Translation

May 11, 2011

Consolidated Financial Results for the Fiscal Year Ended March 31, 2011 <under Japanese GAAP>

Company name: **TAIYO HOLDINGS CO., LTD.**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 4626
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Scheduled date of ordinary general meeting of shareholders: June 28, 2011
Scheduled date to commence dividend payments: June 29, 2011
Scheduled date to file annual securities report: June 29, 2011
Preparation of supplementary results briefing material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

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

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

(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, 2011	40,366	15.1	5,380	11.1	5,316	11.1	3,402	13.0
March 31, 2010	35,056	7.5	4,843	45.3	4,787	35.0	3,010	53.8

Note: Comprehensive income
For the fiscal year ended March 31, 2011: 2,203 million yen [(36.5) %]
For the fiscal year ended March 31, 2010: 3,467 million yen [– %]

	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, 2011	131.78	–	9.9	12.3	13.3
March 31, 2010	116.08	–	8.7	11.3	13.8

Reference: Equity in earnings (losses) of affiliates
For the fiscal year ended March 31, 2011: – million yen
For the fiscal year ended March 31, 2010: – 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, 2011	42,851	34,186	78.2	1,316.53
March 31, 2010	43,704	35,685	80.1	1,349.61

Reference: Equity (Net assets excluding minority interests)
As of March 31, 2011: 33,490 million yen As of March 31, 2010: 35,006 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, 2011	4,575	758	(3,696)	13,152
March 31, 2010	3,126	(70)	(2,366)	11,913

2. Cash dividends

	Annual cash dividends					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, 2010	–	45.00	–	45.00	90.00	2,324	77.5	6.8
Fiscal year ended March 31, 2011	–	45.00	–	70.00	115.00	2,925	87.3	8.6
Fiscal year ending March 31, 2012 (Forecasts)	–	45.00	–	45.00	90.00		60.2	

Note: The year-end dividend for the fiscal year ended March 31, 2011 comprises an ordinary year-end dividend of 45 yen and a commemorative dividend of 25 yen.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(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, 2011	21,500	3.8	2,500	(29.0)	2,500	(27.0)	1,700	(23.9)	66.83
Fiscal year ending March 31, 2012	44,500	10.2	5,600	4.1	5,600	5.3	3,800	11.7	149.38

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 and procedures and methods of presentation

a. Changes due to revisions to accounting standards and other regulations: Yes

b. Changes due to other reasons: Yes

For details, please refer to "Changes in significant matters forming the basis of preparing the consolidated financial statements" on page 23 of the attached materials.

(3) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

As of March 31, 2011	27,464,000 shares
As of March 31, 2010	27,464,000 shares

b. Number of treasury shares at the end of the period

As of March 31, 2011	2,025,546 shares
As of March 31, 2010	1,525,526 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2011	25,821,866 shares
Fiscal year ended March 31, 2010	25,938,543 shares

*** Indication regarding execution of audit procedures**

The completion of audit procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this financial results report. At the time of disclosure of this financial results report, the audit procedures for financial statements are in progress.

*** 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 “Analysis of operating results” on page 2 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use of business results forecasts.

Attached Materials

Index

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, 2011 (12 months from April 1, 2010 to March 31, 2011). 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

- During the fiscal year ended March 31, 2011, the recovery in the global economy slowed slightly in the second half of the year due to factors such as the reemergence of fiscal problems in developed countries and growing political instability in the Middle East. However, over the full year, the global economy was strong on the whole, driven by macroeconomic factors such as continued high growth rates in China and other emerging countries. However, the East Japan Earthquake that occurred on March 11, 2011 affected the Japanese economy and other economies in Asia, resulting in an extremely uncertain economic outlook.
- In the electronics components industry, the market in which the Group is engaged in, signs of a lull in demand for PCs, flat-screen TVs and other applications emerged from the second half of the year, but the industry was strong over the full fiscal year on growing demand worldwide for products such as smartphones and tablet PCs and firm demand in the Chinese market.
- Operating under these conditions, the Group’s sales on a volume basis reached a record high and sales and profits both sharply exceeded the level in the previous fiscal year.
- Net sales for the current fiscal year Consolidated net sales amounted to 40,366 million yen (up 15.1% year on year).
- Sales of PWB (printed wiring board) materials were 29,938 million yen (up 7.1% year on year). By product group, sales of “rigid board materials” increased significantly due to a strong rise in demand in the Chinese market.
- Average sales unit prices were stable on a local currency basis, but declined on a yen basis mainly due to the significant appreciation of the yen.
- Sales of FPD (flat panel display) materials, mainly consisting of PDP (plasma display panel) materials, were firm over the full year. Net sales of FPD materials were 9,455 million yen (up 55.0% year on year) due to an increase in sales volume and higher average sales unit prices owing to a sharp increase in the price of silver, which is a key raw material.
- Concerning profits, although profits received a boost from the higher sales volume and a rise in the share of highly profitable products in the product composition, the sharp appreciation of the yen and other factors led to a slight decline in the operating profit margin, from 13.8% in the previous fiscal year to 13.3%.

- As a result, operating income amounted to 5,380 million yen (up 11.1% year on year), with ordinary income at 5,316 million yen (up 11.1% year on year) and net income at 3,402 million yen (up 13.0% year on year).
- Also, the East Japan Earthquake did not cause damage to the Group's buildings or factory equipments that was an obstacle to production activities and there was no major impact on sales or profits for the fiscal year under review.

Sales results by product group category

The following are sales results by product group category for the fiscal year ended March 31, 2011.

(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	21,250	22,993	1,743	8.2
PKG board and flexible board materials	5,600	5,685	85	1.5
Build-up board materials	1,111	1,259	147	13.3
FPD materials	6,099	9,455	3,356	55.0
Others	994	972	(22)	(2.2)
Total	35,056	40,366	5,310	15.1

Results by segment are as follows.

1) Japan
   - The consolidated company located in Japan is TAIYO INK MFG. CO., LTD., a manufacturing and marketing subsidiary.
   - Sales of all the product items of PWB materials recovered. Sales of "rigid board materials" and "build-up board materials" were particularly strong both in Japan and overseas.
   - As a result, net sales amounted to 18,491 million yen with operating income at 1,013 million yen.

