
Consolidated Financial Result Digest

FY11/12

(April 1,2011-March 31,2012)

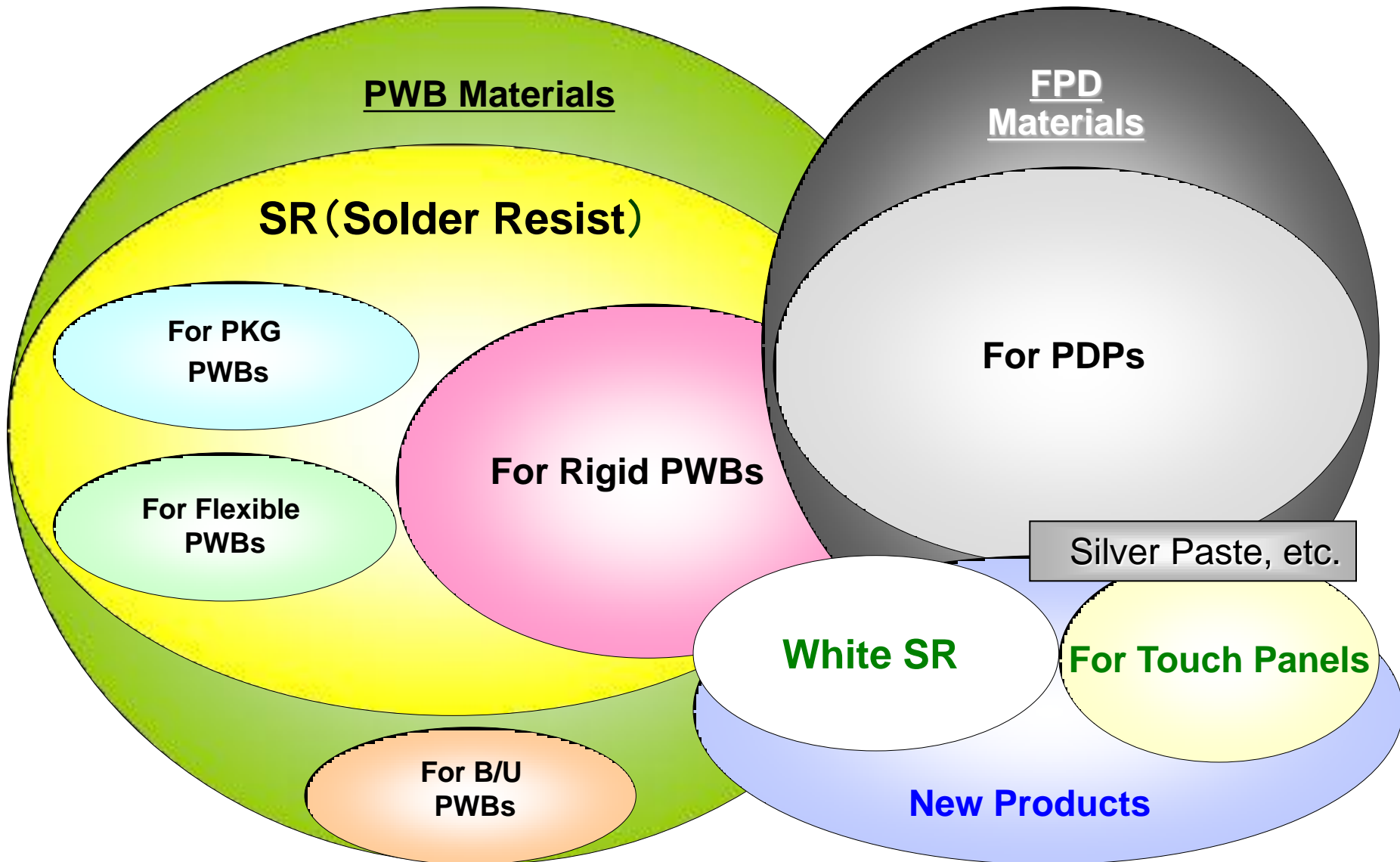
 **TAIYO HOLDINGS CO., LTD.**

May 14,2012



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Classification



Terminology

Term	Definition
“PWB Materials” (Printed Wiring Board)	Chemical Products for Printed Wiring Boards
“FPD Materials” (Flat Panel Display)	Chemical Products for Flat Panel Display Panels
“PDP Materials” (Plasma Display Panel)	Chemical Products for Plasma Display Panels
"SR"	Solder Resist Ink or Solder Mask
“PKG Materials” (Package)	Chemical Products for IC Package Substrates

1. Summary of FY 11/12 Consolidated Financial Results (April 1, 2011 - March 31, 2012)
2. Forecasts for FY12/13 (Consolidated)
3. Progress of Medium-term Business Plan

1. Summary of FY 11/12 Consolidated Financial Results (April 1, 2011- March 31, 2012)

FY11/12 Consolidated Results

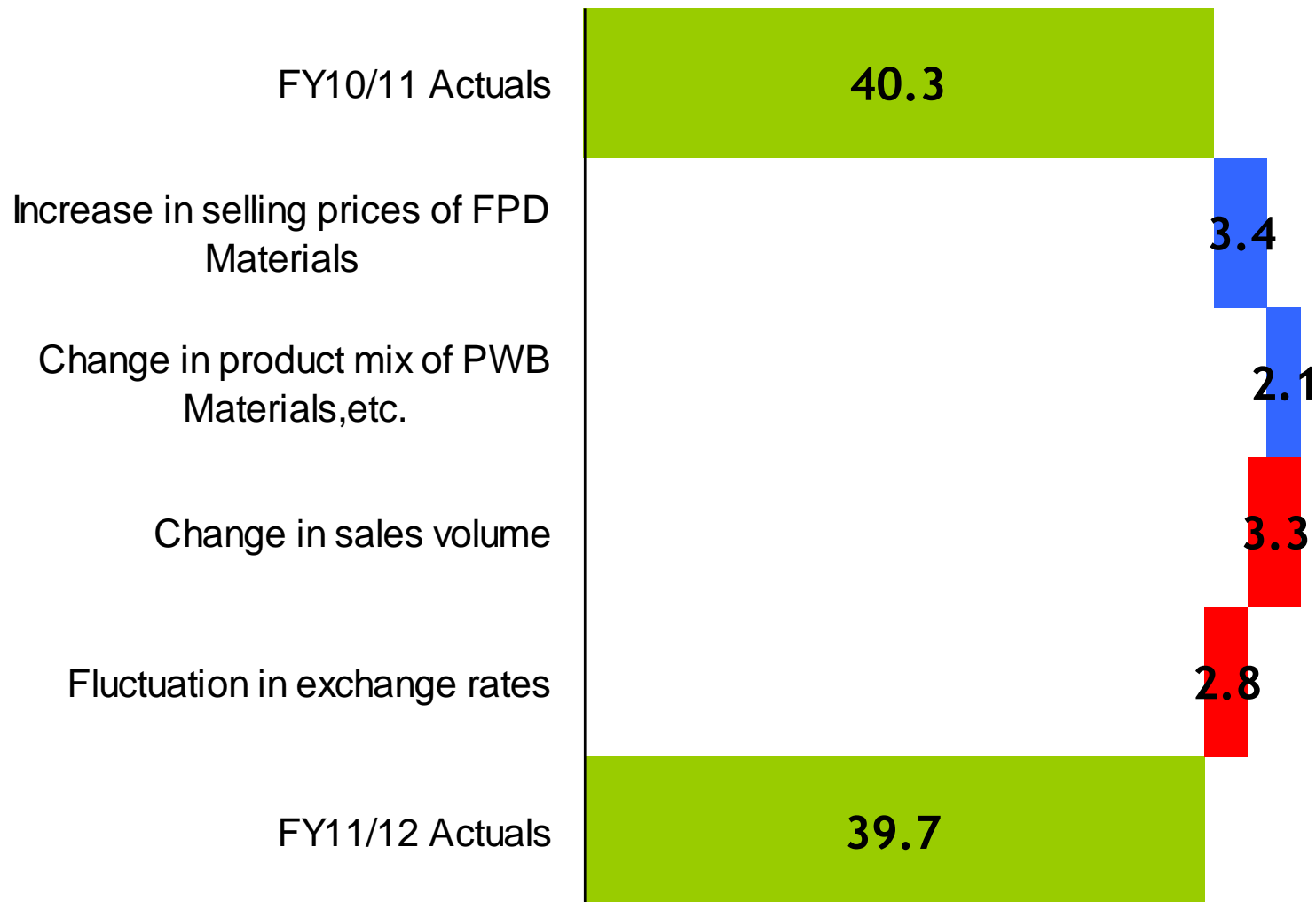
(JPY millions)

