
Consolidated Financial Result Digest

FY2020 Q3 (Fiscal Year Ending March 31, 2020)



TAIYO HOLDINGS CO., LTD.

February 6, 2019



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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, Software development



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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	<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	<ul style="list-style-type: none"> •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

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Terminology

Term	Definition
Long-listed drugs	drugs for which the patent has expired or the re-examination period has ended and there exist generic alternatives that have the same efficacy as the long-listed drug.
CDMO	Contract Development Manufacturing Organization
GMP	Good Manufacturing Practice

Summary

**Electronics
Materials****Sales decline 1% YoY.**

Due to sales drop of Rigid high-end for automobile.

**Electronics
Materials****It marked the highest sales volume in PKG dry film.**

Due to recovery of smartphones and semiconductor market.

**Electronics
Materials****Resolution to establish a new company (factory)
in Hanoi, Vietnam.****Medical and
Pharmaceuticals****Sales rose 126% YoY.**

Due to the inheritance the Taiyo Pharma Tech in October.

**Medical and
Pharmaceuticals****Signed letter of intent with Gene Therapy Research
Institution to develop capital and business alliance.**

7 Electronics Materials Business

Establish a new company (factory) in Hanoi, Vietnam

We aim to expand our electronics materials business by entering Vietnam market

Company Profile


Name	TAIYO INK VIETNAM CO., LTD.
Address	Quang Minh Industrial Park, Quang Minh Town, Me Linh District, Hanoi, Vietnam.
Representative	Koji Kurihara
Business areas	Manufactures and markets solder resist for PWBs and other electronic components
Capital	100,000 USD
ratio of capital contribution	100%
Fiscal year	April 1 to March 31
Establishment	May, 2020 (TBD)



Investee : Gene Therapy Research Institution

What is Gene therapy : Gene therapy is an approach to treat diseases by introducing specific genes into a patient

Company Profile

Name	Gene Therapy Research Institution Co., Ltd.  株式会社遺伝子治療研究所
Address	25-22, Tonomachi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa 210-0821, JAPAN
Establishment	May 16, 2014
Representative	President: Katsuhito Asai
Business areas	Research, development and manufacture of gene therapy drugs using the adeno-associated virus (AAV) as a vector to carry therapeutic genes

The Advantages of Investment

- ✓ **Acquire knowledge of manufacturing facility and manufacturing process of gene therapy drugs**

Result Summary

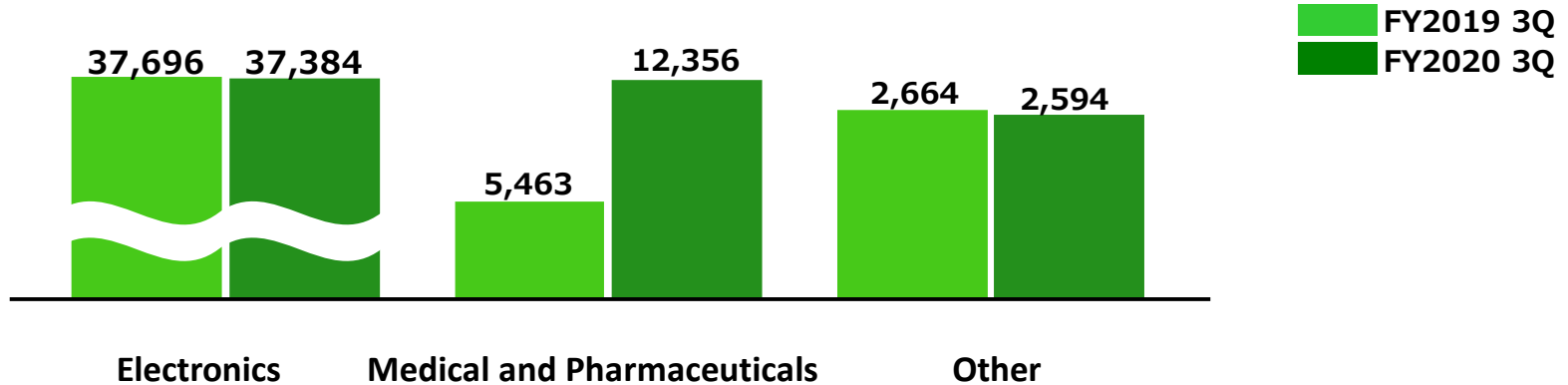
Unit: JPY million

	FY2019 Q3 result	FY2020 Q3 result	YoY	%	FY2020 full year forecast	Progress rate
Net sales	45,737	52,312	+6,575	+14%	71,000	74%
Operating income	7,578 [※]	6,844	-734	-10%	8,300	82%
Ordinary income	7,507 [※]	6,704	-803	-11%	8,000	84%
Net income	5,418 [※]	4,964	-454	-8%	6,400	78%
Exchange rate of JPY/USD	110.8	109.1				

※ The provisional accounting for the business combination was confirmed at the end of the previous consolidated fiscal year and the results for the first quarter of fiscal year ended March 31, 2019 reflect the contents of the provisional accounting that was confirmed.

