

QⅢ, FY08/09 (The 63rd Term) Financial Result Digest

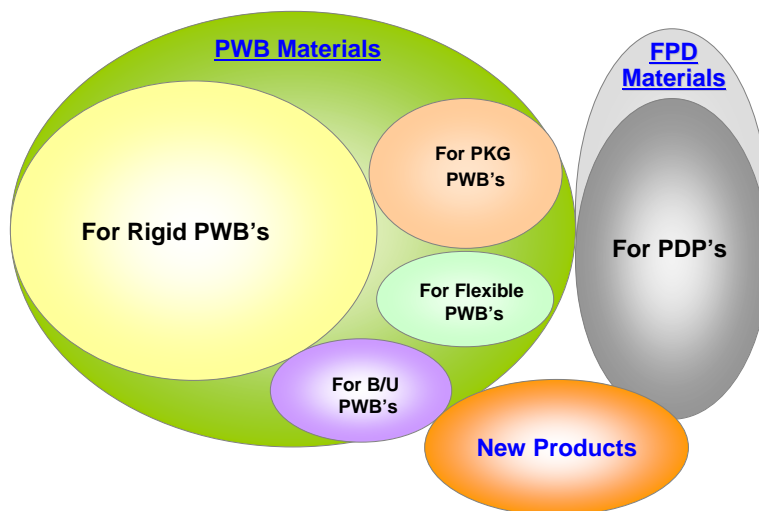
TAIYO INK MFG. CO., LTD.
February 12, 2009

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Disclosure Classification



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Terminology

Word	Implication
“PWB Materials”	Chemical Products for Printed Wiring Boards
“FPD Materials”	Chemical Products for Flat Panel Display Panels
“PDP Materials”	Chemical Products for Plasma Display Panels
“SR”	Solder Resist Ink or Soldermask (“Resist Ink”)
“LPI”	Liquid Photoimageable SR
“PKG Material”	Chemical Products for IC Package Substrates

QⅢ, FY 08/09 Cumulative

QⅢ, FY 08/09 Cumulative : Summary

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(PWB materials)

- Sales volume drastically fell over Q3.
- Demand for almost all product fields in all regions deteriorated.
- Ave. sales price in local currencies stable.

(FPD materials)

- Sales continued stagnated.

(Profit)

- Operating Income dropped due to a sluggish sales and a stronger JPY.
- “Additional costs ” of JPY1,900MM also led to significant decrease in Net Income.

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QⅢ, FY 08/09 Cumulative

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(JPY MM)

Article	FY07/08 Q3 (Cumulative)	FY08/09 Q3 (Cumulative)	Diff.	Change in %
Sales	34,895	27,063	(7,831)	(22.4%)
Cost of Sales	22,130	18,531	(3,598)	(16.3%)
Gross Profit	12,764	8,531	(4,233)	(33.2%)
SGA Expenses	5,197	5,228	31	0.6%
Ope. Income	7,567	3,303	(4,264)	(56.4%)
Ordinary Income	7,714	3,314	(4,399)	(57.0%)
Net Income	5,361	1,616	(3,745)	(69.9%)

<Ave. Exchange Rate>

(JPY)

USD	117.2	102.3	(15.0)	(12.8%)
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QⅢ, FY 08/09 Cumulative : “Additional Costs”

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(JPY MM)	FY08/09 Q3 (Cumulative)	
Sales	27,063	
Cost of Sales	18,531	Loss on Valuation of Inventories : 192
Gross Profit	8,531	
SGA Expenses	5,228	Provision for Allowance for Bad Debts : 202
Operating Income	3,303	
Non-ope. Pro. & Loss	11	Foreign Exchange Losses : 269
Ordinary Income	3,314	
Extra. Pro. & Loss	(611)	Retirement of Non-current Assets : 344 Loss on Valuation of Investment Securities : 226
Income Before Taxes	2,703	
Income Taxes	1,034	Non-recording of a Portion of Deferred Tax Assets : 720
Minority Interests	52	
Net Income	1,616	

“Additional Costs” : JPY1,900MM

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QⅢ, FY 08/09 Cumulative : Breakdown of Sales by Product Line

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- PKG materials showed weakness especially.
- FPD materials depression kept.

