
Consolidated Financial Result Digest FY12/13

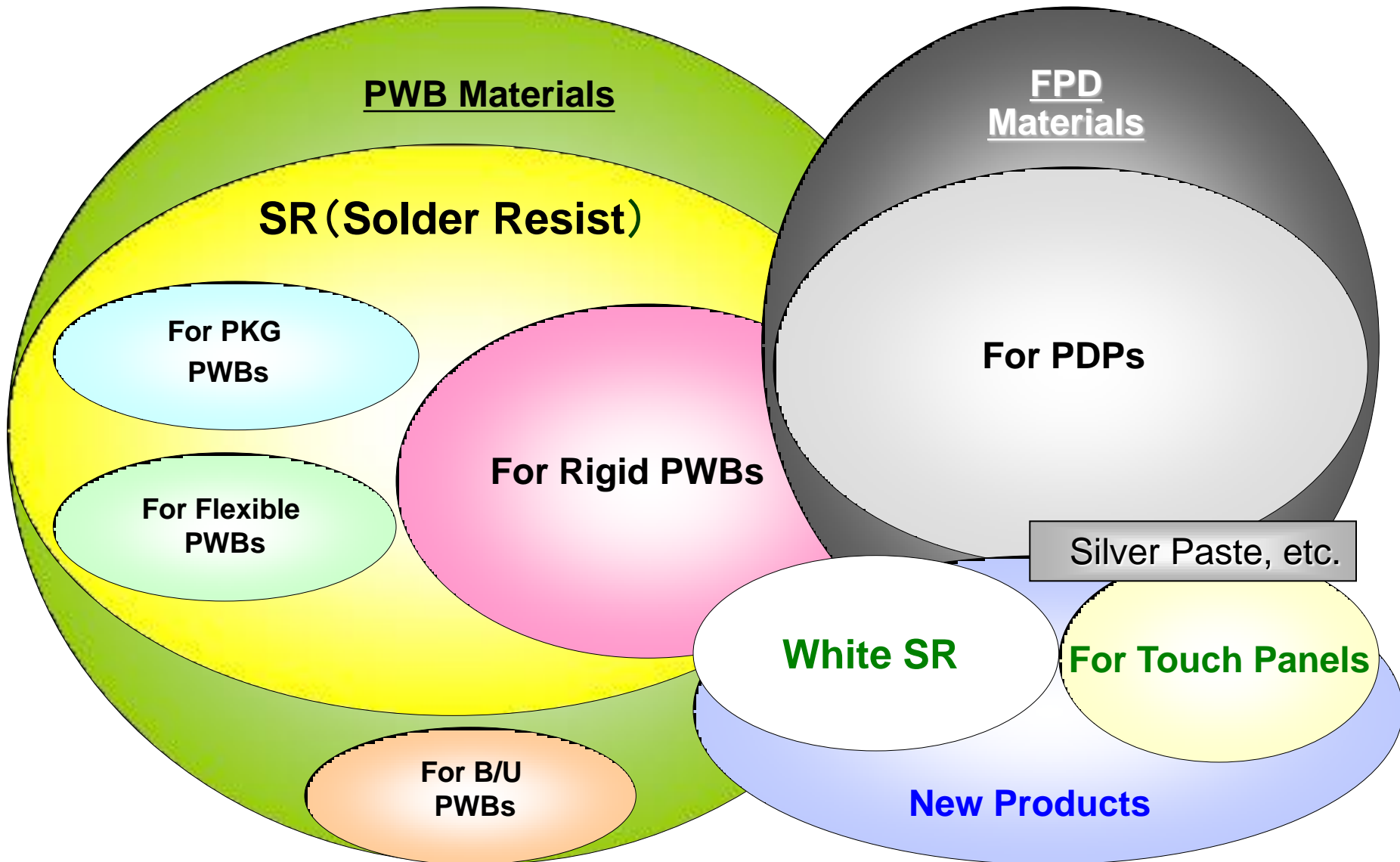
 **TAIYO HOLDINGS CO., LTD.**

May 9 ,2013



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Classification



Terminology

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

1. Summary of FY 12/13 Financial Results
(April 1, 2012 - March 31, 2013)
2. Forecasts for FY13/14
3. Review of Medium-term Business Plan
4. Long-term Target
5. Other topics

1. Summary of FY 12/13 Financial Results (April 1, 2012 - March 31, 2013)

FY12/13 (Actuals)

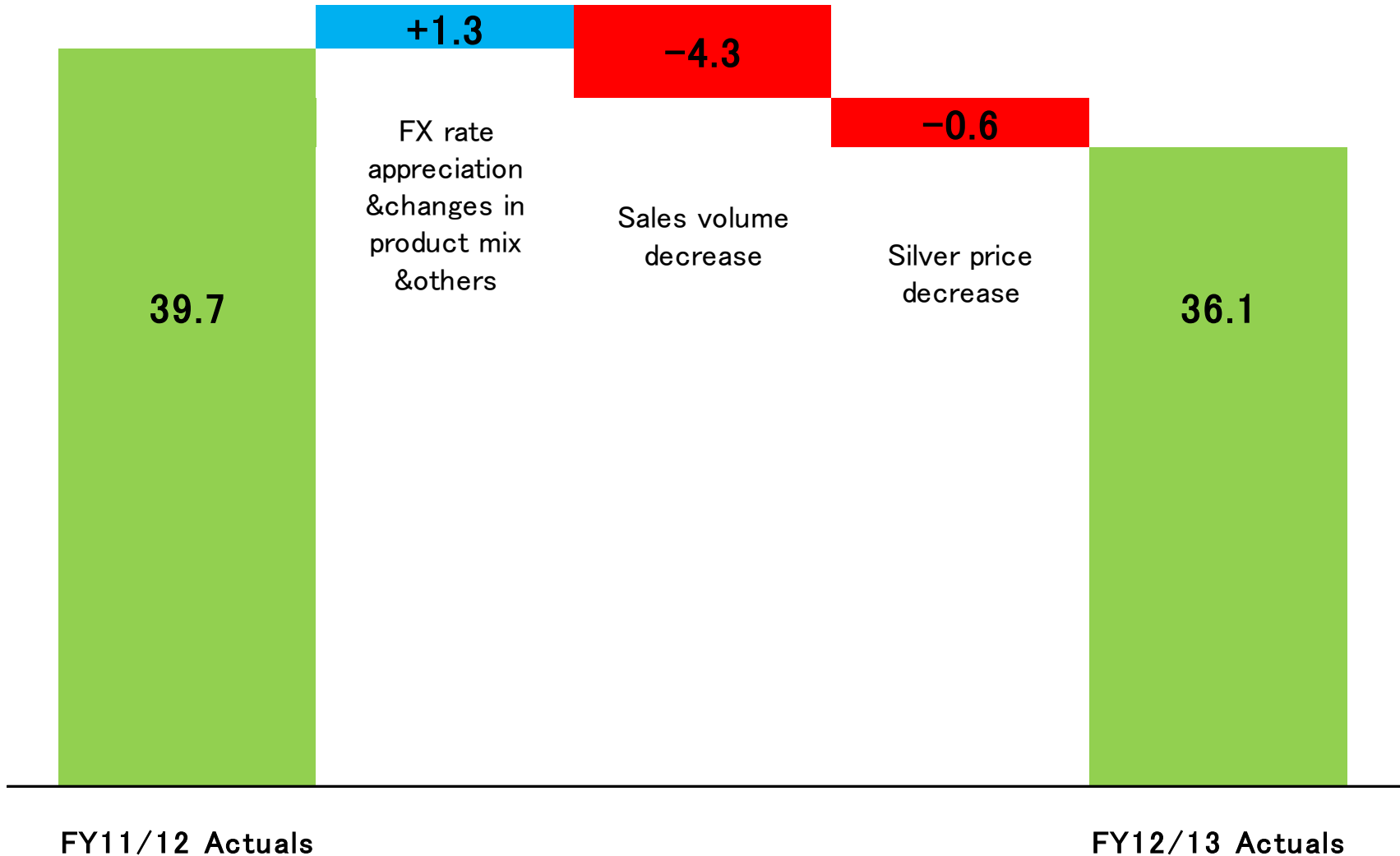
(JPY millions)

