Translation

May 12, 2010

Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

Company name: **TAIYO INK MFG. CO., LTD.**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 4626
URL: http://www.taiyoink.co.jp
Representative: Yuichi Kamayachi, President and CEO
Inquiries: Haruomi Yoshimoto, Executive Officer and Manager of Corporate Strategy Division
TEL: +81-3-5999-1511

Scheduled date of ordinary general meeting of shareholders: June 29, 2010
Scheduled date to commence dividend payments: June 30, 2010
Scheduled date to file annual securities report: June 30, 2010

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

(1) Operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2010	35,056	7.5	4,843	45.3	4,787	35.0	3,010	53.8
March 31, 2009	32,614	(28.1)	3,332	(62.5)	3,546	(58.7)	1,958	(68.3)

	Net income per share	Diluted net income per share	Net income/ shareholders' equity	Ordinary income/ total assets	Operating income/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2010	116.08	–	8.7	11.3	13.8
March 31, 2009	74.25	–	5.4	7.9	10.2

Reference: Equity in earnings (losses) of affiliates
For the fiscal year ended March 31, 2010: – million yen
For the fiscal year ended March 31, 2009: – million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2010	43,704	35,685	80.1	1,349.61
March 31, 2009	40,869	34,584	83.3	1,313.20

Reference: Equity (Net assets excluding minority interests)
As of March 31, 2010: 35,006 million yen As of March 31, 2009: 34,063 million yen

(3) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2010	3,126	(70)	(2,366)	11,913
March 31, 2009	4,581	(1,470)	(4,428)	11,291

2. Cash dividends

	Cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2009	–	45.00	–	45.00	90.00	2,356	121.2	6.5
Fiscal year ended March 31, 2010	–	45.00	–	45.00	90.00	2,334	77.5	6.8
Fiscal year ending March 31, 2011 (Forecasts)	–	45.00	–	45.00	90.00		66.7	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2010	18,000	6.7	2,400	2.8	2,400	13.0	1,700	68.7	65.54
Fiscal year ending March 31, 2011	37,000	5.5	5,000	3.2	5,000	4.4	3,500	16.2	134.93

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated financial statements (changes described in the section pertaining to changes in significant matters forming the basis of preparing the consolidated financial statements, if applicable)
a. Changes due to revisions to accounting standards and other regulations: Yes
b. Changes due to other reasons: None

Note: For more details, please refer to the section of “Basis of preparation for the consolidated financial statements” on page 23.

(3) Number of issued shares (common stock)
a. Total number of issued shares at the end of the period (including treasury shares)
As of March 31, 2010 27,464,000 shares
As of March 31, 2009 27,464,000 shares
b. Number of treasury shares at the end of the period
As of March 31, 2010 1,525,526 shares
As of March 31, 2009 1,525,382 shares

Note: For the number of shares as a basis of calculating consolidated net income per share, please refer to “Per share information” on page 39.

(Reference)

1. Non-consolidated financial results for the fiscal year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

(1) Operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2010	20,379	7.4	600	–	1,809	(55.5)	1,235	(49.2)
March 31, 2009	18,970	(29.4)	15	(99.3)	4,069	(27.4)	2,431	(48.3)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2010	47.65	–
March 31, 2009	92.19	–

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2010	31,930	26,662	83.5	1,027.92
March 31, 2009	31,985	27,699	86.6	1,067.89

Reference: Equity (Net assets excluding minority interests)
As of March 31, 2010: 26,662 million yen As of March 31, 2009: 27,699 million yen

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of "1. Operating results (1) Analysis of operating results" on page 4 for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use of business results forecasts.

1. Operating results

- The following abbreviations of product group categories are used in this section.

Abbreviation	Meaning
PWB	Printed Wiring Board
SR	Solder Resist
LPI	Liquid Photoimageable SR (mainstay product)
PKG	Semiconductor Package
FPD	Flat Panel Display
PDP	Plasma Display Panel

- This financial report includes information on the fiscal year ended March 31, 2010 (12 months from April 1, 2009 to March 31, 2010). The following abbreviations for the quarters are used in this section.

Abbreviation	Meaning
First quarter	First quarter consolidated accounting period (3 months from April 1 to June 30)
Second quarter	Second quarter consolidated accounting period (3 months from July 1 to September 30)
Third quarter	Third quarter consolidated accounting period (3 months from October 1 to December 31)
Fourth quarter	Fourth quarter consolidated accounting period (3 months from January 1 to March 31)

(1) Analysis of operating results

a. Consolidated business results

1) PWB materials sales
   - The global economy during the current fiscal year continued to recover thanks to effects from economic stimulus measures in various countries to combat the simultaneous global economic downturn since the fall of the year before last. This is particularly evident in the robust growth maintained thanks to expansion of individual consumption in China and other emerging countries in Asia. Meanwhile, for developed countries in Europe as well as Japan and the United States, macroeconomic trends continue to be plagued with uncertainties such as a high unemployment rate, sluggish consumption, the deterioration of financial position, among others, despite a basic tone of recovery.
   - Under such circumstances, the electronic components industry, the market in which we are engaged, sales of PWB materials were favorable as a result of a reemergence in demand for semiconductors, PCs and flat-screen televisions, among others, as well as rapid growth in demand in emerging markets, especially China. Particularly on a by-volume basis, we performed close to the level reached during our record year, the fiscal year ended March 31, 2008.
   - By product group, sales of “rigid board materials” increased significantly due to the expansion of demand in China. The sales for “PKG board and flexible board materials” and “build-up board materials” also fared well on the heels of a recovery in semiconductor market conditions.
   - Average sales unit prices fell in the yen base mainly due to the significant appreciation of the yen despite their stable prices in the local currency base.
   - As a result, net sales of PWB materials for the current fiscal year amounted to 27,962 million yen (up 7.9% year on year).

2) FPD materials sales
   - Sales of FPD materials, mainly consisting of PDP materials, are gradually recovered from the low in the third quarter of the previous fiscal year. With the drop in average sales unit prices due to the effects of the appreciation of the yen, net sales for FPD materials for the current fiscal year amounted to 6,099 million yen (up 7.3% year on year) as a result of an increase in sales volume.

3) Profits
   - Despite the effects of the significant appreciation of the yen, the profit margin improved from 10.2% in the previous fiscal year to 13.8% as a result of an increase in sales volume and efforts to reduce fixed costs that pushed down the cost to sales ratio and the selling, general and administrative expense ratio, among others.
   - As a result, operating income amounted to 4,843 million yen (up 45.3% year on year) with ordinary income at 4,787 million yen (up 35.0% year on year) and net income at 3,010 million yen (up 53.8% year on year).

Sales results by product group category

The following are sales results by product group category for the fiscal year ended March 31, 2010.

(Millions of yen)

Name of product group category	Previous fiscal year results	Current fiscal year results	Compared to the previous fiscal year	
			Change	Rate of change (%)
Rigid board materials	19,911	21,250	1,338	6.7
PKG board and flexible board materials	5,107	5,600	492	9.6
Build-up board materials	900	1,111	211	23.4
FPD materials	5,683	6,099	415	7.3
Others	952	994	42	4.5
Total	32,555	35,056	2,500	7.7

Note: The above monetary values do not include royalty revenue.

b. Segment results by geographic area

[Japan]

- The consolidated company located in Japan is TAIYO INK MFG. CO., LTD., a manufacturing and marketing company.
- Sales of all the product items of PWB materials recovered. Particularly, the sales for “PKG board and flexible board materials” and “build-up board materials” recovered greatly thanks in part to an increase in semiconductor market conditions.
- Although overseas product sales recovered immensely, sales in Japan were lower than last year due partly to sluggish domestic demand and the push by some board manufacturers to move production overseas.
- Fixed cost cutting efforts resulting in lower selling, general and administrative expenses greatly contributed to an improvement in profit.
- As a result, net sales by geographic area for Japan amounted to 20,379 million yen (up 7.4% year on year), with operating income at 600 million yen (operating income for the previous fiscal year was 15 million yen).

[Asia]

- Net sales by geographic area for Asia amounted to 24,991 million yen (up 15.7% year on year), with operating income at 4,044 million yen (up 32.2% year on year). The following is an overview per region.

  1) Taiwan
     - The consolidated company located in Taiwan is TAIWAN TAIYO INK CO., LTD., a manufacturing and marketing subsidiary.
     - Sales in the Taiwanese market exceeded those of the previous fiscal year thanks to a

recovery in the Taiwan electronic components industry.

2) Korea
- The consolidated company located in Korea is TAIYO INK CO., (KOREA) LTD., a manufacturing and marketing subsidiary.
- Sales of “rigid board materials” and “PKG board and flexible board materials” performed well thanks to rapid growth by Korean export companies, due to a depreciation of the won, and other factors.
- FPD materials sales have continued to modestly recover since the start of the current fiscal year and surpassed the previous fiscal year results.

3) China (including Hong Kong)
- The consolidated companies located in China are TAIYO INK (SUZHOU) CO., LTD., a manufacturing and marketing subsidiary and TAIYO INK INTERNATIONAL (HK) LIMITED, a marketing subsidiary operating mainly in the southern China region.
- The Chinese market is the largest for PWB materials. Major sales of the Group in that region are for “rigid board materials.”
- Sales in the Chinese market were robust as a result of expanded internal demand attributable to economic stimulus measures by the Chinese government. Our performance there was the highest on record on a by-volume basis.

4) Other Asia
- The other consolidated company located in Asia is TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD., a marketing subsidiary, which mainly handles ASEAN member countries.
- A recovery in demand mostly in Thailand market resulted in favorable sales.

