

June 4, 2021

To whom it may concern:

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Notice Regarding Formulation of Long-Term Management Plan

TAIYO HOLDINGS CO., LTD. (hereinafter, "Taiyo Holdings") is hereby pleased to announce that we have formulated "Beyond Imagination 2030", our long-term management plan up to the fiscal year ending March 2031, which is summarized below.

1. Reasons and background for formulating the long-term management plan

In June 2017, we had announced "Next Stage 2020", our medium-term management plan up to the fiscal year ending March 2020 and since then in order to make a leap forward to become a comprehensive chemical company set forth in the policy, we actively launched the medical and pharmaceuticals business as the second pillar of business of our company and achieved great growth. Regarding the numerical targets, we achieved the goals of maintaining DOE (Dividend on Equity Ratio) of 5% or higher and achieving a record high operating income. Although the company-wide goal of reaching 20% or higher for operating income margin was not achieved due to large-scale M&A in the medical and pharmaceuticals business, it was achieved in the electronics materials business. Also, although the goal of reaching 11% for ROE was delayed by a year, we were able to achieve it in the fiscal year ending March 2021.

The environment surrounding us is changing rapidly due to pandemics, climate change, and the evolution of technology. However, even in such an unpredictable environment, we will continue to carry out our corporate activities with the same goal in mind: realizing a cheerful society. We have formulated the long-term management plan "Beyond Imagination 2030" contemplating that management from a long-term perspective will become more important without falling at the mercy of short-term changes.

2. Basic Policy

- ① Develop and utilize self-sufficient personnel capable of acting independently, who respond to diversifying organizations and societies
- ② Achieve continuous growth and explore new business areas in the electronics materials business
- ③ Grow the medical and pharmaceuticals business further
- ④ Transform and evolve through digital transformation
- ⑤ Create new businesses
- ⑥ Execute strategic M&A
- ⑦ Strengthen efforts for SDGs (Sustainable Development Goals)

3. Targets

- ① Profitability: ROE (Return on Equity ratio) 18%
- ② Shareholder returns: DOE (Dividend on Equity ratio) 5% or higher

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Beyond Imagination 2030

To the future beyond imagination

Long-term management plan

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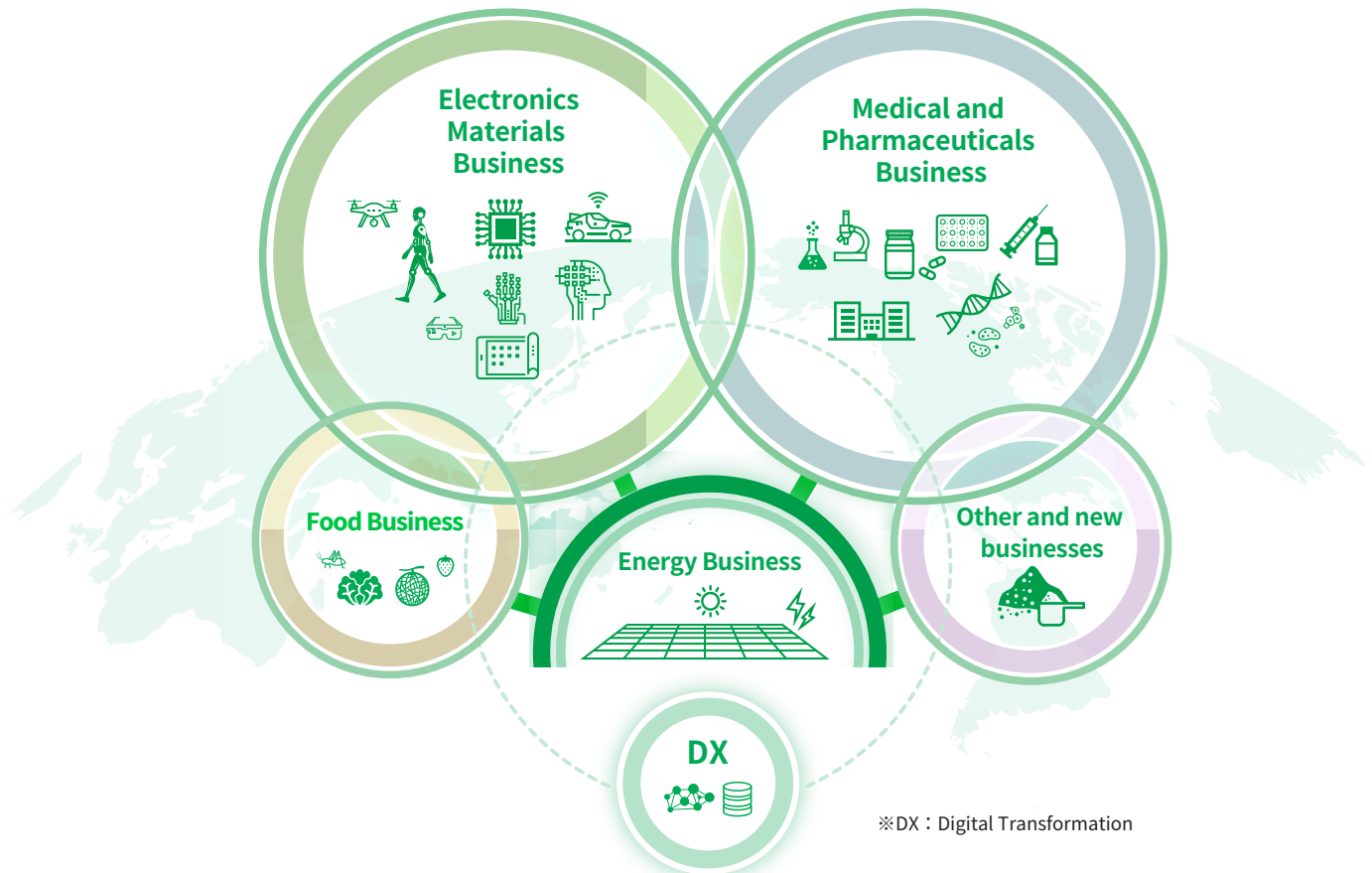
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2030 What we are aiming for

