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(Securities Code: 8129)
(Dispatch date) June 5, 2025
(Commencement date of measures for electronic provision) May 29, 2025

To Shareholders with Voting Rights:

Hiromi Edahiro
Representative Director, CEO and
CFO
TOHO HOLDINGS CO., LTD.
4-43-11, Daizawa, Setagaya-ku,
Tokyo, Japan

**NOTICE OF
THE 77TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Please be informed that the 77th Annual General Meeting of Shareholders of TOHO HOLDINGS CO., LTD. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (Matters to be Provided Electronically) is provided electronically and posted on the Company’s website on the Internet, so please access the following website and check the information.

The Company’s website
<https://ir.tohohd.co.jp/en/stock/meeting.html>

Matters to be Provided Electronically are also posted on the website of the Tokyo Stock Exchange (TSE).

TSE website (TSE Listed Company Information Service)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above TSE website (TSE Listed Company Information Service), enter “TOHO HOLDINGS” in “Issue Name (Company Name)” or the Company’s securities code “8129” (half-width) in “Code,” select “Basic Information” and then “Documents for Public Inspection/PR Information,” and check “Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting” in the “Filed information available for public inspection” section.

If you are unable to attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Thursday, June 26, 2025, which is the deadline for exercising your voting rights.

- 1. Date and Time:** Friday, June 27, 2025 at 10:00 a.m. Japan time
- 2. Place:** Tokyo Midtown Yaesu Conference, 4th floor, Main Conference
2-2-1, Yaesu, Chuo-ku, Tokyo
* Please note that the venue is different from that of last year's Annual General Meeting of Shareholders.
- 3. Meeting Agenda:**
Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 77th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 77th Fiscal Year (April 1, 2024 - March 31, 2025)

Proposals to be resolved:

- Proposal 1 :** Partial amendments to the Articles of Incorporation
- Proposal 2 :** Election of five (5) Directors (excluding those who are Audit and Supervisory Committee Members)
- Proposal 3 :** Election of one (1) Director who is Audit and Supervisory Committee Member
- Proposal 4 :** Revision of the amount of compensation for Directors (excluding those who are Audit and Supervisory Committee Members)
- Proposal 5 :** Revision of the amount of compensation for Directors who are Audit and Supervisory Committee Members

4. Decisions concerning the Convocation of the Meeting

- (1) If no indication of approval or disapproval is made on the Voting Rights Exercise Form for a proposal, it will be treated as an indication of approval.
- (2) If you exercise your voting rights, both in writing and via the Internet, etc., the exercise via the Internet, etc., will be considered to be the valid exercise of voting rights. In the case that multiple votes are received via the Internet, etc., the last vote shall be deemed valid.
- (3) If you exercise your voting rights by proxy, the proxy must be another shareholder holding voting rights. You can designate only one proxy.

The End

The following matters of those subject to measures for electronic provision are not stated in documents delivered to shareholders, in accordance with laws and regulations as well as the Company's Articles of Incorporation.

The Accounting Auditor and the Audit and Supervisory Committee have audited the documents for audits, including the following items.

1) Principal office , Status of employees , Status of major banks , Matters concerning subscription rights to shares, etc. , Outline of limitation of liability contracts , Overview of directors and officers liability insurance policy , Matters concerning Accounting Auditor , System to ensure proper execution of business and status of operation of the system" in the Business Report

2) Consolidated Statements of Changes in Shareholders Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements

3) Statement of Changes in Shareholders Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements

When you attend the meeting, please kindly submit this Notice of Convocation together with the enclosed Voting Rights Exercise Form at the reception desk.

If any of the matters subject to measures for electronic provision is modified, we will put that effect as well as matters before and after the modification on the Company's and the TSE's websites on the Internet as mentioned above.

Information about the exercise of voting rights

Attendance at the General Meeting of Shareholders

Please bring the enclosed Voting Rights Exercise Form with you and submit it to the reception desk.

Exercise of voting rights in writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by postal mail so that it reaches our shareholder register administrator no later than 5:00 p.m. on Thursday, June 26, 2025, Japan time.

Exercise of voting rights via the Internet, etc.

Please enter your vote for or against the proposals following the instructions below. Please also input it no later than 5:00 p.m. on Thursday, June 26, 2025, Japan time.

Guide to Exercising Voting Rights via the Internet, etc.

By scanning the QR Code “Smart Exercise”

You can log in to the website for exercise of voting rights without entering the voting rights exercise code or password.

(1) Please scan the QR Code printed on the bottom right of the Voting Rights Exercise Form.

(Note) “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

(2) After that, please follow the instructions on the screen and indicate your approval or disapproval.

The exercise of voting right by “Smart Exercise” is available only once.

If you wish to change your vote after exercising your voting rights, please access the PC website shown below, and then log in by entering the “voting rights exercise code” and “password” indicated on the Voting Rights Exercise Form to exercise your voting right again.

(Note) If you scan the QR code with your smartphone for the second and subsequent times, you will be transferred to the PC website.

By entering the voting rights exercise code and password

Voting Rights Exercise Website: <https://www.web54.net>

(1) Please access to the Voting Rights Exercise Website.

(2) Please enter the “voting rights exercise code” indicated on the Voting Rights Exercise Form.

(3) Please enter the “password” indicated on the Voting Rights Exercise Form.

(4) After that, please follow the instructions on the screen and indicate your approval or disapproval.

If you have any questions on how to exercise your voting rights via the Internet using a personal computer, smartphone, or mobile phone, please contact:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Telephone: 0120-652-031 (Operating hours: 9:00 a.m. to 9:00 p.m.)

(Note) Institutional investors can use the Electronic Voting System Platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Partial amendments to the Articles of Incorporation

1. Reason for the change

In order to make the number of Directors appropriate to the actual situation, Article 19, Paragraph 1 of the current Articles of Incorporation will be amended to reduce the number of Directors from the current 30 or less to 10 or less.

2. details of the change

The details of the change are as follows:

(Underlined part indicates the change.)

Current Articles of Incorporation		Proposed Amendments	
(Number of Directors)		(Number of Directors)	
Article 19	The number of Directors of the Company (excluding those who are Audit and Supervisory Committee Members) shall be <u>thirty (30)</u> or less.	Article 19	The number of Directors of the Company (excluding those who are Audit and Supervisory Committee Members) shall be <u>ten (10)</u> or less.

Proposal 2: Election of five (5) Directors (excluding those who are Audit and Supervisory Committee Members)

The term of office of all the incumbent Directors (5 persons) (excluding those who are Audit and Supervisory Committee Members) will expire upon the conclusion of this General Meeting of Shareholders.


Accordingly, the Company proposes the election of five (5) Directors (excluding those who are Audit and Supervisory Committee Members).


Furthermore, candidates for directors are selected through a discussion by the voluntary Nomination and Compensation Committee that is an advisory to the Board of Directors and a majority of whose members are Outside Directors.

No matter was particularly pointed out by the Audit and Supervisory Committee regarding this proposal.

The candidates for Directors (excluding those who are Audit and Supervisory Committee Members) are as follows:

No.		Name	Current positions and responsibilities within the Company	Attendance at the Board of Directors meetings for the current fiscal year
1	<u>Reappointment</u>	Hiromi Edahiro	Representative Director, CEO and CFO	13/13 (100%)
2	<u>Reappointment</u>	Akira Umada	Senior Executive Managing Director, COO	13/13 (100%)
3	<u>Reappointment</u>	Takeo Matsutani	Director	13/13 (100%)
4	<u>New appointment</u>	Shuzo Kono	Corporate Officer	
5	<u>New appointment</u> <u>Outside</u> <u>Independent</u>	Manako Haga		

