Total commitment to good health

Kyoso Mirai

Supplementary Explanation of 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.

TOHO HOLDINGS CO.,LTD.

November 6, 2025

Note : This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Policy Against Large-Scale Purchases of Share Certificates, etc.

Key point that we need shareholders to understand (1)

Concern that 3D may attempt to seize effective control of management through creeping acquisitions by implementing a large-scale purchase of shares, etc., without providing adequate information disclosure or sufficient time for consideration.

Main points in Policy Against Large-Scale Purchase Action (“Response Policy”)

- If 3D Investment Partners Pte. Ltd. (hereafter, “3D”) intends to acquire share certificates, etc. that give the Company a voting rights ratio of 24% or more (hereafter referred to as “Large-Scale Purchase Action, etc.”), the Company is asked to submit an explanation to the Board of Directors, and the Board will have 60 business days in principle in which to evaluate and consider 3D’s intended purchase.
- If the Board determines that countermeasures should be implemented, a shareholders’ intent confirmation meeting will be held to confirm the will of shareholders.
- In the evaluation process, the opinions of the Independent Committee, which comprises only outside directors, will be given utmost respect by the Board of Directors
- Note that if 3D does not comply with procedures set out in the Response Policy, the Board of Directors can initiate countermeasures.
- In either case, there shall be no dilution to the overall value of TOHO HOLDINGS’ shares held by general shareholders.

Key point that we need shareholders to understand (2)

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Reasons for implementing Response Policy

- 3D has notified its intention to acquire enough additional TOHO HOLDINGS' share certificates, etc. to reach a maximum of 30% of voting rights.
- Furthermore, 3D has demanded the establishment of a strategic review committee led by 3D itself— which would exert significant influence over fundamental management decisions — and has indicated that if this demand is not met, it will request an extraordinary general meeting of shareholders be convened.
- 3D has not specifically stated any information regarding the purpose, details, etc. of the Share Buyup beyond "to encourage establishment of a corporate governance system.", and its claims have been inconsistent.
- Therefore, the situation does not allow the Board of Directors to properly judge whether or not 3D understands that factors such as trust, brand power, a business model that enables safe and secure pharmaceutical distribution at any time, and value to society, are sources of the Company's corporate value on a Groupwide basis, nor is the Board able to judge whether 3D's proposed additional acquisition would enhance corporate value and, ultimately, contribute to the common interests of the Company's shareholders.
- Furthermore, at the 2025 Annual General Meeting of Shareholders, all candidates for the position of director received support from an overwhelming majority of general shareholders, apart from 3D. It is thus logical to assume that 3D's demand for the establishment of a corporate governance system does not reflect the will or represent the common interests of general shareholders, and precipitates concern that the purpose and eventual outcome of the Share Buyup is to create a conflict of interest between 3D and general shareholders.
- In addition, this Share Buyup by 3D conducted without providing adequate information disclosure or sufficient time for consideration, may force general shareholders to sell their shares. It is essentially a strong-arm tactic.

Key point that we need shareholders to understand (3)

Initiatives by TOHO HOLDINGS to enhance corporate value

- The corporate slogan "Total commitment to good health," has guided TOHO HOLDINGS since its early days to realize stable supply of prescription pharmaceuticals and other products underpinned by a strong business infrastructure and logistics centers. In addition, the Company has expanded into the dispensing pharmacy business and the pharmaceutical manufacturing and sales business, and seeks to create social value through medical care and health. Toward this end, TOHO HOLDINGS formulated Medium-Term Management Plan 2023-2025: Creating the Next Generation, and is currently implementing specific measures.
- **TOHO HOLDINGS established the Management Strategy Committee** in 2024 **as an advisory body to the Board of Directors based on external input. The committee formulated strategies and action plans to ensure achievement of targets and objectives stated in the current medium-term management plan and, without changing the underlying basics and direction of the medium-term management plan, set specific goals** in terms of timeframe and commitment and defined a clear roadmap to success.
- 3D has not only demanded the establishment of a strategic review committee but also indicated a specific agenda—review of strategic options including industry restructuring, business portfolio, asset holding policy, and re-examination of growth investment and shareholder returns—the be addressed by this committee. However, as mentioned above, **the Company is already promoting action plans based on the results of a review by the Management Strategy Committee.**
- Regarding governance reform, **a Special Committee for Governance Enhancement was established in August 2024, and its final recommendations were received on October 9, 2025. Based on these recommendations, the Company announced corresponding measures on October 31** and continues to strengthen its governance framework.

