



July 1, 2021

To whom it may concern:

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Notice regarding issuance of additional shares of stock to provide for stock compensation system (comprising transfer-restricted stock compensation and performance-linked stock compensation)

Taiyo Holdings (full corporate name: Taiyo Holdings Co., Ltd.) hereby announces that its Board of Directors resolved, at a meeting held on July 1, 2021, to issue additional shares of stock as part of the company's stock compensation system, which comprises transfer-restricted stock compensation and performance-linked stock compensation. The action of issuing such shares is referred to in this press release as the "Issuance."

1. Details of Issuance

(1) Pay-in date	July 16, 2021
(2) Total number of shares to be issued	43,062 Shares of common stock
(3) Issue price of shares	5,250 JPY per share
(4) Total value of issued shares	226,075,500 JPY
(5) Amount of funds raised	142,800,000 JPY
(6) Solicitation / allotment method	15,862 shares will be allotted with specified transfer restrictions 27,200 shares will be allotted in third-party allotment
(7) Allottees	Allotment with specified transfer restrictions: Three executive directors of Taiyo Holdings to receive total of 15,862 shares Third-party allotment: Three executive directors of Taiyo Holdings to receive total of 27,200 shares
(8) Contribution method	Allotment with specified transfer restrictions: Allottees exchange monetary claims for the shares Third party allotment: Allottees purchase the shares by cash
(9) Other details	The Issuance is contingent upon the securities registration statement taking effect pursuant to the Financial Instruments and Exchange Act.

2. Purpose of Issuance

The Issuance will be conducted as part of Taiyo Holdings' stock compensation system, which provides compensation to the company's executive directors (as used in this press release, "executive directors" means directors specified in Article 363-1 of the Companies Act) in order to further motivate them to contribute toward Taiyo Holdings' corporate value and to further promote the sharing of values between executive directors and shareholders. The stock compensation system was initially approved by the Board of Directors at a meeting held on May 19, 2017, and by the shareholders at the 71st Ordinary General Shareholders Meeting, held on June 21, 2017. It was reapproved by the Board of Directors at a meeting held on May 13, 2021, and by the shareholders at the 75th Ordinary General Shareholders Meeting, held on June 19, 2021. The stock compensation system is described below.

Description of stock compensation system

(1) General description

Under the stock compensation system, Taiyo Holdings allots shares of common stock (by issuing additional shares or by reselling treasury shares) to executive directors with the following terms and conditions.

- 1) The maximum number of shares that can be allotted for transfer-restricted stock compensation in any fiscal year ("Restricted Stock Cap") is 40,000. The maximum number of shares that can be allotted for performance-linked stock compensation in any fiscal year ("Performance Stock Cap") is 100,000. The sum of (1) the total number of shares allotted for both compensation components in a given fiscal year and (2) the total shares of common stock held by all executive directors eligible for the allotment (to be eligible, the executive director must remain incumbent as of the time of the allotment) must be fewer than 1,420,000 ("Holdings Cap").
- 2) The Restricted Stock Cap, Performance Stock Cap, and Holdings Cap may be adjusted proportionally, within reason, if Taiyo Holdings decides to undertake a stock split or reverse stock whose effective date is scheduled to fall after the date on which the cap will be adjusted, or if it otherwise becomes necessary to adjust the cap.
- 3) Taiyo Holdings must determine the amount of common shares to allocate for transfer-restricted stock compensation before determining the amount for performance-linked stock compensation.
- 4) The Board of Directors determines the amount that executive directors pay in for each common share allotted to them. Generally, the amount will be the closing price that the common stock fetches on the TSE as of the business day preceding the resolution date (the date on which the Board of Directors resolves the terms and conditions for applying to receive the common shares) or, if no trading is reported on that day, the day before that. The amount must always remain within a range that gives no artificial advantage to the executive directors receiving the common shares.

(2) Description of transfer-restricted stock compensation

For transfer-restricted stock compensation, Taiyo Holdings provides the executive directors with "Transfer-restricted Stock Compensation Claims," which comprises monetary claims that the executive directors will use to purchase the transfer-restricted stock. The monetary claims must be in an amount of no more than 300 million yen a year. After receiving their Transfer-restricted Stock Compensation Claims from Taiyo Holdings, the executive directors must exchange the entirety of the monetary claims for the common shares Taiyo Holdings will allot them.

