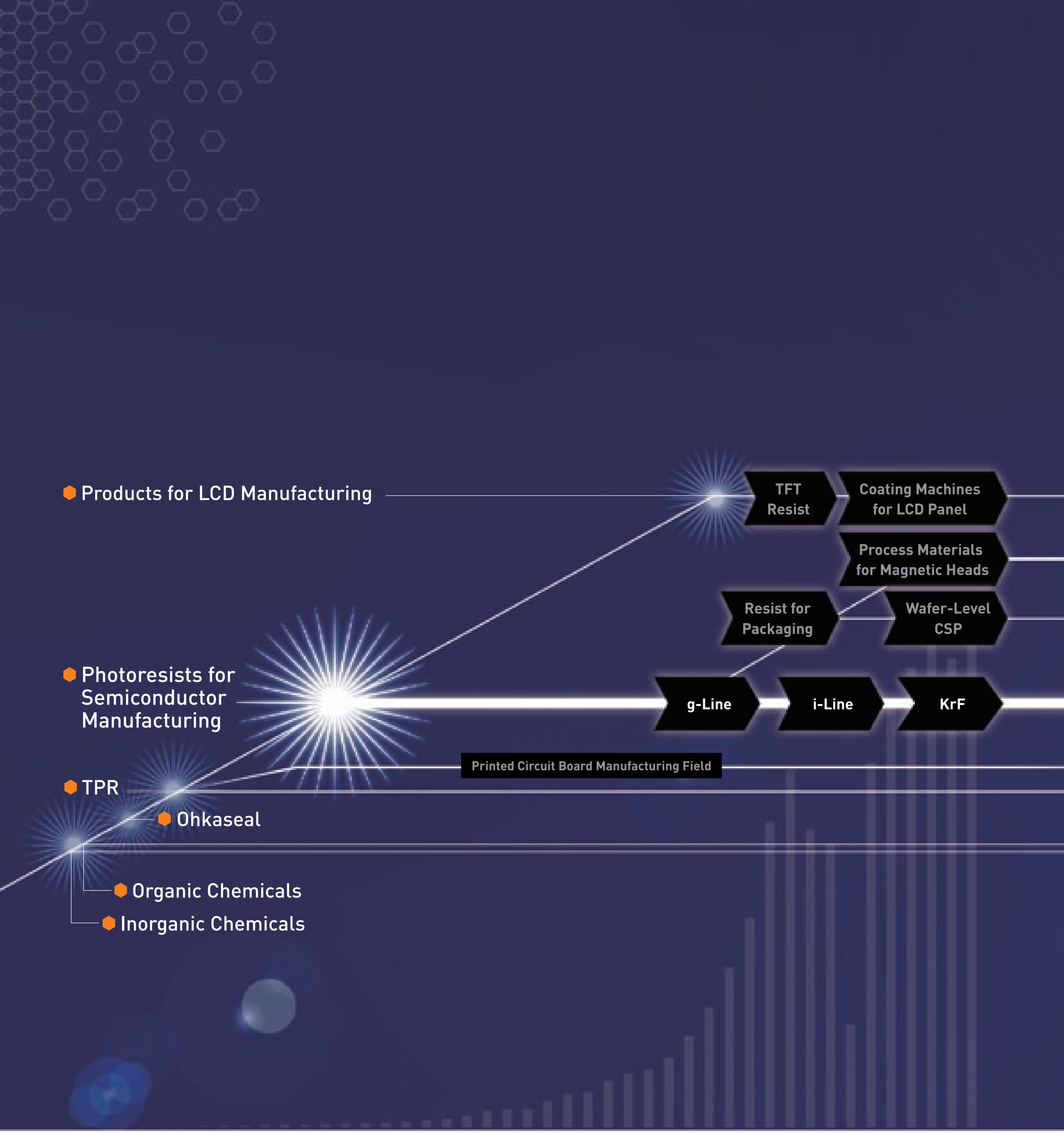
Annual Report 2010

Year Ended March 31, 2010

Creating New Value
Through a Process of Constant Adaption

TOKYO OHKA KOGYO CO., LTD.



Inorganic Chemicals (1940)

Started operations as a manufacturer of inorganic chemical products. Demand for high purity potassium hydroxide was increasing for use as an electrolyte in alkaline batteries used for coal miners' helmet lamps.

Organic Chemicals (1940)

In addition to inorganic chemicals, entered the organic chemical field.

Ohkaseal (1955)

Started manufacturing chemicals for the electronics industry with the introduction of Ohkaseal (potassium silicate), which was a phosphor bonding material for black and white televisions.

TPR (1962)

Developed TPR (polyvinyl silicate) to enter the photosensitive resins field. Entered printed circuit board and printing plate manufacturing fields.

Photoresists* for Semiconductor Manufacturing (1968)

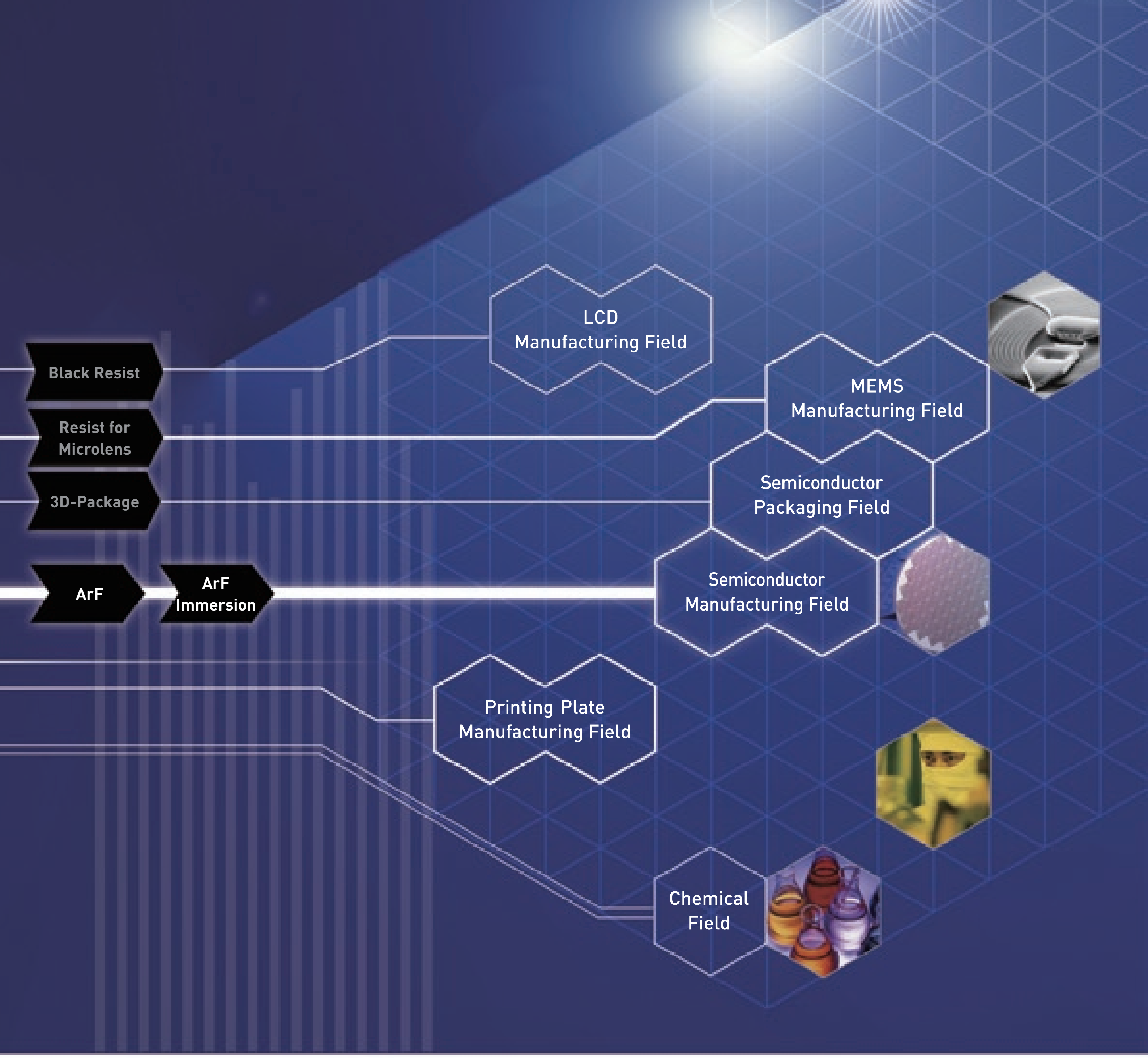
Used technologies gained from the manufacture of printed circuit boards and printing materials to develop photoresists for manufacturing semiconductors. Established a base of operations in the semiconductor industry.

Products for LCD Manufacturing (1974)

Used technologies gained from semiconductor manufacturing field to enter the liquid crystal display (LCD) manufacturing field.

*Photoresist: A photosensitive resin that acts and changes chemically when exposed to light.

Moving to Launch and Develop New Businesses Beyond Established Domains



Contents

Note: The accounting period covers a 12-month period beginning April 1 and ending March 31 the following year. In this annual report, "fiscal 2010" refers to the 12-month period ended March 31, 2010 (April 1, 2009 – March 31, 2010).

The First Step Forward to the "Rebirth" of TOK

President & Chief Executive Officer
Yoichi Nakamura

Results of Operations

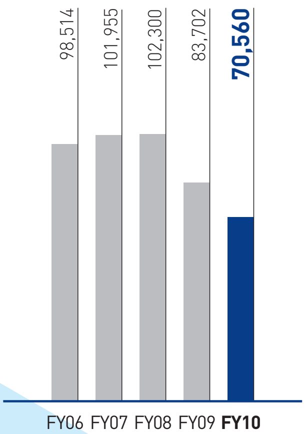
Losses end due to emergency profitability measures and business structural reforms

In the fiscal year ended March 31, 2010, the worst of the steep decline in demand in the semiconductors and liquid crystal displays (LCDs) markets sparked by the Lehman shock was over, as government stimulus measures in various countries produced benefits. Recoveries took place in the markets for semiconductors and LCDs.

Although the markets rebounded in the fiscal year ended March 31, 2010, demand has not yet returned to level of the fiscal year ended March 31, 2009. As a result, TOK's consolidated net sales were down 15.7% to ¥70,560 million. However, we did succeed in returning to profitability. Consolidated operating income was ¥279 million, compared with a ¥1,515 million loss in the fiscal year ended March 31, 2009, and consolidated net income was ¥254 million compared with a ¥4,656 million net loss in the fiscal year ended March 31, 2009.

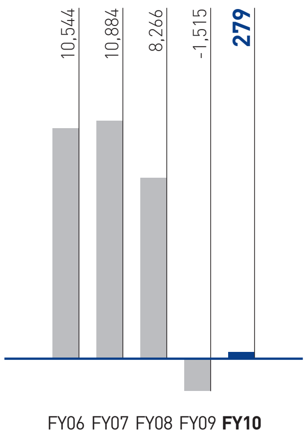
Consolidated Net Sales

(Millions of Yen)



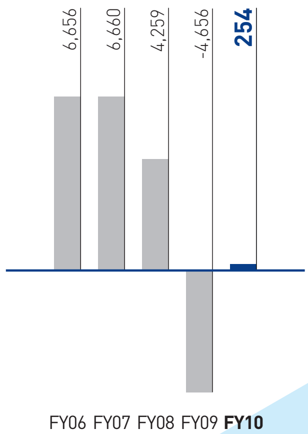
Consolidated Operating Income (Loss)

(Millions of Yen)



Consolidated Net Income (Loss)

(Millions of Yen)



Results of emergency profitability measures and business structural reforms

Eliminated annual costs of ¥6.1 billion and restored profitability

Two initiatives made great contribution in our return to profitability in the fiscal year ended March 31, 2010: emergency profitability measures and business structural reforms. In the fiscal year ended March 31, 2009, we recorded the first loss since our initial public offering in 1986. Achieving a recovery in the fiscal year ended March 31, 2010, was therefore our highest priority. To build a sound base for earnings, we used many emergency profitability measures such as reducing salaries, bonuses, and many other expenses. We also forcefully enacted expansive business structural reforms.

Our business structural reforms were very painful and extremely difficult to take. However, with the new cost structure, which drew on the resolve and strength of the entire Company, we reduced annual costs by approximately ¥6.1 billion compared with the estimates in the first half of the fiscal year ended March 31, 2009. As such, we were able to report a profit in the fiscal year ended March 31, 2010, even though sales decreased.

Major elements of business structural reforms

- Conducted early retirement program with extra benefits (101 employees retired by the end of June 2009)
- Closed Ikuno Plant at the end of March 2010
- Sold all of TOK's shares of TOK ITALIA S.p.A. in February 2010
- Shut down dry film resist and other unprofitable businesses

• Material Business •

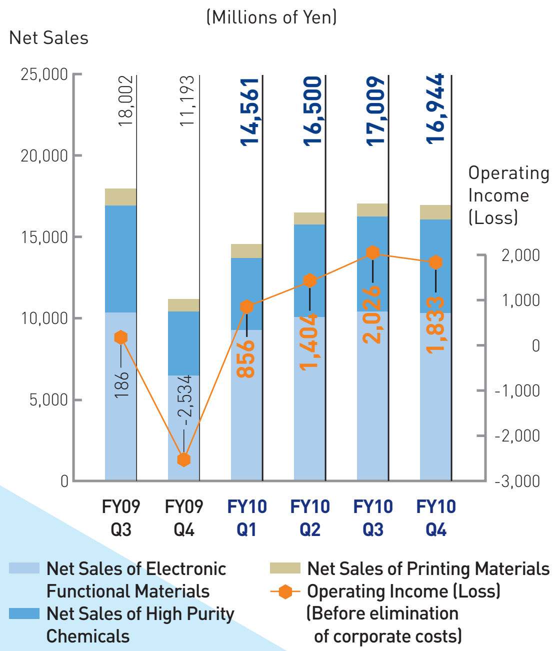
Sales were down but emergency profitability measures and business structural reforms produced a large improvement in operating income

In the material business, operating income was much higher even though sales declined in the fiscal year ended March 31, 2010.

