(Supplementary Explanation of the Tender Offer)

Beyond Imagination and Beyond Boundaries 2030 ~Towards further progress~

Taiyo Holdings Co., Ltd.
(4626: Prime Market of Tokyo Stock Exchange)
March 31, 2026

This material has been prepared for the purpose of providing supplementary explanations regarding the “Notice Concerning Expression of Opinion in Support of the Planned Commencement of the Tender Offer for Company Shares by KJ005 Co., Ltd. and Neutral Position Regarding Tendering of Shares" dated March 31, 2026 (as amended or updated, the “Notice”). In the event of any discrepancy between this material and the Notice, the Notice shall prevail. Any information incorporated in this document is not intended for the purposes of soliciting the purchase or sale of equity shares of the Company. All the descriptions and projections are based on the Company's own analysis at the time of compilation, and their accuracy is not guaranteed. These data may be revised without prior announcement. The Company will neither assume nor compensate any loss of anybody resulting from decisions based on information provided here.

TAIYO HOLDINGS

Introduction

- Today, KKR and Taiyo Holdings Co., Ltd. agreed that KJ005 Co., Ltd., an entity owned by investment funds managed by KKR, would commence a tender offer (TOB) for our common shares.
- We believe that KKR taking us private through this transaction will establish a stable shareholder base and a management structure that enables the execution of business strategies from a long-term perspective and swift decision-making, which will be beneficial for the execution of our growth strategy. Furthermore, by partnering with KKR, one of the world's leading private equity funds, we will be able to leverage KKR's global network and expertise in the semiconductor and medical and pharmaceutical industries, and we believe that we will accelerate growth and structural reforms in each of our businesses.
- Under our partnership with KKR, we intend to continue to pursue our long-term management plan "Beyond Imagination 2030" and ensure its steady achievement, while also executing "Beyond Boundaries" – initiatives that could not be realized on a stand-alone basis – with the aim of enhancing corporate value over the medium to long term and achieving further growth.
- We have determined that this transaction, which is premised on the continued execution of our long-term management plan and medium-term management plan, will further expand our growth opportunities and contribute to the enhancement of corporate value and the realization of the common interests of our shareholders. Accordingly, at the Board of Directors meeting held on March 31, 2026, our board resolved to express its opinion in support of this transaction.

