

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

# Consolidated Financial Result Digest FY2022 Q3

(Fiscal Year Ending March 31, 2022)

February 8, 2022



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

## Electronic Materials

Develops, manufactures, purchases and sells chemicals for PWBs and other electronic components



## Medical and Pharmaceutical

Develops, manufactures, and sells pharmaceuticals and quasi-drugs



## Others

Energy business using natural energy, food business, fine chemicals business including dyes, pigments and other chemicals, and ICT business, etc.



# FY2022 Q3 Overview

## Electronic Materials Business

- Net sales increased by 36% year on year
- Operating income increased by 50% year on year
  - Main reasons
    - New white dry film-type solder resist, which has been mass-produced since the first quarter, was used for Mini LED displays and sold very well
    - Strong semiconductor market resulted in record high sales of PKG Products

## Medical and Pharmaceutical Business

- Cumulative net sales decreased by 4% year on year
  - Main reasons
    - Lower sales volume of other infectious disease-related products due to thorough countermeasures against the COVID-19 pandemic
    - Lower drug price due to the National Health Insurance (NHI) price revision of Long Listed Products
    - Higher sales volume of some products as a result of suspensions to the supply of other companies' generic drugs
- Completed the succession of manufacturing and marketing approval and transfer of distribution for all four products from AstraZeneca K.K.

## Company

- Acquired treasury stock (until December 31 of FY2021)  
Shares acquired : 211,600 shares  
Total acquisition amount : Approximately 711 JPY million
- Revision to the financial forecast for the fiscal year ending March 31, 2022

# Consolidated Financial Results

Taiyo Holdings expects to exceed the consolidated financial forecasts for the full year of FY2022 disclosed on November 5, 2021.

- Updated the financial forecasts for FY2022 3Q to reflect actual results.
- Maintaining the financial forecasts for FY2022 4Q disclosed on November 5, 2021

## Results Summary

Unit : JPY Million

	① FY2021	② FY2022	②-①	(②-①) / ①	③ FY2022 (as announced on Nov. 5)	②/③	④ FY2022 (as revised on Feb. 8)	②/④
	3Q Cumulative Result	3Q Cumulative Result	YoY	%	Full year Forecast	%	Full Year Forecast	%
Net Sales	60,460	73,622	13,162	22%	92,200	80%	93,900	78%
Operating Income	10,926	14,370	3,444	32%	15,900	90%	17,000	85%
Ordinary Income	10,816	14,637	3,821	35%	16,000	91%	17,200	85%
Net Income	7,706	10,360	2,654	34%	11,200	93%	12,100	86%
Exchange rate of JPY/USD	105.9	111.4	5.5		※1		※2	
EBITDA	16,482	20,292	3,810	23%	23,700	86%	24,900	81%
Operating Income Margin	18%	20%			17%		18%	
EBITDA Margin	27%	28%			26%		27%	

※1 JPY/USD exchange rate : Actual results for FY2022 1<sup>st</sup> half 110.2 JPY. Estimated value for FY2022 2<sup>nd</sup> half 108.0 JPY.

※2 JPY/USD exchange rate : Actual results for FY2022 3Q cumulative 111.4 JPY. Estimated value for FY2022 4Q 108.0 JPY.

# Revised Financial Forecast

## Forecast for the FY 2022

Unit : JPY Million

	Fiscal Year 2022 Forecast (as revised on Feb. 8) <sup>※1</sup>			Fiscal Year 2022 Forecast (as announced on Nov. 5) <sup>※2</sup>		
	Consolidated	Electronic Materials	Medical and Pharmaceutical	Consolidated	Electronic Materials	Medical and Pharmaceutical
<b>Net Sales</b>	93,900	67,600	22,800	92,200	64,700	23,600
<b>Operating Income</b>	17,000	16,100	2,200	15,900	15,400	1,900
<b>EBITDA</b>	24,900	18,200	6,900	23,700	17,400	6,500
<b>Operating Income Margin</b>	18%	24%	10%	17%	24%	8%
<b>EBITDA Margin</b>	27%	27%	30%	26%	27%	28%