	FY11/12	FY12/13	Diff.	Change in %	Forecasts
Sales	39,797	36,184	(3,613)	(9.1%)	36,500
Operating Income	4,040	4,385	345	8.5%	4,500
Ordinary Income	4,027	4,743	717	17.8%	4,500
Net Income	2,502	3,367	865	34.6%	3,200
<Ave. Exchange Rate>					
JPY/USD	79.3	83.2	3.9	-	80.0

Factors of Sales Decrease

Sales

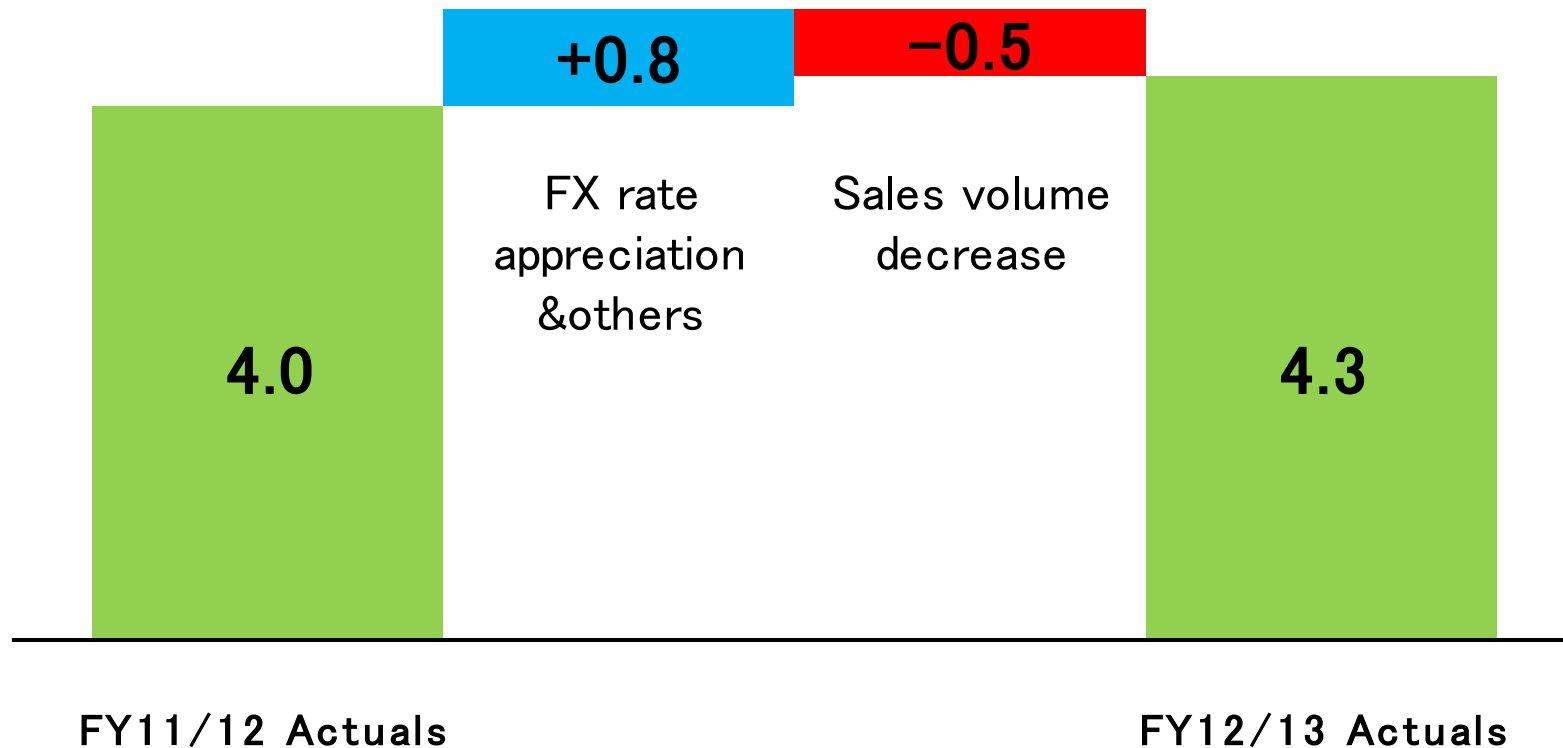
(JPY billions)



Factors of Profit Increase

Operating Income

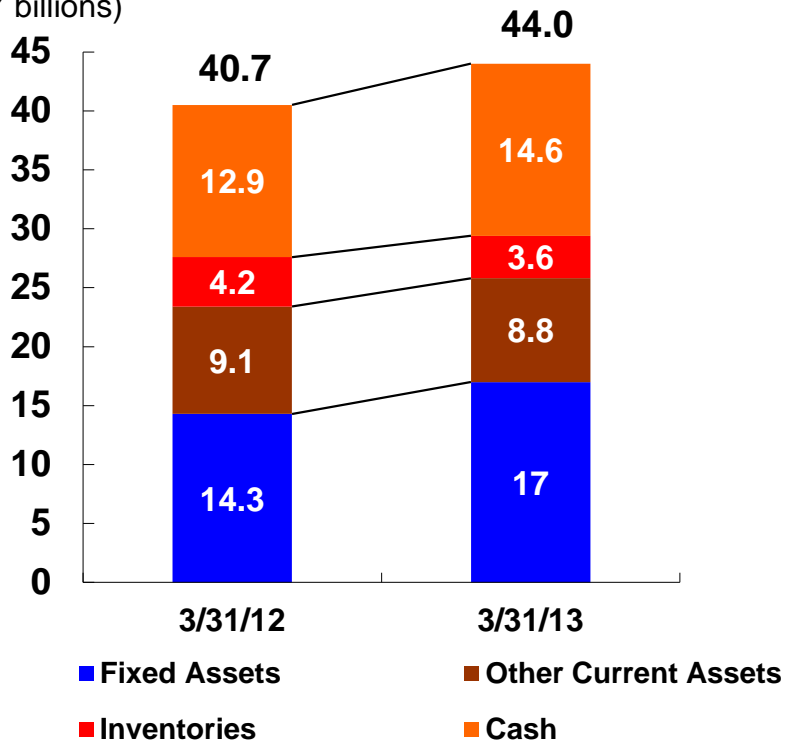
(JPY billions)



