

Stock Code: 4626

May 26, 2023

To Our Shareholders:

Eiji Sato

President and CEO

TAIYO HOLDINGS CO., LTD.

388 Ohkura, Ranzan-machi, Hiki-gun, Saitama 355-0222, Japan

NOTICE OF 77TH ORDINARY GENERAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 77th Ordinary General Shareholders' Meeting of TAIYO HOLDINGS CO., LTD. (hereinafter, "Taiyo Holdings"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing (by postal mail), via the Internet, or other means. Please review the attached Reference Documents for the General Shareholders' Meeting and exercise your voting rights no later than 5:00 p.m. on Friday, June 16, 2023 (Japan Standard Time).

Meeting Details

1. **Date and Time:** Saturday, June 17, 2023 at 1:00 p.m. (Japan Standard Time)
2. **Venue:** STATION CONFERENCE Ikebukuro Room 1, 12F, Metropolitan Plaza Building
1-11-1 Nishi-Ikebukuro, Toshima-ku, Tokyo, Japan
3. **Purpose:**
 - Items to be reported:**
 1. Business Report and Consolidated Financial Statements for the 77th fiscal year (from April 1, 2022 to March 31, 2023), and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-Consolidated Financial Statements for the 77th fiscal year (from April 1, 2022 to March 31, 2023)
 - Items to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of One Alternate Audit & Supervisory Board Member
4. **Items related to the exercise of voting rights**

Institutional investors who have requested to use the Electronic Voting System Platform run by Investor Communications Japan (ICJ), which was established by Tokyo Stock Exchange, Inc. in partnership with Broadridge Financial Solutions, Inc. as electronic exercise of voting rights in advance, may do so.

You are kindly requested to submit the enclosed voting form at the reception desk if you attend the meeting in person. If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on Taiyo Holdings's website and the Tokyo Stock Exchange (TSE) website.

In accordance with amendment of the Companies Act, in principle you are to check items subject to measures for electronic provision by accessing either of the websites mentioned above, and we deliver paper-based documents stating the items only to shareholders who request the delivery of paper-based documents by the record date. However, for this General Shareholders' Meeting, we have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.

Among the items to be provided electronically, Taiyo Holdings has chosen not to include the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements in the paper-based documents to be sent to shareholders pursuant to related laws and regulations and Article 15, paragraph (2) of the Articles of Incorporation of the Company. The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit & Supervisory Board and the Accounting Auditor include what is stated in the paper-based documents to be sent as well as the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements that are posted on the websites mentioned above.

In convening this General Shareholders' Meeting, Taiyo Holdings has also posted information that constitutes the contents of the Reference Documents for the General Shareholders' Meeting (items for which measures for providing information in electronic format are to be taken) on each of the following websites.

*Website pages and documents are in Japanese version only.

*Taiyo Holdings's website:

<https://www.taiyo-hd.co.jp/jp/> (in Japanese)

*TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website and enter the name of Taiyo Holdings, "Taiyo Holdings," for "Issue name (company name)" or the Company's stock code "4626" in "Code" to search for the Company. Click on the company name, then on "Basic Information," then "Documents for public disclosure/PR information" and view information under "Notice of General Shareholders Meeting/Information Materials for a General Shareholders Meeting.")

Reference Documents for the General Shareholders' Meeting

Proposal 1: Appropriation of Surplus

Taiyo Holdings regards profit distribution to shareholders in cash as one of the most important policies and will effectuate a continuous, stable profit distribution at high levels. In addition, we use the dividend-on-equity ratio as our target index and aim to “keep the dividend on equity ratio at a minimum of 5% based on the consolidated financial results” for the mid-to-long term plan, Beyond Imagination 2030.

In addition, Taiyo Holdings will celebrate the 70th anniversary of its founding in September 2023. Accordingly, Taiyo Holdings would like to add a commemorative dividend of 15.00 yen to the ordinary dividend of 37.00 yen, resulting in a year-end dividend of 52.00 yen per share.

