
Consolidated Financial Result Digest FY2015

(Fiscal Year Ended March 31, 2015)



TAIYO HOLDINGS CO., LTD

May 1, 2015



Any information incorporated in this document is not intended for suggestion of purchase or sale of equity share of the company. All the description and projection are based on the company's own analysis at the time of compilation, and their accuracy is not guaranteed. These data may be revised without prior announcement. The company will neither assume nor compensate any loss of anybody resulting from decision based on information provided here.

Terminology

Term	Definition
PWB Materials	Chemical products for printed wiring boards
FPD Materials	Chemical products for flat panel displays
PDP Materials	Chemical products for plasma display panels
SR	“Solder resist ink” or “solder mask”
PKG Materials	Chemical products for semiconductor packages

Classification of product

Group	Category	Type	Remarks
PWB insulating materials	Rigid	Liquid	for protecting surface and insulating SR materials
	PKG/FPC	Liquid/Dry Film	
	Build-up	Liquid/Dry Film	for interlayer insulating and hole plugging build-up materials
FPD conductive materials	FPD	Liquid	for PDP, touch panel, and shielding silver paste
Other related products	Other	Liquid	for marking, etching and plating flux, solvent etc.

FY2015 Topics

- 1 Consolidated subsidiary, Onstatic Technology Co., Ltd.(OTC)
※ Statements of income of OTC, whose profit and loss was accounted under the equity method in the FY2014 Q1, is consolidated from the FY2015 Q1.
- 2 JPY was slightly weaker than estimated exchange rate of 105yen/USD
- 3 China market continuously remained strong from the previous fiscal year
- 4 Increase in sales volume of Dry Film Type SR
- 5 Fall in silver prices and shrinkage in PDP market
(production of PDP discontinued in the end of Sept. 2014)
- 6 Market entry into photovoltaic business
(power selling since Feb. 2015) ※non-consolidated

- 7 Diversifying domestic production bases from the viewpoint of BCP (a new factory is under construction in Kita-Kyushu)
- 8 Implementation of an own-share repurchase by means of a Tender Offer
 - ✕ aggregate purchase amount = ¥9,200,149,200

FY2015 Consolidated financial results

Results summary

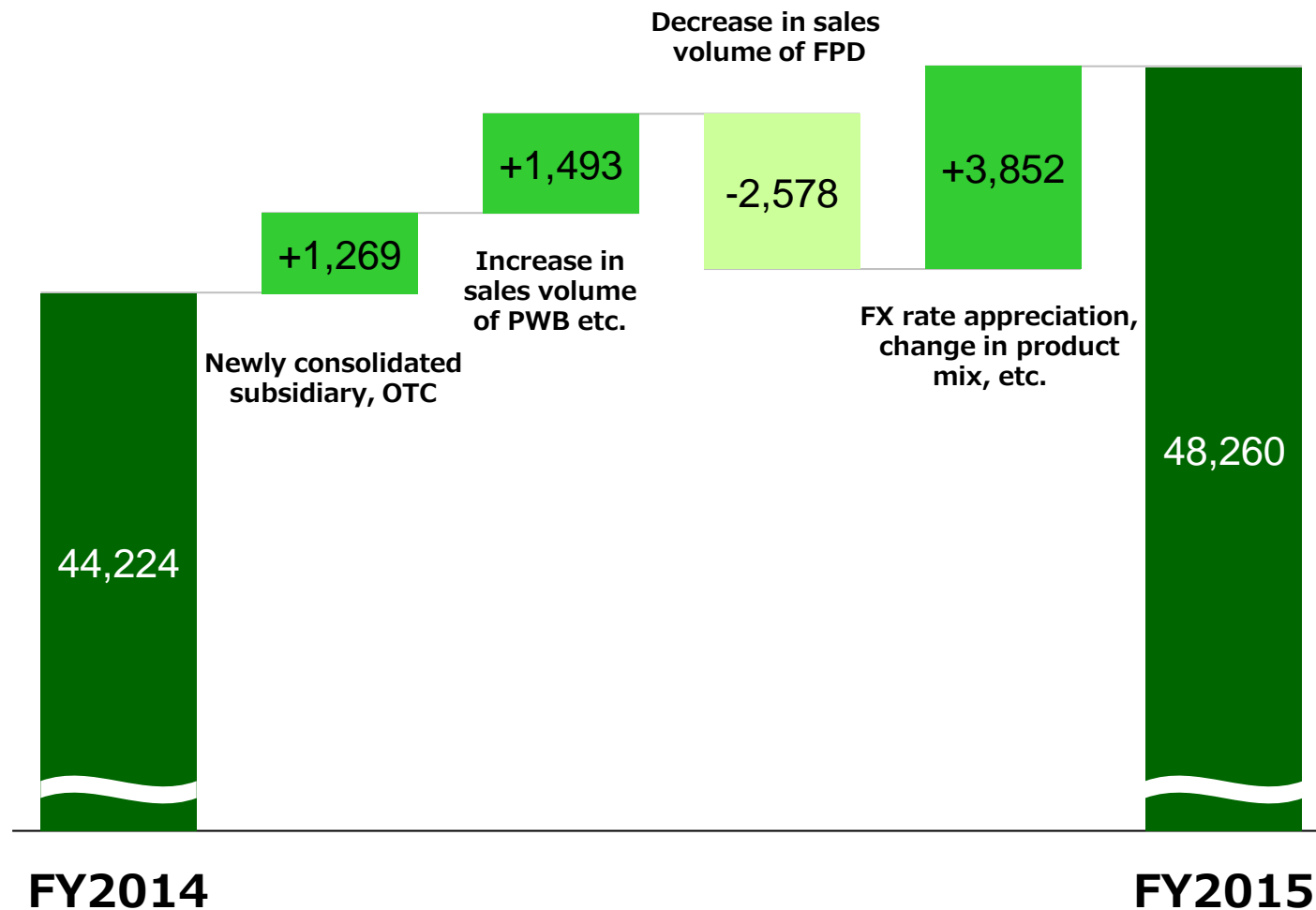
JPY millions

	FY2014	FY2015	YoY	%	FY2015 forecasts	change	%
Net sales	44,224	48,260	+4,036	+9%	46,600	+1,660	104%
Operating income	7,568	9,254	+1,686	+22%	8,700	+554	106%
Ordinary income	7,827	9,529	+1,702	+22%	8,800	+729	108%
Net income	4,930	6,667	+1,737	+35%	5,900	+767	113%
Exchange rate of JPY/USD	100.0	110.0			105.0		

