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(Securities Code: 8129)
(Dispatch date) June 4, 2026
(Commencement date of measures for electronic provision) May 28, 2026

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 78TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Please be informed that the 78th 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 25, 2026, which is the deadline for exercising your voting rights.

1. **Date and Time:** Friday, June 26, 2026 at 10:00 a.m. Japan time (Reception opens at 9:00 a.m. Japan time)
2. **Place:** Tokyo Midtown Yaesu Conference, 4th floor, Main Conference 2-2-1, Yaesu, Chuo-ku, Tokyo
3. **Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company's 78th Fiscal Year (April 1, 2025 - March 31, 2026) 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 78th Fiscal Year (April 1, 2025 - March 31, 2026)
 - Proposals to be resolved:**
 - Proposal 1 :** Election of six (6) Directors (excluding those who are Audit and Supervisory Committee Members)
 - Proposal 2 :** Election of two (2) Directors who are Audit and Supervisory Committee Members
 - Proposal 3 :** Election of one (1) substitute Director who is an Audit and Supervisory Committee Member
 - Proposal 4 :** Gratis allotment of stock acquisition rights

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.
- (4) 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.

●Reference Documents for the General Meeting of Shareholders

Part of the Reasons for the Proposal for Proposal 4: " Gratis allotment of stock acquisition rights "
(Note: This document states the summary of the reasons for the said proposal.)

●Business Report

"Principal offices", "Status of employees", "Status of major banks", "Matters concerning share acquisition rights, etc.", "Outline of liability limitation agreements", "Overview of directors and officers liability insurance contracts", "Matters concerning Accounting Auditor", "Systems to ensure proper execution of business and status of operation of the systems", "Basic Policy on Control of the Company", and "Policies Concerning the Decisions on Dividends of Surplus"

●Consolidated Financial Statements

"Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements"

●Non-consolidated Financial Statements

"Statements of Changes in Equity" and "Notes to Non-consolidated Financial Statements"

Accordingly, the business report, consolidated financial statements, and non-consolidated financial statements stated in this document are some of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in drawing up the Audit Report and the Accounting Audit Report.

- (5) 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.

The End

Information about the exercise of voting rights

Attendance at the General Meeting of Shareholders

When attending the meeting, 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 25, 2026, 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 25, 2026, 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, 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: Election of six (6) 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, to ensure management transparency and further strengthen corporate governance, the Company proposes to increase the number of Outside Directors by one (1) and elect six (6) 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.

In addition, we have received an opinion from the Audit and Supervisory Committee expressing approval of the Director candidates and the reasons for their appointment.

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	Reappointment	Hiromi Edahiro	Representative Director, President and CEO	13/13 (100%)
2	Reappointment	Akira Umada	Senior Executive Managing Director and COO	13/13 (100%)
3	Reappointment	Takeo Matsutani	Executive Managing Director and CGO	13/13 (100%)
4	Reappointment	Shuzo Kono	Director and Corporate Officer, in charge of Transformation	10/10 (100%)
5	Reappointment Outside Independent	Manako Haga	Outside Director	10/10 (100%)
6	New appointment Outside Independent	Masahiko Ito	—	—

(note) Attendance at the Board of Directors meetings of Mr. Shuzo Kono and Ms. Manako Haga covers only the Board of Directors meetings held after their appointment on June 27, 2025.

<p>1. Hiromi Edahiro</p> <p>Reappointment</p>		<ul style="list-style-type: none"> ■ Date of birth: May 14, 1952 ■ Number of shares of the Company held : 47,400 shares
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>April 1977 Joined Tokio Marine Fire Insurance (current Tokio Marine & Nichido Fire Insurance Co., Ltd.)</p> <p>September 1985 Joined Tokiwa Pharmaceutical</p> <p>August 2000 Representative Director and President of Tokiwa Pharmaceutical</p>		<p>[Positions and responsibilities within the Company]</p> <p>Representative Director, President and CEO</p>

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
June 2025	Representative Director, President and CEO of the Company (to present)

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

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.

In addition, he maintains continuous and long-term relationships with business partners, which is an important characteristic of the pharmaceutical wholesaling industry at the core of the Company group and indispensable for the mid- to long-term enhancement of corporate value.

Accordingly, 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.

2. Akira Umada

Reappointment



- Date of birth: April 16, 1965
- Number of shares of the Company held : 31,100 shares

Career summary, positions and responsibilities within the Company, and significant concurrent positions

[Positions and responsibilities within the Company]
Senior Executive Managing Director and COO
[Significant concurrent positions]
President and Representative Director of TOHO PHARMACEUTICAL

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
June 2025	Senior Executive Managing Director and 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. Furthermore, 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, as President and Representative Director of TOHO PHARMACEUTICAL, he maintains strong, continuous, and long-term relationships with business partners—an important characteristic of the pharmaceutical wholesaling industry at the core of the Company group and indispensable for the mid- to long-term enhancement of corporate value—while promoting initiatives such as the reform of the pharmaceutical wholesaling business 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>3. Takeo Matsutani</p> <p><u>Reappointment</u></p>		<ul style="list-style-type: none"> ■ Date of birth: April 20, 1966 ■ Number of shares of the Company held : 64,928 shares 																				
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>		<p>[Positions and responsibilities within the Company] Executive Managing Director and CGO</p>																				
<table border="0"> <tr> <td style="vertical-align: top; padding-right: 20px;">February 1992</td> <td>Joined TOHO PHARMACEUTICAL (current the Company)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">June 2001</td> <td>Director of TOHO PHARMACEUTICAL</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">June 2007</td> <td>Managing Director of TOHO PHARMACEUTICAL</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">June 2008</td> <td>Senior Managing Director of TOHO PHARMACEUTICAL</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">April 2009</td> <td>Director of the Company</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">June 2013</td> <td>Executive Managing Director of Kyushu Toho</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">June 2015</td> <td>President and Representative Director of Kyushu Toho</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">June 2017</td> <td>Vice President and Director of TOHO PHARMACEUTICAL (to present)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">June 2023</td> <td>Chairperson of the Board and Director of Kyushu Toho (to present)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">June 2025</td> <td>Executive Managing Director and CGO of the Company (to present)</td> </tr> </table>			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	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)	June 2025	Executive Managing Director and CGO of the Company (to present)
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June 2017	Vice President and Director of TOHO PHARMACEUTICAL (to present)																					
June 2023	Chairperson of the Board and Director of Kyushu Toho (to present)																					
June 2025	Executive Managing Director and CGO of the Company (to present)																					
<p>■ Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)</p> <p>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.</p> <p>In June 2025, he assumed the post of Chief Governance Officer (CGO) as the person responsible for promoting governance reforms. Since then, he has been promoting initiatives to further strengthen and upgrade the Group's governance system, including compliance and risk management.</p> <p>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 re-election as a Director.</p>																						

<p>4. Shuzo Kono</p> <p><u>Reappointment</u></p>		<ul style="list-style-type: none"> ■ Date of birth: September 26, 1978 ■ Number of shares of the Company held : 537,260 shares
<p>■ Career summary, positions and responsibilities within the Company,</p>		<p>[Positions and responsibilities within the Company] Director and Corporate Officer, in charge of</p>

and significant concurrent positions

Transformation [Significant concurrent positions] President and Representative Director of SAYWELL inc.

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
June 2022	Corporate officer of the Company
June 2025	Director of TOHO PHARMACEUTICAL (to present)
June 2025	Director and Corporate Officer, in charge of Transformation of the Company (to present)

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 re-election as a Director.

5. Manako Haga

Reappointment

Outside

Independent



- Date of birth: September 2, 1963
- Term of office at the conclusion of this General Meeting: 1 year
- Number of shares of the Company held : - shares

Career summary, positions and responsibilities within the Company, and significant concurrent positions

[Positions and responsibilities within the Company] Outside Director [Significant concurrent positions] Executive Officer of Matsui Securities Co., Ltd.

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
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.
June 2025	Outside Director of the Company (to present)

June 2025 Executive Officer and HR & General Affairs of Matsui Securities Co., Ltd.
 April 2026 Executive Officer 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 served as an executive in the finance, corporate planning, human resources, and corporate services divisions at both Japanese and foreign securities firms and asset management companies, and possesses a wealth of knowledge and experience in financial accounting, corporate planning, business process development, and human capital management.

During her term as an Outside Director of the Company, she has provided recommendations and advice for the sustainable growth of the Company based on her knowledge and experience at meetings of the Board of Directors and the Nomination and Compensation Committee. 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 re-election as an Outside Director.

6. Masahiko Ito

New appointment
 Outside
 Independent



■ Date of birth: September 1, 1957
 ■ Number of shares of the Company held : - shares

Career summary, positions and responsibilities within the Company, and significant concurrent positions

April 1982 Joined Fujikura Insulated Wire & Cable Co. (current Fujikura Ltd.)
 April 2013 Corporate Officer and General Manager of Superconductor Business Development Division, New Business Development Center, Fujikura Ltd.
 April 2014 Managing Corporate Officer, Deputy Chief of Power & Telecommunication Systems Company, in charge of Infrastructure Business Segment, and General Manager of Superconductor Business Development Division, New Business Development Center, Fujikura Ltd.
 April 2015 Managing Corporate Officer, Deputy Chief of Power & Telecommunication Systems Company, Fujikura Ltd.
 June 2015 Director and Managing Corporate Officer, Deputy Chief of Power & Telecommunication Systems Company, Fujikura Ltd.
 April 2016 Representative Director and President, Fujikura Ltd.
 June 2016 Chairperson, The Japanese Electric Wire & Cable Makers' Association
 April 2021 Representative Director, President and CEO, Fujikura Ltd.
 April 2022 Director and Chairperson, Chairperson of the Board of Directors, Fujikura Ltd.
 June 2022 Chairperson, The Japanese Electric Wire & Cable Makers' Association
 March 2024 Outside Director, Toagosei Co., Ltd.
 April 2024 Director and Chairperson, Fujikura Ltd.
 June 2024 Honorary Advisor, Fujikura Ltd.
 September 2024 Outside Director, TechnoPro Holdings, Inc.

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

Along with having abundant knowledge and experience as a company manager such as his work as Representative Director of Fujikura Ltd., Mr. Masahiko Ito has a high level of insight on governance that he cultivated through his experience in company management and as an Outside Director of another company. We expect that he will utilize his knowledge and experience in providing advice from an independent standpoint on appropriate decision-making by the Board of Directors and carrying out highly effective supervision, so we ask that he be appointed as a new Outside Director.

(Notes)

1. No special interest exists between the candidates for Directors and the Company.
2. Ms. Manako Haga and Mr. Masahiko Ito are candidates for Outside Directors (excluding those who are Audit and Supervisory Committee Members).
3. Ms. Manako Haga is scheduled to resign as Executive Officer of Matsui Securities Co., Ltd. as of June 28, 2026.
4. Mr. Masahiko Ito is scheduled to assume office as Outside Director of Nissui Corporation on June 25, 2026.
5. The Company has designated Ms. Manako Haga as independent officer pursuant to the rules of Tokyo Stock Exchange, Inc., and has reported the appointment to Tokyo Stock Exchange, Inc. If she is appointed as originally proposed, she will continue to be the independent officers.
6. Mr. Masahiko Ito meets the requirements for an independent officer stipulated by Tokyo Stock Exchange, Inc., and if he is appointed as originally proposed, he will newly become an independent officer.
7. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company and Ms. Manako Haga have entered 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. It is expected that, when she is reappointed, such agreement will continue to be effective.
8. If Mr. Masahiko Ito 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.
9. 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 88 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 2: Election of two (2) Directors who are Audit and Supervisory Committee Members

The terms of office of three (3) Directors who are Audit and Supervisory Committee Members, Mr. Yoshiaki Kamoya, Mr. Hideto Kotani, and Ms. Chie Goto, will expire upon the conclusion of this General Meeting of Shareholders.

Accordingly, the election of two (2) Directors who are Audit and Supervisory Committee Members is proposed.

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:


NO.		Name	Current positions and responsibilities within the Company	Attendance at the Board of Directors meetings for the current fiscal year	Attendance at the Audit and Supervisory Committee meetings for the current fiscal year
1	<div style="border: 1px solid black; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px;">Independent</div>	Hidehito Kotani	Outside Director (Audit and Supervisory Committee Member)	13/13 (100%)	9/9 (100%)
2	<div style="border: 1px solid black; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px;">Independent</div>	Chie Goto	Outside Director (Audit and Supervisory Committee Member)	13/13 (100%)	9/9 (100%)

<p>Hidehito Kotani</p> <div style="border: 1px solid black; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px;">Independent</div>		<ul style="list-style-type: none"> ■ Date of birth: December 27, 1967 ■ Term of office at the conclusion of this General Meeting: 4 years ■ Number of shares of the Company held : - shares
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>April 1994 Joined Pfizer, Inc. (USA), Connecticut State World Central Research Institute</p> <p>January 1998 Joined Banyu Pharmaceutical Co., Ltd. (current MSD K.K.)</p> <p>July 2009 Corporate Officer in charge of Corporate Services and General Manager of the President's Office of Banyu Pharmaceutical Co., Ltd.</p> <p>March 2012 Vice President, Corporate Officer, General Manager of Sales Division, General Manager of President's Office of MSD K.K.</p> <p>March 2012 Vice President of Merck & Co., Inc. (USA)</p> <p>September 2015 Representative Director and President, CEO and CTO of Panasonic Healthcare Holdings Corporation (current PHC Holdings Corporation)</p> <p>September 2019 Representative of Frederick Research GK (to present)</p> <p>February 2022 Representative Director of Novocure Corporation (to present)</p> <p>June 2022 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</p>		<p>[Positions and responsibilities within the Company] Outside Director (Audit and Supervisory Committee Member)</p> <p>[Significant concurrent positions] Representative of Frederick Research GK Representative Director of Novocure Corporation</p>
<p>■ Reason for the nomination as Outside Director who is an Audit and Supervisory Committee Member and overview of expected role</p> <p>Mr. Hidehito Kotani held important positions at Pfizer Japan Inc., Banyu Pharmaceutical Co., Ltd. (current MSD K.K.), and Merck & Co., Inc. and engaged in business management as Representative Director of</p>		

Panasonic Healthcare Holdings Co., Ltd. (current PHC Holdings Corporation). Based on these experiences and his great insight into the pharmaceutical, medical equipment and medical IT industries, he has given advice and made suggestions about the sustained growth of the Company at Board meetings and supervises the Company's management from an objective and neutral point of view since he assumed the post of Outside Director of the Company in 2022.

