



November 7, 2022

To whom it may concern:

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Notice Regarding Disclosure of Information Based on TCFD Recommendations

TAIYO HOLDINGS CO., LTD. (hereinafter, “Taiyo Holdings”) hereby announces the following with respect to the disclosure of information based on Task Force on Climate-related Financial Disclosures (TCFD) ^{*1} Recommendations.

Particulars

Taiyo Holdings adopted the “Strengthening of Efforts for Sustainable Development Goals (SDGs)” as one of our basic policies under “Beyond Imagination 2030” Long-Term Management Plan as well, Taiyo Holdings has been actively engaging in efforts for sustainability, one of which is the commencement of its Floating Solar Power Business in 2014. Climate change measures are a key social issue currently facing global society, and also constitute a priority management challenge of Taiyo Holdings. For that reason, we have declared our support for TCFD Recommendations in March 2022 and are also participating in the “TCFD Consortium,” ^{*2} a forum for discussion among supporting corporations and financial institutions.

In line with TCFD’s information disclosure framework, Taiyo Holdings has determined the details of the four items of governance, strategies, risk management and metrics and targets” related to climate change as they apply to the entire our group. As such, we have disclosed those details in the Attachment.

Going forward, Taiyo Holdings will continue to position the realization of a decarbonized society as a priority challenge and enhance its disclosure of information while simultaneously conducting business activities with a greater level of environmental consideration. In doing so, it will work towards making the realization of a sustainable society.

*1: A task force for considering corporate information disclosure related to climate change and the response of financial institutions that was established by the Financial Stability Board (FSB) at the request of the G20.

*2: A consortium established in 2019 to provide a forum for discussing effective corporate information disclosure and initiatives for utilizing the information disclosed in appropriate investment decision-making by financial institutions, etc.

End

Disclosure of Information based on TCFD Recommendations

November 7, 2022

Main Efforts Geared towards SDGs

Main efforts Geared towards SDGs by Taiyo Holdings

Having adopted the strengthening of efforts for SDGs as one of the Basic Policies under its Long-Term Management Plan, Taiyo Holdings actively engages in efforts for sustainability that include the development of its Floating Solar Power Business.

Long-Term Management Plan Basic Strategies

- 1 Develop and utilize self-sufficient personnel capable of acting independently, who respond to diversifying organizations and societies
- 2 Achieve continuous growth and explore new business areas in the Electronics Business
- 3 Grow the Medical and Pharmaceuticals Business further
- 4 Transform and evolve through digital transformation
- 5 Create new businesses
- 6 Execute strategic M&A
- 7 Strengthen efforts for SDGs (Sustainable Development Goals)

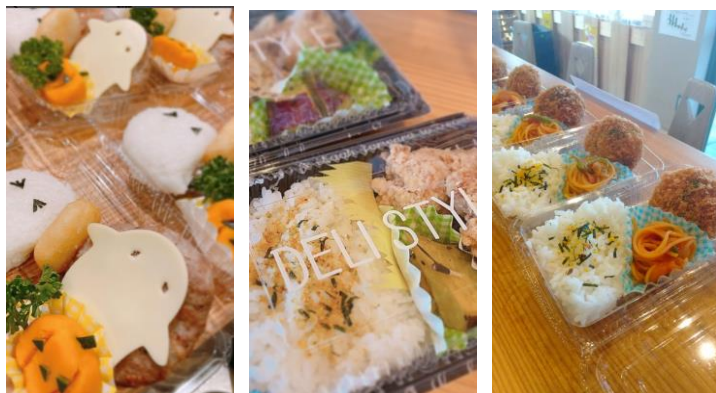


Examples of our major initiatives on SDGs (1/3)

1 NO POVERTY



- Setting up of children's cafeteria / children's cafeteria takeout (providing meals to children at Musashi-Ranzan)



2 ZERO HUNGER



- Responding to future food shortages through insect farming, plant factories, etc.