(JPY MM)

Product Line	FY07/08 Q3 (Cumulative)	FY08/09 Q3 (Cumulative)	Diff.	Change in %
Grand Total	-	27,063	-	-
PWB Materials	-	21,412	-	-
Rigid	-	16,382	-	-
PKG & FPC	-	4,279	-	-
Build Up	-	749	-	-
FPD Materials	-	4,767	-	-
Others	-	884	-	-

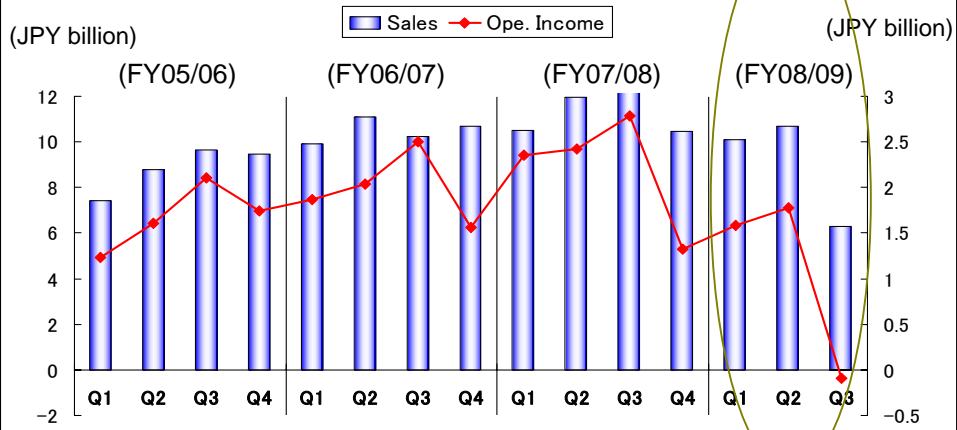
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Quarterly Trend

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- Sales volume decreased rapidly.
- Negative impact of stronger JPY.

