

Our Understanding of Matters Stated in 3D Investment Partners Pte. Ltd.'s Explanatory Statement on Large-Scale Purchase Actions, Etc., and Response Letter



February 12, 2026

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.

Purpose of This Material

As described on the following page, in response to the Explanatory Statement on Large-Scale Purchase Actions, Etc., (hereafter, “Explanatory Statement”) submitted to the Company by 3D Investment Partners Pte. Ltd. (hereafter, “3D”), we are currently evaluating and reviewing the appropriateness of large-scale purchase actions, etc., by 3D, in accordance with our Policy Against Large-Scale Purchases of Share Certificates, etc., (hereafter, the “Response Policy”). The next step will be to compile and disclose the opinions of the Board of Directors, which duly take into account the opinions of the Independent Committee.

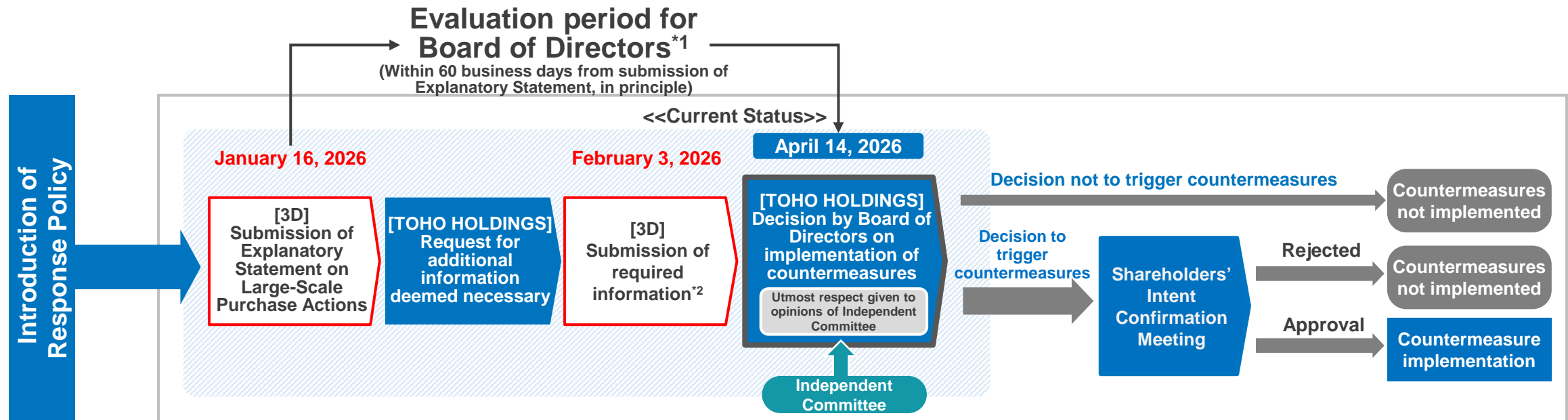
That said, the materials released by 3D contained many statements mixing facts and subjective opinions, which prompted concern that such muddled content could lead shareholders to misunderstand the real facts. We felt it necessary to explain the facts as we understand them to ensure that shareholders would be able to properly assess the circumstances.

Therefore, this material simply provides the facts as the Company understands them regarding content in materials released by 3D. It does not contain any opinions or assertions by the Company regarding the materials released by 3D or large-scale purchase actions, etc. Our opinion will be disclosed in a separate announcement after continued careful review. Please check the announcement for our opinion.

Current Status of Policy Against Large-Scale Purchases of Share Certificates, etc. of TOHO HOLDINGS



Given the content of the Explanatory Statement submitted by 3D, the Company requested that 3D provide information necessary for review and received a response to this request. Going forward, the Company's Board of Directors will, in line with the Response Policy and with the utmost respect for recommendations offered by the Independent Committee, decide whether to accede to 3D's large-scale purchase actions and implement countermeasures, based on information provided by 3D (including any addition information requested). In addition, the Company will, as it always has done, continue to disclose appropriate information at the appropriate time for shareholders' consideration.



