

November 10, 2010

## Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2011 <under Japanese GAAP>

Company name: **TAIYO HOLDINGS CO., LTD.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 4626  
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Scheduled date to file quarterly report: November 11, 2010  
 Scheduled date to commence dividend payments: December 1, 2010  
 Preparation of supplementary results briefing material on quarterly financial results: Yes  
 Holding of quarterly financial results presentation meeting: Yes  
 (for institutional investors and analysts)

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

### 1. Consolidated financial results for the six months of the fiscal year ending March 31, 2011 (from April 1, 2010 to September 30, 2010)

#### (1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2010	20,716	22.8	3,522	50.9	3,422	61.1	2,232	121.6
September 30, 2009	16,874	(18.8)	2,334	(30.7)	2,124	(45.3)	1,007	(58.9)

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2010	86.08	—
September 30, 2009	38.84	—

#### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2010	43,337	35,061	79.4	1,327.35
March 31, 2010	43,704	35,685	80.1	1,349.61

Reference: Equity (Net assets excluding minority interests)

As of September 30, 2010: 34,429 million yen As of March 31, 2010: 35,006 million yen

## 2. Cash dividends

	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2010	–	45.00	–	45.00	90.00
Fiscal year ending March 31, 2011	–	45.00			
Fiscal year ending March 31, 2011 (Forecasts)			–	45.00	90.00

Note: Revisions to the forecasts of cash dividends in the current quarter: None

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Yen						
Fiscal year ending March 31, 2011	39,500	12.7	5,500	13.6	5,500	14.9	3,700	22.9	142.65

Note: Revisions to the consolidated earnings forecasts in the current quarter: Yes

## 4. Others (For details, please refer to “Other Information” on page 6 of the attached materials.)

### (1) Changes in significant subsidiaries during the current quarter: None

Note: Changes in specified subsidiaries resulting in the change in scope of consolidation during the current quarter

### (2) Application of simplified accounting and specific accounting: Yes

Note: Application of simplified accounting and specific accounting for preparing the quarterly consolidated financial statements

### (3) Changes in accounting policies and procedures and methods of presentation

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

b. Changes due to other reasons: Yes

Note: Changes in accounting policies and procedures and methods of presentation for preparing the quarterly consolidated financial statements stated in the section of “Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements”

### (4) Number of issued shares (common stock)

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

As of September 30, 2010 27,464,000 shares

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

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

As of September 30, 2010 1,525,526 shares

As of March 31, 2010 1,525,526 shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2010 25,938,474 shares

Six months ended September 30, 2009 25,938,580 shares

**\* Indication regarding execution of quarterly review procedures**

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

**\* Proper use of earnings forecasts, and other special matters**

1. On October 1, 2010, the Company changed to a holding company structure and changed its company name from “TAIYO INK MFG. CO., LTD.” to “TAIYO HOLDINGS CO., LTD.”
2. The consolidated earnings forecasts announced on August 6, 2010 have been revised in these materials.
3. The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of “Qualitative information regarding consolidated earnings forecasts” on page 5 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

## Attached Materials

### Index

1. Qualitative Information Regarding Consolidated Financial Results for the Six Months .....	2
(1) Qualitative information regarding consolidated operating results .....	2
(2) Qualitative information regarding consolidated financial position .....	4
(3) Qualitative information regarding consolidated earnings forecasts .....	5
2. Other Information .....	6
(1) Summary of changes in significant subsidiaries .....	6
(2) Summary of simplified accounting and specific accounting.....	6
(3) Summary of changes in accounting policies and procedures and methods of presentation.....	6
(4) Summary of significant events regarding premise of going concern.....	7
3. Consolidated Financial Statements .....	8
(1) Consolidated balance sheets.....	8
(2) Consolidated statements of income (cumulative) .....	10
(3) Consolidated statements of cash flows.....	11
(4) Notes on premise of going concern.....	13
(5) Segment information.....	13
(6) Notes on substantial changes in the amount of shareholders' equity.....	15
(7) Other notes .....	15