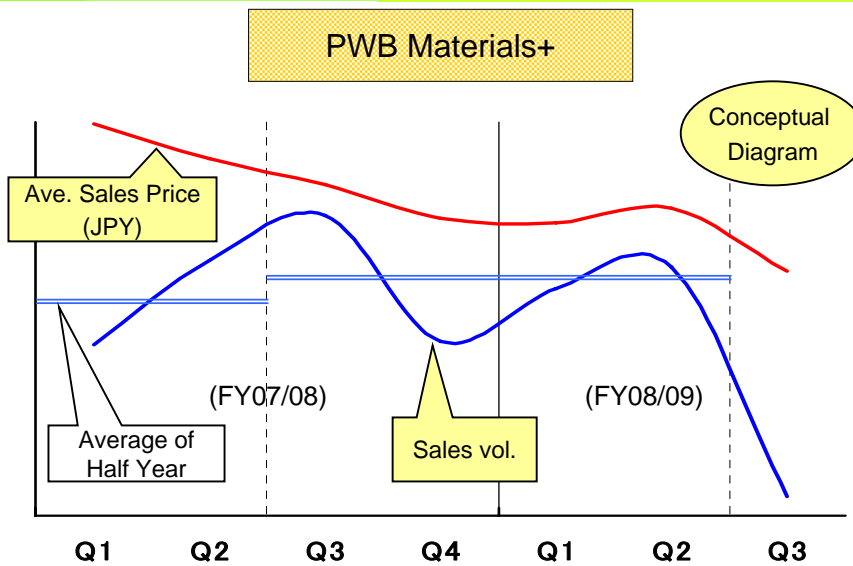


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Quarterly Trend

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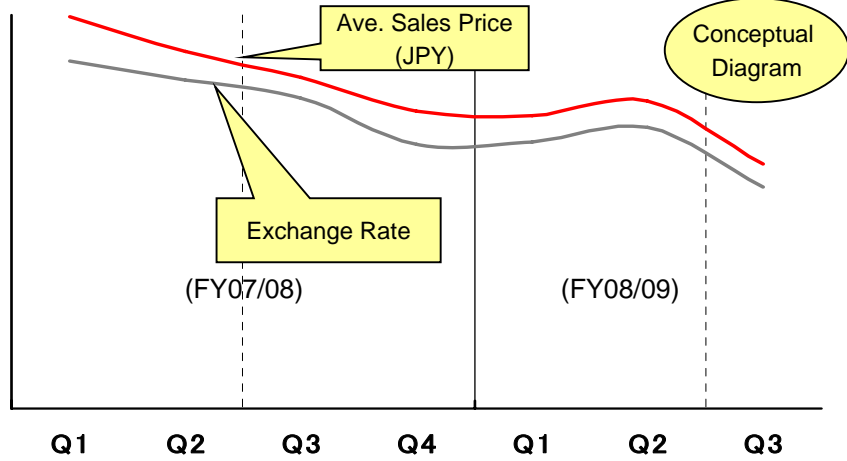
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Quarterly Trend

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(PWB Materials+)
 Price and Exchange Rate Correlation



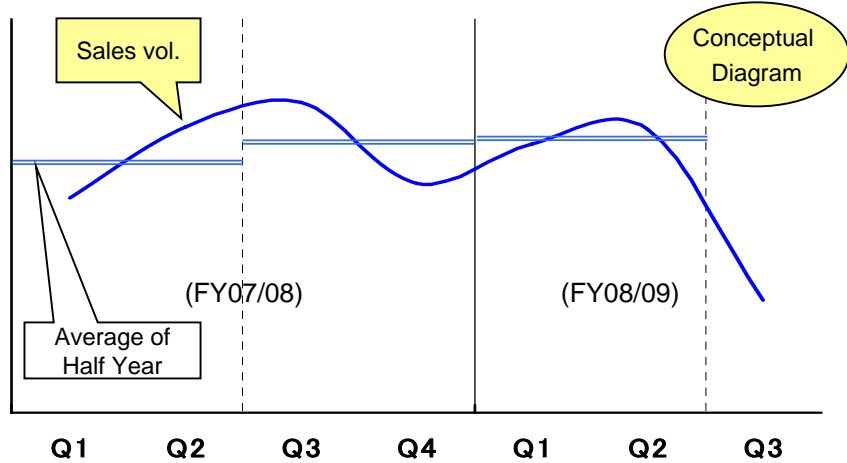
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Quarterly Trend

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(PWB Materials+)
 For Rigid PWB

