

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

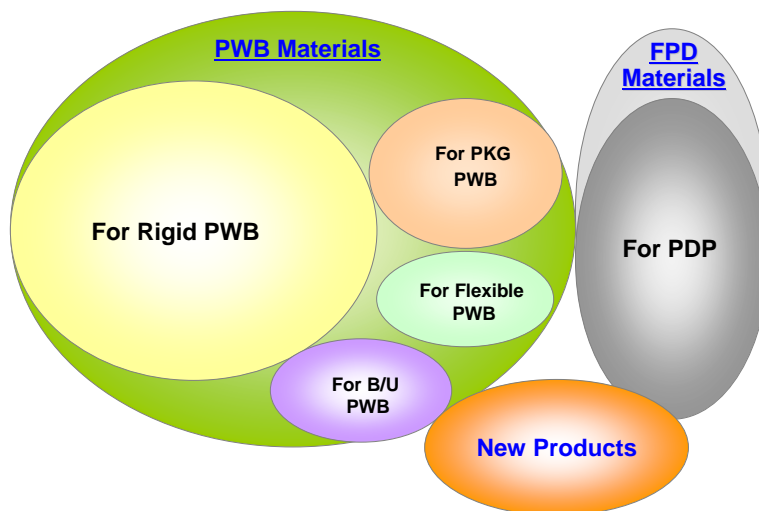
**TAIYO INK MFG. CO., LTD.**  
November 21, '08

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TEL : (81) 3-5999-1511  
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## Disclosure Classification



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1

# 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 Product for IC Package Substrates

Interim, FY 08/09 Actual

## Interim, FY 08/09 Actual

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Projection (May 14, '08)  
JPY21,000

(JPY MM)

Article	FY07/08 Interim (Actual)	FY08/09 Interim (Actual)	Diff.	Change in %
Sales	22,478	20,787	(1,691)	(7.5%)
Cost of Sales	14,175	13,918	(257)	(1.8%)
Gross Profit	8,303	6,869	(1,434)	(17.3%)
Sales and G&A Expense	3,523	3,500	(23)	(0.7%)
Ope. Profit	4,779	3,368	(1,411)	(29.5%)
Ordinary Profit	4,883	3,881	(1,002)	(20.5%)
Net Income AT	3,530	2,453	(1,077)	(30.5%)

Projection (May 14, '08)  
JPY3,400

Projection (May 14, '08)  
JPY2,400

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4

## Interim, FY 08/09 Actual : Breakdown of Sales by Product Line

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(JPY MM)

Article	FY07/08 Interim (Actual)	FY08/09 Interim (Actual)	Diff.	Change in %
Total	22,478	20,787	(1,691)	(7.5%)
PWB	17,281	16,141	(1,139)	(6.6%)
Rigid	12,960	12,292	(667)	(5.1%)
PKG & FPC	3,611	3,269	(342)	(9.5%)
Build Up	710	579	(130)	(18.4%)
FPD	4,506	3,990	(515)	(11.4%)
Others	690	654	(35)	(5.2%)







There was revision in product classification.