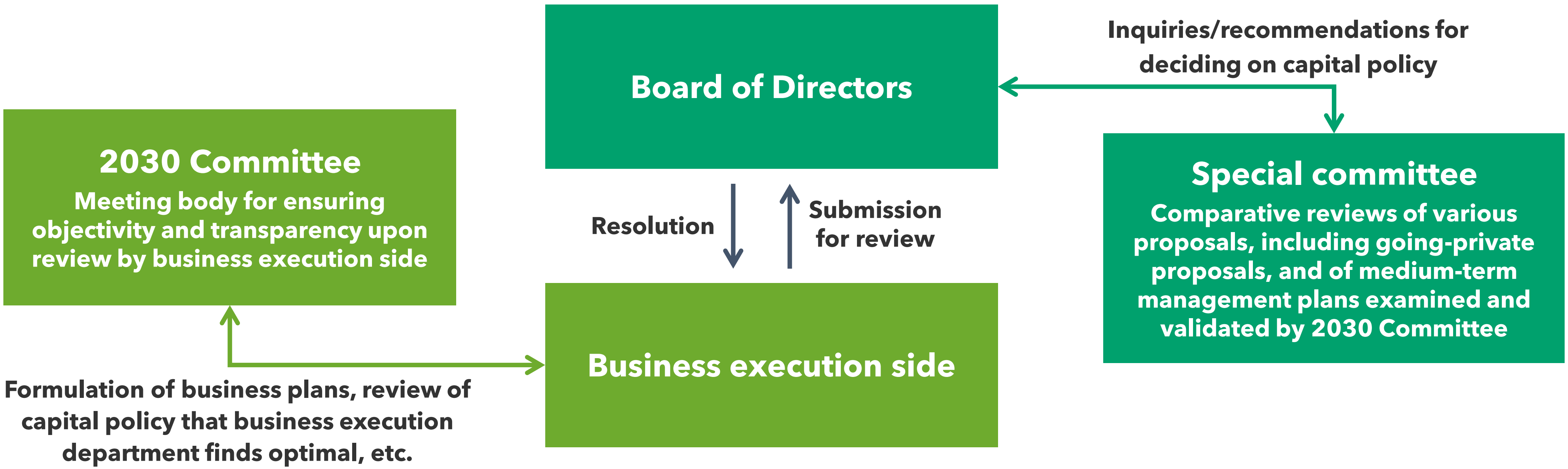
① The Consideration Process to Date

② Overview of the Transaction

③ Beyond Imagination and Beyond Boundaries 2030

Our Consideration System for the Decision on Maintaining Our Listing or Going Private

- **The Special Committee, which was established in March 2025, conducted a comparative review of various proposals including going private and the medium-term management plan examined and validated by the 2030 Committee, and reported its conclusions to our Board of Directors. Based on the Special Committee's recommendation, our Board of Directors made the decision to take our company private.**



Recommendations from the 2030 Committee

- When examining various third-party proposals, including going-private proposals, Taiyo Holdings will assess whether the proposal would generate added value unobtainable solely through Taiyo Holdings' own management resources or its unique strategy.
- After continuing the process of receiving legally-binding proposals, if it receives a proposal that satisfies the above standpoints, Taiyo Holdings will fully conduct a comparative review of a capital policy options, including whether to go private.

Course of Events and Consideration Process to Date (1/3)

- **DIC introduced three private equity funds (PE funds) to us, including KKR, which had expressed interest in our company to DIC, and from December 2024 onward, we exchanged views with multiple PE funds, including KKR, on initiatives that would contribute to the enhancement of our corporate value over the medium to long term. In February 2025, we received formal acquisition proposals from KKR and others.**
- **In March 2025, we established a Special Committee and continued to examine capital policy options. In May 2025, we also established a 2030 Committee and began to consider the medium-term management plan, which serves as the roadmap for our long-term management plan "Beyond Imagination 2030," as well as measures to strengthen our corporate governance.**

December 2024
Discussions with multiple PE funds following introduction by DIC

February 2025
Receipt of formal acquisition proposals from KKR and others

March 2025
Establishment of the Special Committee

May 2025
Establishment of the 2030 Committee to enhance corporate value

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Course of Events and Consideration Process to Date (2/3)

- **We announced our medium-term management plan in August 2025 and examined capital policy options, including the possibility of maintaining our listing. In November 2025, we received evaluations and recommendations as the final report of the 2030 Committee.**
- **With respect to the consideration of a potential going-private transaction, we received initial proposals from several parties, provided two of them, including KKR, with the opportunity to conduct due diligence, and in December 2025 received final, legally binding proposals from these two parties.**

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July 2025
Establishment of a structured process for reviewing capital policy

End of August 2025
Announcement of the medium-term management plan premised on maintaining our listing

September 2025
Receipt of initial proposals from multiple parties

October 2025
Decision to request submission of final proposals from two parties including KKR

November 2025
Final report of the 2030 Committee

December 2025
Receipt of final going-private proposals from two parties Including KKR

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Course of Events and Consideration Process to Date　(3/3)

- **Ultimately, the Special Committee, composed of outside board directors, compared the option of maintaining our listing based on the medium-term management plan announced in August 2025 with the two proposals submitted in December 2025, including that of KKR, and in January 2026 resolved to go private via a transaction with KKR.**
- **Following subsequent discussions and negotiations with KKR, and upon receiving the Special Committee's recommendation, the Board of Directors resolved this matter today, leading to the announcement of the planned TOB.**
- **Going forward, we will complete the necessary procedures and actions under domestic and foreign competition laws and investment regulations, following which the actual commencement of the TOB will take place.**