[North America]
- The consolidated company located in North America is the manufacturing and marketing subsidiary TAIYO AMERICA, INC., which mainly handles the North American and European markets.
- Contrary to other markets, there was no clear recovery trend in the markets handled by that company and sales were lackluster. However, a recovery took hold as the fourth quarter began. Net sales amounted to 1,094 million yen (down 9.2% year on year), with operating income at 146 million yen (down 23.2% year on year).

c. Consolidated forecasts for the next fiscal year
- The global economic recovery is leading to expectations of positive results in the electronic components industry. The sales volume of PWB materials is projected to increase by at least 10% compared to the current fiscal year. However, a probable hike in the low-priced product composition ratio and other factors result in a forecasted net sales increase of approximately 5% from the current fiscal year.
- Sales of FPD materials will be in a recovery trend, and we expected net sales to increase approximately 6% compared to the current fiscal year.

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (yen)
For the fiscal year ending March 31, 2011 (Forecast)	37,000	5,000	5,000	3,500	134.93
For the fiscal year ended March 31, 2010 (Actual results)	35,056	4,843	4,787	3,010	116.08
Rate of change (%)	5.5	3.2	4.4	16.2	16.2

(2) Analysis of financial position

a. Positions of assets, liabilities and net assets

- The following shows the positions of assets, liabilities and net assets as of March 31, 2010.

	As of March 31, 2009 (Millions of yen)	As of March 31, 2010 (Millions of yen)	Change (Millions of yen)	Main factors (comparison with the end of the previous fiscal year)
Current assets	23,880	27,516	3,636	Cash and deposits increased approx. 300 million yen, notes and accounts receivable-trade increased approx. 2,500 million yen and inventories increased approx. 800 million yen
Noncurrent assets	16,989	16,187	(801)	A decrease of approx. 1,200 million yen due to depreciation and amortization, purchase of noncurrent assets increased approx. 400 million and allowance for doubtful accounts increased approx. 100 million
Total assets	40,869	43,704	2,834	
Total liabilities	6,285	8,018	1,733	Notes and accounts payable-trade increased approx. 2,400 million yen, accounts payable-other decreased approx. 1,000 million yen and income taxes payable increased approx. 100 million yen
Total net assets	34,584	35,685	1,101	Net income was approx. 3,000 million yen, cash dividends paid was approx. 2,300 million yen, foreign currency translation adjustment increased approx. 200 million yen and minority interests increased approx. 100 million yen.
Total liabilities and net assets	40,869	43,704	2,834	

b. Cash flow position

- The following is the position of cash flows for the fiscal year ended March 31, 2010.

	Fiscal year ended March 31, 2010 (Millions of yen)	Main factors
Net cash provided by (used in) operating activities	3,126	Income before income taxes and minority interests provided approx. 4,800 million yen, depreciation and amortization provided approx. 1,200 million yen, an increase in notes and accounts receivable-trade used approx. 2,600 million yen, an increase in inventories used 700 million yen and an increase in notes and accounts payable-trade provided approx. 2,600 million yen
Net cash provided by (used in) investing activities	(70)	Purchase of property, plant and equipment used approx. 500 million yen, sale of investment securities provided approx. 200 million yen and proceeds from the net of withdrawals of and payment into time deposits provided approx. 300 million yen
Net cash provided by (used in) financing activities	(2,366)	Cash dividend payments used approx. 2,300 million yen
Net increase (decrease) in cash and cash equivalents	622	
Cash and cash equivalents at end of period	11,913	

c. Forecasts for financial position

- The following are forecasts for position of cash flows, total assets and net assets and main factors for the fiscal year ending March 31, 2011.

	Fiscal year ending March 31, 2011 (Billions of yen)	Main factors
Net cash provided by (used in) operating activities	4.8	Income before income taxes and minority interests to provide approx. 5,200 million yen, depreciation and amortization to provide approx. 1,200 million yen, an increase in notes and accounts receivable-trade and inventories to use approx. 800 million yen and payments of income taxes to use 1,100 million yen
Net cash provided by (used in) investing activities	(0.5)	Investments in production facilities for TAIYO INK MFG CO., LTD. and its manufacturing subsidiaries to use approx. 300 million yen.
Net cash provided by (used in) financing activities	(2.4)	Cash dividend payments to use approx. 2,400 million yen
Net increase (decrease) in cash and cash equivalents	1.7	
Cash and cash equivalents at end of period	13.6	
Total assets at end of period	45.6	
Net assets at end of period	36.8	

d. Trend of indicators

- The following is the transition of cash flow indicators.

	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Equity ratio (%)	77.6	76.8	78.5	83.3	80.1
Equity ratio on mark-to-market basis (%)	192.8	194.4	128.7	97.2	148.7
Interest coverage ratio	2,738.6	1,124.5	1,394.0	546.7	2,734.6

Equity ratio: (Net assets- Minority interests)/Total assets
Equity ratio on mark-to-market basis: Total market capitalization/Total assets
Interest coverage ratio: Operating cash flow/Interest paid

(1) The above indicators are calculated based on consolidated financial figures.
(2) Total market capitalization is calculated based on total number of issued shares at the fiscal year end (excluding treasury stock) ×stock market price at the fiscal year end. Because a 2:1 stock split was effectuated on April 1, 2007, with respect to shareholders registered as of March 31, 2007, the total market capitalization is calculated based on 28,464,000 shares of issued shares and 1,995,082 shares of treasury shares as at the fiscal year ended March 31, 2007.
(3) Net cash provided by (used in) operating activities stated in the consolidated statement of cash flows is used for "Operating cash flows." "Interest paid" are the amounts stated under Interest expenses paid in the consolidated statement of cash flows.
(4) Interest-bearing debt to cash flow ratio (Interest-bearing debt/Operating cash flows) is not reported due to the lack of interest-bearing debt.

(3) Basic policy on profit distribution and dividends for the current fiscal year and next fiscal year

- The Company regards profit distribution to shareholders in cash as an important policy and will effectuate a continuous, stable profit distribution at high levels. We use the ratio of dividends to net assets as our target index, keeping this figure at least 5% of consolidated financial results for the mid-to long-term.
- In accordance with this policy, the Company paid an interim dividend of 45 yen per share.
- We also plan to pay an end-of-period dividend of 45 yen per share, as already announced, therefore, this will be placed on the agenda of the next General Meeting of Shareholders. This results in an annual dividend of 90 yen per share for the current fiscal year.

- For next fiscal year dividends, at present, the Company plans to pay 90 yen per share taking into consideration the abovementioned policy of implementing high-level returns to shareholders on a sustained and stable basis.

(4) Risk factors

The following are the main risks that may influence the business development of the Company.

a. Technological innovation risks

1) Risks related to PWBs
   - As a specialized manufacturer, we are reliant on the manufacture and sale of PWB materials, and SR in particular, as a major source of our income. If radical technological developments, such as electronic parts that do not use PWBs or PWBs that do not use SR, were to be widely adopted, this would result in a significant decrease in demand for our products.
   - From the viewpoint of product characteristics, operability, and economic viability, there is little possibility that such technological innovations will be widely adopted in the near future.
   - However, the Company considers as important effecting research and development to find possible new methods for PWBs.

2) Risks related to PDP materials
   - Our PDP material customers are restricted to a few panel manufacturers. As we rely heavily on certain customers, the performance of these customers could significantly impact our own sales.
   - As PDPs compete with LCDs and other technologies in FPD market, the future demand of PDP involves uncertainty.

b. Risks associated with patents

- In order for our Group to maintain a superior competitive position, efforts are being made to protect the products and technology we develop through patents and intellectual property. However, in the event a patent application, etc. does not result in the granting of rights or a third party requests an invalidation, insufficient protection of our rights as a Group may result. Moreover, infringing the intellectual property rights owned by a third party could impact the performance of our Group as a result of the payment of royalties or large amounts of damages.

c. Risk of major production facilities being affected by a disaster

- Our Group has manufacturing bases in Japan, Taiwan, Korea, China and the United States. In the event that any of our manufacturing bases is damaged by a natural disaster and manufacturing functions are obstructed, manufacturing and supply functions would be switched to another manufacturing base as an emergency measure. However, this would require some preparation and adjustment and our business would be affected in the interim.

d. Country-specific risks related to business deployment overseas

- Our Group conducts manufacturing activities in Japan, Taiwan, Korea, China, and the United States. Sales of our Group’s products particularly in China, Taiwan, Korea, ASEAN countries, and other Asian markets are expanding. Accordingly, terrorist activities, destabilization of the political situation, economic fluctuations, the outbreak of earthquakes and contagion, unforeseen changes to legal, regulatory or tax systems, and other country-specific risks could impact on the business strategies and performance of our Group.

e. Risk of exchange rate fluctuations

- Our ratio of overseas sales to net sales is comparatively high and there are many instances when we calculate product prices in foreign currencies. Accordingly, our business performance is affected by fluctuations in exchange rates, with a highly appreciated yen normally leading to reduced income and profits.

f. Risk of price fluctuations in key products

- PWB manufacturing is shifting to other Asian countries, especially China, and we are engaged in continuing price wars with local companies as well as other Japanese firms. There is also pressure to lower SR prices which has resulted from price competition in the PWB market. Because of this, there is a possibility that the price of our main product, SR, may drop thus affecting the performance of our Group.

g. Risks related to fluctuations in product demand

- Demand for our Group's main products is influenced by electronic components market trends, which may affect the performance of our Group.

h. Credit risks related to receivables

- The Group has many customers and, although we do not concentrate an excessive amount of receivables on specific customers, the deterioration of the financial position of customers and the resulting bad debt may affect the performance of our Group.

i. Risks related to the soaring cost of raw materials

- Due to the state of the oil market, the prices of certain raw materials have risen, which may affect the performance of our Group. The profitability of PDP materials in particular may be affected due to the rising cost of silver, one of the key raw materials used in PDP production.

j. Risk of recoverability of deferred tax assets

- With respect to deductible temporary differences and tax-loss carryforward, the Group determines recoverability after reasonably estimating future taxable income when recording deferred tax assets. However, in the event deferred tax assets are deemed unrecoverable in whole or in part as actual taxable income may differ from estimates due to changes in the business environment and other factors, or should changes in tax rates or revisions in tax systems occur in various countries, a recalculation of deferred tax assets would become necessary. If, as a result of the above, a reversal of deferred tax assets is necessary, it could impact on our operating results and financial position.