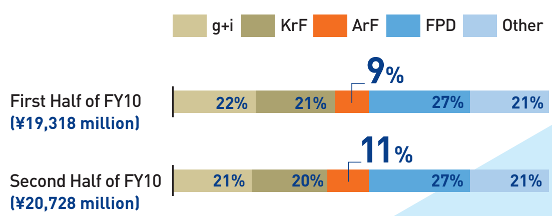
Sales decreased 10.3% for the entire fiscal year ended March 31, 2010. However, on a quarterly basis, sales stopped falling in the fourth quarter of the fiscal year ended March 31, 2009, and have been steadily recovering since then. Electronic functional materials and high purity chemicals were the primary drivers of this recovery. Due to emergency profitability measures and business structural reforms, operating income became positive in the first quarter of the fiscal year ended March 31, 2010, and rebounded quickly, reaching ¥2.0 billion in the third quarter. The result was a significant recovery in fiscal year earnings.

There were events involving products that have good prospects for growth in the fiscal year ending March 31, 2011. Most significantly, we started shipments of ArF excimer laser photoresists to a large Asian manufacturer of memory devices in the second half of the fiscal year ended March 31, 2010.

Material Business Performance
(Quarterly basis)



Sales Composition for Electronic Functional Materials



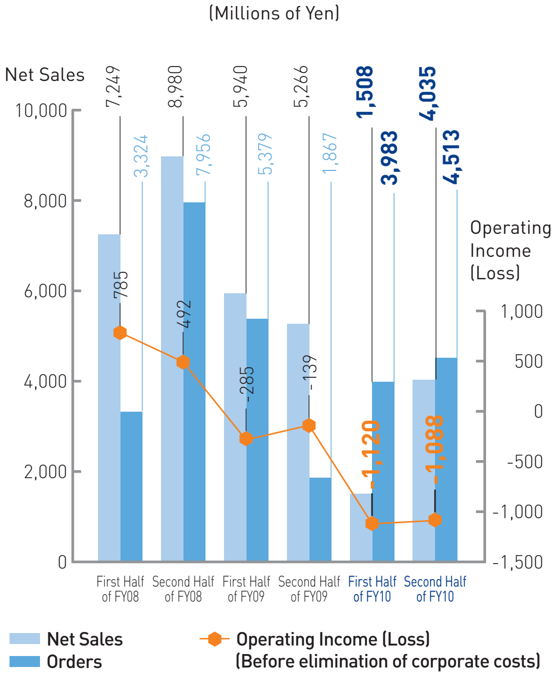
• Equipment Business •

Orders increased but sales were lower, and the operating loss widened because of delays in the final inspections of delivered products

In the equipment business, sales declined and operating loss increased even though there was a recovery in orders in the fiscal year ended March 31, 2010.

Orders have been recovering after bottoming out in the second half of the fiscal year ended March 31, 2009. One contributing factor was an upturn in capital expenditures that took place mainly in Asia along with the recovery in demand for LCDs. As a result, orders in the equipment business were higher than in the fiscal year ended March 31, 2009. However, delays in the final inspections of products caused sales to fall sharply. Furthermore, operating loss was higher than in the fiscal year ended March 31, 2009. There was a particularly severe impact from the delay in a customer's final acceptance of the first float coating systems (FCSs) that we delivered. This unit applies color photoresists while constantly repositioning glass substrates as required. The issues that delayed the final acceptance have been resolved.

Equipment Business Performance
(Half yearly basis)



Outlook for the fiscal year ending March 31, 2011

Planning on higher sales and earnings as the material business recovery continues

In the fiscal year ending March 31, 2011, we expect higher sales because of a recovery in market conditions and growth in operating income backed by more progress in cutting costs.

In the material business, we forecast growth in sales and earnings. We started shipments of ArF excimer laser photoresists to a large Asian manufacturer of memory devices in the second half of the fiscal year ended March 31, 2010. In the fiscal year ending March 31, 2011, we expect sales of ArF excimer laser photoresists to increase at a rate that is far higher than for the entire photoresist industry. We believe that we have excellent prospects for capturing a larger share of the photoresist market as a result of increasing demand in Asia as well as other areas of the world. We expect that ArF excimer laser photoresists will soon make a meaningful contribution to our performance.

We also forecast sales growth in the equipment business. The large number of unprofitable projects will likely cause another operating loss, although we expect the loss to be smaller.

Overall, we forecast the growth in total sales and earnings based on the outlook for higher earnings in the material business to offset a loss in the equipment business.

Initiatives with a focus on the future

Transforming our business portfolio as the beginning of our "Rebirth"

Accomplishments of our emergency profitability measures and business structural reforms give us a sound base for taking the first step forward to the "Rebirth" of TOK in the fiscal year ending March 31, 2011. Our actions will be guided by a strong commitment to become the type of organization that we envision from a long-term perspective. Based on this vision, we must make steady progress in doing what is now necessary to position TOK for growth.

Our goal is clear. We want to launch and develop new businesses, foster their development, and then achieve sustainable earnings growth that is driven by these new businesses. Two activities are necessary to accomplish this goal. First, we must realign and expand our established businesses, which are the current core of our profit structure. Second, we must transform our business portfolio. This will require launching and developing new businesses in markets that take us beyond our established business domains.

In concrete terms regarding established businesses, we plan to introduce many new products, including next generation process materials for semiconductors and materials used to make touch panels. We are also planning the rapid commercialization of products associated with wafer handling systems for through silicon via (TSV) process; a copper, indium, gallium, selenide (CIGS) solar cell production process; and nanoimprint technology. We are confident that these measures will better enable TOK to strengthen its base for stable growth. We will also start to work on establishing the base needed to launch and develop new business domains by utilizing upgraded marketing capabilities. Creating these new domains will further increase the potential for growth at TOK.

To our shareholders and investors

TOK is aiming to achieve a full-scale recovery in earnings quickly and sustained growth in corporate value

Distributing earnings to shareholders is one of our highest priorities. Our basic policy for dividends is to maintain a consolidated payout ratio of at least 20%, while taking the current level into consideration. This policy takes into account the need to retain a sufficient amount of earnings, which are vital to our ability to become more competitive and increase earnings. Dividend payments also comprehensively take into account our financial position, results of operations and other relevant factors from a long-term standpoint.

For the fiscal year ended March 31, 2010, we lowered the dividend per share by ¥5 to ¥30. Although we had net income, earnings were low and the recovery in our performance is still in an early stage.

Our operating environment will remain difficult. We are determined to overcome these challenges and achieve a broad-based recovery in sales and earnings. This will allow the "Rebirth" of TOK to achieve sustained growth in corporate value.

As we take the actions that have been outlined, we ask for your continued support and understanding.

September 2010

Yoichi Nakamura
President & Chief Executive Officer

Moving Forward to the "Rebirth" of TOK

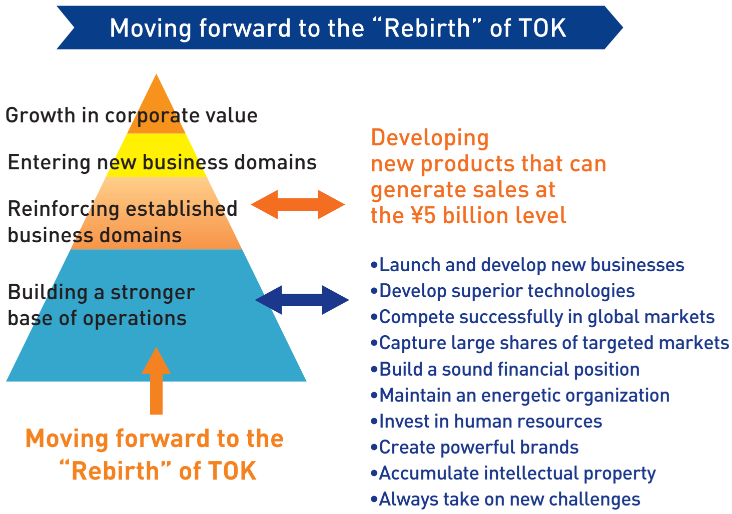
Reinforcing established business domains and entering new business domains

Focus on a business portfolio transformation to launch and develop new businesses

TOK has completed preparations for taking its first step to "Rebirth," by using emergency profitability measures and business structural reforms. Our sights are set on our vision for the future of TOK. We are determined to fulfill this vision by making steady progress toward our goals.

TOK has established the goal of achieving sustainable earnings growth driven by the new business domains that are not limited to our established business domains. We must transform our business portfolio, and this is the most important management theme. One way to do this is to strengthen a foundation for growth through realigning and expanding the established businesses that underpin our current profit structure. At the same time, we need to launch and develop new business domains that can become new growth drivers. By transforming our business portfolio in this manner, we aim to become a company that can grow through our own efforts and achieve sustainable growth of corporate value.

Our current target is to develop new products as quickly as possible that can generate sales at the ¥5 billion level.



Moving faster to reinforce established business domains and entering new business domains

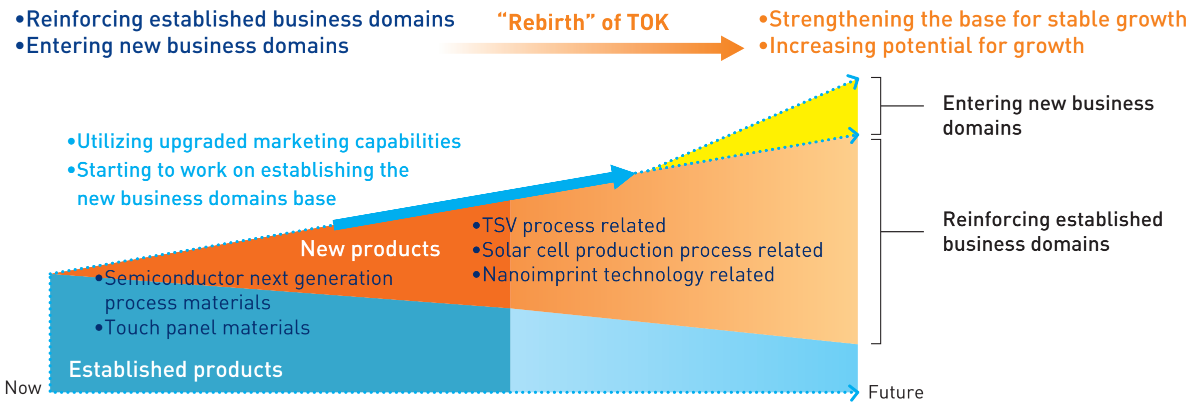
We have two approaches to transforming our business portfolio.

The first approach is reinforcing established business domains. We are realigning and prioritizing ongoing operations in terms of earnings and growth potential so that resources can be channeled to the most promising business activities. The semiconductor manufacturing and LCD manufacturing fields are two areas we are targeting. To grow in these areas, we will introduce new products like next generation process materials for semiconductors and materials used to make touch panels. In addition, we will move rapidly to commercialize businesses that use our newly developed technologies: the Zero Newton® wafer handling system for TSV process, the CIGS solar cell production process, and products that use nanoimprint technology.

The second approach is entering new business domains. Launching and developing new core businesses is vital to reaching our goal of becoming a company able to consistently generate earnings. The

Research and Development Dept. and the Marketing Dept. will have to work more closely together. Using this collaboration to enhance marketing capabilities will create a powerful base for launching and developing new businesses that will increase TOK's growth potential.

Reinforcing established business domains and entering new business domains



Reinforcing established business domains: New products for the semiconductor and LCD manufacturing fields

In our established business domains, technologies are advancing in new directions in the semiconductor and LCD manufacturing fields, which account for the majority of TOK's earnings at present. We plan to position ourselves for growth by introducing new products in both of these fields.

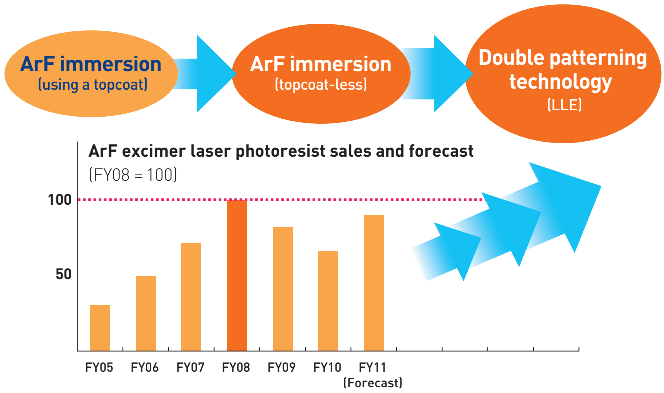
Semiconductor next generation process materials

Increasing our share of the ArF excimer laser photoresist market

Semiconductor manufacturing processes are expected to advance from immersion lithography process* using topcoats (protection films) to topcoat-less lithography, and shift to double patterning technology.