*1 An extension of 20 business days is possible, based on recommendation by the Independent Committee, in the event provided information and available time be reasonably deemed insufficient to properly perform evaluation and review.

*2 If information is deemed to be insufficient to make a decision, utmost respect will be given to the opinions of the Independent Committee, and a request for additional information may become necessary.

Summary of 3D's Assertions and Our Understanding of These Assertions



To ensure that shareholders have an accurate understanding, we have clarified the facts regarding 3D's assertions as we understand them.

3D's Assertions	Our Understanding
A Regarding the Self-Staged "Fabricated Emergency" of an Alleged Attempt to Acquire Control	Even a voting rights ratio below 30% would allow 3D to exert significant influence over management of the Company, and this raises concerns about damage to corporate value and to the common interests of our shareholders. Our concerns are hardly tantamount to the staging of a "fabricated emergency." P. 5
B Regarding Concerns About the Motivation for Introduction (Potential Entrenchment of the Management Team)	The Company introduced the Response Policy because the demands and actions directed at the Company by 3D were deemed to have the disquieting potential to significantly impact management and could damage corporate value and the common interest of shareholders. It was not and is not intended to protect the interests of Company management. P. 6
C Regarding Criticism of 3D's Position "Changing repeatedly"	As the facts indicate, 3D's claims against the Company have flip-flopped repeatedly. P. 7-8
D Regarding Criticism that 3D's Investment in Fuji Soft Indicates a Pursuit of Short-Term Profits	3D has taken an approach against the Company that 3D itself defines as a method for short-term profit. P. 9-10
E Regarding the Mischaracterization that 3D's Proposal to Establish a Strategic Review Committee Is Intended to Favor Specific Shareholders	The Company can only assume that the 3D-requested strategic review committee would establish a mechanism that allows 3D to stealthily acquire effective management control and inevitably become a mechanism that essentially realizes profits for 3D. P. 11
F Regarding Concerns About Insufficient Information	3D provided information in accordance with procedures set out in the Response Policy, and there was no disclosure of original information. P. 12

Our Understanding of 3D's Assertions (A)

3D's Assertions

A

Regarding the Self-Staged
“Fabricated Emergency” of an
Alleged Attempt to Acquire
Control

- | 3D has already submitted a draft “Pledge Letter to Cap Aggregate Voting Power at 30% (incl. existing holdings),” but Toho HD has not accepted it and has not disclosed this fact to shareholders.
- | 3D stated that, because Toho HD's share price is undervalued, 3D may purchase shares in the market, but 3D will not exceed 30%. However, Toho HD informed shareholders as if 3D had decided to increase its voting power up to 30%.

Our Understanding of 3D's Assertions

Even a voting rights ratio below 30% would allow 3D to exert significant influence over management of the Company, and this raises concerns about damage to corporate value and to the common interests of our shareholders.

- | As described in the press release about the introduction of the Response Policy, dated October 31, 2025, even a voting rights ratio less than 30% can have a significant impact on management of the Company if the voting rights exercise rate at past general meetings of shareholders of the Company is anything to go by, and any further increase in 3D's share of voting rights could hinder improvement in the Company's corporate value and prevent development of shareholders' common interests over the medium to long term, so we clearly communicated our concerns to 3D and questioned 3D about its stated intention to make additional acquisitions. 3D sent us a draft written pledge though we did not ask for such a pledge, premised upon acquisition capped at 30%. This pledge did not alleviate our concerns nor did the circumstances surrounding the pledge affect our decision to adopt the Response Policy, obviating any need for disclosure of said pledge.
- | 3D has emphasized “controlling interest” in developing its arguments, but we have consistently indicated that gaining management control is not the only issue and that we are also concerned about 3D exerting greater influence over management. In addition, 3D uses sensational language — “fabricated emergency” — but as noted above, 3D is already in a position to exercise significant influence over the Company's management, so the 3D's claims only shift the premise and may cause general shareholders to misinterpret the situation.

