
Consolidated Financial Result Digest

FY11/12 Second Quarter

(April 1- September 30, 2011)

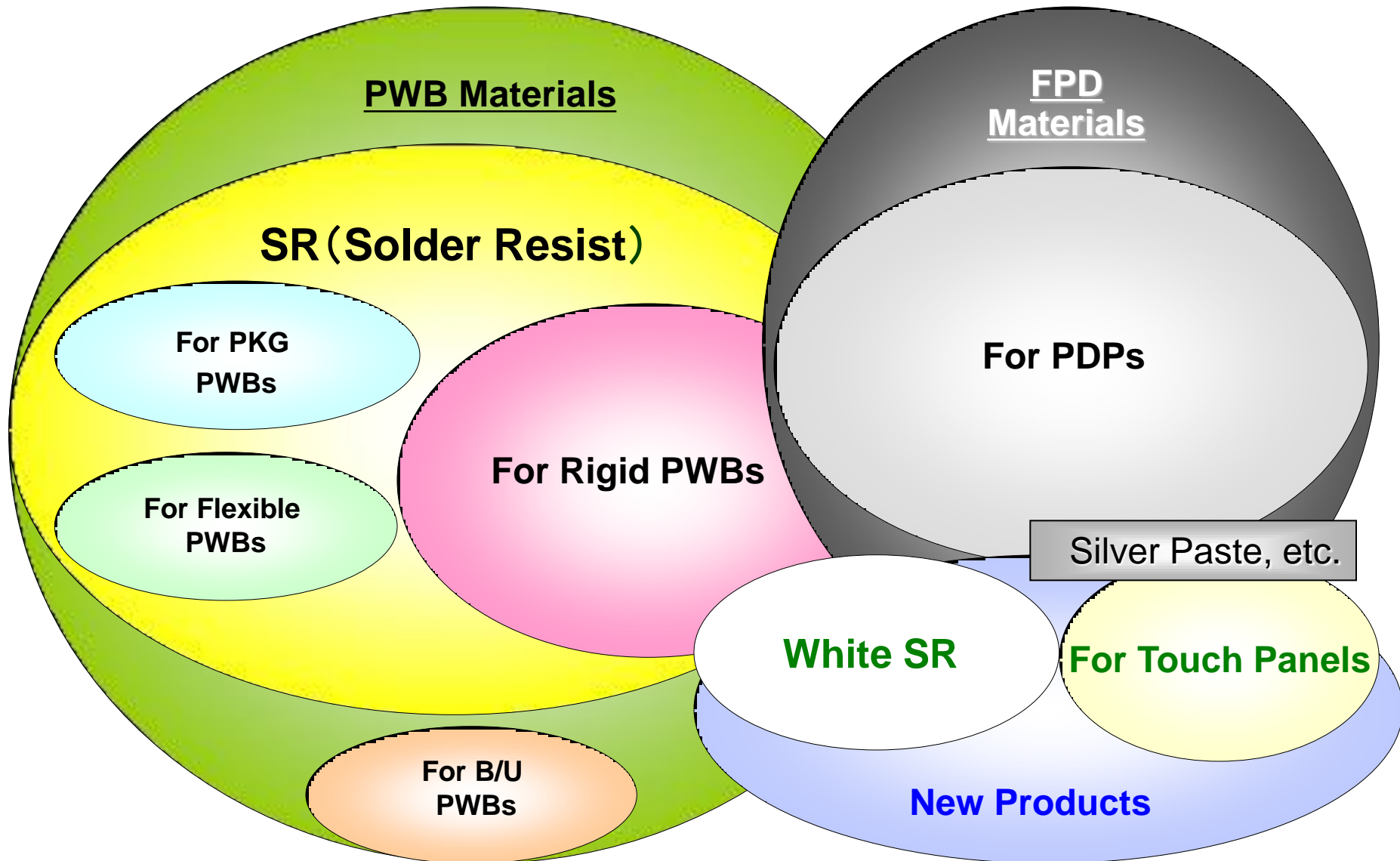
 **TAIYO HOLDINGS CO., LTD.**

November 15,2011



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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 Second Quarter
(April 1- September 30, 2011)
2. Forecasts for FY11/12
3. Progress of Medium-term business plan

