



TOYO SEIKAN KAISHA, LTD.

Investor's Guide

2008

For the year ended March 31, 2008

Profile

The Toyo Seikan Group is a comprehensive manufacturer of containers which comprises of Toyo Seikan Kaisha, Ltd., 64 subsidiary companies (54 consolidated and 10 unconsolidated) as well as 11 affiliated companies. Business operations consist of “Packaging Business” which is the manufacture and sale of containers with the main raw materials of metal, plastic, glass and paper, as well as the contract manufacture and sale of aerosol products and general filling products and; “Steel-Plate-Related Business” which is the manufacture and sale of steel plate and processed products thereof. In addition, there is “Other Business” encompassing various kinds of other relevant business.

History

(From June 1917 to April 2003)

Month/Year	Major Events
June, 1917	Establishment of Toyo Seikan and its head office and first plant in Osaka City
March, 1919	Installation of the first automatic can making machine in Japan and start of operations
September, 1920	Establishment of Tokyo Plant
September, 1933	Establishment of Tobata Plant
July, 1935	Listed on the Osaka Stock Exchange
February, 1937	Establishment of Shimizu Plant
July, 1941	Merger of seven can making companies on government request to form the current Toyo Seikan Kaisha, Ltd.
June, 1944	Transfer of head office location to Chiyoda-ku, Tokyo
May, 1949	Listed on the Tokyo Stock Exchange
June, 1958	Establishment of Sendai Plant
April, 1960	Establishment of Ibaraki Plant
August, 1961	Establishment of Yokohama Plant
April, 1967	Establishment of Kawasaki Plant
April, 1971	Establishment of Saitama Plant and Takatsuki Plant
October, 1972	Establishment of Chitose Plant
April, 1973	Establishment of Hiroshima Plant
September, 1974	Establishment of Kiyama Plant
April, 1977	Establishment of Ishioka Plant
April, 1979	Establishment of Kuki Plant
October, 1980	Completion of new head office building (Saiwai Building)
April, 1993	Establishment of Toyohashi Plant
January, 2000	Establishment of Shizuoka Plant
March, 2000	Closing of Tokyo Plant after integrated into Yokohama Plant
April, 2003	Integration of Tobata Plant into Kiyama Plant

TABLE OF CONTENTS

<u>Page</u>	<u>Contents</u>
2	Consolidated Financial Highlights
3	Non-consolidated Financial Highlights
4	Message from the President
5	Management's Discussion and Analysis of Financial Condition and Results of Operations
10	Mid-term Business Plan
12	Dividends Policy
13	Risk Factors
16	Corporate Governance
23	Principal Shareholders
24	Board of Directors, Corporate Auditors and Executive Officers
26	Consolidated Financial Summary
27	Consolidated Balance Sheets
29	Consolidated Statements of Income
30	Consolidated Statements of Changes in Net Assets
32	Consolidated Statements of Cash Flows
34	Consolidated Segment Information
36	Basis for Presenting Consolidated Financial Statements
40	Non-consolidated Balance Sheets
42	Non-consolidated Statements of Income
43	Stock Information
44	Investor Information

Disclaimer:

Please note that the consolidated financial statements presented in English are a translated summary of audited consolidated financial statements presented in Japanese. The translation of the consolidated financial statements and the related information have NOT been audited by Sohken Audit Corporation, the Company's accounting auditor. The Company provides this translation for reference and convenience purposes only, without any warranty as to its accuracy or otherwise. In the event of any discrepancy between the translation and the Japanese original, the latter shall prevail. In no event shall the Company be liable for damages of any nature, including but not limited to, direct, indirect, special, punitive, consequential or incidental damages arising from or in connection with this translation. The final decision and responsibility for investments rests solely with the reader of this document.

Forward-Looking Statements:

Statements made in this Investor's Guide with respect to the Company's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of the Company. Forward-looking statements include, but are not limited to, those statements using such words as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "may" or "might" and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs in light of the information currently available to it. The Company cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore the reader should not place undue reliance on them. The reader also should not oblige the Company to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The Company disclaims any such obligation. Risks and uncertainties that might affect the Company include, but are not limited to, (1) Fluctuations in Economic Conditions, (2) Rising Material Prices, (3) Intensification of Price Competition, (4) Weather and Natural Disasters, (5) Research and Development, (6) Corporate Takeovers and Capital Participation, (7) Investment in Plant and Equipment, (8) Customer Complaints about Quality, (9) Environmental Issues, (10) Compliance System, (11) Country Risk, (12) Customer Credit Risk, (13) Information Security, (14) Securing Human Resources and Training, (15) Retirement Benefit Liability, (16) Accounting for Asset Impairment, (17) Hostile Takeover, (18) Price Fluctuations of Owned Assets, (19) Risk of Litigation. Risks and uncertainties also include the impact of any future events with materially adverse impacts.

CONSOLIDATED FINANCIAL HIGHLIGHTS

(For the years ended March 31, 2007 and 2008)

1. Consolidated Performance

	2007	2008	2008 / 2007	2008
	(millions of yen)		(percentage change)	(thousands of U.S. dollars)
(1) Consolidated financial results:				
Net sales	¥728,928	¥745,515	2.3%	\$7,441,012
Operating income	17,968	21,426	19.2%	213,854
Ordinary income	18,802	21,669	15.2%	216,279
Net income	4,950	3,839	-22.4%	38,317
Net income per share (yen)	23.94	18.65		
Net income per share (diluted) (yen)	-	-		
Return on equity (ROE)	0.8%	0.6%		
Return on assets (ROA)	2.0%	2.4%		
Operating income to net sales	2.5%	2.9%		
(2) Consolidated financial position:				
Total assets	920,949	895,470		8,937,718
Net assets	668,562	650,168		6,489,350
Equity ratio	66.6%	66.4%		
Net assets per share (yen)	2,977.35	2,886.17		
(3) Consolidated cash flows:				
Cash flows from operating activities	41,244	69,156		690,249
Cash flows from investing activities	(35,813)	(44,372)		(442,879)
Cash flows from financing activities	(18,295)	(9,856)		(98,373)
Cash and cash equivalents at the end of the year	¥117,297	¥132,788		\$1,325,362

2. Dividends

	Dividends per Share				Year
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	
	(yen)				
2007	-	¥5.00	-	¥8.00	¥13.00
2008	-	5.00	-	5.00	10.00
2009 (Forecast)	-	¥5.00	-	¥5.00	¥10.00

	Total Dividends (Annual)	Payout Ratio (Consolidated)	Dividend on Net Assets Ratio (Consolidated)
	(millions of yen)	(%)	(%)
2007	¥2,683	54.3%	0.4%
2008	¥2,058	53.6%	0.3%
2009 (Forecast)	-	20.6%	-

3. Consolidated Results Forecast for Year Ending March 31, 2009

	2009	
	Interim	Annual
	(millions of yen)	
Net sales	¥400,000	¥765,000
Operating income	15,000	17,000
Ordinary income	16,000	18,000
Net income	9,500	10,000
Net income per share (yen)	¥46.14	¥48.57

Notes:

- U.S. dollar amounts are translated from Japanese yen, for readers' convenience only, at the exchange rate of 100.19 yen per U.S. dollar, the approximate exchange rate of TTM of The Bank of Tokyo-Mitsubishi UFJ, Ltd., on March 31, 2008.
- Return on equity (ROE) = Net income / Average shareholders' equity
- Return on assets (ROA) = Ordinary income / Average total assets
- Forecasts stated above disclosed on May 15, 2008 in the *Consolidated Kessan Tanshin*.

NON-CONSOLIDATED FINANCIAL HIGHLIGHTS

(For the years ended March 31, 2007 and 2008)

1. Non-consolidated Performance

	2007	2008	2008 / 2007	2008
	(millions of yen)		(percentage change)	(thousands of U.S. dollars)
(1) Consolidated financial results:				
Net sales	¥344,800	¥351,364	1.9%	\$3,506,977
Operating income	4,154	9,066	118.2%	90,488
Ordinary income	8,203	13,677	66.7%	136,511
Net income	4,616	3,814	-17.4%	38,068
Net income per share (yen)	22.32	18.52		
Net income per share (diluted) (yen)	-	-		
(2) Consolidated financial position:				
Total assets	510,874	489,889		4,889,600
Net assets	417,762	399,913		\$3,991,546.06
Equity ratio	81.8%	81.6%		
Net assets per share (yen, U.S. dollars)	¥2,028.97	¥1,942.32		

2. Non-consolidated Results Forecast for Year Ending March 31, 2009

	2009	
	Interim	Annual
	(millions of yen)	
Net sales	¥192,000	¥355,000
Operating income	6,500	5,000
Ordinary income	9,500	10,000
Net income	5,500	6,000
Net income per share (yen)	¥26.71	¥29.14

Notes:

1. U.S. dollar amounts are translated from Japanese yen, for readers' convenience only, at the exchange rate of 100.19 yen per U.S. dollar, the approximate exchange rate of TTM of The Bank of Tokyo-Mitsubishi UFJ, Ltd., on March 31, 2008.
2. Forecasts stated above disclosed on May 15, 2008 in the *Consolidated Kessan Tanshin*.

MESSAGE FROM THE PRESIDENT



Hirofumi Miki
President

Career Summary

April, 1970	Joined Toyo Seikan Kaisha, Ltd.
June, 1983	Appointed Executive Director
June, 1986	Appointed Managing Executive Director
June, 1989	Appointed Senior Executive Director
June, 1990	Appointed Executive Vice President
June, 1992	Appointed President, up to the present date
	Appointed Chairman of Ferro Enamels (Japan) Ltd. (currently Tokan Material Technology, Co., Ltd.), up to the present date
June, 1994	Appointed Chairman of Toyo Glass Co., Ltd., up to the present date
June, 2001	Appointed Chairman of Tokan Kogyo Co., Ltd., up to the present date
	Appointed Chairman of Japan Crown Cork Co., Ltd, up to the present date

I would like to express my sincere gratitude to all of our stakeholders for your support and encouragement extended to the company during the year. The management environment surrounding the Toyo Seikan Group continues to remain difficult, with drastic increase in prices of raw materials and energy cost. Furthermore, the market for our products is unlikely to expand in a society turning increasingly aged with declining birthrates. The competition for survival with our rival manufacturers is exceedingly fierce in sales and technical development.

Despite these difficulties, we enter our second year of “Toyo Seikan Group Midterm Business Plan” and we are determined to maximize our corporate value by steadily implementing various measures based on the basic strategy of this plan.

Toyo Seikan Group was established with the desire to contribute to society and endow happiness and prosperity of people throughout the world through our business activities. Alongside with the existing packaging business, we are currently pursuing new business opportunities in growing fields such as IT, energy, life sciences and environment with the application of our core technology around packaging. Moving forward with our accumulated “packaging technology” as our base, we seek new growth and progress in various fields as a truly professional enterprise which always offer innovative product development and services which create a good harmony with the global environment.

I would like to request all stakeholders your continued support for the coming years.

July, 2008
Hirofumi Miki
President

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1. Summary of Performance

(1) Results

During the first half of the consolidated fiscal year, solid corporate earnings contributed to an increase in capital investment and an improved job market spurred by consumer spending for a moderate economic recovery in Japan; but the end of the fiscal year was characterized by a slow-down caused by instability in the US economy, and soaring oil and raw materials prices.

