
Consolidated Financial Result Digest

FY2019 Q1 (Fiscal Year Ending March 31, 2019)



TAIYO HOLDINGS CO., LTD.

August 3, 2018



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Our Reporting Segments

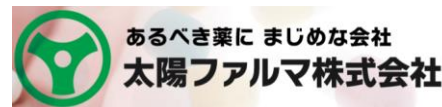
Electronics Materials

Manufactures, stocks and markets chemicals for PWBs and other electronic components



Medical and Pharmaceuticals

Develops, manufactures, and markets pharmaceuticals and quasi-drugs



Other

Manufactures and markets dyes, pigments and other chemical products, supplies renewable energy



*The medical and pharmaceuticals business became fully operational from FY2018 Q4, and the reportable segments were therefore changed.

Terminology

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

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Classification of Product

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

1

The realized average exchange rate for Q1 was JPY108.7/USD, weaker yen than company's projection of JPY105.0/USD

2

Sales volume of dry film for PKG rose YoY while that of solder resist for rigid board materials slightly declined

3

TAIYO Pharma completed the transfer process of manufacturing and sales authorization for four long-term listed products out of 13 products

4

Announced acquisition of systems engineering companies, making them consolidated subsidiaries

April 6, 2018 : Micro Network Technologies Corp., ("MNT")

July 5, 2018 : Thou-Management Corporation ("TMC")

*Reference : News Release, "Notice Concerning Acquisition of Shares Accompanying Changes in Subsidiaries "(only in Japanese)

MNT https://www.taiyo-hd.co.jp/cms/wp-content/uploads/2018/04/20180406_01.pdf

TMC https://www.taiyo-hd.co.jp/cms/wp-content/uploads/2018/07/20180705_02_02.pdf

Result Summary

Unit: JPY million

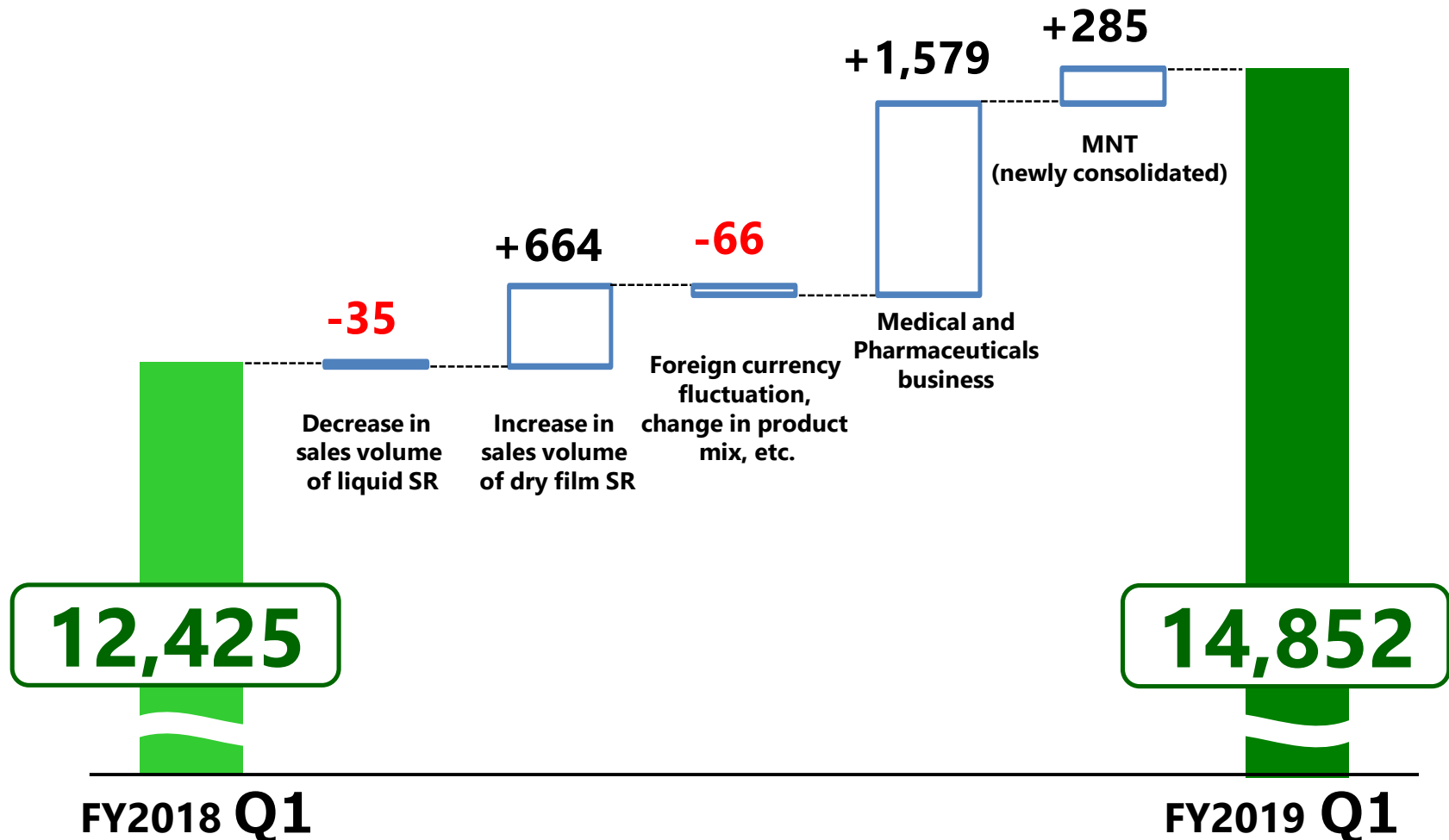
	FY2018 Q1 result	FY2019 Q1 result	YoY	%	FY2019 H1 forecast	Progress rate	FY2019 full year forecast
Net sales	12,425	14,852	+2,427	+20%	30,500	49%	60,200
Operating income	2,714	2,696	-18	-1%	5,100	53%	9,800
Ordinary income	2,683	2,675	-8	-0%	5,000	54%	9,600
Net income	1,844	1,869	+25	+1%	3,500	53%	6,700
Exchange rate of JPY/USD	111.6	108.7			102.9		101.5

