

INTERIM CONSOLIDATED FINANCIAL STATEMENTS for the FY2003

(for the first half of fiscal year March 31, 2004 ended September 30, 2003)

Name of Company: **Toyo Ink Mfg. Co., Ltd.** Nov. 11, 2003
 Stock Listings: Tokyo
 Security Code No.: 4634 (URL <http://www.toyoink.co.jp/>)
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 Date of Board Meeting for Settlement of Accounts: 11 Nov, 2003
 Application of US Accounting Standards: No

1. Consolidated operating results for the first half of FY 2003(Apr. 1,2003 through Sept. 30, 2003)

(1) Results of operations Note : Amounts of less than million yen are omitted.

	Net sales		Operating income		Recurring income	
	JPY(million)	%	JPY(million)	%	JPY(million)	%
First half of FY2003	105,983	-2.0	3,963	-18.2	3,654	-18.6
First half of FY2002	108,147	-0.7	4,843	64.4	4,491	75.1
FY2002	217,049		8,093		7,552	

	Net income		Net income per share (Basic)		Net income per share (Fully diluted)	
	JPY(million)	%	JPY		JPY	
First half of FY2003	1,975	-0.9	7.15		6.00	
First half of FY2002	1,993	142.6	7.21		5.78	
FY2002	2,099		7.29		6.38	

Note 1 : Equity in earnings of associated companies : 128M JPY (first half of FY2003), 115M JPY (first half of FY2002), 234M JPY(FY2002)

2 : Average number of outstanding shares (consolidated) : 276,441,697shares(first half of FY2003), 276,660,083shares(first half of FY2002), 276,582,022shares(FY2002)

3 : Change in method of accounting : Applicable

4 : % change for net sales, operating income, recurring income and net income are presented in comparison with the previous first half of FY.

(2) Financial conditions

	Total assets	Shareholders' equity	Shareholders' equity/ Total assets	Shareholders' equity per share
	JPY(million)	JPY(million)	%	JPY
As of Sept. 30, 2003	264,684	120,144	45.4	434.63
As of Sept. 30, 2002	268,363	117,149	43.7	423.48
As of March 31, 2002	264,792	116,278	43.9	420.31

Note : Number of outstanding shares at the end of the fiscal year (consolidated) : 276,431,226shares(first half of FY2003), 276,634,155shares(first half of FY2002), 276,449,597shares(FY2002)

(3) Results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents
	JPY(million)	JPY(million)	JPY(million)	JPY(million)
First half of FY2003	11,741	-8,733	-6,848	13,986
First half of FY2002	2,006	-3,617	-3,166	15,397
FY2002	12,015	-9,300	-4,945	17,754

(4) Scope of consolidation and application of equity method :

Number of consolidated subsidiaries : 67
 Number of non-consolidated subsidiaries accounted for by the equity method: none
 Number of associated companies accounted for by the equity method: 11

(5) Changes in scope of consolidation and application of equity method :

Number of companies newly consolidated : none
 Number of companies excluded from consolidation : none
 Number of companies newly accounted for by the equity method : none
 Number of companies excluded from the equity method of accounting: 1

2. Forecast for the Year Ending 31 March, 2004 (FY2003)

	Net sales	Recurring income	Net income
	JPY(million)	JPY(million)	JPY(million)
FY2003 ending Mar.,2004	230,000	9,000	4,000

Note : Projected net income per share for the year ending March 31, 2004 is 14.17yen

The company bases its forecasts on assumptions that are believed to be reasonable under information available at the time of the forecasts. Actual results may materially differ from these forecasts due to potential risks and uncertainties.

