

Financial Results Briefing for the First Half of Fiscal Year Ending March 31,2026

November 14, 2025



Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Agenda

- 1. Financial Highlights for the First Half of Fiscal Year Ending March 31, 2026**
- 2. Forecast for the Fiscal Year Ending March 2026**
- 3. Medium- to Long-term Management Strategy**



1. Financial Highlights for the First Half of Fiscal Year Ending March 31, 2026

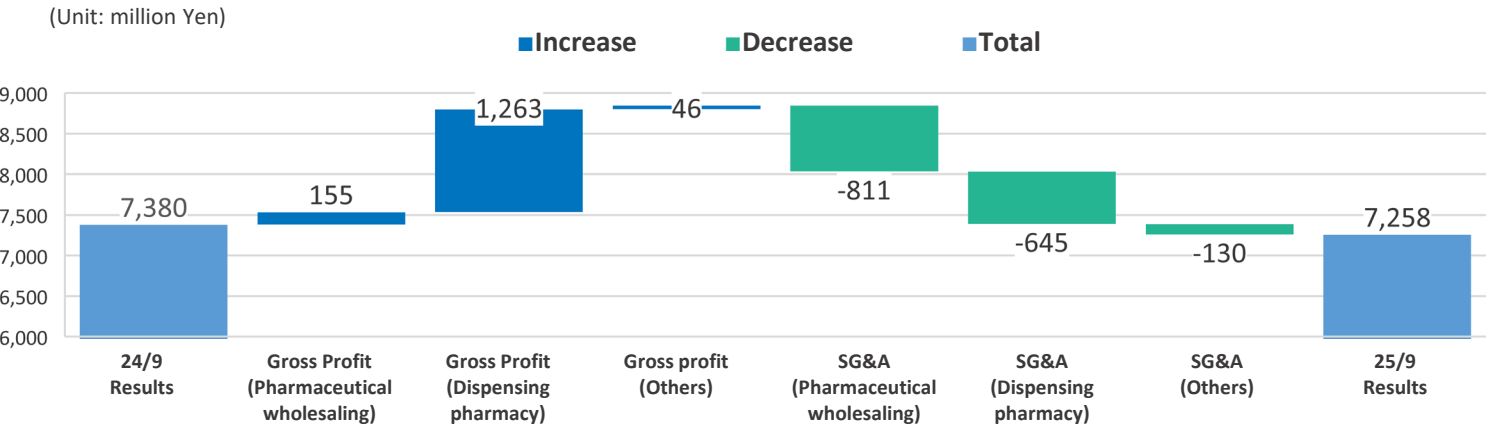


Consolidated Results for the First Half of Fiscal Year Ending March 2026

(Unit: million Yen)	1st half of FY ended March 2025		1st half of FY ending March 2026		
	Results	% of net sales	Results	% of net Sales	YoY change (%)
Net sales	754,974		767,899		1.71
Gross profit	58,384	7.73	59,848	7.79	2.51
SG&A	51,004	6.76	52,590	6.85	3.11
Operating profit	7,380	0.98	7,258	0.95	-1.65
Ordinary profit	8,596	1.14	8,329	1.08	-3.11
Net profit*	5,383	0.71	6,244	0.81	15.99

*Profit attributable to owners of parent

Operating profit fluctuation factors
1st half of FY ended March 2025 ⇒ 1st half of FY ending March 2026



*Other business : Pharmaceutical manufacturing and sales business, Other peripheral businesses, HD etc.

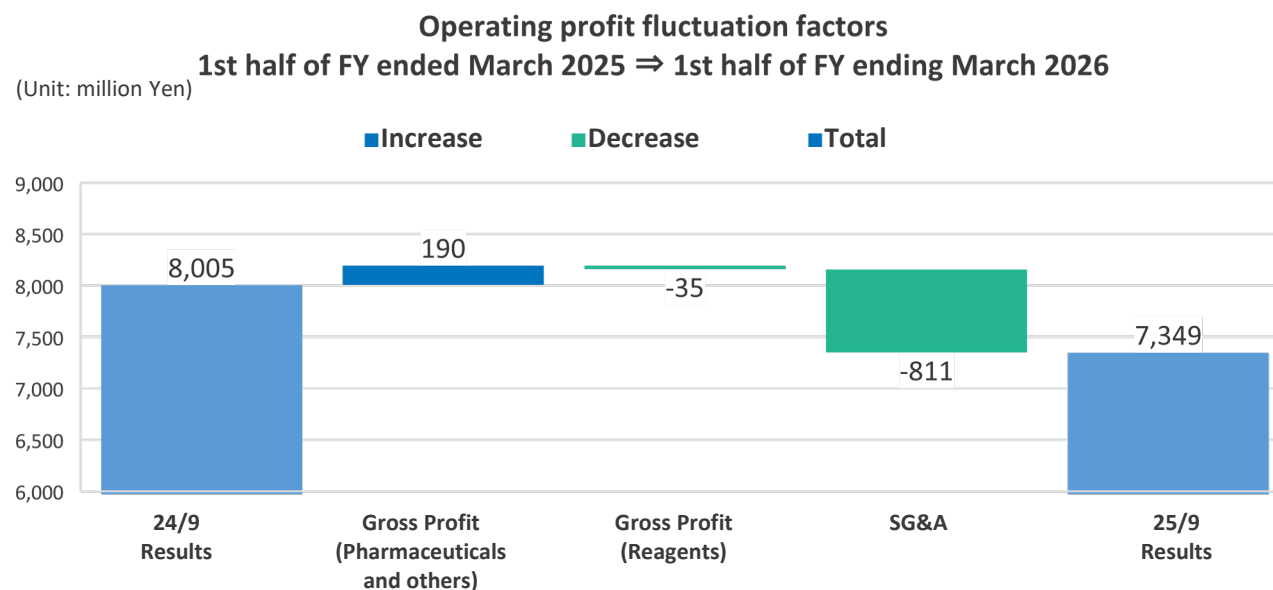
Summary of changes in results for the first half of FY ended March 2025

- Net sales Increased in the pharmaceutical wholesaling business, due to the growth of limited-handling products for selected wholesalers.
- Gross profit Increased due to the reorganization in the dispensing pharmacy business.
- SG&A Increased due to investments in human capital.
- Operating profit Decreased in the pharmaceutical wholesaling business but increased in the dispensing pharmacy business, resulting in a slight decrease in overall consolidated profit.

Results for the First Half of Fiscal Year Ending March 2026 (Pharmaceutical wholesaling business)



(Unit: million Yen)	1st half of FY ended March 2025		1st half of FY ending March 2026		
	Results	% of net sales	Results	% of net Sales	YoY change (%)
Net sales	728,733		739,165		1.43
Gross profit	40,357	5.54	40,512	5.48	0.38
SG&A	32,351	4.44	33,162	4.49	2.51
Operating profit	8,005	1.10	7,349	0.99	-8.20



Summary of changes in results for the first half of FY ended March 2025

- Net sales While sales of products such as limited-handling products for selected wholesalers and the herpes zoster vaccine remained strong, the situation for COVID-19 related products was more challenging year-on-year than expected.
- Gross profit Although the profit amount increased, the gross profit margin decreased due to a rise in the costs of purchases from manufacturers
- SG&A Increased due to investments in human capital.
- Operating profit Decreased year-on-year, negatively impacted by the decline in gross profit margin.

