2,826	-241
Others	-8	-159
Net cash used in investing activities	-12,376	-10,354
Cash flows from financing activities		
Increase/decrease in short-term loans payable, net (- is decrease)	-298	1,677
Proceeds from long-term loans payable	–	5,423
Repayments of long-term loans payable	-182	-5,108
Dividends paid	-3,430	-3,580
Dividends paid to minority interests	-223	-266
Others	-45	-25
Net cash used in financing activities	-4,179	-1,880
Foreign currency translation adjustments on cash and cash equivalents	-607	-307
Net increase (decrease) in cash and cash equivalents (- is decrease)	5,695	5,911
Cash and cash equivalents, beginning of period	21,037	26,732
Cash and cash equivalents, end of period	*1 26,732	*1 32,644

(5) Notes on assumption of going business

Not applicable

(6) Important matters for the consolidated financial statements

From April 1, 2011 to March 31, 2012
1. Scope of consolidation The Company had 63 consolidated subsidiaries; all of the subsidiaries were consolidated. Names of major consolidated subsidiaries: Toyo Ink Co., Ltd. Toyochem Co., Ltd. Matsui Kagaku Co., Ltd.; Toyo-Morton, Ltd.; Toyo B-Net Co., Ltd.; Toyo Ink Chushikoku Co., Ltd.; Tianjin Toyo Ink Co., Ltd.; Toyo Ink (Thailand) Co., Ltd.; Toyochem Specialty Chemical SDN. BHD.; Toyo Ink America, LLC Toyo Ink Chemicals Taiwan Co., Ltd.; Toyo Ink Europe Specialty Chemicals S.A.; During the consolidated fiscal year under review, the Company consolidated three subsidiaries and deconsolidated three subsidiaries. - In the consolidated fiscal year under review, Toyo Ink Co., Ltd. and Toyochem Co., Ltd. were incorporated through an incorporation-type demerger and each became a consolidated subsidiary after being demerged from the Company. - In the consolidated fiscal year under review, Toyo SC Trading Co., Ltd. was established and became a consolidated subsidiary of the Company - Toyonex Co., Ltd., which had been a consolidated subsidiary until the previous fiscal year, merged with Toyo ADL Corp. in the consolidated fiscal year under review and was excluded from the scope of consolidation. - Toyo-Morton Korea Ltd., which had been a consolidated subsidiary until the previous fiscal year, merged with Toyo Ink Korea Co., Ltd. in the consolidated fiscal year under review and was excluded from the scope of consolidation. - Toyo Ink Coating (Thailand) Co., Ltd., which had been a consolidated subsidiary until the previous fiscal year, was liquidated in the consolidated fiscal year under review and was excluded from the scope of consolidation. During the consolidated fiscal year under review, the Company renamed the following consolidated subsidiaries: - Toyo Plax Co., Ltd. (formerly Aichi Toyo Ink Co. Ltd.) - Toyo Ink Graphics Nishinihon Co., Ltd. (formerly Toyo Ink Osaka Hanbai Co. Ltd.) - Zhuhai Toyochem Co., Ltd. (formerly Zhuhai Toyo Ink Co.,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.; Zhuhai Sumika Polymer Compounds Co., Ltd. 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. 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

From April 1, 2011 to March 31, 2012

3) Inventories

Products, work-in-process and raw material

In principle, the cost method based on the gross average method is applied.

(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

In principle, the last cost method is applied.

(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.

(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) 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.

(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) 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.

(5) Significant hedge accounting

1) Hedge accounting

Among interest swap transactions, those that satisfy special transaction requirements are processed.

2) Hedging method and hedging target

Hedging method: Interest swap transactions

Hedging target: Long-term borrowings

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.

From April 1, 2011 to March 31, 2012
4) Assessing hedging effectiveness Assessing hedging effectiveness is omitted because interest swap transactions have satisfied requirements for special transactions. (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. (8) 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.