Advances in microprocess technology will lead to an increase in the total value of photoresists. This will open up greater opportunities for TOK as a company with expertise in photoresists and associated materials. Sales of TOK's ArF excimer laser photoresists are starting to climb steadily. Our objective is to capture a larger share of the market for these photoresists by further speeding up the development of versions for next generation processes.

Semiconductor next generation process materials



*Immersion lithography process: An exposure technology that fills the space between the photoresist and the lens of the exposure equipment with a liquid.

Double patterning technology*: Differentiation by freezing-free LLE process

Double patterning technology is regarded as a promising candidate for the next generation of exposure technology. For this technology, TOK has devised an exclusive freezing-free lithography-lithography-etching (LLE) process.

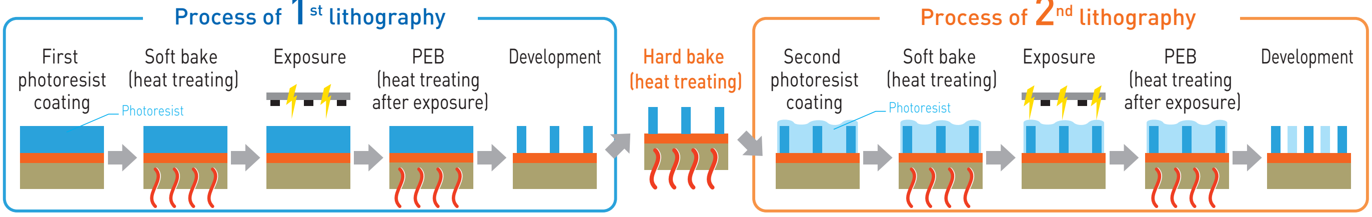
A number of processes have been proposed for the use of double patterning technology. One uses lithography-etching-lithography-etching (LELE) process, in which the photoresist coating-exposure-development-etching cycle is performed twice. Another uses a freezing material to protect the pattern after the first photoresist is developed. With the TOK freezing-free LLE process, the processed first photoresist undergoes a baking process. Then a second photoresist that incorporates a special solvent is used to prevent the second photoresist process from damaging the pattern of the first photoresist. No freezing materials are needed. Furthermore, etching has to be performed only once.

Our freezing-free LLE process is simple and much less costly than competing processes. We plan to use this process to differentiate ourselves from other companies and establish a clear competitive edge.

*Double patterning technology: A technology that forms the intended pattern in two runs.

Semiconductor next generation process materials: Advantages of TOK's double patterning technology

Freezing-free LLE process



Much lower cost due to the use of simple processes

EUV exposure technology: Developing products for further advances in microprocess technology

Extreme ultraviolet (EUV) lithography holds the promise of taking microprocess technology from the 2Xnm to the 1Xnm node. Producing photoresists inevitably involves trade-offs among resolution, line-width-roughness (LWR), and sensitivity. However, EUV requires photoresists with outstanding performance in all three of these properties. Many other problems must be overcome as well, such as outgassing when the photoresist membrane is exposed to EUV light, which must be minimized to maintain stable operation of EUV lithography equipment, and minimizing the swelling that occurs during photoresist development of fine patterns, which is a cause of pattern collapse.

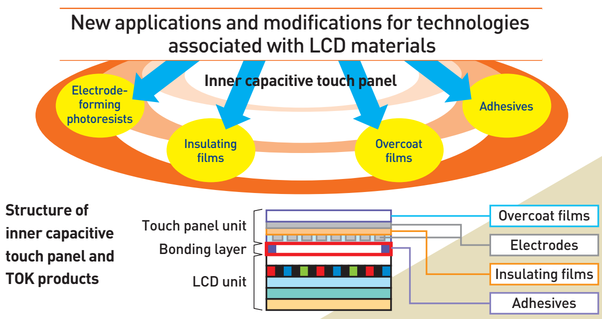
TOK uses its skill in the development of innovative materials and collaborations with numerous consortiums and semiconductor device manufacturers to develop ideas that can solve many types of problems.

Touch panel materials: A new opportunity to apply LCD manufacturing technologies

TOK plans to introduce new products used in the manufacture of touch panel displays, which is a market poised for growth. Examples include electrode-forming photoresists, insulating films, overcoat films, and adhesives. Prospects for growth are particularly good for a type of touch panel that uses the electrostatic capacitance method. Demand for these displays is increasing for use in smartphones, laptops, and many other products.

We will continue to seek more markets and applications where we can use our existing technologies and products that we have advanced.

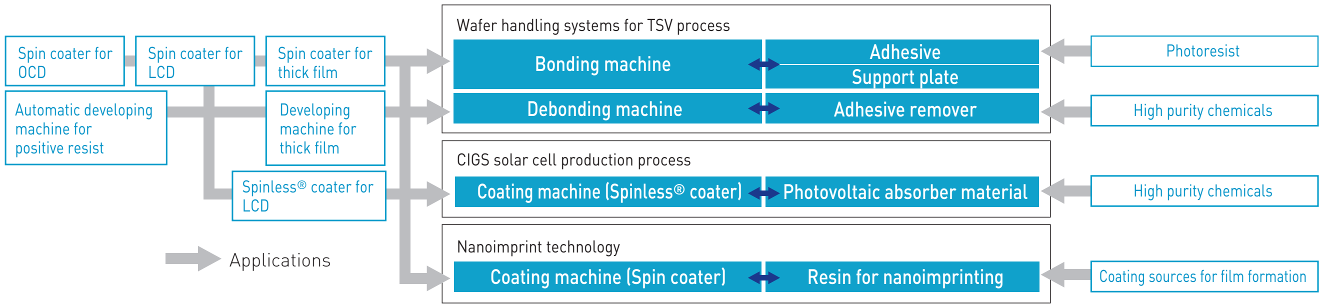
Touch panel materials



Reinforcing established business domains: Rapid commercialization of new products in applied business fields

To make greater application of our existing microprocess technologies, we have been developing products associated with wafer handling systems for TSV process, CIGS solar cell production process, and nanoimprint technology. We plan to realize rapid commercialization of new products in each of these three fields to build a more powerful base for growth.

New technologies for microprocess technology applications



Zero Newton®* wafer handling system for TSV process: Offering a source of total support technologies

Demand for 3D-package technology is growing. This technology involves stacking very thin semiconductor chip layers and forming TSVs to make devices with higher density and more compact dimensions.

TOK's newly developed Zero Newton® wafer handling system is a breakthrough technology that realizes both wafer thinning and making TSVs with ease by attaching a support plate to the silicon wafer to reinforce it. The support plate and silicon wafer can be easily separated without any stress after making TSVs.

TOK supplies removable adhesive, support plates, and adhesive remover. In addition, we manufacture support plate bonding and debonding machines. This allows us to provide customers with total support technology.

*The name "Zero Newton®" comes from the fact that the support plate can be removed without any stress on the silicon wafer, and the process can be accomplished without using any force.

CIGS*1 solar cell production process: Joint development project under way with IBM

We are taking part in a joint project with IBM to develop a CIGS solar cell production process and aiming to commercialize the photovoltaic absorber*2 material and coating machine.

CIGS solar cells are attracting much attention as a silicon-free, next generation solar cell that can potentially achieve higher energy conversion efficiency, along with better productivity.

To develop a CIGS solar cell production process, we utilize our coating technology for large substrates. This is one of our greatest strengths in the field of LCD manufacturing. The cost of this production process will be much lower due to higher manufacturing efficiency and the smaller amount of materials used.

*1. CIGS (copper, indium, gallium, selenide) is a composite material used in the form of a polycrystalline thin film to make solar cells.
2. The photovoltaic absorber is where light is absorbed and converted into electricity.

Nanoimprint technology*: Targeting many opportunities to promote the use of products incorporating nanoimprint technology, mainly by HDD manufacturers

TOK is developing a resin for nanoimprinting at room temperature. TOK used interlayer insulating film technology gained from the Company's involvement in the field of semiconductor manufacturing to develop this new resin. This new resin simplifies the nanoimprint process by eliminating the need for heat processing and ultraviolet light when the mold is pressed onto the substrate. We have also developed a coating machine which raises productivity by simultaneously coating both sides of a substrate. Furthermore, the characteristics of the finished coating are excellent.

We will aggressively promote the use of products incorporating nanoimprint technology, mainly by HDD manufacturers.

*Nanoimprint technology: A technology which transfers a pattern formed in a mold by pressing the mold against a resin on a substrate. This approach differs from conventional photolithography technology.

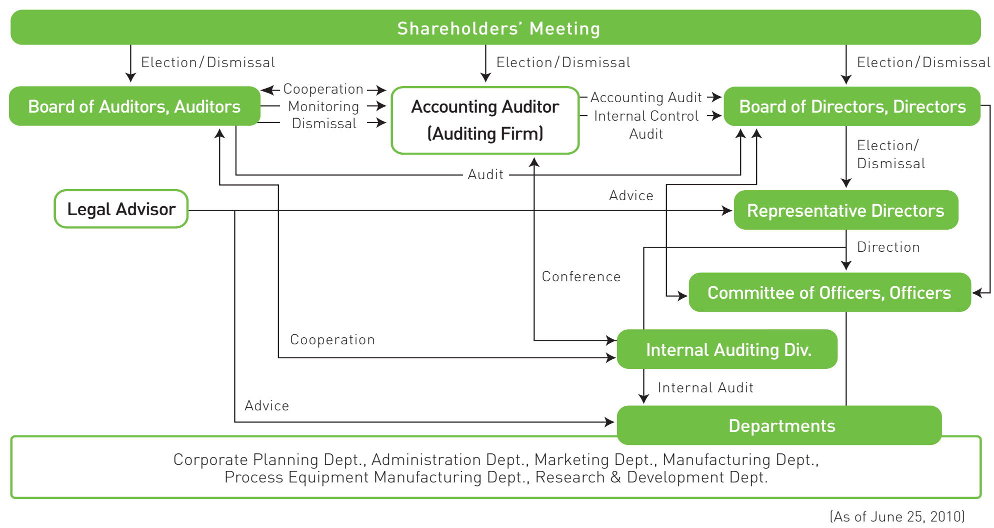
Corporate Governance

Basic Concept

Aiming to become a company that is able to earn the trust of all stakeholders, TOK positions enhancement of corporate governance as one of the most important management issues: the means to maintain a sound and transparent management and to enhance its operational efficiency by speeding up the decision-making process.

Corporate Governance System

As a company with corporate auditors, TOK employs the corporate auditor system. We are taking actions to upgrade audits performed by the corporate auditors by using the greater authority of these auditors based on the Japanese Companies Act. In addition, TOK is using the benefits of reforms to its Board of Directors, establishment of the officer system, and the election of an independent outside director to fortify the management decision-making and supervisory function and the business execution function while clarifying responsibility for performing these functions. We are convinced that using these systems to strengthen management is the most effective means of upgrading corporate governance.



Directors and Board of Directors

As of June 25, 2010, we had seven directors, including one outside director. The term of the directors is one year. This permits quickly responding to changes in the operating environment and clarifies accountability for the directors concerning operating results in each fiscal year. To make the activities of the directors more transparent and reinforce the Board's supervisory function, there is one independent outside director. In addition, the Board of Directors has a flat structure with two levels: representative directors and directors. This creates a framework that allows the Board of Directors to fulfill its responsibilities with regard to reaching management decisions and supervising the Company's management.

Officers and Committee of Officers

As of June 25, 2010, we had 15 officers, including six officers doubling as directors. While taking steps to strengthen the Board of Directors' functions in management decision making and supervision, TOK has the Committee of Officers, which is made up of all officers, to reinforce its business execution functions. The committee members include the chief executive officer, the chief operating officer, senior executive officers, executive officers and officers. The committee provides for differences in the business responsibilities and other items concerning each officer.

Auditors and Board of Auditors

As of June 25, 2010, we had three auditors, two of whom were outside auditors. The auditors attend meetings of the Board of Directors and other important meetings. These duties are performed in accordance with auditing standards (Corporate Auditor Auditing Regulations), the auditing policy, the division of tasks, and other items. In addition, the auditors check the performance of directors by receiving reports from directors and others, and requesting an explanation when necessary. For financial audits, the auditors receive reports from the accounting auditor and use other means, including requesting an explanation when necessary, to verify the suitability of financial accounting methods and the results of these audits.

Internal Auditing Division

The Internal Auditing Division, under the direct control of the President, comprised four full-time staff members as of June 25, 2010. In addition to standard audits of business operations, this division offers suggestions, proposals, and advice for continuous improvement through evaluations of the effectiveness of internal controls for financial reporting.

Corporate Social Responsibility

As an organization that uses many chemicals, TOK complies with laws and regulations and gives appropriate recognition to environment impacts that may arise in the process of our business activities. We undertake many environmental activities. Among them are an energy conservation program, a "3R Campaign" (reduce, reuse and recycle), and stringent procedures for safely managing chemicals. Furthermore, we also have compliance, risk management, and other systems, as well as employee training programs. We also exercise care to provide employees with a pleasant workplace environment.

TOK's mission is to contribute broadly to social progress while achieving growth by supplying superior products. As a company engaged in *monozukuri* (the art of manufacturing), we intend to carry out our corporate social responsibilities in ways that are grounded in our core business.

We report on our efforts in the Environmental and Social Report that we issue each year and on our website.

Environmental and Social Report 2010

Compliance

We set up the TOK Group Compliance Standards of Conduct, establishing a framework for officers and employees to observe the laws, regulations, our articles of incorporation, and the Company regulations.