In addition, as Chairperson of the Nomination and Compensation Committee, he leads deliberations from an independent standpoint on matters such as the selection of candidates for the Company's officers, the determination of officers' compensation, the clarification of the process for the appointment and dismissal of Directors, etc.

For the above reasons, we continue to propose his election as Outside Director who is an Audit and Supervisory Committee Member, as we expect him to contribute to advice to and appropriate supervision and auditing of the Company from an objective and diversified viewpoint in the future too.

<p>Chie Goto</p> <p>Reappointment Outside Independent</p>		<ul style="list-style-type: none"> ■ Date of birth: November 30, 1958 ■ Term of office at the conclusion of this General Meeting: 2 years ■ Number of shares of the Company held : - shares 																
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>		<p>[Positions and responsibilities within the Company] Outside Director (Audit and Supervisory Committee Member) [Significant concurrent positions] Partner, Sakura Kyodo Law Office Audit and Supervisory Committee Member (Outside Director) of AVANT GROUP CORPORATION</p>																
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<p>■ Reason for the nomination as Outside Director who is an Audit and Supervisory Committee Member and overview of expected role</p> <p>Since assuming the role of Audit and Supervisory Committee Member who is an Outside Director in 2024, Ms. Chie Goto has provided advice and recommendations to the Board of Directors for the Company's sustainable growth, based on her expert knowledge of corporate legal affairs and accounting as an attorney and certified public accountant, as well as her extensive experience as an outside director at other companies. She also oversees the Company's management from an objective and neutral standpoint.</p> <p>Moreover, as Chairperson of the Audit and Supervisory Committee, she leads cooperation with the audit division, including those of Group subsidiaries, and contributes to strengthening the audit system based on her wealth of knowledge and from an independent perspective.</p> <p>For the above reasons, we continue to propose her election as Outside Director who is an Audit and Supervisory Committee Member, as we expect her to contribute to advice to and appropriate supervision and auditing of the Company from an objective and diversified viewpoint in the future too.</p>																		

(Notes)

1. The candidates for Directors' special interest in the Company

①Ms. Chie Goto concurrently serves as an Outside Director (Audit and Supervisory Committee Member) of AVANT GROUP CORPORATION. While the Company conducts business with a subsidiary of AVANT GROUP CORPORATION, the value of such transactions accounts for less than 1% of the annual consolidated net sales of both the Company and AVANT GROUP CORPORATION.

②No special interest exists between the candidates for Directors and the Company.

2. Mr. Hidehito Kotani and Ms. Chie Goto are candidates for Outside Directors who are Audit and Supervisory Committee Members

3. The Company has designated Mr. Hidehito Kotani, Ms. Chie Goto as independent officers pursuant to the rules of Tokyo Stock Exchange, Inc., and has reported the appointment to Tokyo Stock Exchange, Inc. If they are appointed as originally proposed, they will continue to be the independent officers.

4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company and Mr. Hidehito Kotani and Ms. Chie Goto have entered 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. It is expected that, when they are reappointed, such agreement will continue to be effective.

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 88 of the Business Report).

If a candidate for Director who is an Audit and Supervisory Committee Member 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) substitute Director who is an Audit and Supervisory Committee Member

To prepare for a situation where the number of Directors who are Audit and Supervisory Committee Members falls short of the number prescribed by laws and regulations, the Company proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member.

With regard to the effect of the election of a substitute Director who is an Audit and Supervisory Committee Member, the election may be cancelled by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee only before the Director's assumption of office.

The consent of the Audit and Supervisory Committee has already been obtained in advance for this proposal. The candidates for substitute Directors who are Audit and Supervisory Committee Member is as follows:

<p>Hideyuki Nakagawa</p>	<p>■ Date of birth: October 22, 1971 ■ Number of shares of the Company held : - shares</p>
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>October 1999 Joined Yamada & Partners Accounting Office (current Yamada & Partners Tax Co.) January 2002 Joined Yusei Audit Co. (current Grant Thornton Taiyo LLC) April 2007 Joined Yamada MTS Capital Co., Ltd. (current Yamada Consulting Group Co., Ltd.) August 2007 Director, Yamada MTS Capital Co., Ltd. November 2009 Joined Yamada Business Consulting Co., Ltd. (current Yamada Consulting Group Co., Ltd.) August 2011 Representative of Hideyuki Nakagawa Certified Public Accountant Certified Public Tax Accountant Office (current Hideyuki Nakagawa Certified Public Accountant Office) (to present) March 2017 Corporate Auditor, AMBICION Co., Ltd. (to present) September 2017 Outside Corporate Auditor, AKIBA Holdings Co., Ltd. June 2024 Outside Director, AKIBA Holdings Co., Ltd. (to present)</p> <p>■ Reason for Selection as Candidate for a substitute Outside Director who is an Audit and Supervisory Committee Member</p> <p>Mr. Hideyuki Nakagawa has abundant knowledge and experience as a certified public accountant regarding finance and accounting. We expect that he will utilize his expert knowledge and experience in our Company's management and its supervision, so we ask that he be appointed as a substitute Outside Director who is an Audit and Supervisory Committee Member.</p>	<p>[Significant concurrent positions] Representative of Hideyuki Nakagawa Certified Public Accountant Office Corporate Auditor, AMBICION Co., Ltd. Outside Director, AKIBA Holdings Co., Ltd.</p>

(Notes)

1. Mr. Hideyuki Nakagawa is an auditor of AMBICION Co., Ltd., in which the Company invests. However, there are no special business relationships between the Company and AMBICION Co., Ltd., and there are no special interests between the candidate and the Company.
2. Mr. Hideyuki Nakagawa satisfies the requirements for an independent officer as stipulated by Tokyo Stock Exchange, Inc. If he assumes office as a Director who is an Audit and Supervisory Committee Member, the Company plans to designate him as an independent officer pursuant to the regulations of the Tokyo Stock Exchange, Inc., and to notify the Exchange accordingly.
3. If Mr. Hideyuki Nakagawa assumes office as a Director who is an Audit and Supervisory Committee Member, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement with him 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.
4. 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 88 of the Business Report). If Mr. Hideyuki Nakagawa assumes office as a Director who is an Audit and Supervisory Committee Member, he will be included as one of the insured under the said insurance policy.

(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.

If Proposals No. 1 and No. 2 are approved as made, the Skill Matrix of the Board of Directors will be as follows.

Name	Corporate Management	Finance& Accounting /Capital Markets	Human Resource and Organizational Development /Sustainability	Legal Affairs & Risk Management	Sales Strategy /Logistics	Business Development /DX	Knowledge of Pharmaceutical Administration and Policy
Hiromi Edahiro	○	○				○	○
Akira Umada	○		○		○		○
Takeo Matsutani	○		○	○	○	○	○
Shuzo Kono	○				○	○	○
Manako Haga Outside	○	○	○				
Masahiko Ito New appointment Outside	○		○		○	○	
Hidehito Kotani Outside	○	○			○	○	○
Chie Goto Outside		○	○	○			
Miho Saito Outside	○	○	○				

[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 and Organizational Development /Sustainability	Human Resource and Organizational Development: We believe that knowledge and experience in human resource and organizational Development are necessary in order to appropriately advise and supervise human resource development and personnel system reforms aimed at maximizing the value of human capital, which is an important foundation for sustainable corporate growth. Sustainability: We believe that knowledge and experience in the sustainability field are necessary to achieve the qualitative improvement of sustainability management.
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

	<p>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.</p> <p>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.</p>
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) Criteria for Judging Independence of Outside Directors

The Company has established “Independence Criteria for Outside Directors” as set forth below, and it judges Outside Directors or candidates to be an Outside Director who do not fall under any of the following items to have independence.

1. An executive (Note 1) of the Company or its subsidiaries (the “Company Group”), or a person who was an executive of the Company Group within the past ten years
2. A major shareholder (Note 2) of the Company, or an executive thereof
3. A main business partner of the Company Group (Note 3), or an executive thereof
4. A party that has the Company Group as its main business partner (Note 4), or an executive thereof
5. A main lender of the Company Group (Note 5), or an executive thereof
6. An executive of the Company Group’s lead underwriter
7. An individual belonging to an audit firm that is the Company Group’s accounting auditor
8. A consultant, accounting professional, or legal professional (if such a party is a corporation, partnership, or other organization, a person belonging to such organization) who has received from the Company Group on average over the most recent three business years money or other property of at least 10 million yen per year other than as officer compensation
9. A person who on average over the most recent three business years has received from the Company Group donations or aid of at least 10 million yen per year or at least two percent of their annual gross income amount; if the recipient of such donations or aid is a corporation, partnership, or other organization, an executive of such organization
10. A business that accepts a Director or Auditor from the Company Group, or an executive of that business group
11. A person for whom less than five years have passed after leaving a past position at an organization or business partner set forth in 2 through 9 above
12. A spouse or a relative in the second degree of kinship of a person listed in 1 through 11 above (however, limited to key persons (Note 6))
13. A person whose total period in office as an Outside Director exceeds ten years

Note 1: Executive refers to an Executive Director, Executive Managing Officer, another person corresponding thereto, or employee.

Note 2: Major shareholder refers to someone who holds no less than ten percent of all voting rights at the end of the most recent business year.

Note 3: A main business partner of the Company Group refers to a business partner whose annual transaction amount exceeds one percent of the Company’s consolidated sales in the most recent business year.

Note 4: A party that has the Company Group as its main business partner refers to a party whose annual transaction amount with the Company Group exceeds one percent of that business partner’s consolidated sales in the most recent business year.

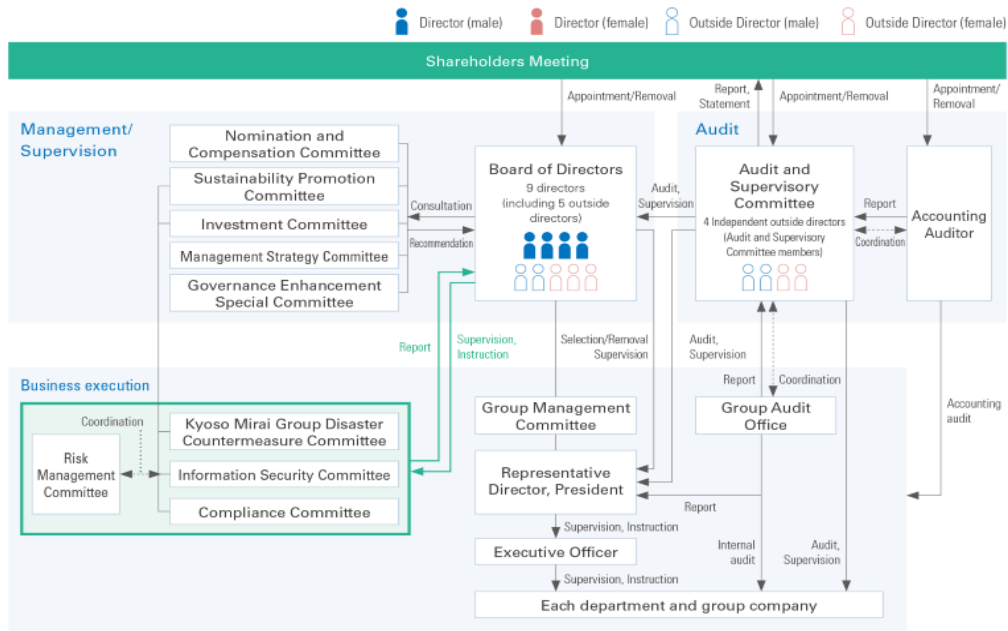
Note 5: Main lender of the Company Group refers to a financial institution that has lent to the Company Group an amount that exceeds one percent of the Company’s consolidated total assets in the most recent business year.

Note 6: Key person refers to Directors, Executive Managing Officers, and executives who are ranked at or above General Manager.