	FY10/11	FY11/12	Change	Change in %	2/7/2012 Forecast
Sales	40,366	39,797	(569)	(1.4 %)	40,300
Operating Income	5,380	4,040	(1,340)	(24.9%)	4,300
Ordinary Income	5,316	4,027	(1,289)	(24.3%)	4,200
Net Income	3,402	2,502	(900)	(26.5%)	2,500
<Ave. Exchange Rate>					
JPY/USD	85.8	79.3	(6.5)	(7.6%)	78.7

FY11/12 Factors for Sales Decrease (vs. FY10/11) TAIYO HOLDINGS CO., LTD.

Sales

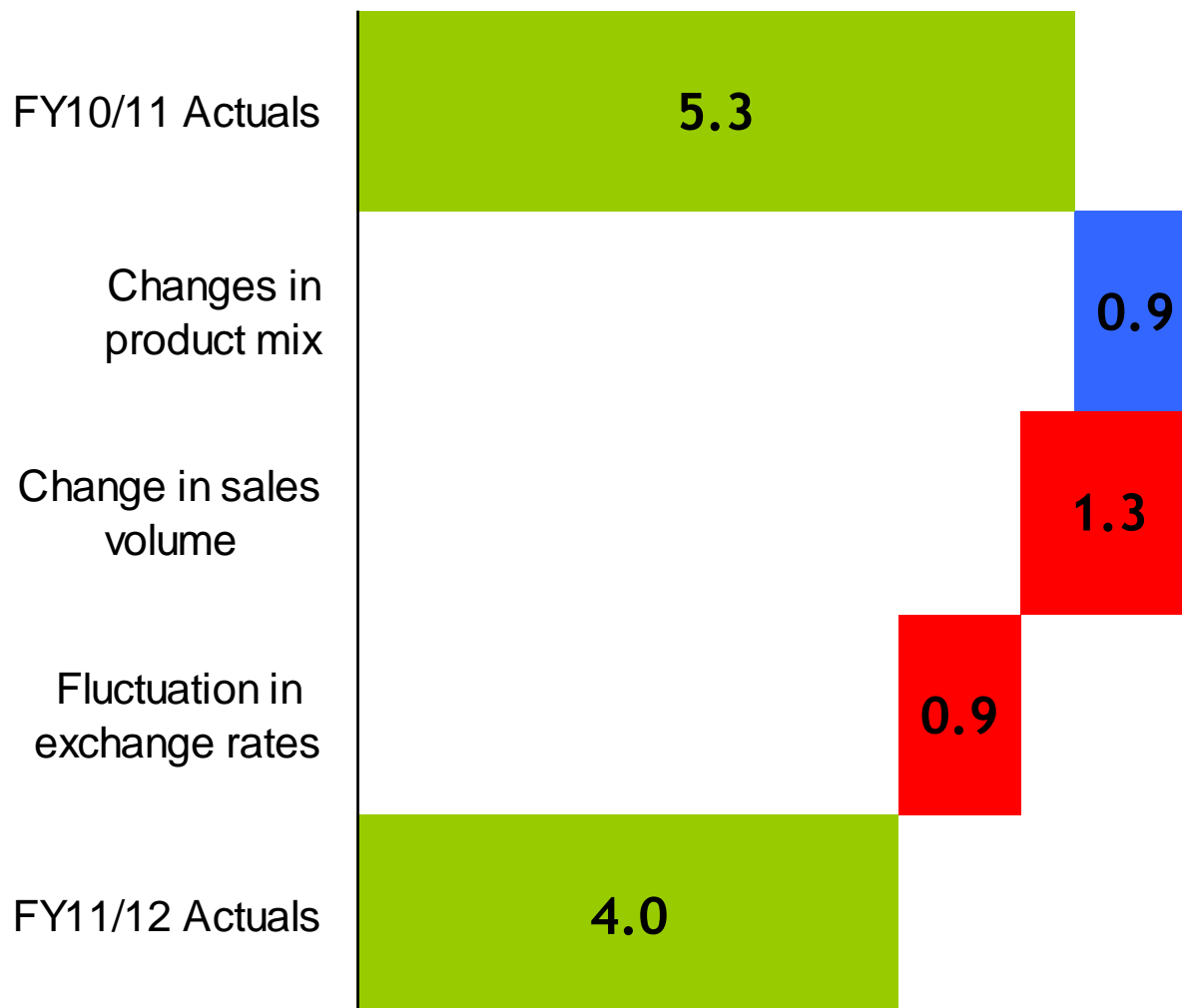
(JPY billions)



FY11/12 Factors for Profit Decrease (vs. FY10/11)