FY12/13 Summary of Balance Sheet

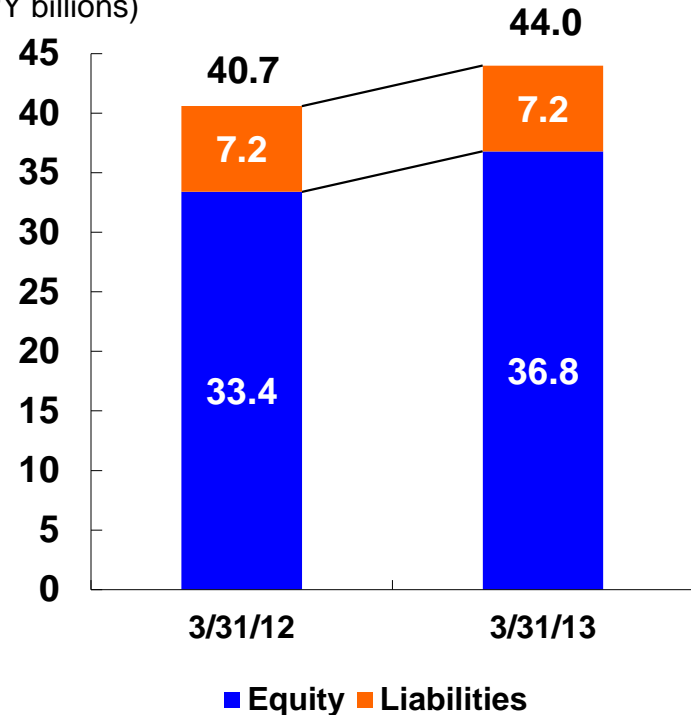
Assets

(JPY billions)



Liabilities and Equity

(JPY billions)



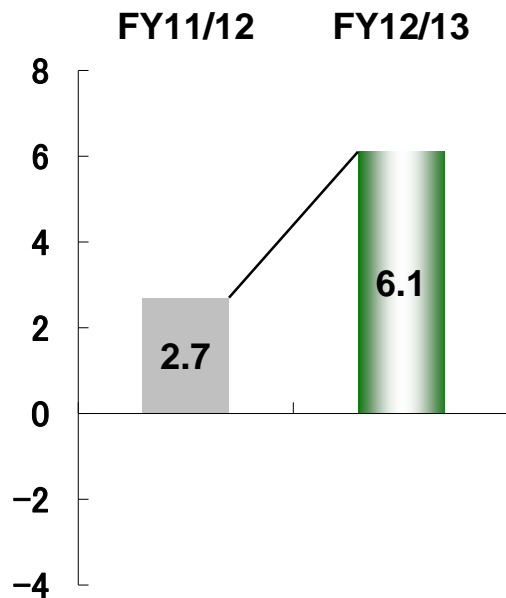
- Cash increased.
- Investments in securities increased because of M&A.

- Foreign currency translation adjustments improved.
- Retained earnings increased.

FY12/13 Summary of Cash Flows

Operating CF

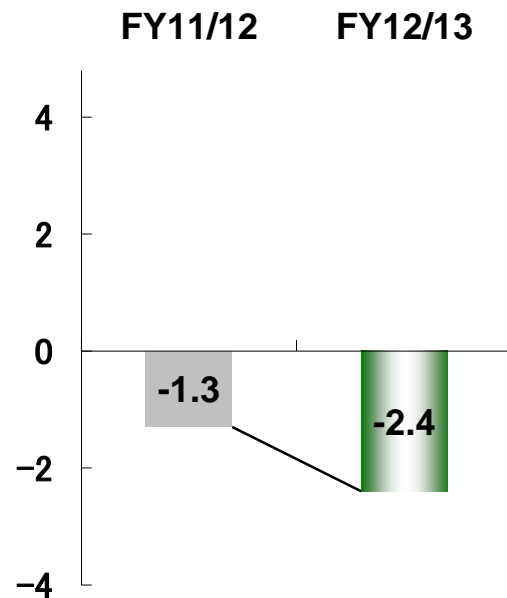
(JPY billions)



- Profit increased.
- Account receivables decreased.
- Inventories decreased.

Investing CF

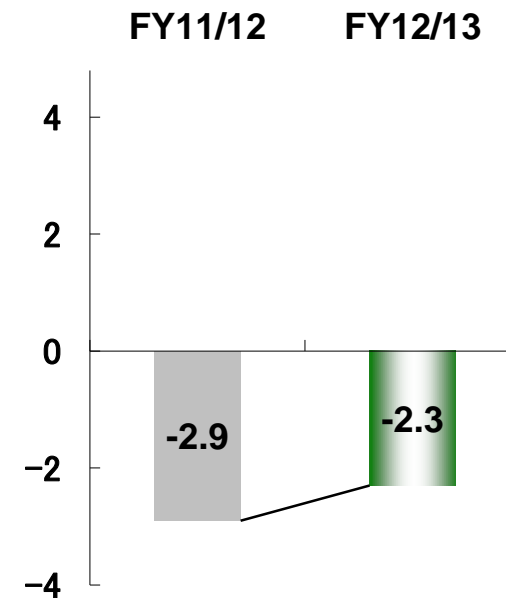
(JPY billions)



- Payment increased because of M&A.