<p>1. Hiromi Edahiro</p> <p>Reappointment</p>		<p>Date of birth: May 14, 1952 Number of shares of the Company held : 43,700 shares</p>																												
<p>Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>		<p>[Positions and responsibilities within the Company] Representative Director, CEO and CFO</p>																												
<table border="0"> <tr> <td>April 1977</td> <td>Joined Tokio Marine Fire Insurance (current Tokio Marine & Nichido Fire Insurance Co., Ltd.)</td> </tr> <tr> <td>September 1985</td> <td>Joined Tokiwa Pharmaceutical</td> </tr> <tr> <td>August 2000</td> <td>Representative Director and President of Tokiwa Pharmaceutical</td> </tr> <tr> <td>June 2012</td> <td>Auditor of the Company</td> </tr> <tr> <td>June 2015</td> <td>President and Representative Director of TOHO PHARMACEUTICAL</td> </tr> <tr> <td>June 2015</td> <td>Director of the Company</td> </tr> <tr> <td>June 2017</td> <td>Vice President and Director of the Company</td> </tr> <tr> <td>June 2019</td> <td>Director of TOHO PHARMACEUTICAL</td> </tr> <tr> <td>June 2019</td> <td>Vice Chairman of the Board and CFO, Representative Director of the Company</td> </tr> <tr> <td>June 2020</td> <td>Chairperson of the Board and Representative Director of TOHO PHARMACEUTICAL</td> </tr> <tr> <td>June 2020</td> <td>Director of the Company</td> </tr> <tr> <td>June 2022</td> <td>Director of TOHO PHARMACEUTICAL (to present)</td> </tr> <tr> <td>June 2022</td> <td>Representative Director, CFO of the Company</td> </tr> <tr> <td>June 2024</td> <td>Representative Director, CEO and CFO of the Company (to present)</td> </tr> </table>			April 1977	Joined Tokio Marine Fire Insurance (current Tokio Marine & Nichido Fire Insurance Co., Ltd.)	September 1985	Joined Tokiwa Pharmaceutical	August 2000	Representative Director and President of Tokiwa Pharmaceutical	June 2012	Auditor of the Company	June 2015	President and Representative Director of TOHO PHARMACEUTICAL	June 2015	Director of the Company	June 2017	Vice President and Director of the Company	June 2019	Director of TOHO PHARMACEUTICAL	June 2019	Vice Chairman of the Board and CFO, Representative Director of the Company	June 2020	Chairperson of the Board and Representative Director of TOHO PHARMACEUTICAL	June 2020	Director of the Company	June 2022	Director of TOHO PHARMACEUTICAL (to present)	June 2022	Representative Director, CFO of the Company	June 2024	Representative Director, CEO and CFO of the Company (to present)
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<p>Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)</p> <p>Mr. Hiromi Edahiro has a wealth of knowledge and experience as a corporate manager and has been leading the Group's management by demonstrating strong leadership to promote the measures and achieve the targets set forth in the Medium-Term Management Plan.</p> <p>We have determined that he will continue to lead the overall management of the Group and will be able to contribute to the realization of sustainable growth and improvement of corporate value of the Group, and therefore we propose his re-election as a Director.</p>																														


<p>2. Akira Umada</p> <p>Reappointment</p>		<p>Date of birth: April 16, 1965 Number of shares of the Company held : 29,100 shares</p>										
<p>Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>		<p>[Positions and responsibilities within the Company] Senior Executive Managing Director, COO [Significant concurrent positions] President and Representative Director of TOHO PHARMACEUTICAL</p>										
<table border="0"> <tr> <td>March 1986</td> <td>Joined TOHO PHARMACEUTICAL (current the Company)</td> </tr> <tr> <td>April 2009</td> <td>Corporate Officer of TOHO PHARMACEUTICAL</td> </tr> <tr> <td>July 2012</td> <td>Director of TOHO PHARMACEUTICAL</td> </tr> <tr> <td>June 2015</td> <td>Managing Director of TOHO PHARMACEUTICAL</td> </tr> <tr> <td>June 2015</td> <td>Corporate Officer of the Company</td> </tr> </table>			March 1986	Joined TOHO PHARMACEUTICAL (current the Company)	April 2009	Corporate Officer of TOHO PHARMACEUTICAL	July 2012	Director of TOHO PHARMACEUTICAL	June 2015	Managing Director of TOHO PHARMACEUTICAL	June 2015	Corporate Officer of the Company
March 1986	Joined TOHO PHARMACEUTICAL (current the Company)											
April 2009	Corporate Officer of TOHO PHARMACEUTICAL											
July 2012	Director of TOHO PHARMACEUTICAL											
June 2015	Managing Director of TOHO PHARMACEUTICAL											
June 2015	Corporate Officer of the Company											

June 2016	Senior Managing Director of TOHO PHARMACEUTICAL
June 2016	Director of the Company
June 2019	President and Representative Director of TOHO PHARMACEUTICAL (to present)
June 2019	Senior Executive Managing Director of the Company
June 2022	Senior Executive Managing Director, COO of the Company (to present)

Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)

Mr. Akira Umada oversees the overall business of the Group and, as President and Representative Director of TOHO PHARMACEUTICAL, he is promoting initiatives such as the reform of the pharmaceutical wholesaling business set forth in the Medium-Term Management Plan, utilizing his wealth of knowledge gained through his experience as the sales division manager of the pharmaceutical wholesaling business, which is the Group's core business.

We have determined that he will be able to contribute to the realization of sustainable growth and improvement of corporate value of the Group, and therefore we propose his re-election as a Director.


<p>3. Takeo Matsutani</p> <p>Reappointment</p>		<p>Date of birth: April 20, 1966 Number of shares of the Company held : 64,128 shares</p>
<p>Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>		<p>[Positions and responsibilities within the Company] Director</p>

February 1992	Joined TOHO PHARMACEUTICAL (current the Company)
June 2001	Director of TOHO PHARMACEUTICAL
June 2007	Managing Director of TOHO PHARMACEUTICAL
June 2008	Senior Managing Director of TOHO PHARMACEUTICAL
April 2009	Director of the Company (to present)
June 2013	Executive Managing Director of Kyushu Toho
June 2015	President and Representative Director of Kyushu Toho
June 2017	Vice President and Director of TOHO PHARMACEUTICAL (to present)
June 2023	Chairperson of the Board and Director of Kyushu Toho (to present)

Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)

Mr. Takeo Matsutani has extensive experience as a corporate manager, having served in key positions such as President and Representative Director at Group subsidiaries, and has been responsible for corporate planning and business development at the Company.

With his wealth of knowledge based on these experiences, he contributes to the formulation of the action plan to accelerate and make more effective the initiatives set forth in the Medium-Term Management Plan. We have determined that he will be able to contribute to the realization of sustainable growth and improvement of corporate value of the Group, and therefore we propose his re-election as a Director.

<p>4. Shuzo Kono</p> <p>New appointment</p>		<p>Date of birth: September 26, 1978 Number of shares of the Company held : 536,560 shares</p>
<p>Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>		<p>[Positions and responsibilities within the Company] Corporate officer [Significant concurrent positions] President and Representative Director of SAYWELL inc.</p>
<p>April 2001 Joined Sun Microsystems, Inc. (current ORACLE CORPORATION JAPAN) January 2005 Joined TOHO PHARMACEUTICAL (current the Company) April 2009 Joined OMWELL INC. (current SAYWELL inc.) June 2014 Corporate officer of SAYWELL inc. June 2015 Director of SAYWELL inc. June 2017 President and Representative Director of SAYWELL inc. (to present) June 2017 Director of TOHO PHARMACEUTICAL June 2021 Corporate officer of TOHO PHARMACEUTICAL (to present) June 2022 Corporate officer of the Company (to present)</p>		
<p>Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members) Mr. Shuzo Kono is responsible for promoting transformation based on the action plan formulated to accelerate and make more effective the initiatives set forth in the Medium-Term Management Plan, and is leading each of the measures. He also serves as President and Representative Director of a Group subsidiary and has a wealth of knowledge and experience as a corporate manager. We have determined that he will be able to contribute to the realization of sustainable growth and improvement of corporate value of the Group by utilizing this knowledge and experience, and therefore we propose his election as a Director.</p>		

<p>5. Manako Haga</p> <p>New appointment Outside Independent</p>		<p>Date of birth: September 2, 1963 Number of shares of the Company held : - shares</p>
<p>Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>		<p>[Significant concurrent positions] Director and HR & General Affairs of Matsui Securities Co., Ltd.</p>
<p>April 1986 Joined J.P. Morgan Trust Bank Ltd. September 1989 Joined James Kaepel Securities April 1992 Joined SG Warburg Securities Co., Ltd. May 1995 Joined Klein Oat Benson Investment Management Co., Ltd. July 1998 Joined Merrill Lynch Investment Managers, Inc. May 2002 Joined Fidelity Asset Management Co., Ltd. June 2016 Director of Fidelity Asset Management Co., Ltd. and Fidelity Securities Co., Ltd. General Manager of Finance Department and President's Office Business Manager</p>		

June 2017	Advisor of Matsui Securities Co., Ltd.
November 2017	Joined The British School in Tokyo
June 2019	Director of Matsui Securities Co., Ltd.
June 2020	Director and HR & General Affairs of Matsui Securities Co., Ltd. (to present)

Reason for the nomination as Outside Director (excluding those who are Audit and Supervisory Committee Members) and overview of expected role

Ms. Manako Haga has a wealth of knowledge and experience in finance and accounting, human resource development, and the establishment of business processes, having served as a manager of the finance division, human resources division, and corporate services division at a securities company.

We expect that she will utilize her knowledge and experience to provide advice on appropriate decision-making by the Board of Directors and highly effective supervision from an independent standpoint. Therefore, we propose her election as an Outside Director.