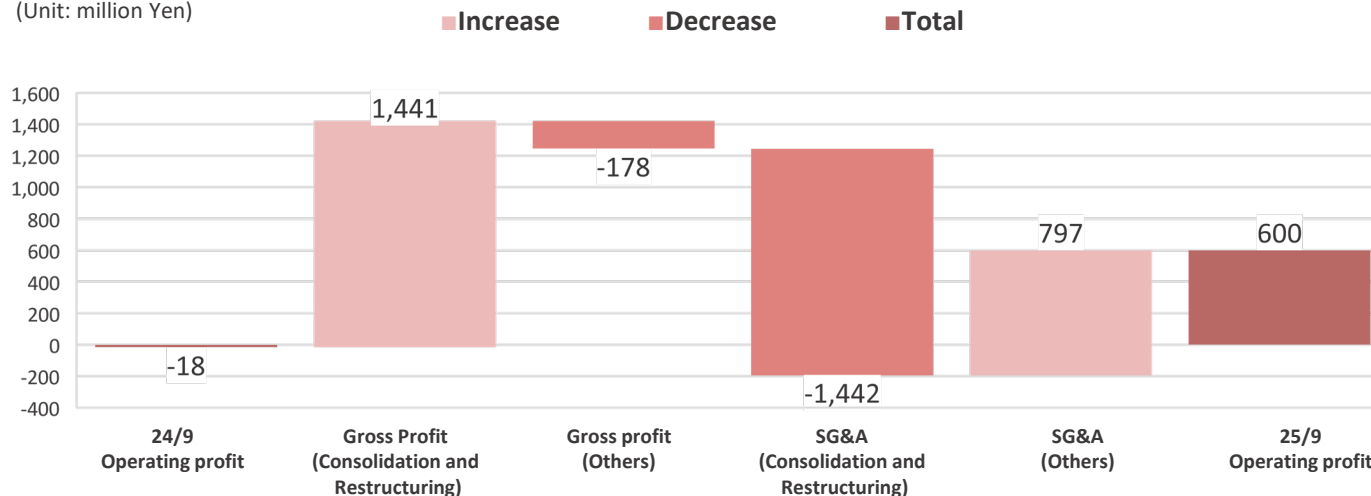
Results for the First Half of Fiscal Year Ending March 2026 (Dispensing pharmacy business)



(Unit: million Yen)	1st half of FY ended March 2025		1st half of FY ending March 2026		
	Results	% of net sales	Results	% of net Sales	YoY change (%)
Net sales	47,111		49,542		5.16
Gross profit	16,163	34.31	17,426	35.17	7.81
SG&A	16,181	34.35	16,826	33.96	3.99
Operating profit	-18	-0.04	600	1.21	-

Operating profit fluctuation factors
1st half of FY ended March 2025 ⇒ 1st half of ending March FY2026

(Unit: million Yen)



Summary of changes in results for the first half of FY ended March 2025

- Net sales, Gross profit: Increased due to the reorganization.
- SG&A: The decrease resulting from the absence of last year's one-time costs was offset by an increase due to the reorganization.
- Operating profit: While the impact of the reorganization was minor, profit increased due to SG&A reductions at existing companies.



2. Forecast for the Fiscal Year Ending March 2026



Forecast for the Fiscal Year Ending March 2026 (Consolidated)

	FY ended March 2025		FY ending March 2026			1st half of FY ending March 2026	
	Results	% of net sales	Forecast		YoY change (%)	Results	Progress(%)
			Forecast	% of net sales			
Net sales	1,518,495		1,572,000		3.52	767,899	48.85
Gross profit	121,648	8.01	127,000	8.08	4.40	59,848	47.12
SG&A	102,711	6.76	106,300	6.76	3.49	52,590	49.47
Operating profit	18,936	1.25	20,700	1.32	9.32	7,258	35.06
Ordinary profit	20,716	1.36	22,600	1.44	9.09	8,329	36.85
Net profit*	19,844	1.31	15,700	1.00	-20.88	6,244	39.77

*Profit attributable to owners of parent



Forecast for the Fiscal Year Ending March 2026 (Pharmaceutical Wholesaling Business)

	FY ended March 2025		FY ending March 2026			1st half of FY ending March 2026	
	Results	% of net sales	Forecast		YoY change (%)	Results	Progress(%)
			Forecast	% of net sales			
Net sales	1,463,520		1,511,000		3.24	739,165	48.92
Gross profit	84,509	5.77	86,200	5.70	2.00	40,512	47.00
SG&A	65,475	4.47	67,000	4.43	2.33	33,162	49.50
Operating profit	19,033	1.30	19,200	1.27	0.88	7,349	38.28



Forecast for the Fiscal Year Ending March 2026 (Dispensing Pharmacy Business)

	FY ended March 2025		FY ending March 2026			1st half of FY ending March 2026	
	Results	% of net sales	Forecast		YoY change (%)	Results	Progress(%)
			Forecast	% of net sales			
Net sales	95,553		102,500		7.27	49,542	48.33
Gross profit	33,289	34.84	36,800	35.90	10.55	17,426	47.35
SG&A	32,437	33.95	34,300	33.46	5.74	16,826	49.06
Operating profit	852	0.89	2,500	2.44	193.43	600	24.00



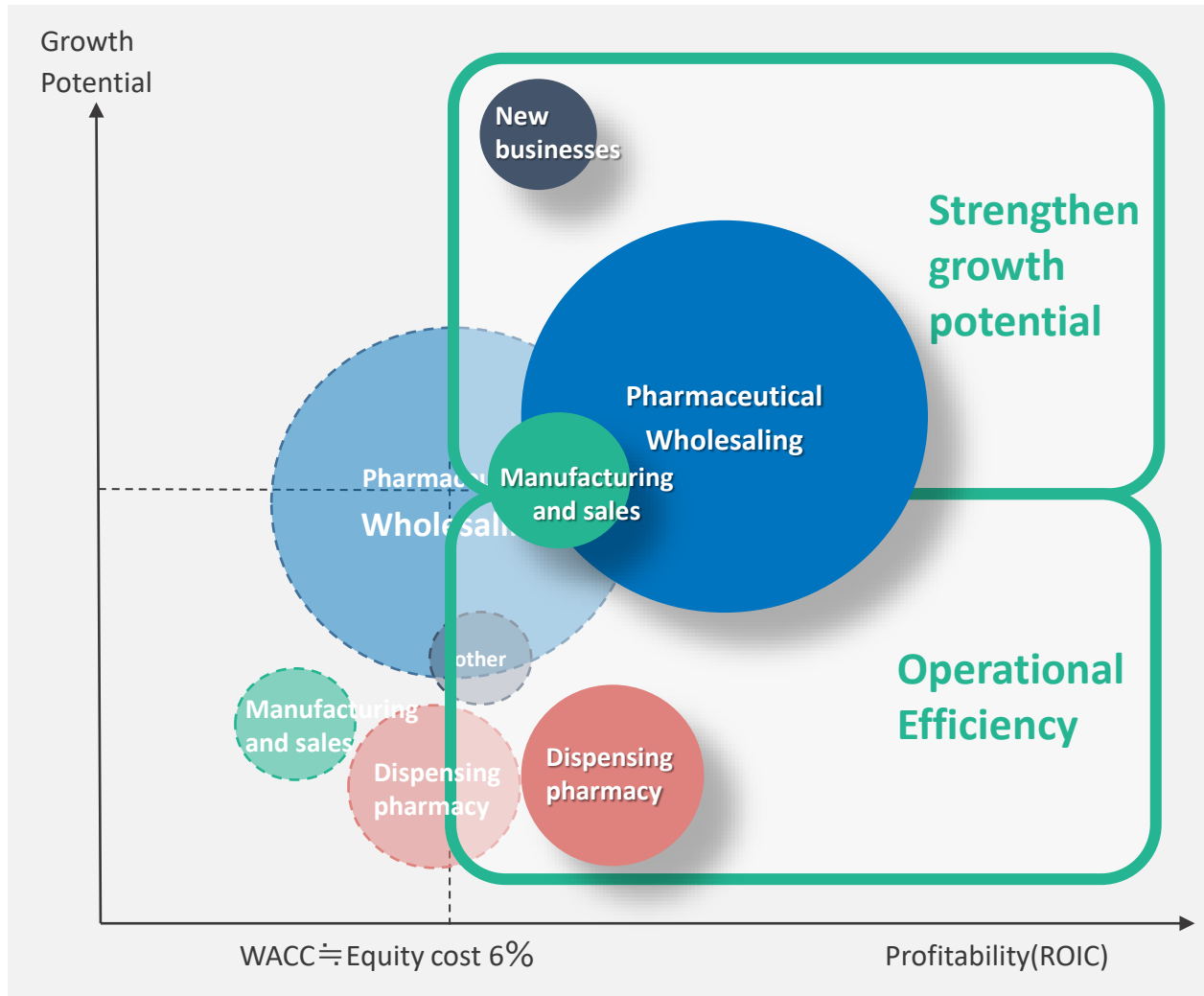
3. Medium- to Long-term Management Strategy

- (1) Initiatives to achieve the target business portfolio
- (2) Creating innovation through alliances
- (3) Improvement of capital efficiency
- (4) Initiatives to human capital
- (5) Governance Enhancement Special Committee
- (6) Capital allocation/shareholder returns
- (7) Action plan roadmap progress (As of September 30, 2025)
- (8) Establishment of CVC fund “TOHO Ventures”
- (9) Management Strategy Committee
- (10) Introduction of a Policy Against Large-Scale Purchases Action (“Response Policy”)



(1) Initiatives to achieve the target business portfolio

Target Business Portfolio (FY ending March 2029)



Pharmaceutical wholesaling business

- Enhancing functions in distribution of specialty products
- Promoting the consolidation of sales offices
- Preparing for transition to “Team System” in April 2026
- Strengthening logistics system and streamlining delivery operations

Dispensing pharmacy business

- Continuing reorganization of operating companies.

