

Stock Code: 4626
May 30, 2025

To Our Shareholders:

Eiji Sato
President and CEO

TAIYO HOLDINGS CO., LTD.

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

NOTICE OF 79TH ORDINARY GENERAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 79th 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 Reference Documents for the General Shareholders' Meeting and exercise your voting rights no later than 5:00 p.m. on Friday, June 20, 2025 (Japan Standard Time).

Meeting Details

- 1. Date and Time:** Saturday, June 21, 2025 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 79th fiscal year (from April 1, 2024 to March 31, 2025), and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 79th fiscal year (from April 1, 2024 to March 31, 2025)

Items to be resolved:

Company Proposals (Proposals 1 to 3)

Proposal 1: Reduction in Legal Capital Surplus and Legal Retained Earnings

Proposal 2: Election of Four Board Directors (Excluding Board Directors Who Are Audit & Supervisory Committee Members)

Proposal 3: Election of One Board Director Who Is an Audit & Supervisory Committee Member

Shareholder Proposals (Proposals 4 and 5)

Proposal 4: Dismissal of Board Director Mr. Eiji Sato

Proposal 5: Dismissal of Board Director Mr. Kiyofumi Takano

Note: The Board of Directors of Taiyo Holdings opposes Proposals 4 and 5. For the opinions of the Board of Directors of Taiyo Holdings, please refer to the "Reference Documents for the General Shareholders' Meeting."

The outlines regarding the shareholder proposals (Proposals 4 and 5) are as stated in the "Reference Documents for the General Shareholders' Meeting."

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.

From this General Shareholders' Meeting onward, to reduce paper resource usage while ensuring the provision of necessary information for exercising voting rights, we are sending shareholders a summary version of the informational materials for the general meeting of shareholders. If you wish to receive the matters for which measures for providing information in electronic format are to be taken (excluding items not included in the written materials) in paper form, you are requested to submit a request for written delivery by the reference date specified by Taiyo Holdings.

Among the items to be provided electronically, Taiyo Holdings has chosen not to include some items 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 Taiyo Holdings. The Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor include what is stated in the paper-based documents to be sent as well as some items 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 Taiyo Holdings's stock code "4626" in "Code" to search for Taiyo Holdings. Click on Taiyo Holdings 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

Company Proposals (Proposals 1 to 3)

Proposals 1 to 3 are proposals made by Taiyo Holdings.

Proposal 1: Reduction in Legal Capital Surplus and Legal Retained Earnings

To ensure agility and flexibility in future capital policies, we propose reducing the amounts of capital reserves and retained earnings in accordance with Article 448, Paragraph 1 of the Companies Act. The amount of capital reserves to be reduced will be transferred to other capital surplus, and the amount of retained earnings to be reduced will be transferred to accumulated carried forward income.

The amount of reserves to be reduced and the effective date of the reduction of reserves are as follows.

(1) Amount of reserves to be reduced

Legal capital surplus	Of the 10,999,327,657 yen, 10,999,327,657 yen (the entire amount)
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Legal retained earnings	Of the 620,700,000 yen, 620,700,000 yen (the entire amount)
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(2) Effective date of the reduction of reserves

July 31, 2025 (planned)

Proposal 2: Election of Four Board Directors (Excluding Board Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all four Board Directors (excluding Board Directors who are Audit & Supervisory Committee Members; hereinafter the same in this proposal) will expire at the conclusion of this General Shareholders' Meeting. Accordingly, Taiyo Holdings proposes to increase the number of Outside Board Directors by one to strengthen the governance structure and proposes the election of four Board Directors, including two Outside Board Directors.

Each of the candidates has agreed to their appointment.

The candidates are as follows:

No.	Name	Current positions and concurrent positions held
1	Eiji Sato	President Group Chief Executive Officer CEO of Medical & Pharmaceutical Company In charge of Research Division Reappointment
2	Hitoshi Saito	Vice President CEO of Electronics Company Reappointment
3	Keiko Tsuchiya	Outside Board Director Reappointment Outside Independent
4	Misae Maruyama	New Outside Independent

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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

