



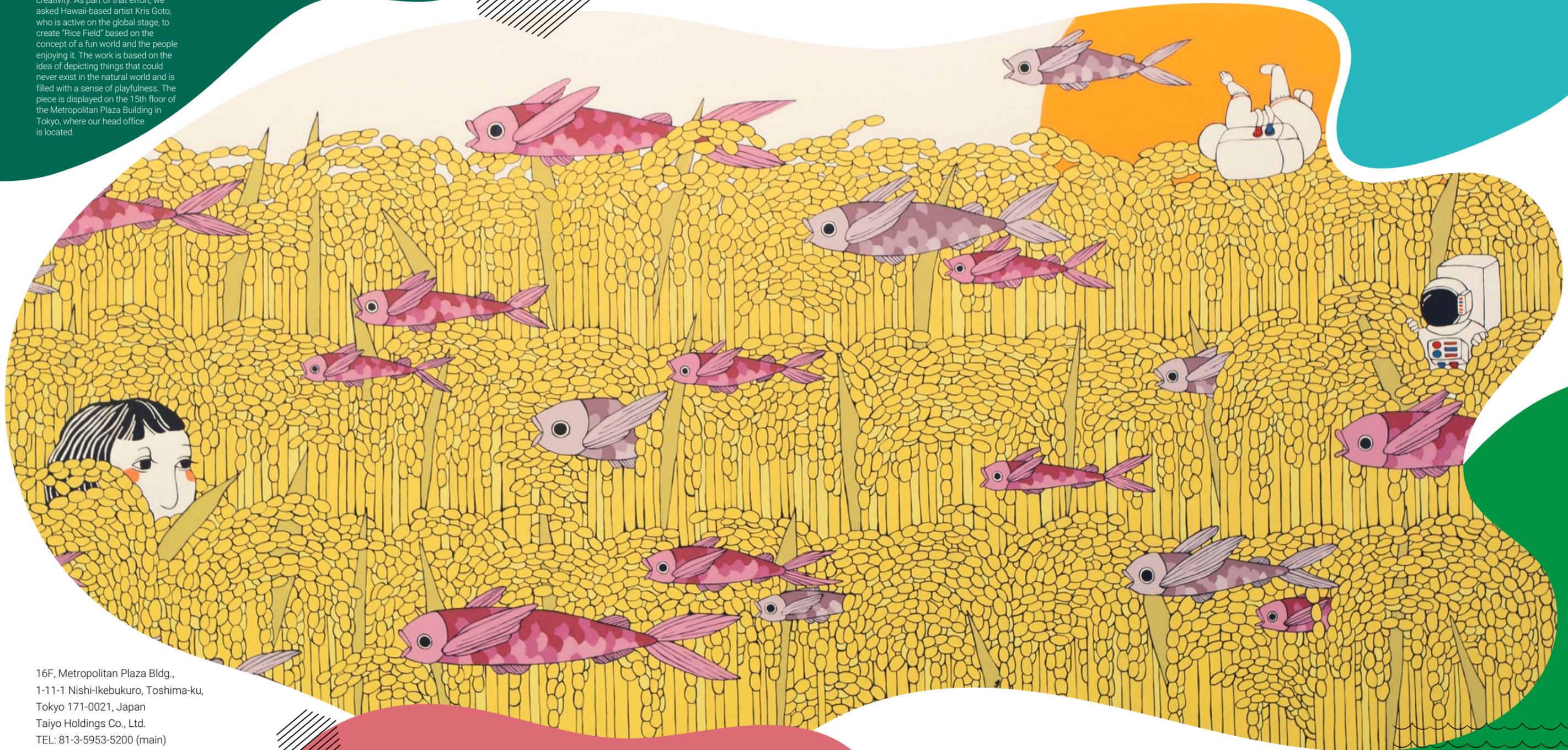
COVER STORY

Taiyo Holdings aims to create a work environment where employees come into contact with original art that inspires emotion, learning, and creativity. As part of that effort, we asked Hawaii-based artist Kris Goto, who is active on the global stage, to create "Rice Field" based on the concept of a fun world and the people enjoying it. The work is based on the idea of depicting things that could never exist in the natural world and is filled with a sense of playfulness. The piece is displayed on the 15th floor of the Metropolitan Plaza Building in Tokyo, where our head office is located.

Integrated Report 2025

TAIYO HOLDINGS

Happy people
create a happy world.



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Tokyo 171-0021, Japan
Taiyo Holdings Co., Ltd.
TEL: 81-3-5953-5200 (main)
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<https://www.taiyo-hd.co.jp/en/>

Happy people create a happy world.

“Don’t be afraid to fail.”

Because what we learn from that failure drives us forward.

Let’s enjoy a challenge without having the fear to make a mistake.

Let’s enjoy change to create the norm of tomorrow.
Let’s look forward to the future having a vision of a happier world.

Let’s not limit ourselves.
With chemistry as our strength, let’s try to venture further.

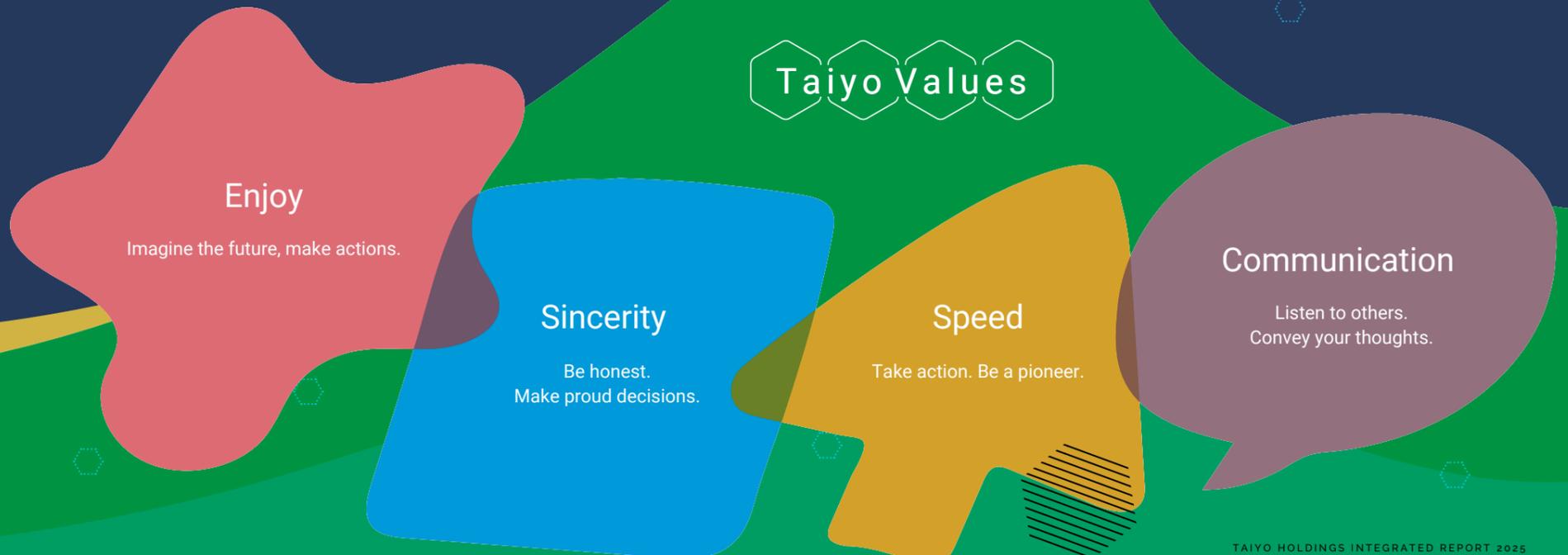
Now is the time to sketch a new world.



Management Philosophy

To achieve “a cheerful society” by further advancing every technology in our Group and by creating a wide range of innovative products to fulfill the dreams of the world.

Taiyo Values



Enjoy

Imagine the future, make actions.

Sincerity

Be honest.
Make proud decisions.

Speed

Take action. Be a pioneer.

Communication

Listen to others.
Convey your thoughts.

Editorial Policy

This marks Taiyo Group's fifth integrated report. Our goal is for the integrated report to serve as an important tool for fostering our stakeholders' understanding of the Taiyo Group's unique initiatives and business activities aimed at value creation. This report focuses on "business growth strategies and financial policies" and "development and utilization of self-sufficient personnel." These are important themes for realizing our long-term management plan, "Beyond Imagination 2030," and for the sustainable growth of our group. We intend to utilize this report as a key tool for fostering mutual understanding with our stakeholders going forward.

Guidelines Referenced

- IFRS Foundation "International Integrated Reporting Framework"
- Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation of the Ministry of Economy, Trade and Industry (METI)
- Chemicals Industry Standard of the Sustainability Accounting Standards Board (SASB) and others

Period Covered

April 1, 2024 to March 31, 2025 (includes some information outside the reporting period)

Reporting Boundary

Taiyo Holdings Co., Ltd. and its Group companies in Japan and overseas

Disclaimer

This report is not intended to solicit the purchase or sale of securities issued by Taiyo Holdings Co., Ltd. Additionally, forward-looking statements contained herein are based on various assumptions made by the Company as of the time of its preparation. The Company does not guarantee that these forward-looking statements will be achieved.

English Translation of the Japanese Document

This is a translation of the original Japanese document and is provided for convenience only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



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Those Who Enjoy Challenges Create the Future

Hitoshi Saito

President and CEO
Taiyo Holdings Co., Ltd.

Mr. Saito joined Taiyo Ink Mfg. Co., Ltd. (now Taiyo Holdings Co., Ltd.) in 1996. He was in charge of global expansion as the General Manager of the International Business Department and subsequently assumed the role of head for overseas subsidiaries. He was appointed Board Director in 2016 and assumed a central management role as Vice President and CEO of the Electronics Company in 2022. In 2025, he was appointed President and CEO.

The Starting Point is the Passion to Take on the World through the Power of Manufacturing

My name is Hitoshi Saito and I was appointed President and CEO in June 2025. When I joined the company in 1996, we were already actively expanding overseas and in the midst of strengthening our global operations. I still vividly remember the excitement behind being able to work at a company that could compete on the world stage. Since I first joined the company, I have cherished the aspiration "to inspire people around the world with products and services that fully leverage the power of Japanese manufacturing." This aspiration remains unchanged today and continues to be my starting point.

After joining the company, I was mainly involved in the overseas expansion of the Electronics business, and at age 32, participated in the launch of Taiyo Singapore. Since then, I have been involved in establishing sales subsidiaries in Asia and the ASEAN region, and have managed various Group companies, mainly overseas. The knowledge gained on the global front lines and the experience of engaging with diverse cultures and markets have elevated my perspective as a manager and have been an unwavering foundation for me to this day.

Since our founding, we have continuously taken on challenges, expanding globally with the Electronics business at our core, and in 2017, entered the Medical and Pharmaceuticals business. Sustaining our present growth momentum, I recognize that my important role going forward is to respond to each employee's spirit of challenge and strive to enhance our corporate value over the medium and long term.

One of our strengths that I must leverage as a manager is "sincerity," which is also stated in the Taiyo Values. We sincerely engage with each customer, carefully understand their needs, pursue every detail to an extreme, and provide high-quality products. Of course, we have also built relationships with our suppliers and employees by acting with sincerity and always placing importance on open dialogue. I am convinced that the trust and track record we have built, along with our outstanding technological capabilities, have been the driving force behind our company's growth. Upon my appointment as Vice President in 2022, this conviction became even stronger.

It is Precisely in Times of Transformation that We Must Embrace Change and Act with an Unmatched Level of Sincerity

Currently, the business environment surrounding our company continues to change at an unprecedented speed and scale, with intensifying global competition, accelerating technological innovation, and growing awareness of environmental and human resources issues. Under such conditions, I feel a deep sense of responsibility that comes with serving as President. Precisely because we are in such turbulent times, I believe the most important thing is to carefully discern what must be changed and what must not be changed. Our core Management Philosophy and Taiyo Values, our technological capabilities based on chemistry, and the trust we have built with our stakeholders must never be compromised. On the other hand, our management strategies and capital policies for achieving sustainable growth must always anticipate the trends of the times and be continuously updated. As a concrete measure, we have newly formulated a medium-term management plan. In formulating this plan, I participated as a member of the 2030 Committee, engaging in extensive discussions with external

experts. With the financial targets and roadmap set forth here as a clear guide, we will further accelerate our efforts to realize the vision depicted in our long-term management plan, "Beyond Imagination 2030." Even in uncertain environments, by balancing caution and decisiveness and making swift management decisions, we are committed to the sustainable growth of the Taiyo Group and contributing to society.

The Taiyo Group has nurtured many self-sufficient personnel who can proactively drive initiatives. Under our Management Philosophy which focuses on achieving "a cheerful society," if each employee can fully realize their potential within the organization and continue to take on challenges with enjoyment, it will lead to the creation of "a wide range of innovative products to fulfill the dreams of the world." As the Taiyo Group aims for further leaps forward as a global chemical manufacturer, I sincerely ask for your continued expectations and support.

The Taiyo Group in Numbers

Consolidated results during fiscal year 2025

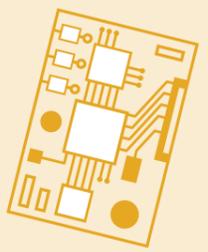
In addition to maintaining a top global market share in Solder Resist (SR), our group is expanding new businesses in Medical and Pharmaceuticals, which is continuing to grow as our second business pillar, as well as in ICT, fine chemicals, energy, and food. We are strengthening our solid management foundation to create new businesses and achieve sustainable growth.

Solder resist (SR) global share

We have a global market share of 53% or higher in liquid SR and 84% or higher in dry film SR.

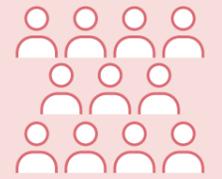
* Source: "Current Status and Future Outlook for Advanced Electronics Materials 2024 (2023 Estimate)" by Fuji Chimera Research Institute, Inc. (available in Japanese only)

No.1



Number of group employees

2,485



We have 1,506 employees in Japan, and more than 39% of our employees are based at our overseas locations.

R&D expenses to net sales ratio in the Electronics business



To remain a leading solder resist company and further expand our business, we are focusing on proactive capital investment and the recruitment and development of engineers.

7.6%

Ratio of female board directors

* As of November 30, 2025

50%



The composition of board members exceeds the level sought by the Cabinet Office's Gender Equality Bureau, which aims for companies listed on the TSE Prime Market to have at least 30% female board members by 2030.



Ratio of overseas sales

65.4%

In the Electronics business, the overseas net sales ratio is 95% or higher. We have global production and sales bases primarily in Asia and practice "local production for local consumption," realizing local procurement, production, and sales.

Consolidated total payout ratio

98.8%

We will implement shareholder returns with a consolidated total payout ratio of 100% as a guideline at least until the fiscal year ending March 2028 (Fiscal Year 2028).



Net sales

119 billion

Following on our Electronics business and Medical and Pharmaceuticals business, we have developed new businesses to establish a revenue base that enables continuous growth. Our target net sales for fiscal year 2031 is 180 billion yen.



Dividend on equity (DOE)

11.6%



This index indicates how much a company returns to shareholders through dividends. Our target ROE for fiscal year 2031 is 5% or higher.

Operating margin

18.5%



We outperformed the manufacturing sector's average operating margin of 5.2%* by a wide margin.

* Source: "2024 Basic Survey of Japanese Business Structure and Activities (FY2023 results)" by the Ministry of Economy, Trade and Industry

Return on equity (ROE)

10.6%



An indicator that shows the efficiency of management in relation to shareholders' equity. The average ROE of manufacturing companies listed on the TSE Prime in 2024 was 8.4%*. Our target DOE for fiscal year 2031 is 30%.

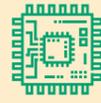
* Source: "Fiscal year 2024 Summary of Earnings digests" by Japan Exchange Group

Creating a cheerful society with every technology utilizing the power of chemistry

Under our management philosophy, the Taiyo Group carries out various business activities that create broad value and contribute to the sustainable development of society as a whole.



ELECTRONICS



Electronics

The Electronics business manufactures and sells chemical materials for electronic components playing important roles in numerous electronic devices, including IT devices such as personal computers, smartphones and servers, and digital home electronics, as well as automotive-related products such as electronic control units.

Fiscal Year 2025

Net sales	Operating income
81.7	21.4
billion yen	billion yen

Driving the Electronics business with world-class solder resist (SR) technology

Taiyo Ink Mfg. Co., Ltd. Overseas group companies

SR refers to ink that covers the surface of a printed circuit board equipped with various electronic components to protect the circuit pattern by forming an insulating film.

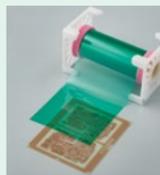
Primary roles:

- (1) Prevents solder from adhering to unwanted areas
- (2) Protects circuit patterns from dust, heat, and moisture
- (3) Maintains electrical insulation between circuit patterns



Liquid Type

- Allows various coating methods (screen printing method, spray/curtain/roll coat methods, etc.)
- Applicable to a wide variety of substrate usages



Dry Film Type

- Highly smooth surface
- Easy to manage thickness
- Shortens customers' front-end process
- Eliminates the vaporization of organic solvents



MEDICAL & PHARMACEUTICALS



Medical and Pharmaceuticals

The Medical and Pharmaceuticals business engages in the manufacturing, marketing and contract development and manufacturing of ethical pharmaceuticals, as well as in the manufacturing and selling dental prosthetics. Through this business, we respond to the various needs of the medical and pharmaceutical industry as a genuinely competitive manufacturing plant while providing a stable supply of high-quality pharmaceuticals that have been trusted for many years.

Fiscal Year 2025

Net sales	Operating income
31.5	2
billion yen	billion yen

Manufacturing and marketing of ethical pharmaceuticals

Taiyo Pharma Co., Ltd.

Taiyo Pharma provides a stable supply of socially important ethical pharmaceuticals that have long been used over the years through manufacturing and marketing of long-listed products.

Contract development and manufacturing of ethical pharmaceuticals

Taiyo Pharma Tech Co., Ltd.

Taiyo Pharma Tech engages in the contract manufacturing of ethical pharmaceuticals including solid and injectable formulations. The company also directs its efforts to acquire new modalities as part of its efforts to develop new areas.

Manufacturing and selling of dental prosthetics

mystarz Co., Ltd. Fukuoka Meister Lab Co., Ltd.

We manufacture and sell dental prosthetics such as dentures, crowns, and implants. By combining cutting-edge digital technology with the skills of our technicians, we offer a wide range of high-quality dental prosthetic products.



ICT & SUSTAINABILITY



ICT and Sustainability

The ICT and Sustainability business has created new businesses in a wide range of fields, such as the ICT business, which supports the Taiyo Group and customers in the digital field, the Fine Chemicals business, which engages in contract development of synthesized chemicals, the Energy business, which promotes the use of renewable energy, and the Food business, which operates plant factories.

Fiscal Year 2025

Net sales	Operating income
5.7	262
billion yen	million yen

ICT business funlead group

We play a role in renovating ICT infrastructures and constructing new systems for the Taiyo Group and customer companies. We are taking on new business challenges such as the development of new digital services that contribute to sustainable growth.

Fine chemicals business Taiyo Fine Chemicals Co., Ltd.

By leveraging our expertise in the contract development of synthesized chemicals, and our technologies for dyes, pigments, and pharmaceutical intermediates, we produce and sell high-quality and high-value-added functional materials that are widely used in applications ranging from textile dyes to IT electronic materials.

Energy business Taiyo Green Energy Co., Ltd.

We established Taiyo Green Energy Co., Ltd. in 2014 to spread and promote eco-friendly renewable energy. We are promoting the development of floating solar power plants with the aim of contributing to society by earnestly addressing worldwide environmental issues.

Food business Taiyo Green Energy Co., Ltd.

With the aim of establishing agricultural techniques and methods that can be globally deployed, we are cultivating various agricultural products, such as baby leaf greens at a fully enclosed plant factory and high-quality strawberries using ICT. To help solve future food issues, we are researching insect feed and farming edible crickets.

History of Value Creation

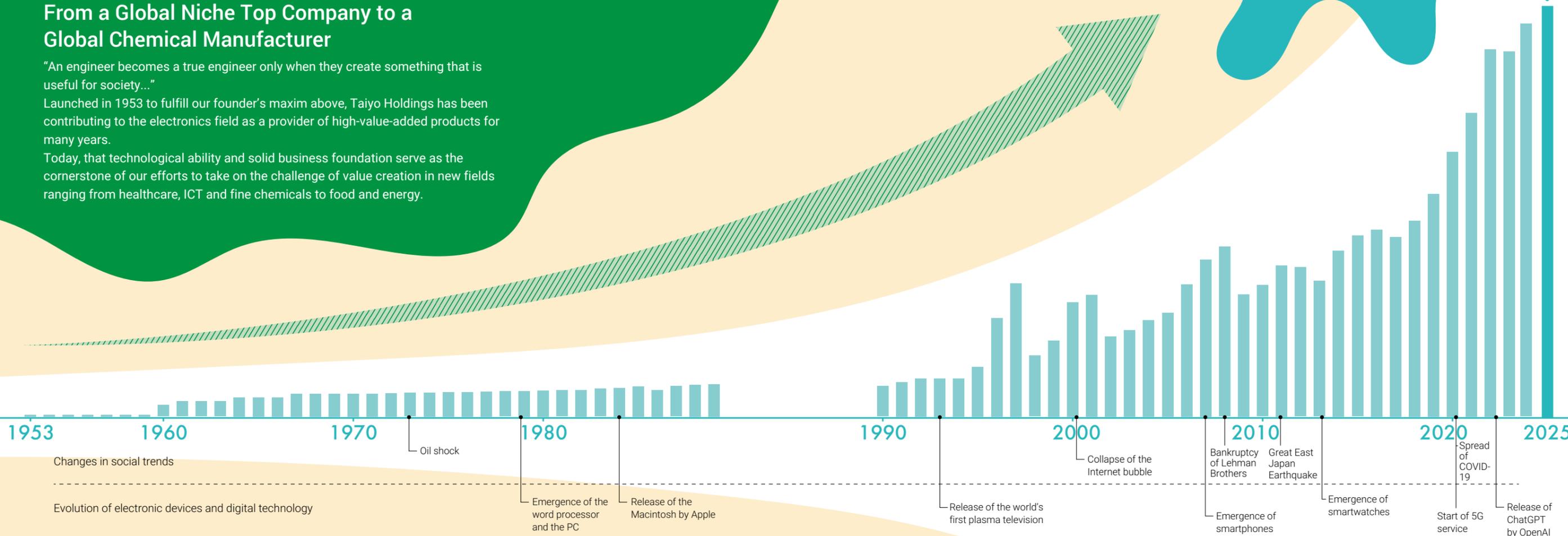
From a Global Niche Top Company to a Global Chemical Manufacturer

"An engineer becomes a true engineer only when they create something that is useful for society..."