Operating Income

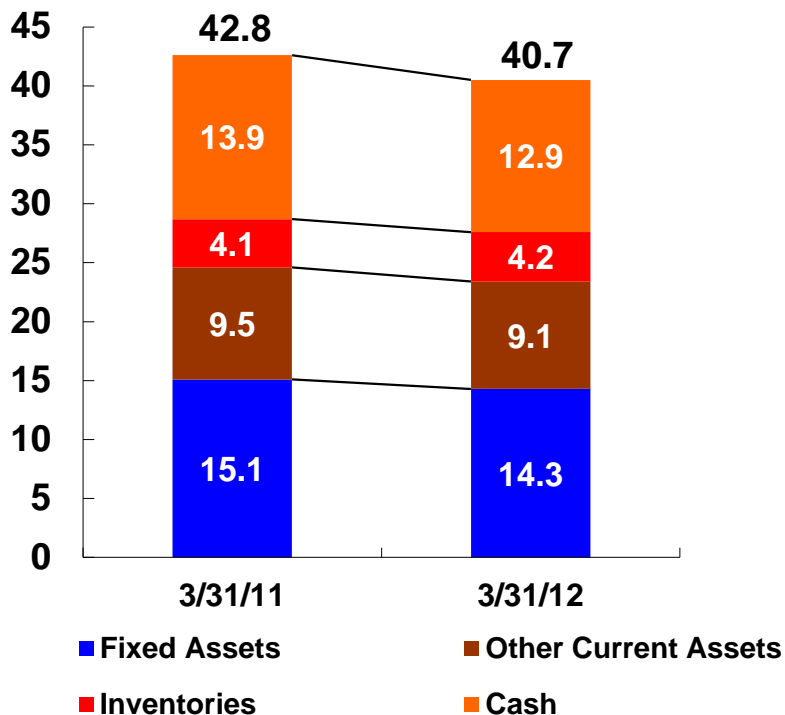
(JPY billions)



FY11/12 Summary of Balance Sheet

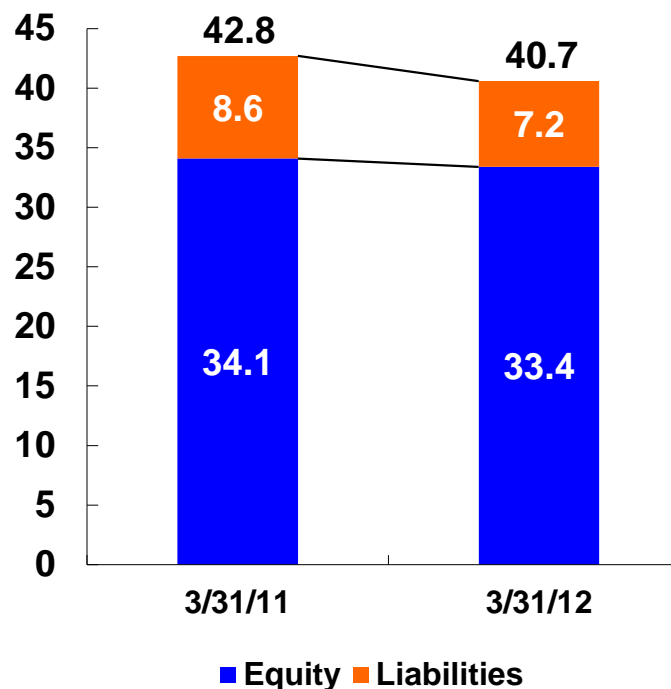
Assets

(JPY billions)



Liabilities and Equity

(JPY billions)



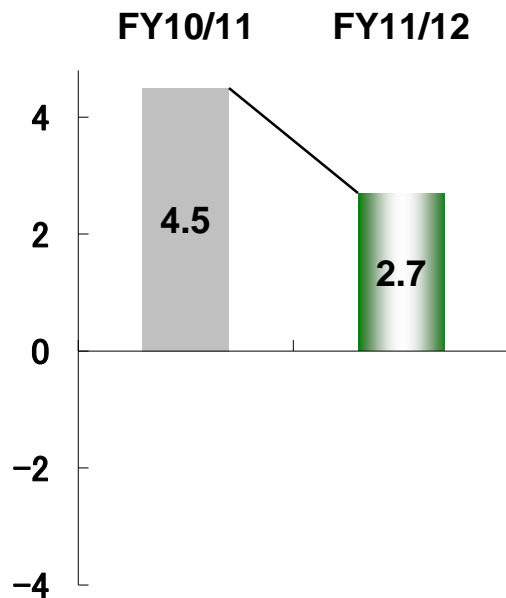
- Decrease in cash and deposits.
- Decrease in fixed assets due to depreciation and loss on valuation of investment in capital of subsidiaries and affiliates.

- Decrease in liabilities due to decrease in trade payables, accounts payable-other, income tax payable, etc.
- Decrease in equity due to dividend payment exceeding net income.

FY11/12 Summary of Cash Flows

Operating CF

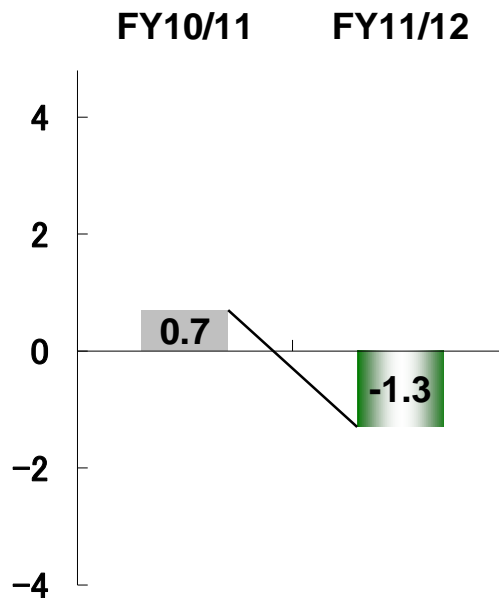
(JPY billions)



- Decrease in liabilities such as trade payables, etc.
- Decrease in Operating income.

Investing CF

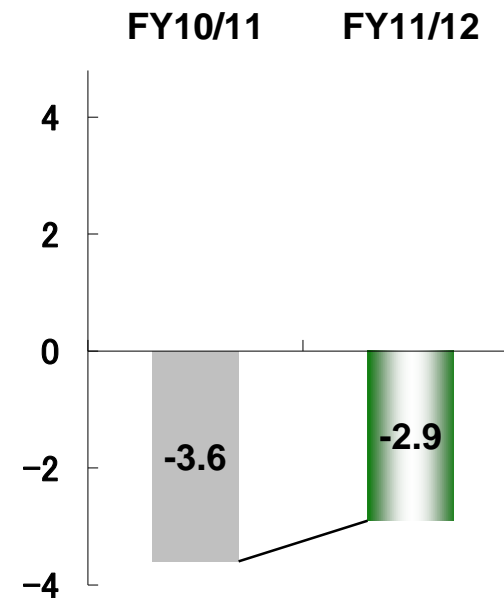
(JPY billions)



- Decrease due to deposit of time deposits.
- FY11/12 maintains the same level of investment as in the FY10/11.