3 GOOD HEALTH AND WELL-BEING



- Contributing to people's health by the manufacture and sales of pharmaceutical drugs
- Investing in Africa Healthcare Fund



5 GENDER EQUALITY



- Creation of workplace environment where diverse human resources can leverage their attributes and abilities to the maximum extent



Examples of our major initiatives on SDGs (2/3)

7 AFFORDABLE AND CLEAN ENERGY



- Producing clean energy from floating solar power generation
- Energy saving activities by adopting LED



8 DECENT WORK AND ECONOMIC GROWTH



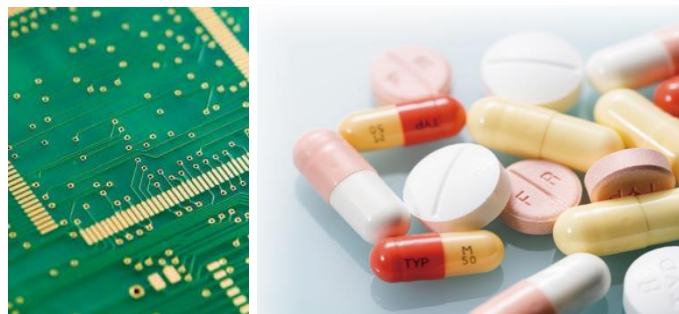
- Established a nursery school in the office that accepts local children
- Earlier application of employee stress checks
- Improving the work environment



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Technological innovation such as development and manufacturing of chemical materials for high value-added electronic components
- Plan to build a manufacturing base for new drugs such as regenerative therapy and gene therapy products



11 SUSTAINABLE CITIES AND COMMUNITIES



- Concluded a comprehensive cooperation agreement with Ranzan Town, Saitama Prefecture
- Supporting for measures against COVID-19 pandemic
- Concluded an agreement with Takatsuki, Osaka Prefecture, to take in people who are unable to return home in times of disaster



Examples of our major initiatives on SDGs (3/3)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Producing clean energy from floating solar power generation (repost)
- Switching our product packaging to pouches or recyclable cases

Reuse **Reduce**

13 CLIMATE ACTION

- Accelerating efforts for reducing CO₂ emissions


15 LIFE ON LAND

- Production of agricultural products such as baby leaf, strawberries and melons at a plant factory

17 PARTNERSHIPS FOR THE GOALS

- Concluded an exclusive endorsement agreement with professional badminton athlete Ms. Nozomi Okuhara

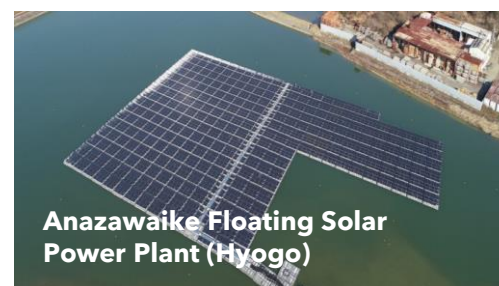
Efforts for Renewable Energy

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- 2011.03** Commenced an examination of the commercialization of renewable energy due to energy shortages upon the Great East Japan Earthquake and the need for secure, environmentally-friendly energy
 - 2014.12** Established Taiyo Green Energy to conduct renewable energy and other operations based on the concept of "Let's start with what we can do"
 - 2015.10** Opened the "Ranzan Floating Solar Power Plant," our first facility, as part of our efforts for floating solar power that leave nature and landscapes intact
 - 2017.12** Opened the "Ranzan Onuma Floating Solar Power Plant," our second facility, in the Town of Ranzan, Saitama to self-power the Saitama Plant, the main plant under our Electronics Business in Japan
 - 2018.04** Certified as Apple Clean Energy Supplier, the second Japanese enterprise to be so
 - 2018.11** Opened the solar power plant at local subsidiary based in South Korea
 - 2019.09** **Achieved 100% transition to renewable energy for domestic electric power consumption** under Electronics Business with the opening of our ninth floating solar power plant in Japan
 - 2022.05** Opened the "Chuoike Floating Solar Power Plant," our 14th facility, in Miki City, Hyogo Prefecture, Japan