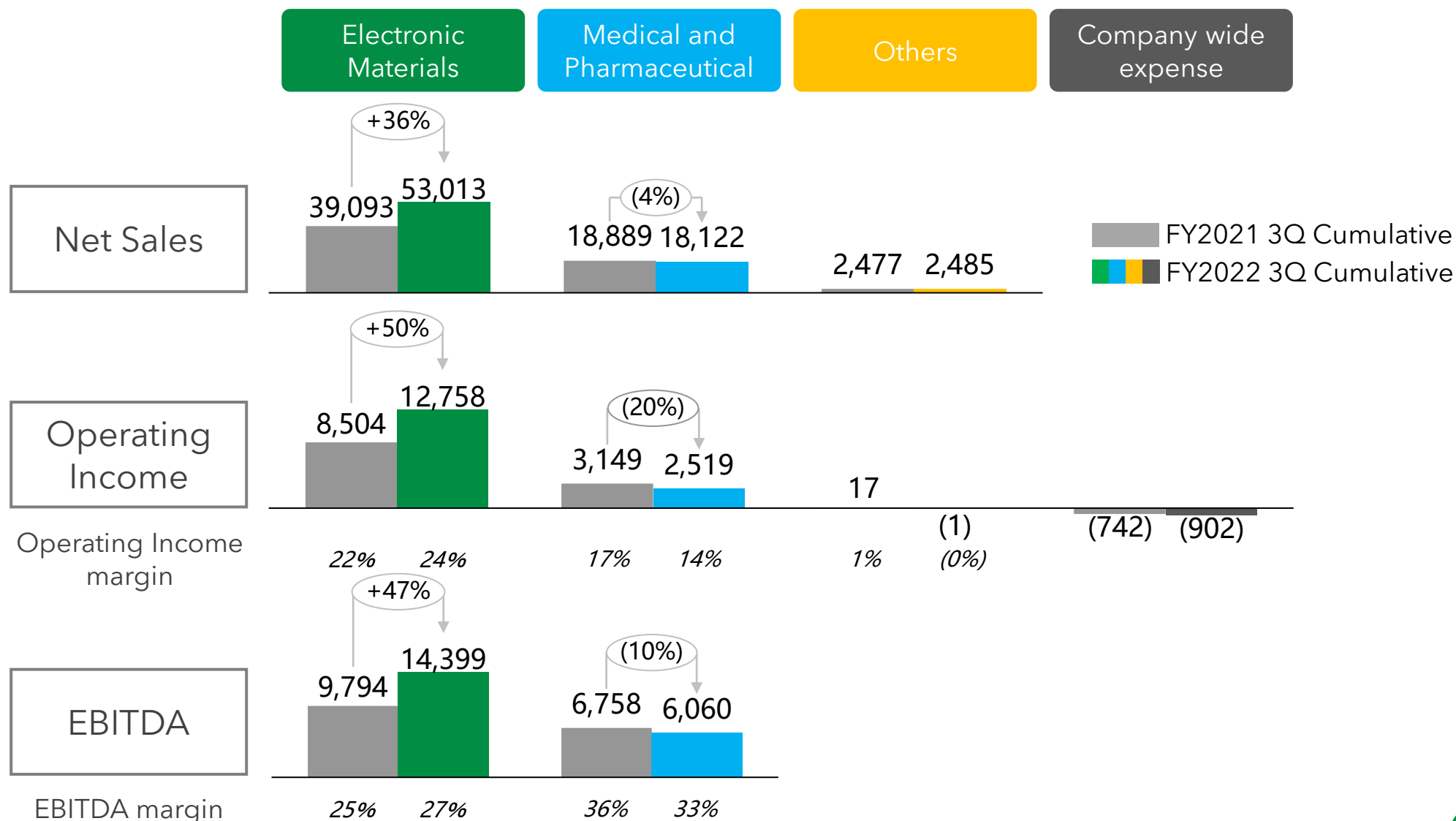
※1 JPY/USD exchange rate : Actual results for FY2022 3Q cumulative 111.4 JPY. Estimated value for FY2022 4Q 108.0 JPY.

※2 JPY/USD exchange rate : Actual results for FY2022 1<sup>st</sup> half 110.2 JPY. Estimated value for FY2022 2<sup>nd</sup> half 108.0 JPY.