Launched in 1953 to fulfill our founder's maxim above, Taiyo Holdings has been contributing to the electronics field as a provider of high-value-added products for many years.

Today, that technological ability and solid business foundation serve as the cornerstone of our efforts to take on the challenge of value creation in new fields ranging from healthcare, ICT and fine chemicals to food and energy.

Net sales **119** billion yen



1953 1960 1970 1980 1990 2000 2010 2020 2025

Changes in social trends

Oil shock

Evolution of electronic devices and digital technology

Emergence of the word processor and the PC

Release of the Macintosh by Apple

Release of the world's first plasma television

Collapse of the Internet bubble

Bankruptcy of Lehman Brothers

Great East Japan Earthquake

Emergence of smartphones

Emergence of smartwatches

Spread of COVID-19

Start of 5G service

Release of ChatGPT by OpenAI

1 Founding Period

1953 Established Taiyo Ink Mfg.

Taiyo Ink Mfg. Co., Ltd. was established as a manufacturing and marketing company for printing ink in Minato-ku, Tokyo. Taiyo, which means "sun" in Japanese, was chosen as the company name to reflect our desire to be a light for society and useful for people everywhere.



1976 Shifted our focus to chemicals for the electronics industry

We made a major shift in business policy and switched from our founding business in printing ink to providing solder resist (SR) and other chemical materials to the electronics industry. This was a bold move because the viability of the electronics field was still unknown.



2 Challenging the World

1984 Introduced a liquid photo-imageable SR

We introduced a high-precision liquid photo-imageable (LPI) SR for high-density printed circuit board. In the following year, 1985, we filed a basic patent for liquid alkaline LPI SR (PSR-4000) and subsequently registered patents in the United Kingdom, United States, France, Germany, and Japan along with improvement patents in core countries.

1988 Started local production overseas

We established Taiyo Ink Mfg. Co., (Korea) Ltd. and began local production to meet rapidly growing sales volume in South Korea. We later expanded our local production activities to the United States in 1995, Taiwan in 1998, and China in 2003, creating a global supply structure based on local production and sales.

3 Starting New Businesses

2014 Started the solar power business and food business

We established the renewable energy company Taiyo Green Energy Co., Ltd. in 2014 and commenced operations of a floating solar power plant in October 2015. In November 2015, we also started our Food business with the cultivation of baby leaf greens at a fully enclosed plant factory.

2017 Entered into the Medical and Pharmaceuticals business

We launched the Medical and Pharmaceuticals business in 2017 with the establishment of our subsidiary Taiyo Pharma Co., Ltd. to manufacture and market long-listed products. Moreover, Taiyo Pharma Tech Co., Ltd. began providing efficient and reliable contract manufacturing of high-quality pharmaceuticals in 2019. We have built a revenue base that is second only to our Electronics business.

4 Aiming for Sustainable Growth

2021 Announced the long-term management plan

We believe that, amid immense changes in the business environment from pandemics, climate change, and rapid technological advances, it is important to look beyond short-term changes to a longer-term horizon. With that perspective, we announced our long-term management plan, "Beyond Imagination 2030," for the next ten years.

2025 Announced the medium-term management plan

With the aim of enhancing corporate value over the medium to long term and securing the common interests of shareholders, we established the 2030 Committee to ensure objectivity and transparency and announced a medium-term management plan as a roadmap to realize the vision for 2030.

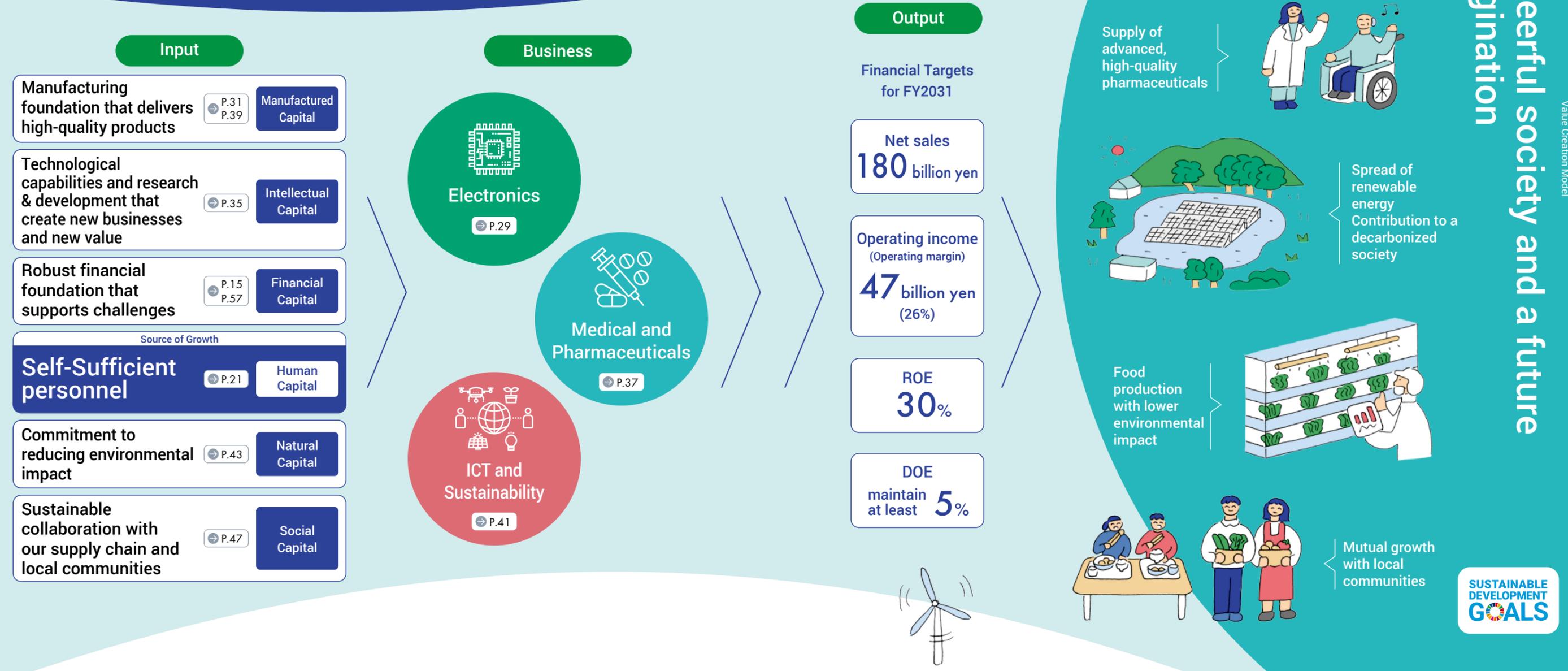


Value Creation Model

By making "self-sufficient personnel" the source of sustainable growth, we will create diverse value and realize a cheerful society.

Management Philosophy

To achieve "a cheerful society" by further advancing every technology in our Group and by creating a wide range of innovative products to fulfill the dreams of the world.



Formulation of a Medium-Term Management Plan Outlining the Roadmap to 2030

Harnessing “Our Uniqueness” to Achieve Further Growth as One Group

We will delve deeper into the medium-term management plan, which was newly formulated, taking the strengths and challenges highlighted by the financial results for the fiscal year ending March 31, 2025 as our starting point.

Hitoshi Saito

President and CEO
Taiyo Holdings Co., Ltd.

Sayaka Tomioka

Managing Executive Officer, CFO
Taiyo Holdings Co., Ltd.

Consolidated Net Income for Fiscal Year 2025 Reached a Record High

With Market Expansion and a Weaker Yen as Tailwinds, the Electronics Business Moves on to the Next Stage of Evolution

Saito For fiscal year 2025, both net sales and operating income reached record highs. The main driver was the Electronics business, where demand for semiconductor package (PKG) substrates in the memory segment increased, backed by AI and data center demand. Rigid high-end products for automotive and smartphones also performed well, and the display-related materials did not decline as much as expected, supporting overall results.

Tomioka Fluctuations in exchange rates also worked favorably for the Electronics business. The average JPY/USD exchange rate during fiscal year 2025 was 152.5 yen per US dollar, about 8 yen weaker than the previous year.

Saito We were able to capture the upward phase of the silicon cycle and respond without missing opportunities in areas where we have a high market share. We have begun to see positive results both in new business domains, where we have expanded our capabilities to support non-terrestrial networks (satellite communications), and in the Chinese market, where our dedicated local team is driving progress through an “end-marketing” approach that gathers on-the-ground insights and extends all the way to final-product certification. Even in previously untapped areas such as semiconductor package (PKG) substrates for high-end CPUs, customer evaluation is progressing, and we are increasing dialogue with decision makers to accelerate and improve the accuracy of certifications.

Areas for Improvement Identified Under Adverse Conditions—Strengthening the Medical and Pharmaceuticals Business

Saito Net sales in the Medical and Pharmaceuticals business increased 8% year-on-year to 31.5 billion yen. However, operating income remained at 2 billion yen due to the recording of impairment losses and other factors. In addition to higher procurement costs caused by yen depreciation and inflation, this was a year significantly affected by policy changes.

Tomioka The most significant impact came from the “Elective Care Scheme for Long-Listed Products*” system introduced in October 2024 to control medical expenses. Under this system, one-fourth of the price difference between a generic drug and long-listed product (LLP) is charged to a patient as an elective care fee. This system also had a ripple effect on long-listed products not subject to the scheme, resulting in lower sales for Taiyo Pharma. Additionally, the company reviewed the valuation of its sales rights in light of declining profitability, resulting in an impairment loss of 7 billion yen.

Saito Challenges surrounding the manufacturing and marketing business became clear over the past year. Even amid such external factors, we believe it is our mission to meet the government’s expectations for stable supply.

* A long-listed product (LLP) is an original drug for which the patent or re-examination period has expired after its launch as a new drug, making it possible to sell it in generic drug forms.

Formulation of New Financial Targets and Roadmap

Incorporating External Perspectives to Enhance Objectivity and Transparency

Saito We newly formulated a medium-term management plan building on our long-term management plan, “Beyond Imagination 2030,” established in 2021. While we achieved record-high profits for fiscal year 2025, challenges also emerged in the Medical and Pharmaceuticals business. In the medium-term management plan, we aim to address the gap between our current situation and our 2030 targets by setting more concrete numerical goals and roadmaps, thereby meeting the expectations of our shareholders and continuing constructive dialogue.

Tomioka In formulating the medium-term management plan, we established the “2030 Committee,” composed of our President and CEO and external experts, to ensure fairness and objectivity, and engaged in multifaceted discussions. As a result, we are confident that we have set highly feasible targets. For our financial targets, we have compiled figures from each Group company and conducted thorough reviews to ensure overall consistency.

Committed to Achieving Ambitious Targets: ROE of 30% and Consolidated Total Payout Ratio of 100%

Saito In the medium-term management plan, we have set ambitious targets for fiscal year 2031: ROE of 30%, net sales of 180 billion yen, and operating income of 47 billion yen, significantly exceeding previous levels. These figures reflect our technological capabilities, competitive advantages in the market, and detailed investment plans for new growth areas. As a commitment to our shareholders, we will do our utmost to achieve these targets.

Tomioka We have consistently provided stable and continuous shareholder returns, aiming to maintain a DOE (dividend on equity) of 5% or higher. On the other hand, it has been difficult to execute share buybacks for two consecutive fiscal years since fiscal year 2024. Given this background, we have revised our profit return policy in fiscal year 2025 and decided to provide shareholder returns with a consolidated total payout ratio of 100% as a guideline, at least until fiscal year 2028. Even with shareholder returns at this level, we expect to fully cover all planned new and renewal investments, such as the new Tsurugashima Production Technology Center, which will serve as a new base for technology development in the Electronics business, and the construction of new buildings to expand production capacity in the Medical and Pharmaceuticals business. This demonstrates our commitment to balancing aggressive growth investments with shareholder returns and maximizing corporate value.

Promotion of Business Strategy and Foundation Supporting Sustainable Growth

Electronics Business: Accelerating Growth through High Value-added Products and Creation of New Businesses

Saito In the Electronics business, in addition to strengthening the customer base in existing markets, we will focus on promoting development of new applications and launching new products, and continue to work on creating new businesses. In particular, the printed circuit board (PCB) market, which is the end market for solder resist (SR), is expected to continue steady growth due to increased demand in fields such as AI, data centers, and antennas. Along with the growth of this market, we will expand its business by quickly capturing trends and advancing product development.

Tomioka In strengthening the customer base in existing markets, we expect that, in addition to overall volume growth,

a product mix with a higher proportion of high value-added products in net sales will significantly drive profits.

Saito We will also focus on promoting development of new applications by applying existing technology. We will advance the development of new applications in the electronic components field and expand SR technology to semiconductor process materials. Furthermore, we will continue the rapid launch of new products using new technology and establish new pillars of revenue. Through these initiatives, we will respond to diverse market needs and accelerate the sustainable growth of the Electronics business.

Medical and Pharmaceuticals Business: Toward Dramatic Growth Through Strengthening CDMO* and Improving Profitability

Saito In the Medical and Pharmaceuticals business, we will pursue further overall business growth and improved profitability. Among these, CDMO is positioned as an extremely important growth driver for the future. In fiscal year 2026, large-scale contract projects that we have been working on since entering the field are scheduled to begin full operation, and order volume from existing customers is also expected to increase steadily. Additionally, by further refining our technological capabilities in ethical pharmaceuticals manufacturing and strengthening development such as improvements in dosage forms and packaging, we will further enhance our value as a CDMO.

Tomioka To achieve the target of 9 billion yen in operating income for fiscal year 2031, we will focus on overcoming current challenges in the manufacturing and marketing business. Specifically, we will fundamentally strengthen supply chain management and improve profitability. At the same time, by optimizing inventory levels for each item, we will work to shorten the cash conversion cycle, improve capital efficiency and generate stable cash flow.

* Contract development and manufacturing organization for pharmaceuticals

Foundation Supporting Sustainable Growth – Human Resource and Organizational Strategy

Saito Achieving the goals set forth in the medium-term management plan is impossible without the active contributions of self-sufficient personnel. Since assuming the role of President and CEO, I have visited Group company sites and engaged in a lot of dialogues with employees. What I have realized through this is that, while everyone understands our company is now facing a time of major transformation, they remain energetically engaged in their daily work.

Tomioka During the formulation of the medium-term management plan, external experts from the 2030 Committee also directly visited the main bases of our Group to deepen their understanding of our company. Through this, our proactive efforts in investing in human capital were highly evaluated. In the coming era, securing personnel will become increasingly difficult due to labor shortages caused by a declining birthrate and aging population. Under such circumstances, I feel that we must further enhance corporate value through fair evaluation and compensation to reward the employees who work for our company.

Saito I believe the ideal corporate image is summed up in the four Taiyo Values, which are "Enjoy," "Sincerity," "Speed," and "Communication." If each individual does not enjoy their work, new business will not be created. We will realize a "cheerful society" as a company where self-sufficient personnel with such qualities thrive.



For detailed disclosure information regarding the medium-term management plan, please see our website.



Beyond Imagination 2030 Medium-Term Management Plan

Fiscal Year 2031 Financial Targets

Consolidated Net sales **180** billion yen | Operating income **47** billion yen | ROE **30%**

Electronics Business		Medical and Pharmaceuticals Business	
Net sales	128 billion yen	Net sales	43 billion yen
Operating income	39 billion yen	Operating income	9 billion yen

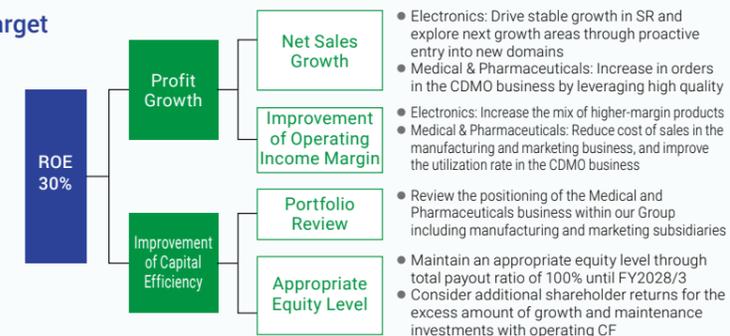
Business Performance Trends and Medium-Term Management Plan Targets through the Fiscal Year Ending March 2025

Five years have passed since the announcement of our long-term management plan, "Beyond Imagination 2030." We have formulated the medium-term management plan as a concrete roadmap to realize our vision for 2030 and as a guideline for the sustainable enhancement of corporate value. The figure on the right shows actual results from the fiscal year ended March 2021 to the fiscal year ended March 2025, as well as the target for the fiscal year ending March 2031.



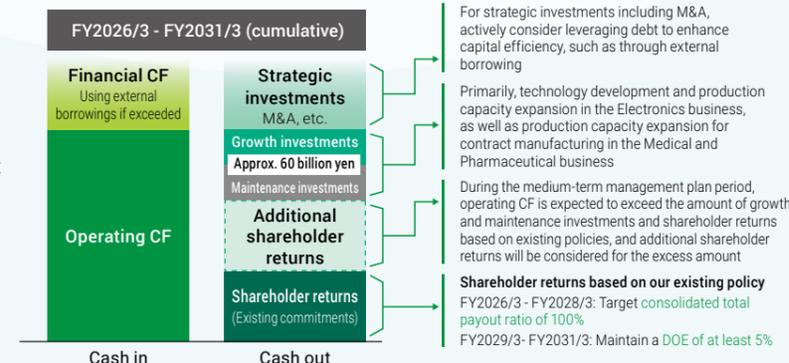
Toward Achieving Our ROE Target

In the long-term management plan, we set a target of 18% ROE, but in the medium-term management plan, we raised the target to 30%. To achieve this target, we will promote business growth in the Electronics business and the Medical and Pharmaceuticals business, as well as company-wide initiatives to improve capital efficiency.



Capital Allocation Policy

We regard returning cash to shareholders as one of its most important policies, and in addition to maintaining DOE of 5% or more, targets a consolidated total payout ratio of 100% as a guideline at least until the fiscal year ending March 2028. While following this policy, if operating cash flow (CF) exceeds the total amount of shareholder returns under the existing policy and growth and maintenance investments, we will consider providing additional shareholder returns for the excess amount.



Long-term Management Plan Beyond Imagination

2030

Long-term Management Plan as a Path to Sustainable Growth

The environment surrounding us is changing rapidly, with pandemics, climate change, and the rapid evolution of technology. However, even in unpredictable circumstances, our goal remains unchanged, and we will continue our corporate activities to achieve a cheerful society. Believing that management from a long-term perspective is becoming increasingly important without being swayed by short-term changes, we formulated our long-term management plan, "Beyond Imagination 2030," in June 2021.

Basic Policy 01 **Develop and Utilize Self-Sufficient Personnel Who Respond to Diversifying Organizations and Society**



By leveraging education, personnel rotation and in-house environmental improvements to generate opportunities and environments that enable our employees to achieve growth while taking on challenges, we are working to nurture self-sufficient personnel who set goals for themselves and have strong aspirations to reach them.

Basic Policy 04 **Advance and Evolve through Digital Transformation**



While keeping on top of drastic changes in the business environment, we will work to strengthen our global competitiveness by transforming all of our operations and systems, including order receipt and placement, production management, research and development, and new business development, so that we can provide new value to customers.

Basic Policy 02 **Achieve Continuous Growth and Explore New Business Areas in the Electronics Business**



We will expand our share of the SR market and promote the creation of new businesses that will become key supports of our earnings following SR primarily by enhancing our SR customer base, continuing to quickly introduce new products to the market, and promoting the development of new applications.

Basic Policy 05 **Create New Businesses**



In order to increase our corporate value over the medium to long term, we will strengthen our existing businesses in addition to emphasizing initiatives to continuously create new businesses and efforts to build new enterprises that will become key supports of our earnings.

Basic Policy 03 **Grow the Medical and Pharmaceuticals Business Further**



Our aim is to seek out forms of business that are less impacted by environmental factors, build systems needed to continue the stable supply of existing products, and provide new pharmaceuticals products that meet the needs of healthcare institutions and patients.

Basic Policy 06 **Execute Strategic M&A**



As a means of strengthening our existing businesses and of accelerating the launch of new ones, we will go beyond utilization of the management resources of our Group, and continue our aggressive pursuit of strategic business and capital alliances with other companies, as well as M&A.

Financial Targets

for Fiscal Year 2031

Net sales **180** billion yen

Operating income **47** billion yen

ROE (Return on equity) **30%** DOE (Dividend on equity) **maintain at least 5%**

Basic Policy 07 **Strengthen Efforts Toward the Sustainable Development Goals (SDGs)**



We will fulfill our corporate social responsibility as a company through the Electronics business contributing to technology innovation, the Medical and Pharmaceuticals business manufacturing, reliably supplying, and marketing pharmaceuticals, the Energy business considering climate change, the Food business addressing food shortages, and the ICT business, etc.

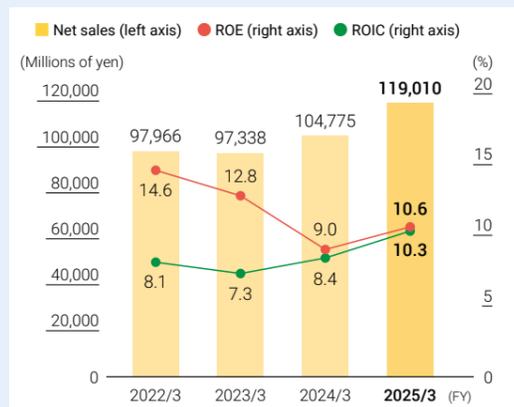
Business Summary of Fiscal Year 2025 and Initiatives toward 2030

Both the Electronics business and the Medical and Pharmaceuticals business saw increased revenue, resulting in net sales of 119,010 million yen (up 13.6% year on year) and operating income of 22,067 million yen (up 21.2% year on year). In addition, due to the review of sales rights with decreased profitability at Taiyo Pharma and the recognition of impairment losses, net income for the period was 10,780 million yen (up 24.6% year on year).