FY2015 Net sales (YoY)

Breakdown of net sales

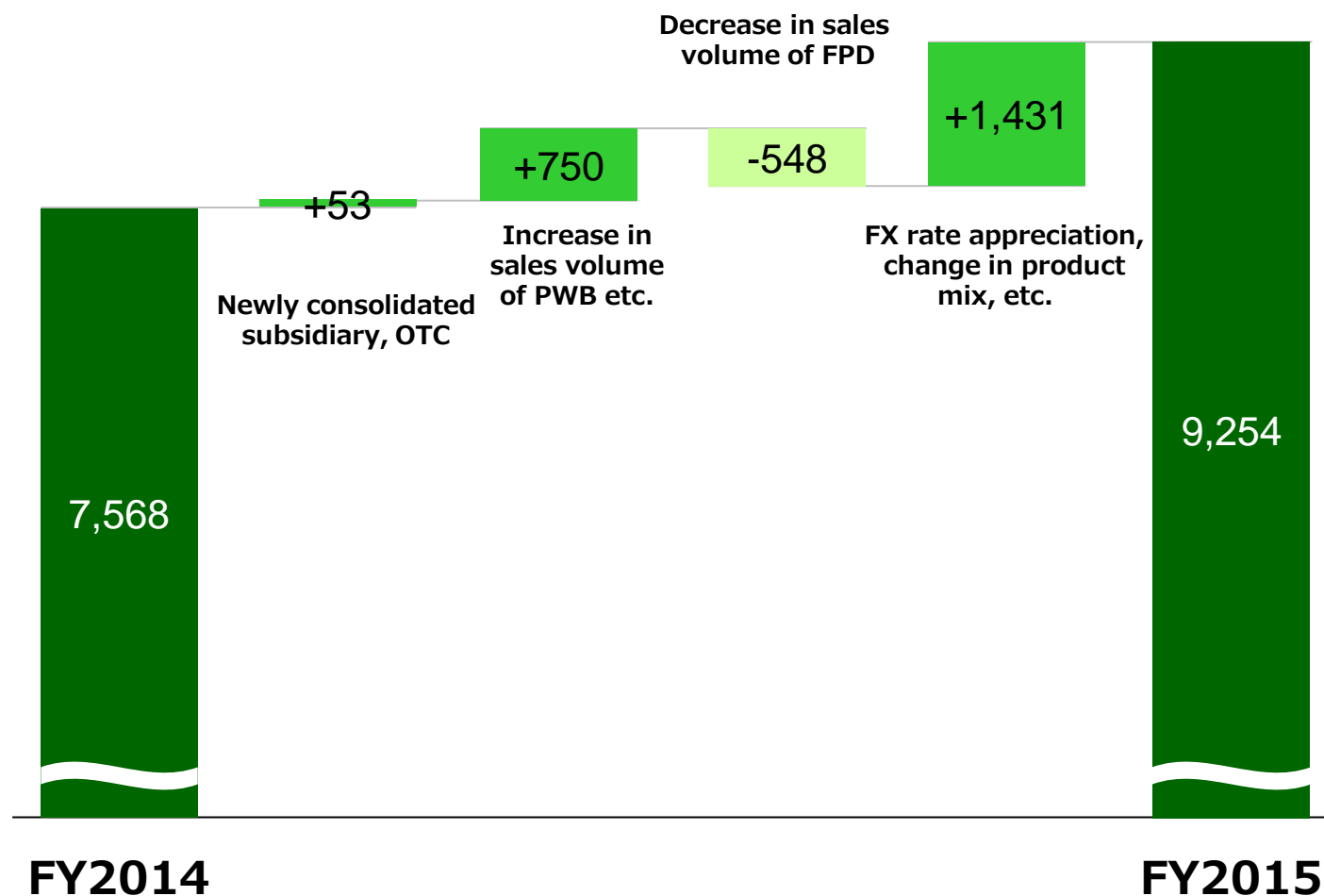
JPY millions



FY2015 Operating income (YoY)

Breakdown of operating income

JPY millions

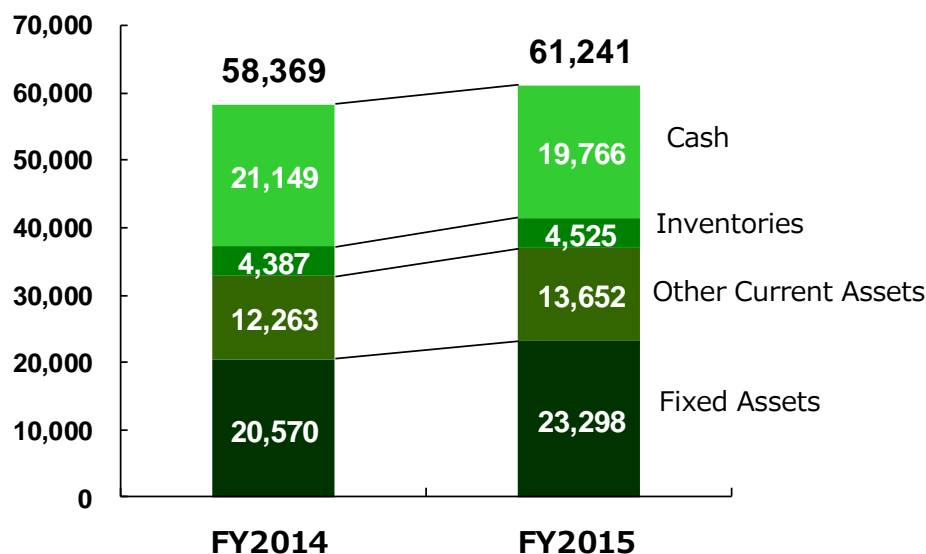


FY2015 BS highlights

BS (YoY)