Financing CF

(JPY billions)

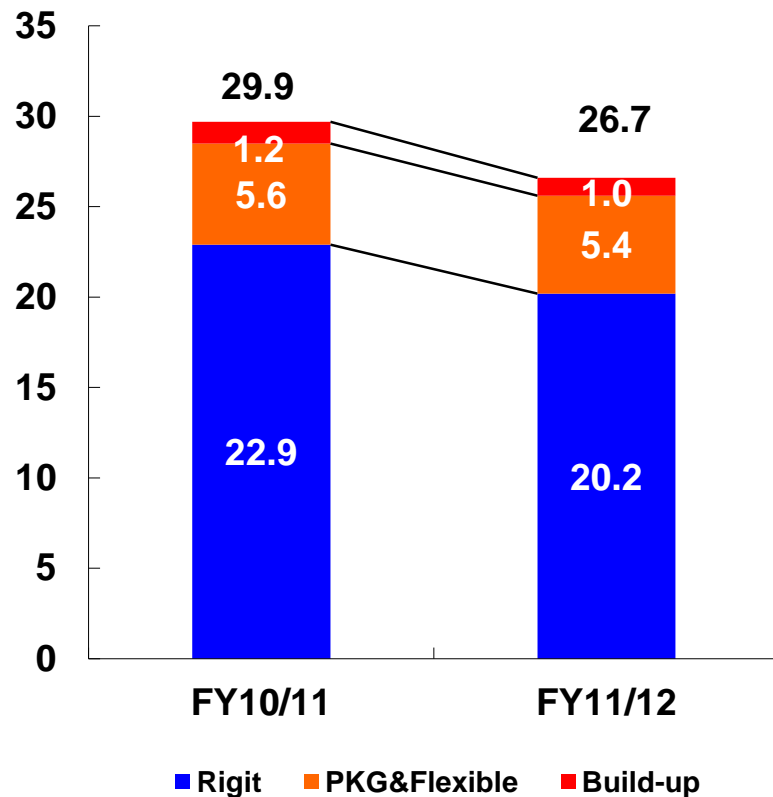


- Own shares purchase for 1.3 billion in FY10/11.
- Increase in dividend for 0.5 billion due to commemorative dividend.

Sales of PWB Materials

Sales

(JPY billions)

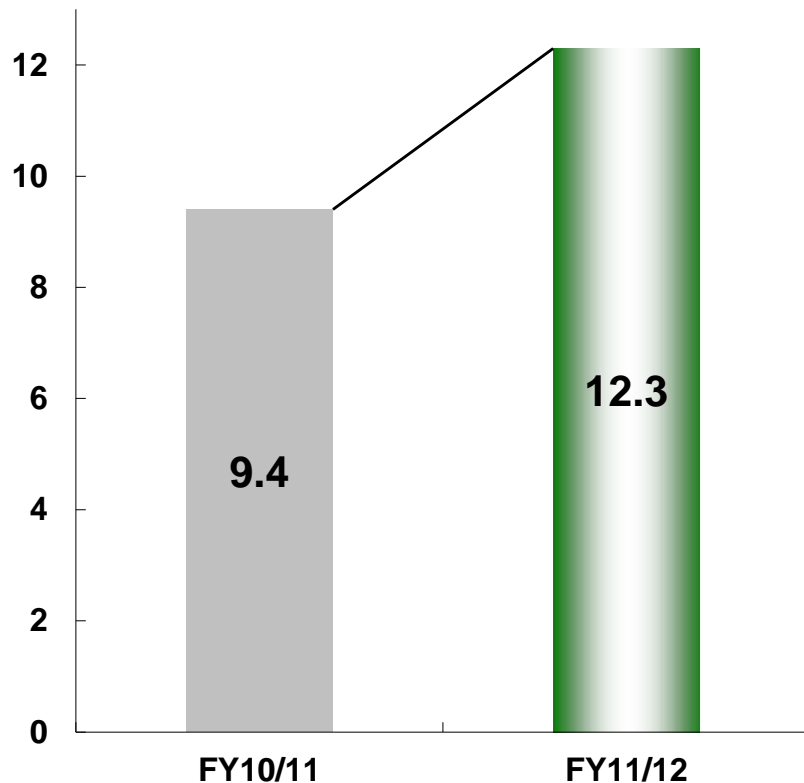


- Demand of smartphones and tablet PCs remained strong, on the other hand, general PC and TV were sluggish.
- Sales volume of low-priced products (for China Market) was increased about 20% year on year.
- Sales volume in Korea was relatively strong.

Sales of FPD Materials

Sales

(JPY billions)

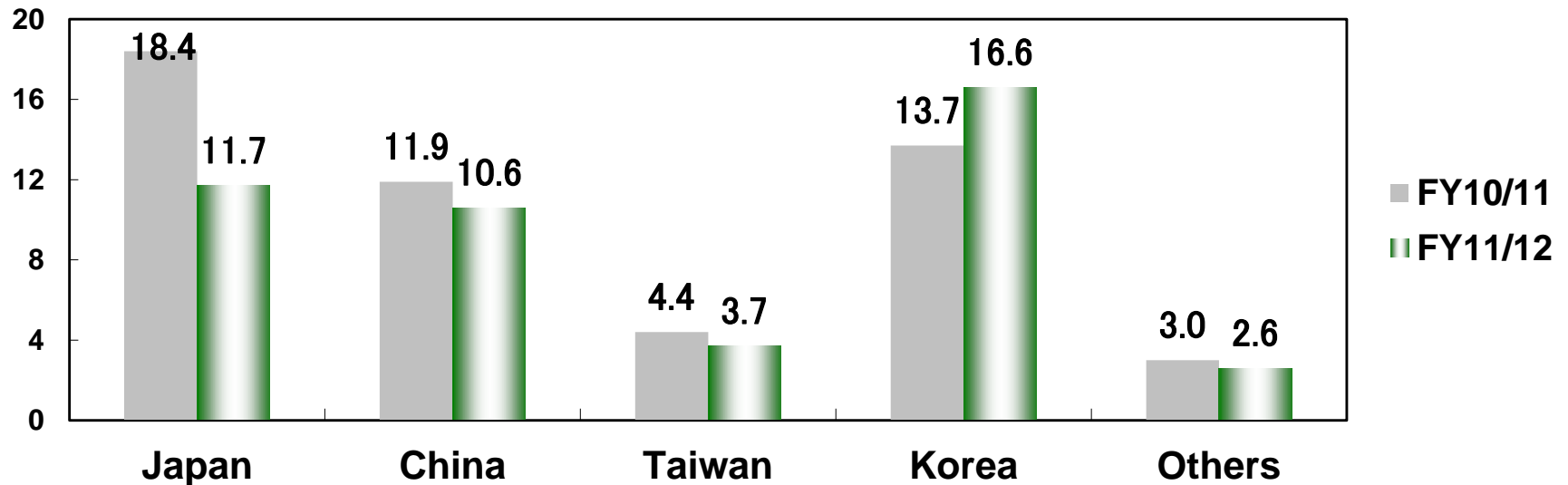


- Sales of FPD materials reached at a record high due to stable high price of silver.
- Sales volume increased in China.