(Reference) Corporate Governance System

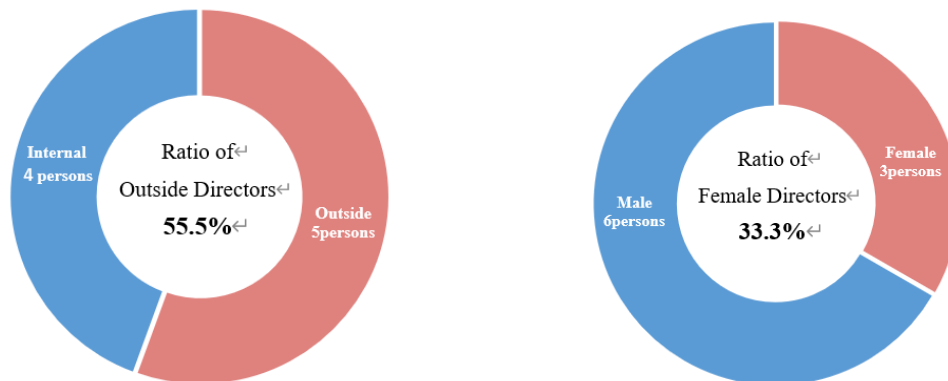
From the perspective of enhancing corporate governance by strengthening the supervisory function of the Board of Directors, the Company has adopted the management structure of a company with Audit and Supervisory Committee to enhance the functions of Outside Directors who do not execute business themselves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

five (5) of the Company's nine (9) Directors are appointed as Outside Directors in an effort to strengthen management supervisory functions.



[Composition of the Board of Directors]

If Proposals No. 1 and No. 2 are approved as made, the composition of the Board of Directors will be as follows.



Proposal 4: Gratis allotment of stock acquisition rights

1. Proposal Details

This proposal requests that the shareholders approve, by an ordinary resolution (consent of a majority of the voting rights of shareholders in attendance, including those who exercised voting rights in writing or electronic form), the invocation of the Countermeasures (defined below; the same applies hereinafter) against the Large-Scale Purchase (defined below; the same applies hereinafter) by the Large-Scale Purchaser (defined below; the same applies hereinafter) based on the Response Policy (defined below; the same applies hereinafter) at this Annual General Meeting of Shareholders.

In the case in which this proposal is approved, if the Large-Scale Purchaser has carried out the Large-Scale Purchase, the Company's Board of Directors will resolve on a gratis allotment of stock acquisition rights as the invocation of the Countermeasures based on the Response Policy at the time reasonably established by the Company's Board of Directors based on the opinion of the Independent Committee.

If this proposal is approved, the Response Policy will continue to the extent necessary to respond to the Large-Scale Purchase by the Large-Scale Purchaser in accordance with the provisions of the Response Policy, and at the longest it will end at the conclusion of the first meeting of the Company's Board of Directors that will be held after the Company's Annual General Meeting of Shareholders planned to be held in 2027. Consequently, apart from this proposal, a proposal regarding the continuation of the Response Policy will not be submitted at this Annual General Meeting of Shareholders.

On the other hand, in the event the proposal is not approved, the intent of the shareholders will be respected, the Countermeasures will not be invoked, and a gratis allotment of stock acquisition rights will not be implemented. In addition, in that case, the Response Policy will be abolished at the conclusion of the first meeting of the Board of Directors to be held after this Annual General Meeting of Shareholders.

Furthermore, if the Company's Board of Directors has determined by the day before this Annual General Meeting of Shareholders that it is no longer necessary to invoke the Countermeasures, for example on the grounds that the Large-Scale Purchaser withdraws the Large-Scale Purchase and pledges in writing to not conduct a Large-Scale Purchase in the future, then this proposal will be withdrawn.

The overview of the gratis allotment of stock acquisition rights to be implemented as the Countermeasures based on the Response Policy (the "Gratis Allotment of Stock Acquisition Rights") is as set forth in "Overview of the countermeasures (Gratis Allotment of Stock Acquisition Rights)" in Part 3 below. Please note that the overview of the Gratis Allotment of Stock Acquisition Rights is the same as the details stated in "III 4. Overview of the countermeasures (Gratis allotment of Stock Acquisition Rights)" in the "Notice of the Introduction of a Policy Against Large-Scale Purchases of Share Certificates, etc. of TOHO HOLDINGS CO., LTD. in Response to the Large-Scale Purchase, etc. of its Shares by 3D Investment Partners Pte. Ltd." dated October 31, 2025 (the "Response Policy Introduction Release").

The Response Policy has been introduced in response to the buy-up of the Company's shares that has already materialized, and primarily for the purpose of responding to the Large-Scale Purchase by 3D or other parties, and it is different from so-called advance warning-type takeover defense measures that are introduced during ordinary times.

Accordingly, the Company does not intend to maintain the Response Policy after the concerns about a specific large-scale purchase have disappeared.

As long as they are not defined in this proposal, the terms used in this proposal have the meanings that are defined in the Response Policy Introduction Release.

2. Reasons for the proposal

The Company adopted a response policy regarding large-scale purchases of its share certificates, etc. dated October 31, 2025 (the “Response Policy”; please see the Response Policy Introduction Release for details). As announced in the “Notice of Receipt of a Large-Scale Purchase Explanation Related to Large-Scale Purchases of Share Certificates, Etc.” dated January 16, 2026, the Company received from 3D Investment Partners Pte. Ltd. (“3D”) on the same day a large-scale purchase explanation pertaining to the large-scale purchase of the Company’s share certificates, etc. (the “Explanation”; hereinafter, the large-scale purchase by 3D, Citco Trustees (UT) Limited (“CTL”), to which 3D provides discretionary investment management services, and CITCO TRUSTEES (UT) LIMITED AS TRUSTEE OF 3D ENDEAVOR MASTER FUND – II, for which CTL acts as trustee (hereinafter collectively referred to with 3D and CTL as the “Large-Scale Purchaser”) that was described in the Explanation is referred to as the “Large-Scale Purchase”).

Subsequently, in accordance with the Response Policy, the Company’s Board of Directors requested that the Large-Scale Purchaser provide information necessary for shareholders to determine whether to accept the Large-Scale Purchase and for the Company’s Board of Directors to evaluate and consider the Large-Scale Purchase. The Board of Directors has carefully evaluated and considered the Large-Scale Purchase. The Company hereby announces that the Board of Directors’ evaluation period has ended as of April 28, 2026 and that, at the meeting of the Board of Directors held on that date, the Board of Directors has determined that, as set forth in Part 1 below, the Countermeasures should be invoked because there is a risk that the Company’s corporate value and the common interests of its shareholders would be harmed if the Large-Scale Purchase were carried out by the Large-Scale Purchaser, and after giving maximum respect to the recommendations of the Independent Committee set forth in Part 2 below, resolved, by a unanimous resolution of all Directors including the five Independent Outside Directors (including four Directors who are Audit and Supervisory Committee Members), that it will submit a proposal to confirm shareholders’ intent regarding whether to invoke the countermeasures to the Large-Scale Purchase based on the Response Policy (the “Countermeasures”) to this Annual General Meeting of Shareholders.

The overview of the evaluation and opinion of the Company’s Board of Directors of the Large-Scale Purchase by the Large-Scale Purchaser and the recommendations by the Independent Committee are as set forth below.

The details of the evaluation and opinion of the Company’s Board of Directors and the recommendations by the Independent Committee, and of the content of the Response Policy, including the overview of the Countermeasures, have been provided electronically and are available on the Company’s website. Please review them as well. For the website on which the matters provided electronically are posted, please refer to page 1 of this Convocation Notice.

Part 1 Overview of the Evaluation and Opinion of the Company’s Board of Directors of the Large-Scale Purchase by the Large-Scale Purchaser

Because of the reasons set forth below, the Company’s Board of Directors has determined that the invocation of countermeasures is necessary because 3D will acquire stronger influence on the Company’s management through the Large-Scale Purchase and impose management decisions on the Company that pursue short-term profit, which risks harming the Company’s corporate value and the common interests of shareholders, and the Large-Scale Purchase is coercive.

I. The true purpose of the Large-Scale Purchase is not pure investment or to increase corporate value through improving the Company’s governance system; rather, it is for 3D to pursue its own short-term profit by imposing management in line with its own intent on the Company by obtaining strong influence over the Company’s management

1. The purpose of the Large-Scale Purchase is not “pure investment”

3D has explained that it would implement the Large-Scale Purchase “in expectation of a significant increase in corporate value resulting from improvements to your company’s governance structure,” and that it “is intended solely to generate returns through pure investment and is not intended to seize your company’s management control.” However, as also described in section 2 below, judging from the history of 3D’s investment in the Company to date, it is believed to be reasonable to conclude that the purpose of the Large-Scale Purchaser implementing the Large-Scale Purchase is not simply to obtain profit through gains from appreciation of the share price regarding the amount they additionally acquire, but rather to increase its influence on the Company and the Company’s shareholders by increasing the number of voting rights it holds in order to realize management decisions and resolutions of the General Meeting of Shareholders in accordance with its intentions, particularly given the situation in which the details demanded by 3D have not been accepted by the Company and the Company’s shareholders. In other words, that its main purpose is to influence the Company’s management to cause decisions to be made in accordance with its own intentions. Consequently, the Large-Scale Purchase cannot be said to be for a “pure investment” purpose, and it is believed that 3D is deliberately stressing that it is “pure investment” to try to hide the true purpose of the Large-Scale Purchase and cause misunderstandings on the ordinary shareholders.

2. The purpose of the Large-Scale Purchase is to increase influence on the Company’s management, and then for 3D to pursue its own short-term profit

From the outset when it began engagement in 2023, 3D has insisted on causing the Company to implement a business integration or restructuring of the industry with another company in the same industry, or shareholder returns that are premised on a

revision of surplus assets, and 3D's purpose can be reasonably presumed to be for it to cause the Company to implement them. With respect to the criticisms regarding the Company's governance structure that 3D has repeatedly asserted, in light of the history of dialogue with 3D to date and the changes in 3D's assertions, it is hard to believe that 3D is truly aiming to improve the Company's governance system, and the true intention behind raising the issues is believed to be simply to place pressure on and shake up the Company's management. Therefore, the purpose of the Large-Scale Purchase by 3D can be reasonably presumed to be for it to pursue its own short-term profit by imposing management decisions in line with its own intentions on the Company by increasing its influence over the Company's management, and not "pure investment."

This is also supported by the fact that, in many past examples of investment by 3D, 3D has bought up a large volume of the investment target's shares, and then tried to realize the corporate action proposed by 3D or an act to obtain short-term profit through public campaigns, exercising shareholder rights, and proposing buyouts and the like while increasing its influence on the investment target's management.

II. The Large-Scale Purchase risks harming the corporate value of the Company, and the common interests of shareholders

1. The implementation of the new medium-term management plan will contribute the most to the enhancement of corporate value and of the common interests of shareholders

The Company has formulated a new medium-term management plan "Soaring into the Next Generation" (from the fiscal year ending in March 2027 to the fiscal year ending in March 2029) (the "New Medium-Term Plan"; please see https://www.tohohd.co.jp/en/assets/data/260428mtp_E.pdf) that works to convert to a type of management that stresses profitability and capital efficiency and that aims at sustainable improvement in corporate value; the New Medium-Term Plan aims to reassess each business from the perspective of profitability and growth potential and promote business portfolio reform by predominantly distributing management resources to areas where revenue creation is expected to exceed capital costs. The Company believes that the New Medium-Term Plan is based on highly implementable measures grounded in the Company's business characteristics and management resources, and that it achieves both improvement of capital efficiency and enhanced shareholder returns, and therefore it will contribute the most to improving sustainable corporate value and the common interests of shareholders. Furthermore, based on the recommendations it received from the Governance Enhancement Special Committee in October 2025, the Company is making efforts such as strengthening the Board of Directors, strengthening and clarifying the authority of the Chief Governance Officer, strengthening the audit system, developing a response system for when misconduct occurs, and making decisions at the Investment Committee more rational and objective,

and the Company also believes that it has established a governance system to reliably and efficiently implement the New Medium-Term Plan.

On the other hand, proposals for measures to improve corporate value made to the Company by 3D only stubbornly repeated the assertion that the market share price is significantly below its intrinsic value due to governance failures, and 3D has not made any proposals that could be recognized as specific or effective business strategies or policies to improve results. Additionally, based on 3D having represented that they believe that it is not necessary to have knowledge or experience concerning the pharmaceuticals wholesaling business or other businesses operated by the Company's group or corporate management, it is believed that there is not a good chance that they will present highly specific or effective measures that align with the condition of the Company, even if there are repeated discussions in the future.

The New Medium-Term Plan formulated by the Company was drawn up by leveraging broad knowledge, including of Outside Directors and external advisors, based on the work left undone and issues from the Previous Medium-Term Plan and with a mind to the business environment surrounding the Company, and it aims at a growth strategy and revenue improvement measures that fully leverage the Company's strengths, a radical review of asset holdings, an appropriate financial strategy and shareholder return policy, and the improvement of return on capital through an optimal execution structure to implement those. Consequently, it is believed that the New Medium-Term Plan will enable the realization of the medium-to-long-term enhancement of the Company's corporate value and the common interests of shareholders.