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5

## Interim, FY 08/09 Actual : Sales Vol. by Region

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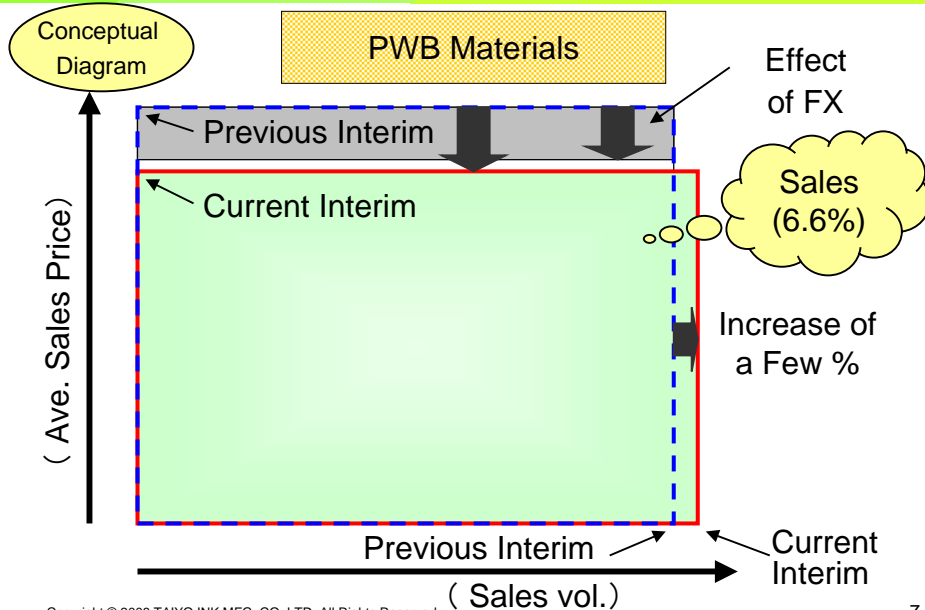
Region	Year on Year
Japan	
China	
Taiwan	
Korea	
ASEAN	
America & Europe	

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6

## Interim, FY 08/09 Actual : Difference Factor of Sales

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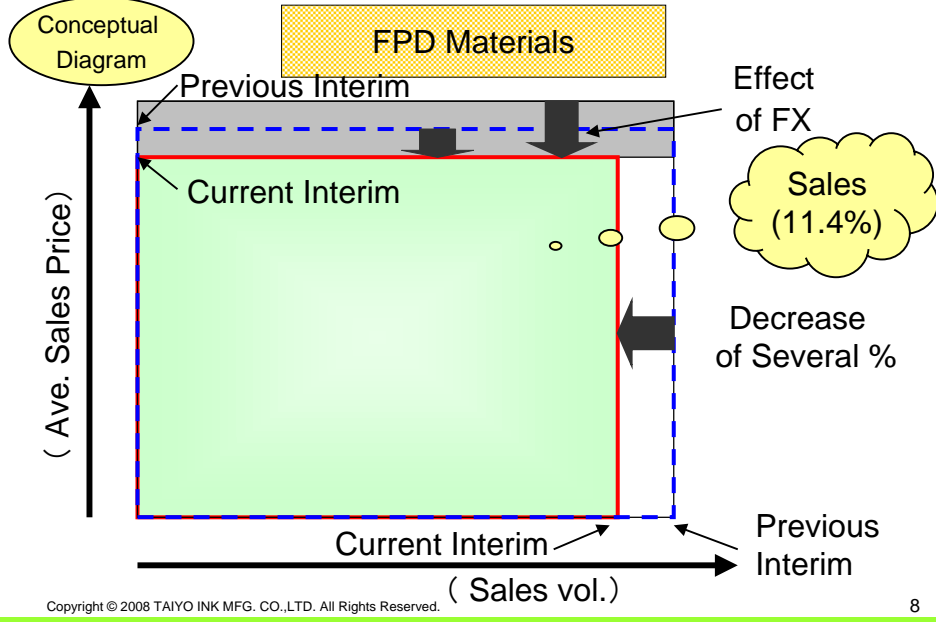


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7

## Interim, FY 08/09 Actual : Difference Factor of Sales

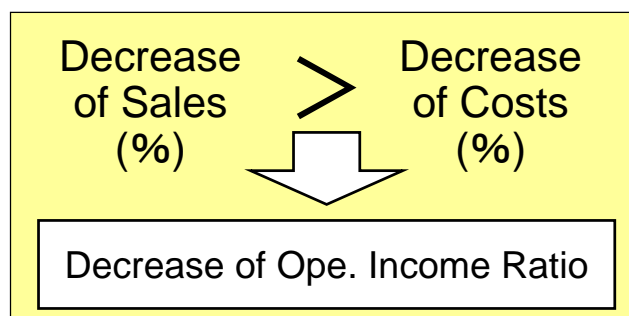
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## Interim, FY 08/09 Actual : Effect of FX Rate Fluctuation