(Notes)


1. No special interest exists between the candidates for Directors and the Company.
2. Ms. Manako Haga is candidate for Outside Director (excluding those who are Audit and Supervisory Committee Members).
3. Ms. Manako Haga meets the requirements for an independent officer stipulated by Tokyo Stock Exchange, Inc., and if she is appointed as originally proposed, she will newly become an independent officer.
4. If Ms. Manako Haga is appointed as originally proposed, pursuant to Article 427, Paragraph 1 of the Companies Act, it is expected that the Company and each of them will enter into an agreement to limit the damage liability as referred to in Article 423, Paragraph 1 of the Companies Act to the maximum amount prescribed in laws and regulations and the Articles of Incorporation.
5. Pursuant to Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into directors and officers liability insurance with an insurance company, in which Directors are insured. An outline of the provisions of that policy is as stated in 3. Matters Concerning Company's Executives, (2) Overview of Directors and Officers Liability Insurance Policy (Matters Not Included in Delivered Documents, Page 3 of the Business Report). If a candidate for Director is appointed as originally proposed, it is expected that he or her will be one of the insured and the insurance will be renewed to the same extent next time.

Proposal 3: Election of one (1) Director who is Audit and Supervisory Committee Member

In order to further strengthen the governance system, we propose to increase the number of Directors who are Audit and Supervisory Committee Members by one (1) and to elect one (1) new Director who is an Audit and Supervisory Committee Member.

The consent of the Audit and Supervisory Committee has already been obtained in advance for this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

<p>Miho Saito</p> <p>New appointment</p> <p>Outside</p> <p>Independent</p>		<p>Date of birth: April 8, 1963</p> <p>Number of shares of the Company held : - shares</p>
<p>Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>		<p>[Significant concurrent positions]</p> <p>Outside Director (Audit and Supervisory Committee Member) of ELAN Corporation</p>
<p>April 1986</p> <p>March 1988</p> <p>November 1989</p> <p>September 1997</p>	<p>Joined Nomura Securities Co., Ltd</p> <p>Joined Credit Suisse Trust & Banking</p> <p>Joined SPARX Asset Management Co., Ltd. (current SPARX Group Co., Ltd.)</p> <p>Joined Government of Singapore Investment Corporation (GIC)</p>	

January 2006	Joined Clay Finlay Inc
November 2009	Joined United Nations Joint Staff Pension Fund
June 2024	Executive Officer of Strategy Advisors Co., Ltd
March 2025	Outside Director (Audit and Supervisory Committee Member) of ELAN Corporation (to present)

Reason for the nomination as Outside Director who is an Audit and Supervisory Committee Member and overview of expected role

Ms. Miho Saito has long been engaged in investment operations in international finance and has a wealth of knowledge and experience in investment strategy formulation and investment risk management based on capital market trends.

We expect that she will utilize her knowledge and experience in finance and capital markets to provide advice on appropriate decision-making by the Board of Directors and conduct highly effective auditing and supervision from an independent standpoint. Therefore, we propose her election as an Outside Director.

(Notes)

1. The candidates for Directors' special interest in the Company
Ms. Miho Saito concurrently serves as an Outside Director (Audit and Supervisory Committee Member) of ELAN Corporation. A consolidated subsidiary of the Company sells nursing care products to ELAN Corporation, but such transactions account for less than 1% of the Group's annual consolidated net sales.
2. Ms. Miho Saito is candidate for Outside Directors who are Audit and Supervisory Committee Members.
3. Ms. Miho Saito meets the requirements for an independent officer stipulated by Tokyo Stock Exchange, Inc., and if she is appointed as originally proposed, she will newly become an independent officer.
4. If Ms. Miho Saito is appointed as originally proposed, pursuant to Article 427, Paragraph 1 of the Companies Act, it is expected that the Company and each of them will enter into an agreement to limit the damage liability as referred to in Article 423, Paragraph 1 of the Companies Act to the maximum amount prescribed in laws and regulations and the Articles of Incorporation.
5. Pursuant to Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into directors and officers liability insurance with an insurance company, in which Directors who are Audit and Supervisory Committee Members are insured. An outline of the provisions of that policy is as stated in 3. Matters Concerning Company's Executives, (2) Overview of Directors and Officers Liability Insurance Policy (Matters Not Included in Delivered Documents, Page 3 of the Business Report). If Ms. Miho Saito is appointed as originally proposed, it is expected that her will be one of the insured and the insurance will be renewed to the same extent next time.

Proposal 4 : Revision of the amount of compensation for Directors (excluding those who are Audit and Supervisory Committee Members)

The amount of compensation of not more than 700 million yen a year for the Company's Directors (excluding those who are Audit and Supervisory Committee Members) (including that of not more than 50 million yen a year for Outside Directors) (however, a salary for an employee is not included in the compensation for an employee and Director) was approved at the 68th Annual General Meeting of Shareholders held on June 29, 2016. In consideration of the current composition of the Board of Directors and the amount of compensation paid to Directors (excluding those who are Audit and Supervisory Committee Members) in the past, we propose that the amount of compensation be set at not more than 500 million yen a year (including that of not more than 50 million yen a year for Outside Directors) (however, a salary for an employee is not included in the compensation for an employee and Director).

The Company believes that the content of this proposal is appropriate as it was determined by the Board of Directors after deliberation by the Nomination and Compensation Committee, which is an advisory body to the Board of Directors and has a majority of Outside Directors, while comprehensively taking into account the size of the Company's business, the compensation system for Directors and their payment levels, the current number of Directors and future trends, etc. No matter was particularly pointed out by the Audit and Supervisory Committee regarding this proposal.

If Proposal No. 2 is approved as made, the number of Directors (excluding those who are Audit and Supervisory Committee Members) will be five (5) (including one (1) Outside Director).

Proposal 5: Revision of the amount of compensation for Directors who are Audit and Supervisory Committee Members

The amount of compensation for Directors who are Audit and Supervisory Committee Members of the Company was resolved at the 68th Annual General Meeting of Shareholders held on June 29, 2016 as not more than 50 million yen a year, but in order to accommodate the increase in the number of Audit and Supervisory Committee Members, etc. for the purpose of further strengthening the governance system, we propose that the amount of such compensation be set at not more than 100 million yen a year.

The Company believes that the content of this proposal is appropriate as it was determined by the Board of Directors after deliberation by the Nomination and Compensation Committee, which is an advisory body to the Board of Directors and has a majority of Outside Directors, while comprehensively taking into account the size of the Company's business, the compensation system for Directors and their payment levels, the current number of Directors and future trends, etc.

If Proposal No. 3 is approved as made, the number of Directors who are Audit and Supervisory Committee Members will be four (4).

The End

(Reference) Skill Matrix for Director Candidates

We have selected the following seven items for the knowledge and experience expected from Directors in order to realize sustainable growth and medium- to long-term enhancement of the corporate value of the Group, based on the strategies set forth in the Medium-Term Management Plan and the action plan.

If Proposals No. 2 and No. 3 are approved as made, the Skill Matrix of the Board of Directors will be as follows.

Name	Position in the Company (planned)	Corporate Management	Finance & Accounting / Capital Markets	Human Resource Development / Sustainability	Legal Affairs & Risk Management	Sales Strategy / Logistics	Business Development / DX	Knowledge of Pharmaceutical Administration and Policy
Hiromi Edahiro	Representative Director, President and CEO							
Akira Umada	Senior Executive Managing Director and COO							
Takeo Matsutani	Executive Managing Director and CGO*							
Shuzo Kono <small>New appointment</small>	Director and Corporate Officer, in charge of Transformation							
Manako Haga <small>New appointment</small>	Outside Director							
Yoshiaki Kamoya	Outside Director Audit and Supervisory Committee Member							
Hidehito Kotani	Outside Director Audit and Supervisory Committee Member							

Chie Goto	Outside Director Audit and Supervisory Committee Member							
Miho Saito <small>New appointment</small>	Outside Director Audit and Supervisory Committee Member							