2. Overview of the corporate group

The corporate group (hereinafter the Group) consists of TAIYO INK MFG. CO., LTD. (filing company), ten subsidiaries and one associated company. Its principal business is the manufacturing and sales of PWB materials.

[The Company and consolidated subsidiaries]

<table>
<tr><th>Relation to the filing company</th><th>Company name</th><th>Main business</th></tr>
<tr><td>Filing company</td><td>TAIYO INK MFG. CO., LTD.</td><td rowspan="3">Manufacturing, purchasing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries</td></tr>
<tr><td>Consolidated subsidiary</td><td>TAIWAN TAIYO INK CO., LTD.</td></tr>
<tr><td>Consolidated subsidiary</td><td>TAIYO INK CO., (KOREA) LTD.</td></tr>
<tr><td>Consolidated subsidiary</td><td>TAIYO INK (SUZHOU) CO., LTD.</td><td>Manufacturing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries</td></tr>
<tr><td>Consolidated subsidiary</td><td>TAIYO AMERICA, INC.</td><td>Manufacturing, purchasing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries</td></tr>
<tr><td>Consolidated subsidiary</td><td>TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD.</td><td rowspan="2">Purchasing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries</td></tr>
<tr><td>Consolidated subsidiary</td><td>TAIYO INK INTERNATIONAL (HK) LIMITED</td></tr>
</table>

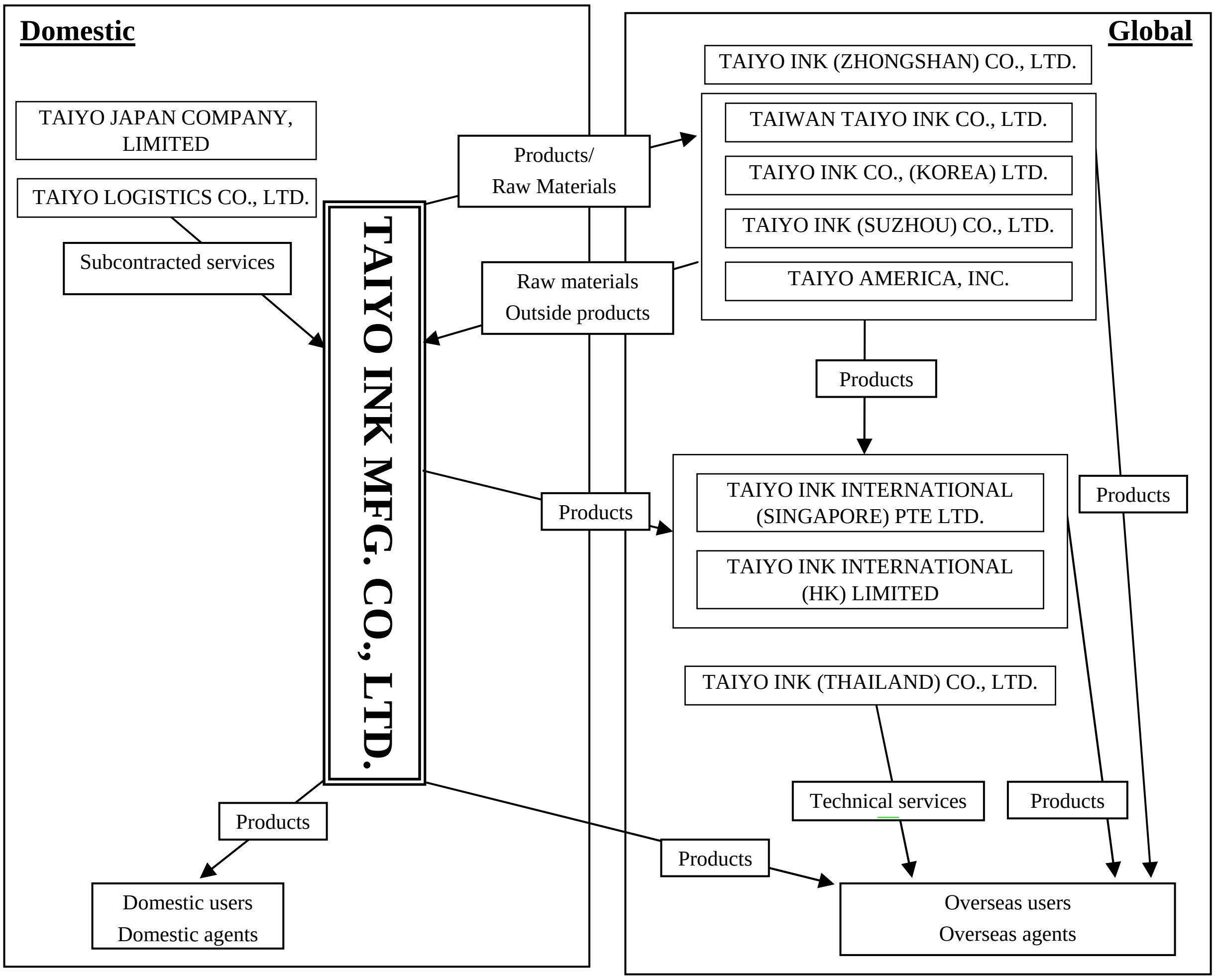
[Non-consolidated subsidiaries]

Relation to the filing company	Company name	Main business
Non-consolidated subsidiary	TAIYO INK (THAILAND) CO., LTD.	Technical services relating to PWB materials
Non-consolidated subsidiary	TAIYO LOGISTICS CO., LTD.	Provision of subcontracted services to the parent company such as the transportation and warehousing of products, etc.
Non-consolidated subsidiary	TAIYO JAPAN COMPANY, LIMITED	Manufacturing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries (Operations have yet to begin.)
Non-consolidated subsidiary	TAIYO INK (ZHONGSHAN) CO., LTD.	Manufacturing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries (Operations have yet to begin.)

[Associated company]

Relation to the filing company	Company name	Main business
Associated company	Kowa Co., Ltd.	Investments with respect to real estate and marketable securities

The organization chart is as follows.



3. Business policies

(1) Basic management policies

- TAIYO INK MFG. CO., LTD. (“we” or “our”) has identified its objectives as a corporate group in the Management Philosophy and Basic Management Policy below. We will develop by continuing the spirit of our management philosophy without changes and reviewing our basic management policy to match changes in the environment and strategy on a long-term basis.

Management Philosophy

Based on our technological capabilities, we will develop and provide products with maximum value, and produce income and increase its corporate value, and thereby contribute to the well-being and prosperity of our customers, community, shareholders, and employees.

Basic Management Policy

1. We will discharge our corporate social responsibility with regard to the achievement of our management philosophy, including complying with the law, protecting the environment, ensuring thorough quality management, and contributing to society.
2. We will leverage our international network to always provide superior products and services.
3. We will increase our comprehensive corporate strengths by aiming for total optimization through the teamwork of all employees and cooperation between the group companies.
4. We will use our management resources effectively and conduct efficient administrative operations.
5. We will aim to be “a company full of dreams” that is determined to grow through the development of new product groups.

(2) Target management indicators

- In light of the drastically changing business environment due to the simultaneous global economic downturn in the year before last, our mid- to long-term management plan created in April 2009 (“MLP 2009”), sets targets for 2011 (66th term), the final fiscal year of the plan, of 42 billion yen in consolidated net sales and a consolidated operating income of 6 billion yen.
- We aim for an approximately 12% consolidated ROE by the final fiscal year of the plan.

(3) Mid- to long-term management strategies

a. Management strategies and operational measures in the mid- to long-term management plan (“MLP 2009”) are based on the management philosophy and basic management policy. Our basic strategy is summed up by the words “further growth.”

b. “Further growth” refers to further stabilizing our earnings platform on a long-term basis by diversifying product groups and expanding business domain in addition to expanding business scale. It also means the continuous improvement of business infrastructure components such as information and organizational systems and the implementation of administrative measures as well as preparing for large strides in our business once the economy recovers.

c. For “further growth,” the following will be implemented.
    - For the PWB materials market, and especially the SR market, while the field is polarizing into generic products and high value-added products, the Company will establish a supply system for customers around the world based on production at optimal locations and optimal business channels.
    - PWB manufacturing is concentrated in Japan and the rest of Asia, with particular expectations of great support on the PWB market demonstrated by China. The demand for PWB materials and generic SR in particular is growing as a rapid economic recovery leads to fantastic growth in China, which is the biggest market for these items, and further expansion is expected to continue. We intend to extend our presence in the Chinese market by working to bring manufacturing costs down and leveraging the abovementioned optimal business channels.
    - Meanwhile, we aim to further strengthen our competitiveness in Japan to meet the demand for high-quality features by high value-added PWB material customers. To achieve this, we aim to establish a system capable of supplying high-quality products effectively that includes an overhaul of production processes.