Pharmaceutical manufacturing and sales business

- Promoting the establishment of a CDMO business

New business

- Seeking seeds that contribute to New Value Creation

※The dotted line indicates the business portfolio status as of March 2024.



(2) Creating innovation through alliances

Specialty products, Full-line service

- CynosBio: Distribution consignment of regenerative medical product “Sakracy®” through capital and business alliance.
- Ishin Pharma: Providing full-line services for regenerative medical products, consisting of secondary packaging facilities, manufacturer warehousing, and wholesale logistics.
- Surv BioPharma: Providing full-line services for regenerative medical products, consisting of secondary packaging facilities, manufacturer warehousing, and wholesale logistics.
- REPROCELL: Contracting for regenerative medical products (cold chain management)
- SAGAWA EXPRESS: Last-mile delivery service for specialty products.
- TEIJIN REGENET/ITOCHU: Building a regenerative medical ecosystem. Conducting joint seminar.
- Pulmonx: Verification of logistics scheme for advanced medical equipment at multiple facilities.

Advancement of logistics infrastructure

- WACON: Joint development of new constant-temperature transportation products.
- Blue innovation: Delivery using drones and robots.
- T2: R&D and demonstration of overall transportation of pharmaceuticals using autonomous trucks.
- JR Central/JR West: Demonstration of pharmaceutical transportation using the Shinkansen bullet train.

Community healthcare design/customer support system

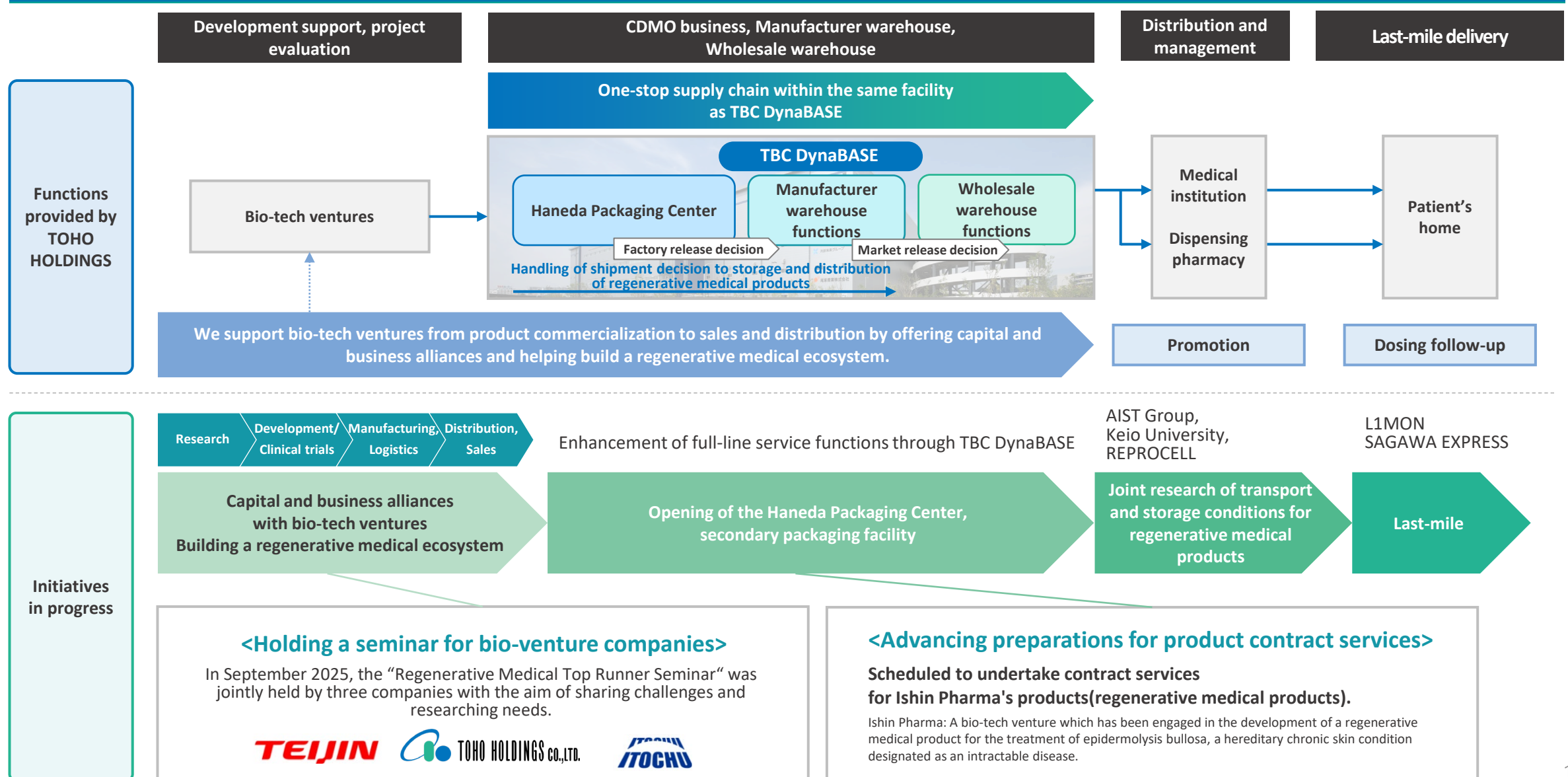
- PHARUMO: Development of new products that contribute to community medical DX.
 - Start of offering its cloud-based picking audit system “EveryPick”.
 - Collaboration on development and provision of the pharmacy DX platform service N-Bridge and the prescription information transmission terminal NB Station

DX

- One Capital: Engagement of a DX advisory team.
- AIST/Japan Advanced Institute of Science and Technology: Creating a next-generation call center.



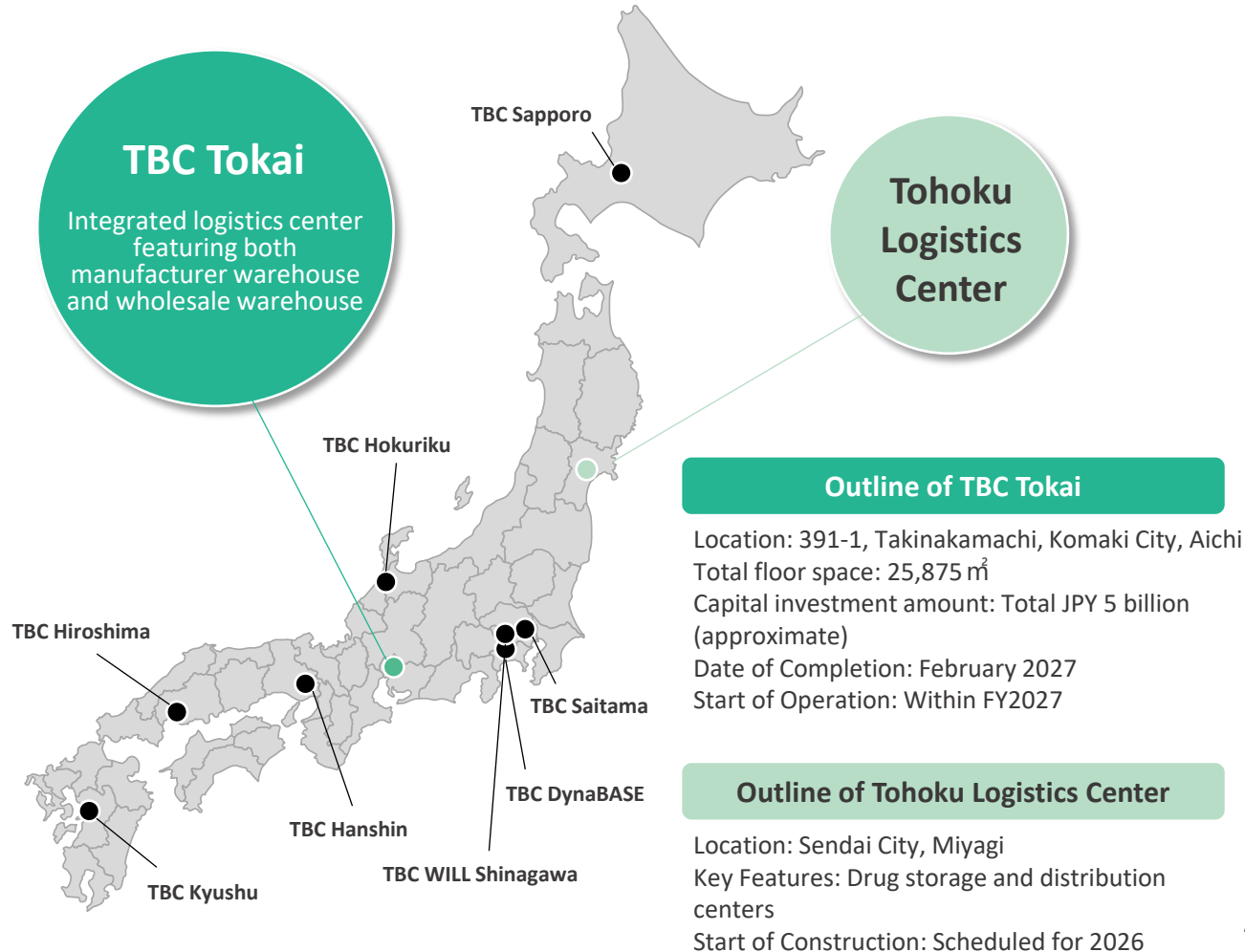
Expansion of “Full-line Service” functions for specialty products





