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February 7, 2025

## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: TOHO HOLDINGS CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 8129  
 URL: <https://www.tohohd.co.jp/en>  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	1,162,052	3.8	14,329	23.7	16,052	17.9	10,252	-23.9
December 31, 2023	1,119,549	5.6	11,581	3.7	13,618	1.4	13,470	41.3

Note: Comprehensive income For the nine months ended December 31, 2024: ¥ 13,590 million [9.7%]  
 For the nine months ended December 31, 2023: ¥ 12,383 million [38.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2024	161.63	145.34
December 31, 2023	207.25	186.20

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2024	820,458	259,849	31.6
March 31, 2024	773,427	249,437	32.2

Reference: Equity As of December 31, 2024: ¥259,607 million  
 As of March 31, 2024: ¥249,188 million

### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	18.00	—	22.00	40.00
Fiscal year ending March 31, 2025	—	25.00	—		
Fiscal year ending March 31, 2025 (Forecast)				40.00	65.00

Note: Revision to the forecast of cash dividends most recently announced: None

Breakdown of cash dividends for the FY ended March 2024: Commemorative dividend: 4.00yen; Ordinary dividend: 36.00yen

### 3. Consolidated financial forecast for fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate the rate of change compared with the preceding fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,492,000	1.0	18,200	-5.9	20,100	-7.7	16,900	-18.2	268.86

Note: Revision of consolidated financial forecast most recently announced: None

#### \* Notes

- (1) Significant changes in the scope of consolidation during the period: None  
 Newly included: –  
 Excluded: –
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	76,431,342 shares
As of March 31, 2024	76,431,342 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	12,514,401 shares
As of March 31, 2024	13,650,854 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	63,434,461 shares
Nine months ended December 31, 2023	64,993,543 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

#### \* Proper use of earnings forecasts, and other special matters

Any forward-looking statements contained in this report, including performance projections, are based on information currently available to the Company as well as certain assumptions that the Company determined to be rational at the time of the release of this report, and it is not intended that the Company undertake to achieve such results. Actual results may differ significantly from the projections above, due to a variety of factors.

Please refer to Explanation of Projections of Consolidated Operating Results for Fiscal Year ending March 31, 2025 on page 3 of this report (the attached document) for the suppositions on which the performance projections are based and points that have to be borne in mind for the use of such projections.

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## 1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2024

In the prescription pharmaceuticals market in the third quarter under review, the switch to generic drugs progressed with the introduction of selective treatment for long-listed products in October. On the other hand, the market experienced positive growth due to factors such as increased sales of vaccines and therapeutic drugs for the spread of influenza infection.

The Group developed the Medium-term Management Plan 2023-2025 "Create the Next Generation," for a period of three years from 2023. It set out four basic policies: (1) Business transformation, (2) Investment for growth and improvement of profitability, (3) Sustainability management, and (4) Improvement of capital efficiency and enhancement of shareholder returns. Based on these policies, we implemented specific measures to maintain sustainable growth and enhance corporate value through such means as active business alliances and digital transformation (DX). In addition, we formulated an action plan incorporating new numerical targets and a roadmap in order to enhance the effectiveness of the Medium-term Management Plan and accelerate its implementation in November 2024. Specifically, we have set goals to achieve an operating profit of at least 1.5% and ROE of at least 8% on a consolidated basis for the fiscal year ending March 31, 2029, and have identified the investments necessary to implement our business strategies and achieve our numerical targets, as well as the capital allocation to secure these funds. Furthermore, this action plan was named the Transformation Project, and a promotion system was established with the Representative Director and CEO as the project owner, and a company-wide effort was launched.

As initiatives in line with specific measures in the Medium-term Management Plan, in the pharmaceutical wholesaling business, we continued to promote joint measures by pharmaceutical MSs and reagents MSs toward the shift to the "Team System" centered on secondary medical care areas, which is targeted to start in April 2026, and also promoted the consolidation of sales bases by discontinuing the Shirakawa and Tomakomai Sales Offices in November, and integrating them into the Koriyama and Sapporo Sales Offices respectively. In addition, in order to reform the indirect departments of the head office, we reorganized the administrative departments in October 2024. Furthermore, in order to improve capital efficiency and increase shareholder returns, we will proceed with share buybacks, and in November 2024, in line with its dividend policy of "DOE of 2% by the fiscal year ending March 31, 2026," we decided to raise its year-end dividend by 15 yen from the initial forecast of 25 yen per share to 40 yen per share, for an annual dividend of 65 yen.

