

Toyo Ink SC Holdings Co., Ltd.
November 11, 2013

FY2013 First Half Results Briefing

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The forecasts or projections set out in this presentation are based on the assumptions and beliefs of our management in light of the information available to it as of November 11, 2013. Changes in global, economic and business conditions could cause actual results to differ materially from these forecasts. All amounts are rounded to the nearest 100 million yen.

FY2013 Management Policy

- Promote three growth strategies (new products/businesses, global development, No.1 brand) with improved customer satisfaction as the foundation.
- Strengthen support activities for the medium-term management plan (Renaissance Plan) and regenerate a manufacturing base with earnings capacity.
- Create a framework that supports global/speedy strategic management.

(Unit: 100 million yen)

	First half of FY2012	First half of FY2013	Increase/decrease (%)	FY2013 forecast	Increase/decrease (%)
Net sales	1,234	1,351	9.5	2,700	8.6
Operating income	80	103	28.8	200	14.0
Recurring income	79	110	39.2	205	11.0
Net income	40	71	79.4	120	37.7
Operating margin	6.5%	7.7%	1.2 (points)	7.4%	
Overseas sales ratio	33.0%	38.5	5.5 (points)	37.0%	

(Unit: 100 million yen)

	As at March 30, 2013	As at September 30, 2013	Increase/decrease (%)
Current assets	1,620	1,645	1.6
Fixed assets	1,376	1,573	14.3
Total assets	2,996	3,218	7.4
Current liabilities	980	980	0.0
Long-term liabilities	402	440	9.4
Total liabilities	1,382	1,420	2.7
Total net assets	1,613	1,798	11.5
Total of liabilities and net assets	2,996	3,218	7.4

Average foreign exchange rate in the first half of FY2012: 1\$ = ¥79.8

Average foreign exchange rate in the first half of FY2013: 1\$ = ¥95.9

	As at March 30, 2013	As at September 30, 2013
Interest-bearing debt (100 million yen)	711	719
Net worth ratio (%)	52.4	54.3
D/E ratio	0.43	0.43

	As at March 30, 2013	As at September 30, 2013
Consolidated subsidiaries	59	71
Equity method companies	11	12

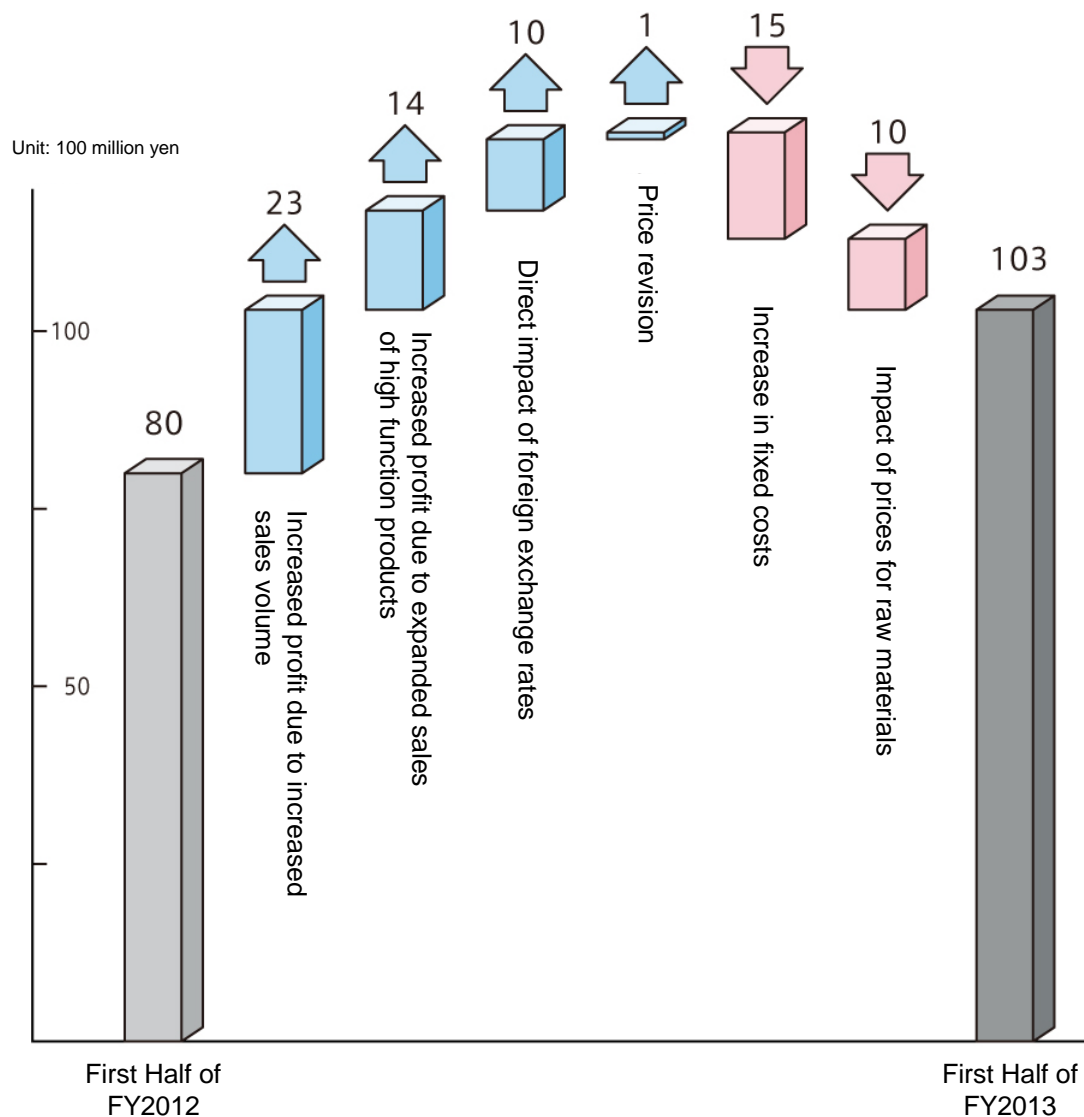
FY2013 First Half Operating Income and Analysis of Factors Behind YoY Difference