## 1. Qualitative Information Regarding Consolidated Financial Results for the Six Months

### (1) Qualitative information regarding consolidated operating results

- During the six months ended September 30, 2010, while China and other emerging countries lifted the macro economy by staging a strong recovery, the future prospects became increasingly uncertain for the developed countries, whose pace of recovery slowed due to unemployment rates stuck at a high level, uncertainties in the financial system and other factors. In addition, the yen has been sharply strengthening since the start of the fiscal year and there are concerns that this will affect the Japanese economy.
- Under such circumstances, in the electronic components industry, the market in which the Group is engaged in, Group sales were favorable thanks to strong demand for PCs, flat-screen televisions and smartphones, among others, and strengthening demand in the emerging markets, especially China.
- For the PWB (printed wiring board) materials market, since the fiscal year began, orders exceeded initial forecasts. On a by-volume basis, they were much higher than those of the same period of the previous fiscal year for all markets; moreover, the sales volume was the highest on record. Average sales unit prices declined year on year due to the rapidly strengthening yen and other factors. As a result, net sales of PWB materials for the current six months amounted to 15,964 million yen (up 16.3% year on year).
- Sales of FPD (flat panel display) materials, mainly consisting of PDP (plasma display panel) materials, remained favorable. Despite the effects of the appreciation of the yen, factors such as a hike in sales volume and higher average sales unit prices thanks to an increase in the price of silver, a key raw material, resulted in net sales for FPD materials of the current six months of 4,251 million yen (up 58.6% year on year).
- Concerning profits, despite the effect of the sharp appreciation of the yen, the profit margin improved from 13.8% in the same period of the previous fiscal year to 17.0% as a result of an increase in sales volume that pushed down the cost to sales ratio and selling, general and administrative expense ratio, among others. As a result, operating income amounted to 3,522 million yen (up 50.9% year on year) with ordinary income at 3,422 million yen (up 61.1% year on year) and net income at 2,232 million yen (up 121.6% year on year).

#### *Sales results by product group category*

The following are sales results by product group category for the six months ended September 30, 2010.

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010	Change	Rate of change (%)
Rigid board materials	10,400	12,243	1,843	17.7
PKG board and flexible board materials	2,803	3,087	283	10.1
Build-up board materials	523	633	110	21.0
FPD materials	2,680	4,251	1,571	58.6
Others	466	500	33	7.2
Total	16,874	20,716	3,842	22.8

Results by segment are as follows.

#### 1) Japan

- The consolidated company located in Japan is TAIYO HOLDINGS CO., LTD. (The trade name was changed from TAIYO INK MFG. CO., LTD. on October 1, 2010.)
- Sales recovered significantly with “rigid board materials” and “PKG board and flexible board materials” being the main contributors. While exports fared well, sales in Japan have yet to recover to pre-Lehman Shock levels despite a year-on-year increase.

- As a result, net sales amounted to 12,034 million yen with segment profit at 762 million yen.
- 2) China (including Hong Kong)
    - The consolidated companies located in China are TAIYO INK (SUZHOU) CO., LTD., a manufacturing and marketing subsidiary and TAIYO INK INTERNATIONAL (HK) LIMITED, a marketing subsidiary operating mainly in the southern China region.
    - The Chinese market got off to a smooth start from the beginning of the fiscal year. Despite concerns of lower exports in electronics products due to uncertainties in Europe, robust internal demand led to a record sales volume.
    - As a result, net sales amounted to 6,493 million yen with segment profit at 1,635 million yen.
  - 3) Taiwan
    - The consolidated company located in Taiwan is TAIWAN TAIYO INK CO., LTD., a manufacturing and marketing subsidiary.
    - The sales volume rose year on year thanks to strong activity in Taiwan's electronic components industry and an increase in sales to China.
    - As a result, net sales amounted to 2,398 million yen with segment profit at 369 million yen.
  - 4) Korea
    - The consolidated company located in Korea is TAIYO INK CO., (KOREA) LTD., a manufacturing and marketing subsidiary.
    - Sales of "rigid board materials" and "PKG board and flexible board materials" continued to be strong due to factors such as strong sales to Korean export companies.
    - Sales of FPD materials fared well thanks to strong sales in the European and American markets of plasma televisions, a final product.
    - As a result, net sales amounted to 6,435 million yen with segment profit at 612 million yen.
  - 5) Other
    - The consolidated companies located in the areas other than the above are TAIYO AMERICA, INC. and TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD.
    - The ASEAN region showed continued strength mostly in the Thai market.
    - The European and American markets maintained a modest recovery from the fourth quarter of the previous fiscal year.
    - As a result, net sales amounted to 1,639 million yen with segment profit at 159 million yen.

