



April 30, 2025

To whom it may concern:

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Notice Regarding Recognition of Extraordinary Losses on Non-consolidated Financial Statements

Taiyo Holdings Co., Ltd. (hereinafter, “Taiyo Holdings”) hereby announces the decision to recognize extraordinary losses on our non-consolidated financial statements for the fourth quarter of the fiscal year ended March 31, 2025.

Recognition of extraordinary losses on the non-consolidated financial statements for the fourth quarter of the fiscal year ended March 31, 2024 should have been disclosed on the date of occurrence. Taiyo Holdings discovered an omission in disclosure and are therefore disclosing the following information.

1. Recognition of extraordinary losses in the fiscal year ended March 31, 2025

(1) Recognition of extraordinary losses

Taiyo Holdings have decided on a provision of 4,784 million yen to the allowance for doubtful accounts of subsidiaries and associates on our non-consolidated financial statements as extraordinary losses to recognize an allowance for doubtful accounts for loans to consolidated subsidiaries that experienced deterioration in performance.

Among the consolidated subsidiaries that experienced deterioration in performance was TAIYO Pharma Co., Ltd., for which Taiyo Holdings provided notice of recognition of impairment losses in the release on March 24, 2025 entitled “Notice of Revised Full-year Earnings Forecasts, Recognition of Extraordinary Losses, and Revised Dividend Forecast (Dividend Increase)”.

(2) Impact on financial results

The extraordinary losses noted above are eliminated on the consolidated financials, so this will not affect the consolidated financial statements.

2. Recognition of extraordinary losses in the fiscal year ended March 31, 2024

(1) Recognition of extraordinary losses

Taiyo Holdings have recognized a provision of 1,863 million yen to the allowance for doubtful accounts of subsidiaries and associates on our non-consolidated financial statements as extraordinary losses to recognize an allowance for doubtful accounts for loans to consolidated subsidiaries that experienced deterioration in performance.

Among the consolidated subsidiaries that experienced deterioration in performance was TAIYO Pharma Co., Ltd., for which Taiyo Holdings provided notice of recognition of impairment losses in the release on May 1, 2024 entitled “Notice Regarding Recognition of Extraordinary Losses”.

(2) Date of occurrence

May 1, 2024

(3) Impact on financial results

The extraordinary losses noted above are eliminated on the consolidated financials, so this will not affect the consolidated financial statements.

They are also appropriately reflected in the non-consolidated financial statements and no correction of the previously disclosed statement of income is necessary.