In our long-term management plan, "Beyond Imagination 2030," we set targets of achieving ROE at 30% and maintaining DOE at 5% or higher. For FY2025, ROE improved to 10.6% compared to 9.0% in the previous year, and DOE continued to exceed the target of 5%, reaching 11.6%.

To enhance corporate value over the medium to long term and secure the shared interests of shareholders, we established the 2030 Committee as a forum ensuring objectivity and transparency, and announced our medium-term management plan in August 2025.

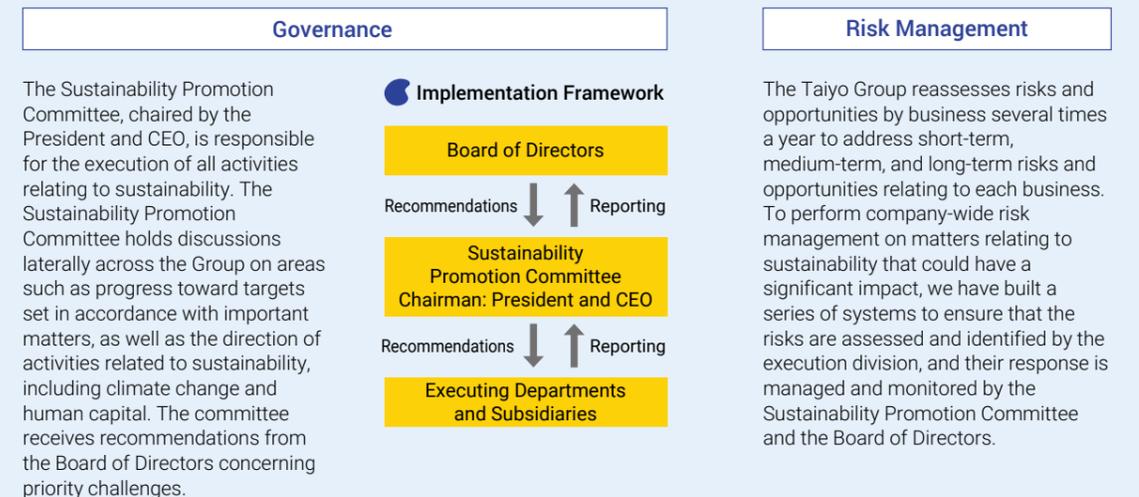
This plan follows "Our Goal" and the "Seven Basic Policies" set forth in the long-term management plan, and sets new financial targets and their roadmap. We aim to achieve our goals by driving all-around business growth at SR, creating new businesses, improving profitability in the Medical and Pharmaceuticals business, and executing shareholder returns and agile capital policies.



ROE (Return on equity): Profit attributable to owners of parent/Average shareholders' equity during the period
 ROIC (Return on invested capital): After-tax operating income/average [Interest-bearing debt balance + Net assets] during the period

Our Approach to Sustainability

To realize a sustainable society, we have committed to strengthening our efforts for the Sustainable Development Goals (SDGs) as one of our basic policies under our long-term management plan, "Beyond Imagination 2030."



Towards an Organization Where Self-Sufficient Personnel Start Taking Action

– Reviewing the Co-Creation Initiative for the Future and moving to the next phase –

Concept of “Human Resources and Organization Development”

Amid the rapid changes in society and the business environment, we are advancing “Human resources and organization development” initiatives to realize our management philosophy by fostering self-sufficient personnel who can envision the future on their own initiative, make judgments that grasp the essence of things, and carry out their work through co-creation with those around them, both individually and organizationally. Building on the organizational culture cultivated through the Co-Creation Initiative for the Future, we will now promote more tailored initiatives led by managers in each organization to maximize team performance and realize an organization with abundant self-sufficient personnel.



Co-Creation Initiative for the Future

Initiatives to transform the Taiyo Group into an organization with abundant self-sufficient personnel through exploring the approach to work and the style of management that the Taiyo Group aspires

Co-creation for the Future Meetings

This initiative aims to help members acquire the mindset necessary for strong individuals and organization, and to enhance the quality of team relationships and behaviors. By discussing with each other how they would like to be, generating actions, and putting them into practice, members deepen mutual understanding and cooperation, promoting growth.

Past Initiatives

From April 2019 to the end of March 2025, we conducted a total of 700 Future Co-Creation Meetings with an aggregate 1,926 participants.

FY2020

- Pilot implementation in the department where new Taiyo Holdings employees are assigned

FY2021 to FY2025

- Expansion to 7 group companies
- Appointment of promotional leader

Achievements to Date

- Enhanced communication and penetration of common internal terminology
- Improved quality of dialogue through ongoing activities
- Emergence of teams attempting cross-organizational and unique initiatives

Feedback from Participants

- Dialogue with colleagues in the same department about our true feelings and the future further deepened mutual understanding.
- It gave me an opportunity to learn about the perspectives of employees from different age groups and deepen interactions.
- Constructive dialogue that respects different perspectives improved the quality of decision-making and collaboration.

Forming the foundation of an organization that produces self-sufficient personnel through continuous optimization and implementation of initiatives

From Fiscal Year 2026 onward

Strengthening initiatives to maximize team performance by developing leaders who foster autonomy and emergence

Creation and Application of the Taiyo Values

We cherish the Taiyo Values in order for each and every one of us to realize our management philosophy as self-sufficient personnel. As we come into contact with the Taiyo Values each day, we will put them into practice in our work while reflecting on them and sharing our thoughts with our colleagues.

September 2019 – October 2021

Creation Process

1. Executive dialogue sessions
2. Group dialogues



October 2021 –

Realization Process

1. Appointment of Value Leaders
2. Distribution of toolkits (Question Cards)
3. Establishment of the Value Leaders Community
4. Implementation of pulse surveys

FY2025

About three and a half years have passed since the formulation of the Taiyo Values, and more than half of employees are now consciously aware of them in their daily work.

Percentage of People Who Responded that Their Team is Consciously Aware of Taiyo Values



Team Performance Management

This is an initiative for improving individual job performance and organizational capabilities to generate new business operations and improve Group performance while maintaining the personal and corporate relationships we have cultivated with great care in recent years.

Production of the “Team Performance Management Handbook”

We created a handbook summarizing the concept of “Team Performance Management” and tips for daily practice. While utilizing it in programs for managers, we also made the handbook available to all employees.

Implementation of Evaluation and Feedback Training

To deepen understanding of evaluation and feedback that leads to convincing evaluations and personal growth, this training was conducted for managers within three years of promotion.

Implementation of Cross-company Opinion Exchange Meeting for Section Managers across Domestic Group Companies

In November 2023, an opinion exchange meeting was held mainly for section managers of departments with employees in their first to third year, aimed at refining their own management style.



From the Perspectives of Human Resources and Frontline

The Past and Future of “Self-Sufficient Personnel”

The Taiyo Group has been aiming to become “an organization with abundant self-sufficient personnel” through initiatives such as the “Co-creation Initiative for the Future.” As a result, what impact has this had on employees’ mindsets, work styles, and the organization? What systems and frameworks should the company put in place and how should management change to further leverage autonomy? Terumichi Tawara, Executive Officer of the Human Resources Department, discusses these topics with frontline managers and young employees.

Enhancing Unity amid Organizational Expansion

Tawara Over the past five years, the Taiyo Group has been working on the Co-Creation Initiative for the Future, aiming to build “an organization with abundant self-sufficient personnel.” As part of this, “Co-Creation for the Future Meetings” were held continuously from April 2019 to the end of March 2025. Mr. Ishiharajima, you have been involved in this initiative from the start. How did you initially view this initiative?

Ishiharajima Honestly, I was initially confused by the content. Looking back, the Taiyo Group was rapidly expanding in scale, with new colleagues joining one after another. On the other hand, we had few opportunities in daily work to learn about each other’s values and backgrounds, which I think gave rise to a vague sense of anxiety. Therefore, having the opportunity to talk with many people across departments was very meaningful in enhancing the sense of unity within the organization.

Tawara Were there any memorable events or realizations that you had during that time?

Ishiharajima Being able to have in-depth conversations with members I don’t usually interact with was extremely valuable. I learned a lot by hearing the opinions of people from various professions, such as development and manufacturing. Through repeated dialogue, I clearly remember realizing, “the overall direction we are aiming for is the same.”

Tawara As the organization grows, it becomes harder to indicate the direction the entire group should aim for. That’s why the Taiyo Values were not unilaterally presented by management, but were carefully formulated over about two years of group dialogue led by employees themselves. This process itself is very unique and characteristic of the Taiyo Group, I think. Ms. Tsunoda, when did you first consciously engage with the Taiyo Values after joining the company?

Tsunoda I first began to take them personally when I received the Taiyo Values Card at a meeting soon after joining the company. The card contains questions designed to help us deepen our understanding of the values and share perspectives



Terumichi Tawara
Managing Executive Officer
Taiyo Holdings Co., Ltd.

with one another. By reflecting on those questions, my understanding of the values naturally deepened and became to guide my daily actions.

How have the Taiyo Values Changed the Organization?

Tawara Once again, what do you feel the Taiyo Values mean to each individual employee?

Tsunoda For young employees like myself, I feel their greatest significance lies in serving as a guideline that shows the kind of employee we should strive to be. What impressed me most personally was that “Enjoy” is one of the values. I felt that the keywords linked to our brand statement clearly express the direction the entire Taiyo Group is aiming for.

Ishiharajima By putting important values like “Enjoy,” “Sincerity,” “Speed,” and “Communication” into words, even we veterans naturally became more conscious of the values in our work. Through value activities, we can understand which of the four values each person places the greatest importance on, which helps us understand our colleagues.

Tsunoda Since joining, I’ve felt the openness of the workplace. That might have been because internal communication became more active during the formulation of the Taiyo Values.

Tawara Ms. Tsunoda, you have actively worked as a “Value

Leader” leading the application of the Taiyo Values in each workplace. Was there anything you were particularly conscious of in that role?

Tsunoda Above all, I focused on increasing opportunities for communication. The first thing I did was create opportunities for members to freely share things they’re interested in. This increased the amount of communication and created an atmosphere where people felt free to talk not only about work but also about other matters. I think these efforts ultimately led to putting the Taiyo Values into practice in our daily work.



Mina Tsunoda

Digital Transformation Section
Production Management Department
Saitama Plant
Taiyo Ink Mfg. Co., Ltd.

Toshio Ishiharajima

Manager
Sales Management Section
Sales Management Department
Saitama Plant
Taiyo Ink Mfg. Co., Ltd.

Aiming to Maximize Team Performance

Tawara Since fiscal year 2022, we started the “Team Performance Management” initiative to maintain the relationships built among people and organizations, while improving individual job performance and organizational strength. The background was the need to redefine the role of managers. Managers, including section managers, tend to take on work themselves, especially those who are serious about their jobs. However, I believe the true role of a manager is “to maximize team performance.” To share this understanding within the company, we created the “Team Performance Management Handbook” for section managers and made it available to all employees.

Ishiharajima As someone in a management position myself, reading the handbook made me realize the importance of considering overall team performance and developing members, which was a major gain for me.

Tawara How have these changes in awareness been applied to your daily management?

Ishiharajima My main focus has been on creating an environment where people feel free to ask for advice. In my section, we hold meetings twice a month for members to share information, and I strive to create an atmosphere where everyone can speak up easily. Thanks to these efforts, I feel that we have become a team that can exchange opinions in a much more non-hierarchical manner than before.

Tsunoda In my team, we not only report on work progress in meetings but also set aside time to talk about the good points we see in each other. As a team member being managed, I feel that these efforts steadily lead to strengthen the team.



Building an Organization for the Future to Supports Self-Sufficient Personnel

Tawara Looking back, I truly feel that over the past five years, we have experienced various changes as an organization. How do you feel about this?

Ishiharajima I agree. Over the past five years, the business environment surrounding us has changed dramatically. I believe this trend will continue to accelerate going forward. That is why I feel it is important to further strengthen our capabilities as a team in order to continue meeting customer needs.

Tsunoda Through the Co-Creation Initiative for the Future, I feel that I have gradually acquired a perspective that considers the optimization of the entire organization from a broader viewpoint, not just results within my own department.

Tawara One clear outcome of the Co-Creation Initiative for the Future is that self-sufficient personnel like both of you are

steadily increasing. Going forward, we will enter a phase where we connect that strength to the growth of the entire organization. To achieve this, it is necessary to further enhance both the quality and quantity of communication. This cannot be achieved overnight; we must steadily accumulate various measures. First, by promoting "Team Performance Management," we will work to create an environment where all employees can continuously grow. In addition to expanding training programs for managers and creating systems to support career development, we also plan to further enhance training programs aimed at supporting the growth of self-sufficient personnel. Furthermore, "data utilization" and "systematization" in HR measures will become important themes going forward. We will work to advance talent management so that information on self-sufficient personnel can be visualized and shared within the group, and also build growth support systems utilizing HR tech such as AI.

It is Precisely in Times of Transformation that We Must Commit to Growth

Tawara As self-sufficient personnel, I would like to hear what kinds of challenges you two want to take on going forward.

Ishiharajima As a manager, I want to hone my communication skills and powers of observation. For example, ideally, I would be sensitive to the concerns and challenges my team members face and provide appropriate support, promptly identify and improve problems in operations, and enhance the quality of team management. I believe that such an attitude leads to improved performance for the entire team. That said, there is still much to learn, so first I want to actively engage in internal initiatives and review how I use my own time and resources.

Tsunoda For me, to "Enjoy" my work means drawing the

company's future with my own hands. Currently, I am involved in operating an internal site to promote data utilization. I see this as an initiative with the potential to change what the company will look like 10 or 20 years from now. I want to continue enjoying these challenges together with my colleagues.

Tawara That's very reassuring. The Taiyo Group is now entering a period of major transformation. However, transformation is the beginning of new growth. I believe now is the chance to unlock the potential of each individual, with Taiyo Values as our foundation. Growth of self-sufficient personnel leads to company growth, and company growth leads to value creation for stakeholders such as society and shareholders. With the aim of realizing such a virtuous cycle, we will continue to fully commit to everyone's growth.

New Measures to Strengthen Support for the Development of Self-Sufficient Personnel

To further strengthen support for the development of self-sufficient personnel, we have rolled out new measures since fiscal year 2026. From promoting understanding of roles to organizing development opportunities, career support, and data utilization, we are building a framework that enhances management quality and supports individual growth.

Management Support



"E-learning" to Deepen Understanding of Roles and Key Management Points

We systematized important key themes and management points from three perspectives: business promotion, human resource development, and workplace environment improvement. This is a support tool that promotes managers' understanding of their roles and can be used to consider measures suited to the situation of each organization.

"Handbook" for Tips on Fostering Opportunities for Dialogue in the Management Process

We organized practical tips that are useful in each process, such as goal setting, one-on-one meetings, and feedback. Linked with "e-learning," this handbook supports approaches that enhances the quality of dialogue within organizations and teams, and promotes member growth.



"Career Dialogue Sheet" to Support Reviewing One's Career for Greater Autonomy

A tool for employees to reflect on their own experiences and values, and to verbalize their aspirations and what they would like to try through dialogue with managers. While deepening the meaning of current work, we support them in putting themselves in a position to proactively consider their future options.

Opportunities, Systems, and Frameworks

"Development Framework" that Provides Development and Growth Opportunities Based on Role Expectations

Shifting to a training framework focused on strengthening mindset, knowledge, and skills, centered on "role expectations" and the "ideal image of self-sufficient personnel." By reorganizing training and support measures according to their purpose, we provide effective learning opportunities tailored to each individual's growth stage.

"Streamlining the Information Infrastructure" to Support Each Individual's Success through Utilization of Personnel Data

Centralizing information that was previously dispersed, such as goals, evaluations, skills, and aspirations. By enabling staffing and development based on data, we are working to maximize each individual's strengths and create a foundation where diverse personnel can thrive.

Support for Self-Sufficient Personnel

Development of environments and educational systems to enable success in diverse fields

To establish an environment that enables each and every employee to work self-sufficiently even within an environment undergoing continual change, the Taiyo Group upholds its threefold commitment from management to employees by promising to realize work motivation, a healthy workplace environment, and fair evaluations and compensation. By striking a balance between these three commitments, we aim to be an organization with abundant self-sufficient personnel capable of setting goals for themselves and enjoying the process of achieving those goals and producing results.



Creating a Workplace Environment that Enhances Employees' Creativity

T-LINKS, established on the Taiyo Pharma Tech site in Takatsuki City, Osaka Prefecture, is an employee welfare facility with a focus on the natural environment, the local community, and the workplace environment. Equipped with a cafeteria and fitness room, it is designed to promote communication, support employee health, and enhance the workplace environment. InnoValley, a technology development base established within the Ranzan site in 2024, provides an environment that fosters cross-disciplinary collaboration and creative thinking, with the aim of realizing human capital management and further developing the Electronics business. Both facilities function as places that encourage employees' challenges.



T-LINKS (Takatsuki City, Osaka Prefecture)

Grand Prize in the Best Workplace Category at the A&D Awards 2024

InnoValley received the Grand Prize in the A&D Awards 2024 (Best Workplace category), one of Asia's leading design awards for architecture, interior design, and product design, hosted by the Hong Kong-based architecture and design magazine, *Perspective*.



Ranzan Shokudo Supporting Employees' Health

Ranzan Shokudo, our employee cafeteria, supports employees' health by providing nutritionally balanced meals. We also contribute to reducing food loss by utilizing ingredients that were not distributed to mass retailers. We also place importance on our relationship with the local community, such as by actively hiring staff who reside in the area.



Health maintenance and improvement allowance per person
36,000 yen per year

We provide allowance to employees who do not smoke. The payout rate was 94.0% in fiscal year 2025 as we supported the health of many employees.
* The figure above is the maximum amount of support per employee per year.

Per-person book purchase subsidy
240,000 yen per year

We provide employees with a subsidy to purchase books to help them develop career on their own by acquiring awareness and knowledge in various fields through reading.
* The figure above is the maximum amount of support per employee per year.

Per-person seminar and training cost
310,000 yen per year

We also make an effort to provide growth opportunities through in-house and outside seminars and training programs.
* Results during fiscal year 2025. Costs for in-house training include expenses related to design, etc.

Ratio of female managers
22.2%

We aim to reach 30% by fiscal year 2031, and we are systematically promoting support for flexible working styles, such as establishing daycare centers and revising the flextime system, as well as developing the next generation of managers.
* Results during fiscal year 2025

Ratio of mid-career hires
48%

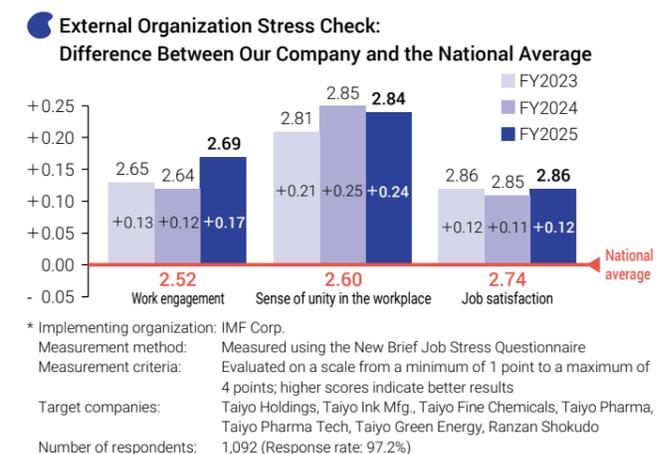
To incorporate the perspectives of diverse personnel with different backgrounds, we actively promote mid-career hiring.
* Results during fiscal year 2025

Ratio of men taking childcare leave
83.3%

We are attempting to expand opportunities for both men and women to take childcare leave.
* Results during fiscal year 2025

Stress Checks to Measure Satisfaction with the Three Commitments

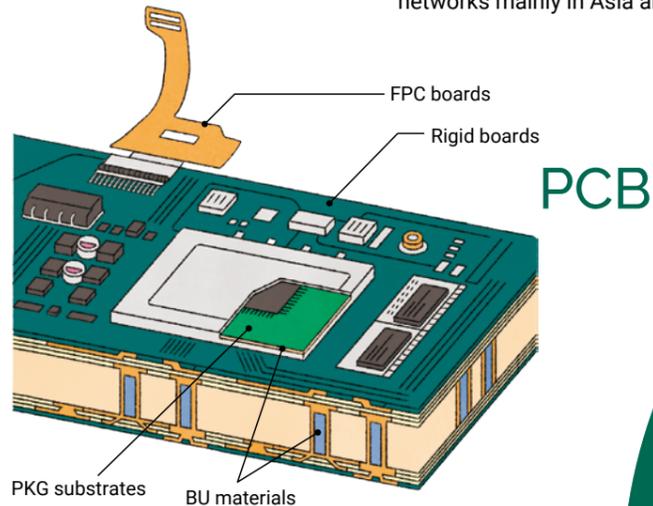
At our company, we make extensive use of stress checks as indicators of employee satisfaction with "Work motivation," "Workplace environment," and "Fair evaluations and compensation." Thanks to various initiatives, 33 out of 36 individual items now exceed the national average. Starting from fiscal year 2025, we have also added questions related to presenteeism (a state in which performance is reduced due to physical or mental health issues despite being present at work). The result was 83.35, which was below the national average of 84.9, but we will continue to pursue various initiatives and aim for improvement. Additionally, the results of the stress checks are shared in meetings with each department head, and we have established a system to implement optimal improvement measures for each workplace.





Electronics Business

In the Electronics business, we develop, manufacture and market, as well as purchase and sell chemicals and materials for electronic components, including materials for printed circuit boards (PCB). Especially for solder resist (SR), we have taken the lead in establishing and expanding local production and sales networks mainly in Asia and hold a world-class market share.