1. Summary of FY 11/12 Second Quarter (April 1- September 30, 2011)

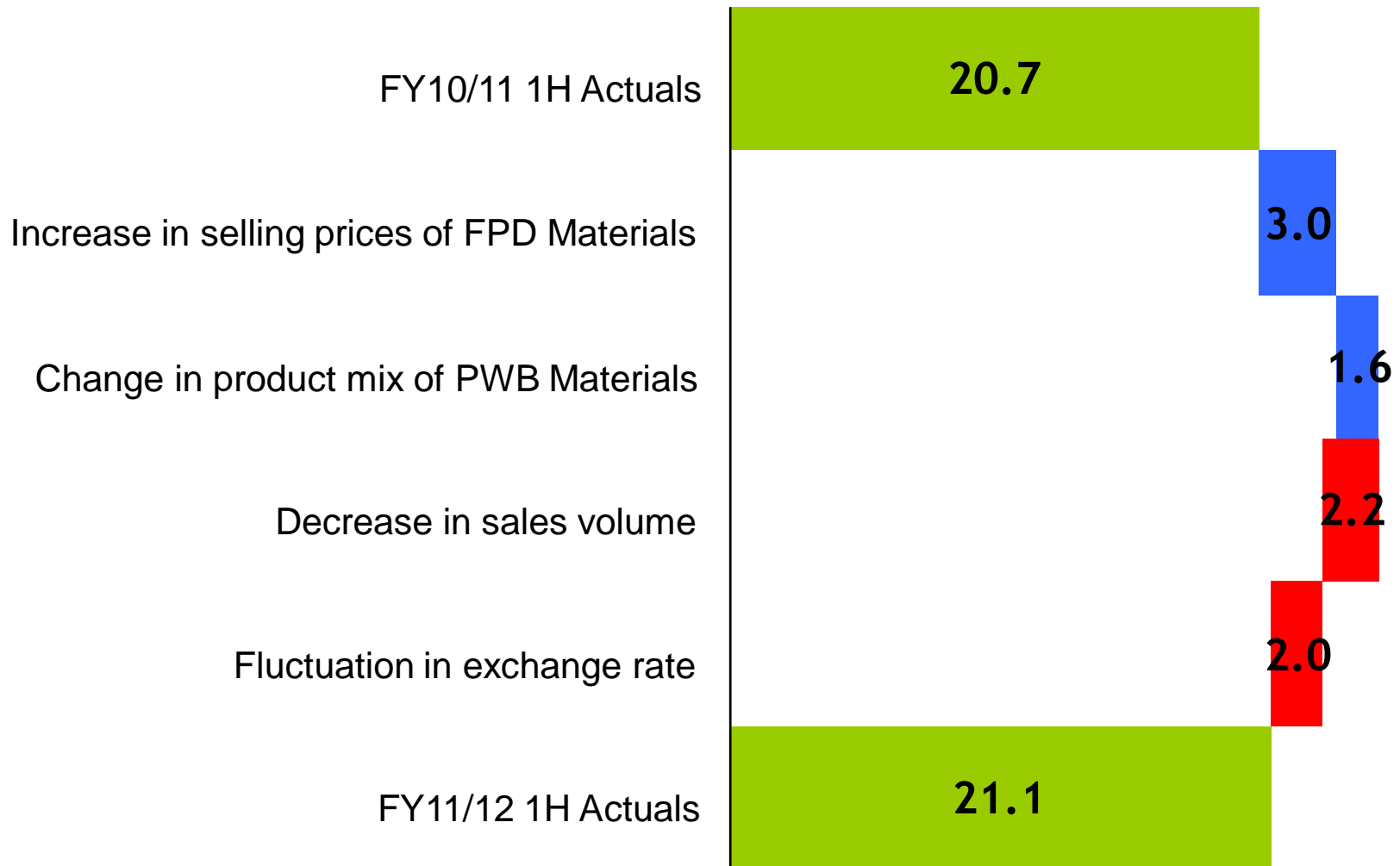
FY11/12 1H Results

(JPY millions)

	FY10/11 1H	FY11/12 1H	Change	Change in %	5/11/2011 Forecast
Sales	20,716	21,115	399	1.9%	21,500
Operating Income	3,522	2,416	(1,106)	(31.4%)	2,500
Ordinary Income	3,422	2,274	(1,148)	(33.5%)	2,500
Net Income	2,232	1,578	(654)	(29.3%)	1,700
<Ave. Exchange Rate>					
JPY/USD	88.9	79.7	(9.2)	(10.3%)	80.0