Promote Floating Solar Power Plant business



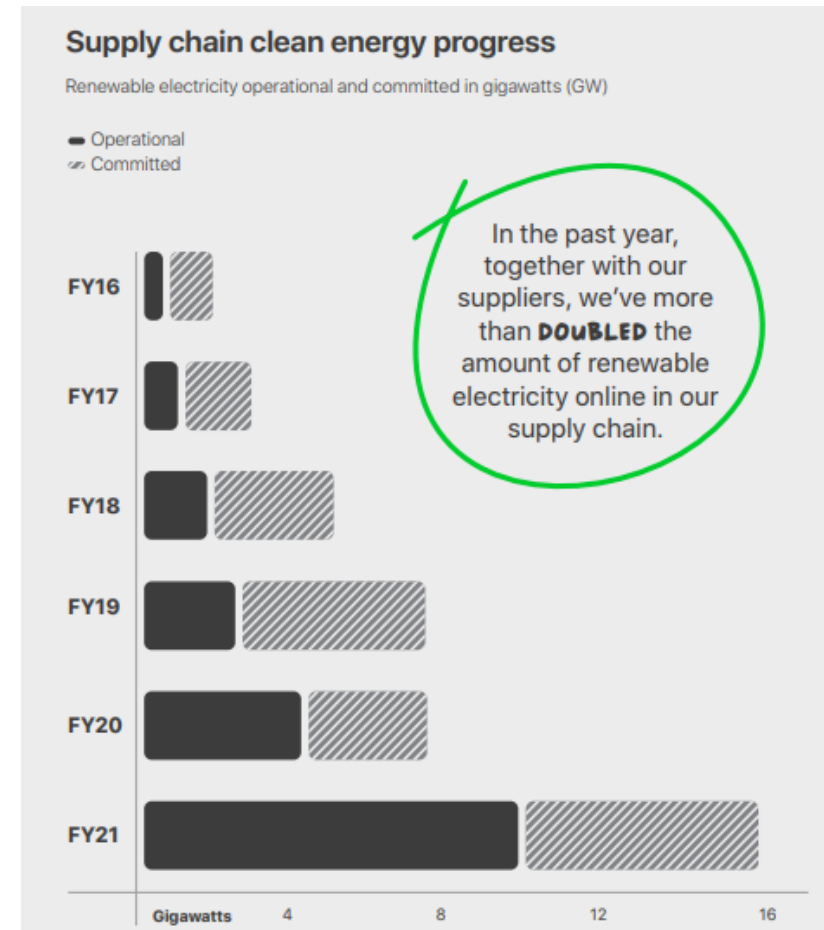
Taiyo Holdings has established a total of 14 floating solar power plants in Japan to generate an amount of clean energy that is equivalent or greater to power consumption pertaining to the Electronics Business in Japan.



Participation in Apple Clean Energy Program



Apple Inc. is promoting a program to encourage suppliers (suppliers, logistics companies, etc.) around the world to use renewable energy in production activities for Apple Inc. Our Taiyo Ink Mfg. participates in the program.



URL) https://www.apple.com/jp/environment/pdf/Apple_Environmental_Progress_Report_2022.pdf

Disclosure of Information based on TCFD Recommendations

Disclosure of Information Based on TCFD Recommendations

In the revision to Japan's Corporate Governance Code, companies listed on the Prime Market of Tokyo Stock Exchange are requested to perform disclosure based on the TCFD or another similar framework. Taiyo Holdings has declared its support for the TCFD on March 2022 and will proceed to disclose information based on the TCFD recommendations.