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January 2026
Decision to go private with KKR after comparative review of both options of maintaining our listing and going private

January–March 2026
Discussions and negotiations between Taiyo Holdings and KKR; KKR's negotiations with major shareholders

Today

March 2026
Announcement of the planned TOB by KKR

Necessary procedures and actions under domestic and foreign competition laws and investment regulations

Commencement of TOB

TAIYO HOLDINGS

① The Consideration Process to Date

② Overview of the Transaction

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Overview of the Transaction

- We resolved to express an opinion in support of the Tender Offer at the Board of Directors meeting held on March 31, 2026.

Tender Offeror	KJ005 Co., Ltd. (KJ005HD Co., Ltd., whose shares are 100% owned by a fund indirectly managed by Kohlberg Kravis Roberts & Co. L.P. (hereinafter, "KKR"), owns 100% of the shares of the Tender Offeror)
Tender Offer Period	21 business days in principle (planned to be commenced in early October 2026)
Tender Offer Price	• 4,750 yen per common share
Minimum number of shares to be purchased	44,648,100 shares (ownership ratio: 40.12%) *1
Max number of shares to be purchased	None
Tender offer agent (planned)	Nomura Securities Co., Ltd.
The terms of the agreement between the Tender Offeror and the major shareholder*2; reinvestment and acquisition of treasury shares after the implementation of the Tender Offer and the squeeze-out procedures	**DIC Corporation (hereinafter, "DIC")** • DIC will not tender the shares of Taiyo Holdings held by DIC into the Tender Offer. • DIC will sell the shares of Taiyo Holdings held by DIC in response to the share repurchase by Taiyo Holdings following the successful completion of the Tender Offer and the effectiveness of the share consolidation, as well as after the provision of funds by the Tender Offeror and the capital reduction by Taiyo Holdings. **Kowa Co.,Ltd (an asset management company of the founder's relatives; hereinafter, "Kowa")** • Kowa will not tender the shares of Taiyo Holdings held by Kowa into the Tender Offer. • Kowa will reinvest in KJ005HD Co., Ltd., the parent company of the Tender Offeror, following the successful completion of the Tender Offer and the effectiveness of the share consolidation. Kowa will also sell the shares of Taiyo Holdings held by Kowa in response to the share repurchase by Taiyo Holdings, after the provision of funds by the Tender Offeror and the capital reduction by Taiyo Holdings. **Oasis Management Company Ltd. (hereinafter, "Oasis," including the related funds and related entities collectively)** • Oasis shall, within ten business days after the commencement of the Tender Offer, tender into the Tender Offer all shares of Taiyo Holdings held by Oasis. • After having tendered such shares, Oasis will not withdraw its tender.
Others	After the successful completion of the Tender Offer, Taiyo Holdings will be delisted through squeeze-out procedures and is ultimately expected to become a wholly owned subsidiary of the Tender Offeror.