Printed Circuit Boards (PCBs) and Classification of Our Products

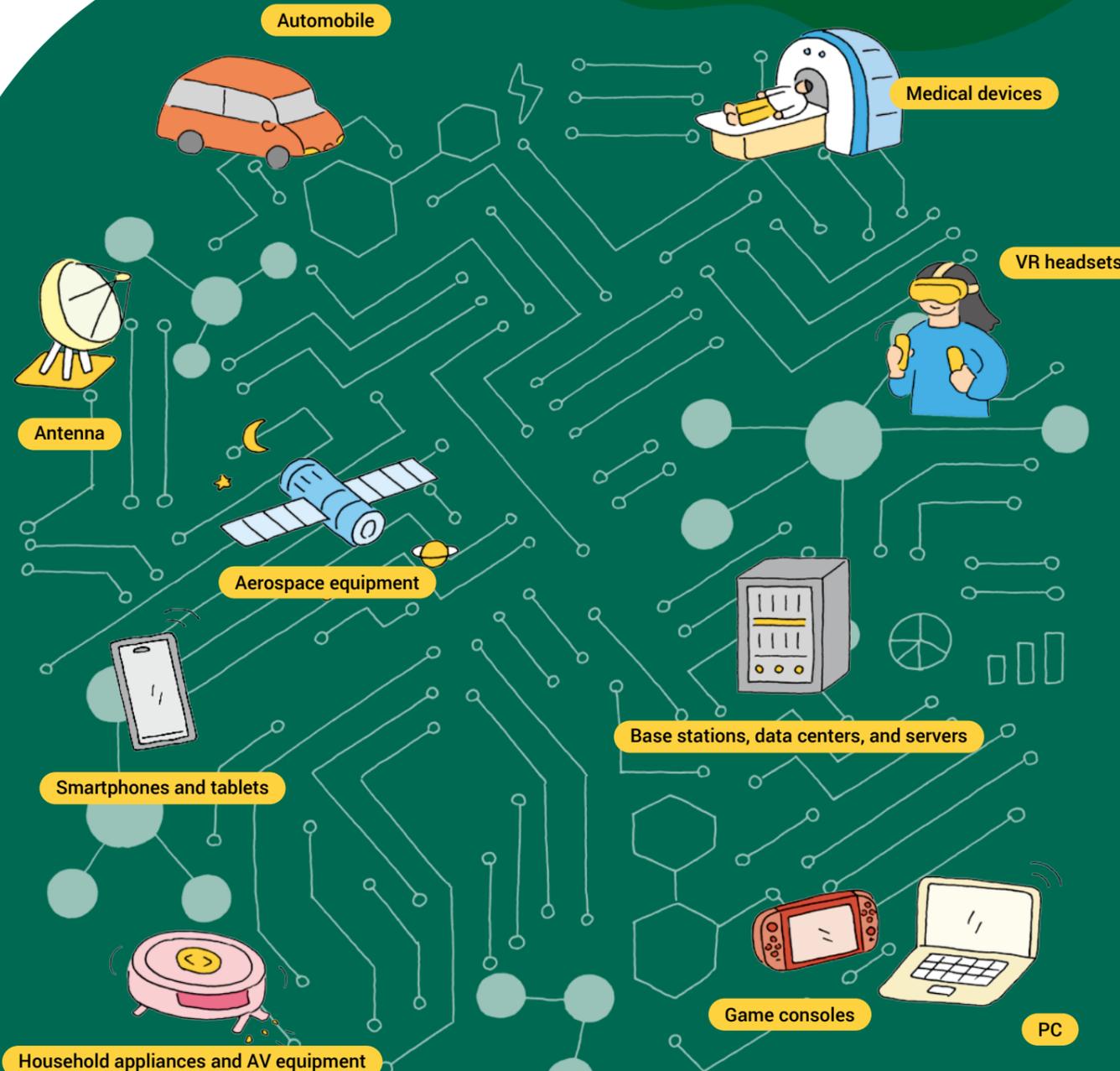
A printed circuit board (PCB) is a board on which conductive wiring patterns are formed on an insulated substrate by using conductive paste or chemical methods, such as plating and etching. PCBs are used in electronic devices for a wide variety of uses. Depending on their shape and intended use, they are broadly classified into rigid boards, semiconductor package (PKG) substrates, and flexible printed circuit (FPC) boards, and products such as solder resist (SR) are used according to each application. In addition, when the build-up (BU) method is adopted for manufacturing multi-layer boards, BU materials are also used.

Product Classification

<p>For rigid board materials</p> <p>Regular High-end</p> <p>Products: SR, marking ink, plating resist, etching resist</p>	<p>For semiconductor package (PKG) substrates</p> <p>Product: SR</p>
<p>For build-up (BU) materials</p> <p>Products: Hole-plugging ink and interlayer insulating materials</p>	<p>For flexible printed circuit (FPC) board materials</p> <p>Products: SR and photo-sensitive coverlays</p>

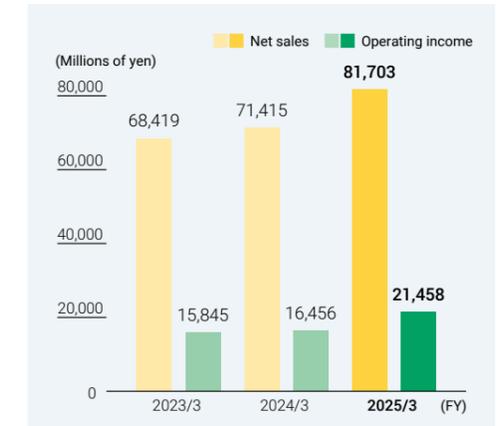
Contributing to Innovation in the Electronics Industry and Accelerating Future Technological Development

PCBs are used in all electronic devices, from small electronic devices such as PCs and smartphones to large equipment such as aerospace equipment. Through our product lineup including SR, an essential material for these PCBs, we strongly support the evolution of the electronics industry.



Fiscal Year 2025 Business Summary

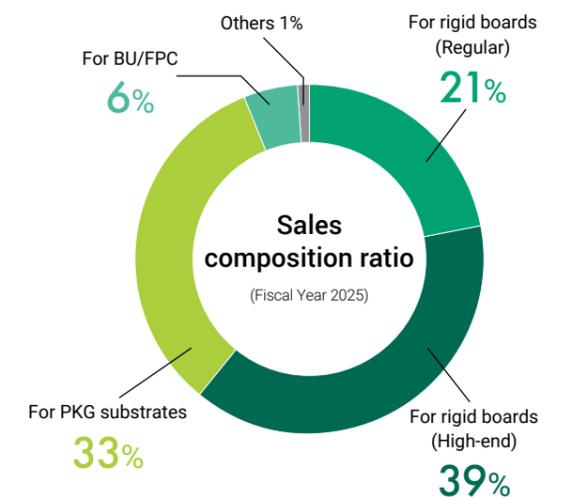
Net sales / Operating income*



* Since the first quarter of fiscal year 2023, some R&D-related expenses and welfare benefit costs that we had previously included with corporate expenses have been allocated to each segment.

In rigid products, the sales volume increased from the previous year for automotive-related materials, smartphone-related materials, and display-related DF products in China. Also, in semiconductor package (PKG) products, demand recovered and sales volume of memory products increased.

Since over 90% of sales in this segment are made overseas, a weaker yen contributes to revenue and profit growth. In the period under review, JPY against USD averaged at JPY 152.5/USD, which was 8.1 yen higher than the previous period's average rate of JPY 144.4/USD. As a result, net sales amounted to 81,703 million yen (up 14.4% year on year), and segment profit came to 21,458 million yen (up 30.4% year on year).

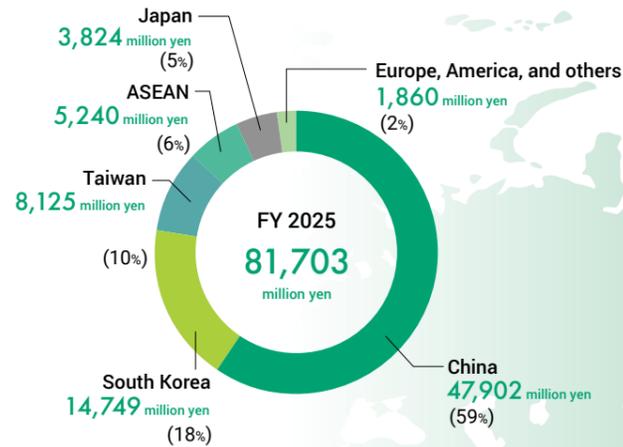


Global Network Providing Technology

Electronics Business Driven by a 95% Overseas Sales Ratio

The Electronics business has established a global production and sales system focusing on Asia, achieving a stronger business foundation and stable product supply. In Fiscal Year 2025 (FY 2025), overseas markets accounted for about 95% of segment net sales. Even under uncertain conditions such as soaring resource prices, a slowdown in the Chinese economy, and exchange rate fluctuations, we aim for sustainable growth through product development and timely product supply that meet market needs.

Electronics: Sales Area



Building a Solid Business Structure through the Promotion of "Local Production for Local Consumption"

The Taiyo Group, which has bases around the world, is promoting "local production for local consumption," whereby products sold locally (in each market) are also produced locally as a measure against exchange rate risk. Countermeasures against rising exchange rate risks, such as the impact of tariff policies by the U.S. administration, are important issues. In addition, by increasing the local procurement ratio of materials, we aim to match the transaction currencies for both revenue and expenditure.

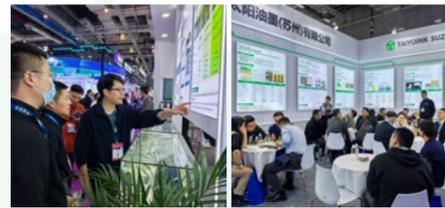
At the same time, we are also focusing on strengthening Business Continuity Planning (BCP), anticipating risks that could make business continuity difficult, such as natural disasters, infectious diseases, and geopolitical risks. In materials procurement, we anticipate risks such as shipment stoppages, logistics disruptions, and supply delays caused by aging facilities at manufacturers, and are working to procure materials from multiple suppliers, secure sufficient stock, and build a materials production system within the Group. In addition, for our own factories and production facilities, we are promoting the establishment of alternative production systems and strengthening our product inventory management system fulfillment of our supply responsibilities in case of operational stoppages due to natural disasters or accidents. Furthermore, to strengthen information sharing and collaboration among domestic and overseas sites, we have launched the Global Plants Initiative. We aim to optimize the entire supply chain at each site, including manufacturing, purchasing, engineering, quality control, quality assurance, and logistics, and to create synergies across our entire group.

East Asia

4 sales sites
4 manufacturing sites

We have widely established manufacturing and sales sites in East Asia, a major market for electronics.

Taiyo Ink (Suzhou) Co., Ltd. exhibited at the "CPCA SHOW (International Electronic Circuits (Shanghai) Exhibition)" hosted by the China Printed Circuit Association in March 2025. In addition to products for existing markets related to printed circuit boards (PCB), we exhibited products for growth markets such as AI servers, optical communication modules, and solar cells.



Europe/America

1 sales site
1 manufacturing site

Europe and America, where many final product manufacturers are located, are important bases for market research and collaboration with customers.

Taiyo America, Inc. participated in "IMAPS 2024," a semiconductor packaging symposium held in Massachusetts in October 2024. We presented a paper on our own products and exchanged opinions with participants from inside and outside the United States.



Southeast Asia

2 sales sites
1 manufacturing site

The Taiyo Group established a manufacturing site in Vietnam to shorten delivery times in the ASEAN region. To respond quickly to the global expansion of demand for electronics products, we are working to further strengthen our global production system.

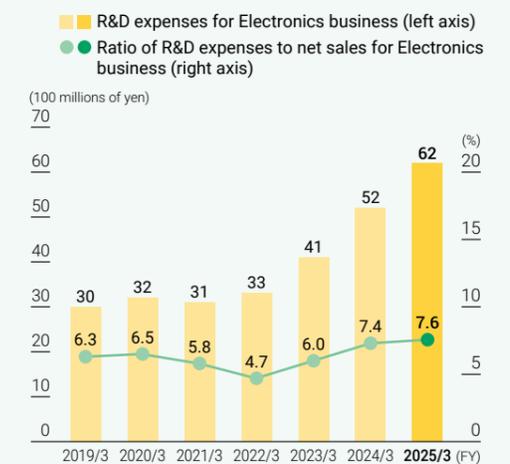


and Quality Worldwide

TOPICS

Continuing to Meet Global Needs through Active Investment in Research and Development

The Taiyo Group devotes about 5% of the net sales of Electronics business to R&D expenses to promote the research and development of various types of insulating materials, conductive materials and display-related materials. In fiscal year 2025, the Group allocated 6,198 million yen (7.6% of Electronics business sales) for R&D expenses in the segment. Our Group is focusing not only on capital investments at bases around the world, but also on recruiting and developing outstanding researchers and engineers both domestically and internationally. To meet global customer requirements and realize a cheerful society with "every technology," we will continue to actively engage in research and development.



Looking to the Future to Create Value A Growth Strategy for the Electronics Business Driven by Taking On Challenges

Yuna Kawata

Functional Materials Development Section, Fundamental Technology Development Department, Technology Development Center, Taiyo Ink Mfg. Co., Ltd.

Shoji Minegishi

Electronics Company CTO, Senior Corporate Executive Officer, Taiyo Holdings Co., Ltd.

Akira Hosoya

Market Development Section, Business Development Department, Taiyo Ink Mfg. Co., Ltd.



Expanding Business Domains through Interdepartmental Collaboration Taking on Challenges that Combine New Markets with Technological Innovation

Minegishi In the Electronics business, we leverage the technology and know-how cultivated through the development and manufacturing of our world-class solder resist (SR) for substrate applications, to expand into diverse fields including electronic components field. In recent years, we have particularly focused on the development of new applications in the electronic components field, such as inductors, SAW filters, and magnetic sensors, and are developing new markets.

Hosoya I am a member of the Business Development Department, which serves as a bridge between customers and our development departments. Since industry standards and processing steps differ greatly between substrate applications and electronic component applications, it is essential to deeply understand customer requirements and processes and to propose optimal processing methods to maximize the potential of superior materials. To put this into practice, close collaboration with development departments is indispensable.

Kawata Expanding into new applications is a series of challenges for the development departments as well. There have been many situations where we could not reproduce the test

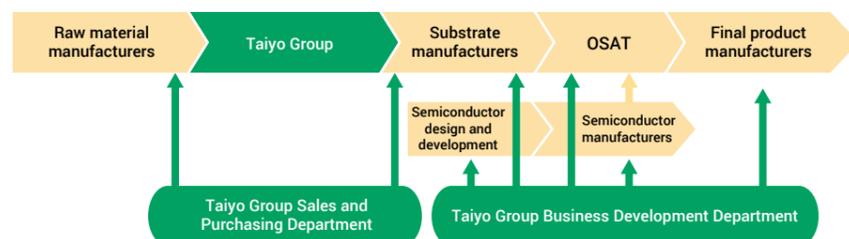
conditions required by customers or the troubles and phenomena occurring at manufacturing sites in our own testing environment, making it difficult to identify the causes of problems. We were able to overcome these obstacles thanks to Mr. Hosoya's sincere efforts to listen to customers and accurately elicit the necessary information.

Hosoya What I always keep in mind is to understand the customer's management strategy and proactively propose solutions to potential issues in advance. That forms the foundation for substantial discussions. Supporting these value propositions is our technological strength, which enables us to meet the diverse demands of the industry.

Minegishi Through collaboration between the Business Development Department and development departments, our efforts to develop new applications are steadily accelerating and leading to solid results. Going forward, we aim to continuously create new value by strengthening cross-departmental collaboration and developing new markets through application expansion.

Business Development Department's Approach to the Entire Supply Chain

This department operates globally by promoting stronger collaboration with manufacturers across the supply chain beyond our direct customers, the substrate manufacturers, and driving the acquisition of material certifications.



Value Propositions for the Evolving Next-generation Semiconductor Field

Minegishi To steadily promote the development of new applications, it is essential to further enhance the profitability of substrate applications, which have driven our company's growth. Especially in recent years, with the rapid spread of generative AI and the expansion of online demand, there has been growing need for higher-performance semiconductors, and we are focusing on end-market marketing for semiconductor manufacturers.

Hosoya The trend for materials adopted by major manufacturers to become industry standards is shifting. Now that each manufacturer selects materials based on its own design philosophy, learning about each company's policies and technological trends at the earliest possible stage is highly significant. Therefore, we have stationed employees in countries around the world, including the United States, to collect information and build networks.

Minegishi Furthermore, by strengthening collaboration with companies specializing in semiconductor assembly and testing (OSAT), which are the post-processes of semiconductor manufacturing, we are also promoting the development of a framework that anticipate market needs. As a result, we are now able to quickly provide products that meet customer requirements and also able to obtain material certification.

Kawata In collaborating with OSAT companies, I believe that it is important that they have an accurate understanding of our technologies and properties. The vast amount of data accumulated over many years of SR development and manufacturing has been providing strong support for this.



Hosoya Additionally, through the consortiums we participate in, this ability to demonstrate material properties under conditions close to actual manufacturing environments is one of our major strengths. By presenting device test results using our materials as evidence, we can make more persuasive technical proposals not only to OSAT companies but also to semiconductor manufacturers.

Minegishi In any case, the key is to anticipate the roadmaps envisioned by final product manufacturers and semiconductor manufacturers and remain one step ahead of competitors. I am confident that this approach will drive our future business growth.

Sustainable Growth Driven by the Creation of an "Enjoyable Future"



Minegishi The growth strategy we have discussed so far is like having a "map and compass." Based on that map, which route to take and how to proceed is left to the choices and actions of each person working at our sites. As management, we are committed to creating an environment that serves as the foundation for employees' flexible ideas and collaboration.

Hosoya I myself joined the Taiyo Group a few years ago through mid-career recruitment. Having built my career in the same industry before that, I have come to strongly appreciate the breadth of our products and the high adaptability of the

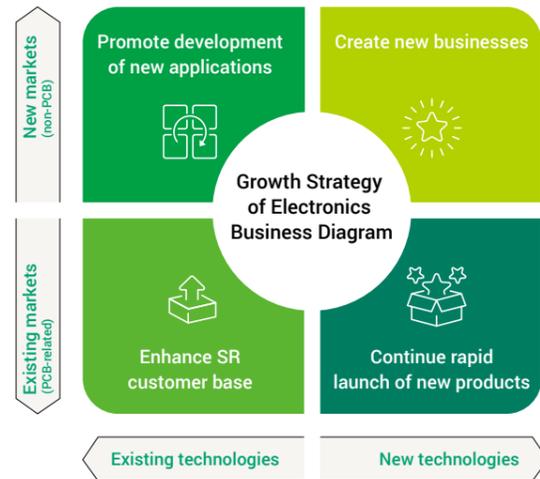
technology that supports them. Furthermore, the Taiyo Group has become synonymous with SR. If we leverage these advantages, we can surely seize new business opportunities even in rapidly changing markets.

Kawata Through my involvement in the development of new applications, I have once again realized the importance of understanding the purposes and processes by which customers approach product development. From there, the question becomes how to link our technologies and products to new value. With flexible thinking and speedy work, I want to continue engaging in daily research and development.

Minegishi In an era of increasing uncertainty, creating new value requires not only technological strength but also the talent who can leverage them. With everyone having different backgrounds and perspectives, what I would like them to value is envisioning an "enjoyable future." This includes, for example, envisioning how our technology and products will be utilized and what positive impact they will have on society in cutting-edge fields such as space development, next-generation automobiles, and VR. I believe that envisioning the future and working to draw out the full potential of self-sufficient personnel who can proactively enjoy their work will together serve as the driving force behind the sustainable growth of our business.

Achieve Continuous Growth and Explore New Business Areas

In the Electronics business, Taiyo Holdings focuses on three strategies, which are enhancing the SR customer base (existing markets + existing technologies), continuing to rapidly introduce new products to the market (existing markets + new technologies), and promoting application development (new markets + existing technologies). For SR, we will work to expand our market share. For our other electronics components, we will promote the creation of new businesses, (new markets + new technologies) to establish the next profit pillar after SR and drive the sustainable growth of the Electronics business.



[New Markets + Existing Technologies] Promote Development of New Applications

Meeting the Needs of New Markets

Expanding Applications of Electronic Components

We regard the electronic components market outside of our main products, materials for printed circuit board (PCB) and semiconductor package (PKG) substrate, as new customers and markets, and are promoting the application of existing materials in such electronic components. As technological innovation progresses and electronic devices become more widespread, there is increasing demand for further miniaturization and higher performance of mounted components. To respond to such needs, we are proposing materials and methods based on the knowledge and technologies that we have cultivated in the PCB market. Currently, our materials are starting to be adopted in electronic components such as inductors, SAW filters, and magnetic sensors.



[Existing Markets + Existing Technologies] Enhance SR Customer Base

21st JPCA Award Winner

Highly Reliable DF-type SR for Automotive IC Packages

With the progress of automotive electrification and digitalization, demand for automotive semiconductors is increasing. Since they are exposed to harsh environments, the materials and chemical materials used for electronic components are required to have advanced durability. Our Group developed a highly reliable DF-type SR for automotive IC packages with advanced durability and insulation reliability, and it was awarded the 21st JPCA Award at the 54th International Electronic Circuits Industry Exhibition (JPCA Show 2025).

To quickly respond to changing market demands, we will further accelerate the development of SR while maintaining close communication with customers.

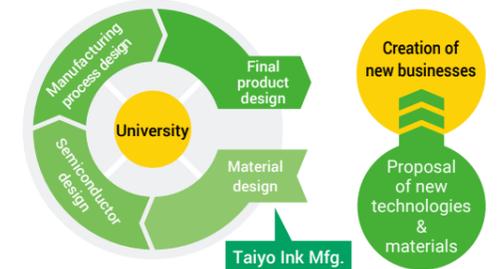


[New Markets + New Technologies] Create New Businesses

Driving Cutting-edge Technologies

Participating the "Chiplet Integration Platform Consortium"

Chiplet integration technology*1 is coming under the spotlight as a new solution to replace the miniaturization of semiconductor integrated circuits by realizing the expansion of integration scale, the increase of performance, and the reduction of power consumption. Taiyo Ink Mfg. participates in the Chiplet Integration Platform Consortium*2 and is developing and supplying insulating films for redistribution layers and for encapsulation used in this technology. We also conducted joint prototyping of highly integrated structures required for next-generation chiplets, and presented the results at several international conferences. As a result of this response, requests for prototyping and inquiries about practical uses are increasing. We will continue to promote market development through the consortium and the development of advanced chiplets using our materials.