- For FPD materials, our secondary product group, and especially PDP materials, we will continue to promote technological development and increase our presence in hopes of making them stable sources of revenue for the Company.
- We will expand our business domain into the electronic components industry by developing new product groups that will succeed PWB and FPD materials. The Company will also continuously revise its technological development strategy and proactively make efforts in new fields through new product R&D and strategic technological tie-ups.

(4) Current and future challenges

a. PWB materials

- Our large-scale customers are becoming more and more active internationally, and we will strengthen the comprehensive power of our group in sales, technical services, R&D, product improvement, production and other areas.
- In the Chinese market, where growth is highly expected into the future, the Group will proactively develop products that meet customer needs and strengthen our cost competitiveness, supply chain management and customer support. Regarding cost competitiveness, as competition between local companies and other Japanese companies is intensifying, our Group is committed to developing low-cost products, reviewing manufacturing processes and implementing other continuous cost-cutting efforts.
- In addition to catching up with technological progress related to the manufacture of electronic circuits and continuing to shift the focus to high value added products, we need to improve our presence in materials markets other than SR. In order to achieve this, we must strengthen our technological development capabilities. We will also explore possibilities for new PWB manufacturing methods and establish more effective production and technological strengths that will help us respond quickly to customer demands for high quality features.

b. FPD materials

- We will continue our efforts to overcome various issues related to technological development, production, and sales in FDP materials, our second product group, with the aim of expanding sales in new markets and enhancing our competitiveness.

c. New products and new fields

- In July 2009, the Company has acquired a basic patent for “Photoimageable White Resist.” The application of this product is expected to expand for flat-screen televisions with LED backlights and LED lighting, etc. Going forward, we will continue develop and improve the diversifying materials used for opto-devices including LED and introduce into the market on a timely manner.
- We will promote in-house development, alliances, and M&As with regard to strategic development of new products and deployment of new businesses aiming for the expansion of our business domain to areas other than PWB and FPD materials. In-house development is an especially important concern, as one of our major challenges is developing the several promising new product groups into businesses that can contribute to earnings.

d. Improvement of profitability

- We will continue reducing fixed costs as we fortify the competitiveness of our PWB and FPD materials and increase revenues from products made for new fields. We will fortify our risk management with respect to assets (accounts receivable-trade, inventories) and prop up our foreign exchange risks countermeasures for the entire Group.

(5) Other significant matters concerning management

- As mentioned in the “Announcement Regarding Corporate Reorganization” released on March 23, 2010, the Company effected a corporate reorganization on April 1, 2010, as follows.
- With the aim of strengthening the planning and management functions that support the Group’s operations, the “Group Headquarters” was abolished and the “Corporate Strategy Division” was newly established.
- In order to enrich further the sales and planning functions of the entire Group, “Sales Strategy Office” was merged into the newly established “Global Marketing Division.”

- The “R&D Division” was newly established to further strengthen the planning functions of the Group’s technological development strategy and accelerate the development of new fields and products.
- In order to clarify management responsibilities, speed up decision making and streamline operations, the “NIPPON TAIYO COMPANY,” consisting of the “Sales and Marketing Division,” “Production Division” and “Technical Development Division,” was newly established as the business unit in charge of Japan.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	13,812	14,174
Notes and accounts receivable-trade	6,644	9,173
Short-term investment securities	0	0
Merchandise and finished goods	1,356	1,944
Work in process	187	255
Raw materials and supplies	1,403	1,646
Consumption taxes receivable	89	232
Prepaid expenses	66	–
Deferred tax assets	548	103
Other	222	306
Allowance for doubtful accounts	(450)	(321)
Total current assets	23,880	27,516
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	8,007 *2	7,754 *2
Machinery, equipment and vehicles, net	1,900	1,548
Tools, furniture and fixtures, net	627	515 *2
Land	4,107	4,135
Construction in progress	2	0
Total property, plant and equipment	14,644 *1	13,954 *1
Intangible assets		
Goodwill	85	47
Leasehold right	111	103
Software	256	226
Telephone subscription right	2	–
Other	12	12
Total intangible assets	468	389
Investments and other assets		
Investment securities	640	572
Stocks of subsidiaries and affiliates	125	125
Investments in capital of subsidiaries and affiliates	865	865
Long-term loans receivable	8	6
Long-term prepaid expenses	1	–
Life insurance funds	111	–
Facility membership	62	–
Deferred tax assets	10	38
Other	89	407
Allowance for doubtful accounts	(39)	(171)
Total investments and other assets	1,876	1,843
Total noncurrent assets	16,989	16,187
Total assets	40,869	43,704

Please refer to “Notes to consolidated balance sheets” on page 29 for *1 and *2.

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,005	5,482
Accounts payable-other	1,537	526
Income taxes payable	249	400
Accrued expenses	189	179
Deposits received	22	–
Deferred tax liabilities	–	221
Provision for bonuses	213	251
Provision for directors' bonuses	56	60
Other	29	51
Total current liabilities	5,303	7,172
Noncurrent liabilities		
Deferred tax liabilities	703	547
Provision for retirement benefits	181	183
Provision for directors' retirement benefits	90	105
Other	6	10
Total noncurrent liabilities	981	845
Total liabilities	6,285	8,018
Net assets		
Shareholders' equity		
Capital stock	6,134	6,134
Capital surplus	7,102	7,102
Retained earnings	27,985	28,661
Treasury stock	(4,060)	(4,060)
Total shareholders' equity	37,162	37,838
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	55	116
Foreign currency translation adjustment	(3,155)	(2,948)
Total valuation and translation adjustments	(3,100)	(2,832)
Minority interests	522	679
Total net assets	34,584	35,685
Total liabilities and net assets	40,869	43,704

(2) Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Net sales	32,614	35,056
Cost of sales	22,635	24,123
Gross profit	9,979	10,932
Selling, general and administrative expenses	6,647 *1, *2	6,089 *1, *2
Operating income	3,332	4,843
Non-operating income		
Interest income	186	63
Dividends income	45	115
Other	111	55
Total non-operating income	343	234
Non-operating expenses		
Interest expenses	8	1
Commission fee	6	6
Foreign exchange losses	91	276
Other	22	4
Total non-operating expenses	129	289
Ordinary income	3,546	4,787
Extraordinary income		
Gain on sales of noncurrent assets	2 *3	0 *3
Gain on sales of investment securities	–	32
Settlement received	552	–
Other	10	–
Total extraordinary income	564	32
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	357 *4	6 *4
Loss on sales of investment securities	–	2
Loss on valuation of investment securities	224	–
Lump-sum payment to withdrawal for employees pension fund	1,029	–
Other	41	–
Total extraordinary losses	1,653	9
Income before income taxes and minority interests	2,457	4,811
Income taxes-current	1,400	1,257
Income taxes-deferred	(992)	438
Total income taxes	408	1,695
Minority interests in income	91	104
Net income	1,958	3,010

Please refer to “Notes to consolidated statements of income” on page 30 for *1, *2, *3 and *4.

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,134	6,134
Balance at the end of current period	6,134	6,134
Capital surplus		
Balance at the end of previous period	7,102	7,102
Changes of items during the period		
Disposal of treasury stock	(0)	–
Retirement of treasury stock	(0)	–
Total changes of items during the period	(0)	–
Balance at the end of current period	7,102	7,102
Retained earnings		
Balance at the end of previous period	32,519	27,985
Effect of changes in accounting policies applied to foreign subsidiaries	(94)	–
Changes of items during the period		
Dividends from surplus	(3,439)	(2,334)
Net income	1,958	3,010
Retirement of treasury stock	(2,957)	–
Total changes of items during the period	(4,438)	676
Balance at the end of current period	27,985	28,661
Treasury stock		
Balance at the end of previous period	(6,137)	(4,060)
Changes of items during the period		
Purchase of treasury stock	(879)	(0)
Disposal of treasury stock	0	–
Retirement of treasury stock	2,957	–
Total changes of items during the period	2,077	(0)
Balance at the end of current period	(4,060)	(4,060)
Total shareholders' equity		
Balance at the end of previous period	39,618	37,162
Effect of changes in accounting policies applied to foreign subsidiaries	(94)	–
Changes of items during the period		
Dividends from surplus	(3,439)	(2,334)
Net income	1,958	3,010
Purchase of treasury stock	(879)	(0)
Disposal of treasury stock	0	–
Retirement of treasury stock	–	–
Total changes of items during the period	(2,360)	676
Balance at the end of current period	37,162	37,838

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	133	55
Changes of items during the period		
Net changes of items other than shareholders' equity	(78)	61
Total changes of items during the period	(78)	61
Balance at the end of current period	55	116
Foreign currency translation adjustment		
Balance at the end of previous period	(1,348)	(3,155)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,806)	206
Total changes of items during the period	(1,806)	206
Balance at the end of current period	(3,155)	(2,948)
Total valuation and translation adjustments		
Balance at the end of previous period	(1,215)	(3,100)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,884)	268
Total changes of items during the period	(1,884)	268
Balance at the end of current period	(3,100)	(2,832)
Minority interests		
Balance at the end of previous period	737	522
Changes of items during the period		
Net changes of items other than shareholders' equity	(214)	156
Total changes of items during the period	(214)	156
Balance at the end of current period	522	679
Total net assets		
Balance at the end of previous period	39,140	34,584
Effect of changes in accounting policies applied to foreign subsidiaries	(94)	–
Changes of items during the period		
Dividends from surplus	(3,439)	(2,334)
Net income	1,958	3,010
Purchase of treasury stock	(879)	(0)
Disposal of treasury stock	0	–
Net changes of items other than shareholders' equity	(2,099)	425
Total changes of items during the period	(4,460)	1,101
Balance at the end of current period	34,584	35,685