Background leading to introduction of response (chronology of interaction with 3D)

Since submitting large shareholding report in June 2024, 3D has purchased a total of 23.28% of Company's shares in just over one year, and has been adamant about the establishment of strategic review committee
Company's top management and outside directors responded positively and with all due sincerity to 3D's request for meeting

Chronology to date

6/24/24	Submission of large shareholding report (5.45% voting rights shareholding*)
11/14/24	Additional purchases bring voting rights shareholding* to 20.78% in less than 5 months (amendment report No. 12)
3/25/25	Released "Toho Presentation on Corporate Value Enhancement Plan"
5/27/25	Announced recommendation to vote against director nominees Edahiro, Kamoya and Kotani
6/27/25	Annual General Meeting of Shareholders. All nominees for position of director approved by overwhelming majority of shareholders, apart from 3D
7/11/25	Communicated intention to acquire enough additional share certificates, etc. over next year reach a maximum of 30% of voting rights
8/27/25	Voting rights shareholding* reaches 23.28% (amendment report No. 15, most recent)
10/3/25	Made specific request to CEO Edahiro to establish strategic review committee Communicated intention to request extraordinary general meeting of shareholders if committee not established
10/14/25	Presented draft agreement premised on establishment of strategic review committee

No. of meetings with 3D (since August 2023)

CEO Edahiro: 7

Outside directors: 6, with 10 directors in aggregate

Corporate officers: 6

Committee Chair Tkai*: 1

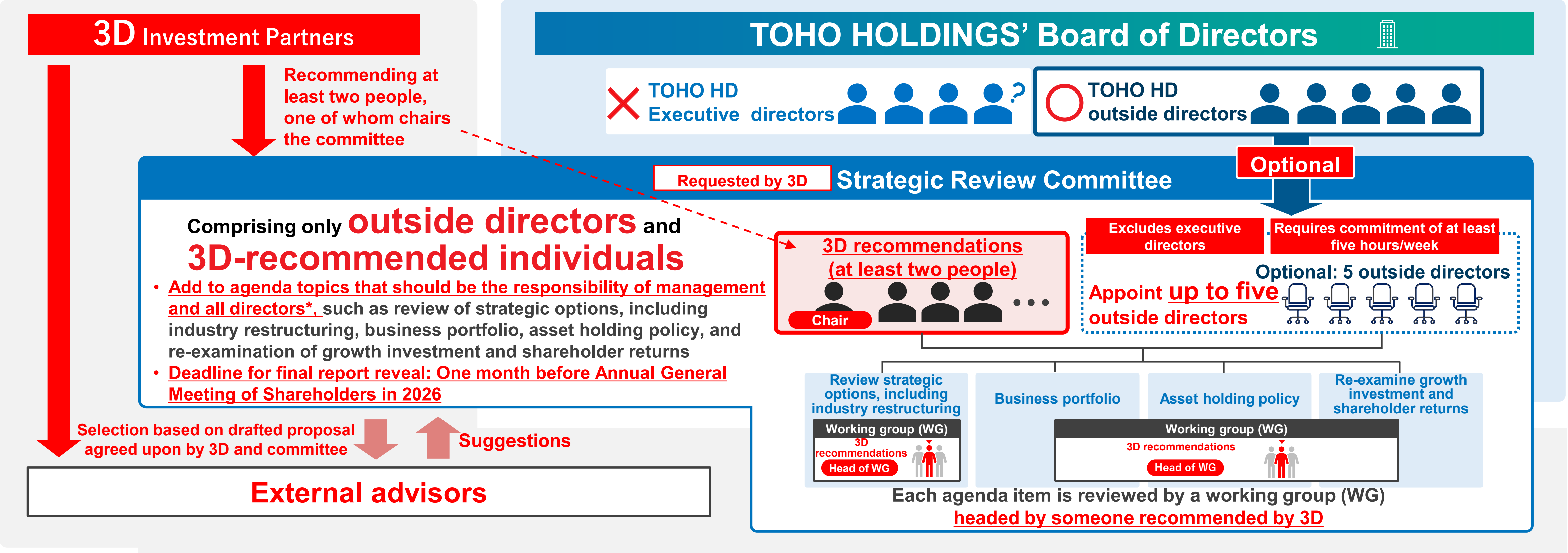
* Chair, Governance Enhancement Special Committee

Note: Does not include telephone calls, emails, or letters

*. 3D's voting rights (excluding latent shares) as percentage of total shareholder voting rights as of Sept. 30, 2025 (653,788)

Strategic Review Committee requested by 3D

3D has requested **the establishment of a mechanism—a strategic review committee led by 3D itself—with the potential to exert significant influence over decision-making authority for fundamental management decisions** nominally the responsibility of the management team and all directors **through an approach that general shareholders would not see.**



*Principle 4.1 Roles and Responsibilities of the Board of Directors (1) of Corporate Governance Code (2021-06-11) established by Tokyo Stock Exchange, Inc.: The board of directors should view the establishment of corporate goals (management philosophy, etc.) and the setting strategic direction as one of its primary roles and responsibilities, and should engage in constructive discussion about specific business strategies and plans and ensure that important operational decisions are based on the company's stated strategic direction.
*2.2.2 Basic Concepts of Business Portfolio Management, in Practical Guidelines for Business Restructuring (July 31, 2020) established by Japan's Ministry of Economy, Trade and Industry: Management is expected to lead an organization as key individuals responsible for business portfolio management, including the creation of basic policies regarding the business portfolio and submitting such policies to the board of directors, implementing such policies, and formulating revisions.
*3.1.1 Positioning under the Companies Act, in Practical Guidelines for Business Restructuring (July 31, 2020) established by Japan's Ministry of Economy, Trade and Industry: Under the Companies Act, an important role of the board of directors of any company, irrespective of organizational structure, is to determine basic policies regarding the business portfolio and supervise the execution of duties by management based on those basic policies. Furthermore, in determining and supervising basic policies regarding the business portfolio, directors are required to uphold their fiduciary duty and painstakingly strive to improve corporate value over the medium to long term.

