
Consolidated Financial Result Digest

FY2018 Q3 (Fiscal Year Ending March 31, 2018)



TAIYO HOLDINGS CO., LTD.

February 2, 2018



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1 Terminology

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

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Classification of Product

Group	Category		Type	Remarks
PWB insulating materials	Rigid	high-end	Liquid	<ul style="list-style-type: none"> •SR materials for insulation and surface protection use
		regular		
	PKG		Liquid/Dry Film	
	FPC		Liquid/Dry Film	
	Build-up		Liquid/Dry Film	
Other related products	Other		Liquid	<ul style="list-style-type: none"> •marking, etching, plating materials •flux, solvent etc. •conductive silver paste

FY2018 Q3 Overview

1

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

*Actual exchange rate: 1USD=112yen / Expected exchange rate (as of Oct. 31): 1USD=108yen

2

Sales volume decreased year-on-year in regular rigid, meanwhile, increased in both DF (Dry Film) and FPC

3

Revision to consolidated earnings forecasts for FY2018

4

TAIYO Pharma Co., Ltd. announced the marketing and manufacturing right transfer of 13 long-term listed products

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FY2018 Q3 Consolidated Financial Results

Results summary

JPY millions

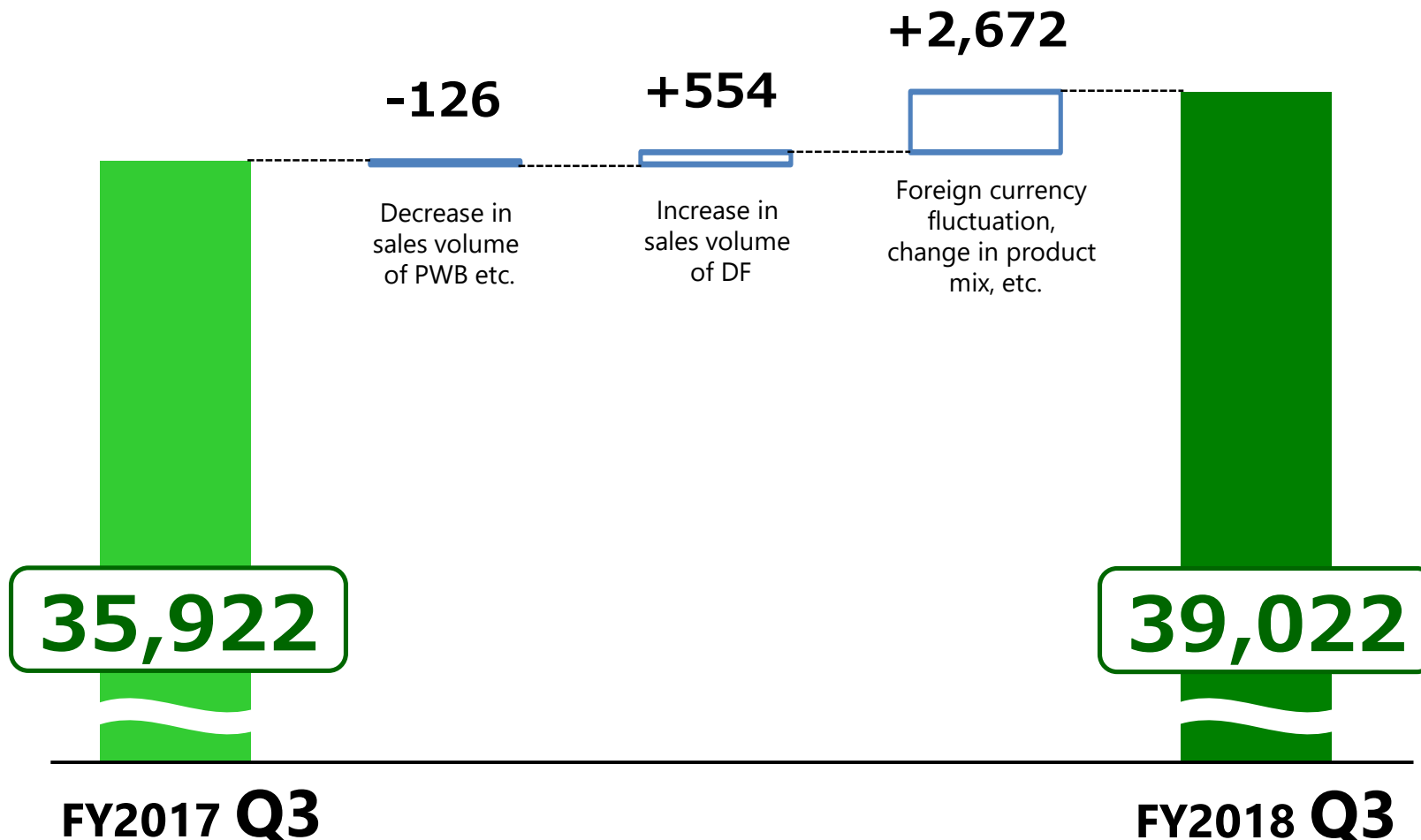
	FY2017 Q3 results	FY2018 Q3 results	YoY	%	FY2018 full year new forecasts	progress rate
Net sales	35,922	39,022	+3,100	+9%	51,300	76%
Operating income	7,188	8,699	+1,511	+21%	10,800	81%
Ordinary income	7,302	8,659	+1,357	+19%	10,700	81%
Net income	4,635	6,160	+1,525	+33%	7,600	81%
Exchange rate of JPY/USD	108	112			111	

