

March 17, 2023

To whom it may concern:

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Notice of Revised Earnings Forecasts for the Fiscal Year Ending March 2023

TAIYO HOLDINGS CO., LTD. (hereinafter, "Taiyo Holdings") hereby announces the consolidated earnings forecasts for the fiscal year ending March 2023 (from April 1, 2022, to March 31, 2023) disclosed on April 28, 2022, were revised and the forecast were approved by a Board Directors meeting held on March 17, 2023.

1. Revised consolidated earnings forecast for the fiscal year ending March 2023 (from April 1, 2022, to March 31, 2023)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of the parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	109,400	19,000	18,800	12,800	227.96
Revised forecast (B)	97,000	15,100	14,600	10,100	180.39
Changes (B-A)	(12,400)	(3,900)	(4,200)	(2,700)	
Changes (%)	(11.3)	(20.5)	(22.3)	(21.0)	
For your reference Previous year's results (Fiscal year ended March 31, 2022)	97,966	17,958	18,062	11,803	209.13

2. Reasons for revision

In the Electronics Business, sales quantities of semiconductor package board materials and rigid board materials fell significantly under earnings forecasts due to a decline in final demand in the electronics industry, particularly for semiconductors. In a semiconductor package board materials, sales quantities

decreased mainly products for memory due to a decrease in end-use demand for PCs, tablets, and smartphones. In addition, sales quantities of rigid board materials also decreased owes to the rapid fall in customer utilization rates in line with the spreading of COVID-19 in China and a drop in end demand for PCs, tablets, and consumer devices. Consequently, net sales and operating income are anticipated to fall below earnings forecasts by segment.

In the Medical and Pharmaceutical Business, while net sales trended by and large in line with earnings forecasts by segment, due to factors such as a downward swing in selling, and general and administrative expenses, operating income is anticipated to exceed earnings forecasts by segment.

As a result, Taiyo Holdings now expects consolidated net sales, operating income, ordinary income, and profit attributable to owners of the parent to fall short of the consolidated financial forecasts for the fiscal year ending March 2023, disclosed on April 28, 2022. Accordingly, Taiyo Holdings has updated consolidated earnings forecasts to reflect actual results for between April 2022 and February 2023 and estimates for March 2023.

The estimated JPY/USD exchange rate used for the earnings forecasts and actual result JPY/USD exchange rate are as follows:

[JPY/USD exchange rate]

Previously announced forecast (A) of the fiscal year ending March 31, 2023: 120.0 yen

Revised forecast (B) of the fiscal year ending March 31, 2023: 135.2 yen

Actual result of the fiscal year ended March 31, 2022: 112.9 yen

3. Expected dividends

In a Director Board meeting held on March 17, 2023, the expected year-end dividends for the fiscal year ending March 2023 decided to add a dividend of 15.00 yen to commemorate the 70th anniversary of Taiyo Holdings' establishment together with the preexisting dividend of 37.00 yen for the fiscal year ending March 2023 for a total of dividends 52.00 yen. For further information, please see the "Notice regarding revision of dividend forecast for the fiscal year ending March 2023 (including Commemorative Dividend on 70th anniversary of establishment,)" which was disclosed on March 17, 2023.

For your reference

Net sales and operating income under earnings forecasts by segment

	Segment	Fiscal year ending March 31, 2023			Fiscal year ended March 31, 2022
		Previously announced forecast (A)	Revised forecast (B)	Changes (B-A)	Previous year's results
Net sales	Consolidated	109,400	97,000	(12,400)	97,966
	Electronics Business	80,200	68,200	(12,000)	71,093
	Medical and Pharmaceutical Business	25,100	25,300	200	23,467
Operating income	Consolidated	19,000	15,100	(3,900)	17,958
	Electronics Business	20,100	15,600	(4,500)	17,082
	Medical and Pharmaceutical Business	1,000	1,700	700	2,400

*The earnings forecasts and any descriptions about the future are based on information presently available to Taiyo Holdings and assumptions that Taiyo Holdings deems reasonable, and actual results may differ significantly due to various factors.

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