No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held		Number of Taiyo Holdings's shares owned
1	Reappointment Eiji Sato (May 3, 1969)	Apr. 1992 Oct. 1999 June 2008 Apr. 2010 July 2010 Mar. 2011 Apr. 2011 Apr. 2012 Dec. 2012 Apr. 2014 Dec. 2014 June 2016 Aug. 2017 June 2018 Apr. 2019 Oct. 2019 May 2022 Apr. 2023 June 2024	Joined Tohmatsu & Co. (Currently Deloitte Touche Tohmatsu LLC) President of es Networks Co., Ltd. Board Director of Taiyo Holdings Vice President and Representative Director of Taiyo Holdings Director of TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD Director of es Holdings Co., Ltd. (Currently es Networks Co., Ltd.) President, Group Chief Executive Officer of Taiyo Holdings (Present post) Director of TAIYO INK (SUZHOU) CO., LTD. Director of ONSTATIC TECHNOLOGY CO., LTD. President and Representative Director of TAIYO INK MFG. CO., LTD. President and Representative Director of TAIYO GREEN ENERGY CO., LTD. Officer (Risk Management) of Taiyo Holdings (Present post) Chairman of the Board and Representative Director of TAIYO PHARMA CO., LTD. (Present post) Director of TAIYO INK MFG. CO., LTD. Director of TAIYO PHARMA TECH CO., LTD. President and Representative Director of TAIYO PHARMA TECH CO., LTD. (Present post) CEO of Medical and Pharmaceutical Company of Taiyo Holdings (Present post) Director of funlead corp. (Present post) In charge of Research Division of Taiyo Holdings (Present post)	Common shares 544,323 shares
[Reason for nomination as a candidate for Board Director] Since his appointment as Board Director in 2008, Eiji Sato has served as Vice President of Taiyo Holdings, was appointed President, Chief Executive Officer in 2011, and has overseen the management of Taiyo Holdings's Group, including decision-making and supervision of business execution. He was selected as a candidate for Board Director because Taiyo Holdings expects that he will be able to continue to play an important role in the Group's decision-making and supervision of business execution.				

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held		Number of Taiyo Holdings's shares owned
2	Reappointment Hitoshi Saito (April 21, 1965)	Nov. 1995 Sep. 1996 June 2001 July 2001 July 2010 June 2012 Apr. 2015 May 2016 June 2016 July 2016 Apr. 2019 Oct. 2019 Feb. 2020 Apr. 2020 Apr. 2020 May 2020 May 2020 June 2020 June 2020 Oct. 2021 Dec. 2021 Dec. 2021 Jan. 2022 Jan. 2022 May 2022 June 2022 Apr. 2025 Apr. 2025	Marketing Manager of Win System Inc. (Win System Europe) Joined Taiyo Holdings Managing Director of TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD General Manager/Director of TAIYO INK (THAILAND) CO., LTD. Director of International Business Department of Taiyo Holdings Director of TAIYO INK MFG. CO., LTD. (Present post) President and CEO of TAIYO INK PRODUCTS CO., LTD. President and CEO of TAIYO INK MFG. CO., (KOREA) LTD. Board Director of Taiyo Holdings Board Director and Senior Executive Officer of Taiyo Holdings Director of TAIYO AMERICA, INC. (Present post) Director of TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD (Present post) Director of TAIYO TRADING (THAILAND) CO., LTD. (Present post) Chairman and CEO of TAIYO INK MFG. CO., (KOREA) LTD. Chairman and CEO of TAIYO INK PRODUCTS CO., LTD. Chairman of the Board of TAIWAN TAIYO INK CO., LTD. (Present post) Director of ONSTATIC New Material (JiangXi) Co., Ltd. (Present post) Director of TAIYO CIRCUIT AUTOMATION, INC. (Present post) Chairman of TAIYO INK VIETNAM CO., LTD. (Present post) Chairman of the Board of ONSTATIC TECHNOLOGY CO., LTD. (Present post) Chairman of the Board of TAIYO INK (SUZHOU) CO., LTD. (Present post) Chairman of the Board of ONSTATIC INK (SHENZHEN) CO., LTD. (Present post) Director of TAIYO INK MFG. CO., (KOREA) LTD. (Present post) Director of TAIYO INK PRODUCTS CO., LTD. (Present post) CEO of Electronics Company of Taiyo Holdings (Present post) Vice President of Taiyo Holdings (Present post) Chairman of the board of Taiyang Feng Semiconductor Materials (SHENZHEN) CO., LTD. (Present post) Chairman of the board of TAIYO INK TRADING (SHENZHEN) CO., LTD. (Present post)	Common shares 135,742 shares

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of Taiyo Holdings's shares owned
	[Reason for nomination as a candidate for Board Director] Hitoshi Saito possesses a wealth of marketing knowledge and management experience outside of Japan and has led the Group's subsidiaries as the person in charge. He was selected as a candidate for Board Director because Taiyo Holdings expects that he will be able to continue to use his experience and expertise in Taiyo Holdings's decision-making.		