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Effect of Ave. JPY1 Change per USD (Half Year)	Impact on Sales	Impact on Ope. Profit
	Approx. 170 MM	Approx. 110 MM

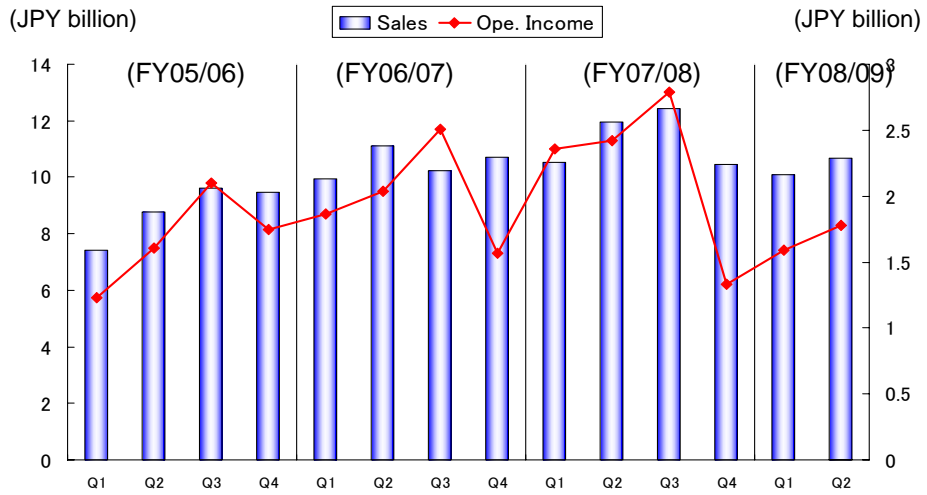


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9

# Quarterly Trend

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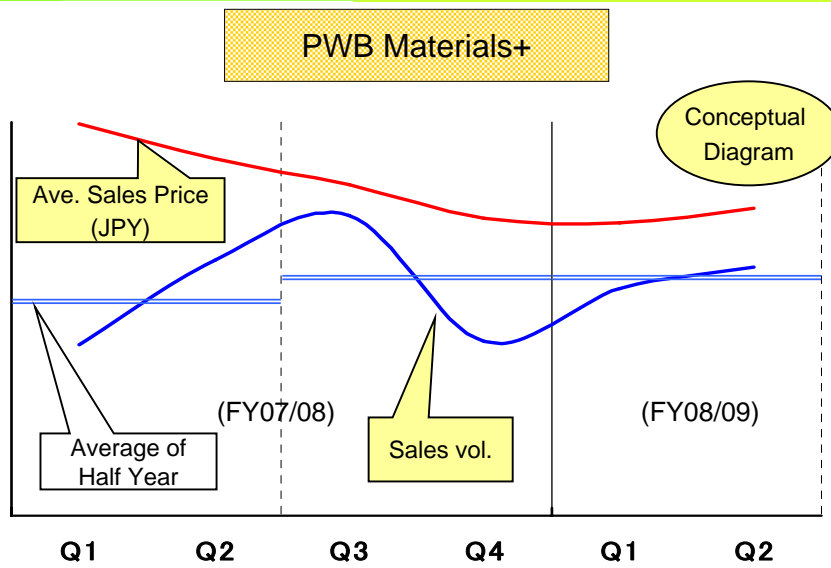