3D's inconsistent assertions

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3D's claims have been inconsistent, casting doubt on whether their actions are genuinely intended to enhance the Company's corporate value. In view of their actual conduct, it is concerning that they may be pursuing short-term capital gains.

Reversal of Claims on the Governance Structure

- **8/7/23 (letter):** Called for construction of corporate governance system in light of past incidents
- **3/25/25 (letter):** Requested establishment of third-party committee related to past incidents
- **7/11/25 (letter):** Following annual general meeting of shareholders, again requested establishment of third-party committee
- **10/3/25 (dialogue):** Despite requesting establishment of strategic review committee, statement made to the effect that verification of governance by committee unnecessary.

Inconsistent expectation on CEO Edahiro

- **5/27/25 (press release):** 3D conducted a campaign opposing the election of Director Edahiro, asserting that CEO Edahiro could not be exempted from responsibility for governance and compliance failures, and questioning the appropriateness and qualification of his appointment as CEO.
- **8/20/25 (email):** Requested written records and verdict related to 2021 antitrust law violation and meeting with CEO Edahiro on the incident
- **9/10/25 (dialogue):** While responding to the request for dialogue, they made no mention whatsoever of the 2021 case, instead expressing a desire to collaborate with CEO Edahiro to enhance corporate value.

Revisiting the withdrawn industry reorganization

- **3/14/25 (dialogue):** Presented request for proposal (RFP) for launch of joint FA with 3D for purpose of merger with another pharmaceutical company, requested launch of FA
- **25/9/10/25 (dialogue):** Reflected on remarks made on March 14, apologized, and retracted what was said.
- **10/3/25 (dialogue/materials):** A document titled "Overview of Strategic Review Committee," which was presented at the time of the meeting, contained outline of strategy review committee to be led by 3D. However, during the discussion, 3D stated that it intended to pursue industry reorganization centered around CEO Edahiro and to collaborate in deliberations within the Strategic Review Committee.

Hasty demand for a Strategic Review Committees and an Extraordinary General Meetings

- **9/10/25 (dialogue):** Asked to be contacted on timing when establishment of strategic review committee could be discussed, but then in same conversation indicated availability to discuss topic was tight.
- **9/12/25 (telephone):** Requested reply to establishment of strategic review committee by 9/19/25 (1 week later)
- **9/22/25 (letter):** Asserted that purpose of additional purchases was "Our commitment to increase your corporate value over the medium to long term through dialogue with you over time"
- **10/3/25 (dialogue):** Using request for extraordinary general meeting of shareholders (agenda unspecified) as leverage if TOHO HOLDINGS failed to establish strategic review committee led by 3D, demanded reply by Oct. 17, 2025.

3D's Assertions Regarding Short-Term Capital Gains

Although 3D has claimed that it does not seek short-term capital gains, its past behavior closely resembles the case involving Fujisoft Co., Ltd., in which, after acquiring a large shareholding, 3D strengthened its influence over the board behind the scenes and achieved a short-term exit through a third-party acquisition proposal.

3D's letter to TOHO HOLDINGS (9/22/2025)

また、当社の 2025 年 7 月 11 日付け書簡及び当社書簡でお伝えいたしましたとおり、本件追加取得は、貴社との建設的な対話を継続しながら、貴社の企業価値向上のための基盤の構築および中長期的な株主利益の保護を目的とするものであり、かかる目的に照らして 30%という上限を設定したものです。仮に、短期的なキャピタルゲインを追求するのであれば、株価上昇につながるイベントを生じさせたうえで、保有する株式を売却することが典型的な手法と解されることから、そのようなイベントを生じさせるために経営支配権に重大な影響を及ぼす程度の株式を取得することが考えられますが、本件追加取得は、短期的なキャピタルゲインの追求を目的とするものではないことから、経営支配権に重大な影響を及ぼさない 30%の上限を設定しております。そのため、当社がかかる目的で貴社株式を取得するものではないことをご理解いただけるものと存じます。

(Case Study) Fujisoft Co., Ltd. — Timeline of Events

Feb 2022	3D proposed electing outside directors and issued a white paper. (Proposal rejected.)
Aug 2022	3D criticized the scope and structure of Fujisoft's Corporate Value Enhancement Committee.
Sep 2022	3D requested an extraordinary general meeting and increased holdings to 21.45%.
Dec 2022	Two 3D-nominated directors were approved at the EGM.
Aug 2023	3D approached several PE funds with buyout proposals.
Sep 2023	Fujisoft set up a Special Committee to review offers.
Aug 2024	KKR launched a TOB; 3D agreed to tender its shares.
Sep 2024	Bain Capital announced a counter TOB, triggering a bidding contest.
Nov 2024	3D sold all its Fujisoft shares to KKR, completing a full exit.