Four Items for Which Disclosure Is Required by TCFD

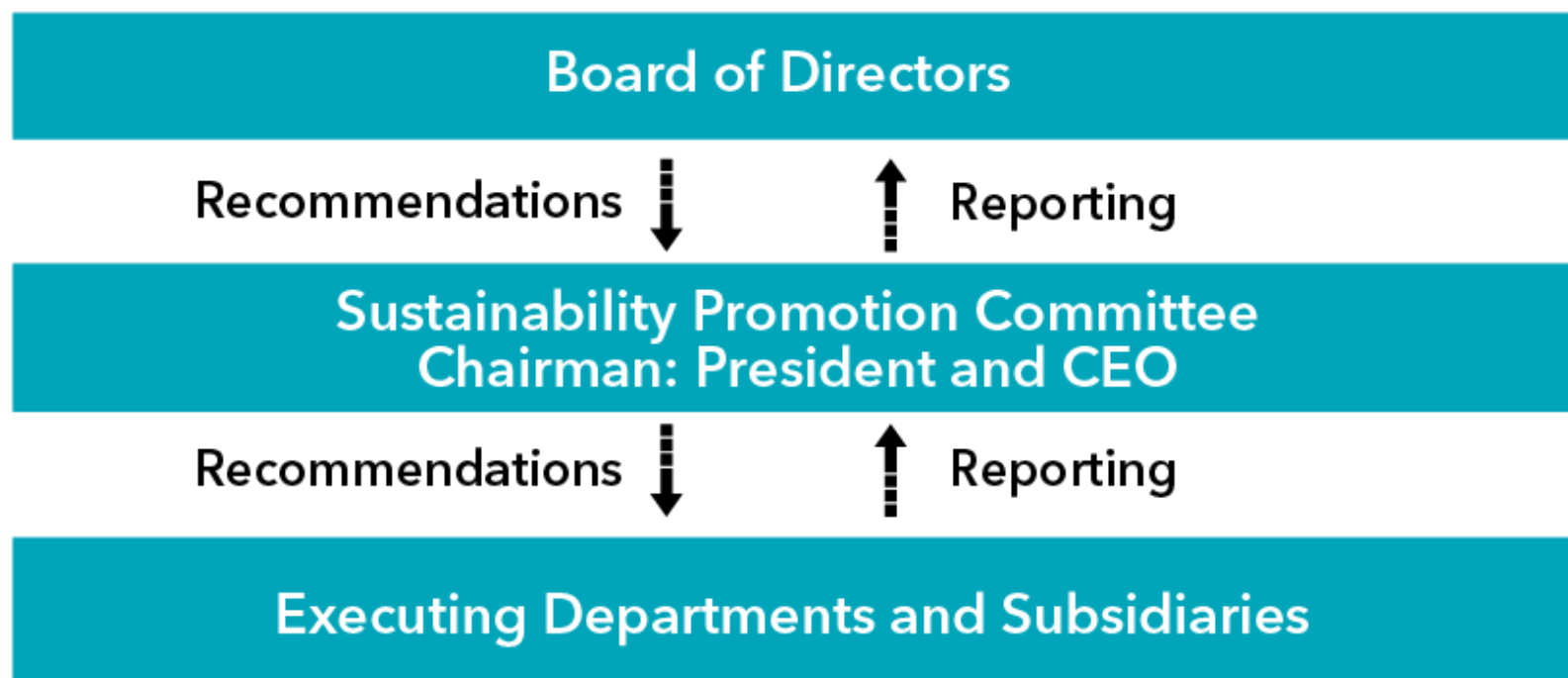


Items for which Disclosure Is Required	Recommended Information for Disclosure
Item 1: Governance	Disclose the organization's governance around climate-related risks and opportunities
Item 2: Strategies	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material
Item 3: Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks
Item 4: Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

Disclosure of Information Based on TCFD Recommendations: Governance

The Sustainability Promotion Committee chaired by the President and Chief Executive Officer holds discussions laterally across the entire Group on areas such as progress in targets set in accordance with on priority challenges. For important matters, the Committee's policy is to report them to the Board of Directors and receive instructions.

Implementation Framework



Disclosure of Information Based on TCFD Recommendations: Strategies

Taiyo Holdings identify risks and opportunities accompanying climate change, reduce those risks and ascertain those opportunities in its future business activities, and will develop products that tie into the resolution of social issues.

Scenario*1	Changes in Social Environment	Risks	Opportunities	Main Countermeasures
Under 2 °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 in carbon-free 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
	Accommodation of stakeholder requests	✓	✓	<ul style="list-style-type: none"> • Reinforcement of efforts for environment • Proactive disclosure of information and communication to respond to investor and market concern
4 °C scenario	Suspension of plants due to intensified damage from natural disasters	✓	-	<ul style="list-style-type: none"> • Increase in number of production bases • Risk management and response from perspective of BCP