2. **Despite the fact that the Large-Scale Purchaser will obtain more material influence over the Company's management through the Large-Scale Purchase, it has not indicated a specific management policy for the Company and it can be inferred that it is concerned only with pursuing short-term profit; moreover, the Large-Scale Purchaser lacks understanding of the Company's business and other matters, and if the Large-Scale Purchase is carried out, there is a risk of creating a material impediment to the Company's management and harming the Company's medium-to-long-term corporate value**

Whereas 3D already has material influence on the Company's management even at the present time, by implementing the Large-Scale Purchase, in addition to the fact it will substantially have veto authority by itself over special resolution matters, it will also be able to reject ordinary resolutions by obtaining the support of a portion of the other shareholders, and it will have more material influence over the Company's management. Furthermore, it cannot be denied that it is also possible that 3D will additionally acquire the Company's shares after a certain period has passed after the Large-Scale Purchase, further increase its influence on the Company's management, and gradually acquire the power to control the management of the Company.

Despite that, in the dialogue to date, 3D's demands have been limited to the

development of the governance system, the acquisition of treasury shares on a scale of 90 billion yen premised on the verification of the business portfolio and the revision of surplus assets, and the integration with another company in the same industry, and 3D has not presented any specific management policies or measures to improve corporate value whatsoever.

Moreover, 3D's assertions pertaining to the Company's governance and policies to improve corporate value have changed back and forth, and 3D has not given a reasonable explanation for those changes. Furthermore, notwithstanding the Company having consistently made efforts to carry out a constructive dialogue, having itself implemented matters that it has determined to be beneficial from the perspective of improving corporate value in regard to requests from 3D, and having implemented various measures to improve governance, 3D only continues to make its demands without taking that into consideration in any way, leading to a situation in which the Company is forced to believe that a constructive dialogue with 3D is difficult. In light of these circumstances, the Company has no choice but to conclude that 3D has not sincerely considered a specific management policy or measures to improve corporate value for the Company after the share acquisition, and it can be inferred that 3D is concerned only with pursuing its own short-term profit.

Thus, there is a risk of the Company's medium-to-long-term corporate value and the common interests of shareholders, being harmed if 3D forced the Company to prioritize only the pursuit of short-term profit. In other words, in order to maintain and improve its medium-to-long-term corporate value, it is particularly important for the Company, whose core business is the pharmaceuticals wholesaling business, to maintain and strengthen continuing and long-term relationships with business partners such as pharmaceutical manufacturers that supply pharmaceuticals and medical institutions and pharmacies that handle pharmaceuticals, and furthermore to stably and sustainably fulfill the mission as social infrastructure of significant public importance. If 3D pursues its own short-term profit without understanding that business structure and those characteristics of the Company, it may result in a loss of trust from business partners and a loss of revenue opportunities for the Company.

Specifically, for example, while unlocking liquidity through sale-and-leaseback of the three logistics facilities held by the Company that is being proposed by 3D could improve profit and loss in the short term by recording a profit on the sale, that profit on the sale would be temporary, and in addition to the increase in the burden of lease fees being expected to become a factor depressing operating profit and cash flow over the medium-to-long term, there are concerns about the Company's logistics and manufacturing capital and financial capital being restricted, for example the decrease in the possibility of predicting long-term costs as a result of a structure that increases the negotiating power of the lessor in renewal negotiations when the lease agreement term expires.

In addition, measures to curtail or reduce unprofitable transactions, and cost improvement measures such as consolidation of bases of operation or reduction of back office and indirect expenses, etc. proposed by 3D may be expected to improve profits in the short term, but there are concerns that if we proceed with reducing the frequency of deliveries to medical institutions on the grounds that they are unprofitable or shrinking the logistics network by consolidating bases of operation, there will be an adverse effect on future receipt of orders for transactions as we will not be satisfying the requirement of stable supply demanded by business partners. Back office functions are the backbone of the stable supply demanded by business partners, and if we proceed with short-term measures to reduce back office and indirect expenses, there is a risk of inviting the degradation of infrastructure that supports the Company's stable supply and harming the conformance to the pharmaceutical wholesaler selection standards of pharmaceutical manufacturers. Thus, if short-term profit is pursued, the Company will become unable to meet the requirements of business partners and will risk losing opportunities for new revenue in the future.

Moreover, as set forth above, the Company must fulfill its mission as social infrastructure of significant public importance, but if the Company's supply capacity significantly declines and the maintenance and improvement of the system for stable supply, both in normal times and in emergencies, and quality management for the entire country are neglected, due to pursuing short-term profit, the possibility that this will result in the Company's public importance as social infrastructure being lost cannot be denied. Although the pursuit of short-term profits may temporarily improve capital efficiency, the Company, which bears responsibility as social infrastructure, would lose the trust of business partners in the medium- to long-term, which could consequently bring on a reduction in capital efficiency. Although the Company aims to improve capital efficiency, in order to fulfill its social mission, it is essential to maintain and improve the trust from business partners premised thereon. The trust placed in the Company by business partners is the basis for the trust in the significant public importance of the Company, and if that public importance is lost once, it will have a material and irreversible impact on the Company's business relationships.

Additionally, 3D has admitted that it does not have experience or knowledge regarding the Company's business.

Consequently, if 3D further increases its influence on the Company's management, it is possible that the Company's management will be thrown into disarray, that the implementation of policies to improve corporate value by the Company's management will be impeded, or that policies to pursue short-term profit will be forcibly imposed. As a result, there is a risk that the Company's corporate value and the common interests of shareholders will be irreversibly harmed if the Large-Scale Purchase is carried out.

III. There is a risk of the common interests of shareholders being harmed by the Large-Scale

Purchase

1. Conflicts of interests with ordinary shareholders may arise

Taking into account the contents of 3D's proposals to the Company and its past investment examples, against the background of material influence, it is clear that it is highly likely that a conflict of interest will arise between 3D and the Company's ordinary shareholders in the event 3D prioritizes pursuing short-term profit for itself. Despite that, 3D is not even trying to understand that point or give it consideration at all, and therefore, if 3D were to further increase its influence on the Company, it must be said that the possibility of the interests of ordinary shareholders being sacrificed cannot be denied.

2. The Large-Scale Purchase through on-market purchases and the possible subsequent additional acquisition of the Company's shares by the Large-Scale Purchaser will give rise to a risk that the power to control management or more material influence on management will be acquired without an appropriate control premium being paid to the general shareholders

The majority of the Large-Scale Purchaser's acquisition of the Company's shares has been carried out through on-market purchases in a situation in which practically no information is disclosed, and the Large-Scale Purchase will also be carried out through market purchases without sufficient information disclosure, and it is also possible that it will additionally acquire the Company's shares after the Large-Scale Purchase.

With regard to the act of gradually buying up shares through market purchases without disclosing sufficient information and acquiring shares to the point of holding the power to control the management of a company or material influence on management in this way, it has been pointed out that in a case such as when the purchaser does not pay an appropriate premium for the power of control to the shareholders who sold shares in that process, and the purchaser who acquired a certain ratio of shares through on-market purchases subsequently takes the target company private, the possibility that a counterproposal will be made is lower because that purchaser already holds a certain ratio of shares, and as a result of that the premium paid to ordinary shareholders is lower, and there is a risk that this type of purchase method will harm the common interests of shareholders.

3. Information disclosure by 3D is insufficient and inappropriate, and it makes appropriate judgments by shareholders difficult

If 3D further increases its influence on the Company through the Large-Scale Purchase, it can be said that it should sufficiently and appropriately explain the management policy for the Company so that ordinary shareholders can judge whether the Company's corporate value will be harmed after the Large-Scale Purchase, or in other words whether to accept the Large-Scale Purchase, but on the grounds that the purpose is not the acquisition of the power to control management, 3D merely makes the abstract assertion of the development of the governance system and has not indicated any other management policy or measures to improve corporate value whatsoever.

4. The Large-Scale Purchase is coercive with respect to ordinary shareholders

If the Company's shareholders believe that the Company's corporate value will be harmed in a situation in which 3D has strong influence over the Company's management, rather than accepting corporate value being harmed and the value of the shares they hold being reduced and staying at such a company as ordinary shareholders, they will have an incentive to convert their shareholdings to cash and exit the company by accepting the Large-Scale Purchase even if they have concerns about the purchase conditions, so coerciveness will exist in the Large-Scale Purchase.

The Large-Scale Purchase will risk harming the Company's corporate value and the common interests of shareholders as set forth above, and the Large-Scale Purchase is coercive towards ordinary shareholders. In order to resolve such coerciveness to the extent possible, it is believed that the Response Policy and invoking the Countermeasures based thereon will be necessary.

Part 2 Recommendations by the Independent Committee

In order to prevent arbitrary judgment by the Company's Board of Directors and to further enhance the fairness and objectivity of the operation of the Response Policy, the Company's Board of Directors, in accordance with the Response Policy, consulted the Independent Committee consisting of three Independent Outside Directors of the Company regarding the appropriateness of invoking the Countermeasures if the Large-Scale Purchaser carried out the Large-Scale Purchase after it evaluated the impact of the Large-Scale Purchase on the Company's corporate value and the common interests of shareholders.

Then, on April 28, 2026, the Company's Board of Directors received from the Independent Committee a **written recommendation** (the "Written Recommendation"), unanimously consented to by all members of the Independent Committee, **with content to the effect that, on the condition that the proposal regarding the invocation of the Countermeasures is approved at the shareholders' meeting for confirming shareholders' intent, if the Large-Scale Purchaser were to carry out the Large-Scale Purchase, it would be appropriate to invoke the Countermeasures at a time reasonably determined by the Company's Board of Directors, taking into account the opinion of the Independent Committee.** The summary of the Written Recommendation is as set forth below.

- I. For the reasons set forth below, there is considered to be a risk of the Company's corporate value and the common interests of shareholders being harmed if the Large-Scale Purchaser carried out the Large-Scale Purchase**
 - 1. The source of the Company's corporate value is its continuing and long-term relationships with business partners and the operating capital that supports them**
 - The maintenance and growth of the pharmaceutical wholesaling business, which is Company's core business, is essential to the maintenance and enhancement of corporate value, and it is therefore absolutely essential to be selected as a pharmaceutical wholesaler by pharmaceutical manufacturers, medical institutions, and pharmacies ("Business Partners"), and to maintain and strengthen the continuing and long-term relationships with those Business Partners.

- In order to maintain and strengthen the continuing and long-term relationships with Business Partners, it is necessary to meet the many different functions and capabilities required of the Company by Business Partners, such as “stable supply,” “quality management and traceability,” “information provision and feedback,” “emergency response capability,” and “a long-term commitment to fulfilling its social mission together with Business Partners,” and it is therefore essential to work to strengthen multifaceted functions and capabilities as a “trustworthy pharmaceutical supply chain through the establishment of appropriate quality control and a stable supply system” to meet these requirements. Then, continuing to meet those requirements enables the continued existence of business relationships over the long term, which becomes a source of future revenue.
 - In order to maintain and strengthen continuing and long-term relationships with Business Partners, it is important to maintain and strengthen the operating capital that supports them.
- 2. If priority is placed only on increasing figures for profit and loss or investment efficiency in the short term, there is a risk that the source of the Company’s corporate value, and its medium-to-long-term corporate value, will be harmed**
- Policies to increase profit and loss or investment efficiency in the short term do have a certain rationality when they are each viewed separately, but without an understanding of or consideration for the source of the Company’s corporate value, there is the concern that, even if they were to temporarily increase figures for profit and loss or investment efficiency, when viewed over the medium to long term, the source of corporate value would be harmed, reducing the total amount of future cash flows.
 - that, due to placing priority only on increasing figures for profit and loss or investment efficiency in the short term, it is not possible to meet the requirements of Business Partners, resulting in a loss of trust from Business Partners, and the Company not being selected as a pharmaceutical wholesaler, there is a concern that the Company may lose revenue opportunities, for example through the loss of opportunities to handle highly profitable items, lower priority for distribution of shipment adjustment items, lower competitiveness in sales channels, diminished MR-MS coordination opportunities, and exclusion from the data business and new businesses.
 - Based on the business environment in recent years in which Business Partners are becoming more selective in choosing pharmaceutical wholesalers, and intensified competition among pharmaceutical wholesalers is increasing the possibility that business relationships will shrink or, depending on the circumstances, be lost. In addition, the trend of pharmaceutical wholesalers, which are responsible for a stable supply as public infrastructure, remaining low in profitability is also becoming more pronounced.
 - Furthermore, continuing and long-term relationships with Business Partners are earned as a result of meeting the requirements of Business Partners while providing stable supply over the long term, so a relationship of trust that has once been lost cannot be easily restored to its original level, and if such a relationship of trust is harmed or dissolved, the adverse impact will last for a long period of time.

