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August 5 2025

Consolidated Financial Results
for the Three Months Ended June 30, 2025
(Under Japanese GAAP)

Company name: TOHO HOLDINGS CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 8129
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025
(from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	375,813	0.7	3,842	68.6	4,436	51.5	3,353	85.8
June 30, 2024	373,044	6.2	2,278	22.9	2,928	16.1	1,804	18.0

Note: Comprehensive income For the three months ended June 30, 2025: ¥2,836 million [39.5%]
For the three months ended June 30, 2024: ¥2,032 million [-61.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	53.61	49.79
June 30, 2024	28.75	25.46

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	741,916	255,699	34.4
March 31, 2025	722,805	256,897	35.5

Reference: Equity As of June 30, 2025: ¥255,452 million
As of March 31, 2025: ¥256,654 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	25.00	—	40.00	65.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		45.00	—	45.00	90.00

Note: Revision to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecast for fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate the rate of change compared with the preceding fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First Half	780,000	3.3	9,600	30.1	10,500	22.1	8,000	48.6	128.48
Full year	1,572,000	3.5	20,700	9.3	22,600	9.1	15,700	-20.9	255.00

Note: Revision of consolidated financial forecast most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Company name: K・Create Corporation)

Excluded: —

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	73,025,942 shares
As of March 31, 2025	73,025,942 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	10,758,947 shares
As of March 31, 2025	10,422,804 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	62,550,584 shares
Three months ended June 30, 2024	62,780,374 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Any forward-looking statements contained in this report, including performance projections, are based on information currently available to the Company as well as certain assumptions that the Company determined to be rational at the time of the release of this report, and it is not intended that the Company undertake to achieve such results. Actual results may differ significantly from the projections above, due to a variety of factors.

Please refer to Explanation of Projections of Consolidated Operating Results for Fiscal Year ending March 31, 2026 on page 4 of this report (the attached document) for the suppositions on which the performance projections are based and points that have to be borne in mind for the use of such projections.

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1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2025

(1) Explanation of Management Results

In the pharmaceutical industry, the interim-period NHI drug price revisions were implemented in April for 53% of all products. In addition, special measures were applied to recalculate unprofitable products and minimum NHI drug prices raised. Furthermore, with the amendment of the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices in May, further changes are expected in the future, such as deregulation of over-the-counter drug sales, reinforcement of the stable supply system for prescription pharmaceuticals, and enhancement of pharmacy functions, including partial outsourcing of dispensing operations. In the three months ended June 30, 2025, the prescription pharmaceuticals market grew faster than in the corresponding period of the previous year, as cancer drugs continued to drive the market, and sales of vaccines, including the herpes zoster vaccine, were significantly robust, despite a decrease in sales of COVID 19-related products.

Under these circumstances, the Group has been promoting measures to improve profitability and productivity in its core pharmaceutical wholesaling business in accordance with the action plan announced last November for the final year of the Medium-Term Management Plan 2023-2025 “Create the Next Generation.”

With regard to business transformation, our pharmaceutical MSs (Marketing Specialists) are developing the reagents market through the integration of pharmaceutical and reagent operations. We are also continuing our efforts to consolidate business sites in consideration of community circumstances and delivery efficiency. As part of our efforts to improve productivity, we are promoting the spread of the Kyoso Mirai Portal, which was released last fiscal year, to increase customer convenience and facilitate sales staff’s work efficiency.

As for specialty products, which are expected to grow in the future, we are continuing to expand the functions of our full-line services, which provide a range of services from product R&D to manufacturing and distribution, for pharmaceutical manufacturers in Japan and abroad. Specifically, in May of this year, we invested in a bio-tech venture, Ishin Pharma Co., Ltd. and established LIMON, a delivery service for specialty products to patients’ homes. As the first drug covered by this service, delivery of argenx Japan K.K.’s VYVDURA Combination Subcutaneous Injection to patients’ homes began. Moreover, the Group, the AIST Group (National Institute of Advanced Industrial Science and Technology (AIST) and AIST Solutions Co.), Keio University, and REPROCELL, Inc. have concluded a joint research agreement for the establishment of optimal transport and storage conditions for regenerative medical products. In July, the Group entered into a business alliance with TEIJIN REGENET CO., LTD. and ITOCHU Corporation to build a regenerative medicine ecosystem in which the three companies will collaborate to provide one-stop support services necessary for the launch of regenerative medical products. In addition, KYOSOMIRAI PHARMA CO., LTD.’s Haneda Packaging Center, a secondary packaging facility for prescription pharmaceuticals located in the same facility as TBC DynaBASE, the Group’s high-function logistics center, is scheduled to receive orders from pharmaceutical manufacturers this fall. We will continue to pursue opportunities to expand our CDMO (Contract Development and Manufacturing Organization) business.