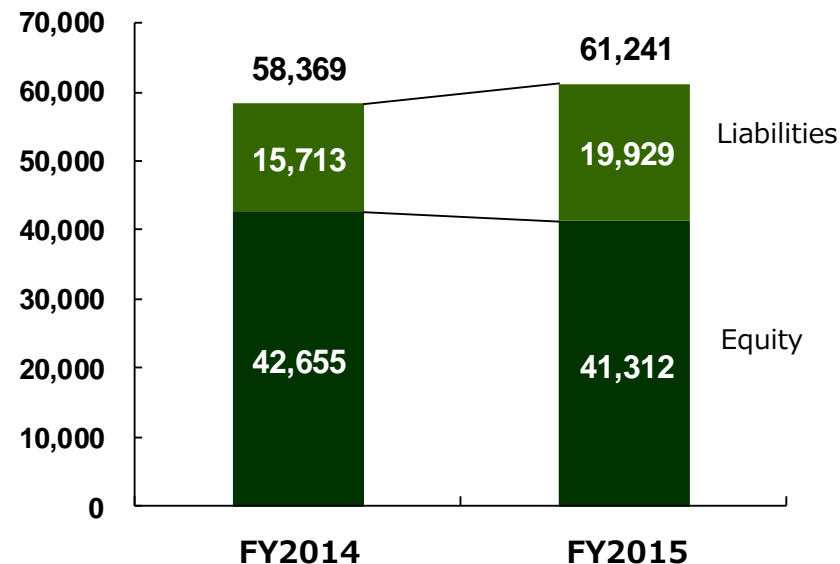
JPY millions

Assets



- Decrease in cash due to tender offer for own-share repurchase
- Increase in fixed assets due to investing activities for Kita-Kyushu factory

Liabilities and Equity



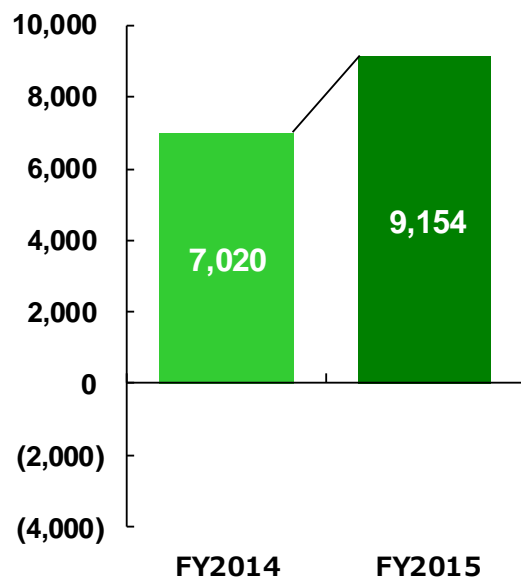
- Increase in liabilities for the purpose of equipment investment
- Decrease in equity due to tender offer for own-share repurchase

FY2015 CF highlights

CF (YoY)

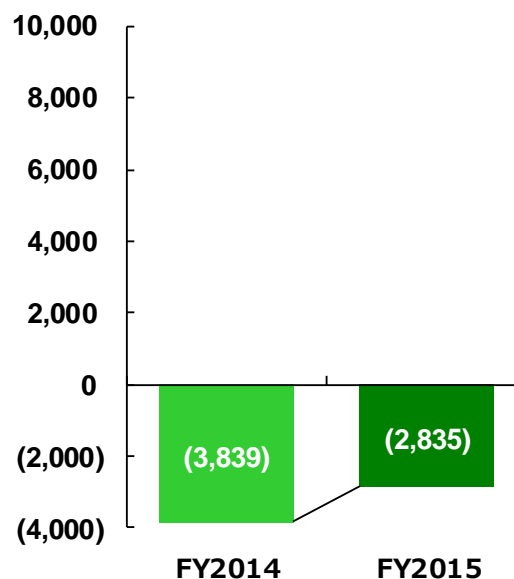
JPY millions

Operating CF



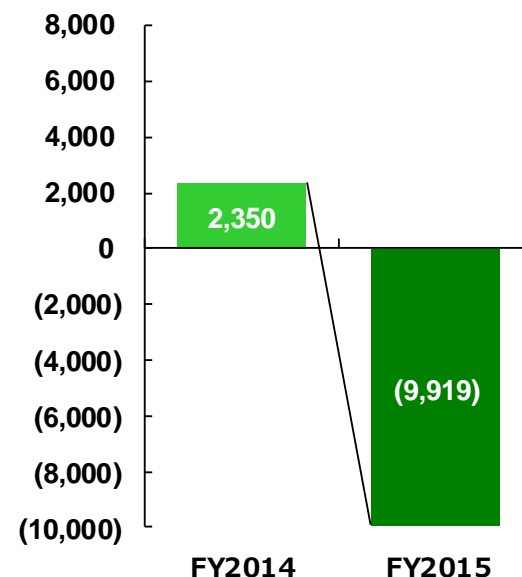
- Increase in profit

Investing CF



- Acquisition of OTC's stock in FY2014
- Investing activities for Kita-Kyushu factory in FY2015