* Chief Governance Officer

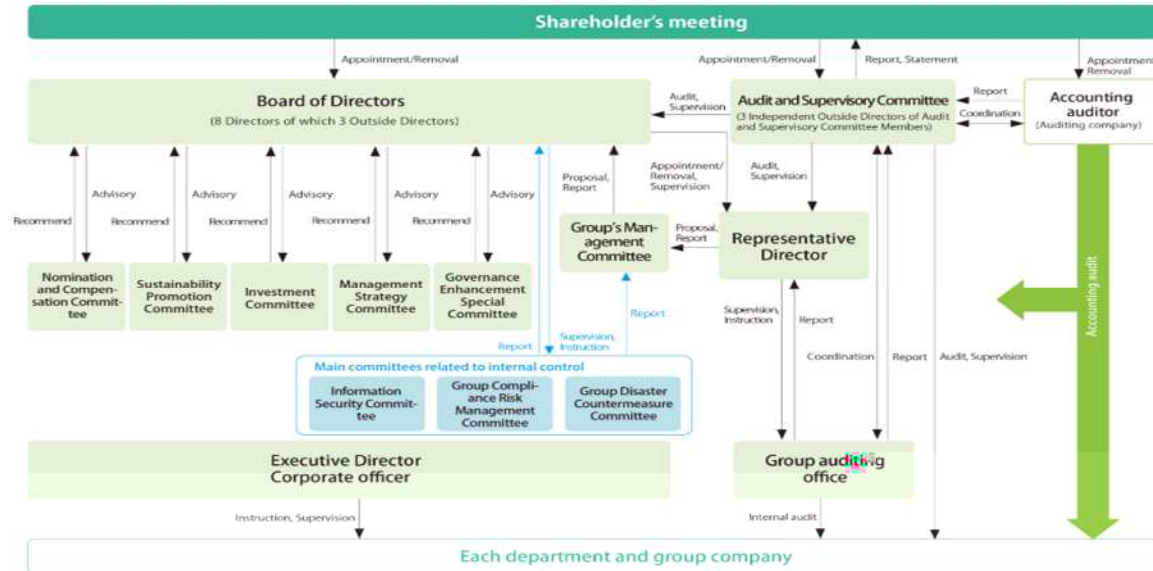
[Reasons for selecting skills]

skills	Reason for selection
Corporate Management	We believe that a wide range of knowledge and experience in corporate management is necessary to formulate and implement growth strategies from a medium- to long-term perspective in the midst of significant changes in the market environment.
Finance & Accounting / Capital Markets	We believe that a wide range of knowledge and experience in finance, accounting and capital markets is necessary to realize sustainable growth investment and shareholder returns aimed at increasing corporate value while improving capital efficiency and securing a stable financial base.
Human Resource Development / Sustainability	Human Resource Development: With the Medium-Term Management Plan calling for maximizing the value of human capital, we believe that knowledge and experience in human resource development are necessary to provide appropriate advice and supervision when implementing and promoting human resource development and personnel system reform. Sustainability: We believe that knowledge and experience in the sustainability and ESG fields are necessary to achieve the “qualitative improvement of sustainability management” set forth in the action plan formulated based on the Company’s Medium-Term Management Plan.
Legal Affairs & Risk Management	In order to increase corporate value as a sustainable company, it is important to develop and enhance the governance system and strengthen the risk management system, which form the basis for this. To this end, we believe that knowledge and experience in legal affairs and risk management are necessary.
Sales Strategy / Logistics	Sales Strategy: In order to co-create new value through the provision of unique services, it is important to strengthen our ability to understand customer needs and to provide added value. We believe that a wide range of knowledge and experience in sales strategy is necessary to accurately grasp current issues and their impact on market changes, and to appropriately advise and supervise the Group’s sales strategies and policies. Logistics: As a company that handles life-related products, we believe that "safe and secure pharmaceutical distribution" is our mission, and that knowledge and experience in logistics are necessary to formulate, advise, and supervise appropriate logistics strategies.
Business Development / DX	In order to enhance the Group's corporate value over the medium to long term, it is important to establish new businesses as early as possible, reform existing businesses, and improve operational efficiency. We believe that knowledge and experience in business development and DX are necessary to implement and promote these initiatives.
Knowledge of Pharmaceutical Administration and Policy	We believe that in the complex market environment of the pharmaceutical industry, where national systems play a major role, knowledge and experience in pharmaceutical administration and policy are necessary to achieve sustainable growth and increase corporate value over the medium to long term.

(Reference) Corporate Governance System

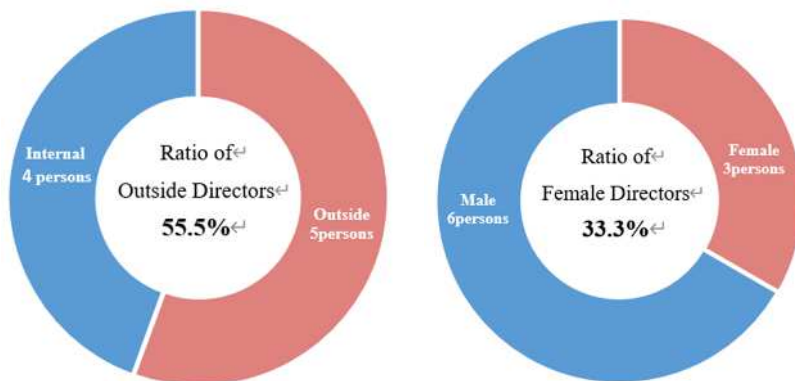
From the perspective of enhancing corporate governance by strengthening the supervisory function of the Board of Directors, the Company has adopted the management structure of a company with Audit and Supervisory Committee to enhance the functions of Outside Directors who do not execute business themselves and to increase corporate value over the medium term.

Three (3) of the Company's eight (8) Directors are appointed as Outside Directors (all three are Audit and Supervisory Committee Members) in an effort to strengthen management supervisory functions.



[Composition of the Board of Directors]

If Proposals No. 2 and No. 3 are approved as made, the composition of the Board of Directors will be as follows.



(Attachment)

Business Report

[from April 1, 2024 to March 31, 2025]

1. Current Situation of the Corporate Group

(1) Business Conditions for the Current Fiscal Year

1) Business Progress and Results

During the fiscal year under review, the prescription pharmaceuticals market continued to be affected by the promotion of measures to curb medical costs, including NHI drug price revisions implemented in April 2024, which lowered NHI drug prices by 4.67% on a drug cost basis, and an accelerated switch to generic drugs following the introduction of selective treatment for long-listed products in October 2024. As for COVID-19, public funding for medical expenses ended in March 2024 and the general distribution of the vaccines started in April 2024.

The Group saw consolidated net sales increase from the previous year mainly because sales of specialty pharmaceuticals and other limited-handling products for selected wholesalers continued to perform well, despite lower sales of COVID-19 drugs and reagents. 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). Furthermore, in order to enhance the effectiveness of the Medium-Term Management Plan and accelerate its implementation, we established the Management Strategy Committee in April 2024, verified our profit growth strategy, and formulated an action plan incorporating new numerical targets and a roadmap in November 2024.

Based on the Medium-Term Management Plan and its action plan, the following specific initiatives are being steadily implemented.

In our core pharmaceutical wholesaling business, we promoted joint measures by pharmaceutical marketing specialists (MSs) and reagents MSs as well as the consolidation of sales bases toward the shift to the "Team System" centered on secondary medical care areas, which is targeted to start in April 2026. We have also begun offering the Kyoso Mirai Portal, which provides at-a-glance information on past order history, delivery schedule, stockout, etc., with a view to improving the work efficiency of our sales staff and the convenience of medical institutions, pharmacies and other customers.

In order to establish a competitive advantage in the handling of specialty products, which are expected to grow, we accepted distribution of Sakracy®, a regenerative medical product from CynosBio, Inc., and invested in the same company to support its business development and increase its production capacity. With an eye to expanding the handling of specialty products, we also entered into a capital and business alliance with WACON Co., Ltd., which manufactures and sells logistics equipment, including constant-temperature transportation containers for pharmaceuticals. Furthermore, aiming to expand our full-line services for specialty products, we opened the Haneda Packaging Center as a secondary packaging facility for KYOSOMIRAI PHARMA's pharmaceuticals in the same facility as TBC^(Note 1) DynaBASE. By integrating the CDMO (contract development and manufacturing organization) functions, manufacturer warehousing functions, and wholesale warehousing functions in TBC DynaBASE, we will build an efficient one-stop supply chain and realize strict temperature control and vibration risk reduction required for some specialty pharmaceuticals and orphan drugs, thereby contributing to the quick and stable supply of pharmaceuticals to medical institutions and patients.

In a bid to design community healthcare and evolve customer support business, we have formed a business alliance with PHARUMO, Inc., which is engaged in the ICT business for pharmacies, and began offering its cloud-based picking audit system EveryPick.

Moreover, in order to improve the quality and productivity of distribution, we have introduced new delivery terminals and a planned delivery system to streamline and improve the efficiency of delivery operations. This makes it possible to visualize the delivery status and formulate an optimal delivery schedule. In addition, we have formed a strategic business alliance with Blue innovation Co., Ltd., which develops and provides DX solutions that utilize drones and robots, to establish a new delivery method, and began studying the establishment of a stable delivery system for pharmaceuticals and medical devices to areas hit by a large-scale

disaster, remote areas, and inaccessible areas. We have also formed a strategic partnership with T2 Inc., and have begun R&D into the potential of autonomous trucks for pharmaceutical distribution and more seamless transportation.