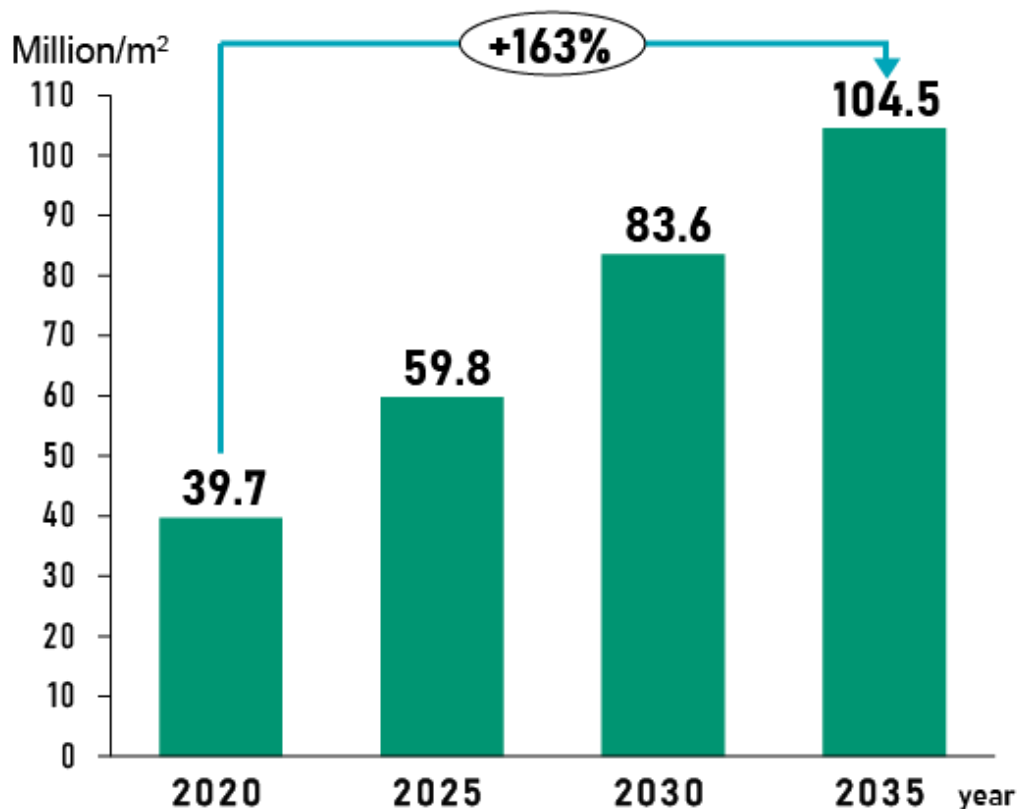
*1 Using the Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) and the "World Energy Outlook 2021" by the International Energy Agency (IEA) used as references, these scenarios were applied to our Electronics Business.

Disclosure of Information Based on TCFD

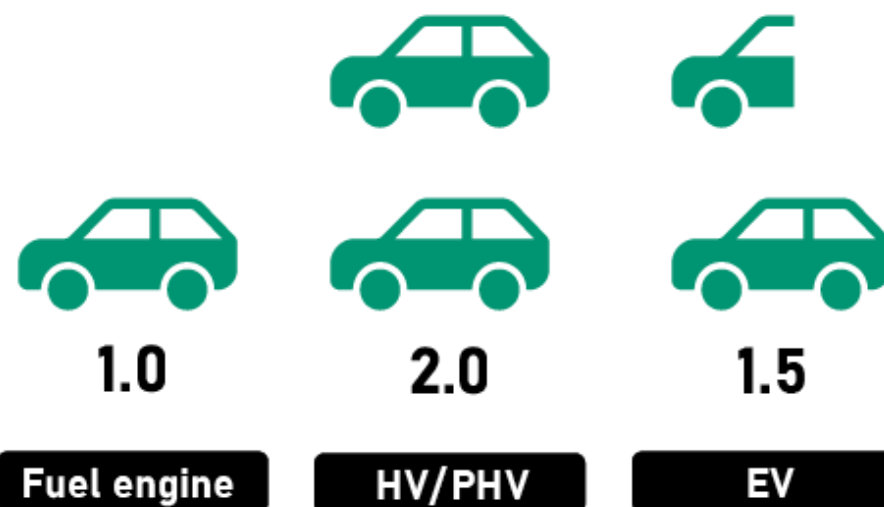
Recommendations: Examples of Opportunities (1/2)

The popularization of next-generation mobility has given way to the increased electrification of automobiles and use of electronics in them, bringing with them an increase in the substrate area used in a single automobile. This in turn has resulted in an increase in usage volumes of solder resist. Viewing this as an opportunity for our Electronics businesses, we will endeavor to further promote its development endeavors.