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10

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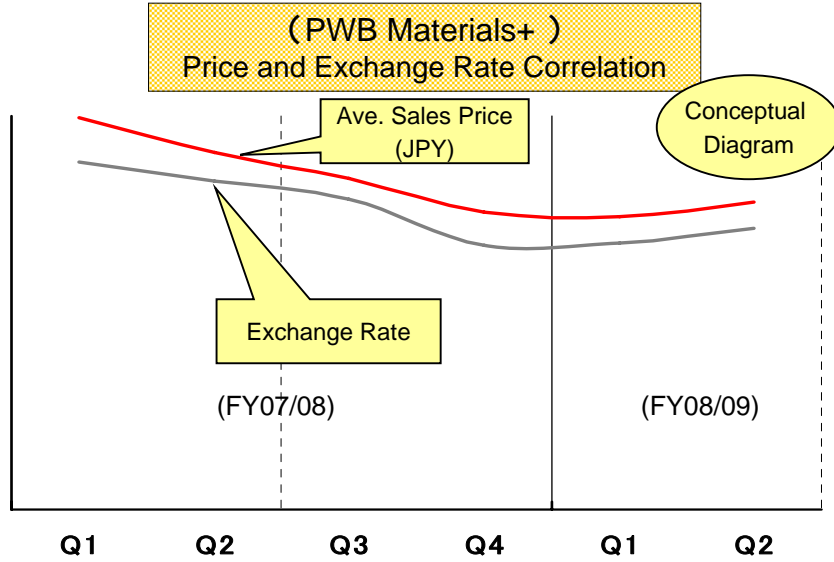


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11

# Quarterly Trend

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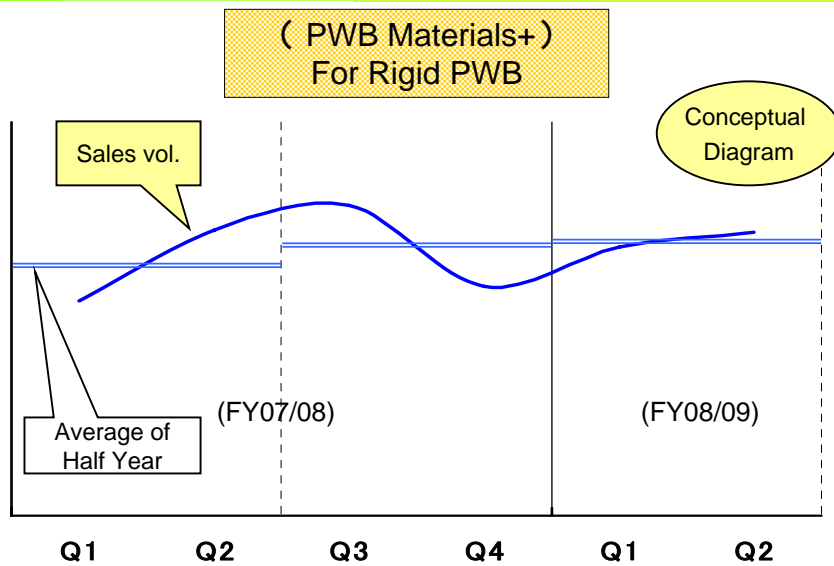


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12

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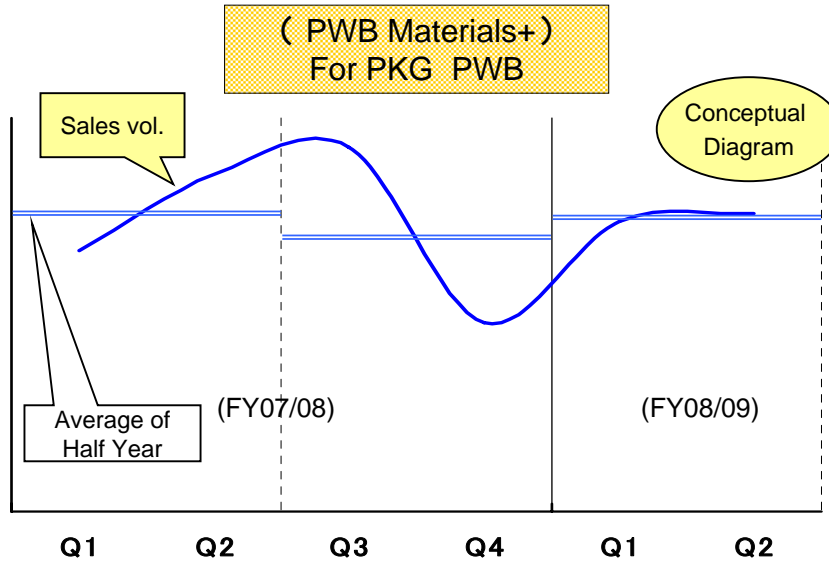