(7) Changes to basis of presenting consolidated financial statements

From April 1, 2011 to March 31, 2012
(Consolidated Statements of Income) As a result of the shift to the holding company structure, rent income and expenses from real estate rentals, etc., which had been recorded as “rent income on noncurrent assets” under “non-operating income” and “depreciation expenses of rental assets” under “non-operating expenses” in the previous consolidated fiscal year, are now part of the profit and loss derived from major operating activities of the Company. For this reason, these items were recorded under “net sales” and “cost of sales” starting in the consolidated fiscal year under review. To reflect this change in presenting the data, the consolidated financial statement of the previous fiscal year has been recycled. Consequently, “rent income on noncurrent assets” under “non-operating income” totaling 226 million yen, and “depreciation expenses of rental assets” under “non-operating expenses” amounting to 233 million yen, which were recorded in the consolidated statements of income for the previous fiscal year, were recycled to show as “net sales” of 226 million yen and “cost of sales” of 233 million yen. “Loss on valuation of investment securities,” which had been independently listed under “extraordinary loss” in the previous consolidated fiscal year, is now less than 10/100 of the total extraordinary loss. For this reason, the item is included in “other” in the consolidated fiscal year under review. In order to reflect this change in presenting the data, the consolidated financial statement of the previous fiscal year has been recycled. Consequently, “loss on valuation of investment securities” totaling 411 million yen, which had been listed under “loss on valuation of investment securities” of “extraordinary loss” in the consolidated statements of income for the previous consolidated fiscal year, was recycled to be included in “other.” (Consolidated Statement of Cash Flows) During the fiscal year under review, there was less significance placed on the item “gain (loss) on valuation of investment securities,” which had been independently listed in cash flow from operating activities in the preceding consolidated fiscal year. Accordingly, the amount is included in “other” in the consolidated fiscal year under review. In order to reflect this change in presenting the data, the consolidated financial statement of the previous fiscal year has been recycled. Consequently, “gain (loss) on valuation of investment securities” totaling 411 million yen, which had been listed in cash flow from operating activities in the consolidated statements of cash flows for the preceding consolidated fiscal year, is now listed under “other.” During the fiscal year under review, there was greater significance placed on the item “repayments of long-term loans payable,” which had been included in “other” in cash flows from financing activities in the preceding consolidated fiscal year. Accordingly, the amount is stated independently in the consolidated fiscal year under review. In order to reflect this change in presenting data, the consolidated financial statement of the previous fiscal year has been recycled. Consequently, “repayments of long-term loans payable” totaling 227 million yen, which had been included in “other” in cash flows from financing activities in the consolidated statements of cash flows for the preceding consolidated fiscal year, was recycled to show as “repayments of long-term loans payable” totaling 182 million yen and as “other” totaling 45 million yen.

(8) Additional information

From April 1, 2011 to March 31, 2012
(Application of accounting standard for accounting changes and error corrections) The Company has adopted the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24; December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24; December 4, 2009) for accounting changes or correction of past errors that were made after the beginning of the first quarter of the consolidated fiscal year under review.

(9) Explanatory notes to consolidated financial statements

(Notes to consolidated balance sheet) (Million yen)