Evolution of logistics network

TBC Tokai and Tohoku Logistics Center established



Three Transformations Brought by the New Center

- 1. Strengthening of logistics functions and improvement of operational efficiency**
 - Further functional enhancement of existing centers
 - Introducing new automation technologies to achieve both thorough labor saving and high-spec processing capacity
- 2. Stable supply of pharmaceuticals and enhancement of BCP**
 - Completion of a robust nationwide network
 - TBC Tokai will leverage its location adjacent to a Main Wide-Area Disaster Management Base Facility to cooperating with local governments and the Japan Self-Defense Forces.
 - Eliminating large-scale disaster risk in the Tohoku area (and the risk of concentration in the Tokyo metropolitan area)
- 3. Establishment of a competitive advantage**
 - Rolling out a nationwide shipping system with complete, customer-specific packaging
 - Significant reduction of inventories at sales offices and the burden of delivery operations
 - Creating an environment where sales personnel can focus more on providing information at medical sites

Achieve drastic reform in logistics and establish a competitive advantage through the operation of both centers



Customer support business

Developing new customer support businesses through alliances, etc.

Operational improvement of existing customer support systems

Review of existing customer support systems based on profitability

- The accelerating spread of medical appointment systems due to the COVID-19 pandemic and the promotion of medical DX.
- The medical appointment system is an essential tool for future healthcare management.
- Addressing every need of healthcare facilities with two product types, offering proposals and support tailored to customers, which is only possible from a pharmaceutical wholesaler.

New patient acquisition → Boosting return visit rates through proactive communication

Appointment scheduling that minimizes wasted consultation time and vaccine inventory management that optimizes vaccination efficiency

HeLios cloud standard ver.

- Launched in May 2025
- In-house development
- For healthcare facilities seeking simple operations

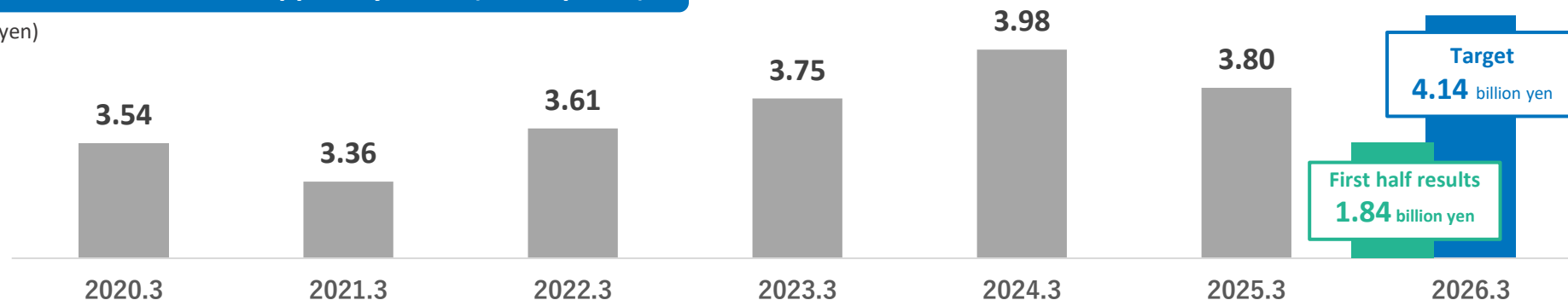
HeLios cloud professional ver.

- Launched in October 2025
- Alliance with GMO Reserve Plus Co., Ltd.
- Equipped with advanced features, which enables enhanced operational efficiency in addition to appointment management

Aiming to increase profits through implementation fees and monthly fees as the number of adopting facilities grows

Performance of customer support systems (Gross profit)

(unit: billion yen)

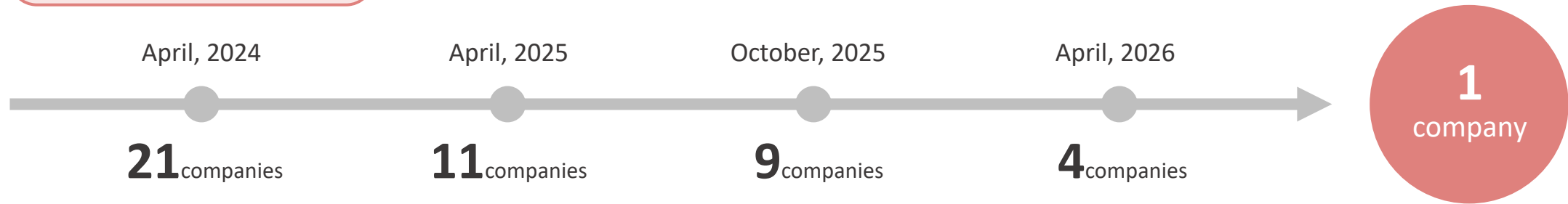




Dispensing pharmacy business

Business reorganization

Promote the integration of subsidiaries under PHARMA CLUSTER.



Promote whole-of-operating company projects to establish community healthcare design

- Training of human resources specialized in home medical care
- Promotion of Advance Care Planning (ACP)
- Further promotion of online medication guidance (Pharmacy DX)
- Strengthening of product sales functions in preparation for the advancement of self-medication
- Participation in regional formulary introduction project in cooperation with the pharmaceutical wholesaling business
- Strengthening of functions as a disaster base pharmacy and construction of a model store

Prescription data input center

The Niigata Center has been in full operation since July

Purpose

To free up pharmacists' time for patient-centered tasks, thereby enhancing prescription reviews (duplicate medications, drug interactions), thorough medication counseling, home visits, and other services.

To address staff shortages in the Tokyo metropolitan area while promoting labor savings and efficiency.

Operation and deployment

A new center is scheduled to open in Gunma in February 2026.

Effect

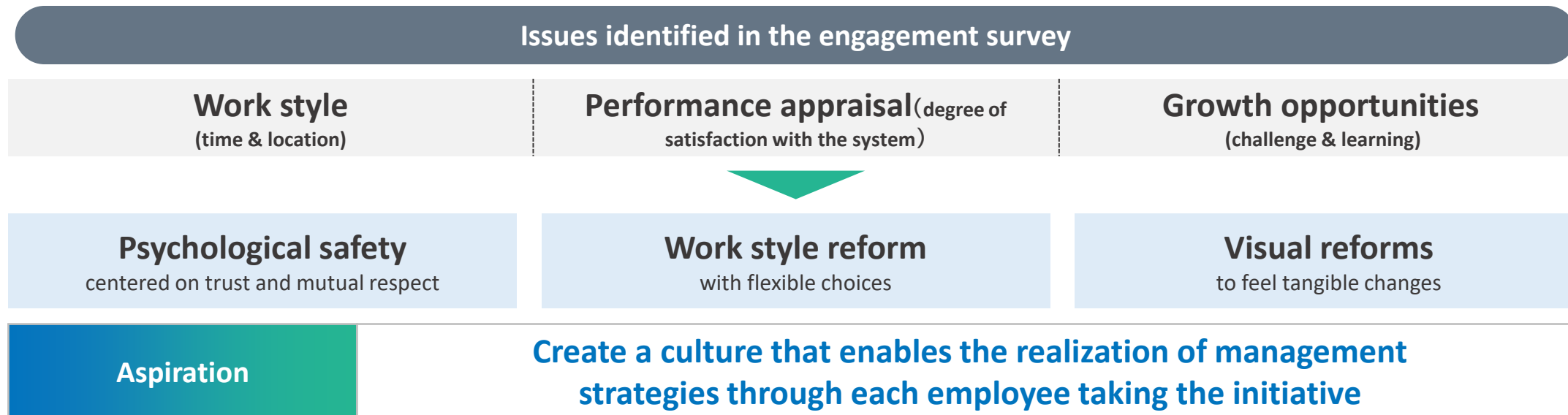
Currently handling prescription data entry for 19 stores

Planning to increase the number of stores requiring this service to 50





Engagement survey



Enhancement of employee engagement

Holding Town Hall Meetings

We are holding Town Hall Meetings from July, 2025 as an opportunity for direct dialogue between management and Group employees.

