Consolidated Financial Result Digest FY2018 Q1 (Fiscal Year Ending March 31, 2018)



July 31, 2017



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Term	Definition	
PWB	Printed wiring boards	
SR	"Solder resist ink" or "Solder mask"	
PKG	Semiconductor packages	



Classification of Product

Group	Category		Туре	Remarks	
PWB insulating materials	Rigid	high-end	Liquid	- •SR materials for insulation and surface	
	Nigia	regular	Liquid		
	PKG		Liquid/Dry Film	protection use	
	FPC		Liquid/Dry Film		
	Build-up		Liquid/Dry Film	•build-up materials for interlayer insulation and hole plugging use	
Other related products	Other		Liquid	marking, etching, plating materialsflux, solvent etc.conductive silver paste	

FY2018 Q1 Overview



Yen depreciating against the U.S. dollar more than the expected exchange rate

*Actual exchange rate: 1USD=112yen / Expected exchange rate (as of May 2): 1USD=100yen

2

Sales volume increased year-on-year particularly in DF (Dry Film)

3

Revision to consolidated earnings forecasts for FY2018

4

Announcement to establish a new subsidiary, TAIYO Pharma Co., Ltd.

*(Reference) Press Release, June 22, 2017 [Notice Concerning Establishment of Subsidiary] http://www.taiyo-hd.co.jp/_cms/wp-content/uploads/2017/06/20170622_03.pdf (Only in Japanese)





FY2018 Q1 Consolidated Financial Results

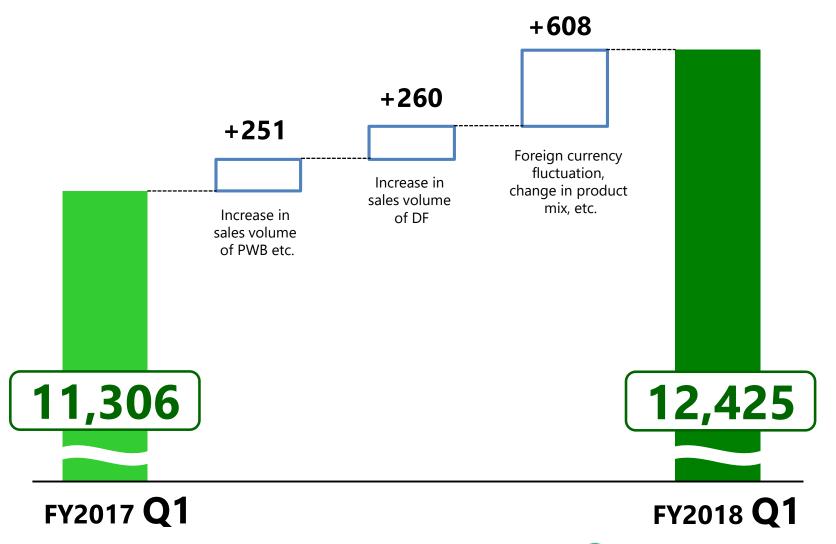
Results Summary

	FY2017 Q1 results	FY2018 Q1 results	YoY	%	FY2018 Q2 new forecasts	progress rate
Net sales	11,306	12,425	+1,119	+10%	25,000	50%
Operating income	2,139	2,714	+575	+27%	5,200	52%
Ordinary <u>income</u>	2,153	2,683	+530	+25%	5,100	53%
Net income	1,876	1,844	-32	-2%	3,600	51%
Exchange rate of JPY/USD	109	112			111	



FY2018 Q1 Net Sales (YoY)

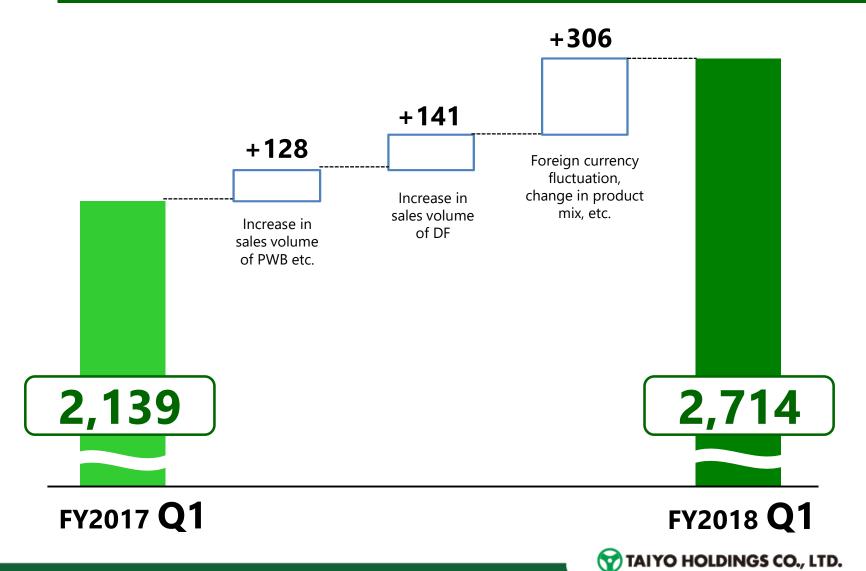
Analysis of Net Sales





FY2018 Q1 Operating Income (YoY)