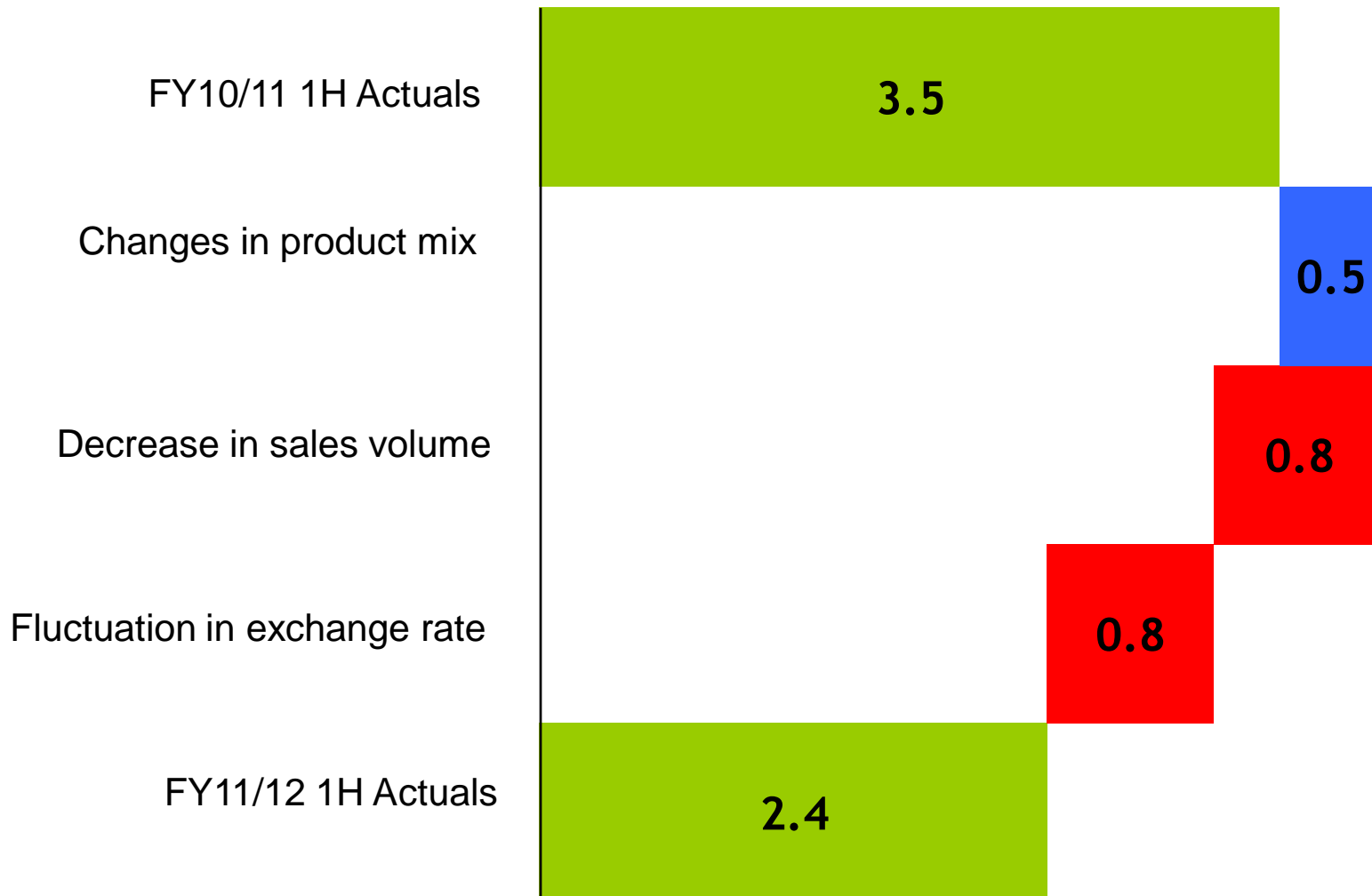
Sales

(JPY billions)



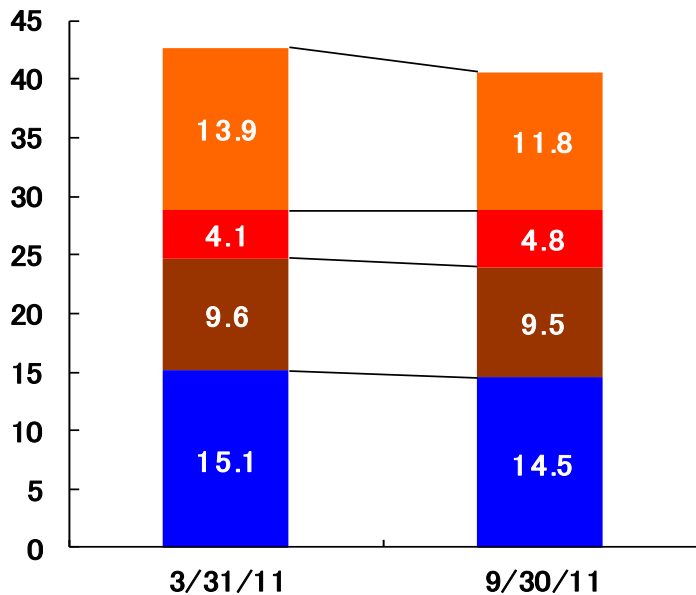
Operating Income

(JPY billions)



Assets

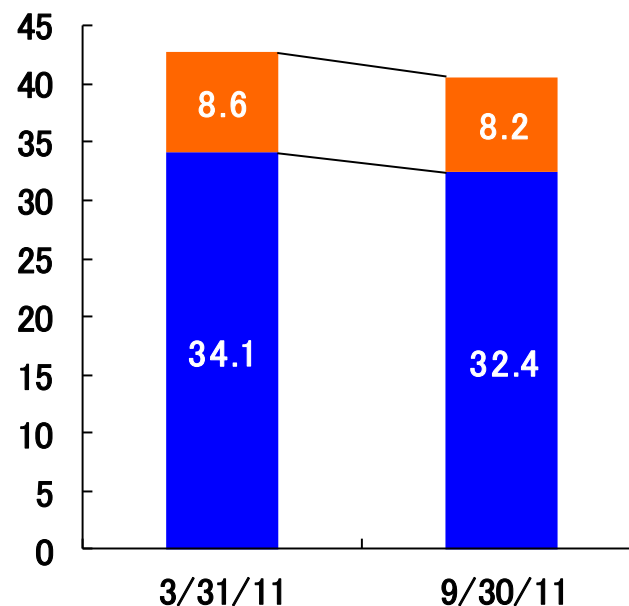
(JPY billions)



■ Fixed Assets ■ Other Current Assets
■ Inventories ■ Cash

Liabilities and Equity

(JPY billions)



■ Equity ■ Liabilities

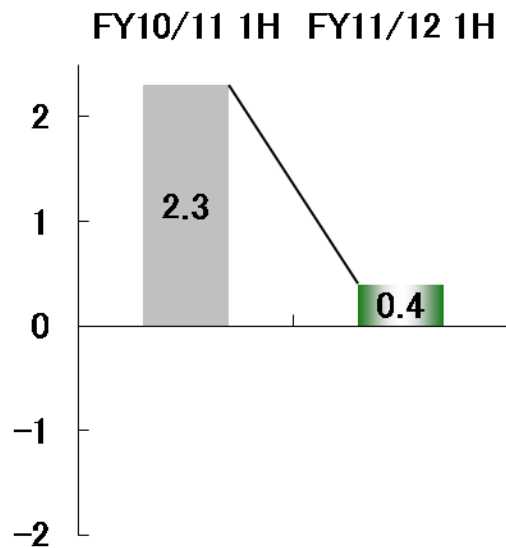
- Inventories grew as a result of the impact of the 3/11 earthquake in Japan.
- PDP inventory value increased due to the soaring price of silver.
- Fixed assets depreciated.