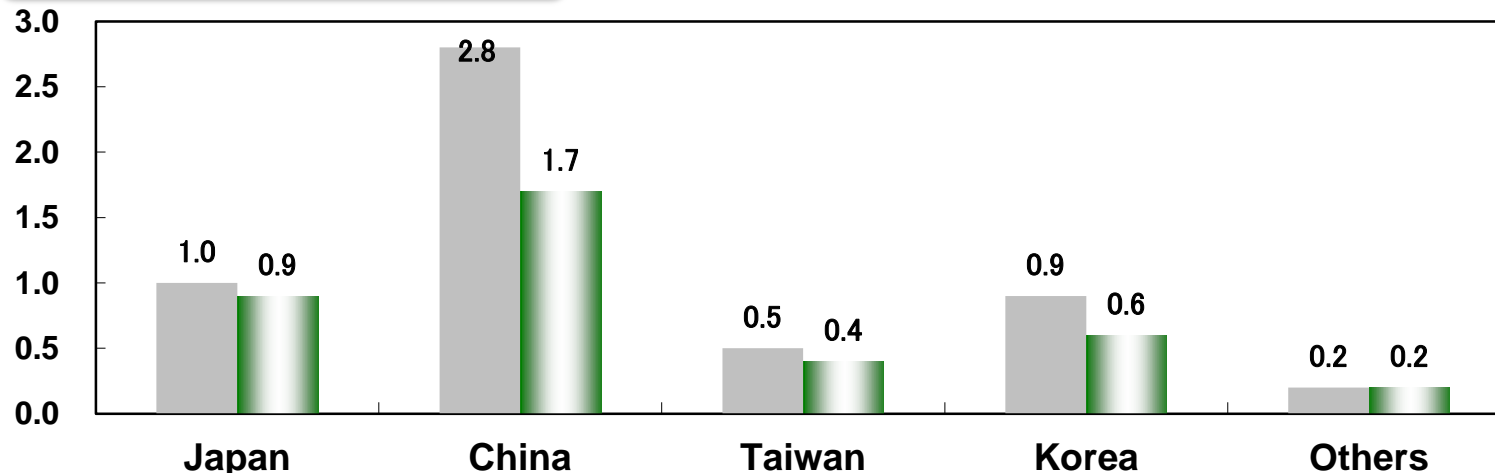
Result by Segment for FY11/12

Sales

(JPY billions)