*1 It is an advanced packaging technology that has been developed as one that replaces and complements the technology to miniaturize semiconductor chips that had been advanced but were about to meet their limit. This systematized technology, in which separated semiconductor chips are combined like blocks, is expected to improve manufacturing yield and to increase in system performance by its heterogeneous integrated structure.

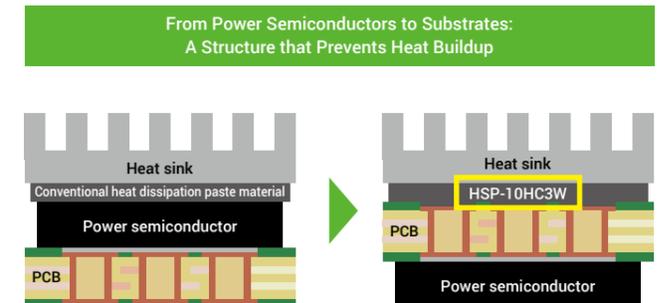
*2 A consortium established on October 1, 2022, led by universities and companies including the Institute of Science Tokyo. Its research targets the full spectrum of chiplet integration platform technologies—including 3D integration and photonic integration—and aims to advance R&D and industrialization across the entire value chain, from manufacturing and elemental technologies to applications.

[Existing Markets + New Technologies] Continue Rapid Launch of New Products

Creating New Value Through Technological and R&D Capabilities

New Product: Next-generation Heat Dissipation Paste Material "HSP-10 HC3W" for Automotive Power Semiconductors

With the growing adoption of EVs and hybrid vehicles, there is increasing demand for compact and high-performance power semiconductors with features such as low loss and high breakdown voltage. On the other hand, as high-density mounting advances, heat tends to accumulate, making thermal design challenges more serious. As a new material to address these thermal challenges, we have developed a new heat dissipation paste material "HSP-10 HC3W" for power semiconductor mounting substrates. This product is applied between the PCB and the heat sink, to efficiently transfer heat generated by components and power semiconductors to the heat sink, thereby greatly improving heat dissipation. Furthermore, by using a thermosetting resin without solvents, the product achieves excellent insulation, reliability, and mechanical strength.



Self-Sufficient Personnel in Action Today

Introduction of a New Core System as Part of the "Production and Sales Project"

Taiyo Ink Mfg. began operation of a new integrated core system in 2024. Taking the aging of the previous system as an opportunity, the "Production and Sales Project" was launched in 2022 to strengthen collaboration between departments and improve operational speed. Business members from each department, including young frontline employees, took the lead in identifying and analyzing issues across departments and promoted the reconstruction of

business processes. This project went beyond simple system implementation. Through collaboration with the in-house IT department and vendors, the project team worked to establish optimal business processes and built a framework that enables faster and more efficient business operations. Furthermore, by centralizing business data, we have started improvement activities using BI (Business Intelligence) tools, taking the first step toward data-driven business execution.

Toward Further Growth through Optimal Business Process Creation and Data Utilization

This project carefully reviewed business processes and provided training while involving frontline staff, positioning system implementation as part of business improvement. In the process, we once again realized that "people are the foundation of business." No matter how advanced the systems or data are, if the frontline staff cannot fully utilize them, we will not achieve the results we expect.

I feel that when all employees, regardless of job type, position, or years of service, utilize data and proactively engage in business improvement, it brings out the full strength of the organization and leads to growth. Starting with this initiative, we will continue to further strengthen vertical and horizontal collaboration as we aim to achieve "a cheerful society."

Ryosuke Funaba Manufacturing Management Section, Manufacturing Management Department, Saitama Plant, Taiyo Ink Mfg. Co., Ltd.



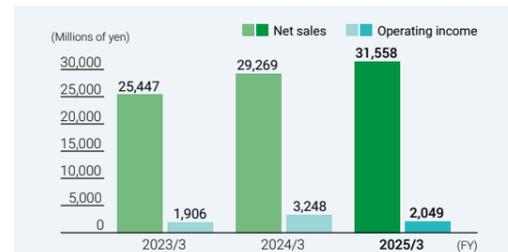


Medical and Pharmaceuticals Business

In the Medical and Pharmaceuticals business, we manufacture and market ethical pharmaceuticals and we also manufacture and sell dental prosthetic products, as well as undertake contract development and manufacturing. We entered the Medical and Pharmaceuticals business in 2017 to establish a second revenue base next to the Electronics business. Today, it has grown into a business that accounts for about 30% of our Group's net sales, serving as our second pillar.

Fiscal Year 2025 Business Summary

Net sales / Operating income*



* Since the first quarter of fiscal year 2023, some R&D-related expenses and welfare benefit costs that we had previously included with corporate expenses have been allocated to each segment.

Taiyo Pharma's ethical pharmaceuticals manufacturing and marketing business saw an increase in net sales from the previous fiscal year due to the succession of manufacturing and marketing approval for Reminyl®, a therapeutic agent for Alzheimer's disease, as well as increased demand for similar drugs from other companies, and cough suppressants and expectorants.

Taiyo Pharma Tech's contract development and manufacturing business for ethical pharmaceuticals also saw an increase in net sales due to higher order volume from customers.

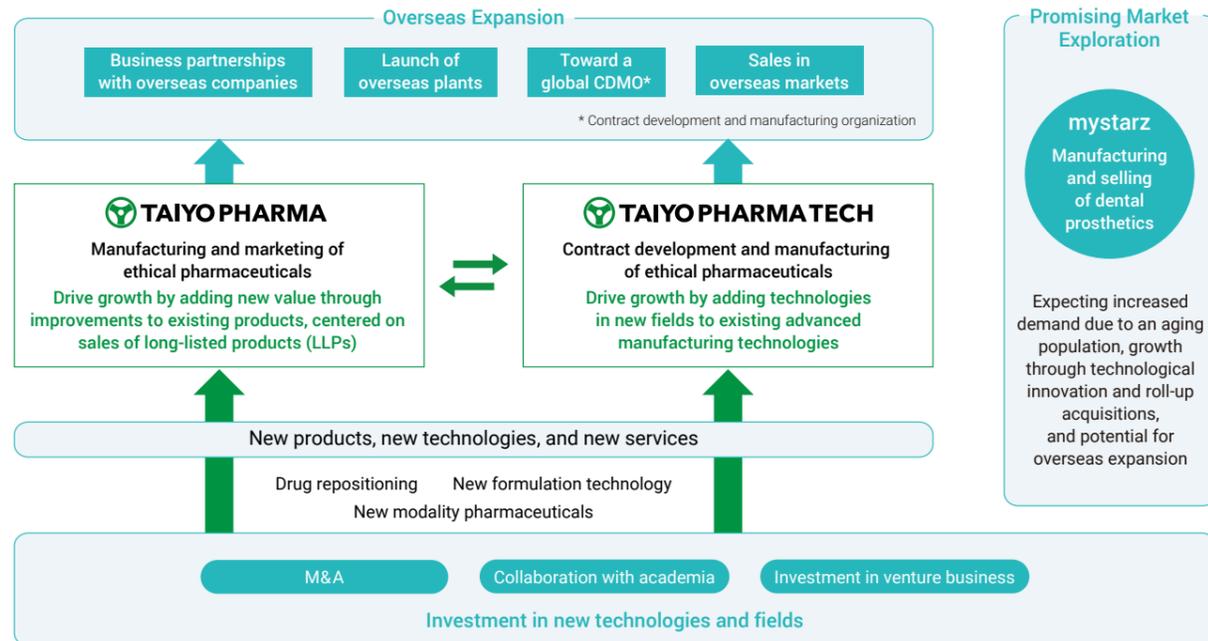
Revenue increased as a result of making mystarz Co., Ltd., a company which manufactures and sells dental prosthetic products, a consolidated subsidiary.

As a result, net sales amounted to 31,558 million yen (up 7.8% year-on-year), and segment profit came to 2,049 million yen (down 36.9% year-on-year).

Medical and Pharmaceuticals Growth Strategy

Taiyo Pharma Tech's strengths include the advanced quality control system inherited from Daiichi Sankyo Co., Ltd., a long track record of stable supply, and a human resource development framework. In addition to these, we will incorporate new formulation technologies and manufacturing technologies for new modalities and expand our business overseas. Taiyo Pharma will strive for stable supply of existing products, create cost synergies through collaboration with Taiyo Pharma Tech, and provide pharmaceuticals that meet the needs of medical institutions and patients both in Japan and overseas. Going forward, we will accelerate the growth of the Medical and Pharmaceuticals business, including the dental prosthetic field where demand is expected to grow.

Medical and Pharmaceuticals Growth Strategy



Hitoshi Takyo
Board Director and
Takatsuki Plant Manager,
Taiyo Pharma Tech Co., Ltd.

Firmly Supporting the Future of Healthcare

Developing Pharmaceutical Professionals Together

Taiyo Pharma and Taiyo Pharma Tech have strengthened their business structure to aim for further growth of the Medical and Pharmaceuticals business and enhancement of corporate value. Key persons from both companies share their visions for the future.

Hinako Iizuka
President and CEO
Taiyo Pharma
Co., Ltd.



Further Strengthening Synergy Through Business Restructuring

Takyo Until now, Taiyo Pharma and Taiyo Pharma Tech have each developed their own growth strategies as "sibling companies" operating side by side. However, in pursuit of further synergy creation, we have restructured the business, making Taiyo Pharma Tech the parent company and Taiyo Pharma its subsidiary.

Iizuka From the very beginning, when the Taiyo Group entered the Medical and Pharmaceuticals business, we have consistently focused on leveraging our strengths as "a manufacturer" cultivated in the Electronics business. In that sense, positioning Taiyo Pharma Tech, which has the Takatsuki Plant—a trusted manufacturing site with a strong track record—as the parent company sends a strong message that the entire Medical and Pharmaceuticals business aims for further growth as a manufacturer.

"In-house Production" and "Personnel Exchange" are the Keys to Overall Business Growth

Takyo To strengthen our structure this time, we set two key themes: "in-house production of pharmaceuticals owned by Taiyo Pharma within the Group" and "medium- to long-term development of pharmaceutical professionals."

Iizuka Promoting in-house production directly leads to strengthening the stable supply system for pharmaceuticals. Stable production within the Group provides the most important foundation for Taiyo Pharma to improve its returns on capital, specifically by starting initiatives such as reducing costs through supply chain enhancement and improving the cash conversion cycle through inventory optimization.

Takyo Sharing knowledge and know-how about the manufacturing and marketing business with Taiyo Pharma Tech, which is on the manufacturing side, is a major advantage for further strengthening the quality assurance system and ultimately growing into a competitive CDMO. From this

perspective as well, we would like to actively promote personnel exchanges and enhance the expertise of both companies.

Iizuka For Taiyo Pharma, generational change in personnel is also one of the important management issues. To develop pharmaceutical talent over the medium to long term, it is essential to increase personnel mobility within the group and provide multifaceted experience from both manufacturing and marketing perspectives. We believe that this will increase the number of people who can maximize the performance of the entire Medical and Pharmaceuticals business.

Takyo Fortunately, we have a common language called Taiyo Values. As the Taiyo Values have taken root, the mindset of employees working at the Takatsuki Plant has deepened into a sense of responsibility to lead the entire Medical and Pharmaceuticals business and a broad awareness of contribution. Going forward, both companies will unite to fulfill our mission of ensuring a stable supply of high-quality pharmaceuticals and work toward sustainable growth of the Medical and Pharmaceuticals business and enhancement of corporate value.

Future Outlook

Living Up to Trust While Taking on New Modalities

Since launching the contract manufacturing business in 2019, our order volume has continued to increase steadily, establishing a solid business foundation. We will continue to steadily live up to the trust that medical professionals and patients place in our quality and stable supply. Also, by actively pursuing challenges in new modalities such as regenerative therapy and gene therapy, we will contribute to the advancement of future medical technologies and drive further growth of the Medical and Pharmaceuticals business.

Hitoshi Takyo



Continuing to Deliver the Drugs that are Critical to Meet Society's Needs

Among the pharmaceuticals owned by Taiyo Pharma, there are products with no substitutes and drugs chosen as the first choice for therapy. As "a company that is serious about drugs that are needed," we strive to ensure the stable supply of these essential pharmaceuticals and are committed to maximizing their added value. We will continue to engage with pharmaceuticals with sincerity and work hard to meet the diverse needs of society.

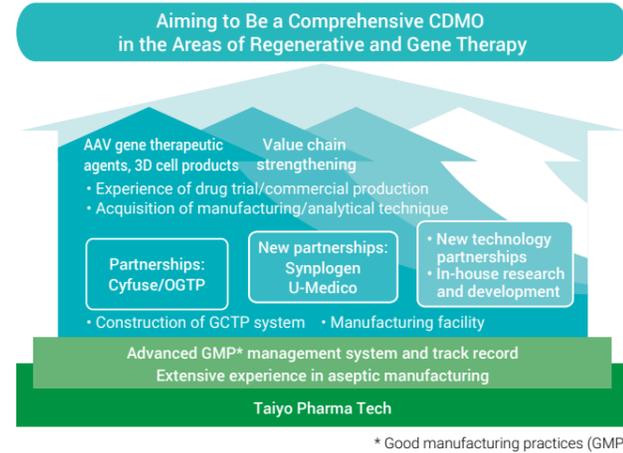
Hinako Iizuka



Technological Capabilities and R&D that Create New Businesses and New Value

Acquiring New Modalities for Continued Growth

Through capital and business alliances with Cyfuse Biomedical K.K. for regenerative therapy and ONODERA GT Pharma (OGTP) for gene therapy, we have introduced manufacturing technologies in each field and started contract manufacturing for regenerative therapy and gene therapy products. In the gene therapy field, we have established partnerships with Synplogen Inc. and U-Medico Inc., which have strengths in process development and analysis of viral vector products, to strengthen our value chain and enable us to provide services from an earlier stage of new drug development projects.

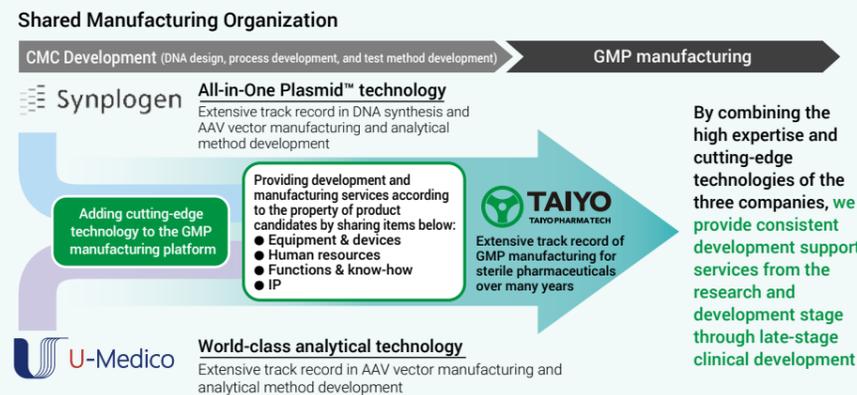


Towards Advances in the Gene Therapy Field

Expectations for gene therapy are rising as an innovative treatment for various diseases. Taiyo Pharma Tech has established a gene therapy drug manufacturing facility that complies with domestic and international manufacturing and quality control standards (GMP/GCTP). This facility supports contract manufacturing for viral vector products, including adeno-associated virus (AAV) vectors and other gene therapy products, contributing to the development and advancement of gene therapy products both in Japan and overseas from a manufacturing perspective.

Strengthening the Value Chain in Gene Therapy Product Development Support Services

Taiyo Pharma Tech, together with Synplogen Co., Ltd. and U-Medico Inc., has entered into a partnership to form a "Shared Manufacturing Organization," and created a framework that enables continuous development support for viral vector product candidates, from the research and development stage through the late stages of clinical development.

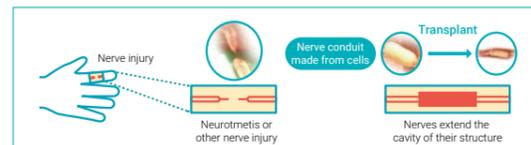


Partnering with Cyfuse to Start CDMO Business for Regenerative Therapy Products

Regenerative therapy is a form of medicine that aims to restore lost function by regenerating tissues or organs of the body that have become dysfunctional or impaired, using cells and artificial materials. Taiyo Pharma Tech, in partnership with Cyfuse Biomedical K.K., is working to implement regenerative therapy technology for peripheral nerve injury, which is jointly developed by Cyfuse and Kyoto University. This is a new therapy that promotes nerve regeneration by transplanting three-dimensional nerve conduits created with a bio 3D printer, and its safety and efficacy have been confirmed through investigator-initiated clinical trials. Taiyo Pharma Tech is preparing for contract manufacturing of corporate clinical trial products promoted by Cyfuse, and will accelerate efforts toward the launch and social implementation of regenerative therapy products.



Overview of the nerve regenerative technology by transplanting of 3D nerve conduits



Creating New Value in mystarz's Dental Prosthetic Technology

In 2022, we acquired all shares of mystarz Co., Ltd., which manufactures and sells dental prosthetic products, and it has been consolidated from the fiscal year ended March 31, 2025 onward. The company has established a system that combines advanced digital technology with the skills of experienced technicians to provide high-quality and diverse dental prosthetic products. In the dental healthcare field, we aim to create new value by leveraging our Group's strengths in manufacturing capabilities and thorough quality control.



Production Infrastructure that Delivers High Quality

First Overseas Expansion for our Medical and Pharmaceuticals Business

We established Taiyo Pharma Asia in the Kingdom of Thailand as a contract manufacturing company and completed the construction of a new plant. In addition to complying with GMP standards in Thailand (PIC/S) and Japan, we have introduced automatic visual inspection and packaging machines that meet Japanese quality standards, aiming to resolve the growing shortage of pharmaceuticals in Japan. We also aim to create local employment and contribute to the regional economy, with the goal of starting operations as a global CDMO in fiscal year 2027.



Self-Sufficient Personnel in Action Today

The Future of the Medical and Pharmaceuticals Business Shaped by Taiyo Values

Autonomy and Unity Spreading from the Workplace

I take part in daily operations as the leader of the team responsible for the installation, modification, and maintenance of solid formulation equipment. Recently, especially among new employees, there has been an increase in proactive behavior, such as finding the answers to questions independently or checking with those around them. As a result, I feel that Taiyo Values are naturally taking root. "T-LINKS," a welfare facility established on the grounds of Taiyo Pharma Tech, is also used as a place for employees to interact and contributes to creating a sense of unity in the workplace. Going forward, I want to set an example myself and further strengthen the team's unity.

Takeshi Yano Engineering Section 2, Technology Department, Takatsuki Plant, Taiyo Pharma Tech Co., Ltd.



A Culture of Open Communication Ensures High Quality

I work in the Quality Assurance Section which serves as the "last line of defense" to guarantee high product quality. In our workplace, where individual work was common and conversation was scarce, initiatives focused on "communication," one of the Taiyo Values, such as "check-in emails" and "self-introduction cards," have fostered a culture where even minor matters can be discussed openly. Going forward, I hope to spread this atmosphere beyond our section and help create an even better workplace.

Yukihiro Itai Quality Assurance Section, Quality Control Department, Takatsuki Plant, Taiyo Pharma Tech Co., Ltd.



ICT and Sustainability Business

The ICT and Sustainability business is creating new businesses in a wide range of fields, including ICT, fine chemicals, energy, and food. As “S” stands for sustainability, we will continue to actively address the promotion of sustainability.

Overview of the ICT and Sustainability Business

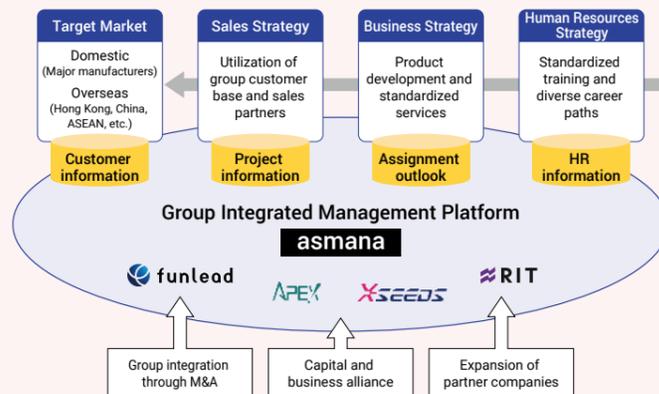
<p>ICT Business</p> <p>Promoting DX to achieve sustainable growth</p>	<p>To realize sustainable growth for the Taiyo Group, we are developing services that leverage digital technology and building ICT infrastructure. As part of a proactive DX strategy, we will create new businesses by utilizing data and experience accumulated in-house.</p>	<p>Fine Chemicals Business</p> <p>Focusing on raw-material synthesis while grasping customer needs</p>	<p>By leveraging our expertise for contract development of synthesized chemicals, we offer a wide range of high-quality, high-value-added functional materials. We will continue striving to be chemical experts who anticipate customer needs ahead of time.</p>
<p>Energy Business</p> <p>Ensuring sustainable consumption and production patterns</p>	<p>Since the inception of the business, we have consistently promoted the opening of floating solar power plants. Currently, among the energy used by the group, we generate renewable energy equivalent to the electricity purchased externally for domestic Electronics business and Medical and Pharmaceuticals business.</p>	<p>Food Business</p> <p>Developing solutions for global food issues</p>	<p>As one solution to the global food problem, we have started agriculture utilizing plant factories and fallow land. We are undertaking various initiatives to establish more efficient farming methods and techniques that can be deployed globally.</p>

TOPICS ICT Business

Strengthening ICT Total Support with the Integrated Platform “asmana”

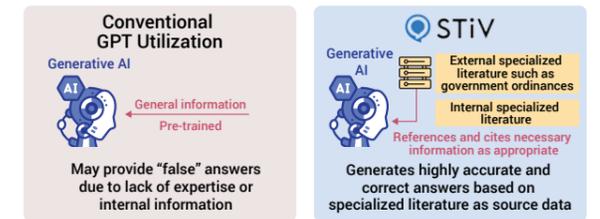
Through M&A, funlead has acquired shares of Apex, Xseeds, and RIT, building a foundation for total support in the ICT field. To provide rapid and wide-ranging proposals and support on a Group-wide basis for increasingly diverse customer challenges, we have adopted “asmana” as a group-integrated management platform. This platform centrally manages information such as orders, customer proposals, and personnel skills from each Group company. This enables cross-group service provision and promotes the sophistication of group management. Going forward, the funlead Group will maximize synergies and accelerate new value creation even further.