3. The Large-Scale Purchaser intends to exert material influence on the Company's material decision-making and to cause the Company to prioritize only increasing figures for profit and loss or investment efficiency in the short term

- (1) The voting rights ratio held by the Large-Scale Purchaser is objectively at a level that can have a material influence on the Company's material decision-making, and that influence will be further strengthened by the Large-Scale Purchase and further additional buyups
- The Large-Scale Purchaser holds shares in excess of 60% of the voting rights required to decide ordinary resolution matters on its own, and as for special resolution matters, it holds shares at a level sufficient to reject them on its own, and it can be said that the Large-Scale Purchaser is in a position to materially influence the Company's material decision-making. Furthermore, in light of the composition of shareholders following 3D, and the fact that 3D is continually carrying out public campaigns and making other approaches to ordinary shareholders pertaining to the exercise of voting rights and the like, it is even more clear that it has material influence on the Company's material decision-making.
 - Looking at other examples of investments by 3D in the past, in response to various proposals, campaigns, and shareholder proposals and the like by 3D, which held about 20% of shares, the investment target company has carried out material decision-making such as implementing or considering taking its shares private, accepting directors, and selling a real estate business. These examples support the fact that the number of shares held by the Large-Scale Purchaser in the Company gives it sufficient influence.
 - The influence of the Large-Scale Purchaser will be further strengthened by the Large-Scale Purchase, and the possibility that it will further increase due to the Large-Scale Purchaser making additional acquisitions of shares in excess of 27% after the Large-Scale Purchase also cannot be denied.
- (2) Backed by its high voting rights ratio, the Large-Scale Purchaser intends to cause the Company to prioritize increasing figures for profit and loss or investment efficiency in the short term
- 3D has proposed 3D's desired policies to the Company, and when the Company did not accept its proposals, then it increased the number of voting rights it held and repeatedly acted to increase its influence on the Company by requesting or implying that they would, for example, make shareholder proposals, demand the convocation of an Extraordinary General Meeting of Shareholders, carry out an opposition campaign to the officer appointment proposal, and pursue the liability of individual officers by requesting a lawsuit or the like. Those actions support the inference that 3D is conscious of the influence of buying up shares and has the intention and purpose of using a high voting rights ratio as a means of exercising influence on decision-making for the Company's management.
 - Given the examples of investments by 3D in the past and the details of the proposals and demands made by 3D to the Company to date, one can only believe that 3D does not understand or consider

the source of the Company's corporate value, and intends to cause the Company to prioritize only increasing figures for profit and loss or investment efficiency in the short term.

II. Because invoking the Countermeasures is recognized as necessary and appropriate for the reasons set forth below, on the condition that the proposal concerning the invocation of the Countermeasures is approved at the shareholders' meeting for confirming shareholders' intent, if the Large-Scale Purchaser has carried out the Large-Scale Purchase, it is believed to be appropriate for the Company's Board of Directors to invoke the Countermeasures at the time reasonably determined by the Company's Board of Directors, taking into account the opinion of the Independent Committee

1. There is a necessity to invoke the Countermeasures

- As set forth in section I. above, there is a possibility that the Large-Scale Purchaser will carry out the Large-Scale Purchase, and a risk that the Company's corporate value and the common interests of shareholders will be harmed by the Large-Scale Purchase. In addition, there are no circumstances to presume that the introduction and invocation of the Countermeasures are for the purpose of self-protection by the current management, and special circumstances to deny the necessity of invoking the Countermeasures also cannot be found.
- It is believed that a coercive effect on ordinary shareholders can be created by the Large-Scale Purchase, because (1) shareholders who did not accept the Large-Scale Purchase will continue to be shareholders of the Company after the Large-Scale Purchase, (2) there is a risk that the Company's corporate value and the common interests of shareholders will be harmed by the Large-Scale Purchase, and (3) while the Large-Scale Purchaser is trying to carry out the Large-Scale Purchase by means of market purchases, it is recognized that the Large-Scale Purchaser is not providing sufficient information for the Company's shareholders to judge the appropriateness of the Large-Scale Purchaser coming to have material influence on management.

2. There is appropriateness in invoking the Countermeasures

- (1) There is appropriateness in invoking the Countermeasures in relation to the interests of the Large-Scale Purchaser
 - Measures have been taken to avoid or mitigate the damage that could be suffered by the Large-Scale Purchaser, and the Large-Scale Purchaser itself can also foresee that it is possible to suffer damage.
 - In addition, a mechanism has also been created so that there will not be arbitrary judgment or application by the Company's Board of Directors and so that it will not invoke countermeasures with unreasonable content.
- (2) There is also appropriateness in invoking the Countermeasures in relation to the common interests of shareholders
 - The management to date under the current system aligns with the maintenance and strengthening

of the source of corporate value, with understanding and consideration for the source of the Company's corporate value as its foundation.

- Then, the New Medium-Term Plan is positioned as a revenue generation phase through accelerated growth investment based on the business foundation created in the Previous Medium-Term Plan, and in addition to specific policies for the strengthening of profitability of the Company's pharmaceutical wholesaling business that is its core business, it also incorporates specific strategies regarding the growth of new business that were carried over from the Previous Medium-Term Plan, and specific numeric targets are also indicated. At the same time, it also includes specific numerical targets regarding capital allocation and appropriate shareholder returns policies, while also giving consideration to investments and the maintenance of a financial foundation necessary to maintain and improve the source of corporate value and operating capital.
- Therefore, continuing the management under the current system will contribute to improving the Company's corporate value and the common interests of shareholders, and the Countermeasures that affirm the management under the current system can be said to have appropriateness in relation to the common interests of shareholders as well.

3. When deciding on the invocation of the Countermeasures, shareholders' intention should be confirmed at a shareholders' meeting

- It is reasonable to confirm shareholders' intent regarding the Large-Scale Purchase at the shareholders' meeting.

Part 3 Overview of the countermeasures (Gratis Allotment of Stock Acquisition Rights)

The overview of the Gratis Allotment of Stock Acquisition Rights to be implemented as a countermeasure under the Response Policy is as follows (the stock acquisition rights to be allotted are hereinafter referred to as the "Stock Acquisition Rights," and the holders of the Stock Acquisition Rights are hereinafter referred to as the "Stock Acquisition Right Holders"). In addition to the matters set forth below, further details of the Stock Acquisition Rights shall be separately determined by the Company's Board of Directors upon the resolution for the gratis allotment of the Stock Acquisition Rights:

(1) Details of the Stock Acquisition Rights to be allotted

(i) Type of shares to be issued upon exercise of the Stock Acquisition Rights

The Company's shares

(ii) Number of shares to be issued upon exercise of the Stock Acquisition Rights

The number of shares to be issued upon exercise of one Stock Acquisition Right shall be separately determined by the Company's Board of Directors.

(iii) Amount to be contributed upon exercise of the Stock Acquisition Rights

Contribution upon exercise of the Stock Acquisition Rights shall be in cash, and its value shall be one yen multiplied by the number of shares to be issued upon exercise of each Stock Acquisition Right.

(iv) Exercise period of the Stock Acquisition Rights

The exercisable period of the Stock Acquisition Rights shall be a specified period determined separately by the Company's Board of Directors.

(v) Exercise conditions of the Stock Acquisition Rights

- (a) As a general rule, Non-qualified parties may not exercise the Stock Acquisition Rights (including those held substantively).

"Non-qualified parties" refer to the parties that fall under any of the following (Note 1). In determining whether parties constitute Non-qualified parties (Note 2), the Company's Board of Directors shall consult with the Independent Committee and respect the Committee's recommendations to the maximum extent.

- (i) Large-scale purchasers (*1) (the large-scale purchaser and its controlling shareholders, etc., as defined in Article 14-7, Paragraph 1, Item 1 of the Order for Enforcement of the Financial Instruments and Exchange Act)
- (ii) Joint holders of the large-scale purchaser (as defined in Article 27-23, Paragraphs 5 and 6 of the Financial Instruments and Exchange Act)
- (iii) Parties with whom joint holders of the large-scale purchaser have a special capital relationship (as defined in Article 9, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act) (including those who have a special capital relationship; the same applies hereinafter)
- (iv) Specially related parties of the large-scale purchasers (as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act)
- (v) Parties with whom specially related parties of the large-scale purchaser have a special capital relationship (including those who have a special capital relationship; the same applies hereinafter)
- (vi) Any party the Company's Board of Directors rationally certifies to fall under any of the following:
 - (x) Any party who was transferred or succeeded without the Company's approval, the Stock Acquisition Rights from the parties falling under (i) through (vi) ; or
 - (y) "Affiliated parties" of the parties falling under (i) through (vi) (Note 3).

Note 1: Notwithstanding the foregoing, parties that otherwise fall under the above categories shall not be deemed Non-qualified parties if the Company's Board of Directors determines that such party's acquisition or holding of the Company's shares does not harm the Company's corporate value or shareholders' common interests, or if the Company's Board of Directors designates such parties separately at the time of the resolution regarding the gratis allotment of the Stock Acquisition Rights.

Note 2: The Company's Board of Directors may request that such parties provide the

information necessary to determine whether they are Non-qualified parties.

Note 3: “Affiliated parties” refer to the followings: investment banks, security firms, and other financial institution having a financial advisory agreement with Non-qualified parties, as well as those having the substantively same interests of such parties; tender offer agents, attorneys, accountants, tax accountants, other advisors, or any other parties substantively controlled by or acting in concert or coordination with Non-qualified parties. When assessing whether associations or other funds fall into Affiliated parties, it shall be considered whether their fund managers are substantively identical to Non-qualified parties.

- (b) The Stock Acquisition Rights holders may exercise the Stock Acquisition Rights only if the holders submit the following to the Company:
 - the documentation containing representations and warranties clauses, indemnification clauses, and other form prescribed by the Company as to the fact that they do not fall into Non-qualified parties set in (v)(a) (in the case that they exercise the Stock Acquisition Rights on behalf of the third parties, the documentation stating that such third parties do not fall into Non-qualified parties set in (v)(a))
 - materials showing that they satisfy the exercise conditions to a reasonable extent; and
 - any other documents required under applicable laws and regulations.
- (c) Nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may exercise the Stock Acquisition Rights only if the Company acknowledges that all the procedures and exercise conditions are fulfilled. Even if such procedures or conditions would enable nonresident holders to exercise the Stock Acquisition Rights, the Company shall not be obligated to undertake or fulfill them.
- (d) For the purpose of confirming the satisfaction of the conditions set in (v)(c), the Company’s Board of Directors sets the procedures similar to those set in (v)(b).

(vi) Acquisition provisions

The Company may acquire any unexercised Stock Acquisition Rights, either for consideration at the price determined by the Company’s Board of Directors or without consideration, on the day determined by the Company’s Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights.

- (a) In the case of invoking the countermeasure (acquisition from the holders other than Non-qualified parties)

If the Company invokes the countermeasure under the Response Policy, it may acquire the unexercised Stock Acquisition Rights that are exercisable (i.e. held by other than Non-qualified parties) pursuant to the provisions in (v)(a) and (b) above (referred to as “Eligible Stock Acquisition Rights” in (vi)(b) below) on the day determined by the Company’s Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights. These may be exchanged for the Company’s shares in a number equivalent to the number of the Stock Acquisition Rights for acquisition multiplied by the

number of the Company's shares to be issued, rounded down to the nearest whole number.

(b) In the case of invoking the countermeasure (acquisition from Non-qualified parties)

If the Company invokes the countermeasure under the Response Policy, it may acquire unexercised Stock Acquisition Rights except for the Eligible Stock Acquisition Rights on the day determined by the Company's Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights. These may be exchanged for an equal number of the Stock Acquisition Rights (any fractional shares below one share shall be rounded down) which are subject to certain restrictions (the exercise conditions and acquisition provision as set out below and other matters determined by the Company's Board of Directors) for exercise by Non-qualified parties (hereinafter referred to as the "Second Stock Acquisition Rights.")

(i) Exercise conditions

If following conditions of (x) and (y) are satisfied, or if otherwise determined by the Company's Board of Directors, the holders of the Second Stock Acquisition Rights may exercise such rights only to the extent that the voting rights ratio (*2) of the large-scale purchasers after exercise, which are approved by the Board of Directors, remains below 24% or such other percentage as may be separately determined by the Company's Board of Directors (if 3D's voting rights ratio pertaining to the share certificates, etc. as of October 31, 2025 exceeds 24%, in relation to 3D, "24% or such other percentage as may be separately determined by the Company's Board of Directors" will be read as "the voting rights ratio of the large-scale purchaser as of October 31, 2025"; the same applies hereinafter).

(x) The large-scale purchaser must suspend or withdraw its large-scale purchase (*3) and pledge in writing that it will not engage in any such activities in the future; and

(y) (a) The voting rights ratio of the large-scale purchaser, which is approved by the Company's Board of Directors, is less than 24% or such other percentage as may be separately determined by the Company's Board of Directors. (Provided that, for the purpose of such calculation, any Non-qualified parties other than the large-scale purchaser, their joint holders, or their specially related parties shall be deemed to be joint holders or specially related parties of the large-scale purchasers, and any Second Stock Acquisition Rights held by such Non-qualified parties that do not satisfy the exercise conditions shall be excluded from the calculation.); or (b) in the event that the voting rights ratio of the large-scale purchasers, which are approved by the Company, is more than 24% or such other percentage as may be separately determined by the Company's Board of Directors, the large-scale purchasers or other Non-qualified parties sell the Company's shares on the market via security firms approved by the Company, and after the sale, the voting rights ratio of the large-scale purchaser falls below 24% or such other percentage as separately determined by the Company's Board of Directors.

(ii) Acquisition provision

On a separately determined date set by the Company's Board of Directors between the 10th and 11th

anniversaries of the date on which the Second Stock Acquisition Rights were granted, the Company may acquire any unexercised Second Stock Acquisition Rights for which the exercise conditions are not satisfied, in exchange for cash consideration equivalent to their fair value at that time.

- (c) For the purpose of confirming the satisfaction of the conditions for the compulsory acquisition of the Stock Acquisition Rights, the Company's Board of Directors sets the procedures similar to those set in (v)(b). Furthermore, if the Company's Board of Directors deems it appropriate for the Company to acquire the Stock Acquisition Rights, the Company may acquire all outstanding Stock Acquisition Rights without compensation on a date separately determined by the Company's Board of Directors, at any time up to the day immediately preceding the commencement date of the exercise period for the Stock Acquisition Rights.