In addition, the internal reporting system facilitates the early detection and resolution of violations of laws, regulations, and standards of conduct. Reports can be submitted using an internal route, the corporate auditors, or an external route (legal advisor). Furthermore, we have built a framework to prevent any negative consequences for individuals who submit reports.

In the event of a violation of laws, regulations, the standards of conduct, and other guidelines, the Compliance Committee, which is chaired by the Company president, conducts an investigation. Based on the result, disciplinary actions are taken as required. In addition, the committee determines measures to prevent a reoccurrence of this type of incident and puts these measures in place throughout the Company.

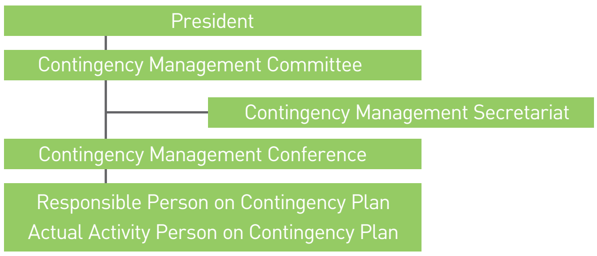
TOK Group Compliance Standards of Conduct Handbook (Second edition)

Risk Management

With a view to appropriately accommodating various risks that can have a significant effect on business activities, TOK has prepared a Contingency Plan, and has a Contingency Management Secretariat and a Contingency Management Committee which is chaired by the manager of the Administration Department.

We take actions to anticipate risks during ordinary times, establish preventive measures, and make all employees aware of these actions. Meanwhile, we establish procedures to be followed in the event of an emergency.

Risk Management Organization

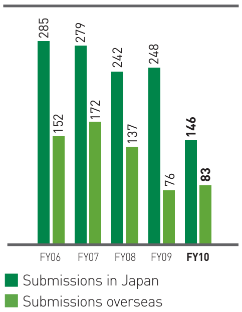


Intellectual Property Strategy

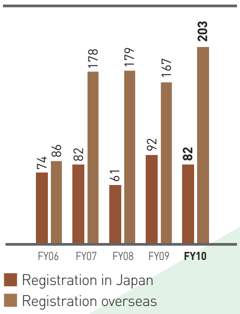
TOK's intellectual property strategy includes the following elements: 1) aggressively protecting our intellectual property, 2) avoiding infringing on the rights of other companies, and 3) proactively utilizing the intellectual property that we have created.

We view intellectual property as a critical resource for ensuring market supremacy as well as freedom to evolve our business. By proactively applying for patents on the fruits of our R&D activities, we aim to appropriately protect this intellectual property and put it to effective use, and this should bolster our competitive strength. We have adopted comprehensive measures to ensure that we do not infringe on the intellectual property rights of other companies. At the same time, if another company should infringe on our rights, we will address this by exercising our rights or making strategic use of licensing agreements.

Number of Patent Applications Submitted



Number of Patents Registered



Six-Year Summary

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries
For the years ended March 31, 2005, 2006, 2007, 2008, 2009, and 2010

	Millions of Yen						Thousands of U.S. Dollars
	2005	2006	2007	2008	2009	**2010**	**2010**
For the year:							
Net sales	¥88,960	¥98,514	¥101,955	¥102,300	¥83,702	**¥70,560**	**$758,710**
Material business	71,617	80,338	83,038	86,071	72,495	**65,016**	**699,099**
Equipment business	17,461	18,252	18,991	16,298	11,296	**5,622**	**60,452**
Operating income (loss)	7,295	10,544	10,884	8,266	(1,515)	**279**	**3,003**
Income (loss) before income taxes and minority interests	8,070	11,324	11,119	7,352	(5,325)	**114**	**1,228**
Net income (loss)	5,088	6,656	6,660	4,259	(4,656)	**254**	**2,740**
Investment in plant and equipment	3,631	6,962	8,531	6,574	3,270	**1,320**	**14,194**
Depreciation and amortization	5,595	5,502	5,931	7,693	7,297	**5,418**	**58,267**
R&D costs	5,800	5,683	6,487	8,095	8,542	**6,949**	**74,723**
Per share data (Yen / U.S. Dollars)**:**							
Basic net income (loss)	¥ 109.16	¥ 142.34	¥ 142.37	¥ 91.50	¥ (102.00)	**¥ 5.66**	**$ 0.06**
Cash dividends applicable to the year	27.00	33.00	36.00	36.00	35.00	**30.00**	**0.32**
Total equity	2,492.60	2,650.50	2,750.81	2,775.38	2,591.43	**2,578.30**	**27.72**
At the year-end:							
Total assets	¥154,309	¥165,681	¥166,610	¥159,633	¥139,338	**¥138,122**	**$1,485,193**
Total long-term liabilities	7,086	2,222	2,108	2,198	2,205	**2,350**	**25,277**
Total equity	115,564	123,915	131,074	129,834	118,377	**117,658**	**1,265,144**
Ratios(%)**:**							
Ratio of operating income (loss) to net sales	8.2	10.7	10.7	8.1	(1.8)	**0.4**	
Ratio of R&D costs to net sales	6.5	5.8	6.4	7.9	10.2	**9.8**	
Return (loss) on equity	4.5	5.6	5.3	3.3	(3.8)	**0.2**	
Equity ratio	74.9	74.8	77.3	79.9	83.7	**84.0**	

Notes: 1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥93 to US$1, the approximate Tokyo foreign exchange market rate as of March 31, 2010.
2. Net sales by business segment includes intersegment sales.
3. Total equity, total equity per share, the return on equity and the equity ratio for the years ended March 31, 2005 and 2006, are total shareholders' equity, total shareholders' equity per share, the return on equity and the equity ratio, respectively, for each year with no adjustments.

Management's Discussion and Analysis

Results of Operations

Net Sales

In the fiscal year ended March 31, 2010, consolidated net sales decreased ¥13,142 million, or 15.7%, from the previous fiscal year, to ¥70,560 million. Net sales in the first half decreased ¥16,669 million, or 33.9%, to ¥32,570 million and net sales in the second half increased ¥3,527 million, or 10.2%, to ¥37,989 million.

Demand in the electronics industry plummeted in the wake of the Lehman shock. However, the worst of the downturn in the semiconductor and LCD markets ended, and there were signs of a recovery due in part to government stimulus measures in various countries. Despite these positive signs, TOK's net sales in the fiscal year ended March 31, 2010 decreased because demand in this fiscal year was less than in the fiscal year ended March 31, 2009.

Cost of Sales, SG&A Expenses and Operating Income

The cost of sales decreased ¥11,078 million, or 17.7%, to ¥51,548 million. This was attributable to the decline in net sales as well as cost-cutting measures that were part of emergency profitability measures and business structural reforms. The cost of sales ratio declined 1.7 percentage points to 73.1%. As a result, gross profit decreased ¥2,063 million, or 9.8%, to ¥19,011 million.

Selling, general and administrative (SG&A) expenses decreased ¥3,858 million, or 17.1%, to ¥18,731 million mainly because of declines in depreciation and amortization, replacement supplies for research activities, storage and transportation expenses, and salaries and benefits.

Although gross profit declined, operating income was ¥279 million, compared with an operating loss of ¥1,515 million in the previous fiscal year, due to the decrease in SG&A expenses.

Income before Income Taxes and Minority Interests and Net Income

Income before income taxes and minority interests was ¥114 million, compared with a loss of ¥5,325 million in the previous fiscal year. Earnings were negatively impacted by extra retirement benefits paid in conjunction with a factory closing. However, earnings benefited from the improvement in operating income and the fiscal year's net foreign exchange gain and equity in earnings of affiliate, both of which were losses in the previous fiscal year. In addition, the loss on impairment of long-lived assets was smaller than in the previous fiscal year.

Net income was ¥254 million yen, compared with a ¥4,656 million net loss in the previous fiscal year.

Results by Business and Geographic Segments

*Not adjusted for intersegment sales

Results by Business Segment

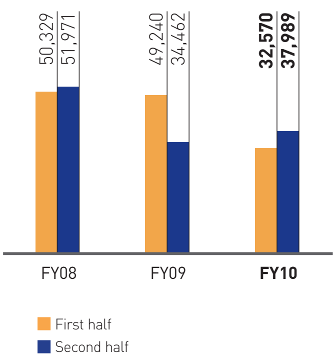
【Material Business】

The material business mainly consists of the electronic functional materials division, the high purity chemicals division and the printing materials division.

In the fiscal year ended March 31, 2010, sales in the material business declined ¥7,479 million, or 10.3%, to

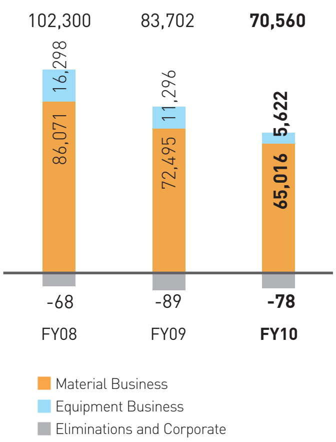
Net Sales (Half yearly basis)

(Millions of Yen)

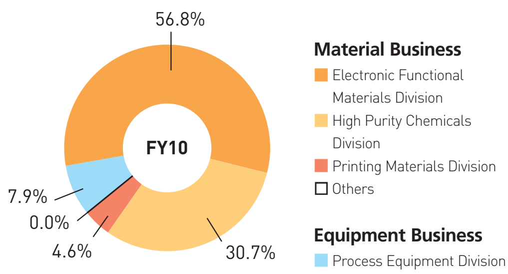


Sales by Business Segment

(Millions of Yen)



Net Sales Composition



Note: Percentage figures show the share of consolidated sales.The equipment business percentage figure is adjusted for intersegment sales.

¥65,016 million as demand remained below the level of the previous fiscal year even though markets were recovering. Operating income increased ¥2,799 million, or 84.2%, to ¥6,122 million. This improvement reflects the benefits of cost-cutting measures produced by emergency profitability measures and business structural reforms although fluctuating foreign currency exchange rates and discounts of selling prices had a negative effect on earnings.

■ Electronic Functional Materials Division

In the electronic functional materials division, sales decreased ¥3,851 million, or 8.8%, to ¥40,046 million.

Sales of photoresists used to manufacture semiconductors were lower than in the previous fiscal year despite solid second-half sales of ArF excimer laser photoresists and other photoresists as demand for finished products using semiconductors started to recover. Sales of photoresists used to manufacture LCDs were also lower than in the previous fiscal year because of falling prices of finished products that use these displays. Sales of coating sources for film formation decreased due to difficult market conditions.

■ High Purity Chemicals Division

In the high purity chemicals division, sales decreased ¥2,959 million, or 12.0%, to ¥21,681 million.

Sales of photoresist-related chemicals used to manufacture semiconductors decreased as demand remained below the previous fiscal year's level even though demand for these chemicals started to recover. There was also a decline in sales of photoresist-related chemicals used to manufacture LCDs.

■ Printing Materials Division

In the printing materials division, sales decreased ¥574 million, or 15.0%, to ¥3,262 million.

In the photopolymer printing plate category, sales of flexographic printing plates and general-purpose printing materials were down sharply due to weak demand.

【Equipment Business】

The equipment business consists of the process equipment division.

■ Process Equipment Division

Sales of LCD panel manufacturing equipment declined significantly mainly due to delays in the completion of tests by customers leading to the final acceptance of equipment that had been delivered. Sales in the process equipment division fell ¥5,674 million, or 50.2%, to ¥5,622 million, and operating loss increased by ¥1,783 million to ¥2,208 million.

Orders increased ¥1,249 million, or 17.2%, to ¥8,496 million due to a recovery in capital expenditures, chiefly in Asia, that accompanied the upturn in demand for LCDs. Orders were ¥3,983 million in the first half and ¥4,513 million in the second half. The year-end order backlog was ¥16,009 million, an increase of ¥2,952 million, or 22.6%, from the previous fiscal year.

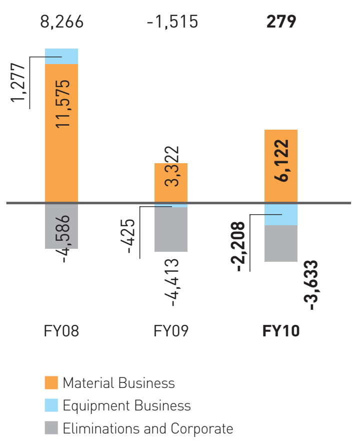
Results by Geographic Segment

■ Japan

In the material business, a decline in sales volume and fluctuating foreign currency exchange rates caused sales to decrease. In addition, equipment business sales remained low. As a result, sales decreased ¥7,536 million, or 11.0%, to ¥61,177 million. Operating income was ¥113 million, compared with a ¥2,130 million loss in the previous fiscal year because of cost reductions resulting

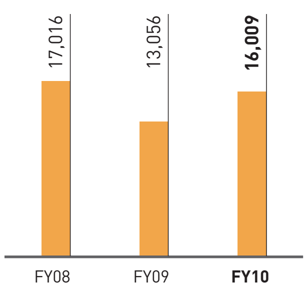
Operating Income (Loss) by Business Segment

(Millions of Yen)



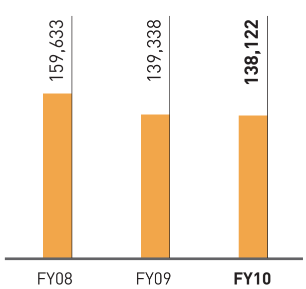
Order Backlog of Equipment Business

(Millions of Yen)



Total Assets

(Millions of Yen)



from emergency profitability measures and business structural reforms.