▶ Through direct dialogue with employees, we will further enhance the penetration of management strategies and employee engagement.

Planned number of meetings in FY2025: **27**





Promotion of health management

As a medical and health-related company, we believe that the health of our employees is of paramount importance in contributing to the improvement of the health of the general public and the realization of comfortable lifestyles. Based on this policy, we promote health management throughout the Group.

Group Certification Status



Large Enterprise Category:

5 companies

Small and Medium-Sized Enterprise Category:

3 companies

Key initiatives

The CEO serves as the Chief Health and Productivity Management Officer, and health management is promoted primarily by the Corporate Strategy Division and the General Affairs and Human Resources Division

- Promoting health checkups (changing follow-up examinations from personal leave to official leave)
- Expanding the scope of the shorter working hours system (until completion of 6th grade of elementary school)
- Encouraging men to take childcare leave
- Addressing women's health issues (conducting training and questionnaires)
- Improving health literacy through health seminars and health events
- Initiatives to reduce smoking rates (introduction of No-Smoking Days and establishment of a smoking cessation support system)
- Implementation of work engagement surveys

Establish a foundation for diverse human resources to maximize their abilities and play active roles



(5) Governance Enhancement Special Committee

Objectives of Governance Enhancement Special Committee

Establishment of the Governance Enhancement Special Committee as an advisory body to the Board of Directors, to further strengthen the Group's governance, including compliance and risk management.

Members of the Committee

The Committee consists of three external members with expertise in fields such as law, finance, and corporate management. Their role is to objectively and professionally verify the internal control organization and provide advice and recommendations on governance.

- Committee chairperson: Yasuyuki Takai (lawyer)
- Member: Hidehito Kotani Outside director (Audit and Supervisory Committee members)
- Member: Chie Goto (lawyer/certified public accountant) Outside director (Audit and Supervisory Committee members)

Contents of discussion

Further verification and discussion by the Committee regarding the status of decision-making, risk management, audits, the composition, deliberations, and frequency of various meetings, regulations, and management of subsidiaries, etc., and whether the Group's governance system is functioning effectively.

Period and frequency

Held a total of 20 times from September 2024 to October 2025



The Company's Major Policies for Responding to Recommendations in the Final Report (1/2)

	Matters addressed to date	Measures that have been addressed in response to the Committee's recommendations	Matters to be addressed going forward
	Fiscal year ended March 2025	Fiscal year ending March 2026	Fiscal year ending March 2027
1. Strengthening and Enhancing the Board of Directors, etc.	<ul style="list-style-type: none"> Identify skills necessary for advancing the Medium-term Management Plan. Review of skill matrix Board of Directors composed with a majority of outside directors. Further strengthen oversight functions and effectiveness Increase the number of outside directors by one to compose the Nomination and Compensation Committee with four outside members and two inside members Enhance the scope and depth of deliberations 		<ul style="list-style-type: none"> Establish our own criteria for the independence of outside directors Regularly hold information exchange and awareness-sharing sessions involving only outside directors (without executive directors present) to further enhance coordination
2. Strengthening and Clarifying Authority of the Chief Governance Officer (CGO)	<div>Establish the CGO as the lead for governance reform. Strengthening and clarifying authority</div> <div>Clearly define the CGO's authority and scope of responsibility, establishing a framework enabling the CGO to fulfill their roles</div>		
3. Clarification of Criteria for Appointment and Roles of Consultants, Corporate Advisors, and Other Advisory Personnel		<ul style="list-style-type: none"> Abolish the Advisor Appointment Regulations and newly establish the Consultant, Corporate Advisor, and Other Advisory Personnel Appointment Regulations based on the Final Report's recommendations Comprehensively review existing contracts for current consultants, corporate advisor, and other advisory personnel based on the new regulations 	
4. Reorganization of Committees and Clarification of Their Authority and Roles	<ul style="list-style-type: none"> Established the Compliance Promotion Department Enhance the internal whistleblowing system's functionality and implement awareness-raising initiatives through company-wide training, etc. (April 2025) Reorganized into Compliance Committee and Risk Management Committee (October 2025) Clarify authority and roles, appointing a CGO to each committee chair 		
5. Strengthening Governance of Subsidiaries. etc.	<ul style="list-style-type: none"> Established the Group Governance Department to lead governance framework development for subsidiaries and affiliates (April 2025) 	<p>Appoint dispatched officers from the Group Governance Department and Finance and Accounting Department, and the auditors of TOHO PHARMACEUTICAL</p> <p>Promote the dissemination of the Group policies and timely understanding of financial and business status</p>	



The Company's Major Policies for Responding to Recommendations in the Final Report (2/2)

	Matters addressed to date	Measures that have been addressed in response to the Committee's recommendations	Matters to be addressed going forward
	Fiscal year ended March 2025	Fiscal year ending March 2026	Fiscal year ending March 2027
6. Enhancing Audit Effectiveness		Review of the Group Audit Office structure to strengthen independence and expertise (April 2025)	<ul style="list-style-type: none"> Secure talented personnel and expand training opportunities Establish a follow-up system to strictly track and verify the improvement status of audit findings
7. Objectivity and Fairness in Personnel Management		<ul style="list-style-type: none"> As a key initiative under the Medium-term Management Plan's "Maximizing the value of human capital," implement measures to revamp the target management system, establish fair and equitable evaluation system and compensation system based on results, and systematize succession planning Conducted the engagement survey for all employees (February 2025) Based on the results, continued implementation of town hall meetings led by top management (July 2025) 	
8. Stricter Contract Procedures		<ul style="list-style-type: none"> Utilize the workflow system to visualize the contract review process For new transactions, the corporate department at headquarters conducts checks including corporate due diligence, anti-social forces screening, and financial reviews For existing business partners, regular checks continue to be implemented based on importance and risk 	
9. Rationalization and Objectification of Investment Committee Decisions			Revise the Investment Committee Regulations to establish clearer investment criteria, profitability evaluation standards, and specify operational rules for post-event verification
10. Continuous Review of Various Regulations and Thorough Implementation and Enhancement of Training		<ul style="list-style-type: none"> Reform the training system to promote "cognitive understanding" and "emotional empathy" Continue to review regulations in light of significant legal amendments and changes in societal demands Strengthen research capabilities by leveraging external legal resources 	
11. Accelerating, Standardizing, and Documenting Responses to Misconduct			Develop a crisis management manual outlining procedures from initial response to information gathering, fact determination and disclosure, anticipating misconduct incidents, thereby establishing a swift and appropriate response system
12. Establishment of Effective Whistleblowing System		<p>Expand the whistleblowing system by establishing internal reporting channels (Compliance Promotion Department) accessible to all group employees and business partners, as well as external reporting channels (external attorneys), and conduct system training for all employees</p> <p>Conduct training for all officers and employees on the system's overview, importance, and usage methods</p>	



Shareholder return policy

■ FY ending March 2026

Annual dividend: 90 yen (Interim: 45 yen, Year end : 45 yen, 25 yen dividend increase from 65 yen last fiscal year)