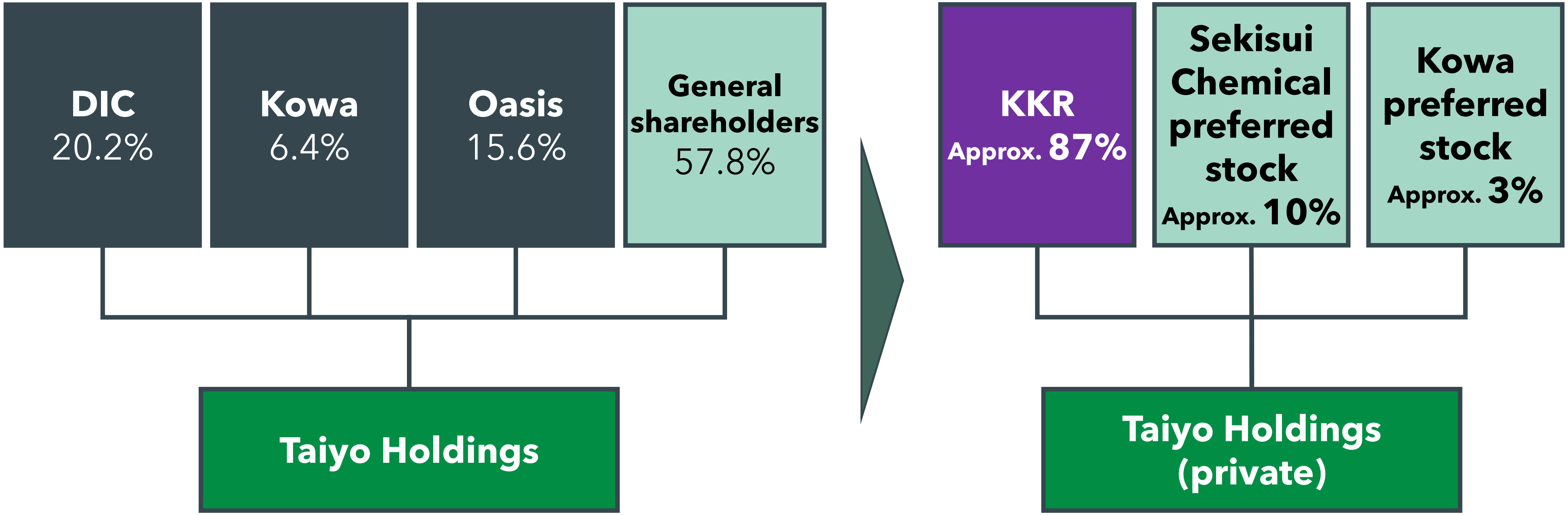
*1 The minimum number of shares to be purchased (44,648,100) is the number of shares obtained by multiplying 100, the number of shares constituting one unit of the Company's shares, by (i) the number of voting rights (741,845) corresponding to two-thirds (2/3) of the total number of voting rights attached to the Company's issued shares excluding treasury shares (1,112,767), with any fraction rounded up to the nearest whole number, minus (ii) the number of voting rights (295,364) corresponding to the number of shares expected not to be tendered (total: 29,536,400 shares, ownership ratio: 26.54%).
*2 Please refer to "Notice Concerning Expression of Opinion in Support of the Planned Commencement of the Tender Offer for Company Shares by KJ005 Co., Ltd. and Neutral Position Regarding Tendering of Shares" for the detailed conditions.

Transaction Structure of This Deal

Following completion of the transaction, Taiyo Holdings is expected to go private and to have a new shareholder structure.

Shareholder Structure Prior to the Commencement of the Tender Offer

Shareholder Structure Following Completion of the Transaction



Following completion of the transaction, the capital and business alliance with DIC is expected to be terminated.

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Future Schedule

- **In light of the planned Tender Offer (TOB), we have resolved not to pay a year-end dividend for the fiscal year ended March 2026.**
- **As of now, the commencement of the TOB is expected to be around early October 2026.**
- **However, since it is difficult at this time to accurately estimate the period required for various procedures and actions under domestic and foreign competition authorities and other relevant authorities, we will make a prompt disclosure once a decision has been made.**
- **The capital and business alliance with DIC is scheduled to be terminated following the completion of this transaction.**

Today

March 2026
Resolution and announcement of the planned Tender Offer and announcement of No Dividend

Conduct necessary procedures and measures under domestic and foreign competition laws and investment regulations