Financing CF

(JPY billions)

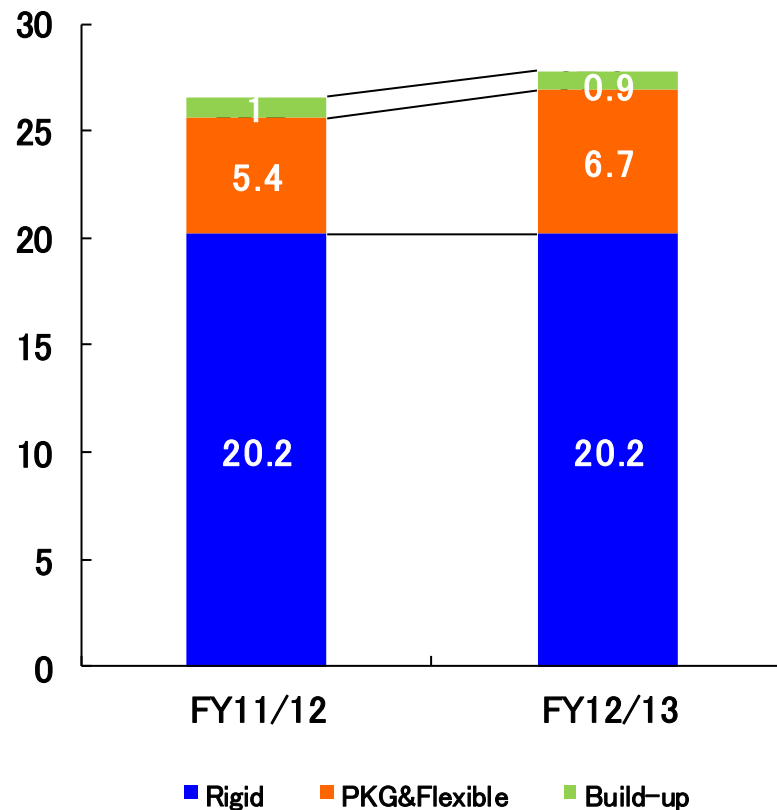


- Payment increased in FY11/12 because of commemorative dividend.

Sales of PWB Materials

Sales

(JPY billions)

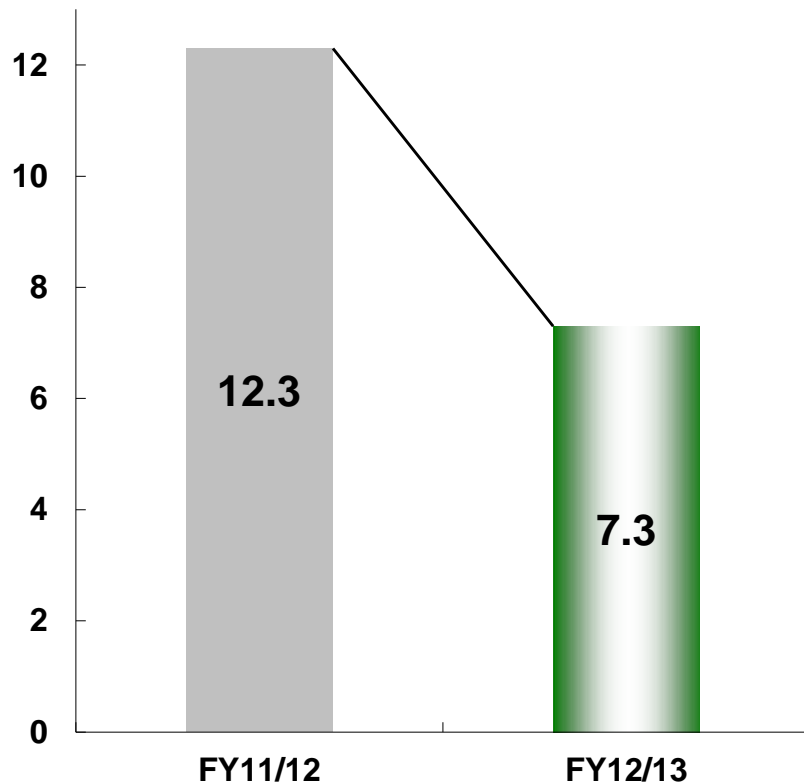


- Although the sales of the products for PC and AV decreased, sales of the products for cars and amusement was robust.
- High-end PKG products for smartphones and tablets increased.

Sales of FPD Materials

Sales

(JPY billions)

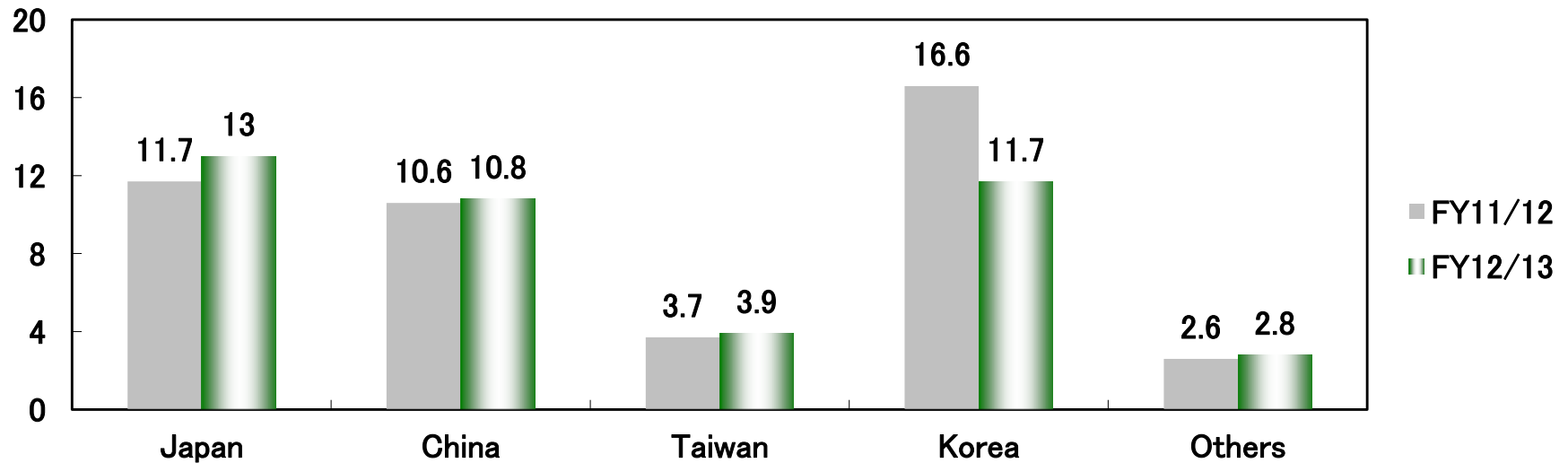


- A unit selling price fell because it is linked to the silver price, the main raw material of the FPD materials.
- Sales volume decreased due to shrinkage of the PDP TV market.