- Investments in subsidiaries eroded due to the stronger yen.
(Decrease in foreign currency translation adjustments)

FY11/12 1H Summary of Cash Flows

Operating CF

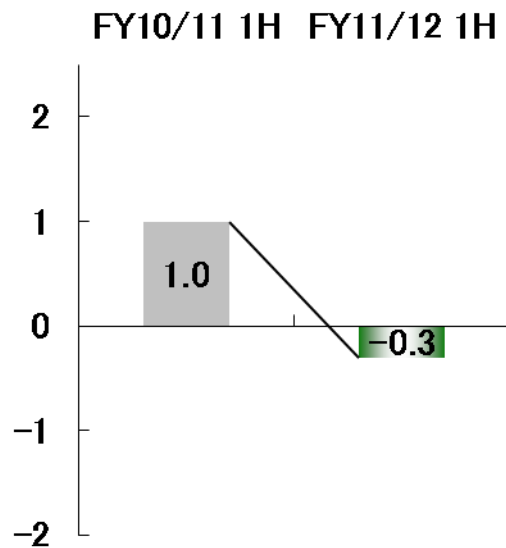
(JPY billions)



- Decrease due to increasing in inventories.
- Decrease in Operating income.

Investing CF

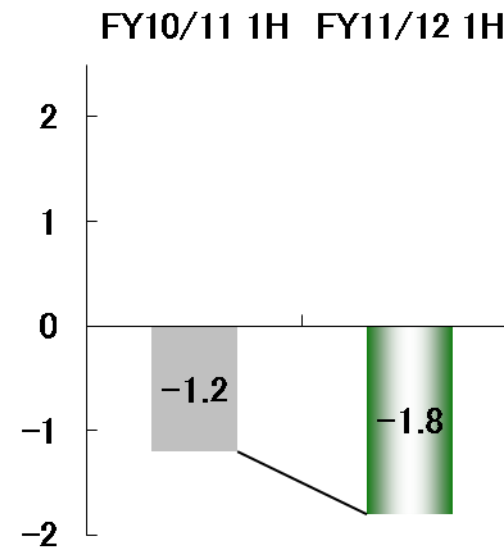
(JPY billions)



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

Financing CF

(JPY billions)

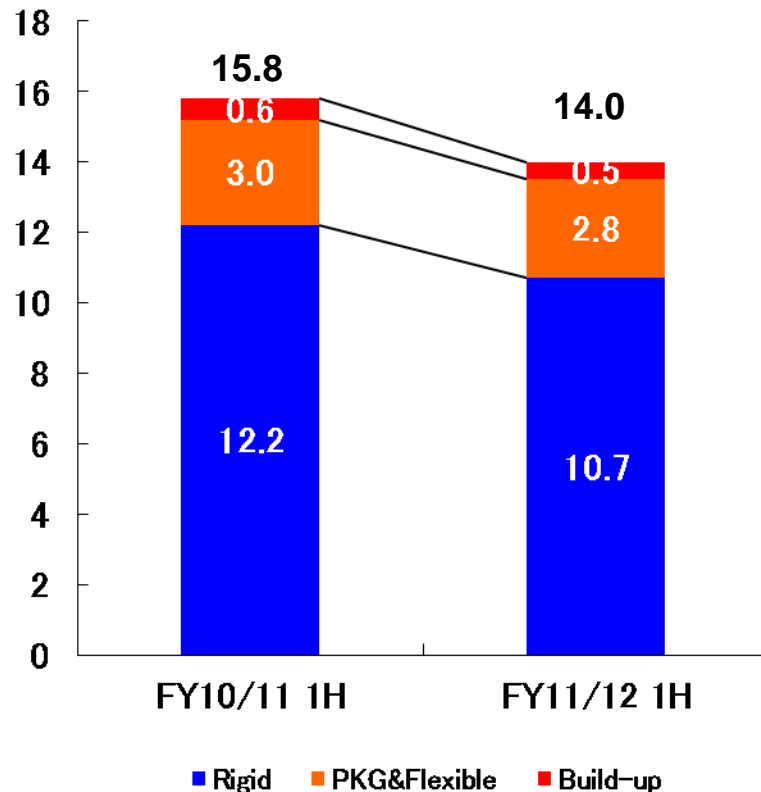


- Decrease due to increase in dividend. (commemorative dividend)

Sales of PWB Materials

Sales

(JPY billions)

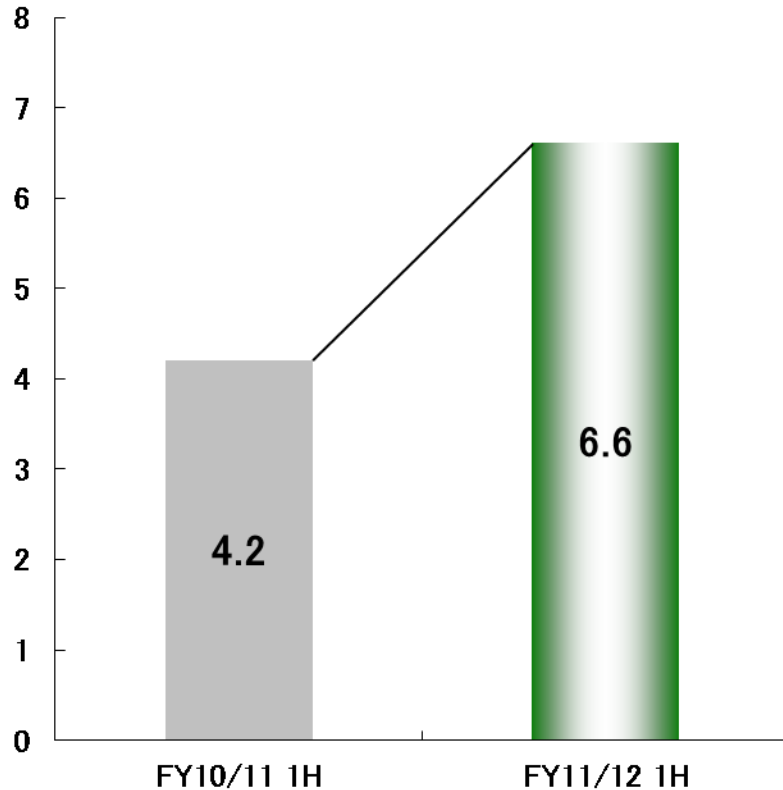


- Sales volume decreased due to the global demand decreased and production decreased partly due to rolling power shortage in Japan.
- Ave. selling price fell down due to the stronger yen.
- Demand of smartphones and tablet PCs is robust.