By 2030, with the evolution of technology, thoughts on the environment, and various initiatives around the world, a future will unfold that is beyond our imagination. We want to be a company that creates a wide range of innovative products to fulfill the dreams for such a future. Our self-sufficient personnel will further develop our core businesses of electronic materials, medical and pharmaceutical business, while continuing to work on our energy business and food business, even in such a dynamic environment. We will also actively explore new businesses.



Electronics Materials Business

We aim to increase our market share for solder resist and to create new businesses that will be the new pillar of profit following solder resist for other electronic materials business in 3 ways mainly - by strengthening the existing solder resist business (existing customers x existing technology), accelerating the continuous launch of new products (existing customers x new technologies), and promoting application development (new customers x existing technologies).

Medical and Pharmaceuticals Business

The medical and pharmaceuticals business has grown as the second pillar of our company. In addition to the stable continuation of our pharmaceuticals manufacturing and sales business, we will not only strengthen our domestic plants but also expand our business to overseas plants in the contracted manufacturing business to provide high-quality products. In addition, we aim to further leap forward by expanding from a contract manufacturing organization (CMO) to contract development manufacturing organization (CDMO) by including drug development, and by the global expansion of CDMO in the fields of regenerative therapy and gene therapy.

Energy and Food Business

In the energy business, we are operating the domestic electronics materials business on 100% renewable energy, and in the future, we will further promote our efforts to reach 100% globally. In the food business, anticipating the future food crisis, we will continue to carry out research and development.

Other Businesses

We will also actively work to create new businesses. In all businesses, we will promote digital transformation (DX) through system development companies under the group and commercialize smart factory tools created from in-house DX as new products.



SDGs and our efforts



Since our founding in September 1953, our Group has developed with the trust of many stakeholders including shareholders, customers, business partners, and local communities. These efforts lead to the achievement of the “Sustainable Development Goals”, and we will actively promote activities in the “Beyond Imagination 2030” as well.

Based on our management philosophy “To achieve a cheerful society by further advancing every technology in our group and by creating a wide range of innovative products to fulfill the dreams of the world.”, we will promote the creation of the foundation for industrial and technological innovation. We will continue our activities not only through the electronics materials business, but also through the medical and pharmaceuticals business and the floating solar power plants business, and as a company for a sustainable society.



TAIYO HOLDINGS CO., LTD.

2030 Targets

We do not simply aim to expand the scale, but to fulfill our social responsibilities and at the same time maximize shareholder value. Over the long term, we will work to increase capital efficiency while increasing profits, and to fully return profits to our shareholders. To promote these activities, we have set ROE and DOE as our goals in "Beyond Imagination 2030".

ROE 18%
(Return on Equity ratio)

DOE 5%
(Dividend on Equity ratio) or higher

Reference values	2025		2030	
Medical and Pharmaceuticals business	Sales	30 billion yen	Sales	60 billion yen
	Operating income margin	15%	Operating income margin	15%

The Electronics Materials business is affected by the so-called silicon cycle, which is the market trend of semiconductors and electronic components. Therefore, it is difficult to make a reasonable projection for the year 2030, and we will not disclose the target.

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Happy people create a happy world.



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