
Long-Term Management Plan

Beyond Imagination 2030

To the future beyond imagination

TAIYO HOLDINGS CO., LTD.

June 7, 2021



Any information incorporated in this document is not intended for suggestion of purchase or sale of equity share of the company. All the description and projection are based on the company's own analysis at the time of compilation, and their accuracy is not guaranteed. These data may be revised without prior announcement. The company will neither assume nor compensate any loss of anybody resulting from decision based on information provided here.

Medium-term Management Plan Next Stage 2020 Review

Next Stage 2020 Review①

We actively launched the medical and pharmaceuticals business as the second pillar of business of our company, which was set out in Next Stage 2020, and achieved great growth.

✓✓ = exceeded expectation, ✓ = successfully met expectation, ✓ = partially met expectation

Basic policy	Assessment	Achievements and challenges
①Strengthen profitability of SR	✓	Latest operating profit margin of the electronics materials business was flat at 21%
②Expansion of printed circuit board related areas other than SR	✓	Launched a number of new products, including photoimageable coverlays, stretchable conductive paste, and MIDs
③Launch of medical and pharmaceutical business	✓✓	Acquired long-listed products, acquired a plant, and launched the business rapidly, making it the second pillar of the company's business
④Return to profitability in energy and food businesses	✓	Although we have not yet achieved profitability, we have started new businesses such as edible crickets and strengthened our floating solar power generation business
⑤Strengthen basic research capabilities	✓	Established an analysis system for pharmaceuticals. Enhancement of research equipment. Aggressive promotion of external collaboration
⑥Business alliance with DIC	✓	Various Projects are being promoted from a long-term perspective. Received the JPCA award for the new seed film jointly developed for high-frequency wiring formation.
⑦Execution of M&A strategy	✓	Investing in funds and startups , as well as into funlead and Taiyo Pharmatech
⑧Expansion of CSR activities	✓✓	Achieved shift to clean energy for electricity consumption in domestic electric materials business and expanded CSR-related businesses such as edible crickets
⑨Develop and utilize self-sufficient personnel capable of acting independently	✓	Steady promotion of securing and strengthening human resources with an eye to the future



Next Stage 2020 Review②

Regarding the numerical targets set in Next Stage 2020, we achieved the DOE and a record high operating income, and the operating income margin was achieved in the electronics materials business, but not across the entire company as a result of our entry into the medical and pharmaceutical business. ROE was achieved, although a year late.

Key performance indicator	Target	FYE Mar2018	FYE Mar2019	FYE Mar2020	FYE Mar2021 Reference
Operating Income Margin	20%以上	21.7%	13.6%	12.9%	17.2%
	Electronics Materials Business	24.3%	21.7%	21.4%	21.1%
	Medical and Pharmaceuticals Business	1.0%	-4.6%	7.1%	15.6%
ROE (Return on Equity ratio)	11% or higher	6.8%	6.2%	5.4%	13.1%
DOE (Dividend on Equity ratio)	5% or higher	6.5%	5.3%	5.4%	6.3%
Operating Income (Million Yen)	New record high FY2015 10,964	11,337	8,099	9,136	13,943

Value in Black: Achieved

Value in Red: Not Achieved

Long-Term Management Plan

Beyond Imagination 2030

To the future beyond imagination



Long-Term Management Plan

- The environment surrounding us is changing rapidly due to pandemics, climate change, and the evolution of technology.
- Even in such an environment, we have achieved our goal in Next Stage 2020 of entering the medical and pharmaceutical businesses, which is a great leap forward for our company towards the next stage of growth.
- Despite the unpredictable environment, we have formulated a long-term management plan for the year 2030, contemplating that management from a long-term perspective will become more important in order to realize our management philosophy of realizing a cheerful society.



Long-Term Management Plan Beyond Imagination 2030

To the future beyond imagination



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)

SDGs and our efforts

We will continue to make proactive efforts to realize a sustainable society.



Our initiatives related to the SDGs

Today's Highlight



- ✓ Setting up of children's cafeteria / children's cafeteria takeout (providing meals to children at Musashi-Ranzan Station)



- ✓ Starting social studies tours etc
- ✓ Donation of large monitors to educational institutions



- ✓ Responding to future food shortages through insect farming, plant factories, etc.



- ✓ Appointing female directors
- ✓ Installing all-gender toilets



- ✓ Contributing to people's health by the manufacture and sales of pharmaceutical drugs
- ✓ Investing in Africa Healthcare Fund



- ✓ Producing clean energy from floating solar power generation
- ✓ Energy saving activities by adopting LED



Our initiatives related to the SDGs

Today's Highlight

8 DECENT WORK AND ECONOMIC GROWTH



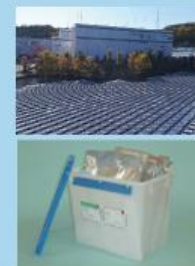
- ✓ Established a nursery school in the office that accepts local children
- ✓ Earlier employee stress checks
Improving the work environment



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- ✓ Producing clean energy from floating solar power generation (repost)
- ✓ Packaging using resi-pack



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- ✓ Technological innovation such as development and manufacturing of chemical materials for high value-added electronic components
- ✓ Plan to build a manufacturing base for new drugs such as regenerative therapy and gene therapy products



15 LIFE ON LAND



- ✓ Production of agricultural products such as baby leaf, strawberries and melons at a plant factory



11 SUSTAINABLE CITIES AND COMMUNITIES



- ✓ Concluded a comprehensive cooperation agreement with Ranzan Town, Saitama Prefecture
- ✓ Support for measures against COVID-19 pandemic



17 PARTNERSHIPS FOR THE GOALS



- ✓ Concluded an exclusive endorsement agreement with professional badminton athlete Nozomi Okuhara



