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Notice Regarding DIC's Response to the Outcome of the 79th Ordinary General Shareholders' Meeting of TAIYO HOLDINGS

DIC Corporation hereby announces its response to the outcome of the 79th Ordinary General Shareholders' Meeting of equity-method affiliate TAIYO HOLDINGS CO., LTD., which was held on June 21, 2025.

In line with its June 3, 2025, press release titled "Notice Regarding the Planned Exercise of Voting Rights on the Proposal for the Election of Board Directors (Proposal 2) at the 79th Ordinary General Shareholders' Meeting of TAIYO HOLDINGS," DIC exercised its voting rights against Proposal 2, with regard to the appointment of President and Representative Director Eiji Sato, at TAIYO HOLDINGS' 79th Ordinary General Shareholders' Meeting. As announced in TAIYO HOLDINGS' June 23, 2025, press release titled "Notice Regarding Changes in Representative Directors," the appointment of Mr. Sato was rejected by shareholders at the meeting, as a result of which he stepped down from his position as President and Representative Director. DIC expects that TAIYO HOLDINGS' new management team, headed by new President and Representative Director Hitoshi Saito, will function effectively to boost corporate value over the medium to long term and to maximize benefits to shareholders.

Following on from its press releases of May 28, 2025, titled "Notice Regarding the Establishment of a '2030 Committee,'" and "Notice Regarding Reports in the Media," TAIYO HOLDINGS announced in its June 12, 2025, press release, titled "Notice Regarding the Details of a '2030 Committee'," that it had established the 2030 Committee to serve as a forum for evaluating possible future actions, taking into account various proposals—including for its privatization—as well as the current management challenges, with the stated goals of ensuring objectivity and transparency, strengthening corporate value over the medium to long term and securing shareholders' common interests, after establishing a special committee in response to privatization proposals, etc.

Since late 2024 through January 2025, when TAIYO HOLDINGS had been presented with certain proposals for its privatization which specifically stated the purchase price and principal transaction terms, elements that are deemed essential for a bona fide offer, according to the Ministry of Economy, Trade and Industry's "Guidelines for Corporate Takeovers—Enhancing Corporate Value and Securing Shareholder Interests," published on August 31, 2023, DIC has repeatedly urged the TAIYO HOLDINGS Board of Directors, through multiple meetings and correspondence, to sincerely consider these proposals, in accordance with the aforementioned guidelines. Nonetheless, it took TAIYO HOLDINGS until mid-March to finally create a special committee to consider these proposals. By this point, a considerable amount of time had already passed since the submission of the proposals for privatization, and DIC had initially hoped that this special committee would be able to accelerate TAIYO HOLDINGS' review thereof. However, just before its recent Ordinary General Shareholders' Meeting, TAIYO HOLDINGS announced that it had established the 2030 Committee, a new body that does not include independent outside directors, to explore issues that overlap with those being addressed by the special committee, which consists primarily of independent outside directors, and that the 2030 Committee would review the proposals separately and advise the Board of Directors on what policy it should adopt after hearing the recommendations of the special committee. The establishment of the 2030 Committee has given rise to concerns that, until it publishes its final report (scheduled for early November 2025), it will focus solely on capital policy, including but not limited to privatization, and that any concrete contemplation of the bona fide offers that have been received will be delayed and that no progress will be made on this front for the foreseeable future. DIC continues to harbor serious doubts regarding the appropriateness of TAIYO HOLDINGS' framework, process and likely timeline for reviewing these proposals in relation to privatization.

Accordingly, DIC is going to request the TAIYO HOLDINGS Board of Directors that, for TAIYO HOLDINGS to ensure objectivity and transparency, as well as to boost corporate value and maximize benefits to shareholders, it should provide fair opportunities for due diligence regarding the companies that have made bona fide offers and should proceed promptly to consider these proposals.

DIC has always sought to maximize corporate value for all of its stakeholders, including its shareholders, believing that its ability to bolster corporate value depends on ensuring sound management based on adherence to corporate governance. As a major shareholder in TAIYO HOLDINGS—and with the aim of enhancing its own corporate value and maximizing benefits to its shareholders—DIC has so far only been actively encouraging TAIYO HOLDINGS to give appropriate consideration to the proposals for acquisition in accordance with the "Guidelines for Corporate Takeovers" and other relevant directives. DIC will maintain this stance going forward as it continues to engage in dialogue with this affiliate.

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