Share buyback: 3,000,000 shares/ 10 billion yen

■ Medium-term dividend policy

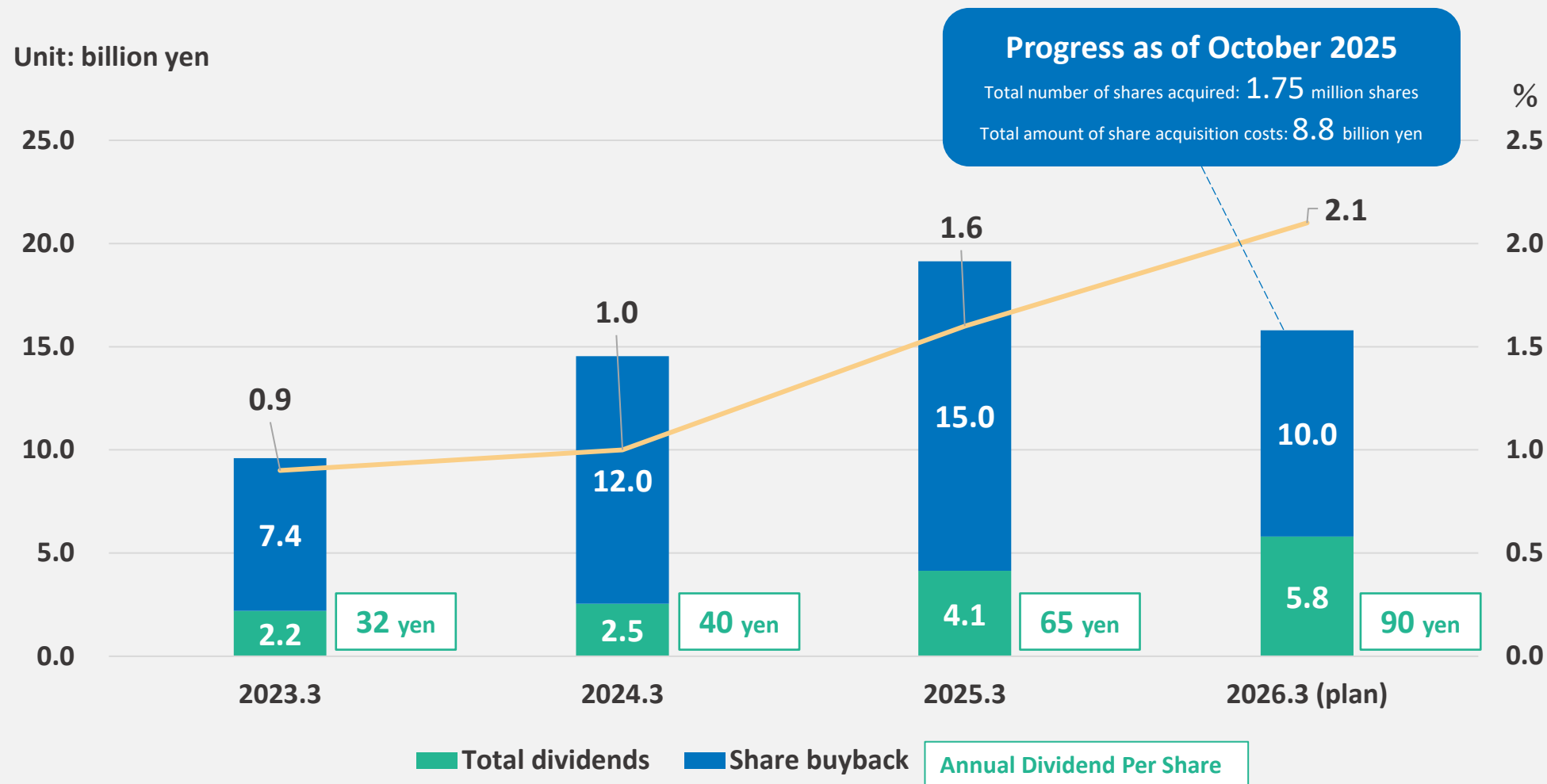
- Projected DOE of 2.1% for the fiscal year ending March 2026. Achieve the mid-term management plan's DOE target of 2%
- Aim for stable and continuous dividend increases in line with profit growth

■ Medium-term share buyback policy

- The target amount of ¥30 billion in the current mid-term management plan was achieved
- Flexibly implement share buyback while maintaining balance with total dividends, with an eye to achieving ROE of 8% and shareholder returns of 80 billion yen or more as set forth in the action plan



Trends in dividends and share buyback





Cross-shareholding

In order to improve capital efficiency and make effective use of funds, we will proceed with the sale of cross-shareholdings to achieve the following targets:

- less than 15%(March 2026)
- less than 10%(March 2029) ※Ratio to consolidated net assets

■ Status of Cross-Shareholdings (As of September 30, 2025)

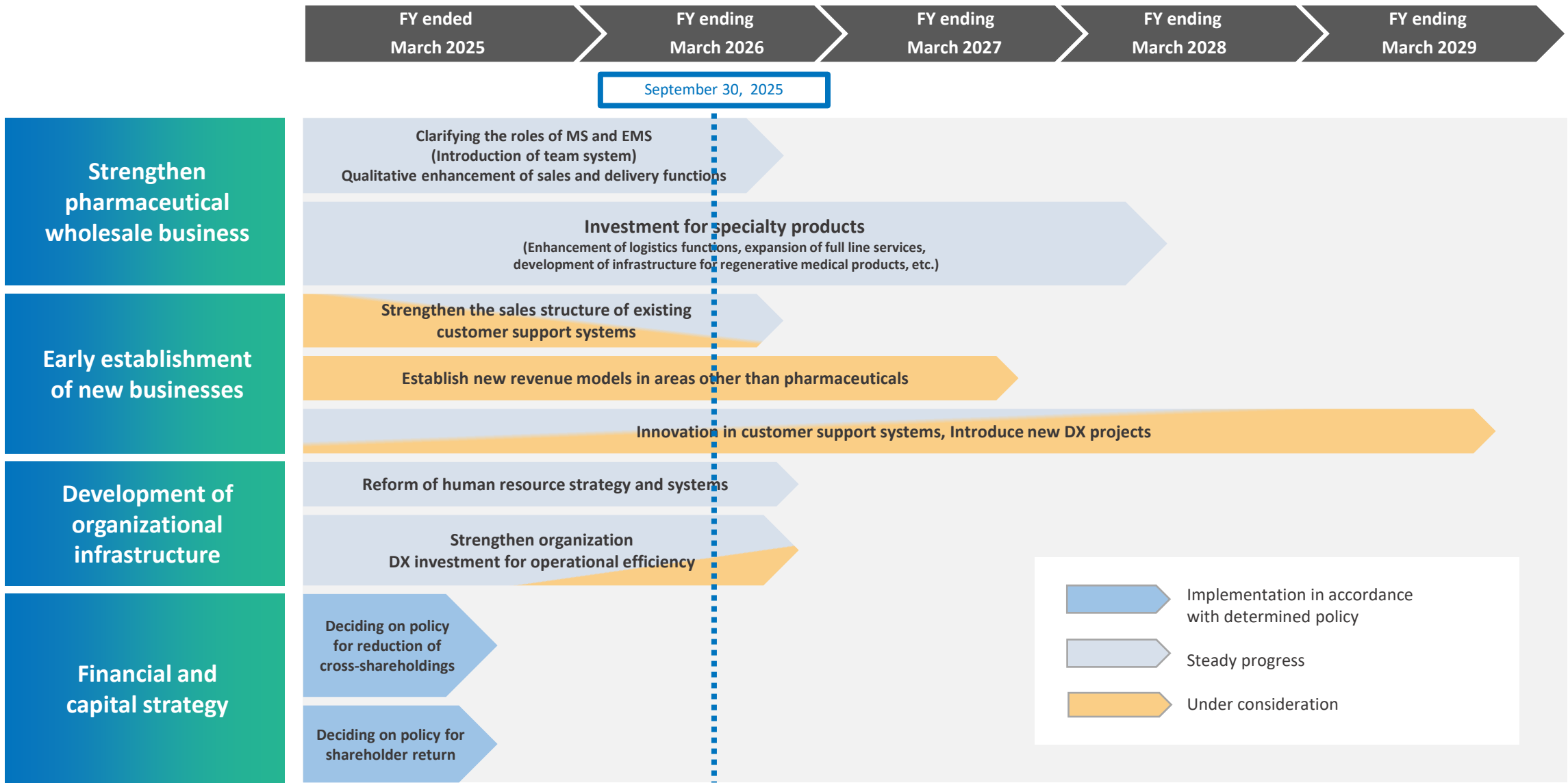
- Cross-shareholding balance: 43.5 billion yen
(Listed shares 34.1 billion yen, Unlisted shares 9.4 billion yen)
- Consolidated net assets: 266.9 billion yen
- Ratio to consolidated net assets: 16.29%