Analysis of Operating Income

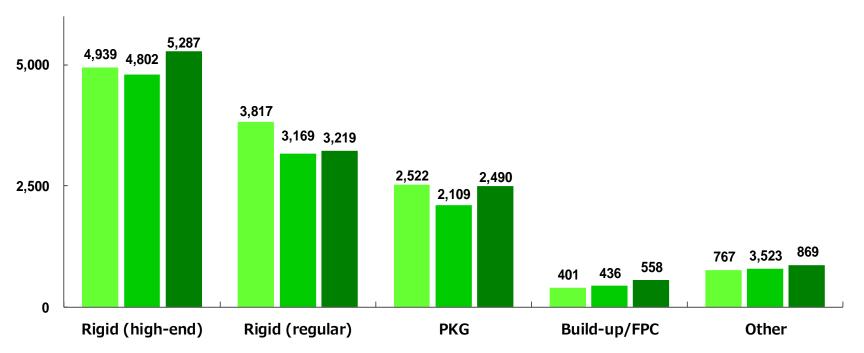




FY2018 Q1 Sales Results by Product Group Category

Sales Results by Product Group Category





^{*}This category differs from the classification of "sales results by product group category" mentioned in consolidated financial results and annual securities report, etc.

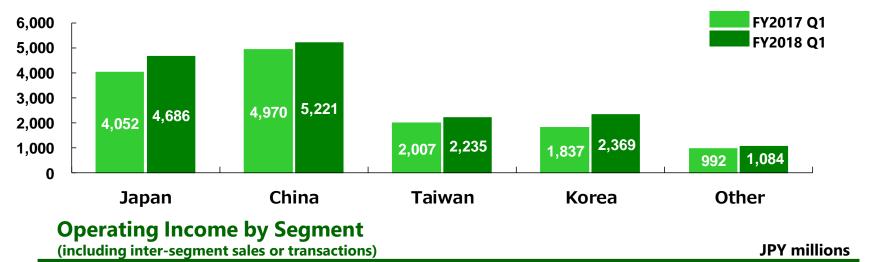


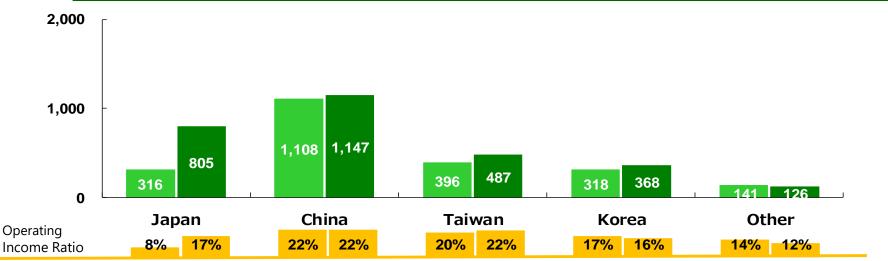


FY2018 Q1 Segment Information

Sales by Segment

(including inter-segment sales or transactions)









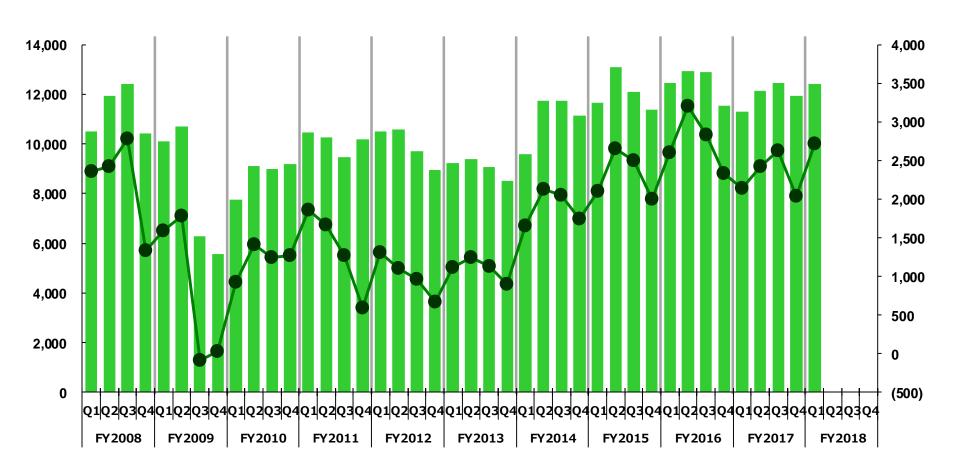
Trend of Quarterly Performance

Net Sales & Operating Income

JPY millions



Operating income (right axis)







Revision to FY2018 Consolidated Earning Forecasts

Forecasts Revision Summary

JPY millions

		FY2018	FY2018	FY2018	FY2018
	FY2018	Q2	Q2	full year	full year
	Q1	previous	new	previous	new
	results	forecasts	forecasts	forecasts	forecasts
Net sales	12,425	23,200	25,000	46,400	48,200
Operating income	2,714	4,100	5,200	8,100	9,200
Ordinary income	2,683	4,000	5,100	8,000	9,100
Net income	1,844	2,800	3,600	5,600	6,400
Exchange rate of JPY/USD	112	100	111	100	106

In light of the higher-than-expected demand and the higher-than-anticipated depreciation of the yen, consolidated earnings forecasts for FY2018 were revised as mentioned above.