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,457	4,811
Depreciation and amortization	1,396	1,261
Amortization of goodwill	38	38
Loss (gain) on valuation of investment securities	224	–
Increase (decrease) in provision for retirement benefits	(291)	(13)
Increase (decrease) in provision for directors' retirement benefits	1	14
Increase (decrease) in provision for bonuses	(93)	38
Increase (decrease) in provision for directors' bonuses	(24)	4
Increase (decrease) in allowance for doubtful accounts	109	24
Interest and dividends income	(231)	(178)
Interest expenses	8	1
Loss (gain) on sales and retirement of property, plant and equipment	355	6
Settlement package	(552)	–
Decrease (increase) in notes and accounts receivable-trade	2,414	(2,644)
Decrease (increase) in inventories	849	(754)
Decrease (increase) in other current assets	36	(33)
Increase (decrease) in notes and accounts payable-trade	(2,809)	2,614
Increase (decrease) in other current liabilities	1,368	(983)
Increase (decrease) in accrued consumption taxes	375	(155)
Other, net	41	(30)
Subtotal	5,673	4,021
Interest and dividends income received	240	181
Interest expenses paid	(8)	(1)
Income taxes paid	(1,876)	(1,074)
Settlement received	552	–
Net cash provided by (used in) operating activities	4,581	3,126
Net cash provided by (used in) investing activities		
Payments into time deposits	(3,770)	(2,395)
Proceeds from withdrawal of time deposits	4,279	2,670
Purchase of property, plant and equipment	(763)	(512)
Proceeds from sales of property, plant and equipment	7	1
Purchase of investment securities	(0)	(20)
Proceeds from sales of investment securities	–	222
Payments of long-term loans receivable	(29)	(26)
Collection of long-term loans receivable	21	28
Payments for investments in capital of subsidiaries and affiliates	(865)	–
Purchase of software	(475)	(38)
Other, net	124	0
Net cash provided by (used in) investing activities	(1,470)	(70)

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(879)	(0)
Proceeds from sales of treasury stock	0	–
Cash dividends paid	(3,439)	(2,334)
Cash dividends paid to minority shareholders	(109)	(31)
Net cash provided by (used in) financing activities	(4,428)	(2,366)
Effect of exchange rate change on cash and cash equivalents	(498)	(67)
Net increase (decrease) in cash and cash equivalents	(1,815)	622
Cash and cash equivalents at beginning of period	13,106	11,291
Cash and cash equivalents at end of period	11,291 *1	11,913 *1

Please refer to “Note to consolidated statements of cash flows” on page 32 for *1.

Notes on premise of going concern

No items to report

Basis of preparation for the consolidated financial statements

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
1. Scope of consolidation Number of consolidated subsidiaries: 6 Number of non-consolidated subsidiaries: 4 Names of consolidated subsidiaries: TAIYO AMERICA, INC., TAIYO INK CO., (KOREA) LTD., TAIWAN TAIYO INK CO., LTD., TAIYO INK INTERNATIONAL (HK) LIMITED, TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD., and TAIYO INK (SUZHOU) CO., LTD. Names of non-consolidated subsidiaries: TAIYO JAPAN COMPANY, LIMITED, TAIYO INK (THAILAND) CO., LTD., TAIYO LOGISTICS CO., LTD., and TAIYO INK (ZHONGSHAN) CO., LTD. • Reason for exclusion from the scope of consolidation These non-consolidated subsidiaries are small in size, and their accounts, such as total assets, net sales, net income or loss (for the Company's equity interest) and retained earnings (for the Company's equity interest), have no significant effects on the Company's consolidated financial statements.	1. Scope of consolidation Same as on the left
2. Application of the equity method • Reason for exclusion from the scope of equity method The non-consolidated subsidiaries are small in size, their accounts, such as net income or loss (for the Company's equity interest) and retained earnings (for the Company's equity interest), have no significant effects on the Company's consolidated financial statements, and have no materiality as a whole.	2. Application of the equity method Same as on the left
3. Fiscal year-end of consolidated subsidiaries Among the consolidated subsidiaries, the fiscal year-end of TAIYO INK (SUZHOU) CO., LTD. is December 31. TAIYO INK (SUZHOU) performs tentative closings and prepares financial statements as of and for the period ended December 31. Fiscal year-ends of other consolidated subsidiaries coincide with that for consolidated financial statements.	3. Fiscal year-end of consolidated subsidiaries Same as on the left
4. Bases for accounting treatments (a) Valuation bases and methods for significant assets 1) Securities Subsidiaries' stocks Stated at cost using the moving-average method Other securities (available-for-sale securities) Securities with fair market value Stated at market value based on fair market value etc. as of the closing date (Net unrealized holding gains or losses, net of the applicable income taxes, are directly included in a component of stockholders' equity. The cost of securities sold is measured using the moving-average method) Securities with no fair market value Stated at cost using the moving-average method 2) Derivatives Stated at fair market value	4. Bases for accounting treatments (a) Valuation basis and methods for significant assets 1) Securities Subsidiaries' stocks Same as on the left Other securities (available-for-sale securities) Securities with fair market value Same as on the left Securities with no fair market value Same as on the left 2) Derivatives Same as on the left

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
3) Inventories Mainly stated at moving-average cost (figures on the balance sheet are adjusted by writing down the book value where the profitability declines.) (Change in accounting policies) Effective from the current fiscal year, the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) is adopted. By this change, operating income, ordinary income, and income before income taxes and minority interests respectively decreased by 71 million yen. Effects of this change on segment information are described in the section of “Segment information.”	3) Inventories Mainly stated at moving-average cost (figures on the balance sheet are adjusted by writing down the book value where the profitability declines.)
(b) Method of depreciation for significant depreciable assets 1) Property, plant and equipment (excluding leased assets) Buildings: Depreciated mainly by the straight-line method Property, plant and equipment other than buildings: Depreciated mainly by the declining-balance method Useful lives of major property, plant and equipment are as follows. Buildings and structures 7 - 60 years Machinery, equipment and vehicles 5 - 10 years Tools, furniture and fixtures 3 - 8 years (Additional information) At the occasion of the revision of the Corporation Tax Act of 2008, the Company has reviewed the useful lives and shortened the useful lives of machinery and equipment effective from the current fiscal year. By this change, operating income, ordinary income, and income before income taxes and minority interests respectively decreased by 25 million yen. Effects of this change on segment information are described in the section of “Segment information.”	(b) Method of depreciation for significant depreciable assets 1) Property, plant and equipment (excluding leased assets) Buildings: Depreciated mainly by the straight-line method Property, plant and equipment other than buildings: Depreciated mainly by the declining-balance method Useful lives of major property, plant and equipment are as follows. Buildings and structures 7 - 60 years Machinery, equipment and vehicles 5 - 10 years Tools, furniture and fixtures 3 - 8 years
2) Intangible assets (excluding leased assets) Leasehold right: Amortized by the straight-line method Software (for internal use): Amortized by the straight-line method over the internally estimated useful life of the software (5 years) Others: Amortized by the straight-line method Useful lives of major intangible assets are as follows: Leasehold right 50 years Software (for internal use) 5 years	2) Intangible assets (excluding leased assets) Same as on the left
3) Long-term prepaid expenses Amortized by the straight-line method	3) ――――――
4) Leased assets Depreciated by the straight-line method over the lease terms with no residual value Except for finance leases where the ownership of the leased property is transferred to the lessee, all lease transactions of the Company that commenced on or before March 31, 2008, are accounted for by a method similar to that applicable to ordinary operating leases.	4) ――――――

<table>
<tr><th>Fiscal year ended March 31, 2009</th><th>Fiscal year ended March 31, 2010</th></tr>
<tr><td>(c) Accounting for significant reserves
1) Allowance for doubtful accounts
To provide reserve for potential losses from bad debts, the Company recognizes and records allowance for doubtful accounts based on historical uncollectible rate for general accounts receivables, and on an estimate of collectability of specific accounts for which collection appears doubtful.
2) Provision for bonuses
Provision for bonuses are recorded by the Company and certain consolidated subsidiaries to accrue the bonus to employees for the fiscal year.
3) Provision for directors’ bonuses
To prepare for the payment of bonuses to directors and corporate auditors, the projected payment amount attributable to the current fiscal year is provided..
4) Provision for retirement benefits
To prepare for employees’ retirement benefits, the Company recognizes an amount decided based on retirement benefit obligation and the fair value of the pension assets as of the end of the current fiscal year.
Actuarial differences gain or loss will be recognized as expenses mainly by amortizing the amount by the straight-line method starting in the following fiscal year over a certain period of time (mainly 5 years) which is shorter than the employees’ average remaining service period.
(Additional information)
The Company abolished the tax-qualified retirement pension plan in the current fiscal year and moved to the pension point system under the defined-benefit corporate pension system. By this change, a 50 million yen prior service cost was recognized. The prior service cost is amortized as incurred by the straight-line method over a certain period of time (5 years) which is shorter than the employees’ average remaining service period.
This change has no effects on operating income, ordinary income, and income before income taxes and minority interests.
5) Provision for directors’ retirement benefits
To prepare for the payment of directors’ and corporate auditors’ retirement benefits, the Company provides the amount of projected payments, determined according to internal rules for the payment of directors’ and corporate auditors’ retirement benefits as of the end of the fiscal year.</td>
<td>(c) Accounting for significant reserves
1) Allowance for doubtful accounts
Same as on the left
2) Provision for bonuses
Same as on the left
3) Provision for directors’ bonuses
Same as on the left
4) Provision for retirement benefits
To prepare for employees’ retirement benefits, the Company recognizes an amount decided based on retirement benefit obligation and the fair value of the pension assets as of the end of the current fiscal year.
Prior service cost will be recognized as expenses mainly by amortizing the amount by the straight-line method over a certain period of time (mainly 5 years) which is shorter than the employees’ average remaining service period.
Actuarial differences gain or loss will be recognized as expenses mainly by amortizing the amount by the straight-line method starting in the following fiscal year over a certain period of time (mainly 5 years) which is shorter than the employees’ average remaining service period.
(Change in accounting policies)
Effective from the current fiscal year, the “Partial Amendments to the Accounting Standard for Retirement Benefits (Part 3)” (ASBJ Statement No. 19, July 31, 2008) is atopted.
This change has no effects on operating income, ordinary income, and income before income taxes and minority interests.
Please note that there are no differences in retirement benefit obligations arising as a result of the application of this Accounting Standard.
(Additional information)
In addition to the defined-benefit corporate pension system, the Company newly introduced the defined contribution pension system as of October 1, 2009.
5) Provision for directors’ retirement benefits
Same as on the left</td></tr>
</table>

