

Consolidated Financial Result Digest FY2024/3 1Q

(Fiscal Year Ended March 31, 2024)

Aug. 1, 2023

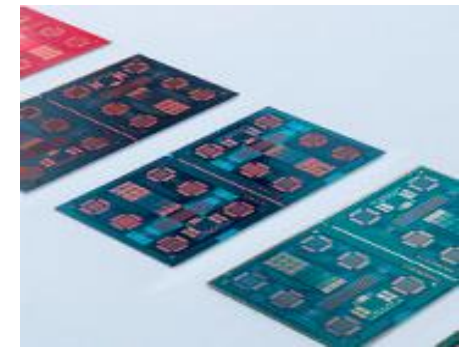


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Our Reporting Segments

Electronics

Developing, manufacturing, purchasing and selling chemicals that used in printed circuit boards (PCB) and other electronic components



Medical and Pharmaceuticals

Manufacturing, marketing pharmaceuticals, contract development and manufacturing organization (CDMO)



ICT and Sustainability

Businesses included ICT, fine chemicals, energy, and food, etc.



*1 As of 2024/3 1Q, the "Other Businesses" name has been changed to "ICT and Sustainability."
This change only applies to the segment name. There is no change in the subsidiaries that make up the segment.

Changing the Name of the Segment : Other Businesses → ICT and Sustainability

- ✓ To continue active initiatives related to sustainability, Taiyo Holdings changed the segment name
- ✓ There is no change in business activities due to this changing

	Before FY 2023	After FY 2024
Segment name	Other Businesses	ICT and Sustainability
Businesses included (No change)	<ul style="list-style-type: none">• ICT• Fine chemicals• Energy• Food	<ul style="list-style-type: none">• ICT• Fine chemicals• Energy• Food

FY2024/3 1Q Overview

Electronics

- Net sales decreased by 19% year on year

Main reasons

- PKG products : Sales quantities fell due to a drop in demand, particularly for memory products
- Rigid products : Sales quantities for non-automotive products fell due to lower final demand
- Progression in the weakening of the yen contributed to growth in both net sales and income

Avg. exchange rate during the quarter under review : 138.1 JPY/USD

Avg. exchange rate during the same quarter of the prior FY : 129.0 JPY/USD

- Won 19th JPCA Award for “Low-loss photosensitive inter-layer insulating film”

Medical and Pharmaceuticals

- Net sales increased by 29% year on year

Main reasons

- Increase in the contract manufacturing business thanks to changes in the product mix and revisions to sales prices in line with rapid increases in the prices of raw materials, energy, etc.
- Increase thanks to the acquisition of the “REMINYL®” therapeutic agent for Alzheimer dementia in Japan
- Increase in demand in line with supply shortages of drugs with the same indications by other companies, etc.

ICT and Sustainability

- Segment name changed from Other Businesses to ICT and Sustainability

Company

- Selected as a constituent of the “MSCI Japan Empowering Women Index (WIN),” an ESG index

Consolidated Financial Results

Results Summary

Unit : JPY Million

	①	②	②-①	(②-①)/①	③	②/③	④	②/④
	2023/3 1Q Result	2024/3 1Q Result	YoY	% of Changes	2024/3 1 st Half Forecast (Announced on May. 1)	% of Progress	2024/3 Full Year Forecast (Announced on May. 1)	% of Progress
Net Sales	25,757	23,861	(1,895)	(7%)	49,200	48%	101,700	23%
Operating Income	5,335	3,470	(1,865)	(35%)	6,500	53%	15,100	23%
Ordinary Income	5,119	3,235	(1,883)	(37%)	6,400	51%	14,700	22%
Net Income	3,619	2,561	(1,058)	(29%)	4,500	57%	10,000	26%
Exchange rate of JPY/USD	129.0	138.1	9.1		135.0		135.0	
EBITDA	7,283	5,633	(1,650)	(23%)	11,000	51%	24,300	23%
Operating Income Margin	21%	15%			13%		15%	
EBITDA Margin	28%	24%			22%		24%	