1. Group Corporate Overview

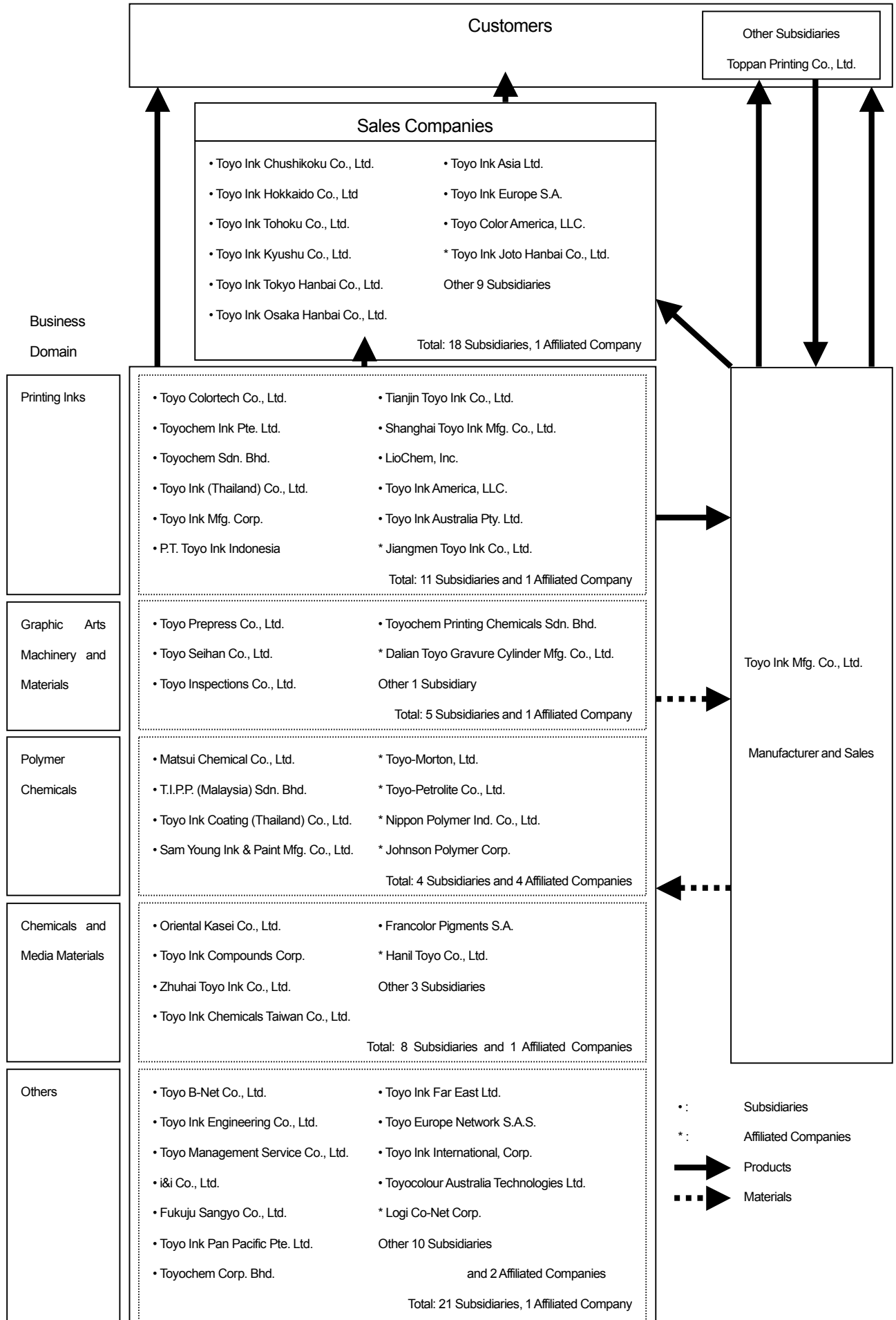
Our corporate group is organized by the company which presents the consolidated balance sheet (Toyo Ink Mfg. Co., Ltd.), 67 subsidiaries, and 11 affiliated companies.

Following is the details of our corporate group.