Regarding shareholder returns, based on our dividend policy of DOE (dividend on equity) of at least 2% by the fiscal year ending March 31, 2026, we increased our annual dividend per share by 25 yen from the previous year to 65 yen. As for the capital policy, we repurchased 15 billion yen of treasury stock and cancelled all shares repurchased. We have been continuously reducing our cross-shareholdings. As of March 31, 2025, the ratio of cross-shareholdings to net assets was 16.2%.

In the area of sustainability management, in order to conduct responsible procurement activities based on a relationship of trust with our suppliers, we have formulated and announced the Group's Procurement Policy and established the Purchasing Management Department to address issues in the Group's purchasing activities. Additionally, 13 Group companies participated in the Declaration of Partnership Building to promote coexistence and co-prosperity with our suppliers in the entire supply chain.

Furthermore, in August 2024, the "Governance Enhancement Special Committee" was established as an advisory body to the Board of Directors to further strengthen governance. The Committee is composed of members independent of the Company who have expertise in legal, financial and corporate management fields. It has been discussing the Group's overall governance issues, including compliance and risk management, as well as improvement measures from an objective and professional perspective for several months. An interim report was submitted by the Committee in February 2025, and a final report is scheduled to be submitted this summer. Based on this interim report, the Group established in April 2025 the "Compliance Promotion Department" and the "Group Governance Department" and is taking immediate action to address issues that require improvement.

The Company's consolidated operating results for fiscal year ended March 31, 2025 recorded 1,518,495 million yen for net sales (an increase of 2.8% on a year-on-year basis), 18,936 million yen for operating profit (a decrease of 2.0% on a year-on-year basis), 20,716 million yen for ordinary profit (a decrease of 4.9% on a year-on-year basis), and 19,844 million yen for net income attributable to owners of the parent (a decrease of 3.9% on a year-on-year basis).



Pharmaceutical wholesaling business

In the pharmaceutical wholesaling business, we saw an impact of decreasing demand for COVID-19 drugs and reagents and 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, sales of specialty pharmaceuticals and other limited-handling products for selected wholesalers continued to be strong, driving overall sales. 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. In the area of customer support systems, we have been working to propose new products and services, such as simplified MIZAR and Byouin-Navi PR services, closely examining market needs and future prospects, focusing on high-value-added products, and promoting more efficient resource allocation, thereby optimizing our product portfolio to achieve further growth in the overall business.

As a result, the pharmaceutical wholesaling business posted net sales of 1,463,520 million yen (an increase of 2.7% on a year-on-year basis) and segment profit (operating profit) of 19,033 million yen (a decrease of 2.2% on a year-on-year basis) for the consolidated fiscal year under review.



Dispensing pharmacy business

In the dispensing pharmacy business, in order to implement the transformation of the dispensing pharmacy business, which is a key measure of the Medium-term Management Plan, we pressed ahead with the reorganization of operating companies. Consequently, the number of dispensing pharmacy companies of PharmaCluster decreased from 24 at the end of March 2024 to 11 by April 1 this year, and the reorganization in East Japan is almost complete. We also opened and closed pharmacies with an emphasis on profitability. 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. However, due to the occurrence of temporary expenses associated with the integration of subsidiaries and an increase in personnel expenses, net sales were 95,553 million yen (an increase of 1.9% on a year-on-year basis) and segment profit (operating profit) was 852 million yen (a decrease of 44.9% on a year-on-year basis).



Pharmaceutical manufacturing and sales business

In the pharmaceutical manufacturing and sales business, the Group 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. In addition, in the same facility as TBC DynaBASE, we opened the Haneda Packaging Center as a secondary packaging facility for prescription pharmaceuticals that can conduct inspection, packaging, and storage of vial products containing cryogenic or antibody drugs. We are preparing to accept orders from pharmaceutical manufacturers starting this fall.

The pharmaceutical manufacturing and sales business posted net sales of 11,459 million yen (an increase of 8.2% on a year-on-year basis.) and segment profit (operating profit) of 729 million yen (a decrease of 3.5% on a year-on-year basis.).



Other peripheral businesses

In the other peripheral businesses, net sales amounted to 6,850 million yen (an increase of 11.4% on a year-on-year basis.) and segment profit (operating profit) was 655 million yen (an increase of 46.2% on a year-on-year basis.).

(Note) 1. TBC is the abbreviation for Toho Butsuryu Center (Toho Distribution Center).

2. Segment sales include inter-segment transactions.

Net sales in each segment

The net sales in each segment for the consolidated fiscal year under review was as follows:

Segment	Amount (million yen)	Composition ratio (%)	Increase/decrease compared to the previous fiscal year (%)
Pharmaceutical wholesaling business	1,415,289	93.2	2.9
Pharmaceuticals	1,244,467	/	/
Reagents	72,062		
Others	98,759		
Dispensing pharmacy business	95,531	6.3	1.9
Pharmaceutical manufacturing and sales business	2,615	0.2	7.1
Other peripheral business	5,059	0.3	7.6
Total	1,518,495	100.0	2.8

(Note) Sales represent sales to external customers.

2) Status of Capital Investment

The Group's capital investment totaled 6,402 million yen, of which major investments were the establishment and renovation of sales bases in the pharmaceutical wholesaling business and the establishment of the Haneda Packaging Center in the pharmaceutical manufacturing and sales business.

3) Status of Fund Procurement

No funds were procured through capital increase or bond issuance in the consolidated fiscal year under review.

(2) Status of Assets and Profits and Losses

1) Trends of the Status of Business Performance and Assets of the Corporate Group

Item	The 74th fiscal year (End of March FY22)	The 75th fiscal year (End of March FY23)	The 76th fiscal year (End of March FY24)	The 77th fiscal year (Consolidated fiscal year under review) (End of March FY25)
Net sales (million yen)	1,266,171	1,392,117	1,476,712	1,518,495
Ordinary income (million yen)	18,182	19,176	21,787	20,716
Net income attributable to owners of the parent (million yen)	13,379	13,630	20,657	19,844
Net income per share	189.70 yen	196.70 yen	681.14 yen	313.20 yen
Total assets (million yen)	702,376	715,288	773,427	722,805

(Note) Since the 76th term, the Company has changed the method of presenting revenues from information service fees, etc., to be included in net sales, not in non-operating income, and for the 75th term, figures reflecting that change are stated.

2) Trends of the Status of Business Performance and Assets of the Company

Item	The 74th fiscal year (End of March FY22)	The 75th fiscal year (End of March FY23)	The 76th fiscal year (End of March FY24)	The 77th fiscal year (Consolidated fiscal year under review) (End of March FY25)
Net sales (million yen)	7,308	13,039	12,515	15,597
Ordinary income (million yen)	2,080	7,260	4,883	7,648
Net income (million yen)	4,014	9,655	13,118	13,866

2) Status of Material Subsidiaries (Consolidated Subsidiaries)

Company name	Capital (million yen)	The Company's percentage of equity participation (%)	Principal business
TOHO PHARMACEUTICAL	300	100.00	Pharmaceutical wholesaling
Kyushu Toho	522	100.00	Pharmaceutical wholesaling
SAYWELL	95	100.00	Pharmaceutical wholesaling
Koyo	72	100.00	Pharmaceutical wholesaling
SQUARE-ONE	100	100.00	Leasing of real estate properties
Toho System Service	10	100.00	Information processing business
Pharma Cluster	10	100.00	Management services for dispensing pharmacy business companies
Pharma-Daiwa	100	100.00	Operation of dispensing pharmacies
J. Mirai Medical	100	100.00	Operation of dispensing pharmacies
Pharma Mirai	50	100.00	Operation of dispensing pharmacies and small-lot wholesaling of pharmaceuticals
Seiko Medical Brain	30	100.00	Operation of dispensing pharmacies
Strelitzia	25	100.00	Operation of dispensing pharmacies
VEGA PHARMA	10	100.00	Operation of dispensing pharmacies
Aobado	3	100.00	Operation of dispensing pharmacies
Kosei	3	100.00	Operation of dispensing pharmacies
KYOSOMIRAI PHARMA	199	100.00	Manufacture and sales of pharmaceuticals
Tokyo Research Center of Clinical Pharmacology	401	100.00	SMO
ALF	90	91.49	Manufacture and marketing of information processing equipment
Nextit Research Institute	20	100.00	Software development and sales, corporate and medical management consulting
eKenkoshop	50	90.05	Internet business relates to a pharmaceutical
eHealthcare	79	95.80	Provision of business relates to medical information

(Note) The Company's percentage of equity participation includes indirect ownership.

