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April 28, 2026

To whom it may concern:

Company Name	TOHO HOLDINGS CO.,LTD.
Corporate Representative	Hiromi Edahiro, Representative Director, President and CEO (Prime Market of Tokyo Stock Exchange Securities Code: 8129)
Contact:	Makoto Kawamura, Executive Corporate Officer and General Manager, Corporate Strategy Division (TEL: 81-3-6838-2803)

Notice Concerning Results of the Board of Directors' Evaluation of the Large-Scale Purchase of Share Certificates, etc. of TOHO HOLDINGS CO.,LTD. and Submission of Proposal for Confirmation of Shareholders' Intent Regarding the Invocation of Countermeasures

TOHO HOLDINGS CO.,LTD. (the "Company") adopted a response policy regarding large-scale purchases of its share certificates, etc. dated October 31, 2025 (the "Response Policy"). 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. Now, the Company hereby announces that the Board of Directors' evaluation period has ended as of today and that, at the meeting of the Board of Directors held today, and 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 (the “Proposal”) to confirm shareholders’ intent regarding whether to invoke the countermeasures to the Large-Scale Purchase based on the Response Policy (the “Countermeasures”) to the Company’s 78th Annual General Meeting of Shareholders planned to be held in June 2026 (the “2026 Annual General Meeting of Shareholders”).

The Proposal will request that the shareholders approve, by an ordinary resolution, the invocation of the Countermeasures by the Company’s Board of Directors at the 2026 Annual General Meeting of Shareholders.

Furthermore, if the Company’s Board of Directors has determined by the day before the 2026 Annual General Meeting of Shareholders that it is no longer necessary to invoke the Countermeasures, for example in the event the Large-Scale Purchaser withdraws the Large-Scale Purchase and pledges in writing not to conduct a Large-Scale Purchase in the future, then the Proposal will not be submitted to the 2026 Annual General Meeting of Shareholders or will be withdrawn.

In the case in which the 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 countermeasures pursuant to the Response Policy by the time reasonably established by the Company’s Board of Directors based on the opinion of the Independent Committee.

On the other hand, in the event the Proposal is not approved, the intent of the shareholders will be respected, 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 the 2026 Annual General Meeting of Shareholders.

The Company will give notice of the details of the 2026 Annual General Meeting of Shareholders and the Proposal promptly once they are decided.

Details

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

I. 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 (introduction)

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, 3D has insisted on causing the Company to implement a business integration with

another company in the same industry or restructuring of the industry, or shareholder returns that are premised on 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 and compliance 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 material influence over the Company's management, and not "pure investment." This is also supported by examples of 3D's investments in the past.

On the other hand, 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") 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. The Company also believes that it has established a governance system to reliably and efficiently implement the New Medium-Term Plan.

Despite the fact that it will have a more material influence on the Company's management due to the Large-Scale Purchase, given that 3D has repeated its assertions as if the development of governance would resolve all of the Company's management problems aimed at the improvement of corporate value and has not specifically indicated a management policy for the Company due to the purpose that contradicts the reality of the Large-Scale Purchase being "pure investment," it can be inferred that 3D is concerned only with pursuing its own short-term profit. It is especially important for the Company, whose core business is the pharmaceuticals wholesaling business, to maintain and strengthen its 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 its mission as social infrastructure of significant public importance, in order to maintain and improve its corporate value over the medium- to long-term. 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. In addition, it is clear that 3D does not have experience or knowledge of the Company's business, in the event 3D has further increased its influence on the Company's management, it is possible that the Company's management will be thrown into disarray or the implementation of policies to improve corporate value by the Company's management will be impeded, or that measures to pursue short-term profit will be forcibly implemented, and 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.

In addition, despite it being clear that it is highly likely that a conflict of interest will arise between 3D and ordinary shareholders, 3D is not even trying to understand that point or give it consideration at all, and 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.

Furthermore, the Large-Scale Purchase by the Large-Scale Purchaser is an acquisition through on-market purchases premised on the listing being maintained without sufficient information being provided, it is coercive with respect to ordinary shareholders, and it is necessary to eliminate that coercive effect to the extent possible.

As set forth above, as the Large-Scale Purchase risks harming the Company's corporate value and the common interests of shareholders, the Company's Board of Directors has determined that the Countermeasures should be invoked.

II. 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"

In the Explanation, 3D repeatedly asserts that the purpose of the Large-Scale Purchase is "pure investment," stating that "the Acquisition is intended solely to generate returns through pure investment and is not intended to seize your company's management control," and that "the purpose of 3D's shareholding is purely investment (to earn profits from fluctuations in the value of your company's shares and/or dividends on such shares)."

On this point, although "pure investment" is not a term with an established definition, section 5-19-3-2 in part A "Common Matters" of the "Points to Note Regarding Disclosure of Corporate Affairs (Guideline for the Disclosure of Corporate Affairs)" states, "'pure investment purpose' means exclusively for the purpose of receiving profit through changes in the value of shares or dividends pertaining to shares," and it is understood to refer to a purpose that is based "exclusively" on share price fluctuations or dividends. Judging from that, even if there is a purpose of obtaining

profit from changes in share value or dividends, if there is simultaneously the purpose of influencing the management of the issuing company, it is believed that it is premised not to fall within pure investment purpose. It is also commonly understood that, in the case of “pure investment,” an investor does not acquire control over or participate in the management of the target, and focuses solely on gains from appreciation of share prices and dividends.

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.

In the “Response to the ‘Request for the Provision of Necessary Information’” submitted by 3D on February 3, 2026 (the “February 3 Response”), 3D states that the reference to pure investment in the Explanation “concerns solely the purpose of acquiring the additional shares in this situation,” and thus gives an explanation that only the portion being acquired this time seems to be for a pure investment purpose. However, the purpose of holding shares ordinarily indicates the purpose of the overall holding, and it is not believed that the nature of shares of the same issuing company is expected to be sharply distinguished by each time of their acquisition. In addition, 3D has disclosed in amendment reports the possibility of making material proposals and has actually made material proposals to the Company; therefore, it is difficult to categorize 3D as actually carrying out the investment by positioning only the portion to be additionally acquired in the future as being for a pure investment purpose. Furthermore, in the “Response to ‘Request for the Provision of Additional Information’” it subsequently submitted on March 18 (the “March 18 Response”), 3D explained that “the present acquisition plan does not alter the current purpose of shareholding as stated in the Statements of Changes we have filed, nor are the shares of your company to be acquired thereby different in nature from the shares of your company that we already hold.” This content clearly contradicts the explanation in the February 3 Response that seems to be that only the portion to be acquired this time will be for a pure investment purpose, and it indicates that difficulty has arisen in sticking to their explanation of it being a pure investment purpose.

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

- (1) 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

From the outset in 2023 when it began engagement, 3D made a proposal concerning a verification of the business portfolio or a 90 billion yen acquisition of treasury shares that assumes a review of surplus assets, and in order to realize them, 3D requested the establishment of a strategic review committee that would include candidates 3D recommends among the members. In addition, in October 2024, 3D proposed a business integration between the Company and another company in the same industry, and in subsequent meetings, 3D requested the review of the business integration with another company in the same industry, the hiring of a financial advisor premised on that, and its participation in the review process, while suggesting the possibility that if the Company did not accept 3D's requests, there would be the possibility of 3D exercising the shareholder's right to make shareholder proposals at an Annual General Meeting of Shareholders or a public campaign.

In meetings held on September 10 and October 3, 2025 and in a letter received on October 6, 2025, 3D requested the Company to establish a strategic review committee, and to have the agenda of the strategic review committee include a review of strategic options including an integration with a domestic pharmaceuticals wholesaler and restructuring of the industry, and a further verification of the business portfolio, asset holding policy, and growth strategy and shareholder returns. Notwithstanding that its agenda would be matters that relate to the important management strategy of the Company, in relation to the strategic review committee, 3D requested that the strategic review committee has mechanisms that would allow 3D's intentions to be strongly reflected in it, such as having a composition with at least two members recommended by 3D and some of the Company's Outside Directors, excluding Executive Directors spearheading the current medium-term management plan, one of those people recommended by 3D being made the chairperson of such committee and the group leader of a working group that is established as its subordinate body, and the preparation of a request for proposal during the appointment of independent advisors for such a committee requiring the agreement of 3D. Furthermore, in meetings held on September 10 and October 3, 2025, 3D declared that it would demand convocation of an Extraordinary General Meeting of Shareholders if the strategic review committee 3D is requesting is not established. This can be said to be 3D compelling the Company into decision-making pertaining to the establishment of the strategic review committee 3D is requesting by suggesting that 3D will convene an Extraordinary General Meeting of Shareholders to appoint or dismiss directors if

the Company does not meet 3D's intentions. On the assumption of these assertions by 3D and its stance in consultations, 3D's purpose is clearly to pursue short-term profits for 3D by forcefully causing the Company to implement a business integration with another company in the same industry and a restructuring of the industry, and a shareholder return policy premised on the revision of surplus assets.

3D has explained, for example, in the February 3 Response that "3D Group has never formally proposed to your company's Board of Directors a business integration with another company in the same industry. We merely shared with your company's administrative office, in the course of discussions, that such corporate value enhancement measures could be possible," and in a meeting with Director Hiromi Edahiro ("Director Edahiro") that "it was stated as part of brainstorming." However, 3D's request regarding the business integration with another company in the same industry was made after conducting a verification using concrete figures, engaging expert attorneys to perform an analysis regarding specific issues under the Antimonopoly Act, and even preparing proposal materials. Furthermore, even after Director Edahiro responded in the meeting that he thinks immediately carrying out a business integration with another company in the same industry would be difficult, they repeatedly demanded the review in the meeting. Judging from this type of response by 3D, the assertion that such a business integration is part of brainstorming rather than a formal proposal is clearly unreasonable. Furthermore, in the Explanation, 3D asserts that Director Edahiro responded that he would not review a business integration with a major domestic pharmaceutical wholesaler because he prioritized maintaining the status quo, including preserving positions such as general manager roles. However, Director Edahiro actually explained specific reasons to 3D, such as (i) if it is judged based on past cases of business integrations between companies in the same industry, a drop in sales prices would be anticipated to occur, (ii) it would become necessary to adjust area share, and business partners would be concerned about the rising share of the combined company and increase the proportion for other companies as a result, so it is expected that the integration effect would be one plus one becoming less than two, (iii) the need to pursue cost synergies would arise and it would become necessary to reduce employee numbers, and (iv) it would be necessary to take the utmost consideration for information management during the review, and then explained that it would be necessary to carefully review a business integration with another company in the same industry, and that he was not positive at that point in time.