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FY2019 Q1 Net Sales (YoY)

Analysis of Net Sales

Unit: JPY million

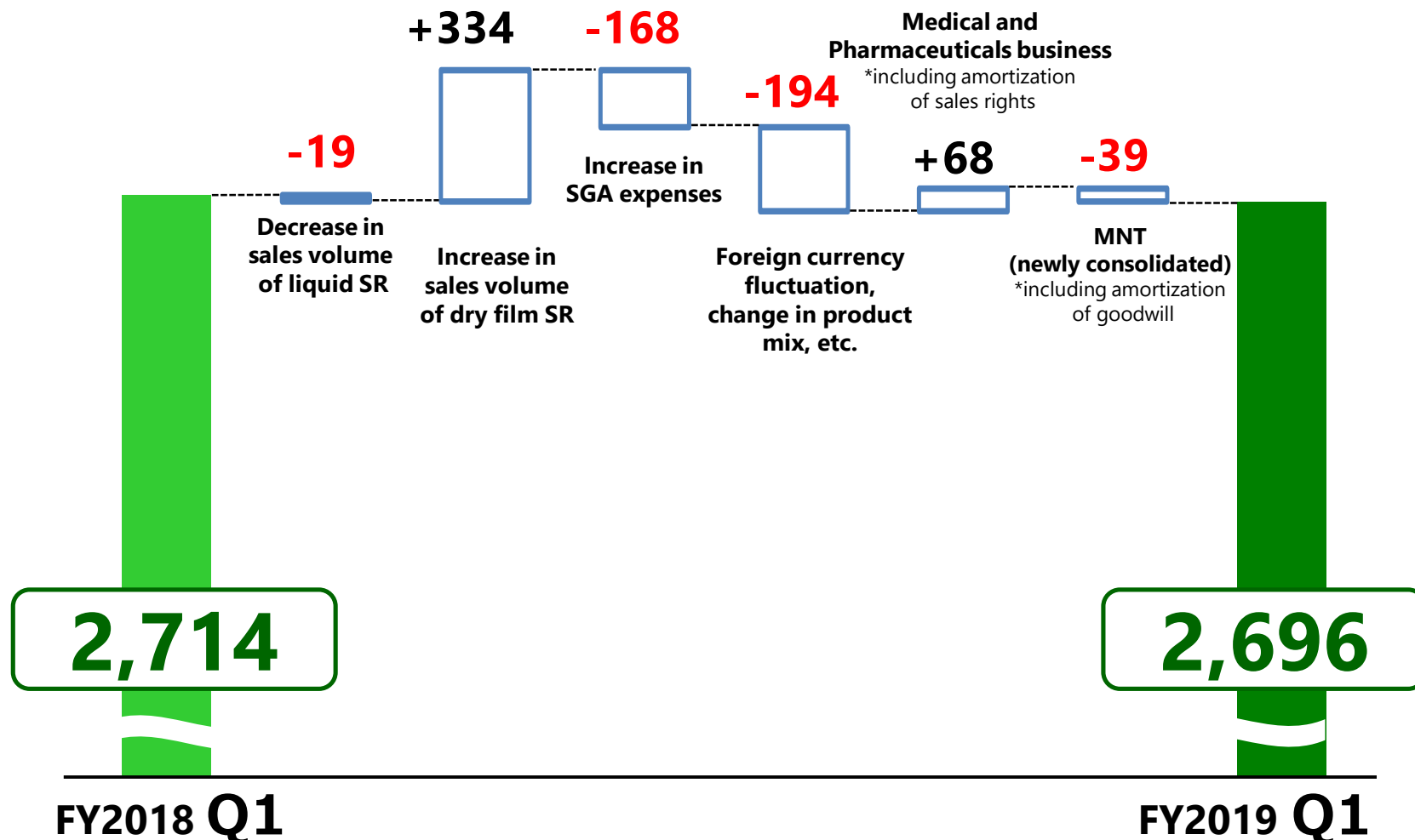


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FY2019 Q1 Operating Income (YoY)

Analysis of Operating Income

Unit: JPY million