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of Taiyo Holdings's shares owned
3	Reappointment Outside Independent Keiko Tsuchiya (May 13, 1960)	Apr. 1981 Joined DENTSU INC. Apr. 1989 Joined Ferag Japan Co., Ltd. Apr. 1991 Joined Australian Trade Commission, Tokyo Jan. 1994 HR Planning & Organizational Effectiveness Director of Becton Dickinson Co., Ltd. July 2004 Chief Researcher & Producer of Human Value Inc. Oct. 2005 Executive Officer and General Manager, Human Resources for Pacific Region of GE Toshiba Silicones Co., Ltd. (Currently Momentive Performance Materials Japan LLC) Jan. 2009 Senior HR Manager of Cisco Systems LLC Feb. 2011 Vice President, Human Resources of Johnson & Johnson Medical Company Aug. 2015 CHRO of Adecco Ltd., Japan Jan. 2016 General Manager of People Value of Adecco Ltd., Japan June 2017 Outside Board Director of Taiyo Holdings (Present post) June 2019 Director of Teachers Initiative (Present post) June 2021 Outside Director of Nippon Light Metal Holdings Company, Ltd. (Present post) Apr. 2024 Advisor of ToBeings Co., Ltd. (Present post) June 2024 Director of Educa & Quest Co., Ltd. (Present post) June 2024 Chairperson of the Board of Directors of Taiyo Holdings (Present post)	Common shares 800 shares
[Reason for nomination as a candidate for Outside Board Director and overview of expected roles] Keiko Tsuchiya possesses a wealth of experience and expertise in the field of human resources, including management experience as a Board Director in the comprehensive human resources service industry, and management experience in companies in the healthcare, materials, and other manufacturing fields. She was selected as a candidate for Outside Board Director because Taiyo Holdings expects that she will be able to continue to use her experience and expertise in our Human Resources division and to strengthen Taiyo Holdings's human resources.			

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held		Number of Taiyo Holdings's shares owned
4	New Outside Independent Misae Maruyama (July 13, 1970)	Oct. 1993 Dec. 2011 Aug. 2021 Mar. 2022 May 2023 June 2024	Joined Tohmatsu & Co. (Currently Deloitte Touche Tohmatsu LLC) Established Maruyama CPA Office (Present post) Outside Corporate Auditor of 3-Shake Inc. External Auditor of Yappli, Inc. (Present post) Outside Director (Audit & Supervisory Committee Member) of dip Corporation (Present post) Outside Audit & Supervisory Board Member of AYUMI Pharmaceutical Holdings Co., Ltd. (Present post)	Common shares – shares
[Reason for nomination as a candidate for Outside Board Director and overview of expected roles] Misae Maruyama has never in the past been involved in the management of a company except for her role as an outside officer. However, she possesses specialized knowledge and extensive experience as a certified public accountant, along with broad insight gained through her service as an Outside Audit & Supervisory Board Member at other companies. She was selected as a new candidate for Outside Board Director as Taiyo Holdings expects that her experience and track record will contribute to the enhancement of the sustainable corporate value of the Group.				

Notes:

- There is no special interest between Taiyo Holdings and the candidates.
- Keiko Tsuchiya and Misae Maruyama are candidates for Outside Board Director.
- Keiko Tsuchiya now serves as Outside Board Director of Taiyo Holdings. Her term as Outside Board Director will be eight years as of the close of this General Shareholders' Meeting.
- Taiyo Holdings has designated Keiko Tsuchiya as an Independent Officer as provided for by the Tokyo Stock Exchange, Inc. If the reappointment of Keiko Tsuchiya is approved, Taiyo Holding intends to continue to designate her as an Independent Officer. In addition, Misae Maruyama fulfills the requirements for an Independent Officer as provided for by the Tokyo Stock Exchange, Inc., and Taiyo Holdings plans to issue notice to the Tokyo Stock Exchange, Inc. as an Independent Officer.
- At present, Taiyo Holdings has concluded an agreement with Keiko Tsuchiya 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. If the reappointment of Keiko Tsuchiya is approved at this General Shareholders' Meeting, Taiyo Holdings plans to continue the said agreement with her. In addition, if the appointment of Misae Maruyama is approved, Taiyo Holdings intends to conclude the same agreement with Misae Maruyama 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 these agreements is as follows:
 - In the event that a Board Director is liable for damages to Taiyo Holdings due to the neglect of duties, the Board Director 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 Board Director to whom the liability is attributable has executed duties in good faith and without gross negligence.
- 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 a candidate is appointed as a Board Director, the individual will be included as an insured party 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 (as of March 31, 2025) Note 9. Summary, etc., of Details of Board Directors and Officers Liability Insurance Policy" of the Business Report of the Japanese original.
- There is no plan to conclude an indemnity agreement between individual candidates 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.