Our Understanding of 3D's Assertions (B)

3D's Assertions

B

Regarding Concerns About the Motivation for Introduction (Potential Entrenchment of the Management Team)

- | Two months after 3D presented Toho HD with the written statement indicating that management had been involved in wrongdoing, Toho HD introduced takeover defense measures.

Our Understanding of 3D's Assertions

The Company introduced the Response Policy because the demands and actions directed at the Company by 3D were deemed to have the disquieting potential to significantly impact management and could damage corporate value and the common interest of shareholders.

- | The assertion that the Response Policy was introduced as a result of 3D's statement is categorically false.
- | 3D has acquired shares to a level approaching 24% of voting rights, and 3D has indicated its intention to acquire additional shares. 3D's current shareholding provided the basis for 3D to demand the establishment of a strategic review committee that would push the 3D's agenda, and 3D attempted to force establishment by threatening to call for an extraordinary general meeting of shareholders if the request was ignored. We believe this shows that 3D is already exercising significant influence over management, and from the perspective of ensuring the interests of the Company and its general shareholders, we recognized the need for a measure that would ensure sufficient time and information for shareholders to make a good decision regarding the purchase of additional shares by 3D. This led to the introduction of the Response Policy.
- | Note that the Response Policy was introduced with the approval of the Board of Directors, where outside directors are the majority. There is absolutely no evidence that this policy is meant to protect management.

Our Understanding of 3D’s Assertions (C)

3D’s Assertions

C Regarding Criticism of 3D’s Position “Changing repeatedly”

| 3D has been consistent in its dialogue aimed at enhancing corporate value, and any shift in focus reflects an inevitable evolution based on a deeper understanding of Toho HD’s issues.

Our Understanding of 3D’s Assertions

As the facts indicate, 3D’s claims against the Company have flip-flopped repeatedly.

- | 3D’s assertions did not follow a gradual “inevitable evolution based on a deeper understanding of Toho HD’s issues” (Phase 1-5) but were instead, as noted on the right, always inconsistent.
- | Consequently, we believe that the reasons given by 3D as the basis for additional acquisition of the Company’s shares were created after the fact.

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<p>Inconsistent criticisms about the Company’s governance structure</p> <ul style="list-style-type: none"> 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 5/27/25 (press release): Launched campaign to oppose appointment of some TOHO HOLDINGS’ directors, citing governance and compliance as key issues 7/11/25 (letter): Following annual general meeting of shareholders, again requested establishment of third-party committee p 10/3/25 (dialogue): <u>Despite demanding establishment of strategic review committee, statement made to the effect that verification of governance not necessary.</u> 	<p>Prospects for CEO Edahiro, in whom 3D holds no confidence</p> <ul style="list-style-type: none"> 5/27/25 (press release): Launched campaign to oppose appointment of CEO Edahiro, claiming CEO cannot escape responsibility for governance and compliance failures, criticizing decision to appoint him and citing doubts over his suitability 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 p 9/10/25 (dialogue): <u>Despite responding to request and agreeing to dialogue opportunity, 3D made no mention of 2021 incident and made statement to the effect that objective is to work with CEO Edahiro to improve corporate value.</u>
<p>Industry restructuring, which was withdrawn, brought back into discussion in short space of time</p> <ul style="list-style-type: none"> 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 p 9/10/25 (dialogue): <u>Reflected on remarks made on March 14, apologized, and retracted what was said.</u> 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 conversation, statements made to the effect that efforts at industry restructuring would be centered around CEO Edahiro and that the strategy review committee would cooperate in the process. 	<p>Urgent request to establish strategic review committee and call for extraordinary general meeting of shareholders</p> <ul style="list-style-type: none"> 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. p 9/12/25 (telephone): <u>Requested reply to establishment of strategic review committee by Sep. 19, 2025 (one week later)</u> 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” p 10/3/25 (meeting): <u>3D said it would call for extraordinary general meeting of shareholders (agenda unknown) if 3D-led strategic review committee not established, and demanded response on establishment of said committee by Oct 17, 2025.</u>

Our Understanding of 3D's Assertions (C)

3D's Assertions

C Regarding Criticism of 3D's Position "Changing repeatedly"

- | 3D has been consistent in its dialogue aimed at enhancing corporate value, and any shift in focus reflects an inevitable evolution based on a deeper understanding of Toho HD's issues.

