



September 24, 2019

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)
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Notification of the Borrowing of Funds

TAIYO HOLDINGS CO., LTD. (hereinafter “Taiyo Holdings”) hereby announces that we passed a resolution at our Board of Directors meeting held on September 24, 2019 to borrow funds.

1. Reasons for Borrowing the Funds

As stated in NEXT STAGE 2020, the Taiyo Group medium-term business plan, we are implementing various initiatives aimed at growing the medical and pharmaceutical business into the second pillar of our business. As part of these efforts, we have made the decision to take over the Takatsuki Plant of Daiichi Sankyo Propharma Co., Ltd. (new company name: Taiyo Pharma Tech Co., Ltd.) for 37.6 billion yen (planned) on October 1, 2019. The aim of this is to secure a new manufacturing base. This borrowing will be a loan of 40 billion yen from financial institutions as funds for that acquisition.

Please refer to the “Concerning Acquisition of New Company Shares and Ownership of Daiichi Sankyo Propharma Co., Ltd. Takatsuki Plant (Subsidiary Acquisition)” announcement we disclosed on January 31, 2019 for details of this.

2. Overview of the Funds Borrowing

(1) Lenders	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. MUFG Bank, Ltd. The Norinchukin Bank Sumitomo Mitsui Trust Bank, Limited Bank of Kyoto, Ltd.
(2) Amount to be borrowed	40 billion yen
(3) Date of the borrowing	September 27, 2019 (planned)
(4) Secured/unsecured	Unsecured

3. Future forecasts

The impact of this stock acquisition on FY2019 consolidated earnings is minor but Taiyo Holdings will provide immediate notification in the event of any matters requiring disclosure.