Performance by Segment

Cumulative Net Sales, Operating Income*1 and EBITDA *1

Unit : JPY Million

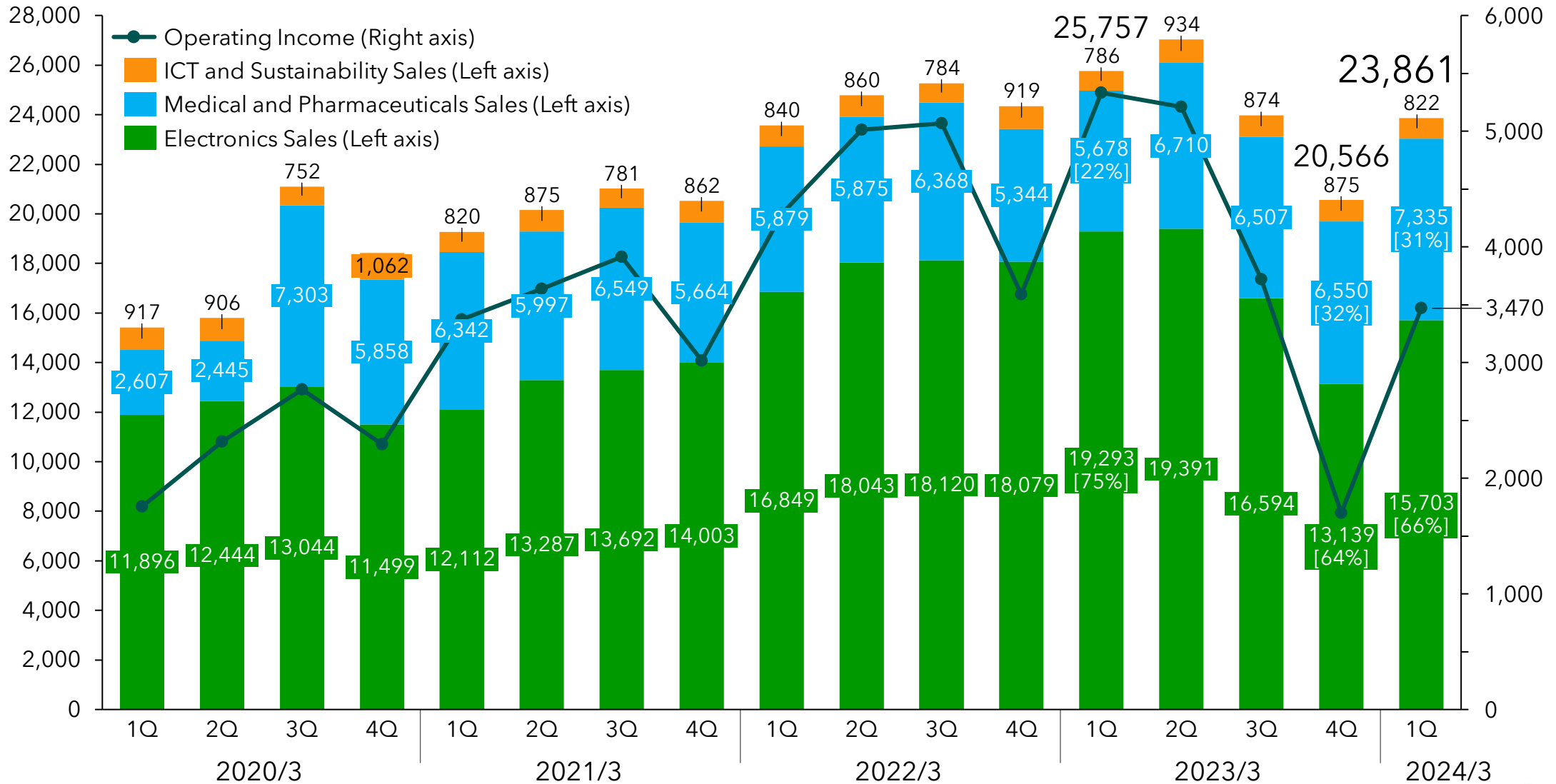
		①	②	②-①	(②-①)/①	③	②/③
		2023/3 1Q Result	2024/3 1Q Result	YoY	% of Changes	2024/3 1 st Half Forecast (Announced on May. 1)	% of Progress
Electronics	Net Sales	19,293	15,703	(3,589)	(19%)	32,600	48%
	Operating Income	5,197	2,642	(2,555)	(49%)	6,600	40%
	Operating Income Margin	27%	17%			20%	
	EBITDA	5,774	3,202	(2,572)	(45%)	7,800	41%
	EBITDA Margin	30%	20%			24%	
Medical and Pharmaceuticals	Net Sales	5,678	7,335	1,657	29%	14,700	50%
	Operating Income	482	751	268	56%	900	83%
	Operating Income margin	8%	10%			6%	
	EBITDA	1,613	2,059	445	28%	3,700	56%
	EBITDA Margin	28%	28%			25%	
ICT and Sustainability	Net Sales	786	822	35	5%	-	-
	Operating Income / Loss	(7)	18	25	-	-	-
	Operating Income Margin	(1%)	2%			-	-
Company Expense	Operating Income / Loss	(336)	58 *1	395	-	-	-

*1 Due to the change in the amount of goodwill recorded, the amount of amortization of goodwill for prior periods has been revised.