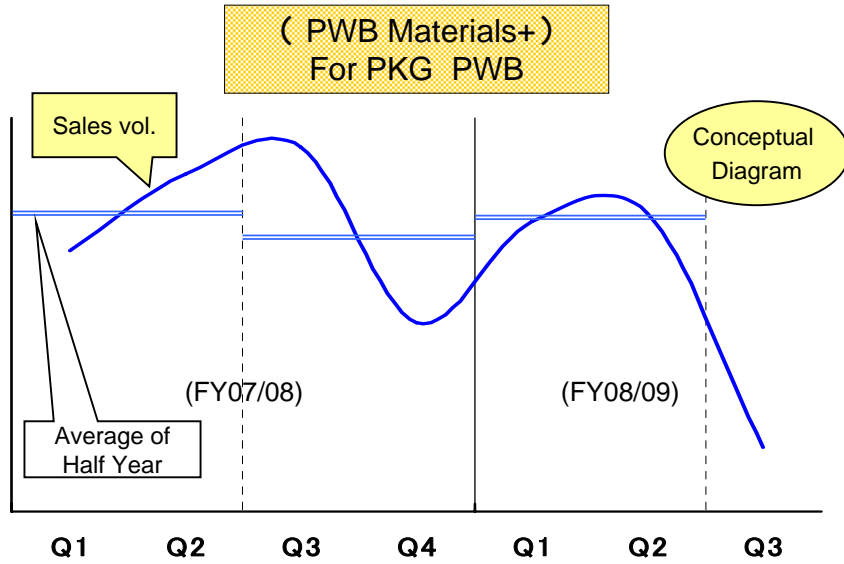


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Quarterly Trend

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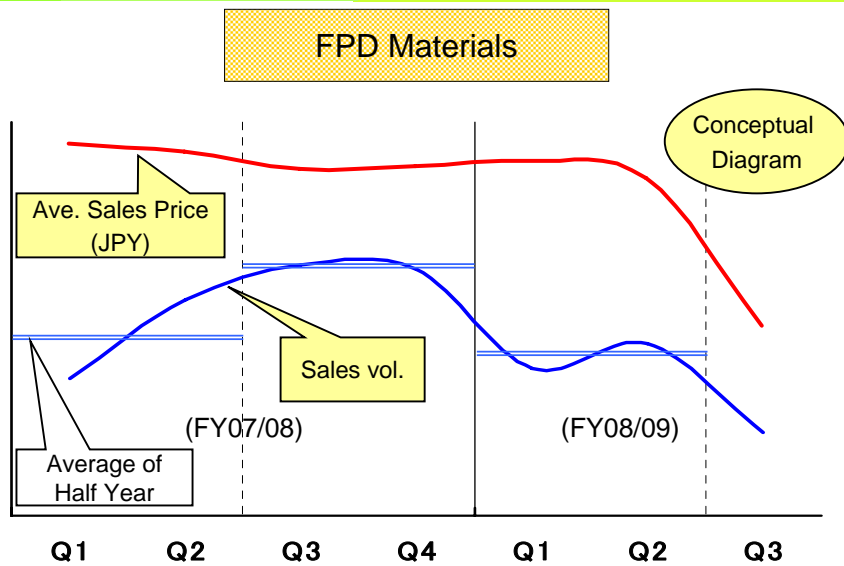


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Quarterly Trend

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Forecast for FY 08/09

Forecast for FY 08/09 : Summary

- PWB and FPD sales vol. revised downward.
- Assumed foreign currency rates in Q4 revised.
(1USD = JPY100 → JPY90)
- Extra. Income & Loss in Q4.
(Extra. Income of JPY500MM due to settlement of
disputes on license.)
(Extra. Loss of JPY1,000MM due to withdrawal
from pension fund.)
- Non-recording of a portion of deferred tax assets of
JPY400MM in Q4.

Forecast for FY08/09

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(JPY MM)

Date Announced	Q1	Q2	Q3	Q4	FY total	
	3 months	3 months	3 months	3 months	Nov. 12, '08	New Projection
	Actual	Actual	Actual	New Projection		
Sales	10,096	10,690	6,276	5,000	39,000	32,000
(PWB+)	8,182	8,614	5,500	4,200	32,200	26,400
(FPD)	1,914	2,076	776	800	6,800	5,600
Ope. Income	1,588	1,780	(93)	(200)	5,500	3,000
Ordinary Income	1,946	1,934	(594)	(200)	6,000	3,100
Net Income	1,185	1,268	(837)	(800)	4,200	800

<Foreign Exchange Rate>

(JPY)

USD	104.1	107.1	95.0	90.0	102.9	99.4
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Forecast for FY08/09 : Breakdown of Non-Ope. / Extra. Income & Loss

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(JPY billion)

	Q3	Q4	FY total
Operating Income	—	—	3.0
Non-Ope. Income & Loss	0.0	0.1	0.1
Foreign Exchange Losses	(0.3)	—	(0.3)
Others	0.3	0.1	0.4
Ordinary Income	—	—	3.1
Extra. Income & Loss	(0.6)	(0.5)	(1.1)
Settlement of Disputes on License	—	0.5	0.5
Retirement of non-current assets	(0.3)	—	(0.3)
Valuation of investment securities	(0.2)	—	(0.2)
Withdrawal from Pension Fund	—	(1.0)	(1.0)
Others	(0.1)	—	(0.1)
Income Before Taxes	—	—	2.0
Income Taxes	1.0	0.1	1.1
Non-recording of a Portion of Deferred Tax Assets	0.7	0.4	1.1
Others	0.3	(0.3)	0.0
Minority Interests	—	—	0.1
Net Income	—	—	0.8

