

February 7, 2012

Consolidated Financial Results
for the Nine Months of the Fiscal Year Ending March 31, 2012
<under Japanese GAAP>

Company name: **TAIYO HOLDINGS CO., LTD.**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 4626
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Scheduled date to file quarterly report: February 10, 2012
 Scheduled date to commence dividend payments: –
 Preparation of supplementary results briefing material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the nine months of the fiscal year ending March 31, 2012 (from April 1, 2011 to December 31, 2011)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2011	30,830	2.2	3,374	(29.6)	3,344	(28.3)	1,911	(37.4)
December 31, 2010	30,174	16.7	4,794	34.0	4,664	36.0	3,055	65.0

Note: Comprehensive income

For the nine months ended December 31, 2011: 866 million yen [(35.7) %]

For the nine months ended December 31, 2010: 1,348 million yen [– %]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2011	75.15	–
December 31, 2010	117.90	–

(2) Financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2011	38,802	31,861	80.9
March 31, 2011	42,851	34,186	78.2

Reference: Equity (Net assets excluding minority interests)

As of December 31, 2011: 31,384 million yen As of March 31, 2011: 33,490 million yen

2. Cash dividends

	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2011	–	45.00	–	70.00	115.00
Fiscal year ending March 31, 2012	–	45.00	–		
Fiscal year ending March 31, 2012 (Forecasts)				45.00	90.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2012	40,300	(5.2)	4,300	(10.4)	4,200	(8.7)	2,500	(21.9)	98.28

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

The consolidated earnings forecasts have been revised. For details, please refer to “Notice of Revision to Consolidated Earnings Forecasts” released today (only in Japanese).

4. Others

- (1) Changes in significant subsidiaries during the current nine months (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common stock)

- a. Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2011	27,464,000 shares
As of March 31, 2011	27,464,000 shares

- b. Number of treasury shares at the end of the period

As of December 31, 2011	2,025,586 shares
As of March 31, 2011	2,025,546 shares

- c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2011	25,438,434 shares
Nine months ended December 31, 2010	25,912,680 shares

*** Indication regarding execution of quarterly review procedures**

The completion of quarterly review procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act have not been completed.

*** Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

Attached Materials

Index

- 1. Qualitative Information Regarding Settlement of Accounts for the Nine Months..... 2
 - (1) Qualitative information regarding consolidated operating results 2
 - (2) Qualitative information regarding consolidated financial position..... 4
 - (3) Qualitative information regarding consolidated earnings forecasts 4
- 2. Matters Regarding Summary Information (Others) 5
 - (1) Changes in significant subsidiaries during the current nine months 5
 - (2) Application of specific accounting for preparing quarterly consolidated financial statements 5
 - (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections 5
- 3. Summary of Significant Events Regarding Premise of Going Concern..... 5
- 4. Consolidated Financial Statements..... 6
 - (1) Consolidated balance sheets..... 6
 - (2) Consolidated statements of income and consolidated statements of comprehensive income..... 8
 - Consolidated statements of income (cumulative) 8
 - Consolidated statements of comprehensive income (cumulative)..... 9
 - (3) Notes on premise of going concern..... 10
 - (4) Segment information, etc. 10
 - (5) Notes on substantial changes in the amount of shareholders' equity..... 11
 - (6) Other notes 12

1. Qualitative Information Regarding Settlement of Accounts for the Nine Months

(1) Qualitative information regarding consolidated operating results

- During the nine months ended December 31, 2011, global economic growth remained at a low level overall as turmoil in the financial markets from Europe's debt crisis spread to the global economy, affecting growth in the emerging countries such as China. In Japan, despite signs of economic recovery fueled by restoration demand from the Great East Japan Earthquake, it is still difficult to form any clear outlook of the future economy due to the historically strong yen and the effect of the flood damage in Thailand.
- In the electronics components industry, the market in which the Group is engaged in, although demand remained strong for small-sized information terminals such as smartphones and tablet PCs, the PC and flat-screen TV market was sluggish due to the impact of worsening economic conditions, and the industry overall performed weakly.
- Operating under these conditions, net sales for the current nine months amounted to 30,830 million yen (up 2.2% year on year).
- In the PWB (printed wiring board) materials market, sales volume was down compared to the same period of the previous fiscal year, and sales unit prices were also down, partly due to the impact of the sharp appreciation of the yen and changes in the product mix. As a result, net sales for PWB materials amounted to 20,471 million yen (down 11.1% year on year).
- Sales volumes of FPD (flat panel display) materials, mainly consisting of PDPs (plasma display panel), were largely unchanged from those of the same period of the previous fiscal year. Despite this, net sales of FPD materials amounted to 9,776 million yen (up 52.7% year on year), owing to higher sales unit prices resulting from the stabilization of silver, a key raw material, at a high price.
- Concerning profits, the operating profit margin decreased from its level in the same period of the previous fiscal year, owing to the impact of increasingly sharp yen appreciation and a decline in sales volume. As a result, operating income amounted to 3,374 million yen (down 29.6% year on year) with ordinary income at 3,344 million yen (down 28.3% year on year) and net income at 1,911 million yen (down 37.4% year on year).