The Governance Enhancement Special Committee, which was established in August as an advisory committee to the Board of Directors, has been discussing and examining ways to further strengthen governance, one of the specific measures to promote sustainability management, and an interim report from the Committee was reported at the Board of Directors meeting held today, as the direction has generally become clear. We will continue to make improvements in line with this interim report. The Committee is scheduled to continue until the end of this summer.

The Company's consolidated operating results for the nine months ended December 31, 2024 recorded 1,162,052 million yen for net sales (an increase of 3.8% on a year-on-year basis), 14,329 million yen for operating profit (an increase of 23.7% on a year-on-year basis), 16,052 million yen for ordinary profit (an increase of 17.9% on a year-on-year basis), and 10,252 million yen for profit attributable to owners of parent (a decrease of 23.9% on a year-on-year basis).

The outline of business segment operating results are as follows.

In the pharmaceutical wholesaling business, we saw an impact of promotion of the use of generic drugs following the introduction of selective treatment. On the other hand, sales of vaccines increased with the start of routine vaccination with the novel coronavirus vaccine by municipalities in October 2024. In addition to the increase in sales of therapeutic drugs due to the spread of influenza infection, sales of specialty pharmaceuticals and other limited-handling products for selected wholesalers continued to grow steadily. In price negotiations with medical institutions, in order to comply with the Guidelines for the Improvement of Commercial Transaction Practices of Ethical Drugs for Manufacturers, Wholesalers, and Medical Institutions/Pharmacies that were revised in March 2024, we continued our efforts to negotiate unit prices for individual products to better reflect their individual value and distribution costs. We also worked to negotiate separately for drugs that are particularly needed for medical purposes. As a result, the pharmaceutical wholesaling business posted net sales of 1,121,371 million yen (an increase of 3.7% on a year-on-year basis) and segment profit (operating profit) of 14,262 million yen (an increase of 21.3% on a year-on-year basis) for the nine months ended December 31, 2024 under review.

In the dispensing pharmacy business, the number of prescriptions increased due to the spread of novel coronavirus and influenza infections. In addition to responding to the revision of dispensing fees, we worked to promote pharmacy DX by promoting the use of the My Number health insurance card and other measures, and to strengthen cooperation with clinics specializing in home health care in order to promote change toward contributing to home health care. As a result, net sales of the dispensing pharmacy business were 72,220 million yen (an increase of 2.6% year on year) and segment profit (operating profit) was 734 million yen (a decrease of 49.2% year on year).

In the pharmaceutical manufacturing and sales business, we launched two ingredients and three products of

generic drugs in December. In addition, we have been engaged in the stable supply of high-quality and high value-added pharmaceuticals by strictly monitoring the quality of products based on its own verification system and establishing a planned production system. As a result, the pharmaceutical manufacturing and sales business posted net sales of 8,662 million yen (an increase of 8.5% on a year-on-year basis.) and segment profit (operating profit) of 543 million yen (a decrease of 20.8% on a year-on-year basis.).

In the other peripheral businesses, net sales amounted to 5,111 million yen (an increase of 15.1% on a year-on-year basis.) and segment profit (operating profit) was 513 million yen (an increase of 98.4% on a year-on-year basis.).

(Note) Segment sales include inter-segment transactions.

## (2) Explanation of Financial Position

### (Assets)

Current assets increased 6.8% from the end of the previous consolidated fiscal year to 638,796 million yen with an increase in notes and accounts receivable-trade of 30,332 million yen, an increase in merchandise and finished goods of 16,771 million yen, and a decrease in cash and deposits of 17,261 million yen in other.

Non-current assets increased 3.5% from the end of the previous consolidated fiscal year to 181,661 million yen with an increase in investment securities of 6,567 million yen included in other under investments and other assets.

As a result, consolidated net assets increased 6.1 % from the end of the previous consolidated fiscal year, to 820,458 million yen.

### (Liabilities)

Current liabilities increased 9.2 % from the end of the previous consolidated fiscal year to 514,877 million yen with an increase in notes and accounts payable-trade of 55,611 million yen, and a decrease in income taxes payable of 5,779 million yen in other.