Proposal 3: Election of One Board Director Who Is an Audit & Supervisory Committee Member

As Kaori Terunuma, now a Board Director who is an Audit & Supervisory Committee Member, will resign at the conclusion of this General Shareholders' Meeting, Taiyo Holdings proposes the election of one alternate Board Director who is an Audit & Supervisory Committee Member. The term of office of a Board Director who is an Audit & Supervisory Committee Member and appointed as an alternate shall be until the end of the term of office of the Board Director who is an Audit & Supervisory Committee Member has resigned, in accordance with the provisions of Taiyo Holdings's Articles of Incorporation.

Regarding this proposal, the candidate is reviewed by the Nomination and Compensation Committee consisting mainly of Outside Board Directors, and a decision is made with the consent of the Audit & Supervisory Committee.

The candidate has agreed to his appointment.

The candidate is as follows:

Name (Date of birth)	Brief resume, positions and important concurrent positions held		Number of Taiyo Holdings's shares owned
New Noriaki Shimamura (January 24, 1966)	Apr. 1988	Joined Taiyo Holdings	Common shares 11,600 shares
	Aug. 2008	Chairman of the Board and General Manager of the Sales Department of TAIYO INK CO., LTD.	
	Apr. 2013	Project Leader, Conductive Materials Project of TAIYO INK MFG. CO., LTD.	
	Apr. 2018	General Manager of the PCB Sales Department of TAIYO INK MFG. CO., LTD.	
	Oct. 2019	General Manager of PCB Materials Department of TAIYO INK MFG. CO., LTD.	
	Apr. 2020	General Manager of Kitakyushu Plant of TAIYO INK MFG. CO., LTD.	
	Jan. 2022	General Manager of Intellectual Property and Legal Affairs Department of the Company	
	June 2024	Compliance Officer of Taiyo Holdings (Present post)	
July 2024			Executive Officer of Taiyo Holdings (Present post)
[Reason for nomination as a candidate for Board Director who is an Audit & Supervisory Committee Member] Noriaki Shimamura has served as a Board Director of Taiyo Holdings's subsidiaries and as General Manager of Taiyo Holdings's Intellectual Property and Legal Affairs Department, and since 2024 has held the positions of Executive Officer and Compliance Officer while appropriately fulfilling his duties and responsibilities. Based on the extensive knowledge and experience gained through these diverse roles, Taiyo Holdings has determined that the candidate possesses the necessary qualifications to appropriately fulfill the duties of a Board Director who is an Audit & Supervisory Committee Member, and has therefore nominated him as a candidate for the position of a Board Director who is an Audit & Supervisory Committee Member.			

Notes:

- There is no special interest between Taiyo Holdings and the candidate.
- If the appointment of Noriaki Shimamura is approved, Taiyo Holdings intends to conclude an agreement with Noriaki Shimamura 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 a Board Director who is an Audit & Supervisory Committee Member is liable for damages to Taiyo Holdings due to the neglect of duties, the Board Director who is an Audit & Supervisory Committee 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 Board Director who is an Audit & Supervisory Committee Member to whom the liability is attributable has executed duties in good faith and without gross negligence.
- 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 the candidate is appointed as a Board Director who is an Audit & Supervisory Committee Member, the individual will be included as an insured party 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 (as of March 31, 2025) Note 9. Summary, etc., of Details of Board Directors and Officers Liability Insurance Policy" of the Business Report of the Japanese original.
- There is no plan to conclude an indemnity agreement between the candidate 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.

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Reference: Expertise and experience of Board Directors following this General Shareholders' Meeting

Name	Position and post of responsibility in Taiyo Holdings following this General Shareholders' Meeting		Corporate management Business strategy	Global	Production quality Research and development	ESG and Sustainability	Human resources management and Diversity	Finance, accounting and M&A	Legal affairs and Risk management
Eiji Sato	President, Chief Executive Officer		○				○	○	○
Hitoshi Saito	Vice President		○	○	○	○			
Keiko Tsuchiya	Outside Board Director	Independent		○		○	○		
Misae Maruyama	Outside Board Director	Independent New					○	○	○
Noriaki Shimamura	Board Director (Full-time Audit & Supervisory Committee Member)	New		○	○				○
Hidenori Sugiura	Outside Board Director (Full-time Audit & Supervisory Committee Member)	Independent				○		○	○
Ikumi Sato	Outside Board Director (Audit & Supervisory Committee Member)	Independent				○	○		○

Independent : Taiyo Holdings has designated Keiko Tsuchiya, Hidenori Sugiura and Ikumi Sato as Independent Officers as provided for by the Tokyo Stock Exchange, Inc., and has issued notice to the Tokyo Stock Exchange, Inc.