*. Source: Amendment Report No. 9 filed by 3D on October 4, 2022 (reporting obligation date: September 27, 2022)

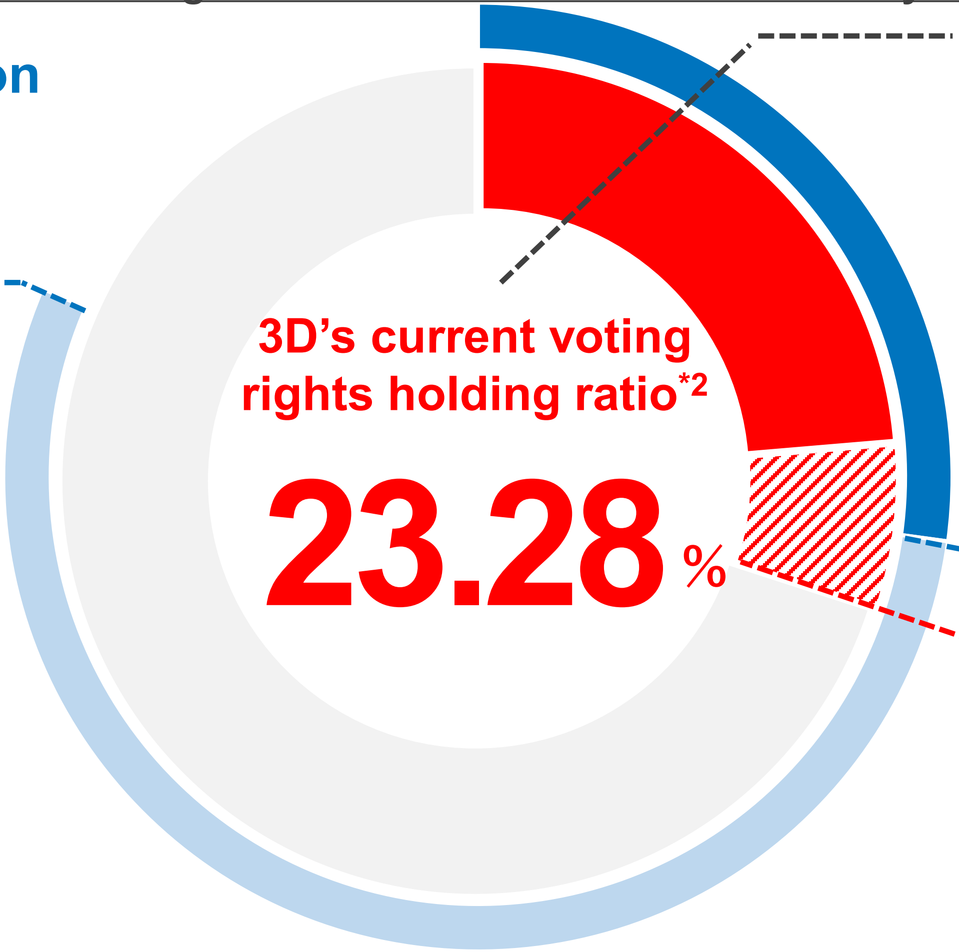
Impact on management due to level of 3D shareholding

The ratio of voting rights currently held by 3D*1 **is already close to a level that could give the company veto power over special resolutions at a general shareholders' meeting.**
If 3D were to acquire additional shares, not only would the company **exert greater influence on management of TOHO HOLDINGS**, it could also easily gain full management control of TOHO HOLDINGS by acting in concert with other shareholders.

Shareholder composition

Voting Participation Rate 81.5%

Voting participation rate at TOHO HOLDINGS' 2025 Annual General Meeting of Shareholders



- Already at a level that could give the company **veto power over special resolutions**
- Additional acquisition of shares would **give 3D even greater influence on management of TOHO HOLDINGS**

Veto level for special resolutions 27.17%

Power to veto would have been one-third of voting participation rate at 2025 Annual General Meeting of Shareholders

Voting rights holding ratio 30%

Increase in 3D's voting rights to 30%

Expressed intention to acquire additional TOHO HOLDINGS' shares through market transactions until voting rights holding ratio reaches 30% (letter dated July 11, 2025)

*1 3D's voting rights (excluding latent shares) as percentage of total shareholder voting rights as of Sept. 30, 2025 (653,788)
*2 23.66%, assuming all stock acquisition rights related to bonds with stock acquisition rights held by 3D are exercised

Concerns over the Coercive Nature of 3D's Additional Share Acquisitions

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TOHO HOLDINGS concerned that 3D's demands and actions could coerce general shareholders to sell their shares

Q1 What is meant by "coercive"?

A1

"It means pressing shareholders to sell their shares unwillingly"

- Specifically, it occurs when shareholders who have not yet tendered their shares expect to suffer a disadvantage compared with those who have, thereby feeling pressured to accept the takeover even if they are dissatisfied with the offer price.

Q2 In this case, how is 3D being coercive?

A2

"3D has not provided sufficient information or adequate time for consideration regarding its share purchases."

- 3D is acquiring TOHO HOLDINGS shares <u>without providing adequate information disclosure or sufficient time for consideration to management or general shareholders, despite the risk of material impact on the Company's business activities.</u>
- This situation may <u>force general shareholders</u> who are concerned about this situation—creeping acquisition of shares to essentially usurp management control—<u>to sell their shares</u>.

Q3 Can the problem of coercive acquisition be solved through the Response Policy?

A3

"Yes. It enables general shareholders to secure the information and time necessary to make an appropriate and well-informed decision."