- (2) 3D's points concerning governance raised with the Company are nothing more than a means of forcing its proposals on the Company

To date, 3D has repeatedly asserted that there are problems with the Company's governance

and compliance system, citing the cases of misconduct concerning the Antimonopoly Act violation (the “Antimonopoly Act Violations”) and the incident concerning Nihon University Hospital from roughly six to ten years ago, and in the Explanation as well, it puts forth the improvement of the Company’s governance system as the purpose of the Large-Scale Purchase.

However, at the same time, 3D has changed its assertions regarding those problems, for example by declaring that if the strategic review committee 3D is requesting to be established were established then a verification of the governance and compliance system by that committee would not be necessary, and it is difficult to believe that their series of requests is truly for the purpose of improving the governance and compliance system.

On that point, in the “Explanatory Materials Regarding Our Additional Acquisition of Toho HD Shares” 3D released on January 19, 2026, 3D explained that they changed due to a clearer understanding of the issues at the Company, and that such a change is inevitable. However, after being aware of both the Antimonopoly Act Violations and the incident concerning Nihon University Hospital at the Company raised by 3D as well as confirming the Company’s responses to 3D’s questions concerning those incidents, 3D proposed the business integration with another company in the same industry to the Company on October 1, 2024. When the Company did not accept that proposal, it pointed out past governance problems at the Company, and when the time was right they requested a business integration with another company in the same industry again, and then when the Company did not accept the request they again repeated the response of indicating governance problems, which obviously does not fall under an inevitable change due to a clearer understanding of the issues at the Company.

In addition, in the Explanation, 3D regards as problematic the written statements of Director Edahiro and Director Akira Umada (“Director Umada”) in the Antimonopoly Act Violations (collectively, the “Written Statements”), but that assertion was not made immediately after 3D acquired the Written Statements. 3D had already acquired copies of the Written Statements on August 14, 2025 at the latest, but no reference was made to the Written Statements at the meeting on September 10, 2025 that was set for the reason of confirming the Written Statements, and they even declared that it was good that Director Edahiro is the CEO of the Company. However, when the Company refused the request to establish a strategic review committee, they demanded the establishment of a third-party committee on December 3, 2025, and further requested the filing of a liability suit against the Directors of the Company (including resigned Directors) on December 15, 2025 (the “Request for the Lawsuit”) on the grounds of the facts stated in the Written Statements. Then, in a letter to the Outside Directors of the Company dated the same date, 3D explained that the Request for the Lawsuit has the purpose “to present legal issues” in order to make the investigation by the third-party committee to be established more effective and meaningful” In light of the background of this

dialogue with 3D as well, it is difficult to understand that 3D truly regards the Written Statements as problematic and is aiming for improvements in the governance and compliance system, and one can instead only believe that they are in fact using the Written Statements and the Request for the Lawsuit as a means to put pressure on the Company's management.

Approximately six to ten years have passed since the occurrence of the Antimonopoly Act Violations, and approximately five years or more have already passed since they were discovered as well. During that time, the Company has formulated and enacted measures to prevent recurrence and various policies to strengthen the governance system taking into account those cases, and the Company's current governance and compliance system is greatly different from the situation at the time those cases occurred. The Company has repeatedly given specific and thorough explanations of those facts to 3D and that the establishment of a third-party committee is not necessary, but 3D has completely refused to accept those explanations, and has continued to one-sidedly demand the establishment of a third-party committee based on the situation at the time, so we have no choice but to believe that it has no intent to hold constructive dialogue with the Company. Furthermore, 3D's governance-related assertions, other than suggestions for governance improvements as generalities that were made during the Large-Scale Purchase (see part 1(2) of section III below for the Company's opinion regarding this point), are limited to issues such as the suitability as Directors of Director Edahiro and Director Umada who are assumed to have been involved in the Antimonopoly Act violations, clarifying past facts through the establishment of a third-party committee, the approval process for Director Edahiro when former Director Udo passed away, and disclosures concerning the consultant and advisor system.

Judging from this, it is natural to believe that, rather than aiming at correcting the Company's governance and compliance system through measures such as establishing a third-party committee, 3D is attempting to pressure the Company's management and Outside Directors and realize its own requests by raising issues in regard to the governance and compliance system and requesting a lawsuit if the Company does not accept 3D's requests.

- (3) Examples of 3D's investments in the past also support the purpose of 3D's actions with respect to the Company being to increase its influence on the Company's management, and then impose management decisions in accordance with its intent and pursue its own short-term profit

Looking at other examples of investments by 3D reveals that there are many examples in which 3D increased its influence on an investment target and then ultimately obtained short-term profit by causing the investment target to implement a corporate action.

(i) Investment in FUJI SOFT

In their investment in FUJI SOFT INCORPORATED (“FUJI SOFT”), to the extent that can be confirmed from change reports, while 3D increased its shareholding ratio to 22.01%, it strengthened its influence by, for example, exercising its right to make a shareholder proposal and right to demand convocation of an extraordinary general meeting of shareholders, carrying out a public campaign, and installing directors recommended by 3D as members of a corporate value improvement committee and special committee, and then implemented a process led by 3D itself to solicit proposals to take FUJI SOFT private, despite not having the agreement of FUJI SOFT’s management. Subsequently, a tender offer was implemented by a PE fund that had executed an irrevocable tender agreement with 3D, and FUJI SOFT was taken private. Thus, in the example of its investment in FUJI SOFT, it can be evaluated that 3D, against the background of influence through its voting rights, caused the establishment of a special committee that included persons 3D recommended among its members, and 3D took the lead in carrying out the delisting process, ultimately causing FUJI SOFT to carry out decision-making pertaining to delisting, in accordance with its own demands.

After the announcement of it going private, another PE fund made a counter bid at a higher purchase price, but 3D could not accept the counter bid because 3D had executed the irrevocable tender agreement even if the counter bid would be made. The tender agreement with 3D, which held shares at a shareholding ratio of at least 20%, had a large effect, and the counter bid could not obtain FUJI SOFT’s support for reasons including its low feasibility of the counter bid. This action by 3D can be said to have effectively blocked the opportunity for a counter bid and pursued a sale of 3D’s own shares (i.e., an early and certain realization of profit for itself) without considering the common interests of ordinary shareholders, namely enjoying the opportunity for a sale at a higher price, which would truly be an example of the problem of a conflict of interests with ordinary shareholders being actualized.

(ii) Investment in Sapporo Holdings

In the investment in Sapporo Holdings Limited (“Sapporo Holdings”) as well, to the extent that can be confirmed from change reports, while 3D increased its shareholding ratio to 19.44%, it implemented a public campaign and asserted, for example, that Sapporo Holdings was neglecting its core business without rectifying its low profitability by having a real estate business, which led to a worsening of its capital efficiency.

In addition, 3D requested the establishment of a strategic review committee and to have its agenda include a fundamental review of the holding policy, including a sale or spin-off of the real estate business, and Sapporo Holdings seems to have accepted that request, as

according to published information it has established a group strategic review committee that includes persons recommended by 3D among its members. As a result, Sapporo Holdings has decided to sell its real estate business to a PE fund.

Thus, in the investment in Sapporo Holdings as well, it can be evaluated that 3D, against the background of influence through its voting rights, caused the establishment of a special committee that included persons it recommended among its members, and ultimately caused Sapporo Holdings to carry out decision-making in accordance with its demands, namely the sale of its real estate business.

(iii) Investment in TOSHIBA

In the investment in TOSHIBA CORPORATION (“TOSHIBA”), to the extent that can be confirmed from a large shareholding report, while it increased its shareholding ratio to 7.20%, 3D expressed concerns about the process and conclusions of the strategic committee in regard to the policies for a strategic reorganization published by TOSHIBA including by publishing a letter, and also requested the development of an environment that would allow potential purchasers to produce proposals, leading TOSHIBA to make changes to the strategic reorganization scheme. Subsequently, due to a proposal concerning the strategic reorganization that was submitted by TOSHIBA being rejected at an extraordinary general meeting of shareholders, TOSHIBA came to solicit proposals aimed at improving corporate value, including taking its shares private, and ultimately it ended up deciding to go private through a PE fund.

(iv) Investment in TOHOKUSHINSHA

In the investment in TOHOKUSHINSHA FILM CORPORATION (“TOHOKUSHINSHA”), to the extent that can be confirmed from change reports, while it increased its shareholding ratio to 17.65%, it implemented a public campaign and requested the improvement of profitability in the existing business, the liquidation of surplus capital, and the development of the governance system, and subsequently 3D itself proposed taking TOHOKUSHINSHA private. This going-private proposal did not lead to an agreement on a confidentiality agreement with TOHOKUSHINSHA, and consultations and negotiations have been broken off.

Furthermore, in the March 18 Response, 3D explains that, in terms of the premise for its going-private proposal to TOHOKUSHINSHA, it was concerned that TOHOKUSHINSHA’s tradable shares ratio conflicted with the delisting criteria, but it is believed that the buyup by 3D itself was also a cause of such concerns about a conflict with the delisting criteria, and it can be evaluated that 3D made the going-private proposal after increasing concerns about delisting through its own buyup.

(v) Investment in YAIZU SUISANKAGAKU INDUSTRY

In the investment in YAIZU SUISANKAGAKU INDUSTRY CO., LTD. (“YAIZU SUISAN”), after, amid the increasing severity of the management environment such as the declining population, an aging society with a falling birthrate, and soaring prices for raw materials and energy, a tender offer was launched to take it private with a strategic partner to increase medium-to-long-term corporate value, 3D acquired shares with a shareholding ratio of 9.78% during the tender offer period, and as a result, coupled with Kabushiki Kaisha Minami Aoyama Fudosan, Kabushiki Kaisha City Index Eleventh, and S-GRANT CO., LTD. (“Minami Aoyama Fudosan, etc.”) also having acquired shares, this tender offer was not successful.

In addition, YAIZU SUISAN subsequently searched for a strategic partner again, and when INABA FOODS Co., Ltd. (“INABA FOODS”), with which it had a trading relationship, implemented a tender offer to take it private, while the intention of Minami Aoyama Fudosan, etc. to sell on the market during the tender offer period or to tender in the tender offer was confirmed, 3D carried out a buyup after that tender offer was announced and increased its shareholding ratio to 13.80%. Ultimately, INABA FOODS accepted 3D’s request and raised the tender offer price, and 3D tendered all of its held shares in the tender offer.

Thus, the investment in YAIZU SUISAN can be evaluated as an investment example in which 3D exploited a going-private transaction announced by YAIZU SUISAN, and it obtained short-term profit by forcing up the tender offer price against the background of its shareholding.

As set forth above, in many past examples of investment by 3D, it can be evaluated that 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, or proposing buyouts while increasing its influence on the investment target’s management or the offeror’s judgment. 3D’s series of approaches to the Company have many points in common with its investment methods in the examples of other companies, in that it has carried out a public campaign for the establishment of a strategy review committee or corporate action while carrying out a buyup, and tried to apply pressure on management by suggesting the possibility of shareholder proposals or a demand to convene an Extraordinary General Meeting of Shareholders.

