
Consolidated Financial Result Digest FY12/13 First half

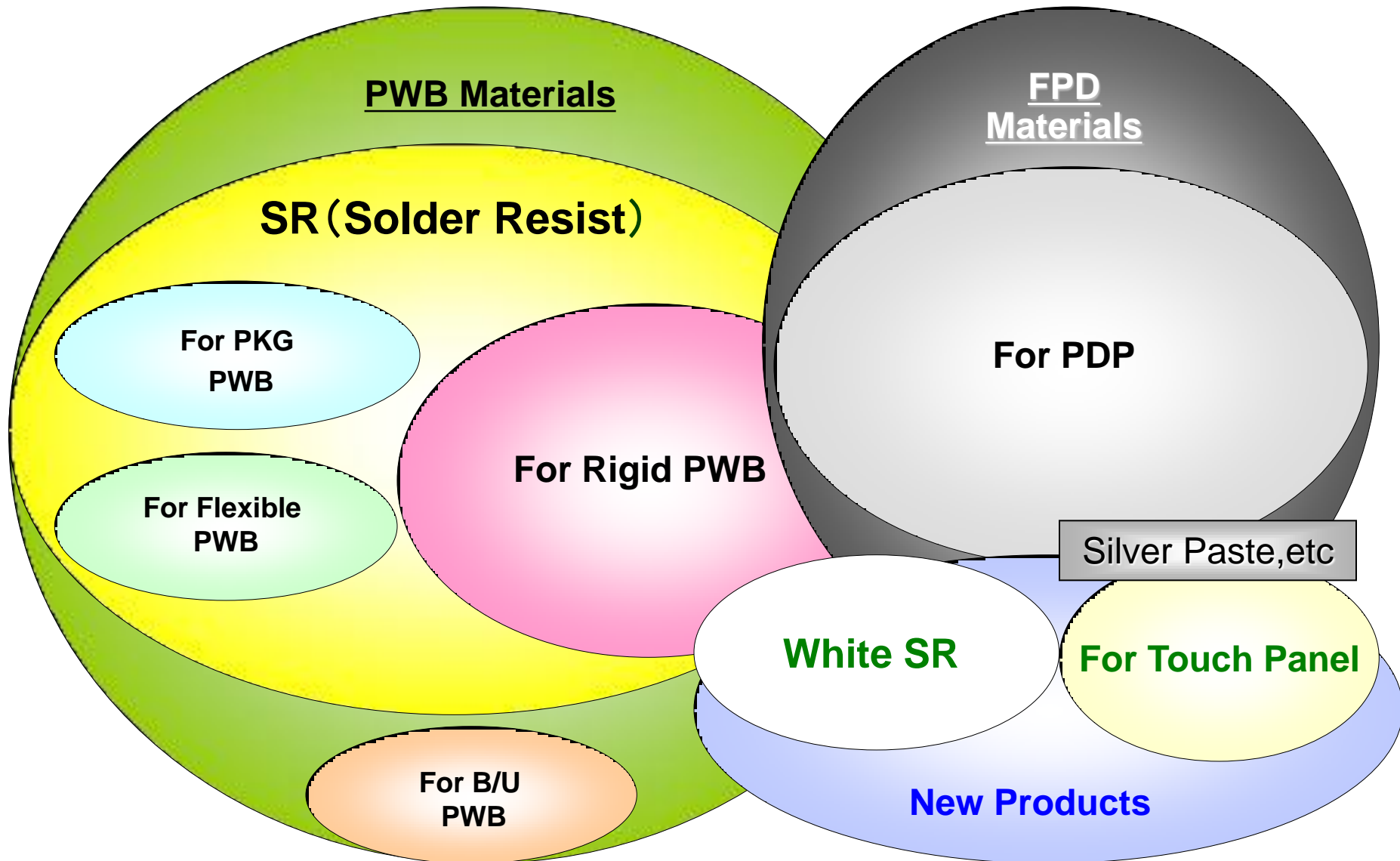
 **TAIYO HOLDINGS CO., LTD.**

November 20, 2012



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Classification



Word	Implication
“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 12/13 First half
(April 1- September 30, 2012)
2. Forecasts for FY12/13
3. Progress of Medium-term business plan
4. Other topics

1. Summary of FY 12/13 First half

FY 12/13 1H (Actuals)