Automotive Substrates: Projected Sales Quantities ^{*1}



Ratio of Substrate Area per Automobile ^{*2}

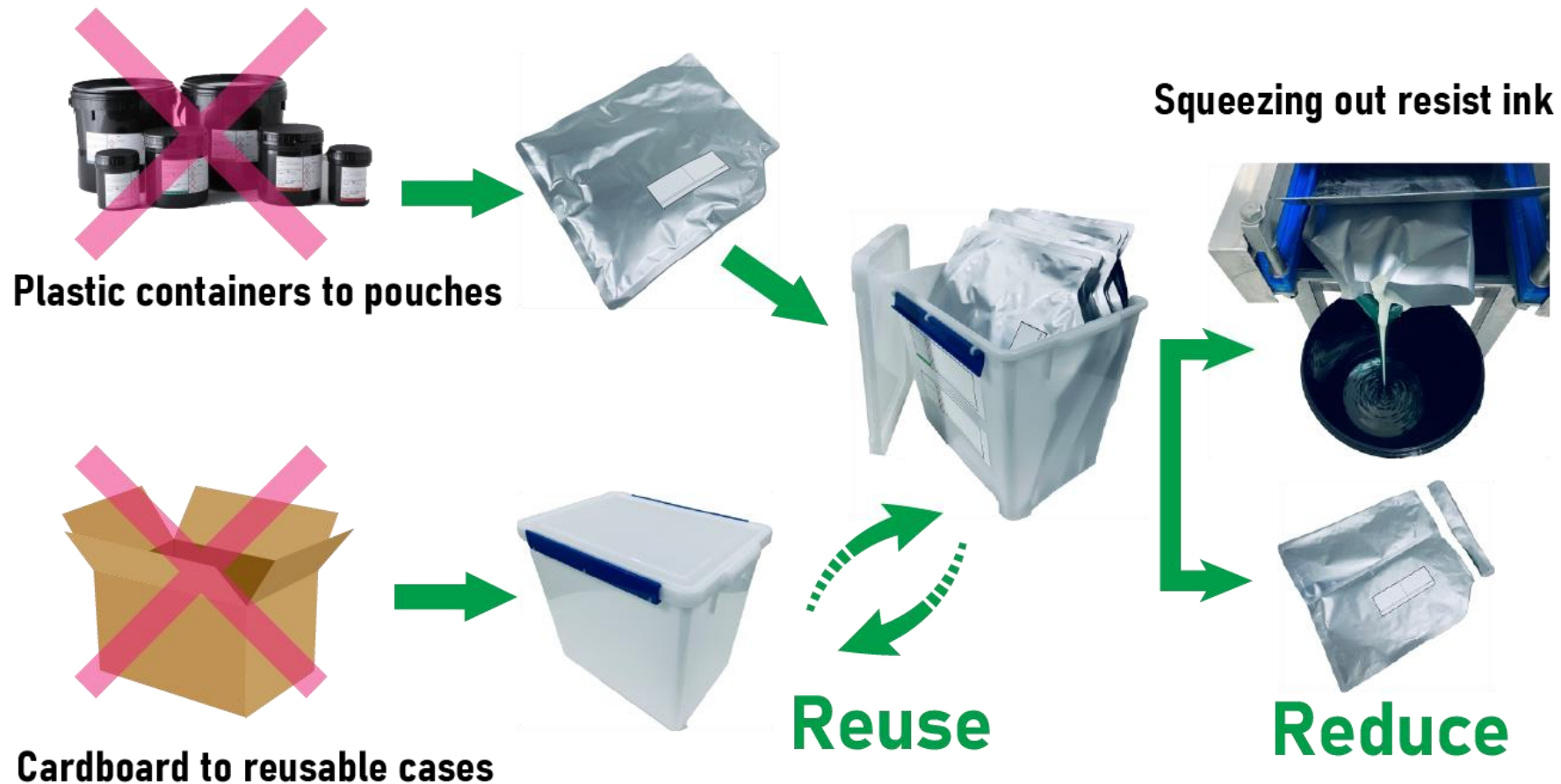


*1 From "General Survey on Car-Mounted Electronic Devices & Components 2022" by Fuji Chimera Research Institute (Figures for 2020 are actual values. Figures for 2025, 2030 and 2035 are projected values.)

