

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is a translation of the original Japanese-language document and is provided for convenience only.

In the event of any discrepancy between this translated document and Japanese original, the original shall prevail

August 5, 2022

To Our Shareholders:

388 Ohkura, Ranzan-machi, Hiki-gun, Saitama
 TAIYO HOLDINGS CO., LTD.
 Eiji Sato, President and CEO

**Notice Regarding Responses to Questions Received Upon Application
 to View Internet Stream**

Regarding the questions submitted by shareholders upon their application to view the Internet stream of our 76th Ordinary General Shareholders' Meeting, TAIYO HOLDINGS CO., LTD. (hereinafter, "Taiyo Holdings") hereby announces that it will provide its responses to those questions anew in accordance with the below.

Particulars

No.	Question	Response
1	It was reported by the press that impropriety with quality was committed by a major generic pharmaceuticals manufacturer. Is Taiyo's medical and pharmaceutical business framework secure?	The Taiyo Holdings Group engages in the business of manufacturing ethical pharmaceuticals, in which we handle long-listed products, and the contract manufacturing of such pharmaceuticals. In our business involving long-listed products, we conduct adequate inspections and other endeavors aimed at manufacturing sites to enforce quality control. Additionally, in our business of contract manufacturing, we leverage our experience in quality control cultivated over 80 years, including that cultivated at our manufacturing plant before it was transferred to us by Daiichi Sankyo Group, to perform consistently high-quality and stable manufacturing. We place the highest priority on quality and stable supply, and is constantly mindful to conduct profit-yielding business while maintaining that priority.
2	Taiyo Holdings Electronics Business seems highly dependent on China. Are you looking into shifting your production bases in the future from the standpoint of geopolitical risk?	The products that Taiyo Holdings produces in China are intended for sale to Chinese customers. As such, we produce and sell products there in line with our policy of local production for local sale. The Taiyo Holdings Group has production sites in areas with a customer presence. These include South Korea, Taiwan and the U.S. in addition to China. As for other regions, in ASEAN, where the economy is growing remarkably, we completed construction of our Vietnam plant in July 2022, and aim to expand production in the ASEAN region as well as we move forward.
3	What is Taiyo Holdings' policy with respect to addressing trends in China?	As reported by various media, the state of affairs in China would definitely appear to contain a number of unstable elements. Taiyo Holdings is appropriately addressing those trends by first analyzing them to the degree that we can predict them, then constantly gathering the latest information from local sources to keep us up to speed.
4	What products do you intend on focusing on going forward in your Electronics Business?	In line with the briskness in the semiconductor market, we intend to aggressively expand our product offerings for semiconductor packages in sectors anticipated to demonstrate a high rate of growth, such as servers and high-performance computers.
5	I would like Taiyo Holdings to elevate its dividend payout ratio going forward.	As a means of returning profits to our shareholders, from the standpoint of paying dividends with greater stability, Taiyo Holdings employs dividends on equity ratio (DOE) rather than dividend payout ratio for its dividend indicator. Our goal is to maintain a DOE of 5% or more and meet the expectations of our shareholders going forward.

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6	There are some Board Directors with a lower approval rate than other Directors. Do you consider that the former has gained the confidence of your shareholders?	Those Directors have received the approval of a majority of our shareholders, and pose no problem in terms of the stipulations of the Companies Act. Additionally, the low approval rate will not affect the ability of Director candidates that is being counted on by approving shareholders and the Board of Directors. We therefore believe that those Directors will fulfill the functions expected of them.
7	I am deeply concerned about Mr. Sato's physical condition. Is he alright?	Thank you for your concern. As you saw on the Internet stream, His physical condition poses no threat to his ability to perform his duties as President and CEO.
8	Is there any room for the future discounting of unit sales prices of products in your Electronics Business?	Please contact Taiyo Holdings whom you deal with in regard to this matter.

- At the General Shareholders' Meeting venue, as a means of limiting the spread of COVID-19, Taiyo Holdings kept its responses limited primarily to questions, etc. posed by a number of shareholders. As such, the above also partially contains questions whose responses were left out at the General Shareholders' Meeting venue.
- Certain questions have been stated with partial changes made to the language originally used to ensure their ease of understand for this disclosure.
- The notation for the "Electronics Materials Business" has been changed to "Electronics Business."