

To Whom it may Concern:

Company Name:	 <b>TAIYO HOLDINGS CO., LTD.</b>
Representative:	Eiji Sato, President and CEO
Stock code:	4626, TSE 1 <sup>st</sup> Section
Contact:	Shuichi Omi, Executive Officer, General Manager, Administrative Division Tel: 03-5953-5200

## Notice of Capital and Business Alliance with Cyfuse Biomedical K.K.

Taiyo Holdings Co., Ltd. (“Taiyo Holdings”) has concluded a basic agreement on a capital and business alliance with Cyfuse Biomedical K.K. (“Cyfuse”). The details are reported below.

### 1. Background on and Reasons for Capital and Business Alliance

As stated in NEXT STAGE 2020, our medium-term business plan, Taiyo Holdings is aiming to extricate the company from a business structure that is heavily dependent on the printed wiring board (PWB) component business. We are working toward making the leap to become a comprehensive chemical company, based on the keyword of the “chemicals” the company possesses. Taiyo Holdings is generating new business in four promising areas of future growth. These include medical and pharmaceuticals, food, and energy, in addition to electronics (including solder resist).

Cyfuse is using a 3D bioprinter to fabricate tissue (product name: Regenova). This system uses the company’s proprietary platform technology to build cell masses (spheroids) consisting solely of cells to regenerate tissue, organs, and other bodily structures that are no longer functional due to illness or disease. This fulfills the unmet medical needs that existing surgical and therapeutic methods cannot fulfill. Our goal is to use this to benefit many patients.

Both companies will work to build cell product manufacturing facilities and develop cell products through this alliance. This will strengthen the efforts of Taiyo Holdings in the field of regenerative medicine in our medical and pharmaceuticals business.

### 2. Profile of Cyfuse Biomedical K.K.

(1) Name	Cyfuse Biomedical K.K.
(2) Location	ICN Bldg. 5A, 2-27-17, Hongo, Bunkyo-ku, Tokyo, 113-0033, JAPAN
(3) Name and title of representative	Shizuka Akieda, CEO
(4) Business description	Research and development, manufacturing, and sales of regenerative medicine related products.

(5) Capital	JPY 100,000,000	
(6) Date established	August 11, 2010	
(7) Major shareholdings and equity interest	This information is not disclosed per the agreement.	
(8) Relationship between Taiyo Holdings and Cyfuse	Capital relationships	Not applicable
	Personal relationships	Not applicable
	Transactional relationships	Not applicable
	Status in relation to interested parties	Not applicable

### 3. Number of Shares Acquired and Percentage Equity Interest After Acquisition

(1) Number of shares held before transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2) Number of shares acquired	3 Class D shares (Number of voting rights: 300)
(3) Acquisition price	This information is not disclosed per the agreement.
(4) Number of shares held after transfer	300 Class D shares (Number of voting rights: 300) (Percentage of voting rights held: 3.2%)

### 4. Schedule

(1) Agreement conclusion date	February 1, 2019
(2) Date shares acquired	February 15, 2019

### 5. Future Prospects

The impact of this capital and business alliance on the fiscal year ending March 31, 2019 financial results of Taiyo Holdings will be minor. However, we will provide prompt notice if any events that should be disclosed arise.