*2 Estimates by Taiyo Holdings

Disclosure of Information Based on TCFD Recommendations: Examples of Opportunities (2/2)

Taiyo Holdings is actively pushing forward efforts for waste reduction that include making the switch from plastic containers to pouches and from cardboard to renewable cases, thereby contributing to waste reduction on the customer side as well.



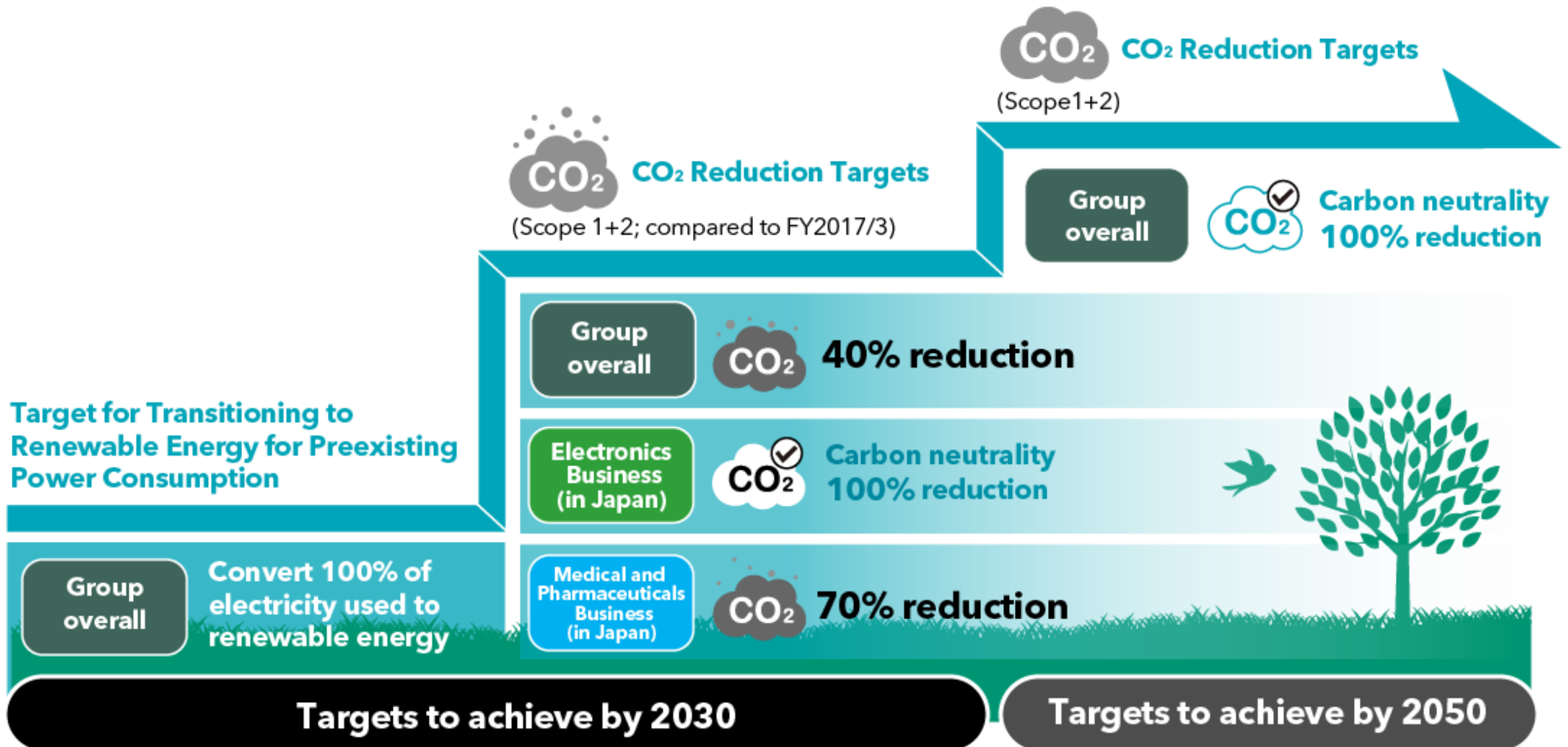
Disclosure of Information Based on TCFD Recommendations: Risk Management

Executing departments respond to the climate change risks identified and assessed by the Sustainability Promotion Committee. The Committee and the Board of Directors then continue to manage and monitor that response.