2) 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 and TAIYO INK TRADING (SHENZHEN) CO., LTD., marketing subsidiaries operating mainly in the southern China region.
   - Although the Chinese market was affected by production adjustments for PCs and flat-screen TVs from the second half of the year, sales volume reached a record high, supported by strong demand overall in China.
   - As a result, net sales amounted to 11,915 million yen with operating income at 2,813 million yen.

3) Taiwan
   - The consolidated company located in Taiwan is TAIWAN TAIYO INK CO., LTD., a manufacturing and marketing subsidiary.
   - Boosted by strong sales of high function products of "rigid board materials," net sales amounted to 4,414 million yen with operating income at 510 million yen.

4) Korea
   - The consolidated company located in Korea is TAIYO INK CO., (KOREA) LTD., a manufacturing and marketing subsidiary.
   - Sales volume for "rigid board materials" and "PKG board and flexible board materials" reached a record high, supported by continued strong performances at emerging South Korean electronics manufacturers.

- Sales of FPD materials remained firm from the start of the fiscal year, with higher average sales unit prices, owing to a sharp increase in the price of key silver, which is a key raw material, leading to record sales on a monetary basis.
- As a result, net sales amounted to 13,743 million yen with operating income at 979 million yen.

5) Other
- The other consolidated companies are TAIYO AMERICA, INC. and TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD.
- In the ASEAN region, although there were signs of a slowdown in the second half of the fiscal year, a strong performance in the first half resulted in record sales volume over the full year.
- In the European and American markets, sales were strong, particularly for “build-up board materials.”
- As a result, net sales amounted to 3,061 million yen with operating income at 238 million yen.

(Consolidated forecasts for the next fiscal year)
- In terms of the operating environment, on the demand side there are expectations of strong growth centered on China and other emerging economies. On the supply side, significant bottlenecks could emerge in the global supply chain depending on the speed of recovery work at plants run by Japanese companies that supply electronic materials and semiconductors, and the extent of power supply reductions. As a result, we forecast an extremely uncertain operating environment, not only for the Group’s operations, but for the electronics industry as a whole.
- Under these circumstances, it is difficult to make projections for earnings, but our forecasts at this point are shown below.

	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, 2012 (Forecast)	44,500	5,600	5,600	3,800	149.38
For the fiscal year ended March 31, 2011 (Actual results)	40,366	5,380	5,316	3,402	131.78
Rate of change (%)	10.2	4.1	5.3	11.7	13.4

(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, 2011.

	As of March 31, 2010 (Millions of yen)	As of March 31, 2011 (Millions of yen)	Change (Millions of yen)	Main factors (comparison with the end of the previous fiscal year)
Current assets	27,516	27,675	158	
Noncurrent assets	16,187	15,175	(1,011)	Decrease of approx. 1,100 million yen due to depreciation and amortization
Total assets	43,704	42,851	(853)	
Total liabilities	8,018	8,664	645	Notes and accounts payable-trade decreased approx. 100 million yen and accounts payable-other and income taxes payable increased approx. 600 million yen
Total net assets	35,685	34,186	(1,499)	Net income was approx. 3,400 million yen, cash dividends paid was approx. 2,300 million yen, purchase of treasury stock was approx. 1,300 million yen and foreign currency translation adjustment decreased approx. 1,200 million yen
Total liabilities and net assets	43,704	42,851	(853)	

b. Cash flow position

- The following is the position of cash flows for the fiscal year ended March 31, 2011.

	Fiscal year ended March 31, 2011 (Millions of yen)	Main factors
Net cash provided by (used in) operating activities	4,575	Income before income taxes and minority interests provided approx. 5,200 million yen, depreciation and amortization provided approx. 1,100 million yen, an increase in notes and accounts receivable-trade and an increase in inventories used approx. 900 million yen, an increase in notes and accounts payable-trade and an increase in other current liabilities provided approx. 700 million yen and income taxes paid used approx. 1,600 million yen
Net cash provided by (used in) investing activities	758	Proceeds from the net of withdrawal of and payment into time deposits provided approx. 1,200 million yen and purchase of property, plant and equipment used approx. 400 million yen
Net cash provided by (used in) financing activities	(3,696)	Cash dividend payments used approx. 2,300 million yen and purchase of treasury stock used approx. 1,300 million yen
Net increase (decrease) in cash and cash equivalents	1,235	
Cash and cash equivalents at end of period	13,152	

c. Trend of indicators

- The following is the transition of cash flow indicators.

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Equity ratio (%)	76.8	78.5	83.3	80.1	78.2
Equity ratio on mark-to-market basis (%)	194.4	128.7	97.2	148.7	152.0
Interest coverage ratio	1,124.5	1,394.0	546.7	2,734.6	1,350.2

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 1:2 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 a commemorative dividend of 25 yen, to mark the company's 10th anniversary of its listing on the First Section of the Tokyo Stock Exchange, in addition to a normal year-end dividend of 45 yen. As such, the total year-end dividend is 70 per share. As already announced, this will be placed on the agenda of the next General Meeting of Shareholders. This will result in an annual dividend of 115 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
   - Our Group is 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 it as important issue in the field of 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. Risk related to procurement of raw materials

- The Group procures many of its raw materials from external raw material manufacturers. Problems at these raw material manufacturers or a lack of supplies that hinder the Group's production activities may affect the performance of the Group.

e. 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.

f. 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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 HOLDINGS CO., LTD. (filing company), eleven subsidiaries and one associated company. Its principal business is the manufacturing and sales of PWB materials.

[The Company and consolidated subsidiaries]

Relation to the filing company	Company name	Main business
Filing company	TAIYO HOLDINGS CO., LTD.	Development of management strategy for the Taiyo Holdings Group, management guidance for subsidiaries, and research and development of chemical products for use in electronics components
Consolidated subsidiary	TAIYO INK MFG. CO., LTD.	Manufacturing, purchasing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries
Consolidated subsidiary	TAIWAN TAIYO INK CO., LTD.	
Consolidated subsidiary	TAIYO INK CO., (KOREA) LTD.	
Consolidated subsidiary	TAIYO INK (SUZHOU) CO., LTD.	Manufacturing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries
Consolidated subsidiary	TAIYO AMERICA, INC.	Manufacturing, purchasing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries
Consolidated subsidiary	TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD.	Purchasing and sales of PWB materials and other chemical products for use in the electronic components and electronics industries
Consolidated subsidiary	TAIYO INK INTERNATIONAL (HK) LIMITED	
Consolidated subsidiary	TAIYO INK TRADING (SHENZHEN) CO., LTD.	