Given the difficult circumstances, the parent company, consolidated subsidiaries and affiliated companies which are accounted for using the equity method (herein, "Toyo Seikan Group") are making efforts to improve operating performance by taking appropriate action across the board, but in particular in manufacturing, sales, and research and development. The consolidation of ten overseas companies starting with Crown Seal Public Co., Ltd. beginning this fiscal year, made a significant contribution to the total sales of ¥745,515 million (a 2.3% increase compared to last year). However, factors such as rising raw material costs took a toll on profit, but by continuing to reduce overhead costs, passing costs onto customers, and reducing depreciation costs, ordinary income reached ¥21,669 million (a 15.2% increase compared to the previous year). However, because of an extraordinary depreciation allocation for fixed assets made to improve financial structure and impairment losses net income for the Toyo Seikan Group in the current consolidated fiscal year decreased to ¥3,839 million (a 22.4% decrease compared to the previous year). Overall business conditions for each type of business segment were as follows.

[Packaging Business]

Segment sales rose 3.8% from last year to ¥638,810 million and operating income was ¥15,806 million, a 29.2% increase compared to last year.

a. Manufacture and sales of food and beverage cans and other metal packaging

Net sales of beverage cans increased year to year. Sales of containers was mainly helped by an increase in orders for newly designed products such as embossed cans for key coffee products, and by growth in demand for containers for soft drinks and tea.

In the area of alcoholic beverage containers, sales in new categories (beer-flavored alcoholic beverages) contributed to an overall increase, while demand for beer, happoshu, (low malt beer) and chuhai (shochu based beverages) cans remained sluggish for a decrease in containers for low-alcohol beverages. Sales of aluminum-made "TULC" cans decreased; however, we are continuing sales promotion efforts that highlight the high added-value of these containers, such as environmental friendliness.

Overseas, sales of cans for beer manufactured by Bangkok Can Manufacturing Co., Ltd. in Thailand increased again this year.

In the category of metal non-beverage containers, overall sales decreased from the previous fiscal year. Despite new orders of aerosol cans for deodorant and the robust demand for cans used for bath agents, compressed gas cylinders for portable cooking stoves, mandarin oranges and milk powder, sales of products for insecticides, mizuyokan (sweet red bean jelly) and pasta sauce decreased as did sales of cans for tuna which was affected by a decrease in domestic production due to reduced raw material available because of restrictions on catching fish and higher overall prices.

As for metal closures, exports of aluminum "Maxi caps" for beer increased, driven by expansion in the demand for beer. Market share for metal closures also increased as did new business. Compared to last year, sales this fiscal year were further helped by the addition of Thailand's Crown Seal Public Co., Ltd., an affiliated company accounted for using the equity method, to the group of consolidated companies.

b. Manufacture and sales of plastic packaging

Sales of PET beverage bottles were on par to that of the previous year.

Sales of large-volume bottles (more than 500ml) increased for health drinks and coffee; however for tea beverages, sales decreased because of a shift from bottle sales to preform sales. For small-volume bottles (less than 500ml), sales grew in the tea and mineral water category, but decreased in health drink containers. Preform sales increased in both large-volume and small-volume products for tea.

Sales of plastic non-beverage bottles surpassed sales of the previous fiscal year. Contributing factors were growth in demand for products for detergent containers due to growth in the laundry detergent market, and an increase sales of sauce containers and “MultiBLOCK” containers for mayonnaise with improved barrier properties. These sales were offset by a reduction in containers for cooking oil because of less consumer spending as well as a decrease in demand for products for fluid infusion and deodorants. Further, net sales for Thailand’s Well Pack Innovation Co., Ltd. exceeded that of the previous year as a result of an increase in products for shampoo/rinse products and fruit products.

Sales in the plastic film category increased over last year despite a reduction in products for tuna for institutional use and testing agents for HIV. The increase is largely due to new orders for “Spout Pouches with Zipper” for the expanding liquid food market, as well as for washing detergent and rice products. Malaysia Packaging Industry Berhad also experienced an increase in demand for products for health supplies. In the plastic cap category, Thailand’s Crown Seal Public Co., Ltd., which became part of the consolidated group starting this year, had an increase in sales over last year. Finally, sales of plastic cups for coffee shops increased due to an expansion of market share.

c. Manufacture and sales of glass packaging

Despite new business for products for the health and nutritional drink market and an increase in market share, sales of glass bottle products decreased from last year because of a decreased demand for household food like vinegar and jam, and whiskey. A decrease in the category of housewares from last year was influenced by the withdrawing by Shimada Glass Co., Ltd. from the housewares segment.

d. Manufacture and sales of paper products

In the area of paper products, sales of paper cups, including drink cups for fast-food and for confectionary products, increased from last year. In the field of printing paper container products, sales decreased from last year because of a decrease in JAK-ET-PAK for beer and happoshu. Sales of corrugated paper products increased from last year because of new business for beer packaging.

e. Contract manufacture and sales of aerosol products and general filling products

With significant growth in demand for deodorants, hair products and cosmetics, net sales in aerosol products was significantly greater than last year. Net sales in the field of general filling products decreased from last year because of a drop in demand for deodorizers and detergents, despite an increase in new business for bath products.

[Steel-Plate-Related Business]

Net sales decreased 8.0% from last year to ¥61,029 million with an operating income of ¥3.1 billion (an 82.4% decrease compared to last year).

a. Manufacture and sales of materials for electrical and electronic components

Sales of battery materials increased from last year due to an increase in demand for new types of batteries and because of more robust sales promotion activity to major domestic and overseas customers. Because of a rapid shift to flat-screen display units, the demand for cathode-ray tube components decreased significantly as did the demand for refrigerator components due to increased competition from lower-priced manufacturers overseas. Sales of photocopier and printer components also decreased as a result of not being able to meet pricing and customers who shifted their purchases to overseas manufacturers.

b. Manufacture and sales of construction materials

Despite a favorable trend in the first half of the year for unit baths, sales decreased compared to the previous year due to a reduction in housing starts caused by amendments to the Building Standards Act. On the other hand, sales of interior materials for ships grew, supported by favorable demand in the ship building industry.

c. Manufacture and sales of materials for automobile and machine parts

Sales of material for bearings and fuel pipes increased, helped by sales promotion efforts that capitalize on key product features and by a favorable trend in the automobile and industrial machinery industries. Sales of steel bands for packaging was driven higher due to an overall increase in steel demand.

[Other Businesses]

This segment includes 1) the manufacture and sale of substrate for magnetic disks, hard alloys, functional film for optics, machinery and appliances, enamel, micro-element fertilizers, pigment, gel coatings and raw material products for agriculture; 2) sales of glass products for construction and petroleum products; 3) non-life insurance agency business and 4) real estate management. Net sales decreased 3.3% from last year to ¥45,675 million with a 27.9% decrease in operating income to ¥2,792 million over the same period.

Operating results for the business segment in each region are as follows.

Net sales in Japan were ¥7.126 billion (a 0.8% increase from last year) with an operating income of ¥20,435 million (a 29.5% increase from last year). Net sales in Asia (Thailand, Malaysia, China, Singapore, etc.) were ¥32,851 million (a 50.4% increase from last year) with an operating income of ¥875 million (a 60.3% decrease from last year). The new segment, "Other (America)," a new category added this fiscal year, had sales of ¥62 million and an operating loss of ¥15 million.

2. Analysis of Financial Position and Operating Results

(1) Analysis of Financial Position

Total assets at the end of the current consolidated fiscal year (herein, “current year”) were ¥895,470 million, a decrease of ¥25,479 million compared to the end of the previous consolidated fiscal year (herein, “previous year”). The contributing factors included an increase in assets due to the consolidation of 10 companies this year. On the other hand, capital investment controls, impairments losses, an extraordinary depreciation allocation on fixed assets and a decline in the market value of investment securities had a downward affect on assets.

Net assets were ¥650,168 million, a decrease of ¥18,393 million caused mostly by the lowered market value of marketable securities in a sluggish stock market.

(2) Analysis of Operating Results

In efforts to improve operating results, the Toyo Seikan Group has made improvements in manufacturing, sales, and research and development. The result, in addition to the newly consolidated companies was net sales for the current year of ¥745,515 million, an increase of ¥16,586 million over last year. Cost of goods sold increased ¥13,284 million from last year; however, gross profit reached ¥104,210 million, an increase of ¥332 million over last year. Soaring prices for raw materials put significant pressure on earnings which was somewhat offset by continued efforts to reduce overhead expense especially depreciation and by passing costs on to customers.

Selling, general and administrative expenses decreased ¥155 million to deliver an operating income of ¥21,426 million and operating income margin of 2.9%.

Non-operating income of ¥243 million (the previous year was a return of ¥834 million) was realized after deducting non-operating expense from non-operating profit. Interest income increased this year compared to last. However, losses on retirement of fixed assets increased, as did losses on investments accounted for using the equity method, for an overall impact of a significant increase in non-operating expenses.

As a result, ordinary income reached ¥21,669 million, an increase of ¥2,866 million compared to the previous year, for an ordinary income to net sales ratio of 2.9%.

An extraordinary gains of ¥1,079 million was recorded on sales of fixed assets of the Company and five subsidiary companies; and proceeds of ¥1,798 million was received as compensation for condemnation of a plant at one subsidiary. In addition, there was a gain of ¥763 million on sale of marketable securities and ¥149 million was a gain on contribution of securities in trust for retirement benefits. Extraordinary losses include ¥6,541 million for impairment losses by the Company and five subsidiary companies and ¥5,784 million was extraordinary depreciation on fixed assets arising from a change in the method of depreciating machinery and equipment in efforts to improve soundness in accounting of assets. The result was income before taxes of ¥13,366 million, a decrease of ¥899 million compared to the previous year.

The total of corporate income tax, inhabitants tax, enterprise tax and deferred tax was ¥8,816 million, a reduction of ¥477 million compared to the previous year. This is because deferred tax assets of some subsidiaries could be collected while deductions were taken against deferred tax assets that could not be recovered, a major reason for significant decrease in taxable income.

The above factors combine to contribute to a net profit after deducting minority interests of ¥3,839 million, a reduction of ¥1,110 million compared to the previous year, with a net income to sales ratio for the current year of 0.5%.

(3) Cash Flow

Cash and cash equivalents (“cash”) at the end of the year was ¥132,788 million, an increase of ¥15,491 million or 13.2% compared to the previous year.

a. Cash flows from operating activities

Net cash provided by operating activities for the year was ¥69,156 million (a 67.7% increase compared to last year). The increase is attributed to such factors as ¥13,366 million income before taxes, depreciation and amortization expense of ¥47,998 million, an impairment loss on fixed assets of ¥6,541 million, a ¥17,696 million increase in notes and accounts receivable, a ¥3,013 million decrease in accrued retirement benefits, and ¥6,598 million in corporate tax payments.

b. Cash flows from investing activities

Net cash of ¥45,161 million was used to purchase for property, plant and equipment for the packaging business for a decrease of cash from investment activities in the current consolidated fiscal year of ¥44,372 million (a 23.9% increase compared to the previous year).

c. Cash flows from financing activities

Net cash used in financing activities amounted to ¥9,856 million (a 46.1% decrease compared to last year) which included a ¥3,000 million redemption of corporate bonds and a ¥3,820 million repayment for long-term loans payable.