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FY2018 Q3 Net Sales (YoY)

Analysis of Net Sales

JPY millions

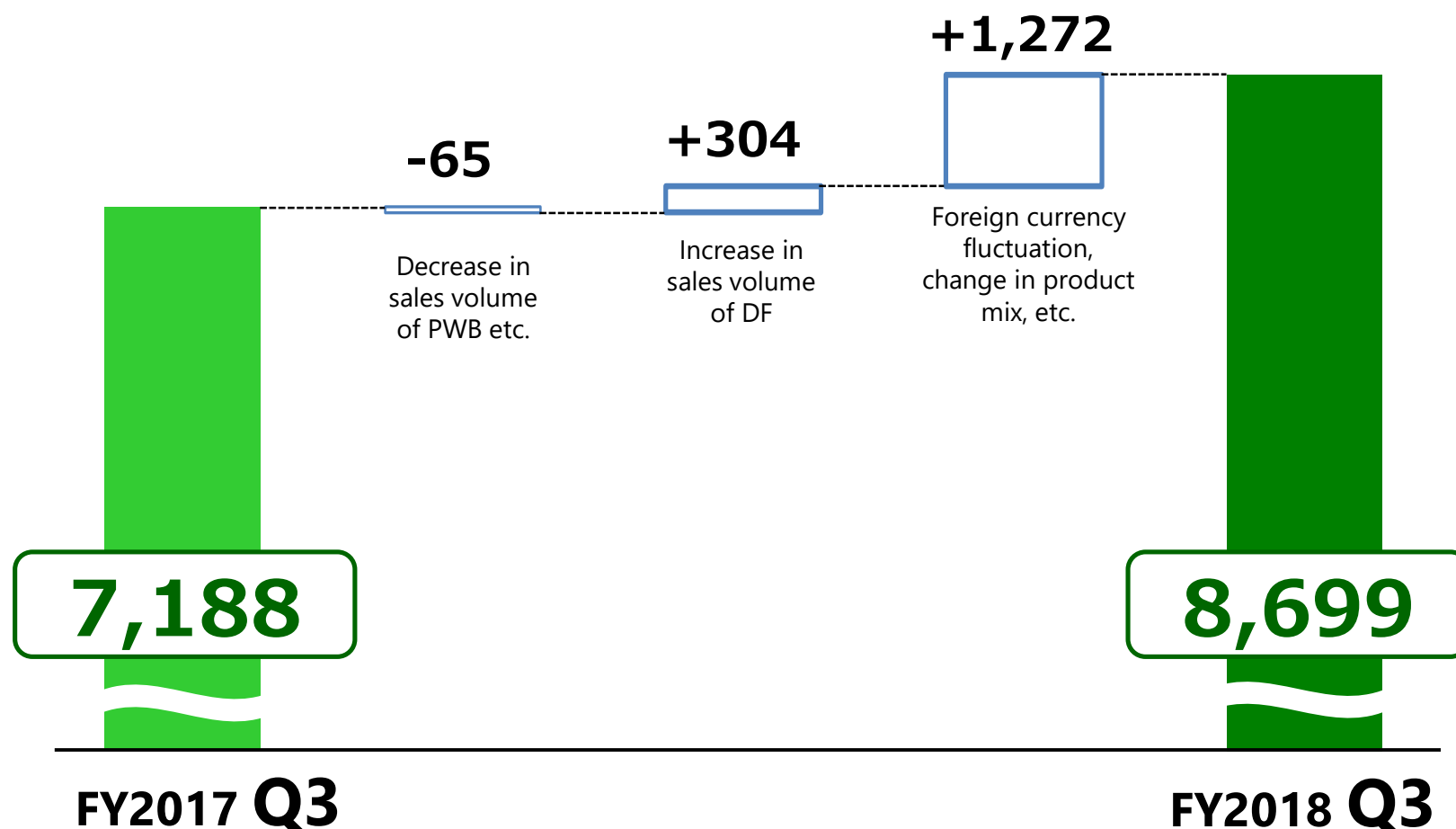


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FY2018 Q3 Operating Income (YoY)