Our Understanding of 3D's Assertions (cont')

- | The descriptions of each phase, as presented in the 3D-produced "Explanatory Materials Regarding Our Additional Acquisition of Toho HD Shares," are not consistent with actual words and actions at each point in time. From our perspective, 3D's assertions were most likely rephrased after the fact to make them appear consistent.
- | A perfect example of this happened during Phase 4 (Arbitrary Distortion of Information and Introduction of Takeover Defense Measures), when we introduced the Response Policy. It is true that a statement from 3D was received on August 20, 2025, and a meeting with CEO Edahiro was arranged, as 3D requested, that took place on September 10, 2025. At that time, 3D did not touch upon the statement or governance issues at all but rather indicated a desire to work with CEO Edahiro to improve corporate value. Furthermore, at a meeting on October 3, 2025, 3D requested the establishment of a strategic review committee that excludes governance from its agenda and at the same time urged industry restructuring centered around Edahiro.
- | Despite this, 3D flip-flopped several times, including hastily notifying us of a "final request to establish a third-party committee" after the Response Policy was introduced, and then on December 15, 2025, demanding that the third-party committee investigate misconduct and hold accountable Company's directors, including Edahiro, for any transgressions. We perceive such demands as policy changes intended to apply pressure on management.

Our Understanding of 3D's Assertions (D)

3D's Assertions

D Regarding Criticism that 3D's Investment in Fuji Soft Indicates a Pursuit of Short-Term Profits

- | Toho HD has not provided any basis for its claim that 3D is pursuing short-term profits, other than the Fujisoft case.
- | Even in that case, Toho HD can only “manufacture” a “short-term” narrative by arbitrarily selecting the time horizon.

Our Understanding of 3D's Assertions

3D has taken an approach against the Company that 3D itself defines as a method for short-term profit.

- | According to tender offer notification and other publicly available materials in the Fujisoft case, the approach leading up to the start of the privatization process was for “3DIP to spearhead a process it would itself lead to solicit from potential investors proposals for measures to boost the corporate value of the target company through privatization of that company’s shares...”. 3D, without the consent of management at Fujisoft, independently initiated the privatization process to achieve its own objectives.
- | In addition, by entering into an irrevocable tender agreement with a bidder selected through a process 3D itself led — a process from which there could be no withdrawal even if a competing offer were made — 3D in effect blocked any chance for a counterproposal. 3D essentially pursued the sale of its own shares (ensuring fulfillment of its own interests) without regard for the common interests of general shareholders in benefiting from the opportunity to sell at a higher price.
- | In the Fujisoft case, 3D acquired a percentage of shares that would give it significant influence and further strengthened its clout by appointing individuals from its own slate of nominees for the Corporate Value Improvement Committee and the Special Committee through a shareholder proposal, which then enabled 3D to take the lead in executing the privatization process. We see many similarities in the demands directed at TOHO HOLDINGS and 3D’s conduct vis-à-vis Fujisoft, including share acquisition exceeding 20%, the appointment of members to the strategic review committee and the chairperson as well, and a request for this committee to “consider policies to maximize corporate value through industry restructuring.”

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Our Understanding of 3D's Assertions (D)

3D's Assertions

D

Regarding Criticism that 3D's Investment in Fuji Soft Indicates a Pursuit of Short-Term Profits

- | Toho HD has not provided any basis for its claim that 3D is pursuing short-term profits, other than the Fujisoft case.
- | Even in that case, Toho HD can only “manufacture” a “short-term” narrative by arbitrarily selecting the time horizon.