(vii) Transfer approval

Acquiring the Stock Acquisition Rights via the transfer requires the approval of the Company's Board of Directors.

(viii) Share capital and legal capital surplus

Matters regarding the increases in share capital and legal capital surplus resulting from the exercise or acquisition based on the acquisition provision of the Stock Acquisition Rights shall be defined in accordance with applicable laws and regulations.

(ix) Fractional share

If the number of shares to be delivered upon exercise of the Stock Acquisition Rights includes any fractional share less than one share, such fraction shall be rounded down. However, if a holder of the Stock Acquisition Rights exercises multiple rights simultaneously, the number of shares to be delivered upon the exercise can be aggregated in calculating the fractional share.

(x) Issuing the Stock Acquisition Rights

Certificates shall not be issued for these Stock Acquisition Rights.

(2) Number of the Stock Acquisition Rights to be allotted to shareholders

The Stock Acquisition Rights shall be allotted at a ratio of one right per one share of the Company's share (excluding treasury shares held by the Company).

(3) Shareholders eligible for the gratis allotment of Stock Acquisition Rights

The Stock Acquisition Rights shall be allotted to all shareholders (excluding the Company) who are recorded or registered in the final shareholders' register as of the record date separately determined by the Company's Board of Directors.

(4) Total number of Stock Acquisition Rights

The total number of Stock Acquisition Rights shall be equal to the total number of outstanding shares

(excluding treasury shares held by the Company) on the record date separately determined by the Company's Board of Directors.

(5) Effective date of the gratis allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights shall be a day on or after the record date and separately determined by the Company's Board of Directors.

(6) Other

The gratis allotment of the Stock Acquisition Rights shall become effective if either (i) or (ii) is met:

- (i) approval is obtained at this Annual General Meeting of Shareholders and the large-scale purchase has not been suspended or withdrawn (in the case that it is reasonably confirmed ex-post facto that a large-scale purchase has taken place, the holding of the Company's shares that are deemed a large-scale purchase or possibility thereof is not eliminated within a reasonable period determined by the Company's Board of Directors based on the recommendation of the Independent Committee); or
- (ii) the large-scale purchaser fails to comply with the procedures set forth in the Response Policy and attempts to carry out a large-scale purchase (including additional acquisitions) (in the case that it is reasonably confirmed ex-post facto that a large-scale purchase has taken place, the holding of the Company's shares that are deemed a large-scale purchase or possibility thereof is not eliminated within a reasonable period determined by the Company's Board of Directors based on the recommendation of the Independent Committee).

Furthermore, even after initiating the procedures for the gratis allotment of the Stock Acquisition Rights as a countermeasure, if the Company's Board of Directors determines that it is no longer necessary to invoke the countermeasure, it may suspend or withhold the implementation of such countermeasure. Such examples include instances where the large-scale purchaser withdraws the large-scale purchase and pledges, in writing, not to engage in any such purchase in the future.

If the Company's Board of Directors resolves to suspend or withdraw the countermeasure that has already been invoked, it shall promptly disclose such decision.

- ※1 The term "large-scale purchaser" refers to a party who conducts or is attempting to conduct a large-scale purchase alone or jointly in concert with other parties; the same applies hereinafter.
- ※2 The terms "voting rights ratio" shall have the meaning set forth in Note 2 of *3.
- ※3 The term "large-scale purchase" refers to acts reasonably determined to be the following, excluding any act as the Company's Board of Directors agrees in advance not to be subject to the Response Policy:
 - (i) Purchases or other acquisitions of the Company's share certificates, etc. (Note 3) with the aim of increasing the voting rights ratio (Note 2) of a specified shareholder group (Note 1) to 24% or more (including purchases and other acquisitions by such specified shareholder group in case the voting rights ratio of such specified shareholder group has reached 24% or more prior to such acts, including

but not limited to market transactions, tender offers, and any other specific purchase method, as well as the commencement of a tender offer; hereinafter the same);

- (ii) Purchases or other acquisitions of the Company's share certificates, etc. of that would result in the voting rights ratio of a specified shareholder group reaching 24% or more; or
- (iii) Regardless of whether any of the acts stipulated in items (i) and (ii) above is conducted, an act that is conducted between a specified shareholder group and one or more other shareholders of the Company and that constitutes an agreement or other act as a result of which the other shareholder(s) become(s) a joint holder of the specified shareholder group, or any act that establishes a relationship (Note 4) whereby the specified shareholder group or the other shareholder(s) substantially control(s) the other or they act jointly or in concert with each other (Note5), provided that would result in the total shareholding ratio of that specified shareholder group and the other shareholder(s) accounting for 24% or more.

If, at the time of announcing the adoption of the Response Policy, the voting rights ratio of a specified shareholder group has reached 24% or more or if the total shareholding ratio of a specified group and the other shareholders has reached 24% or more based on the acts described in (iii) above, that specified shareholder group shall be deemed a large-scale purchaser. In relation with a specified shareholder group, any new purchase listed in either (i) or (ii) above (for the avoidance of doubt, including the act of acquiring one new share of the Company's share certificates, etc.) or any new act conducted between a specified shareholder group and the other shareholder(s) listed in (iii) above shall be treated as a large-scale purchase.

Note 1. Specified shareholder group refers to the following:

- (i) Holders of the Company's share certificates, etc. (referring to the holder as defined in Article 27- 23, Paragraph 1 of the Financial Instruments and Exchange Act, including those included in the holders based on Article 27-23, Paragraph 3 of the same Act) and their joint holders (referring to the joint holders as defined in Article 27-23, Paragraph 5 of the same Act, including those who are deemed to be joint holders based on Paragraph 6 of the same Article;)
- (ii) Parties who perform purchases of the Company's share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-2, Paragraph 1 of the same Act) (referring to the purchase, etc. as defined in Article 27-2, Paragraph 1 of the same Act, including those performed in the commodity market) and a specially related party (referring to a specially related party defined in Article 27-2, Paragraph 7 of the same Act);
- (iii) Parties related with the above (i) or (ii) (referring to a group consisting of such parties and investment banks, securities firms and other financial institutions that have concluded financial advisory agreements with such

parties; any other parties who share a substantial common interest with such parties; tender offer agents, attorneys, accountants, tax accountants and other advisors; or those rationally recognized by the Company's Board of Directors as parties substantially controlled by, or acting in concert or coordination with such parties); and

- (iv) a party, who has acquired or succeeded the Company's share certificates from a party falling under (i) through (iv) above through an off-market negotiated transactions or Tokyo Stock Exchange's on-market off-floor trading system (ToSTNet-1).

Note 2. The voting rights ratio refers to the following, depending on a specific acquisition method of specified shareholder group:

- (i) The shareholding ratio of the holders of the Company's share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act) and the shareholding ratio of the joint holders (referring to the ownership ratio of share certificates, etc. as defined in Article 27-23, Paragraph 4 of the same Act. In this case, the number of share certificates, etc. held by the joint holders of the relevant holder (referring to the number of share certificates, etc. held as defined in the same paragraph) is also taken into account in the calculation, provided that, in the Response Policy, the "number of share certificates, etc. issued by that issuer (the divisor in the calculation of the shareholding ratio) as defined in the same paragraph" will be read as the "total number of the share certificates, etc. issued by that issuer (excluding the shares held as treasury shares by that issuers)"); or
- (ii) The total shareholding ratio of the parties who perform purchases and other acts of the Company's share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-2, Paragraph 1 of the same Act) and the specially related party of the relevant purchaser (referring to the ownership ratio of share certificates, etc. as defined in Article 27-2, Paragraph 8 of the same Act.)

In calculating the shareholding ratios, (a) a specially related party as defined in Article 27-2, Paragraph 8 of the same Act; (b) investment banks, securities firms and other financial institutions that have concluded financial advisory agreements with such parties, tender offer agents, underwriting securities companies, attorneys, accountants, tax accountants and other advisors of such parties; and (c) a party, who has acquired or succeeded the Company's share certificates from a party falling under (a) or (b) above through an off-market negotiated transactions or Tokyo Stock Exchange's on-market off-floor trading system (ToSTNet-1) are deemed joint holders of such holders under the Response Policy unless the Company's Board of Directors certifies that such party does not pose any problem from the perspective of ensuring and enhancing the

corporate value of the Company and shareholders' common interests. Also, in calculating the shareholding ratio, joint holders (including those who are deemed joint holders in the Response Policy) are, under the Response Policy, deemed specially related persons of the party who performs the purchase and other acts. Please note that, in calculating the shareholding ratio or ownership ratio of share certificates, etc., the total number of issued shares (referring to those defined in Article 27-23, Paragraph 4 of the same Act), the number of treasury shares held by the issuer, and the total number of voting rights (referring to those defined in Article 27-2, Paragraph 8 of the same Act) may be referred to in the most recently submitted securities report, quarterly securities report and share certificate purchase status report.

Note 3. The term "Share certificates, etc." refers to the share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Note 4. Determination as to whether a "a relationship whereby the specified shareholder group or the other shareholder(s) substantially control(s) the other or they act jointly or in concert with each other" has been established between them will be made based on certain factors such as the current or past capital relationship (including a relationship of joint control), business alliance relationship, business or contractual relationship, relationship of interlocking directorate, financing relationship, credit granting relationship, purchase status of the Company's share certificates, etc., and a substantial interest in the Company's share certificates, etc. through derivatives, stock lending, and other transactions, as well as direct or indirect effects on the Company caused by that specified shareholder group and the other shareholder(s).

Note 5. Whether or not an act specified in item (iii) of the main text has been conducted will be rationally determined by the Company's Board of Directors, which will respect the recommendations of the Independent Committee to the maximum extent. Please note that the Company's Board of Directors may request the Company's shareholders to provide necessary information to the extent that is required for making a judgment regarding whether the relevant act satisfies the requirements as defined in (iii) of the main text.

The End

(Attachment)

Business Report

[from April 1, 2025 to March 31, 2026]

1. Current Situation of the Corporate Group

(1) Business Conditions for the Current Fiscal Year

1) Business Progress and Results

In the pharmaceutical industry during the consolidated fiscal year under review, the interim-period NHI drug price revisions were implemented in April for 53% of all products. In addition, special measures were applied to recalculate unprofitable products and minimum NHI drug prices were raised.

Additionally, with the amendment of the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices in May, deregulation of over-the-counter drug sales, reinforcement of the stable supply system for prescription pharmaceuticals, and enhancement of pharmacy functions, including partial outsourcing of dispensing operations, will be implemented in a phased manner. These developments are expected to further accelerate the transformation of healthcare delivery systems and pharmaceutical distribution. The prescription pharmaceuticals market grew faster than in the corresponding period of the previous year thanks to robust sales of cancer drugs, specialty pharmaceuticals, diabetes medication and vaccines, such as herpes zoster vaccine, despite a decrease in sales of COVID-19 related products.

Under these circumstances, as the final year of the Medium-Term Management Plan 2023-2025 “Create the Next Generation,” the Group promoted the following measures based on the action plan announced in November 2024.

• Initiatives for Business Transformation

We focused on developing the reagents market through the integration of pharmaceutical and reagent operations by our pharmaceutical MSs (Marketing Specialists). At the same time, we further strengthened our business foundation by enhancing management functions through digital transformation (DX), establishing an optimal delivery system through the visualization of distribution costs, and promoting a strategic approach focused on high-profit areas. Starting this April, we have been transitioning to a more agile organizational structure, building on the foundation we established during the Medium-Term Management Plan period.

• Strengthening of logistics functions and specialty areas

In addition to commencing construction of "TBC Tokai" (scheduled to become operational in fiscal 2027), a multifunctional logistics center that integrates manufacturer and wholesaler logistics warehouses, we obtained new ISO 9001 certification to further enhance our quality control system and implemented thorough and strengthened internal training on Good Distribution Practice (GDP). In response to the growing specialty areas, we are preparing for the start of operations at the "Haneda Packaging Center," a secondary packaging facility for pharmaceuticals. At the same time, we are participating in new projects utilizing the regenerative medicine ecosystem through collaboration with TEIJIN REGENETCO., LTD. and ITOCHU Corporation. Furthermore, we invested in Ishin Pharma Co., Ltd. in May 2025, and in Surv BioPharma Inc. in January 2026. We also launched “L1MON,” a patient home delivery service for specialty products, as part of our efforts to build a comprehensive full-line service for specialty products.

• Improvement of customer support business

In June 2025, we entered into a capital and business alliance agreement with Pharmo Co., Ltd. and began handling "EveryPick," the company's cloud-based picking audit system. Furthermore, we are collaborating with Pharmo Co., Ltd. and the Japan Pharmaceutical Association to develop "N-Bridge," a pharmacy DX infrastructure service, and "NB station," a prescription information transmission terminal. Furthermore, in the area of medical appointment systems, we newly released "LXMATE HeLios cloud" and focused our efforts on sales promotion activities. In addition, we are working to integrate AI capabilities into our existing systems and enhance our promotional efforts.