Transfer-restricted Stock Compensation Claims are contingent on the following:

- (1) The executive directors undertake to exchange the entirety of the monetary claims they receive for the allotted common shares.
- (2) The executive directors sign an agreement with Taiyo Holdings concerning the allotment of transfer-restricted stock (the Transfer-restricted Stock Allotment Agreement).
- (3) Executive directors remain incumbent as of the time immediately before the date they purchase the transfer-restricted stock.
- (4) There are no grounds for Taiyo Holdings to cancel the allotment (such as an order to revoke or cease).

In consideration of the first two conditions, of the 43,062 shares of common stock to be issued in the Issuance, the 15,862 that pertain to transfer-restricted stock compensation are deemed "shares with specified transfer restrictions" as defined in Article 54, Paragraph 1, of the Corporation Tax Act and in Article 84, Paragraph 1, of the Order for the Enforcement of the Income Tax Act.

A summary of the Transfer-restricted Stock Allotment Agreement is provided in the next section.

In consideration of the executive directors' responsibilities and recent trends, the total value of the monetary claims Taiyo Holdings will provide as Transfer-restricted Stock Compensation Claims ("Monetary Claims") will be ¥ 83,275,500. This amount is considered sufficient to encourage executive directors to further promote the sharing of values between executive directors and shareholder and to motivate them to contribute toward Taiyo Holdings' corporate value. The Monetary Claims will be exchanged for a total of 15,862 shares of common stock to be issued for transfer-restricted stock compensation. The restriction period will last ten years starting from the date on which the issued shares of common stock are purchased. This restriction period was approved at the 71st Ordinary General Shareholders Meeting, held on June 21, 2017, and reapproved at the 75th Ordinary General Shareholders Meeting, held on June 19, 2021.

Under the Issuance, three executive directors designated as allottees for transfer-restricted stock compensation will receive 15,862 shares of common stock in exchange for the entirety of their Monetary Claims against Taiyo Holdings.

(3) Summary of Transfer-restricted Stock Allotment Agreement

- 1) Period of agreement: July 16, 2021, to July 15, 2031
- 2) Condition for lifting restrictions

The stock is no longer restricted and is fully transferable once the following condition is met: The restriction period for the executive director's allotted shares (as used in this section, "allotted shares" means the entirety the shares of Taiyo Holdings' common stock to be allotted to the executive director under the Transfer-restricted Stock Allotment Agreement) has elapsed (the restriction period may be adjusted if the executive director dies in office) and the executive director remained incumbent throughout the eligibility period (as used in this section, "eligibility period" means the period in which the executive directors are eligible to be paid Transfer-restricted Stock Compensation Claims, the period lasting from the day of the 75th Ordinary General Shareholders Meeting to the day before the 76th Ordinary General Shareholders Meeting).

- 3) Provision for cases where executive directors retire during the eligibility period

If an executive director leaves office (or otherwise loses his/her status as executive director), Taiyo Holdings will immediately reacquire, as a matter of course and for no consideration, the portion of the allotted shares for which restrictions still apply as per the previous paragraph. This portion is the number of allotted shares that remains after subtracting the number of allotted shares that would become fully transferable had the executive director remained in office. The latter

number is the product (rounding down to the nearest whole number) of (1) the number of allotted shares the executive director holds at the time he/she retired and (2) one twelfth of the number of elapsed months starting from the month following the month in which the 75th Ordinary General Shareholders Meeting was held and the month in which the executive director retires.

4) Reacquisition for no consideration

Notwithstanding the previous paragraph, after the restriction period has elapsed, Taiyo Holdings reserves the right to reacquire, as a matter of course and for no consideration, allotted shares that remain restricted.

5) Share custody

To prevent the allotted shares from being transferred, hypothecated, or otherwise disposed of during the restriction period, the allotted shares will be held in trust during the period. SMBC Nikko Securities Inc. will act as custodian of the allotted shares and hold the shares in a dedicated account for the benefit of the executive directors. The executive directors must consent to have their allotted shares held in this trust.

