

November 6, 2023

To whom it may concern:

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Notice of Differences between Earnings Forecasts and Financial Results for the First Six Months of the Fiscal Year Ended March 2024, and Revised Earnings Forecasts for the Fiscal Year Ended March 2024

TAIYO HOLDINGS CO., LTD. (hereinafter, "Taiyo Holdings") hereby announces differences between the consolidated earnings forecasts for the first six months of the fiscal year ended March 2024 (from April 1, 2023, to September 30, 2023) disclosed on May 1, 2023, and the actual results for the same period disclosed today.

In addition, Taiyo Holdings announces the consolidated earnings forecasts for the fiscal year ended March 2024 (from April 1, 2023, to March 31, 2024) disclosed on May 1, 2023, were revised, and the forecasts were approved by the Board of Directors meeting held on November 6, 2023.

1. Differences between consolidated earnings forecasts and actual financial results for the first six months of the fiscal year ended March 2024 (April 1, 2023 to September 30, 2023)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of the parent	Basic earnings per share
Previously announced forecasts (A)	Millions of yen 49,200	Millions of yen 6,500	Millions of yen 6,400	Millions of yen 4,500	Yen 80.37
Results (B)	51,107	9,089	8,651	6,232	111.64
Changes (B-A)	1,907	2,589	2,251	1,732	
Changes (%)	3.9	39.8	35.2	38.5	
For your reference Previous year's results (Six months ended September 30, 2022)	52,795	10,548	10,203	7,489	133.32

2. Revised consolidated earnings forecasts for the fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of the parent	Basic earnings per share
Previously announced forecasts (A)	Millions of yen 101,700	Millions of yen 15,100	Millions of yen 14,700	Millions of yen 10,000	Yen 178.60
Revised forecasts (B)	103,600	17,600	16,900	11,700	209.57
Changes (B-A)	1,900	2,500	2,200	1,700	
Changes (%)	1.9	16.6	15.0	17.0	
For your reference Previous year's results (Fiscal year ended March 31, 2023)	97,338	15,972	15,462	11,405	203.71

3. Reasons for differences and revision

In the Electronics Business, net sales and operating income are anticipated to exceed earnings forecasts by segment against the backdrop of an increase in sales quantities due to progression in the weakening of the Japanese yen beyond expectations, progress in customer-side inventory adjustments, and an increase in final demand. In particular, with visible signs of a recovery in final demand for dry film products under semiconductor package board materials, sales quantities increased predominantly in China.

In the Medical and Pharmaceutical Business, while net sales are trending by and large in line with earnings forecasts by segment, due to factors such as a downward swing in selling, 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 exceed the consolidated earnings forecasts for the full year of the fiscal year ended March 2024 disclosed on May 1, 2023. Accordingly, for its earnings forecasts for the second half of the fiscal year ended March 2024, Taiyo Holdings is maintaining the earnings forecasts that it disclosed on May 1, 2023, and has updated its consolidated earnings forecasts to reflect actual results between April 2023 and September 2023.

4. Expected dividends

For expected year-end dividends, there is no change in the forecast that Taiyo Holdings disclosed on May 1, 2023.

For your reference. Net sales and operating income under earnings forecasts by segment

	Segment	Fiscal Year ended March 31, 2024			Fiscal Year ended March 31, 2023
		Previously announced forecasts (A)	Revised forecasts (B)	Changes (B-A)	Previous year's results
Net sales	Consolidated	101,700	103,600	1,900	97,338
	Electronics	68,700	70,800	2,100	68,419
	Medical and Pharmaceuticals	29,200	29,100	(100)	25,447
Operating income	Consolidated	15,100	17,600	2,500	15,972
	Electronics	15,200	16,300	1,100	15,845
	Medical and Pharmaceuticals	2,000	2,800	800	1,906

*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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