



July 13th, 2020

To whom it may concern:

Company Name:  **TAIYO HOLDINGS CO., LTD.**  
Representative: Eiji Sato, President and CEO  
(Code: 4626, Listed on First Section of Tokyo Stock Exchange)  
Inquiries: Sayaka Tomioka, Executive Officer,  
General Manager of Corporate Planning Department  
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## **Notice regarding Business Transfer and Establishment of a New Subsidiary under our Consolidated Subsidiary**

TAIYO AMERICA, INC., a consolidated subsidiary of the Company, (hereinafter, "Taiyo America"), has entered into a contract regarding the transfer of business with Circuit Automation, INC. (hereinafter, "CA") in the United States for the purpose of strengthening business in Europe and America. We have reached an agreement and have decided to establish a consolidated subsidiary to take over the business from CA.

### 1. Reason for Business transfer

Customer needs have increasingly diversified as electric vehicles and electronic equipment have become more sophisticated, and therefore, there is a demand to carry out manufacturing in line with customer's specific needs. In this environment, our group is aiming to become a global company that can contribute to realize a pleasant society by striving for technological innovations and by launching new products and businesses. We manufacture and sell solder resists that are indispensable for printed circuit boards (hereinafter "PCB"). CA has been involved in the development, manufacture, sales and maintenance of PCB manufacturing equipment for over 30 years, mainly in Europe and America.

On this occasion, Taiyo America has decided to establish a wholly owned subsidiary and take over the solution business related to the PCB manufacturing process from CA (hereinafter "the Transfer"). With this transfer, Taiyo America will provide a service business including but not limited to improving production efficiency and stabilizing quality for new PCB manufacturing operations, and therefore, we will strengthen relationships and services with our important customers. In addition, with this transfer, Taiyo America will not only determine the requirement and specifications of our own products, but also establish a system that comprehensively solves our customer's PCB manufacturing problems, and therefore, we will accelerate strengthening our business in Europe and America.

### 2. Overview of the Transfer

#### (1) Details of the transfer

Solution business related to PCB manufacturing process

#### (2) Business performance of the Transfer

This information is not disclosed per agreement.

#### (3) Items and Amounts of the Assets and Liability of the Transfer

This information is not disclosed per agreement.

(4) Transfer price

This information is not disclosed per agreement.

This transfer price was agreed and decided through negotiations with CA after properly conducting due diligence.

3. Overview of CA

(1) Name	Circuit Automation, INC.	
(2) Location	Huntington Beach, California, USA	
(3) Name and Title of the representative	CEO/President · Thomas Meeker	
(4) Business Description	Solution business related to PCB manufacturing process	
(5) Capital	US \$2,843	
(6) Date established	January 1981	
(7) Net assets	This information is not disclosed per agreement	
(8) Total Assets	This information is not disclosed per agreement	
(9) Major shareholders and shareholder ratio	This information is not disclosed per agreement	
(10) Relationship between the listed company and the party	Capital relationships	Not Applicable
	Personal relationships	Not Applicable
	Transactional Relationships	Not Applicable
	Status in relation to interested parties	Not Applicable

4. Schedule of Business Transfer

(1) Agreement conclusion date	July 4th, 2020
(2) Date of business transfer	July 4th, 2020

5. Overview of the new company

(1) Name	TAIYO CIRCUIT AUTOMATION, INC.
(2) Location	Carson City, Nevada
(3) Name and Title of the representative	CEO Maekawa Takuji
(4) Director	Saito Hitoshi, Robert White
(5) Business Description	Solution business related to PCB manufacturing process
(6) Capital	US\$ 1,000 (107,000 yen, 1USD = 107 yen, exchange rate as of the end of June 2020)
(7) Fiscal year	April 1st - March 31st
(8) Date of establishment	July 2020 (Planned)
(9) Major shareholders and shareholder ratio	Taiyo America, 100%

6. Future forecasts

The impact of the transfer on the Company's consolidated business results for the fiscal year ending March 2021 will be minor. However, we will provide prompt notice if any events that should be disclosed arise.