Financing CF



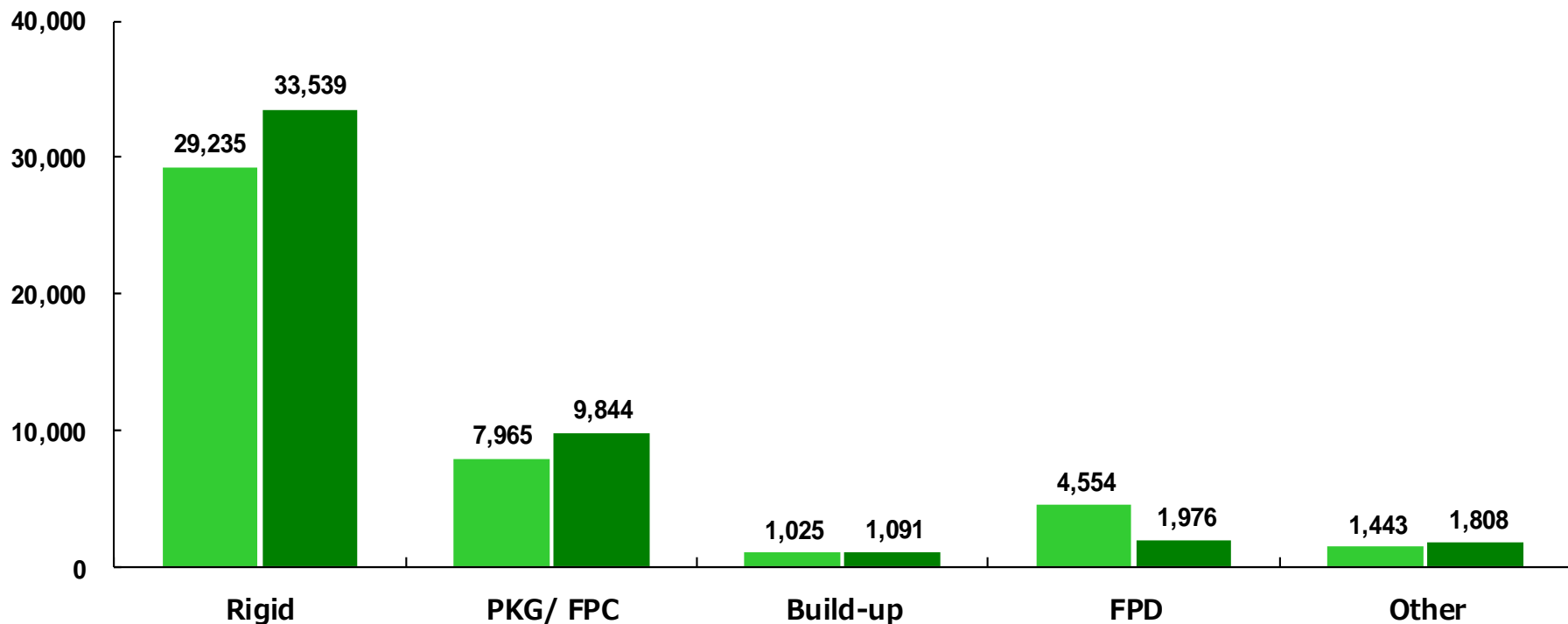
- Acquisition of own-shares

FY2015 Sales results by product group category

Sales results by product group category

JPY millions

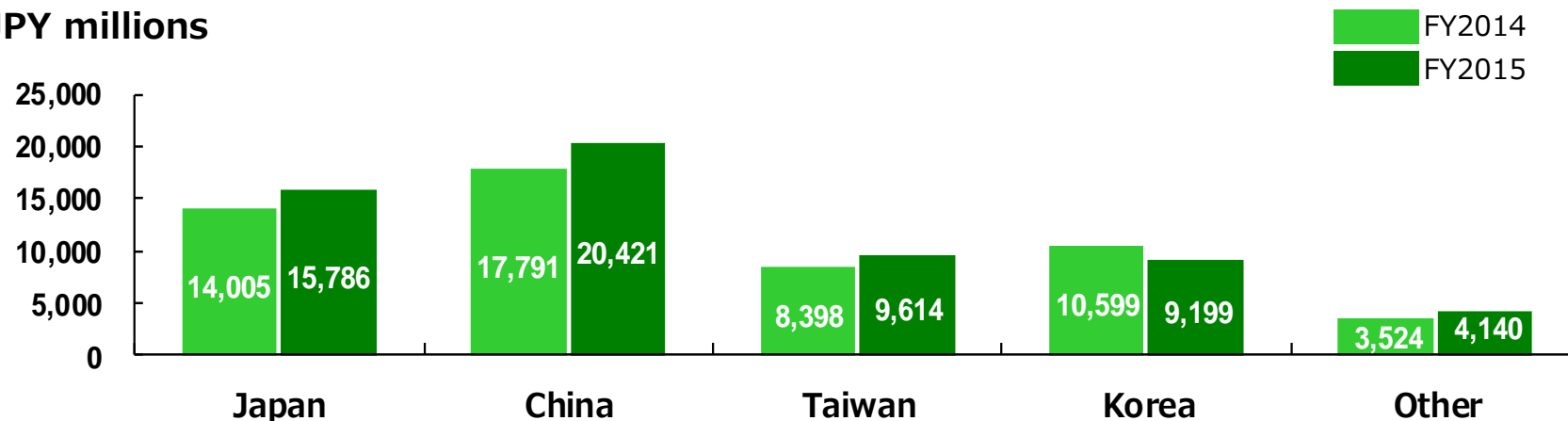
FY2014
FY2015



FY2015 Segment information

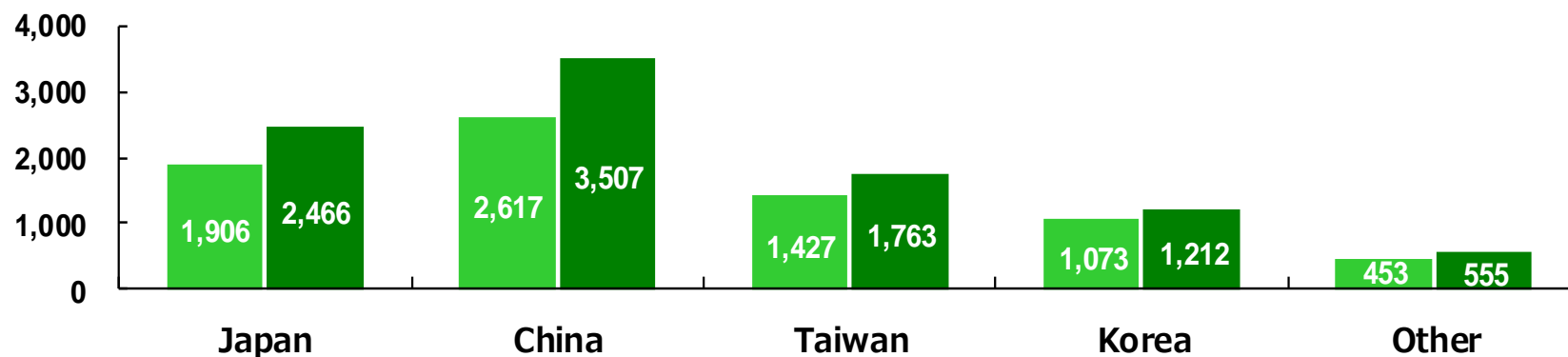