* asmana is a system developed by RIT, and has a proven track record of adoption by leading consulting firms.



Expansion of STiV's Application Areas with New Features

STiV is an AI knowledge management system that utilizes generative AI to improve operational efficiency and visualize tacit knowledge. Even in industries that require advanced expertise, centrally consolidating vast amounts of internal and external data into STiV enables data association and seamless search. Furthermore, with the AI chat feature, it is now possible to provide highly accurate responses in text using information from specialized fields. We will continue to respond user needs and aim to provide a service that is utilized across a wide range of specialized fields.



As a Domestic Sales Partner for Looking Glass

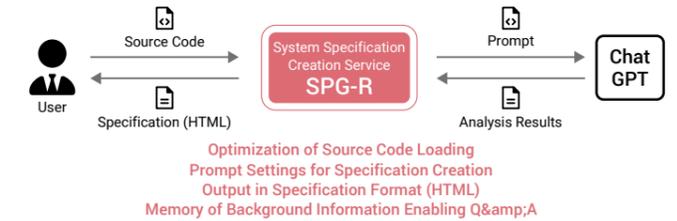
Xseeds has signed a domestic sales partnership agreement with Looking Glass Factory, which develops and sells glasses-free 3D displays. We have started selling the “Looking Glass” series, which allows users to experience 3D images just by looking at the screen, without the need for special glasses or headsets.

Taking advantage of the feature that multiple people can view simultaneously, it is expected to be utilized in various industries such as exhibitions, healthcare, and entertainment.



“SPG-R” Promotes the Use of Frontline Knowledge

In 2024, RIT released “SPG-R,” a service for automatically generating system specifications which utilizes ChatGPT. This service efficiently solves the challenges in creating and updating specifications that arise from legacy system black-boxing and the expansion of development teams, contributing to improved productivity for companies. Going forward, we will continue to update the service to be more accurate and multifunctional in order to support the DX of more companies.



Creation of specifications from source code using ChatGPT

TOPICS Fine Chemicals Business

Business Development for Enhancing the Value of the Taiyo Group

Taiyo Fine Chemicals is expanding its business beyond its previous contract synthesis operations to include chemical processing (synthesis, milling, dispersion, refining). Leveraging our strength in synthesis technology, we are expanding into the development, manufacturing, and sales of our own products, thereby driving business transformation. In the field of pigments, which we have been engaged in since our founding, we leverage technology based on a wide range of reaction systems to supply products that comply with environmental regulations in various countries.

In addition, within the Taiyo Group, we are aiming to build a stable supply system and implement Business Continuity Planning (BCP) measures for ensuring raw materials in the electronics field, and are currently making phased capital investments. We will continue to promote the growth of the Fine Chemicals business with the awareness of contributing to the enhancement of the corporate value of the entire Group.

Hidekazu Miyabe President and CEO Taiyo Fine Chemicals Co., Ltd.



Taking on New Businesses that Contribute to the Environment

In recent years, with growing environmental awareness, the development of environmentally-friendly products has accelerated. Our Group has set “strengthening efforts toward the SDGs (Sustainable Development Goals)” as one of the basic policies in our long-term management plan, “Beyond Imagination 2030,” and Taiyo Fine Chemicals is also promoting the development and practical application of materials with low environmental impact. As part of these efforts, we have launched a chemical recycling business that collects waste PET derived from our Group’s Dry Film (DF) products and reuses it as a raw material for Solder Resist (SR). Currently, this is being rolled out in Japan, but we plan to expand overseas in the future and further promote the production of environmentally-friendly raw materials.

Chemical Recycling Initiatives that Circulate Resources within the Group



Environmental Initiatives



Response to Climate Change

For details, please visit our website.



Governance and Risk Management

Climate change is a serious social issue facing global society and is accordingly a priority management issue of the Group. For that reason, we are engaging in the active disclosure of information based on the TCFD recommendations.

The Sustainability Promotion Committee, which meets regularly, evaluates the impact of climate change on our business, identifies our dependence and impact on natural capital, and deliberates and makes resolutions on measures to reduce risks and seize opportunities. The committee regularly receives recommendations on important matters from the Board of Directors while also continuously managing and monitoring the status of initiatives by the executing departments. Going forward, we will continue promoting initiatives to address climate change issues and actively disclose information to further strengthen our fiduciary relationship with stakeholders.

Strategies

We are analyzing the 1.5°C and 4°C climate change scenarios to identify risks and opportunities with reference to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and the World Energy Outlook (WEO) of the International Energy Agency (IEA). In the future business activities of our group, we will reduce risks, seize opportunities, and develop products that help solve social issues.

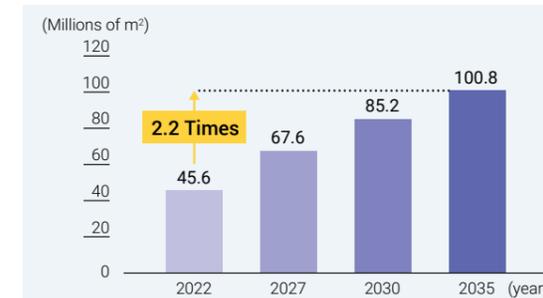
Scenario	Changes in the social environment	Risks	Opportunities	Main countermeasures
1.5°C Scenario	Introduction and raising of carbon tax in various countries	○	○	<ul style="list-style-type: none"> Gathering of information on environmental regulations in each country and examination of countermeasures Aggressive introduction of renewable energy Promotion of energy efficiency
	Progress towards a decarbonized society	○	○	<ul style="list-style-type: none"> Promotion of development of products with low environmental footprint Promotion of development of products for next-generation mobility Promotion of changes to product packaging configuration Promotion of recycling of used plastics
	Response to stakeholder requests	○	○	<ul style="list-style-type: none"> Reinforcement of efforts for environment Proactive disclosure of information and communication to respond to investors and market concern
4°C Scenario	Suspension of plants due to intensified damage from natural disasters	○	—	<ul style="list-style-type: none"> Increase in the number of production sites Risk management and response from perspective of Business Continuity Planning (BCP)

Examples of Opportunities Created by the Progress Toward a Decarbonized Society

Rising Demand for Solder Resist (SR) due to the Increasing Electrification of Automobiles and Use of Automotive Electronics

With the advancement of next-generation mobility, including electric vehicles (EVs) and autonomous-driving technologies, the electrification of vehicles, along with the growing integration of onboard electronic systems, is accelerating. By 2035, the automotive substrate area of EVs is anticipated to grow by 2.2 times compared to 2022. The associated increase in the use of SR will lead to an increase in Group sales, which we regard as a business opportunity.

Forecast for the Sales Volume of Automotive PCBs

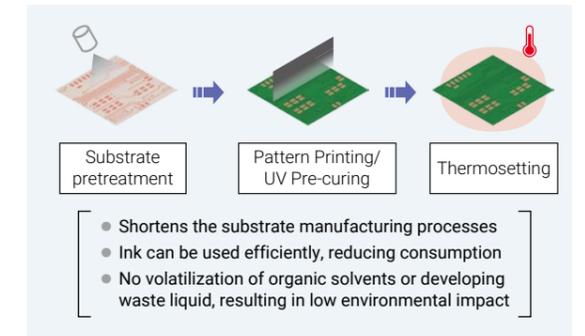


* Source: "Total Research on On-Vehicle Electric Devices and Components 2024" (2022 is actual results while 2027, 2030, and 2035 are forecasts) by Fuji Chimera Research Institute, Inc.

Promotion of Inkjet SR Development

Inkjet SR is applied only where needed by the inkjet printing method to form circuit patterns, making it effective in reducing substrate manufacturing costs and environmental impact. Our customers have decided to adopt Inkjet SR for automotive substrates, and our Group has started mass production. In addition to SR applications, we are also developing products compatible with the inkjet printing method for various uses such as marking ink, plating resist, etching resist, and display-related materials.

Inkjet Printing Method



Opened New Floating Solar Power Plants and Concluded an Off-site Corporate PPA

In response to the power shortages after the Great East Japan Earthquake of 2011, we have promoted our renewable energy business based on floating solar power generation. Floating solar power generation mitigates the decline in power generation efficiency during the summer and also contributes to environmental conservation and a reduction in the burden on local government and agricultural businesses. In February 2025, we opened our 17th and 18th floating solar power plants in Hyogo Prefecture. In addition, an off-site corporate PPA*1 was concluded among Osaka Gas Co., Ltd., its subsidiary Daigas Energy Co., Ltd., and Taiyo Pharma Tech. This has made it possible to supply electricity to Taiyo Pharma Tech through a renewable energy procurement method that ensures additionality*2. Going forward, we will continue to support the utilization of renewable energy not only by the Taiyo Group but also by customers and society as a whole.



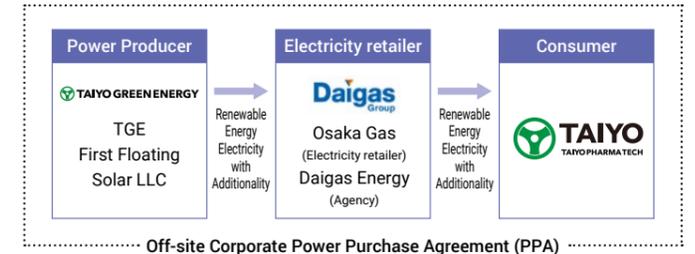
Nigo-ike Floating Solar Power Plant (Hyogo)



Naganori-ike Floating Solar Power Plant (Hyogo)

Solar power plants
18 units

Business Scheme



*1 A power purchase agreement that installs solar power generation systems in locations remote from electricity demand facilities and sends the electricity generated to the electricity demand facilities via the transmission network.

*2 Purchasing renewable energy electricity or certificates helps promote the expansion of new renewable energy facilities and related investment.

TOPICS

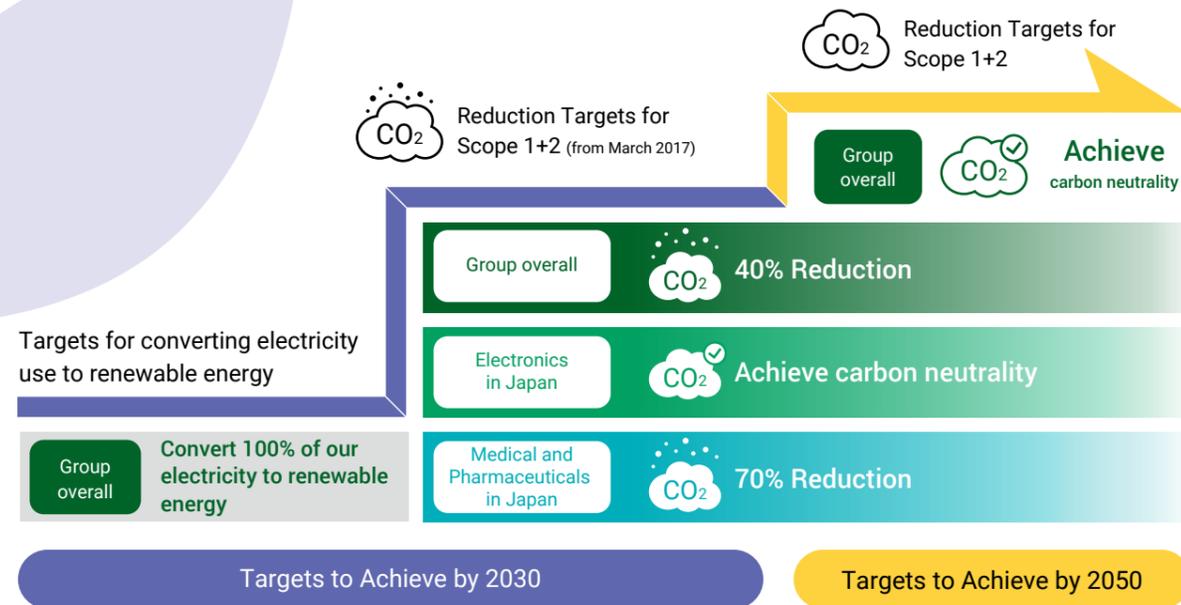
Participated in Apple's Supplier Clean Energy Program

Through its Supplier Clean Energy Program, Apple Inc. in the U.S. is calling on suppliers all over the world to put renewable energy to use in their production activities for the company. In 2018, Taiyo Ink Mfg. became the second Japanese company certified by Apple as a Clean Energy Supplier.

Metrics and Targets

Our group has set a CO₂ emission reduction target that is one step higher than our previous targets for converting our electricity use to renewable energy, aiming for a 40% reduction in total group emissions by fiscal year 2031 compared to fiscal year 2017, in order to achieve the government's goal of carbon neutrality by 2050. We also aim to achieve carbon neutrality in fiscal year 2031 in the Electronics business in Japan and to reduce emissions by 70% in the Medical and Pharmaceuticals business in Japan to achieve carbon neutrality for the entire group by 2050.

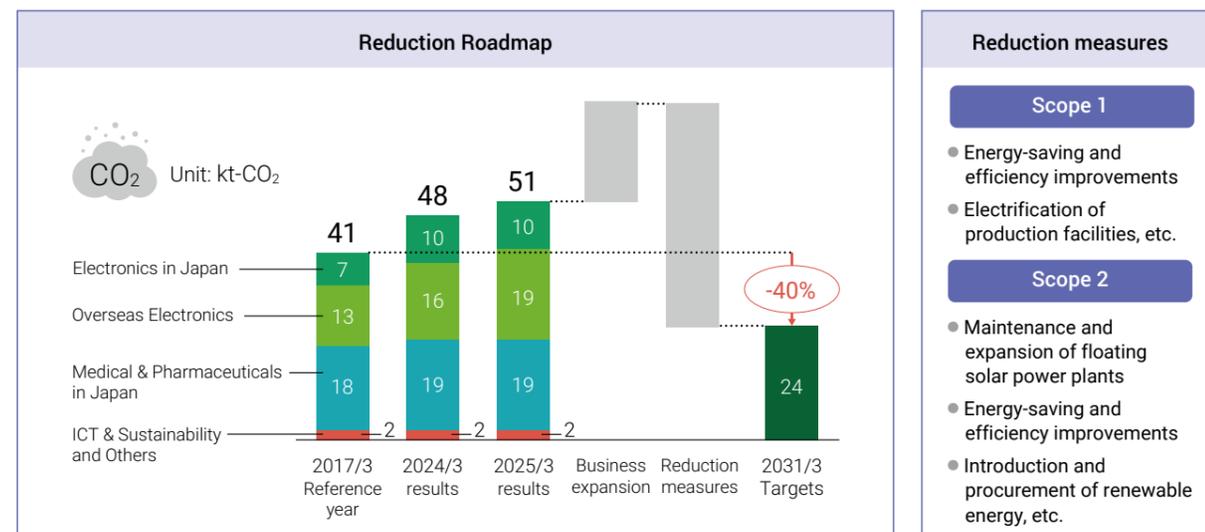
In the fiscal year 2025, Taiyo Ink Mfg. procured non-fossil certificates and updated equipment and air conditioning systems. In addition, at other manufacturing sites, we have opened solar power plants and upgraded our production facilities to equipment with high CO₂ reduction efficiency. Moving forward, we will reach our targets for CO₂ reduction by proactively working to increase the efficiency of existing facilities while introducing renewable energy throughout the group.



Achieving Our Targets with Floating Solar Power Plants as the Foundation of Measures to Reduce Our Domestic CO₂ Emissions

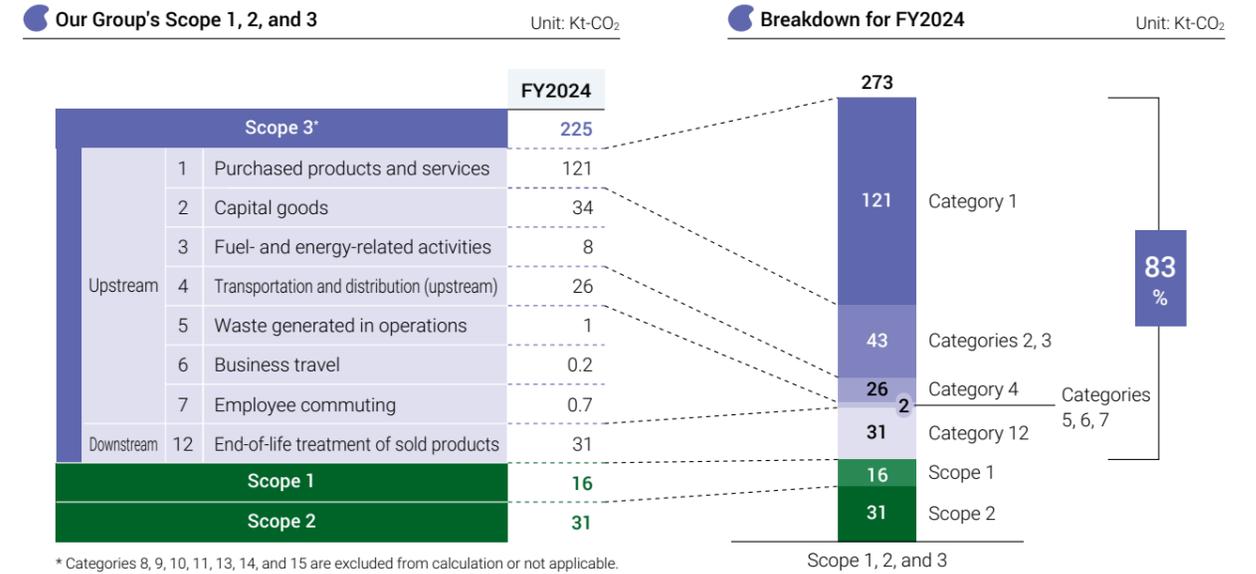
We will promote the reduction of CO₂ emissions and aim to achieve our targets through measures that leverage our strengths, beginning with our floating solar power generation business. We continue to position the realization of a decarbonized society as one of our key challenges, striving to enhance information disclosure and promote the reduction of environmental impact throughout all business activities.

Reductions in CO₂ Emissions Image Toward 2030 (Scope 1+2)



Scope 3 Emission Reduction Initiatives

We have begun calculating CO₂ emissions across our entire supply chain. Scope 3 emissions for fiscal year 2024 totaled 225 kt-CO₂, accounting for more than 80% of Scope 1, 2, and 3 emissions combined. In particular, "Purchased products and services" (Scope 3, Category 1), accounted for a high proportion of 57% of the total. We will continue to refine Scope 3 calculations and consider initiatives to reduce CO₂ emissions in the procurement of raw materials and secondary materials related to Category 1, aiming to strengthen collaboration with suppliers and to establish recycling technologies.



Environmental Pollution Prevention and Chemical Substance Management

Our group has established optimal quality control and environmental conservation processes in all business activities and is engaged in continuous improvement. For quality control, based on ISO 9001:2015, we thoroughly manage chemical substances and comply with laws, regulations, and customer requirements, building a consistent management system from the receipt of raw materials to product shipment. On the environmental front, we operate an environmental management system based on ISO 14001 and strive to reduce environmental impact and risk.

TOPICS

Opening of the Eco-Friendly Technology Development Center "InnoValley" and Utilization of Green Loans

The technology development center "InnoValley" of Taiyo Ink Mfg. opened in 2024. It was designed not only to create an environment for faster development but also to incorporate various innovations with consideration of energy efficiency, environment and landscape surround the facility. As a result, it obtained third-party certifications: CASBEE Building (New Construction) "S" and ZEB Ready. As a result, the construction project was recognized as falling under the "energy efficiency" and "green building" categories of the Green Loan Principles, and construction funds were procured through a green loan. As part of our efforts to reduce environmental impact, our group will continue to promote the introduction of high-efficiency equipment and the use of renewable energy.



Connection with Society

For details, please see our website.



Our Approach to Human Rights

Our group respects the diversity of each employee and is committed to creating a fair and non-discriminatory workplace environment. In addition, to realize a sustainable supply chain, we require our business partners to comply with laws and improve work environments, and we work to build fair relationships. We will continue to respect human rights in all business activities and aim to become a trusted company.

Connection with Employees

Received two Silver Awards at the In-house Newsletter Awards 2024

We received Silver Awards in two categories at the "In-house Newsletter Awards 2024" sponsored by wis works Co., Ltd.: "Print In-house Newsletter category (booklets of 20 pages or more)" and "Web/App In-house Newsletter category (overall media)." Our group uses the In-house Newsletter and web tools to share information about departmental activities and management's daily thoughts. We will continue to utilize internal communication tools to promote active interaction within the company.



"Taiyo Daycare Center" Supporting the Balance Between Work and Childcare



Our group aims to create a workplace environment where employees can continue working after marriage and childbirth, and has opened "Taiyo Daycare Center" at the Ranzan site (Saitama Prefecture). This facility makes effective use of renewable energy and places particular importance on providing an environment where children can interact with the community and nature, as well as on educational methods that foster children's independence. With the goal of becoming a 100-year company, we will continue to promote a culture where employees can thrive.

Promotion of Health and Productivity Management [P.27](#)

Our group was quick to focus on "Health and Productivity Management" from the perspective of investing in human capital and improving the workplace environment, and is advancing initiatives related to physical, mental, and social health. Going forward, based on the "Health and Productivity Management Policy," we will continue to develop an environment that supports the "health" of each employee and help them play more active roles as self-sufficient personnel.