(4) Information Concerning Capital Resources and Liquidity of Funds

a. Major demands on funds

The major demands for capital for the Toyo Seikan Group came from raw material costs, labor costs, overhead expenses, selling, general and administrative expenses and operating expenses required for manufacturing activity. Funds were also needed for installation of new equipment, repairs, and development of overseas business for the Toyo Seikan Group.

b. Financial policy

In order to further enhance the value of the corporation given the current difficult conditions, we have capital investments for new facilities and businesses as well as for development of businesses overseas. The demand is met with cash flow from operating activities and other funds on hand. To cope with any unexpected demands on capital that may cause liquidity risk, we have established a line of credit to provide for prompt and reliable procurement of funds if needed. Although it is a corporate policy to keep new capital investment in existing Toyo Seikan Group businesses within “amortization and depreciation costs,” we may consider investments over and above this standard to improve cost competitiveness relative to competitors and to enhance the overall value of the company by differentiation. In order to find and develop new sources of revenue for the Toyo Seikan Group and to improve the worth of the company, we will actively invest to develop new business and to enhance our global footprint with due consideration given to the risks.

In general, working capital on hand is deposited into the bank and non-working capital is partly dispersed across bonds and long-term deposits to achieve higher interest within a permissible range of risk but with security of funds always at the forefront.

MID-TERM BUSINESS PLAN

An indefinite end to the rise in prices for raw materials, intense competition with rival container manufacturers, and a trend toward in-sourcing of container manufacturing at customers are among many factors that present significant challenges in the operating environment for Toyo Seikan Group. On May 18, 2007, the Company announced the formulation of the “Toyo Seikan Mid-Term Business Plan,” set forth with the intent of improving the value of the corporation.

The “Toyo Seikan Mid-term Business Plan” follows the basic concept of the Company’s own Mid-term Business Plan announced in 2006 and engages the entire group in the following five basic strategies:

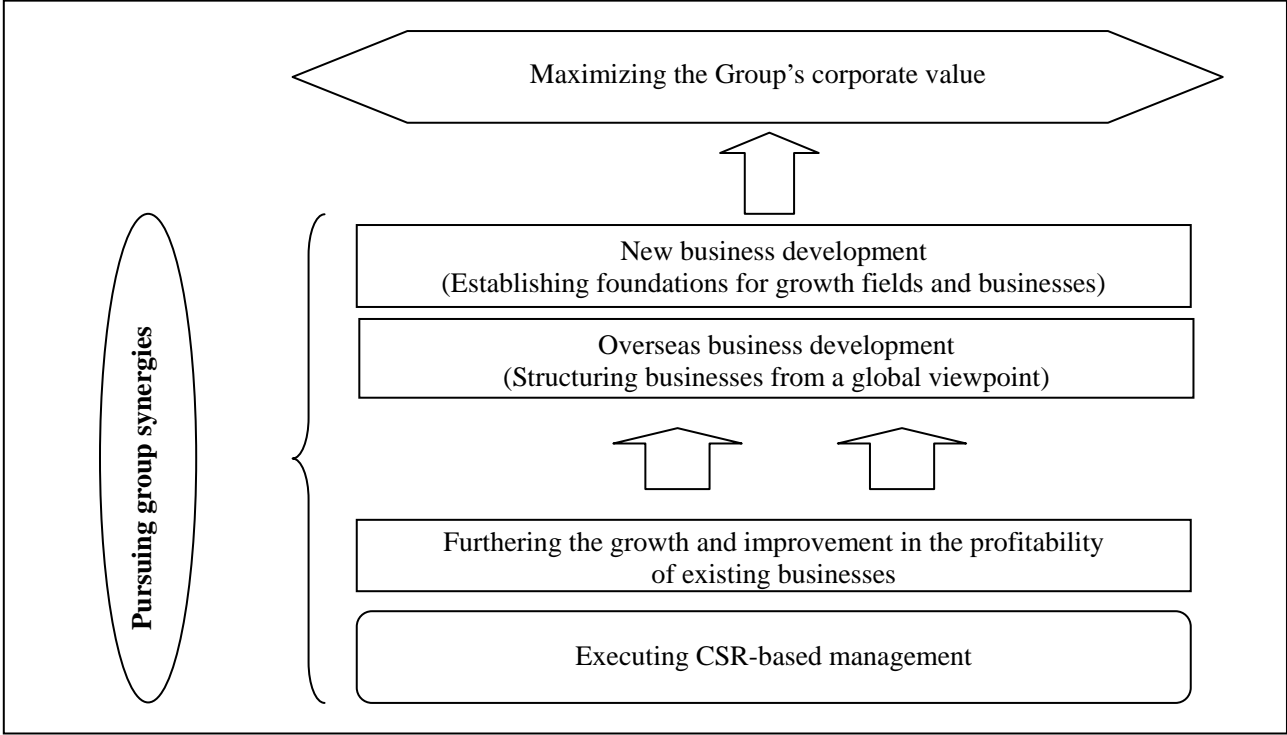
The first strategy is to improve the growth and profitability of existing business. We also aim to expand sales by differentiating products by adding functionality to them, while developing and marketing environmentally conscious products in our core packaging business. We would also like to share a fair and reasonable portion of the increase in costs of raw materials with customers in the form of higher prices, but we also plan on reducing our costs by improving manufacturing and logistics efficiency through the utilization of enterprise resource planning information technology systems. We also plan to reduce the cost of procuring raw material by fully utilizing and developing our global footprint for more cost effective material and resource planning for the Group as a whole. The second strategy is to find new applications for the Group’s core competencies in technology, focusing specifically on IT, energy and electronics, and proactively developing new markets and technologies.

The third strategy is to build our business from a global perspective. Our sales and marketing activities in Thailand for new entry into the beverage filling market is an example of our mid-term activities to meet our goal of global expansion. We have also begun “TULC” manufacturing at Bangkok Can Manufacturing Co., Ltd. with plans to expand TULC operations to Guangzhou, China with the goal of decreasing environmental impact. The Company will continue to respond to the demand driven by economic growth in Asia and to meet the needs of domestic customers who have expanded overseas by supplying high quality containers. In the US and Europe, we can further expand our core technologies by effectively utilizing intellectual property through various licensing and support agreements.

The fourth strategy is to maximize the synergy of the Group by consolidating operations and integrating manufacturing within the Group with the goal of making optimum use of management resources. The centralized research and development facility where all new development is done for the Toyo Seikan Group provides the locus of the technological prowess that is intertwined among all companies. In this way, we can capitalize on our strengths as a Group in developing our overseas business.

The fifth and final strategy is the management of our corporate social responsibility, in particular, by becoming a standard bearer, setting the benchmark for the rest of the packaging industry in regard to the environment.

We achieved the goals set for the first fiscal year of the plan this year and we plan to improve performance by moving ahead with the plans for the second year as outlined above despite projections for continued rise in the price of raw materials.



DIVIDENDS POLICY

The Company intends to make continuous efforts to steadily increase the return to shareholders and appropriate profit accordingly with due regard to overall Group performance. The Company's policy on return to shareholders, or distribution of earnings to shareholders is as follows:

- a. A consolidated payout ratio of 20% shall be a rough target for the return to shareholders.
- b. The Company will flexibly purchase treasury stock in response to stock market conditions and financial circumstances.
- c. The Company shall apply retained earnings, in a positive and flexible manner to M&A projects, new business, overseas business and R&D development from the long and medium-term viewpoints.

The basic policy regarding distribution of retained earnings of the Company is to issue dividends twice a year—once during the year and at the end of the year. Resolutions regarding the issuance of dividends are made by a meeting of the Board of Directors for the mid-term dividend and at the General Meeting of Shareholders for year end dividends.

The Company “may, according to a resolution of the Board of Directors, make an interim dividend payment with a record date of September 30” as set forth in the Articles of Incorporation.

Furthermore, the dividend surplus concerning the current fiscal year is as follows.

Resolution Date	Total Dividend Amount (Millions of Yen)	Amount of Dividend per Share (Yen)
Board of Directors Resolution on October 30, 2007	1,029	5.00
Resolution of Ordinary General Meeting of Shareholders on June 27, 2008	1,029	5.00

RISK FACTORS

The following are risk factors that may potentially have an unfavorable impact on the operating results or on the financial health of the Toyo Seikan Group.

There are also other risks that are inherent in the operations of the Toyo Seikan Group. Those risks mentioned in this writing are risks in the future that have been identified by the Group as of the end of this fiscal year.

(1) Fluctuations in economic conditions

There is considerable concern that there may be a contraction or stagnation in the global and domestic economy, leading to sluggish consumer spending which would ultimately negatively affect sales, thus profit.

(2) Rising prices for raw materials

Fluctuations in commodities markets for raw materials such as steel, aluminum, plastic materials, paper and glass primarily used in products manufactured and sold by the Toyo Seikan Group could impact material costs and the selling price of products. Although the Toyo Seikan Group has attempted to pass on higher raw material costs to customers in the form of higher prices for products, profitability may be negatively affected depending on the extent of price increases as well as the ability to achieve cost sharing.

(3) Intensification of price competition

With continued price competition with competitors in the container market in which the Toyo Seikan Group intends to expand, and with an increasing number of customers manufacturing containers internally, it is possible that the downward pressure on prices will not only weaken our bargaining power, but that the trend will gather strength and further squeeze our profits.

(4) Weather and natural disasters

Because of the nature of the beverage market, which is a central to our beverage packaging operations, weather during the critical demand period can have a significant effect on results. For example, unpredictable weather conditions such as a cool summer or extended rainy season in the first half of the year or unforeseen natural disasters can dampen demand during peak season, thus significantly impacting performance and financial health of the Group. A large-scale natural disaster, such as an earthquake or typhoon, causing serious damage to the production facilities of the Toyo Seikan Group, could disrupt operations that would have an unfavorable effect on the results and financial affairs of the Toyo Seikan Group.

(5) Research and development

In order for Toyo Seikan Group to remain at forefront of technology, continuous investment toward effective R&D activities is a necessity, but doing so does not guarantee that even large amounts of investments will bring the desired results. Specifically, significant investments in new products or technology may not have the projected return which could negatively affect future growth and profitability the Toyo Seikan Group.

(6) Merger and acquisitions

The Toyo Seikan Group proactively seeks merger and acquisition opportunities that will strengthen its operations and expand businesses. It is possible that such a venture may not yield the expected results which could therefore impact the performance and profitability of the Toyo Seikan Group.

(7) Investment in plant and equipment

The Toyo Seikan Group continues to make proactive and effective capital investments in manufacturing, sales and R&D to further improve our value as a corporation. It is possible that such investments do not yield anticipated results and present obstacles to strategic management, contributing to lower profitability of the Toyo Seikan Group.

(8) Customer complaints about quality

Although the Toyo Seikan Group manufactures and sells a diversity of products based on strict quality controls, there is no guarantee that all products will be totally free of defects, customer complaints, or the possibility of product liability. A large scale quality or product liability issue could result in large expenditures, in addition to damaging the reputation and goodwill of the Toyo Seikan Group.

(9) Environmental issues

The Toyo Seikan Group has taken initiatives to reduce the impact that manufacturing processes have on the environment at an increase in costs; yet there is a possibility that Toyo Seikan Group's business activities could cause an environmental issue at immense cost as well as damage the reputation of the company.

(10) Compliance

With increased importance placed on corporate social responsibility in recent years, the Company must ensure that all business activities are undertaken with full cognizance of rules and regulations while further improving performance through effective use of management resources and avoidance of management risks.