Sales results by product group category

The following are sales results by product group category for the nine months ended December 31, 2011.

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Change	Rate of change (%)
Rigid board materials	17,697	15,557	(2,139)	(12.1)
PKG board and flexible board materials	4,375	4,153	(221)	(5.1)
Build-up board materials	950	760	(189)	(19.9)
FPD materials	6,401	9,776	3,375	52.7
Others	750	582	(168)	(22.4)
Total	30,174	30,830	655	2.2

Results by segment are as follows. (Net sales of segments includes inter-segment sales or transactions.)

1) Japan

- The consolidated company located in Japan is TAIYO INK MFG. CO., LTD., a manufacturing and marketing subsidiary.
- Apart from expanding demand for smartphones and firm growth in a portion of the amusement-related business, sales to the domestic market and exports were at a low level overall because of the prolonged strong yen and the economic impact of the flood damage that occurred in Thailand.
- As a result, net sales amounted to 8,961 million yen (down 41.6% year on year) with segment profit at 830 million yen (down 20.2% year on year).

2) China (including Hong Kong)

- The consolidated companies located in China are TAIYO INK (SUZHOU) CO., LTD., a manufacturing and marketing subsidiary, and TAIYO INK INTERNATIONAL (HK) LIMITED and TAIYO INK TRADING (SHENZHEN) CO., LTD., marketing subsidiaries operating mainly in the southern China region.
- Owing to the impact of financial tightening in China due to the price hikes as well as to a reduction of exports to Europe due to the European debt crisis, the sales volume was lower compared with the same period of the previous fiscal year.
- As a result, net sales amounted to 8,257 million yen (down 10.4 % year on year) with segment profit at 1,452 million yen (down 36.0% year on year).

3) Taiwan

- The consolidated company located in Taiwan is TAIWAN TAIYO INK CO., LTD., a manufacturing and marketing subsidiary.
- Owing to slumps in both high function products and regular products of “rigid board materials,” sales volume was low, falling short of that of the same period of the previous fiscal year.
- As a result, net sales amounted to 2,831 million yen (down 17.0% year on year) with segment profit at 367 million yen (down 28.3% year on year).

4) Korea

- The consolidated company located in Korea is TAIYO INK CO., (KOREA) LTD., a manufacturing and marketing subsidiary.
- Sales on a monetary basis greatly exceeded those of the same period of the previous fiscal year due to higher prices of silver, a key raw material in “FPD materials.” Meanwhile, the purchase unit price of silver also rose significantly.
- As a result, net sales amounted to 13,210 million yen (up 37.4% year on year) with segment profit at 563 million yen (down 34.6% year on year).

5) Other

- The consolidated companies located in the areas other than the above are TAIYO AMERICA, INC. and TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD.
- The ASEAN region was affected by the damage caused by the flooding in Thailand, and sales volume in the Thai market, which is central to the region, was lower compared to the same period of the previous fiscal year, and performance in the region was weak.
- In the European and American markets, sales continued to be strong, particularly for “build-up board materials.”
- As a result, net sales amounted to 1,937 million yen (down 17.0% year on year) with segment profit at 210 million yen (up 6.0% year on year).

(2) Qualitative information regarding consolidated financial position

Positions of assets, liabilities and net assets

The following shows the positions of assets, liabilities and net assets as of December 31, 2011.