• Investment for growth

We established a CVC fund, "TOHO Ventures," aimed at strengthening our existing businesses by promoting open innovation, as well as creating new businesses for the next generation. Focusing on the fields of drug discovery and biotechnology, as well as digital transformation in healthcare, we have been actively identifying leading startups, mainly overseas, and, in April of this year, made an investment in Metaphore Biotechnologies, Inc.

• Strengthening of governance

Based on the final report from the "Special Committee for Strengthening Governance," established in August 2024 as an advisory body to the Board of Directors, we have strived to further strengthen our governance. Specifically, we newly appointed a Chief Governance Officer (CGO) as the executive officer responsible for improving the corporate governance of our Group to promote effective governance. Furthermore, we are building a promotion framework by establishing the Compliance Promotion Department and the Group Governance Department.

• Improvement of capital efficiency and enhancement of shareholder returns

In line with our dividend policy of a "Dividend on Equity ratio (DOE) of 2% or higher," we increased the annual dividend by 100 yen from the previous fiscal year to 165 yen. At the same time, we proceeded with the acquisition of 10 billion yen of our own shares and the continuous sale of strategic shareholdings.

The Company's consolidated operating results for fiscal year ended March 31, 2026 recorded 1,553,364 million yen for net sales (an increase of 2.3% on a year-on-year basis), 16,601 million yen for operating profit (a decrease of 12.3% on a year-on-year basis), 16,631 million yen for ordinary profit (a decrease of 19.7% on a year-on-year basis), and 17,327 million yen for profit attributable to owners of parent (a decrease of 12.7% on a year-on-year basis).



Pharmaceutical wholesaling business

While sales of COVID-19 related products continued to decline, sales grew for cancer drugs and limited-handling products for selected wholesalers (exclusive products) such as specialty pharmaceuticals, as well as diabetes medication and herpes zoster vaccine. In terms of initiatives, we improved productivity by clarifying the roles of sales and delivery teams and introducing digital tools such as the Kyoso Mirai Portal and new delivery terminals. We also focused on various training programs, including those for customer support, aimed at enhancing the skills of our sales representatives. In addition, we conducted price negotiations in line with the Ministry of Health, Labour and Welfare's Guidelines for the Improvement of Commercial Transaction Practices of Ethical Drugs for Manufacturers, Wholesalers, and Medical Institutions / Pharmacies, and worked to visualize and optimize distribution costs for each product and customer.

On the other hand, the pharmaceutical wholesaling business was impacted by rising purchase costs. As a result, for the fiscal year under review, the segment posted net sales of 1,494,868 million yen (an increase of 2.1% on a year-on-year basis) and segment profit (operating profit) of 16,820 million yen (a decrease of 11.6% on a year-on-year basis).



Dispensing pharmacy business

We worked to reorganize our operating companies and reduced the number of dispensing pharmacy operating companies under PHARMA CLUSTER CO., LTD. from 24 at the end of March 2024 to four as of April 1, 2026. In addition to responding to the revisions to dispensing fees, we have established a prescription input center and are centralizing prescription input tasks from individual stores to save labor and enhance pharmacists' patientfacing duties.

In the consolidated fiscal year under review, despite the occurrence of restructuring expenses that exceeded the benefits, net sales were 100,538 million yen (an increase of 5.2% on a year-on-year basis) and segment profit (operating profit) was 1,397 million yen (an increase of 64.0% on a year-on-year basis).



Pharmaceutical manufacturing and sales business

In December 2025, we launched three products across one generic drug ingredient. Furthermore, 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 and procurement

system. At the Haneda Packaging Center, a secondary packaging facility for prescription pharmaceuticals opened within the same facility as TBC DynaBASE, preparations are underway to begin accepting orders within fiscal 2026. The pharmaceutical manufacturing and sales business posted net sales of 11,564 million yen (an increase of 0.9% on a year-on-year basis); however, segment profit (operating profit) was 282 million yen (a decrease of 61.3% on a year-on-year basis) due to factors such as rising costs of sales.

Other peripheral businesses

Net sales amounted to 7,048 million yen (an increase of 2.9% on a year-on-year basis) and segment profit (operating profit) was 832 million yen (an increase of 26.9 % 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	1,444,698	93.0	2.1
Pharmaceuticals	1,273,705	/	/
Reagents	71,415		
Others	99,577		
Dispensing pharmacy business	100,535	6.5	5.2
Pharmaceutical manufacturing and sales business	2,654	0.2	1.5
Other peripheral business	5,475	0.3	8.2
Total	1,553,364	100.0	2.3

(Note) Sales represent sales to external customers.

2) Status of Capital Investment

The Group's capital investment totaled 11,215 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 75th fiscal year (End of March FY23)	The 76th fiscal year (End of March FY24)	The 77th fiscal year (End of March FY25)	The 78th fiscal year (Consolidated fiscal year under review) (End of March FY26)
Net sales (million yen)	1,392,117	1,476,712	1,518,495	1,553,364
Ordinary income (million yen)	19,176	21,787	20,716	16,631
Net income attributable to owners of the parent (million yen)	13,630	20,657	19,844	17,327
Net income per share	196.70 yen	320.14 yen	313.20 yen	271.18 yen

Total assets (million yen)	715,288	773,427	722,805	740,781
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(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 75th fiscal year (End of March FY23)	The 76th fiscal year (End of March FY24)	The 77th fiscal year (End of March FY25)	The 78th fiscal year (Consolidated fiscal year under review) (End of March FY26)
Net sales (million yen)	13,039	12,515	15,597	16,031
Ordinary income (million yen)	7,260	4,883	7,648	7,330
Net income (million yen)	9,655	13,118	13,861	14,502
Net income per share	139.32 yen	203.27 yen	218.73 yen	226.93 yen
Total assets (million yen)	253,452	267,428	242,556	245,913

(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.

(3) Status of Significant Parent Company and Subsidiary Companies (as of March 31, 2026)

1) Status of Parent Company

Not applicable

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
Strelitzia	25	100.00	Operation of dispensing pharmacies
Aobado	3	100.00	Operation of dispensing pharmacies
K・Create	10	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.

In Japan today, various measures are being introduced to curb medical costs with the aim of developing and maintaining sustainable social security systems amidst extending healthy life expectancy, a super-aging society, and a declining total population. These include the annual revision of NHI drug prices, the introduction of "selective treatment" fees for long-term listed products, and ongoing discussions regarding additional co-payments for drugs similar to over-the-counter (OTC) medicines. At the same time, efforts to promote medical DX and build a "Community-based Integrated Care System" are accelerating to ensure the provision of high-quality medical services and care. Furthermore, in recent years, pharmaceutical modalities have diversified with the emergence of high-priced drugs that require strict management, such as gene therapy and regenerative medical products. Consequently, establishing sales and logistics systems capable of responding to these changes has become an urgent priority.

Amidst the further accelerating environmental changes in the medical and pharmaceutical industries, we newly formulated the Medium-term Management Plan 2026-2028, "Soaring into the Next Generation," with fiscal 2028 as the final year, in order to continue to be a company that contributes to society by providing added value to all our stakeholders, including medical institutions and people wishing for good health. We position the period of this Medium-term Management Plan as a "monetization phase" built on the "foundation" for the next generation established during the previous plan. We will implement strategies and measures focused on achieving a discontinuous leap in operating profit through further investment aimed at growth. Along with strengthening the profitability of the pharmaceutical wholesaling business, which is our core business, we will transform into a "Comprehensive Healthcare Solutions Provider" that creates and provides new value to all stakeholders involved in the healthcare business through the rapid expansion of new businesses by actively executing alliances. Through evolution into a value-creating organization led by self-reliant employees who are unafraid of challenges, we will make a powerful leap into the rapidly changing next generation and realize sustainable growth and the enhancement of corporate value over the medium to long term.

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 balancing environmental conservation with our business activities as one of our highest priorities. Accordingly, we have established medium- and long-term targets for reducing greenhouse gas emissions. We are committed to these goals through proactive measures such as improving delivery efficiency to reduce mileage, and switching to renewable energy by installing solar panels at our business sites. In addition to these internal initiatives, we are also working to reduce our environmental impact across the entire supply chain through collaboration with other companies.

Regarding the utilization of human resources, based on our philosophy that employees are the company's assets, or "human assets," we actively appoint a diverse range of individuals regardless of gender, nationality, disability, age, or values. We will implement system reforms to foster the growth of each employee and strengthen our organization; introduce appropriate talent allocation and training systems aligned with our management strategy; and transform our corporate culture with a focus on psychological safety. Through these efforts, we aim to cultivate self-directed talent who are unafraid to take on challenges, thereby evolving into an organization that creates value. Furthermore, to ensure management transparency and fairness, we will establish a robust governance framework by strengthening the Board of Directors' oversight functions and implementing an effective internal control system. We will maintain the soundness of our management by establishing a risk management framework to accurately identify and assess risks, thereby preventing losses and minimizing their impact.

Furthermore, all executives and employees will act with “compliance with relevant laws and regulations” as their top priority, and we will practice disciplined management to build strong trust with our stakeholders.

In addition, in recognition of its public nature as a medical and health-related company and its mission as a social infrastructure, the Company will continue to invest in measures against earthquakes and pandemics, and other measures necessary for the stable supply of pharmaceuticals, based on the trust and sympathy of each stakeholder, in order to sustain the medical care system even in an emergency. Through the implementation of the above-mentioned measures, we will strive to become a corporate group relied upon and continuously supported by all stakeholders including people who wish to be healthy, customers, local communities, shareholders and employees.

(5) Principal Business (as of March 31, 2026)

Segment	Principal business
Pharmaceutical wholesaling business	Sales of pharmaceuticals, narcotic drugs, regents, etc., and sales of medical devices
Dispensing pharmacy business	Operation of insurance dispensing pharmacies, home-care support services, and sales of pharmaceuticals
Pharmaceutical manufacturing and sales business	Manufacture and sales of prescription pharmaceuticals and contract manufacture of injection drugs
Other peripheral business	Peripheral businesses related to the above businesses

2. Matters Concerning Shares (as of March 31, 2026)

- (1) Total number of shares authorized to be issued 192,000,000 shares
(2) Total number of shares outstanding 73,025,942 shares
(3) Number of shareholders 4,314 persons
(4) Major shareholders

Shareholder name	Number of shares (thousand shares)	Shareholding ratio (%)
STATE STREET BANK AND TRUST COMPANY 505018	9,646	14.90
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,332	11.33
Shionogi & Co., Ltd.	3,500	5.40
GOLDMAN, SACHS & CO. REG	2,801	4.32
3D WH OPPORTUNITY MASTER OFC – 3D WH OPP ORTUNITY HOLDINGS	2,400	3.70
Custody Bank of Japan, Ltd. (Trust Account)	1,622	2.50
Hiroyuki Kono	1,333	2.06
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust, Daiichi Sankyo Account Re-trust Trustee, Custody Bank of Japan, Ltd.	1,328	2.05
GOLDMAN SACHS INTERNATIONAL	1,296	2.00
TOHO HOLDINGS Employee Stock Ownership Plan	1,205	1.86

(Note) 1. The shareholding ratio is calculated excluding the treasury shares (8,312,769 shares) held by the Company.

2. The report of possession of a large volume (change report), which includes the following, is made available for public inspection; however, the Company is unable to confirm the actual number of shares held as of the end of the fiscal year under review, and therefore does not include them in the list of major shareholders above.

- 3D Investment Partners Pte. Ltd.: 15,543 thousand shares (as of August 27, 2025)
- Three (3) joint holders, including Nomura Securities Co., Ltd.: 2,370 thousand shares (as of September 5, 2025)

(5) Status of shares delivered to Company's executives as consideration for their execution of duties during the fiscal year under review

Directors' Category	Number of shares	Number of grantees
Directors (excluding those who are Audit and Supervisory Committee Members)	5,200	4

(Note) Directors who are Audit and Supervisory Committee Members were not granted.

(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.

Based on this policy, the Company sold 10 issues in the fiscal year under review, and as of the end of the fiscal year ended March 31, 2026, the amount of cross-shareholdings was 13.8% of net assets.

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 (End of March FY25)	The 78th fiscal year (Consolidated fiscal year under review) (End of March FY26)
Ratio to net assets	29.0	23.2	20.7	19.5	16.2	13.8
Total of the amounts recorded on balance sheet (million yen)	68,833	55,900	50,368	48,765	41,583	37,553

- (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 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 (End of March FY25)	The 78th fiscal year (Consolidated fiscal year under review) (End of March FY26)
Number of issues	15	12	12	4	10
Amount (million yen)	5,195	5,808	13,188	7,923	14,282

- (Notes) Including a partial sale.

3. Matters Concerning Company's Executives

(1) Status of Directors (as of March 31, 2026)

Name	Position and areas of responsibility within the Company	Significant concurrent positions
Hiromi Edahiro	Representative Director, President and CEO	
Akira Umada	Senior Executive Managing Director and COO	President and Representative Director of TOHO PHARMACEUTICAL
Takeo Matsutani	Executive Managing Director and CGO	
Shuzo Kono	Director and Corporate Officer, in charge of Transformation	President and Representative Director of SAYWELL inc.
Manako Haga	Outside Director	Executive Officer and HR & General Affairs of Matsui Securities Co., Ltd.
Yoshiaki Kamoya	Director (Audit and Supervisory Committee Member)	
Hidehito Kotani	Director (Audit and Supervisory Committee Member)	Representative of Frederick Research GK Representative Director of Novocure Corporation
Chie Goto	Director (Audit and Supervisory Committee Member)	Partner, Sakura Kyodo Law Office Outside Director (Audit and Supervisory Committee Member) of AVANT GROUP CORPORATION
Miho Saito	Director (Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member) of ELAN Corporation Outside Director of Yamaguchi Financial Group, Inc.