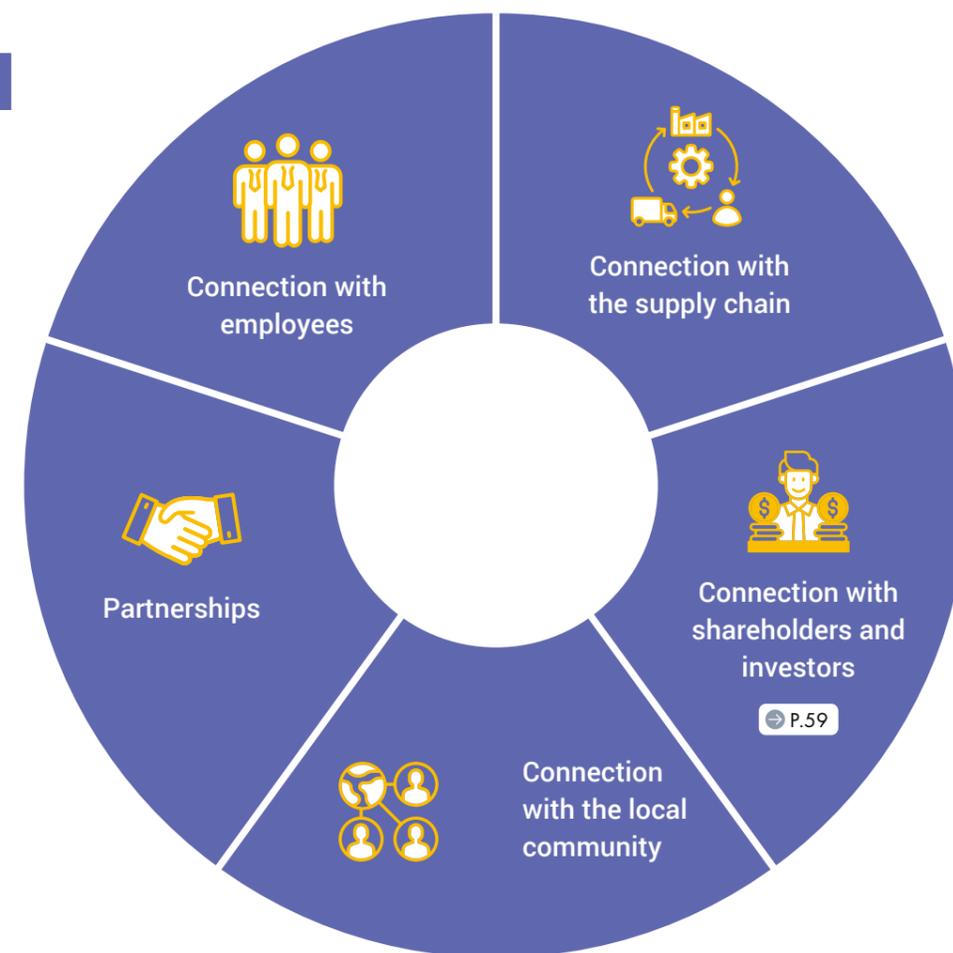


Click here for the Health and Productivity Management Policy

Partnerships

Contributing to Sports Promotion

Since January 2023, we signed a sponsorship agreement with Yuro Nagahara, a men's park skateboarding athlete, and have been providing athlete support.



Connection with the Supply Chain

Our group continues to procure materials and other items based on green procurement standards to maintain quality and ensure stable supply, while also working with suppliers to strengthen relationships of trust and to solve social issues for mutual development. As part of these efforts, Taiyo Ink Mfg. conducts surveys using CSR questionnaires to confirm initiatives related to the environment, human rights, labor, and health and safety.

Connection with the Local Community

Children's Cafeteria

At Ekimae Ranzan Shokudo in Ranzan Town, Saitama Prefecture, we host "children's cafeteria" events. In the fiscal year ending March 2025, we held a total of 21 events and provided 850 meals. We will continue to provide meals and dining spaces so that many more children can enjoy their mealtimes in the future.

FY2025 **850** meals provided



Efforts in Local Beautification Activities

Taiyo Pharma Tech aims to grow with the local community and is actively engaged in beautification activities.

- Participation in Takatsuki City Environmental Beautification Promotion Day
- Ongoing participation in environmental volunteer activities (Eco Cap Activity, Yodogawa Akutagawa Clean-up Operation, Shinkawa Waterway Cleaning Campaign, etc.)



Special Classes with World-class Athletes

We offer special classes with invited athletes for students in the communities where our group has operations. In June 2025, we held a lecture by an athlete at a junior high school in Takatsuki City on the themes of "the joy of taking on global challenges" and "the happiness of achieving goals." To convey the importance of enjoying challenges to the next generation, we will continue to actively create learning opportunities.



Hosting Elementary School Social Studies Field Trips

Taiyo Ink Mfg. and Taiyo Pharma Tech welcome social studies field trips from elementary schools and offer facility tours and interviews.



Ranzan Municipal Sugaya Elementary School



Ranzan Municipal Shiga Elementary School

Taiyo Pharma Tech's Manhole Cover Advertisement

In Takatsuki City's manhole cover advertisement project*, Taiyo Pharma Tech's advertisement was featured. We will continue to support the development of the local community.

* As part of securing new financial resources for sewerage and other projects, advertisements and other materials are placed on manhole covers.



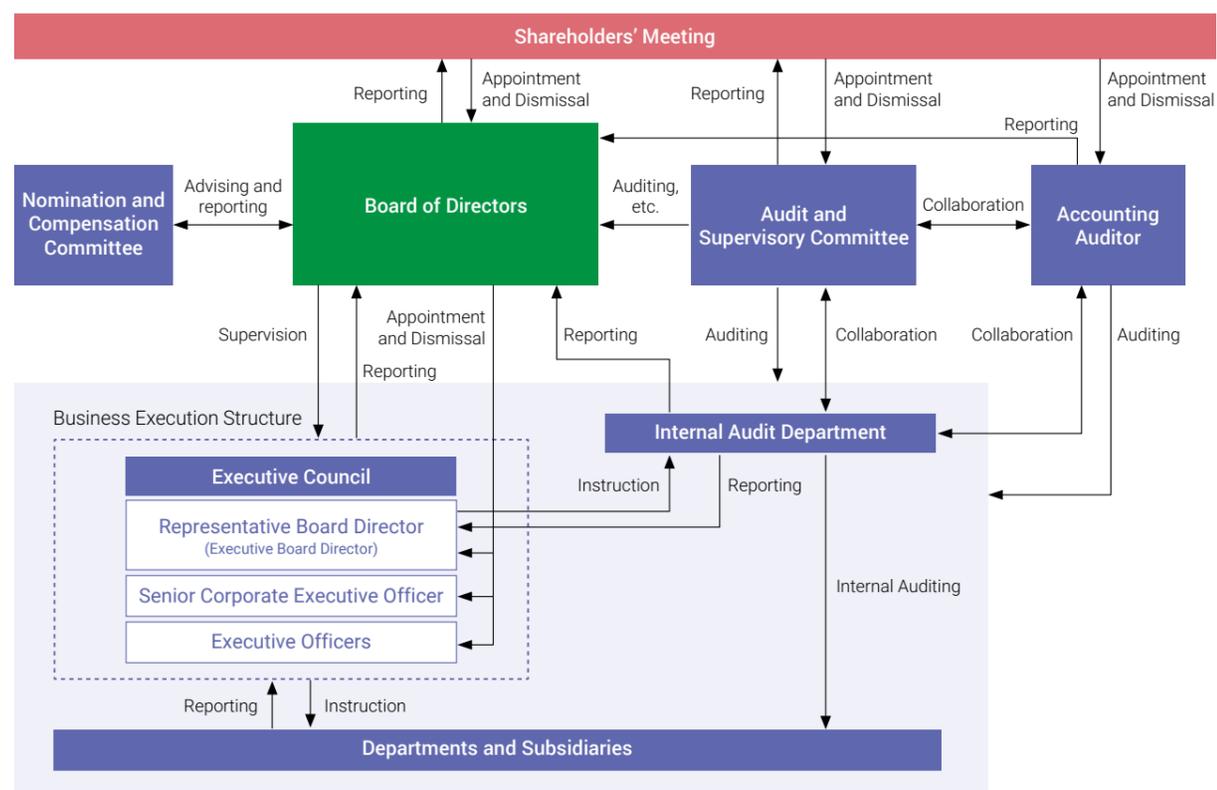
Corporate Governance

Basic Approach

Our company has defined the direction the entire group aims for in our "Management Philosophy" and "Basic Management Policy." The "Management Philosophy" states that our group's purpose is to enhance every technology and realize a cheerful society through innovative products. The "Basic Management Policy" clearly states that we will fulfill our corporate social responsibilities, including compliance with laws and regulations, environmental protection, quality control, and social contribution. Based on these, the trust and support of stakeholders are essential for sustainable development. To achieve this, we believe it is essential to ensure management transparency, fulfill accountability, and disclose sufficient information.

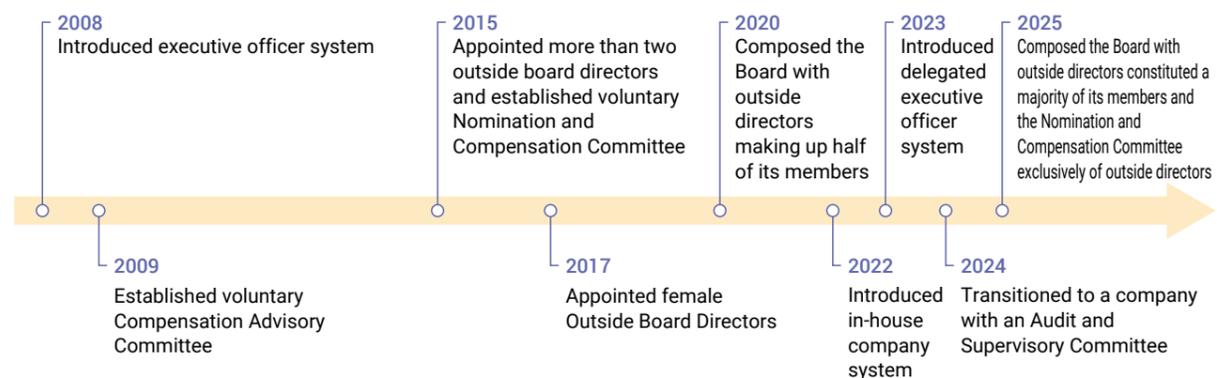
In June 2024, our company transitioned to a company with an Audit and Supervisory Committee, further strengthening the monitoring function of the Board of Directors. Furthermore, under the structure of a company with an Audit and Supervisory Committee, the Board of Directors delegates decision-making authority for business execution to the board directors, enabling swift management decision-making and further enhancing corporate governance and increasing corporate value.

Corporate Governance Framework (as of the end of November 2025)



Initiative Transitions

The company has continued to change in order to enhance our corporate governance and realize swift decision-making.



Overview of the Corporate Governance System

Board of Directors

From the perspective of ensuring the effectiveness of the Board of Directors, we are constantly examining the balance that maximally utilizes the diversity of the members, including their knowledge, experience, and skills. The Board of Directors is composed of three Board Directors elected by the resolution of the General Meeting of Shareholders (excluding Board Directors who are Audit and Supervisory Committee Members, and including two Outside Board Directors), and three Board Directors who are Audit and Supervisory Committee Members (including two Outside Board Directors), with 50% of the Board (three out of six members) being women. The Board of Directors discusses and resolves all important matters and also supervises the business execution by the Representative Board Director. Outside board directors constitute more than half of the members of the Board of Directors, and one of them serves as the chairperson of the Board of Directors.

Audit and Supervisory Committee

The Audit and Supervisory Committee monitors the business activities of board directors and operational status of governance from a neutral and objective perspective to ensure sound development of the Taiyo Group as a whole, based on an appropriate corporate governance system. The current Audit and Supervisory Committee is made up of three Board Directors who are Audit and Supervisory Committee Members (including two Outside Board Directors). It audits and supervises decision-making by the Board of Directors and business execution by Board Directors in accordance with audit plans.

Executive Council

The Company has established an Executive Council comprised of Executive Board Directors, Senior Corporate Executive Officers, and Executive Officers in order to invigorate the Board of Directors and expedite business execution. The two Senior Corporate Executive Officers (both male) and fifteen Executive Officers (twelve males and three females) are granted considerable decision-making authority for business execution, which is believed to enable swift decision-making in response to changes in the environment.

Nomination and Compensation Committee

The Company has established a voluntary Nomination and Compensation Committee as an advisory body for the Board of Directors and the Audit and Supervisory Committee. The Nomination and Compensation Committee is comprised of three Outside Board Directors, deliberates on the matters it is advised on, and reports to the Board of Directors.

Evaluation of the Effectiveness of the Board of Directors

The Taiyo Group conducts analysis and evaluation to assess the effectiveness of the Board of Directors. Assessments are based on evaluations provided by each board director and help promote continuous improvement to the operations, composition, and structure of the Board of Directors by identifying issues and points of improvement.

Analysis and evaluation method	<ul style="list-style-type: none"> Questionnaires are distributed to each board director. Responses received from all of the board directors are used to conduct an effectiveness evaluation of the Board of Directors and identify issues. Based on evaluation results, the Board of Directors holds deliberations to improve its functionality.
Questionnaire items	(1) Structure of the Board of Directors (2) Management of the Board of Directors (3) Agendas of the Board of Directors (4) Structure supporting the Board of Directors
Analysis results	<ul style="list-style-type: none"> The diversity in the composition of the Board of Directors is sufficiently ensured. Favorable results were confirmed regarding the development and operation of the company-wide risk management system, including the size of the Board of Directors, the scope and volume of agenda items, and matters related to internal controls. Prior to the Board of Directors meetings, briefing sessions were held and agenda summaries and issues were reviewed in advance, resulting in very active and substantial discussions, which confirmed improvements in the operation of the Board of Directors.
Evaluation	<ul style="list-style-type: none"> The effectiveness of the Board of Directors is ensured.
Future action	<ul style="list-style-type: none"> We will continue to work on the following initiatives to further improve the Board's effectiveness. <ol style="list-style-type: none"> Continue discussions from a medium- to long-term perspective regarding management planning, allocation of management resources, and succession planning for executive management. Consider utilizing third parties with expertise in governance to conduct more objective evaluations. Hold executive sessions composed only of Outside Board Directors on a regular basis.

Main Discussion Topics at the Board of Directors (FY2025)

- Supervision of business execution
 - Significant investment projects
- Shareholder return policy
 - Analysis and results of effectiveness evaluation of the Board of Directors
- Internal control-related matters
 - Response to climate change
- Human capital-related initiatives
 - Etc.

List of Taiyo Holdings Board Members

(as of the end of November 2025)



Title*1 and name	Hitoshi Saito President and CEO	Keiko Tsuchiya Outside Board Director Independent	Misae Maruyama Outside Board Director Newly appointed Independent	Noriaki Shimamura Board Director (Full-time Audit and Supervisory Committee Member) Newly appointed	Hidenori Sugiura Outside Board Director (Full-time Audit and Supervisory Committee Member) Independent	Ikumi Sato Outside Board Director (Audit and Supervisory Committee Member) Independent
Reason for appointment	After being appointed as Board Director and Senior Managing Executive Officer in 2016, he became Vice President and CEO of the Electronics Company (current position) in 2022, and was later appointed President and CEO in 2025. He applies his knowledge and experience to all aspects of the Company's management, overseeing the management of the Group, including decision-making and the supervision of business execution.	Ms. Tsuchiya was appointed to apply her vast experience and knowledge in the human resources field, including her management experience as a director in the human resources consulting services industry, toward the Human Resources Department and to strengthen human resources of our Group.	In addition to possessing specialized knowledge and extensive experience as a Certified Public Accountant, we have appointed Ms. Maruyama to leverage her broad insights gained from serving as an Outside Corporate Auditor at other companies.	After serving as a Board Director of our subsidiary and as General Manager of our Intellectual Property and Legal Affairs Department, Mr. Shimamura was appointed as Executive Officer and Compliance Officer in 2024. We have appointed him to leverage his broad expertise cultivated through his extensive experience.	Mr. Sugiura was appointed to apply his vast experience and knowledge of finance cultivated through his history in the securities and financial industry and as a university professor and lecturer as an expert in finance.	Ms. Sato was appointed to apply her vast knowledge and experience as a lawyer in corporate legal affairs, IT/intellectual property, and foreign legal affairs.

Skills Matrix

	Hitoshi Saito	Keiko Tsuchiya	Misae Maruyama	Noriaki Shimamura	Hidenori Sugiura	Ikumi Sato
Corporate management / Business strategy	●					
Global	●	●		●		
Production quality / Research and development	●			●		
ESG / Sustainability	●	●			●	●
Human resource management / Diversity		●	●			●
Finance and accounting / M&A			●		●	
Legal affairs / Risk management			●	●	●	●

*1 We have made the appointment as independent board members in accordance with stipulations of Tokyo Stock Exchange, Inc., and have notified the exchange.

*2 [Corporate management / Business strategy] Assumes management experience, directorship experience, business strategy, etc.

[Global] Assumes achievement and experience in business development with global awareness

[Production quality / Research and development] Assumes knowledge and experience of relevant industry and business

[ESG / Sustainability] Includes the meaning of activities for environmental and social contribution, community development and sustainable business

[Human resource management / Diversity] Assumes initiatives concerning development, training and utilization of self-sufficient personnel in response to increasingly diverse organizations and society, management, and diversity (activities for women's advancement, etc.)

[Finance and accounting / M&A] Assumes knowledge and experience of financial accounting and strategic M&A

[Legal affairs / Risk management] Assumes knowledge and experience of corporate legal affairs and legal risk management

A Year in Which the Governance System Evolved Significantly

In June 2024, we transitioned to a company with an Audit and Supervisory Committee and delegated decisions on individual business execution to Executive Board Directors, enabling the Board of Directors to focus more on long-term management strategies and supervision functions. At the same time, from the perspective of ensuring the effectiveness of supervision by the Board of Directors, I, as an Outside Board Director, assumed the position of Chairperson. As a result, I feel that we are now able to have active and constructive discussions while taking into account the expectations and views of various stakeholders, such as customers and shareholders.

Furthermore, from June 2025, Outside Board Directors have constituted the majority of the Board of Directors, and the Nomination and Compensation Committee has consisted solely of Outside Board Directors. We continue to strengthen governance, ensuring objectivity and transparency in management, and in the Board of Directors, we are accelerating lively discussions aimed at sustainable business growth in line with the medium-term management plan. Going forward, I expect that by enjoying change and challenges, thinking autonomously as individuals, and collaborating as an organization, we can further enhance corporate value.

Keiko Tsuchiya Outside Board Director, Chairperson of the Board of Directors

Board of Directors Activity Status (FY2025)

Title	Name	Attendance Status
President and CEO	Eiji Sato	100% (12 meetings / 12 meetings)
Vice President	Hitoshi Saito	100% (12 meetings / 12 meetings)
Board Director	Eiji Takehara	100% (2 meetings / 2 meetings)*1
Board Director	Masao Arima	100% (2 meetings / 2 meetings)*1
Board Director	Kiyofumi Takano	80% (8 meetings / 10 meetings)*2
Board Director	Tomoyuki Tanaka	100% (2 meetings / 2 meetings)*1
Outside Board Director	Masayuki Hizume	100% (2 meetings / 2 meetings)*1
Outside Board Director	Keiko Tsuchiya	100% (12 meetings / 12 meetings)
Outside Board Director	Asako Aoyama	100% (2 meetings / 2 meetings)*1
Outside Board Director	Yumiko Kamada	100% (2 meetings / 2 meetings)*1
Board Director (Audit and Supervisory Committee Member)	Kaori Terunuma	100% (12 meetings / 12 meetings)*3
Outside Board Director (Audit and Supervisory Committee Member)	Hidenori Sugiura	100% (12 meetings / 12 meetings)*3
Outside Board Director (Audit and Supervisory Committee Member)	Ikumi Sato	100% (12 meetings / 12 meetings)*3

*1 Stepped down from the position upon expiration of the term of office at the conclusion of our Ordinary General Shareholders' Meeting held on June 15, 2024.

*2 Appointed at our Ordinary General Shareholders' Meeting held on June 15, 2024.

*3 Assumed the position of Board Director who is an Audit and Supervisory Committee Member (Upon the conclusion of our Ordinary General Shareholders' Meeting held on June 15, 2004, the company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee).

Risk Management

Our group's business fields are diverse, including the Electronics business, Medical and Pharmaceuticals business, and ICT and Sustainability business, and we are also promoting business activities overseas. Therefore, we perform risk management for each operational business department in which we identify, analyze, and evaluate the risks that exist at the various stages, from the company-wide level to the business processes level. Information, including progress in the state of risk management at each business department, is reported to the responsible director, and we have built a system by which the appropriate

measures are taken promptly. In the event of an emergency, the Company ensures prompt reporting, information sharing, and implementation of countermeasures in accordance with the Risk Management System and Escalation Flow, and if necessary, establishes an Emergency Response Division to minimize damage (loss). For risks reported from each business site, risk items that are expected to seriously impact company management are reported to the Board of Directors for deliberation.

Compliance

Basic Approach

The group recognizes that a sound management structure and strong awareness of ethics and compliance with laws and regulations among all employees are critical to living up to the expectations of stakeholders and society as well as achieving long-term growth. Our group established its compliance promotion structure in 2003 and has since continued to foster ethical values and improve legal knowledge among employees.

Compliance Activities

Within our group, in order to prevent concealment or neglect of misconduct or harassment occurring internally, we have established and operate an internal reporting system (hotline) in accordance with legal requirements. Currently, legal frameworks for whistleblowing are being developed globally, and more effective operation of whistleblowing systems is being demanded. In light of this background, our group is operating internal reporting systems at each domestic company, while also considering ways to further enhance their effectiveness jointly across the group.

Additionally, to disseminate compliance activities and their effects to all employees, we utilize the internal portal site. This portal site provides contact information for internal reporting, legal search services, compliance-related materials and information, and serves to promote autonomous compliance education tailored to each department's operation, as well as to encourage every employee to participate in compliance activities.

Our group will continue to move forward with organizational management that places importance on corporate compliance and business activities that are transparent, fair, and impartial.

Compliance Training

Our group places emphasis on continuous compliance education so that each employee engages in business activities with a spirit of ethical and legal compliance, being aware of risks associated with individual conduct.

For the fiscal year ending March 2025, in addition to the compliance training for new employees that is conducted annually, we continued to provide e-learning compliance education for all employees, promoting the spread of a wide range of compliance-related knowledge, including harassment risks, business ethics, and rules.

Moving forward, we will work to improve our training and awareness-raising activities in ways that lead to the practical application of compliance education in our work, leading to better business results and the creation of a rewarding work environment.