First Half of FY2012 8,000 million yen

First Half of FY2013 10,300 million yen

Remarks

- Increased profits due to rise in sales volume (positive impact of 2,300 million yen).
Effects of the recovery of the overseas market and sales expansion
- Increased profits due to expanded sales of high function products (positive impact of 1,400 million yen).
High sensitivity UV inks and CF- and ICT-related materials performed well.
- Direct impact of exchange rates (positive impact of 1,000 million yen)
- Price revision (positive impact of 100 million yen)
Partially reflected in actual results of colorants, etc.
- Increase in fixed costs (negative impact of 1,500 million yen)
Although the Company continues to cut down on fixed costs, they increased due in part to the addition of fixed costs of ARETS.
- Impact of prices of raw materials (negative impact of 1,000 million yen)
Impact of steep price rise for petrochemical products as a whole reflecting the rise of naphtha price and sharp rise of rosin price



Performance by Segment

		Second Quarter of FY2013 (three months)						First Half of FY2013 (cumulative)			
		Results (100 million yen)		Increase/Decrease Year on Year (%)		Increase/Decrease Quarter on Quarter (%)		Total results (100 million yen)		Increase/Decrease Year on Year (%)	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Printing and Information	Japan	144	10	1.0	39.5	2.4	14.0	284	19	2.3	80.9
	Overseas	84	4	54.5	72.3	46.3	141.4	141	5	32.0	103.8
	Total	214	14	14.3	46.1	15.9	45.8	400	24	9.0	89.3
Packaging Materials	Japan	107	4	1.1	-11.9	5.4	10.6	209	8	1.4	-4.5
	Overseas	54	2	35.5	210.4	16.3	372.7	101	3	31.8	53.7
	Total	161	6	10.6	15.8	9.1	44.2	308	11	9.9	6.7
Polymers and Coatings	Japan	109	6	3.5	-7.9	-0.5	-22.8	219	13	0.8	-19.6
	Overseas	49	4	28.9	99.1	21.3	32.5	90	8	26.5	111.3
	Total	145	10	11.8	20.5	8.1	-6.1	280	20	7.5	3.7
Colorants and Functional Materials	Japan	111	16	7.7	8.0	-4.7	-16.9	227	35	8.4	14.3
	Overseas	117	5	24.9	72.4	9.2	4.8	224	10	30.7	416.1
	Total	190	21	11.9	35.1	5.1	-10.2	371	44	12.0	34.2
Others		14	1	3.2	-37.0	-4.4	-51.6	29	4	0.4	-9.0
Adjustment		-18	0	-	-	-	-	-36	0	-	-
Total consolidated		706	53	11.9	28.2	9.5	3.6	1,351	103	9.5	28.8

(Note) The segment performance for Japan and overseas does not take into account eliminations between regions.

FY2013 First Half Results Briefing

Performance by Segment and Full Year Forecast

Printing and Information

	Net sales (100 million yen)	Operating income (100 million yen)
Initial plan for the first half of FY2013	375	19
Actual of the First Half of FY2013	400	24
FY2013 Full Year Forecast	800	46

- Sales were expanded in overseas markets.
- There was a spread of high function products such as high sensitivity UV inks and optical hard coat.
- Negative impact of the steep price rise for rosin

Packaging Materials

	Net sales (100 million yen)	Operating income (100 million yen)
Initial plan for the first half of FY2013	290	14
Actual of the First Half of FY2013	308	11
FY2013 Full Year Forecast	600	24

- Sales were expanded in overseas markets, mainly in China and Southeast Asia
- Sales of high-grade flexographic ink products were expanded.
- As for raw materials, rise of naphtha price reflecting the depreciation of the yen gave a negative impact.

Polymers and Coatings

	Net sales (100 million yen)	Operating income (100 million yen)
Initial plan for the first half of FY2013	275	21
Actual of the First Half of FY2013	280	20
FY2013 Full Year Forecast	570	45

- Can coatings grew significantly in Asia, although they declined slightly in Japan.
- Electromagnetic shield film is showing two times better results than the previous fiscal year despite the impact of inventory adjustment.
- Regarding adhesives, the impact of an accident at a raw materials manufacturer remained for their performance in Japan, but it was compensated for by performance in overseas markets.

Colorants and Functional Materials

	Net sales (100 million yen)	Operating income (100 million yen)
Initial plan for the first half of FY2013	360	41
Actual of the First Half of FY2013	371	44
FY2013 Full Year Forecast	730	85

- CF materials are steady in Japan and strong overseas due to high utilization rates.
- Profitability of colorants improved thanks to the reinforced business structure.
- Among commodity pigments, products for printing inks were sluggish in Japan but ones for automotive purposes and ones for overseas markets were strong.

Starting from the 2nd quarter, performance of the former ARETS INTERNATIONAL NV (net sales: approx. ¥1,500 million, operating income: approx. ¥20 million) is included in Printing and Information.