To achieve this goal, the Toyo Seikan Group recognizes the importance of a strong compliance system as part of corporate governance and has directed the efforts of the Group toward this outcome. Despite these efforts, it is possible that management may not completely address all possible risks in which case, corporate social responsibility could be brought into question with subsequent damage to the reputation of the company.

(11) Country risk

As the Toyo Seikan Group continues to expand and develop business globally especially in Asia, we face risks such as terrorism, political upheaval, fluctuating economic conditions or unfavorable changes in regulatory environment that could affect the results of the Toyo Seikan Group.

(12) Customer credit risk

An unfavorable event involving customer credit risk that would force the Company to write off bad debt or recognize losses due to credit risk, could affect the performance results and financial health of the Toyo Seikan Group.

(13) Information security

Although the Toyo Seikan Group has implemented the proper measures to secure personal information obtained in the course of doing business, we cannot completely guarantee that such information would not be leaked due to unforeseen circumstances. If a breach of our information security system did occur, the reputation and performance of the Company could be affected.

(14) Training and development of human resources

The future growth and development of the Toyo Seikan Group hinges on the availability of capable and talented managers so it is essential that we hire and train talented personnel. If we lack such personnel or are unable hire and train them, the future growth of the Toyo Seikan Group may be negatively affected.

(15) Retirement benefits liability

Liabilities for the future retirement benefits of Group employees are determined by using actuarial assumptions for discount rates, etc, and that assets allotted for retirement benefits will get a certain rate of return. It is possible that these assumptions could differ from the actual results or could change which would affect costs for payouts in the future or the future liabilities for benefits. If long-term interest rates are lower than expected or assets held for retirement benefits do not yield the expected rate of return, operating results and profitability of Toyo Seikan Group may be negatively affected.

(16) Accounting for asset impairment

If impairment loss must be recognized on Group assets due to a loss in operating capacity or the ability to generate revenue, such loss could be significant, having a negative effect on the operating results, financial health and management of the Toyo Seikan Group.

(17) Hostile takeover

Since the Company is publically listed, we cannot prevent the possibility that another company could attempt a takeover bid or acquire a large quantity of shares on the market. If such an attempt were successful, the value of the corporation and the interest of shareholders would be threatened, creating a negative effect on operating results, the financial health and the management of the Toyo Seikan Group.

(18) Fluctuation in the value of assets

The value of assets such as land and marketable securities could change, which may negatively affect operating results and the financial situation.

(19) Risk of Litigation

In the course of doing business domestically and overseas, the Company is not completely immune from the risk of litigation. Such litigation could significantly affect the operating results and financial health of the Toyo Seikan Group.

CORPORATE GOVERNANCE

1. Corporate Governance

(1) Basic philosophy of corporate governance

Since our establishment, our fundamental philosophy as a corporation has been to make positive contributions to the community through our business activity, and to continue our development and progress toward increasing our value to our stakeholders and the community; thus we place a priority on corporate governance in the management of our operations.

(2) Details of Corporate Bodies and Maintenance of the Internal Control System

a. Basic description of corporate bodies

The Company has adopted a Board of Corporate Auditors system, and each auditor supervises the business duties executed by the directors and oversees the Company's management.

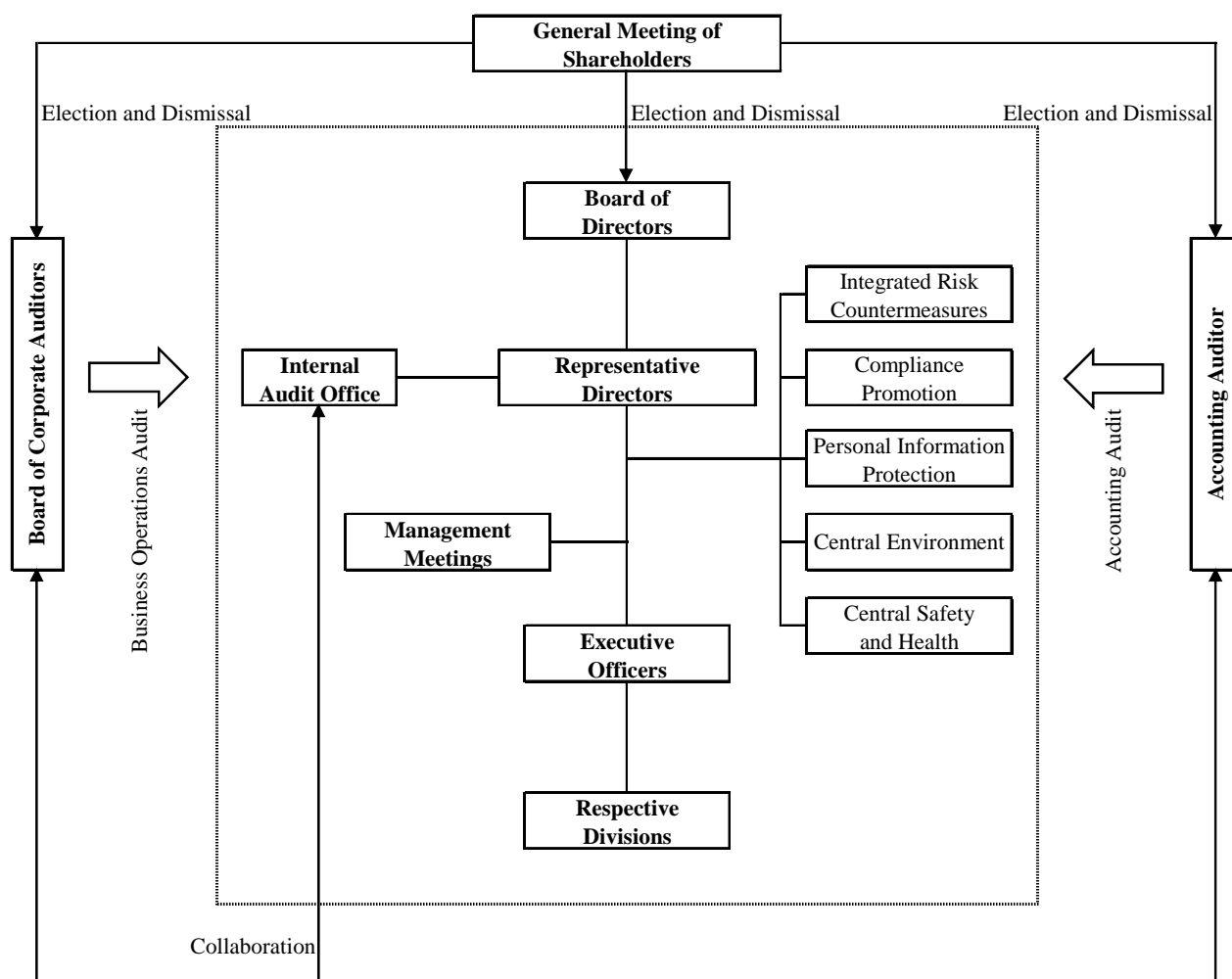
As of June 30, 2008, the Board of Directors consisted of thirteen Board members, including three external directors. The term of office of directors is fixed at one year to allow for definite management roles of directors and for a flexible structure that can respond quickly to changes in the business environment. The Board of Corporate Auditors is composed of five auditors, including three external auditors.

The Company has implemented an Executive Officer system with the aim of clearly distinguishing the management's decision-making and supervisory functions from those of the business operations. Management meetings including the President, Executive Vice President, Senior Executive Officers, Executive Officers, Heads of respective divisions, and the Head of the Toyo Seikan Group Corporate R&D are held, as a rule, three times a month to promote a much greater level of reliability in making judgments through swift strategic decisions at the executive level.

The Company has adopted a centralized "headquarters" system that consists of a Corporate Planning Headquarters, International Operations Headquarters, Corporate Administration Headquarters, Sales & Marketing Headquarters, Materials Purchasing & Environment Headquarters, Production & Operations Headquarters, and Technology & Packaging Development Headquarters. In addition, at the three headquarters (Sales & Marketing, Production & Operations, and Technology & Packaging Development) a Headquarters Office has been established to set forth operational strategies at each headquarter level and to encourage communication among them.

The Internal Audit Office (consisting of seven members) has been established to strengthen the internal auditing system to ensure for maximum management efficiency for thorough oversight of all business activities in compliance with all rules and regulations.

b. The Company's corporate governance system is as follows:
(Schematic diagram of the Corporate Governance System)



c. Maintenance of internal control system and risk management system

The Company maintains a system (hereinafter referred to as the “Internal Control System”) to ensure that all corporate activity is in compliance with the Japanese Companies Law and the regulations enforceable under that Law and encompasses the following:

I System to ensure that all operations executed by directors and employees are appropriate with regard to Japanese legal regulations and the Articles of Incorporation

1. The Code of Conduct in the compliance system is determined by the board of directors and represents the behavior expected of directors and employees that is in compliance with Japanese law, Articles of Incorporation and corporate ethics.
2. A Compliance Promotion Committee chaired by a director that is appointed by the president, an office to undertake administrative tasks of the Committee or a department identified to take responsibility of compliance issues will have overall responsibility for the compliance system that is integrated in a cross-functional manner throughout the organization. The Committee or department slated for this task will also oversee all training and education of directors and employees with regard to compliance issues toward a thorough and complete compliance system.

Each department may, as necessary, also establish guidelines in accordance with Code of Conduct that represent standards of behavior specific to the execution of duties and tasks in that department in order to provide for more substantial application within the organization.

3. An internal and external hotline is available as a means for employees to directly provide information about questionable activity that either may be illegal or otherwise non-compliant. This organizational body is responsible for providing information to employees regarding any guidelines or rules formulated by the Compliance Committee necessary for operations of the Committee.

II Management and retention of information related to business activity of directors

In accordance with Japanese law and internal regulations, all information regarding business activity of directors is recorded and maintained for a period of time set forth by regulations pertaining to such information and in an appropriate manner that is accessible in both hard copy and electronic form which can be accessed by directors and auditors for examination. Information that is to be maintained is generally as follows:

- i) General Meeting of Shareholders meeting minutes
- ii) Board of Directors meeting minutes
- iii) Minutes for management meetings
- iv) Minutes for essential committees set up with approval of the Board of Directors
- v) Circulated draft plans (inquiries, approvals)
- vi) Agreements
- vii) Accounting ledgers, accounting documents, as well as business reports and any related or supplementary documents
- viii) Copies of documents submitted to tax authorities and other administrative bodies, and financial institutions such as banks and securities exchanges

III System and operating procedures regarding risk management

1. In recognition of the following risks inherent in the operations of Company, we have established a cross-functional risk management system by selecting relevant departments to address each specific risk and that establishes operating procedures and guidelines with regard to our risk management system.

A relevant department will be selected to address any new risks arising that are not listed below.

- i) Compliance risk
 - ii) Quality risk
 - iii) Environmental risk
 - iv) Bad debt risk
 - v) Information security risk
 - vi) Natural disaster or accident risk
 - vii) Country risk
2. In case of any unforeseen event or circumstances, an emergency response committee headed by the president or a director appointed by the president will be established to take immediate response in an emergency situation, and prevent or minimize any further damage.

IV System to ensure efficient execution of business operations by directors

1. Board of Directors meetings will be held once per month and at other times as needs dictate.

2. The President, Executive Vice President, Senior Executive Officers, Executive Officers, Heads of respective divisions, and the Head of the Toyo Seikan Group Corporate R&D, meet on a regular basis according to Board of Directors and management meeting rules prior to Board of Directors meetings to discuss management policies and other important issues in management strategy and determine a course of action.

