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# Consolidated Financial Result Digest

## FY2021 Q3 (Fiscal Year Ending March 31, 2021)

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TAIYO HOLDINGS CO., LTD.

February 5, 2021



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.

# Our Reporting Segments

## Electronics Materials

Manufactures, purchases and sells chemicals for PWBs and other electronic components



## Medical and Pharmaceuticals

Develops, manufactures, and sells pharmaceuticals and quasi-drugs



## Other

Manufactures and sells dyes, pigments and other chemical products, supplies renewable energy, software development



Electronics  
Material  
Business

**Sales increased YoY by 5%、 a record high on a quarterly basis**

**Main reason**

- Increase in remote working and online classes due to COVID-19 led to higher demand for electronic devices for data centers and PCs
- Due to the recovery of the automobile market , the sales of our Rigid- high end products for automobiles increased

Electronics  
Material  
Business

**Operating income increased YoY by 18%**

**Main reason**

- Increase in sales ratio of DF products for Semiconductor Package Substrates

Medical and  
Pharmaceutical  
Business

**Sales increased YoY by 53% (EBITDA increased YoY by 149% )**

**Main reason**

- Revenue from Taiyo Pharma Tech set up in October 2019
- Revenue from 4 long-term listed drugs acquired from AstraZeneca in April 2020

# Consolidated Financial Results

## Results Summary

Unit : JPY Million

	① Fiscal year ending March 2020  3Q Cumulative Result	② Fiscal year ending March 2021  3Q Cumulative Result	②-①  YoY	(②-①) ÷①  %	③ Fiscal year ending March 2021 Announced on Nov 6, 2020  Full year Earnings forecast	②÷③  %
<b>Net Sales</b>	<b>52,312</b>	<b>60,460</b>	+8,148	+16%	<b>79,700</b>	76%
<b>Operating Income</b>	<b>6,840</b>	<b>10,926</b>	+4,086	+60%	<b>12,000</b>	91%
<b>Ordinary Income</b>	<b>6,701</b>	<b>10,816</b>	+4,115	+61%	<b>11,600</b>	93%
<b>Net Income</b>	<b>4,964</b>	<b>7,706</b>	+2,742	+55%	<b>7,500</b>	103%
Exchange rate of JPY/USD	109.1	105.9	-3.2		105.0	
<b>EBITDA</b>	<b>10,588</b>	<b>16,482</b>	+5,894	+56%	<b>19,200</b>	
<b>Operating Income Margin</b>	<b>13%</b>	<b>18%</b>			<b>15%</b>	
<b>EBITDA Margin</b>	<b>20%</b>	<b>27%</b>			<b>24%</b>	