In addition, similar to the purpose of holding in the Company’s large shareholding report and change reports, 3D stated “pure investment and giving advice and material proposals to management in accordance with the situation.”, as it stated in the large shareholding reports

and change reports of other investment target. Based on their purpose of holding in both the example of TOHOKUSHINSHA, where 3D proposed the going private by itself, and the example of FUJI SOFT, where 3D led the going-private process by itself, being the same, 3D claiming that the Large-Scale Purchase is for the purpose of pure investment should not be accepted without question, and rather than seeing the Large-Scale Purchase as pure investment, it is rational to believe that it is an action to increase its own influence in order to compel the implementation of future large-scale corporate action, as with the past examples.

3. Summary

As set forth above, while 3D asserts in the Explanation that the purpose of the Large-Scale Purchase is not to acquire the power to control the Company's management, and it is entirely for the purpose of "pure investment," based on the details of its approaches to the Company to date, it is clear that "pure investment" is not the purpose of the Large-Scale Purchase. 3D's purpose can be reasonably presumed to be a business integration between the Company and another company in the same industry or a restructuring of the industry, or shareholder returns premised on the revision of surplus assets, and the true intention behind the raising issues concerning the Company's governance system that 3D has repeatedly asserted is also suspected to be to place pressure on and shake up the Company's management. Furthermore, examining the examples of 3D's investments in other companies to date can also confirm that they are obtaining short-term profit through corporate action and the like by the investment targets against the backdrop of influence through voting rights, and in light of that fact, the purpose of the Large-Scale Purchase by 3D is believed to be for it to pursue its own short-term profit by forcing management decisions in line with its own intentions on the Company by obtaining stronger influence over the Company's management decisions.

III. 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

- (1) Enhancement of the Company's corporate value and the common interests of shareholders, under the new medium-term management plan

Premised on the development of the business foundation that proceeded under the previous medium-term management plan "Create the Next Generation" (from the fiscal year ended in March 2024 to the fiscal year ended in March 2026) (the "Previous Medium-Term Plan"), the New Medium-Term Plan is clearly positioned to transition to a "monetization phase" in which that foundation is converted to revenue. Under the Previous Medium-Term Plan, efforts were

made to develop the business foundation, amongst other things through organizational restructuring and the introduction of DX in the pharmaceutical wholesaling business, strengthening the response to specialty pharmaceuticals, restructuring of the dispensing business, and promotion of various alliances. At the same time, the Company recognizes that there is still room for improvement from the perspective of improving profitability and capital efficiency.

Based on this awareness, the New Medium-Term Plan works to convert to a type of management that stresses profitability and capital efficiency and aims at sustainable improvement in corporate value. Therefore, it will promote business portfolio reform by reassessing each business from the perspective of profitability and growth potential, and predominantly distributing management resources to areas where revenue creation is expected to exceed capital costs.

The New Medium-Term Plan aims to achieve, on a consolidated basis, operating profit of at least 30 billion yen, an operating profit margin of at least 1.5%, ROE of at least 8%, and a selling, general and administrative expense ratio of 5.5% or less, and it also has a basic philosophy of DOE of at least 4% and a total payout ratio of 100%, while proceeding with a reduction of cross-shareholdings to less than 10% compared with net assets (as of the end of the fiscal year ending in March 2029). Through these indicators, the discipline of management will be clarified from each aspect of profitability, capital efficiency, and shareholder returns.

In terms of specific initiatives to achieve these targets, first, in the pharmaceutical wholesaling business, it makes efforts to strengthen profitability through enhancing capabilities for specialty pharmaceuticals, expanding the handling of medical devices and reagents, and increased sophistication of sales and logistics processes by utilizing DX.

Furthermore, in the dispensing business, it will make the business more efficient through organizational restructuring, improvement of the technical fee acquisition rate, and the improvement of productivity by promoting DX.

Moreover, it positions the manufacturing and sales (CDMO) business and new businesses as future growth drivers, and makes effort to expand the revenue foundation through a response to new modalities and utilizing alliances or M&A.

Additionally, it will thoroughly enforce efficiency measures and proceed with improving the revenue structure, for example through improving the productivity of sales and logistics, reducing indirect costs, and reforming business processes.

Furthermore, from the perspective of capital policy, in addition to the creation of operating cash flow, it works to improve the capacity to create cash by moving forward with improvements to asset efficiency through, for example, the sale of cross-shareholdings and non-operational assets. Its basic policy regarding the created funds is to appropriately allocate them to growth investments and shareholder returns.

With regard to growth investments, investment opportunities including alliances and M&A will be actively considered, primarily in new businesses and the CDMO business, and when implementing them, a rigorous determination will be made through deliberations at the Investment Committee based on investment discipline from the perspective of ensuring returns that exceed capital cost and strategic coherence. Furthermore, if such investment opportunities cannot be secured, the policy will be to be aware of capital efficiency and nimbly enhance shareholder returns.

Regarding shareholder returns, in addition to stably increasing dividends with the criterion of DOE of at least 4%, efforts will be made to optimally distribute capital by flexibly implementing treasury share acquisitions. Furthermore, over the period of the New Medium-Term Plan, in addition to positioning a total payout ratio of 100% as the basic policy, the level of shareholder returns will be flexibly and nimbly revised while being grounded in, for example, the state of progress of growth investments.

Additionally, the New Medium-Term Plan sets forth the achievement of ROE of at least 8% and an operating profit margin of at least 1.5% as main management indicators, and through achieving that, efforts will be made to improve earning capacity and capital efficiency, and to work to sustainably improve corporate value.

Furthermore, with the participation of Outside Directors and external experts, the Management Strategy Committee formulated the New Medium-Term Plan with multiple layers through spirited discussions with no sacred cows that were also based on the perspective of capital markets, and it is positioned as a management policy that integrates business strategy, financial strategy, and governance. Particularly, when formulating the New Medium-Term Plan, it took the comments it received through dialogue with shareholders seriously and conducted a review that was in more depth than previously regarding issues such as optimizing the business portfolio, improving capital efficiency, and reforming the cost structure. Specifically, the Management Strategy Committee conducted a multifaceted verification while also utilizing the knowledge of outside experts regarding a quantitative analysis of the profitability and growth potential of each business, the proper state of investment decisions that have an awareness of capital costs, and the possibility of implementing indirect cost reductions and business process reforms, and reflected those results in the New Medium-Term Plan.

As set forth above, the New Medium-Term Plan will work to sustainably enhance corporate value by proceeding with business portfolio reform, profitability improvement, capital efficiency improvement, and appropriate shareholder returns as a package. Because the New Medium-Term Plan is based on highly implementable policies grounded in the Company's business characteristics and management resources and combines improvement of capital efficiency with enhanced shareholder returns, the Company has determined that it will

contribute the most to enhancing sustainable corporate value and the common interests of shareholders.

- (2) A governance system has been constructed to reliably and efficiently implement the Company's New Medium-Term Management Plan

Initiatives pertaining to the development of the governance and compliance system by the Company

During the period from September 2024 to October 2025, the Company held the Governance Enhancement Special Committee, and based on recommendations received from that committee in October 2025, it established the governance system set forth below, and it is steadily making efforts to develop the governance system to reliably implement the New Medium-Term Plan.

First, in order to energize free and open-minded deliberations at the Board of Directors, efforts have been made to strengthen and improve the Board of Directors. Specifically, in addition to formulating the Company's independent standards for the independence of Outside Directors, it plans to regularly create opportunities for deliberations by only Outside Directors.

Second, based on it being pointed out that it is important for the Chief Governance Officer ("CGO") to display effective authority, the CGO's authority has been strengthened and clarified through the revision of related internal rules and organizational changes.

Third, in order to make audits more effective, it is planned that the personnel for audits will be increased and strengthened, and the method of audits and follow-up audits has been revised, for example by introducing unannounced audits.

Additionally, based on the importance of the response when misconduct occurs having been pointed out, a rapid and appropriate response system has also been developed by, amongst other things, revision of the basic risk management rules and preparing a response manual for when misconduct occurs in order to make the response to misconduct more rapid, appropriate, and documented.

In addition, various drastic and effective concrete initiatives have been advanced in accordance with the Company's specific response policy based on the recommendations, such as the "Rules for Commissioning of Senior Advisors, Counselors, and Advisors" being revised to clarify the standards for commissioning senior advisors, counselors, and advisors and their roles and the like, contract details being revised in accordance with those rules, and investment standards for the Investment Committee being formulated to make decisions at the Investment Committee more rational and objective. The governance system has been greatly strengthened as the basis on which to reliably implement the New Medium-Term Plan.

Regarding the assertions about the development of the governance system being made by 3D

On the other hand, in the Explanation, the February 3 Response, the March 18 Response and the “Response to the ‘Request for the Provision of Additional Information (2)’” submitted by 3D on April 17, 2026 (the “April 17 Response”), 3D asserts the development of the governance structure as the only policy to improve corporate value, and it has made the “Specific Recommendations for the Enhancing the Governance Framework” dated January 16, 2026.

However, since the Antimonopoly Act Violations, the Company is aware that there were issues with the Company’s governance and compliance system, has implemented measures to prevent recurrence and made various governance changes, and has made sincere efforts toward improvement. In addition, as set forth above, the Company established the Governance Enhancement Special Committee, and after formulating specific initiative policies regarding the recommendations from that committee, the Company has proceeded with the implementation of reforms to thoroughly enforce compliance and enhance the governance system. In this way, the Company has formulated and enacted measures to prevent recurrence and policies to enhance the governance system based on the Antimonopoly Act Violations, and the Company’s current governance and compliance system is greatly different from the situation at the Company at the time those cases occurred. Therefore, with regard to Step 1 in 3D’s specific recommendations (fact-finding, root-cause analysis, and formulation of recurrence-prevention measures by a third-party committee), while approximately six to ten years have passed since the occurrence of the cases and approximately five years or more have already passed since they were discovered as well, it is believed that, rather than establishing another third-party committee and using enormous resources on the investigation of a past that differs significantly from the current situation, concentrating resources toward the future on, for example, the improvement of capital efficiency, strengthening the effectiveness of governance, and reforming the human resource strategies and system would contribute to the maximization of the improvement of corporate value and the common interests of shareholders.

In addition, with regard to Step 2 in 3D’s specific recommendations (development of three-layer governance infrastructure), the majority of the matters that 3D requires to be implemented either have already been addressed or put in place by the Company, are based on incorrect factual assumptions, reflect 3D’s own unique views, or are not appropriate to implement given the Company’s circumstances. Furthermore, with respect to the recommendations for which the Company’s response is incomplete at the present time, regarding those for which it is believed to be appropriate to examine implementation based on the Company’s situation, the Company plans to sincerely proceed with a review and

response to further strengthen the governance system.