Corporate management and Business strategy : Assumes management experience, board director experience, business strategy, etc.

Global : Assumes experience and achievement of business development with a global mindset

ESG and Sustainability : Including the meaning of the environment, social contribution activities, community creation activities, and sustainable business activities

Human resources management and Diversity : Assumes development, training, and utilization of self-sufficient personnel in response to diverse organizations and society, management, and initiatives related to diversity (activities for the active participation of women, etc.), etc.,

Finance, accounting and M&As : Assumes experience and knowledge in financial accounting and strategic M&As

Shareholder Proposals (Proposals 4 and 5)

Proposals 4 and 5 were submitted by a shareholder, Oasis Japan Strategic Fund Y Ltd.

The reasons for Proposals 4 and 5 are as stated together. The content is quoted from the documents submitted by the shareholder, with only formal modifications made by Taiyo Holdings such as adding proposal numbers and standardizing terminology for consistency.

Please note that the Board of Directors of Taiyo Holdings opposes Proposals 4 and 5.

We respectfully ask shareholders to consider the opinion of the Board of Directors of Taiyo Holdings and to exercise their voting rights accordingly.

Proposal 4: Dismissal of Board Director Mr. Eiji Sato

1. Summary of the Proposal

To dismiss Eiji Sato from the position of Board Director.

Proposal 5: Dismissal of Board Director Mr. Kiyofumi Takano

1. Summary of the Proposal

To dismiss Kiyofumi Takano from the position of Board Director.

Reasons for Proposals 4 and 5

Oasis proposes the dismissal of Mr. Eiji Sato (hereinafter, “Mr. Sato”) and Kiyofumi Takano (hereinafter, “Mr. Takano”), who serve as Board Directors of Taiyo Holdings, due to concerns regarding corporate governance and business operations as described below. Taiyo Holdings’ shareholders should also oppose the proposal to reappoint these two individuals, as well as any proposal to appoint an individual affiliated with DIC Corporation (hereinafter, “DIC”) as a Board Director of Taiyo Holdings.

(1) Third-party allotment to dilute existing shareholders

In 2017, Taiyo Holdings conducted a large-scale third-party allotment of new shares to DIC, diluting the voting rights of existing shareholders. At the 2016 Ordinary General Shareholders’ Meeting, Taiyo Holdings withdrew proposals for “amendments to the articles of incorporation to allow entry into the Medical and Pharmaceuticals business” and “a new compensation system for board directors” due to opposition from shareholders. Since these two proposals were approved at the 2017 Ordinary General Shareholders’ Meeting, which took place immediately after the capital increase, Oasis presumes that the primary purpose of the capital increase was to secure approval for certain proposals rather than to enhance corporate value or raise funds.

(2) Excessive compensation for Mr. Sato

Since the 2017 Ordinary General Shareholders’ Meeting, Mr. Sato’s compensation has been significantly higher than that of board directors at other listed companies. This is due to the proposal regarding board directors’ compensation, which Mr. Sato secured approval for, as explained above.

(3) Excessive investment into and failure of Medical and Pharmaceuticals business

The Medical and Pharmaceuticals business, led by Mr. Sato, has shown low returns on significant investments, repeatedly recorded impairment losses, and destroyed the company’s corporate value.

(4) Incident and inappropriate response by the local subsidiary in Thailand

Masaru Oki (hereinafter, “Mr. Oki”), a former Auditor of Taiyo Holdings, submitted a false document to the Thai government while serving as a Managing Director of local subsidiary in Thailand. In response to this act, an arrest warrant was issued against Mr. Oki in 2021, and he was found guilty in 2024. Since Taiyo Holdings’ Board of Directors failed to take any effective measures despite being aware of the arrest warrant in 2021, it is

highly likely that they violated their duty of care.

(5) Failure to fulfil monitoring function by DIC dispatched board directors

There are significant transactions between Taiyo Holdings and its largest shareholder, DIC, creating a conflict of interest. Therefore, as was the case with Taiyo Holdings' response to the Thai incident, it is not likely that DIC-appointed Board Directors will be able to perform effective supervisory functions.