6) Provision for corporate reorganization or change in corporate control

Taiyo Holdings reserves the right to cancel the restrictions on the allotted shares by resolution of the Board of Directors if (1) the Ordinary General Shareholders Meeting approves a corporate reorganization (or the Board of Directors does so, if Ordinary General Shareholders Meeting's approval is unnecessary), such as a merger in which Taiyo Holdings becomes a non-surviving company or a share exchange agreement or a share transfer plan under which Taiyo Holdings becomes a wholly-owned subsidiary of another company, or (2) a change in corporate control over Taiyo Holdings occurs. In the case of (1), the restrictions will be canceled immediately before the business day preceding the effective date of the corporate reorganization. In the case of (2), they will be canceled on the day on which the change in corporate control occurs. If either event occurs during the eligibility period, Taiyo Holdings will immediately reacquire, as a matter of course and for no consideration, the portion of the allotted shares for which restrictions still apply. This portion is the number of allotted shares that remains after subtracting the number of allotted shares that would become fully transferable had the event not occurred. The latter number is the product (rounding down to the nearest whole number) of (1) the number of allotted shares the executive director holds at the time and (2) one twelfth of the number of elapsed months starting from the month following the month in which the 75th Ordinary General Shareholders Meeting was held and the month in which the event occurs.

(4) Description of performance-linked stock compensation

For performance-linked stock compensation, Taiyo Holdings provides to executive directors performance cash, which the executive directors use to purchase their allotted shares of common stock. In any fiscal year, performance cash is capped at an amount equivalent to 3.4% of profit attributable to owners of parent.

Once the eligibility period (meaning the period beginning from the date of the Ordinary General Shareholders Meeting held two years before the fiscal year in which the performance cash is paid and ending on the day before the Ordinary General Shareholders Meeting held in the fiscal year before then) has elapsed, executive directors who have received their performance cash pay this cash in exchange for their allotted shares. However, excluded from performance cash are all income tax, resident tax, and other taxes levied on the performance cash, all social security premiums connected with the performance cash, all payment handling fees, and any fractional portion (the rounded off portion).

Performance cash is contingent on the following: (1) The executive directors undertake to exchange the entirety of their performance cash for their allotted shares, and (2) the executive directors sign an agreement with Taiyo Holdings concerning the performance-linked stock (the Performance-linked Stock Agreement).

However, it is possible that a law or judicial judgment prevents Taiyo Holdings from allotting the common shares to the executive directors in accordance with their performance-linked stock compensation. In such case, the recipients will receive their performance-linked stock compensation in cash only (without exchanging this cash for common shares). Taiyo Holdings will also pay cash, as opposed to shares, for any portion of the compensation that exceeds the Performance Share Cap or the Holdings Cap.

Furthermore, if an executive director transfers his/her right to receive performance-linked stock compensation to his/her heir as part of an inheritance process, the heir will receive the compensation in cash only.

A summary of the Performance-linked Stock Agreement is provided in the next section.

In this Issuance, Taiyo Holdings will pay ¥323,986,000 of performance cash to the executive directors, this amount being within 3.4% of the profit attributable to owners of parent (¥9,529 million) as of 75th fiscal year. This performance cash will be exchanged for 27,200 common shares to be issued as performance-linked stock compensation. The restriction period will last three years starting from the date on which the issued shares of common stock are purchased. This restriction period was approved at the 71st Ordinary General Shareholders Meeting, held on June 21, 2017, and reapproved at the 75th Ordinary General Shareholders Meeting, held on June 19, 2021.

Under the Issuance, three executive directors designated as allottees will receive 27,200 shares of common stock in exchange for their performance cash.

(5) Summary of Performance-linked Stock Agreement

1) Period of agreement: July 16, 2021, to Monday, July 15, 2024

2) Time when restrictions are lifted

Restrictions on the allotted shares (as used in this section, "allotted shares" means the common shares allotted pursuant to this agreement) will be lifted in their entirety once the restriction period elapses (the period may be adjusted at the shareholder's request if an inheritance process concerning the shareholder has commenced).

3) Share custody

To prevent the allotted shares from being transferred, hypothecated, or otherwise disposed of during the restriction period, the allotted shares will be held in trust in a brokerage account. To ensure the effectiveness of the restrictions on the allotted shares, Taiyo Holdings will sign a memorandum of understanding with the executive directors concerning the brokerage account for the allotted shares they hold.