# Performance by Segment

## 3Q Cumulative Net Sales / Operating income / EBITDA

Unit : JPY Million



# Trend of Quarterly Performance

## Net sales and Operating Income

Unit : JPY Million

● Operating Income (Right axis)

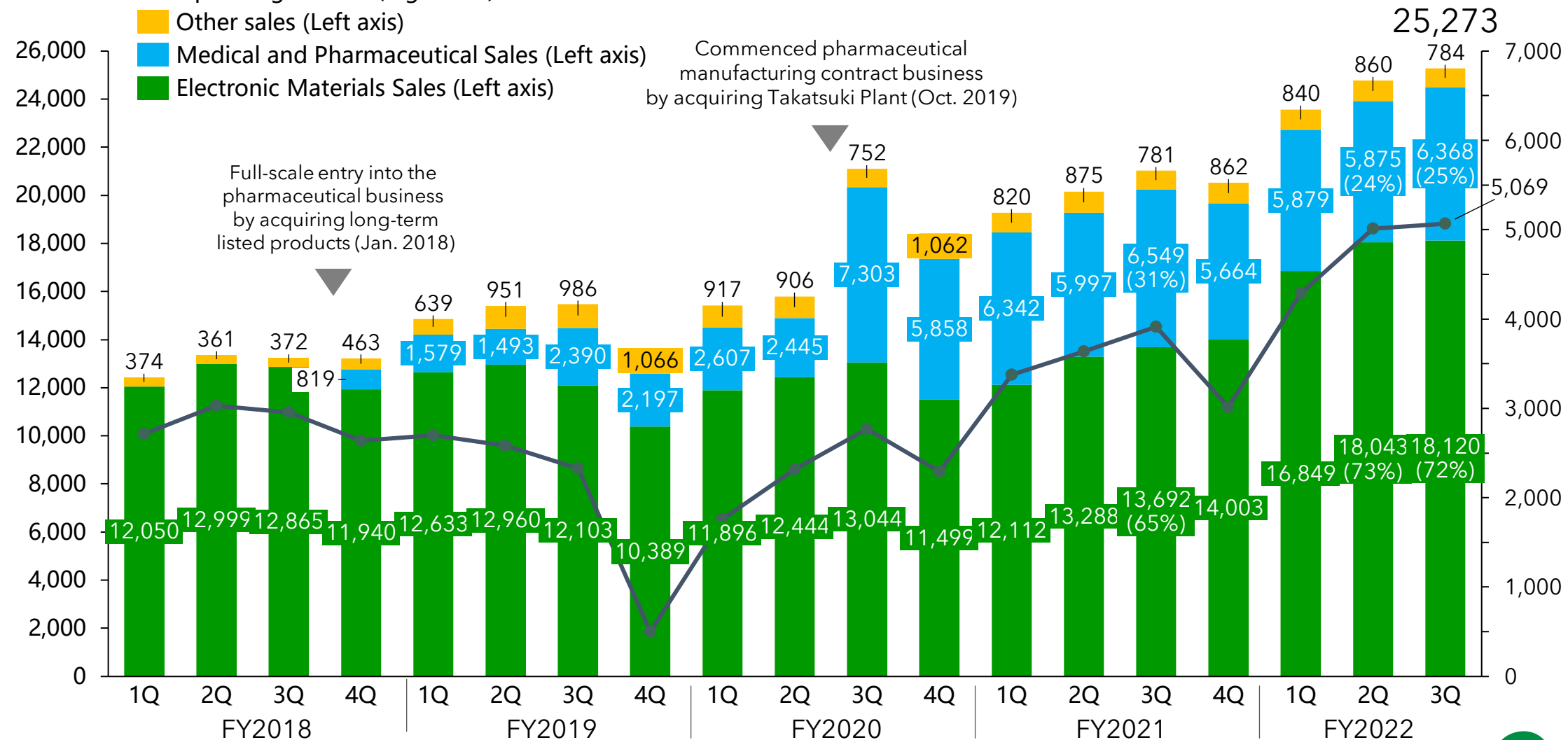
■ Other sales (Left axis)

■ Medical and Pharmaceutical Sales (Left axis)