Trend of Quarterly Performance

Net Sales and Operating Income

Unit : JPY Million



Overview of BS

BS- Comparison with the Previous Term

Unit : JPY Million

	2023/3	2023/6	Changes		2023/3	2023/6	Changes
Cash and Deposits	47,121	43,933	(3,187)	Notes and Account Payable	6,513	8,886	2,373
Accounts Receivables	22,734	25,334	2,600	Short Term Borrowings* ²	18,327	21,604	3,277
Inventory* ¹	14,976	15,265	289	Long Term Borrowings	53,174	51,240	(1,933)
Others	5,217	3,900	(1,317)	Others	16,508	15,171	(1,337)
Total Current Assets	90,050	88,434	(1,616)	Total Liabilities	94,523	96,903	2,380
Tangible Fixed Assets	60,401	62,874	2,472	Shareholders Equity	86,098	85,753	(344)
Intangible Fixed Assets	29,170	32,076	2,905	Accumulated Other Comprehensive Income	6,637	8,778	2,140
Investments and Other Assets	7,640	8,054	414	Non-Controlling Interest	3	3	0
Total Fixed Assets	97,212	103,005	5,792	Total Net Assets	92,739	94,536	1,796
Total Assets	187,263	191,439	4,176	Total Liabilities and Net Assets	187,263	191,439	4,176
				Equity to Asset Ratio	49.5%	49.4%	△0.1%

*1 Inventories : Merchandise and Finished Goods + Work in Process + Raw Materials and Supplies

*2 Short-Term Borrowings : Short-Term Borrowings + Long-Term Borrowings Scheduled to Be Repaid within One Year

Selected as a Constituent of the “MSCI Japan Empowering Women Index (WIN),” an ESG Index

- ✓ Taiyo Holdings has been selected as a constituent of the MSCI Japan Empowering Women Index (WIN),*¹ an index for companies with excellent gender diversity. This marks the sixth time we have been selected for this index since we were first selected as a constituent in December 2020.

Initiatives to Promote the Active Participation of Women

- Utilization of female human resources
 - Percentage of women across all management positions : 20.8%
(as of March 31, 2023)
 - Percentage of women on the Board of Directors : 41.7%
(as of June 30, 2023)
- Support systems for raising children and providing nursing care
- Daycare center connected to business site
- Adopting flextime

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN) ^{*2}



*1 An ESG index developed by MSCI Inc., a major U.S. financial services company. The top 700 stocks by market capitalization are selected for the index, from among excellent companies, based on the disclosure of information related to gender diversity, such as the percentage of female managers and the percentage of women in new hires.

*2 The inclusion of Taiyo Holdings in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Taiyo Holdings by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



Electronics

Terminology

Term	Definition
PCB	<u>P</u> rinted <u>C</u> ircuit <u>B</u> oard
SR	<u>S</u> older <u>R</u> esist, also known as Solder Mask
PKG	Semiconductor <u>P</u> ack <u>a</u> ge
DF	<u>D</u> ry <u>F</u> ilm
BU	<u>B</u> uild- <u>u</u> p