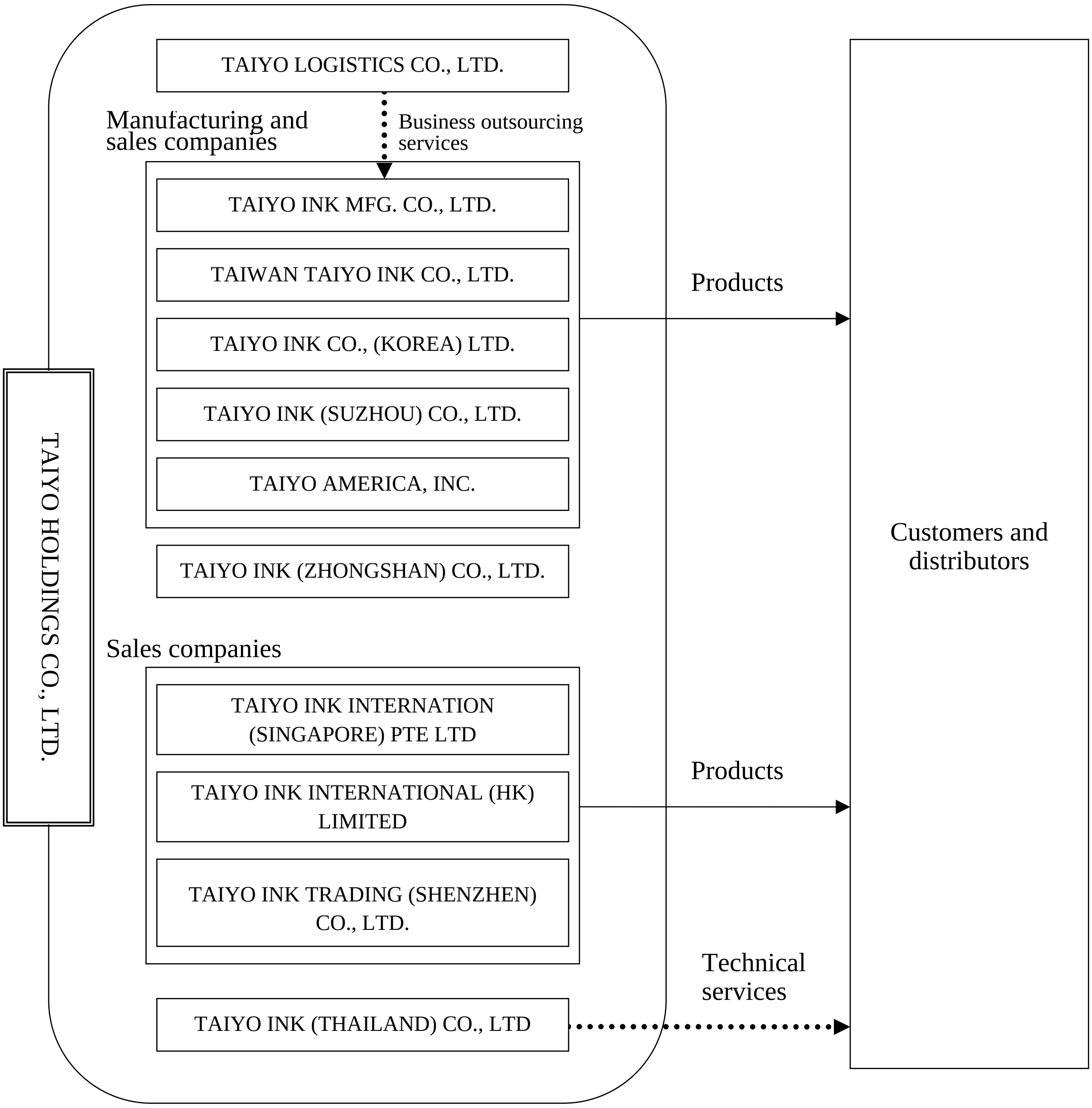
[Non-consolidated subsidiaries]

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 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 HOLDINGS CO., LTD. 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) Mid- to long-term management strategies and current and future challenges

In October 2010, the Group formulated a new medium-term management plan called “GBP2010” (covering the period from the fiscal year ended March 31, 2011 to the fiscal year ending March 31, 2013) based on its management philosophy and basic management policy. We are now working to realize the targets in the plan. In the final year of the plan, we are targeting consolidated net sales of 48.0 billion yen and consolidated operating income of 7.7 billion yen by implementing the following strategies.

1) Chinese market strategy
   In the Chinese market, which is growing rapidly as a base of PWB manufacturing, our priority issue is boost market share and profits by gaining a competitive advantage over rival companies in terms of pricing, marketing, product development, and technology. As part of these efforts, we are planning to strengthen our operating framework in China by building the Group’s second manufacturing site in the country, TAIYO INK (ZHONGSHAN) CO., LTD. (scheduled to start operation in October 2012), establishing a new marketing base in Southern China, TAIYO INK TRADING (SHENZHEN) CO., LTD., and opening a China Strategy Office.

2) “Local production for local sales” strategy
   “Local production for local sales,” a term created by the Taiyo Holdings Group, is our policy of making products close to markets where they are sold. By implementing this policy, we plan to reinforce customer support by rapidly developing products that match customer needs and shortening lead times. Moreover, by increasing the ratio of locally procured raw materials and expanding in-house raw material manufacturing, we plan to reduce raw material costs and mitigate the risk of exchange rate fluctuations. Also, in light of the recent East Japan Earthquake, we will work to diversify our supplies of raw materials.