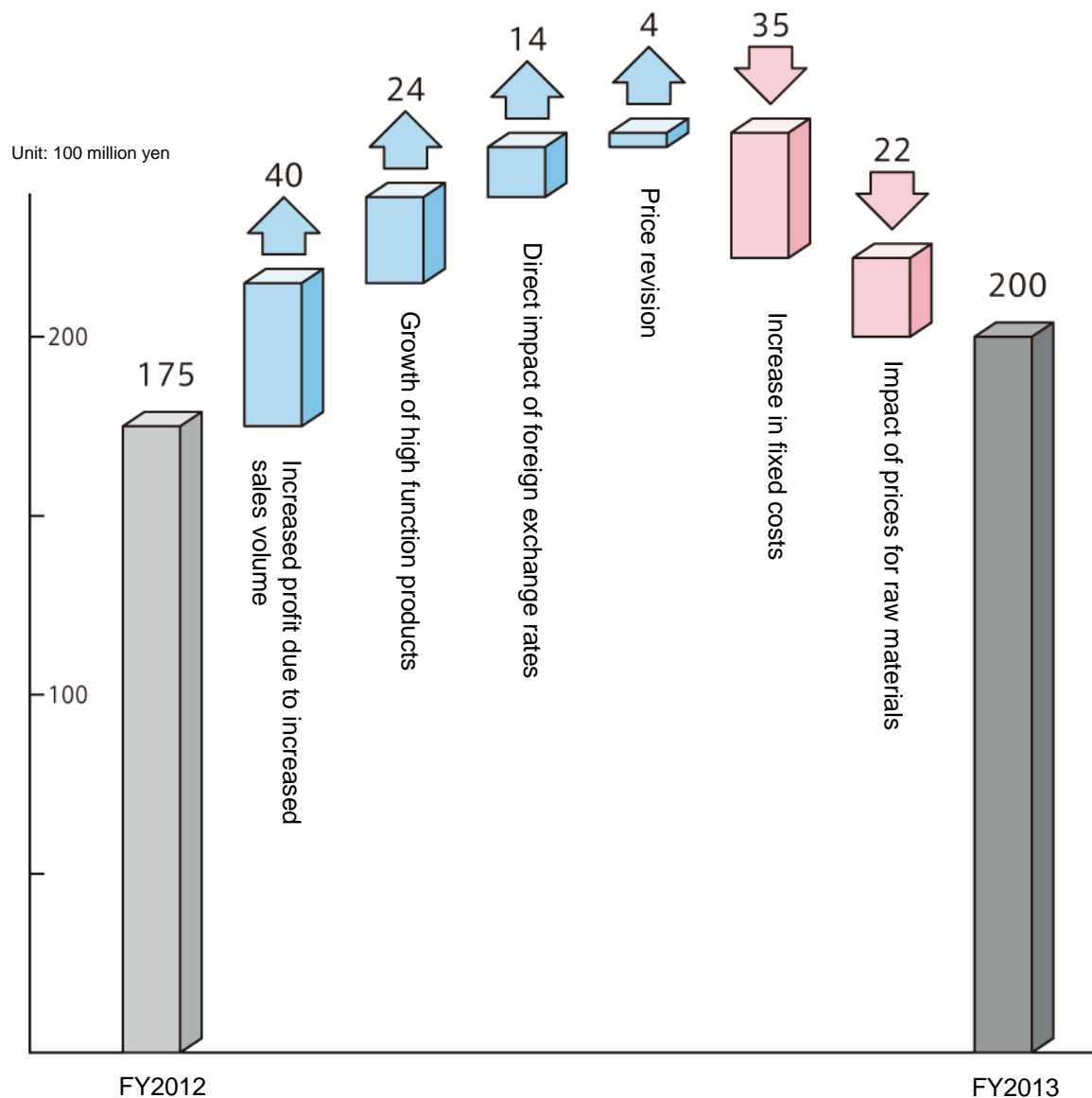
Segment Performance by Region

FY2013 Actual	Second Quarter of FY2013 (three months)						First Half of FY2013 (cumulative)			
	Results (100 million yen)		Increase/Decrease Year on Year (%)		Increase/Decrease Quarter on Quarter (%)		Total results (100 million yen)		Increase/Decrease Year on Year (%)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Japan	480	37	3.0	5.7	0.5	-10.9	957	79	3.1	12.1
Asia-Oceania	240	16	28.3	85.7	17.5	79.7	444	25	26.5	86.6
Europe	30	0	193.4	-95.7	81.7	-98.7	47	2	174.9	-
The Americas	28	-1	20.2	-	10.5	-	53	-2	14.4	-
Adjustment	-72	0	-	-	-	-	-150	-2	-	-
Total consolidated	706	53	11.9	28.2	9.5	3.6	1,351	103	9.5	28.8

Starting from the 2nd quarter, performance of the former ARETS INTERNATIONAL NV (net sales: approx. ¥1,500 million, operating income: approx. ¥20 million) is included in Europe.

FY2013 Operating Income and Analysis of Factors Behind YoY Difference (Full Year Forecast)

FY2012	17,500 million yen
FY2013	20,000 million yen
Remarks	
■	Increased profit due to rise in sales volume (positive impact of 4,000 million yen)
■	Growth of high function products (positive impact of 2,400 million yen) Expanded sales of CF materials and ICT-related materials in China Expanded sales of high sensitivity UV inks, etc.
■	Direct impact of exchange rates (positive impact of 1,400 million yen)
■	Price revision (positive impact of 400 million yen) Gravure inks, laminated adhesives, colorants, offset inks, etc.
■	Increase in fixed costs (negative impact of 3,500 million yen) Costs related to ARETS, etc.
■	Impact of raw material prices (negative impact of 2,200 million yen) Price of rosin as well as those of petrochemical products rose sharply.