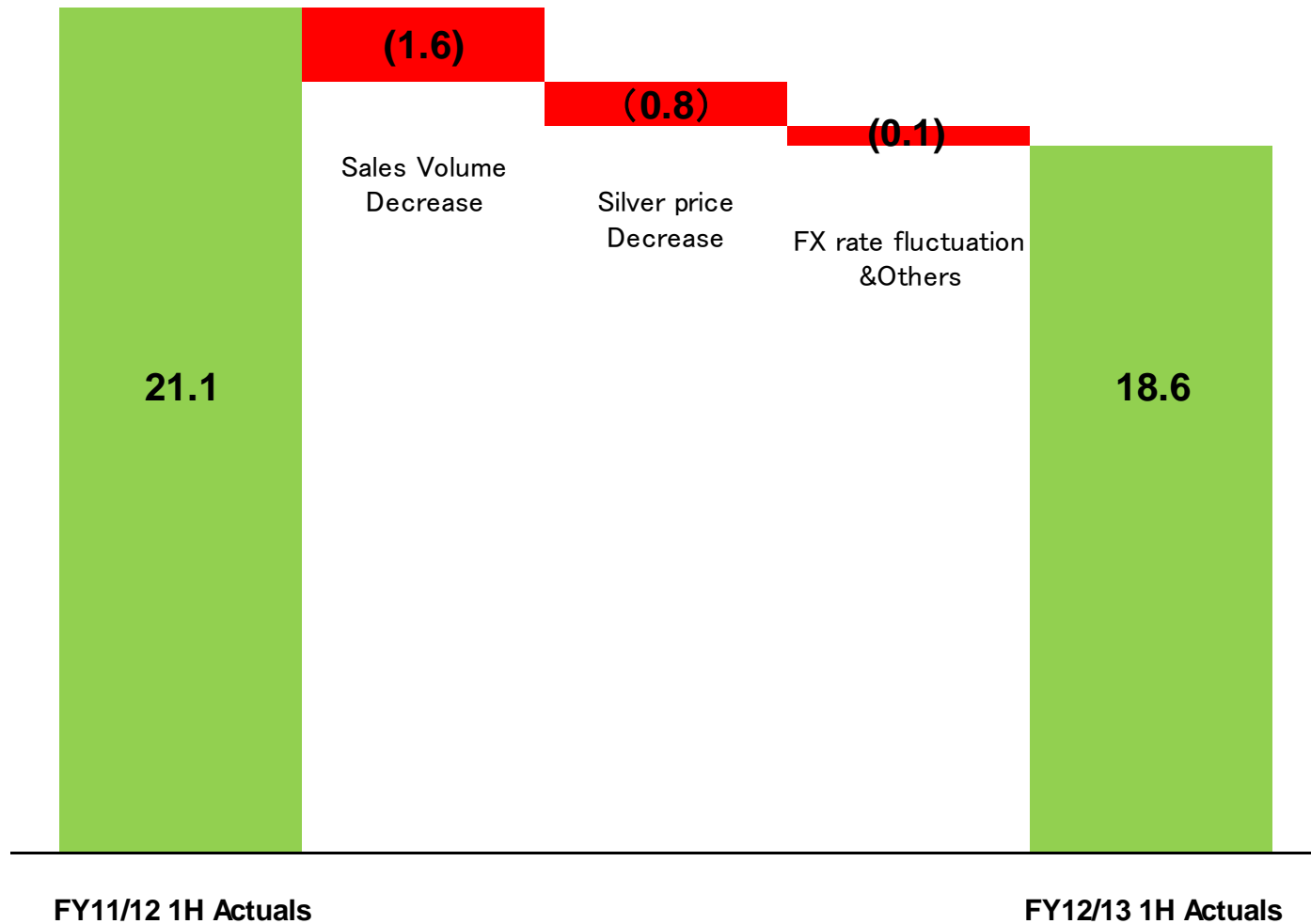
(JPY millions)

Items	FY 11/12 1H	FY 12/13 1H	Diff.	Change in %	5/8/2012 Forecast
Sales	21,115	18,594	(2,521)	(11.9%)	19,500
Ope. Income	2,416	2,353	(62)	(2.6%)	2,100
Ordinary Income	2,274	2,463	189	8.3%	2,100
Net Income	1,578	1,746	169	10.6%	1,500
<Ave. Exchange Rate>					
JPY/USD	79.7	79.4	(0.3)	-	80.0

Factors of sales decrease

Sales

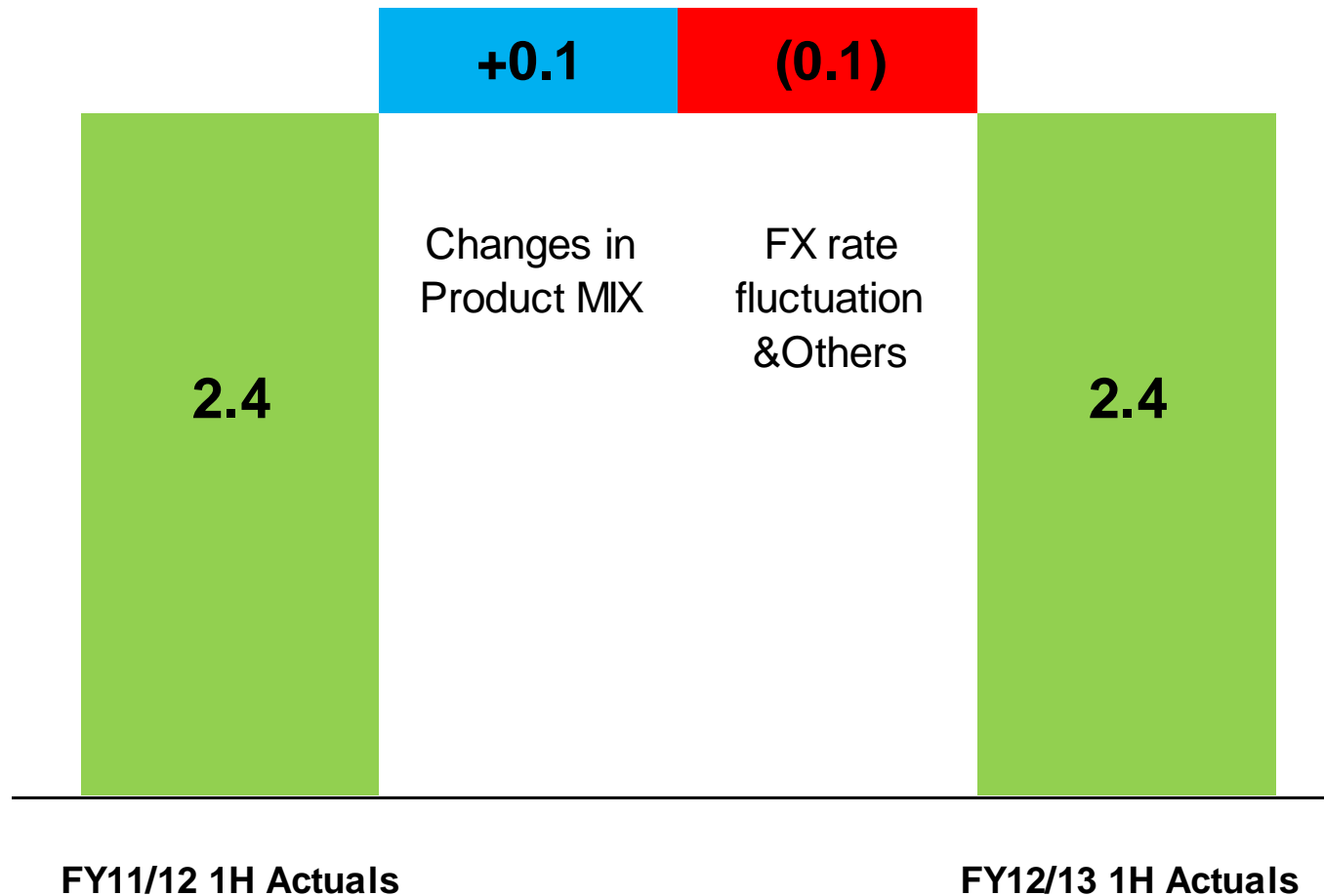
(JPY billions)