■ North America

Sales decreased ¥1,526 million, or 16.8%, to ¥7,584 million because of a lower volume of photoresist sales and fluctuating foreign currency exchange rates. Declines in sales volume and selling prices were mainly responsible for a drop of ¥481 million, or 48.4%, in operating income to ¥513 million.

■ Europe

Sales decreased ¥616 million, or 10.7%, to ¥5,158 million, mainly because growth in the sales volume at our subsidiary in the Netherlands was outweighed by the negative impact of fluctuating foreign currency exchange rates. Although our subsidiary in Italy did not perform well, operating loss in Europe was ¥66 million, compared with the previous fiscal year's ¥489 million loss due to an improvement in earnings at the subsidiary in the Netherlands.

■ Asia

Sales decreased ¥1,799 million, or 16.5%, to ¥9,075 million. The primary causes were lower sales volumes at subsidiaries in Taiwan and China and fluctuating foreign currency exchange rates. Operating income fell ¥368 million, or 46.5%, to ¥424 million primarily due to the decline in sales.

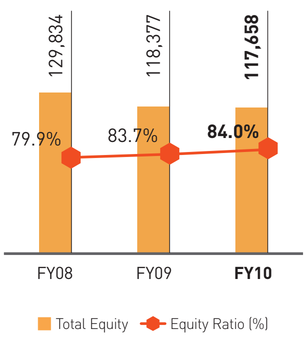
Financial Condition and Cash Flows

Balance Sheet

Total assets at March 31, 2010, decreased ¥1,215 million from the previous fiscal year-end, to ¥138,122 million.

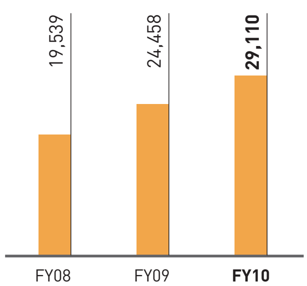
Total Equity / Equity Ratio

(Millions of Yen / %)



Cash and Cash Equivalents at the Year-End

(Millions of Yen)



Total current assets increased ¥2,084 million to ¥82,751 million. Major changes included a ¥1,689 million decrease in cash and cash equivalents and time deposits and increases of ¥2,468 million in trade notes and accounts receivable and ¥975 million in inventories.

Net property, plant and equipment decreased ¥4,777 million to ¥34,370 million, mainly as a result of an increase in accumulated depreciation. Total investments and other assets increased ¥1,477 million to ¥21,000 million. There were increases of ¥905 million in investment securities as market prices of stocks rose and ¥439 million in long-term loans receivable which is included in other assets.

Total liabilities decreased ¥496 million, to ¥20,464 million. This was attributable mainly to changes in total current liabilities that included primarily an increase of ¥1,111 million in trade notes and accounts payable, a decrease of ¥186 million in advances from customers, a decrease of ¥951 million in accrued expenses, and a decrease of ¥339 million in short-term borrowings which is included in other current liabilities.

Total equity decreased ¥719 million to ¥117,658 million. This was mainly the result of a ¥554 million increase in unrealized gain on available-for-sale securities as market prices of stocks increased and a ¥1,185 million decrease in retained earnings, which is part of shareholders' equity, due to dividend payments and other items.

As a result, the equity ratio was 84.0% at the end of the fiscal year.

Cash Flows

Net cash provided by operating activities decreased ¥8,271 million to ¥2,531 million. Cash was provided mainly by depreciation and amortization, an increase in trade notes and accounts payable, and other items. The primary uses of cash were increases in trade notes and accounts receivable and inventories.

Net cash provided by investing activities was ¥3,973 million, compared with a net cash outflow of ¥2,309 million in the previous fiscal year. Cash was used for the disbursements for long-term time deposits, purchases of property, plant and equipment, and other items, but cash was provided by proceeds from withdrawal of time deposits.

Net cash used in financing activities decreased ¥1,162 million to ¥1,810 million. The primary uses of cash were dividends paid and others.

As a result, cash and cash equivalents at March 31, 2010, increased ¥4,651 million to ¥29,110 million from ¥24,458 million at the previous fiscal year-end.

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	**2010**	2009	**2010**
CURRENT ASSETS:			
Cash and cash equivalents (Note 12)	**¥ 29,110**	¥ 24,458	**$ 313,011**
Time deposits (Note 12)	**9,283**	15,624	**99,817**
Receivables:			
Trade notes and accounts (Note 12)	**20,633**	18,165	**221,868**
Other	**570**	372	**6,134**
Allowance for doubtful receivables	**(299)**	(478)	**(3,220)**
Inventories (Note 4)	**19,999**	19,024	**215,052**
Deferred tax assets (Note 9)	**2,308**	1,769	**24,827**
Prepaid expenses and other current assets	**1,144**	1,731	**12,310**
Total current assets	**82,751**	80,667	**889,803**
PROPERTY, PLANT AND EQUIPMENT (Note 5)**:**			
Land	**8,618**	8,809	**92,675**
Buildings and structures	**56,576**	56,169	**608,350**
Machinery and equipment	**45,621**	47,272	**490,550**
Furniture and fixtures	**15,916**	16,134	**171,149**
Leased assets	**9**	9	**100**
Construction in progress	**258**	1,877	**2,777**
Total	**127,001**	130,273	**1,365,605**
Accumulated depreciation	**(92,630)**	(91,125)	**(996,028)**
Net property, plant and equipment	**34,370**	39,148	**369,576**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 12)	**5,076**	4,171	**54,586**
Investments in an unconsolidated subsidiary and associated companies	**7**	7	**80**
Long-term time deposits (Note 12)	**10,000**	10,000	**107,526**
Deferred tax assets (Note 9)	**4,094**	4,331	**44,021**
Other assets	**1,822**	1,012	**19,597**
Total investments and other assets	**21,000**	19,523	**225,813**
TOTAL	**¥138,122**	¥139,338	**$1,485,193**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2010	Millions of Yen 2009	Thousands of U.S. Dollars (Note 1) 2010
CURRENT LIABILITIES:			
Payables:			
Trade notes and accounts (Note 12)	**¥ 8,318**	¥ 7,207	**$ 89,451**
Construction and other	**1,888**	2,036	**20,306**
Income taxes payable	**234**	201	**2,516**
Accrued expenses	**3,224**	4,175	**34,666**
Advances from customers	**4,167**	4,353	**44,810**
Deferred tax liabilities (Note 9)	**32**	95	**349**
Other current liabilities (Note 6)	**248**	687	**2,671**
Total current liabilities	**18,113**	18,755	**194,772**
LONG-TERM LIABILITIES:			
Long-term debt (Note 6)		62	**5**
Liability for retirement benefits (Note 7)	**1,515**	1,486	**16,292**
Deferred tax liabilities (Note 9)	**803**	624	**8,639**
Other long-term liabilities	**31**	31	**339**
Total long-term liabilities	**2,350**	2,205	**25,277**
COMMITMENTS (Note 11)			
EQUITY (Notes 8 and 15)**:**			
Common stock—authorized, 197,000,000 shares;			
issued, 46,600,000 shares	**14,640**	14,640	**157,424**
Capital surplus	**15,207**	15,207	**163,525**
Retained earnings	**89,634**	90,819	**963,812**
Unrealized gain on available-for-sale securities	**1,477**	923	**15,887**
Foreign currency translation adjustments	**(1,993)**	(2,033)	**(21,437)**
Treasury stock—at cost, 1,593,863 shares in 2010 and 1,592,767 shares in 2009	**(2,927)**	(2,925)	**(31,474)**
Total	**116,039**	116,633	**1,247,738**
Minority interests	**1,618**	1,744	**17,405**
Total equity	**117,658**	118,377	**1,265,144**
TOTAL	**¥138,122**	¥139,338	**$1,485,193**

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries

Consolidated Statements of Operations

Years Ended March 31, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	**2010**
NET SALES	**¥70,560**	¥83,702	**$758,710**
COST OF SALES (Notes 7, 10 and 11)	**51,548**	62,627	**554,288**
Gross profit	**19,011**	21,074	**204,421**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 7, 10 and 11)	**18,731**	22,590	**201,418**
Operating income (loss)	**279**	(1,515)	**3,003**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**294**	364	**3,162**
Interest expense	**(17)**	(25)	**(188)**
Foreign exchange gain (loss)—net	**34**	(404)	**376**
Subsidy income	**218**	129	**2,347**
Loss on impairment of long-lived assets (Note 5)	**(398)**	(2,216)	**(4,280)**
Equity in earnings (loss) of affiliate	**85**	(246)	**919**
Loss on devaluation of investment securities		(239)	
Extra early retirement benefits	**(11)**	(823)	**(121)**
Extra retirement benefits	**(343)**		**(3,693)**
Other—net	**(27)**	(346)	**(297)**
Other expenses—net	**(165)**	(3,809)	**(1,775)**
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTERESTS	**114**	(5,325)	**1,228**
INCOME TAXES (Note 9)**:**			
Current	**349**	729	**3,757**
Prior years		562	
Deferred	**(535)**	(2,056)	**(5,759)**
Total income taxes	**(186)**	(764)	**(2,002)**
MINORITY INTERESTS IN NET INCOME	**(45)**	(95)	**(490)**
NET INCOME (LOSS)	**¥ 254**	¥ (4,656)	**$ 2,740**

	Yen		U.S. Dollars
	2010	2009	**2010**
PER SHARE OF COMMON STOCK (Notes 2.r and 14)**:**			
Basic net income (loss)	**¥ 5.66**	¥(102.00)	**$0.06**
Cash dividends applicable to the year	**30.00**	35.00	**0.32**

See notes to consolidated financial statements.

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries

Consolidated Statements of Changes in Equity

Years Ended March 31, 2010 and 2009

	Thousands	Millions of Yen								
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2008	45,952	¥14,640	¥15,207	¥99,043	¥1,890	¥ 323	¥(3,569)	¥127,535	¥2,298	¥129,834
Adjustment of retained earnings due to an adoption of PITF No. 18 (Note 2.b)				(58)				(58)		(58)
Net loss				(4,656)				(4,656)		(4,656)
Cash dividends paid:										
Final for prior year, ¥18.0 per share				(827)				(827)		(827)
Interim for current year, ¥18.0 per share				(828)				(828)		(828)
Purchase of treasury stock	(1,001)						(1,313)	(1,313)		(1,313)
Disposal of treasury stock	55			(16)			121	104		104
Retirement of treasury stock				(1,836)			1,836			
Net change in the year					(966)	(2,356)		(3,323)	(554)	(3,877)
BALANCE, MARCH 31, 2009	45,007	14,640	15,207	90,819	923	(2,033)	(2,925)	116,633	1,744	118,377
Net income				**254**				**254**		**254**
Cash dividends paid:										
Final for prior year, ¥17.0 per share				**(765)**				**(765)**		**(765)**
Interim for current year, ¥15.0 per share				**(675)**				**(675)**		**(675)**
Purchase of treasury stock	**(1)**						**(2)**	**(2)**		**(2)**
Disposal of treasury stock										
Net change in the year					**554**	**39**		**593**	**(125)**	**467**
BALANCE, MARCH 31, 2010	**45,006**	**¥14,640**	**¥15,207**	**¥89,634**	**¥1,477**	**¥(1,993)**	**¥(2,927)**	**¥116,039**	**¥1,618**	**¥117,658**

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2009	$157,424	$163,525	$976,558	$ 9,930	$(21,861)	$(31,454)	$1,254,123	$18,756	$1,272,879
Net income			**2,740**				**2,740**		**2,740**
Cash dividends paid:									
Final for prior year, $0.18 per share			**(8,227)**				**(8,227)**		**(8,227)**
Interim for current year, $0.16 per share			**(7,259)**				**(7,259)**		**(7,259)**
Purchase of treasury stock						**(22)**	**(22)**		**(22)**
Disposal of treasury stock						**2**	**2**		**2**
Net change in the year				**5,957**	**423**		**6,381**	**(1,350)**	**5,030**
BALANCE, MARCH 31, 2010	**$157,424**	**$163,525**	**$963,812**	**$15,887**	**$(21,437)**	**$(31,474)**	**$1,247,738**	**$17,405**	**$1,265,144**

See notes to consolidated financial statements.

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

Years Ended March 31, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	**2010**
OPERATING ACTIVITIES:			
Income (loss) before income taxes and minority interests	**¥ 114**	¥ (5,325)	**$ 1,228**
Adjustments for:			
Income taxes paid	**647**	(2,428)	**6,963**
Income taxes paid for prior years		(562)	
Depreciation and amortization	**5,418**	7,297	**58,267**
Provision for doubtful receivables	**193**	473	**2,080**
Foreign exchange (loss) gain—net	**(167)**	1,155	**(1,802)**
Loss on impairment of long-lived assets	**398**	2,216	**4,280**
Loss on devaluation of investment securities		239	
Changes in assets and liabilities:			
(Increase) decrease in trade notes and accounts receivable	**(2,919)**	12,020	**(31,390)**
(Increase) decrease in inventories	**(1,119)**	2,745	**(12,041)**
Increase (decrease) in trade notes and accounts payable	**1,353**	(3,199)	**14,557**
Decrease in advances from customers	**(186)**	(3,610)	**(2,000)**
Other—net	**(1,202)**	(219)	**(12,928)**
Net cash provided by operating activities	**2,531**	10,802	**27,215**
INVESTING ACTIVITIES:			
Disbursements for time deposits—net	**11,460**	12,762	**123,226**
Purchases of property, plant and equipment	**(1,474)**	(4,551)	**(15,851)**
Proceeds from borrowing of long-term time deposits	**(5,000)**	(10,000)	**(53,763)**
Payments of loan receivable	**(5)**	(277)	**(62)**
Other—net	**(1,006)**	(242)	**(10,817)**
Net cash provided by (used in) investing activities	**3,973**	(2,309)	**42,730**
FINANCING ACTIVITIES:			
Dividends paid	**(1,436)**	(1,670)	**(15,448)**
Disposal of treasury stock		104	**2**
Payments for purchase of treasury stock	**(2)**	(1,317)	**(22)**
Other—net	**(372)**	(90)	**(4,001)**
Net cash used in financing activities	**(1,810)**	(2,972)	**(19,469)**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**(42)**	(602)	**(454)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**4,651**	4,918	**50,021**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**24,458**	19,539	**262,990**
CASH AND CASH EQUIVALENTS, END OF YEAR	**¥29,110**	¥ 24,458	**$313,011**

See notes to consolidated financial statements.