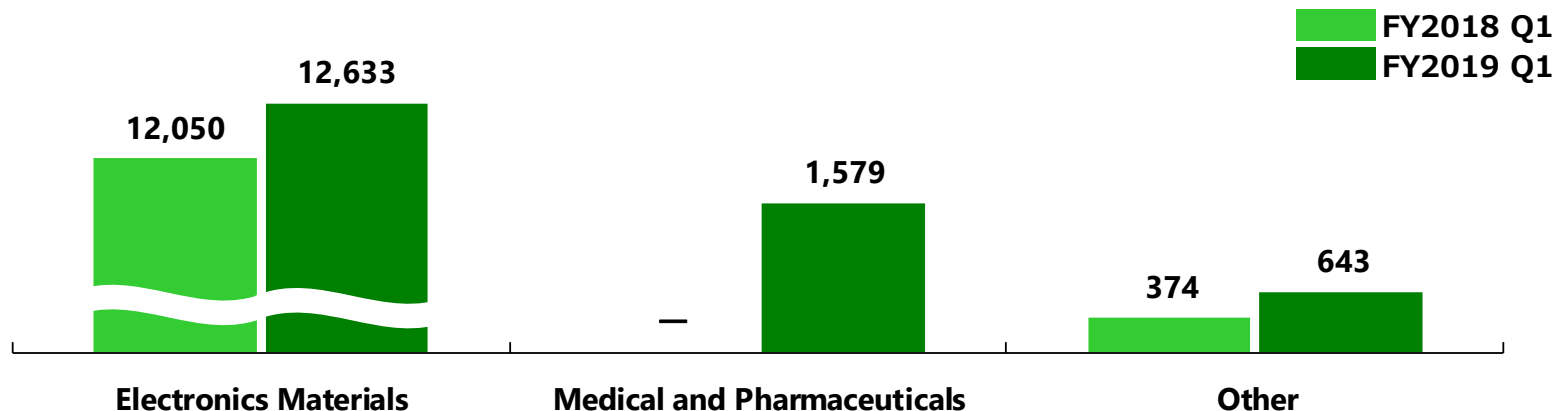


8 FY2019 Q1 Segment Information

Sales by Segment

(including inter-segment sales or transactions)

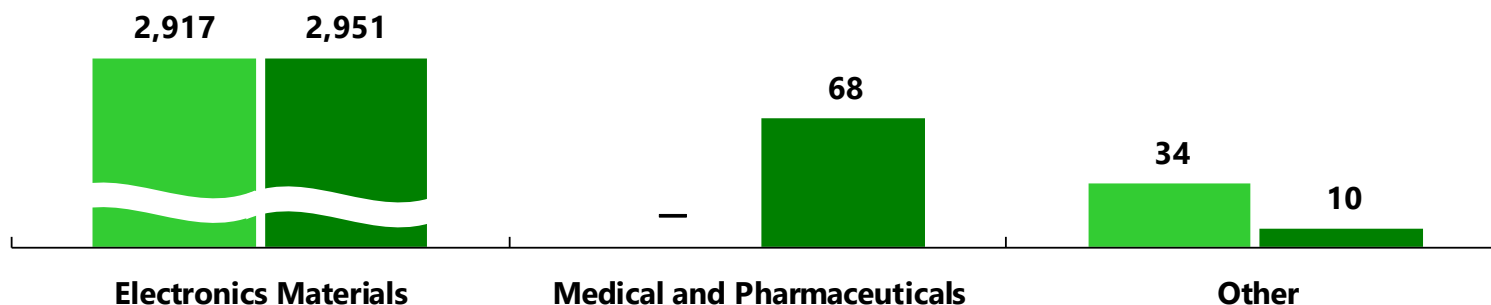
Unit: JPY million



Operating Income by Segment

(including inter-segment sales or transactions)