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Forecast for FY 08/09 : Quarterly Progress

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(JPY MM)

	Q I	(Interim) Q II	Q III	Total
Sales Cumulative FY08/09	10,096 (31.6%)	20,787 (65.0%)	27,063 (84.6%)	32,000 (100.0%)
Ope. Income Cumulative FY08/09	1,588 (- %)	3,368 (- %)	3,303 (- %)	3,000 (100.0%)
Sales Cumulative FY07/08	10,516 (23.2%)	22,478 (49.6%)	34,895 (77.0%)	45,338 (100.0%)
Ope. Income Cumulative FY07/08	2,359 (26.5%)	4,779 (53.7%)	7,567 (85.1%)	8,896 (100.0%)

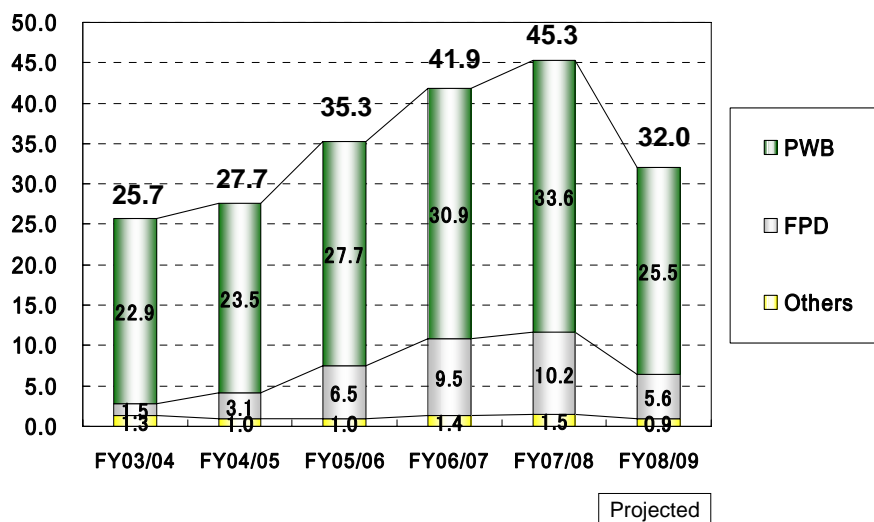
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Forecast for FY 08/09 : Breakdown of Sales by Product Line

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(JPY billion)



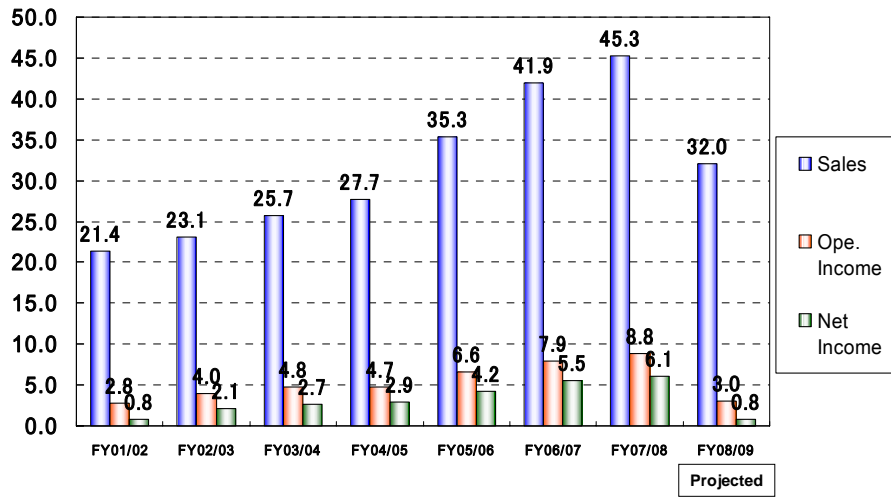
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Financial Results by FY

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(JPY billion)



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