[Board of Directors' Opinion]

The Board of Directors of Taiyo Holdings opposes Proposals 4 and 5.

The reasons are as follows:

<Proposal 4: Dismissal of Board Director Mr. Eiji Sato>

Taiyo Holdings' Board of Directors opposes this proposal. The reasons are as follows.

Since assuming the position of President and CEO of Taiyo Holdings in April 2011, Mr. Sato has embarked on investments and mergers and acquisitions (M&A) to expand Taiyo Holdings' mainstay Electronics business. He has also entered and developed the Medical and Pharmaceuticals business to diversify the company, while strengthening corporate governance. As a result, Taiyo Holdings has shown significant growth in business performance and corporate value, repeatedly achieving record-high net sales and operating income under Mr. Sato's leadership. Compared to the fiscal year ended March 2011, when Mr. Sato became President and CEO, there has been a threefold increase in consolidated net sales and a fourfold increase in consolidated operating income. (Taiyo Holdings' stock price has also risen approximately fourfold since April 1, 2011, and is currently at its highest on record.) Mr. Sato has demonstrated his strong capabilities to fulfill his duties as a Board Director, and he is expected to continue playing a leading role in enhancing the corporate value of Taiyo Holdings.

Therefore, there is no reason to doubt his qualifications.

As explained below, the points raised in this shareholder proposal do not constitute grounds for Mr. Sato's dismissal. Considering his high level of job performance and notable past achievements, the Board of Directors opposes this shareholder proposal.

Please note that the opinion of the Board of Directors on this shareholder proposal has been deliberated and resolved by the Board of Directors based on a report from the Nomination and Compensation Committee.

(1) Third-party allotment of new shares is not intended to dilute existing shareholders

The third-party allotment of new shares to DIC ("the third-party allotment") conducted in 2017 was carried out for the purpose stated in the press release dated January 25, 2017, titled "Notice Concerning a Capital and Business Alliance with DIC Corporation, Issuance of New Shares through a Third-party Allotment, Disposition of Treasury Shares, and Changes in Major Shareholders, the Top Shareholder among Major Shareholders, and Associated Companies." As described in the press release, the purpose was to establish a strategic partnership with DIC, which possesses excellent material development capabilities, production and distribution bases, and financial strength, in a way that complement the business development of Taiyo Holdings' Group. This third-party allotment is also intended to secure the funds necessary to resolve the short-term management issues and to advance the medium- to long-term management strategy.

Due to the capital and business alliance through this third-party allotment, various synergies have been created with DIC. These synergies include mutual evaluation and improvement of materials for molded interconnect device (MID), progress in developing new applications as part of new market development outside of printed circuit boards, and joint development of materials for electronic devices used in high-frequency bands for next-generation communication standards, such as 5G and beyond. This includes the joint development of a new seed film for high-frequency compatible wiring formation, which won the 53rd Japan Chemical Industry Association (JCIA) Special Award. Additionally, the alliance has strengthened the business continuity plan (BCP) by procuring raw materials from DIC to secure multiple suppliers of key raw materials. The funds raised

through the third-party allotment are being allocated to support new business initiatives, the Electronics business, the reconstruction of IT infrastructure, and the execution of M&A activities. For the Electronics business, the funds were used to reconstruct and improve the productivity of the Taiwan plant, as well as to expand the dry film production line at the Kitakyushu Plant.

The proposals for “amendments to the articles of incorporation to allow entry into the Medical and Pharmaceuticals business” and “a new compensation system for board directors” at the 70th Ordinary General Shareholders’ Meeting held for fiscal 2016 were withdrawn with the aim of enabling a greater number of shareholders to understand the purpose and objectives of these proposals. The claim that Taiyo Holdings was forced to withdraw these proposals due to opposition from its certain shareholders is inaccurate. Therefore, the shareholder’s assertion that Taiyo Holdings conducted the third-party allotment to have these proposals approved is not supported by any fact.

(2) Compensation for Mr. Sato is not excessive

As described above, Mr. Sato has improved Taiyo Holdings’ business performance by repeatedly achieving record-high net sales and operating income, demonstrating exceptionally high competence in his role as a Board Director. Therefore, his current compensation is commensurate with his high ability to perform his duties as a Board Director.