As of March 31, 2011		As of March 31, 2012	
*1. Shares of affiliates		*1. Shares of affiliates	
Investment securities (stocks)	2,996	Investment securities (stocks)	2,741
*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	305	Building and structures	532
Land	689	Land	640
Others	86	Others	113
Total	1,080	Total	1,286
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.		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.	
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$7,605,000)	632	Sumika Polymer Compounds America, Inc. (US$7,965,000)	654
ZHUHAI SUMIKA POLYMER COMPOUNDS Co., Ltd. (US$3,600,000, etc.)	413	ZHUHAI SUMIKA POLYMER COMPOUNDS Co., Ltd. (US$4,275,000, etc.)	429
Sumika Polymer Compounds (UK) Ltd. (GBP 1,871,000)	250	Sumika Polymer Compounds (UK) Ltd. (GBP 1,500,000)	197
Others: three companies	343	Others: three companies	382
Employees (housing loans)	671	Employees (housing loans)	543
Total	2,311	Total	2,207
4. Discounts on notes and accounts receivable	458	4. Discounts on notes and accounts receivable	430
Endorsement of notes and accounts receivable	37	Endorsement of notes and accounts receivable	12
		*5. Accounts for notes that matured at the end of the consolidated fiscal year	
		The notes that matured on the book closing date at the end of the consolidated fiscal year under review are treated as if they were settled on the maturity date, although the end of the fiscal year was a bank holiday. The notes that matured at the end of the consolidated fiscal year under review were as follows.	
		Notes receivable	1,996
		Notes payable	173

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

From April 1, 2010 to March 31, 2011		From April 1, 2011 to March 31, 2012	
*1. Research and development expenses included in selling, general and administrative expenses and manufacturing cost for the year were ¥7,179 million.		*1. Research and development expenses included in selling, general and administrative expenses and manufacturing cost for the year were ¥6,950 million.	
*2. Significant components of loss on sales of fixed assets		*2. Significant components of loss on sales of fixed assets	
Land	611	Land	58
Others	18	Others	15
Total	630	Total	73
*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	233	Building and structures	113
Machinery and vehicles	291	Machinery and vehicles	146
Others	35	Others	24
Total	559	Total	284

(Notes to consolidated statements of comprehensive income)

From April 1, 2011 to March 31, 2012

*1 The amount of recycling and the amount of tax effect associated with other comprehensive income

Net unrealized gain on available-for-sale securities	
Amount arisen in the fiscal year under review	-1,341 million yen
Amount of recycling	27 million yen
Before tax adjustment	-1,313 million yen
Amount of the tax effect equivalent	256 million yen
Net unrealized gain on available-for-sale securities	-1,057 million yen
Foreign currency translation adjustments	
Amount arisen in the fiscal year under review	-1,790 million yen
Amount of recycling	236 million yen
Foreign currency translation adjustments	-1,554 million yen
Share of other comprehensive income of associates accounted for using equity method	
Amount arisen in the fiscal year under review	-50 million yen
Total other comprehensive income	-2,663 million yen

(Notes to consolidated statements of changes in net assets)

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 beginning of this 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

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

From April 1, 2011 to March 31, 2012

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

	At the beginning of this 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)	4,711	10	3	4,718
Total	4,711	10	3	4,718

(Notes) 1. An increase of 10,000 own shares of common stock was attributed to the purchasing 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 29, 2011	Common stock	1,790	6.00	March 31, 2011	June 30, 2011
Board of directors' meeting on November 7, 2011	Common stock	1,790	6.00	September 30, 2011	December 5, 2011

(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 28, 2012	Common stock	1,790	Retained earnings	6.00	March 31, 2012	June 29, 2012

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

From April 1, 2010 to March 31, 2011		From April 1, 2011 to March 31, 2012	
*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	26,760	Cash and time deposits	32,457
Securities	678	Securities	815
Total	27,439	Total	33,272
Time deposits with maturity of more than 3 months	-691	Time deposits with maturity of more than 3 months	-625
Investments in investment limited partnerships, etc.	-15	Investments in investment limited partnerships, etc.	-3
Cash and cash equivalents	26,732	Cash and cash equivalents	32,644

(Matters related to retirement benefit) (Million yen)