■ Electronic Materials Sales (Left axis)

Commenced pharmaceutical manufacturing contract business by acquiring Takatsuki Plant (Oct. 2019)

Full-scale entry into the pharmaceutical business by acquiring long-term listed products (Jan. 2018)



# Overview of BS

## BS- Comparison with the previous term

Unit : JPY Million

	21/3	21/12	Change
Cash and Deposits	54,705	50,084	(4,620)
Accounts Receivables	22,527	26,511	3,984
Inventory <sup>※1</sup>	13,449	15,817	2,367
Others	2,256	3,210	954
<b>Total Current Assets</b>	<b>92,937</b>	<b>95,622</b>	2,684
Tangible Fixed Assets	46,348	50,558	4,209
Intangible Fixed Assets	34,949	33,897	(1,052)
Investments and other assets	4,765	5,415	649
<b>Total Fixed Assets</b>	<b>86,063</b>	<b>89,871</b>	3,807
<b>Total Assets</b>	<b>179,001</b>	<b>185,494</b>	6,492

	21/3	21/12	Change
Notes and Account payable	7,907	9,684	1,777
Short term borrowings <sup>※2</sup>	21,885	22,923	1,037
Long term borrowings	59,333	53,858	(5,475)
Others	13,379	15,150	1,771
<b>Total Liabilities</b>	<b>102,504</b>	<b>101,615</b>	(899)
Shareholders Equity	74,184	79,622	5,438
Accumulated other comprehensive income	1,954	3,816	1,861
Non-controlling interest	357	439	82
<b>Total net assets</b>	<b>76,497</b>	<b>83,879</b>	7,381
<b>Total liabilities and net assets</b>	<b>179,001</b>	<b>185,494</b>	6,492