**(2) Qualitative information regarding consolidated financial position**

1) Positions of assets, liabilities and net assets

The following shows the positions of assets, liabilities and net assets as of September 30, 2010.

	As of March 31, 2010 (Millions of yen)	As of September 30, 2010 (Millions of yen)	Change (Millions of yen)	Main factors (comparison with the end of the previous fiscal year)
Current assets	27,516	27,973	456	Cash and deposits increased approx. 300 million yen, notes and accounts receivable-trade decreased approx. 200 million yen, inventories increased approx. 200 million yen and allowance for doubtful accounts decreased approx. 200 million yen
Noncurrent assets	16,187	15,363	(823)	Decrease of approx. 500 million yen due to depreciation and amortization
Total assets	43,704	43,337	(367)	
Total liabilities	8,018	8,276	257	Notes and accounts payable-trade increased approx. 200 million yen
Total net assets	35,685	35,061	(624)	Net income was approx. 2,200 million yen, cash dividends paid was approx. 1,200 million yen and foreign currency translation adjustment decreased approx. 1,500 million yen
Total liabilities and net assets	43,704	43,337	(367)	

2) Cash flow position

The following is the position of cash flows for the six months ended September 30, 2010.

	Six months ended September 30, 2010 (Millions of yen)	Main factors (for the six months ended September 30, 2010)
Net cash provided by (used in) operating activities	2,379	Income before income taxes and minority interests provided approx. 3,300 million yen, depreciation and amortization provided approx. 500 million yen, an increase in notes and accounts receivable-trade and an increase in inventories used approx. 1,100 million yen, an increase in notes and accounts payable-trade provided approx. 600 million yen and income taxes paid used approx. 1,000 million yen
Net cash provided by (used in) investing activities	1,006	Proceeds from the net of withdrawal of and payment into time deposits provided approx. 1,200 million yen and purchase of property, plant and equipment used approx. 200 million yen
Net cash provided by (used in) financing activities	(1,217)	Cash dividend payments used approx. 1,200 million yen
Net increase (decrease) in cash and cash equivalents	1,737	
Cash and cash equivalents at end of period	13,651	

**(3) Qualitative information regarding consolidated earnings forecasts**

Consolidated earnings forecasts for the fiscal year ending March 31, 2011

- Results for the six months ended September 30, 2010 exceeded the earnings forecasts announced on August 6. Consolidated net sales for the current fiscal year are projected to be slightly higher on account of this. However, considering that the appreciation of the yen to the U.S. dollar has been continuing since the start of the current six months, we now forecast such appreciation of the yen to be considerably higher from the third quarter onwards than was initially forecasted. As we expect this to lower the profit margin, we are not revising the profit-related forecasts that were previously announced.

*For the fiscal year ending March 31, 2011*

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecasts (announced on August 6, 2010)	38,500	5,500	5,500	3,700
Revised forecasts	39,500	5,500	5,500	3,700
Rate of change (%)	2.6	-	-	-

## 2. Other Information

### (1) Summary of changes in significant subsidiaries

No items to report

### (2) Summary of simplified accounting and specific accounting

#### a. Simplified accounting

(Valuation method of inventories)

With respect to the calculation of inventories as of the end of the current second quarter, physical inventories are omitted and a reasonable calculation method based on the physical inventories at the end of previous fiscal year is employed.

(Calculation method of deferred tax assets and deferred tax liabilities)

The method for determining the recoverability of deferred tax assets uses the earnings forecasts and tax planning used in the closing of the previous fiscal year in the event of the recognition that no material changes have occurred in the business and other environments, or in the conditions under which temporary differences occur or other events occurring after the end of the previous fiscal year. In the event of the recognition of a material change in the business and other environments or other material change in the conditions under which temporary differences occur, etc. after the end of the previous fiscal year, the calculation method shall include factors that take into account the material changes into the earnings forecasts and tax planning used in the closing of the previous fiscal year.