Unit: JPY million



Operating
Income ratio

24%

23%

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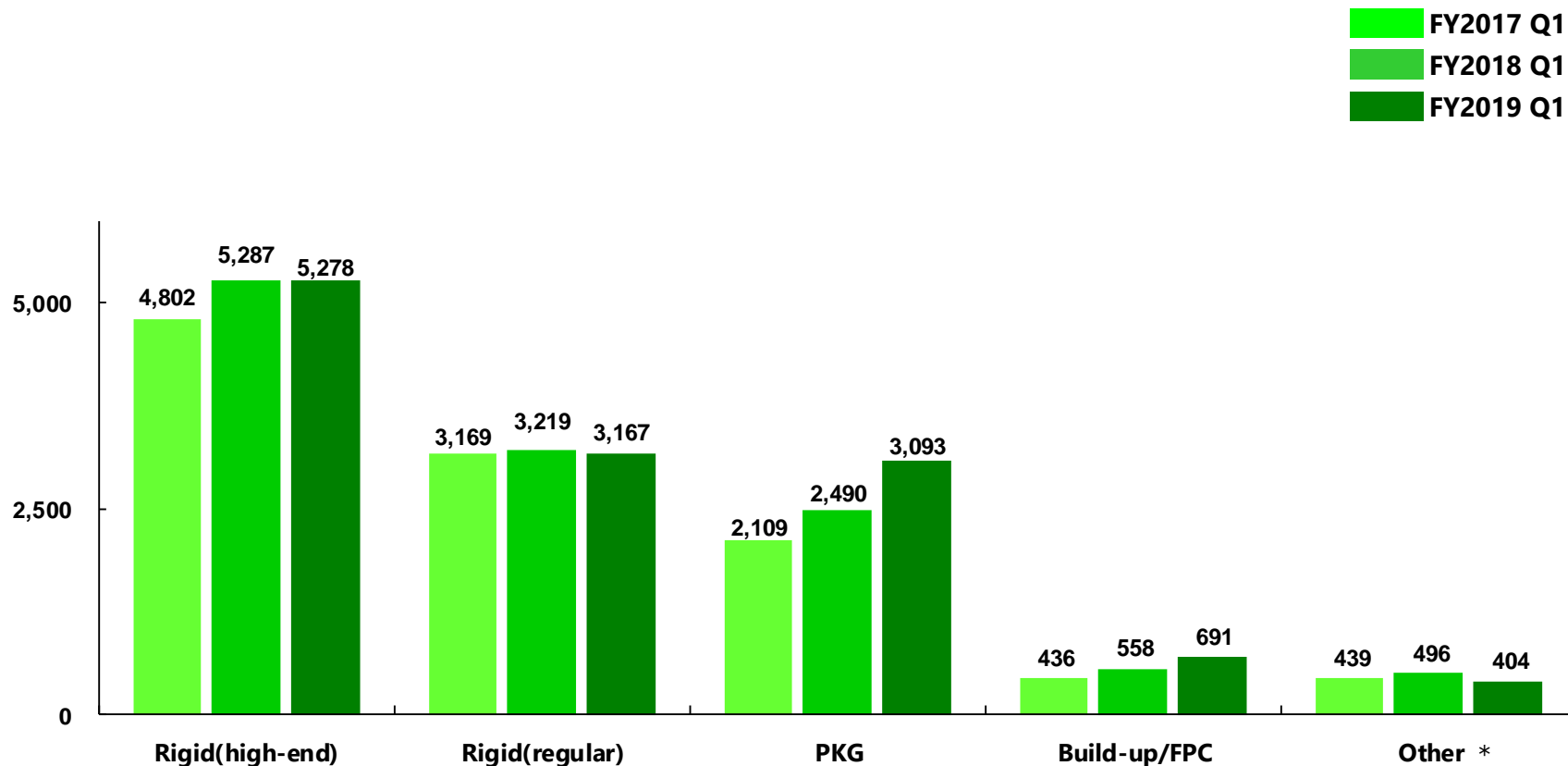
4%