3) New product development strategy
   Applying the technologies the Group has accumulated over many years, we plan to expand our business by developing new product fields, in addition to existing PWB materials and FPD materials. We therefore intend to focus management resources such as R&D investment and personnel on areas that offer growth potential. In addition, we plan to actively pursue alliances and M&A deals related to new product and business development.

4) Global personnel strategy
   Based on a long-term perspective, the Group will seek to train personnel capable of responding to increasingly intense global competition and rapidly changing times, as well as nurture candidates for the next generation of managers. To achieve these goals, we will actively implement systems and initiatives that energize the Group's organization, including raising awareness and boosting the skills of our personnel. We will also hire talented people regardless of nationality and work to enhance the marketing and technical skills of local staff.

(3) Other significant matters concerning management

Due to the transition to the holding company system, the Company's business of "manufacturing, purchasing, and selling chemical products for use in electronic components, such as parts for printed wiring boards" was transferred to wholly owned subsidiary TAIYO JAPAN COMPANY, LIMITED, effective from October 1, 2010 (the TAIYO JAPAN trading name was changed to TAIYO INK MFG. CO., LTD. as of October 1, 2010).
Also effective the same date, the Company changed its trading name from TAIYO INK MFG. CO., LTD. to TAIYO HOLDINGS CO., LTD.

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
Assets		
Current assets		
Cash and deposits	14,174	13,972
Notes and accounts receivable-trade	9,173	8,792
Short-term investment securities	0	0
Merchandise and finished goods	1,944	1,860
Work in process	255	185
Raw materials and supplies	1,646	2,075
Consumption taxes receivable	232	322
Deferred tax assets	103	282
Other	306	300
Allowance for doubtful accounts	(321)	(117)
Total current assets	27,516	27,675
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,754 *2	7,163 *2
Machinery, equipment and vehicles, net	1,548	1,351
Tools, furniture and fixtures, net	515 *2	405 *2
Land	4,135	4,097
Construction in progress	0	31
Total property, plant and equipment	13,954 *1	13,050 *1
Intangible assets		
Goodwill	47	20
Leasehold right	103	94
Software	226	177
Other	12	10
Total intangible assets	389	304
Investments and other assets		
Investment securities	572	529
Stocks of subsidiaries and affiliates	125	115
Investments in capital of subsidiaries and affiliates	865	865
Long-term loans receivable	6	3
Deferred tax assets	38	88
Other	407	577
Allowance for doubtful accounts	(171)	(358)
Total investments and other assets	1,843	1,821
Total noncurrent assets	16,187	15,175
Total assets	43,704	42,851

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,482	5,326
Accounts payable-other	526	973
Income taxes payable	400	608
Accrued expenses	179	220
Deferred tax liabilities	221	190
Provision for bonuses	251	255
Provision for directors' bonuses	60	6
Other	51	100
Total current liabilities	7,172	7,681
Noncurrent liabilities		
Deferred tax liabilities	547	597
Provision for retirement benefits	183	206
Provision for directors' retirement benefits	105	112
Asset retirement obligations	–	52
Other	10	15
Total noncurrent liabilities	845	983
Total liabilities	8,018	8,664
Net assets		
Shareholders' equity		
Capital stock	6,134	6,134
Capital surplus	7,102	7,102
Retained earnings	28,661	29,724
Treasury stock	(4,060)	(5,372)
Total shareholders' equity	37,838	37,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	116	90
Foreign currency translation adjustment	(2,948)	(4,188)
Total accumulated other comprehensive income	(2,832)	(4,098)
Minority interests	679	696
Total net assets	35,685	34,186
Total liabilities and net assets	43,704	42,851

Please refer to "Notes to consolidated balance sheets" on page 25 for *1 and *2.

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

(Consolidated statements of income)

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net sales	35,056	40,366
Cost of sales	24,123 *2	28,428 *2
Gross profit	10,932	11,938
Selling, general and administrative expenses	6,089 *1,*2	6,557 *1,*2
Operating income	4,843	5,380
Non-operating income		
Interest income	63	55
Dividends income	115	16
Other	55	67
Total non-operating income	234	139
Non-operating expenses		
Interest expenses	1	3
Commission fee	6	–
Foreign exchange losses	276	177
Other	4	22
Total non-operating expenses	289	203
Ordinary income	4,787	5,316
Extraordinary income		
Gain on sales of noncurrent assets	0 *3	1 *3
Gain on sales of investment securities	32	–
Other	–	1
Total extraordinary income	32	3
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	6 *4	55 *4
Loss on sales of investment securities	2	–
Impairment loss	–	23 *5
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	31
Other	–	1
Total extraordinary losses	9	111
Income before income taxes and minority interests	4,811	5,208
Income taxes-current	1,257	1,897
Income taxes-deferred	438	(202)
Total income taxes	1,695	1,694
Income before minority interests	–	3,514
Minority interests in income	104	111
Net income	3,010	3,402

Please refer to “Notes to consolidated statements of income” on page 25-26 for *1, *2, *3, *4 and *5.

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Income before minority interests	–	3,514
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(26)
Foreign currency translation adjustment	–	(1,283)
Total other comprehensive income	–	(1,310) *2
Comprehensive income	–	2,203 *1
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	–	2,136
Comprehensive income attributable to minority interests	–	67

Please refer to "Notes to consolidated statements of comprehensive income" on page 26 for *1, *2.

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
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
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	27,985	28,661
Changes of items during the period		
Dividends from surplus	(2,334)	(2,334)
Net income	3,010	3,402
Decrease by newly consolidated or deconsolidated subsidiaries	–	(6)
Total changes of items during the period	676	1,062
Balance at the end of current period	28,661	29,724
Treasury stock		
Balance at the end of previous period	(4,060)	(4,060)
Changes of items during the period		
Purchase of treasury stock	(0)	(1,312)
Disposal of treasury stock	–	0
Total changes of items during the period	(0)	(1,311)
Balance at the end of current period	(4,060)	(5,372)
Total shareholders’ equity		
Balance at the end of previous period	37,162	37,838
Changes of items during the period		
Dividends from surplus	(2,334)	(2,334)
Net income	3,010	3,402
Purchase of treasury stock	(0)	(1,312)
Disposal of treasury stock	–	0
Decrease by newly consolidated or deconsolidated subsidiaries	–	(6)
Total changes of items during the period	676	(249)
Balance at the end of current period	37,838	37,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	55	116
Changes of items during the period		
Net changes of items other than shareholders’ equity	61	(26)
Total changes of items during the period	61	(26)
Balance at the end of current period	116	90