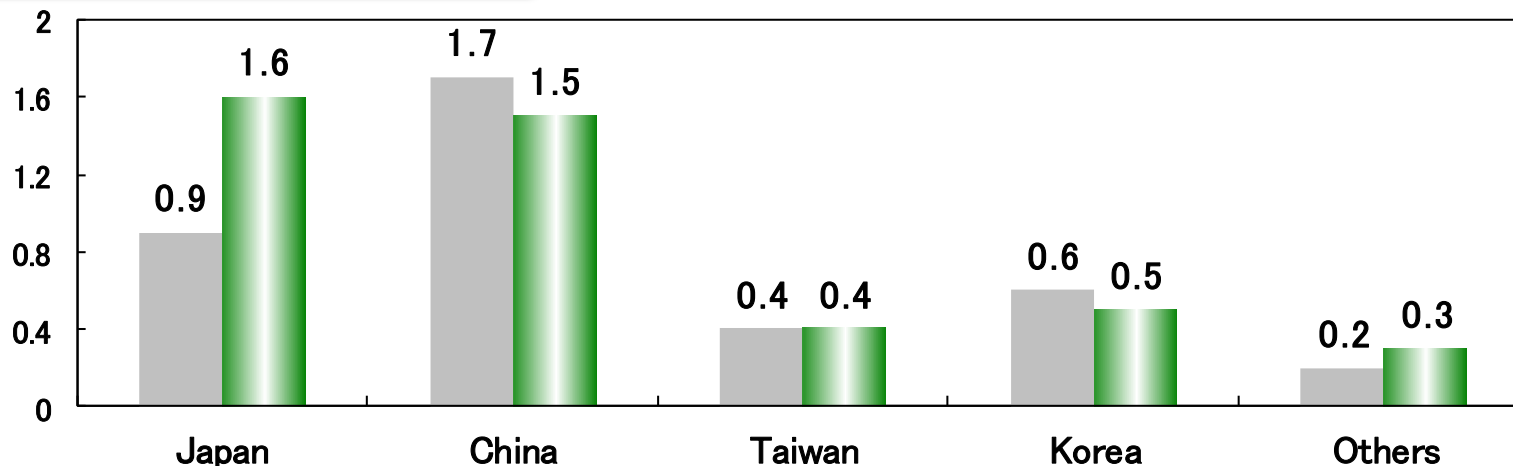
Result by Segment for FY12/13

Sales

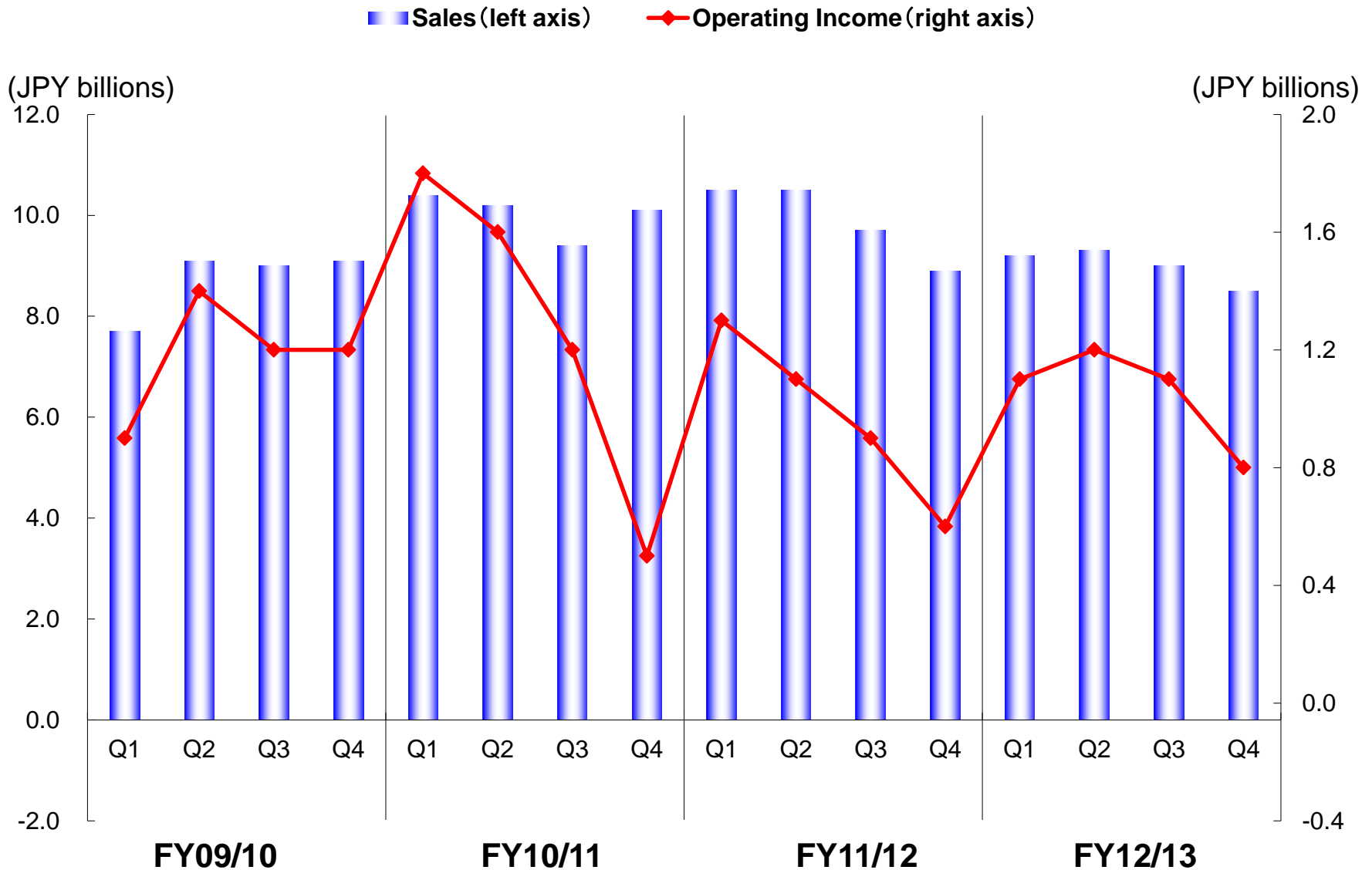
(JPY billions)