Business Domain	Main Products	Companies	
Printing Inks	Offset inks, Gravure inks, etc.	Japan	Toyo Ink Mfg. Co., Ltd., etc.
		Overseas	Toyochem Sdn. Bhd., Tianjin Toyo Ink Co., Ltd., LioChem, Inc., Toyo Ink America, LLC., Toyo Ink Australia Pty. Ltd., etc.
Graphic Arts Machinery and Materials	Printing machineries, Prepress system, Printing related materials, Gravure cylinders, etc.	Japan	Toyo Ink Mfg. Co., Ltd., Toyo Prepress Co., Ltd., Toyo Seihan Co., Ltd., etc.
		Overseas	Toyochem Printing Chemicals Sdn. Bhd., Dalian Toyo Gravure Cylinder Mfg. Co., Ltd., etc.
Polymer Chemicals	Can coating finishes, Metal decorative inks, Resins, adhesives, waxes, Coating materials, etc.	Japan	Toyo Ink Mfg. Co., Ltd., Matsui Chemical Co., Ltd., Toyo-Petrolite Co., Ltd., etc.
		Overseas	T.I.P.P. (Malaysia) Sdn. Bhd., Sam Young Ink & Paint Mfg. Co., Ltd., etc.
Chemicals and Media Materials	Organic pigments, Processed pigments, Dye stuff, Plastic colorants, Materials for LCD color filter, Materials for electronics, etc.	Japan	Toyo Ink Mfg. Co., Ltd., Oriental Kasei Co., Ltd., etc.
		Overseas	Zhuhai Toyo Ink Co., Ltd., Francolor Pigments S.A. Hanil Toyo Co., Ltd., etc.
Other Businesses	Software development, Human resources management, Lease management of real estate, Investment for subsidiaries, etc.	Japan	Toyo Ink Mfg Co., Ltd., Toyo B-Net Co., Ltd., Toyo Ink Engineering Co., Ltd., etc.
		Overseas	Toyo Ink Pan Pacific Pte. Ltd., Toyo Ink Far East Ltd., Toyo Europe Network S.A.S., Toyo Ink International Corp., etc.
Sales	Sales of products which are handled TOYO INK Group	Japan	Toyo Ink Chushikoku Co., Ltd., Toyo Ink Hokkaido Co., Ltd., Toyo Ink Tohoku Co., Ltd., Toyo Ink Kyushu Co., Ltd., Toyo Ink Tokyo Hanbai Co., Ltd., etc.
		Overseas	Toyo Ink Asia Ltd., Toyo Ink Europe S.A. (Belgium), Toyo Color America, LLC., etc.

In Addition, Our Company is trading the products and the commodities with other subsidiaries / affiliated companies and Toppan Printing Co., Ltd.

(Business Diagram)



A director of Toyo Seikan Co., Ltd. (which is our customer) serves concurrently with the director of Toyo Ink Mfg. Co., Ltd.

Interim Consolidated Financial Statements

(1) Consolidated Balance Sheets

(unit : JPY million)

Terms Items	FY2003		FY2002		FY2002	
	As of Sept. 30, 2003		As of Sept. 30, 2002		As of Mar. 31, 2003	
	Amount	composition	Amount	composition	Amount	composition
(Assets)		%		%		%
Current assets	(128,299)	48.5	(135,301)	50.4	(133,094)	50.3
Cash and bank deposits	14,322		14,600		16,704	
Notes and accounts receivable	77,753		83,867		80,622	
Marketable securities	1,486		1,992		1,698	
Inventories	30,357		30,052		29,323	
Deferred income tax assets	1,954		2,087		1,811	
Others	3,574		3,485		3,919	
Allowance for doubtful receivables	-1,150		-785		-985	
Fixed assets	(136,353)	51.5	(133,041)	49.6	(131,669)	49.7
Property, plant and equipment	[91,058]	34.4	[88,785]	33.1	[88,061]	33.2
Building and structures	29,450		28,558		28,139	
Machinery and vehicles	27,516		27,510		27,851	
Tools, furniture and fixtures	3,128		3,291		3,271	
Land	27,299		27,405		27,309	
Construction in progress	3,663		2,019		1,488	
Intangible fixed assets	[4,259]	1.6	[3,527]	1.3	[3,903]	1.5
Investments and other assets	[41,034]	15.5	[40,728]	15.2	[39,705]	15.0
Investment securities	26,836		28,832		23,967	
Deferred income tax assets	5,986		7,849		7,809	
Others	9,924		5,702		9,727	
Allowance for doubtful receivables	-1,713		-1,656		-1,798	
Deferred assets	(31)	0.0	(21)	0.0	(28)	0.0
Total assets	264,684	100.0	268,363	100.0	264,792	100.0