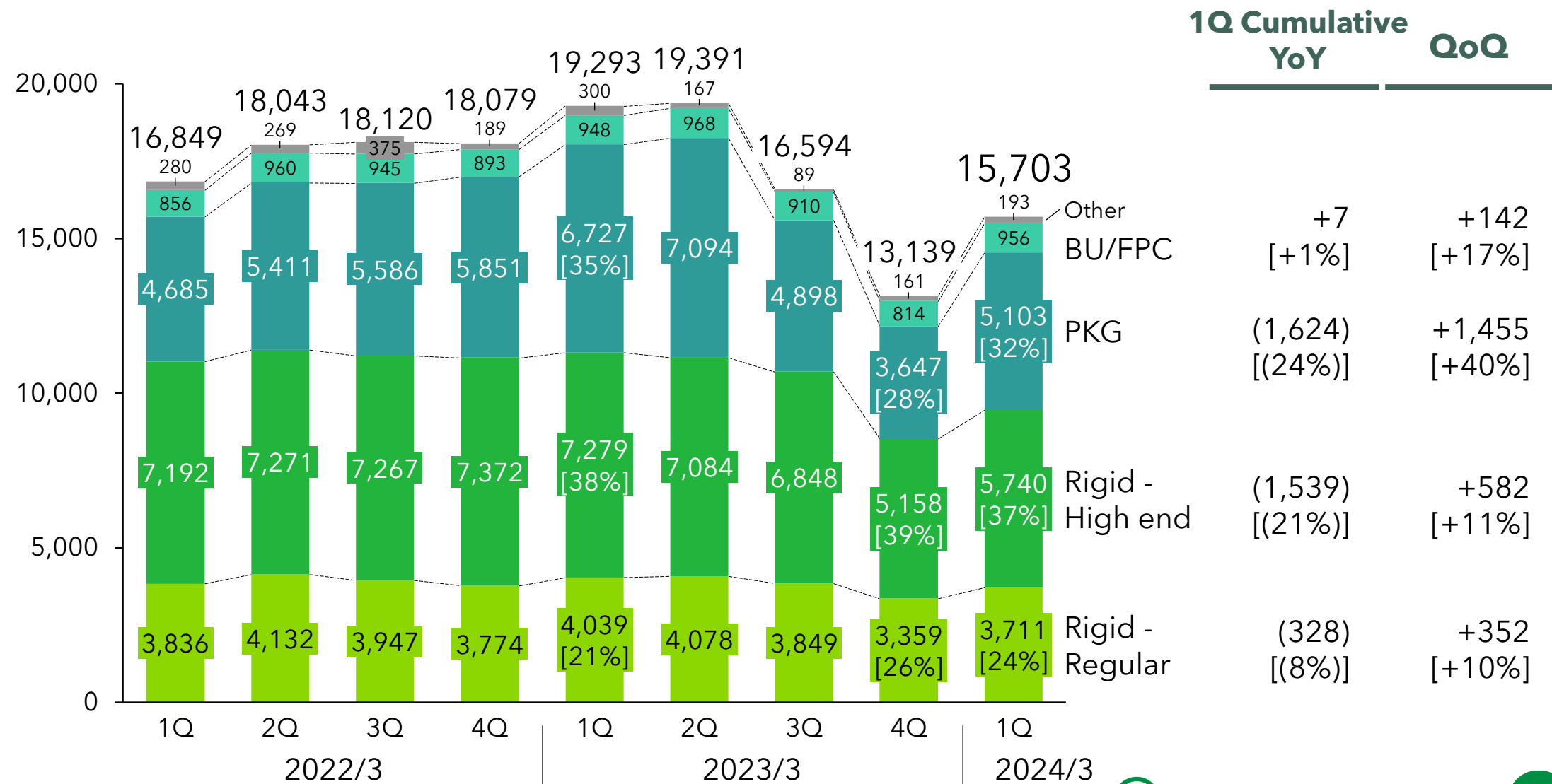
Product Classification

Group	Category		Type	Remarks
PCB insulating materials	Rigid	Regular	Liquid	<ul style="list-style-type: none"> ▪ SR materials for insulation and surface protection use ▪ Marking, etching and plating materials ▪ Electronic materials etc.
		High end	Liquid/DF	
	PKG		Liquid/DF	
	FPC (Flexible printed circuit board)		Liquid/DF	
	BU		Liquid/DF	
Other related products	Others		Liquid	<ul style="list-style-type: none"> ▪ Conductive silver paste etc.