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

Years Ended March 31, 2010 and 2009

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2009 financial statements to conform to the classifications used in 2010.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which TOKYO OHKA KOGYO CO., LTD. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥93 to $1, the approximate rate of exchange at March 31, 2010. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts of less than one million yen have been rounded off. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation—The consolidated financial statements as of March 31, 2010 include the accounts of the Company and its 9 significant (10 in 2009) subsidiaries (together, the "Group"). The Company sold all of its shares in TOK ITALIA S.p.A, which was formerly an 80% owned consolidated subsidiary in February 2010. The Company's consolidated financial statements reflect the full year of operations of TOK ITALIA S.p.A.

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investment in one associated company is accounted for by the equity method. Investments in the remaining one unconsolidated subsidiary and another associated company are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements— In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." PITF No. 18 prescribes (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; (e) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and (f) exclusion of minority interests from net income, if contained. PITF No. 18 was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. The Company applied this accounting standard effective April 1, 2008. In addition, the Company adjusted the beginning balance of retained earnings at April 1, 2008 as if this accounting standard had been retrospectively applied.

c. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits which mature within three months of the date of acquisition.

d. Allowance for Doubtful Receivables—The allowance for doubtful receivables is stated in amounts considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

e. Inventories—Merchandise, work in process, raw materials and supplies are stated at the lower of cost, determined by the first-in, first-out method, or net selling value. Finished products are stated at the lower of cost, determined by the average method, or net selling value. Inventories of manufacturing equipment are stated at the lower of cost, determined by the specific identification method, or net selling value, which are included in raw materials, work in process and finished products.

f. Investment Securities—Investment securities are classified and accounted for, depending on management's intent, as follows: (i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost and (ii) available-for-sale securities, other than (i), are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

g. Property, Plant and Equipment—Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed substantially by the declining-balance method based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 1998 and lease assets of the Company and its consolidated domestic subsidiaries, and all property, plant and equipment of consolidated foreign subsidiaries. The range of useful lives is principally from 10 to 50 years for buildings and structures, and from 3 to 8 years for machinery and equipment, and furniture and fixtures. The useful lives for lease assets are the terms of the respective leases.

h. Long-Lived Assets—The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i. Other Assets—Intangible assets are stated at cost less accumulated amortization, which is calculated by the straight-line method principally over 5 years.

j. Retirement and Pension Plans

Retirement benefits to employees (including officers)—
The Company and its certain consolidated subsidiaries have contributory funded pension plans and unfunded retirement benefit plans as defined benefit plans.

The companies principally accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at each balance sheet date, while retirement benefits to officers are provided to state the liability at the amount that would be required if all officers retired at the balance sheet date.

Prior service cost is amortized by the straight-line method over 10 years. Actuarial gains and losses are amortized by the straight-line method over 10 years from the next period in which they arise, respectively.

The Company and certain consolidated subsidiaries terminated their unfunded retirement allowance plan for officers on June 26, 2008.

Retirement benefits to directors and corporate auditors—
Retirement benefits to directors and corporate auditors are provided to state the liability at the amount that would be required if all of them retired at the balance sheet date.

The Company and certain consolidated subsidiaries terminated their unfunded retirement allowance plans for directors and corporate auditors on June 26, 2008.

k. Research and Development Costs—Research and development costs are charged to income as incurred.

l. Leases—In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Company and its consolidated domestic subsidiaries applied the revised accounting standard effective April 1, 2008. In addition, the Company and its consolidated domestic subsidiaries accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions.

All other leases are accounted for as operating leases.

m. Bonuses to Directors and Corporate Auditors—Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

However, the Company did not record accrued bonuses to them, because the Company will not pay their bonuses based on services provided during the year.

n. Income Taxes—The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

o. Foreign Currency Transactions—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of operations to the extent that they are not hedged by forward exchange contracts.

p. Foreign Currency Financial Statements—The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into Japanese yen at the average exchange rates.

q. Derivative and Hedging Activities—The Group uses derivative financial instruments to manage its exposures to the fluctuation in foreign currency exchange. Foreign currency forward contracts are utilized by the Group to hedge foreign currency exchange risk. The Group does not enter into derivative for trading or speculative purposes.

Trade receivables and payables denominated in foreign currencies for which foreign currency forward contracts are used to hedge foreign currency exchange risk are translated at the contracted rates if the forward contracts qualify for hedge accounting.

r. Per Share Information—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised. Diluted net income per share of common stock assumes full exercise of outstanding warrants at the beginning of the year.

For the year ended March 31, 2010, diluted net income per share is not disclosed because it is anti-dilutive. For the year ended March 31, 2009, diluted net income per share is not disclosed because of the Group's net loss position.

Cash dividends per share presented in the accompanying consolidated statements of operations are dividends applicable to the respective years including dividends to be paid after the end of the year.

s. New Accounting Pronouncements

Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method—The current accounting standard requires to unify accounting policies within the consolidation group. However, the current guidance allows to apply the equity method for the financial statements of its foreign associated company which have been prepared in accordance with generally accepted accounting principles in their respective jurisdictions without unification of accounting policies.

In March 2008, the ASBJ issued ASBJ Statement No. 16, "Accounting Standard for Equity Method of Accounting for Investments." The new standard requires adjustments to be made to conform the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method unless it is impracticable to determine adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP unless they are not material: (1) amortization of goodwill; (2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (3) expensing capitalized development costs of R&D; (4) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; (5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to the financial statements have been incorporated; and (6) exclusion of minority interests from net income, if contained.

This standard is applicable to equity method of accounting for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Asset Retirement Obligations—In March 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No. 18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21

"Guidance on Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

Accounting Changes and Error Corrections—In December 2009, ASBJ issued ASBJ Statement No. 24 "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows:

(1) Changes in accounting policies

When a new accounting policy is applied with revision of accounting standards, a new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in presentations

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in accounting estimates

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of prior period errors

When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

Segment Information Disclosures—In March 2008, the ASBJ revised ASBJ Statement No. 17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No. 20 "Guidance on Accounting Standard for Segment Information Disclosures." Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

3. INVESTMENT SECURITIES

Investment securities as of March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Non-current:			
Marketable equity securities	**¥4,875**	¥3,970	**$52,421**
Corporate bond	**170**	170	**1,827**
Total	**¥5,045**	¥4,140	**$54,249**

The costs and aggregate fair values of investment securities at March 31, 2010 and 2009 were as follows:

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2010				
Securities classified as:				
Held-to-maturity	**¥ 170**	**¥ 8**		**¥ 178**
Available-for-sale	**2,426**	**2,578**	**¥130**	**4,875**
March 31, 2009				
Securities classified as:				
Held-to-maturity	¥ 170			¥ 169
Available-for-sale	2,426	¥1,849	¥306	3,970

	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2010				
Securities classified as:				
Held-to-maturity	**$ 1,827**	**$ 91**		**$ 1,919**
Available-for-sale	**26,095**	**27,729**	**$1,403**	**52,421**

The difference between the sum of the above fair values of the equity securities and cost of the held-to-maturity, and the amounts shown in the accompanying consolidated balance sheets consists of non-marketable securities whose fair values are not readily determinable.

4. INVENTORIES

Inventories at March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Merchandise and finished products	**¥12,180**	¥10,542	**$130,973**
Work in process	**4,774**	4,797	**51,341**
Raw materials and supplies	**3,044**	3,683	**32,738**
Total	**¥19,999**	¥19,024	**$215,052**

5. LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of March 31, 2010 and 2009, and, as a result, recognized impairment losses of ¥398 million ($4,280 thousand) and ¥2,216 million as other expense. The carrying amount of those assets was written down to the recoverable amount. The Group recognized impairment losses on the following assets for the years ended March 31, 2010 and 2009:

Year Ended March 31, 2010

Use	Type of Assets	Location	Millions of Yen	Thousands of U.S. Dollars
Machinery unit for dry-film resist	Buildings and structures, furniture and fixtures	Italy	**¥118**	**$1,276**
Machinery unit for electronic functional materials division	Buildings and structures, machinery and equipment	The United States of America	**279**	**3,003**
Total			**¥398**	**$4,280**

Year Ended March 31, 2009

Use	Type of Assets	Location (Prefecture)	Millions of Yen
Machinery unit for high purity chemicals division	Land, buildings and structures, machinery and equipment	Hyogo	¥1,042
Machinery unit for electronic functional materials division	Land, buildings and structures, machinery and equipment	Kanagawa, Fukushima, Tochigi and Hyogo	915
Others	Land, buildings and structures		258
Total			¥2,216

For purpose of evaluating and measuring impairment, assets used for business are considered to constitute a group by each business unit. Idle properties are individually evaluated.

The recoverable amount of certain assets, which the Group plans to sell, was measured by their net selling price at disposition. The recoverable amount of certain assets used for business was measured at their value in use. The discount rate used for computation of the present value of future cash flows in Italy and the United States of America was 7.69% and 8.03%, respectively, for the year ended March 31, 2010. The discount rate used for computation of the present value of future cash flows was 9.1% for the year ended March 31, 2009.

6. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

The amounts of short-term borrowings and current portion of long-term debt are included in "Other current liabilities" of the consolidated balance sheets.

Short-term borrowings at March 31, 2009 consisted of the following:

	Millions of Yen
	2009
Unsecured loans from minority shareholder, with interest rate of 4.82%	¥ 25
Bank overdrafts, with interest rate of 3.69%	258
Total	¥284

Long-term debt at March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Unsecured loans from a financial institution for employees' housing loans, with interest rate of 3.69%		¥ 4	
Unsecured loan from a bank, with interest rate of 1.56%	**¥ 53**	162	**$ 576**
Obligations under finance leases	**3**	6	**41**
Total	**57**	174	**617**
Less current portion	**(56)**	(112)	**(611)**
Long-term debt, less current portion		¥ 62	**$ 5**

7. RETIREMENT AND PENSION PLANS

The Company and its certain consolidated subsidiaries have contributory funded pension plans and unfunded retirement benefit plans as defined benefit plans for employees. The Company has severance payment plans for directors and corporate auditors.

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on their rate of pay at the time of termination, their average pay during employment, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee.

The liability for employees' retirement benefits at March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Projected benefit obligation	**¥14,449**	¥14,815	**$155,375**
Fair value of plan assets	**(7,623)**	(6,717)	**(81,968)**
Employee retirement benefit trust	**(4,917)**	(4,814)	**(52,875)**
Unrecognized prior service cost	**656**	795	**7,059**
Unrecognized actuarial loss	**(1,221)**	(2,766)	**(13,135)**
Net liability	**¥ 1,344**	¥ 1,312	**$14,454**

The components of net periodic benefit costs for the years ended March 31, 2010 and 2009 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Service cost	**¥ 753**	¥ 723	**$ 8,104**
Interest cost	**306**	305	**3,293**
Expected return on plan assets	**(54)**	(172)	**(584)**
Amortization of prior service cost	**(138)**	(138)	**(1,491)**
Recognized actuarial loss	**507**	354	**5,458**
Net periodic benefit costs	**¥1,374**	¥1,072	**$14,779**

Assumptions used for the years ended March 31, 2010 and 2009 are set forth as follows:

	2010	2009
Discount rate	**2.25%**	2.25%
Expected rate of return on plan assets:		
Contributory pension plan	**0.50%**	2.00%
Employee retirement benefit trust	**0.50%**	0.50%
Amortization period of prior service cost	**10 years**	10 years
Recognition period of actuarial gain/loss	**10 years**	10 years

The liabilities for retirement benefits at March 31, 2010 and 2009 for directors and corporate auditors are ¥170 million ($1,837 thousand) and ¥173 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

8. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends—Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus—The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights
The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.3% for the years ended March 31, 2010 and 2009. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

Tax for prior years is a transfer price taxation in connection with an overseas subsidiary.