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Foreign currency translation adjustment		
Balance at the end of previous period	(3,155)	(2,948)
Changes of items during the period		
Net changes of items other than shareholders' equity	206	(1,239)
Total changes of items during the period	206	(1,239)
Balance at the end of current period	(2,948)	(4,188)
Total accumulated other comprehensive income		
Balance at the end of previous period	(3,100)	(2,832)
Changes of items during the period		
Net changes of items other than shareholders' equity	268	(1,266)
Total changes of items during the period	268	(1,266)
Balance at the end of current period	(2,832)	(4,098)
Minority interests		
Balance at the end of previous period	522	679
Changes of items during the period		
Net changes of items other than shareholders' equity	156	16
Total changes of items during the period	156	16
Balance at the end of current period	679	696
Total net assets		
Balance at the end of previous period	34,584	35,685
Changes of items during the period		
Dividends from surplus	(2,334)	(2,334)
Net income	3,010	3,402
Purchase of treasury stock	(0)	(1,312)
Disposal of treasury stock	–	0
Decrease by newly consolidated or deconsolidated subsidiaries	–	(6)
Net changes of items other than shareholders' equity	425	(1,249)
Total changes of items during the period	1,101	(1,499)
Balance at the end of current period	35,685	34,186

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,811	5,208
Depreciation and amortization	1,261	1,127
Impairment loss	–	23
Amortization of goodwill	38	26
Increase (decrease) in provision for retirement benefits	(13)	31
Increase (decrease) in provision for directors' retirement benefits	14	7
Increase (decrease) in provision for bonuses	38	5
Increase (decrease) in provision for directors' bonuses	4	(53)
Increase (decrease) in allowance for doubtful accounts	24	19
Interest and dividends income	(178)	(71)
Interest expenses	1	3
Loss (gain) on sales and retirement of property, plant and equipment	6	53
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	31
Decrease (increase) in notes and accounts receivable-trade	(2,644)	(420)
Decrease (increase) in inventories	(754)	(480)
Decrease (increase) in other current assets	(33)	(3)
Increase (decrease) in notes and accounts payable-trade	2,614	146
Increase (decrease) in other current liabilities	(983)	597
Increase (decrease) in accrued consumption taxes	(155)	(69)
Other, net	(30)	0
Subtotal	4,021	6,181
Interest and dividends income received	181	74
Interest expenses paid	(1)	(3)
Income taxes paid	(1,074)	(1,677)
Net cash provided by (used in) operating activities	3,126	4,575
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,395)	(3,841)
Proceeds from withdrawal of time deposits	2,670	5,138
Purchase of short-term investment securities	–	(256)
Proceeds from sales of short-term investment securities	–	256
Purchase of property, plant and equipment	(512)	(488)
Proceeds from sales of property, plant and equipment	1	4
Purchase of investment securities	(20)	(3)
Proceeds from sales of investment securities	222	–
Payments of long-term loans receivable	(26)	(18)
Collection of long-term loans receivable	28	22
Purchase of software	(38)	(72)
Other, net	0	16
Net cash provided by (used in) investing activities	(70)	758

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	–	1,200
Decrease in short-term loans payable	–	(1,200)
Purchase of treasury stock	(0)	(1,312)
Proceeds from sales of treasury stock	–	0
Cash dividends paid	(2,334)	(2,334)
Cash dividends paid to minority shareholders	(31)	(50)
Net cash provided by (used in) financing activities	(2,366)	(3,696)
Effect of exchange rate change on cash and cash equivalents	(67)	(402)
Net increase (decrease) in cash and cash equivalents	622	1,235
Cash and cash equivalents at beginning of period	11,291	11,913
Increase in cash and cash equivalents from newly consolidated subsidiary	–	3
Cash and cash equivalents at end of period	11,913 *1	13,152 *1

Please refer to “Notes to consolidated statements of cash flows” on page 28 for *1.

(5) Notes on premise of going concern

No items to report

(6) Significant matters forming the basis of preparing the consolidated financial statements

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
1. Scope of consolidation Number of consolidated subsidiaries: 6 Number of non-consolidated subsidiaries: 4 Names of consolidated subsidiaries: TAIWAN TAIYO INK CO., LTD., TAIYO INK CO., (KOREA) LTD., TAIYO INK (SUZHOU) CO., LTD., TAIYO AMERICA, INC., TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD. and TAIYO INK INTERNATIONAL (HK) LIMITED Names of non-consolidated subsidiaries: TAIYO INK (THAILAND) CO., LTD., TAIYO JAPAN COMPANY, LIMITED, 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 Number of consolidated subsidiaries: 8 Number of non-consolidated subsidiaries: 3 Names of consolidated subsidiaries: TAIYO INK MFG. CO., LTD., TAIWAN TAIYO INK CO., LTD., TAIYO INK CO., (KOREA) LTD., TAIYO INK (SUZHOU) CO., LTD., TAIYO AMERICA, INC., TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD., TAIYO INK INTERNATIONAL (HK) LIMITED and TAIYO INK TRADING (SHENZHEN) CO., LTD. Names of non-consolidated subsidiaries: 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.
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 Among the consolidated subsidiaries, the fiscal year-end of TAIYO INK (SUZHOU) CO., LTD. and TAIYO INK (SHENZHEN) CO., LTD. is December 31. TAIYO INK (SUZHOU) CO., LTD. and TAIYO INK TRADING (SHENZHEN) CO., LTD. perform tentative closings and prepare 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.
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, 2010	Fiscal year ended March 31, 2011
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.)	3) Inventories Same as on the left
(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	(b) Method of depreciation for significant depreciable assets 1) Property, plant and equipment (excluding leased assets) Same as on the left
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
(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.	(c) Accounting for significant reserves 1) Allowance for doubtful accounts Same as on the left
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.	2) Provision for bonuses Same as on the left
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.	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.	4) Provision for retirement benefits Same as on the left