	As of March 31, 2011 (Millions of yen)	As of December 31, 2011 (Millions of yen)	Change (Millions of yen)	Main factors (comparison with the end of the previous fiscal year)
Current assets	27,675	24,827	(2,847)	Cash and deposits decreased approx. 2,300 million yen and notes and accounts receivable-trade decreased approx. 600 million yen
Noncurrent assets	15,175	13,974	(1,201)	Decrease of approx. 700 million yen due to depreciation and amortization, and investments in capital of non-consolidated subsidiaries decreased approx. 500 million yen
Total assets	42,851	38,802	(4,048)	
Total liabilities	8,664	6,940	(1,723)	Notes and accounts payable-trade decreased approx. 600 million yen, accounts payable-other decreased approx. 400 million yen and income taxes payable decreased approx. 400 million yen
Total net assets	34,186	31,861	(2,324)	Net income was approx. 1,900 million yen, cash dividends paid was approx. 2,900 million yen and foreign currency translation adjustment decreased approx. 1,000 million yen
Total liabilities and net assets	42,851	38,802	(4,048)	

(3) Qualitative information regarding consolidated earnings forecasts

The operating environment for the Group in the second half of the fiscal year is expected to be harsher than initially forecasted. The main reasons for this include a worldwide reduction in demand resulting from factors such as financial crises in Europe and America and economic slumps in developed countries, and the continued appreciation of the yen, in addition to concerns regarding possible interruptions in the supply chain for electronic components due to the floods in Thailand.

Taking such conditions into consideration, the consolidated earnings forecasts announced on November 8, 2011 are revised as shown in the following table.

For the fiscal year ending March 31, 2012

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecasts (announced on November 8, 2011)	42,500	4,800	4,600	3,200
Revised forecasts	40,300	4,300	4,200	2,500
Rate of change (%)	(5.2)	(10.4)	(8.7)	(21.9)

2. Matters Regarding Summary Information (Others)

(1) Changes in significant subsidiaries during the current nine months

No items to report

(2) Application of specific accounting for preparing quarterly consolidated financial statements

No items to report

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

No items to report

3. Summary of Significant Events Regarding Premise of Going Concern

No items to report

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
Assets		
Current assets		
Cash and deposits	13,972	11,621
Notes and accounts receivable-trade	8,792	8,171
Short-term investment securities	0	0
Merchandise and finished goods	1,860	2,078
Work in process	185	262
Raw materials and supplies	2,075	2,166
Other	905	620
Allowance for doubtful accounts	(117)	(94)
Total current assets	27,675	24,827
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,163	6,793
Land	4,097	4,034
Other, net	1,788	1,561
Total property, plant and equipment	13,050	12,389
Intangible assets	304	356
Investments and other assets	1,821	1,228
Total noncurrent assets	15,175	13,974
Total assets	42,851	38,802
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,326	4,701
Income taxes payable	608	200
Provision for bonuses	255	133
Provision for directors' bonuses	6	46
Other	1,484	1,139
Total current liabilities	7,681	6,222
Noncurrent liabilities		
Provision for retirement benefits	206	190
Provision for directors' retirement benefits	112	103
Asset retirement obligations	52	52
Other	612	370
Total noncurrent liabilities	983	718
Total liabilities	8,664	6,940

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
Net assets		
Shareholders' equity		
Capital stock	6,134	6,134
Capital surplus	7,102	7,102
Retained earnings	29,724	28,710
Treasury stock	(5,372)	(5,372)
Total shareholders' equity	37,589	36,575
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	90	35
Foreign currency translation adjustment	(4,188)	(5,226)
Total accumulated other comprehensive income	(4,098)	(5,190)
Minority interests	696	477
Total net assets	34,186	31,861
Total liabilities and net assets	42,851	38,802

(2) Consolidated statements of income and consolidated statements of comprehensive income**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net sales	30,174	30,830
Cost of sales	20,733	23,014
Gross profit	9,440	7,816
Selling, general and administrative expenses	4,646	4,441
Operating income	4,794	3,374
Non-operating income		
Commission fee	–	45
Interest income	43	33
Dividends income	16	22
Other	55	45
Total non-operating income	114	146
Non-operating expenses		
Interest expenses	2	2
Foreign exchange losses	228	164
Other	13	9
Total non-operating expenses	244	176
Ordinary income	4,664	3,344
Extraordinary income		
Gain on sales of noncurrent assets	–	0
Gain on bad debts recovered	1	–
Total extraordinary income	1	0
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	40	40
Loss on valuation of investment securities	0	5
Impairment loss	23	–
Loss on valuation of investments in capital of subsidiaries and affiliates	–	510
Loss on adjustment for changes of accounting standard for asset retirement obligations	31	–
Total extraordinary losses	96	556
Income before income taxes and minority interests	4,570	2,789
Income taxes-current	1,589	803
Income taxes-deferred	(167)	32
Total income taxes	1,421	835
Income before minority interests	3,148	1,953
Minority interests in income	93	41
Net income	3,055	1,911

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Income before minority interests	3,148	1,953
Other comprehensive income		
Valuation difference on available-for-sale securities	(19)	(54)
Foreign currency translation adjustment	(1,780)	(1,031)
Total other comprehensive income	(1,800)	(1,086)
Comprehensive income	1,348	866
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,336	819
Comprehensive income attributable to minority interests	11	47

(3) Notes on premise of going concern

Nine months ended December 31, 2011

No items to report

(4) Segment information, etc.