The tax effects of significant temporary differences and tax loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2010 and 2009 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Current assets:			
Deferred tax assets:			
Accrued expense for bonuses to employees	**¥ 510**	¥ 542	**$ 5,490**
Unrealized gains on inventories	**191**	207	**2,058**
Loss on valuation of inventories	**1,182**	610	**12,711**
Tax loss carryforwards	**196**		**2,114**
Extra retirement benefits	**129**		**1,393**
Extra early retirement benefits		331	
Other	**379**	551	**4,081**
Less valuation allowance	**(185)**	(297)	**(1,997)**
Total	**2,404**	1,946	**25,851**
Deferred tax liabilities—other	**95**	177	**1,023**
Total	**95**	177	**1,023**
Net deferred tax assets	**¥2,308**	¥1,769	**$24,827**

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Non-current assets:			
Deferred tax assets:			
Liability for retirement benefits	**¥2,475**	¥2,412	**$26,621**
Loss on impairment of long-lived assets	**718**	776	**7,729**
Investment securities	**336**	284	**3,615**
Allowance for doubtful accounts	**167**	134	**1,806**
Subsidy income	**364**	416	**3,922**
Tax loss carryforwards	**1,929**	1,853	**20,751**
Other	**297**	371	**3,203**
Less valuation allowance	**(755)**	(756)	**(8,124)**
Total	**5,535**	5,493	**59,525**
Deferred tax liabilities:			
Property and equipment	**471**	500	**5,065**
Unrealized gain on available-for-sale securities	**970**	619	**10,438**
Other		41	
Total	**1,441**	1,161	**15,504**
Net deferred tax assets	**¥4,094**	¥4,331	**$44,021**
Current liabilities—Deferred tax liabilities	**¥ 32**	¥ 95	**$ 349**
Non-current liabilities—Deferred tax liabilities:			
Property and equipment	**¥ 191**	¥ 30	**$ 2,062**
Undistributed earnings of foreign subsidiaries	**611**	593	**6,570**
Other			**5**
Total	**¥ 803**	¥ 624	**$ 8,639**

A reconciliation between the normal effective statutory tax rate and the actual effective tax rates reflected in the accompanying consolidated statements of operations for the years ended March 31, 2010 and 2009 is as follows:

	2010	2009
Normal effective statutory tax rate	**40.3%**	40.3%
Non-deductible entertainment expenses	**18.2**	(0.5)
Non-taxable dividend income	**(53.7)**	0.5
Per capita inhabitants tax	**37.1**	
Additional tax	**6.5**	
Different income tax rates applicable to income in certain foreign countries	**(32.4)**	1.3
Dividends from consolidated foreign subsidiaries eliminated for consolidation purposes	**189.6**	(5.3)
Undistributed earnings of consolidated foreign subsidiaries	**(38.9)**	(2.3)
Adjustment of gain on sale of investment in a consolidated subsidiary	**(214.0)**	
Equity in earnings of affiliate	**(30.2)**	
Tax for prior years		(10.5)
Valuation allowance	**(97.2)**	(6.3)
Other—net	**11.7**	(2.8)
Actual effective tax rate	**(163.0)%**	14.4%

At March 31, 2010, the Company and certain subsidiaries have tax loss carryforwards aggregating approximately ¥5,289 million ($56,873 thousand) which are available to be offset against taxable income of the Company and such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥ 3	$ 34
2015	30	323
2016 and thereafter	5,255	56,515
Total	¥5,289	$56,873

10. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Selling, general and administrative expenses	**¥6,812**	¥8,429	**$73,247**
Cost of sales	**137**	113	**1,476**
Total	**¥6,949**	¥8,542	**$74,723**

11. LEASES

The Group leases certain buildings and structures, machinery, computer hardware, software and other assets.

Total lease payments under finance leases for the years ended March 31, 2010 and 2009 were ¥47 million ($507 thousand) and ¥62 million, respectively.

As discussed in Note 2.l, the Company accounts for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. Pro forma information of leased property, such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense, interest expense, on an "as if capitalized" basis for the years ended March 31, 2010 and 2009 was as follows:

Acquisition cost and accumulated depreciation:

	Millions of Yen					
	2010			2009		
	Buildings and Structures	Machinery and Equipment	Total	Buildings and Structures	Machinery and Equipment	Total
Acquisition cost	**¥256**	**¥15**	**¥272**	¥280	¥125	¥406
Accumulated depreciation	**72**	**10**	**82**	77	96	174
Net leased property	**¥183**	**¥ 5**	**¥189**	¥203	¥ 29	¥232

	Thousands of U.S. Dollars		
	2010		
	Buildings and Structures	Machinery and Equipment	Total
Acquisition cost	**$2,754**	**$171**	**$2,925**
Accumulated depreciation	**780**	**107**	**887**
Net leased property	**$1,974**	**$ 63**	**$2,037**

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Due within one year	**¥ 20**	¥ 45	**$ 217**
Due after one year	**169**	187	**1,819**
Total	**¥189**	¥232	**$2,037**

The amounts of acquisition cost, depreciation and obligations under finance leases include the imputed interest expense portion. Depreciation expense, which was not reflected in the consolidated statements of operations, computed by the straight-line method was ¥47 million ($507 thousand) and ¥62 million for the years ended March 31, 2010 and 2009, respectively.

The minimum rental commitments under noncancelable operating leases at March 31, 2010 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Due within one year	**¥22**	¥ 99	**$244**
Due after one year	**48**	40	**522**
Total	**¥71**	¥140	**$767**

12. FINANCIAL INSTRUMENTS

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Group applied the revised accounting standard and the new guidance effective March 31, 2010.

(1) Group Policy for Financial Instruments

The Group invests cash surpluses in low risk financial assets. Such surpluses are generated from the Group's own operations. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in (2) below.

(2) Nature and Extent of Risks Arising from Financial Instruments

Receivables such as trade notes and accounts are exposed to customer credit risk. Although receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the position, net of payables in foreign currencies, is hedged by using forward foreign currency contracts. Investment securities, mainly equity instruments of customers and suppliers of the Group and held-to-maturity securities, are exposed to the risk of market price fluctuations.

Payment terms of payables, such as trade notes and accounts, are less than one year.

Derivatives mainly include forward foreign currency contracts, which are used to manage exposure to market risks from changes in foreign currency exchange rates of receivables and payables. Please see Note 13 for more detail about derivatives.

(3) Risk Management for Financial Instruments

Credit risk management

The Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring of payment terms and balances of major customers by the credit administration department to identify the default risk of customers in the early stages. With respect to held to maturity securities, the Group manages its exposure to credit risk by limiting its funding to high credit rating bonds. With respect to derivatives, the Group manages its exposure to credit risk by limiting its contracts to major and creditworthy international financial institutions.

The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2010.

Market risk management (foreign exchange risk)

Foreign currency trade receivables and payables are exposed to market risk resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risk, which is managed monthly by currency, is hedged principally by forward foreign currency contracts. In addition, forward foreign currency contracts may be used at the maximum of expected amounts of foreign currency trade receivables and payables.

Investment securities are managed by monitoring market values and financial position of issuers on a regular basis.

(4) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted price in active markets. If quoted price is not available, other rational valuation techniques are used instead. Also please see Note 13 for the detail of fair value for derivatives.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2010	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	**¥29,110**	**¥29,110**	
Time deposits	**9,283**	**9,283**	
Receivables—Trade notes and accounts	**20,633**	**20,633**	
Investment securities:			
Held-to-maturity securities	**170**	**178**	**¥ 8**
Available-for-sale securities	**4,875**	**4,875**	
Long-term time deposits	**10,000**	**10,014**	**14**
Total	**¥74,072**	**¥74,095**	**¥23**
Payables—Trade notes and accounts	**¥ 8,318**	**¥ 8,318**	
Total	**¥ 8,318**	**¥ 8,318**	

	Thousands of U.S. Dollars		
March 31, 2010	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	**$313,011**	**$313,011**	
Time deposits	**99,817**	**99,817**	
Receivables—Trade notes and accounts	**221,868**	**221,868**	
Investment securities:			
Held-to-maturity securities	**1,827**	**1,919**	**$ 91**
Available-for-sale securities	**52,421**	**52,421**	
Long-term time deposits	**107,526**	**107,684**	**157**
Total	**$796,474**	**$796,723**	**$249**
Payables—Trade notes and accounts	**$ 89,451**	**$ 89,451**	
Total	**$ 89,451**	**$ 89,451**	

Cash and Cash Equivalents, and Time Deposits

The carrying values of cash and cash equivalents, and time deposits approximate fair value because of their short maturities.

Receivables—Trade Notes and Accounts

The fair values of receivables—trade notes and accounts approximate fair value because of their short maturities.

Investment Securities

The fair values of investment securities are measured at the quoted market price of the stock exchange for the equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. The information of the fair value for the marketable and investment securities by classification is included in Note 3.

Long-Term Time Deposits

Long term time deposits are measured at fair value using the discounted cash flow on deposits held at banks. The discounted rate used is the deposit interest rate assuming the same period.

Payables—Trade Notes and Accounts

The fair values of payables—trade notes and accounts approximate fair value because of their short maturities.

Derivatives

The information of the fair value for derivatives is included in Note 13.

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying Amount	
March 31, 2010	Millions of Yen	Thousands of U.S. Dollars
Investments in equity instruments that do not have a quoted market price in an active market	**¥38**	**$417**

(5) Maturity Analysis for Financial Assets and Securities with Contractual Maturities

	Millions of Yen		
March 31, 2010	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years
Cash and cash equivalents	**¥29,110**		
Time deposits	**9,283**		
Receivables—Trade notes and accounts	**20,633**		
Held-to-maturity securities			**¥170**
Long-term time deposits		**¥10,000**	
Total	**¥59,026**	**¥10,000**	**¥170**

	Thousands of U.S. Dollars		
March 31, 2010	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years
Cash and cash equivalents	**$313,011**		
Time deposits	**99,817**		
Receivables—Trade notes and accounts	**221,868**		
Held-to-maturity securities			**$1,827**
Long-term time deposits		**$107,526**	
Total	**$634,697**	**$107,526**	**$1,827**

Please see Note 11 for obligations under finance leases.

13. DERIVATIVES

The Group enters into foreign currency forward contracts to hedge foreign currency exchange risk associated with certain assets and liabilities denominated in foreign currencies.

All derivative transactions are entered into to hedge foreign currency exposures incorporated within its business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

Because the counterparties to these derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amounts.

There is no disclosure of market value information because the Group has all foreign currency forward contracts qualifying for hedge accounting at March 31, 2009.

As noted in Note 12, the Group applied ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and ASBJ Guidance No. 19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." The accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010; therefore, the required information is disclosed only for 2010.

Derivative Transactions to Which Hedge Accounting Is Applied at March 31, 2010

		Millions of Yen		
March 31, 2010	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency forward contracts—	Receivables—			
Selling U.S.$	Trade accounts	**¥3,546**		*****

		Thousands of U.S. Dollars		
March 31, 2010	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency forward contracts—	Receivables—			
Selling U.S.$	Trade accounts	**$38,136**		*****

* The fair value of such foreign currency forward contracts in Note 13 is included in that of the hedged items (i.e., receivables—trade accounts).

14. NET INCOME PER SHARE

Basic net income (loss) per share ("EPS") for the years ended March 31, 2010 and 2009 is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income (Loss)	Weighted-Average Shares	EPS	
Year Ended March 31, 2010				
Basic EPS—Net income available to common shareholders	**¥254**	**45,006**	**¥5.66**	**$0.06**
Year Ended March 31, 2009				
Basic EPS—Net loss attributable to common shareholders	¥(4,656)	45,648	¥(102.00)	

15. SUBSEQUENT EVENT

At the general shareholders meeting held on June 25, 2010, the Company's shareholders approved the following appropriation of retained earnings:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends, ¥15 ($0.16) per share	¥675	$7,259

16. SEGMENT INFORMATION

(1) Business Segments

The Group operates in the following industries:

Material Business mainly consists of electronic functional materials, high purity chemicals and printing materials.
Equipment Business consists of LCD manufacturing equipment and semiconductor manufacturing equipment.