These management meetings are held three times per month or as appropriate.

3. Decisions regarding a course of action made by the Board of Directors are executed by each department according to rules governing division of duties and may be checked or rectified by the Board as necessary.

V System to ensure the appropriateness of operations for corporate group including headquarters and subsidiaries

1. To firmly establish a consistent system of compliance for the entire group of companies, each company in the group will establish their own Code of Conduct based on the standards in the Code of Conduct at headquarters. Each company will maintain an external hotline as a means for employees to directly provide information about questionable activity that either may be illegal or otherwise non-compliant to the parent company.
2. Group companies hold regular management meetings to confirm and validate that operations and performance are in line with the fundamental management policies of the Group companies.
3. The Internal Auditing Division will conduct audits of the internal control systems in place at the Company and each Group company, and report the results to the President.
4. Whenever a Group company finds a management directive issued by the Company in conflict with local law or otherwise causes a problem with compliance, the Group company may contact and notify the department or person responsible for internal auditing at the Company.
5. The Company shall set up and operate an appropriate internal management system to ensure appropriate financial reporting according to the Financial Instruments and Exchange Law and other applicable Japanese laws.

VI System of employee engaged with the auditing function and independence of such employees from directors

1. Based on discussion with Corporate Auditors, Directors will appoint the required number of assistants to be engaged in carrying out the duties of Auditors as full-time employees necessary for the Auditor to perform his professional duties.
2. Evaluations of assistants will be done by the Corporate Auditor, but the Directors, with the consent of the Board of Corporate Auditors, will carry out any appointments, dismissals, reassignments, and revision of wages, etc. of Auditor assistants.

VII System of reporting to Corporate Auditors by directors and employee and other Auditor reporting mechanisms

Directors and employees shall make appropriate reports to Corporate Auditors regarding significant matters affecting business operations or performance. Despite the above, Auditors can, whenever necessary, request reports from Directors and employees.

VIII Other systems to ensure the efficiency of audits by Corporate Auditors

1. Auditors will strive to continually fulfill and improve on their professional duties by mutually exchanging information and ideas with the President, Internal Auditing Division, and Accounting Auditors.
2. When problems or issues arise in the operation or management of the Company's internal control system, Auditors may discuss his or her opinions with the Board of Directors and may propose a solution to address those problems.
3. A system that ensures appropriate reporting of illegal activity or issues with regard to compliance to auditors shall be established according to a set reporting procedure.

IX Fundamental philosophy regarding the elimination of antisocial forces

There shall be no association with any antisocial forces that pose a threat to the order and safety of society, and if such association exists, immediate action will be taken to eliminate any connection and all demands refused. Any actions taken with regard to antisocial forces are subject to the corporate Code of Conduct and shall be made widely known to Directors, employees, and other stakeholders. The General Affairs Division shall serve as the response team that takes action against any such antisocial forces; will cooperate with authorities to obtain information; and will maintain close connections with law enforcement agencies and attorneys in order to act swiftly to prohibit further activity by such groups.

d. Auditing by Corporate Auditors and internal audits

The Company operates on a system of auditing with Corporate Auditors that monitor the professional duties of Directors and the overall management of the Company.

The Board of Corporate Auditors consists of five Auditors, including three external Auditors.

Auditors will conduct audits according to the audit standards and audit plan outlined by the Board of Corporate Auditors. They will also attend Board of Directors and other important meetings, review reports from Directors and other employees, verify operations and assets of the company, regularly meet with the executive management, and otherwise monitor the duties of Directors and employees.

To ensure that the Company is in compliance with Japanese regulations and the Code of Conduct, and to improve efficiency of management, an Audit Office consisting of seven people under the direct control of the President is established as the Internal Auditing Division that will conduct the regular audits including internal department audits for each department according to the internal audit procedures and basic plan with the goal of improving the overall function of the internal audit system. The Audit Office and Auditors hold regular semi-annual meetings as a means of sharing information and opinions with the goal of improving their function as auditors. In addition, Accounting Auditors, Auditors, and the Audit Office conduct appropriate meetings to promote the sharing of information.

e. Accounting Audits

The names and positions of the certified public accountants that perform the Company's accounting audits are as follows:

[Names and position of the certified public accountants]

Hidetoshi Yamamoto (audit corporation: Sohken)

Hideo Yoshizawa (audit corporation: Sohken)

Since both accountants above have less than seven years of service, we disregard the mention of length of service in this writing.

There are also nine certified public accountants and eight junior accountants engaged in accounting audit duties as assistants.

The Company's auditors and accounting auditors regularly hold joint meetings three times a year (after the Ordinary General Meeting of Shareholders and after the interim and year-end settlements of accounts). The auditing system and auditing plan is checked after the Regular General Meeting of Shareholders and the audit status is checked after the interim and year-end settlements of accounts. Furthermore, in order to promote the sharing of information and views so that auditors may better fulfill their duties, joint meetings are held as necessary. Accounting auditors, internal auditors, and the Audit Office also conduct joint meetings to promote the sharing of information as necessary.

f. Relationship between external directors and external corporate auditors

There may be no personal, monetary, business relationship or other special interest between the three external directors, the three external internal auditors, and the Company.

g. Summary of the liability limitation agreement

The Company, the external directors, and the external auditors, based on the provisions of Japanese Corporate Law, Article 427, Paragraph 1, have agreed to a limit on the liability for damages as set forth in Article 423, Paragraph 1 of the same law. The monetary limit to liability for damages based on said agreement shall be the higher of either 10 million yen or an amount determined by Japanese law for both the external directors and the outside external auditors.

h. Fixed number of directors

The Company may have no more than fifteen directors as determined by the Articles of Incorporation.

i. Selection of directors

As determined by the Articles of Incorporation, directors are selected by majority vote at the General Meeting of Shareholders at which at least one-third of shareholders in attendance have voting rights.

j. Decisions by the General Meeting of Shareholders

As determined by the Articles of Incorporation, resolutions as outlined in Japanese Corporate Law, Article 309, Paragraph 2 will pass by two-thirds vote at a meeting where at least one-third of shareholders that have voting rights are in attendance. These guidelines allow for flexibility in quorum required to pass resolutions, ensuring the smooth operation of the General Meeting of Shareholders.

k. Treasury Stock Acquisition

The Company, as set forth by Japanese Corporate Law, Article 165, Paragraph 2 and the Articles of Incorporation, can acquire treasury stock on the open market based on a resolution by the Board of Directors in order flexibly meet capital needs based on changes in the business environment.

l. Interim Dividends

According to the Articles of Incorporation, the Company can, based on a resolution by the Board of Directors, elect to issue dividends using September 30 as the record date in order to provide a flexible return on earnings of shareholders.

PRINCIPAL SHAREHOLDERS*(As of March 31, 2008)*

Name or Trade Name	Number of Shares Owned (in thousands of shares)	Percentage of Number of Shares Owned Relative to Number of Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (trust account)	14,982	6.92
Toyo Institute of Food Technology	12,310	5.68
Toyo Junior College of Food Technology	11,192	5.17
Yoshiro Takasaki	10,823	5.00
Japan Trustee Services Bank, Ltd. (trust account)	8,980	4.15
Fukoku Mutual Life Insurance Company	8,000	3.69
Danske Bank Clients' Holdings (Standing Proxy: The Hong Kong and Shanghai Banking Corporation, Limited; Tokyo Branch)	5,146	2.38
Sumitomo Mitsui Banking Corporation	5,000	2.31
Mitsui Sumitomo Insurance Co., Ltd.	4,291	1.98
Northern Trust Company (AVFC) Sub-account American Client (Standing Proxy; Hong Kong and Shanghai Banking Corporation, Limited; Tokyo Branch)	4,224	1.95
Total	84,953	39.22

(Note)

In addition to the shareholders mentioned above, the Company holds 10,696,943 treasury stock.

BOARD OF DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS
(As of June 27, 2008)

Board of Directors

	Name	Area of Responsibility or Principal Occupations
President (Representative Director)	Hirofumi Miki	- Chairman and Representative Director, Ferro Enamels (Japan) Ltd. (currently Tokan Material Technology Co., Ltd.) - Chairman and Representative Director, Toyo Glass Co., Ltd. - Chairman and Representative Director, Tokan Kogyo Co., Ltd. - Chairman and Representative Director, Japan Crown Cork Co., Ltd.
Executive Vice President (Representative Director)	Shunji Kaneko	- Integrated Risk Countermeasures Committee
Director and Senior Executive Officer	Haruo Yamamoto	- Head of Toyo Seikan and Group Corporate Planning/Corporate Administration Division and Compliance Promotion Committee
Director and Senior Executive Officer	Ichiro Nakayama	- Head of Sales and Marketing Division (Beverage Containers)
Director and Senior Executive Officer	Yoshio Kuroda	- Head of Sales and Marketing Division (General Line Containers)
Director and Senior Executive Officer	Tsuneo Arita	- Head of Production Division
Director	Atsuo Tanaka	- President, Toyo Kohan Co., Ltd.
Director	Toshio Uehara	- President, Japan Crown Cork Co., Ltd.
Director	Eiji Tsutsui	- President, Tokan Kogyo Co., Ltd.
Director	Yoshitsugu Maruhashi	- President, Toyo Glass Co., Ltd.
Director	Kohei Kobayashi	- Advisor, Hankyu Corporation
Director	Mitsuo Arai	- Certified Public Accountant and Certified Tax Accountant
Director	Takahiko Mio	- President, Awaji Materia Co., Ltd.

Corporate Auditors

	Name	Area of Responsibility or Principal Occupations
Standing Auditor	Koichiro Hirahara	
Standing Auditor	Kunio Ohkawa	
Corporate Auditor	Tsunaya Kawamura	- Lawyer
Corporate Auditor	Ryusaku Konishi	- President, Nippon Zoki Pharmaceutical Co., Ltd.
Corporate Auditor	Akira Hirose	- Certified Tax Accountant

(Notes)

1. The Directors Kohei Kobayashi, Mitsuo Arai and Takahiko Mio are “outside Directors” as set forth in Japanese Corporate Law, Article 2, Item 15.
2. The Corporate Auditors Tsunaya Kawamura, Ryusaku Konishi and Akira Hirose are “outside Corporate Auditors” as set forth in Japanese Corporate Law, Article 2, Item 16.