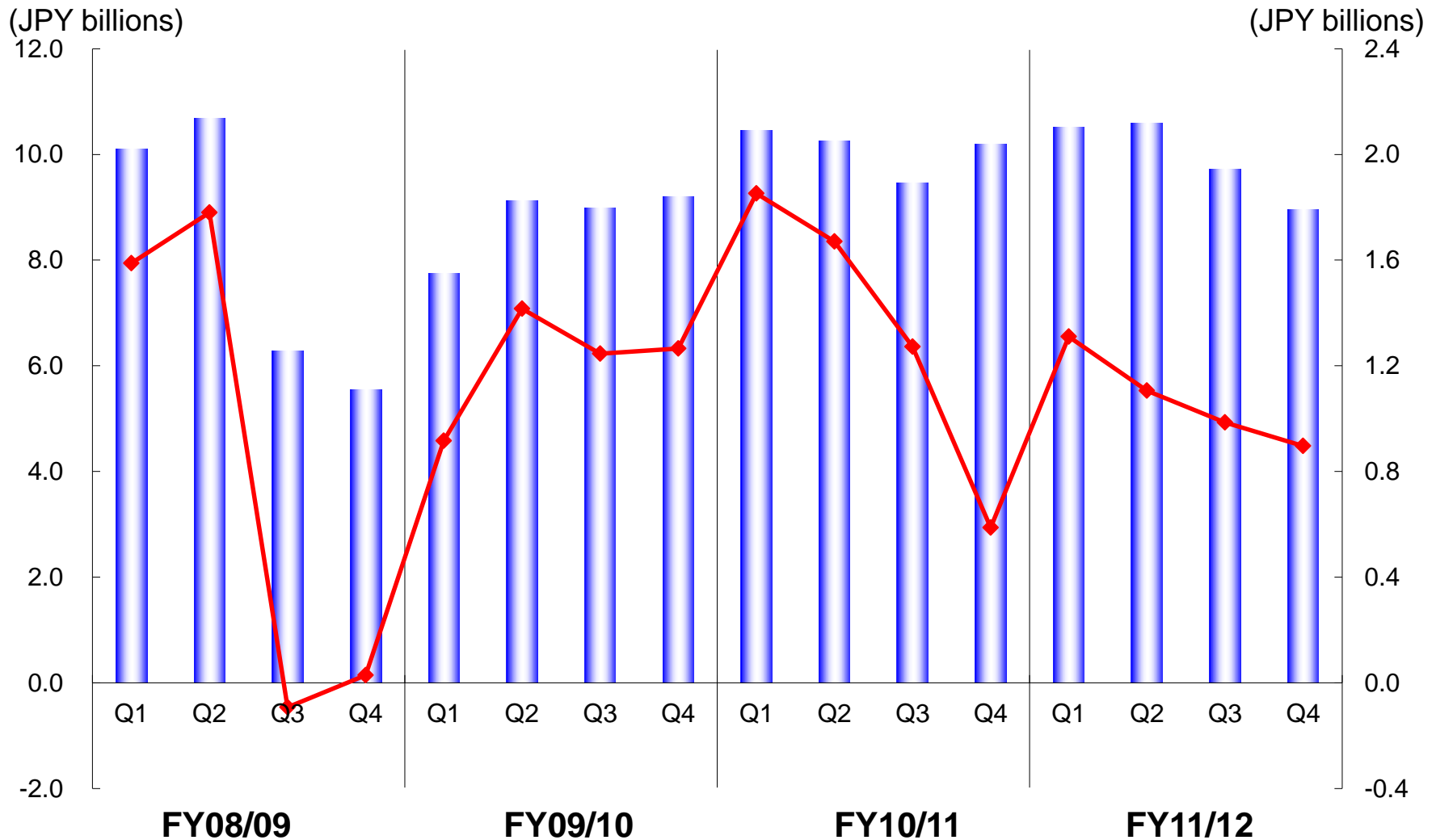


Operating Income



Trend of Quarterly Performance

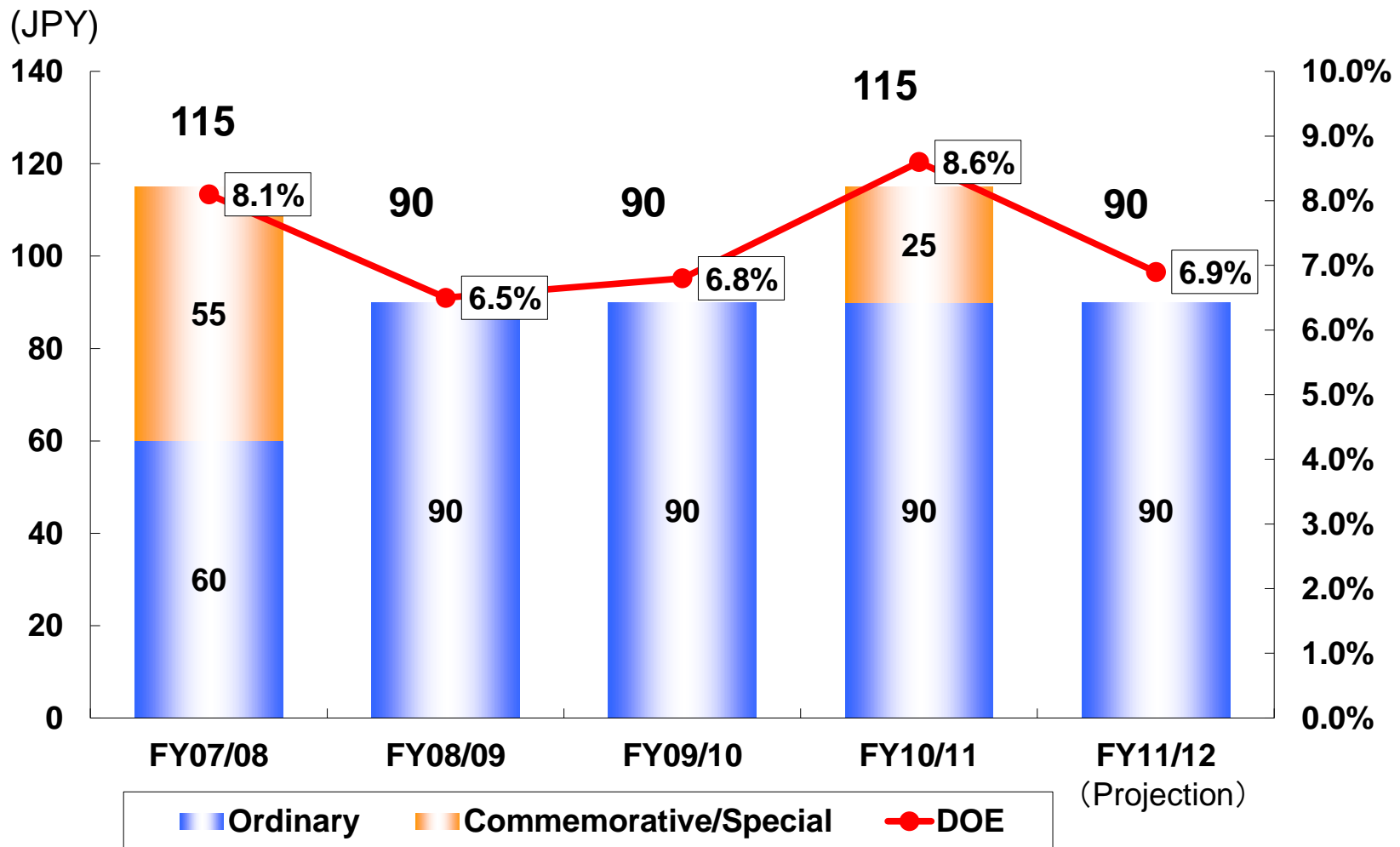
■ Sales (left axis) ◆ Operating Income (right axis)



- Due to the changes to business environment in China, ROI reassessed far below than when planned.
- Posted “Loss on valuation of investment in capital of subsidiaries and affiliates” as extraordinary loss for 421 million yen.
- TAIYO INK (SUZHOU) meets increasing future demand. We are developing a plan(BCP) to minimize risk concentration to TAIYO INK (SUZHOU).

Return to shareholders

□ Dividend policy remains unchanged.



2. Forecasts for FY12/13 (Consolidated)

Forecasts for FY12/13 (Consolidated)

(JPY millions)

	FY11/12 Result	FY12/13 Forecast	Change	Change in %
Sales	39,797	40,500	703	1.8%
PWB+	27,490	29,500	2,010	7.3%
FPD	12,307	11,000	(1,307)	(10.6%)
Operating Income	4,040	4,500	460	11.4%
Ordinary Income	4,027	4,500	473	11.7%
Net Income	2,502	3,200	698	27.9%
<Foreign Exchange Rate>				
JPY/USD	79.3	80.0	0.7	0.9%

PWB

- ❑ Market demand expected to recover mainly in China, ASEAN.
- ❑ Recovery of sales volume about 10% equal to FY10/11 level.
- ❑ Raising our market share of low-priced products.
- ❑ Focusing on Hole plugging ink, Marking, Flexible, etc.

FPD

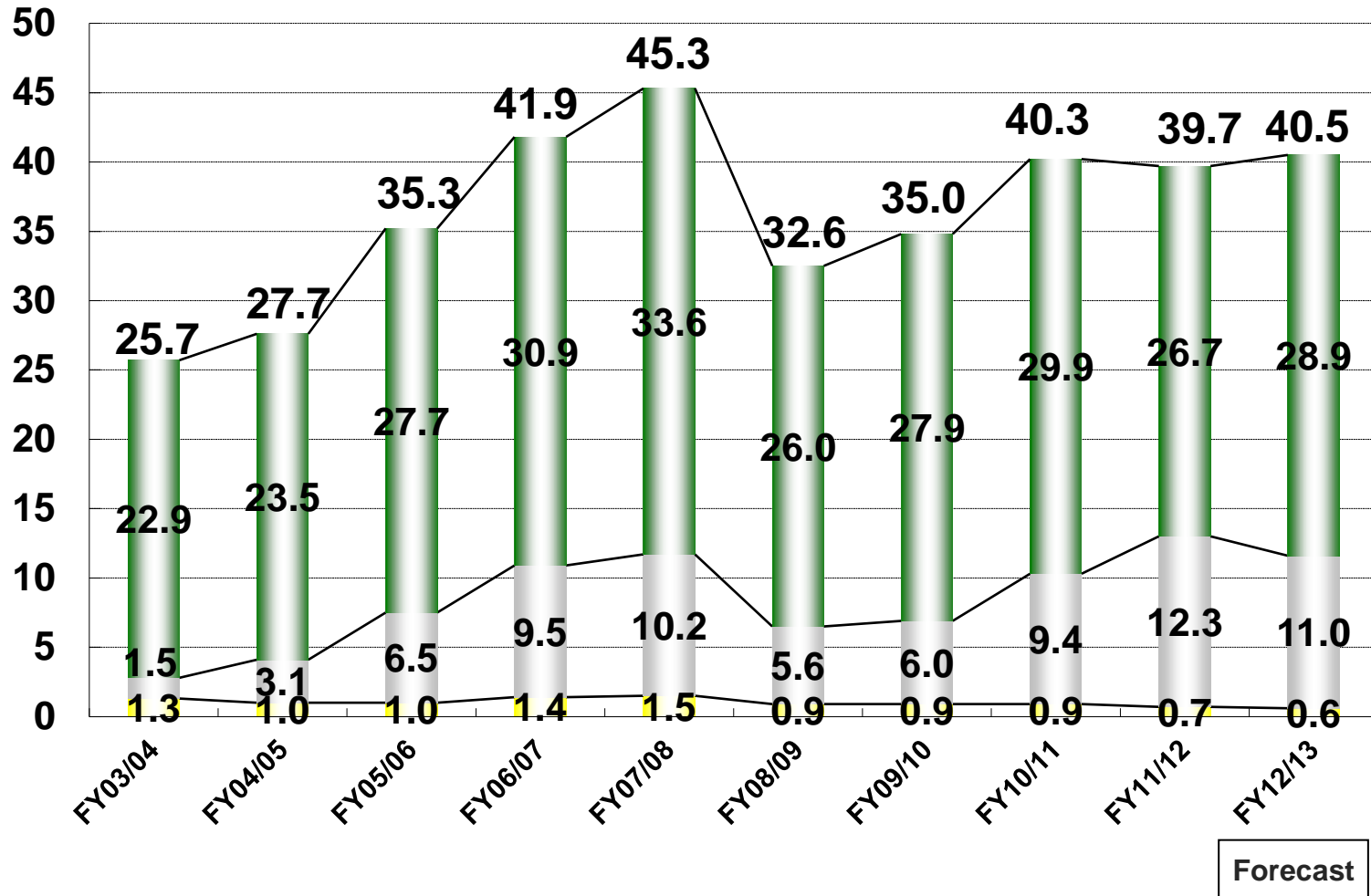
- ❑ Sales in PDP Materials expected to increase chiefly in China.
- ❑ Korean market expected to shrink, but sales volume to be maintained due to raising market share.
- ❑ For Touch panel materials, we have launched a new organization unit consolidating R&D, production and sales to increase sales.

