



November 6, 2024

To whom it may concern:

Company Name: TAIYO HOLDINGS CO., LTD.
Representative: Eiji Sato, President and CEO
(Code: 4626, Listed on Prime
Market of Tokyo Stock Exchange)
Inquiries: Sayaka Tomioka, Managing
Executive Officer, CFO
Tel: +81-3-5953-5200 (main line)

Notice Regarding Extension of Trust Term and an Additional Financial Contribution to the ESOP Trust

Taiyo Holdings Co., Ltd. (hereinafter “Taiyo Holdings”) hereby announces that at the Board of Directors meeting held on November 6, 2024, it resolved the extension of trust term, an additional financial contribution and the addition of employees of its certain subsidiaries to the scope of the Employee Stock Ownership Plan Trust (hereinafter the “ESOP Trust”), an incentive plan introduced in May 2014.

1. Purpose of the ESOP Trust

The ESOP Trust is an incentive plan to deliver shares of Taiyo Holdings to its employees, as well as directors and employees of certain subsidiaries, who satisfy certain beneficiary requirements (hereinafter “Eligible Employees”) based on predetermined stock delivery rules. Taiyo Holdings introduced the ESOP Trust for the purpose of fostering a sense of belonging in Eligible Employees and awareness of their participation in management. Taiyo Holdings believes that this will increase employee motivations towards long-term business performance and share price growth, while simultaneously facilitating the improvement of corporate value over the medium to long term.

2. Outline of the ESOP Trust

ESOPs are common forms of employee ownership in the US. By adopting the ESOP model, a company can offer a greater amount of stock compensation to its Eligible Employees.

Under the ESOP Trust, shares of Taiyo Holdings are held in a trust, the beneficiaries of which are Eligible Employees. The trust purchases the shares, either from Taiyo Holdings or on the stock market, in an amount equivalent to the amount expected to be delivered to the Eligible Employees, in accordance with the instructions of the Trust Caretaker. All purchases will comply with stock delivery rules established in advance. Pursuant to said rules, the shares are granted to Eligible Employees during their service for no consideration, in an amount commensurate with the employee’s rank during the period in which the shares were held in the trust. The trust’s purchases of shares are funded entirely by Taiyo Holdings; Eligible Employees bear none of the cost.

3. Description of the ESOP Trust

- (1) Type of Trust: Money trust other than specific individually managed trust (third-party benefit trust)
- (2) Purpose of Trust: To grant incentives to Eligible Employees
- (3) Settlor: Taiyo Holdings
- (4) Trustee: Mitsubishi UFJ Trust and Banking Corporation
(Joint trustee: The Master Trust Bank of Japan, Ltd.)
- (5) Beneficiaries: Eligible Employees

- (6) Trust Caretaker: A third party with no conflicts of interest with Taiyo Holdings
- (7) Additional Entrustment Date: November 7, 2024 (tent.)
- (8) Extended Trust Term: from May 26, 2014 to July 10, 2029 (tent.)
- (9) Exercise of Voting Rights: Trustee shall exercise voting rights of shares of Taiyo Holdings
in accordance with the instructions of the trust caretaker reflecting
the state of exercise of voting rights of beneficiary candidates
- (10) Amounts of Shares Additionally Acquired: 1,863,666,500 yen (tent.)
- (11) Number of Shares Additionally Acquired: 471,100 shares (tent.)
- (12) Period of Share Acquisition: from November 8, 2024 to December 13, 2024 (tent.)
- (13) Method of Share Acquisition: Acquired over the stock market