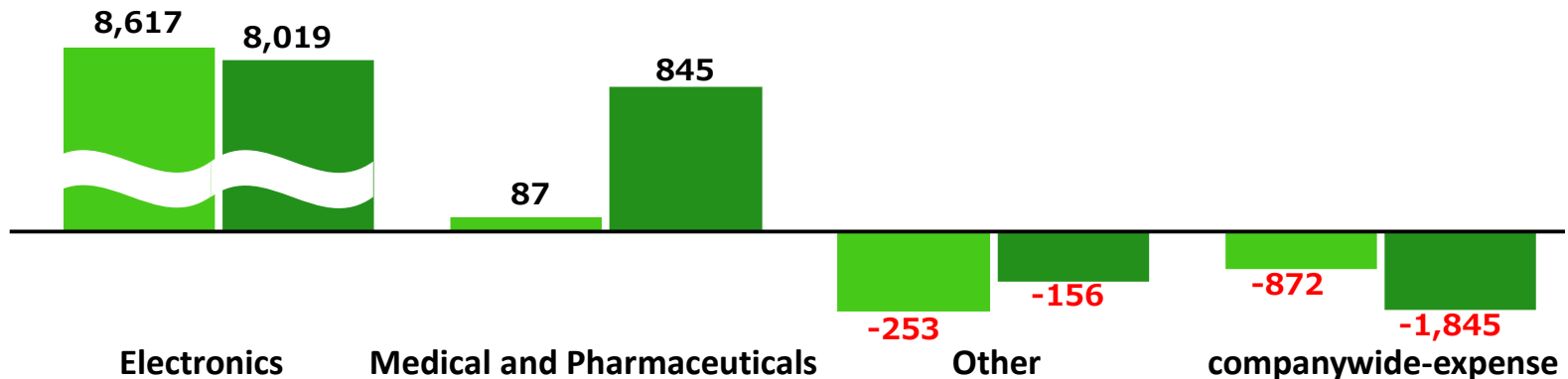
Sales by Segment

Unit: JPY million



Operating Income by Segment

Unit: JPY million



Operating Income ratio

23%

21%

2%

7%

-10%

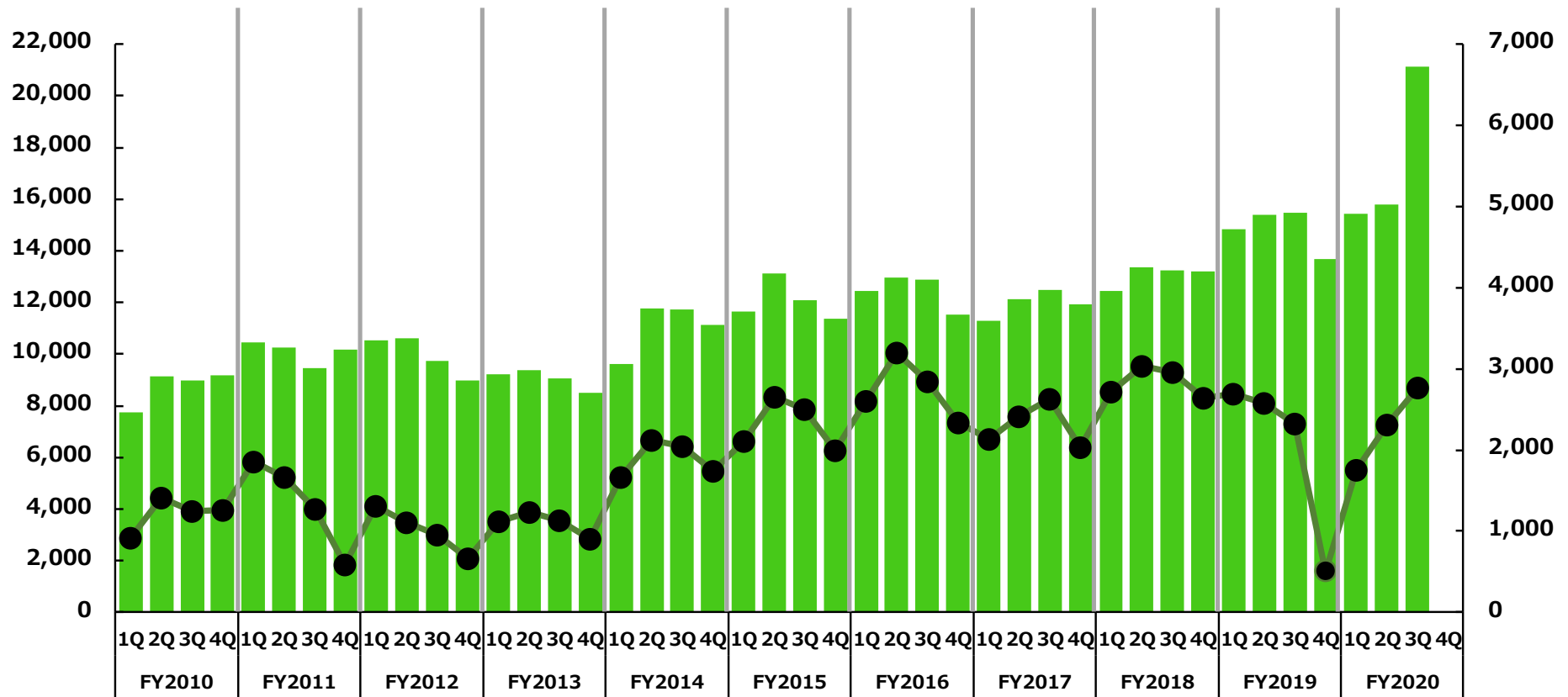
-6%

*Since the third quarter of fiscal year ended March 31, 2020, we include Amortization of Goodwill among the each reportable segment.

Net Sales & Operating Income

Unit: JPY million

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



BS (YoY)

JPY millions

	FY2019/3	FY2019/12	YoY
Cash and deposits	31,340	29,096	-2,244
Accounts receivable - trade	16,610	20,803	4,193
Inventory assets [※]	8,447	12,228	3,781
Other	1,738	1,675	-63
Total current assets	58,136	63,804	5,668
Property, plant and equipment	22,313	45,645	23,332