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13

# Quarterly Trend

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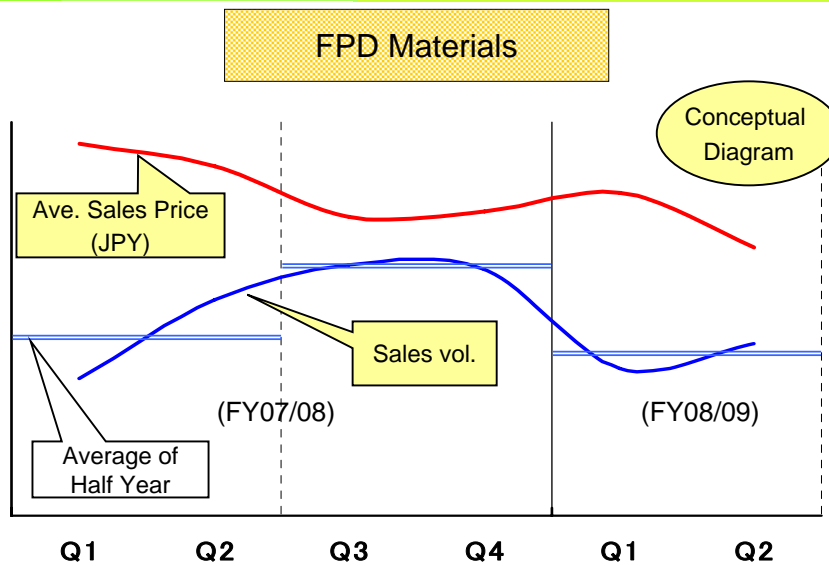


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14

# Quarterly Trend

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15



## Factors of Decrease in Sales

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	(JPY 100MM)
Sales	(17)
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▪ Sales of PWB Materials.	
In Mainland China Market	(1)
In Other Areas	(11)
▪ Sales of FPD Materials.	(5)
(Effect of FX Rate Fluctuation	(23))

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16

## Factors of Decrease in Profit

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	(JPY 100MM)
Operating Income	(14)
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▪ Volume Increase Effect	+2
▪ Effect of Price Decline	(4)
▪ Others ( FX Rate Fluctuation, etc.)	(12)

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17

## Interim, FY 08/09 Actual : Summary

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### (PWB materials)

- Sales vol. growth was lackluster.
- China market's growth showed slowdown.
- Other areas showed weaknesses overall.
- Ave. sales price in local currencies stable.

### (FPD materials)

- Recovery was low.

### (Profit)

- Negative impact of stronger JPY.

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## Forecast for FY 08/09

## Comparison of Projection to Actual Results

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(JPY MM)

Date Announced	1st Half of FY 08/09		2rd Half of FY 08/09		FY Total	
	May 14, '08	Actual	May 14, '08	New Projection	May 14, '08	New Projection
Sales	21,000	20,787	22,500	18,200	43,500	39,000
(PWB+)	16,800	16,797	17,900	15,400	34,700	32,200
(FPD)	4,200	3,990	4,600	2,800	8,800	6,800
Ope. Profit	3,400	3,368	3,600	2,100	7,000	5,500
Ordinary Profit	3,500	3,881	3,800	2,100	7,300	6,000
Net Income AT	2,400	2,453	2,300	1,700	4,700	4,200