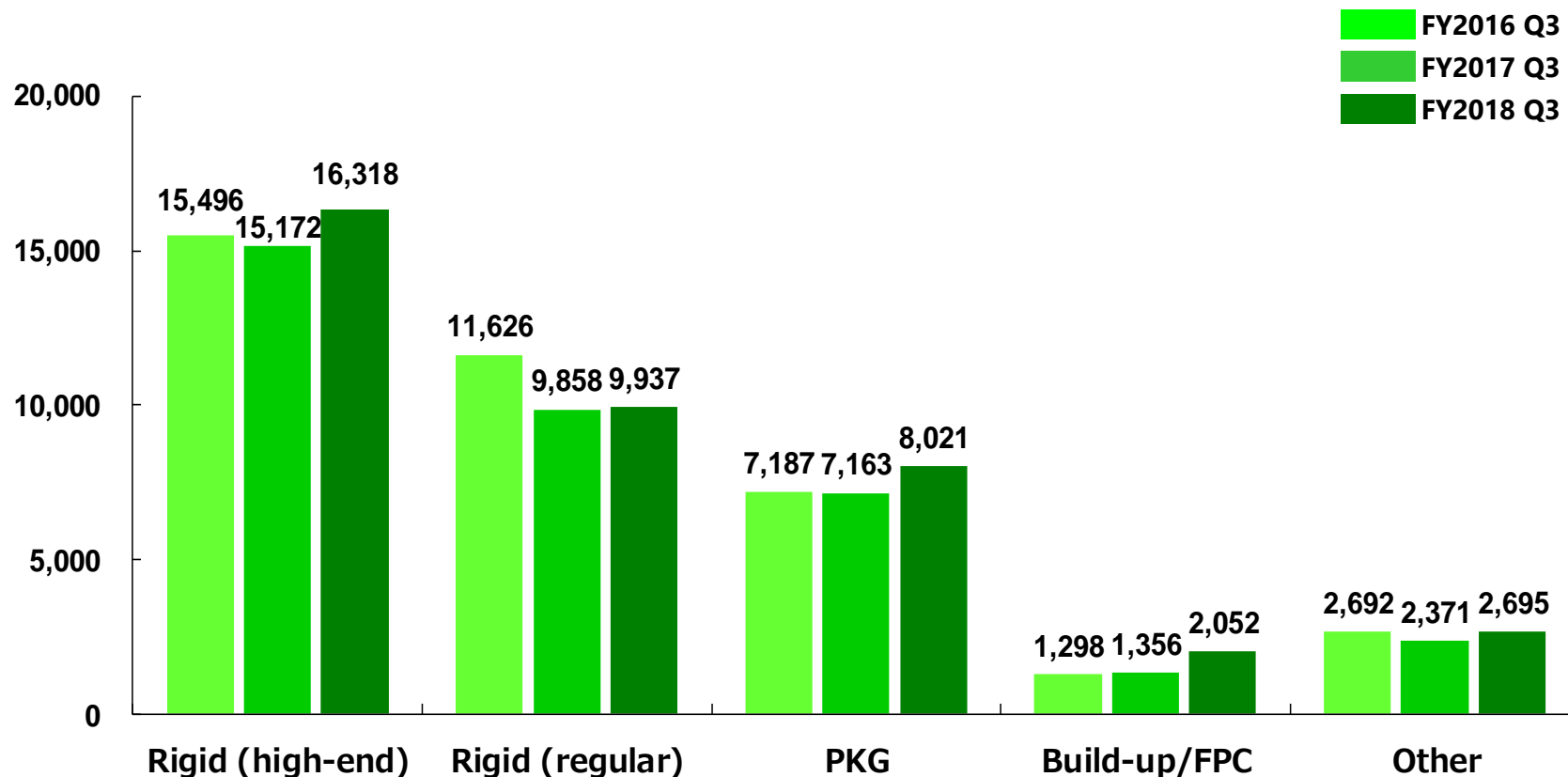
Analysis of Operating Income

JPY millions



Sales Results by Product Group Category

JPY millions



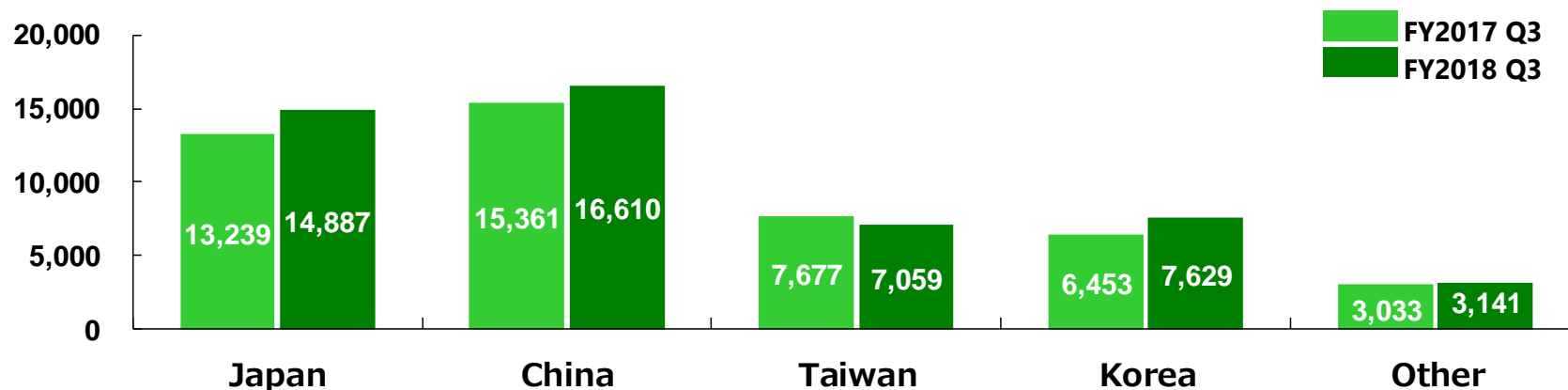
*This category differs from the classification of "sales results by product group category" mentioned in consolidated financial results and annual securities report, etc.