Sales of FPD Materials

Sales

(JPY billions)

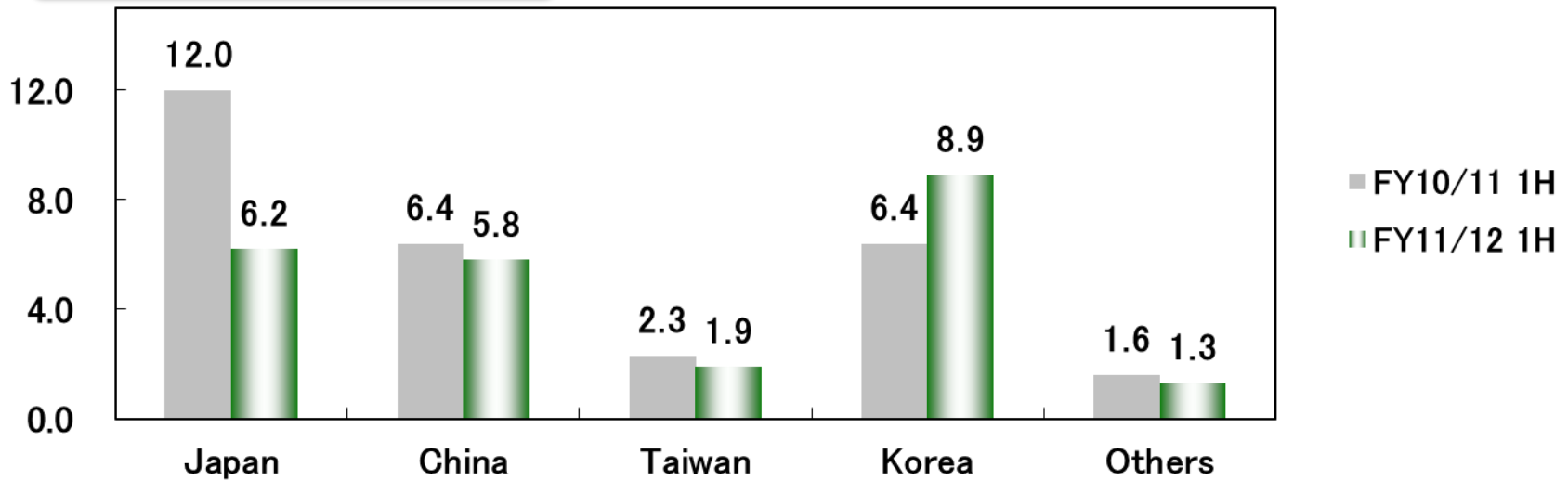


- Sales volume increased slightly year-on-year.
- Sales was steady in China.
- Selling price and sales amount increased in 2H due to the soaring price of silver.

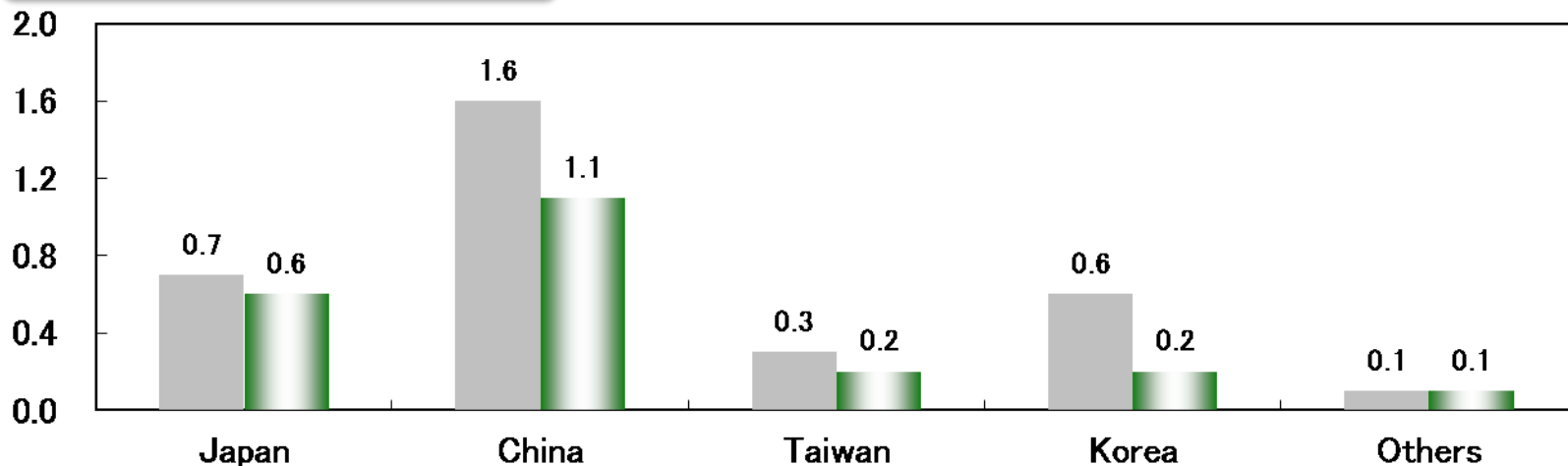
Result by segment for FY11/12 1H

Sales

(JPY billions)



Operating Income



2. Forecasts for FY11/12

Forecasts for FY11/12

(JPY millions)