4) Provision for corporate reorganization or change in corporate control

Taiyo Holdings reserves the right to lift the restrictions on the entirety of the allotted shares by resolution of the Board of Directors if (1) the shareholders approve a corporate reorganization (or the Board of Directors does so, if shareholder approval is unnecessary), such as a merger in which Taiyo Holdings becomes a non-surviving company or a share exchange agreement or a share transfer plan under which Taiyo Holdings becomes a wholly-owned subsidiary of another company, or (2) a change in corporate control over Taiyo Holdings occurs. For (1), the restrictions will be canceled immediately before the business day preceding the effective date of the corporate

reorganization. For (2), they will be canceled on the day on which the change in corporate control occurs.

3. Breakdown of procured asset, use of procured asset, timing of expenditure

(1) Breakdown of procured asset

1) Total amount paid in	42,800,000 JPY
2) Estimated issuance costs	240,000 JPY
3) Estimated net proceeds	142,560,000 JPY

- (Notes)
1. Of the shares issued in the Issuance, the 15,862 shares issued as transfer-restricted stock compensation will be paid for in kind (by monetary claims provided by Taiyo Holdings), not in cash.
 2. The estimated issuance costs exclude consumption tax.
 3. The issuance costs include the cost of producing the securities registration statement.

(2) Use of procured asset

As mentioned earlier, the Issuance will be conducted as part of the two components of the stock compensation system (transfer-restricted stock compensation and performance-linked stock compensation), which provide compensation to executive directors in order to further motivate them to contribute toward Taiyo Holdings' corporate value and to further promote the sharing of values between executive directors and shareholder. The stock compensation system was approved at the 71st Ordinary General Shareholders Meeting, held on July 21, 2017, and reapproved at the 75th Ordinary General Shareholders Meeting, held on June 19, 2021.

The 15,862 shares to be issued as transfer-restricted stock compensation will be paid for in kind, not in cash. Specifically, they will be paid for by the monetary claims that Taiyo provides to executive directors (as transfer-restricted stock compensation) during the period lasting from the day of the 75th Ordinary General Shareholders Meeting to the day before the 76th Ordinary General Shareholders Meeting.

The ¥ 142,560,000 in estimated net proceeds pertains to performance-linked stock compensation. It is the amount that Taiyo Holdings would receive when the executive directors pay the entirety of their performance cash for the 75th fiscal year (excluding all income tax, resident tax, and other taxes levied on the cash, all social security premiums connected with the cash, all payment handling fees, and any fractional portion). From July 16, 2021, the net proceeds will be used as working capital.

Once paid, the cash will be held in Taiyo Holdings' deposit account.

4. Justification for use of the asset

The Issuance is not intended as a fund-raising measure. As explained in section 2, it is implemented as part of the stock compensation system, which itself is designed to further motivate executive directors to contribute toward Taiyo Holdings' corporate value and to further promote the sharing of values between executive directors and shareholder. This is justified because it will provide executive directors with an incentive over the medium to long term that will benefit Taiyo Holdings corporate value and the interests of shareholders.

5. Justification for issuance terms

(1) Basis for estimating amount to be paid in, details

The issue price for the Issuance was based on the value of Taiyo Holdings' common shares. This amount was ¥5,250, the closing price that the common shares fetched on the TSE on June 30, 2021, which was the business day preceding the date on which the Board of Directors approved the Issuance. The stock price on this date was reasonably representative of Taiyo Holdings' performance and market trends (and not, therefore, artificially advantageous) given that the common stock was listed and stable then (there were no significant fluctuation events at the time).

The issue price is considered reasonable, and not artificially advantageous, in that it exceeds 90% of the stock price for the business day preceding the board's resolution and the average closing prices over the one-month period preceding the resolution (from May 31 to June 30, 2021), the three-month period preceding the resolution (March 31, 2020, to June 30, 2021), and the six-month period resolution (December 31, 2020, to June 30, 2021). For the one-month closing price of ¥5,238 (all monetary amounts rounded to nearest yen), the issue price represents a discount of 0.23% (all percentages are rounded to two decimal places). For the three-month closing price of ¥ 5,448, it represents a discount of 3.68%. For the six-month closing price of ¥ 5,769, it represents a discount of 9.00%.

The issue price was set in a manner consistent with the Japan Securities Dealers Association's policy on capital increases through third-party allotments.