	Capital investment	Depreciation
Actual of the First Half of FY2012	66 (Acceptance basis)	42
Actual of the First Half of FY2013	53 (Acceptance basis)	45
FY2013 plan	150 (Order basis)	95

(Unit: 100 million yen)

Major capital expenditures planned in FY2013

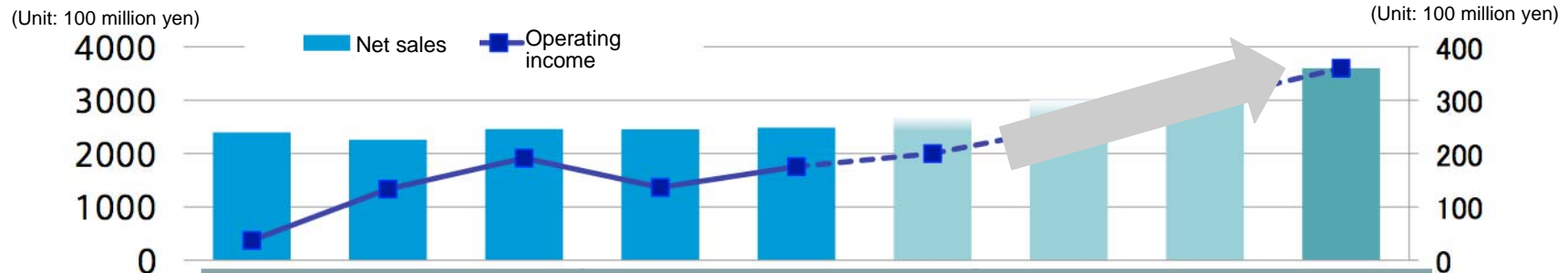
- Japan CF paste production facility (TOYOCOLOR Co., Ltd. Moriyama Factory)
Fine chemicals plant (TOYOCOLOR Co., Ltd. Fuji Factory)
- India New printing inks plant (Toyo Ink India Pvt. Ltd.)
- South Korea
CF paste production facility (Sam Young Ink & Paint Mfg. Co., Ltd.)
- Brazil Printing inks plant (Toyo Ink Brasil Ltda.)
- Thailand New polymer plant (TOYO INK (THAILAND) CO., LTD.)

The Next Medium-term Management Plan SCC-III (Evolution Plan)

Position of the Next Medium-Term Management Plan

SCC-III medium-term management plan: slogan “Science Company Change”

“A corporate group that continues to make state-of-the-art technologies and group network innovations and creates a variety of lifestyles with diverse people in the world”



	SCC-I Apr. 2008 to Mar. 2011 Revival Plan	SCC-II Apr. 2011 to Mar. 2014 Renaissance Plan	SCC-III Apr. 2014 to Mar. 2017 Evolution Plan
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Net sales (Final fiscal year of the medium-term plan)	246,000 million yen	270,000 million yen	360,000 million yen
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Operating income (Final fiscal year of the medium-term plan)	19,100 million yen	20,000 million yen	36,000 million yen
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Overseas sales ratio (Final fiscal year of the medium-term plan)	32%	37%	50%
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Results and targets	Revival Against the drop in performance attributed to the failure of Lehman Brothers, we fundamentally reviewed fixed costs through rotations that make use of multiple skills of each employee, for example. We thus strengthened our revenue base, which led to improved performance.	Renaissance We implemented speedy management by introducing a holding company structure. We aggressively allocated resources under three growth strategies. We reviewed our supply chain from a global perspective and strengthened our base for sustainable development.	Evolution Respond to various environmental changes by carrying out the evolution and expansion of businesses, technologies, and domains with a scientific way of thinking.
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SCC-III Indexes

Final fiscal year:

Net sales: 360,000 million yen

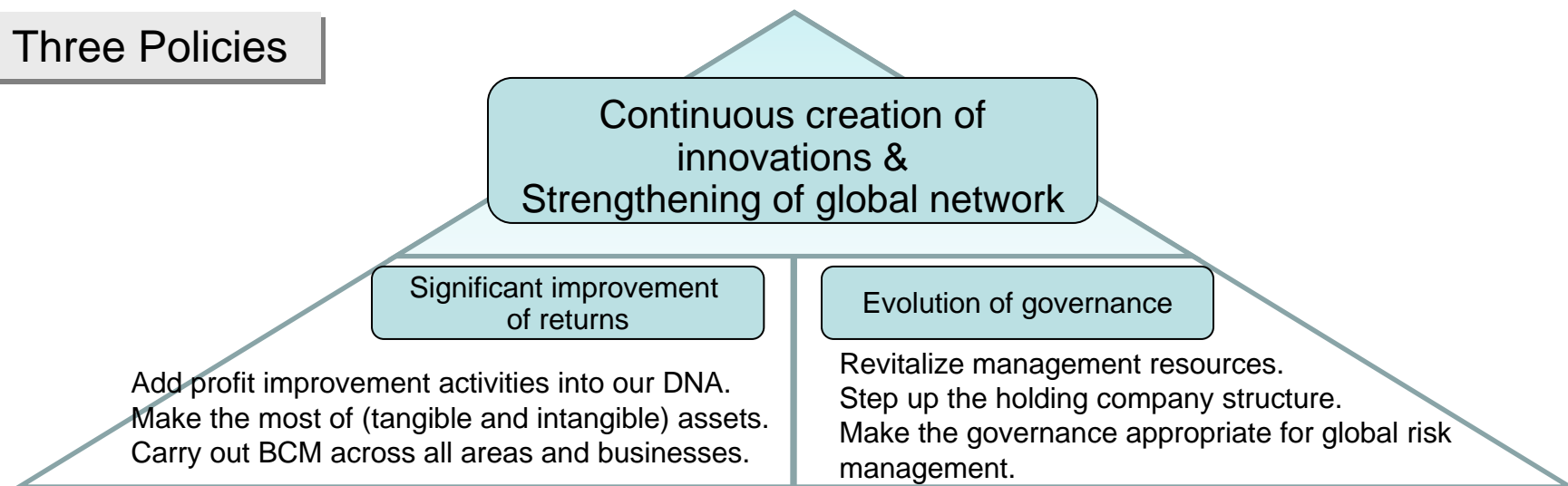
Operating income: 36,000 million yen

Operating margin: 10%

Overseas sales ratio: 50%

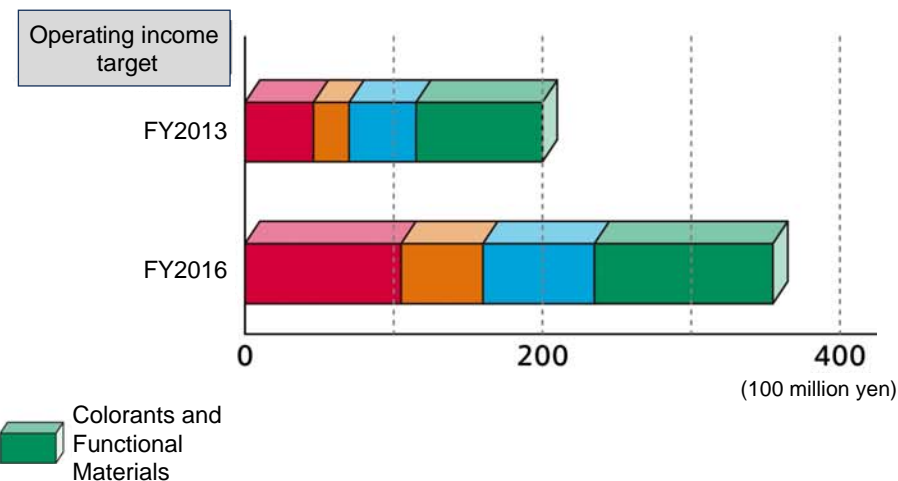
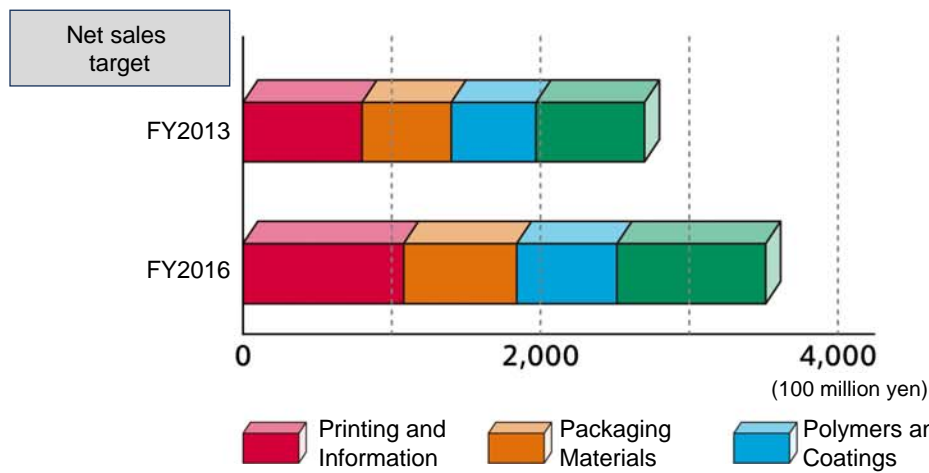
SCC-III	
ROE (Final fiscal year of the medium-term plan)	10%
ROA (Final fiscal year of the medium-term plan)	6%
Interest-bearing debt (Final fiscal year of the medium-term plan)	50,000 million yen
Operating cash flow	80,000 million yen
Equipment investment	35,000 million yen

Three Policies



SCC-III Numerical Targets and Priority Product Measures in Each Business Segment

	Net sales target (100 million yen)		Operating income target (100 million yen)		Priority product measures under the SCC-III medium-term management plan
	FY2013	FY2016	FY2013	FY2016	
Printing and Information	800	1,080	46	105	<ul style="list-style-type: none"> Accelerate global expansion of UV inks and functional coating materials. Establish manufacturing bases and expand sales in emerging countries.
Packaging Materials	600	760	24	55	<ul style="list-style-type: none"> Expand sales of high-grade flexographic ink systems. Expand environmentally friendly inks globally.
Polymers and Coatings	570	775	45	75	<ul style="list-style-type: none"> Accelerate sales expansion of materials for ICT. Develop products for healthcare-related business and achieve actual results from them.
Colorants and Functional Materials	730	950	85	120	<ul style="list-style-type: none"> Promote pigment business in China and India and provide new colorants. Strengthen development of materials for solar cells and secondary batteries.
Others, Adjustment	0	35	0	5	



1. SCC-II: Expand sales and businesses in priority areas through full-scale operation of established bases
2. SCC-III: Expand into new areas to establish new bases and enter growth markets.
3. Create synergies from the global network.

	Priority issues under the SCC-III medium-term management plan
China and East Asia	Expand into the inland China. Expand Colorants and Functional Materials business.
Southeast and South Asia	Strengthen and expand the Packaging Materials business. Expand the Polymers and Coatings business.
The Americas	Strengthen the Packaging Materials business and expand UV-ink related products. Strengthen the Polymers and Coatings business.
Western and Eastern Europe	Strengthen response to global brand owners. Create synergy with ARETS.
Middle East and Africa	Continue marketing activities for the Printing and Information and Packaging Materials businesses and establish supply chains.