Specifically, 3D's recommendations of the capabilities and composition of the Board of Directors include reforming skill sets and eliminating structural conflicts of interest, but the Company has already completely revised its skill matrix, established strict standards for the independence of Outside Directors based on the level demanded by institutional investors, and established a framework for eliminating conflicts of interest. With respect to nomination and compensation governance, including the appointment and dismissal of the CEO, the recommendations include reexamining the suitability of Directors and disclosing information about the process, and the formulation of a succession plan, but, in addition to a CEO succession plan having already been formulated, after formulating Director appointment and dismissal standards and CEO selection and removal standards, an assessment was conducted from scratch based on those standards, and the appointment and dismissal standards regarding the decisions on Director candidates and the CEO and the process and reasons for those judgments have been disclosed in the "Notice Regarding Decision on the Candidates for Directors and the Candidate for CEO" dated April 28, 2026. In addition, with regard to addressing emergencies, it recommends the construction of a misconduct response system and ensuring independence and objectivity of the operation of anti-takeover measures, but together with newly enacting a manual for responding to legal violations and wrongdoing and clarifying the decision process when misconduct occurs, including the rules for establishing a third-party committee, the Company has established the Independent Committee comprising independent Outside Directors who are independent from management, and has eliminated the arbitrary application of the response policy to acquisitions by management, as set forth in the Response Policy. From the perspective of capital cost management and the optimization of the business portfolio, the recommendations include verifying the appropriateness of the capital cost settings and the introduction of a hurdle rate, and the sale of cross-shareholdings, but as set forth above, the Company in addition to the Management Strategy Committee having reviewed every strategic option and formulated the New Medium-Term Plan based on the review results, the Company has newly formulated investment standards for the Investment Committee and set a hurdle rate, which adds a margin to the Company's capital costs, that was calculated based on objective data, and the Company plans to make investment decisions after sufficiently considering that hurdle rate in the future. The Company has also been proceeding with the reduction of cross-shareholdings for some time, but it has decided to further reduce them under the New Medium-Term Plan, as set forth above.

Moreover, in addition to the recommendations that were made as Step 2 including many recommendations that essentially do nothing more than demand the preceding Step 1 (fact-finding, root-cause analysis, and formulation of recurrence-prevention measures by a third-party committee), they include recommendations that are based on 3D's own unique opinion,

such as the establishment of a secretariat for the Board of Directors that is independent from executives, a mechanism for the post-facto verification of the application of anti-takeover measures, and monitoring by the Company of the exercise of voting rights by asset managers that should properly be carried out by the asset owners, and recommendations with mistaken assumptions, such as the recommendation that assumes that the Company gave an explanation to shareholders that diverges from objective facts in order to protect management. It is believed that it would not be appropriate to implement these recommendations given the situation at the Company.

Notwithstanding the preceding, in the Explanation, the February 3 Response and the March 18 Response, and in other public materials, 3D has repeatedly asserted that the Company's governance failures have significantly worsened, but as set forth above, the Company's governance system has been steadily and greatly enhanced, and 3D's assertions intentionally ignore those initiatives by the Company and are not based on the Company's current reality.

False assertions of the written statements

3D's assertions concerning governance assume, based on the content of the Written Statements of Director Edahiro and Director Umada that were produced in 2020 during the prosecutor's investigation of the Company's Antimonopoly Act Violations, that both of them admitted to the Company having carried out order coordination in bidding for pharmaceuticals, and that they did not take corrective measures with respect to that. However, there are no such facts.

First, both Director Edahiro and Director Umada have clearly denied that they were aware that order coordination had been carried out. The Written Statements also do not constitute content to the effect that they were involved in the order coordination in the Antimonopoly Act Violations or were specifically aware of it.

In addition, with regard to the Written Statement of Director Edahiro, according to Director Edahiro's explanation, whereas he had said that, only when he was in his previous position of the other company, he had heard stories to the effect that order coordination sometimes takes place between companies in the same industry, at the time of a subsequent interview the prosecutor had already prepared the Written Statement to include content such as that he thought that order coordination is probably taking place in the pharmaceutical wholesaling industry. Despite him denying that and requesting a correction, because the questions and answers about the content of the Written Statement, for example the prosecutor making loaded and coercive statements, were carried out all day, Director Edahiro ultimately signed the Written Statement even though the Written Statement included content that differs from Director Edahiro's statements and awareness. This conforms with the details stated in Director Edahiro's diary at that time and other facts.

With regard to the Written Statement of Director Umada, according to Director Umada's explanation, he was interviewed by the prosecutor 14 times over about one and a half months, with the interviews being conducted for long periods of time, amounting to four and a half hours for a short interview and half a day for a long interview, and in the interviews, the prosecutor made loaded and coercive statements such as expressly stating the possibility of another compulsory investigation, company functions being suspended and its market assessment falling as a result of that, and the possibility of being arrested, so although the Written Statement included content that differs from Director Umada's statements and awareness, he ultimately signed the written statement. This conforms with the details stated in Director Umada's diary at that time and other facts.

Additionally, upon receiving the Request for the Lawsuit, the Audit and Supervisory Committee appointed as an advisor Nakamura, Tsunoda & Matsumoto, an independent law firm that does not have an interest in the Company or the persons subject to the Request for the Lawsuit, and conducted an investigation independently from the Company's management, and after the Audit and Supervisory Committee confirmed that the Written Statements have little credibility, it determined that it cannot be recognized as a fact that Director Edahiro and Director Umada were actively involved in the order coordination in the Antimonopoly Act Violations, and that it cannot be said that they were aware or could have been aware that order coordination was taking place.

Consequently, the Company believes that 3D's criticisms or assertions based on the Written Statements are false in the understanding of facts on which they are premised, and are groundless.

- (3) Compared to the details proposed by 3D to the Company, the New Medium-Term Plan is a specific and effective policy to improve corporate value that is based on the Company's practical business, and it will contribute to the enhancement of the Company's corporate value and the common interests of shareholders

In the presentation titled "On Maximizing Corporate Value for Toho" that was received from 3D on August 17, 2023, 3D gave as its proposals for corporate value growth for the Company: "development of the governance structure," "improvement of profitability in the core business," "creation of investment resources through optimization of surplus assets," and "reinvestment that exceeds a hurdle rate." The Company's Board of Directors proceeded with a detailed review of these proposals, including other measures, as valuable opinions from an investor and shareholder. 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, including in

the responses to requests for the provision of information on the large-scale purchase of the Company's share certificates since January 2026, 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. As set forth above, 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. When formulating the New Medium-Term Plan, the thoughts of diverse stakeholders, including capital markets, were reflected, a road map was prepared that better suits the Company's actual situation, and effectiveness has been increased, in order to work to improve corporate value and the common interests of shareholders to the greatest extent possible. Under the supervision of a Board of Directors that has a sufficient skill set to contribute to the enhancement of corporate value and on which Outside Directors make up the majority, the New Medium-Term Plan will be advanced by an execution structure that has extensive experience and knowledge, and it is believed that this 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

- (1) The Large-Scale Purchaser will have more material influence over the Company's management due to the Large-Scale Purchase, and the possibility that it will acquire the power to control management through subsequent additional acquisitions also cannot be denied

Acquisition of a substantial veto authority

According to the February 3 Response, as of the response date the Large-Scale Purchaser holds 16,023,534 shares (of which 326,000 shares are share certificates, etc. pertaining to bonds with share options), and this constitutes a voting rights ratio (defined in 3.(1)(i) of the Response Policy, meaning the ratio with respect to the number of voting rights of all shareholders (646,598 rights) as of March 31, 2026; the same applies hereinafter) of 24.66%. In addition, according to the Explanation, the Company's shares held by the Large-Scale Purchaser after the Large-Scale Purchase is completed will be a voting rights ratio of 27.02% at most.

On this point, the ratio of the exercise of voting rights at the Company's 2025 Annual General Meeting of Shareholders was approximately 81.5%, so it is believed that the number of voting rights equal to about 27.17%, which is one-third of that ratio, is the number of voting rights that have veto authority for a special resolution matter under the Companies Act at the Company's Annual General Meeting of Shareholders. In other words, because it will almost reach the voting rights ratio set forth above by implementing the Large-Scale Purchase, it can be evaluated that the Large-Scale Purchaser will substantially have veto authority by itself over special resolution matters.

Furthermore, strictly speaking, although they will be just short of 27.17% if the Large-Scale Purchase is implemented to the maximum, if shareholders holding voting rights pertaining to the Company's shares in a number equivalent to a voting rights ratio of only approximately 0.15% exercised voting rights in the same way as the Large-Scale Purchaser, the result of the exercise of voting rights in accordance with the intent of the Large-Scale Purchaser will be realized. In terms of a means for the Large-Scale Purchaser to achieve this, securing shareholders who will act in concert with the Large-Scale Purchaser or implementing a public campaign are conceivable, but based on public campaigns to announce the Large-Scale Purchaser's opinion being implemented in the Large-Scale Purchaser's cases of investment in the Company and in other companies, the figure of a voting rights ratio of about 0.15% is extremely small, and it can be said that 3D can easily secure it (furthermore, even assuming 3D's voting rights ratio at the present time, there is only about 2.51% until they reach substantial veto authority, and it can be said that they are in a situation in which they can easily secure it already). In addition, in light of the possibility that the ratio of the exercise of voting rights at a future General Meeting of Shareholders will decline, it would be reasonable to say that, if their voting rights ratio becomes 27.02% (or even a smaller ratio, depending on the circumstances), 3D has substantial veto authority regarding special resolution matters.

In the event 3D has substantial veto authority regarding special resolution matters, even if the Company's Board of Directors determined that the restructuring of the industry through, for example, the business integration with another company in the same industry that 3D is requesting were necessary, it would be impossible to implement a business integration through

taking the Company private via corporate restructuring, such as a joint share transfer or share exchange, or a tender offer and subsequent squeeze-out transaction that are special resolution matters, without obtaining 3D's consent. This distorted situation in which the material management policies that contribute to improving corporate value and the common interests of shareholders can be blocked at the discretion of one specific shareholder (for example, it is conceivable that they could object as the integration ratio not reaching the level of returns requested by 3D) is believed to be inappropriate from the perspective of corporate value and the common interests of shareholders.

Acquisition of more material influence on management

Regardless of whether 3D alone has veto authority pertaining to special resolution matters, whereas 3D already has material influence on the Company's management even at the present time, it will further increase that influence by implementing the Large-Scale Purchase.