# Forecast for the full year ending March 2021

## Consolidated full-year earnings forecast by segment

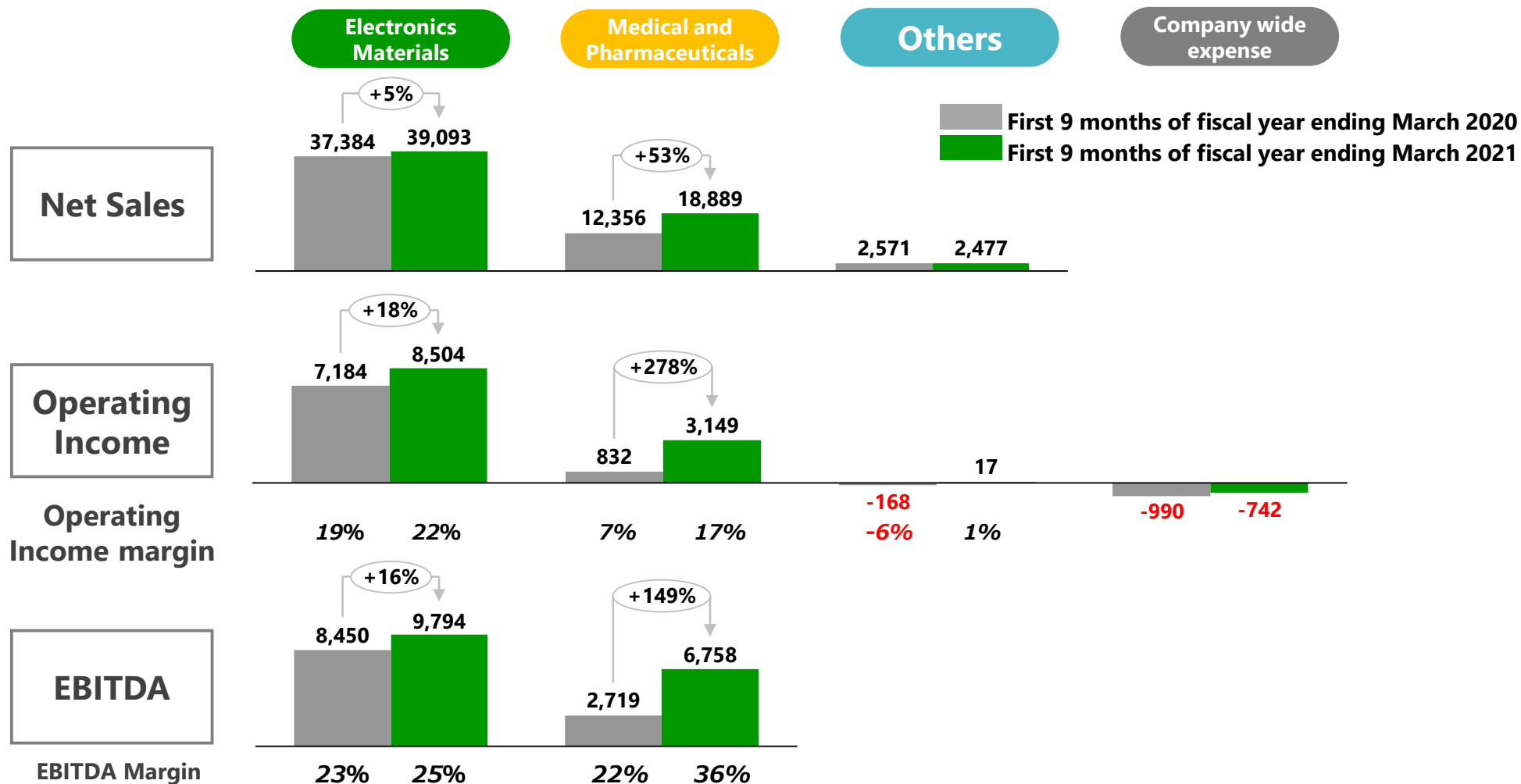
Unit : JPY Million

※JPY/USD rate 105 Yen

	Forecast for the fiscal year ending March 2021 Announced this time			Forecast for the fiscal year ending March 2021 Announced on Nov 6, 2020		
	Consolidated	Electronics Materials	Medical and pharmaceuticals	Consolidated	Electronics Materials	Medical and Pharmaceuticals
Net Sales	80,500	51,600	25,200	79,700	50,400	25,600
Operating Income	13,300	10,700	3,500	12,000	9,500	3,600
EBITDA	20,700	12,400	8,300	19,200	11,100	8,300
Operating Income margin	16%	21%	14%	15%	19%	14%
EBITDA Margin	26%	24%	33%	24%	22%	32%

