

July 3, 2020

To whom it may concern:

Company Name	TOHO HOLDINGS CO., LTD.
Corporate Representative	Atsushi Udoh, President and Representative Director (First Section of Tokyo Stock Exchange Securities Code:8129)
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### Notice Regarding Efforts to Strengthen Compliance

TOHO PHARMACEUTICAL CO., LTD. (Headquarters: Tokyo; President and Representative Director: Akira Umada), one of our consolidated subsidiaries, received an onsite inspection by the Japan Fair Trade Commission for suspected violation of the Antimonopoly Act (hereinafter the “Onsite Inspection”) regarding its bidding to supply ethical pharmaceuticals to Japan Community Health care Organization (JCHO) on November 27, 2019. Together with TOHO PHARMACEUTICAL, we are taking this situation seriously and fully cooperating with the investigation by the Japan Fair Trade Commission. In addition, since the Onsite Inspection, we have made sure that all of the Group’s employees know that they must comply with the Antimonopoly Act by sending messages, which encourage them not to engage in any act in which a violation of the Antimonopoly Act is likely to be suspected, from the Group’s top management to them.

In this regard, we would like to announce our further efforts to strengthen compliance, which we have recently decided.

1. Strengthening of the functions of the Group Compliance and Risk Management Committee  
We have established the Group Compliance and Risk Management Committee to identify and manage any business risks and to appropriately respond to such risk event if it occurs in accordance with the Basic Rules concerning Risk Management.  
This time, it has been decided that Atsushi Udoh, President and Representative Director, take the position of the Chairman of the Committee.  
Through this process, the top management will take the lead in strengthening compliance, by showing employees that the top management takes the Onsite Inspection seriously and regrets it deeply, to strengthen the functions of the Committee and further make sure that all of the employees know the Group’s efforts to strengthen compliance.  
In addition, the Rules concerning Compliance to the Antimonopoly Act and other compliance-related rules will be reviewed in the Committee to strengthen compliance.

2. Awareness raising of improvements to the compliance systems for the Group's subsidiaries  
We have instructed the Group's subsidiaries, which engage in the wholesale business of ethical pharmaceuticals and other products, to further improve their compliance systems in the compliance training offered by our Legal Department and by other means. In addition, we will promote guidance and supervision for the improvement of their compliance systems and the sharing of information more firmly through each subsidiary's Board of Directors, Compliance Committee, etc.

3. Enhancement of compliance training and other efforts

We have provided training on the Antimonopoly Act, the Wholesale Competition Code, and other related matters to new employees who are assigned to the field of sales for the first time in order to make sure they know our compliance systems and efforts to strengthen compliance.

From now on, we will expand and enhance the content of the training and widen its scope to cover managers and sales representatives who have already been assigned to the field of sales. In addition, we will further encourage employees to report to the Legal Department, which is our internal reporting contact point, what they have known in cases where they obtain information about any act in which unfair competition is likely to occur.

Furthermore, with regard to all of the Group's employees, we will continue awareness raising efforts, through which the top management makes sure the employees know compliance and the Group's efforts to strengthen compliance, in the monthly Group Television Meeting, etc., to strengthen their understanding.