



June 6, 2022

To whom it may concern:

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Notice Regarding Taiyo Holdings Co., Ltd.'s View of Dissenting Recommendation by Proxy Advisory Company ISS

TAIYO HOLDINGS CO., LTD. (hereinafter, "Taiyo Holdings") has been informed that the proxy advisory company Institutional Shareholder Services Inc. (hereinafter, "ISS") has recommended that shareholders vote against "Proposal 2: Partial Amendment to the Articles of Incorporation" (hereinafter, "Proposal"), which is to be submitted for review at the 76th Ordinary General Shareholders' Meeting scheduled to be held on June 18, 2022.

Taiyo Holdings hereby announces its view of this proposal as provided below, and asks its shareholders to approve the Proposal upon exercising their voting rights after reading the below.

Particulars

1. Reason for Dissenting Recommendation by ISS

ISS is recommending that Taiyo Holdings shareholders vote against the Proposal based on the reasons cited below.

- (1) The Proposal will make it possible to permanently hold General Shareholders' Meetings on a virtual-only basis without requiring consultation with shareholders or expressly indicating the situation in which meetings will be held.
- (2) There are concerns that the Proposal will preclude meaningful dialogue between Taiyo Holdings and its shareholders, such as by resulting in shareholder questions and actions being treated in a manner that is convenient for Taiyo Holdings management.

2. Taiyo Holdings' View

As stated in the "NOTICE OF 76th ORDINARY GENERAL SHAREHOLDERS' MEETING," the Proposal constitutes a change to prepare for future emergencies and enable agile management of General Shareholders' Meetings. It is intended to enhance means of engaging in dialogue with Taiyo Holdings shareholders.

Taiyo Holdings believes that preparing for future contingencies and expanding options for methods of holding General Shareholders' Meetings at this stage will also positively serve the interests of its shareholders.

Even after the recent spreading of the novel coronavirus (COVID-19) subsides, disaster risks such as

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large-scale earthquakes, typhoons and floods are ever-present under the surface. In Taiyo Holdings' view, enhancing means of holding General Shareholders' Meetings at this stage as a measure for establishing forums conducive to dialogue with its shareholders to the degree possible in cases where such risks surface is important from the standpoint of corporate risk management as well.

Additionally, even in meetings with hybrid attendance (General Shareholders' Meetings with a combination of physical and virtual attendance) and virtual-only meetings, as a matter of course, General Shareholders' Meetings necessitate the acceptance of questions, motions and the exercise of voting rights by shareholders. Virtual-only General Shareholders' Meetings do not limit these shareholder rights.

Taiyo Holdings believes that enabling shareholders to attend General Shareholders' Meetings by virtual means will make it possible to remove physical constraints on shareholders who have difficulties making their way to the meeting venue, such as the time and cost associated with transport, as well as make it possible to provide opportunities for a greater number of shareholders to attend meetings, and that by extension, doing so will promote meaningful dialogue between Taiyo Holdings and its shareholders.

At this juncture, Taiyo Holdings is not envisioning that it will manage General Shareholders' Meetings while insisting that meetings be held on a virtual-only basis, and intends to flexibly examine and implement measures conducive to meaningful dialogue with its shareholders after taking the surfacing of risks such as those mentioned above and future trends into consideration.

End