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Stock Code: 4626  
May 31, 2019

To Our Shareholders:

Eiji Sato  
President and CEO

**TAIYO HOLDINGS CO., LTD.**

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

**NOTICE OF 73RD ORDINARY GENERAL SHAREHOLDERS' MEETING**

You are cordially invited to attend the 73rd Ordinary General Shareholders' Meeting of Taiyo Holdings Co., Ltd. (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail, Internet, or other means.

Please review the attached Reference Documents for the General Shareholders' Meeting and exercise your voting rights no later than 5:00 p.m. on Friday, June 21, 2019(Japan Standard Time).

**Meeting Details**

- 1. Date and Time:** Saturday, June 22, 2019 at 1:00 p.m.
- 2. Venue:** Ballroom Fuji, 3F, Hotel Metropolitan Tokyo Ikebukuro  
1-6-1 Nishi-Ikebukuro, Toshima-ku, Tokyo, Japan

**3. Purpose:**

**Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 73rd Period (from April 1, 2018 to March 31, 2019), and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. Non-Consolidated Financial Statements for the 73rd Period (from April 1, 2018 to March 31, 2019)

**Items to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of One (1) Audit & Supervisory Board Member
- Proposal 3:** Appointment of Accounting Auditor

**4. Exercise of Voting Rights**

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

## Reference Documents for the General Shareholders' Meeting

### Proposal 1: Appropriation of Surplus

The Company regards profit distribution to shareholders in cash as an important policy and will effectuate a continuous, stable profit distribution at high levels. In addition, we use the dividend on equity ratio as our target index, and aim to keep this figure at a minimum of 5% of consolidated financial results for the mid-to long-term.

Accordingly, we intend to declare the following year-end dividends for the fiscal year under review:

The year-end dividends for Series 1 Class A shares and Series 2 Class A shares will also be the same amount declared for common shares, as specified in the issuance guidelines for each class of shares.

(1) Dividend type

Cash

(2) Details of dividend allocation and total amount

- Dividend of 65.10 yen per common share  
Total dividends: 1,854,845,996 yen
- Dividend of 65.10 yen per Series 1 Class A Company shares  
Total dividends: 0 yen\*
- Dividend of 65.10 yen per Series 2 Class A Company shares  
Total dividends: 2,792,790 yen

Note: The Company acquired and retired all issued Series 1 Class A Company shares on June 26, 2018.

(3) Effective distribution date for dividends of surplus

June 24, 2019

Annual dividends for the current term will be 130.20 yen per share, including an interim dividend of 65.10 yen per share which has already been distributed.

## Proposal 2: Election of One (1) Audit & Supervisory Board Member

The term of audit & supervisory board member Akihito Sakai will expire as of the close of this Ordinary General Shareholders' Meeting. The Company is therefore requesting the election of one (1) audit & supervisory board member. Each audit & supervisory board member has agreed to their appointment.

The Board of Corporate Auditors concurs with this proposal.

The candidate for audit & supervisory board member are as follows:

Name (Date of birth)	Brief resume of positions, responsibilities, and important concurrent positions held		Number of the Company's shares owned
Reappointment Outside Independent  Akihito Sakai (January 2, 1953)	Apr. 1975	Joined Tokio Marine & Fire Insurance Co., Ltd. (Current Tokio Marine & Nichido Fire Insurance Co., Ltd.)	Common Shares 0 shares
	Jul. 2003	Seconded to Tokio Marine Anshin Life Insurance Co., Ltd. (Current Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.)	
	Jul. 2007	Chief J-SOX Counselor, Human Resources and General Affairs Department, Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.	
	Jul. 2008	Chief J-SOX Counselor, Legal Compliance Department, Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.	
	Jan. 2011	Advisor of the Company	
	Jun. 2011	Outside Audit & Supervisory Board Member of the Company (Present post)	
	May 2012	Auditor of TAIYO INK MFG. CO., (KOREA) LTD.	
[Reason chosen as a candidate for audit & supervisory board member] Akihito Sakai has considerable knowledge of finance, accounting, and law from his experience in business to date. He was selected as a candidate for outside audit & supervisory board member because the Company determined that he will be able to carry out these duties in an appropriate manner.			

- Akihito Sakai has no special vested interest in the Company.
- Akihito Sakai is candidate for outside audit & supervisory board member.
- Akihito Sakai currently serves as outside audit & supervisory board member of the Company, and his term of office will be eight (8) years as of the close of this Ordinary General Shareholders' Meeting.
- The Company has concluded an agreement with Akihito Sakai limiting liability for damages set forth in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act. If Akihito Sakai is appointed, the Company intends to continue the same agreement. A general outline of the agreement provisions is as follows:
  - Assumption of liability for the legally mandated Minimum Liability Amount in the event the Company is found liable for damages attributable to the neglect of duties by the director.
  - Recognition of the limited liability mentioned above shall be limited to instances in which the director to whom the liability is attributable has executed his/her duties in good faith and without gross negligence.
- Akihito Sakai meets the requirements of an independent officer as stipulated by Tokyo Stock Exchange, Inc., and the Company selected him as an independent officer to the exchange. If the appointment of Akihito Sakai is approved, the Company intends to continue to designate him as an independent officer.

### Proposal 3: Appointment of Accounting Auditors

Deloitte Touche Tohmatsu LLC, the Company's Accounting Auditors, will step down due to the expiration of its term of appointment as of the close of this Ordinary General Shareholders' Meeting. The Company is therefore requesting approval for the appointment of PricewaterhouseCoopers Aarata LLC as the new Accounting Auditors based on the resolution of the Board of Corporate Auditors.

Taking into account that the current Accounting Auditors have conducted audits continuously over many years, the Board of Corporate Auditors considered the appointment of Accounting Auditors appropriate for the scale and content of the Company's business in the future in accordance with the Company's Standards for Selection of Accounting Auditors.

The Company has selected PricewaterhouseCoopers Aarata LLC as the candidate for the new Accounting Auditors because it expects PricewaterhouseCoopers Aarata LLC to conduct audits from a new perspective and also made the overall evaluation that PricewaterhouseCoopers Aarata LLC has the necessary expertise, independence, quality control systems, systems to conduct integrated audits of global business activities, and so forth.

The candidate for Accounting Auditors is as follows.

Name	PricewaterhouseCoopers Aarata LLC		
Address	Otemachi Park Bldg., 1-1-1, Otemachi, Chiyoda-ku, Tokyo Japan		
History	Jun. 2006	Establishment of PricewaterhouseCoopers Aarata as a member firm in Japan of PricewaterhouseCoopers (PwC)	
	Jul. 2006	Commencement of operations	
	Jul. 2015	Changed corporate name in Japanese from "Aarata Kansa Hojin" to "PwC Aarata Kansa Hojin"	
	Jul. 2016	Converted to a limited liability audit corporation. Changed corporate name to "PwC Aarata Yugen Sekinin Kansa Hojin" (English name: PricewaterhouseCoopers Aarata LLC)	
Overview	Capital:	1.0 billion yen	
	Personnel:	Partners	149
		Certified Public Accountants	925
		Assistant CPAs/those who have passed all subjects	478
		U.S. CPAs/other professionals	1,057
		Clerks	579
		Total	3,188 (As of December 31, 2018)