# Performance by Segment

## Cumulative 3Q Net Sales / Operating income / EBITDA Unit : JPY Million

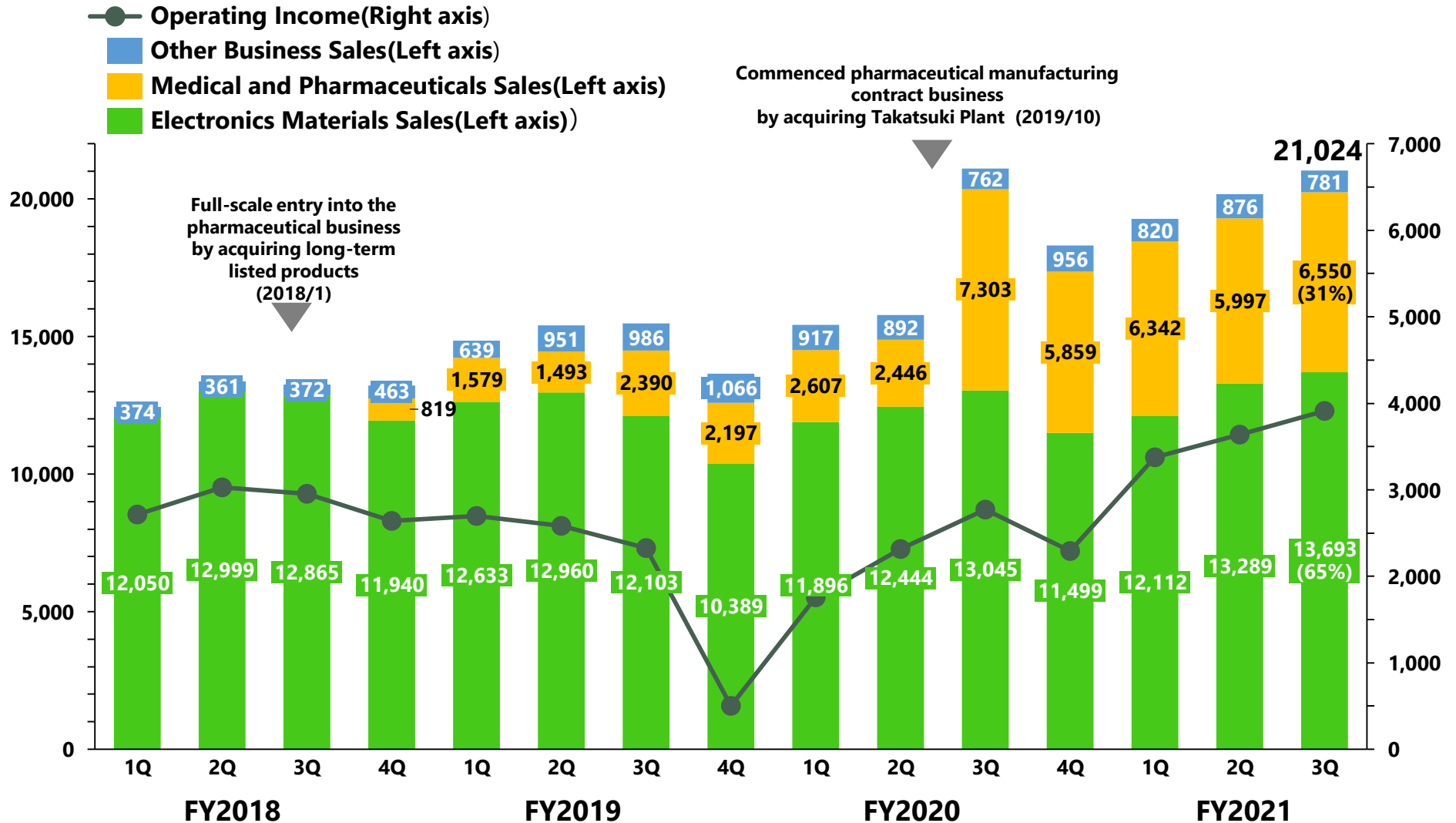


※Since the third quarter of fiscal year ended March 31<sup>st</sup> 2020, we include Amortization of Goodwill among the each reportable segment. Also, from the first quarter of this year, some expenses that were previously included in company-wide expenses are allocated to each report segment. The segment profit or loss for the first quarter of the previous fiscal year is based on the method for calculating the profit or loss of the reported segment after the change.

# Trend of Quarterly Performance

## Net sales and Operating Income

Unit : JPY Million



## BS- Comparision with the previous term

Unit : JPY Million

	20/3	20/12	Change
Cash and Deposits	29,191	52,507	23,316
Accounts Receivables	19,513	21,386	1,873
Inventory※1	11,408	12,704	1,296
Others	2,267	1,720	▲547
<b>Total Current Assets</b>	<b>62,380</b>	<b>88,317</b>	<b>25,937</b>
Tangible Fixed Assets	44,761	45,161	400
Intangible Fixed Assets	30,769	35,312	4,543
Others	4,280	4,803	523
<b>Total Fixed Assets</b>	<b>79,811</b>	<b>85,277</b>	<b>5,466</b>
<b>Total Assets</b>	<b>142,192</b>	<b>173,595</b>	<b>31,403</b>

	20/3	20/12	Change
Short term borrowings※2	10,893	15,608	4,715
Long term borrowings	44,818	63,847	19,029
Notes and Account payable	7,231	8,044	813
Others	9,726	11,495	1,769
<b>Total Liabilities</b>	<b>72,668</b>	<b>98,994</b>	<b>26,326</b>
Shareholders Equity	69,651	73,869	4,218
Others	▲429	395	824
Non-controlling interest	301	335	34
<b>Total net assets</b>	<b>69,523</b>	<b>74,600</b>	<b>5,077</b>
<b>Total liabilities and net assets</b>	<b>142,192</b>	<b>173,595</b>	<b>31,403</b>

<b>Equity to Asset Ratio</b>	<b>48.7%</b>	<b>42.8%</b>	<b>-5.9%</b>
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※1 Inventories: Goods and products + work in process + raw materials and stored good

※2 Short-term borrowings: Short-term borrowings + long-term borrowings scheduled to be repaid within one year



# Electronics Materials Business

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# Terminology

Term	Definition
PWB	Printed Wiring Board
SR	"Solder resist ink" or "Solder mask"
PKG	Semiconductor packages
DF	Dry Film