Factors of profit decrease

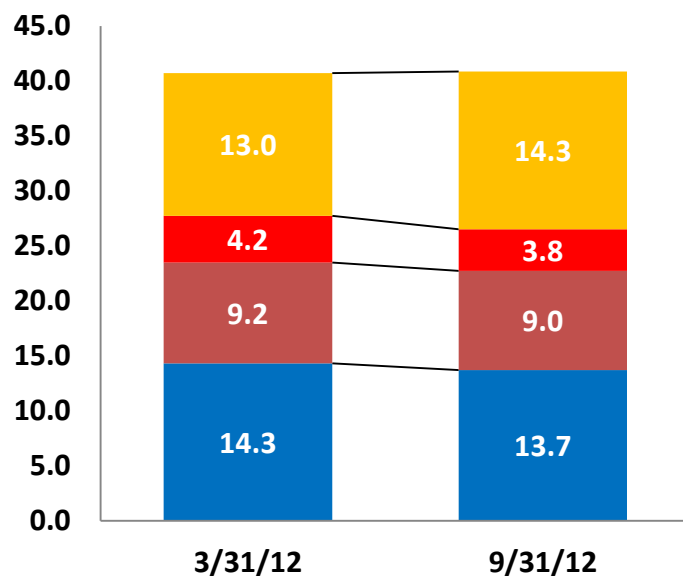
Operating Income

(JPY billions)



Assets

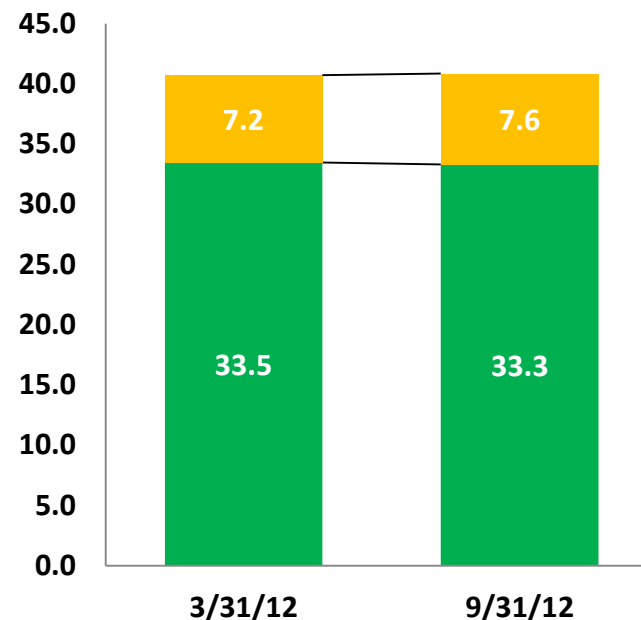
(JPY billions)



■ Fixed assets ■ Other Current Assets
■ Inventories ■ Cash

Liabilities and Equity

(JPY billions)



■ Equity ■ Liabilities

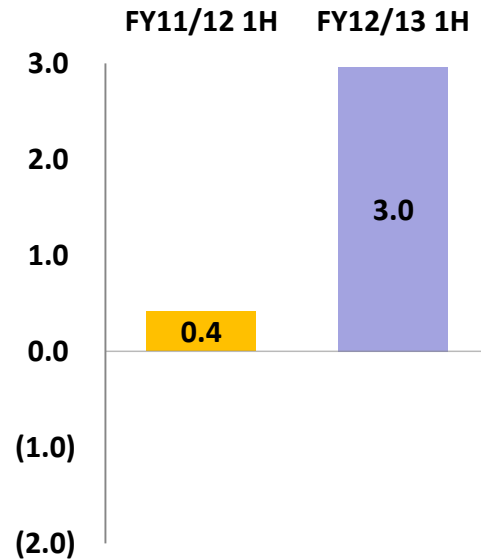
- Fixed assets depreciated.
- Fixed assets decreased because of life insurance surrender.

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

FY12/13 1H Summary of Cash Flows

Operating CF

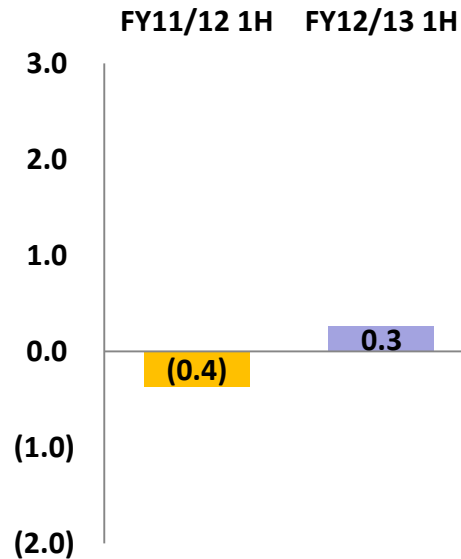
(JPY billions)



CF decreased in FY11/12 because backup inventories increased after Earthquake.