8 FY2018 Q3 Segment Information

Sales by Segment

(including inter-segment sales or transactions)

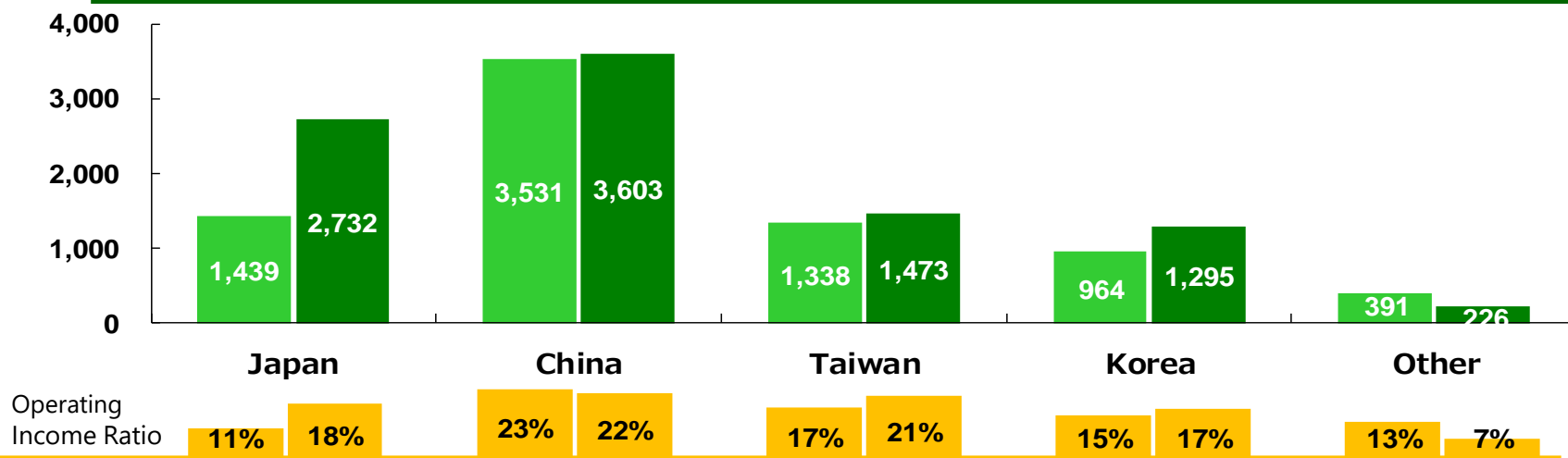
JPY millions



Operating Income by Segment

(including inter-segment sales or transactions)