Trend of Consolidated Sales from PWB+ and FPD TAIYO HOLDINGS CO., LTD.

Sales

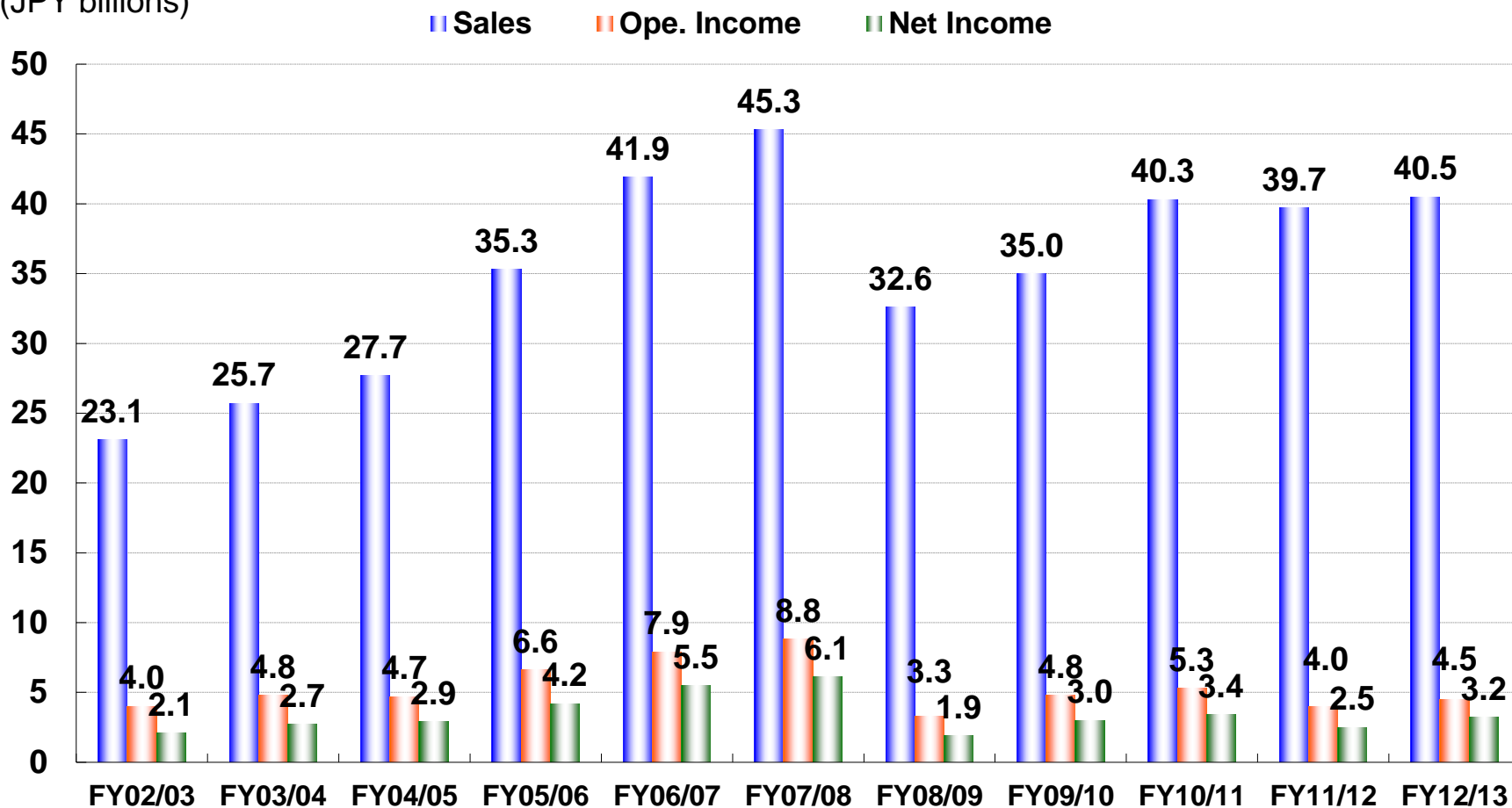
(JPY billions)

Others FPD Materials PWB Materials



Trend of Consolidated Performance

(JPY billions)