Intangible assets	21,436	33,954	12,518
Other	3,779	4,628	849
Total non-current assets	47,529	84,228	36,699
Total assets	105,666	148,032	42,366

	FY2019/3	FY2019/12	YoY
Loans payable [※]	20,307	58,896	38,589
Notes and accounts payable - trade	6,285	7,912	1,627
Other	8,553	9,679	1,126
Total liabilities	35,146	76,486	41,340
Capital stock	69,336	70,865	1,529
Other	846	373	-473
Non-controlling interests	337	306	-31
Total net assets	70,520	71,546	1,026
Total liabilities and net assets	105,666	148,032	42,366

Equity ratio	66.4%	48.1%	-18.3%
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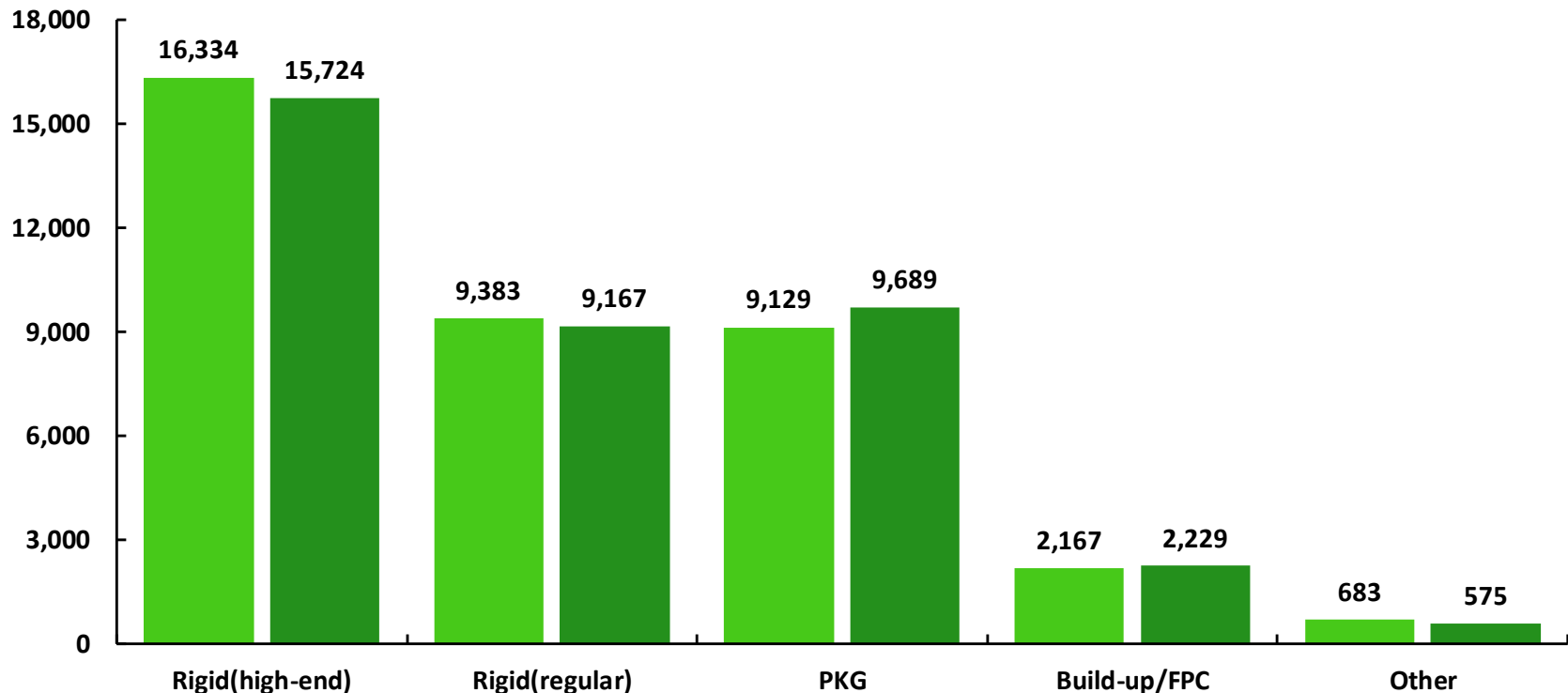
※ Inventory assets: Merchandise and finished goods + Work in process + Raw materials and supplies