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
(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 adopted. 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 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.	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. (Additional information) The Company, at a meeting of the Board of Directors held on April 22, 2010, resolved to abolish the directors’ retirement benefits system and the agenda item regarding lump-sum payments resulting from said abolishment was approved at the 64th General Meeting of Shareholders held on June 29, 2010. These payments will be effected as retirement benefits paid at the time of retirement according to the period of service up to the abolishment of the system.
(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) Goodwill amortization method and period Goodwill is amortized by the straight-line method over 5 years.
―――――――	(f) 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.
(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.	(g) Other significant matters for preparation of consolidated financial statements Treatment of consumption taxes Treatment of consumption taxes is based on the tax excluded method.
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.	―――――――

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
6. Amortization of goodwill and negative goodwill Goodwill is amortized by the straight-line method over 5 years.	――――――――
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) Changes in significant matters forming the basis of preparing the consolidated financial statements

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
――――――――	1. Scope of consolidation (a) Changes in the scope of consolidation Effective from the current fiscal year, TAIYO INK TRADING (SHENZHEN) CO., LTD. has been included in the scope of consolidation following its establishment. Also, due to the transition to the holding company system, business related to “manufacturing, purchasing, and selling chemical products for use in electronic components, such as parts for printed wiring boards” was transferred to wholly owned subsidiary TAIYO JAPAN COMPANY, LIMITED, effective from October 1, 2010 (the TAIYO JAPAN trading name was changed to TAIYO INK MFG. CO., LTD. as of October 1, 2010), resulting in an increase in the materiality of the company. It has therefore been included in the scope of consolidation from the current fiscal year. (b) Number of consolidated subsidiaries after changes 8 companies
――――――――	2. Changes in significant accounting policies (a) Application of accounting standard for asset retirement obligations Effective from the current fiscal year, the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) are adopted. As a result, operating income and ordinary income decreased by 2 million yen respectively, and income before income taxes and minority interests decreased by 33 million yen. The change in asset retirement obligations due to the application of this accounting standard and guidance amounted to 51 million yen. (b) Application of accounting standards for business combinations, etc. Effective from the current fiscal year, the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), the “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, December 26, 2008) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008) are adopted.

(8) Changes in presentation

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
(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 balance sheets) ――――――――――
(Consolidated statements of income) ――――――――――	(Consolidated statements of income) 1. Effective from the current fiscal year, the Company adopted the “Cabinet Office Ordinance for Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), thus, “Income before minority interests” is presented in the consolidated statements of income.

(9) Additional information

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
――――――――――	(Accounting standards for presentation of comprehensive income) Effective from the current fiscal year, the Company has adopted “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No.25, June 30, 2010). However, values shown for “Accumulated other comprehensive income” and “Total accumulated other comprehensive income" for the previous fiscal year are “Valuation and translation adjustments” and “Total valuation and translation adjustments," respectively.

(10) Notes to consolidated financial statements

(Notes to consolidated balance sheets)

As of March 31, 2010	As of March 31, 2011
*1 Accumulated depreciation of property, plant and equipment 16,163 million yen	*1 Accumulated depreciation of property, plant and equipment 16,767 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	*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 7 million yen Tools, furniture and fixtures 4
3 Export discount bills 26 million yen	3 Export discount bills 21 million yen
4 ______________________	4 Agreement on overdrafts The Company has concluded an agreement with banks of account on overdrafts for efficient funding of working capital. The outstanding unused balance under this agreement as of March 31, 2011, is as follows. maximum lines of overdrafts 6,500 million yen Loan amount currently executed – Outstanding unused overdraft amount 6,500 million yen

(Notes to consolidated statements of income)

Fiscal year ended March 31, 2010		Fiscal year ended March 31, 2011	
*1 Major items of selling, general and administrative expenses were as follows:		*1 Major items of selling, general and administrative expenses were as follows:	
Distribution expenses	648 million yen	Distribution expenses	692 million yen
Packing expenses	303	Packing expenses	267
Sales commission	245	Sales commission	422
Directors’ compensations	221	Directors’ compensations	304
Salaries	1,223	Salaries	1,195
Bonuses	182	Bonuses	199
Provision for bonuses	133	Provision for bonuses	138
Provision for directors’ bonuses	60	Provision for directors’ bonuses	6
Commission fee	586	Commission fee	601
Depreciation	415	Depreciation	235
Experiment and research expenses	227	Experiment and research expenses	499
Traveling and transportation expenses	199	Traveling and transportation expenses	232
Retirement benefit expenses	88	Retirement benefit expenses	96
Amortization of goodwill	38	Amortization of goodwill	26
Provision of allowance for doubtful accounts	62	Provision of allowance for doubtful accounts	50
*2 Research and development expenses included in general and administrative expenses and cost of products manufactured:	1,016 million yen	*2 Research and development expenses included in general and administrative expenses and cost of products manufactured:	995 million yen
*3 Breakdown of gain on sales of noncurrent assets		*3 Breakdown of gain on sales of noncurrent assets	
Tools, furniture and fixtures	0 million yen	Machinery, equipment and vehicles	1 million yen
		Tools, furniture and fixtures	0
*4 Breakdown of loss on sales and retirement of noncurrent assets		*4 Breakdown of loss on sales and retirement of noncurrent assets	
Machinery, equipment and vehicles	3 million yen	Buildings and structures	10 million yen
Tools, furniture and fixtures	3	Machinery, equipment and vehicles	12
		Tools, furniture and fixtures	2
		Software	30

<table>
<tr><th>Fiscal year ended March 31, 2010</th><th>Fiscal year ended March 31, 2011</th></tr>
<tr><td>―――――――――</td><td>*5 Impairment loss
In the current fiscal year, the Group booked the following impairment losses on assets.
<table><tr><th>Location</th><th>Application</th><th>Category</th><th>Impairment loss (million yen)</th></tr><tr><td>Nerima Ward, Tokyo and other</td><td>idle assets</td><td>Software</td><td>23</td></tr></table>
The future intended purpose of the assets is undetermined, so the book value has been reduced to its recoverable amount.</td></tr>
</table>

(Notes to consolidated statements of comprehensive income)

Fiscal year ended March 31, 2011

*1 Comprehensive income for the fiscal year immediately prior to the current fiscal year