Measures for creating network synergy

Production and procurement: Pursue the optimal material and product supply systems for the Group.

Products: Development based on local needs and promotion of multiple business operations.

Technologies: Start global R&D. Use human resources and technologies flexibly.




Marketing: Strengthen sales promotion to global accounts.

New Business Domains and Expansion of Technology Platform

Specialty chemical manufacturer

Expand the business domains and technology platforms
that contribute to diverse lifestyles

Science Company Change

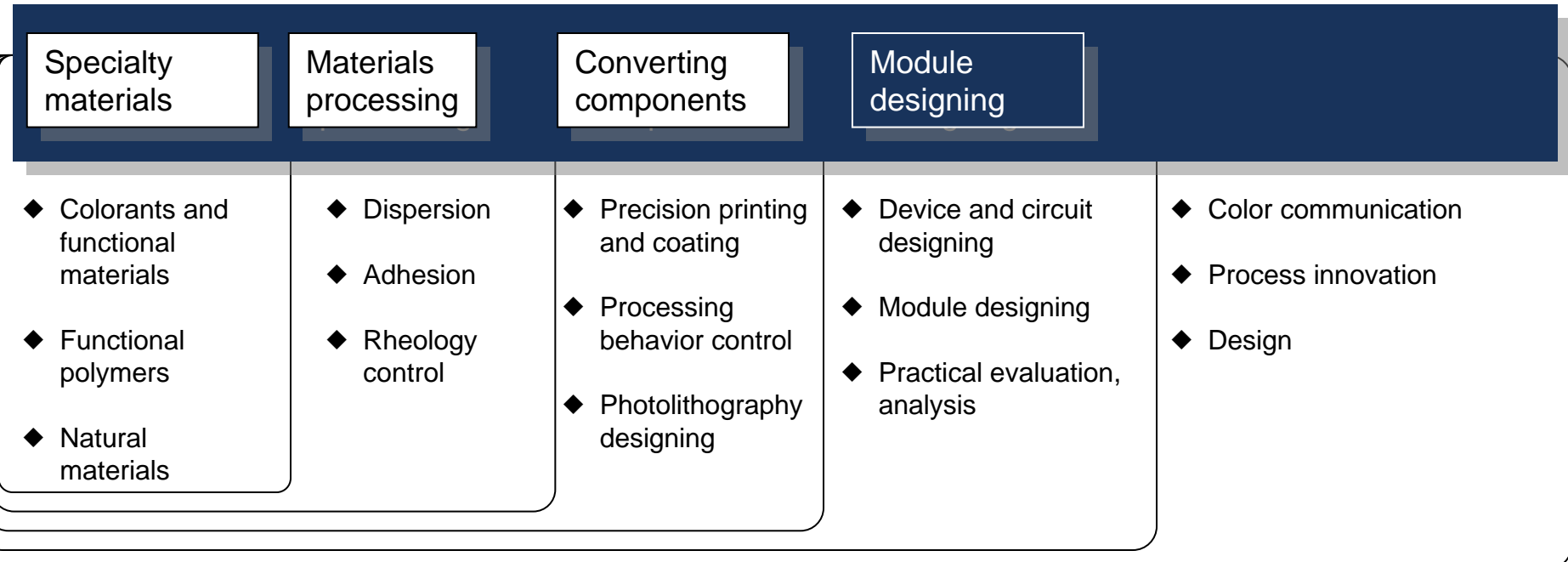
New business domains	<p>Contributing to healthy life</p>  <p>Life science</p>	<p>Contributing to quality of life</p>  <p>Communication science</p>	<p>Contributing to sustainable society</p>  <p>Sustainability science</p>
Priority fields under the medium-term plan	<p>Packaging Aim for “global standards in safety and security” with total packaging solutions.</p> <p>Healthcare Help people maintain and improve their health with functional materials and compound technologies.</p>	<p>Electronics Lead the age of ultra-high resolution and high-speed communications with state-of-the-art technologies for developing and combining materials</p> <p>Fine imaging Pursue technologies for colorants, printing, and processing and add color to various scenes of life.</p>	<p>Environmental consciousness Ensure harmony with nature by developing products and natural materials that contribute to improvement and conservation of the environment.</p> <p>Energy-related operations Contribute to future society by creating, reserving, and utilizing resources and energy such as electricity and heat.</p>