Disclosure of Information Based on TCFD Recommendations : Metrics and Targets (1/2)

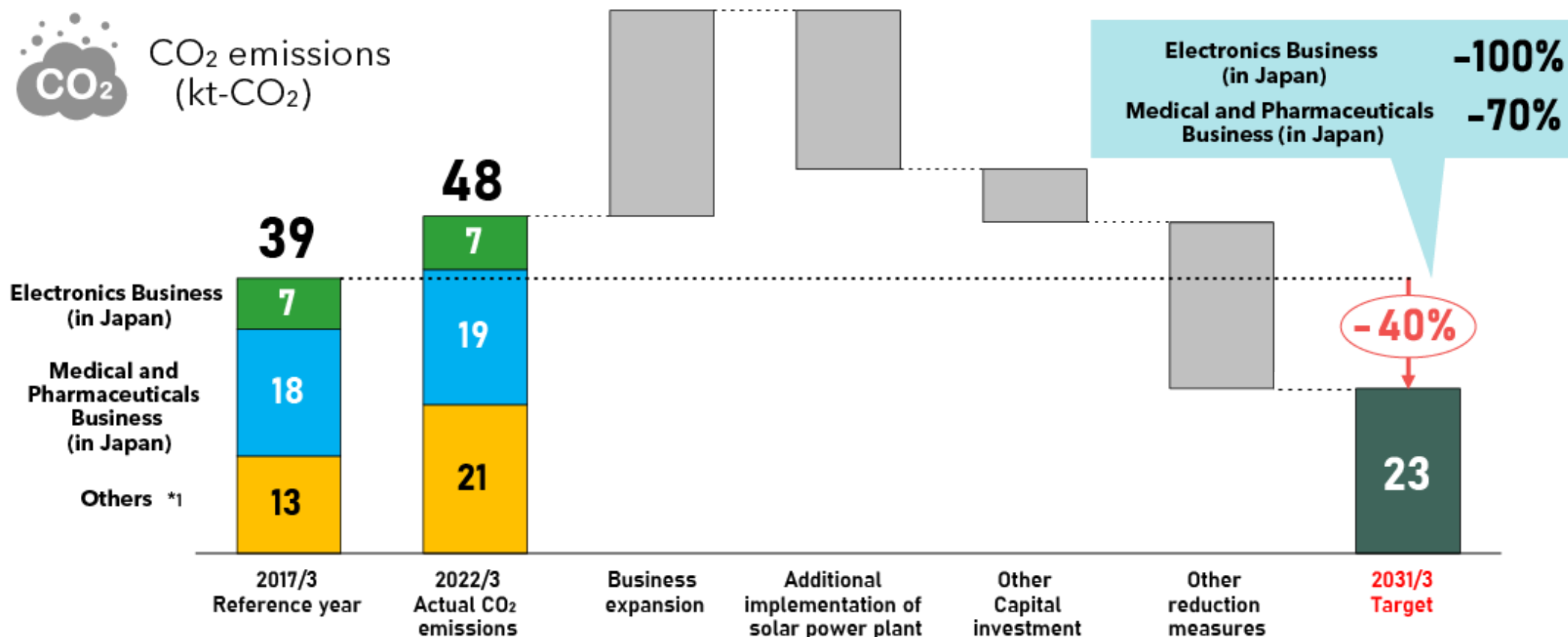
We will further accelerate efforts to reduce CO₂ emissions from our target for transitioning to renewable energy for our preexisting power consumption with a view to achieving carbon neutrality by 2050, the standard set by the Japanese government.



Disclosure of Information Based on TCFD Recommendations : Metrics and Targets (2/2)

We will promote the reduction of CO₂ emissions and aim to reach our targets through measures that leverage our strengths.

Image representation of reductions in CO₂ emissions with a view to 2030 (Scope 1+2)



*1 Including Electronics Business in foreign countries and other Business in Japan