In the customer support business, we concluded a capital and business alliance in June with PHARUMO, Inc., with which we had formed a business alliance in 2024, and began offering the company’s cloud-based picking audit system, EveryPick, to further strengthen cooperation in services for pharmacies. We aim to realize community healthcare design by leveraging the strengths of the two companies and developing new products that contribute to community healthcare DX.

With regard to sustainability management, one of our concrete measures is to further strengthen governance. At the General Meeting of Shareholders held in June this year, we changed the composition of the Board of Directors to four internal Directors and five Outside Directors (including three women). By increasing the ratio of Outside Directors to more than a majority, we are more proactively taking in outside opinions, and by increasing the ratio of female Directors to one-third, we are building a management structure rich in diversity. In addition, a new position of Chief Governance Officer (CGO), who is responsible for improving the Group’s corporate governance, has been created. Furthermore, based on the interim report of the Governance Enhancement Special Committee, we have made our internal reporting system more effective. At the same time, as part of our efforts to promote human capital management and to reform the corporate culture, we launched a new campaign to call each other by name instead of title, a flat communication measure, and town hall meetings as a forum for top management to have direct dialogue with employees.

The Company’s consolidated operating results for the three months ended June 30, 2025 recorded 375,813 million yen for net sales (an increase of 0.7% on a year-on-year basis), 3,842 million yen for operating profit (an increase of 68.6% on a year-on-year basis), 4,436 million yen for ordinary profit (an increase of 51.5% on a year-on-year basis), and 3,353 million yen for profit attributable to owners of parent (an increase of 85.8% on a year-on-year basis).

The outline of business segment operating results are as follows.

< Pharmaceutical wholesaling business >

Despite the decline in demand for COVID-19 drugs and reagents and the impact of the promotion of generic drugs due to the introduction of selective treatment, sales of vaccines following the start of routine vaccination of herpes zoster vaccines from April this year and sales of specialty pharmaceuticals and other limited-handling products for selected wholesalers remained strong. In addition, we conducted price negotiations in line with the Ministry of Health, Labour and Welfare's Guidelines for the Improvement of Commercial Transaction Practices of Ethical Drugs for Manufacturers, Wholesalers, and Medical Institutions / Pharmacies, and worked to visualize and optimize distribution costs for each product and customer.

In the customer support business, we released the "HeLios cloud" in May, which improves the convenience of the medical appointment system "HeLios." We are also focusing on expanding the number of contracts for our "Byouin-Navi PR Service" and have signed contracts with more than 1,500 medical institutions in total.

In the three months ended June 30, 2025, gross profit and operating profit increased significantly from the same period of the previous year due in part to a partial revision of the valuation standards applied to merchandise inventory at the end of the previous year, resulting in net sales of 362,029 yen (an increase of 0.4% on a year-on-year basis.) and segment profit of 4,155 yen (an increase of 56.2% on a year-on-year basis.).

< Dispensing pharmacy business >

In order to implement the transformation of the dispensing pharmacy business, which is a key measure of the Medium-Term Management Plan, we pressed ahead with the reorganization of operating companies. Specifically, we have consolidated the dispensing pharmacy business companies under PharmaCluster from 24 as of March 31, 2024 to 11 as of April 1 of this year. Going forward, we aim to further consolidate the number of companies to four by April 2026. Both sales and operating profit were higher than the same period of the preceding year owing to increased technical fees, such as the additional fee for medical DX promotion system development, in response to the revision of dispensing fees. As a result, in the three months ended June 30, net sales were 24,619 million yen (an increase of 7.4% year on year) and segment profit (operating profit) was 184 million yen.

< Pharmaceutical manufacturing and sales business >

We have been engaged in the stable supply of high-quality and high value-added pharmaceuticals by strictly monitoring the quality of products based on our own verification system and establishing a planned production and procurement system. In addition, in the same facility as TBC DynaBASE, we opened the Haneda Packaging Center, a secondary packaging facility for prescription pharmaceuticals that can conduct inspection, packaging, and storage of mainly vial products containing cryogenic and antibody drugs. We are preparing to accept orders from pharmaceutical manufacturers starting this fall. In the three months ended June 30, 2025, net sales amounted to 2,946 million yen (an increase of 1.5% year on year) with segment profit of 49 million yen (a decrease of 86.6% year on year), mainly due to an increase in the cost of sales.