(1) Dividend type

Cash

(2) Details of dividend allocation and total amount

Dividend of 37.00 yen plus a commemorative dividend of 15.00 yen per share of common stock of

Taiyo Holdings is added to 52.00 yen

Total dividends: 2,905,861,452 yen

(3) Effective distribution date for dividends of surplus

June 19, 2023

The annual dividend for the fiscal year under review will be 89.00 yen per share, including the interim dividend of 37.00 yen previously paid.

Proposal 2: Election of One Alternate Audit & Supervisory Board Member

The term of office of Akihito Sakai will expire at the conclusion of this Ordinary General Shareholders' Meeting. Accordingly, Taiyo Holdings requests the appointment of one Alternate Audit & Supervisory Board Member in preparation for the case that the number of Audit & Supervisory Board Members required by law is not met. Although the number of Audit & Supervisory Board Members will be reduced by one, we believe that the effectiveness of auditor oversight can be maintained through collaboration with the Internal Audit Department and a three-auditor system with the majority consisting of Independent Outside Audit & Supervisory Board Members.

The Board of Audit & Supervisory Board Members concur with this proposal.

The candidate for Alternate Audit & Supervisory Board Member has agreed to his appointment if the number of Audit & Supervisory Board Members prescribed by law is not met.

The candidate for Alternate Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of Taiyo Holdings's shares owned
Masahiko Todo (July 17, 1968)	Apr. 1997 Registered as an attorney at law (Daini Tokyo Bar Association) Joined Ushijima & Associates (currently Ushijima & Partners) Jan. 2005 Partner of Ushijima & Partners (present post)	Common shares – shares

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.

[Reason chosen as a candidate for Alternate Outside Audit & Supervisory Board Member]

Masahiko Todo has no direct experience of involvement in management of a company in the past, but he was selected as a candidate for Alternate Outside Audit & Supervisory Board Member because the Company expects him to utilize his high-level expertise and experience as an attorney in Taiyo Holdings's auditing system and it has judged that he will be able to carry out the duties of an Outside Audit & Supervisory Board Member in an appropriate manner.

Notes:

1. There is no special interest between Masahiko Todo and Taiyo Holdings.
2. Masahiko Todo is a candidate for Alternate Outside Audit & Supervisory Board Member.
3. If Masahiko Todo is appointed as an Outside Audit & Supervisory Board Member, Taiyo Holdings plans to notify the Tokyo Stock Exchange of his appointment as an independent officer in accordance with the provisions of the Tokyo Stock Exchange.
4. If Masahiko Todo is appointed as an Outside Audit & Supervisory Board Member, Taiyo Holdings plans to conclude an agreement with him limiting liability for damages as set forth in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. A general outline of the provisions of the agreement is as follows:
 - In the event that an Audit & Supervisory Board Member is liable for damages to Taiyo Holdings due to the neglect of duties, the Audit & Supervisory Board Member will bear the liability, limited to the minimum amount stipulated in laws and regulations.
 - The liability limitation mentioned above shall be available only if the Audit & Supervisory Board Member has executed his/her duties which would constitute the cause of the liability in good faith and without gross negligence.
5. Taiyo Holdings has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and Taiyo Holdings will cover damages incurred by the insured under the policy. If he is appointed as an Outside Audit & Supervisory Board Member, he will be included as an insured under the policy.
For a summary of the details of the directors' and officers' liability insurance policy, please refer to "2. Current Status of Taiyo Holdings (3) Status of Corporate Officers 1) Status of Board Directors and Audit & Supervisory Board Members (as of March 31, 2023) Note 9. Summary, etc., of Details of Board Directors and Officers Liability Insurance Policy" on p. 26 of the Business Report of the Japanese original.
6. There is no plan to conclude an indemnity agreement between Masahiko Todo and Taiyo Holdings regarding the expenses stipulated in Article 430-2, paragraph (1), item (i) of the Companies Act and the loss stipulated in item (ii) of the same paragraph.