	21/3	21/12	Change
<b>Equity to Asset Ratio</b>	<b>42.5%</b>	<b>45.0%</b>	+2.5%

※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



# Electronic Materials Business

## Terminology

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

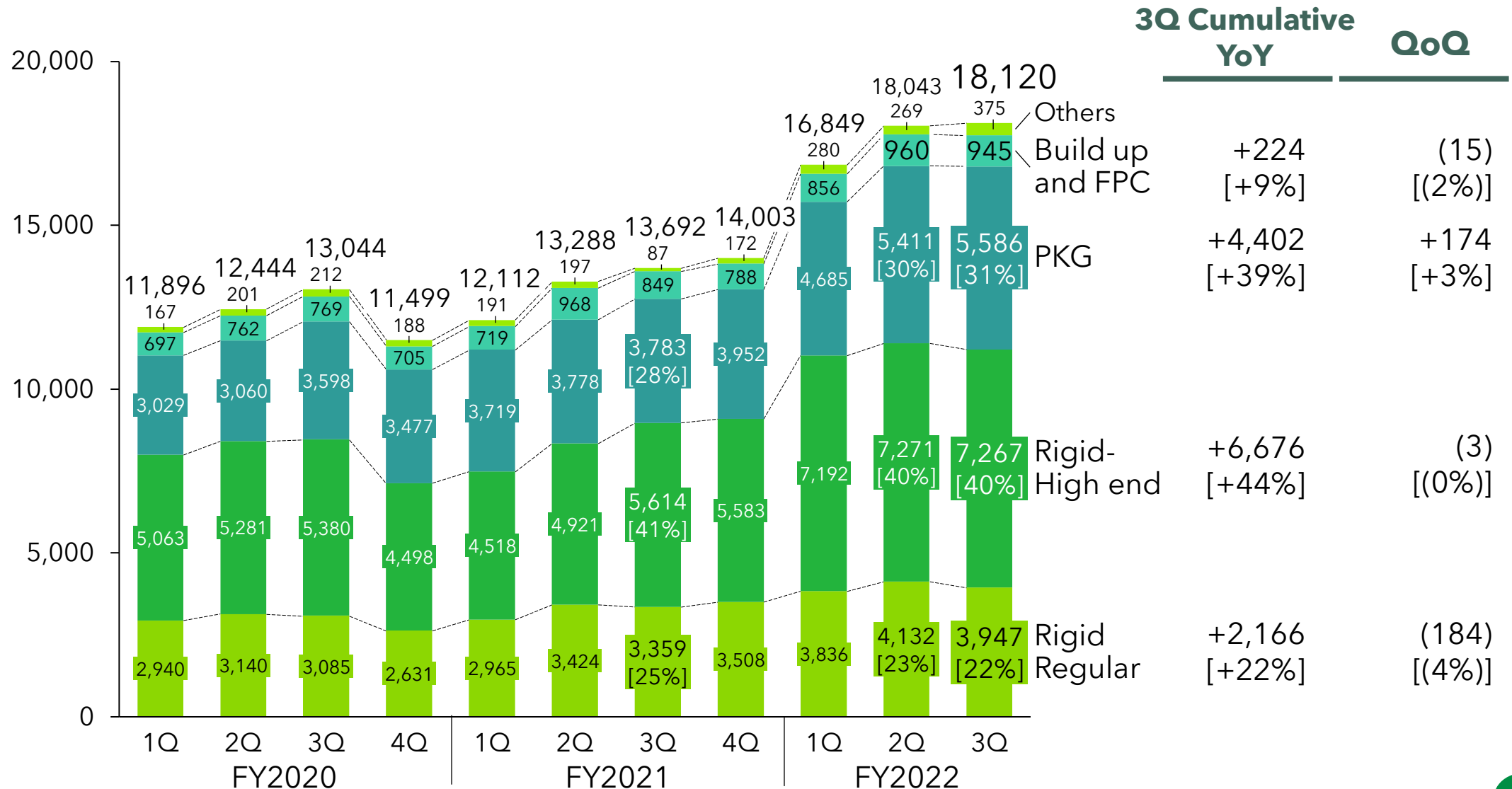
## Product Classification

Group	Category		Type	Remarks
PWB insulating materials	Rigid	Regular	Liquid	<ul style="list-style-type: none"> <li>▪ SR materials for insulation and surface protection use</li> <li>▪ Electronics materials</li> </ul>
		High end	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, conductive silver paste, solvent etc.</li> </ul>