Feed and edible crickets initiative

Launched "TAIYO Green Farm Cricket" online so that people can easily purchase the insect feed, even during the COVID-19 pandemic. In addition, TAKEO's "Saitama Ranzan Koorogi", made from crickets produced by our company, is now on sale



嵐山こおろぎときゅうりとサーサイのピリ辛和え



Reduction of waste by product packaging

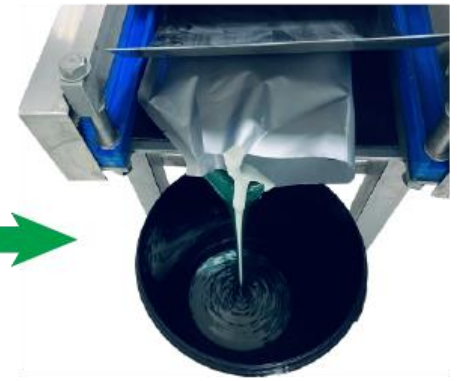
Corrugated cardboard and plastic containers are reduced, and the amount of waste is reduced by 1/50 of the conventional amount.



Plastic containers to pouches



Reuse



Reduce



Cardboard to reusable cases

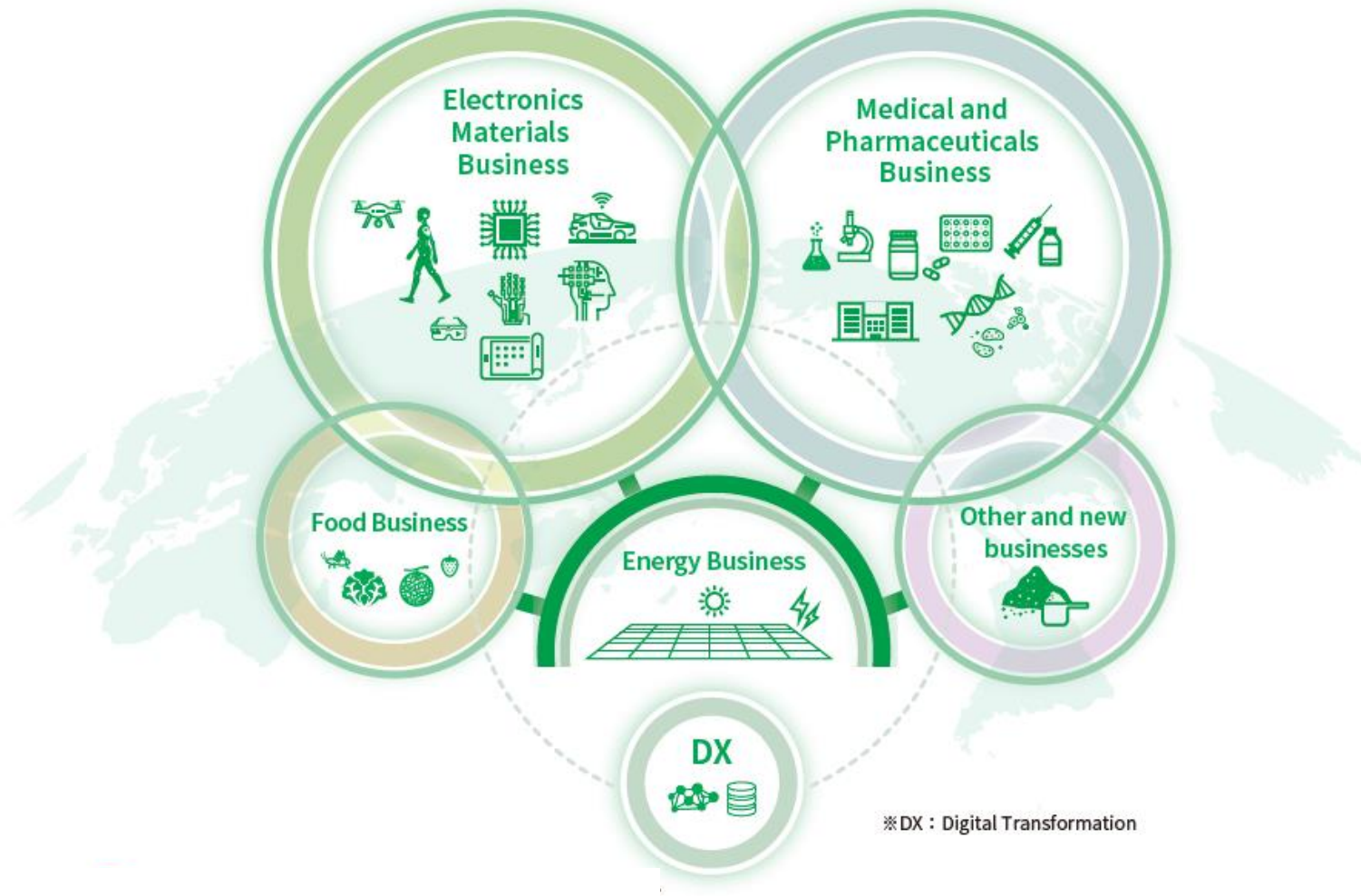


In the Badminton All Japan Championship, Okuhara won the second consecutive title



2030 What we are aiming for

We will grow our two core businesses - the electronics materials business and the medical and pharmaceutical business, and at the same time, we will develop the energy business and DX as a group-wide initiative.



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.

ROE

(Return on Equity ratio)

18%

DOE

(Dividend on Equity ratio)

5%
or higher

Our projections by 2030 for the Medical and Pharmaceuticals Business

We will continue to actively pursue growth

By growing our domestic
CDMO business

By expanding our plants
in overseas

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.

Happy people create a happy world.