Investing CF

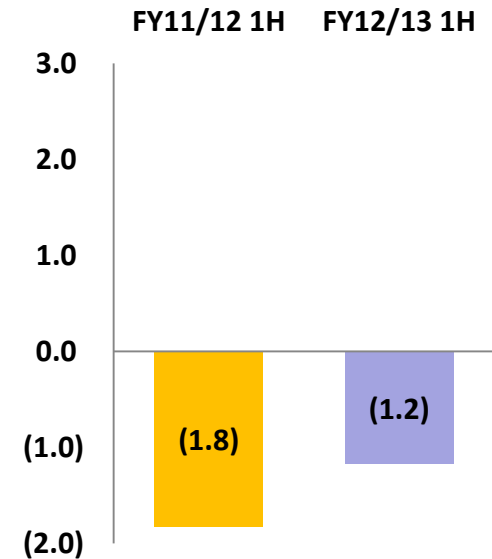
(JPY billions)



- Increase due to withdrawals of time deposits
- Increase due to life insurance surrender

Financing CF

(JPY billions)

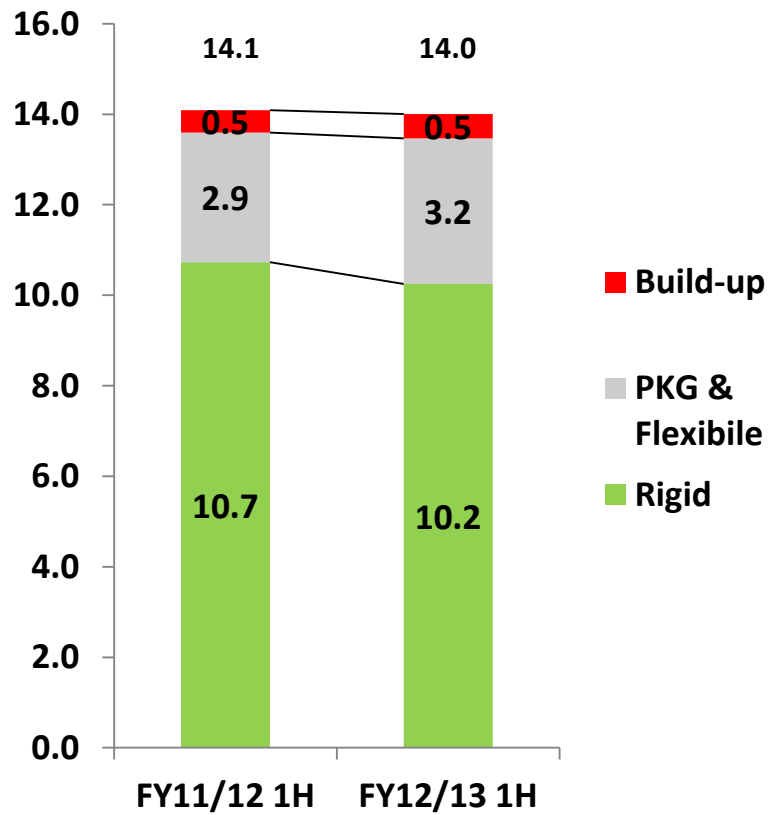


Decrease in FY11/12 due to increase in dividend (commemorative dividend).

Sales of PWB Materials

Sales

(JPY billions)

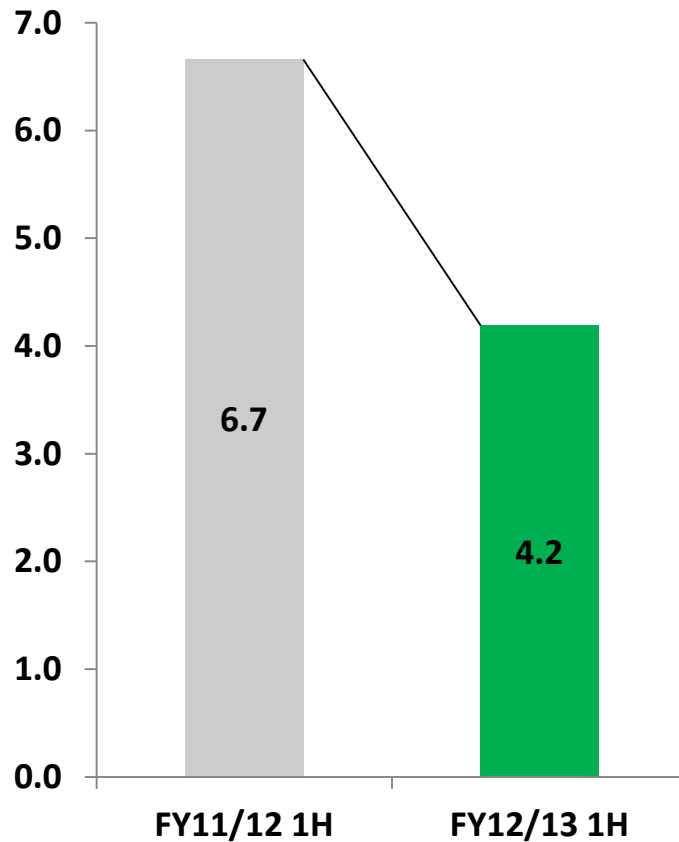


- Low-priced products sales were brisk mainly at Chinese market.
- High-functionality products sales increased since market demands for mobile information terminals such as smartphones and tablets were strong.