(2) Justification for number of additional shares and share dilution

In the Issuance, Taiyo Holdings will issue 43,062 additional shares, representing 429 voting rights (of these shares, 15,862, representing 157 voting rights, will be for transfer-restricted stock compensation, and 27,200, representing 272 voting rights, will be for performance-linked stock compensation). The additional shares represent 0.15% of the 28,998,502 of total issued shares as of March 31, 2021 (those issued for transfer-restricted stock compensation represent 0.05% and those issued for performance-linked stock compensation represent 0.09% of such). They also represent 0.15% of the 283,397 voting rights (those issued for transfer-restricted stock compensation represent 0.06% and those issued for performance-linked stock compensation represent 0.10% of such). The additional shares and share dilution are considered reasonable because the Issuance will improve Taiyo Holdings' corporate value and benefit the interests of shareholders, in that it will incentivize executive directors to work toward Taiyo Holdings' corporate value and further promote the sharing of values between executive directors and shareholders.

6. Grounds for choosing allottees in third-party allotment of common shares as performance-linked stock compensation

(1) Allotees' details

1) Allotees' details

Executive directors of Taiyo Holdings

Name	Three executive directors (names undisclosed for reason stated given below)
Address	Addresses undisclosed for reason stated below
Role	Executive director

(Note) The names and addresses are undisclosed because disclosing this information is not conducive to the purpose of the Issuance (which is to incentivize the executive directors to work toward Taiyo Holdings' corporate value and identify with the interests of shareholders).

2) Allotees' interests in Taiyo Holdings

(1) Executive directors

Capital equity relations (see the first note below)	The three executive directors hold 221,718 shares of Taiyo Holdings' common shares.
Employment relations	The three executive directors serve Taiyo Holdings in said role.
Financial relations	Nothing to disclose.
Technological or business relations	Nothing to disclose.

Capital/equity interest: This disclosure is based on the shareholder registry as of March 31, 2021.

Confirming that allottees have no ties to organized crime: Taiyo Holdings investigated the allottees' career histories at the time they were appointed and, in the run-up to the Issuance, received from the allottees a written undertaking that they have no ties to organized crime. The written undertakings have been submitted to the TSE.

As its stock is listed on the first section of the TSE, Taiyo Holdings has submitted to TSE a corporate governance report (dated June 19, 2021) containing a policy for preventing ties to organized crime (there is currently no English translation, but the policy is found in the section on internal controls on page 10 of the Japanese document). The policy outlines Taiyo Holdings' belief that organized crime threatens public order and disrupts business. It also outlines Taiyo Holdings' principles for dealing with any unlawful or improper demands; namely, the company will never acquiesce to such demands and will report the matter to the police. The allottees accept this policy and adhere to it in discharging their directorial duties. For these reasons, Taiyo Holdings is satisfied that the allottees have no links to organized crime.

(2) Grounds for selecting the allottees

Of the shares issued in the Issuance, the 27,200 shares issued as performance-linked stock compensation will be allotted entirely to the three executive directors. These individuals were selected on the basis that allotting the shares to them would improve Taiyo Holdings' corporate value and benefit the interests of shareholders, in that it would incentivize the executive directors to work toward Taiyo Holdings' corporate value over the medium to long term and identify with the interests of shareholders.

(3) Allotees' intention regarding their holding of the shares

The allottees have informed Taiyo Holdings that they intend to hold the shares allotted to them as performance-linked stock compensation (the total of these shares being 27,200) for the medium to long term on the belief that this will help them work toward the company's corporate value together with shareholders.

As stated in section 2, the restriction period for the performance shares will last three years starting from the date on which the issued shares of common stock are purchased. However, this period may be adjusted at the shareholder's request if an inheritance process concerning the shareholder is underway.

Taiyo Holdings will obtain from the allottees written statements confirming that (1) they will provide the company with advance written notice if they intend to transfer all or some of the shares within two years

from the date they pay for the shares, and that (2) in such a case they will consent to the company disclosing their notice to the TSE and making it viewable to the general public.

(4) Confirming that the allottees will have an asset sufficient to purchase the shares

The allottees will pay for their allotted performance shares using their performance cash for the 75th fiscal year. The allottees will be provided performance-linked stock compensation on condition that they undertake to exchange the entirety of the performance cash they receive for their allotted common shares and that they sign the performance-linked stock Agreement. Hence, Taiyo Holdings is satisfied that the allottees will have an asset sufficient to purchase their allotted shares by the pay-in date.