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20

## 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 (25.9%)	20,787 (53.3%)	—	39,000 (100.0%)
Ope. Profit Cumulative FY08/09	1,588 (28.9%)	3,368 (61.2%)	—	5,500 (100.0%)
Sales Cumulative FY07/08	10,516 (23.2%)	22,478 (49.6%)	34,895 (77.0%)	45,338 (100.0%)
Ope. Profit Cumulative FY07/08	2,359 (26.5%)	4,779 (53.7%)	7,567 (85.1%)	8,896 (100.0%)

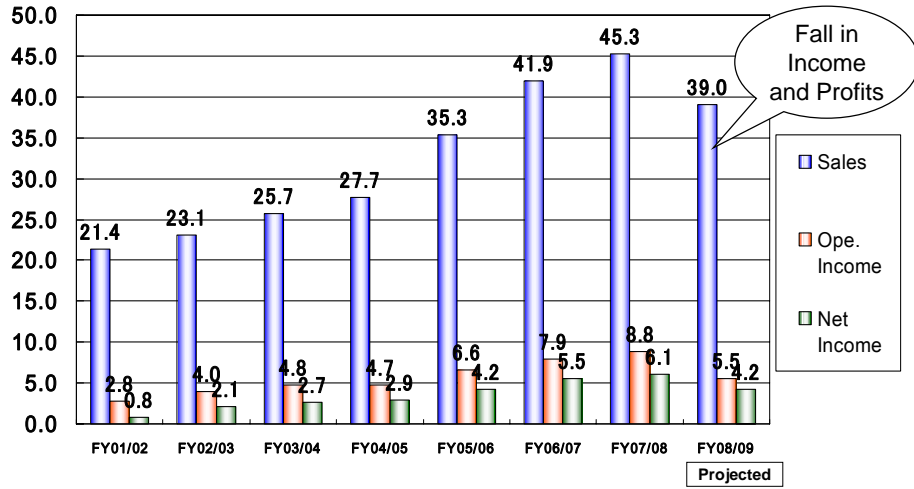
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21

# Financial Results by FY

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(JPY billion)



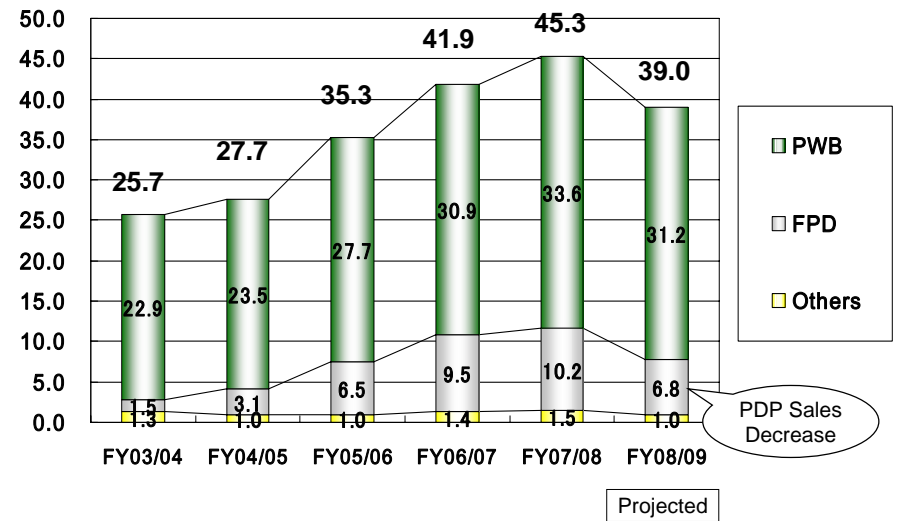
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# Forecast for FY 08/09 : Breakdown of Sales by Product Line