Comprehensive income attributable to owners of the parent	3,278 million yen
Comprehensive income attributable to minority interests	188
Total	3,467

*2 Other comprehensive income for the fiscal year immediately prior to the current fiscal year

Valuation difference on available-for-sale securities	61 million yen
Foreign currency translation adjustment	290
Total	351

(Notes to consolidated statements of changes in net assets)

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

Fiscal year ended March 31, 2011

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

	Number of shares as of March 31,2010 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of March 31, 2011 (Shares)
Issued shares				
Common stock	27,464,000	–	–	27,464,000
Treasury shares				
Common stock (Note 1 and 2)	1,525,526	500,080	60	2,025,546

Notes:
1. The increase in the number of treasury shares is due to the acquisition in accordance with the resolution of the Board of Directors (500,000 shares) and the purchase of shares less than one unit (80 shares).
2. The decrease in the number of treasury shares is due to the sale of shares less than one unit (60 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 29, 2010 Annual General Meeting of Shareholders	Common stock	1,167	45	March 31, 2010	June 30, 2010
November 10, 2010 Meeting of Board of Directors	Common stock	1,167	45	September 30, 2010	December 1, 2010

(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 28, 2011 Annual General Meeting of Shareholders	Common stock	1,780	Retained earnings	70	March 31, 2011	June 29, 2011

(Note to consolidated statements of cash flows)

Fiscal year ended March 31, 2010		Fiscal year ended March 31, 2011	
*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	14,174 million yen	Cash and deposits	13,972 million yen
Time deposits whose term exceeds three months	(2,261)	Time deposits whose term exceeds three months	(820)
Cash and cash equivalents	11,913	Cash and cash equivalents	13,152

(Segment information, etc.)

a. Information by business segment

Fiscal year ended March 31, 2010 and Fiscal year ended March 31, 2011

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, 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, 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.

d. Segment information

Fiscal year ended March 31, 2011

1. Overview of reportable segments

   The reportable segments of the Group are components of the Group whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

   The Group made the transition to the holding company system on October 1, 2010. The business of the Group consists mainly of one activity, the manufacturing and marketing of solder resist for PWBs, among others. Each Group company formulates comprehensive strategies and deploys business activities, operating under a holding company system whereby the Company is the holding company.

   The Company is composed of four reportable segments divided by geographic area, namely "Japan," "China," "Taiwan," and "Korea," based on our manufacturing and marketing system.

2. Information regarding net sales, profit or loss, assets and liabilities, and other items by reportable segment

   Fiscal year ended March 31, 2010

(Millions of yen)

	Reportable segments					Other (Note 2)	Total
	Japan	China (Note 1)	Taiwan	Korea	Total		
Net sales							
External sales	9,031	10,348	3,007	9,709	32,097	2,958	35,056
Inter-segment sales or transactions	11,347	12	1,075	531	12,967	13	12,980
Total sales	20,379	10,361	4,083	10,241	45,065	2,972	48,037
Segment profit	600	2,463	644	988	4,697	129	4,826
Segment assets	31,930	9,201	5,214	5,133	51,480	2,792	54,273
Other items							
Depreciation and amortization (Note 3)	848	181	122	86	1,238	23	1,261
Increase in property, plant and equipment and intangible assets	170	16	66	189	442	3	445

Fiscal year ended March 31, 2011

(Millions of yen)

	Reportable segments					Other (Note 2)	Total
	Japan	China (Note 1)	Taiwan	Korea	Total		
Net sales							
External sales	9,418	11,911	3,219	12,784	37,334	3,031	40,366
Inter-segment sales or transactions	9,072	3	1,194	958	11,229	29	11,259
Total sales	18,491	11,915	4,414	13,743	48,563	3,061	51,625
Segment profit	1,013	2,813	510	979	5,317	238	5,556
Segment assets	9,303	8,788	4,417	5,816	28,326	1,837	30,163
Other items							
Depreciation and amortization (Note 3)	524	167	128	90	911	16	928
Increase in property, plant and equipment and intangible assets	151	107	127	61	448	16	465

Notes: 1. The “China” segment covers local subsidiaries in China and Hong Kong.

2. The “Other” segment is not included in reportable segments and covers the business activities of local subsidiaries in the U.S. and other Asian countries.

3. Depreciation and amortization does not include goodwill amortization.

3. Differences between total amounts in reportable segments and the amount recorded on consolidated financial statements, and details of thereof (reconciliation)

(Millions of yen)

Profits/losses	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Reportable segments total	4,697	5,317
“Other” segment profit	129	238
Inter-segment eliminations	49	(0)
Amortization of goodwill	(38)	(26)
Profit/loss not allocated to business segments (Note)	–	(151)
Other adjusted amounts	5	2
Operating income in the consolidated statements of income	4,843	5,380

Note: Profit/loss primarily related to the holding company (company filing the consolidated financial statements).

(Millions of yen)

Profits/losses	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Reportable segments total	51,480	28,326
“Other” segment assets	2,792	1,837
Inter-segment eliminations	(10,205)	(1,921)
Assets not allocated to business segments (Note)	–	14,806
Reclassification by tax effect accounting	(362)	(196)
Other adjusted amounts	–	–
Operating income in the consolidated statements of income	43,704	42,851

Note: Assets primarily related to the holding company (company filing the consolidated financial statements).

(Millions of yen)

Other items	Reportable segment total		Other		Adjustments (Note)		Amount on the consolidated financial statements	
	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Depreciation and amortization	1,238	911	23	16	–	199	1,261	1,127
Increase in property, plant and equipment and intangible assets	442	448	3	16	–	61	445	527

Note: Primarily related to the holding company (the company presenting the consolidated financial statements)

e. Related information

Fiscal year ended March 31, 2011

1. Information by product and service

   This information has been omitted, as sales to external customers in a single product and service category account for more than 90% of sales recorded on the consolidated statements of income.

2. Information by geographical area

   (a) Net sales

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
6,896	13,151	4,641	12,493	3,184	40,366

Note: The sales amounts are broken down into countries/regions based on the location of customers.