Executive Officers

	Name	Area of Responsibility or Principal Occupations
Senior Executive Officer	Kazumi Hirota	- Head of New Business and Chief of Toyo Seikan Group Corporate R&D
Executive Officer	Hiroshi Oda	- Head of Mission to Restructure Production Systems
Executive Officer	Shigeru Kajiyama	- Head of New Businesses Mission
Executive Officer	Fujio Suzuki	- Head of Corporate Administration Division
Executive Officer	Ken Sumikawa	- Deputy Head of Sales and Marketing Division (Beverage Containers)
Executive Officer	Fujio Yamagata	- Head of Corporate Planning Division
Executive Officer	Yasuyuki Shimizu	- General Manager of General Affairs Division
Executive Officer	Takao Nakai	- Head of International Division
Operating Officer	Nobuyuki Hayashi	- Head of Material Purchase/Environment Division
Operating Officer	Shigeru Sakai	- General Manager of Customer Solution Systems in Development Division
Operating Officer	Toshio Yamamoto	- General Manager of Corporate Planning for Corporate Planning Division
Operating Officer	Joji Ito	- Head of Development Division
Operating Officer	Masami Mitokawa	- General Manager of Production Division Office for Production Division
Operating Officer	Yasuki Hachioka	- Deputy Head of Sales and Marketing Division (General Line Containers)
Operating Officer	Kazuyuki Inoue	- Head of Hiroshima Plant Production Division
Operating Officer	Masahiko Yokokawa	- General Manager of Personal for Corporate Administration Division
Operating Officer	Akira Tanaka	- Deputy Head of Sales and Marketing Division (Beverage Containers)
Operating Officer	Kazuhisa Kobayashi	- General Manager of International Business for International Business Division

CONSOLIDATED FINANCIAL SUMMARY

(As of and for the years ended March 31, 2004, 2005, 2006, 2007 and 2008)

	2004	2005	2006	2007	2008
	<i>(millions of yen, except per share amounts)</i>				
Consolidated financial indicators:					
Net sales	¥666,272	¥699,865	¥714,498	¥728,928	¥745,515
Ordinary income	20,196	18,734	9,849	18,802	21,669
Net income	11,886	12,735	5,662	4,950	3,839
Net assets	582,695	585,401	610,435	668,562	650,168
Total assets	909,212	919,608	931,614	920,949	895,470
Net assets per share (yen)	2,728.55	2,810.14	2,938.84	2,977.35	2,886.17
Net income per share (yen)	53.86	58.45	25.67	23.94	18.65
Net income per share (diluted) (yen)	-	-	-	-	-
Capital adequacy ratio	64.1%	63.7%	65.5%	66.6%	66.4%
Return on equity (ROE)	2.09%	2.18%	0.95%	0.81%	0.64%
Price earnings ratio (PER)	38.43%	34.06%	83.17%	99.21%	101.50%
Cash flows from operating activities	68,262	53,441	42,688	41,244	69,156
Cash flows from investing activities	(60,808)	(65,081)	(60,537)	(35,813)	(44,372)
Cash flows from financing activities	(2,313)	(15,835)	5,804	(18,295)	(9,856)
Cash and cash equivalents at the end of the period	¥165,491	¥138,110	¥127,170	¥117,297	¥132,788
Number of employees	13,905	13,866	14,558	16,221	17,583
(Average number of temporary staff)	(2,127)	(2,052)	(2,084)	(2,336)	(2,676)

CONOSOLIDATED BALANCE SHEETS
(As of March 31, 2007 and 2008)

	2007	2008
	(millions of yen)	
(Assets)		
I Current assets		
1 Cash and deposits	¥117,371	¥132,906
2 Notes and accounts receivable - trade	229,616	214,598
3 Securities	2,000	2,000
4 Inventories	91,448	94,901
5 Deferred tax assets	9,902	10,674
6 Other	10,430	10,594
7 Allowance for doubtful accounts	(2,640)	(2,619)
Total current assets	458,129	463,054
II Non-current assets		
(1) Property, plant and equipment		
1 Buildings and structures	91,962	92,893
2 Machinery, equipment and vehicles	83,688	78,293
3 Land	72,240	74,150
4 Construction in progress	9,433	13,913
5 Other	8,376	8,618
Total property, plant and equipment	265,700	267,868
(2) Intangible assets	5,305	4,863
(3) Investments and other assets		
1 Investment securities	159,705	117,910
2 Long-term loans receivable	1,802	662
3 Deferred tax assets	16,712	28,360
4 Other	15,345	14,828
5 Allowance for doubtful accounts	(1,751)	(2,078)
Total investments and other assets	191,814	159,683
Total non-current assets	462,820	432,416
Total assets	¥920,949	¥895,470

2007

2008

(millions of yen)

(Liabilities)		
I Current liabilities		
1 Notes and accounts payable - trade	¥90,345	¥88,858
2 Short-term loans payables	21,995	22,009
3 Accrued income taxes	3,562	2,761
4 Reserve for directors' bonuses	443	420
5 Other	52,716	52,082
Total current liabilities	169,063	166,133
II Non-current liabilities		
1 Bonds payable	5,000	5,000
2 Long-term loans payable	5,405	2,818
3 Deferred tax liabilities	4,592	3,811
4 Reserve for retirement benefits	59,157	54,405
5 Reserve for special repairs	4,066	4,797
6 Negative goodwill	1,042	313
7 Other	4,058	8,022
Total non-current liabilities	83,324	79,168
Total liabilities	252,387	245,301
(Net assets)		
I Shareholders' equity		
1 Capital stock	11,094	11,094
2 Capital surplus	349	349
3 Retained earnings	562,852	564,065
4 Treasury stock	(18,604)	(18,611)
Total shareholders' equity	555,692	556,897
II Valuation and translation adjustments		
1 Valuation deference on available-for-sale securities	56,776	35,870
2 Deferred gains or losses on hedges	200	(831)
3 Foreign currency translation adjustment	363	2,312
Total valuation and translation adjustments	57,340	37,351
III Minority interests		
Total net assets	668,562	650,168
Total liabilities and net assets	¥920,949	¥895,470

CONSOLIDATED STATEMENTS OF INCOME
(For the years ended March 31, 2007 and 2008)

	2007	2008
	<i>(millions of yen)</i>	
I Net sales	¥728,982	¥745,515
II Cost of goods sold	628,029	641,313
Gross profit	100,899	104,201
III Selling, general and administrative expenses	82,930	82,775
Operating income	17,968	21,426
IV Non-operating income		
1 Interest income	663	1,041
2 Dividends income	1,904	2,107
3 Rent revenue	1,864	2,070
4 Amortization of negative goodwill	557	354
5 Equity in earnings of affiliates	503	-
6 Other	4,449	4,357
V Non-operating expenses		
1 Interest expenses	649	607
2 Administrative expenses for leased assets	1,227	1,314
3 Loss on disposal of inventories	1,333	1,166
4 Loss on retirement of non-current assets	1,028	1,509
5 Loss on valuation of non-current assets	2,273	983
6 Equity in losses of affiliates	-	242
7 Other	2,595	3,864
Ordinary income	18,802	21,669
VI Extraordinary income		
1 Gain on sale of non-current assets	5,382	1,079
2 Compensation of transfer	-	1,798
3 Gain on sale of investment securities	1,052	763
4 Gain on contributions of securities to retirement benefit trust	2,910	1,409
5 Amount of adjustment from change in retirement benefits system	983	-
VII Extraordinary loss		
1 Loss on valuation of inventories	1,388	-
2 Impairment loss	7,621	6,541
3 Non-recurring depreciation on non-current assets	5,856	5,784
4 Provisions of reserves for losses on investments in affiliated companies	-	250
5 Provisions of allowance for doubtful accounts for subsidiaries and affiliates	-	240
6 Losses from closing of factories	-	538
Income before income taxes	14,266	13,366
Income taxes - current	6,900	5,803
Income taxes - deferred	2,392	3,012
Minority interest in income	22	710
Net income	¥4,950	¥3,839

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CONSOLIDATED STATEMENTS OF CHANGE IN NET ASSETS
(For the years ended March 31, 2007 and 2008)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	<i>(millions of yen)</i>				
Balance as of March 31, 2006	¥11,904	¥349	¥551,177	(¥15,250)	¥547,370
Changes of items during the period					
Dividends from surplus (note)			(2,073)		(2,073)
Directors' bonuses (note)			(359)		(359)
Net income			4,950		4,950
Increase in retained earnings in conjunction with increase in consolidated subsidiaries			7,750		7,750
Increase in retained earnings in conjunction with increase in companies applying equity method			1,406		1,406
Purchase of treasury stock				(3,353)	(3,353)
Net changes of item other than shareholders' equity					
Total changes of items during the period	-	-	11,674	(3,353)	8,321
Balance as of March 31, 2007	11,094	349	562,852	(18,604)	555,692
Changes of items during the period					
Dividends from surplus			(2,676)		(2,676)
Net income			3,839		3,839
Increase in retained earnings in conjunction with increase in consolidated subsidiaries			85		85
Decrease in retained earnings in conjunction with increase in companies applying equity method			(34)		(34)
Purchase of treasury stock				(7)	(7)
Net changes of item other than shareholders' equity					
Total changes of items during the period		-	1,213	(7)	1,205
Balance as of March 31, 2008	¥11,094	¥349	¥564,065	(¥18,611)	¥556,897

Valuation and Translation Adjustments

	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments	Minority Interests	Total Net Assets
<i>(millions of yen)</i>						
Balance as of March 31, 2006	¥63,171	-	(¥106)	¥63,065	¥56,448	¥666,883
Changes of items during the period						
Dividends from surplus (note)						(2,073)
Directors' bonuses (note)						(359)
Net income						4,950
Increase in retained earnings in conjunction with increase in consolidated subsidiaries						7,750
Increase in retained earnings in conjunction with increase in companies applying equity method						1,406
Purchase of treasury stock						(3,353)
Net changes of item other than shareholders' equity	(6,395)	200	470	(5,724)	(918)	(6,643)
Total changes of items during the period	(6,395)	200	470	(5,724)	(918)	1,678
Balance as of March 31, 2007	56,776	200	363	57,340	55,529	668,562
Changes of items during the period						
Dividends from surplus						(2,676)
Net income						3,839
Increase in retained earnings in conjunction with increase in consolidated subsidiaries						85
Decrease in retained earnings in conjunction with increase in companies applying equity method						(34)
Purchase of treasury stock						(7)
Net changes of item other than shareholders' equity	(20,905)	(1,032)	1,948	(19,989)	389	(19,599)
Total changes of items during the period	(20,905)	(1,032)	1,948	(19,989)	389	(18,393)
Balance as of March 31, 2008	¥35,870	(¥831)	¥2,312	¥37,351	¥55,919	¥650,168

(Note) Retained earnings were appropriated for dividends from surplus and directors' bonuses, respectively at 1,036 million yen and 359 million yen at annual shareholders' meeting in June 2006.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(For the years ended March 31, 2007 and 2008)

	2007	2008
	<i>(millions of yen)</i>	
I Cash flows from operating activities		
Income before income taxes	¥14,266	¥13,366
Depreciation	53,240	47,998
Impairment loss	7,621	6,541
Decrease in reserve for retirement benefits	(6,108)	(3,013)
Interest and dividends income	(2,567)	(3,149)
Interest expenses	649	607
Equity in (earnings) losses of affiliates	(503)	242
Gain on sales of property, plant and equipment	(5,382)	(1,079)
Loss on retirement and valuation of non-current assets	2,511	2,973
Gain on sales of investments securities	(1,052)	(763)
Gain on securities contribution to employees' retirement benefits	(2,910)	(1,409)
Compensation for transfer	-	(1,798)
Decrease (increase) in notes and accounts receivable - trade	(15,117)	17,696
Increase in inventories	(1,190)	(862)
(Decrease) increase in notes and accounts payable	3,225	(4,779)
Other	(417)	(169)
Subtotal	46,264	72,398
Interest and dividends income received	2,546	3,038
Interest expenses paid	(639)	(466)
Proceeds from compensation for removal	-	784
Income taxes paid	(6,927)	(6,598)
Cash flows from operating activities	41,244	69,156
II Cash flows from investing activities		
Purchases of property, plant and equipment	(39,093)	(45,161)
Proceeds from sales of property, plant and equipment	5,433	1,147
Purchases of investment securities	(7,727)	(1,494)
Proceeds from sales of investment securities	1,362	1,396
Proceeds from redemption of investment securities	5,000	2,000
Purchases of stock of subsidiaries and affiliates	(396)	(601)
Purchases of stock in affiliated companies in conjunction with changes in scope of consolidation	-	(507)
Purchases of investment in affiliated companies	-	(2,160)
Other	(391)	1,009
Cash flows from investing activities	(35,813)	(44,372)