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
(d) Basis of translation from significant foreign currency-denominated assets and liabilities to yen Foreign currency-denominated monetary claims and liabilities are translated to yen with the spot exchange rate of the consolidated balance sheet date with translation differences charged to profit and loss in the corresponding fiscal year. Assets and liabilities of foreign subsidiaries are translated to yen with the spot exchange rate of the consolidated balance sheet date. Revenue and expenses thereof are translated to yen with the average exchange rate during the period. Exchange differences are included in foreign currency translation adjustment and minority interests in the section of net assets.	(d) Basis of translation from significant foreign currency-denominated assets and liabilities to yen Same as on the left
(e) Other significant matters for preparation of consolidated financial statements Treatment of consumption taxes Treatment of consumption taxes is based on the tax excluded method.	(e) Other significant matters for preparation of consolidated financial statements Treatment of consumption taxes Same as on the left
5. Valuation of assets and liabilities of consolidated subsidiaries The assets and liabilities of consolidated subsidiaries are fully evaluated using the fair market value at the time when the Company acquired control of the respective subsidiaries.	5. Valuation of assets and liabilities of consolidated subsidiaries Same as on the left
6. Amortization of goodwill and negative goodwill Goodwill is amortized by the straight-line method over 5 years.	6. Amortization of goodwill and negative goodwill Same as on the left
7. Scope of cash and cash equivalents on the consolidated statements of cash flows Consists of cash on hand, deposits that can be quickly accessed, and easily convertible short-term investments that are only mildly affected by market price fluctuations, that mature within three months of acquisition, or the redemption date is not more than three months away.	7. Scope of cash and cash equivalents on the consolidated statements of cash flows Same as on the left

Changes in basis of preparation for consolidated financial statements

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
(Accounting Standard for Lease Transactions) Before the change, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the same method as for operating lease transactions. However, effective from the current fiscal year, the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 [Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007]) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 [The Japanese Institute of Certified Public Accountants Accounting Standard Committee, January 18, 1994; revised March 30, 2007]) are applied and the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions. Also, the accounting treatment for finance lease transactions not involving the transfer of ownership commenced before the first fiscal year in which the Accounting Standard for Lease Transactions is applied continuously follows the same method as for operating lease transactions. This change has no effects on operating income, ordinary income and income before income taxes and minority interests.	―――――
(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements) Effective from the current fiscal year, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18, May 17, 2006) is applied, and necessary amendments were made. Accordingly, operating income, ordinary income, and income before income taxes and minority interests increased by 44 million yen, 35 million yen and 36 million yen, respectively. Effects of this change on segment information are described in the section of "Segment information."	―――――

Changes in presentation

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
(Consolidated balance sheets) 1. In line with the application of the Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements, etc. (Cabinet Office Ordinance No. 50 of August 7 of 2008), items collectively presented as “Inventories” for the previous fiscal year are now separately presented as “Merchandise and finished goods,” “Work in process” and “Raw materials and supplies” effective from the current fiscal year. “Merchandise and finished goods,” “Work in process” and “Raw materials and supplies” included in “Inventories” for the previous fiscal year were 2,247 million yen, 207 million yen and 1,808 million yen, respectively. 2. “Machinery and equipment” and “Vehicles,” which had been separately presented until the previous fiscal year, are now collectively presented as “Machinery, equipment and vehicles.” This change was made in line with the introduction of XBRL (eXtensible Business Reporting Language), a new computer language for financial reporting, and for the purpose of increasing comparability in consolidated financial statements. “Machinery and equipment” and “Vehicles” included in “Machinery, equipment and vehicles” for the current fiscal year are 1,843 million yen and 57 million yen, respectively. 3. “Software in progress,” which had been separately presented until the previous fiscal year, is now included in “Software.” This change was made in line with the introduction of XBRL, and for the purpose of increasing comparability in consolidated financial statements. “Software in progress” included in “Software” for the current fiscal year is 83 million yen.	(Consolidated balance sheets) 1. “Prepaid expenses,” which had been separately presented until the previous fiscal year, is now included in “Other” of current assets from the current fiscal year because same amounts to 5% or less of total assets. “Prepaid expenses” amounted to 83 million yen in the current fiscal year. 2. “Telephone subscription right,” which had been separately presented until the previous fiscal year, is now included in “Other” of intangible assets from the current fiscal year because same amounts to 5% or less of total assets. “Telephone subscription right” amounted to 2 million yen in the current fiscal year. 3. “Long-term prepaid expenses,” which had been separately presented until the previous fiscal year, is now included in “Other” of investments and other assets from the current fiscal year because same amounts to 5% or less of total assets. “Long-term prepaid expenses” amounted to 1 million yen in the current fiscal year. 4. “Life insurance funds,” which had been separately presented until the previous fiscal year, is now included in “Other” of investments and other assets from the current fiscal year because same amounts to 5% or less of total assets. “Life insurance funds” amounted to 130 million yen in the current fiscal year. 5. “Facility membership,” which had been separately presented until the previous fiscal year, is now included in “Other” of investments and other assets from the current fiscal year because same amounts to 5% or less of total assets. “Facility membership” amounted to 67 million yen in the current fiscal year. 6. “Deposits received,” which had been separately presented until the previous fiscal year, is now included in “Other” of current liabilities from the current fiscal year because same amounts to 5% or less of total liabilities and net assets. “Deposits received” amounted to 23 million yen in the current fiscal year.
(Consolidated statements of cash flows) 1. “Gain on sales of property, plant and equipment,” which had been separately presented until the previous fiscal year, is now included in “Loss (gain) on sales and retirement of property, plant and equipment.” This change was made in line with the introduction of XBRL, and for the purpose of increasing comparability in consolidated financial statements. “Gain on sales of property, plant and equipment” included in “Loss (gain) on sales and retirement of property, plant and equipment” for the current fiscal year is negative 2 million yen. 2. “Purchase of software in progress,” which had been separately presented until the previous fiscal year, is now included in “Purchase of software.” This change was made in line with the introduction of XBRL, and for the purpose of increasing comparability in consolidated financial statements. “Purchase of software in progress” included in “Purchase of software” for the current fiscal year is negative 406 million yen.	―――――――

Notes to consolidated financial statements
(Notes to consolidated balance sheets)

As of March 31, 2009	As of March 31, 2010
*1 Accumulated depreciation of property, plant and equipment 14,967 million yen	*1 Accumulated depreciation of property, plant and equipment 16,163 million yen
*2 Reduction entry Due to acceptance of national subsidies, the following reduction entry amount was deducted from the acquisition cost of relevant assets. Buildings and structures 5 million yen	*2 Reduction entry Due to acceptance of national subsidies, the following reduction entry amount was deducted from the acquisition cost of relevant assets. Buildings and structures 8 million yen Tools, furniture and fixtures 8
3 Export discount bills 31 million yen	3 Export discount bills 26 million yen
4 Agreements on overdrafts and loan commitments The Company has concluded agreements with four banks of account on overdrafts and loan commitments for efficient funding of working capital. The outstanding unused balance under these agreements as of March 31, 2009, is as follows. Aggregate amount of maximum lines of overdrafts and loan commitment lines 5,000 million yen Loan amount currently executed – Outstanding unused overdraft and loan amounts 5,000 million yen Note: The aforementioned agreements are subject to the restriction that total net assets on the Company's balance sheet as of each business year end and each mid-business-year end should be maintained not less than 29,355 million yen up until the time when these agreements terminate and the debtor completes the fulfillment of obligations.	4 ————

(Notes to consolidated statements of income)