- If 3D engages in Large-Scale Purchase Action, etc. and TOHO HOLDINGS responds in accordance with procedures set out in the Response Policy, the Company should be <u>possible to secure the information and time necessary for shareholders to make an informed decision about the impact that 3D's Large-Scale Purchase Action, etc. may have on TOHO HOLDINGS' corporate value and the common interests of shareholders</u>.

Overview of Response Policies

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Overview/Purpose		• Primary purpose for introducing response policy is to deal with already materialized large-scale purchase of shares by 3D, and differs from so-called advance warning-type takeover defense measures introduced in normal times. • Response policy also enables TOHO HOLDINGS to request information from 3D and secure time for consideration to confirm whether shareholders are willing to accept or would oppose a large-scale purchase by 3D. • In the unlikely event that 3D fails to comply with procedures and attempts a large-scale purchase, the TOHO HOLDINGS' Board of Directors will initiate prescribed countermeasures, with all due respect given to opinions of Independent Committee.
Trigger		• Voting rights holding ratio exceeding 24% (3D's current shareholding ratio: 21.19%*, or 23.28% voting rights holding ratio*1)
Independent Committee		• Composed of 3 independent outside directors (makes recommendations on whether to implement countermeasures and other necessary matters)
Procedure	Deadline for submission of Statement of Intent	• Within 60 business days • (The Company evaluates and considers the merits of a Large-Scale Purchase Action, etc. within 60 business days of receiving the explanation document on large-scale purchase action, etc.
Procedure	Information provision (deadline)	• Within five business days (TOHO HOLDINGS will request large-scale purchaser to provide necessary information within five business days, in principle, from date on which large-scale purchase explanation was received).
Procedure	Board evaluation period	• Within 60 business days (The Company evaluates and considers the merits of the large-scale purchase within 60 business days of receiving the Statement of Intent) • An extension of 20 business days is possible (based on recommendation by Independent Committee in the event provided information and available time be reasonably deemed insufficient to properly perform evaluation and review).
Procedure	Shareholders' Intent Confirmation Meeting	• If the Company opposes a Large-Scale Purchase Action, etc., based on the Independent Committee's opinion, a general meeting will be convened to confirm the will of shareholders and ask whether they approve or disapprove of countermeasure implementation.
Procedure	Implementation of countermeasures	• If the countermeasure proposal is approved at the Shareholders' Intent Confirmation Meeting and the large-scale purchase, etc., is not withdrawn, the countermeasures will be implemented. • Failure to comply with Response Policy rules will trigger implementation of countermeasures
Outline of countermeasures	Gratis allotment of stock acquisition rights	• Will use gratis allotment of stock acquisition rights to TOHO HOLDINGS' shareholders as countermeasure (but non-qualified parties will not be able to exercise stock acquisition rights).
Outline of countermeasures	Acquisition of stock acquisition rights by Company	• Acquire stock acquisition rights from general shareholders in exchange for Company shares • Acquisition from non-qualified person in exchange for the Second Stock Acquisition Rights (exercisable at a rate below 24% or the ratio determined by the Company's Board of Directors)
Outline of countermeasures	Validity period of the response policies	• Response policy expires at end of first Board of Directors' meeting following Annual General Meeting of Shareholders to be held in June 2026.

*1 3D's voting rights (excluding latent shares) as percentage of total shareholder voting rights as of Sept. 30, 2025 (653,788)

Overview of countermeasures (gratis allotment of stock acquisition rights)

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- The Company will, by resolution of the Board of Directors, grant new stock acquisition rights free of charge to general shareholders and 3D, with differing exercise conditions and acquisition terms.
- The aggregate value of Company shares held by general shareholders will not be diluted.

TOHO HD

Granting of stock acquisition rights to all shareholders proportional to their shareholdings

General Shareholders

Granting of stock acquisition rights

Common Stock

Acquire stock acquisition rights

Acquire stock acquisition rights and deliver common stock as consideration

3D (Non-Qualified Person)

Granting of stock acquisition rights

Second Stock Acquisition Rights

Common Stock

Acquire stock acquisition rights

Acquire stock acquisition rights and issue second stock acquisition rights as consideration