Sales of FPD Materials

Sales

(JPY billions)

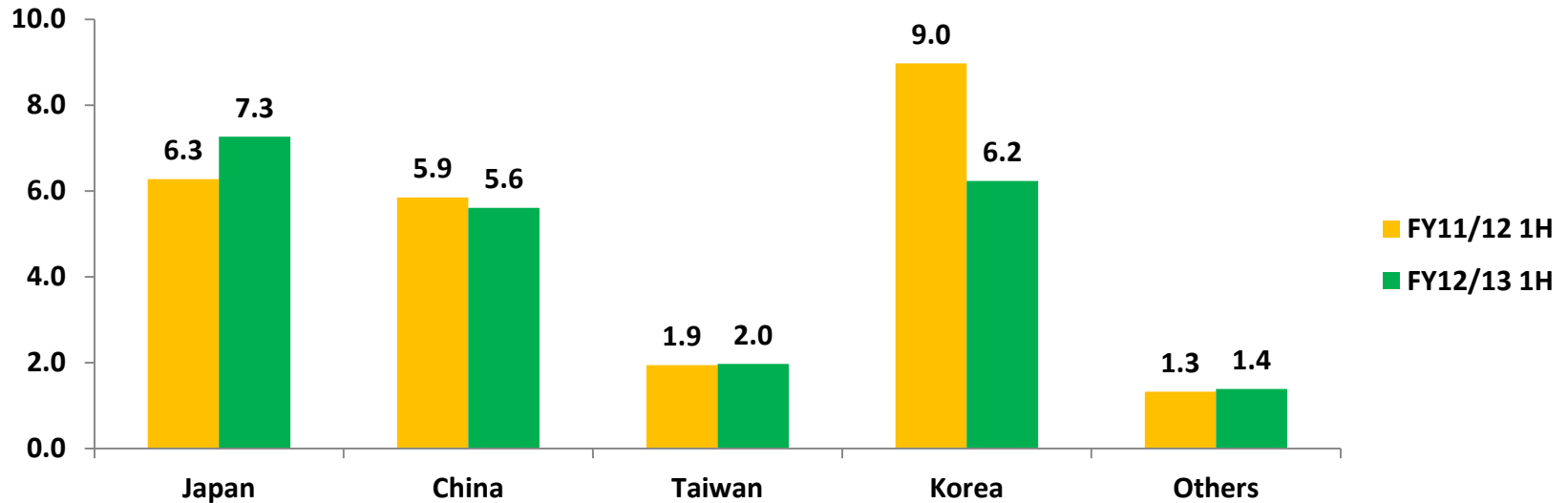


- Sales volume decreased due to shrinkage of the PDP TV market.
- A unit price also fell because it is linked to the silver price, the main raw material of the FPD materials.

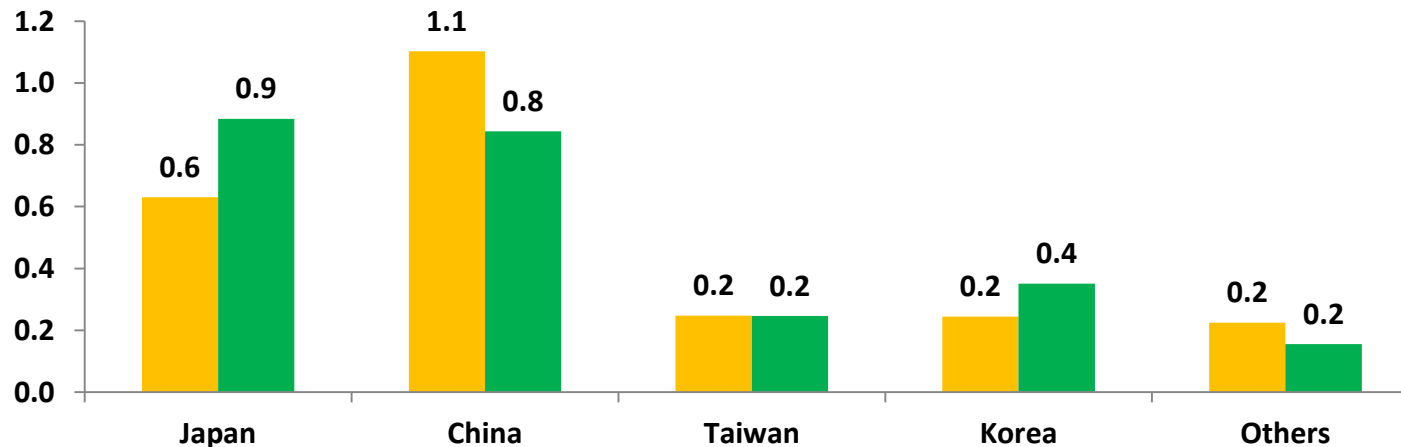
Result by segment for FY12/13 1H

Sales

(JPY billions)



Operating Income



2. Forecasts for FY12/13

Forecasts for FY12/13

(JPY millions)

Items	Forecast for FY12/13				FY11/12 Results
	Original Forecast(5/8)	Revised Forecast	Change	Change in %	
Sales	40,500	36,500	(4,000)	(9.9%)	39,797
PWB+	29,500	29,500	-	-	27,490
FPD	11,000	7,000	(4,000)	(36.4%)	12,307
Operating Income	4,500	4,500	-	-	4,040
Ordinary Income	4,500	4,500	-	-	4,027
Net Income	3,200	3,200	-	-	2,502
<Foreign Exchange Rate>					
JPY/USD	80.0	79.4	-	-	79.3

PWB+

- Sales was higher than expected during 1H.
- Although unit price is lower than FPD materials, it has higher profitability.