In addition, the compensation for Taiyo Holdings’ board directors consists of the following: (1) basic compensation, (2) performance-linked cash compensation, (3) performance-linked stock compensation with a three-year transfer restriction, and (4) restricted stock compensation with a 10-year transfer restriction. Mr. Sato’s total cash compensation, which includes (1) and (2), is at or below the average for representative directors of other companies listed on the Prime Market of the Tokyo Stock Exchange and remains close to the median level. In particular, his (1) basic compensation, which is fixed and not linked to performance, is in the bottom 25%. The compensation for executive board directors of Taiyo Holdings consists of a high proportion of stock-based compensation, which refers to (3) and (4), and is closely linked to business performance. Therefore, their compensation system is designed so that any increase or decrease in their interests is mostly aligned with those

of shareholders. The amount of compensation may increase depending on business performance, but this is due to Mr. Sato’s contributions to the company’s strong performance.

Furthermore, the proposal for a new compensation system for board directors approved at the 71st Ordinary General Shareholders’ Meeting held for fiscal 2017 was made in response to amendments to tax systems, as well as the officer compensation system presented by the Ministry of Economy, Trade and Industry’s (METI) to encourage “proactive business management,” which made it possible to introduce a restricted stock compensation system using common stock. This proposal was not made with the intention of granting excessive compensation to Mr. Sato. Sharing value with shareholders has been part of Taiyo Holdings’ approach to officer compensation since before Mr. Sato assumed the position of President and CEO. Moreover, in line with that policy, Taiyo Holdings has introduced a stock-based compensation system since fiscal 2014, which was considered progressive at that time.

The decision to implement this compensation system was not made solely by executive board directors but made the following discussions and reports from bodies with objective and neutral points of view, including the Compensation Advisory Committee (currently the Nomination and Compensation Committee), where outside board directors and experts constitute a majority of the members.

(3) Medical and Pharmaceutical investments are not inappropriate management decisions

To achieve stable and sustainable growth in its consolidated business performance, which was susceptible to semiconductor market conditions and other factors, Taiyo Holdings entered the Medical and Pharmaceuticals business. This entry was initiated through the manufacturing and marketing of pharmaceuticals largely by acquisition of a long-listed product, which was subsequently expanded into a CDMO. There are synergies between the Medical and Pharmaceuticals business and the Electronics business in areas such as business operations and human resources. In terms of business operations, they can mutually utilize plant operating

expertise, including production processes and overseas development. Additionally, they can recruit and develop highly skilled individuals with wide-ranging skills and perspectives, capable of active participation across the entire company, which represents a synergy in human resources. Therefore, the Medical and Pharmaceuticals business can be considered unified with the Electronics business at Taiyo Holdings, which has been a chemicals manufacturer since its foundation.

It is accurate to state that the Medical and Pharmaceuticals business has a lower return on invested capital (ROIC) compared to the Electronics business. However, given the unique characteristics of the Medical and Pharmaceuticals business, such as goodwill from M&A or business acquisitions recorded during the start-up and expansion period, as well as differences in maturity and business cycle, it is difficult to make a straightforward comparison based solely on capital efficiency with Electronics business. In addition, in some fiscal years, the Medical and Pharmaceuticals business has outperformed the Electronics business and other businesses in terms of EBITDA margin and other factors.

Additionally, the manufacturing and marketing of pharmaceuticals and the CDMO business require considerable investment. Unlike a drug discovery business, where the probability of success is difficult to foresee, the Medical and Pharmaceuticals business of Taiyo Holdings has consistently contributed to sales and profits.

In light of these factors, the Board of Directors recognizes that the Medical and Pharmaceuticals business is an important sector of Taiyo Holdings' overall business management. In this business, impairment losses have been recorded on goodwill arising from M&A and business acquisitions during the start-up and expansion period. However, the value of the business is much higher than these impairment losses, as described above.

Consequently, the Medical and Pharmaceuticals business is not something that will "destroy the company's corporate value" or be considered a "failure."

For the fiscal year ending March 31, 2026, the Medical and Pharmaceuticals business is expected to demonstrate steady growth in sales and profits, reaching record-high net sales and operating income. As a result, Taiyo Holdings is expected to achieve a record-high profit of 23.3 billion yen, (up more than 105% year on year) because of growth in the Medical and Pharmaceuticals business, despite an expected profit decline in the Electronics business due to the impact of appreciation of yen.

The decision to enter the Medical and Pharmaceuticals business was made after careful deliberation by the Board of Directors. Taiyo Holdings also received shareholder approval at the Ordinary General Shareholders' Meeting held for fiscal 2017 to amend its Articles of Incorporation to enter the Medical and Pharmaceuticals business. As mentioned above, Taiyo Holdings believes that there are no problems with the decision-making process for entering the Medical and Pharmaceuticals business.