Specifically, in addition to the fact that there will be a situation in which it is possible for 3D to easily reject special resolution matters as set forth above, assuming the ratio of the exercise of voting rights at the 2025 Annual General Meeting of Shareholders (approximately 81.5%), approximately 40.8% will be the line to reject ordinary resolution matters, and if 3D's voting rights ratio is 27.02%, it will be able to reject ordinary resolution matters and approve shareholder proposals by obtaining the approval of shareholders with only 13.8% through a public campaign or the like. In addition, by implementing the Large-Scale Purchase, 3D will become the largest shareholder by an overwhelming margin, holding approximately 5.02 times the number of voting rights of the substantial second-largest shareholder excluding trust accounts. In this situation in which there is the realistic possibility of general resolution matters also being rejected, it naturally can be said that the management of a listed company will have to sufficiently give consideration to the intent of a largest shareholder that is so overwhelming. On this point, whereas the applicable scope of the typical takeover response policies (anti-takeover measures) in Japan is commonly the acquisition of 20% of shares or more (recently, in response to so-called activists increasing influence on management even with smaller voting rights ratios, policies for responding to a takeover that set the trigger threshold at 15% have also been seen here and there), this is thought to be based on the viewpoint that it is possible to have material influence on the management of the target company even though this is a voting rights ratio that does not exceed one-third of the target company's total voting rights (in other words, the ratio to have veto authority over special resolution measures formally as well). In judicial precedent as well, a discriminatory gratis allotment of stock acquisition rights that was carried out as a countermeasure to a tender offer in which the purchaser's ownership ratio would be 27.57% after the purchase was held to be legal (the NIPPO LTD. case (Nagoya High Court judgment, April 22, 2021;

Kinyu/Shojihanrei No. 1635, p. 2)).

In the US, there is a judicial precedent in which it was found that if an activist fund becomes the largest shareholder by an overwhelming margin that holds 20% of shares, even if it does not have the power to control or an explicit veto authority, it is reasonable to have concerns about there being sufficient influence on material company acts, and with regard to a rights plan with an applicable scope of the acquisition of 10% of shares or more regarding investors, such as activists, whose objective is changing the power to control management to the target company or exercising influence on management, it was found that the 10% standard is a level that permits activists to acquire status as a substantial owner of the company (Third Point LLC v. Ruprecht, No. 9469-VCP, 2014 WL 1922029 (Del. Ch. May 2, 2014)).

Therefore, even if the voting rights held by the Large-Scale Purchaser do not reach the level of formally acquiring veto authority over special resolution matters, if judging from 3D's active conduct with respect to investment targets in the past — if the Large-Scale Purchaser becomes the largest shareholder by an overwhelming margin, holding shares equivalent to 24% to 27% of voting rights — it can be evaluated that it will directly or indirectly exercise strong influence on the Company's management against the backdrop of such large voting rights, and that it will be possible in practice for it to block management policies that the Company's management determines to serve corporate value and the common interests of shareholders, or to compel the implementation of policies in accordance with its intention. In fact, while 3D is already hinting against the backdrop of its voting rights about the exercise of its shareholder proposal right and right to demand convocation of an Extraordinary General Meeting of Shareholders or a public campaign, it is trying to compel the implementation of policies in accordance with its intent as set forth in section II. above, and it is clear that it is highly likely to carry out the same response after implementing the Large-Scale Purchase as well.

The possibility of acquisition of the power to control management through an additional acquisition

Additionally, while 3D explained in the February 3 Response and the March 18 Response that, as of the time of preparing those responses, it does not plan to additionally acquire the Company's shares after implementing the Large-Scale Purchase and is not considering doing so, it has not denied the possibility that it will additionally acquire the Company's shares after implementing the Large-Scale Purchase.

In addition, if judged from the fact that, before the introduction of the Response Policy, 3D communicated that it had decided to make additional acquisitions of the Company's shares to a certain extent through market transactions (it has not denied the possibility of off-market transactions) until its voting rights ratio reaches a maximum of 30% in combination with its

existing holdings during the one-year period from July 11, 2025, as well as 3D's language, behavior, and investment activity to that point, it is instead reasonable to believe that it is possible that the Large-Scale Purchaser will carry out such an additional acquisition.

Therefore, it cannot be denied that, if 3D has carried out the Large-Scale Purchase, it is also possible that subsequently it will additionally acquire the Company's shares after a certain period has passed, further increase its influence on the Company's management, and gradually acquire the power to control the management of the Company.

- (2) There has been no specific indication of a management policy for the Company, and it can be inferred that 3D is concerned only with pursuing its own short-term profit

A purchaser that intends to acquire shares that will have the power to control the management of a company or material influence on management can have a material influence on management of the company and the interests of ordinary shareholders, regardless of whether the purchaser itself carries out the management of the company directly, so it is believed that such a purchaser should explain its direction for the management of such company that it is considering to the company and ordinary shareholders so that the ordinary shareholders can appropriately judge the pros and cons of such purchaser acquiring the power to control management or material influence on management.

The "Guidelines for Corporate Takeovers – Enhancing Corporate Value and Securing Shareholders' Interests –" published by the Ministry of Economy, Trade and Industry on August 31, 2023 (the "Takeover Guidelines") also put forth the principle of transparency (principle 3) as one principle to be generally respected in takeovers in which the power to control management of a listed company is acquired, and in addition to stating that "in a situation such as an acquirer attempts to acquire corporate control in a short period of time through open-market purchase, it is advisable for the acquirer to provide at least the same level of appropriate information to the capital markets and the target company as in the tender offer registration statement in a timely manner and an appropriate form, such as the purpose of the purchase, the number of shares to be purchased, summary of the acquiring party, and the basic management strategy after the acquisition, so that shareholders can decide whether to accept the acquisition proposal after understanding the impact of the acquisition on the company's corporate value," it cites an "acquisition proposal does not indicate the management strategy after acquiring corporate control" as being an example of a case in which the "rationale of the purpose may be reasonably doubtful." Even if this is to an extent that does not lead to acquisition of the power to control management, it falls under a situation in which shares will be acquired that will have material influence on management.

However, in the Explanation, the February 3 Response, the March 18 Response, and the

April 17 Response, 3D did nothing but repeat the development of the governance system as its policy to improve the corporate value of the Company, and it is making an assertion as if the development of governance will resolve all of the Company's management problems aimed at the improvement of corporate value (furthermore, as set forth in part (2) of section 1. above, the majority of the governance level recommended by 3D has been constructed as of the present time). In addition, in the dialogue to date, 3D's assertions 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, as set forth in part 2.(2) of section II. above, until the present, 3D's assertions pertaining to the Company's governance and policies to improve corporate value have changed back and forth, and 3D has not presented 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. Moreover, in light of the fact that 3D is repeating assertions as if the development of governance would resolve all of the Company's management problems aimed at the improvement of corporate value, 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.

As set forth in part 2.(3) of section II. above, it is believed that this kind of stance by 3D shows that it is only concerned with pursuing its own short-term profit and it does not have any concern about a medium-to-long-term management policy or policy to improve corporate value for the Company. This stance by 3D must also be said to be irresponsible for a party with material influence over the management of the Company, which has multiple stakeholders such as its shareholders, and if 3D were to have a stronger influence on the Company's management, there is a risk that it would have an adverse effect on the relationship with the Company's shareholders, investors, and other stakeholders, leading to harm to corporate value and the common interests of shareholders.

Furthermore, according to the February 3 Response, 3D seems to be trying to justify not specifically presenting a management policy for the Company after the Large-Scale Purchase

for the reason that it does not plan to acquire the power to control the management of the Company through the Large-Scale Purchase. However, as set forth in part 1. of section II. above, in addition to the assertion that the Large-Scale Purchase is pure investment that is not for the purpose of acquiring the power to control management lacking rationality, as set forth above, a person that acquires shares that will have a material influence on a company's management should present a management policy for such company after the share acquisition so that such company and other shareholders can judge the appropriateness of such share acquisition and the response thereto, and 3D's assertions cannot be accepted.

- (3) 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 terms of the characteristics of the Company, whose core business is the pharmaceuticals wholesaling business, maintaining and strengthening continuing and long-term relationships with business partners such as pharmaceutical manufacturers that supply pharmaceuticals and medical institutions and pharmacies that handle pharmaceuticals is the foundation that generates revenue for the Company, and are indispensable for improving corporate value over the medium to long term. In addition, through fulfilling our mission to distribute secure and safe pharmaceuticals, the Company is a corporate group supporting medical care that is basic and important infrastructure for society that should be provided to all people equally, and it is necessary to stably and sustainably fulfill the mission as social infrastructure of significant public importance. Reliably implementing that builds trust with society as a whole and our business partners, and forms the basis for the Company's corporate value.

However, as set forth in part 2. of section II. above, whereas the purpose of the Large-Scale Purchase is believed to be for 3D to have strong influence over the Company and then force the Company to make management decisions that pursue short-term profit, if that were to occur, it would give rise to an adverse effect on business partners' trust in the Company and inviting the loss of revenue opportunities, and risk harming the medium-to-long-term corporate value of the Company and the common interests of shareholders.

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, as set forth in part (4) below, 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.

Additionally, if we excessively push forward with the sale of cross-shareholdings and non-business assets in a short period of time and carry out large-scale shareholder returns based on the funds earned therefrom, in addition to the relationship of trust with business partners being expected to be harmed because the shares of those business partners are included in the Company's cross-shareholdings, it is also conceivable that it will not be possible to implement necessary growth investments using funds earned through sales carried out at appropriate times, which would result in the Company's medium-to-long-term competitiveness being reduced, leading to a loss of trust from business partners. As set forth in (1) of part 1. above, the Company does not reject the implementation of such measures to improve capital efficiency; rather, it positions them as important management policies. However, they must be proceeded with while taking appropriate consideration for the impact on the relationship and business with the Company's business partners and the impact on medium-to-long-term growth, and if only short-term profit is excessively pursued without understanding the Company's business structure or characteristics, there is a risk of harming the Company's medium-to-long-term corporate value.

Furthermore, as set forth above, the Company must fulfill its mission as social infrastructure of significant public importance, but, as set forth above, 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.

Consequently, if 3D forced the Company to only pursue short-term profit, it is believed that it risks harming the Company's medium-to-long-term corporate value, and the common interests of shareholders.

- (4) Notwithstanding the fact that 3D will have a strong influence on the Company's management, it does not have experience or knowledge of the Company's business

In the February 3 Response and the March 18 Response, 3D asserts that because it cannot influence the decision-making of the Company's Board of Directors, the Company's management decisions are made by the Company's Directors, and it does not intend to acquire the power to control the management of the Company, it does not need to have knowledge or experience regarding the businesses such as the pharmaceutical wholesaling business. This is a confession that it does not have knowledge or experience regarding the pharmaceutical wholesaling business operated by the Company.