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
*1 Major items of selling, general and administrative expenses were as follows: Distribution expenses 538 million yen Packing expenses 239 Sales commission 282 Directors' compensations 220 Salaries 1,279 Bonuses 201 Provision for bonuses 109 Provision for directors' bonuses 56 Commission fee 732 Depreciation 385 Experiment and research expenses 218 Traveling and transportation expenses 280 Retirement benefit expenses 122 Amortization of goodwill 38 Provision of allowance for doubtful accounts 223	*1 Major items of selling, general and administrative expenses were as follows: Distribution expenses 648 million yen Packing expenses 303 Sales commission 245 Directors' compensations 221 Salaries 1,223 Bonuses 182 Provision for bonuses 133 Provision for directors' bonuses 60 Commission fee 586 Depreciation 415 Experiment and research expenses 227 Traveling and transportation expenses 199 Retirement benefit expenses 88 Amortization of goodwill 38 Provision of allowance for doubtful accounts 62
*2 Research and development expenses included in general and administrative expenses and cost of products manufactured: 979 million yen	*2 Research and development expenses included in general and administrative expenses and cost of products manufactured: 1,016 million yen
*3 Breakdown of gain on sales of noncurrent assets Buildings and structures 0 million yen Machinery, equipment and vehicles 1 Tools, furniture and fixtures 0	*3 Breakdown of gain on sales of noncurrent assets Tools, furniture and fixtures 0 million yen
*4 Breakdown of loss on sales and retirement of noncurrent assets Buildings and structures 4 million yen Machinery, equipment and vehicles 10 Tools, furniture and fixtures 2 Software 340	*4 Breakdown of loss on sales and retirement of noncurrent assets Machinery, equipment and vehicles 3 million yen Tools, furniture and fixtures 3

(Notes to consolidated statements of changes in net assets)

Fiscal year ended March 31, 2009

1. Matters related to class and number of issued shares and treasury shares

	Number of shares as of March 31,2008 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of March 31, 2009 (Shares)
Issued shares				
Common stock (Note 1)	28,464,000	–	1,000,000	27,464,000
Treasury shares				
Common stock (Notes 2, 3)	1,995,257	530,205	1,000,080	1,525,382

Notes:
1. The decrease in number of issued shares is due to the retirement of treasury shares in accordance with the resolution of the Board of Directors.
2. The increase in number of treasury shares is due to the acquisition in accordance with the resolution of the Board of Directors (529,900 shares) and the purchase of shares less than one unit (305 shares).
3. The decrease in number of treasure shares is due to the retirement in accordance with the resolution of the Board of Directors (1,000,000 shares) and the sale of shares less than one unit (80 shares).

2. Matters related to dividends
(a) Dividends paid to shareholders

Resolution	Class of shares	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 27, 2008 Annual General Meeting of Shareholders	Common stock	2,249	85	March 31, 2008	June 30, 2008
November 12, 2008 Meeting of Board of Directors	Common stock	1,189	45	September 30, 2008	December 5, 2008

(b) Dividends whose record date is during the current fiscal year and whose effective date falls in the following fiscal year

Resolution	Class of shares	Total dividends (million yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
June 26, 2009 Annual General Meeting of Shareholders	Common stock	1,167	Retained earnings	45	March 31, 2009	June 29, 2009

Fiscal year ended March 31, 2010

1. Matters related to class and number of issued shares and treasury shares

	Number of shares as of March 31,2009 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of March 31, 2010 (Shares)
Issued shares				
Common stock	27,464,000	–	–	27,464,000
Treasury shares				
Common stock (Note)	1,525,382	144	–	1,525,526

Note: The increase in number of treasury shares is due to the purchase of shares less than one unit.

2. Matters related to dividends
   (a) Dividends paid to shareholders

Resolution	Class of shares	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 26, 2009 Annual General Meeting of Shareholders	Common stock	1,167	45	March 31, 2009	June 29, 2009
November 6, 2009 Meeting of Board of Directors	Common stock	1,167	45	September 30, 2009	December 1, 2009

(b) Dividends whose record date is during the current fiscal year and whose effective date falls in the following fiscal year

Resolution	Class of shares	Total dividends (million yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
June 29, 2010 Annual General Meeting of Shareholders	Common stock	1,167	Retained earnings	45	March 31, 2010	June 30, 2010

(Note to consolidated statements of cash flows)

Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2010	
*1 Cash and cash equivalents at end of period were reconciled to the accounts reported in the consolidated balance sheets as follows:		*1 Cash and cash equivalents at end of period were reconciled to the accounts reported in the consolidated balance sheets as follows:	
Cash and deposits	13,812 million yen	Cash and deposits	14,174 million yen
Time deposits whose term exceeds three months	(2,521)	Time deposits whose term exceeds three months	(2,261)
Cash and cash equivalents	11,291	Cash and cash equivalents	11,913

(Segment information)

a. Information by business segment

Fiscal year ended March 31, 2009 and Fiscal year ended March 31, 2010

The Group is primarily engaged in manufacturing and marketing of solder resist for PWBs, among others. Accordingly, information by business segment is not disclosed because the Group has one business segment.

b. Information by geographic area

Fiscal year ended March 31, 2009

(Millions of yen)

	Japan	Asia	North America	Total	Elimination or corporate	Consolidated total
I. Net sales and operating income (loss)						
Net sales						
(1) External sales	9,843	21,585	1,186	32,614	–	32,614
(2) Inter-segment sales or transactions	9,126	11	19	9,157	(9,157)	–
Total sales	18,970	21,596	1,205	41,772	(9,157)	32,614
Operating expenses	18,954	18,537	1,015	38,507	(9,224)	29,282
Operating income	15	3,059	190	3,265	66	3,332
II. Assets	31,985	17,586	1,344	50,915	(10,045)	40,869

Notes: 1. Countries and regions are segmented by geographical proximity.

2. Major countries and regions other than Japan are as follows:

(1) North America: USA

(2) Asia: Korea, Taiwan, China, Hong Kong and Singapore

3. Changes in accounting policy

(Accounting Standard for Measurement of Inventories)

As described in the "Basis of preparation for the consolidated financial statements 4. (a) 3)," effective from the fiscal year under review, the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) is applied. As a result of this change, operating income for "Japan" and "Asia" decreased by 41 million yen and 30 million yen, respectively, as compared to the case where the previous method was adopted.

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

As described in the "Changes in basis of preparation for consolidated financial statements," the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18, May 17, 2006) is applied effective from the fiscal year under review. As a result of this change, operating income for "Asia" increased by 44 million yen, as compared to the case where the previous method was adopted.

4. Additional information

(Change of useful lives of property, plant and equipment)

As described in the "Basis of preparation for the consolidated financial statements 4. (b) 1)," at the occasion of the revision of the Corporation Tax Act, the Company has reviewed the useful lives and shortened the useful lives of machinery and equipment effective from the fiscal year under review. As a result of this change, operating expenses increased by 25 million yen and operating income decreased by the same amount for "Japan," as compared to the case where the previous method was adopted.

Fiscal year ended March 31, 2010

(Millions of yen)

	Japan	Asia	North America	Total	Elimination or corporate	Consolidated total
I. Net sales and operating income (loss)						
Net sales						
(1) External sales	9,031	24,976	1,048	35,056	–	35,056
(2) Inter-segment sales or transactions	11,347	14	45	11,408	(11,408)	–
Total sales	20,379	24,991	1,094	46,464	(11,408)	35,056
Operating expenses	19,778	20,947	947	41,673	(11,460)	30,213
Operating income	600	4,044	146	4,791	52	4,843
II. Assets	31,930	20,195	1,326	53,453	(9,748)	43,704

Notes: 1. Countries and regions are segmented by geographical proximity.

2. Major countries and regions other than Japan are as follows:

(1) North America: USA

(2) Asia: Korea, Taiwan, China, Hong Kong and Singapore

c. Overseas sales information

Fiscal year ended March 31, 2009

(Millions of yen)

	North America	Asia	Europe/others	Consolidated total
I Overseas sales	1,090	23,667	119	24,877
II Consolidated sales	–	–	–	32,614
III Percentage of overseas sales	3.3%	72.6%	0.4%	76.3%

Notes: 1. Regions are segmented by geographical proximity.

2. The regions in each segment are as follows:

(1) North America: USA and Canada
(2) Asia: Korea, Taiwan, China, Hong Kong, Thailand, etc.
(3) Europe/others: France, Spain, etc.

3. Overseas sales refer to the sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.

Fiscal year ended March 31, 2010

(Millions of yen)

	North America	Asia	Europe/others	Consolidated total
I Overseas sales	936	27,526	131	28,594
II Consolidated sales	–	–	–	35,056
III Percentage of overseas sales	2.7%	78.5%	0.4%	81.6%

Notes: 1. Regions are segmented by geographical proximity.

2. The regions in each segment are as follows:

(1) North America: USA and Canada
(2) Asia: Korea, Taiwan, China, Hong Kong, Thailand, etc.
(3) Europe/others: Germany, etc.

3. Overseas sales refer to the sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.

(Tax effect accounting)

Fiscal year ended March 31, 2009

1. Major breakdown of deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets	
Denial of provision for directors' retirement benefits	36
Denial of provision of retirement benefits	79
Deferred tax assets for unrealized income	54
Foreign tax credit carried forward	891
Denial of provision for provision for bonuses	78
Denial of social insurance premiums corresponding to bonuses	11
Denial of accrued business tax	24
Denial of provision for allowance for doubtful accounts	121
Denial of loss on valuation of golf club membership	22
Accrued royalty expense	5
Lump-sum payment to withdrawal for employees pension fund	416
Others	74
Subtotal	1,816
Valuation allowances	(957)
Total deferred tax assets	858
Deferred tax liabilities	
Deferred tax liabilities pertaining retaining earnings of subsidiaries	885
Reserve for technical development	44
Depreciation	24
Valuation difference on available-for-sale securities	37
Others	11
Total deferred tax liabilities	1,003
Net deferred tax liabilities	144

Classification of "Net deferred tax liabilities" on the consolidated balance sheets.