[Segment information]

I. Nine months ended December 31, 2010

1. Information regarding net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segments					Other (Note 2)	Total
	Japan	China (Note 1)	Taiwan	Korea	Total		
Net sales							
External sales	7,166	9,210	2,478	9,004	27,860	2,314	30,174
Inter-segment sales or transactions	8,180	1	933	607	9,722	21	9,744
Total sales	15,346	9,211	3,412	9,612	37,582	2,336	39,919
Segment profit	1,041	2,267	512	861	4,681	198	4,880

Notes: 1. The "China" segment covers local subsidiaries in China and Hong Kong.

2. The "Other" segment is not included in reportable segments and covers the business activities of local subsidiaries in the U.S. and other Asian countries.

2. Differences between total profits or losses for reportable segments and consolidated statements of income amounts, and main details of said differences (matters regarding adjustments for differences)

(Millions of yen)

Profits/losses	Amount
Reportable segments total	4,681
"Other" segment profit	198
Inter-segment eliminations	65
Amortization of goodwill	(22)
Profit/loss not allocated to business segments (Note)	(130)
Other adjusted amounts	1
Operating income in the consolidated statements of income	4,794

Note: Profit/loss primarily related to the holding company (company filing the consolidated financial statements).

3. Information regarding impairment loss on noncurrent assets, goodwill and negative goodwill, etc. by reportable segment

No items to report

II. Nine months ended December 31, 2011

1. Information regarding net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segments					Other (Note 2)	Total
	Japan	China (Note 1)	Taiwan	Korea	Total		
Net sales							
External sales	6,530	8,194	2,150	12,042	28,918	1,911	30,830
Inter-segment sales or transactions	2,430	63	681	1,168	4,343	26	4,370
Total sales	8,961	8,257	2,831	13,210	33,262	1,937	35,200
Segment profit	830	1,452	367	563	3,212	210	3,423

Notes: 1. The "China" segment covers local subsidiaries in China and Hong Kong.

2. The "Other" segment is not included in reportable segments and covers the business activities of local subsidiaries in the U.S. and other Asian countries.

2. Differences between total profits or losses for reportable segments and consolidated statements of income amounts, and main details of said differences (matters regarding adjustments for differences)

(Millions of yen)

Profits/losses	Amount
Reportable segments total	3,212
"Other" segment profit	210
Inter-segment eliminations	115
Amortization of goodwill	(9)
Profit/loss not allocated to business segments (Note)	(159)
Other adjusted amounts	4
Operating income in the consolidated statements of income	3,374

Note: Profit/loss primarily related to the holding company (company filing the consolidated financial statements).

3. Information regarding impairment loss on noncurrent assets, goodwill and negative goodwill, etc. by reportable segment

No items to report

(5) Notes on substantial changes in the amount of shareholders' equity

No items to report

(6) Other notes

(Additional information)

Nine months ended December 31, 2011

(Application of accounting standard for accounting changes and error corrections, etc.)

The “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) are adopted for accounting changes and corrections of prior period errors that were made on or after the beginning of the first quarter.

(Application of consolidated tax payment system)

Effective from the first quarter, the consolidated tax payment system is adopted.

(Impact of changes, etc. in income tax rates)

Following the promulgation on December 2, 2011 of the “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011), for fiscal years beginning on or after April 1, 2012, the income tax rate will be reduced and the special reconstruction corporation tax will be imposed. In line with these changes, the effective statutory tax rate used to measure deferred tax assets and liabilities will be changed from 40.54% to 37.87% for temporary differences expected to be eliminated in the fiscal years beginning on April 1, 2012, 2013 and 2014, and to 35.49% for temporary differences expected to be eliminated in the fiscal years beginning on or after April 1, 2015. The impact of these changes in effective statutory tax rates is insignificant.