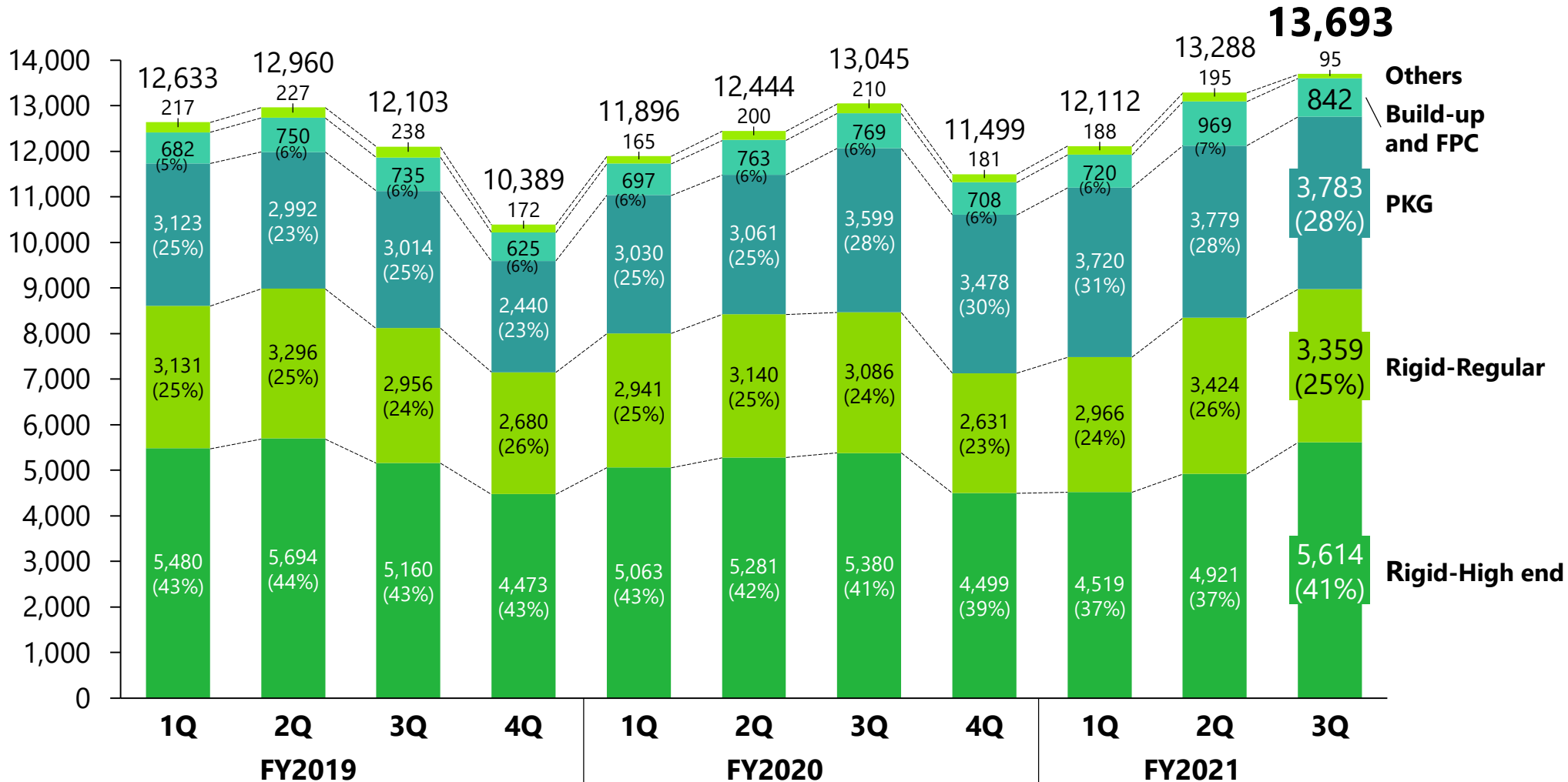
# Product Classification for Electronics Material Business

Group	Category		Type	Remarks
PWB insulating materials	Rigid	High end	Liquid	<ul style="list-style-type: none"> <li>•SR materials for insulation and surface protection use</li> <li>•build-up materials for interlayer insulation and hole plugging use</li> </ul>
		Regular	Liquid/DF	
	PKG		Liquid/DF	
	FPC (Flexible printed circuit board)		Liquid/DF	
	Build-up		Liquid/DF	
Other related products	Others		Liquid	<ul style="list-style-type: none"> <li>•marking, etching, plating materials</li> <li>•flux, solvent etc.</li> <li>•conductive silver paste</li> </ul>

# Electronics materials business

## Net Sales by product category

Unit : Million yen





**TAIYO HOLDINGS CO., LTD.**