Non-current liabilities decreased 13.2% from the end of the previous consolidated fiscal year to 45,731 million yen with a decrease in bonds payable of 8,947 million yen in other.

As a result, total liabilities increased 7.0% from the end of the previous consolidated fiscal year, to 560,609 million yen.

### (Net assets)

Total net assets increased 4.2% from the end of the previous consolidated fiscal year to 259,849 million yen with an increase in retained earnings of 7,550 million yen, and an increase in valuation difference on available-for-sale securities of 3,326 million yen in other.

## (3) Explanation of Projections of Consolidated Operating Results for Fiscal Year ending March 31, 2025

There are no changes in the projected consolidated results of the full-term of the fiscal year ending March 31, 2025 announced in the press release "Notice Regarding the Posting of a Gain on Sale of Investment Securities (Extraordinary Income) And the Revision of the Full-year Financial Forecasts for the Fiscal Year Ending March 2025" dated January 15, 2025.

2. Quarterly Consolidated Financial Statements and Main Notes  
(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	132,970	115,708
Notes and accounts receivable-trade	338,726	369,058
Merchandise and finished goods	87,107	103,879
Raw materials and supplies	180	248
Other	39,263	50,325
Allowance for doubtful accounts	-359	-424
<b>Total current assets</b>	<b>597,888</b>	<b>638,796</b>
Non-current assets		
Property, plant and equipment	87,478	87,313
Intangible assets		
Goodwill	297	222
Other	5,339	5,655
<b>Total intangible assets</b>	<b>5,636</b>	<b>5,877</b>
Investments and other assets		
Other	83,793	89,918
Allowance for doubtful accounts	-1,369	-1,447
<b>Total investments and other assets</b>	<b>82,423</b>	<b>88,470</b>
<b>Total non-current assets</b>	<b>175,538</b>	<b>181,661</b>
<b>Total assets</b>	<b>773,427</b>	<b>820,458</b>

(Unit: million yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	438,072	493,683
Short-term borrowings	552	527
Income taxes payable	7,429	1,649
Provision for bonuses	3,681	1,872
Provision for bonuses for directors	43	33
Asset retirement obligations	—	29
Other	21,527	17,081
Total current liabilities	471,305	514,877
Non-current liabilities		
Bonds payable	22,092	13,145
Long-term borrowings	6,074	5,786
Provision for loss on guarantees	148	279
Retirement benefit liability	2,539	2,665
Asset retirement obligations	2,846	2,854
Provision for loss on Antimonopoly Act	4,849	4,849
Other	14,134	16,151
Total non-current liabilities	52,684	45,731
Total liabilities	523,990	560,609
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,649	10,649
Capital surplus	45,212	46,583
Retained earnings	209,746	217,297
Treasury shares	-30,907	-32,737
Total shareholders' equity	234,701	241,793
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,770	22,097
Revaluation reserve for land	-4,283	-4,283
Total accumulated other comprehensive income	14,486	17,813
Share acquisition rights	144	126
Non-controlling interests	104	115
Total net assets	249,437	259,849
<b>Total liabilities and net assets</b>	<b>773,427</b>	<b>820,458</b>

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
Quarterly Consolidated Statement of Income  
[Cumulative Period for the Consolidated Third Quarter]

(Unit: million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	1,119,549	1,162,052
Cost of sales	1,033,049	1,070,935
Gross profit	86,500	91,117
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors	33,500	34,377
Provision for bonuses	1,608	1,872
Provision for bonuses for directors	32	33
Retirement benefit expenses	213	251
Welfare expenses	5,832	6,047
Vehicle expenses	784	763
Provision of allowance for doubtful accounts	-156	143
Depreciation	4,414	4,034
Amortization of goodwill	202	122
Rent expenses	6,304	5,959
Taxes and dues	1,630	1,493
Non-deductible temporary paid consumption tax expense	5,013	5,129
Other	15,537	16,559
Total selling, general and administrative expenses	74,918	76,788
Operating profit	11,581	14,329
Non-operating income		
Interest income	40	67
Dividend income	945	875
Share of profit of entities accounted for using equity method	313	171
Rental income from real estate	633	613
Other	518	411
Total non-operating income	2,452	2,140
Non-operating expenses		
Interest expenses	46	32
Real estate lease expenses	135	133
Provision for loss on guarantees	—	131
Other	234	120
Total non-operating expenses	415	417
Ordinary profit	13,618	16,052



