

March 24, 2023

To whom it may concern:

Company Name	TOHO HOLDINGS CO., LTD.
Corporate Representative	Atsushi Udoh, Representative Director, CEO (Prime Market of Tokyo Stock Exchange Securities Code: 8129)
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Notice Regarding Cease and Desist Order and Surcharge Payment Order  
from the Japan Fair Trade Commission

TOHO HOLDINGS CO., LTD. (Headquarters: Tokyo; President and Representative Director: Atsushi Udoh; hereinafter “TOHO HOLDINGS”) hereby announces that today our consolidated subsidiary, Kyushu Toho Co., Ltd. (hereinafter “Kyushu Toho”), has received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission in accordance with the Antimonopoly Act in connection with bidding by the Headquarters of the National Hospital Organization for ethical pharmaceuticals that were to be purchased by hospitals located in the Kyushu area.

We sincerely apologize for causing any concern and inconvenience to our shareholders, suppliers, and other stakeholders. The Group has made company-wide efforts to strengthen compliance. However, after taking these orders very seriously, we will make further efforts to ensure thorough prevention of recurrence and to restore trust.

1. Overview of cease and desist order

Kyushu Toho was ordered to eliminate such violation and to take necessary measures to prevent any similar act from being committed in the future for having committed actions in violation of Article 3 (Prohibition of Unreasonable Restraint of Trade) of the Antimonopoly Act in connection with bidding by the Headquarters of the National Hospital Organization for ethical pharmaceuticals that were to be purchased by hospitals located in the Kyushu area from 2016 to 2019.

2. Overview of surcharge payment orders

Amount of surcharge to be paid: 127.59 million yen

Deadline of payment: October 25, 2023

As a result of our application to the Japan Fair Trade Commission for leniency, the surcharge amount was reduced by 30%.

3. Forward looking outlook

The amount of loss expected to be incurred as a result of this incident has already been recorded as an extraordinary loss as provision for loss on Antimonopoly Act in the first half of fiscal year ending March 2023.