	(Millions of yen)
Current assets – deferred tax assets	548
Noncurrent assets – deferred tax assets	10
Current liabilities – deferred tax liabilities	–
Noncurrent liabilities – deferred tax liabilities	(703)

Fiscal year ended March 31, 2010

1. Major breakdown of deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets	
Denial of provision for directors' retirement benefits	42
Denial of provision of retirement benefits	93
Deferred tax assets for unrealized income	53
Foreign tax credit carried forward	1,297
Denial of provision for provision for bonuses	92
Denial of social insurance premiums corresponding to bonuses	13
Denial of accrued business tax	15
Denial of provision for allowance for doubtful accounts	107
Denial of loss on valuation of golf club membership	22
Accrued royalty expense	5
Others	59
Subtotal	1,804
Valuation allowances	(1,220)
Total deferred tax assets	584
Deferred tax liabilities	
Deferred tax liabilities pertaining retaining earnings of subsidiaries	1,016
Reserve for technical development	65
Depreciation	19
Valuation difference on available-for-sale securities	79
Others	30
Total deferred tax liabilities	1,211
Net deferred tax liabilities	627

Classification of "Net deferred tax liabilities" on the consolidated balance sheets.

	(Millions of yen)
Current assets – deferred tax assets	103
Noncurrent assets – deferred tax assets	38
Current liabilities – deferred tax liabilities	(221)
Noncurrent liabilities – deferred tax liabilities	(547)

2. Reconciliation between statutory tax rates and the effective income taxes rate after applying tax effect accounting

(%)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Statutory tax rate	40.44	40.44
<Reconciliation>		
Tax rate difference from those for foreign subsidiaries	(31.06)	(14.25)
Tax rate difference in line with offsetting of dividends income	65.24	9.21
Tax rate difference in line with indirect tax reduction	(65.00)	(7.45)
Tax adjustments pertaining to retained earnings of foreign subsidiaries	(31.30)	2.71
Tax rate difference connected with permanent differences (e.g. entertainment expenses)	2.98	0.13
Tax adjustments pertaining to amortization of goodwill	0.64	0.33
Experiment and research expenses tax credit	(2.72)	(0.88)
Valuation allowances	37.19	5.46
Others	0.19	(0.46)
Effective income taxes rate after applying tax effect accounting	16.60	35.24

(Derivatives)

Fiscal year ended March 31, 2009

1. Matters concerning transactions

Fiscal year ended March 31, 2009
1. Details of transactions Derivative transactions are currency related forward exchange contracts. 2. Policy on transactions The purpose of forward exchange contracts is to hedge against future exchange rate fluctuation risk and not to engage in speculative trading. 3. Purpose of transactions Forward exchange contracts are used to hedge against future exchange rate risk relating to foreign currency-denominated monetary claims and liabilities. 4. Details on risk relating to transactions Market risk – Forward exchange contracts are exposed to exchange rate fluctuation risk. Credit risk – Because counterparties are limited to financial institutions with high credit ratings, we recognize that there is almost no risk of default on the part of said counterparties. 5. Risk management system relating to transactions Each forward exchange contract is approved by the person charged with decision making in the fund management section of the company based on in-house rules that provide the transaction authority and transaction limit, etc. 6. Supplementary explanation on matters regarding market value, etc. Contract amount, etc. appearing in matters regarding market value, etc. is merely the nominal contract amount, or recorded notional amount. The amount itself does not indicate the degree of risk in the derivative transaction.

2. Matters concerning market value, etc.
   (a) Currency related

Classification	Type	As of March 31, 2009		
		Contract amount, etc. (millions of yen)	Market value (millions of yen)	Gain or loss on valuation (millions of yen)
Non-market transactions	Forward exchange contracts U.S. dollar short positions	49	49	0

Note: Market value calculation method
Based on forward exchange rate

(b) Interest rate related
No items to report

Fiscal year ended March 31, 2010

1. Derivatives transactions for which hedge accounting is not applied
   (a) Currency related

Classification	Type	As of March 31, 2010		
		Contract amount, etc. (millions of yen)	Market value (millions of yen)	Gain or loss on valuation (millions of yen)
Non-market transactions	Forward exchange contracts U.S. dollar short positions	849	(24)	(24)

Note: Market value calculation method
Based on prices indicated by partner financial institutions

(b) Interest rate related
No items to report

2. Derivatives transactions for which hedge accounting is applied
No items to report

(Retirement benefits)

<table>
<tr><th>Fiscal year ended March 31, 2009</th><th>Fiscal year ended March 31, 2010</th></tr>
<tr><td>(a) Outline of the retirement benefit plans adopted by the Company
The Company abolished the tax-qualified retirement pension plan in the current fiscal year and moved to the pension point system under the defined-benefit corporate pension system, and applied the “Guidance on Accounting for Transfers between Retirement Benefit Plans” (ASBJ Guidance No. 1). By this change, a 50 million yen prior service cost was recognized.
This change has no effects on operating income, ordinary income, and income before income taxes and minority interests.
The Company was a member of the Pension Fund of Tokyo Bungu Kogyo (Tokyo Stationery Industries), a pension fund whose funds are collected from a group of employers. However, the Company withdrew from the pension fund as of March 31, 2009. In line with this withdrawal, the Company recognized 1,029 million yen extraordinary loss as “Lump-sum payment to withdrawal for employees pension fund.”
Certain foreign consolidated subsidiaries have defined contribution pension plans as well as defined benefit pension plans.</td><td>(a) Outline of the retirement benefit plans adopted by the Company
The Company has in place a retirement benefit system based on a point system under the defined-benefit corporate pension system.
The defined-contribution corporate pension system was reintroduced on October 1, 2009.
Certain foreign consolidated subsidiaries have defined contribution pension plans as well as defined benefit pension plans.</td></tr>
<tr><td>(b) Matters concerning retirement benefit obligations
(As of March 31, 2009)
Retirement benefit obligations (1,928) million yen
Plan assets 1,724
Unfunded retirement benefit obligations (203)
Unrecognized actuarial gains or losses (28)
Unrecognized prior service cost 50
Net obligations recognized in the consolidated balance sheets (181)
Provision for retirement benefits (181)</td><td>(b) Matters concerning retirement benefit obligations
(As of March 31, 2010)
Retirement benefit obligations (2,074) million yen
Plan assets 1,886
Unfunded retirement benefit obligations (187)
Unrecognized actuarial gains or losses (35)
Unrecognized prior service cost 40
Net obligations recognized in the consolidated balance sheets (183)
Provision for retirement benefits (183)</td></tr>
<tr><td>(c) Matters concerning retirement benefit expenses
(From April 1, 2008 to March 31, 2009)
Service cost 229 million yen
Interest cost 47
Expected return on plan assets (21)
Amortization of actuarial gains or losses (54)
Provision for retirement benefits 201
Note: Certain foreign consolidated subsidiaries recognized 12 million yen defined contribution-type retirement benefit expenses in addition to the above retirement benefit expenses.</td><td>(c) Matters concerning retirement benefit expenses
(From April 1, 2009 to March 31, 2010)
Service cost 141 million yen
Interest cost 45
Expected return on plan assets (23)
Amortization of actuarial gains or losses (25)
Amortization for prior service cost 10
Provision for retirement benefits 146
Note: The Company and its certain foreign consolidated subsidiaries recognized 18 million yen defined contribution-type retirement benefit expenses in addition to the above retirement benefit expenses.</td></tr>
</table>

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
(d) Calculation basis of retirement benefit obligations Periodic allocation: Straight-line method over the period Discount rate: 2.0% Expected rate of return on plan assets: 1.0% Amortization period of actuarial gains or losses: Mainly 5 years (Prior service cost is mainly amortized over the periods which are shorter than the average remaining service years of employees, by the straight-line method.) Amortization period of prior service cost: Mainly 5 years (Actuarial gains or losses are mainly amortized as incurred over the periods, which are shorter than the average remaining service years of employees by the straight-line method, starting from the following fiscal years.)	(d) Calculation basis of retirement benefit obligations Periodic allocation: Same as on the left Discount rate: 2.0% Expected rate of return on plan assets: 1.0% Amortization period of actuarial gains or losses: Mainly 5 years Same as on the left Amortization period of prior service cost: Mainly 5 years Same as on the left

(Items to omit notes thereon)

Notes on leases, related party transactions, financial instruments, securities, stock options, business combinations and leases and other real estate transactions are omitted because the necessity to disclose those in this financial report is deemed small.

(Per share information)

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Net assets per share 1,313.20 yen Net income per share 74.25 yen Diluted net income per share is not presented because there are no dilutive shares.	Net assets per share 1,349.61 yen Net income per share 116.08 yen Diluted net income per share is not presented because there are no dilutive shares.

Note 1: Basis for calculating net assets per share is shown below.

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Total net assets as shown on the statement of income (Millions of yen)	34,584	35,685
Deducted amount from total net assets (Millions of yen)	522	679
(Minority interests in the amount above) (Millions of yen)	(522)	(679)
Net assets related to common stock (Millions of yen)	34,062	35,006
Number of shares at the end of period (Shares)	25,938,618	25,938,474

Note 2: Basis for calculating net income per share is shown below.

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Net income as shown on the statement of income (Millions of yen)	1,958	3,010
Net income not attributable to common shareholders (Millions of yen)	–	–
Net income related to common stock (Millions of yen)	1,958	3,010
Average number of shares during the period (shares)	26,371,834	25,938,543

(Significant subsequent events)

No items to report