Anti-Corruption

For our Group, preventing corrupt acts in any form, such as bribery of public officials, receipt of excessive gifts or entertainment, collusion, embezzlement, and breach of trust, is ranked as one of the most important tasks in thorough compliance. We concentrate effort on ensuring a sound management environment by enhancing our internal systems capable of responding appropriately to risks of corruption in order to prevent them before they manifest themselves.

Officer Compensation System

Composition of Compensation

The compensation system for executive board directors aims to provide motivation toward improving medium- to long-term corporate value by establishing a plan for short-term, medium-term, and long-term incentives, thus acquiring and retaining elite top management personnel. With the goal of further sharing value between executive board directors and shareholders, this system is comprised of basic salary compensation and performance-linked cash compensation, as well as a stock compensation system comprised of performance-linked stock compensation and restricted stock compensation.

Compensation Determination Process

Decisions on the calculation method, payment timing, distribution, and other matters concerning officer compensation are made by the Board of Directors within a range approved by the General Shareholders' Meeting. As part of the decision-making process, the Nomination and Compensation Committee uses the officer compensation research data from an outside research agency to conduct an objective comparative analysis of compensation levels. After deliberation on the compensation policy and compensation levels, the Committee reports to the Board of Directors, which makes the final decision based on the Committee's findings.

Compensation System for Executive Board Directors

Total compensation			
Basic salary compensation	Performance-linked cash compensation (short-term incentives)	Stock compensation system	
		Performance-linked stock compensation (medium-term incentives)	Restricted stock compensation (long-term incentives)
Amount determined based on position is paid.	Profit before income taxes × (1 - most recent three fiscal year average effective tax rate - most recent three fiscal year average profit margin attributable to non-controlling shareholders) × 1.6% maximum. Within the range of the amount calculated according to the above formula, the total amount of performance-linked cash compensation is calculated, allocated according to position, and paid in cash.	Profit before income taxes × (1 - most recent three fiscal year average effective tax rate - most recent three fiscal year average profit margin attributable to non-controlling shareholders) × 3.4% maximum. Within the range of the amount calculated according to the above formula, the funds for three-year restricted stock are allocated according to position and paid in cash.	As annual compensation for the execution of duties, directors are allotted monetary claims according to their position, and allocated 10-year restricted stock (up to a maximum of 300 million yen per year).

Compensation Structure for the President and CEO (fiscal year 2025)



An Introduction to Our Executive Board Directors and Executive Officers

Theme

What is the Future of the Taiyo Group that can be Envisioned Because Each Individual “Enjoys” Their Work?



Hitoshi Saito
Executive Board Director

Turning enjoyment in their daily work into a source of energy, employees can act on their own initiative and continue to take on challenges. These accumulated efforts create new businesses, enhance corporate value, and lead to the evolution of the entire group. And this evolution will contribute to society and, furthermore, the world.

Shoji Minegishi
Senior Corporate Executive Officer

By enjoying communication with people who have various perspectives, innovative ideas are born. I believe that this spirit of enjoyment will lead to the sustainable growth and development of Taiyo Group. Let's enjoy the journey together.



Eiji Sato
Senior Corporate Executive Officer

We will become an organization, filled with self-sufficient personnel, that continues to create businesses and products full of dreams, aiming to realize a cheerful society.



Taro Onishi
Senior Managing Executive Officer

This is my fifth year since joining Taiyo Group. So far, I have worked in the fields of pharmaceuticals, dental technology, and solder resist. Because our company is full of people in every workplace who take pride in and enjoy their work, we will continue to grow!



Taiyen Tsai
Managing Executive Officer

If each individual can “enjoy” their work, it will create an unimaginably large amount of energy. With this energy, we can move forward without fear of failure. Taiyo Group will become a vibrant company and continue to grow significantly.

Terumichi Tawara
Managing Executive Officer

Each employee's way to “enjoy” their work creates a chemical reaction that leads to a bright future for Taiyo. Moreover, when younger colleagues see senior employees enjoying their work, they are inspired to follow suit, weaving together Taiyo's culture of enjoyment.



Hideyuki Goto
Managing Executive Officer

With wonderful colleagues, we continue to take on big challenges that can change the world, in an atmosphere full of smiles and energy, and I believe that the company, individuals, and customers are all growing. Surely, the Taiyo Group will become even more admired by everyone.



Keiichi Kobayashi
Managing Executive Officer

We will establish multi-purpose plants that utilize cutting-edge technology, where development and production are carried out with almost no human intervention. Additionally, we will continue to create products that make the world happy, and increase “safety,” “days off,” “salaries,” and “shareholder returns.”



Hidekazu Miyabe
Managing Executive Officer

Aiming for a better society, each individual will be more self-sufficient, encourage each other to grow, and pioneer a new era. The future envisioned by us, Taiyo Group, is connected to a future that enriches the hearts of people all over the world.



Sayaka Tomioka
Managing Executive Officer

To realize our management philosophy of creating “a cheerful society,” our Group's products can become indispensable. I believe that when each individual can “enjoy” their work, such essential products and an enjoyable future are born, making it possible to realize a cheerful society.



Masao Arima
Managing Executive Officer

Opportunities and people surround those who enjoy what they do. The potential of a group filled with such people is limitless.

Hinako Iizuka
Managing Executive Officer

Many businesses and challenges are born from the bottom up, and individuals who enjoy what they do form teams and demonstrate even greater power. I am very excited about the future of Taiyo Group, which continues to change flexibly and grow.



Takuji Maekawa
Executive Officer

The results of actions driven by each individual's enjoyment shape the present and future of Taiyo Group. I look forward to a future where individuals grow through the processes that begin there, and this collective growth leads to the growth of Taiyo Group.



Hyungki Bae
Executive Officer

I believe the future of the Taiyo Group, where each individual can keep taking on challenges with enjoyment, aiming for the growth of the company and themselves, will be bright and continue to yield wonderful results. The future where dreams that everyone can envision together are realized with enjoyment, and the world pays attention—that is the Taiyo Group.



Yukiko Yoshino
Executive Officer

A one-of-a-kind company that creates new businesses one after another through synergies beyond imagination and sends fresh inspiration out into the world. Taiyo Group is a treasure trove of talent who are attracted by that appeal and enjoy taking on challenges.

Taisuke Ikeda
Executive Officer

Cam on! Khop khun krap! Xiè xiè! Terima kasih! and Arigato! We express our gratitude in five languages to the staff of the three companies we work with, and together with our staff, we will weave the trust of customers from Southeast Asia and India into the future.



Nobuhito Ito
Executive Officer

People in the Taiyo Group who can “enjoy” their work accept challenges not as walls to overcome, but as opportunities to “enjoy” trying new things. To “enjoy” means experiencing a series of moments when one's heart leaps toward the future, and a bright future will naturally be drawn beyond that.



Key Financial and Non-financial Data (Six Years)

Taiyo Holdings Co., Ltd. and Consolidated Subsidiaries (fiscal years ended March 31)

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Operating results (Millions of yen)						
Net sales	70,627	80,991	97,966	97,338	104,775	119,010
Cost of sales	41,574	46,125	55,099	54,547	55,944	62,823
Selling, general and administrative expenses	19,917	20,922	24,908	26,818	30,627	34,119
Operating income	9,136	13,943	17,958	15,972	18,203	22,067
Profit attributable to owners of parent	3,749	9,529	11,803	11,405	8,654	10,780
Depreciation	5,283	6,994	7,497	7,441	8,676	9,090
Cash flows (Millions of yen)						
Cash flows from operating activities	13,739	16,312	18,308	22,736	21,224	23,713
Cash flows from investing activities	(45,912)	(11,603)	(11,258)	(13,160)	(21,069)	(8,307)
Cash flows from financing activities	31,593	19,755	(11,279)	(13,942)	8,954	(29,216)
Financial position (end of fiscal year) (Millions of yen)						
Total assets	142,192	179,001	189,273	187,263	212,751	192,022
Total property, plant and equipment	44,761	46,348	52,255	60,401	68,852	67,638
Total liabilities	72,668	102,504	103,806	94,523	112,353	89,043
Non-controlling interests	301	357	1	3	4	4
Total net assets	69,523	76,497	85,466	92,739	100,398	102,978
Stock-related information*1						
Basic earnings per share (yen)	66.01	167.49	209.13	203.71	154.89	193.18
Dividends per share (yen)	65.10	80.10	69.55	89.00	80.00	190.00
Net assets per share (yen)	1,217.11	1,348.42	1,522.11	1,663.25	1,795.14	1,854.68
Total number of shares issued (shares)	57,939,294	57,997,004	58,083,128	58,185,501	58,291,559	58,369,505
Financial indicators						
Operating margin (%)	12.9	17.2	18.3	16.4	17.4	18.5
Return on equity (%)	5.4	13.1	14.6	12.8	9.0	10.6
Equity ratio (%)	48.7	42.5	45.2	49.5	47.2	53.6
Dividend on equity (%)	5.4	6.3	5.1	6.0	5.1	11.6
Non-financial information						
Number of employees (people)	1,988	2,067	2,137	2,120	2,210	2,485
Scope1 (t-CO ₂) *2*3	16,404	16,520	16,232	15,972	16,030	15,636
Scope2 (t-CO ₂) *2*3	26,760	28,562	33,238	32,890	31,122	35,834
Waste (t)	591	3,045	2,831	4,894	4,437	4,101
Water withdrawal at manufacturing sites within the Group (m ³)*2	1,083,562	967,352	958,853	941,030	900,051	873,421

*1 A 2-for-1 stock split was conducted on October 1, 2021. Basic earnings per share and net assets per share are retroactively calculated to the start of fiscal year 2020. The dividend per share amounts also reflect the stock split. Series I Class A Shares and Series II Class A Shares possess the same rights as common shares in regard to the right to receive dividends of surplus and the right to receive distribution of residual assets. Accordingly, when calculating net assets per share and basic earnings per share, we include Class A-I and Class A-II shares in the number of outstanding shares at period-end as well as in the average number of outstanding shares during the period. However, the provisions on Series I Class A Shares and Series II Class A Shares were removed with the revisions to the Articles of Incorporation on June 19, 2021.

*2 The scope of data was changed to encompass the entire group from fiscal year 2024.

*3 Taiyo Ink Mfg. Co., Ltd. and Taiyo Ink (Suzhou) Co., Ltd. have obtained third-party verification.

IR Activities

Proper Information Disclosure and Ensuring of Transparency

Taiyo Holdings conducts expeditious disclosure based on the principles of transparency, fairness and continuity, in line with Japan's Companies Act, Securities and Exchange Act and other relevant laws, as well as the Rules on Timely Disclosure of Corporate Information by Issuer of Listed Securities (Rules on Timely Disclosure) stipulated by securities exchanges. Even for information not subject to disclosure requirements under the Rules on Timely Disclosure, Taiyo Holdings makes every effort to ensure the timely and appropriate communication of such information to investors.

Activity Schedule (Fiscal year 2025)



Communication

To provide shareholders and other investors with useful information for investment decisions, we hold results briefings and explanatory meetings for institutional investors and individual shareholders. We also provide IR information via our website and publish an integrated report. In fiscal year 2025, we held two results briefings for institutional investors, one explanatory meeting for institutional investors, and one explanatory meeting for individual shareholders. In addition, we held 186 individual meetings with institutional investors in Japan and overseas.

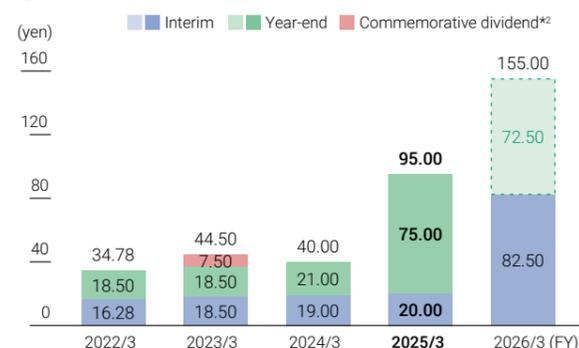


Capital Policy and Shareholder Returns

From the perspective of prioritizing capital efficiency, we have set a target ROE (Return on Equity) of 30%, exceeding our estimated cost of shareholder's equity (7-9%), and will implement shareholder returns with a consolidated total payout ratio guideline of 100% until at least the fiscal year ending March 2028, aiming to improve ROE. Furthermore, we also position cash returns to shareholders as one of our key policies and provide a high level of such returns in a continuous and stable manner. As an indicator of returns, we have adopted the Dividend on Equity (DOE), and our long-term management plan also sets forth the

goal of "maintaining DOE of 5% or higher." The dividend for the fiscal year ending March 2025 is 95 yen per share (the company has conducted a two-for-one stock split of common shares effective December 1, 2025; without considering the stock split, the dividend amount would be 190 yen). As a result, the DOE for the period was 11.6%, and the consolidated total payout ratio was 98.8%. In addition, for the fiscal year ending March 2026, we plan to distribute an interim dividend of 82.5 yen per share and a year-end dividend of 72.5 yen per share.

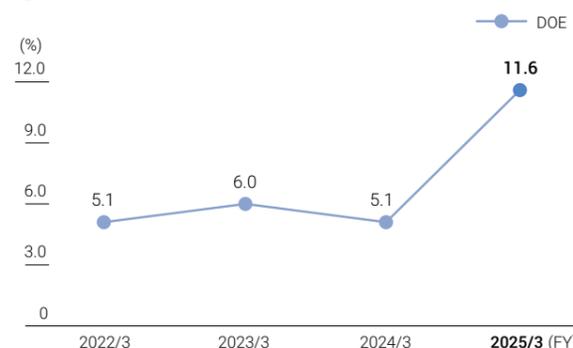
Trends in Dividends per Share*1



*1 The company has conducted a two-for-one stock split of common shares effective December 1, 2025. This graph is calculated assuming the stock split was implemented at the beginning of the fiscal year ending March 2022.

*2 2023/3: Commemorative dividend on the 70th anniversary of the company's establishment

Trends in DOE (Consolidated)

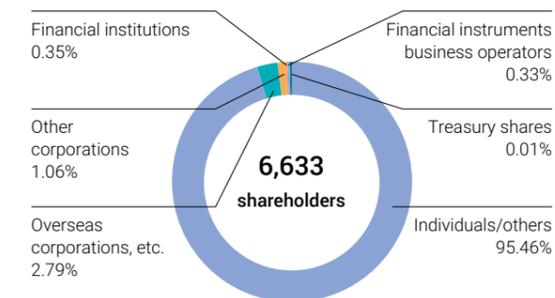


Stock Information (as of the end of March 2025)

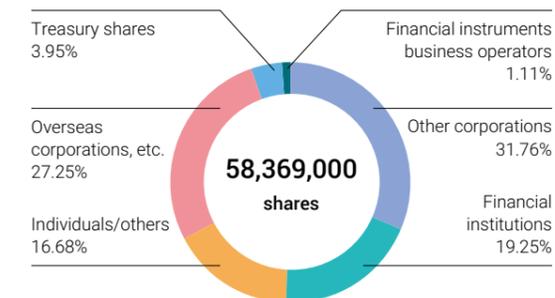
Status of Shares

Total number of shares authorized	100,000,000 shares
Total number of shares issued	58,369,505 shares
Number of shareholders	6,633 shareholders
Number of shares in one unit	100 shares

Breakdown of Shareholders by Owner



Breakdown of Shareholdings by Owner



Major Shareholders

Shareholder name	Shares held (Thousands)	Share ratio (%)
DIC Corporation	11,234	20.04
The Master Trust Bank of Japan, Ltd. (Trust account)	4,624	8.25
Kowa Co., Ltd.	3,533	6.30
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation retirement benefit trust account)	2,232	3.98
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,946	3.47
CGML PB CLIENT ACCOUNT/COLLATERAL	1,762	3.14
Custody Bank of Japan, Ltd. (Trust account)	1,538	2.74
Shikoku Kasei Holdings Corporation	1,490	2.66
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY	1,320	2.35
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE SEGREGATION ACC FOR THIRD PARTY	1,215	2.17

External Evaluation

JPX-NIKKEI 400



We have continued to be selected since fiscal year 2023 as a constituent stock of a new stock index composed of companies with high appeal for investors, which meet the requirements of global investment standards.

CDP Climate Change



We responded to the CDP 2024 Climate Change Questionnaire and received a B score for our climate change initiatives and disclosure for the second consecutive year.

Highest Eruboshi Rank



Since 2023, Taiyo Pharma Tech has received the highest ranking of "3" for two consecutive years under the "Eruboshi" system of certification based on the Act on the Promotion of Women's Active Engagement in Professional Life.

Health & Productivity Management Outstanding Organization 2025

We were recognized for the first time in the large enterprise category as a 2025 Health & Productivity Management Outstanding Organization by the Ministry of Economy, Trade and Industry.



MSCI Japan Empowering Women Index (WIN)

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

We have been selected as a constituent of the MSCI Japan Empowering Women Index (WIN), which targets companies with outstanding gender diversity.

Neither the inclusion of Taiyo Holdings in the MSCI Index nor the use of the MSCI logo, trademarks, or index name imply funding, endorsement, or sales promotion by MSCI or its subsidiaries and affiliates for Taiyo Holdings. MSCI owns the MSCI Index solely and exclusively. The names and logos of MSCI and the MSCI Index are trademarks of MSCI or its subsidiaries and affiliates.

MSCI ESG Rating*

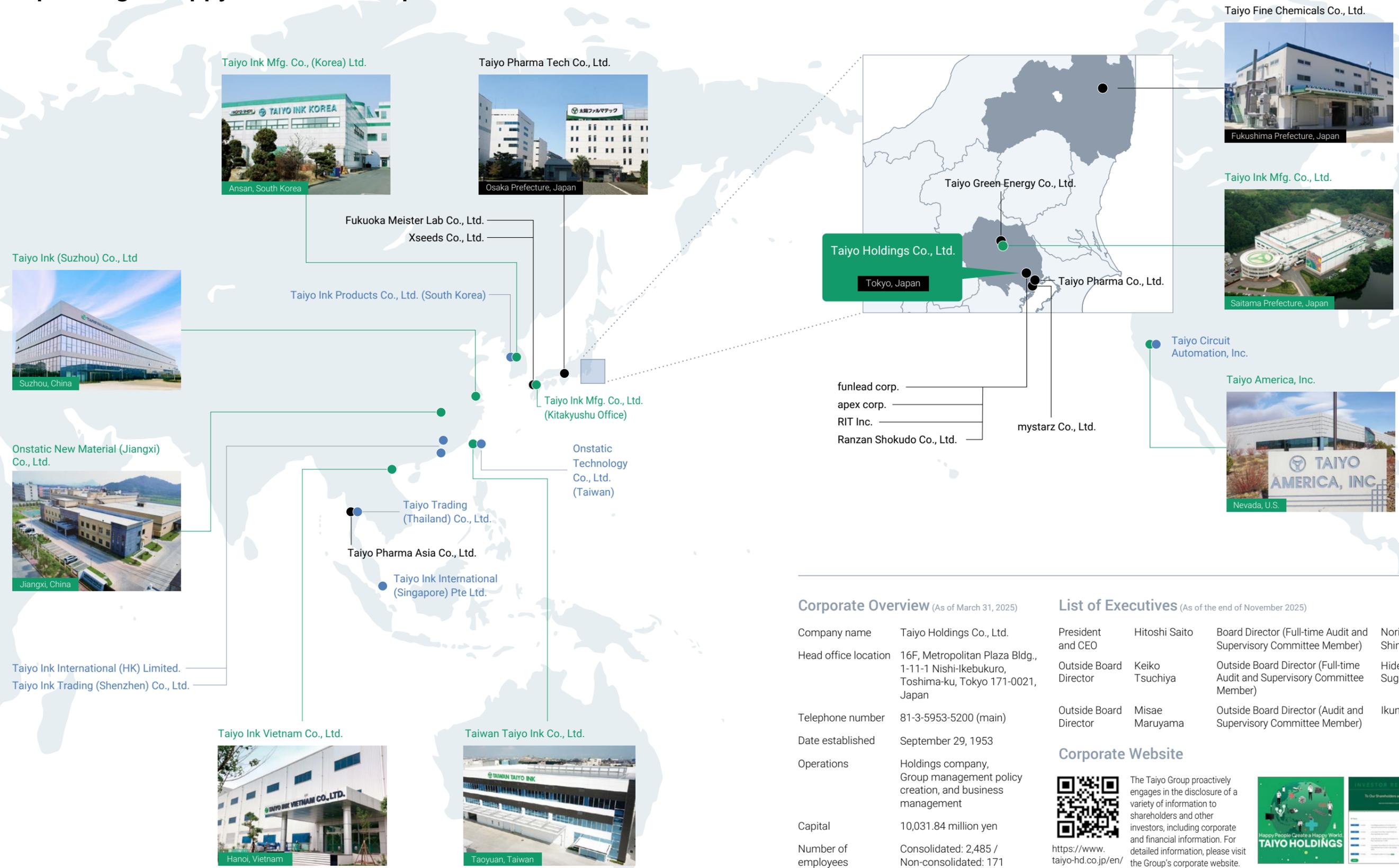


This is an assessment and rating of companies' environmental, social and governance (ESG) initiatives and is considered a global indicator for ESG investment. Our company received an "A" rating. * Evaluation date: April 2025

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Company Information

Expanding a Happy World from Japan to the World



Corporate Overview (As of March 31, 2025)

Company name	Taiyo Holdings Co., Ltd.
Head office location	16F, Metropolitan Plaza Bldg., 1-11-1 Nishi-Ikebukuro, Toshima-ku, Tokyo 171-0021, Japan
Telephone number	81-3-5953-5200 (main)
Date established	September 29, 1953
Operations	Holdings company, Group management policy creation, and business management
Capital	10,031.84 million yen
Number of employees	Consolidated: 2,485 / Non-consolidated: 171

List of Executives (As of the end of November 2025)

President and CEO	Hitoshi Saito	Board Director (Full-time Audit and Supervisory Committee Member)	Noriaki Shimamura
Outside Board Director	Keiko Tsuchiya	Outside Board Director (Full-time Audit and Supervisory Committee Member)	Hidenori Sugiura
Outside Board Director	Misae Maruyama	Outside Board Director (Audit and Supervisory Committee Member)	Ikumi Sato

Corporate Website



<https://www.taiyo-hd.co.jp/en/>

The Taiyo Group proactively engages in the disclosure of a variety of information to shareholders and other investors, including corporate and financial information. For detailed information, please visit the Group's corporate website.