9%

2%

Sales Results by Product Group Category

Unit: JPY million

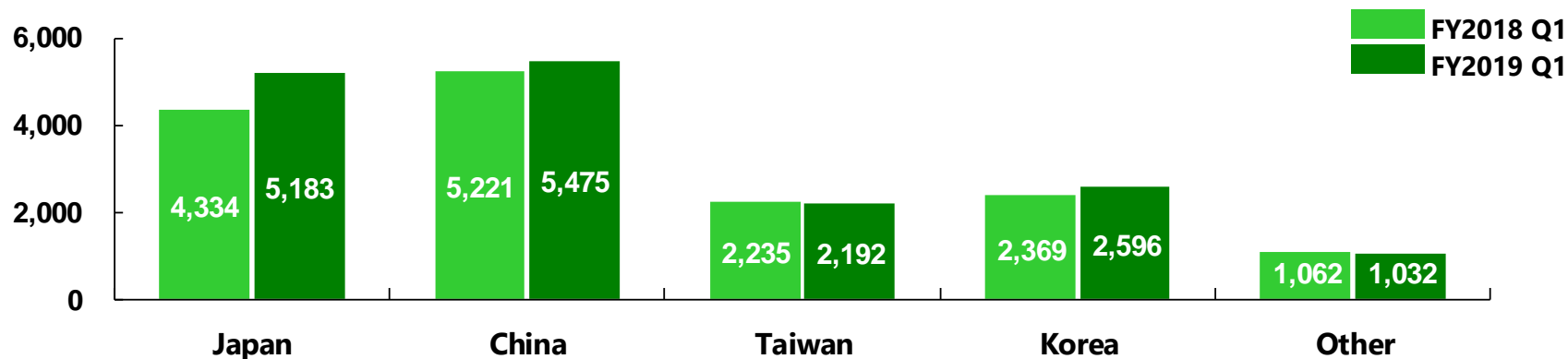


* Due to the change in reportable segments from FY2018 Q4, the "Other" category of the electronics materials business no longer includes the net sales of Taiyo Pharma Co., Ltd., Chugai Kasei Co., Ltd., Taiyo Green Energy Co., Ltd., and MNT.

Sales by Region*

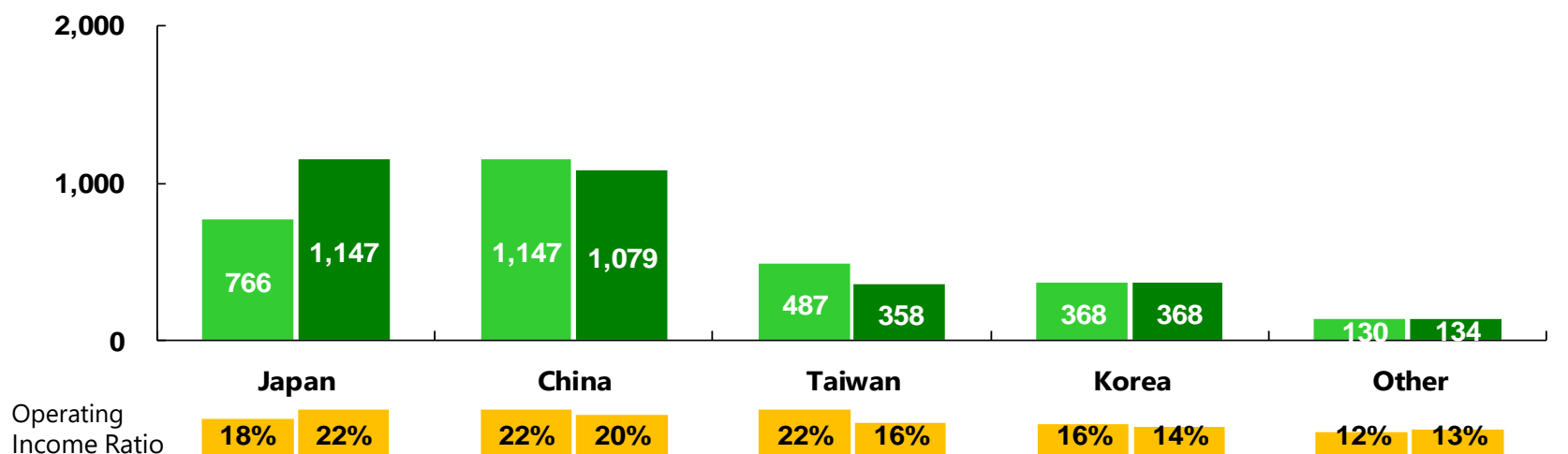
(including inter-regional sales or transactions)