#### b. Specific accounting for preparing the quarterly consolidated financial statements

No items to report

### (3) Summary of changes in accounting policies and procedures and methods of presentation

#### a. Changes following changes etc. to accounting standards

(Application of accounting standard for asset retirement obligations)

Effective from the first quarter, the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) are adopted.

As a result, during the six months ended September 30, 2010, operating income and ordinary income decreased by 1 million yen respectively, and income before income taxes and minority interests decreased by 32 million yen. The change in asset retirement obligations due to the application of this accounting standard and guidance amounted to 51 million yen.

(Application of accounting standards for business combinations, etc.)

Effective from the first quarter, the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), the “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, December 26, 2008) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008) are adopted.

(Application of accounting standard for consolidated financial statements)

Following the adoption of the “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “income before minority interests” is included in the consolidated statements of income for the current six months.

b. Other changes

(Scope of consolidation)

From the current second quarter, TAIYO INK TRADING (SHENZHEN) CO., LTD., which was newly established, is included in the scope of consolidation.

(Number of consolidated subsidiaries after change)

7 companies

**(4) Summary of significant events regarding premise of going concern**

No items to report

(Additional information)

The Company, at a meeting of the Board of Directors held on April 22, 2010, resolved to abolish the directors' retirement benefits system and the agenda item regarding lump-sum payments resulting from said abolishment was approved at the 64th General Meeting of Shareholders held on June 29, 2010.

These payments will be effected as retirement benefits paid at the time of retirement according to the period of service up to the abolishment of the system.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010 (Summary)
Assets		
Current assets		
Cash and deposits	14,508	14,174
Notes and accounts receivable-trade	8,908	9,173
Short-term investment securities	0	0
Merchandise and finished goods	2,068	1,944
Work in process	195	255
Raw materials and supplies	1,758	1,646
Other	622	642
Allowance for doubtful accounts	(88)	(321)
Total current assets	27,973	27,516
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,304 *2	7,754 *2
Other, net	5,969 *2	6,199 *2
Total property, plant and equipment	13,274 *1	13,954 *1
Intangible assets		
Goodwill	27	47
Other	273	342
Total intangible assets	301	389
Investments and other assets	1,787 *3	1,843 *3
Total noncurrent assets	15,363	16,187
Total assets	43,337	43,704

Please refer to "Notes to consolidated balance sheets" on page 15 for \*1, \*2 and \*3.

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010 (Summary)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	5,739	5,482
Income taxes payable	499	400
Provision for bonuses	274	251
Provision for directors' bonuses	24	60
Other	924	978
Total current liabilities	7,463	7,172
Noncurrent liabilities		
Provision for retirement benefits	198	183
Provision for directors' retirement benefits	112	105
Asset retirement obligations	51	-
Other	450	557
Total noncurrent liabilities	812	845
Total liabilities	8,276	8,018
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,134	6,134
Capital surplus	7,102	7,102
Retained earnings	29,727	28,661
Treasury stock	(4,060)	(4,060)
Total shareholders' equity	38,904	37,838
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	63	116
Foreign currency translation adjustment	(4,538)	(2,948)
Total valuation and translation adjustments	(4,474)	(2,832)
Minority interests	631	679
Total net assets	35,061	35,685
Total liabilities and net assets	43,337	43,704

**(2) Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net sales	16,874	20,716
Cost of sales	11,547	14,096
Gross profit	5,326	6,619
Selling, general and administrative expenses	2,992 *1	3,097 *1
Operating income	2,334	3,522
Non-operating income		
Interest income	33	33
Dividends income	11	9
Other	28	42
Total non-operating income	73	85
Non-operating expenses		
Interest expenses	0	2
Foreign exchange losses	277	172
Other	5	9
Total non-operating expenses	283	184
Ordinary income	2,124	3,422
Extraordinary income		
Gain on sales of noncurrent assets	0	–
Gain on bad debts recovered	–	1
Total extraordinary income	0	1
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	0	35
Loss on valuation of investment securities	–	0
Impairment loss	–	23 *2
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	31
Total extraordinary losses	0	91
Income before income taxes and minority interests	2,123	3,333
Income taxes-current	654	1,161
Income taxes-deferred	412	(126)
Total income taxes	1,066	1,035
Income before minority interests	–	2,297
Minority interests in income	49	65
Net income	1,007	2,232

Please refer to “Notes to consolidated statements of income” on page 15 for \*1 and \*2.