# Electronic Materials Business

## Net Sales by product category

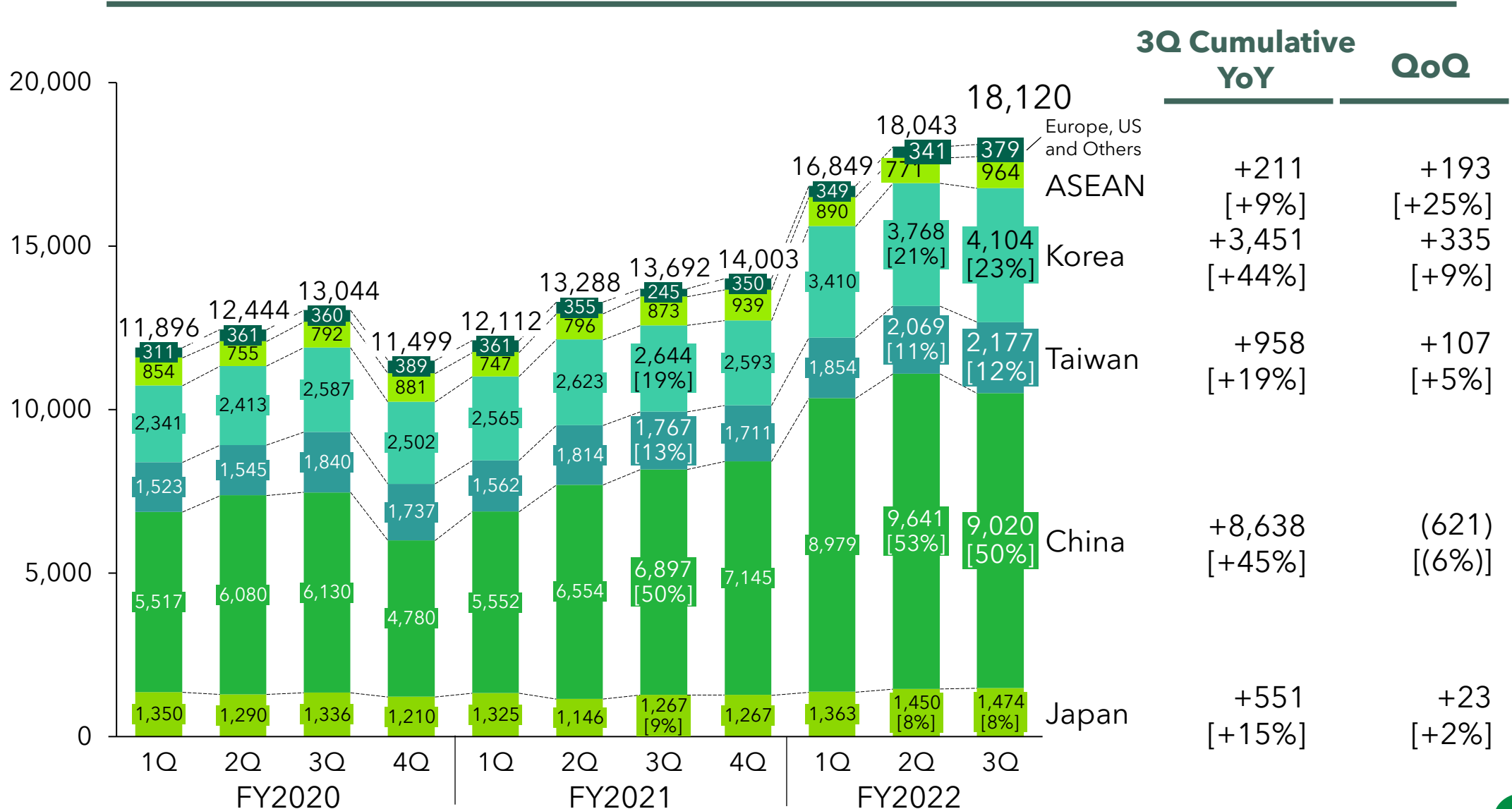
Unit : JPY Million



# Electronic Materials Business

## Net Sales by sales area

Unit : JPY Million



# Support for Esports Tournament

## “Street Fighter League: Pro-JP 2021”

Taiyo Holdings supported a league for Japan’s top professional teams for *Street Fighter V*, a popular fighting game from CAPCOM, as a prize supporting partner.



### Advertisements displayed onstage in the game

This stage was used in the league, and general users were also able to select this stage when playing.



### Prize-giving ceremony

©CAPCOM CO., LTD. 2016, 2020 ALL RIGHTS RESERVED.

# Medical and Pharmaceutical Business

## Terminology

Term	Definition
LLP	A drug for which the patent or re-examination period has expired, enabling the sale of generic drugs (Long Listed Product)
CDMO	Organizations that are contracted to manufacture drugs and to develop drug formulation (Contract Development Manufacturing Organization)
GMP	Standards for manufacturing control and quality of pharmaceuticals and quasi-drugs (Good Manufacturing Practice)



# TAIYO Pharma Completed Succession and Distribution Transfer of LLPs

On December 1, 2021, TAIYO Pharma completed the succession and distribution transfer of two products, “OMEPRAL® Tablets 10 and Tablets 20, and SELOKEN® Tablets 20mg and L Tablets 120mg,” meaning that the succession and distribution transfer was completed for all four products transferred from AstraZeneca K.K. in April 2020.

オメプラール®錠 10  
オメプラール®錠 20

Generic name: Omeprazole

- OMEPRAL® Tablets 10
- OMEPRAL® Tablets 20  
(excluding OMEPRAL® injection 20)

Proton pump / inhibitor



セロケン®錠 20mg  
セロケン®L錠 120mg

Generic name: Metoprolol Tartrate

- SELOKEN® Tablets 20mg  
Antihypertensive / angina / arrhythmia treatment
- SELOKEN® L Tablets 120mg  
Sustained-release antihypertensive agent



# Athlete Nozomi Okuhara Wins Third Consecutive Japanese National Badminton Championships

## Affiliation Contract Extended to 2024

Nozomi Okuhara, a badminton player affiliated with the company, won the 75th Japanese National Badminton Championships, held from December 24 to 30, 2021, achieving her third consecutive victory and fifth victory overall.

Taiyo Holdings also extended its contract with Okuhara to December 31, 2024.