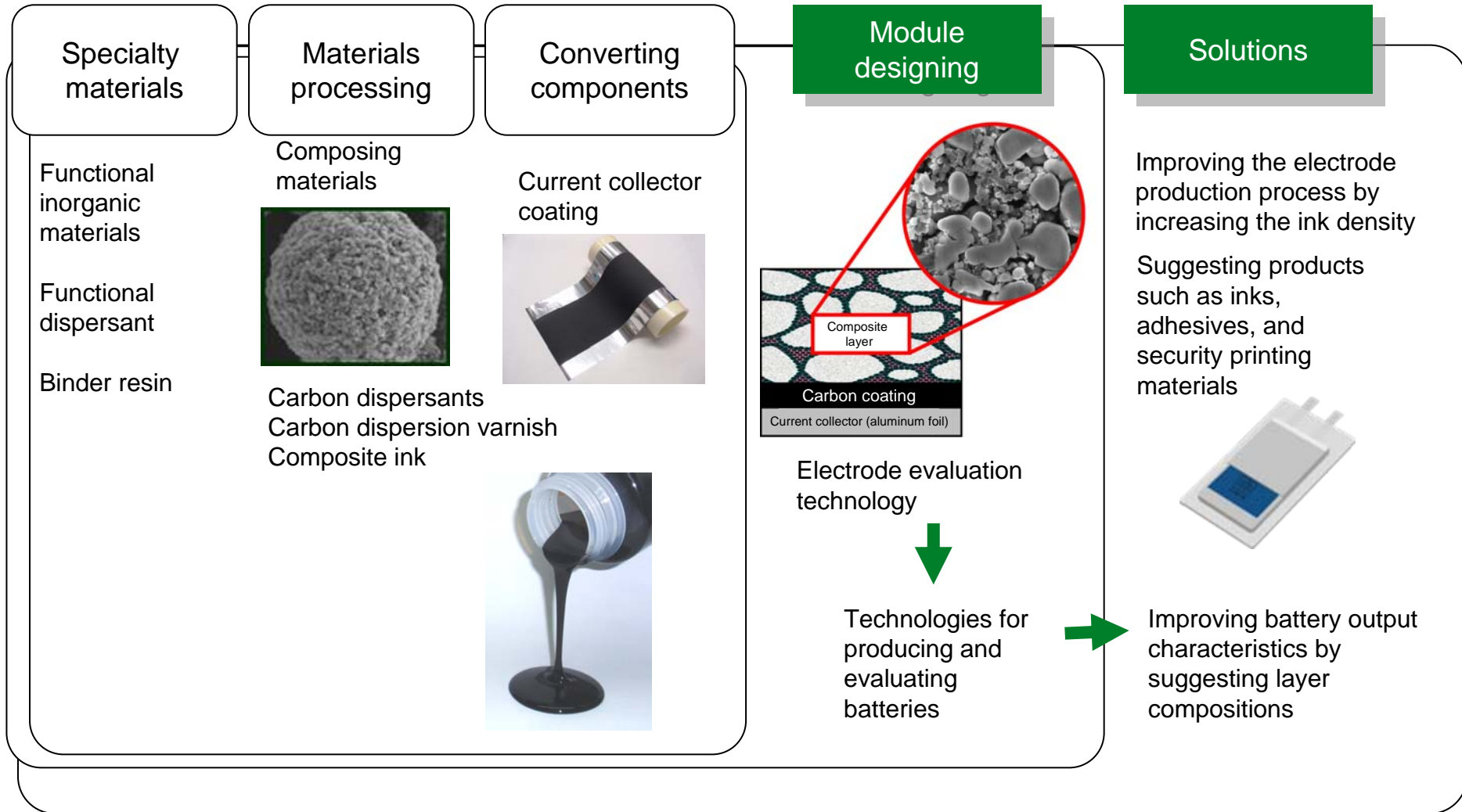
As a science company, we will evolve manufacturing from chemistry to science and expand our TPF supporting new domains into the “provision of knowledge.”

Manufacturing as a science company

Specialty chemical manufacturer

Chemistry, Interfacial chemistry, Electric and Electronic Engineering, Chemical engineering, thermodynamics, Optics, Bioscience, Behavioral science