	FY10/11 Result	Forecast for FY11/12			
		Original Forecast(5/11)	Revised Forecast	Change	Change in %
Sales	40,366	44,500	42,500	(2,000)	(4.5%)
PWB+	30,909	33,000	29,500	(3,500)	(10.6%)
FPD	9,455	11,500	13,000	1,500	13.0%
Operating Income	5,380	5,600	4,800	(800)	(14.3%)
Ordinary Income	5,316	5,600	4,600	(1,000)	(17.9%)
Net Income	3,402	3,800	3,200	(600)	(15.8%)
<Foreign Exchange Rate>					
JPY/USD	85.8	80.0	78.0	(2.0)	(2.5%)

Macroeconomics factors

- ❑ Considered partly uncertain factors such as the impact of the floods in Thailand on supply chain of electronics device production.
- ❑ A decline in worldwide demand expected.
- ❑ Review of the foreign exchange rate. (assumed rate in 2H is 1USD=76JPY)

PWB

- ❑ Profit ratio expected to improve due to the product mix.
- ❑ Sales volume expected to decrease due to the above factors.

FPD

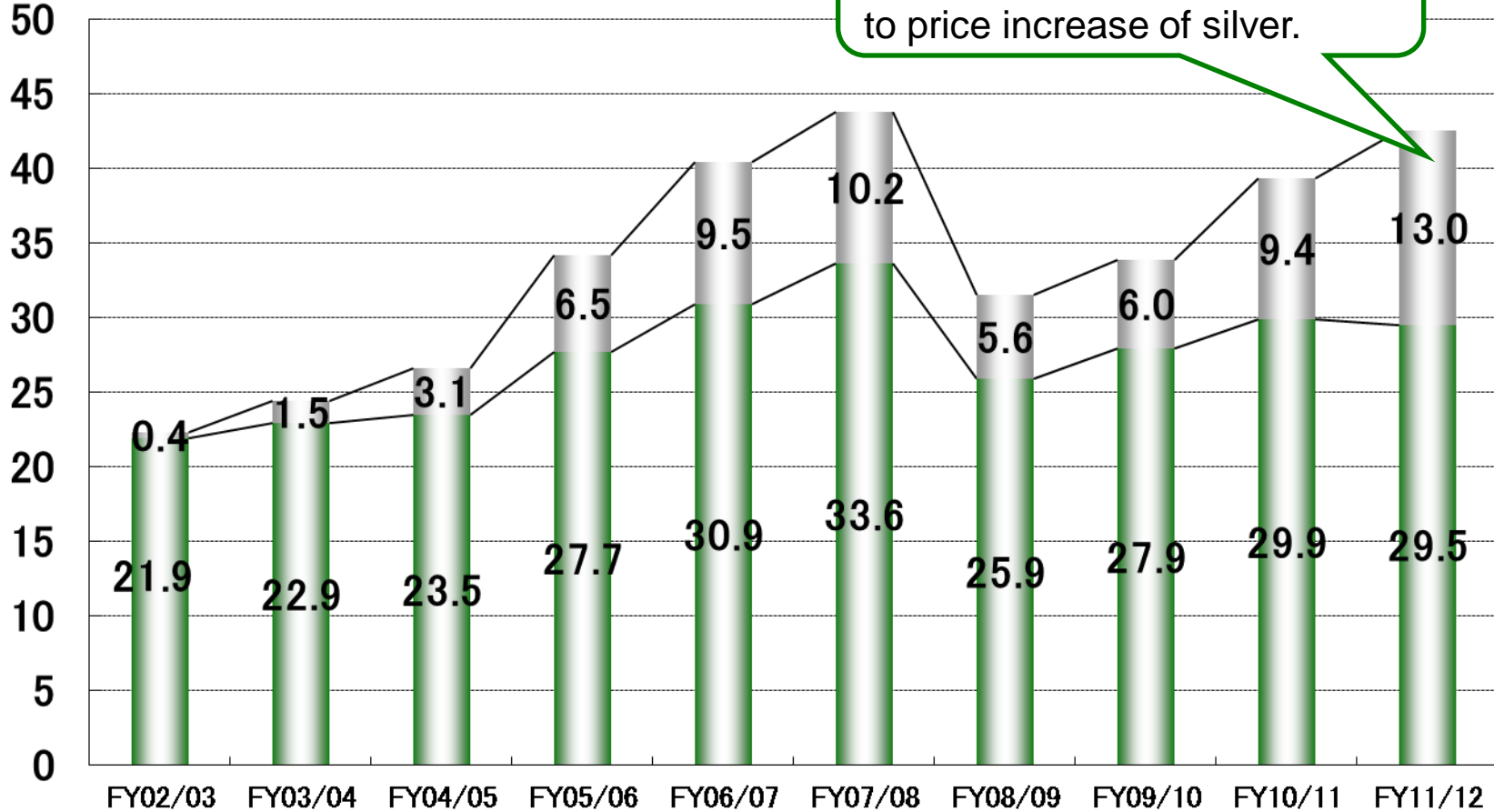
- ❑ Selling prices for FPD Materials expected to increase.