Net sales by segment

JPY millions



Operating income by segment

JPY millions

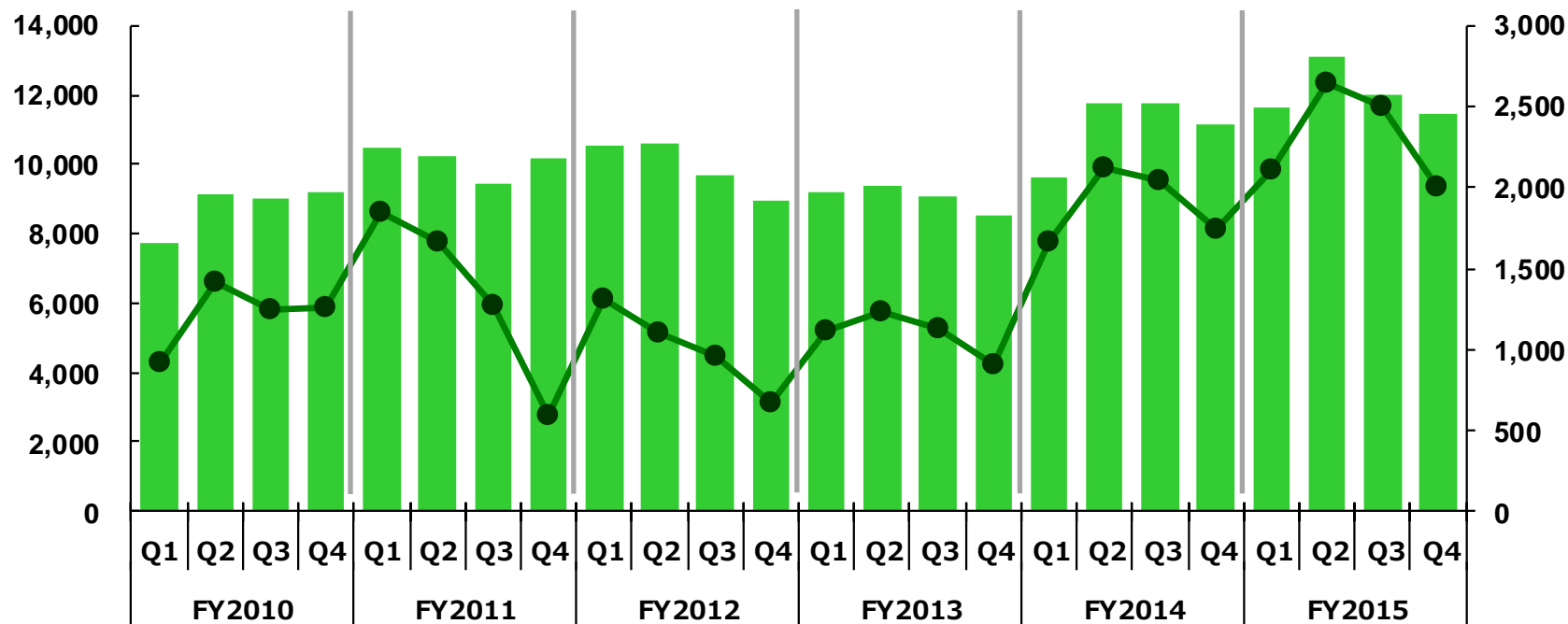


Trend of quarterly performance

Net sales & operating income

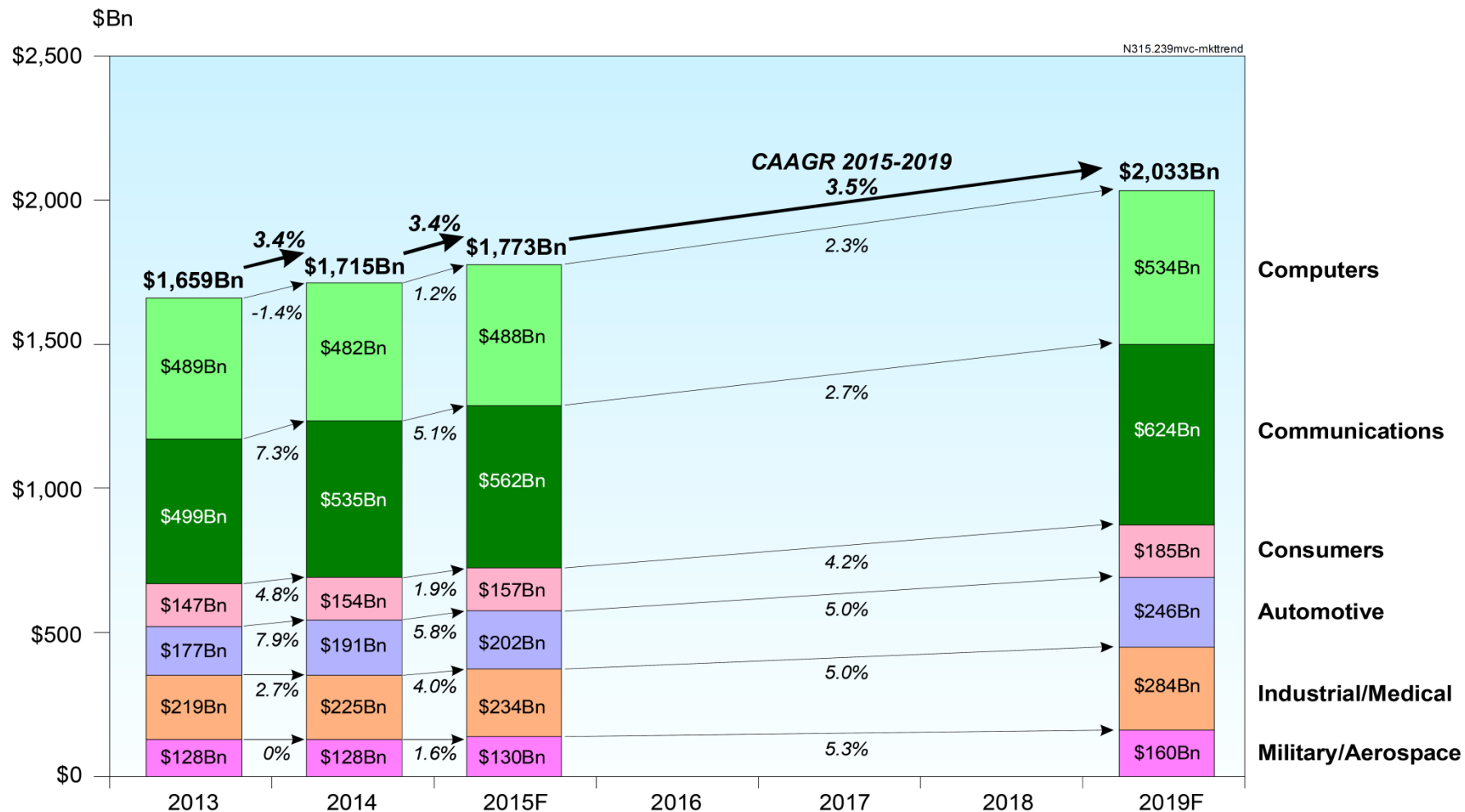
JPY millions

■ Net sales (left axis)
● Operating Income (right axis)