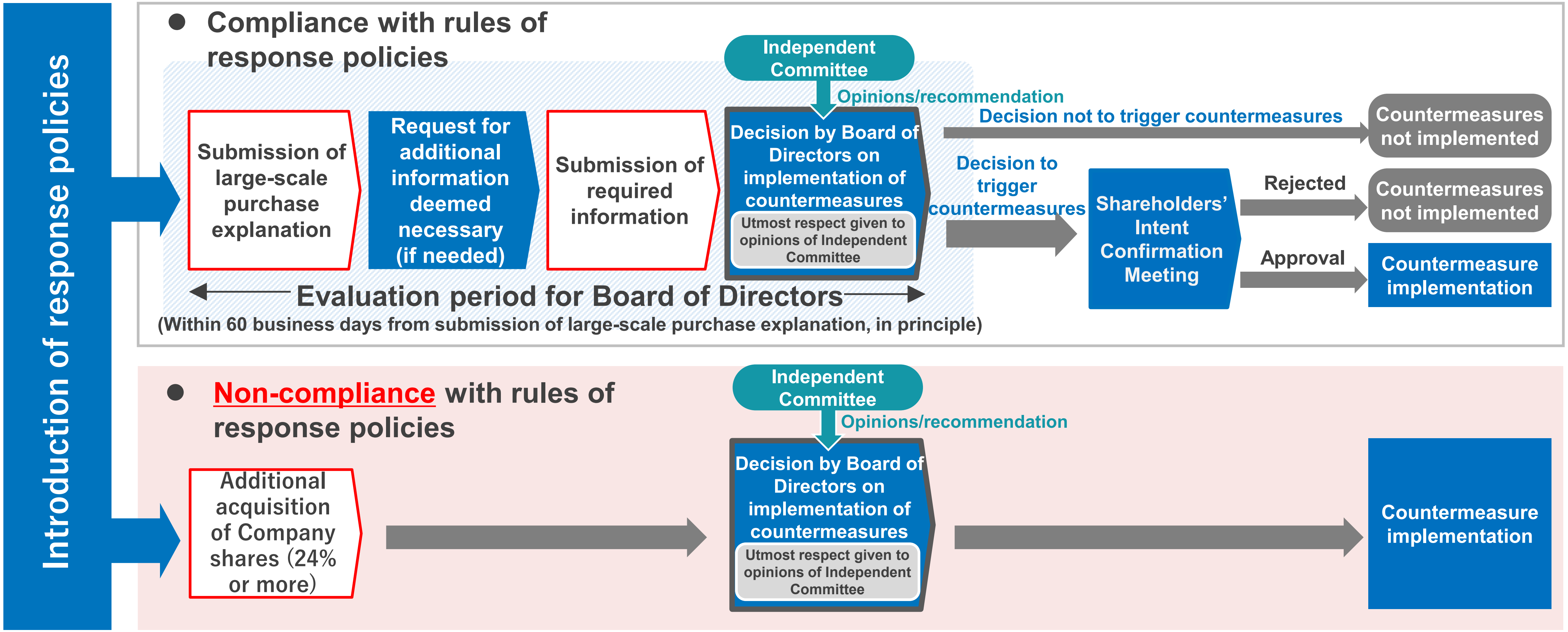
Exercise subject to conditions

Exercise permitted within the scope where the shareholding ratio after exercise falls below 20%.

Process for implementing countermeasures

On October 31, 2025, the Board of Directors resolved to introduce a response policy, but no decision was made to implement countermeasures or to convene a Shareholders' Intent Confirmation Meeting

October 31, 2025
Introduction at Board of Directors Meeting



Reference: Composition of Board of Directors that ensures independence

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The majority of directors on the TOHO HOLDINGS Board of Directors are independent outside directors, ensuring independence. At the 2025 Annual General Meeting of Shareholders, all director candidates received the support of an overwhelming majority of general shareholders, apart from 3D.

Independent Committee for Response Policy comprises three independent directors

Representative Director, President and CEO
Hiromi Edahiro

Director, Senior Executive Managing Director and COO
Akira Umada

Director, Executive Managing Director and CGO
Takeo Matsutani

Director and Corporate Officer, in charge of Transformation
Shuzo Kono

Outside | Independent | Female
Outside Director
Manako Haga
Independent Committee Member

Outside | Independent
Outside Director
Audit and Supervisory Committee Member
Yoshiaki Kamoya
Audit and Supervisory Committee Member

Outside | Independent
Outside Director
Audit and Supervisory Committee Member
Hidehito Kotani
Independent Committee Member
Audit and Supervisory Committee Member

Outside | Independent | Female
Outside Director
Audit and Supervisory Committee Member
Chie Goto
Audit and Supervisory Committee Member

Outside | Independent | Female
Outside Director
Audit and Supervisory Committee Member
Miho Saito
Independent Committee Member
Audit and Supervisory Committee Member

Five independent outside directors

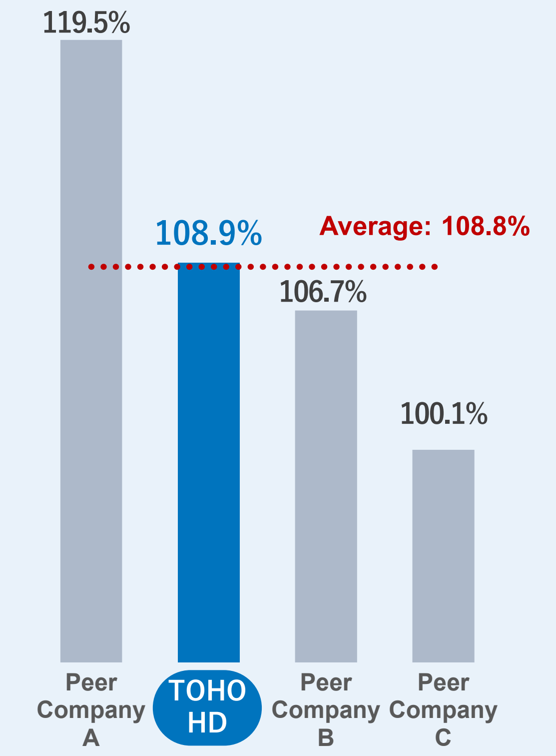
Percentage of independent outside directors on Board of Directors