(4) Challenges to be Addressed

Setting “Total Commitment to Good Health” as our corporate slogan and under the mission statement, “We shall live in harmony with society and our customers; together, we shall create new values through the provision of original service; and we shall contribute to the medical care and well-being of people around the world”, the Group always places ultimate priority on people who wish to be healthy, makes efforts to create customer value in order to increase customer satisfaction, and aims to improve corporate value and establish a corporate brand in the market.

Aiming to develop and maintain sustainable social security systems amidst the extending healthy life expectancy, a super-aging society, and decrease in the total population in Japan, various measures have been introduced to curb medical costs, including an annual revision of NHI drug prices and charging patients who opt for brand-name drugs (long-term listed drugs) rather than cheaper generic drugs (selective treatment) an additional fee. In addition, efforts are being made to promote medical DX and build a Community-based Integrated Care System in order to ensure that citizens can receive high-quality medical services and care. In recent years, there have been many new expensive drugs that require strict control, such as gene therapy pharmaceuticals and regenerative medical products, and so the pharmaceutical modality has changed significantly. Accordingly, it has become necessary to establish sales and logistics systems that can respond to the diversity of pharmaceutical and other products.

Amid these accelerating changes in the environment surrounding the medical and pharmaceutical industries, we formulated in May 2023 the Medium-Term Management Plan 2023-2025 "Create the Next Generation" with FY2025 as the final year to continue to be a company that provides added value to stakeholders, including medical institutions and people who desire good health, and contributes to society in the next generation. In November 2024, we drew up an action plan to enhance the effectiveness of the Medium-Term Management Plan. We are steadily advancing initiatives in accordance with the roadmap. In addition, with the aim of achieving stable and long-term corporate growth and a sustainable society, the Group identifies issues in the areas of the environment, society, governance, and compliance, and promotes sustainability management to resolve them. As a company responsible for the distribution of pharmaceuticals and other products, we regard coping with both environmental conservation and business activities as our most important issue. Therefore, we have set short-, medium-, and long-term reduction targets for greenhouse gas emissions and are working on improving *100% of our products to be carbon neutral by FY2030.

(5) Principal Business (as of March 31, 2025)

Segment	Principal business
Pharmaceutical wholesaling business	Sales of pharmaceuticals, narcotic drugs, regents, etc.,*m

(Reference) Matters concerning shares held by the Company

Comprehensively taking into account a management strategy, building, maintenance and strengthening of relations with business connections and other matters, the Company holds shares that it finds to contribute to enhancement of the Group's corporate value from a medium- to long-term point of view.

The Company regularly reviews the appropriateness of holding those shares in such a way as minutely examining whether an advantage, etc., to holding the shares of each of the companies meets the Company's policy and selling the shares of any of the companies if it does not find holding of them appropriate.

With regard to cross-shareholdings, we are continuously reducing them after sufficient dialogue with the companies in our business partners, and aims to reduce our holdings to less than 15% of net assets as of the FY ending March 2026 and to less than 10% as of the FY ending March 2029.

According to the policy, in the fiscal year under review, the Company sold shares of 7,923 million yen.

Status of cross-shareholdings

	The 73rd fiscal year (End of March FY21)	The 74th fiscal year (End of March FY22)	The 75th fiscal year (End of March FY23)	The 76th fiscal year (End of March FY24)	The 77th fiscal year (Consolidated fiscal year under review) (End of March FY25)
Ratio to net assets	29.0	23.2	20.7	19.5	16.2
Total of the amounts recorded on balance sheet (million yen)	68,833	55,900	50,368	48,765	41,583

- (Notes) 1. The above amounts include unlisted shares.
2. The Company does not have any shares deemed to be held.

Changes in Amount of Shares Sold and Number of Issues Sold

	The 73rd fiscal year (End of March FY21)	The 74th fiscal year (End of March FY22)	The 75th fiscal year (End of March FY23)	The 76th fiscal year (End of March FY24)	The 77th fiscal year (Consolidated fiscal year under review) (End of March FY25)
Number of issues	16	15	12	12	4
Amount (million yen)	7,391	5,195	5,808	13,188	7,923

- (Notes) Including a partial sale.

3. Matters Concerning Company's Executives

(1) Status of Directors (as of March 31, 2025)

Name	Position and areas of responsibility within the Company	Significant concurrent positions
Hiromi Edahiro	Representative Director, CEO and CFO	
Akira Umada	Senior Executive Managing Director, COO	President and Representative Director of TOHO PHARMACEUTICAL

Name	Position and areas of responsibility within the Company	Significant concurrent positions
Takeo Matsutani	Director	
Masami Tada	Director, General Manager of Pharmaceutical Affairs Headquarters	
Kentarō Murakawa	Director, in charge of Pharmaceutical Manufacturing and Sales Business	

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on whether or not to implement and the allocation thereof within the scope of the remuneration limit resolved at the general meeting of shareholders.

III. Policy on determining the ratio of the amount of remuneration for each individual director such as base remuneration (monetary remuneration) and non-monetary remuneration

The payment ratio of remuneration, etc. for each individual director shall be the most appropriate ratio in order to contribute to the sustainable growth of the Company and the improvement of corporate value over the medium to long term.

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Restricted stock (RS) shall be granted according to the position with the aim of providing an incentive to continuously improve the Company's corporate value and to promote value sharing with shareholders.

4. Matters concerning the determination of the content of compensation, etc. for individual Directors
Compensation for individual Directors (excluding those who are Audit and Supervisory Committee Members) shall be determined by the Board of Directors after deliberation by the Nomination and Compensation Committee.

In the event of revision of the determination policy, the details shall be deliberated by the Nomination and Compensation Committee prior to the resolution of the Board of Directors.

- 2) Matters concerning the Resolution of General Meetings of Shareholders on Remuneration, etc. of Directors

The Company distinguishes the remuneration, etc. to the Directors (excluding those who are Audit and Supervisory Committee Members) from the remuneration, etc. to the Directors who are Audit and Supervisory Committee Members. At the 68th General Meeting of Shareholders held on June 29, 2016, a resolution was passed to the effect that the maximum amount of the remuneration to the Directors (excluding those who are Audit and Supervisory Committee Members) and to the Directors who are Audit and Supervisory Committee Members should be “no more than 700 million yen per year” (of which, the remuneration to the Outside Directors should be no more than 50 million yen) (excluding, however, employee salaries) and “no more than 50 million yen per year”, respectively. As of the end of the said general meeting of shareholders, the number of Directors (excluding those who are Audit and Supervisory Committee Members) was 16 (of which, three (3) were outside directors) and that of Directors who are Audit and Supervisory Committee Members was three (3) (of which, two (2) were outside directors).

With the aim of giving even more incentive to undertake sustainable enhancement of the Company's corporate value and of further promoting value-sharing with shareholders, at the 69th General Meeting of Shareholders held on June 29, 2017, a resolution was passed to introduce restricted stock compensation that shall be no more than 55 million yen per year (out of this amount, the amount of remuneration to Outside Directors shall be no more than 5 million yen per year), to the extent of the amount of remuneration, etc. to the Directors (excluding those who are Audit and Supervisory Committee Members). As of the end of the said general meeting of shareholders, the number of Directors (excluding those who are Audit and Supervisory Committee Members) was 16 (of which, three (3) were outside directors).

At the 76th Annual General Meeting of Shareholders held on June 27, 2024, a resolution was passed to revise the restricted stock compensation plan and partially change the content of compensation for granting restricted stock. As of the conclusion of said Annual General Meeting of Shareholders, the number of Directors (excluding those who are Audit and Supervisory Committee Members) was six (6).

- 3) Matters concerning the delegation for determining the details of remuneration, etc. for each individual director

Determination of the content of individual remuneration of Directors is delegated to Representative Directors in order to evaluate the roles and contributions of each Director while overlooking the Company's overall performance. To ensure that the delegated authority is appropriately exercised, multiple directors appointed by Representative Directors hold consultations, and Representative Directors make decisions through consultation based on the resolution by the Board of Directors. Since the amounts of remunerations for individual director are determined through the policy for determining remuneration, etc. and such procedures, the Board of Directors judges that their details are in line with the Policy.

The Board of Directors has determined that the content of the remuneration is in line with the decision-making policy, as the amount of remuneration for each individual Director is determined through the policy for determining remuneration, etc. and the relevant procedures.