(Unit: million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Extraordinary income		
Gain on sale of non-current assets	22	4
Gain on extinguishment of tie-in shares	—	22
Other	6,902	0
Total extraordinary income	6,924	28
Extraordinary losses		
Loss on disposal of non-current assets	139	58
Impairment losses	—	33
Loss on valuation of shares of subsidiaries and associates	122	—
Other	8	10
Total extraordinary losses	269	102
Profit before income taxes	20,273	15,978
Income taxes-current	6,632	4,983
Income taxes-deferred	160	731
Total income taxes	6,792	5,714
Net profit	13,480	10,263
Profit attributable to non-controlling interests	10	10
Profit attributable to owners of parent	13,470	10,252

Quarterly Consolidated Statement of Comprehensive Income  
[Cumulative Period for the Consolidated Third Quarter]

(Unit: million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net profit	13,480	10,263
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,077	3,357
Share of other comprehensive income of entities accounted for using equity method	-19	-31
Total other comprehensive income	-1,097	3,326
Comprehensive income	12,383	13,590
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	12,373	13,579
Comprehensive income attributable to non-controlling interests	10	10

(3) Notes Concerning Quarterly Consolidated Financial Statements

(Notes Concerning Premise of a Going Business)

Not applicable.

(Notes Concerning Material Changes in Shareholders' Equity)

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Not applicable.

(Notes Concerning Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc. have been applied from the beginning of the first quarter of the fiscal year ending March 31, 2025. Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, "Revised Guidance 2022"). The change in accounting policies had no impact on the consolidated financial statements for the third quarter under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the first quarter under review. The change in accounting policies was applied retrospectively to the consolidated financial statements for the third quarter of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the third quarter of the previous fiscal year or the entire previous fiscal year.

## (Segmental Information)

I Nine months ended December 31, 2023

## 1. Information about sales and profit or loss by reportable segment

	Reportable segments					Adjustments (million yen) (Note 1)	Amount on the quarterly consolidated profit and loss statement (million yen) (Note2)
	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	Pharmaceutical Manufacturing and Sales (million yen)	Other Peripheral Businesses (million yen)	Total (million yen)		
Net Sales							
(1) Sales to external customers	1,043,989	70,355	1,800	3,405	1,119,549	—	1,119,549
(2) Inter-segment sales	37,269	9	6,184	1,035	44,498	-44,498	—
Total	1,081,258	70,364	7,984	4,440	1,164,048	-44,498	1,119,549
Segment profit	11,758	1,446	686	258	14,150	-2,568	11,581

(Note) 1. The amount of the adjustments for segment profits shows the elimination of internal transactions and unrealized profit and corporate expenses not attributable to any reportable segment.

2. The amounts for profit in the reportable segments were subsequently adjusted with the amount of operating profit on the quarterly consolidated profit and loss statement.

## 2. Information about impairment losses on non-current assets or goodwill by each business segment

Not applicable.

II Nine months ended December 31, 2024

## 1. Information about sales and profit or loss by reportable segment

	Reportable segments					Adjustments (million yen) (Note 1)	Amount on the quarterly consolidated profit and loss statement (million yen) (Note2)
	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	Pharmaceutical Manufacturing and Sales (million yen)	Other Peripheral Businesses (million yen)	Total (million yen)		
Net Sales							
(1) Sales to external customers	1,084,169	72,200	1,969	3,712	1,162,052	—	1,162,052
(2) Inter-segment sales	37,201	20	6,692	1,399	45,313	-45,313	—
Total	1,121,371	72,220	8,662	5,111	1,207,365	-45,313	1,162,052
Segment profit	14,262	734	543	513	16,054	-1,724	14,329

(Note) 1. The amount of the adjustments for segment profits shows the elimination of internal transactions and unrealized profit and corporate expenses not attributable to any reportable segment.

2. The amounts for profit in the reportable segments were subsequently adjusted with the amount of operating profit on the quarterly consolidated profit and loss statement.

## 2. Information about impairment losses on non-current assets or goodwill by each business segment

Not applicable.

## (Notes Concerning Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the third quarter of the current fiscal year are not prepared.

Depreciation (Including amortization of intangible assets excluding goodwill.) and goodwill for the third quarter of the current fiscal year are as follows.

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	4,663 million yen	4,313 million yen
Amortization of goodwill	202 million yen	122 million yen