Electronics market forecasts

ELECTRONICS INDUSTRY MARKET TREND



Note: Global total excluding PV

Source: Prismark Partners LLC

Financial results forecasts

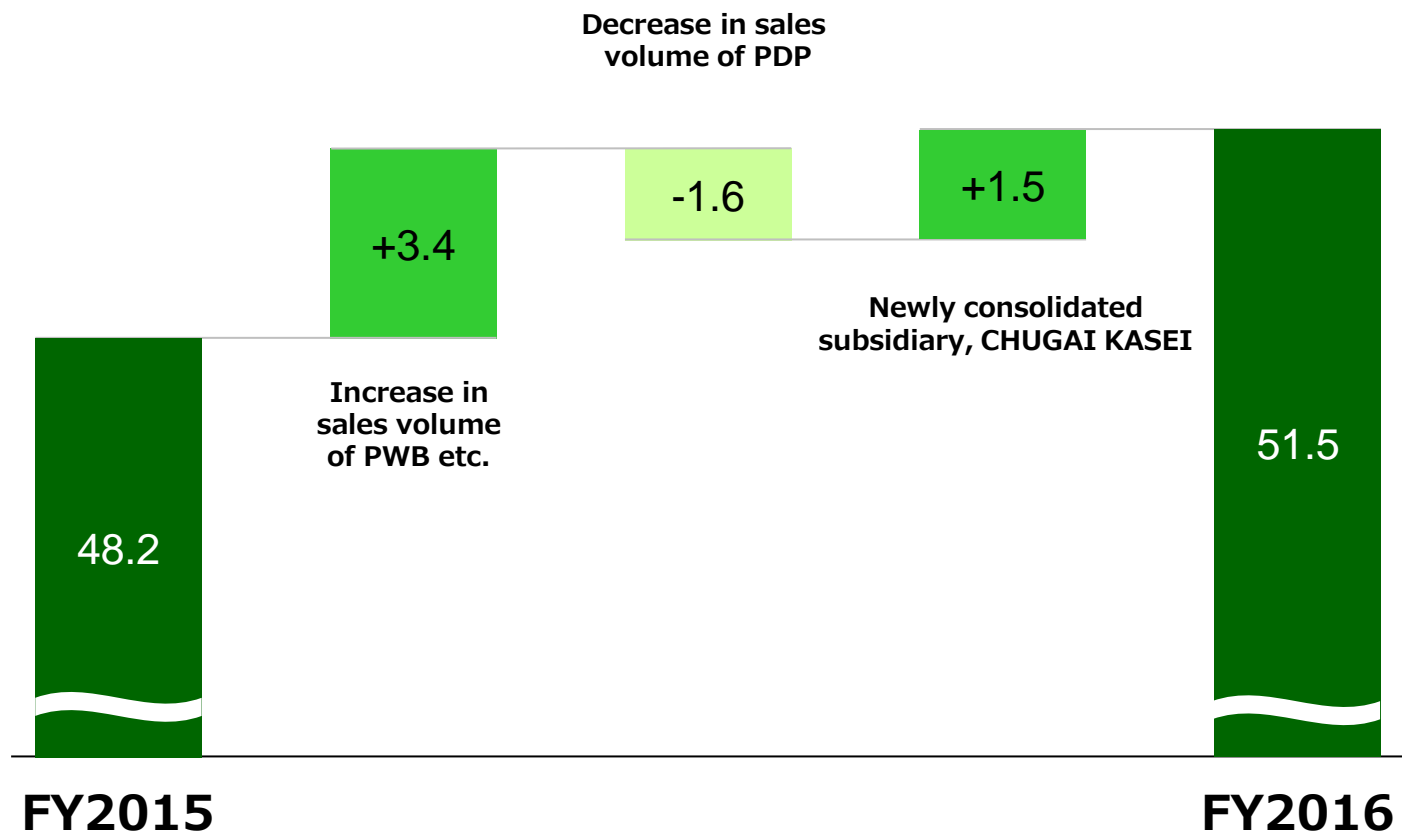
JPY millions

	FY2015 results	FY2016 forecasts	YoY	%
Net sales	48,260	51,500	+3,240	+7%
Operating income	9,254	10,200	+946	+10%
Ordinary income	9,529	10,300	+771	+8%
Extraordinary income	406	-	-	-
Extraordinary losses	15	-	-	-
Net Income	6,667	7,000	+333	+5%
Net income per share	yen 264.05	yen 305.12	yen +41.07	+16%
Annual dividends per share	90.00	110.00	+20.00	+22%
Exchange rate of JPY/USD	110.0	110.0		

FY2016 Net sales forecasts (YoY)