- 4) Total Amount of Remuneration, etc. to Directors

Directors' Category	Total amount of remuneration, etc. (million yen)	Types of remuneration, etc. (million yen)			Number of Directors
		Monthly remuneration	Directors' bonuses	Restricted stock compensation	
Directors (excluding those who are Audit and Supervisory Committee Members) (of which Outside Directors)	328 (-)	271 (-)	20 (-)	36 (-)	6 (-)
Directors who are Audit and Supervisory Committee Members (of which Outside Directors)	50 (50)	47 (47)	3 (3)	- (-)	4 (4)
Total (of which Outside Directors)	378 (50)	318 (47)	23 (3)	36 (-)	10 (4)

- (Notes) 1. The total amount of remuneration, etc., of the Directors excludes employee salaries paid to the persons who hold both the position of Director and the position of employee.
2. Both the amount of bonus for directors and the amount of restricted stock compensation for directors were posted as expenses for the fiscal year under review.
3. The table above includes one (1) Director who was an Audit and Supervisory Committee Member and resigned at the conclusion of the 76th Annual General Meeting of Shareholders held on June 27, 2024 and one (1) Director who was not an Audit and Supervisory Committee Member and left office on November 8, 2024.

(3) Matters Concerning Outside Officers

Relationship between the Company and Significant Entities where Outside Officers Hold Concurrent Posts and Main Activities during the Fiscal Year under Review

Name	Title	Attendance status		Relationship between the Company and Significant Entities where Outside Officers Hold Concurrent Posts and Main Activities
		Board of Directors meetings	Audit and Supervisory Committee meetings	
Yoshiaki Kamoya	Outside Director (Audit and Supervisory Committee Member)	13/13 (100%)	7/7 (100%)	<p>He contributes to the appropriate and effective supervision and decision-making of the Board of Directors by leveraging his extensive experience as a manager of the business administration division and his deep insight into pharmaceutical administration based on his experience in key positions in industry organizations.</p> <p>Also, as a member of the Nomination and Compensation Committee, he actively provides opinions and recommendations from an independent standpoint in the selection of candidates for Directors and in discussions regarding Director compensation. As Chairperson of the Audit and Supervisory Committee, he leads cooperation with audit divisions, including those of Group subsidiaries, and expresses his opinions from a viewpoint to secure the legality and appropriateness of decision-making regarding business execution by the Company and to observe and supervise the Company's management.</p>
Hidehito Kotani	Outside Director (Audit and Supervisory Committee Member)	13/13 (100%)	7/7 (100%)	<p>Leveraging his wealth of knowledge in the pharmaceutical, medical device, and medical IT industries and his broad insight as a corporate manager, he contributes to the appropriate and effective supervision and decision-making of the Board of Directors. In addition, as Chairperson of the Nomination and Compensation Committee, he leads the selection of candidates for Directors and discussions regarding Director compensation, and actively provides opinions and recommendations from an independent standpoint. At Audit and Supervisory Committee meetings, he expresses his opinions from a viewpoint to secure the legality and appropriateness of decision-</p>

				<p>making regarding business execution by the Company and to observe and supervise the Company's management. Furthermore, as a member of the Governance Enhancement Special Committee, he makes accurate and useful recommendations from the perspective of corporate management.</p> <p>Moreover, he has assumed the posts of a representative member of Frederick Research GK and a representative director of Novocure Corporation. In this respect, there are no special interests between companies at which he holds important posts and the Company.</p>
Chie Goto	Outside Director (Audit and Supervisory Committee Member)	10/10 (100%)	4/4 (100%)	<p>Leveraging her professional knowledge as an attorney and certified public accountant and abundant experience as an outside director at another company, she contributes to the appropriate and effective supervision and decision-making of the Board of Directors.</p> <p>Also, as a member of the Nomination and Compensation Committee, she actively provides opinions and recommendations from an independent standpoint in the selection of candidates for Directors and in discussions regarding Director compensation. At Audit and Supervisory Committee meetings, she expresses her opinions from a viewpoint to secure the legality and appropriateness of decision-making regarding business execution by the Company and to observe and supervise the Company's management.</p> <p>Furthermore, as a member of the the Governance Enhancement Special Committee, she makes accurate and useful recommendations from the perspective of legal affairs and risk management.</p> <p>She serves as a Partner of Sakura Kyodo Law Offices and as an Outside Director (Audit and Supervisory Committee Member) of AVANT GROUP CORPORATION; however, there are no special interests between these firms and the Company.</p>

(Note) Since Ms. Chie Goto assumed office at the Annual General Meeting of Shareholders held on June 27, 2024, the number of Board of Directors meetings and Audit and Supervisory Committee meetings to be attended is different from that of other Directors who are Audit and Supervisory Committee Members.

4. Policies Concerning the Decisions on Dividends of Surplus

The Company considers shareholder returns as one of the important management priorities, and recognizes that it is the Company's responsibility to increase the earnings per share. In terms of the distribution of profits, the Company will make efforts for the enhancement of the internal reserve in order to strengthen the future profit base and in preparation for changes in market conditions. The Company has the policy of stable dividends as its basic dividend policy, while taking into account any fluctuation of business performance in each period.

Regarding the dividend of surplus in the consolidated fiscal year under review, the Company decided the yearend dividend of 40 yen per share based on the above policies. The annual dividend amounts to 65 yen per share in total with the interim dividend of 25 yen per share already distributed.

At the 58th General Meeting of Shareholders held on June 29, 2006, a resolution was passed to the effect that the Company may decide its dividend of surplus, etc., by a resolution of the Board of Directors (Article 43 of the Articles of Incorporation).

Consolidated Balance Sheets

(As of March 31, 2025)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)	722,805	(Liabilities)	465,907
Current assets	548,946	Current liabilities	424,008
Cash and deposits	86,533	Notes and account payable-trade	397,722
Notes receivable-trade	1,828	Short-term borrowings	122
Accounts receivable-trade	330,663	Current portion of long-term borrowings	1,595
Merchandise and finished goods	90,787	Lease obligations	590
Raw materials and supplies	207	Income taxes payable	5,879
Purchase rebates receivable	11,781	Contract liabilities	162
Others	27,531	Accrued expenses	2,997
Allowance for doubtful accounts	-385	Provision for bonuses	3,583
Noncurrent assets	173,858	Provision for directors' bonuses	42
Property, plant and equipment	86,844	Others	11,311
Buildings and structures	34,220	Noncurrent liabilities	41,899
Machinery, equipment and vehicles	184	Bonds payable	13,081
Furniture and fixtures	7,417	Long-term borrowings	4,478
Land	41,592	Lease obligations	1,394
Lease assets	1,343	Deferred tax liabilities	10,648
Construction in progress	2,086	Provision for loss on guarantees	286
Intangible assets	6,087	Deferred tax liabilities for land revaluation	721
Goodwill	193	Retirement benefit liabilities	2,764
Others	5,893	Asset retirement obligations	2,958
Investments and other assets	80,927	Provision for loss on Antimonopoly Act	4,849
Investments securities	64,095	Others	715
Long-term loans receivable	1,159	(Net assets)	256,897
Deferred tax assets	3,254	Shareholders' equity	245,975
Others	13,959	Share capital	10,649
Allowance for doubtful accounts	-1,541	Capital surplus	45,212
Total assets	722,805	Retained earnings	218,932
		Treasury stock	-28,819
		Accumulated other comprehensive income	10,679
		Valuation difference on available-for sale securities	15,089
		Revaluation reserve for land	-4,409
		Subscription rights to shares	126
		Non-controlling interests	116
		Total liabilities and net assets	722,805

(Note) Reported amounts are rounded down to the nearest million yen.