Early October 2026
Aim to commence the TOB by KKR

Completion of the TOB

Extraordinary General Shareholders' Meeting related to the squeeze-out

Effective date of the squeeze-out

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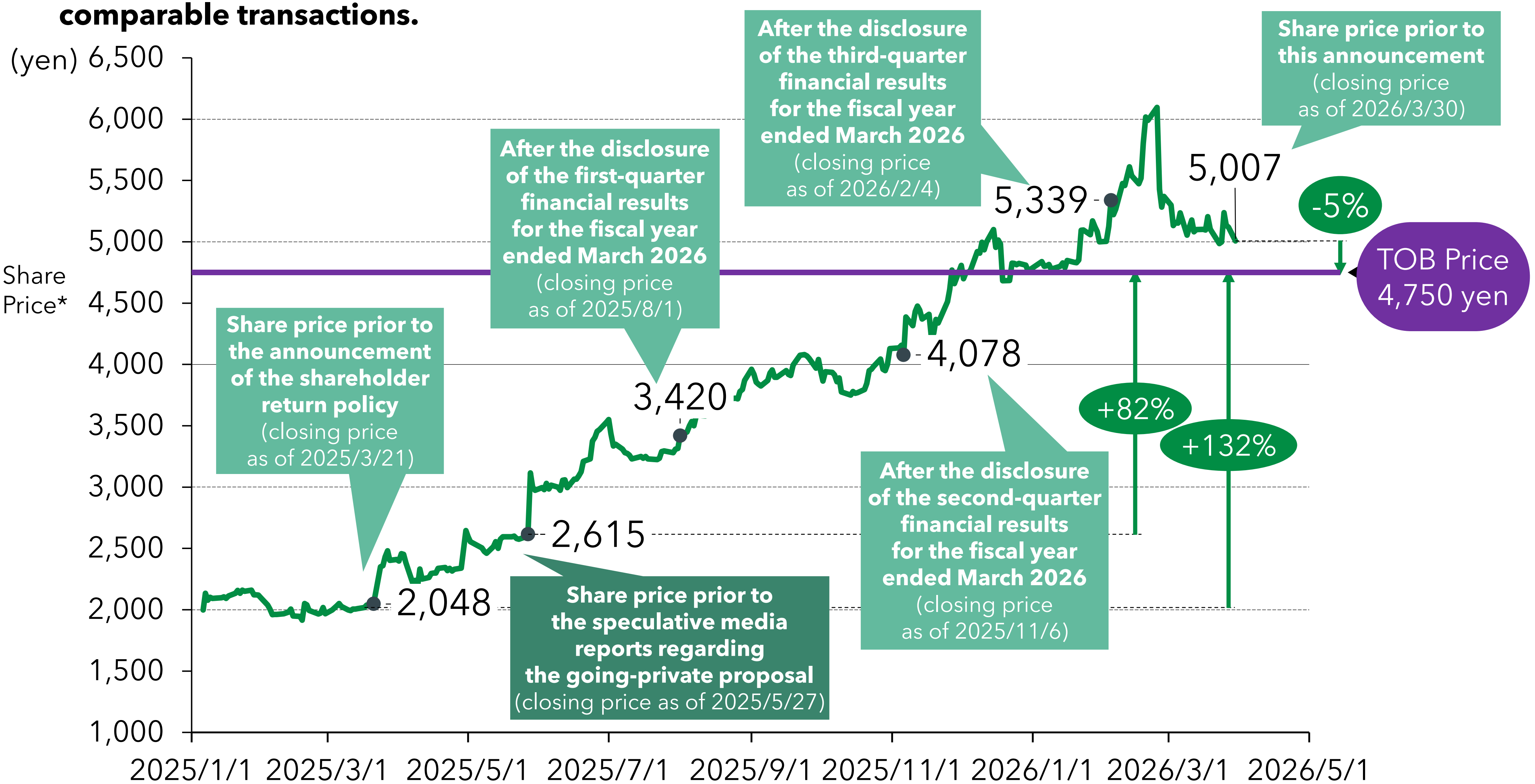
Share Price Trends and TOB Price