Net sales forecasts

JPY billions

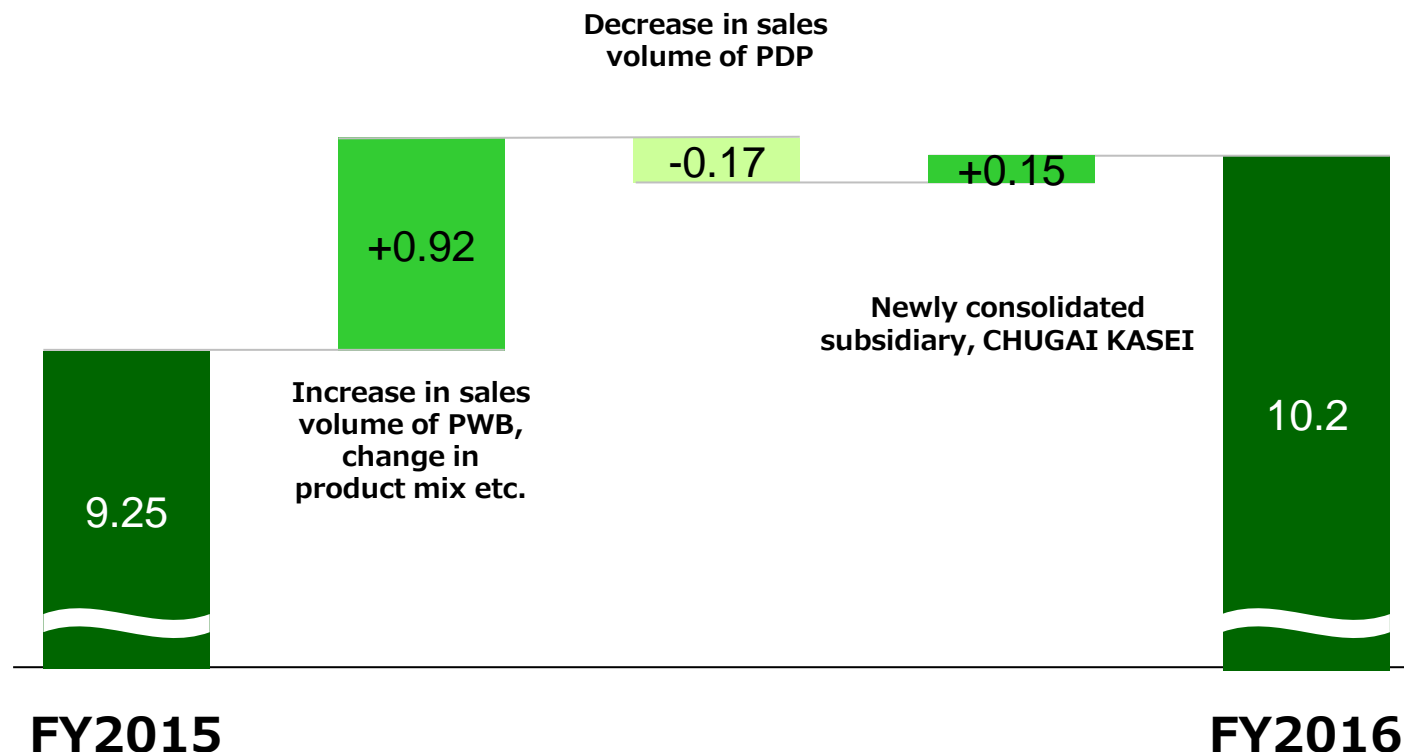


The forecasts of net sales for FY2016 is expected to grow by 7% as a result of an increase in sales volume of PWB and a newly consolidated subsidiary, CHUGAI KASEI.

FY2016 Operating income forecasts (YoY)

Operating income forecasts

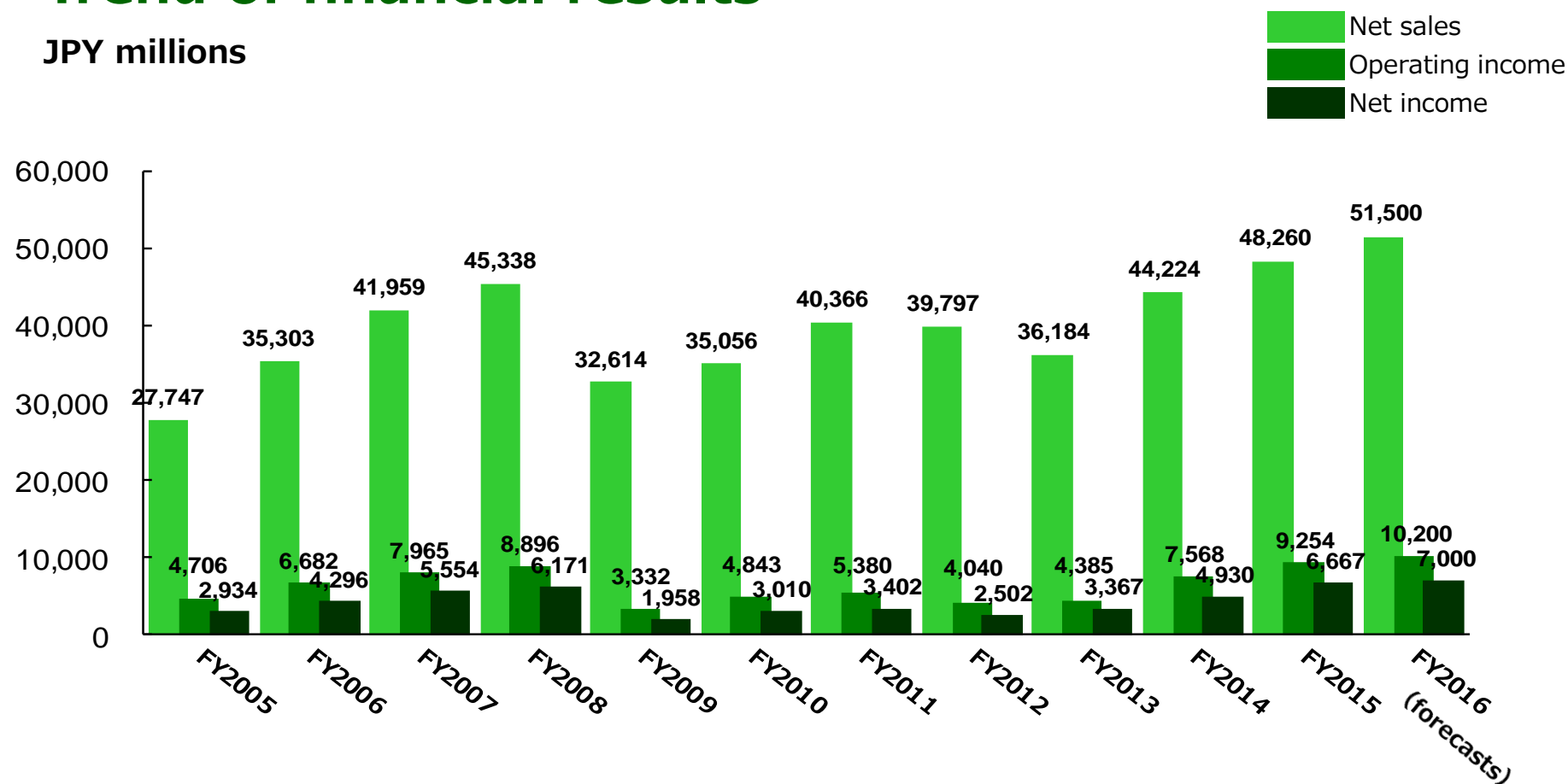
JPY billions



The forecasts of operating income for FY2016 is expected to grow by 10% as a result of an increase in sales volume of PWB, where the amount is greater than a decrease in sales volume of PDP due to its production discontinuation.