over 55%

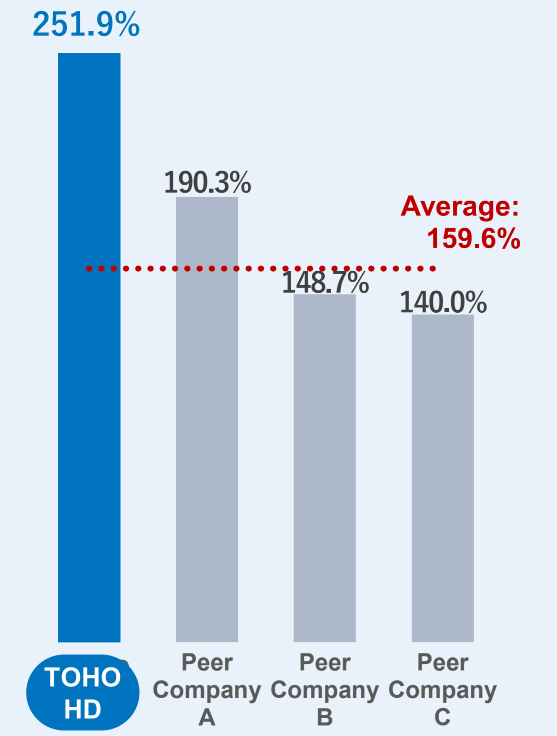
Reference: TSR performance trends above peer average

TOHO HOLDINGS’ total shareholder return has outperformed the peer company average

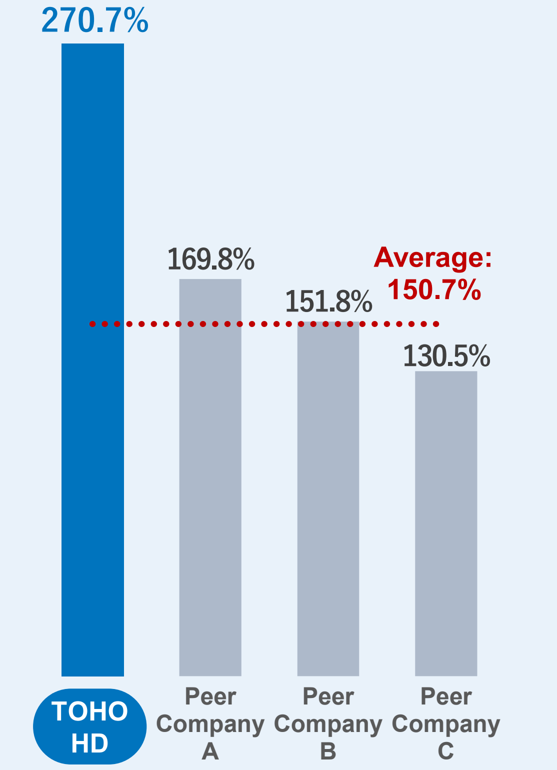
TSR One Year*1



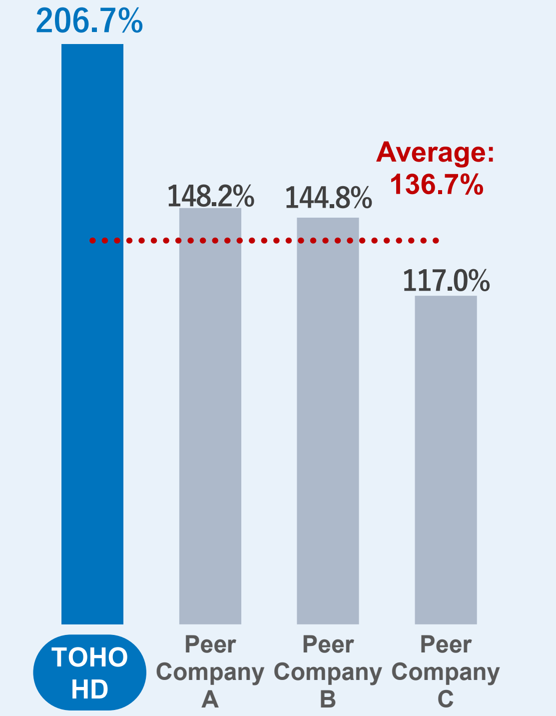
TSR Three Years*1



TSR Five Years*1



TSR Ten Years*1



Notes: Data Source: Calculated from S&P Global Market
*1 As of October 30, 2025

Medium-term Management Plan 2023-2025 “Create the Next Generation” and Action Plan for Implementation

Positioning of Medium-term Management Plan 2023-2025 "Create the Next Generation" and action plan for implementation

In FY2023, the Group formulated the Medium-Term Management Plan 2023-2025 "Create the Next Generation," and is implementing concrete measures based on the four basic policies. In 2024, we established the Management Strategy Committee, which incorporated external viewpoints, and conducted discussions and reviews from a variety of angles. And we developed strategies and action plans to ensure that the targets are met, with a specific time frame and commitment, and a clear roadmap without changing the basis and direction of the ongoing Medium-Term Management Plan.