<table>
<tr><th>From April 1, 2010 to March 31, 2011</th><th>From April 1, 2011 to March 31, 2012</th></tr>
<tr><td>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.</td><td>1. Overview of the adopted retirement benefits plan
Same as at left</td></tr>
<tr><td>2. Matters related to the retirement benefit obligations
(1) Retirement benefit obligations -33,242
(2) Pension assets 30,387
(3) Unfunded retirement benefit obligations ((1)+(2)) -2,854
(4) Unrecognized actuarial differences 12,350
(5) Unrecognized prior service cost (Decrease in liabilities) -2,759
(6) Amount (net) in the consolidated balance sheets ((3)+(4)+(5)) 6,736
(7) Prepaid pension expenses 8,124
(8) Liabilities for retirement benefits to employees ((6)-(7)) -1,387</td><td>2. Matters related to the retirement benefit obligations
(1) Retirement benefit obligations -32,602
(2) Pension assets 30,960
(3) Unfunded retirement benefit obligations ((1)+(2)) -1,642
(4) Unrecognized actuarial differences 10,931
(5) Unrecognized prior service cost (Decrease in liabilities) -2,269
(6) Amount (net) in the consolidated balance sheets ((3)+(4)+(5)) 7,019
(7) Prepaid pension expenses 8,478
(8) Liabilities for retirement benefits to employees ((6)-(7)) -1,458</td></tr>
<tr><td>(Notes) 1. Extra premium severance pay is not included.
2. Some consolidated subsidiaries calculated the retirement benefit obligations using the simplification method.</td><td>(Notes) 1. Extra premium severance pay is not included.
2. Some consolidated subsidiaries calculated the retirement benefit obligations using the simplification method.</td></tr>
</table>

(Million yen)

From April 1, 2010 to March 31, 2011	From April 1, 2011 to March 31, 2012
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	3. Matters related to retirement benefit expenses (1) Service expenses (Note 1) 1,221 (2) Interest expenses 560 (3) Expected return -675 (4) Actuarial differences charged to the expenses 1,559 (5) Prior service cost charged to the expenses -486 (6) Retirement benefit expenses ((1) + (2) + (3) + (4) + (5)) 2,179 (7) Premium severance pay 15 (8) Premium payment for defined-contribution pension plans (Note 2) 869 (9) Total ((6) + (7) + (8)) 3,064
(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.	(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.)	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, 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

As of March 31, 2012

1. Major components of deferred tax assets and liabilities

(Current assets)	
Deferred income tax assets	
Reserve for bonuses	1,032
Unpaid business enterprise tax	379
Loss on valuation of inventories	287
Others	757
Deferred income tax assets subtotal	2,456
Valuation reserve	-180
Deferred income tax assets total	2,276
Total of deferred income tax liabilities	-92
Deferred income tax assets (net)	2,184
(Fixed assets)	
Deferred income tax assets	
Deferred retained loss	2,826
Depreciation expenses	1,966
Variance on revaluation of other marketable securities	1,710
Loss on valuation of investment securities	1,686
Others	1,639
Deferred income tax assets subtotal	9,829
Valuation reserve	-3,645
Deferred income tax assets total	6,183
Deferred income tax liabilities	
Reserve for advanced appreciation of fixed assets	-2,877
Variance on revaluation of assets of consolidated subsidiaries	-891
Retained income	-325
Others	-311
Total of deferred income tax liabilities	-4,405
Deferred income tax liabilities (net)	1,778

(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	2,184
Fixed assets—Deferred income tax assets	3,882
Current liabilities—Other	-0
Long-term liabilities—Deferred income tax liabilities	-2,104

(Million yen)

<table>
<tr><th>As of March 31, 2011</th><th>As of March 31, 2012</th></tr>
<tr><td>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%
(Adjustment)
Entertainment expenses and other items not to be included in expenses indefinitely 1.59%
Gain on dividend income not permitted for inclusion in expenses -1.14%
Impacts on deconsolidation of dividends received 2.28%
Experimental and research expense tax credit -3.13%
Different tax rates on overseas consolidated subsidiaries -6.37%
Others -0.18%
Effective tax rate 33.74%
-----------------</td><td>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%
(Adjustment)
Entertainment expenses and other items not to be included in expenses indefinitely 4.63%
Gain on dividend income not permitted for inclusion in expenses -0.73%
Impacts on increase/decrease in valuation reserve -4.90%
Experimental and research expense tax credit -2.52%
Effect due to tax rate change -1.97%
Others 0.28%
Effective tax rate 35.48%