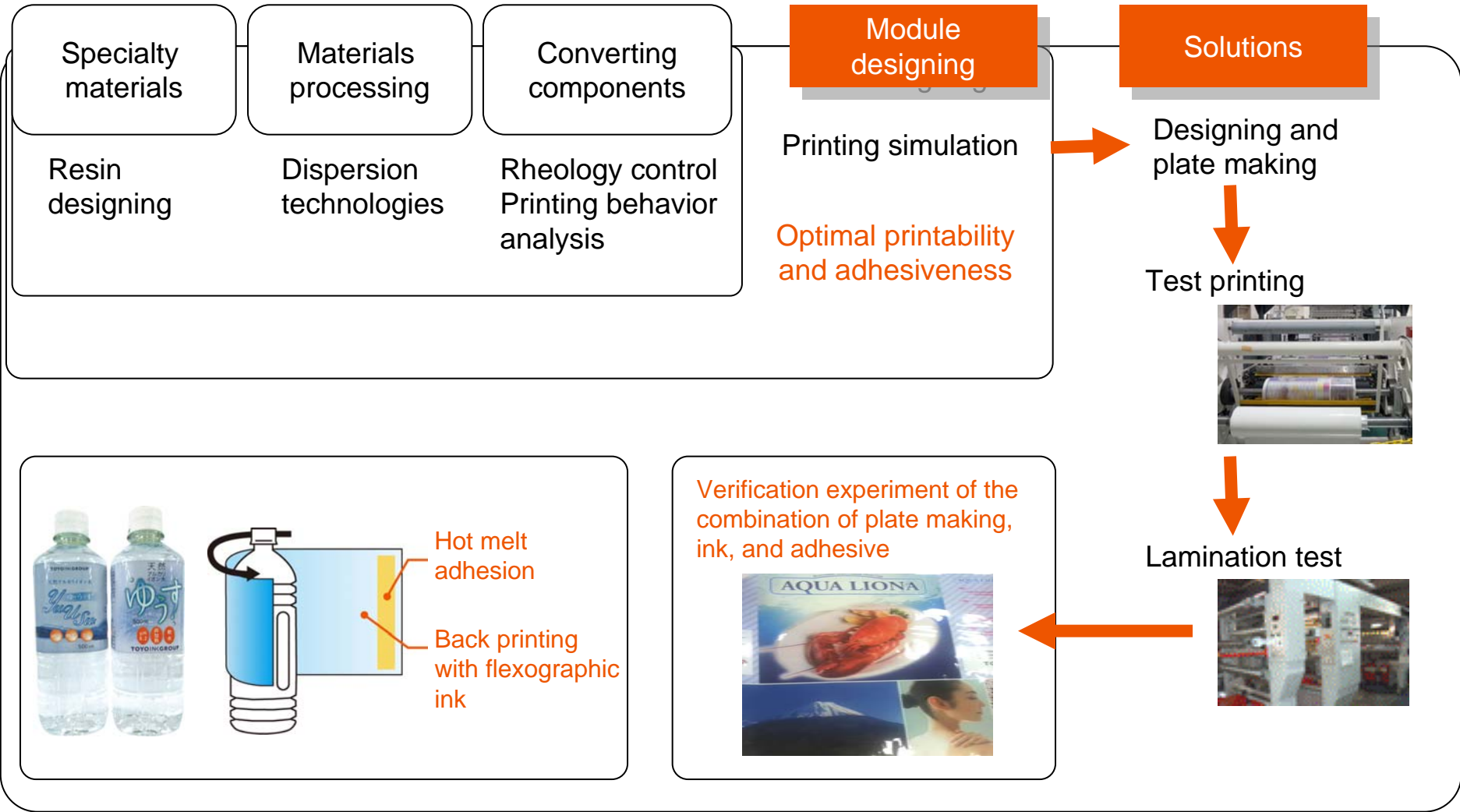




Energy-related field of sustainability science
 Net sales target for FY2016: ¥ 16,000 million (including ¥5,000 million from new products)
 - Peripheral materials for solar cells - Materials for secondary batteries, etc.



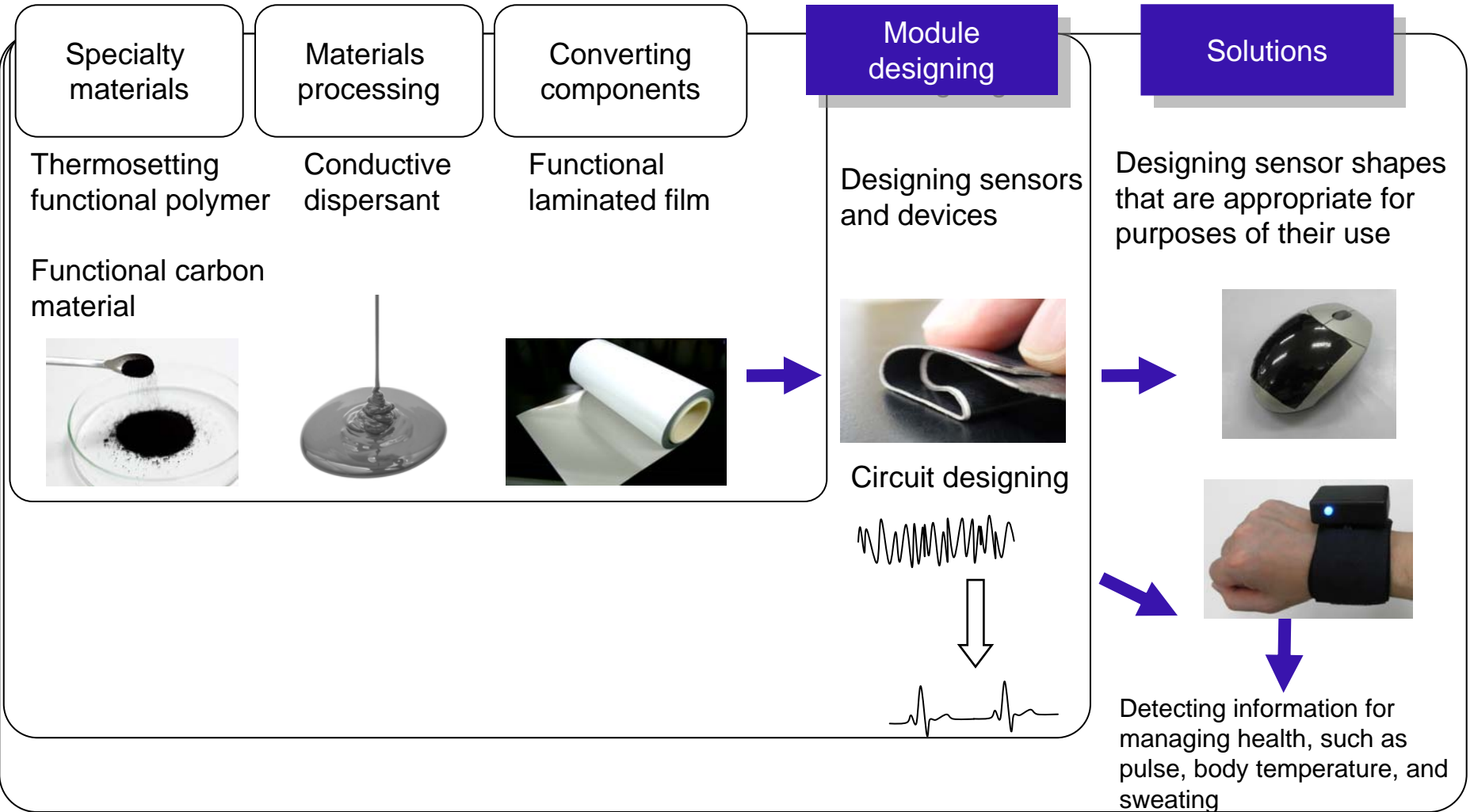
Example of Business Operation through Expansion of TPF - 2 (Business Related to Products for Soft Packaging)



Packaging field of life science

Net sales target for FY2016: ¥ 157,000 million (including ¥32,000 million from new products)

- Liquid inks - Laminated adhesives - Adhesives - Colorants, etc.



Healthcare field of life science
 Net sales target for FY2016 : ¥6,000 million (including ¥2,000 million from new products)
 - Products related to adhesives for medical use - Products related to tests and measurements
 - Sanitary-related products, etc.