Required sales amount in the fiscal year ending March 31, 2026

to achieve the target of less than 15%: 3.4 billion yen *Estimated value as of the end of September 2025



(7) Action plan roadmap progress (As of September 30, 2025)

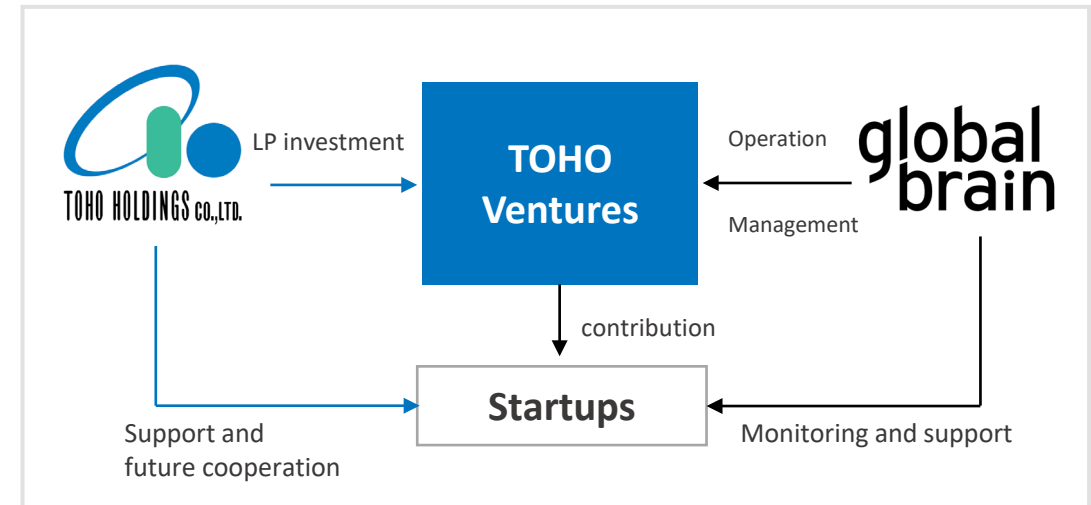




(8) Establishment of CVC fund “TOHO Ventures”

- As part of our growth strategy, we established the CVC fund "TOHO Ventures," with Global Brain Corporation, an independent venture capital firm, as the General Partner, with the aim of accelerating open innovation and creating new businesses that will lead the next generation, in addition to strengthening our existing businesses.
- The fund will mainly invest in advanced overseas startups, focusing on the fields of drug discovery and biotechnology and medical DX.
- We will actively leverage the Group’s existing assets and operate as a "Co-Creation CVC" to realize the commercialization and social implementation of our investee companies' businesses.
- Leveraging Global Brain’s existing network, we will accelerate new business creation, including the exploration of alliances with different industries.

Fund Name	TOHO Ventures (TOHO-GB Global LifeScience Fund,L.P.)
Total AUM	10 billion yen
Fund Term	10 years
Investment Focus	Drug Discovery, Medical Devices, etc.
General Partner	Global Brain Corporation
Limited Partner	TOHO HOLDINGS CO.,LTD.





(9) Management Strategy Committee

Mission

- Expedite consideration and implementation of measures to address multiple issues * identified as critical to achieving "transformation".
*Strategic alliances to maximize corporate value, reorganization of business portfolio based on profitability, business process reforms, etc.
- Confirmation of progress in the formulation of the new Medium-Term Management Plan and direction of trajectory corrections as necessary.
- Review measures without exception to maximize corporate value not only in the short term but also in the medium to long term, incorporating insights of outside directors, external experts and external advisors, and release the new Medium-Term Management Plan including measures to address critical issues in early April 2026.

Members

Representative Director, President and CEO	Hiromi Edahiro
Senior Executive Managing Director and COO	Akira Umada
Executive Managing Director and CGO	Takeo Matsutani
Director and Corporate Officer, in charge of Transformation	Shuzo Kono
Executive Corporate Officer (General Manager, Corporate Strategy Division)	Makoto Kawamura
Corporate Officer and CFO (General Manager, Administration Division)	Yasuo Sakae
Outside Director	Hidehito Kotani
Outside Director	Miho Saito
Former Astellas Pharma Inc. CCO	Yukio Matsui





(10) Introduction of a Policy Against Large-Scale Purchases Action (“Response Policy”)

Point of the Response Policy

- In response to the large-scale purchases of the Company’s share certificates, etc. by 3D Investment Partners Pte. Ltd. (hereinafter “3D”) and its attempt to acquire management control creepingly, the Company resolved and announced on October 31 the introduction of a policy against large-scale acquisitions, etc. (a so-called takeover defense measure for emergencies) aimed at safeguarding its corporate value and the common interests of Company’s shareholders.
- Should 3D attempt to execute a large-scale purchase without complying with the procedures set out in the response policy, the Company’s Board of Directors can implement countermeasures, giving the utmost respect to the opinion of the Independent Committee.
- Even if implemented, there shall be no dilution to the overall value of the Company’ shares held by general shareholders.

Reason for Introducing the Response Policy

- 3D has notified its intention to acquire enough additional the Company’s share certificates, etc. to reach a maximum of 30% of voting rights. This may further increase its influence over the Company’s management, and the Company is concerned about potential conflicts with the common interests of general shareholders.
- 3D has demanded the establishment of a strategic review committee led by 3D itself— which would exert significant influence over fundamental management decisions — and has indicated that if this demand is not met, it will request an extraordinary general meeting of shareholders be convened.
- The Company strongly fears that this proposal would enable 3D to creepingly acquire effective control of the Company’s management.

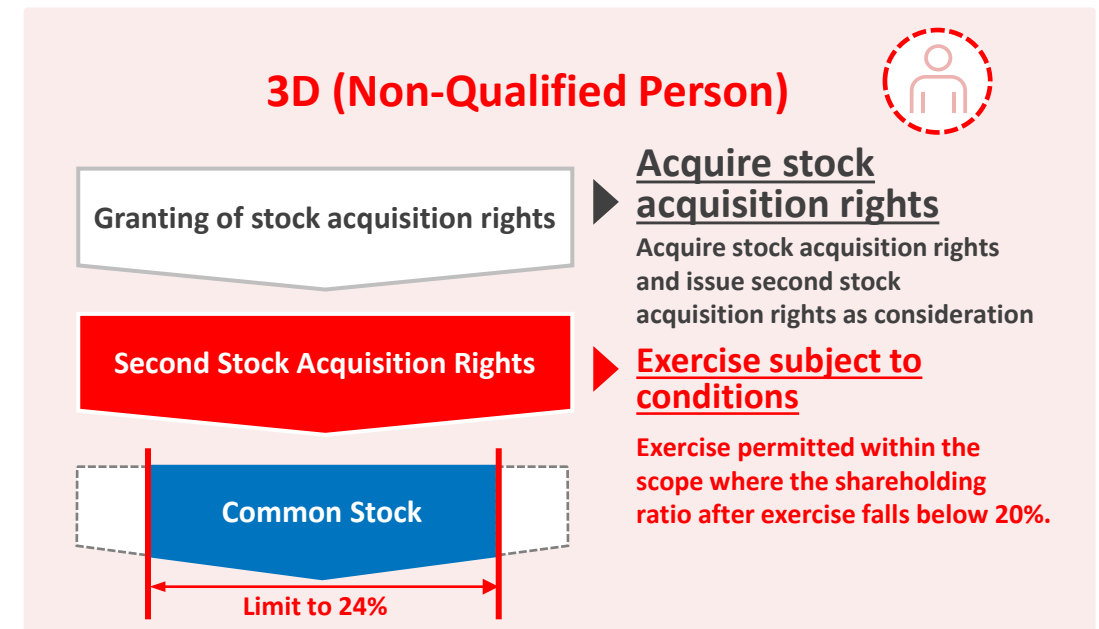
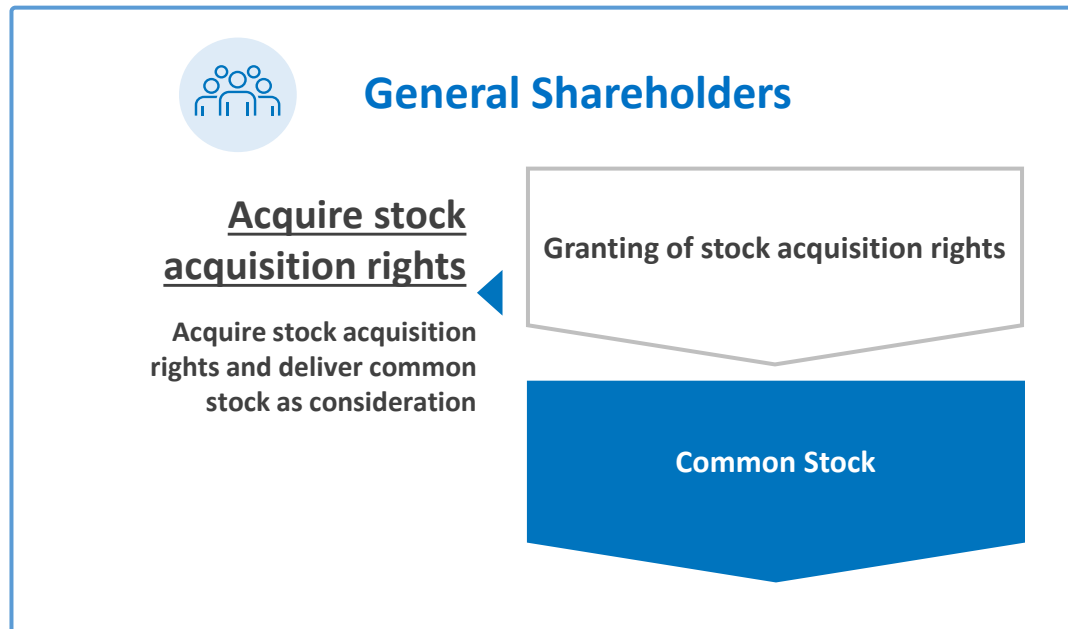