※ Loans payable: Short-term borrowings + Current portion of long-term borrowings + Long-term borrowings

Sales Results by Product Group Category

JPY millions

FY2019 3Q
FY2020 3Q

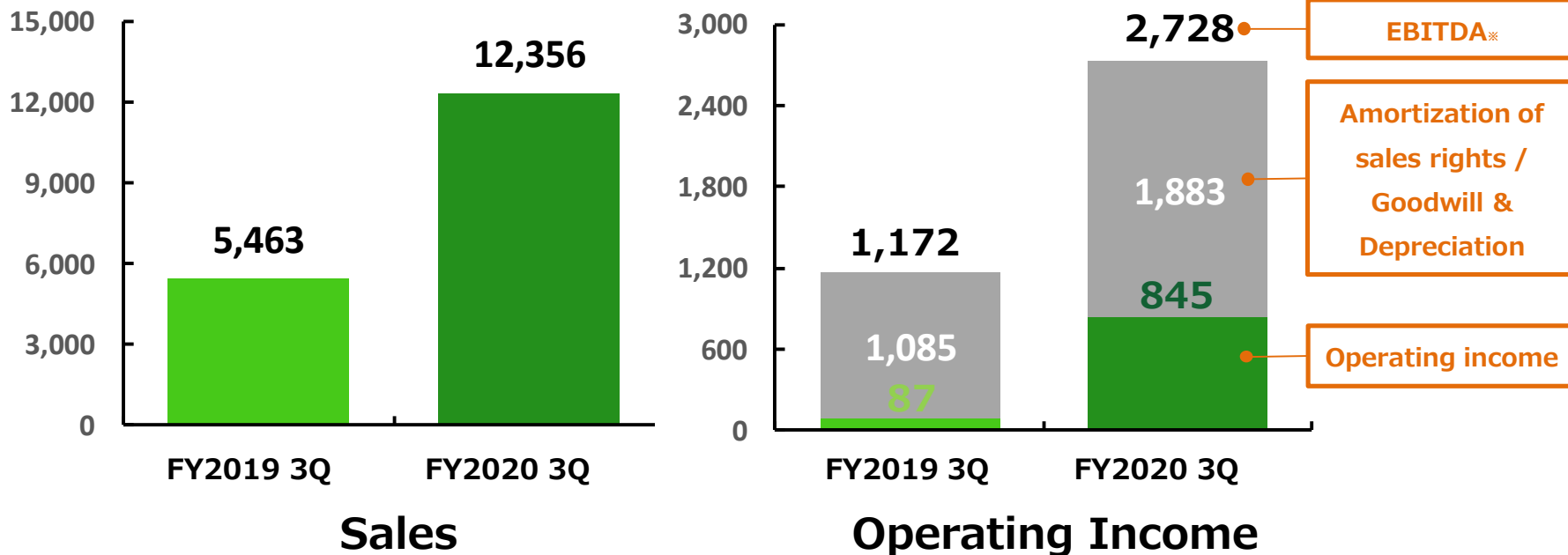


※Since the product classification has been partially revised from FY2020, there is a difference from the figures disclosed in the past.

Sales, Operating Income, EBITDA

JPY millions

FY2019 3Q
FY2020 3Q



※EBITDA=operating profit + depreciation + Amortization of sales rights and goodwill