Operating Income

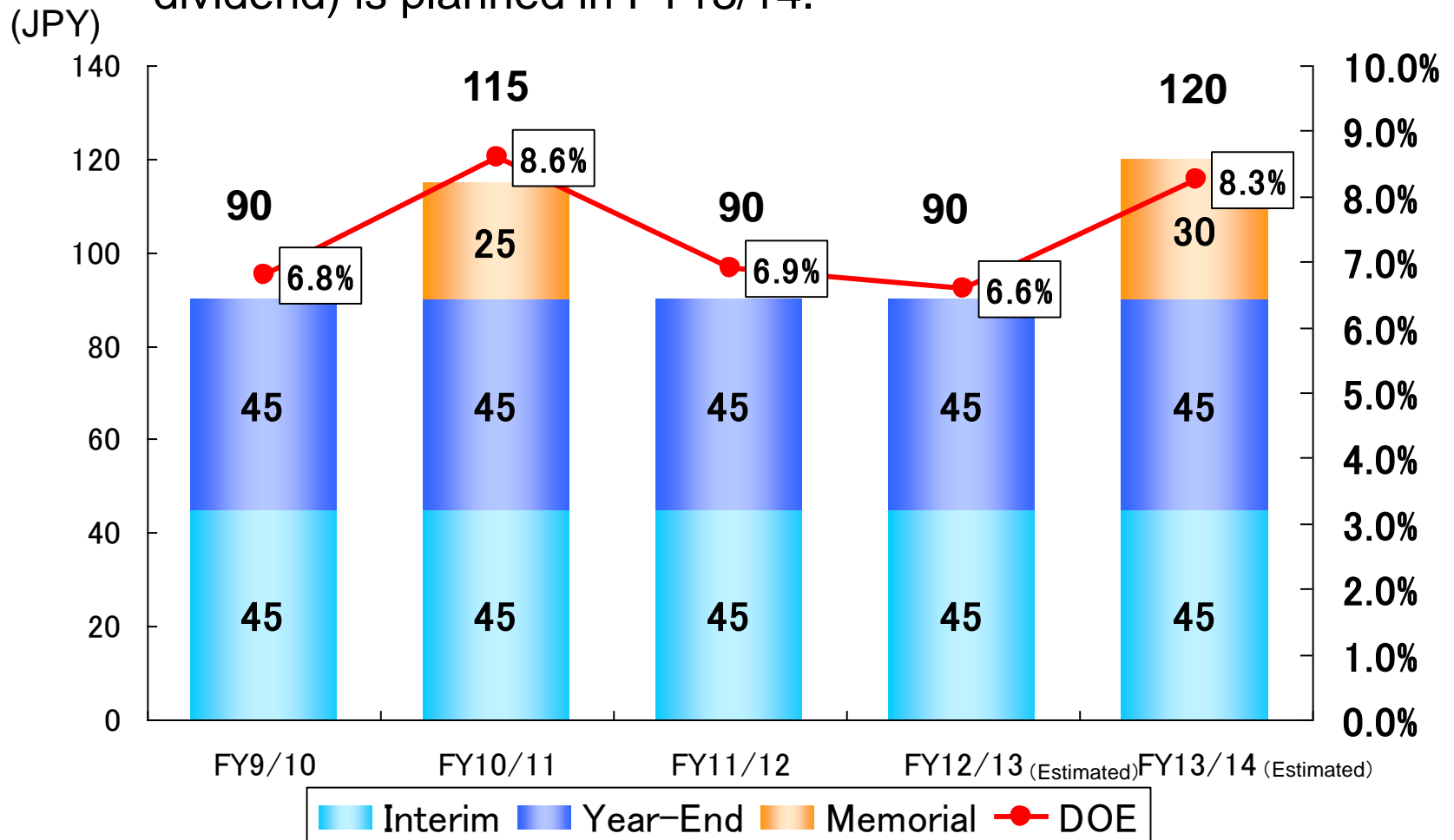


Trend of Quarterly Performance



Return to shareholders

- FY12/13 dividend forecasts remains unchanged.
- A commemorative dividend (in addition to an interim dividend) is planned in FY13/14.



2. Forecasts for FY13/14

Forecasts for FY13/14

(JPY millions)

	FY12/13 Results	FY13/14 Forecast	Diff.	Change in %
Sales	36,184	40,000	3,816	10.5%
PWB+	28,866	34,000	5,134	17.8%
FPD	7,316	6,000	(1,316)	(18.0%)
Operating Income	4,385	6,800	2,415	55.0%
Ordinary Income	4,743	6,800	2,057	43.3%
Net Income	3,367	4,700	1,333	39.6%
<Foreign Exchange Rate>				
JPY/USD	83.2	95.0	11.8	-

PWB

- ❑ Price reduction in the low-ended products has stopped because of the M&A activities.
- ❑ Sales of the products for PKG for smart-phones and tablets is expected to continue robust.

FPD

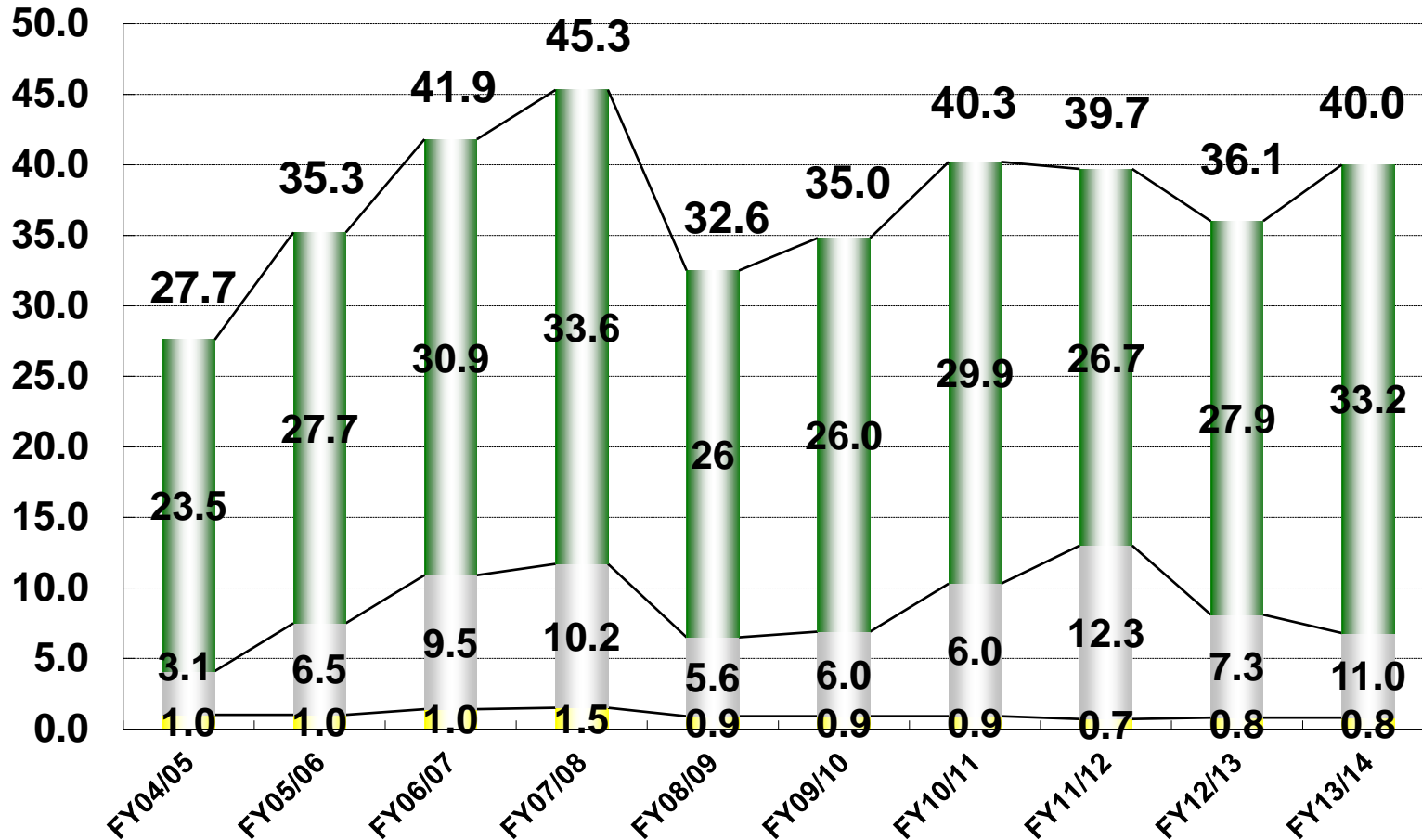
- ❑ Stable profit would be secure after competitors withdraw from the market.
- ❑ With the technology and know-how for PDP materials, developing and sales of the touch panel materials would be focused on.