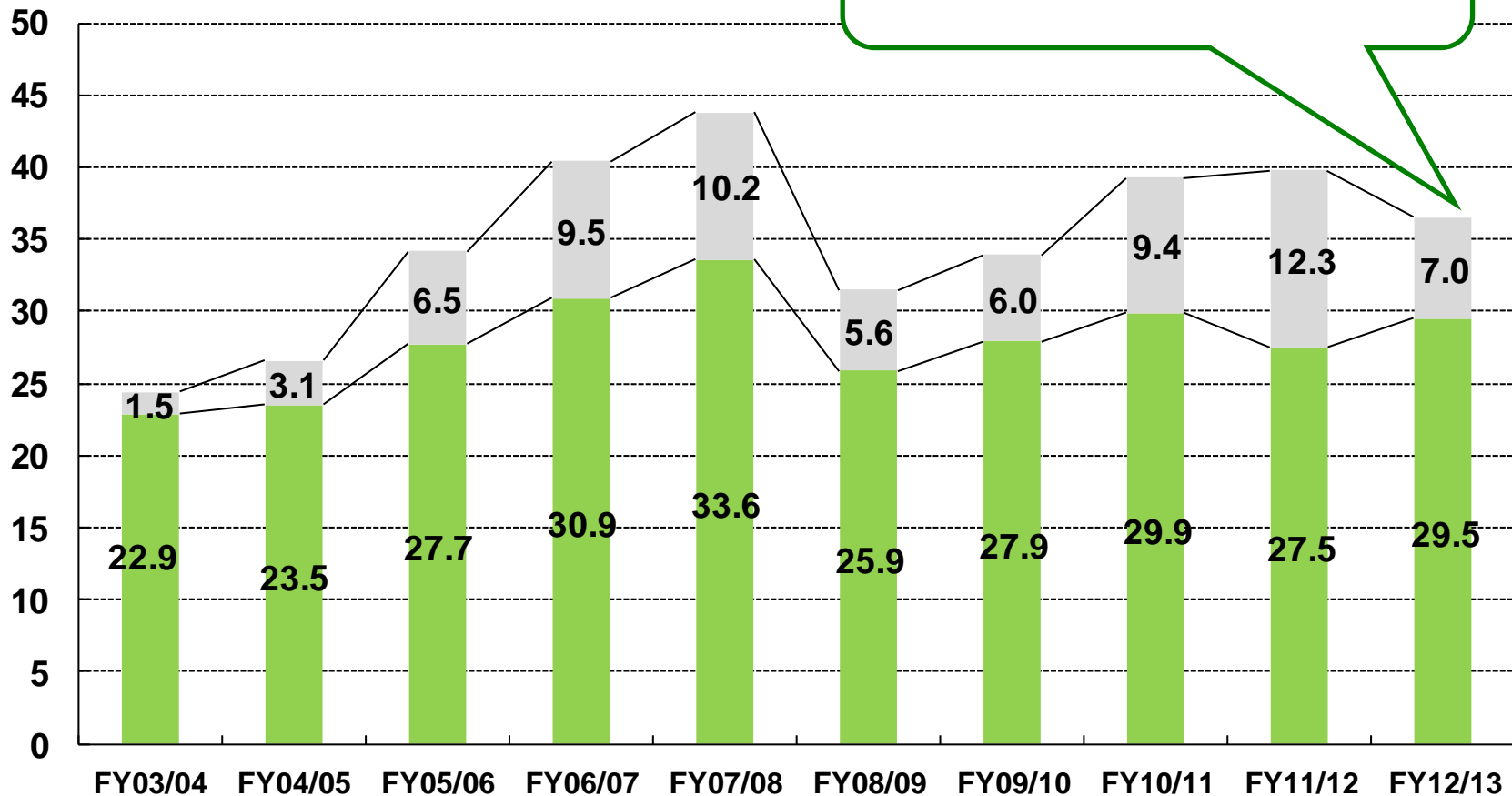
FPD

- Sales volume decreased due to shrinkage of the PDP TV market.