Sales

(JPY billions)

■ FPD Materials ■ PWB Materials +

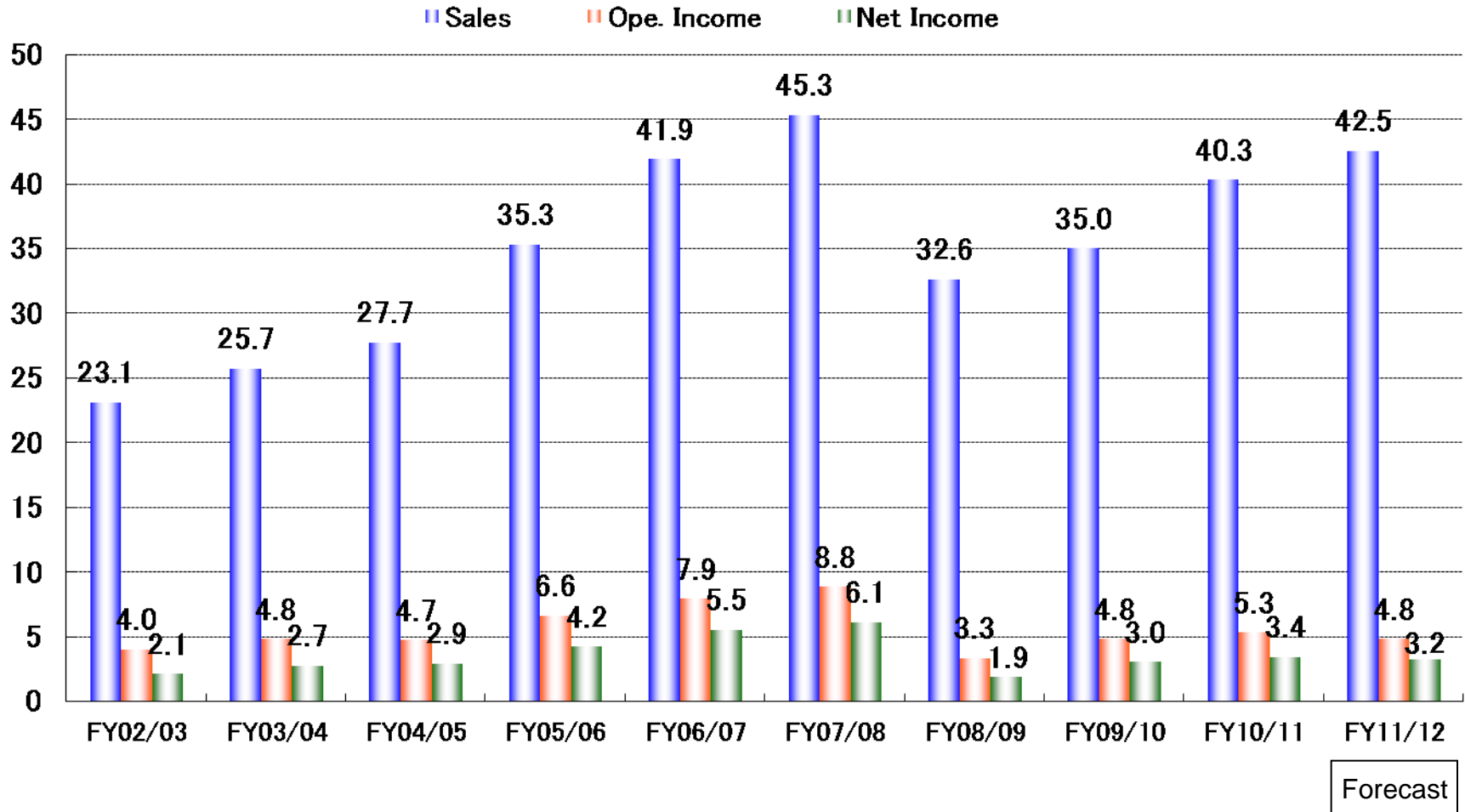
PWB+ expected slow.
FPD expected to increase due to price increase of silver.