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

Sales

(JPY billions)

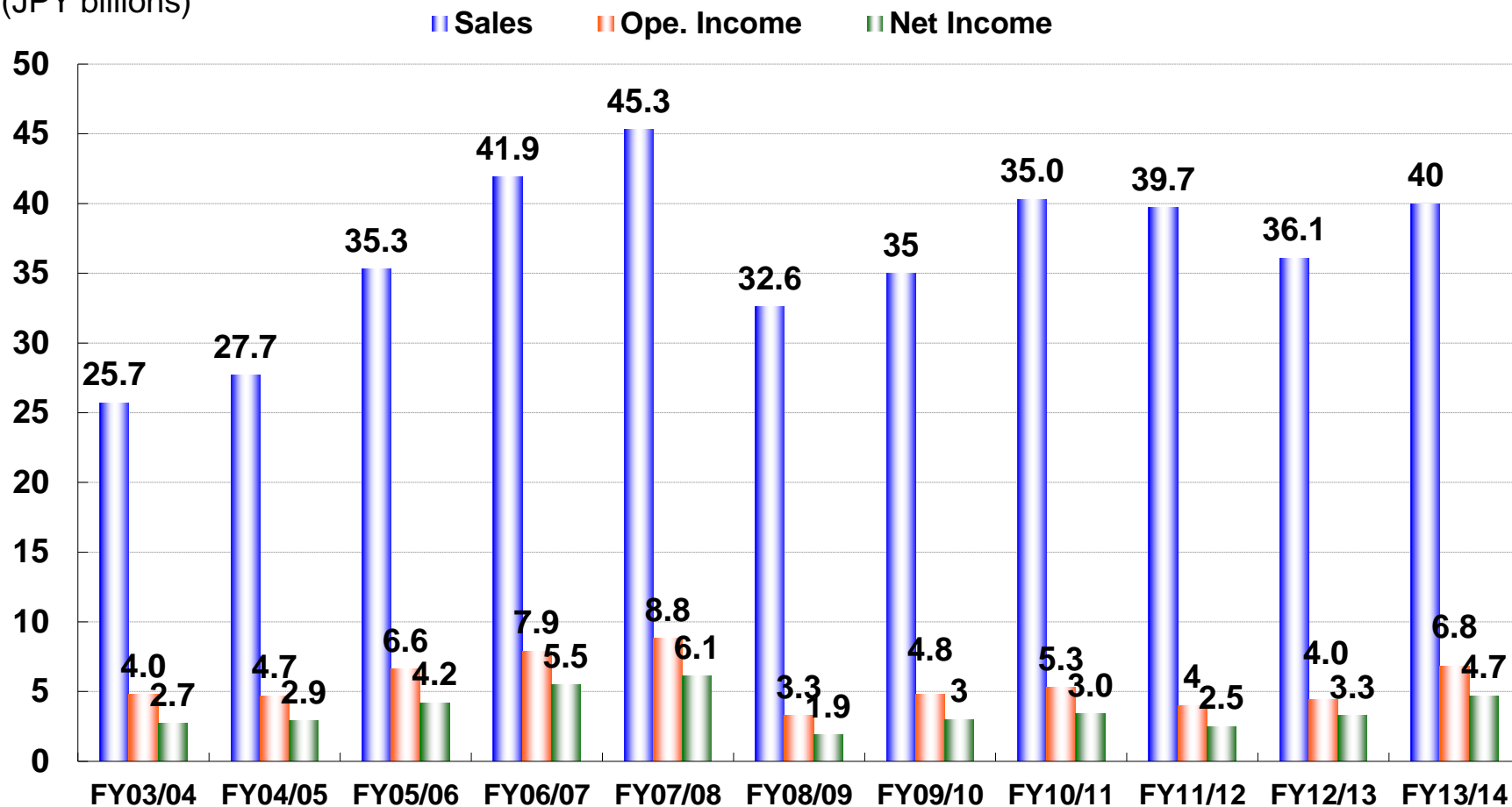
Others FPD Materials PWB Materials



Forecast

Trend of Consolidated Performance

(JPY billions)