3 Re-evaluation of deferred income tax assets and deferred income tax liabilities due to income tax rate change
Following an official announcement on December 2, 2011 of the “Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation Systems Responding to Changes in Economic Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake” (Act No. 117 of 2011), tax rates will be lowered for consolidated fiscal years starting on April 1, 2012 and the special corporate tax for reconstruction will be imposed. Accordingly, the legal effective tax rate used in the calculation of deferred income tax assets and deferred income tax liabilities will be revised from the previous rate of 40.69% to 38.01% for the temporary difference expected to be reversed during the period between the consolidated fiscal year starting on April 1, 2012 and that starting on April 1, 2014, and to 35.64% for the temporary difference expected to be reversed in consolidated fiscal years starting on April 1, 2015.
As a result of this rate change, the amounts of deferred income tax assets (amount obtained by subtracting the amount for deferred income tax liabilities), income taxes - deferred, and net unrealized gains on available-for-sale securities declined 19 million yen, 230 million yen and 249 million yen, respectively.</td></tr>
</table>

(Segment information, etc.)

a. 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 Related Business, the Packaging Materials Related Business, the Polymers and Coatings Related Business, and the Colorants and Functional Materials Related Business. Each business unit operates by establishing comprehensive domestic and overseas strategies for each product and service.

The Printing and Information Related Business mainly manufactures and sells offset inks, metal printing inks, printing presses, printing equipment, prepress systems, printing supplies, and ink-jet materials. The Packaging Materials Related Business mainly manufactures and sells gravure inks, flexographic inks and gravure cylinders. The Polymers and Coatings Related Business mainly manufactures and sells can coatings, resins, adhesives, adhesive compounds, coating materials and natural materials. The Colorants and Functional Materials Related 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.

(Change in reported segment for rent income and expenses from real estate rental, etc.)

As a result of the shift to the holding company structure, rent income and expenses from real estate rental, etc., which had been recorded as “rent income on noncurrent assets” under “non-operating income” and “depreciation expenses of rental assets” under “non-operating expenses” in the previous consolidated fiscal year, are now part of the profit and loss derived from the Company’s major operating activities. For this reason, these items were recorded under “net sales” and “cost of sales” starting in the consolidated fiscal year under review. To reflect this change in presenting the data, the consolidated financial statement of the previous fiscal year has been recycled. Consequently, sales to customers under “other” increased 226 million yen and the segment profit decreased 7 million yen for the previous consolidated fiscal year.

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

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 Related Business	Packaging Materials Related Business	Polymers and Coatings Related Business	Colorants and Functional Materials Related Business	Total			
Net sales								
Sales to customers	76,449	53,319	50,664	60,591	241,024	4,933	–	245,958
Intersegment sales	336	1,122	1,512	2,711	5,684	1,831	-7,515	–
Total sales	76,786	54,441	52,177	63,303	246,708	6,765	-7,515	245,958
Segment profits (losses)	2,689	3,109	4,158	9,068	19,026	-494	613	19,145

(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.

From April 1, 2011 to March 31, 2012 (Million yen)

	Reported segments					Others (Note) 1	Adjustment (Note) 2	Amounts recorded in Consolidated Financial Statements (Note) 3
	Printing and Information Related Business	Packaging Materials Related Business	Polymers and Coatings Related Business	Colorants and Functional Materials Related Business	Total			
Net sales								
Sales to customers	75,784	54,468	51,227	59,420	240,902	4,435	–	245,337
Intersegment sales	324	1,093	1,313	3,215	5,946	1,637	-7,583	–
Total	76,108	55,562	52,541	62,636	246,848	6,073	-7,583	245,337
Segment profits	1,367	1,735	2,791	6,210	12,104	1,437	106	13,648

(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 106 million yen in segment profits mainly represents the deduction of intersegment transactions.
3. Segment profits have been adjusted with operating income recorded in the consolidated financial statements.

b. Relevant information

Information by region

Net sales

(Change in reported segment for rent income and expenses from real estate rental, etc.)