Based on the following assertions by 3D, 3D's understanding of the Company's management policies and the management environment surrounding the Company is mistaken.

Assertions about the improvement of return on capital lack feasibility

According to the Explanation, 3D asserts that the Company has the potential, based on its capabilities, to generate an ROIC of approximately 15%. However, the assessment based on capabilities asserted by 3D is an assessment of ROIC only on the asset side, and this is nothing more than an assertion that increases ROIC by excluding the non-business assets and business assets defined by 3D from the invested capital that is ROIC's denominator by revising them. In truth, ROIC should be verified from both the asset side and the liability/capital side because ROIC is an indicator that measures not only the asset efficiency of a company, but also how much revenue is being created against the overall capital that was raised. In other words, the invested capital is made up of funds that were raised through liabilities and capital, and it is believed that, based on changes in the use of funds created by slimming down or selling assets and in the capital structure, it first becomes possible to assess whether those changes in ROIC

lead to improvements in capital efficiency for the company as a whole. However, 3D is asserting the validity of their thinking by one-sidedly presenting a high ROIC without presenting such a verification or measures. In particular, 3D's assertion of an improvement of ROIC by optimizing business assets is being made without verifying the significance of holding the business assets that are the source of the Company's corporate value, and when assessing ROIC from the asset side, it is natural that ROIC from the asset side would improve if business assets are excluded from the invested capital that is ROIC's denominator, and that assertion itself is believed to be nothing more than simply presenting numbers. In fact, despite the improvement of ROIC being thought to be the core of 3D's measures for improving the Company's corporate value, the March 18 Response offers a defensive explanation that it is "reference information," so the weakness of the basis for that can be inferred.

Specifically, 3D has proposed as its means of optimizing business assets that the Company unlock liquidity in three logistics facilities that it holds through a sale-and-leaseback. Although a sale-and-leaseback has a certain effectiveness as one method of improving asset efficiency, the Company's logistics bases are core infrastructure that supports the stable supply system for the pharmaceutical wholesaling business, and their placement and function are closely linked to business operations, so it is believed that the application of that proposal must be considered cautiously. In terms of accounting as well, while a sale-and-leaseback reduces tangible fixed assets, right-of-use assets and lease liabilities are recorded in conjunction with the leaseback, so it is possible that the improvement effect on asset efficiency on the balance sheet will be limited in substance. Furthermore, although there are cases in which profit and loss will improve due to, for example, recording a profit on the sale, that profit on the sale would be temporary, and the increase in the burden of lease fees would be expected to become a factor depressing operating profit and cash flow over the medium-to-long term. Additionally, 3D also asserts a slimming down of operating capital based on a comparison with major pharmaceutical wholesalers other than the Company. However, in the pharmaceutical wholesale business, credit management and the maintenance of inventory levels that take into account trade practices with medical institutions and pharmacies and the responsibility for the stable supply of pharmaceuticals are required, and accordingly, the Company considers that it is not appropriate to uniformly evaluate the scope for improvement solely through a simple comparison with the levels of other companies. Thus, 3D's assertions about improving ROIC are focused only on the financial aspect of operating capital and are not sufficiently based on restrictions in the operations of the Company's business, such as the supply responsibility and commercial practices, making them nothing more than armchair theories that are not suited to the Company's actual situation.

Furthermore, in terms of the optimization of non-operational assets, 3D states that there is scope to create funds through cash and cash equivalents, and the sale of cross-shareholdings

and other securities. The Company is also aware that a revision of non-operational assets aimed at improving asset efficiency is an important management issue, and under the New Medium-Term Plan, it has decided to systematically proceed with improving asset efficiency through, for example, a reduction of cross-shareholdings and the unlocking of liquidity in asset holdings. Moreover, with regard to cash and cash equivalents, it is necessary to ensure that the Company has a certain amount of liquidity on hand taking into account the responsibility for the stable supply of pharmaceuticals, the characteristics of operating capital, and changes in the external environment and the like, and the Company also believes that there are limitations to calculating surplus funds based on a simple percentage. With regard to cross-shareholdings, as set forth in (3) above, a phased review based on, for example, business relationships and business alliances is necessary, and needs to be carried out while giving consideration to both the improvement of capital efficiency and the stability of business operations. With regard to other securities, the Company believes that it is necessary to make a comprehensive determination based not only on investment return, but also their positioning in business strategy and contribution to medium-to-long-term value creation and the like. Thus, the Company is of the understanding that it is necessary to proceed with asset optimization in a phased and feasible manner based on the nature of individual assets and the impact on business.

Furthermore, as the Company expressly states the improvement of capital efficiency in the New Medium-Term Plan, it is reviewing its asset holdings and carrying out initiatives to improve capital efficiency such as ROIC and ROE. The purpose of these initiatives is to maintain and improve the Company's competitive superiority and increase return on capital, and the Company will aim to review its financial assets and business assets with no sacred cows and achieve optimization and greater efficiency.

Lack of understanding of the management environment and business structure of the Company and the pharmaceutical wholesaling industry

Furthermore, in a material titled "The Pathologies Undermining Toho HD's Corporate Value" that it released in December 2025, 3D raises issues concerning the Company's business, and asserts that its corporate value is being harmed. Specifically, it makes the criticism that (i) lump-sum price contracts that agree on a price for all items rather than individual items, (ii) unsettled contracts and provisional deliveries in which a price is agreed to after delivery to a medical institution, and (iii) negative margins in which the sale price to a medical institution is lower than the purchase price and reliance on rebates from pharmaceutical manufacturers, which exist as commercial practices in the pharmaceutical wholesaling industry, amount to the Company waiving its price-setting authority, and that (a) frequent and urgent deliveries multiple times per day and (b) duplicate logistics for the same

product are irrational operations driven by deference to customers. 3D also makes the criticism that the aforementioned commercial practices not having been completely eliminated disregards corrective recommendations from the government, and that frontline level has abandoned improvements on the grounds of comments on anonymous employee review websites and irrelevant comments by the chairperson of the Special Committee on Governance; it also criticizes the Company failing to take action on declining gross profit margins and the low-margin, high-volume situation. In the April 17 Response as well, 3D asserts that while such unreasonable commercial practices still remain in existence, there is a limit to autonomous improvements on an industry-wide basis, and each company, including the Company, is required to work to correct such commercial practices as their respective management decisions.

However, this does nothing more than indicate a generalization of issues in the overall pharmaceutical wholesaling industry, which is positioned as intermediate logistics between the upstream pharmaceutical manufacturers and downstream medical institutions. Precisely because these are difficult issues that exist across the entire pharmaceutical wholesale industry, the Ministry of Health, Labour and Welfare has formulated and revised the “Guidelines for the Improvement of Commercial Transaction Practices of Ethical Drugs for Manufacturers, Wholesalers, and Medical Institutions/Pharmacies” (the Guidelines for the Improvement of Distribution), and efforts are being made to resolve them in the industry as a whole. In addition, the Company has at least made efforts toward negotiating with business partners based on the Guidelines for the Improvement of Distribution, and it has realized the correction of lump-sum transaction negotiations, an improvement in negative margins (the sale price to medical institutions being lower than the purchase price), and improvement of frequent deliveries to basically one delivery per day. Furthermore, although it is a fact that gross profit margins are falling against a backdrop of falling drug prices due to drug price revisions, an increase in the ratio of price maintenance premium-eligible drugs and patented drugs that have comparatively low gross profit margins due to changes in modality, and a reduction in the ratio of long-term listed drugs and generic drugs that have comparatively high gross profit margins, this is a problem that is structurally difficult to be entirely improved by only the efforts of the Company, which is one pharmaceutical wholesaler positioned as intermediate logistics. Even in such a situation, the Company is carrying out initiatives aimed at improving gross profit margins, such as streamlining distribution costs and expanding into surrounding businesses outside of insurance.

Thus, it can be said that 3D’s assertions concerning the Company’s business themselves show that 3D does not understand the management environment or business structure of the Company or the pharmaceutical wholesaling industry.

As set forth above, 3D lacks an understanding of the Company's management policies and the management environment surrounding the Company, in addition to operational experience, understanding, and know-how concerning the business operated by the Company. If such a person comes to hold strong influence over the Company's management, they could impede the implementation of policies to improve corporate value proposed by the Company, including the implementation of the New Medium-Term Plan, or they could force the implementation of policies without understanding of the Company's business that were proposed to pursue short-term profit for the Large-Scale Purchaser, and thus the possibility of the Company's corporate value, and the common interests of shareholders, being greatly harmed cannot be denied.

- (5) The corporate value of the Company and the common interests of shareholders, are at risk of being harmed by the Large-Scale Purchase (summary)

As set forth above, given that 3D has not specifically indicated a management policy for the Company notwithstanding that it will have a strong influence on the Company's management due to the Large-Scale Purchase, it is clear that 3D is concerned only with pursuing short-term profit for itself. Given that the Company will lose the trust of its business partners and this will invite the loss of the Company's revenue opportunities if 3D pursues its own short-term profit. Also, given that it is clear that 3D does not have experience or knowledge of the Company's business, in the event that 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 current management will be impeded, or that policies to pursue short-term profit will be forcibly imposed. As a result, it is believed that there is a risk that the Company's corporate value and the common interests of shareholders will be harmed if the Large-Scale Purchase is carried out.

IV. 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

- (1) If the contents of 3D's proposals to the Company to date and the contents of proposals in past investment examples are taken into consideration, against the background of material influence, 3D may prioritize pursuing short-term profit for itself and sacrifice the interests of ordinary shareholders

As set forth in part 2.(3) of section II. above, in the example of investment in FUJI SOFT,

during the tender offer by the PE fund that was selected in a going-private procedure led by 3D itself, 3D had executed a tender agreement that could not be withdrawn even if there was a counter bid. Therefore, despite another PE fund having subsequently made a counter bid at a higher purchase price, 3D declared that it would tender in the tender offer in accordance with that tender agreement, and it is believed that, upon receiving that declaration, FUJI SOFT was also forced to determine that there was no possibility of the competing proposal being realized. This response by 3D can be said to have effectively blocked the opportunity for a counter bid to the tender offer by the purchaser selected in a going-private process that 3D led, and prioritized a sale of its own shares (i.e., an early and certain realization of profit for itself) without giving any consideration to the common interests of ordinary shareholders, namely enjoying the opportunity for a sale at a higher price, and it can be said that a conflict of interests between 3D and ordinary shareholders actually arose.

Based on such handling by 3D, it must be said that it is possible that 3D will sacrifice the Company's corporate value and the common interests of shareholders and pursue only short-term profit for itself.