Information about business segments for the years ended March 31, 2010 and 2009 is as follows:

	Millions of Yen				
	2010				
	Material Business	Equipment Business	Total	Eliminations and Corporate	Consolidated
Sales to customers	**¥65,016**	**¥ 5,543**	**¥70,560**		**¥ 70,560**
Intersegment sales		**78**	**78**	**¥ (78)**	
Total sales	**65,016**	**5,622**	**70,638**	**(78)**	**70,560**
Operating expenses	**58,894**	**7,830**	**66,725**	**3,555**	**70,280**
Operating income (loss)	**¥ 6,122**	**¥ (2,208)**	**¥ 3,913**	**¥ (3,633)**	**¥ 279**
Assets	**¥64,593**	**¥14,513**	**¥79,106**	**¥59,016**	**¥138,122**
Depreciation and amortization	**4,496**	**371**	**4,868**	**550**	**5,418**
Impairment loss	**398**		**398**		**398**
Capital expenditures	**2,044**	**143**	**2,187**	**63**	**2,250**

	Thousands of U.S. Dollars				
	2010				
	Material Business	Equipment Business	Total	Eliminations and Corporate	Consolidated
Sales to customers	**$699,099**	**$ 59,611**	**$758,710**		**$ 758,710**
Intersegment sales		**841**	**841**	**$ (841)**	
Total sales	**699,099**	**60,452**	**759,552**	**(841)**	**758,710**
Operating expenses	**633,270**	**84,203**	**717,474**	**38,232**	**755,706**
Operating income (loss)	**$ 65,828**	**$ (23,750)**	**$ 42,077**	**$ (39,074)**	**$ 3,003**
Assets	**$694,552**	**$156,057**	**$850,610**	**$634,582**	**$1,485,193**
Depreciation and amortization	**48,347**	**3,998**	**52,346**	**5,921**	**58,267**
Impairment loss	**4,280**		**4,280**		**4,280**
Capital expenditures	**21,982**	**1,538**	**23,520**	**680**	**24,201**

	Millions of Yen				
	2009				
	Material Business	Equipment Business	Total	Eliminations and Corporate	Consolidated
Sales to customers	¥72,495	¥11,206	¥83,702		¥ 83,702
Intersegment sales		89	89	¥ (89)	
Total sales	72,495	11,296	83,791	(89)	83,702
Operating expenses	69,172	11,721	80,894	4,323	85,218
Operating income (loss)	¥ 3,322	¥ (425)	¥ 2,897	¥ (4,413)	¥ (1,515)
Assets	¥64,584	¥13,613	¥78,197	¥61,141	¥139,338
Depreciation and amortization	6,108	456	6,564	733	7,297
Impairment loss	2,216		2,216		2,216
Capital expenditures	2,946	361	3,308	116	3,424

(2) Geographical Segments

Information about geographical segments for the years ended March 31, 2010 and 2009 is as follows:

	Millions of Yen						
	2010						
	Japan	North America	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Sales to customers	**¥50,823**	**¥6,007**	**¥5,127**	**¥8,601**	**¥70,560**		**¥ 70,560**
Interarea transfer	**10,353**	**1,576**	**31**	**474**	**12,436**	**¥(12,436)**	
Total sales	**61,177**	**7,584**	**5,158**	**9,075**	**82,996**	**(12,436)**	**70,560**
Operating expenses	**61,064**	**7,070**	**5,225**	**8,650**	**82,010**	**(11,730)**	**70,280**
Operating income (loss)	**¥ 113**	**¥ 513**	**¥ (66)**	**¥ 424**	**¥ 985**	**¥ (706)**	**¥ 279**
Assets	**¥80,138**	**¥7,472**	**¥2,307**	**¥8,013**	**¥97,931**	**¥ 40,191**	**¥138,122**

	Thousands of U.S. Dollars						
	2010						
	Japan	North America	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Sales to customers	**$546,493**	**$64,593**	**$55,136**	**$92,486**	**$ 758,710**		**$ 758,710**
Interarea transfer	**111,332**	**16,956**	**336**	**5,103**	**133,728**	**$(133,728)**	
Total sales	**657,825**	**81,550**	**55,472**	**97,590**	**892,438**	**(133,728)**	**758,710**
Operating expenses	**656,607**	**76,024**	**56,185**	**93,021**	**881,838**	**(126,131)**	**755,706**
Operating income (loss)	**$ 1,218**	**$ 5,526**	**$ (712)**	**$ 4,568**	**$ 10,600**	**$ (7,596)**	**$ 3,003**
Assets	**$861,701**	**$80,344**	**$24,813**	**$86,171**	**$1,053,030**	**$ 432,162**	**$1,485,193**

	Millions of Yen						
	2009						
	Japan	North America	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Sales to customers	¥59,505	¥7,959	¥5,744	¥10,492	¥83,702		¥ 83,702
Interarea transfer	9,208	1,150	30	383	10,773	¥(10,773)	
Total sales	68,714	9,110	5,775	10,875	94,475	(10,773)	83,702
Operating expenses	70,844	8,115	6,264	10,082	95,306	(10,088)	85,218
Operating income (loss)	¥ (2,130)	¥ 995	¥ (489)	¥ 793	¥ (831)	¥ (684)	¥ (1,515)
Assets	¥78,003	¥6,922	¥2,921	¥ 6,925	¥94,772	¥ 44,566	¥139,338

(3) Sales to Foreign Customers

Information about sales to foreign customers of the Group for the years ended March 31, 2010 and 2009 is as follows:

	Millions of Yen				
	2010				
	North America	Europe	Asia	Other Areas	Total
Sales to foreign customers (A)	**¥6,610**	**¥4,009**	**¥30,103**	**¥307**	**¥41,030**
Consolidated sales (B)					**70,560**
(A) / (B)	**9.4%**	**5.7%**	**42.6%**	**0.4%**	**58.1%**

	Thousands of U.S. Dollars				
	2010				
	North America	Europe	Asia	Other Areas	Total
Sales to foreign customers (A)	**$71,076**	**$43,108**	**$323,694**	**$3,306**	**$441,186**
Consolidated sales (B)					**758,710**
(A) / (B)	**9.4%**	**5.7%**	**42.6%**	**0.4%**	**58.1%**

	Millions of Yen				
	2009				
	North America	Europe	Asia	Other Areas	Total
Sales to foreign customers (A)	¥8,497	¥5,503	¥36,915	¥407	¥51,323
Consolidated sales (B)					83,702
(A) / (B)	10.1%	6.6%	44.1%	0.5%	61.3%

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
TOKYO OHKA KOGYO CO., LTD.:

We have audited the accompanying consolidated balance sheets of TOKYO OHKA KOGYO CO., LTD. (the "Company") and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOKYO OHKA KOGYO CO., LTD. and consolidated subsidiaries as of March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 25, 2010

Member of
Deloitte Touche Tohmatsu

Corporate Information

Corporate Data (As of March 31, 2010)

Corporate Name:	TOKYO OHKA KOGYO CO., LTD.
Established:	October 25, 1940
Corporate Headquarters:	150 Nakamaruko, Nakahara-ku, Kawasaki, Kanagawa 211-0012, JAPAN
Number of Employees:	1,693 (Consolidated)
Paid-in Capital:	¥14,640 million
Web Site:	http://www.tok.co.jp/
Stock Listing:	Tokyo
Investor Relations Contact:	Public Relations Division 150 Nakamaruko, Nakahara-ku, Kawasaki, Kanagawa 211-0012, JAPAN TEL. +81-44-435-3000 FAX. +81-44-435-3020

Board of Directors, Corporate Auditors and Officers (As of June 25, 2010)

Board of Directors

Representative Director,
President & Chief Executive Officer
Yoichi Nakamura

Representative Director,
Chief Operating Officer
Koichi Kaihatsu
Department Manager, Administration Dept.

Director,
Executive Officer
Kobun Iwasaki
Department Manager, Marketing Dept.

Director,
Executive Officer
Ikuo Akutsu
Department Manager,
Corporate Planning Dept.

Director,
Officer
Hidekatsu Kohara
Department Manager,
Research and Development Dept.

Director,
Officer
Hiroshi Asaba
Department Manager, Manufacturing Dept.

Director
Jiro Makino
(President, Makino Milling Machine Co., Ltd.)

Corporate Auditors

Standing Statutory Auditor
Shigeru Ohtawa

Auditor
Fujio Higaki
(President, Ryoshinholdings Co., Ltd.)

Auditor
Haruhiko Gyoda

Officers

Executive Officer
Katsuyuki Ohta
Special Appointive Officer

Officer
Kenji Tazawa
Department Manager,
Process Equipment Manufacturing Dept.

Officer
Hiroji Komano
President,
TOKYO OHKA KOGYO AMERICA, INC.

Officer
Jun Iwasa
Deputy Department Manager,
Manufacturing Dept. and
General Manager, Sagami Operation Center

Officer
Atsuro Shibagaki
Deputy Department Manager, Marketing Dept.

Officer
Hajime Fujishita
President and General Manager,
TOK TAIWAN CO., LTD.

Officer
Kunio Mizuki
Deputy Department Manager,
Administration Dept. and
General Manager, General Affairs Div.

Officer
Harutoshi Sato
Deputy Department Manager,
Research and Development Dept. and
General Manager, Advanced Material
Development Div. 3

Officer
Yoichi Shibamura
Deputy Department Manager,
Administration Dept. and
General Manager, Financial Affairs Div.

Note: Mr. Jiro Makino is an outside director.
Mr. Fujio Higaki and Mr. Haruhiko Gyoda are outside auditors.

Global Network (As of March 31, 2010)

Stock Information (As of March 31, 2010)

Number of Shares Authorized: 197,000,000 shares

Number of Shares Issued: 46,600,000 shares

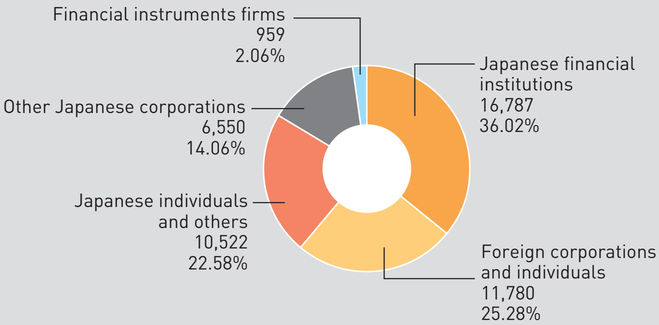
Number of Shareholders: 10,407

Principal Shareholders:

Name	Number of shares held (thousands)	Ratio of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	3,544	7.88
Japan Trustee Services Bank, Ltd. (Trust account)	2,823	6.27
Meiji Yasuda Life Insurance Company	1,987	4.42
MLP FS Custody	1,495	3.32
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,207	2.68
The Bank of Yokohama, Ltd.	1,059	2.36
Tokyo Ohka Foundation for the Promotion of Science and Technology	984	2.19
Mitsubishi UFJ Trust and Banking Corporation	953	2.12
Mitsubishi UFJ Capital Co., Ltd.	859	1.91
Tokio Marine & Nichido Fire Insurance Co., Ltd.	858	1.91

Note: TOK holds 1,593 thousand shares of treasury stock, but is excluded from the above list of principal shareholders.
The ratio of shareholding is calculated excluding treasury stock.

Classification of Shareholders:
(Thousand shares)



Note: Japanese individuals and others includes treasury stock.

Material Business

Electronic Functional Materials Division

We offer a diverse range of photoresist, which is a widely used material that is essential for the microprocesses involved in the manufacture of semiconductors, LCDs, semiconductor packagings and other electronic products. We also supply materials for forming interlayer insulating film and planarizing insulation film, which are required as advanced microprocesses in semiconductors raise the number of layers of circuitry. TOK contributes to progress in the electronics industry by developing and supplying products that offer higher performance and quality.

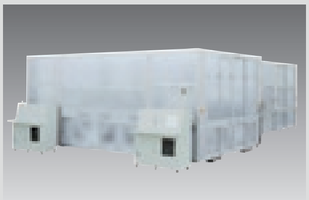
High Purity Chemicals Division

As a comprehensive manufacturer of photoresist, TOK uses its knowledge of this material to supply a wide variety of photoresist-related chemicals such as developing solution, stripping solution, rinsing solution, thinner and other chemicals. In addition, TOK manufactures inorganic and organic chemicals used in a wide range of industries.

	Semiconductor Manufacturing Field	Semiconductor Packaging/ MEMS Manufacturing Field
Electronic Functional Materials Division	g-Line Photoresist i-Line Photoresist KrF Photoresist ArF Photoresist Immersion Photoresist EUV Photoresist Electron Beam Photoresist Spin-On Planarization Source Top Coat for Immersion High-Density Spin-On Diffusion Source High-Purity Aqueous Resin Solution 	Photoresist for Bump Forming (LCD Driver IC) Photoresist for Wafer-Level CSP (Metal Post) Photoresist for Wafer-Level CSP (Redistribution) Photoresist for TAB/COF Photoresist for TSV (SiO_2 Etching) Photoresist for TSV (Via Fill) Photoresist for TSV (Bump) Photosensitive Insulation Film Removable Adhesive for Zero Newton® Photoresist for MEMS (Negative type for permanent film) Photoresist for MEMS (Dry film for permanent film) Photoresist for MEMS (Ultra thick film negative type) 
High Purity Chemicals Division	Developing Solution Rinsing Solution Stripping Solution Thinner	Developing Solution Rinsing Solution Stripping Solution Thinner Stripping Solution for Thick Film Photoresist Adhesive Remover for Zero Newton®
Printing Materials Division		
Process Equipment Division	Coating Machine Developing Machine Vacuum UV Hardening Machine Chemical Supplying Machine 	Coating Machine Developing Machine Wafer Bonding Machine for Zero Newton® Support Plate Debonding Machine for Zero Newton® Vacuum UV Hardening Machine 

Printing Materials Division

We offer a diverse range of printing materials such as photopolymer plates used in letterpress / relief printing for corrugated board, films, beverage cans and other applications, and photo-sensitive materials used in gravure printing. To address environmental issues, TOK is working on the development and refinement of flexographic printing plates. These activities enable the Company to meet customer demands for products that reduce pollution, raise quality and optimize printing efficiency.



Equipment Business

Process Equipment Division

This equipment includes photoresist coating and developing machines used to manufacture LCD panels as well as a variety of semiconductor manufacturing equipment. By developing photoresist along with related materials and equipment, the synergetic effects can be generated to the fullest. In this way, TOK can strongly support its customers.

LCD Manufacturing Field	Printing Plate Manufacturing Field	Chemical Field
Photoresist for TFT Black Resist for Color Filter BM Forming Photoresist for STN Photoresist for Cr Etching for Color Filter Transparent Materials Overcoat for Transparent Electrodes Materials for Photo Spacer Photoresist for Cathode Separators for Organic EL Photoresist for Insulating Layers for Organic EL Insulator Materials for Touch Panel Overcoat Materials for Touch Panel 		
Developing Solution Rinsing Solution Stripping Solution Thinner	Developing Solution	Potassium Hydroxide Sodium Hydroxide Potassium Carbonate Inorganic Non-Flammable Thermal Medium Benzyl Alcohol Cinnamic Acid
	Photopolymer Plate for Flexographic Printing Photopolymer Plate for General Printing Photopolymer Plate for Molding Application Photo Sensitive Materials for Gravure Printing	
Coating Machine Developing Machine Cleaning Machine 	Developing Machine for Flexographic Printing 	

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