7. Post-Issuance major shareholders and the share ratio

Before Issuance (March 31, 2021)	Share ratio	After Issuance	Share ratio
DIC Corporation	19.80	DIC Corporation	19.77
Kowa Co., Ltd.	12.82	Kowa Co., Ltd.	12.80
Custody Bank of Japan, Ltd. (manages trust account)	7.20	Custody Bank of Japan, Ltd. (manages trust account)	7.19
MISAKI ENGAGEMENT MASTER FUND (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited)	6.41	MISAKI ENGAGEMENT MASTER FUND (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited)	6.40
The Master Trust Bank of Japan, Ltd. (manages our trust account)	5.92	The Master Trust Bank of Japan, Ltd. (manages our trust account)	5.91
SMBC Trust Bank Ltd. (shares entrusted to Sumitomo Mitsui Banking Corporation retirement benefit trust account)	3.93	SMBC Trust Bank Ltd. (shares entrusted to Sumitomo Mitsui Banking Corporation retirement benefit trust account)	3.93
Shikoku Chemicals Corporation	2.62	Shikoku Chemicals Corporation	2.62
Toshin Yushi Co., Ltd.	1.90	Toshin Yushi Co., Ltd.	1.90
The Bank of New York Mellon 140042 (Standing proxy: Mizuho Bank, Ltd.)	1.49	The Bank of New York Mellon 140042 (Standing proxy: Mizuho Bank, Ltd.)	1.49
Takato Kawahara	1.42	Takato Kawahara	1.42

- (Notes) 1. Share ratio is the percentage of the total shares outstanding, which excludes the 631,889 shares Taiyo Holdings holds as treasury shares as of March 31, 2021. The treasury shares exclude 133,830 shares held by The Master Trust Bank of Japan, Ltd. (for the ESOP trust).
2. Percentages are rounded to the second decimal place.

8. Outlook

The Issuance has no material impact on the forecasts for the current fiscal year.

9. Procedures specified in TSE listing requirements

The Issuance requires no third-party review or shareholder approval procedures as specified in Article 432 of the TSE Listing Regulations, as the dilution rate will be under 25% and no change in corporate control will occur.

10. Recent performance and equity finance

(1) Consolidated performance over the past three years

	FYE Mar 2019	FYE Mar 2020	FYE Mar 2021
Net sales	59,389 million JPY	70,627 million JPY	80,991 million JPY
Operating income	8,099 million JPY	9,136 million JPY	13,943 million JPY
Ordinary income	8,014 million JPY	8,898 million JPY	13,819 million JPY
Profit attributable to owners of parent	4,396 million JPY	3,749 million JPY	9,529 million JPY
Basic earnings per share	152.71 JPY	131.99 JPY	334.97 JPY
Dividend per share	130.20 JPY	130.20 JPY	160.20 JPY
Net assets per share	2,475.36 JPY	2,434.23 JPY	2,696.84 JPY

(2) Outstanding shares and shares of dilutive stock as of July 1, 2021

	Number of shares	Percentage of total outstanding shares
Total outstanding shares	28,998,502 shares of common stock	100.0%
Dilutive stock convertible (exercisable) at current price		–%
Dilutive stock convertible (exercisable) at downward-set price		–%
Dilutive stock convertible (exercisable) at upward-set price		–%

(3) Recent stock trends

1) Stock trends over past three years

	FYE Mar 2019	FYE Mar 2020	FYE Mar 2021
Starting price	4,595 JPY	3,730 JPY	4,085 JPY
High	4,925 JPY	5,220 JPY	6,690 JPY
Low	2,847 JPY	3,015 JPY	3,690 JPY
Closing price	3,645 JPY	4,070 JPY	6,030 JPY

2) Stock trends over past six months

	2021: January	February	March	April	May	June
Starting price	6,100 JPY	6,170 JPY	5,570 JPY	6,050 JPY	5,350 JPY	5,010 JPY
High	6,690 JPY	6,450 JPY	6,290 JPY	6,270 JPY	5,520 JPY	5,400 JPY
Low	5,950 JPY	5,530 JPY	5,560 JPY	5,250 JPY	4,820 JPY	4,895 JPY
Closing price	6,220 JPY	5,530 JPY	6,030 JPY	5,290 JPY	5,010 JPY	5,250 JPY

