

May 16, 2025

To whom it may concern:

Company Name: TAIYO HOLDINGS CO., LTD.
Representative: Eiji Sato, President, and CEO
(Code: 4626, Listed on Prime
Market of Tokyo Stock Exchange)
Inquiries: Sayaka Tomioka, Managing
Executive Officer, CFO
Tel: +81-3-5953-5200 (main line)

Notice Regarding Reductions in Amounts of Capital Legal Reserve and Retained Legal Reserve

Taiyo Holdings Co., Ltd. (hereinafter, “Taiyo Holdings”) hereby announces that it has resolved to submit a proposal regarding “reductions in amounts of capital legal reserve and retained legal reserve” to the 79th Ordinary General Shareholders’ Meeting scheduled to be held in June 2025 at the Board of Directors Meeting held on May 16, 2025.

1. Purpose of reductions in the amounts of capital legal reserve and retained legal reserve

In order to improve the distributable amount and ensure an agile and flexible capital policy in the future, Taiyo Holdings will reduce capital legal reserve and retained legal reserve according to the provisions of Article 448, Paragraph 1 of the Companies Act and transfer the full amount of such reductions to other capital surplus and retained earnings brought forward.

2. Amounts of legal reserves to be reduced

10,999,327,657 yen (full amount) out of capital legal reserve 10,999,327,657 yen
620,700,000 yen (full amount) out of retained legal reserve 620,700,000 yen

3. Method for reducing the amounts of legal reserves

The full reduced amount of capital legal reserve will be transferred to other capital surplus and the full reduced amount of retained legal reserve will be transferred to retained earnings brought forward.

4. Schedule for reducing the amounts of legal reserves (planned)

- (1) Date of resolution at the Board of Directors Meeting: May 16, 2025
- (2) Date of resolution at the General Shareholders’ Meeting: June 21, 2025 (planned)
- (3) Date of public notice of creditor objections: June 24, 2025 (planned)
- (4) Final deadline for creditor objections: July 24, 2025 (planned)
- (5) Effective date: July 31, 2025 (planned)

5. Future outlook

Since these reductions are transfers between accounts under “Net assets,” there is no change in the amount of net assets and no impact on the operating results.