- (2) Regardless of the existence of a conflict of interests with ordinary shareholders, 3D has not indicated any policy or consideration for avoiding conflicts of interest

A conflict of interests exists between 3D and ordinary shareholders

3D already holds the Company's shares equivalent to a 24.66% voting rights ratio, and it will further increase its influence on the Company if the Large-Scale Purchase is implemented, so its position is different from so-called ordinary shareholders, and it is possible that a conflict of interest will arise with the Company's ordinary shareholders who aspire to medium-to-long-term improvement of corporate value through policies and expected timeframes pertaining to recovering investments (see pages 80–81 of the "Practical Guidelines for Corporate Governance Systems (CGS Guidelines)" by the Ministry of Economy, Trade and Industry (announced on July 19, 2022)). Even if interests are shared in the broad sense of investment returns through the improvement of corporate value, if views differ regarding the details and methods for achieving such returns, including the assumed investment time horizon, conflicts of interest may arise.

In particular, whereas it has been pointed out that it is necessary to review proposals from investors and shareholders with a mind to the fact that they could include proposals that conceal short-term perspectives or self-serving elements, as set forth in part 2. of section II. above, given the contents proposed by 3D up to the present, 3D's purpose is believed to be to force the corporate action requested by 3D in the pursuit of short-term profit to be implemented against the background of such influence. Therefore, it is believed that there is

a high likelihood of a conflict of interest arising with the Company's ordinary shareholders that invest in the Company from a medium-to-long-term perspective.

Additionally, in the February 3 Response, 3D states that it is possible that it will sell the Company's shares over the course of several years even assuming a reasonable participation ratio, but if it implements the sale of a large volume of shares in the market over a long period of time, or if that policy is announced and it is viewed in the stock market that there is a high probability of that, typically there is downward pressure on the share price, so it can be said that there is a strong possibility, depending on the policy, that a conflict of interests will arise with ordinary shareholders in relation to 3D's recovery of investments.

There are no grounds for any of 3D's assertions that there is no conflict of interests with other shareholders or structural coerciveness

In the February 3 Response, 3D asserts that there is no conflict of interests with other shareholders or structural coerciveness because (i) its timeframe matches that of shareholders holding shares for the medium-to-long-term, (ii) a conflict of interest will not arise due to differences in methodology, (iii) the share price is increasing due to the announcement of the Explanation, (iv) it does not fall under the category of an abusive acquirer, and (v) there is no "structural coerciveness."

However, with regard to (i) above, based on 3D having negatively assessed as a "long-term timeframe" the Company's action plan that takes the period ending in March 2029 as its perspective in the materials titled "Maximizing Corporate Value for Toho Holdings" that 3D released on May 27, 2025, it can be said that it is difficult to believe that the timeframe of 3D matches those of other shareholders holding shares for the medium-to-long-term. Furthermore, 3D asserts that 3D being an open-end fund that does not set a redemption deadline, and in the March 18 Response, it has not established an anticipated holding period, sales policy, or yield regarding the individual stocks it holds, but their not having set a clear anticipated holding period, as an open-end fund, and investment over a short-term time frame are not contradictory, and as set forth in part 2. of section II. above, it is believed that they are pursuing short-term profit as an investment fund that pursues economic rationality.

With regard to (ii) above, although 3D is asserting that a conflict of interest will not arise due to differences in methodology because the final management decisions will only be made by the Company's Directors, 3D is trying to compel management decisions in accordance with its intent from the Company's Directors by exercising influence against the background of the voting rights it already holds, and as set forth in section 2.(2) of Part II. above, it is clear that absolutely none of 3D's acts are "merely express its views as a shareholder on what it considers to be the most appropriate course of action," and the premise of the assertion is contrary to the facts.

With regard to (iii) above, it cannot be denied that the rise in the Company's share price on the day following the publication of the receipt of the Explanation may have been the result of temporary buying driven by expectations of a short-term share price increase, with the stock market viewing the Large-Scale Purchaser (including its Specified Shareholder Group) as pursuing short-term profit. Although the closing price on January 19, 2026 actually exceeded the January 16 share price, based on it being the same level as the past one-month or three-month average share price, it does not support assertions such as 3D's.

With regard to (iv) above, 3D asserts that it not falling under the four types indicated by the Nippon Broadcasting System case (Tokyo High Court decision), is a measure to avoid conflicts of interest, but the Takeover Guidelines cited by 3D explicitly state with regard to those types that "it should be noted that this is only an example of a case in which strong countermeasures (preparer's note: the strong countermeasures "called a 'third-party allotment type' in which the controlling ownership will be attributed to a fixed third party") were used, and the court's decision does not in itself define the outer limits of legitimacy" (footnote 83 of the Guidelines on Corporate Takeovers), and the assertion that a conflict of interest can be avoided by not conducting an act that falls under those four types can be said to be 3D itself expressing that its understanding of the judicial precedent is mistaken.

With regard to (v) above, coerciveness existing in this matter is as set forth in section 4. below.

Consequently, none of 3D's assertions can be grounds to deny a conflict of interest with ordinary shareholders, and indeed it can be said that they are support for 3D not understanding the common interests of ordinary shareholders (or ignoring them).

As set forth above, despite it being clear that it is highly likely that a conflict of interest will arise between 3D and ordinary shareholders, in its responses to date, 3D only asserts that so long as its one and only purpose is improving corporate value, there will be no conflict of interest with ordinary shareholders, and it has not explained any specific measures to give consideration to conflicts of interest whatsoever. Thus, 3D not only has not indicated specific measures regarding the problem of a conflict of interest with ordinary shareholders and the related need to protect ordinary shareholders, it does not understand the issues at hand, and is not even trying to understand them or give them consideration at all. Consequently, 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 equal to a 24.66% voting rights ratio as of now have been carried out through on-market purchases in a situation in which practically no information is disclosed, and as set forth in section 2.(2) of part III. above, the Large-Scale Purchase will also be carried out through market purchases without sufficient information disclosure. In addition, as set forth in section 2.(1) of part III. above, it is possible that the Large-Scale Purchaser 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.

Based on the foregoing, the Large-Scale Purchase by the Large-Scale Purchaser will expose the Company's ordinary shareholders to the risk that the power to control the management of the Company will be acquired without an appropriate premium for the power of control being paid to ordinary shareholders, and it is believed that there is a threat of harming the common interests of the Company's shareholders.

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

As set forth in section 2.(1) of part III. above, if 3D does not deny that, after it further increases its influence on the Company through the Large-Scale Purchase, there is also the possibility of it subsequently acquiring the power to control management through an additional acquisition, it can be said that it should sufficiently and appropriately explain the management policy for the Company after the Large-Scale Purchase to ordinary shareholders 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.

On this point, although the Explanation, the February 3 Response, the March 18 Response, and the April 17 Response appear to disclose certain information, in substance, as a management policy or measures to improve corporate value, they merely make the abstract assertion of the development of the governance system, and on the grounds that the purpose is not the acquisition of the power to control management, they have not indicated any other management policy or measures to improve corporate value whatsoever. In addition, all of the recommendations to the Company on the governance level also only present general discussions concerning governance, and they are not recommendations based on the actual situation of the Company.

Moreover, in order to judge the appropriateness of the Large-Scale Purchase, it is extremely important to ascertain the actual condition and investment activity of the Large-Scale Purchaser (including its specified shareholder group). Despite that, they only respond with minimal information on the grounds that they will not acquire the power to control management, and they refuse to respond regarding further information.

As set forth above, information disclosure by 3D can be said to be insufficient and inappropriate, and to make appropriate judgments by shareholders difficult.

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

As set forth in section 2.(1) of part III. above, the Large-Scale Purchaser currently holds the Company's shares equal to a 24.66% voting rights ratio, and were the Large-Scale Purchaser to carry out the Large-Scale Purchase, the Large-Scale Purchaser's voting rights ratio would increase to a maximum 27.02%, 3D would have even stronger influence on the management of the Company, and therefore, under circumstances where the possibility of additional acquisition after the Large-Scale Purchase is not denied, ultimately it is possible that 3D would acquire the right to control the Company's management, and ordinary shareholders need to be aware also of that possibility. On the other hand, the Company's ordinary shareholders who did not accept the Large-Scale Purchase will continue to be the Company's shareholders after the Large-Scale Purchase as well.

With regard to such a Large-Scale Purchase, 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, or (because they cannot judge whether corporate value will be harmed due to, for example, insufficient information on the management policy after the Large-Scale Purchase) they believe that the risk that the Company's corporate value will be harmed cannot be denied, 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 structural coerciveness will exist.

Then, as set forth in section 2. of part III. above, the Large-Scale Purchase risks harming the Company's corporate value and the common interests of shareholders, and as set forth in section 2.(2) of part III. above, in addition to 3D not having sufficiently explained the management policy for the Company after the implementation of the Large-Scale Purchase, it is difficult to say that 3D has sufficiently provided the information necessary to review the appropriateness of the Large-Scale Purchase. In such a situation, because ordinary shareholders will either believe that the Company's corporate value will be harmed after the Large-Scale Purchase, or they will believe there is at least that possibility because it will be difficult for them to judge that, the Large-Scale Purchase is coercive with respect to ordinary shareholders.

In addition, whereas the Large-Scale Purchase will be carried out through on-market purchases, for ordinary shareholders, on-market purchases, unlike the case of a tender offer, have the problem of not being given information or an opportunity for consideration in order to judge whether to accept the purchase and — as a result of information not being disclosed, such as when the purchaser intends to acquire shares and in what amount — also the problem of a motive arising to sell shares quickly while the purchase is being carried out, so they are considered to have a high degree of coerciveness. Furthermore, although 3D has disclosed a certain amount of information regarding the Large-Scale Purchase through the publication of the Explanation and the responses, as set forth in section 3. above, it is difficult to say that shareholders have been provided with the information required to consider the appropriateness of the Large-Scale Purchase.