Unit: JPY million

**Operating Income by Region***

(including inter-regional sales or transactions)

Unit: JPY million

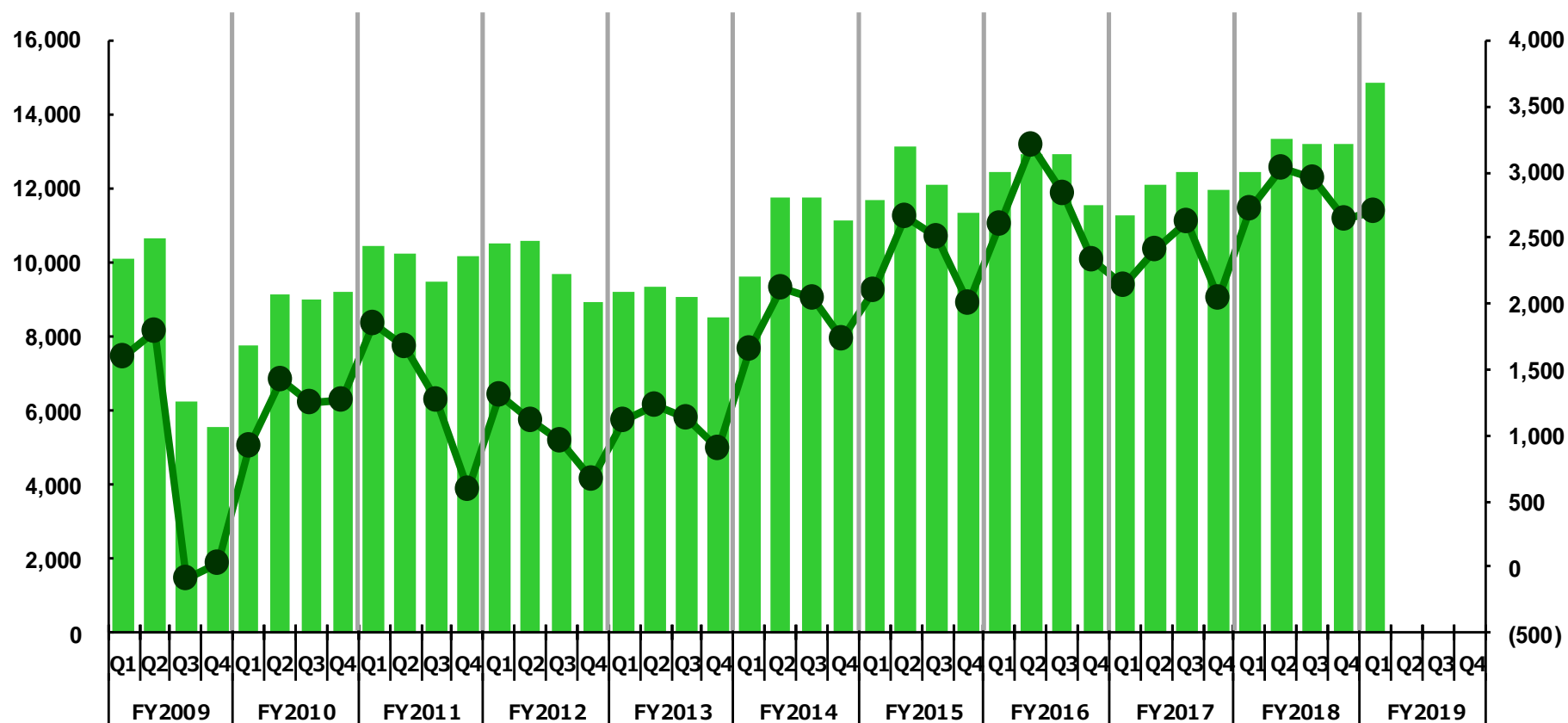


* Due to the change in reportable segments from FY2018 Q4, the sales results by region of the electronics materials business no longer include the net sales and the operating income of Taiyo Pharma Co., Ltd., Chugai Kasei Co., Ltd., Taiyo Green Energy Co., Ltd., and MNT.

Net Sales & Operating Income

Unit: JPY million

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



NEXT STAGE — 新たな展開へ —

For Tomorrow
明日の地球に出来ること