Consolidated Profit and Loss Statement

(April 1, 2024 - March 31, 2025)

(In millions of yen)

Description	Amount	
Net sales		1,518,495
Cost of sales		1,396,847
Gross profit		121,648
Selling, general and administrative expenses		102,711
Operating profit		18,936
Non-operating income		
Interest and dividend income	1,161	
Others	1,485	2,646
Non-operating expenses		
Interest expenses	46	
Share of loss of entities accounted for using equity method	189	
Others	630	866
Ordinary profit		20,716
Extraordinary income		
Gains on sales of noncurrent assets	2,193	
Gains on sales of investment securities	6,388	
Others	30	8,612
Extraordinary losses		
Loss on disposal of noncurrent assets	149	
Impairment loss	54	
Loss on sale of investment securities	132	
Loss on valuation of investment securities	903	
Others	31	1,271
Profit before income taxes		28,056
Income taxes-current	9,092	
Income taxes-deferred	-892	8,199
Net profit		19,856
Profit attributable to non-controlling interests		12
Profit attributable to owners of parent		19,844

(Note) Reported amounts are rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(As of March 31, 2025)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)	242,556	(Liabilities)	92,112
Current assets	101,635	Current liabilities	66,179
Cash and deposits	74,933	Lease obligations	104
Operating accounts receivable	86	Account payable	202
Prepaid expenses	30	Accrued expenses	722
Other accounts receivable	413	Income taxes payable	1,896
Short-term loans receivable	26,160	Accrued consumption taxes	185
Others	10	Deposits received	62,850
Noncurrent assets	140,921	Provision for bonuses	81
Property, plant and equipment	42,239	Provision for directors' bonuses	23
Buildings	20,841	Other	111
Structures	495	Noncurrent liabilities	25,933
Furniture and fixtures	403	Bonds payable	13,081
Land	18,755	Lease obligations	238
Lease assets	311	Deferred tax liabilities	9,546
Construction in progress	1,431	Deferred tax liabilities for land revaluation	721
Intangible assets	1,093	Provision for retirement benefits	9
Leasehold interests in land	12	Provision for loss on guarantees	286
Software	831	Asset retirement obligations	2,044
Others	249	Others	3
Investments and other assets	97,588	(Net assets)	150,444
Investments securities	43,059	Shareholders' equity	137,405
Stocks of subsidiaries and affiliates	45,107	Share capital	10,649
Investment in capital of subsidiaries and affiliates	1,585	Capital surplus	46,177
Long-term loans receivable from subsidiaries	1,188	Legal capital surplus	46,177
Distressed receivables	2,780	Retained earnings	109,437
Long-term prepaid expenses	181	Legal retained earnings	664
Others	5,799	Other retained earnings	108,773
Allowance for doubtful accounts	-2,113	Reserve for tax purpose reduction entry of land	2,629
		General reserve	6,336
		Retained earnings brought forward	99,807
		Treasury stock	-28,859
		Valuation and translation adjustment	12,912
		Valuation difference on available-for-sale securities	17,299
		Revaluation reserve for land	-4,386
		Subscription rights to shares	126
Total assets	242,556	Total liabilities and net assets	242,556

(Note) Reported amounts are rounded down to the nearest million yen.

Non-consolidated Profit and Loss Statement

(April 1, 2024 - March 31, 2025)

(In millions of yen)

Description	Amount	
Operating revenue		
Consulting fee income	1,424	
Real estate lease revenue	4,283	
Dividend income	9,371	
Others	517	15,597
		8,613
Operating expenses		
Operating profit		6,983
Non-operating income		
Interest and dividend income	1,152	
Others	248	1,400
Non-operating expenses		
Interest expenses	370	
Others	365	736
Ordinary profit		7,648
Extraordinary income		
Gains on sale of noncurrent assets	2,186	
Gains on sales of investment securities	7,505	9,692
Extraordinary loss		
Loss on disposal of noncurrent assets	108	
Impairment loss	4	
Loss on sale of investment securities	129	
Loss on valuation of investment securities	903	
Others	5	1,150
Profit before income taxes		16,190
Income taxes-current	1,800	
Income taxes-deferred	529	2,329
Net profit		13,861

(Note) Reported amounts are rounded down to the nearest million yen.

Accounting Auditor's Audit Report on the Consolidated Financial Statements (duplicated copy)

Independent Auditor's Report
(English Translation)

May 14, 2025

To the Board of Directors
TOHO HOLDINGS CO., LTD.

Ernst & Young ShinNihon LLC
Tokyo Office

Yoshiyuki Nomizu, CPA
Designated Limited Liability
Partner/Engagement Partner
Daisuke Shiratori, CPA
Designated Limited Liability
Partner/Engagement Partner
Masayo Takada, CPA
Designated Limited Liability
Partner/Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheets, the consolidated profit and loss statement, the consolidated statement of changes in shareholders' equity and the notes to the consolidated financial statements of TOHO HOLDINGS CO., LTD. (the "Company") for the fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of TOHO HOLDINGS CO., LTD., which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other contents

Other contents are the Business Report and its Supplementary Schedules. Management is responsible for the preparation and disclosure of other contents. The Audit and Supervisory Committee is also responsible for monitoring the performance of duties by Directors in the development and operation of the reporting process for other content.

The subject of our audit opinion on the consolidated financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility in auditing the consolidated financial statements is to read through the other contents and, during this process, to examine whether there are significant differences between the other contents and the consolidated financial statements or the knowledge that we have acquired during the auditing process, and to pay attention to whether there are other indications of material errors in the other contents other than such

material differences.

Based on the work performed, we are required to report any material errors in other contents.

There are no matters to be reported by us regarding the other contents.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.

Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence. In addition, when the Company has taken measures to remove hindrance factors or applies a safeguard to reduce hindrance factors to a permissible level, the auditor shall report the details of the measures or safeguard.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Accounting Auditor's Audit Report on the Non-consolidated Financial Statements (duplicated copy)

Independent Auditor's Audit Report
(English Translation)

May 14, 2025

To the Board of Directors
TOHO HOLDINGS CO., LTD.

Ernst & Young ShinNihon LLC
Tokyo Office

Yoshiyuki Nomizu, CPA
Designated Limited Liability
Partner/Engagement Partner
Daisuke Shiratori, CPA
Designated Limited Liability
Partner/Engagement Partner
Masayo Takada, CPA
Designated Limited Liability
Partner/Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the non-consolidated balance sheets, the non-consolidated profit and loss statement, the statement of changes in shareholders' equity, the notes to non-consolidated financial statements, and the accompanying supplementary schedules of TOHO HOLDINGS CO., LTD. (the "Company") for the 77th fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other contents

Other contents are the Business Report and its Supplementary Schedules. Management is responsible for the preparation and disclosure of other contents. The Audit and Supervisory Committee is also responsible for monitoring the performance of duties by Directors in the development and operation of the reporting process for other content.

The subject of our audit opinion on the unconsolidated financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility in auditing the non-consolidated financial statements is to read through the other contents and, during that process, to examine whether there are significant differences between the other contents and the non-consolidated financial statements or the knowledge that we have acquired during the auditing process, and to pay attention to whether there are other indications of material errors in the other contents other than such material differences.

Based on the work performed, we are required to report any material errors in other contents.
There are no matters to be reported by us regarding the other contents.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.

Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules

fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit and Supervisory Committee's Audit Report (duplicated copy)

Audit Report

(English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 77th fiscal year from April 1, 2024 to March 31, 2025. The Audit and Supervisory Committee hereby reports the audit methods and results as follows.

1. Methods and Contents of Audits

With respect to the contents of resolutions by the Board of Directors pertaining to items listed in Article 399-13, Paragraph 1, Items 1 (b) and (c) of the Companies Act and the system established based on such resolutions (internal control system), the Audit and Supervisory Committee had periodical reporting from Directors and employees, etc. concerning the status of development and operations of such system, sought explanation as necessary, expressed opinions and performed the audit in accordance with the following methods.

1) In accordance with the audit policies and division of duties, etc. determined by the Audit and Supervisory Committee, the Audit and Supervisory Committee, in coordination with internal control sections, by means of telephone lines or the Internet, etc., participated in important meetings, received reports from the Directors, employees and other relevant personnel regarding the matters concerning performance of their duties, sought explanations as necessary, examined important decision-making documents, etc., and studied the operations and the status of assets at the head office and major business offices. Regarding subsidiaries, the Audit and Supervisory Committee communicated and exchanged information with the Directors and Auditors, etc., of subsidiaries, and received business reports from subsidiaries as necessary.

2) The Audit and Supervisory Committee monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that “the system for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Ordinance for Corporate Accounting) had been prepared in accordance with the Product Quality Management Standards Regarding Audits and other relevant standards, and sought explanations as necessary.

Based on the above methods, the Audit and Supervisory Committee examined the business report and supporting schedules, non-consolidated financial statements (non-consolidated balance sheets, non-consolidated profit and loss statement, non-consolidated statement of changes in shareholders' equity, and notes to non-consolidated financial statements) and the supplementary schedules, as well as consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in shareholders' equity and notes to consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the business report and the supplementary schedules are in accordance with the related laws and regulations, and Articles of Incorporation, and fairly represent the Company's condition.
- 2) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to the performance of duties by the Directors.
- 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal controls system are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to such internal controls system.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by Ernst & Young ShinNihon LLC are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by Ernst & Young ShinNihon LLC are fair and reasonable.

May 14, 2025

Audit and Supervisory Committee, TOHO HOLDINGS CO., LTD.

Audit and Supervisory Committee Member	Yoshiaki Kamoya
Audit and Supervisory Committee Member	Hidehito Kotani
Audit and Supervisory Committee Member	Chie Goto

(Note) Mr. Yoshiaki Kamoya, Mr. Hidehito Kotani and Ms. Chie Goto are Outside Directors prescribed in Article 2, Item (xv) and Article 331, Paragraph 6 of the Companies Act.

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