3) Stock trend on day preceding resolution date for issuance

	June 30, 2021
Starting price	5,300 JPY
High	5,330 JPY
Low	5,250 JPY
Closing price	5,250 JPY

(4) Equity finance over past three years

1) Stock compensation with specified transfer restrictions, stock compensation by third-party allotment

Pay-in date	July 20, 2018
Total value of issued shares	199,517,220 million JPY
Issue price	4,410 JPY per share
Outstanding shares at time of solicitation	Common shares: 28,822,294 Series II Class A shares: 42,900 Total outstanding shares: 28,865,194
Issued shares solicited for	Common shares: 45,242
Outstanding shares after solicitation	Common shares: 28,867,536 Series II Class A shares: 42,900 Total outstanding shares: 28,910,436
Allottees	Shares to be allocated with specified transfer restrictions: Five executive directors of Taiyo Holdings :27,642 shares Shares to be allocated by third-party allotment: Five executive directors of Taiyo Holdings :17,600 shares
Initial use of fund at time of issuance	Shares to be allocated with specified transfer restrictions: Taiyo Holdings will receive no monetary asset, as the allottees will pay in kind. Shares to be allocated by third-party allotment: Some of the asset will be used as working capital.
Currently scheduled time for spending asset	From July 20, 2018
Use of asset at present	The entirety of the asset is being used as specified.

(Note) On June 26, 2018, Taiyo Holdings exchanged one share of common stock for every Series I Class A share and, on the same day, retired all Series I Class A shares.

2) Stock compensation with specified transfer restrictions, stock compensation by third-party allotment

Pay-in date	July 16, 2019
Total value of issued shares	192,435,750 million JPY
Issue price	3,250 JPY per share
Outstanding shares at time of solicitation	Common shares: 28,910,436
Issued shares solicited for	Common shares: 59,211
Outstanding shares after solicitation	Common shares: 28,969,647
Allottees	Shares to be allocated with specified transfer restrictions: Five executive directors of Taiyo Holdings :37,511 shares Shares to be allocated by third-party allotment: Five executive directors of Taiyo Holdings :21,700 shares
Initial use of fund at time of issuance	Shares to be allocated with specified transfer restrictions: Taiyo Holdings will receive no monetary asset, as the allottees will pay in kind. Shares to be allocated by third-party allotment: Some of the asset will be used as working capital.
Currently scheduled time for spending asset	From July 16, 2019
Use of asset at present	The entirety of the asset is being used as specified.

(Note) On June 27, 2019, Taiyo Holdings exchanged one share of common stock for every Series II Class A share and, on the same day, retired all Series II Class A shares.

3) Stock compensation with specified transfer restrictions, stock compensation by third-party allotment

Pay-in date	July 16, 2020
Total value of issued shares	143,409,350 million JPY
Issue price	4,970 JPY per share
Outstanding shares at time of solicitation	Common shares: 28,969,647
Issued shares solicited for	Common shares: 28,855
Outstanding shares after solicitation	Common shares: 28,998,502
Allottees	Shares to be allocated with specified transfer restrictions: Three executive directors of Taiyo Holdings :16,755 shares Shares to be allocated by third-party allotment: Three incumbent executive directors of Taiyo Holdings :9,800 shares Two former executive directors of Taiyo Holdings :2,300 shares * The two former executive directors were incumbent between the 73rd and 74th Ordinary General Shareholders Meeting (June 22, 2019, to June 20, 2020) and left their office between the 74th Ordinary General Shareholders Meeting and July 1, 2020.

Initial use of fund at time of issuance	Shares to be allocated with specified transfer restrictions: Taiyo Holdings will receive no monetary asset, as the allottees will pay in kind. Shares to be allocated by third-party allotment: Some of the asset will be used as working capital.
Currently scheduled time for spending asset	From July 16, 2020
Use of asset at present	The entirety of the asset is being used as specified.

11. Issuance schedule

July 1, 2021 (Thursday): Issuance approved by Board of Directors

July 16, 2021 (Friday): Pay-in date (Schedule)