   (b) Property, plant and equipment

(Millions of yen)

Japan	Taiwan	Asia	Other	Total
8,905	1,642	2,359	141	13,050

3. Information by major customer

(Millions of yen)

Name of customer or individual	Net sales	Related business segment
LG ELECTRONICS INC.	8,391	Korea

f. Impairment losses on property, plant and equipment for each reportable segment

Fiscal year ended March 31, 2010

No items to report

Fiscal year ended March 31, 2011

Information omitted owing to lack of materiality.

g. Goodwill amortization amount and remaining goodwill balance for each reportable segment

Fiscal year ended March 31, 2010

Information omitted owing to lack of materiality.

Fiscal year ended March 31, 2011

Information omitted owing to lack of materiality.

h. Gains on negative goodwill for each reportable segment

Fiscal year ended March 31, 2010

No items to report

Fiscal year ended March 31, 2011

No items to report

(Tax effect accounting)

Fiscal year ended March 31, 2010

1. Major breakdown of deferred tax assets and liabilities

Deferred tax assets	(Millions of yen)
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	(Millions of yen)
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)

Fiscal year ended March 31, 2011

1. Major breakdown of deferred tax assets and liabilities

Deferred tax assets	(Millions of yen)
Denial of provision for directors' retirement benefits	45
Denial of provision of retirement benefits	89
Deferred tax assets for unrealized income	100
Foreign tax credit carried forward	1,282
Denial of provision for provision for bonuses	93
Denial of social insurance premiums corresponding to bonuses	13
Denial of accrued business tax	30
Denial of provision for allowance for doubtful accounts	96
Denial of loss on valuation of golf club membership	16
Accrued royalty expense	4
Denial of accounts payable – other	96
Others	112
Subtotal	1,982
Valuation allowances	(1,348)
Total deferred tax assets	634

Deferred tax liabilities	(Millions of yen)
Deferred tax liabilities pertaining retaining earnings of subsidiaries	820
Reserve for technical development	84
Depreciation	17
Valuation difference on available-for-sale securities	60
Others	66
Total deferred tax liabilities	1,049
Net deferred tax liabilities	415

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

	(Millions of yen)
Current assets – deferred tax assets	282
Noncurrent assets – deferred tax assets	88
Current liabilities – deferred tax liabilities	(190)
Noncurrent liabilities – deferred tax liabilities	(597)

Fiscal year ended March 31, 2010

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

	(%)
Statutory tax rate	40.44
<Reconciliation>	
Tax rate difference from those for foreign subsidiaries	(14.25)
Tax rate difference in line with offsetting of dividends income	9.21
Tax rate difference in line with indirect tax reduction	(7.45)
Tax adjustments pertaining to retained earnings of foreign subsidiaries	2.71
Tax rate difference connected with permanent differences (e.g. entertainment expenses)	0.13
Tax adjustments pertaining to amortization of goodwill	0.33
Experiment and research expenses tax credit	(0.88)
Valuation allowances	5.46
Others	(0.46)
Effective income taxes rate after applying tax effect accounting	35.24

Fiscal year ended March 31, 2011

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

	(%)
Statutory tax rate	40.54
<Reconciliation>	
Tax rate difference from those for foreign subsidiaries	(15.76)
Tax rate difference in line with offsetting of dividends income	1.64
Tax rate difference in line with crediting foreign taxes	(1.25)
Tax adjustments pertaining to retained earnings of foreign subsidiaries	(2.96)
Tax rate difference connected with permanent differences (e.g. entertainment expenses)	0.42
Permanent difference of non-deductible expenses of withholding tax on dividends	7.30
Tax adjustments pertaining to amortization of goodwill	0.20
Experiment and research expenses tax credit	(1.08)
Valuation allowances	3.10
Others	0.38
Effective income taxes rate after applying tax effect accounting	32.53

(Derivatives)

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

Fiscal year ended March 31, 2011

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

Classification	Type	As of March 31, 2011		
		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	1,935	(21)	(21)

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)

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
(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.	(a) Outline of the retirement benefit plans adopted by the Company Same as on the left
(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)	(b) Matters concerning retirement benefit obligations (As of March 31, 2011) Retirement benefit obligations (2,177) million yen Plan assets 2,003 Unfunded retirement benefit obligations (173) Unrecognized actuarial gains or losses (62) Unrecognized prior service cost 30 Net obligations recognized in the consolidated balance sheets (206) Provision for retirement benefits (206)
(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.	(c) Matters concerning retirement benefit expenses (From April 1, 2010 to March 31, 2011) Service cost 144 million yen Interest cost 49 Expected return on plan assets (25) Amortization of actuarial gains or losses (26) Amortization for prior service cost 10 Provision for retirement benefits 152 Note: The Company and its certain foreign consolidated subsidiaries recognized 26 million yen defined contribution-type retirement benefit expenses in addition to the above retirement benefit expenses.

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
(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, asset retirement obligations 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, 2010	Fiscal year ended March 31, 2011
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.	Net assets per share 1,316.53 yen Net income per share 131.78 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, 2010	Fiscal year ended March 31, 2011
Total net assets as shown on the statement of income (Millions of yen)	35,685	34,186
Deducted amount from total net assets (Millions of yen)	679	696
(Minority interests in the amount above) (Millions of yen)	(679)	(696)
Net assets related to common stock (Millions of yen)	35,006	33,490
Number of shares at the end of period (Shares)	25,938,474	25,438,454

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

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net income as shown on the statement of income (Millions of yen)	3,010	3,402
Net income not attributable to common shareholders (Millions of yen)	–	–
Net income related to common stock (Millions of yen)	3,010	3,402
Average number of shares during the period (shares)	25,938,543	25,821,866

(Significant subsequent events)

No items to report

5. Other

(1) Changes in Directors and Corporate Auditors (scheduled effective date is on June 28, 2011)

1) Change in Representative Director

   No items to report

2) Changes in Other Directors and Corporate Auditors

   - The Candidate for the new Director

     Sibum Yoo (Currently Senior Managing Executive Officer), Director

   - The Candidate for the new Corporate Auditor

     Akito Sakai, Standing Corporate Auditor

   - The Corporate Auditor scheduled to retire from post

     Shingo Hirano, Standing Corporate Auditor