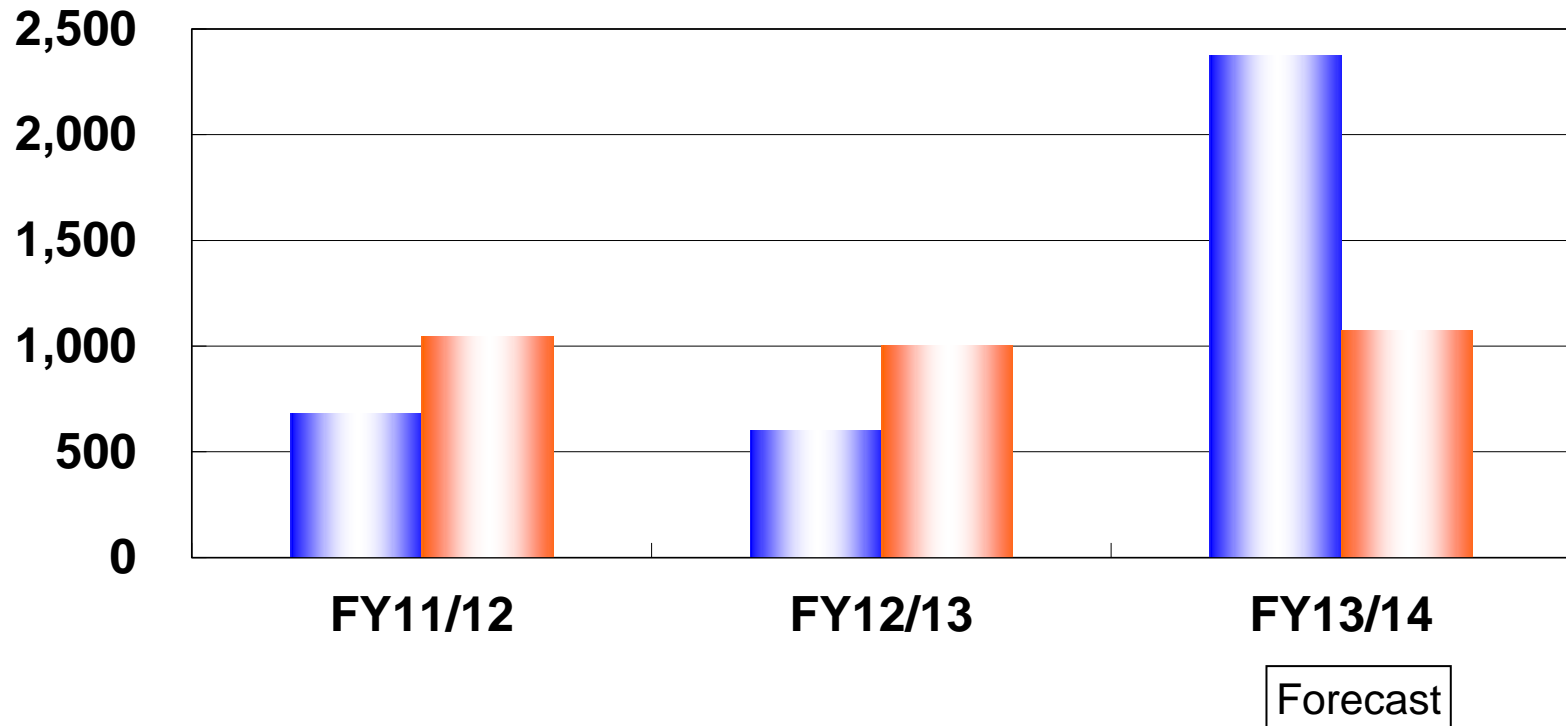


Forecast

Investment & Depreciation Expense

(JPY millions)

Investment Depreciation



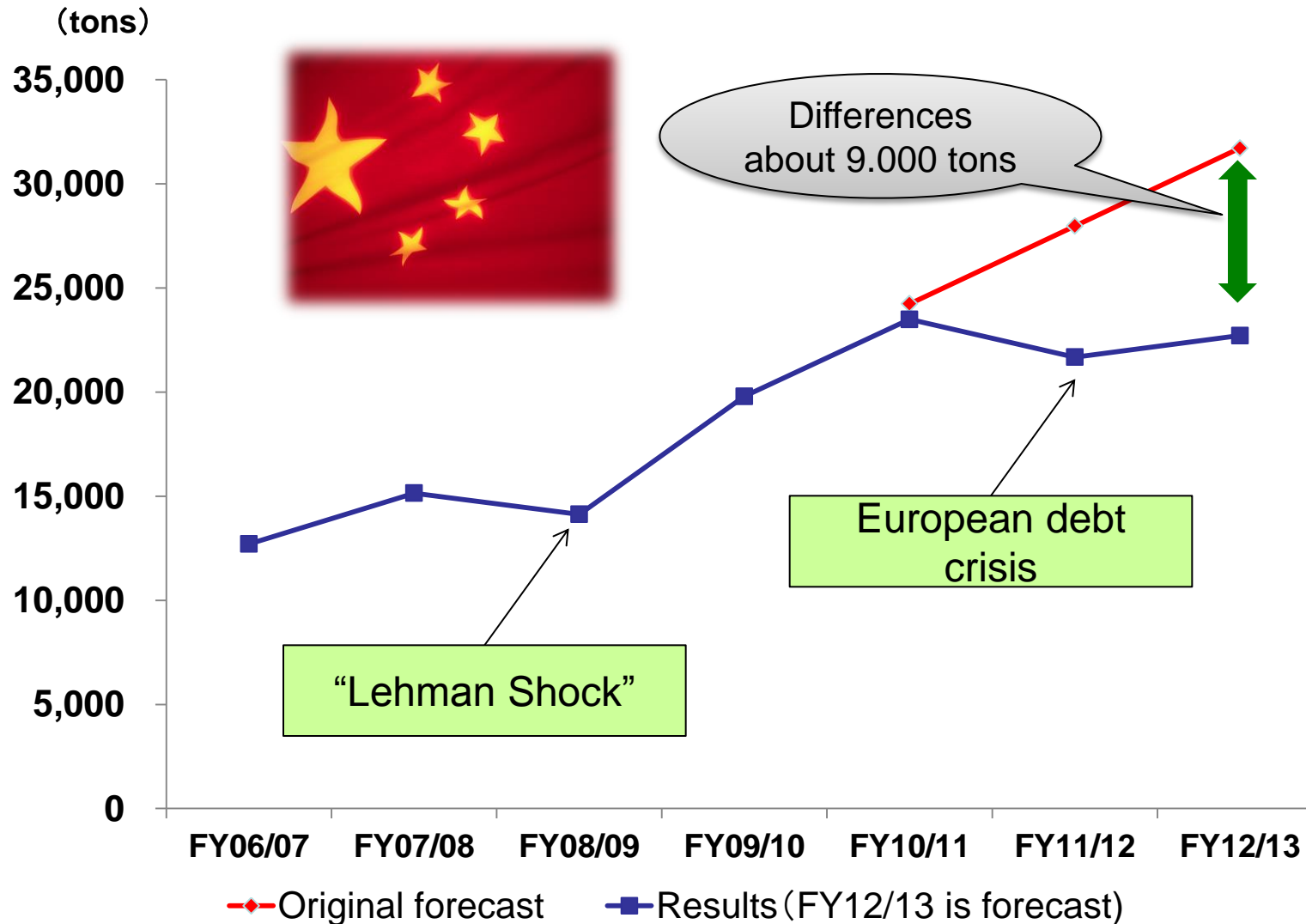
3. Review of Medium-term Business Plan (GBP2010)

- Sales and Operating income targets were not achieved.

(JPY billions)

	FY12/13	Medium-term Business Plan	Change
Sales	36.1	48.0	(11.9)
PWB+	28.8	38.5	(9.7)
FPD	7.3	9.5	(2.2)
Operating Income	4.4	7.7	(3.3)
Operating Income Ratio	12.1	16.0%	(4.9%)
Sales of New product and fields	3.4	4.0	(0.6)

SR Market trend in China



- ❑ Sales of the strategically low-end products to certain customers was successful to some extent since we increased market share.

- ❑ Our market share in China reached 50% as a result of the acquisition of OTC.

- ❑ Development of new touch panel materials started in FY12/13. Sales is expected to increase in the near future.

- ❑ Research and development strategies were clearly redefined, based on the time line. Basic research capability was improved. Manufacturing and sales structure for the new products were strengthened.

- ❑ The policy of the human resources management was adopted. The system of human resources training was established such as systematic education and training programs including sending chemists to universities and research institutes.

4. Long-term Targets

Long-term target

No.1 market share of SR
→ Strongly influenced by the market trend

Over 80% of the total sales is overseas sales.
→ Strongly influenced by FX rate

**Share and
New products**

As a result,

Sales and Profit

Strengthening of R&D structure

Rapid commercialization of new products

Encouraging initiative in talent

Development of measures to reduce foreign currency risk

5. Other Topics

- Signed an LOI to acquire a 51.0% stake of Onstatic Technology Co., Ltd. on August 9, 2012.
- Acquired a 25.5% stake with NTD 899 million (JPY 2,511 million) on November 22, 2012.
- Pricing negotiation to acquire the remaining 25.5% stake is under way.
- After the acquisition of the 51.0% stake, the balance of 49.0% stake is also planned to be acquired.