< Other peripheral businesses >

In the three months ended June 30, net sales for the first quarter under review amounted to 1,625 million yen (an increase of 6.7% on a year-on-year basis.) and segment profit (operating profit) was 148 million yen (an increase of 190.1 % on a year-on-year basis.).

(Note) Segment sales include inter-segment transactions.

(2) Explanation of Financial Position

(Assets)

Current assets increased 4.0% from the end of the previous consolidated fiscal year to 570,822 million yen with an increase in cash and deposits of 13,339 million yen, and an increase in notes and accounts receivable-trade of 5,671 million yen in other.

Non-current assets decreased 1.6% from the end of the previous consolidated fiscal year to 171,093 million yen with a decrease in investment securities of 1,308 million yen included in other under investments and other assets. As a result, consolidated net assets increased 2.6% from the end of the previous consolidated fiscal year, to 741,916 million yen.

(Liabilities)

Current liabilities increased 5.7% from the end of the previous consolidated fiscal year to 448,001 million yen with an increase in notes and accounts payable-trade of 23,487 million yen in other.

Non-current liabilities decreased 8.8% from the end of the previous consolidated fiscal year to 38,214 million yen with a decrease in provision for loss on Antimonopoly Act of 3,639 million yen in other.

As a result, total liabilities increased 4.4 % from the end of the previous consolidated fiscal year, to 486,216 million yen.

(Net assets)

Total net assets decreased 0.5% from the end of the previous consolidated fiscal year to 255,699 million yen with an increase in treasury shares of 1,647 million yen in other.

(3) Explanation of Projections of Consolidated Operating Results for Fiscal Year ending March 31, 2026

There are no changes in the projected consolidated results of operations for the first half of fiscal year ending March 2026 and the full-term of the fiscal year published on May 14, 2025.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	86,533	99,872
Notes and accounts receivable-trade	332,491	338,163
Merchandise and finished goods	90,787	90,426
Raw materials and supplies	207	150
Other	39,312	42,630
Allowance for doubtful accounts	-385	-420
Total current assets	548,946	570,822
Non-current assets		
Property, plant and equipment	86,844	88,310
Intangible assets		
Goodwill	193	165
Other	5,893	5,797
Total intangible assets	6,087	5,963
Investments and other assets		
Other	82,468	78,326
Allowance for doubtful accounts	-1,541	-1,507
Total investments and other assets	80,927	76,819
Total non-current assets	173,858	171,093
Total assets	722,805	741,916

(Unit: million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	397,722	421,210
Short-term borrowings	1,717	1,694
Income taxes payable	5,879	1,560
Provision for bonuses	3,583	5,486
Provision for bonuses for directors	42	13
Other	15,062	18,036
Total current liabilities	424,008	448,001
Non-current liabilities		
Bonds payable	13,081	12,918
Long-term borrowings	4,478	4,399
Provision for loss on guarantees	286	312
Retirement benefit liability	2,764	2,848
Asset retirement obligations	2,958	2,990
Provision for loss on Antimonopoly Act	4,849	1,210
Other	13,480	13,535
Total non-current liabilities	41,899	38,214
Total liabilities	465,907	486,216
Net assets		
Shareholders' equity		
Share capital	10,649	10,649
Capital surplus	45,212	45,212
Retained earnings	218,932	219,898
Treasury shares	-28,819	-30,466
Total shareholders' equity	245,975	245,293
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,089	14,568
Revaluation reserve for land	-4,409	-4,409
Total accumulated other comprehensive income	10,679	10,158
Share acquisition rights	126	126
Non-controlling interests	116	120
Total net assets	256,897	255,699
Total liabilities and net assets	722,805	741,916

(2) Quarterly Consolidated Profit and Loss Statement and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Profit and Loss Statement
[Cumulative Period for the Consolidated First Quarter]

(Unit: million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	373,044	375,813
Cost of sales	345,351	345,753
Gross profit	27,692	30,060
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors	10,241	10,702
Provision for bonuses	1,877	1,808
Provision for bonuses for directors	11	13
Retirement benefit expenses	69	75
Welfare expenses	1,965	2,008
Vehicle expenses	248	253
Provision of allowance for doubtful accounts	20	-4
Depreciation	1,315	1,310
Amortization of goodwill	62	28
Rent expenses	1,957	2,035
Taxes and dues	480	492
Non-deductible temporary paid consumption tax expense	1,718	1,973
Other	5,445	5,518
Total selling, general and administrative expenses	25,413	26,217
Operating profit	2,278	3,842
Non-operating income		
Interest income	12	14
Dividend income	391	378
Share of profit of entities accounted for using equity method	21	—
Rental income from real estate	201	204
Other	102	138
Total non-operating income	730	736
Non-operating expenses		
Interest expenses	10	13
Equity in losses of affiliates	—	29
Real estate lease expenses	44	43
Other	26	55
Total non-operating expenses	81	142
Ordinary profit	2,928	4,436