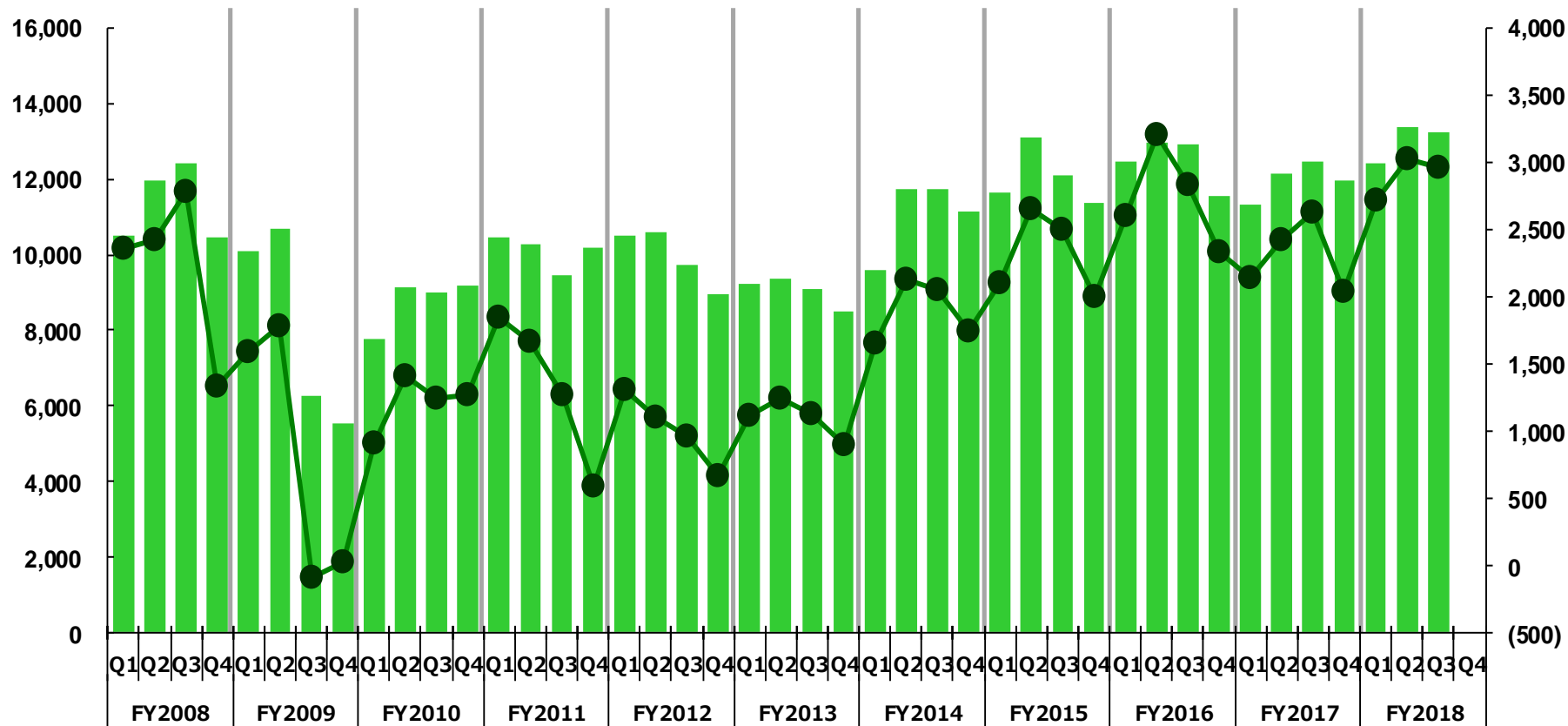
JPY millions



Net Sales & Operating Income

JPY millions

Net sales (left axis)
Operating income (right axis)



10 Revision to FY2018 Consolidated Earning Forecasts

Forecasts Revision Summary

JPY millions

	FY2018 Q3 results	FY2018 full year previous forecasts(A)	FY2018 full year new forecasts(B)	Change (B-A)	Change (%)
Net sales	39,022	50,000	51,300	1,300	3%
Operating income	8,699	10,200	10,800	600	6%
Ordinary income	8,659	10,100	10,700	600	6%
Net income	6,160	7,000	7,600	600	9%
Exchange rate of JPY/USD	112	108	111		

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.

Medical and Pharmaceutical Business



あるべき薬に まじめな会社

太陽ファルマ

Company Name

太陽ファルマ株式会社 / TAIYO Pharma Co., Ltd.