Sales

(JPY billions) ■ FPD Materials ■ PWB Materials +

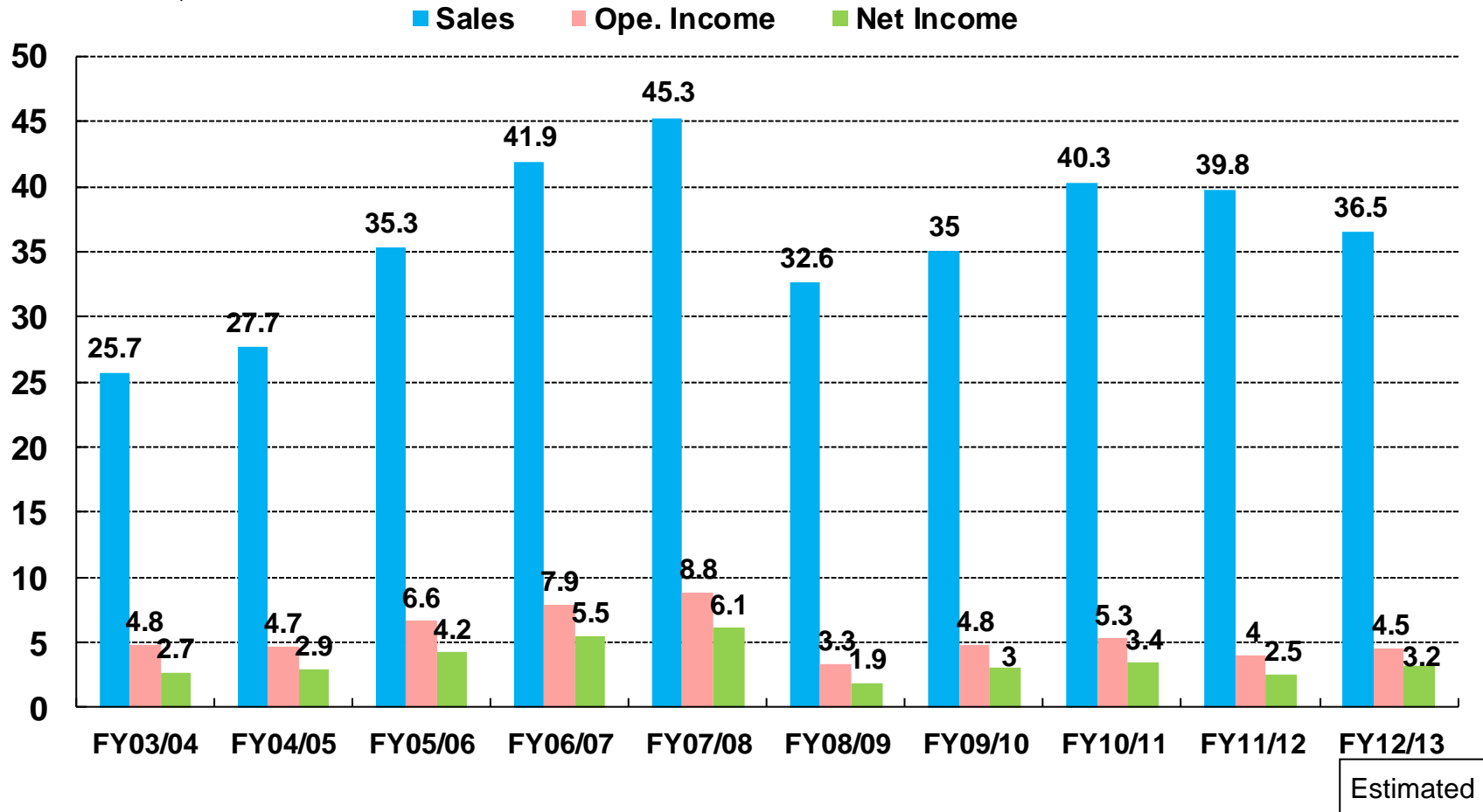
■ PWB+ would increase from last FY.
 ■ Sales volume decrease and silver price drop would cause FPD sales decrease.



Estimated

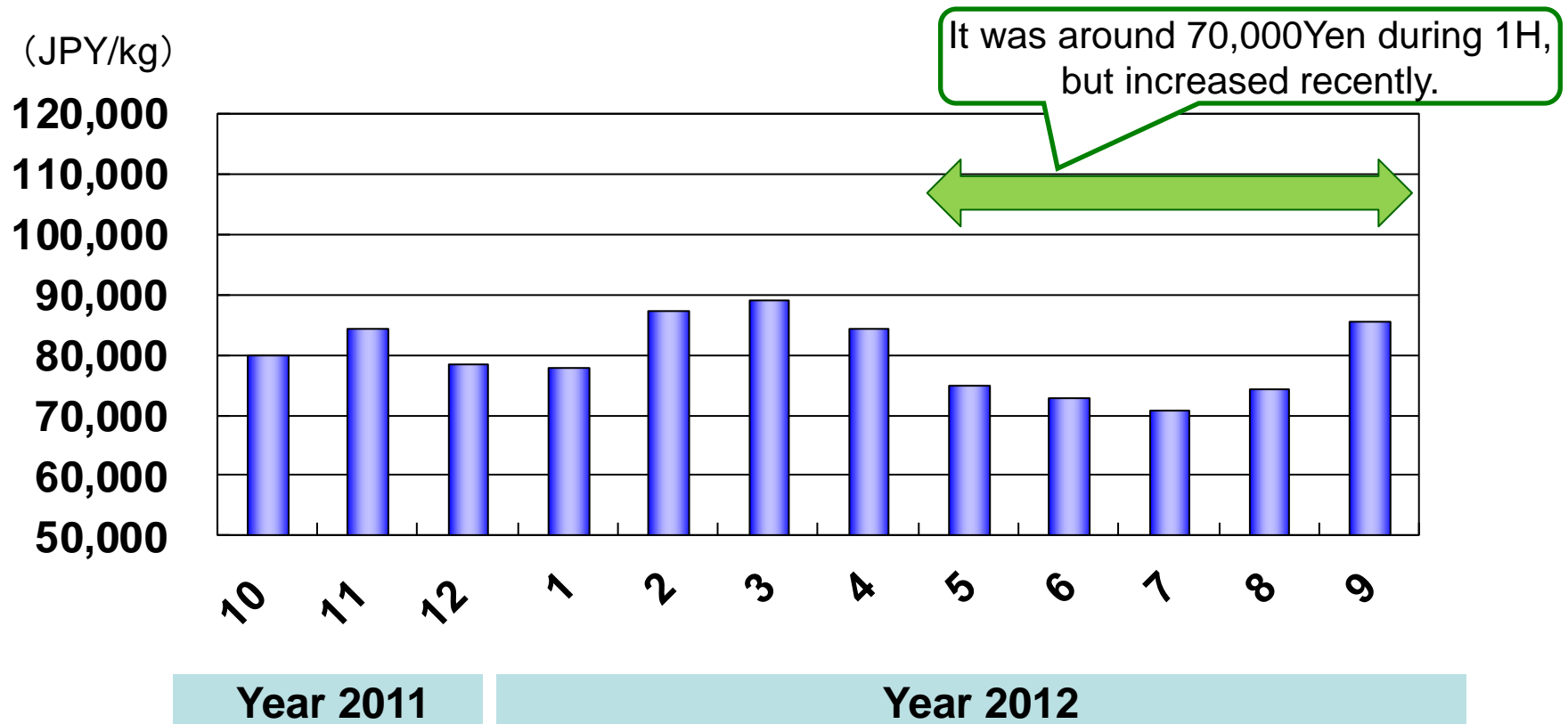
Trend of consolidated performance

(JPY billions)