	2007	2008
	<i>(millions of yen)</i>	
III Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(1,969)	83
Increase in long-term loans payable	467	4
Repayments of long-term loans payable	(5,680)	(3,820)
Redemption of bonds	(5,000)	(3,000)
Purchases of treasury stock	(3,335)	(7)
Proceeds from stock issuance to minority shareholders	-	7
Dividend payments	(2,074)	(2,628)
Cash dividends paid to minority shareholders	(702)	(495)
Cash flows from financing activities	(18,295)	(9,856)
IV Effect of exchange rate change cash and cash equivalents	160	189
V Increase (decrease) in cash and cash equivalents	(12,703)	15,116
VI Cash and cash equivalents at the beginning of the period	127,170	117,297
VII Increase in cash and cash equivalents from increasing consolidated subsidiaries	2,831	374
VIII Cash and cash equivalents at the end of the period	¥117,297	¥132,788

CONSOLIDATED SEGMENT INFORMATION

(As of and for the years ended March 31, 2007 and 2008)

Business Segment Information

As of and for the year ended March 31, 2007

	Packaging business	Steel-plate- related business	Other businesses	Total	Eliminations and Corporate	Consolidated Total
	<i>(millions of yen)</i>					
I Net sales and operating income:						
Net sales						
(1) Net sales to external customers	¥615,370	¥66,341	¥47,216	¥728,928	-	¥728,928
(2) Intersegment net sales or transfer amount	628	38,069	5,249	43,946	(43,946)	-
Total	615,998	104,410	52,465	772,874	(43,946)	728,928
Operating expenses	603,761	102,710	48,590	755,063	(44,103)	710,959
Operating income	12,237	1,700	3,874	17,811	156	17,968
II Assets, depreciation and amortization and capital expenditures:						
Assets	773,154	107,461	53,183	933,979	(13,029)	920,949
Depreciation and amortization	38,288	10,677	4,259	53,225	(2)	53,223
Impairment loss	2,092	4,784	744	7,621	-	7,621
Capital expenditures	¥31,090	¥6,088	¥2,974	¥40,153	-	¥40,153

As of and for the year ended March 31, 2008

	Packaging business	Steel-plate- related business	Other businesses	Total	Eliminations and Corporate	Consolidated Total
	<i>(millions of yen)</i>					
I Net sales and operating income:						
Net sales						
(1) Net sales to external customers	¥638,810	¥61,029	¥45,675	¥745,515	-	¥745,515
(2) Intersegment net sales or transfer amount	543	36,916	5,534	42,994	(42,994)	-
Total	639,354	97,945	51,210	788,509	(42,994)	745,515
Operating expenses	623,547	94,845	48,417	766,809	(42,720)	724,088
Operating income	15,806	3,100	2,792	21,700	(273)	21,426
II Assets, depreciation and amortization and capital expenditures:						
Assets	759,045	90,912	58,921	908,879	(13,409)	895,470
Depreciation and amortization	39,995	4,361	3,626	47,983	(2)	47,981
Impairment loss	5,604	936	-	6,541	-	6,541
Capital expenditures	¥40,403	¥3,382	¥5,392	¥49,178	-	¥49,178

Geographical Segment Information

As of and for the year ended March 31, 2007

	Japan	Asia	Total	Eliminations and Corporate	Consolidated Total
	(millions of yen)				
I Net sales and operating income:					
Net sales					
(1) Net sales to external customers	¥707,090	¥21,837	¥728,928	-	¥728,928
(2) Intersegment net sales or transfer amount	1,219	78	1,298	(1,298)	-
Total	708,310	21,916	730,227	(1,298)	728,928
Operating expenses	692,524	19,712	712,237	(1,277)	710,959
Operating income	15,785	2,204	17,989	(21)	17,968
II Assets	¥908,330	¥23,870	¥932,201	(¥11,251)	¥920,949

As of and for the year ended March 31, 2008

	Japan	Asia	Other	Total	Eliminations and Corporate	Consolidated Total
	(millions of yen)					
I Net sales and operating income:						
Net sales						
(1) Net sales to external customers	¥712,600	¥32,851	¥62	¥745,515	-	¥745,515
(2) Intersegment net sales or transfer amount	4,836	1,036	-	5,873	(5,873)	-
Total	717,437	33,888	62	751,389	(5,873)	745,515
Operating expenses	697,002	33,013	78	730,094	(6,005)	724,088
Operating income	20,435	875	(15)	21,294	131	21,426
II Assets	¥872,568	¥44,755	¥159	¥917,483	(¥22,013)	¥895,470

Overseas Sales

As of and for the year ended March 31, 2007

	Asia	Other	Total
Overseas sales	¥50,383	¥7,056	57,439
Consolidated net sales			¥728,928
Overseas sales as a percentage of consolidated net sales (%)	6.9%	1.0%	7.9%

As of and for the year ended March 31, 2008

	Asia	Other	Total
Overseas sales	¥56,883	¥9,540	66,424
Consolidated net sales			¥745,515
Overseas sales as a percentage of consolidated net sales (%)	7.6%	1.3%	8.9%

BASIS FOR PRESENTING CONSOLIDATED FINANCIAL STATEMENTS ***(As of and for the years ended March 31, 2008)***

(1) Scope of Consolidation

Fifty-four subsidiaries are considered to be significant and are included in consolidated results.

TOMATEC (Shanghai) Precision Chemical Engineering Co., Ltd. and six other companies have been included in the scope of consolidation due to their increased significance this year; Kanagata (Thailand) Co., Ltd. has been included due to its acquisition of new stock; Crown Seal Public Co., Ltd. has been included due to its decision to play a pivotal role in business-related decision making; and Toyo Filling International Co., Ltd. has been included because it was recently established as a new company.

Tosho Co., Ltd. and nine other companies are non-consolidated subsidiaries.

There are 10 unconsolidated subsidiaries whose respective sums of total assets, net sales, net income (loss) (corresponding to equity held by the Company), retained earnings (corresponding to equity held by the Company), have no significant impact on these account items in the consolidated financial statements and have therefore been excluded from consolidation.

(2) Application of the Equity Method

Affiliated companies accounted for by the equity method are Fukuoka Packing Co., Ltd. and Asia Packaging Industries (Vietnam) Co., Ltd. During the current consolidated fiscal year, the equity method has been used for accounting of Asia Packaging Industries (Vietnam) Co., Ltd. due to its increased significance. Crown Seal Public Co., Ltd. is no longer accounted for using the equity method because it has become a consolidated subsidiary during the current consolidated fiscal year. The non-consolidated subsidiaries (Tosho Co., Ltd. and nine others) and affiliate companies (Takeuchi Hi-Pack Co., Ltd. and eight others) are no longer accounted for using the equity method because the impact on net income or loss (corresponding to equity) and retained earnings (corresponding to equity) is immaterial to consolidated financial statements.

(3) Closing Date for the Settlement of Accounts of Consolidated Subsidiaries

Ten of the nineteen consolidated subsidiaries mentioned below close their accounts on December 31. Since the difference between the closing date of these ten and the consolidated closing date is less than three months, the financial statements as of the closing date of these companies are used in the consolidated financial statements.

- Bangkok Can Manufacturing Co., Ltd.
- Toyo Memory Technology Sdn. Bhd.
- East Cheer Investment Limited
- Shenzhen KTM Glass Substrate Co., Ltd.
- KTM Glass Substrate (Hong Kong) Co., Ltd.
- Toyo Glass Machinery Singapore (Pte) Ltd.
- Well Pack Innovation Co., Ltd.
- Malaysia Packaging Industry Berhad
- Toyo Pack International Co., Ltd.
- Crown Seal Public Co., Ltd.

Necessary adjustments are made for material transactions between their closing date (December 31) and the consolidated closing date (March 31) for the purposes of consolidation.

(4) Summary of Significant Accounting Policies

(a) Valuation basis and method for important assets

i. Marketable securities

Bonds held to maturity: Valued at amortized cost by the straight-line method.

Other securities with market value:

Valued at fair market value as of the balance-sheet date with changes in net unrealized gain or loss included directly in net assets. Cost of securities sold is determined by moving average method.

Securities with no market price:

Securities with no market price will be valued using the moving-average method.

ii. Derivatives

Derivatives are valued using market value method.

iii. Inventories

Principally valued at the lower of cost or market method based on the average cost method. Inventories of several consolidated subsidiaries are stated at cost determined by the periodic average method.

(b) Depreciation and amortization method of major assets

i. Property, plant and equipment

The depreciation of property, plant and equipment is principally computed by the declining-balance method.

(Changes in accounting policy)

The Company and its domestic consolidated subsidiaries have changed their method of depreciation and amortization regarding property, plant and equipment (not including buildings or mechanical equipment used during the economic life and exceeding the Company's 25-year service life) acquired during the current consolidated fiscal year since April 1, 2007 in response to a revision of the Japanese Corporate Tax Law. Consequently, operating income decreased by ¥1,381 million, and ordinary income and income before income taxes, etc. each decreased by ¥1,401 million.

(Additional Information)

In the past, depreciation on equipment has been determined using a 5 year economic life and a 10% residual value for 10 years following acquisition up to the memorandum value using the declining balance method of depreciation. This year, however, this was changed to 5 year economic life and a 5% residual value for 7 years following acquisition up to the memorandum value using the declining balance method. This required a special adjustment in depreciation of ¥5,784 million on fixed assets which has been reported as a extraordinary losses. The reason for this change is that the life cycle of our customers' products has become shorter due to increased competition which has forced us to change product specifications more frequently causing equipment to become obsolete faster. Therefore, it is necessary to recover capital investment in equipment over a shorter period of time. As a result of the above, operating and ordinary income increased by ¥645 million and net income before income taxes, etc. decreased by ¥5,139 million compared to the method used previously.

ii. Intangible Assets

Depreciated using the straight-line method.

(c) Accounting for significant reserves

i. Allowances for doubtful accounts

Reserves for doubtful accounts is provided at an amount of uncollectible receivables based on the actual rate of losses from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

ii. Reserve for bonuses to directors

Reserves are set at an amount that is expected to be sufficient to cover payouts of bonuses to directors.

iii. Reserve for retirement benefits

Accrued retirement benefits for employees are provided at an amount calculated based on the projected benefit obligations and the fair value of the plan assets as of the end of the fiscal year. Prior service cost is collectively expensed as incurred. Actuarial gain or loss is amortized by the straight-line method over a period of 10 years, which is shorter than the average remaining service years for employees at the time of recognition, from the following year of recognition.

iv. Reserve for Special Repairs

The reserve for special repairs for regular repair of glass kilns is provided at an amount considered sufficient to cover the estimated amount for the next repair in response to the lapsed time.

(d) Treatment of lease transactions

Finance leases that do not transfer the ownership of the leased property to the lessee are accounted for as ordinary lease transactions.