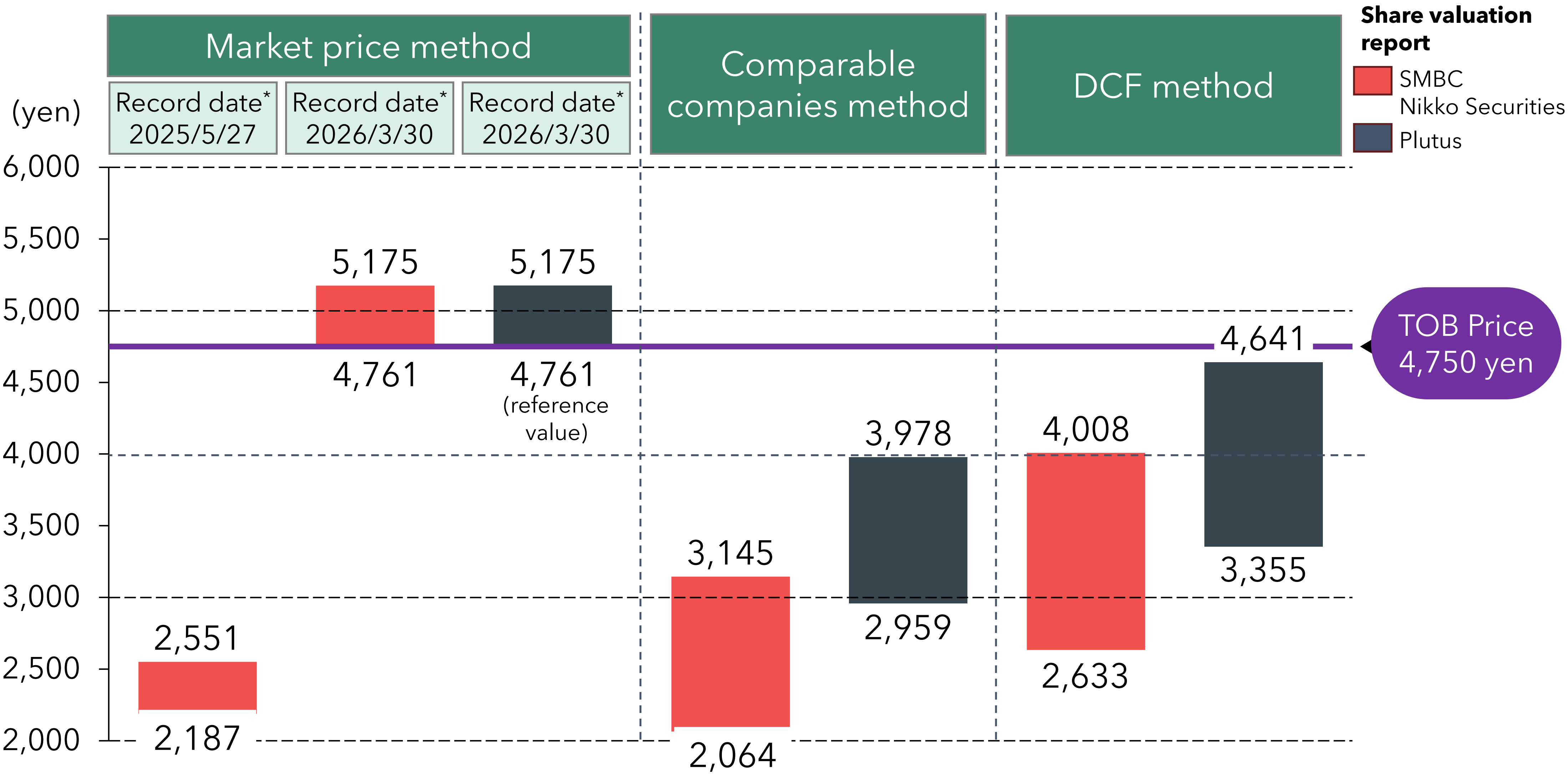
- **The offer price has been set at a level that includes a premium over the share price immediately prior to the speculative media reports regarding this transaction, exceeding the level of premiums seen in comparable transactions.**



* Effective December 1, 2025, a stock split at a ratio of 2 shares for each share of common stock was implemented.
This graph has been prepared on the assumption that the stock split had been implemented at the beginning of 2025.