Forecast

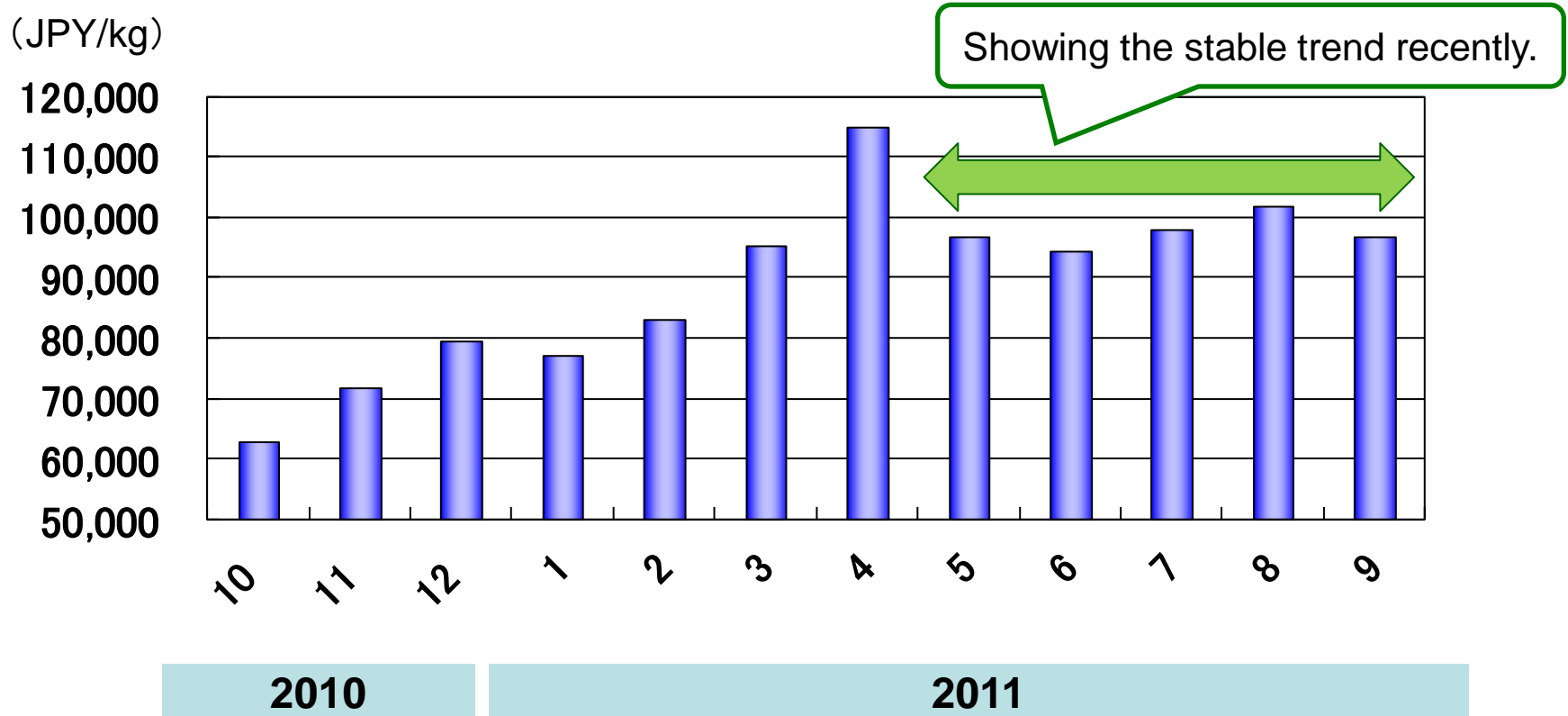
Trend of consolidated performance

(JPY billions)



Change to the market price of silver

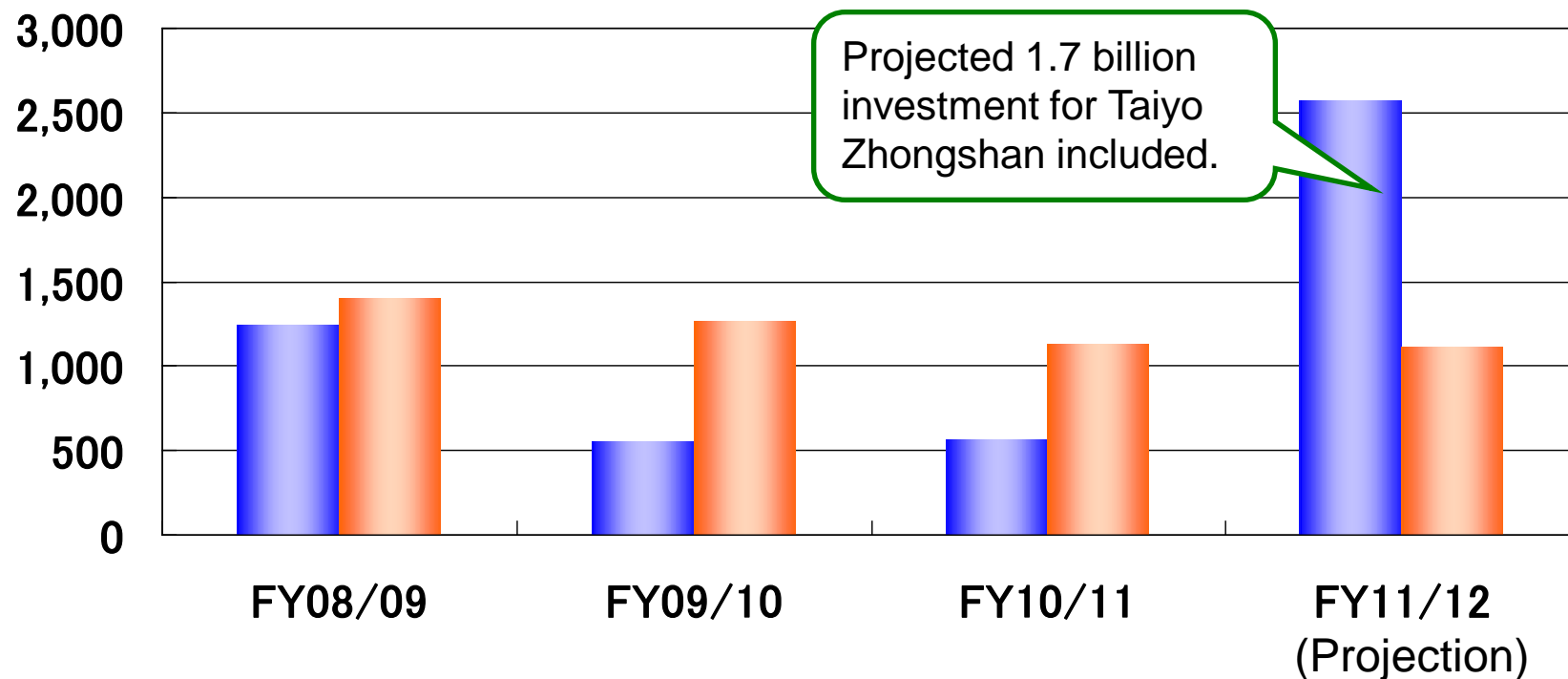
Change to the market price of silver which is the main materials of FPD Materials



Investment & Depreciation expense

(JPY millions)

■ Investment ■ Depreciation



3. Progress of Medium-term business plan

Strategy for Chinese market

- Grabbed market share from the competitors by the low-priced products.
- The Office of China Strategy : Identifying a market for new products. Established a liaison office in Shenzhen in Nov. 2011.
- Construction of Taiyo Zhongshan expected to start next year, though land development was a bit late.

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 1H)
- Will promote to export raw materials to Japan, taking advantage of the stronger yen.

Strategy for new products development

- Sales of new products in 1H was JPY 1.6 billion. (Sales target is JPY 3 billion for FY11/12.)
- Sales of white SR was about JPY 0.4 billion.
- Participation in Japan Advanced Printed Electronics Technology Research Association.

Strategy for Global talent management

- Recruiting qualified talent locally.
- Will promote highly qualified local talent to Board members for Taiyo Holdings.
- Will promote local talent to senior management level.
- Job-rotation between the subsidiaries.