(unit : JPY million)

Terms Items	FY2003		FY2002		FY2002	
	As of Sept. 30, 2003		As of Sept. 30, 2002		As of Mar. 31, 2003	
	Amount	composition	Amount	composition	Amount	composition
(Liabilities)		%		%		%
Current liabilities	(79,728)	30.1	(95,842)	35.7	(81,417)	30.8
Notes and accounts payable	39,528		39,662		37,477	
Short-term loans payable	25,215		23,575		24,178	
Commercial paper	2,500		5,500		6,500	
Current portion of convertible bonds	-		14,273		-	
Accrued income taxes	928		1,072		1,148	
Deferred income tax liabilities	-		50		25	
Others	11,556		11,708		12,087	
Long-term liabilities	(61,103)	23.1	(51,762)	19.3	(63,549)	24.0
Convertible bonds	42,614		42,614		42,614	
Long-term loans payable	14,117		5,197		16,930	
Liability for employees' retirement benefits	1,335		1,366		1,293	
Liability for directors' retirement benefits	591		537		580	
Deferred income tax liabilities	2,028		1,832		1,740	
Others	416		213		390	
Total liabilities	140,832	53.2	147,604	55.0	144,967	54.8
(Minority interests)						
Minority interests	(3,707)	1.4	(3,609)	1.3	(3,546)	1.3
(Shareholders' equity)						
Common stock	(24,610)	9.3	(24,610)	9.2	(24,610)	9.3
Additional paid-in capital	(25,823)	9.7	(25,823)	9.6	(25,823)	9.7
Retained earnings	(71,416)	27.0	(71,079)	26.5	(70,354)	26.6
Net unrealized gains (losses) on available-for-sale securities	(457)	0.2	(-1,410)	-0.5	(-1,621)	-0.6
Foreign currency translation adjustments	(-2,070)	-0.8	(-2,924)	-1.1	(-2,801)	-1.1
Treasury stock, at cost	(-92)	-0.0	(-28)	-0.0	(-86)	-0.0
Total shareholders' equity	120,144	45.4	117,149	43.7	116,278	43.9
Total of liabilities, minority interests and shareholders' equity	264,684	100.0	268,363	100.0	264,792	100.0

(2) Interim Consolidated Statements of Income

(unit : JPY million)

Terms Items	First half of FY 2003		First half of FY 2002		FY 2002	
	From Apr. 1, 2003 To Sept. 30, 2003		From Apr. 1, 2002 To Sept. 30, 2002		From Apr. 1, 2002 To Mar. 31, 2003	
	Amount	Composition	Amount	Composition	Amount	Composition
		%		%		%
Net sales	105,983	100.0	108,147	100.0	217,049	100.0
Cost of sales	80,585	76.0	81,539	75.4	164,801	75.9
Gross profit	25,398	24.0	26,607	24.6	52,247	24.1
Selling, general and administrative expenses	(21,434)	20.3	(21,763)	20.1	(44,154)	20.4
Packing expenses and freight charge	2,984		2,878		5,808	
Salaries and allowance	4,857		4,924		9,809	
Bonuses	1,274		1,318		2,774	
Welfare expenses	1,378		1,268		2,404	
Depreciation expenses	846		926		1,935	
Research and development expenses	1,714		1,774		3,563	
Others	8,378		8,673		17,857	
Operating income	3,963	3.7	4,843	4.5	8,093	3.7
Non-operating income	(1,060)	1.0	(1,659)	1.5	(3,231)	1.5
Interest income	128		180		348	
Dividend income	132		164		246	
Income from lease and rent	193		-		363	
Equity in earnings of associated companies	128		115		234	
Unrealized gain on derivative instruments	-		374		330	
Others	477		824		1,707	
Non-operating expenses	(1,369)	1.3	(2,012)	1.8	(3,772)	1.7
Interest expenses	615		691		1,401	
Loss on foreign currency exchange	202		719		759	
Others	551		601		1,611	
Recurring Income	3,654	3.4	4,491	4.2	7,552	3.5
Extraordinary profit	(1,259)	1.2	(494)	0.4	(5,003)	2.3
Gain on sales of property, plant and equipment	271		153		348	
Gain on sales of investment securities	988		341		209	
Gain on exemption from future pension obligation of the government program	-		-		4,140	
Gain on the government grant	-		-		160	
Gain on the cancellation of insurance agreement	-		-		144	
Extraordinary loss	(1,192)	1.1	(1,338)	1.2	(7,530)	3.5
Loss on disposals of property, plant and equipment	606		370		973	
Loss on impairment of investment securities	202		333		5,022	
Loss on impairment of merchandise	212		70		667	
Loss on discontinued operations	-		465		512	
Others	170		99		354	
Income before income taxes and minority interests	3,721	3.5	3,647	3.4	5,026	2.3
Income taxes, current	973	0.9	1,078	1.0	1,910	0.8
Income taxes, deferred	527	0.5	330	0.3	607	0.3
Minority interests	244	0.2	244	0.3	407	0.2
Net income	1,975	1.9	1,993	1.8	2,099	1.0