Valuation Results, Share Price, and TOB Price

- **In comparison with the results stated in the share valuation report, the offer price includes a premium.**



* Using the one-month, three-month, and six-month averages calculated by counting back from the record date. Plutus also includes the closing price on the record date.

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Our Goal to be Achieved through the Transaction

Electronics business

- By leveraging inorganic strategies such as M&A and capital/business alliances, we will expand business opportunities and move into a new growth phase as a semiconductor back-end process materials manufacturer.

Medical & Pharmaceuticals business

- By enhancing the profitability and capital efficiency of the business as an independent operation, we will increase its earnings contribution as a second pillar alongside the Electronics business, making it a further driver of growth.

ICT&S business

- Develop businesses that are grounded in social responsibility and that support the Group's operations, and roll out solutions-oriented businesses in the sustainability domain that address social issues.

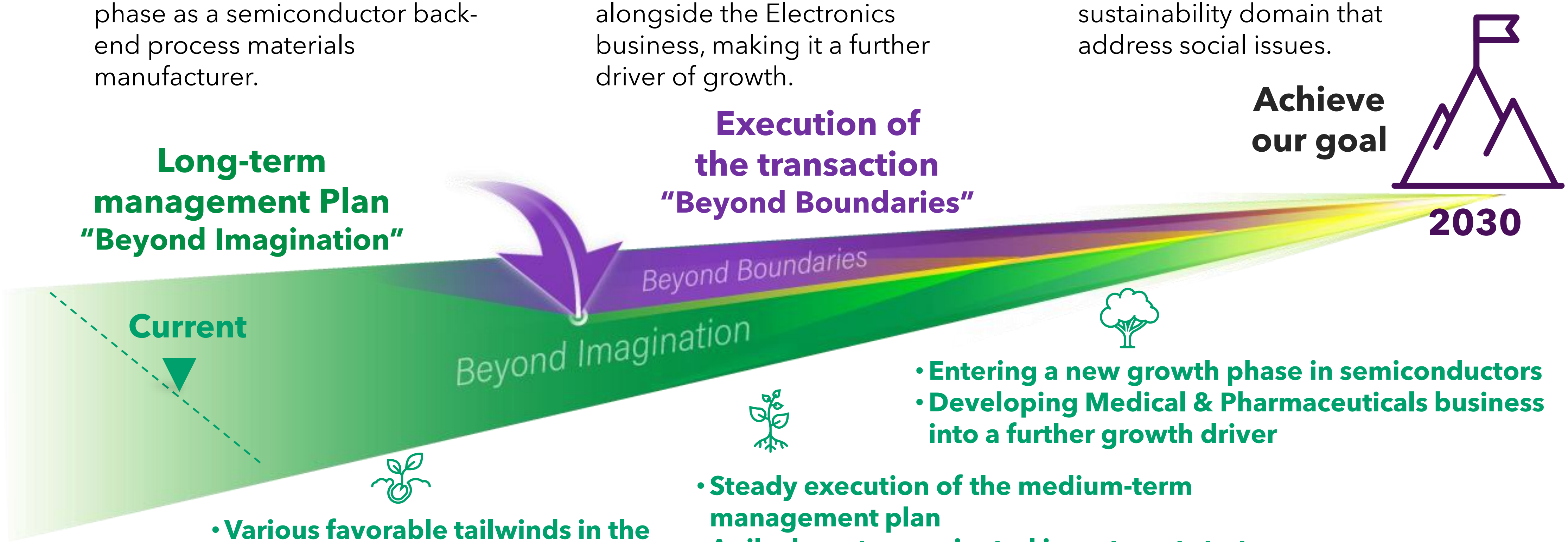
Achieve our goal

2030

Execution of the transaction "Beyond Boundaries"