**(3) Consolidated statements of cash flows**

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,123	3,333
Depreciation and amortization	623	553
Impairment loss	–	23
Loss (gain) on valuation of investment securities	–	0
Increase (decrease) in provision for retirement benefits	3	27
Increase (decrease) in provision for bonuses	53	26
Increase (decrease) in provision for directors' bonuses	(31)	(35)
Interest and dividends income	(45)	(43)
Interest expenses	0	2
Loss (gain) on sales and retirement of property, plant and equipment	–	35
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	31
Decrease (increase) in notes and accounts receivable-trade	(2,386)	(666)
Decrease (increase) in inventories	(191)	(461)
Increase (decrease) in notes and accounts payable-trade	2,476	601
Increase (decrease) in accrued consumption taxes	(35)	39
Other, net	(1,024)	(108)
Subtotal	1,566	3,360
Interest and dividends income received	48	43
Interest expenses paid	(0)	(2)
Income taxes paid	(569)	(1,022)
Net cash provided by (used in) operating activities	1,045	2,379
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,894)	(2,297)
Proceeds from withdrawal of time deposits	2,460	3,563
Purchase of short-term investment securities	–	(261)
Proceeds from sales of short-term investment securities	–	261
Purchase of property, plant and equipment	(377)	(229)
Purchase of intangible assets	(21)	(34)
Payments of loans receivable	(25)	(17)
Collection of loans receivable	13	17
Other, net	(20)	3
Net cash provided by (used in) investing activities	134	1,006

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	–	1,200
Decrease in short-term loans payable	–	(1,200)
Purchase of treasury stock	(0)	–
Cash dividends paid	(1,167)	(1,167)
Cash dividends paid to minority shareholders	(31)	(50)
Net cash provided by (used in) financing activities	(1,199)	(1,217)
Effect of exchange rate change on cash and cash equivalents	(227)	(430)
Net increase (decrease) in cash and cash equivalents	(246)	1,737
Cash and cash equivalents at beginning of period	11,291	11,913
Cash and cash equivalents at end of period	11,044	13,651
	*1	*1

Please refer to “Note to consolidated statements of cash flows” on page 16 for \*1.

#### (4) Notes on premise of going concern

No items to report

#### (5) Segment information

[Information by business segment]

Six months ended September 30, 2009

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

[Information by geographic area]

Six months ended September 30, 2009

(Millions of yen)

	Japan	Asia	North America	Total	Elimination or corporate	Consolidated total
Net sales						
(1) External sales	4,358	12,042	473	16,874	–	16,874
(2) Inter-segment sales or transactions	5,054	6	20	5,080	(5,080)	–
Total sales	9,412	12,048	493	21,955	(5,080)	16,874
Operating income	187	2,113	36	2,337	(3)	2,334

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

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

(1) North America: USA

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

[Overseas sales information]

Six months ended September 30, 2009

(Millions of yen)

	North America	Asia	Europe/others	Total
I Overseas sales	428	13,252	48	13,729
II Consolidated sales	–	–	–	16,874
III Percentage of overseas sales	2.6%	78.5%	0.3%	81.4%

Notes: 1. Regions are segmented by geographical proximity.

2. The regions in each segment are as follows:

(1) North America: USA and Canada

(2) Asia: Korea, Taiwan, China, Hong Kong, Thailand, etc.

(3) Europe/others: Germany, etc.

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

[Segment information]

#### 1. Overview of reportable segments

The reportable segments of the Group are components of the Group whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance. The business of the Group consists mainly of one activity, the manufacturing and marketing of solder resist for PWBs,

among others. Each Group company formulates comprehensive strategies and deploys business activities.