(4) Response to incident at Thai subsidiary

Regarding the matters raised in this shareholder proposal, the results of the investigation conducted by Taiyo Holdings are as follows: (i) During the period when Mr. Oki served as an Auditor of Taiyo Holdings, a false meeting record was prepared at the former Thai subsidiary of Taiyo Holdings' Group (which has since been liquidated). The meeting record stated that a former associate of Taiyo Holdings (hereinafter, Mr. A), who owned one share out of the 30,000 shares issued by the former Thai subsidiary, had attended the General Shareholders' Meeting. However, in fact, Mr. A did not attend the meeting. (ii) In March 2021, an arrest warrant was issued against Mr. Oki in Thailand for submitting the false minutes to the Thai government. (iii) In 2024, a Thai court found Mr. Oki guilty.

It is important to note that Mr. A filed a civil lawsuit against the former Thai subsidiary and Taiyo Holdings, asserting his claim of being a real shareholder. He disputed the validity of the shareholders' meeting of the former Thai subsidiary, citing inadequacies in the meeting record, and sought compensation for damages. However, in 2021, Mr. A's claim was dismissed by the court in the first instance. Although an appeal was subsequently filed, he finally lost the case. In that judgment, Mr. A's claim to be a real shareholder was not recognized because he was a shareholder only as a representative of Taiyo Holdings and without compensation. It was also recognized that he did not incur any damage.

This shareholder proposal claims that Taiyo Holdings failed to take effective measures despite being aware of the existence of an arrest warrant in 2021. However, Taiyo Holdings has prioritized a thorough investigation of the facts and the implementation of measures to prevent recurrence as the issuance of an arrest warrant does not constitute a final conviction of Mr. Oki. Therefore, Taiyo Holdings did not take immediate disciplinary action, such as dismissing Mr. Oki. At a later date, Mr. Oki resigned from his position as an Auditor of Taiyo Holdings upon the expiration of his term in June 2022.

Taiyo Holdings is implementing comprehensive measures to prevent similar incidents in the future. These measures include strengthening the reporting system to the Board of Directors for greater transparency when risk incidents occur and clarifying response policies. Additionally, the former Thai subsidiary demonstrated that its number of employees, sales, and profits were insignificant within Taiyo Holdings' Group, leading to differences in the depth of monitoring compared to other major subsidiaries. To prevent similar situations from occurring at other non-major subsidiaries in the future, the Group is enhancing its overall risk assessment and response, improving training and awareness, and further strengthening internal controls and subsidiary management. Taiyo Holdings plans to continue reinforcing these measures to prevent recurrence in the future.

Taiyo Holdings takes seriously the incident involving the former Auditor and the former Thai subsidiary. However, given that the measures have already been implemented to prevent recurrence, the Board of Directors believes that the claim that Mr. Sato failed to take effective action in this matter is inappropriate.

<Proposal 5: Dismissal of Board Director Mr. Kiyofumi Takano>

Taiyo Holdings' Board of Directors opposes this proposal. The reasons are as follows.

The Board of Directors recognizes the significant contributions of Mr. Kiyofumi Takano and other board directors affiliated with DIC to the enhancement of corporate governance, based on their understanding of Taiyo Holdings' business and extensive experience in various roles at DIC.

Specifically, board directors affiliated with DIC are selected from personnel who have a deep understanding of Taiyo Holdings' business. Mr. Takano has extensive experience and knowledge in technology, research and development, and marketing, along with a track record of involvement in new business creation and a global perspective. He has provided valuable advice to the Board of Directors as a business expert.

In addition, as an independent listed company, Taiyo Holdings makes management decisions independently, without direction or prior approval from DIC. The objective of this decision-making process is to increase corporate value and protect the interests of minority shareholders. Board directors affiliated with DIC are prohibited from participating in the deliberation and resolution of proposals in which they have an interest. This approach ensures the fairness of the decision-making process regarding the determination of transaction terms and conditions, among other things.

Please note that the opinion of the Board of Directors on this shareholder proposal has been deliberated and resolved by the Board of Directors based on a report from the Nomination and Compensation Committee.

At this General Shareholders' Meeting, there is no proposal to appoint Mr. Takano or other board directors affiliated with DIC, due to personnel measures determined through consultation between Taiyo Holdings and DIC. However, Mr. Takano and the other board directors affiliated with DIC have sufficiently fulfilled their roles as Board Directors of Taiyo Holdings to date.

For the reasons stated above, the Board of Directors of Taiyo Holdings opposes Proposals 4 and 5.