Positioning of Action Plan Developed Based on Verification Results of Management Strategy Committee

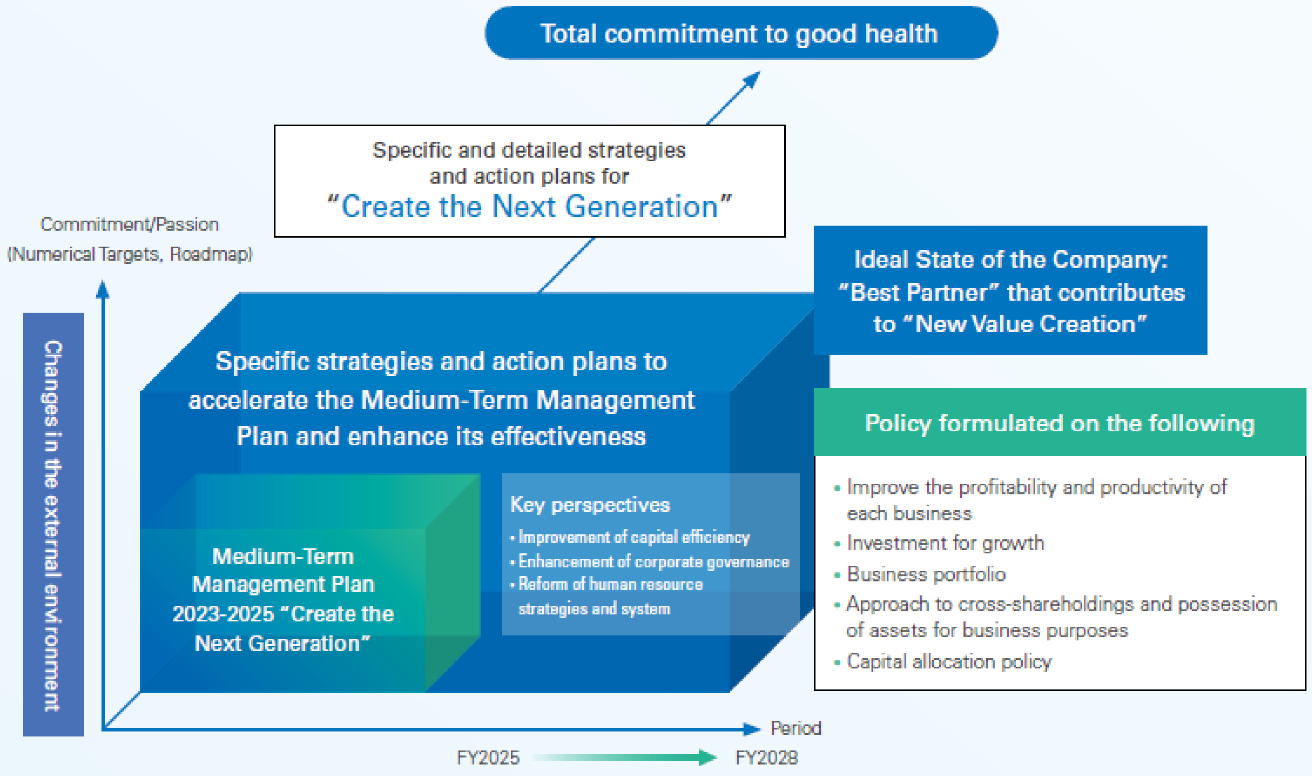
Outline of Management Strategy Committee

■ **Purpose**

Established in April 2024 to accelerate initiatives under medium-term management plan and to enhance effectiveness

■ **Main topics discussed**

1. Specific action plans to improve profitability and productivity in each business segment
2. Pursuit of growth investments in existing businesses, peripheral businesses and new businesses
3. Optimized business portfolio
4. Approach to strategic shareholdings and verified status of assets for business use
5. Capital allocation policy



Numerical targets in new action plan

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We are leveraging specific action plans, under the supervision of the Transformation Promotion Steering Committee, to improve profitability and productivity, restructure the business portfolio, optimize balance sheets and ensure appropriate capital allocation (for growth investment and return to shareholders).

Aim to exceed the following targets in the fiscal year ending March 31, 2029 (Consolidated)

ROE: more than 8%

(Maintain a level higher than the cost of equity* in the future)
*Roughly 6% as of September 2024

Operating profit margin:
more than 1.5%

DOE and cross-shareholding ratios are as follows

DOE: more than 2%

(By the fiscal year ending March 31, 2026）

Net assets of cross-shareholdings:

less than 15% (At March 31, 2026)

less than 10% (At March 31, 2029)

Total commitment to good health

Notice

Statements contained in this presentation that are not past facts are forward-looking statements that reflect our plans, expectations, strategies and assumptions, and involve known and unknown risks and uncertainties. These statements are based on currently available information and represent the beliefs of the management of TOHO HOLDINGS CO., LTD. These statements are subject to numerous risks and uncertainties that could cause actual results, performance and achievements to differ materially from those described or implied in the forward-looking statements. Since many factors could cause the actual results to differ substantially from these forward-looking statements, investors are advised to avoid undue reliance on the latter. This presentation has not been prepared for the purpose of stimulating investment. Any decision to invest is the sole responsibility of the individual investor. In addition, pharmaceuticals-related information in this document is not intended as advertising or medical advice.