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(JPY billion)



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23

## Forecast for FY 08/09 Results : Summary

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- PWB sales vol. revised downward.
- FPD sales revised downward due to the change of the silver quotation.
- Revised foreign currency rates.  
(1USD = JPY102 → JPY100)

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## Topics

## Second Production Base in China

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### Announcement on April 30, 2008

- (1) Company Name : TAIYO INK ( ZHONGSHAN ) CO., LTD.
- (2) Location : Zhongshan City, Guangdong Province, China
- (3) Operation : Jan, 2010 ( Plan )
- (4) Capital : USD 3 billion ( A Wholly Owned Subsidiary )
- (5) Capacity of Production :

CY2010	CY2014
About 1,500MT	About 6,000MT

### Progress

June, ' 08      A part of the capital was paid.  
Company establishment.

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26

## Example of New Area Products

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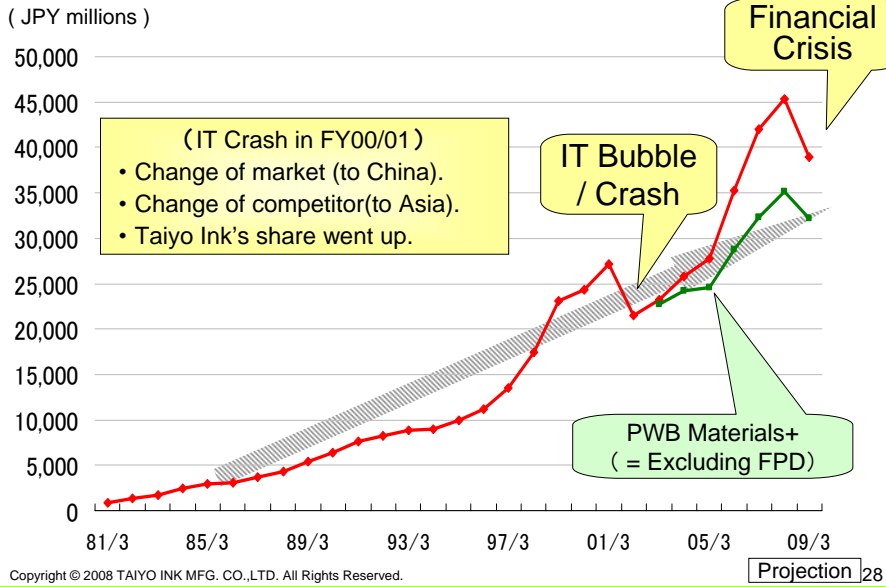
- UV Curable Resin for Cellular Phone Key Plate
- Adhesive for PET Resin IC Chip Cards
- Photoimageable Adhesive
- White-color Solder Resist
- Anti-flammability Solder Resist (for FPC)
- Heat Spreader-type Solder Resist
- Innerlayer Dielectrics, etc.

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27

# History of Sales

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# Effect of FX Rate Fluctuation

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	Actual: FY08/09 1st Half	Budgeted: FY08/09 2nd Half
B/S Conversion	JPY103.63/USD	JPY100.00/USD
P/L Conversion	JPY105.38/USD	JPY100.00/USD

Projected FY08/09 :

JPY MM

		Impact on Sales	Impact on Ope. Profit
Effect of Ave. JPY1 Change per USD (Half Year)	Consol.	Approx. 170	Approx. 110

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29

# Capital Expenditure and Depreciation

To be a Company Full of Dreams  
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(JPY billion)

	FY04/05 Actual	FY05/06 Actual	FY06/07 Actual	FY07/08 Actual	FY08/09 Projected
Annual Cap. Ex. (Consolidated)	1.1	0.9	1.1	1.2	2.5
Annual Deprec. (Consolidated)	1.8	1.7	1.6	1.5	1.4

China (Zhongshan)  
 Land & buildings: JPY1.2billion