(3) Interim Consolidated Statements of Cash Flows

(unit : JPY million)

Items	Terms	First half of FY 2003	First half of FY 2002	FY 2002
		From Apr. 1, 2003 To Sept. 30, 2003	From Apr. 1, 2002 To Sept. 30, 2002	From Apr. 1, 2002 To Mar. 31, 2003
		Amount	Amount	Amount
I Cash flows from operating activities				
Income before income taxes and minority interests		3,721	3,647	5,026
Depreciation and amortization		5,406	5,144	10,976
Interest and dividend income		-260	-344	-595
Interest expenses		615	691	1,401
Gain on sales of property, plant and equipment, net (profit : -)		-254	-115	-290
Loss on disposal of property, plant and equipment, net		530	338	831
Gain on sales of investment securities, net (profit : -)		-961	-262	25
Loss on impairment of investment securities		202	333	5,022
Gain on exemption from future pension obligation of the government program		-	-	-4,140
Increase/decrease in notes and accounts receivable(- is increases)		3,234	763	3,255
Increase/decrease in inventories(- is increases)		-647	687	893
Increase/decrease in notes and accounts payable(- is decreases)		1,154	-8,220	-10,418
Others		224	858	2,572
Subtotal		12,964	3,522	14,559
Interest and dividend received		582	637	1,035
Interest paid		-608	-721	-1,392
Income taxes paid		-1,196	-1,431	-2,186
Net cash provided by operating activities		11,741	2,006	12,015
II Cash flows from investing activities				
Increase in time deposits		-1,410	-291	-391
Decrease in time deposits		266	642	1,343
Purchases of marketable securities		-31	-	-63
Proceeds from sales of marketable securities		4	1,126	1,126
Purchases of property, plant and equipment		-8,501	-7,757	-13,050
Proceeds from sales of property, plant and equipment		338	944	1,187
Purchases of investment securities		-1,640	-1,424	-2,125
Proceeds from sales of investment securities		3,069	3,713	3,606
Increase in loans receivable		-318	-764	-477
Decrease in loans receivable		90	374	414
Other in increase/decrease of assets(- is increases)		-600	-181	-869
Net cash used in investing activities		-8,733	-3,617	-9,300
III Cash flows from financing activities				
Increase/decreases in short-term loans payable, net (- is decrease)		-59	726	241
Increase/decreases in commercial paper, net (- is decrease)		-4,000	-1,500	-500
Proceeds from long-term loans payable		-	110	13,288
Repayments of long-term loans payable		-1,878	-83	-300
Redemption of corporate bonds		-	-1,556	-15,829
Increase/decreases in treasury stock, net		-6	-	-76
Purchase of treasury stock		-	-16	-
Dividends paid		-829	-829	-1,658
Dividends paid to minority interests		-72	-15	-94
Others		-1	-2	-15
Net cash used in financing activities		-6,848	-3,166	-4,945
IV Foreign currency translation adjustments on cash and cash equivalents		72	-471	-662
V Net decrease in cash and cash equivalents		-3,767	-5,248	-2,892
VI Cash and cash equivalents, beginning of year		17,754	20,646	20,646
VII Cash and cash equivalents, end of year		13,986	15,397	17,754

