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On **June 20, 2018**, Taiyo Holdings Co., Ltd. announced a partial revision to its FY03/18 consolidated financial results and released new segment information.

The company group had been reporting financial results under regional segments—the four reportable segments of Japan, China, Taiwan, and South Korea—that reflected the group’s manufacture and sales structure. However, starting FY03/18, Taiyo realigned its reportable segments to the two business-based segments of Electronics Materials and Medical and Pharmaceuticals.

In January 2018, Taiyo Pharma Co., Ltd. (a subsidiary established in August 2017) obtained manufacturing and sales authorization, manufacturing and sales rights, and all related assets for 13 long-listed products. In light of this development, which increased the quantitative significance of the group’s medical and pharmaceutical business, the company determined it was more appropriate to categorize its activities based on businesses rather than locations, and decided to change its reportable segments accordingly. Figures from the previous fiscal year have been adjusted to match the new segmentation for YoY comparison purposes.

FY03/18 results under the new segmentation are as follows:

#### **Electronics Materials**

Sales in the Electronics Materials segment increased 7.3% YoY to JPY49.9bn backed by strong demand for materials used in smartphones, servers for virtual currency, and automotive components, as well as the effect of yen depreciation. Segment profit was up 23.6% YoY to JPY12.1bn.

#### **Medical and Pharmaceuticals**

The company launched its Medical and Pharmaceuticals business on a full scale starting January 2018, when it obtained manufacturing and sales authorization, manufacturing and sales rights, and all related assets for 13 long-listed products. As a result, sales in FY03/18 reached JPY819mn, and segment profit JPY8mn. There is no YoY comparison for the segment as the business was newly launched during FY03/18.

**Segment information (new segments)**

Segment information (JPYmn)	FY03/17 Cons.	FY03/18 Cons.
<b>Sales (external customers)</b>	47,866	52,241
Electronics Materials	46,450	49,854
Medical and Pharmaceuticals		819
Other		
Internal sales and transfers		
% of total sales		
Electronics Materials	97.0%	95.4%
Medical and Pharmaceuticals		1.6%
Other		
YoY	-4.0%	9.1%
Electronics Materials		7.3%
Medical and Pharmaceuticals		
Other		
<b>Operating profit</b>	9,221	11,337
Electronics Materials	9,801	12,114
Medical and Pharmaceuticals		8
Other	7	97
Goodwill amortization	-241	-257
Company-wide, other		-626
% of total operating profit		
Electronics Materials	99.9%	99.1%
Medical and Pharmaceuticals		0.1%
Other		
YoY	-15.9%	22.9%
Electronics Materials		23.6%
Medical and Pharmaceuticals		
Other		
OPM	19.3%	21.7%
Electronics Materials	21.1%	24.3%
Medical and Pharmaceuticals		1.0%
Other		
<b>Depreciation</b>	2,485	2,284
Electronics Materials	1,794	1,331
Medical and Pharmaceuticals		353
Other		
Adjustments		
<b>Increase in tangible and intangible fixed assets</b>	1,722	22,513
Electronics Materials	732	993
Medical and Pharmaceuticals		20,948
Other		
Adjustments		375

Source: Shared Research based on company data

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