Our Understanding of 3D's Assertions (cont')

- | In a letter to the Company's Board of Directors, dated September 22, 2025, 3D said “If we were going for short-term capital gains, we would have to create an event that leads to higher stock prices first...and (additional acquisition of shares) is not the means to achieve short-term capital gains.”
- | However, in a subsequent letter to the Company's Board of Directors, dated October 6, 2025, 3D requested: (1) the establishment of a strategic review committee whose primary objective would be to “look into policies for maximizing corporate value through industry restructuring” and whose structure would be favorably disposed to 3D's intentions; (2) the disclosure of a final report by the committee at least one month prior to the June 2026 Annual General Meeting of Shareholders; and (3) a response by October 17, 2025 — 10 days later — on a decision to establish this committee or not.
- | 3D's actions are exactly what 3D itself asserted in its letter: “Pursue capital gains by creating an event that leads to higher stock prices and then sell the share held”. That equates to the pursuit of short-term capital gains.

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いうえで、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。

Our Understanding of 3D's Assertions (E)

3D's Assertions

E

Regarding the Mischaracterization that 3D's Proposal to Establish a Strategic Review Committee Is Intended to Favor Specific Shareholders

| The Management Strategy Committee convened by Toho HD merely endorsed the status quo by leaving targets unchanged.
| In light of that failure, 3D proposed an effective committee framework that genuinely serves corporate value and the common interests of shareholders.
| Even in light of these facts, the claim that this constitutes preferential treatment of a specific shareholder is misleading to shareholders.

Our Understanding of 3D's Assertions

The 3D-requested strategic review committee would establish a mechanism that allows 3D to stealthily acquire effective management control.

- | Only 3D-nominated candidates and outside directors would be appointed to the strategic review committee that 3D wants the Company to establish, excluding executive directors who have earned the trust of general shareholders. Moreover, 3D also requests that the strategic review committee and working groups be chaired by individuals that 3D itself recommends. Such demands clearly demonstrate 3D's intention to dilute the input of outside directors with individuals that support 3D's perspective in discussions. We cannot help but see these demands as an attempt by 3D to steer decision-making on industry restructuring in a desire direction and, circumventing the process of shareholders' meetings, surreptitiously gain effective management control over the Company behind the scenes, even though formally, 3D adopts the framework of establishing a committee.

Our Understanding of 3D's Assertions (F)

3D's Assertions

F

Regarding Concerns About Insufficient Information

3D submitted a Large-Scale Purchase Actions Explanation Statement - though such a filing is ordinarily unnecessary for a purely investment position that does not involve acquiring control - and also presented detailed “specific recommendations on strengthening governance framework.”

Our Understanding of 3D's Assertions

3D provided information in accordance with procedures set out in the Response Policy, and there was no disclosure of original information.

- | The Company pointed to a lack of information, and 3D countered by saying that the acquisition is a pure investment and does not involve the acquisition of control, and despite this stance, 3D provided the Company with Explanatory Statement and made specific recommendations for the establishment of a governance system.
- | However, the explanation and recommendations were only presented and disclosed after the Company introduced its Response Policy, and in fact, the content was revealed for the first time in the Explanatory Statement, dated January 16, 2026. Prior to the introduction of the Response Policy, 3D had been planning to increase its stake in the Company, up to a maximum of 30% of voting rights, without disclosing any information that general shareholders would find helpful in making decisions.
- | Moreover, from our perspective, 3D, which already holds significant impact over management and seeks to exercise that control, should provide sufficient information about any additional acquisition of shares so that we and our shareholders can reflect on the impact such acquisition might have on the Company's corporate value and the common interests of shareholders and then make an appropriate decision regarding the large-scale acquisition of Company shares. We do not believe such information has been disclosed at this time.
- | In accordance with the Response Policy, the Company will ask 3D to provide the information needed for shareholders to make a decision.



Total commitment to good health