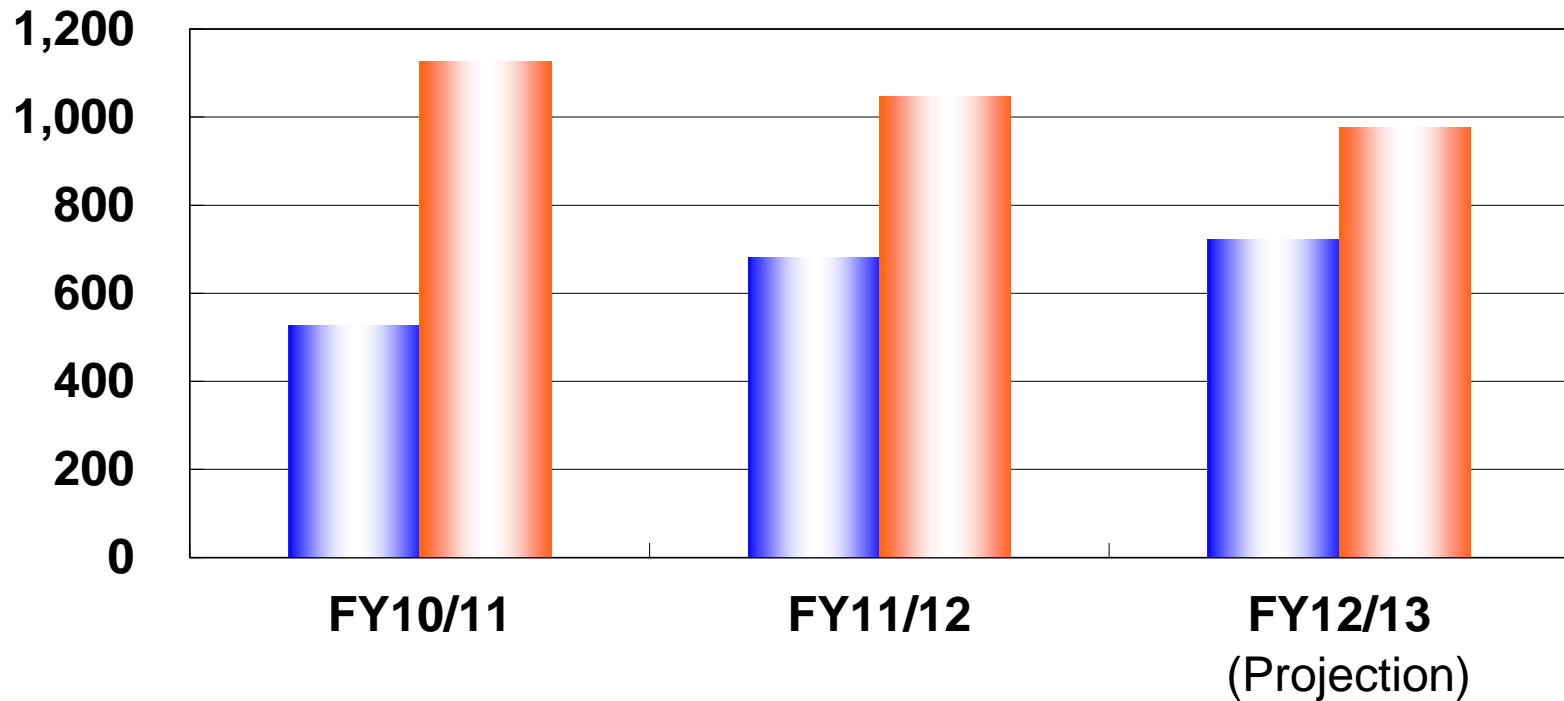


Forecast

Investment & Depreciation Expense

(JPY millions)

■ Investment ■ Depreciation

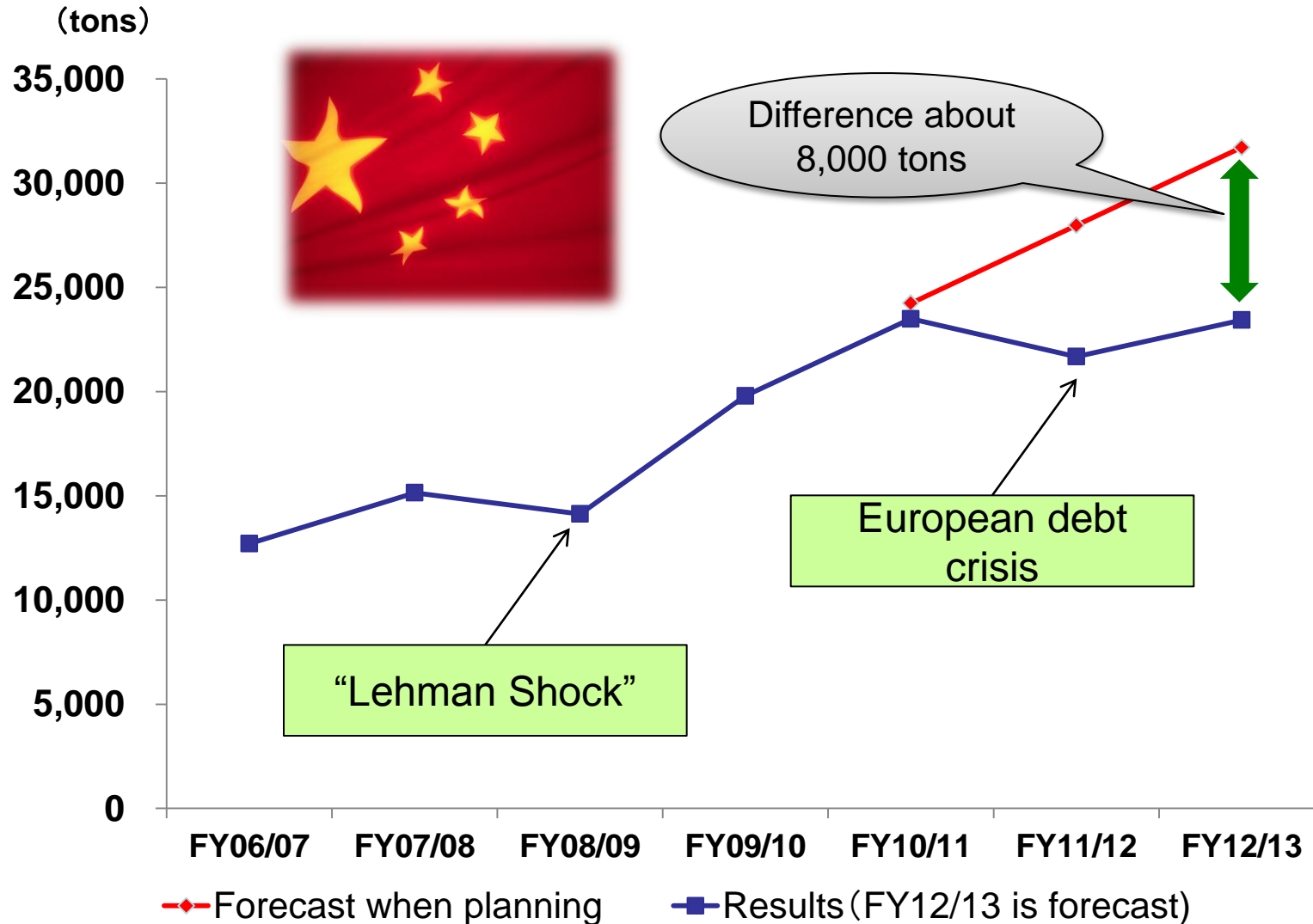


3. Progress of Medium-term Business Plan

□ Now difficult to achieve the target. However, achievement rate of new product sales is high. (JPY millions)

	FY12/13 Forecast	Medium-term Business Plan	Change
Sales	40,500	48,000	(7,500)
PWB+	29,500	38,500	(9,000)
FPD	11,000	9,500	1,500
Operating Income	4,500	7,700	(3,200)
Operating Income Ratio	11.1%	16.0%	(4.9%)
Sales of New product and fields	3,800	4,000	(200)

SR Market trend in China



Strategy for Chinese market

- Converted some customers from the competitors by the low-priced products.
- Market share was slightly increased in FY11/12. some target customers are evaluating our products. Increase in share is expected in and after FY12/13.
- Increase in sales force helps provide better services to our customers.

Strategy for “Local production for Local consumption”

- The earthquake in Japan accelerated production transfer from Japan to overseas subsidiaries.
- The local supply rate of the raw materials increased in subsidiaries.(about 50% in FY11/12)
- Will promote to export raw materials to Japan, taking advantage of the stronger yen.

Strategy for new products development

- Sales of new products in FY11/12 was JPY 2.5 billion. (Sales target was JPY 2.4 billion for FY11/12.)
- Sales of white SR, black SR, silver paste for through holes were increased.
- Sales target for the final year of the Business Plan (FY12/13) is JPY 3.8 billion.

Strategy for Global talent management

- Will promote local employees to managers and executives at local subsidiaries.
- Will promote highly qualified local talent to Board members for Taiyo Holdings.

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- Working on a new Medium-term Business Plan covering up to FY16/17.
 - Developing new growth strategy with the keyword; “Speed & Communication”
 - Active promotion of M&A