As a result of the shift to the holding company structure, rent income and expenses from real estate rental, etc., which had been recorded as “rent income on noncurrent assets” under “non-operating income” and “depreciation expenses of rental assets” under “non-operating expenses” in the previous consolidated fiscal year, are now part of the profit and loss derived from the Company’s major operating activities. For this reason, the items were recorded under “net sales” and “cost of sales” starting in the consolidated fiscal year under review. To reflect this change in presenting the data, the consolidated financial statement of the previous fiscal year has been recycled. Consequently, sales in Japan and sales in segments other than Japan increased 221 million yen and 4 million yen, respectively.

From April 1, 2010 to March 31, 2011

(Million yen)

Japan	China	Other	Total
166,918	25,134	53,904	245,958

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

From April 1, 2011 to March 31, 2012

(Million yen)

Japan	China	Other	Total
166,257	25,519	53,560	245,337

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

(Per share information)

From April 1, 2010 to March 31, 2011	From April 1, 2011 to March 31, 2012
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.	Net assets per share 479.71yen Net income per share 24.26 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, 2010 to March 31, 2011	From April 1, 2011 to March 31, 2012
Net income (million yen)	11,517	7,238
Amount not belonging to common shareholders (million yen)	–	–
Net income (loss) associated with common shares (million yen)	11,517	7,238
Weighted average number of shares issued and outstanding during the period (thousand shares)	298,409	298,393

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

	As of March 31, 2011	As of March 31, 2012
Net assets on the consolidated balance sheet (million yen)	146,034	146,913
Amount deducted from total net assets (million yen)	3,918	3,772
Minority interests (million yen)	3,918	3,772
Year-end net assets concerning common shares (million yen)	142,115	143,140
Common shares used for calculation of net assets per share (thousand shares)	298,396	298,390

(Important subsequent events)
From April 1, 2011 to March 31, 2012
(Company split related to the Colorants and Functional Materials Related Business)
On April 1, 2012, the Company's wholly-owned subsidiary Oriental Kasei Co., Ltd. succeeded the Colorants and Functional Materials Related Business of the Company's wholly-owned subsidiary, Toyochem Co., Ltd., through an absorption-type demerger and merged with the Company's wholly owned subsidiary, Toyo Plax Co., Ltd., through an absorption-type merger. Accordingly, Oriental Kasei Co., Ltd. changed its trade name to Toyocolor Co., Ltd. on the same day.
As a result, the overview of the companies involved in the demerger and the merger is as follows.

1. Succeeding company after demerger and surviving company after merger (as of April 1, 2012)

(1)	Trade Name	Toyocolor Co., Ltd.
(2)	Description of Business	Colorants and Functional Materials Related Business
(3)	Capital	500 million yen (Note)
(4)	Number of shares outstanding	200,000 shares
(5)	Net Assets	9,631 million yen
(6)	Total Assets	34,065 million yen

(Note) After demerger and merger, 100 million yen of surplus was incorporated in the capital.

2. Demerged company (as of April 1, 2012)

(1)	Trade Name	Toyochem Co., Ltd.
(2)	Description of Business	Polymers and Coatings Related Business
(3)	Capital	500 million yen
(4)	Number of shares outstanding	10,000 shares
(5)	Net Assets	5,200 million yen
(6)	Total Assets	37,999 million yen

3. Absorbed company (as of March 31, 2012)

(1)	Trade Name	Toyo Plax Co., Ltd.
(2)	Description of Business	Manufacturing of plastic colorants
(3)	Capital	60 million yen
(4)	Number of shares outstanding	1,200 shares
(5)	Net Assets	53 million yen
(6)	Total Assets	105 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 2012 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.