Established

August 2, 2017

Capital

450 million yen

Representative

Eiji Sato Director Chairman of the Board and Representative

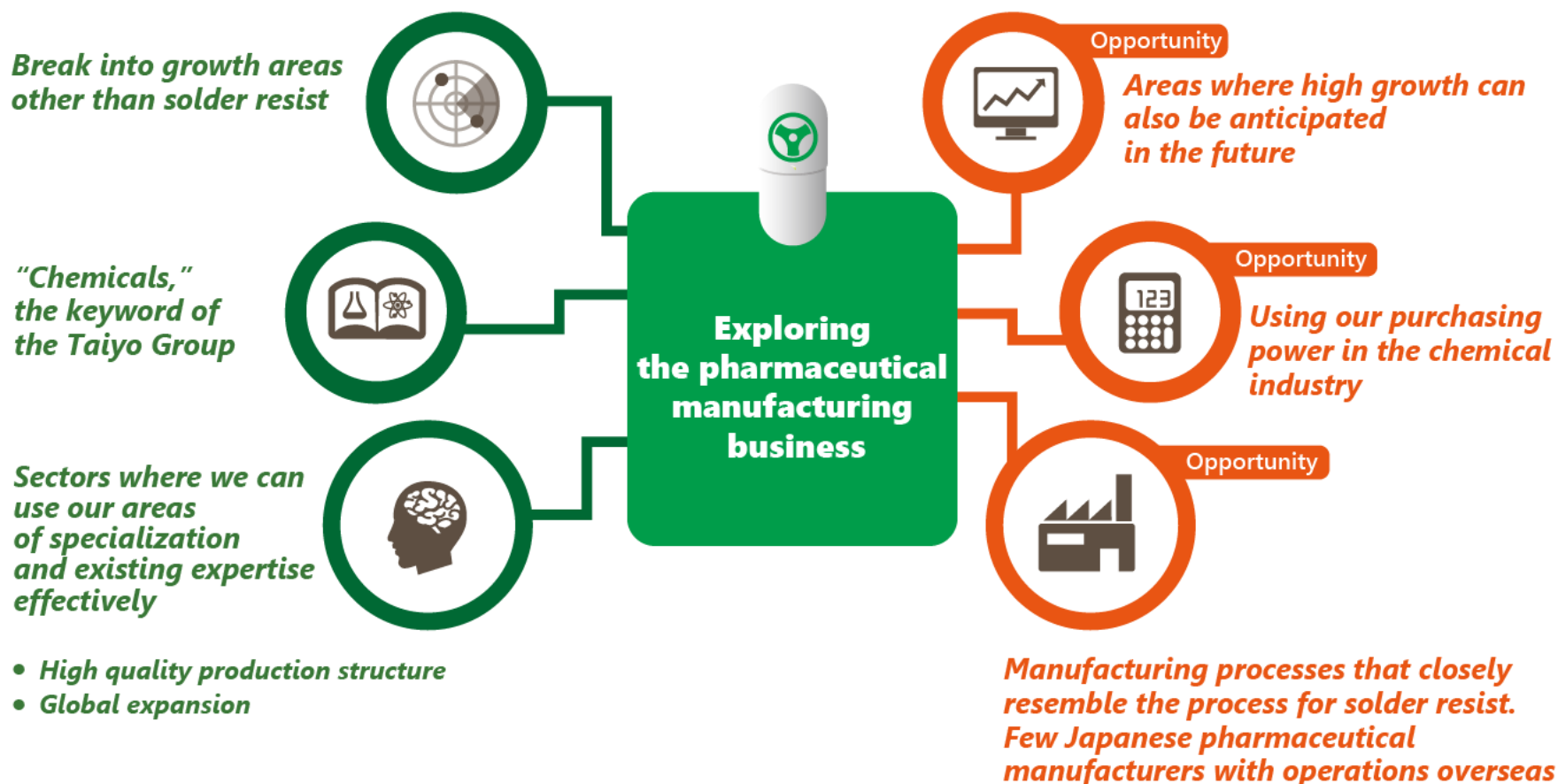
Masao Arima President and Representative Director

Business Area

Development, manufacture and sale of ethical pharmaceuticals,
quasi-drugs and others



After considering various elements such as the environment surrounding the company, areas of specialization, and industries in which growth can be anticipated, we arrived at the conclusion that the pharmaceutical manufacturing business would be the best choice. We plan to enter the medical and pharmaceuticals sectors in a manner that will minimize business risk as much as possible.



14 Considering Entry

Means of Entry

- Assume long listed drugs
- Corporate acquisition
- Plant acquisition
- Own plant

Growth Strategy

Proprietary products

- No drug development
- Improve profitability of long listed drugs
- Assume additional long listed drugs
- Authorized generics (including antibody drugs)
- Super generics

Overseas Production

- Low cost operation for proprietary products
- Consignment production using a technology platform
- Out-in contract plant

15 Right Transfer of 13 Long-Term Listed Products

TAIYO Pharma has assumed rights to 13 long-listed products. Our Group provides patients with a steady supply of pharmaceutical drugs that have a long-term track record of use and importance to the public. By doing business in the manufacture and sale of pharmaceutical drugs, we ensure the general reliability of our business activities, protect inherited product brands, and provide patients and health care professionals with a continuous supply of products and information.

Schedule until transfer of rights

Nov 14, 2017	Consensus on agreements to transfer rights of long-listed products
Jan 5, 2018	Execute transfer of assets for 13 long-listed products
April 2018-Dec 2018	Schedule phased transfer of control, including approval for manufacture and sale