(Segment Information)

(1)Segment Information by Business Group

Interim consolidated FY 2003 (from Apr. 1, 2003 to Sep. 30,2003)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Elimination or corporate	Total consolidated
Net sales and operating income or loss								
(1)Sales to customers	42,427	15,636	19,759	24,887	3,272	105,983	-	105,983
(2)Intersegment sales	79	76	550	883	1,467	3,058	-3,058	-
Total sales	42,507	15,713	20,310	25,771	4,740	109,042	-3,058	105,983
Operating expenses	38,089	15,602	18,614	22,349	4,786	99,443	2,576	102,020
Operating income or loss(-)	4,418	110	1,695	3,421	-46	9,598	-5,634	3,963

Interim consolidated FY 2002 (from Apr. 1, 2002 to Sep. 30,2002)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Elimination or corporate	Total consolidated
Net sales and operating income or loss								
(1)Sales to customers	42,639	15,772	20,550	24,947	4,237	108,147	-	108,147
(2)Intersegment sales	67	99	656	1,243	1,440	3,508	-3,508	-
Total sales	42,707	15,871	21,207	26,190	5,678	111,656	-3,508	108,147
Operating expenses	38,358	16,303	19,187	22,072	5,569	101,491	1,812	103,303
Operating income or loss(-)	4,348	-431	2,020	4,118	109	10,165	-5,321	4,843

Consolidated FY 2002 (from Apr. 1, 2002 to Mar. 31, 2003)

(unit : JPY million)

	Printing inks	Graphic arts machinery and supplies	Polymer chemicals	Chemicals and media materials	Others	Subtotal	Elimination or corporate	Total consolidated
Net sales and operating income or loss								
(1)Sales to customers	87,094	32,814	40,141	50,258	6,739	217,049	-	217,049
(2)Intersegment sales	252	370	1,485	2,304	3,603	8,017	-8,017	-
Total sales	87,347	33,185	41,627	52,562	10,343	225,066	-8,017	217,049
Operating expenses	78,285	33,711	38,010	45,673	10,734	206,415	2,540	208,955
Operating income or loss(-)	9,062	-526	3,616	6,889	-390	18,651	-10,557	8,093

(2)Segment Information by Locations

Interim consolidated FY 2003 (from Apr. 1, 2003 to Sep. 30,2003)

(unit : JPY million)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination or corporate	Total consolidated
Net sales and operating income or loss							
(1)Sales to customers	82,868	15,660	3,727	3,727	105,983	-	105,983
(2)Intersegment sales	5,028	906	309	0	6,245	-6,245	-
Total sales	87,897	16,566	4,037	3,728	112,229	-6,245	105,983
Operating expenses	85,272	15,068	4,287	3,614	108,242	-6,222	102,020
Operating income or loss(-)	2,624	1,497	-250	114	3,986	-22	3,963

Interim consolidated FY 2002 (from Apr. 1, 2002 to Sep. 30,2002)

(unit : JPY million)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination or corporate	Total consolidated
Net sales and operating income							
(1)Sales to customers	86,128	13,837	4,057	4,124	108,147	-	108,147
(2)Intersegment sales	4,008	532	231	1	4,774	-4,774	-
Total sales	90,136	14,370	4,288	4,125	112,921	-4,774	108,147
Operating expenses	86,887	13,045	4,183	3,978	108,094	-4,791	103,303
Operating income	3,249	1,324	105	146	4,827	16	4,843

Consolidated FY 2002 (from Apr. 1, 2002 to Mar. 31, 2003)

(unit : JPY million)

	Japan	Asia-Oceania	Europe	North America	Subtotal	Elimination or corporate	Total consolidated
Net sales and operating income or loss							
(1)Sales to customers	170,706	29,723	8,522	8,096	217,049	-	217,049
(2)Intersegment sales	8,724	1,380	490	32	10,628	-10,628	-
Total sales	179,430	31,104	9,013	8,128	227,677	-10,628	217,049
Operating expenses	174,069	28,533	9,197	7,888	219,689	-10,733	208,955
Operating income or loss(-)	5,360	2,571	-183	240	7,988	105	8,093