Long-term management Plan "Beyond Imagination"

Current



- **Entering a new growth phase in semiconductors**
- **Developing Medical & Pharmaceuticals business into a further growth driver**

- **Steady execution of the medium-term management plan**
- **Agile, long-term-oriented investment strategy**
- **Strengthening of the global network**

- **Various favorable tailwinds in the market environment**
- **Solid business foundation built on track record**

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Significance of this transaction

Business environment surrounding us

Electronics business

- Against the backdrop of the rapid spread of generative AI and the expansion of data centers and communication infrastructure, electrification is advancing across all end markets, and business opportunities are also expanding in the printed circuit board market related to our business.
- In semiconductor package substrates, technological innovation aimed at enhancing semiconductor performance is continuing, driven by the expected further increase in data traffic. As a result, there is growing attention on technological innovation in the packaging field, which is part of the back-end process.

Medical & Pharmaceuticals business

- In manufacturing and marketing, we operate a business centered on long-listed products. In addition to ongoing drug price reductions as part of policies to curb medical expenses and the impact of the elective care scheme, the business environment surrounding long-listed products remains challenging.
- In contract manufacturing, against the backdrop of pharmaceutical companies increasingly outsourcing drug production, demand for contract manufacturing is rising and market opportunities are expanding.

Significance of this transaction

Long-term management strategy

- We become able to execute a management strategy based on a medium- to long-term perspective.
- In the electronics business, we will carry out proactive investments that capture structural market changes surrounding the semiconductor industry.
- In the pharmaceuticals business, we will promote structural reforms to secure profitability and expand the contract manufacturing business.

Speed of corporate transformation

- By becoming a private company, it will be possible to make transformation-driven decisions at an unprecedented speed.

Utilization of KKR's expertise and network

- KKR has an extensive track record of investments in areas related to our businesses, including semiconductor-related companies and contract development and manufacturing organizations (CDMOs), and possesses a broad and powerful network both globally and in Japan. By leveraging this network, we aim to achieve significant growth.

Significance of the Partnership with KKR

TAIYO HOLDINGS | **KKR**

Electronics

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- Brand strength and customer trust accumulated through advanced materials technology and many years of proven performance
- Exposure to a wide range of end markets spanning diverse electronics fields, and a diverse, robust global customer base
- Operational know-how that enables "local production for local consumption" and supports high quality and mass production

KKR

- Possesses a strong track record of investments in the global semiconductor-related industry and a broad, powerful network spanning the entire value chain
- Has a leading track record in sourcing and executing business development and inorganic growth opportunities, including business alliances and M&A, and, as a global one-firm platform, supports the growth of our global business

Medical & Pharmaceuticals

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- More than 90 years of experience and high-quality, highly regarded formulation plants
- Track record of orders for new pipelines, aligned with the trend of increased outsourcing of manufacturing by pharmaceutical companies
- Mystarz, which supports the growing demand for dental care in an aging society

KKR

- Introduction of best practices to expand orders and improve profitability
- Leveraging industry networks and providing support for customer development and other initiatives, based on an investment track record in the healthcare field, including pharmaceutical contract manufacturing and dental services

ICT&S

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- Contributing to the enhancement of the corporate value of the entire group by generating synergies among businesses through initiatives that support the group, such as promoting digital transformation (DX) and strengthening the business continuity planning (BCP) framework of the electronics business.

KKR

- Extensive investment track record and value-up experience in the IT services sector
- Climate, sustainability, and social equity are one of the key themes and actively works on them

Organizational culture

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- Self-sufficient personnel capable of responding to increasingly diverse organizations and society
- Focusing on the growth of self-sufficient personnel and organizational development by improving the work environment and establishing fair evaluation and compensation systems

KKR

- KKR's investment philosophy is to enhance equity value through the fundamental business growth of its portfolio companies, supporting business expansion from a medium- to long-term perspective and placing strong emphasis on investment in people.