(e) Hedge accounting

i. Hedge accounting method

The Company has adopted the deferral method for hedging activities. Certain forward foreign exchange contracts are subject to appropriation if they satisfy the requirements of appropriation treatment (“furiate-shori”). Special treatment (“tokurei-shori”) is adopted in the case of interest rate swaps that satisfy specific matching criteria.

ii. Hedge instruments and hedged items

Hedging instrument	Hedged item
Forward foreign exchange contracts	Accounts receivable/payable—trade denominated in foreign currencies and forecast transactions denominated in foreign currencies
Interest rate swaps	Borrowings and bonds held to maturity
Commodity swaps	Nickel

iii. Hedging policy

The Company enters into forward foreign exchange contracts to hedge its exposure to foreign currency risk with regard to transactions denominated in foreign currencies, interest rate swaps to hedge its exposure to interest rate risk related to the rise in interest rates on fund-raising costs and interest income for debt securities and commodity swaps to hedge its exposure to price fluctuation risk regarding nickel. The Company utilizes these hedging instruments only for transactions based on actual demand and does not participate in hedging activities for speculative purposes with the aim of gaining marginal advantage from buying and selling.

iv. Method of assessing the hedging effectiveness

Ratio analysis is conducted to measure effectiveness of commodity swaps through comparison of the price fluctuations or the accumulated cash flow fluctuations of the hedged item with the same as that of the hedging instrument. For forward foreign exchange contracts and interest rate swaps, assessment of hedging effectiveness is omitted because it can be assumed that the important conditions for the hedging instrument and the hedged item are same and the fluctuations of rate or the cash flow fluctuations can be fully offset at the beginning of the hedging and also continuously thereafter.

(f) Other important matters in preparing the consolidated financial statements

i. Accounting for consumption tax

Transactions subject to the consumption tax and local consumption tax are recorded at amounts exclusive of the consumption taxes.

(5) Valuation of Assets and Liabilities of Consolidated Subsidiaries

The assets and liabilities of consolidated subsidiaries are valued at their fair market values at the respective dates when the subsidiaries were initially consolidated.

(6) Treatment of Amortization of Goodwill and Negative Goodwill

Goodwill and negative goodwill are equally amortized over five years on a straight-line basis.

(7) Cash and Cash Equivalents in the Consolidated Statement of Cash Flow

Cash and cash equivalents in the consolidated statement of cash flows include cash on hand, demand deposits and short-term investments maturing within three months from the date acquired and which are easily convertible to cash with little or no risk of fluctuation in value.

NON-CONSOLIDATED BALANCE SHEETS
(As of March 31, 2007 and 2008)

	2007	2008
	(millions of yen)	
(Assets)		
I Current assets		
1 Cash and deposits	¥62,194	¥76,840
2 Notes receivable - trade	13,341	11,895
3 Accounts receivable - trade	109,438	102,051
4 Securities	2,000	2,000
5 Inventories	32,692	32,759
6 Deferred tax assets	4,983	5,436
7 Short-term loans	23,606	24,269
8 Accrued receivable	1,956	3,010
9 Other	686	833
10 Allowance for doubtful accounts	(1,150)	(1,245)
Total current assets	249,749	257,852
II Non-current assets		
(1) Property, plant and equipment		
1 Buildings	32,897	30,187
2 Structures	1,142	1,051
3 Machinery and equipment	24,521	13,693
4 Vehicles	183	112
5 Tools, furniture and fixtures	3,151	2,638
6 Land	22,886	22,882
7 Construction in progress	3,628	3,678
Total property, plant and equipment	88,411	74,245
(2) Intangible assets		
1 Software	3,549	2,655
2 Other	47	34
Total intangible assets	3,596	2,690
(3) Investments and other assets		
1 Investment securities	128,897	96,558
2 Stocks of subsidiaries and affiliates	21,702	22,412
3 Investments in capital of subsidiaries and affiliates	840	1,722
4 Long-term loans receivable	5,295	13,037
5 Long-term prepaid expenses	328	459
6 Deferred tax assets	7,795	18,951
7 Other	6,876	3,869
8 Allowance for doubtful accounts	(2,620)	(1,910)
Total investments and other assets	169,116	155,101
Total non-current assets	261,124	232,036
Total assets	¥510,874	¥489,889

2007

2008

(millions of yen)

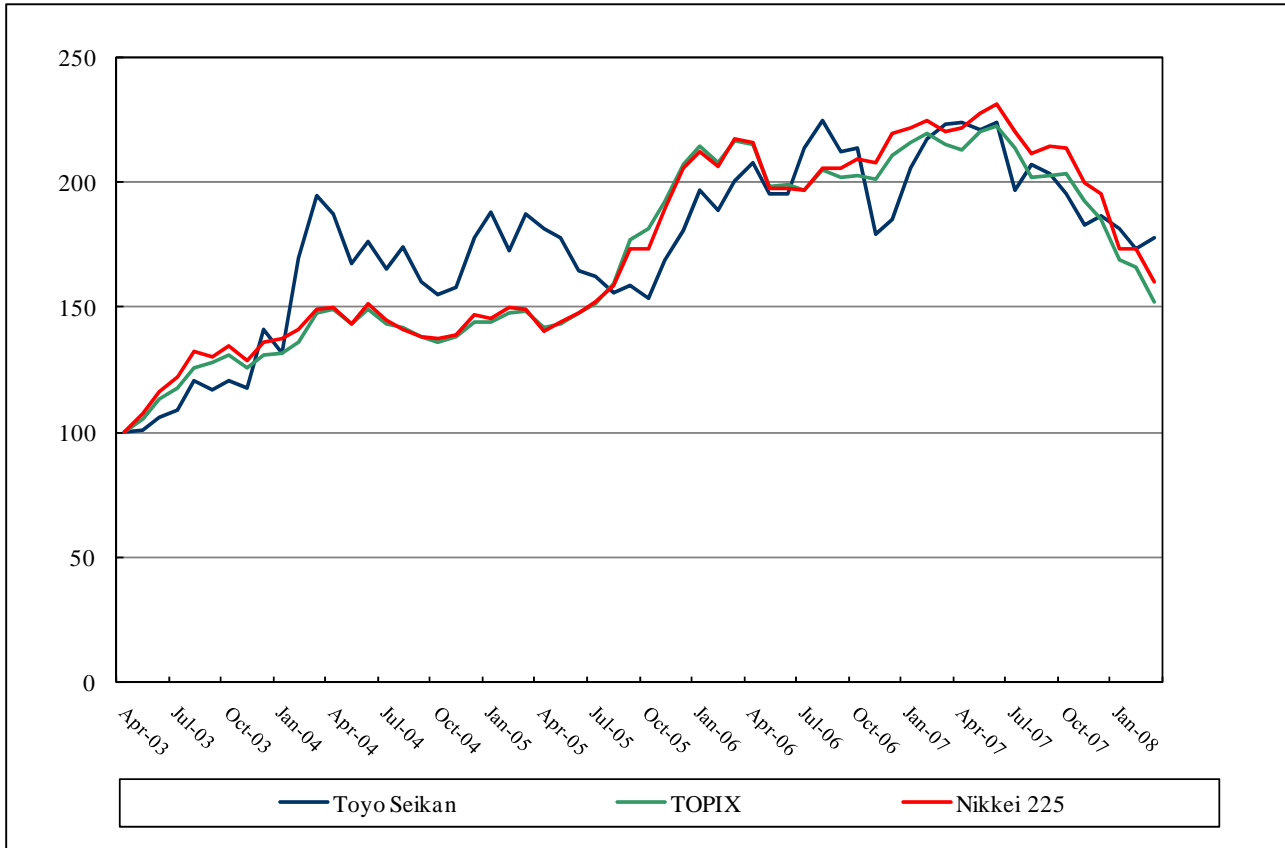
(Liabilities)		
I Current liabilities		
1 Accounts payable - trade	¥41,475	¥40,606
2 Accounts payable - other	8,153	6,896
3 Accrued expenses	15,387	15,065
4 Accrued income taxes	-	83
5 Advance received	28	182
6 Deposits received	3,467	3,593
7 Reserve for directors' bonuses	55	55
8 Other	595	945
Total current liabilities	69,165	67,429
II Non-current liabilities		
1 Reserve for retirement benefits	22,170	19,725
2 Other	1,775	2,821
Total non-current liabilities	23,946	22,546
Total liabilities	93,111	89,975
(Net assets)		
I Shareholders' equity		
1 Capital stock	11,094	11,094
2 Capital surplus		
(1) Legal capital surplus	349	349
Total capital surplus	349	349
3 Retained earnings		
(1) Legal retained earnings	2,773	2,773
(2) Other retained earnings		
Reserve for dividends	2,046	2,046
Reserve for doubtful accounts	5,800	5,800
Reserve for inventory adjustment	5,600	5,600
Reserve for special depreciation - general	33,500	33,500
Reserve for special depreciation	163	91
Reserve for advanced depreciation of non-current assets	4,709	4,747
General reserve	311,753	313,685
Retained earnings brought forward	10,077	9,315
Total retained earnings	376,422	377,559
4 Treasury stock	(19,501)	(19,509)
Total shareholders' equity	368,364	369,494
II Valuation and translation adjustments		
1 Valuation deference on available-for-sale securities	49,389	31,248
2 Deferred gains or losses on hedges	8	(829)
Total valuation and translation adjustments	49,398	30,419
Total net assets	417,762	399,913
Total liabilities and net assets	¥510,874	¥489,889

NON-CONSOLIDATED STATEMENTS OF INCOME
(For the years ended March 31, 2007 and 2008)

	2007	2008
	<i>(millions of yen)</i>	
I Net sales	¥344,800	¥351,364
II Cost of goods sold	297,781	301,092
Gross profit	47,018	50,272
III Selling, general and administrative expenses	42,863	41,205
Operating income	4,154	9,066
IV Non-operating income		
1 Interest income	632	1,185
2 Dividends income	2,444	2,579
3 Rent revenue	2,666	2,766
4 Other	2,524	2,431
V Non-operating expenses		
1 Administrative expenses for leased assets	786	756
2 Loss on disposal of inventories	634	563
3 Loss on retirement of non-current assets	449	667
4 Loss on valuation of non-current assets	1,339	567
5 Other	1,008	1,796
Ordinary income	8,203	13,677
VI Extraordinary income		
1 Gain on sale of investment securities	-	673
2 Reversal of allowance for doubtful accounts for subsidiaries and affiliates	-	624
VII Extraordinary loss		
1 Loss on valuation of inventories	1,225	-
2 Impairment loss	-	3,350
3 Non-recurring depreciation on non-current assets	-	5,854
Income before income taxes	6,978	5,772
Income taxes - current	1,333	546
Income taxes - deferred	1,028	1,411
Net income	¥4,616	¥3,814

STOCK INFORMATION

(From April 1, 2003 to March 31, 2008)



INVESTOR INFORMATION

(As of March 31, 2008)

Trade Name:	Toyo Seikan Kaisha, Ltd.
Location of Head Office:	1-3-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo, Japan
Date Established:	June 25, 1917
Capital:	¥11,094,600,000
End of Fiscal Year:	March 31
Number of Employees:	17,583
Number of Subsidiaries:	64
Number of Affiliated Companies:	11
Accounting Auditor:	Sohken Audit Corporation
Stock Exchange Listings:	Tokyo Stock Exchange, First Section; Osaka Stock Exchange, First Section
Securities Identification Code:	5901
Total Number of Issuable Shares:	450,000,000
Total Number of Issued Shares:	216,592,000
Number of Shares per Unit:	100
Number of Shareholders:	6,550
Shareholder List Manager:	Sumitomo Trust & Banking Co., Ltd.
IR Contact:	
Telephone:	+81-3-3508-2112
Fax:	+81-3-3508-2265
URL:	http://www.toyo-seikan.co.jp/e/



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