Accordingly, the Large-Scale Purchase by the Large-Scale Purchaser is coercive towards ordinary shareholders, and 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 Consultation with the Independent Committee and recommendations by the Independent Committee

As set forth above, the Company's Board of Directors has evaluated the appropriateness of the Large-Scale Purchase by the Large-Scale Purchaser from the perspective of ensuring and enhancing the Company's corporate value and the common interests of shareholders, and has carefully considered the appropriateness of invoking the Countermeasures against the Large-Scale Purchase. In this process, 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, today 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 Company’s core business is the pharmaceutical wholesaling business, and the maintenance and growth of that business is essential to the maintenance and enhancement of corporate value. In order to maintain and grow the pharmaceutical wholesaling business, it is 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 essential to meet the Business Partners’ requirements for the Company. There are 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.” It is 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. Specifically, that is social capital (relationships of trust and cooperation with partners, including Business Partners), logistics and manufacturing capital (a logistics network that covers the entire country), intellectual capital (contribution to resolving issues for Business Partners utilizing know-how cultivated in business and accumulated data), and financial capital (a strong financial foundation that supports business activities), and the Company is in fact focused on maintaining and strengthening 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

- If priority is placed only on increasing figures for profit and loss or investment efficiency in the short term, there would be concerns about harming the source of the Company's corporate value. In other words, policies to increase profit and loss or investment efficiency in the short term do have a certain rationality when they are each viewed separately. However, 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. For example, conceivable policies to increase profit and loss or investment efficiency in the short term include curtailing or reducing unprofitable transactions (e.g., reducing the frequency of deliveries to unprofitable major hospitals or remote medical institutions), rationalizing the cost structure (e.g., a policy to consolidate locations of operations), reviewing the balance sheet (e.g., minimizing cash and deposits), and pursuing investment efficiency (e.g., investment that placed priority solely on quantitative investment efficiency). The Committee does not reject adopting policies to increase figures for profit and loss or investment efficiency in the short term in and of itself. The Company itself is also giving sufficient consideration to the impact on the source of the Company's corporate value and steadily implementing policies to improve figures for profit and loss or investment efficiency to the necessary extent.
- If the source of the Company's corporate value is harmed, there is a concern that the Company's medium-to-long-term corporate value will also be harmed. In other words, there is a concern that, due to placing priority only on increasing figures for profit and loss or investment efficiency in the short term, it will not be possible to meet the requirements of Business Partners, resulting in a loss of trust from Business Partners, and the Company will not be selected as a pharmaceutical wholesaler. In that case, 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.
- In addition, in light of the business environment in the pharmaceutical wholesaling business in recent years, the importance and difficulty of maintaining and strengthening continuing and long-term relationships with Business Partners have increased further. In other words, 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, once harmed, restoring the source of the Company's corporate value will be difficult. That is to say, 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. If those relationships have been harmed once, even if equivalent investment and effort are expended again, 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. Therefore, prioritizing only increasing figures for profit and loss or investment efficiency in the short term and harming the continuing and long-term business relationships with Business Partners that are the source of corporate value carries the risk of simultaneously harming the Company's long-term business foundation in a way that would be difficult to restore, so there is a concern about harming the Company's medium-to-long-term corporate value.

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
 - In light of the Company's current shareholder composition, the Large-Scale Purchaser clearly already has material influence on the Company's material decision-making, based on the number of shares it currently holds. In other words, the Large-Scale Purchaser is the largest shareholder by an overwhelming margin, with a voting rights ratio of 24.66%. In addition, assuming the ratio of voting rights exercised at the Company's past Annual General Meetings of Shareholders, 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. This fact alone allows it to 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 also supports the fact that the number of shares held by the Large-Scale Purchaser in the Company gives it sufficient influence. In other words, in 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. Such investment examples show that even a holding ratio of around 20% allowed 3D to have an influence on the investment target's material decision-making, and it can be said that they prove that the Large-Scale Purchaser, which holds shares in the Company that exceed or are the same level as the above holding ratio, has a material influence on the Company's material decision-making.

- As set forth above, even now the Large-Scale Purchaser holds shares at a level that allows it to cause the Company's management to implement policies in line with its intent. In practice, it goes without saying that the management of a listed company will be forced to sufficiently consider the intent of the Large-Scale Purchaser when carrying out material decision-making that ranges widely from the daily execution of business to medium-to-long-term business operation policies.
 - It is possible that the Large-Scale Purchaser will further increase its influence on the Company through the Large-Scale Purchase and subsequent additional buyups. In other words, 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
- Because it is a fund, 3D must aim to recover the funds it invested in the acquisition of the Company's shares in a manner that earns a profit. Even though it is an open-end fund, the possibility that it intends a short-term share price increase and a return on investment has not been denied at all, because under its structure, its equity investors require suitable investment results in a timely fashion. Based on 3D's background of proposals to the Company and buying up the Company's shares, 3D is actually using its high voting rights ratio as a means of exercising influence on the Company. That is to say, 3D began its engagement with the Company around 2023. Since then, 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.

- There is a concern 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. First, looking at other examples of investments by 3D in the past supports the fact that 3D intends to increase figures for profit and loss or investment efficiency in the short term. In other words, in examples of its investments in the past, while buying up shares up to about the same voting rights ratio as in the Company's case, 3D made proposals and requests that are believed to place an emphasis on short-term increases in figures for profit and loss or investment efficiency, and actually realized some of them. Then, judging from the fact that those examples closely resemble the history of 3D's actions with respect to the Company, it can be inferred that it intends to increase figures for profit and loss or investment efficiency in the short term in the relationship with the Company as well. Second, 3D intends to cause the Company to implement policies to increase profit and loss or investment efficiency in the short term. Namely, despite the fact that the action plan released by the Company on November 8, 2024 incorporated reasonable proposals that 3D had made to the Company, which the Company then started to implement, thereafter until the present, 3D has not withdrawn any proposal or request it made to the Company at the outset. In addition, 3D has not tried to deepen the dialogue with the Company regarding those policies, and after the Annual General Meeting of Shareholders in 2025, it instead strengthened its requests for improvement of the governance system. However, those requests consist of calls to investigate the past Antimonopoly Act Violations after a considerable period of time had passed and the internal investigation and other necessary responses had already ended, and to improve the governance system premised on the past system before the Company implemented various policies to strengthen the governance system. In addition, those requests are abstract and lack detail, and they state to the effect that development of governance would lead to a resolution of all management problems, but it is not clear how they would lead to improving the Company's medium-to-long-term corporate value in light of the source of the Company's corporate value. Judging by these actions by 3D, one can only presume that 3D intends to apply pressure to the Company's individual officers and cause them to prioritize increasing figures for profit and loss or investment efficiency in the short term by raising issues in regard to the governance and compliance system and demanding a lawsuit if the Company does not accept 3D's requests. On the basis of the points set forth above, 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.
- Therefore, even from only the points set forth above, there is a necessity to invoke the Countermeasures.
- A potential coercive effect created by the Large-Scale Purchase reinforces the necessity of the Countermeasures. In other words, if the Company's shareholders think that the Large-Scale Purchase will harm the Company's corporate value, or if they think that the risk of the Company's corporate value being harmed cannot be denied due to, for example, information disclosure being insufficient, there is a concern that even if an appropriate control premium will not be paid through the market purchases, they will be pressured to submit to that and accept the Large-Scale Purchase. If there is this type of coerciveness, it is necessary to ensure an opportunity for ordinary shareholders to be able to make a judgment in a situation where there is no coerciveness. Looking at this in regard to this matter, 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. Namely, by invoking the Countermeasures, it is possible that the Large-Scale Purchaser will suffer damage in conjunction with the dilution of its shareholding ratio, but (1) judging from the content of the Response Policy, the possibility of avoiding the damage that can be incurred by the Large-Scale Purchaser due to the Countermeasures has been ensured, (2) because the Explanation was submitted on January 16, 2026 based on the content of the Response Policy published on October 31, 2025, it can be said that the Large-Scale Purchaser actually foresees that it is possible it will suffer damage due to the invocation of the Countermeasures if it carries out the Large-Scale Purchase after the proposal regarding whether to invoke the Countermeasures has been approved at the shareholders' meeting for confirming shareholders' intent, and (3) measures to mitigate the damage that can be incurred by the Large-Scale Purchaser that are typical in practice have been employed in the Countermeasures, and reasonable measures that follow the Takeover Guidelines and that are at least equivalent in comparison with cases in which the invocation of countermeasures was deemed reasonable in judicial precedents have been taken as well.
 - 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. In other words, when they are actually invoked, after being approved at the shareholders' meeting for confirming shareholders' intent, the recommendations by the Independent Committee are to be respected to the maximum extent.
 - Therefore, the Countermeasures can be said to have appropriateness in relation to the interests of the Large-Scale Purchaser.
- (2) There is also appropriateness in invoking the Countermeasures in relation to the common interests of shareholders
 - Under the current management, policies to enhance corporate value based on the source of the Company's corporate value and policies to strengthen corporate governance have been formulated and implemented. Namely, (1) under the Previous Medium-Term Plan and its action plan (formulated in November 2024), various policies to contribute to maintaining and strengthening the continuing and long-term relationships with Business Partners that are the source of the Company's corporate value have been implemented and (2) the enhancement of governance in order to earn trust from Business Partners has steadily progressed, and in light

of the progress status of these policies, it can be evaluated that certain targets have been achieved as “creating the foundation for the next generation” that is promoted in the current medium-term plan. Thus, 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 also incorporates content to maintain and strengthen the source of the Company’s corporate value. Namely, that 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. In addition, the reasonable policies among those proposed to the Company by 3D continue to be incorporated into the New Medium-Term Plan after being further fleshed out.
- 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

- Whether a company’s corporate value will be harmed, and the company’s interests and the common interests of shareholders will be harmed following the acquisition of the corporate control by a specific shareholder should ultimately be judged by the shareholders themselves, as they are the parties to whom the interests of the company belong. Both the Response Policy and the Company’s “Basic Policy on the Requirements for the Person Who Controls Decisions on the Company’s Financial and Business Policies” clearly state that the appropriateness of the invocation of the Countermeasures and of the Large-Scale Purchase are to be judged based on the intent of the shareholders, and that the Board of Directors cannot invoke countermeasures if the Proposal was rejected at the shareholders’ meeting for confirming shareholders’ intent. Therefore, in this case as well, the appropriateness of the Large-Scale Purchase or the invocation of the Countermeasures should be judged based on the intent of the shareholders, who are the parties to whom the interests of the company belong.

- In addition, it is necessary to ensure an opportunity for ordinary shareholders to be able to make a judgment in a situation where there is no coerciveness. In other words, it is believed that a coercive effect on ordinary shareholders can be created by the Large-Scale Purchase. On this point, it is believed that (i) a shareholders' meeting raises little concern regarding coerciveness, (ii) an opportunity for questions and answers with the Large-Scale Purchaser has been created at the shareholders' meeting, and the information that can be obtained by shareholders will be more substantial, and (iii) the Companies Act positions the shareholders' meeting as the highest decision-making organ of a company, so the judgment of the shareholders' meeting should be respected as a representation of the shareholders' intent. Therefore, for the purpose of ensuring an opportunity for ordinary shareholders to be able to make a judgment in a situation with little coerciveness, it is appropriate to hold the shareholders' meeting for confirming shareholders' intent and seek the judgment of the shareholders.
- On the other hand, the exceptional requirements under the Response Policy that would allow the Countermeasures to be invoked at only the Board of Directors are not satisfied, and there are no special circumstances that would justify not confirming the shareholders' intent.
- Therefore, it is reasonable to confirm shareholders' intent regarding the Large-Scale Purchase at the shareholders' meeting.

End