Electronics

Net Sales by Product Category

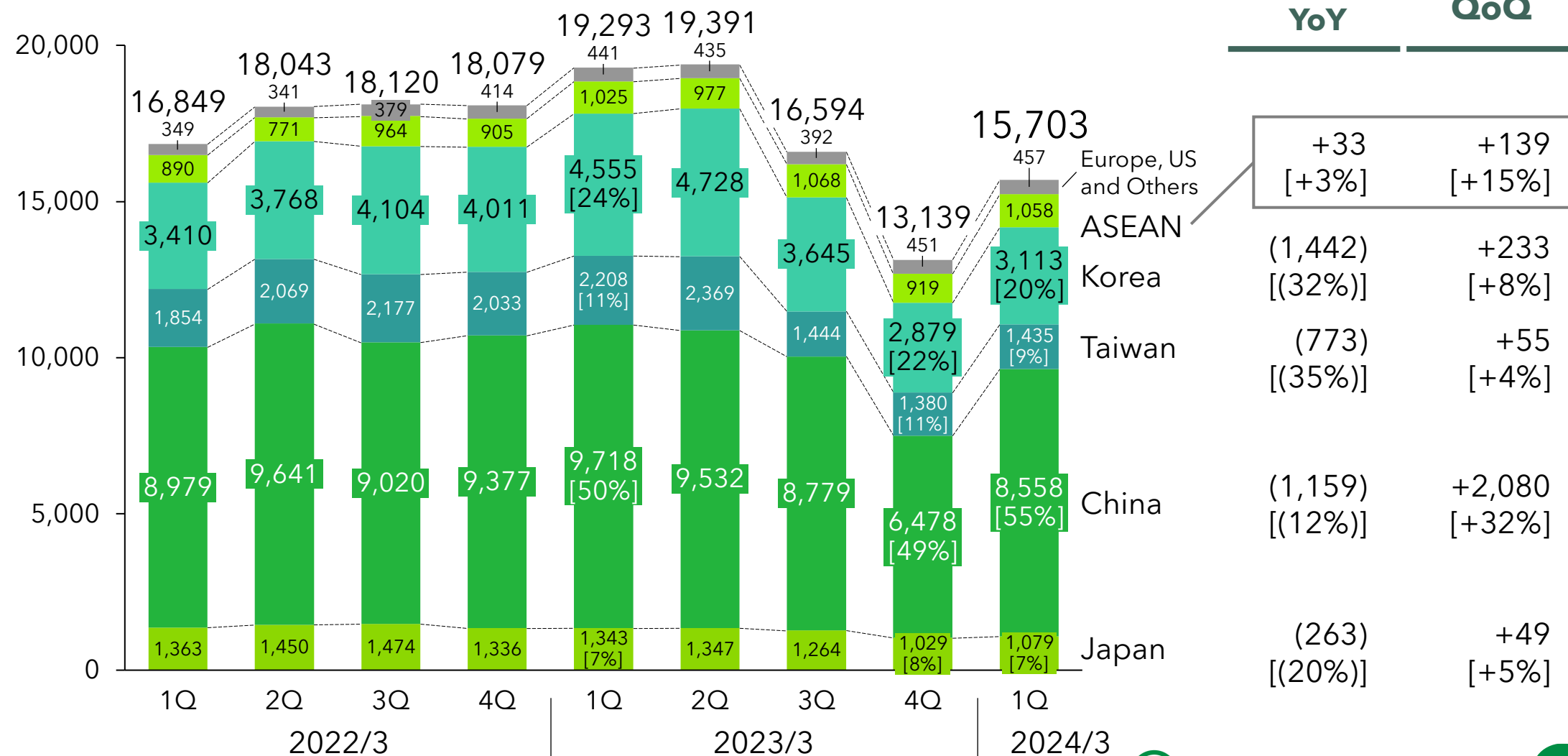
Unit : JPY Million



Electronics

Net Sales by Sales Area

Unit : JPY Million



Won 19th JPCA Award for “Low-Loss Photosensitive Inter-Layer Insulating Film”

- ✓ Taiyo Ink Mfg. was awarded the 19th JPCA Award by the Japan Electronics Packaging and Circuits Association (JPCA) for this DF product, which was praised for the fact that it features ideal inter-layer insulating materials for rewiring while controlling the inhibition of the transmission of electric signals.
- ✓ This marked the fourth consecutive year, following last year, that Taiyo Ink Mfg. has been awarded the JPCA Award.

Notable Features of the “Low-Loss Photosensitive Inter-Layer Insulating Film”

Low-Loss

X

- Reduce inhibition of transmission of electric signals

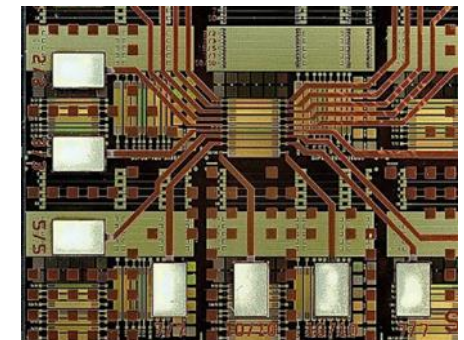
Ideal Inter-Layer Insulating Materials for Rewiring

- DF, with excellent surface flatness
- Photosensitive material, with the ability for batch production of fine patterns
- Does not bend when hardening, resulting in low rate of defective products in laminating and mounting
- Excellent adhesion with electroless copper plating during wiring formation




Appearance

DF



Module Formed with This DF



Medical and Pharmaceuticals

Medical and Pharmaceuticals

Terminology

Term	Definition
LLP	<u>L</u> ong <u>L</u> isted <u>P</u> roduct A drug for which the patent or re-examination period has expired, enabling the sale of generic drugs
CDMO	<u>C</u> ontract <u>D</u> evelopment <u>M</u> anufacturing <u>O</u> rganization Organizations contracted to manufacture and develop pharmaceutical formulations
GMP	<u>G</u> ood <u>M</u> anufacturing <u>P</u> ractice Standards for manufacturing control and quality of pharmaceuticals and quasi-drugs

Medical and Pharmaceuticals

Net Sales by Company

Unit : JPY Million