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

## 2. Information regarding net sales and profit/loss by reportable segment

Six months ended September 30, 2010

(Millions of yen)

	Reportable segments					Other (Note 2)	Total
	Japan	China (Note 1)	Taiwan	Korea	Total		
Net sales							
External sales	4,871	6,491	1,725	6,003	19,092	1,624	20,716
Inter-segment sales or transactions	7,163	1	672	431	8,269	15	8,285
Total sales	12,034	6,493	2,398	6,435	27,361	1,639	29,001
Segment profit	762	1,635	369	612	3,379	159	3,538

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

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

## 3. Differences between total profits or losses for reportable segments and consolidated statements of income amounts, and main details of said differences (matters regarding adjustments for differences)

Six months ended September 30, 2010

(Millions of yen)

Profits/losses	Amount
Reportable segment total	3,379
“Other” segment profit	159
Elimination of inter-segment transactions	10
Amortization of goodwill	(19)
Other adjustments	(7)
Operating income in consolidated statements of income	3,522

## 4. Information regarding impairment loss on noncurrent assets, goodwill and negative goodwill, etc. by reportable segment

In the “Japan” segment, a portion of assets (software) has no decided future use and its book value has been written down to the recoverable value. The corresponding amount that is recognized as impairment loss in the current six months is 23 million yen.

(Additional information)

Effective from the first quarter, the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) are adopted.

**(6) Notes on substantial changes in the amount of shareholders' equity**

No items to report

**(7) Other notes****(Notes to consolidated balance sheets)**

As of September 30, 2010	As of March 31, 2010
*1. Accumulated depreciation of property, plant and equipment 16,238 million yen	*1. Accumulated depreciation of property, plant and equipment 16,163 million yen
*2. Reduction entry Due to acceptance of national subsidies, the following reduction entry amount was deducted from the acquisition cost of relevant assets.	*2. Reduction entry Due to acceptance of national subsidies, the following reduction entry amount was deducted from the acquisition cost of relevant assets.
Buildings and structures 7 million yen	Buildings and structures 8 million yen
Other 6	Other 8
*3. Direct write-off amount of allowance for doubtful accounts from investments and other assets was 356 million yen.	*3. Direct write-off amount of allowance for doubtful accounts from investments and other assets was 171 million yen.
4. Export discount bills 50 million yen	4. Export discount bills 26 million yen
5. Agreements on overdrafts The Company has concluded agreements with banks of account on overdrafts for efficient funding of working capital. The outstanding unused balance under this agreement as of September 30, 2010, is as follows.	5. _____
Maximum lines of overdrafts 6,500 million yen	
Loan amount currently executed -	
Outstanding unused overdraft and loan amounts 6,500 million yen	

**(Notes to consolidated statements of income)**

Six months ended September 30, 2009	Six months ended September 30, 2010								
*1. Major items of selling, general and administrative expenses were as follows:	*1. Major items of selling, general and administrative expenses were as follows:								
Provision for bonuses 128 million yen	Provision for allowance for doubtful accounts 20 million yen								
Provision for directors' bonuses 25	Provision for bonuses 129								
Provision for directors' retirement benefits 7	Provision for directors' bonuses 24								
	Provision for directors' retirement benefits 17								
2. _____	*2. Impairment loss In the current six months, the Company recognized impairment loss for the following assets.								
	<table border="1"> <thead> <tr> <th>Place</th> <th>Use</th> <th>Type</th> <th>Impairment loss (Millions of yen)</th> </tr> </thead> <tbody> <tr> <td>Nerima-ku, Tokyo, etc.</td> <td>Idle assets</td> <td>Software</td> <td>23</td> </tr> </tbody> </table>	Place	Use	Type	Impairment loss (Millions of yen)	Nerima-ku, Tokyo, etc.	Idle assets	Software	23
Place	Use	Type	Impairment loss (Millions of yen)						
Nerima-ku, Tokyo, etc.	Idle assets	Software	23						
	The above assets have no decided future use and their book value has been written down to the recoverable value.								

**(Note to consolidated statements of cash flows)**

Six months ended September 30, 2009	Six months ended September 30, 2010
*1. Cash and cash equivalents at end of period were reconciled to the accounts reported in the consolidated balance sheets as follows: (As of September 30, 2009)	*1. Cash and cash equivalents at end of period were reconciled to the accounts reported in the consolidated balance sheets as follows: (As of September 30, 2010)
Cash and deposits 12,923 million yen	Cash and deposits 14,508 million yen
Time deposits whose term exceeds three months (1,878)	Time deposits whose term exceeds three months (856)
<hr/> Cash and cash equivalents 11,044	<hr/> Cash and cash equivalents 13,651