Change to the market price of silver

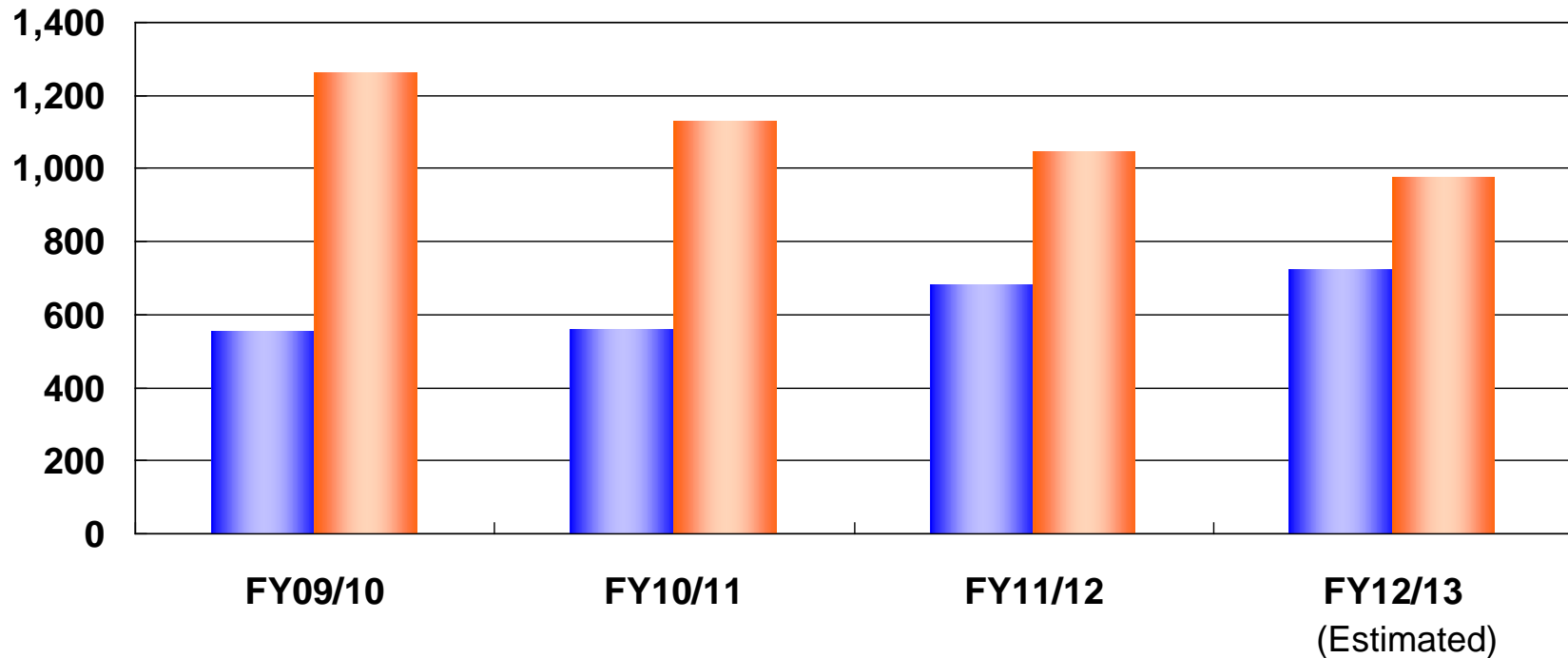
Showing trend of the silver price, which is the main raw material of the FPD materials



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.
- Increased market share by M&A (Refer to [Strategy for M&A]).

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 foreign subsidiaries. (about 50% in 1H)
- Will promote to export raw materials to Japan, taking advantage of stronger yen.

Strategy for new product development

- Sales of new products during 1H were JPY 1.4 billion. (Sales target is JPY 3.8 billion for FY12/13.)
- Sales of white SR were about JPY 0.4 billion.

Strategy for Global talent management

- Recruits qualified talent locally.
- Will promote highly qualified local talent to Board members of Taiyo Holdings.
- Will promote local talent to senior management level.
- Promotes job-rotation between the subsidiaries.

Strategy for M&A

- Reached the agreement of LOI with 「Onstatic Technology Co., Ltd.」 on August 9th, 2012.
- Approved by Fair Trade Commission in Taiwan for the stock transfer on October 19th, 2012.
- Will acquire 51% of the total stocks by end of February. Will press on the additional acquisition.

Onstatic Technology Co., Ltd.

- Venue 7F, No. 1, Ren-ai Rd, Ying-Ko Chen, Taipei Hsien, Taiwan (R.O.C.)
- CEO Johnson Chiang(江德生)
- Business Various for PCB production
- Foundation Sep, 1998
- Financial information

(JPY thousands)

	ITEMS	FY09/10	FY10/11	FY11/12
BS	Current Assets	2,079,177	2,421,924	1,906,643
	Fixed Assets	1,240,586	1,421,424	1,633,544
	Current Liabilities	505,102	550,272	404,721
	Fixed Liabilities	31,237	52,744	77,449
	Net Assets	2,783,424	3,240,331	3,058,018
PL	Sales	2,894,017	3,707,610	3,373,215
	Profit before taxation	356,674	564,038	240,225
	Profit	300,784	444,650	190,143

※Source: GOO Chemical Co., Ltd. Annual report(from FY09/10 through FY11/12)

4. Other topics

- On September 29th 2012, explosion took place at the factory of NIPPON SHOKUBAI in Himeji.
- The factory is still under suspension and the date of the restart is unknown yet.
- Taiyo Holdings Group purchases resin as raw materials. Regarding the material, the production has started at the other location of NIPPON SHOKUBAI.