Overview of countermeasures

- Countermeasures will be implemented if the countermeasure resolution is passed at the shareholder’s intent confirmation shareholder intent and 3D does not withdraw its large-scale purchase activities.
- The Company will, by resolution of the Board of Directors, grant new stock acquisition rights free of charge to general shareholders and 3D, with differing exercise conditions and acquisition terms.
- The aggregate value of Company shares held by general shareholders will not be diluted.

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Granting of stock acquisition rights to all shareholders proportional to their shareholdings





References



Balance Sheet (Consolidated)

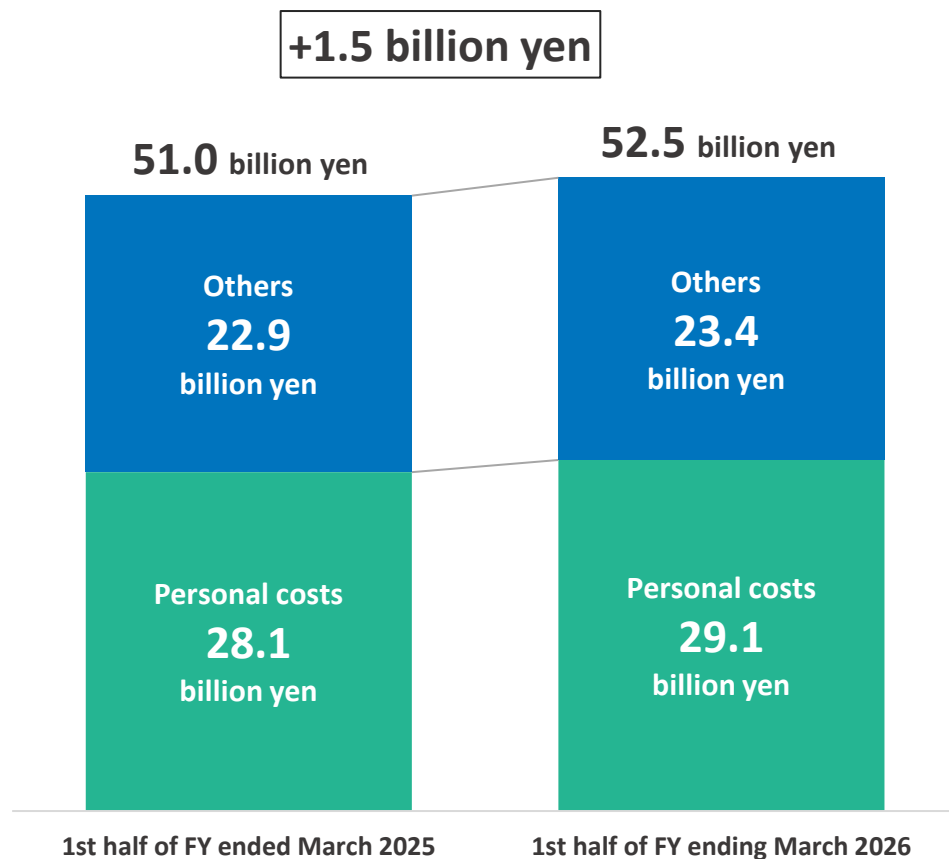
(Unit: million Yen)

	FY ended March 2025		1st half of FY ending March 2026			Major factors behind the increase or decrease
	Sum	Proportion (%)	Sum	Proportion (%)	Incr. or decr.	
Current assets	548,946	75.95	581,341	77.01	32,395	Increase in cash and deposits of 9,917 Increase in notes and accounts receivable-trade of 17,686
Non-current assets	173,858	24.05	173,516	22.99	-342	Increase in property, plant and equipment of 1,688 Decrease in investments and other assets of 2,079
Total assets	722,805	100.00	754,857	100.00	32,052	
Current liabilities	424,008	58.66	460,684	61.03	36,676	Increase in notes and accounts payable-trade of 38,454
Non-current liabilities	41,899	5.80	27,198	3.60	-14,701	Decrease in bonds payable of 11,246 Decrease in provision for loss on antimonopoly act of 4,849
Total liabilities	465,907	64.46	487,882	64.63	-21,975	
Net assets	256,897	35.54	266,975	35.37	10,078	Increase in retained earnings of 3,858 Decrease in treasury shares of 5,747(+)
Total liabilities and net assets	722,805	100.00	754,857	100.00	32,052	

SG&A (Year on Year)



<Year on Year>



Personal costs +1.03 billion yen

Pharmaceutical wholesaling business: +0.36 billion yen

Dispensing pharmacy business: +0.67 billion yen

(including +0.39 billion yen for new consolidation)

Others

+0.55 billion yen

Pharmaceutical wholesaling business: +0.57 billion yen

Commission expenses +0.46 billion yen

Non-deductible temporary paid consumption tax expense +0.19 billion yen

Research and development expenses: -0.14 billion yen

Dispensing pharmacy business: -0.02 billion yen

Newly consolidated companies: +0.29 billion yen

Existing consolidated companies: -0.31 billion yen

Reversal of allowance for doubtful accounts: -0.15 billion yen



Cash Flow

(Unit: million Yen)

	1st half of FY ended March 2025	1st half of FY ending March 2026	Major factors for 1st half of FY ending March 2026
Cash and cash equivalents at the beginning of period	128,673	78,226	
Operating activities	-10,744	25,616	Profit before income taxes: 9,112 Depreciation: 2,899 Increase in trade payables: 37,795 Increase in trade receivables: -17,166 Income taxes paid: -5,363
Investment activities	-4,590	-2,999	Payments into time deposits: -1,970 Proceeds from withdrawal of time deposits: 3,986 Purchase of property, plant and equipment: -3,540 Purchase of investment securities: -2,474
Financing activities	-10,187	-12,582	Purchase of treasury shares: -6,202 Increase in segregated deposits for purchase of treasury shares: -3,844 Dividends paid: -2,504
Cash and cash equivalents at the end of period	103,925	89,543	Increase(1st half of FY ending March 2026): 11,316

Composition of Sales by Category and Contract Rate



【Composition of sales by category】

	April 2024- September 2024	April 2025- September 2025
Drugs for premium to promote the development of new drugs and eliminate off-label use	40.0%	42.7%
Patented drugs, others	36.5%	36.8%
Long-listed original drugs	7.4%	5.9%
Generic drugs	16.0%	14.5%

【Contract rate】

	2021/9	2022/3	2022/9	2023/3	2023/9	2024/3	2024/9	2025/3	2025/9
Value Basis	95.0%	100.0%	95.4%	98.6%	95.2%	99.5%	95.1 %	99.4%	94.9%



Total commitment to good health



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