Trend of financial results

JPY millions



Our net sales, operating income, and net income reached the highest ever result in FY2015.

We will continue aiming to achieve a better results in FY2016.

Stockholder return for the most recent five years

Stockholder return

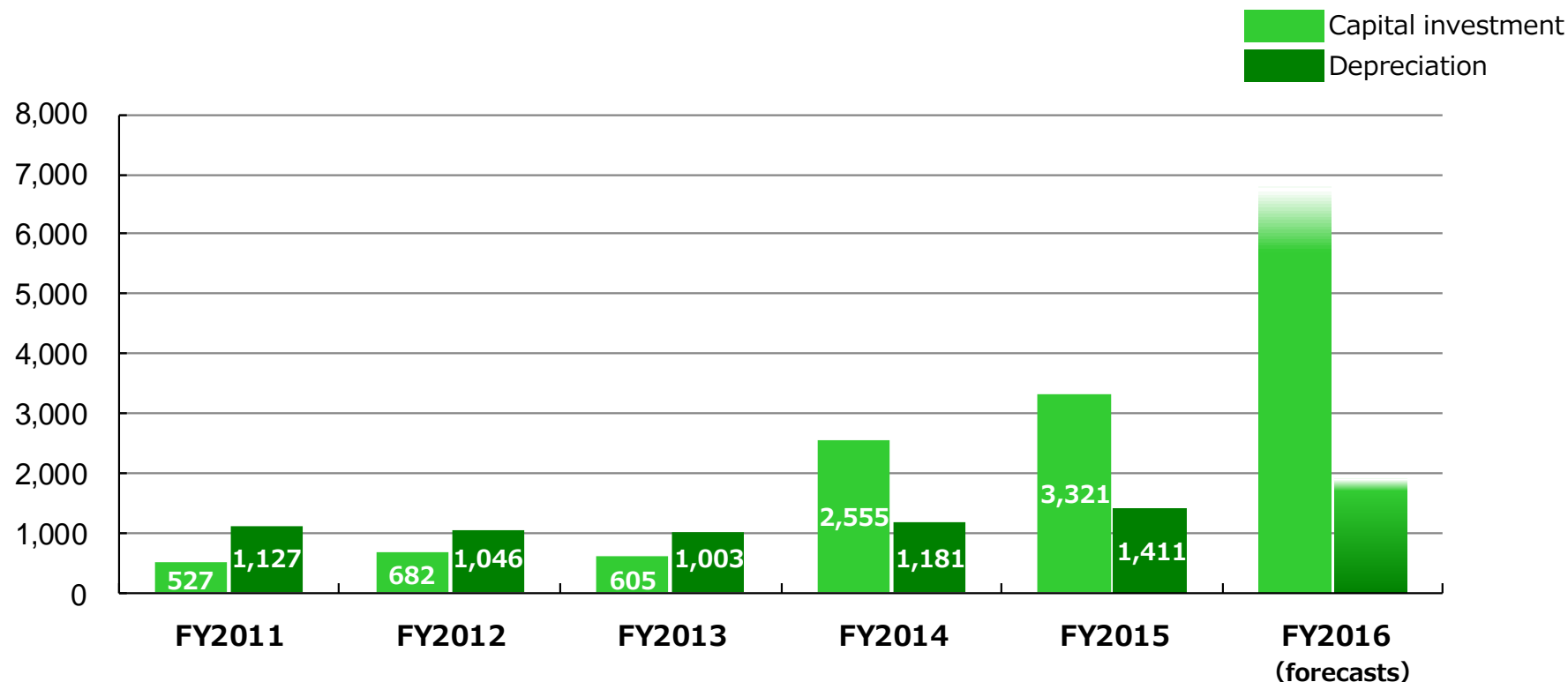
JPY millions (rounding off)

※Excluding purchase of treasury stock & dividends related to ESOP

	Net income	Amount of shareholder return				Ratio of shareholder return
		Total	Total cash dividends	Per share	Purchase of treasury stock	
FY2011	3,403	4,260	2,948	@115	1,312	125.2%
FY2012	2,503	2,289	2,289	@90	-	91.5%
FY2013	3,368	2,289	2,289	@90	-	68.0%
FY2014	4,931	3,059	3,059	@120	-	61.9%
FY2015	6,667	11,377	2,177 (forecasts)	@90	9,200	170.6%
Total	20,871	23,269	12,757		10,512	111.5%

Trend of capital investment & depreciation

JPY millions



In FY2016, we will aggressively conduct investing activities such as construction of Kita-Kyushu factory, enhancement of existent business, and new business creation, as we did in FY2015.

A share exchange with CHUGAI KASEI

Outline of the company

Name	CHUGAI KASEI CO., LTD.
Founded	September 18, 1941
Paid-in capital	JPY 4,950 million
Office	Nihonmatsu Head Office Nihonmatsu Factory Urawa Factory Tokyo Office
Business description	Monomer synthesis, resin modification, pigment synthesis, photosensitive material synthesis, functional material etc.

Outline of share exchange

Effective date : June 1, 2015

Exchange rate: TAIYO HOLDINGS will deliver 0.12 share to each one share of CHUGAI KASEI.

※Shares to be delivered to CHUGAI KASEI will be from 118,800 shares of treasury stock held by TAIYO HOLDINGS (tentative)

Expected synergies

To create business in a new field by inputting R&D function of organic synthesis from upstream supply chain.