(Unit: million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Extraordinary income		
Gain on sales of non-current assets	0	455
Gain on extinguishment of tie-in shares	22	—
Reversal of provision for loss on Antimonopoly Act	—	371
Other	0	4
Total extraordinary income	24	830
Extraordinary loss		
Loss on disposal of non-current assets	18	80
Impairment losses	18	—
Loss on valuation of investment securities	30	151
Other	4	—
Total extraordinary losses	71	231
Profit before income taxes	2,880	5,035
Income taxes-current	1,940	1,323
Income taxes-deferred	-869	355
Total income taxes	1,070	1,678
Net profit	1,809	3,357
Profit attributable to non-controlling interests	4	3
Profit attributable to owners of parent	1,804	3,353

Quarterly Consolidated Statements of Comprehensive Income
[Cumulative Period for the Consolidated First Quarter]

(Unit: million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net profit	1,809	3,357
Other comprehensive income		
Valuation difference on available-for-sale securities	208	-507
Share of other comprehensive income of entities accounted for using equity method	14	-12
Total other comprehensive income	223	-520
Comprehensive income	2,032	2,836
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,028	2,832
Comprehensive income attributable to non-controlling interests	4	3

(3) Notes Concerning Quarterly Consolidated Financial Statements
(Notes Concerning Premise of a Going Business)
Not applicable.

(Notes Concerning Material Changes in Shareholders' Equity)
Not applicable.

(Segmental Information)

I Previous consolidated first quarter (from April 1, 2024 to June 30, 2024)

1. Information about sales and profit or loss by reportable segment

	Reportable segments					Adjustments (million yen) (Note 1)	Amount on the quarterly consolidated profit and loss statement (million yen) (Note 2)
	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	Pharmaceutical Manufacturing and Sales (million yen)	Other Peripheral Businesses (million yen)	Total (million yen)		
Net Sales							
(1) Sales to external customers	348,207	22,925	778	1,132	373,044	—	373,044
(2) Inter-segment sales	12,336	6	2,126	391	14,861	-14,861	—
Total	360,544	22,932	2,904	1,523	387,905	-14,861	373,044
Segment profit or loss	2,660	-492	369	51	2,588	-309	2,278

- (Note) 1. The amount of the adjustments for segment profits or losses shows the elimination of internal transactions and unrealized profit and corporate expenses not attributable to any reportable segment.
2. The amounts for profits or losses in the reportable segments were subsequently adjusted with the amount of operating profit on the quarterly consolidated profit and loss statement.

2. Information about impairment losses on non-current assets or goodwill by each business segment
Not applicable.

II This consolidated first quarter (from April 1, 2025 to June 30, 2025)

1. Information about sales and profit or loss by reportable segment

	Reportable segments					Adjustments (million yen) (Note 1)	Amount on the quarterly consolidated profit and loss statement (million yen) (Note 2)
	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	Pharmaceutical Manufacturing and Sales (million yen)	Other Peripheral Businesses (million yen)	Total (million yen)		
Net Sales							
(1) Sales to external customers	349,339	24,618	598	1,256	375,813	—	375,813
(2) Inter-segment sales	12,689	1	2,347	368	15,407	-15,407	—
Total	362,029	24,619	2,946	1,625	391,221	-15,407	375,813
Segment profit	4,155	184	49	148	4,538	-695	3,842

- (Note) 1. The amount of the adjustments for segment profits shows the elimination of internal transactions and unrealized profit and corporate expenses not attributable to any reportable segment.
2. The amounts for profits in the reportable segments were subsequently adjusted with the amount of operating profit on the quarterly consolidated profit and loss statement.

2. Information about impairment losses on non-current assets or goodwill by each business segment
Not applicable.

(Notes Concerning Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year are not prepared. Depreciation (Including amortization of intangible assets excluding goodwill.) and goodwill for the first quarter of the current fiscal year are as follows.

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	1,406 million yen	1,412 million yen
Amortization of goodwill	62 million yen	28 million yen