- (Notes)
1. Director Manako Haga, and Directors who are Audit and Supervisory Committee Members, Yoshiaki Kamoya, Hidehito Kotani, Chie Goto and Miho Saito, are Outside Directors. The Company has designated each of them as independent directors in accordance with the Tokyo Stock Exchange, Inc.'s regulations and has notified the Tokyo Stock Exchange to that effect.
 2. At the 77th Annual General Meeting of Shareholders held on June 27, 2025, Mr. Shuzo Kono and Ms. Manako Haga were newly appointed as Directors, and Ms. Miho Saito was newly appointed as a Director who is an Audit and Supervisory Committee Member.
 3. Upon the conclusion of the 77th General Meeting of Shareholders held on June 27, 2025, Ms. Masami Tada and Mr. Kentaro Murakawa, Directors, retired from the positions due to the expiry of their terms., retired from the position due to the expiry of his term.
 4. Mr. Hidehito Kotani, Director who is an Audit and Supervisory Committee Member, has considerable knowledge of finance and accounting through his career in corporate manager.
 5. Ms. Chie Goto, Director who is an Audit and Supervisory Committee Member, is qualified as a certified public accountant and has considerable knowledge of finance and accounting.
 6. The Company has not selected a full-time Audit and Supervisory Committee Member because it has assigned employees to assist the Audit and Supervisory Committee in performing its duties.

(2) Remuneration, etc. for Directors for the Fiscal Year under Review

1) Matters concerning the Policy for Determining Remuneration, etc. for Each Individual Director

The Company resolved the policy for determining individual remuneration for Directors at the Board of Directors meeting held on May 14, 2025.

With respect to individual remuneration for Directors for the fiscal year under review, the Board of Directors has determined that the details are consistent with the determination policy. This is because the remuneration was determined by the Board of Directors based on the policy resolved

by the Board of Directors and after deliberations by the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors.

The policy for determining the details of individual remuneration for Directors is established as follows:

1. Basic policy

- Compensation shall be determined based on fair and reasonable standards, comprehensively considering the duties of Directors, degree of responsibility, contribution to business performance, etc.
- Compensation shall be an appropriate combination of fixed compensation (base compensation), performance-linked compensation, stock compensation, etc., from the perspective of improving the Company's corporate value over the medium to long term.
- The content of compensation shall be highly independent, transparent, objective, and accountable to the Company's stakeholders.

2. Compensation levels

The compensation levels shall be determined by resolution of the Board of Directors after the Nomination and Compensation Committee verifies the appropriateness thereof by conducting research and analysis of compensation levels for each position using data from an external research organization and peer groups of companies with more or less the same market capitalization or companies in similar industries.

The compensation levels shall be reviewed from time to time in accordance with changes in the Company's business environment and external environment.

3. Composition of compensation

Compensation for Directors (excluding Outside Directors) shall be divided into three categories: representative salary, supervisory salary, and executive salary. Outside Directors shall be paid only fixed compensation in light of their duties.

- (1) Representative salary: A fixed amount of money is paid monthly to Directors with representative authority.
- (2) Supervisory salary: A fixed amount of money is paid monthly as compensation for management supervision.
- (3) Executive salary: Fixed compensation, performance-linked bonus (STI), and stock compensation (LTI) shall be paid for business execution.
The composition of executive salary shall be 65-75% fixed compensation, 15-20% bonus, and 10-15% stock compensation.

a. Fixed compensation

A fixed amount of money is paid monthly according to the position.

b. Bonus (STI)

Bonuses shall be performance-linked compensation in cash based on performance and evaluation during the relevant fiscal year. The three (3) indicators to be used in the evaluation shall be operating income, ROE, and employee engagement. The ratio shall be 50:25:25, and 0-200% of the standard amount according to the position shall be paid in a lump sum after evaluation (in June of the following year).

c. Stock compensation (LTI)

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 77th Annual General Meeting of Shareholders held on June 27, 2025, 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 500 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 100 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 five (5) (of which, one (1) was an outside director) and that of Directors who are Audit and Supervisory Committee Members was four (4) (all of whom 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) 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
		Fixed compensation	performance-linked compensation	Restricted stock compensation	
Directors (excluding those who are Audit and Supervisory Committee Members) (of which Outside Directors)	258 (9)	201 (9)	30 (-)	27 (-)	7 (1)
Directors who are Audit and Supervisory Committee Members (of which Outside Directors)	63 (63)	63 (63)	- (-)	- (-)	4 (4)
Total (of which Outside Directors)	321 (72)	264 (72)	30 (-)	27 (-)	11 (5)

(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 two (2) Directors (excluding those who are Audit and Supervisory Committee Members) who resigned at the conclusion of the 77th Annual General Meeting of Shareholders held on June 27, 2025.
4. Matters related to performance-linked compensation, etc.
 - The performance indicators for performance-linked compensation are as described in "1) Matters concerning the Policy for Determining Remuneration, etc. for Each Individual Director, 3. Composition of compensation." Specifically, the achievement of operating profit is evaluated based on the achievement rate of the target individually set for the fiscal year under review; the achievement of ROE is evaluated based on the degree of achievement of the target individually set for the fiscal year under review; and employee engagement is evaluated based on the level of improvement compared to the employee engagement score (eNPS) of the previous fiscal year. The actual results for each indicator in the fiscal year under review were 16,601 million yen for operating profit, 6.56% for ROE, and -80 for the employee engagement score (eNPS).
 - The reason for selecting these performance indicators is that the Company has determined them to be appropriate indicators as incentives to achieve the Medium-Term Management Plan.

- (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	
Manako Haga	Outside Director	10/10 (100%)	-	<p>Leveraging her wealth of knowledge and experience in areas such as financial accounting, corporate planning, business process development, and human capital management, Ms. Manako Haga 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, drawing on the aforementioned knowledge and experience, in discussions regarding the selection of executive candidates, the determination of executive compensation, the clarification of the process for the appointment and dismissal of Directors, the formulation of successor plans, and other issues.</p> <p>She concurrently serves as Executive Officer of Matsui Securities Co., Ltd.; however, there is no special interest between this company and the Company.</p>
Yoshiaki Kamoya	Outside Director (Audit and Supervisory Committee Member)	13/13 (100%)	9/9 (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, drawing on the aforementioned knowledge and experience, in discussions regarding the selection of executive candidates, the determination of executive compensation, the clarification of the process for the appointment and dismissal of Directors, the formulation of successor plans, and other issues.</p> <p>At Audit and Supervisory Committee meetings, he 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%)	9/9 (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.</p> <p>In addition, as Chairperson of the Nomination and Compensation Committee, he leads the selection of executive candidates, the determination of executive compensation, the clarification of the process for the appointment and dismissal of Directors, the formulation of successor plans, and</p>

				<p>other issues, 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-making regarding business execution by the Company and to observe and supervise the Company's 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)	13/13 (100%)	9/9 (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. Also, as a member of the Nomination and Compensation Committee, she actively provides opinions and recommendations from an independent standpoint, drawing on the aforementioned knowledge and experience, in discussions regarding the selection of executive candidates, the determination of executive compensation, the clarification of the process for the appointment and dismissal of Directors, the formulation of successor plans, and other issues. As Chairperson of the Audit and Supervisory Committee, she leads cooperation with audit divisions, including those of Group subsidiaries, and 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>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>
Miho Saito	Outside Director (Audit and Supervisory Committee Member)	10/10 (100%)	6/6 (100%)	<p>Leveraging her wealth of knowledge and experience in investment strategy formulation and investment risk management based on capital market trends, Ms. Miho Saito contributes to the appropriate and effective supervision and decision-making of the Board of Directors.</p> <p>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>She concurrently serves as Outside Director (Audit and Supervisory Committee Member) of</p>

				ELAN Corporation and Outside Director of Yamaguchi Financial Group, Inc.; however, there is no special interest between these companies and the Company.
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- (Note) 1. The status of attendance for Ms. Manako Haga covers only the Board of Directors meetings held after her appointment on June 27, 2025.
2. The status of attendance for Ms. Miho Saito covers only the Board of Directors meetings and the Audit and Supervisory Committee meetings held after her appointment on June 27, 2025.

Consolidated Balance Sheets

(As of March 31, 2026)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)	740,781	(Liabilities)	469,221
Current assets	571,044	Current liabilities	441,920
Cash and deposits	87,361	Notes and account payable-trade	414,243
Notes receivable-trade	1,595	Short-term borrowings	80
Accounts receivable-trade	345,489	Current portion of long-term borrowings	394
Securities	7,000	Lease obligations	714
Merchandise and finished goods	89,823	Income taxes payable	6,443
Raw materials and supplies	152	Contract liabilities	105
Purchase rebates receivable	11,648	Accrued expenses	2,639
Others	28,262	Provision for bonuses	3,795
Allowance for doubtful accounts	-288	Provision for directors' bonuses	49
Noncurrent assets	169,737	Asset retirement obligations	19
Property, plant and equipment	89,140	Others	13,434
Buildings and structures	37,082	Noncurrent liabilities	27,300
Machinery, equipment and vehicles	179	Bonds payable	1,753
Furniture and fixtures	6,497	Long-term borrowings	5,282
Land	40,666	Lease obligations	1,667
Lease assets	1,800	Deferred tax liabilities	10,974
Construction in progress	2,914	Provision for loss on guarantees	566
Intangible assets	8,079	Deferred tax liabilities for land revaluation	651
Goodwill	89	Retirement benefit liabilities	2,847
Others	7,989	Asset retirement obligations	3,003
Investments and other assets	72,517	Others	554
Investments securities	59,298		
Long-term loans receivable	1,054	(Net assets)	271,560
Deferred tax assets	2,216	Shareholders' equity	259,465
Others	11,299	Share capital	10,649
Allowance for doubtful accounts	-1,352	Capital surplus	45,212
		Retained earnings	230,378
		Treasury stock	-26,775
		Accumulated other comprehensive income	11,844
		Valuation difference on available-for sale securities	16,417
		Revaluation reserve for land	-4,572
		Subscription rights to shares	123
		Non-controlling interests	126
Total assets	740,781	Total liabilities and net assets	740,781

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

Consolidated Profit and Loss Statement

(April 1, 2025 - March 31, 2026)

(In millions of yen)

Description	Amount	
Net sales		1,553,364
Cost of sales		1,430,947
Gross profit		122,416
Selling, general and administrative expenses		105,815
Operating profit		16,601
Non-operating income		
Interest and dividend income	1,177	
Others	1,615	2,792
Non-operating expenses		
Interest expenses	56	
Share of loss of entities accounted for using equity method	1,936	
Others	768	2,762
Ordinary profit		16,631
Extraordinary income		
Gains on sales of noncurrent assets	1,454	
Gains on sales of investment securities	9,492	
Others	670	11,617
Extraordinary losses		
Loss on disposal of noncurrent assets	293	
Impairment loss	201	
Loss on valuation of investment securities	1,612	
Others	0	2,107
Profit before income taxes		26,141
Income taxes-current	8,032	
Income taxes-deferred	770	8,802
Net profit		17,338
Profit attributable to non-controlling interests		10
Profit attributable to owners of parent		17,327

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

Non-consolidated Profit and Loss Statement

(April 1, 2025 - March 31, 2026)

(In millions of yen)

Description	Amount	
Operating revenue		
Consulting fee income	1,463	
Real estate lease revenue	4,649	
Dividend income	9,542	
Others	377	
		16,031
Operating expenses		9,149
Operating profit		6,882
Non-operating income		
Interest and dividend income	1,144	
Others	179	1,323
Non-operating expenses		
Interest expenses	379	
Others	495	875
Ordinary profit		7,330
Extraordinary income		
Gains on sale of noncurrent assets	1,439	
Gains on sales of investment securities	10,244	
Others	1	11,685
Extraordinary loss		
Loss on disposal of noncurrent assets	249	
Loss on valuation of investment securities	1,560	
Others	0	1,809
Profit before income taxes		17,206
Income taxes-current	2,666	
Income taxes-deferred	37	2,703
Net profit		14,502

(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 13, 2026

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, 2025 through March 31, 2026.

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 13, 2026

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 78th fiscal year from April 1, 2025 through March 31, 2026.

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, 2026, 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 78th fiscal year from April 1, 2025 to March 31, 2026. 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) In regard to the basic policies provided for in Article 118, item 3 (a) of the Ordinance for Enforcement of the Companies Act, and the efforts provided for in item 3 (b) of that article, as stated in the business report, The Audit and Supervisory Committee considered the contents thereof taking into account the status of deliberations at meetings of the Board of Directors and other meetings.

3) 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 the supplementary 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.
- 4) We find the basic policy regarding persons who control the determination of financial and business policies of the Company stated in the business report to be reasonable. We find that the efforts provided for in Article 118, item 3 (b) of the Ordinance for Enforcement of the Companies Act and stated in the business report are in compliance with that basic policy and do not harm the common interests of the shareholders of the company, and that their purpose is not to maintain the positions of the Directors of the company.

(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 13, 2026

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

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

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

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