

II TOHO HOLDINGS CO., LTD.

Head Office	Tokyo Midtown Yaesu, Yaesu Central Tower 9F 2-2-1, Yaesu, Chuo-ku, Tokyo 104-0028, Japan
Establishment	September 17, 1948
Capital	10,649 million yen
Stock Listings	Tokyo Stock Exchange, Prime Market (Stock Code: 8129)
Representative	Hiromi Edahiro, Representative Director, President and CEO
Number of Employees	7,609 (Consolidated)
Main Banks	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation

Company Profile

Total commitment to good health



Total commitment to good health

We, TOHO HOLDINGS CO., LTD. and its group companies, conduct pharmaceutical wholesaling, dispensing pharmacy, pharmaceutical manufacturing and sales, and other businesses as a corporate group engaged in the medical, health-care, and nursing care industries. Since our founding, we have been endeavoring to create social value through medical and health-care services.

As Japan enters an era of full-fledged low birthrate and aging population coupled with population decline, a Medical Care Expenditure Regulation Plan has been promoted with the aim of building and maintaining a sustainable social security system. At the same time, guidelines are being issued and system reforms are being advanced to resolve various issues in pharmaceutical distribution. In addition, it is expected that specialty pharmaceuticals, such as biopharmaceuticals and regenerative medical products, will constitute the majority of new drugs to be launched in the future, significantly changing the landscape of pharmaceutical distribution.

Surrounded by this industry environment, we will quickly and properly respond to social changes and challenges and contribute to enriching people's lives, by supplying health-care-related products such as prescription pharmaceuticals in a stable manner and providing the Company's unique customer support systems based on the solid business infrastructure and logistics centers we have developed over the years. Also, in a bid to achieve sustainable corporate growth and increase corporate value over the medium to long term, we are working to reduce the effects on the environment by changing our business activities such as optimizing the delivery frequency; to nurture a diverse corporate culture by utilizing a wide array of human resources regardless of gender, nationality, etc.; to strengthen governance to conduct sound business activities; and to take countermeasures against earthquake and pandemic to ensure a stable supply of pharmaceuticals. Through these measures, we are determined to make a greater contribution than ever to all of our stakeholders.

Under the corporate slogan of "Total commitment to good health," we will continue to evolve and grow, aiming to be a company that is continuously supported by all stakeholders.

TOHO HOLDINGS CO., LTD.
Representative Director, President and CEO

Hiroshi Edahiro



Corporate Slogan

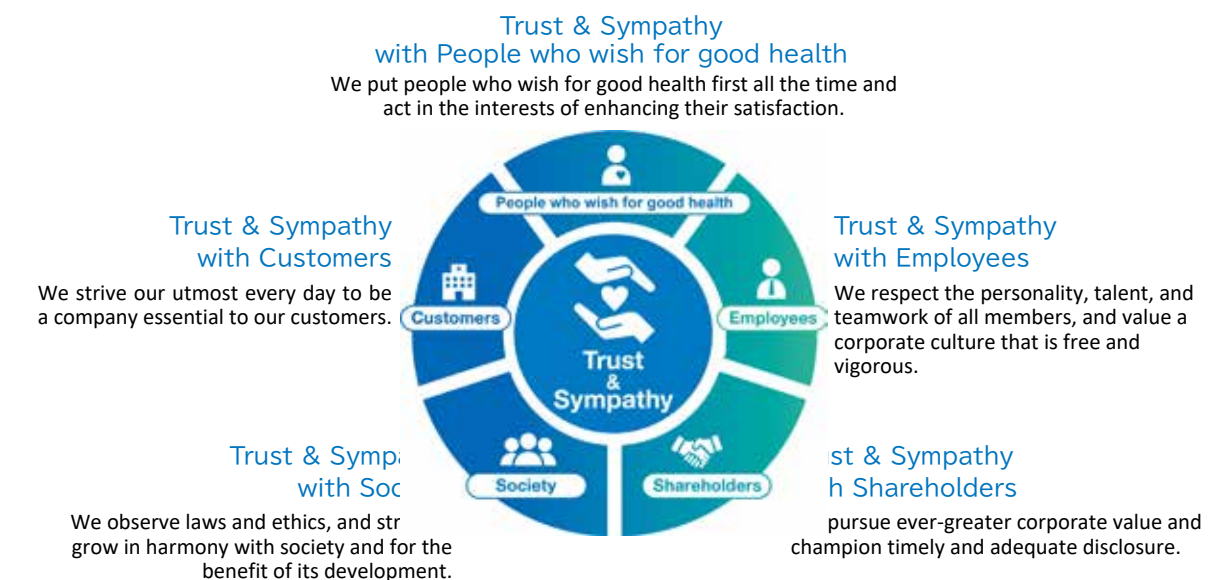
"Total commitment to good health"

"Total commitment to good health" is Toho Holdings's pledge, representing our philosophy of constantly giving top priority to people who wish for good health and creating customer value to raise their levels of satisfaction, and representing our desire to contribute to the broad enhancement of people's health and to realizing their comfortable lifestyles.

Mission Statement

"We shall live in harmony with society and our customers; together, we shall create new values through the provision of out-of-the-box service; and we shall contribute to the medical care and well-being of people around the world."

Core Values~Five "trust and sympathy"



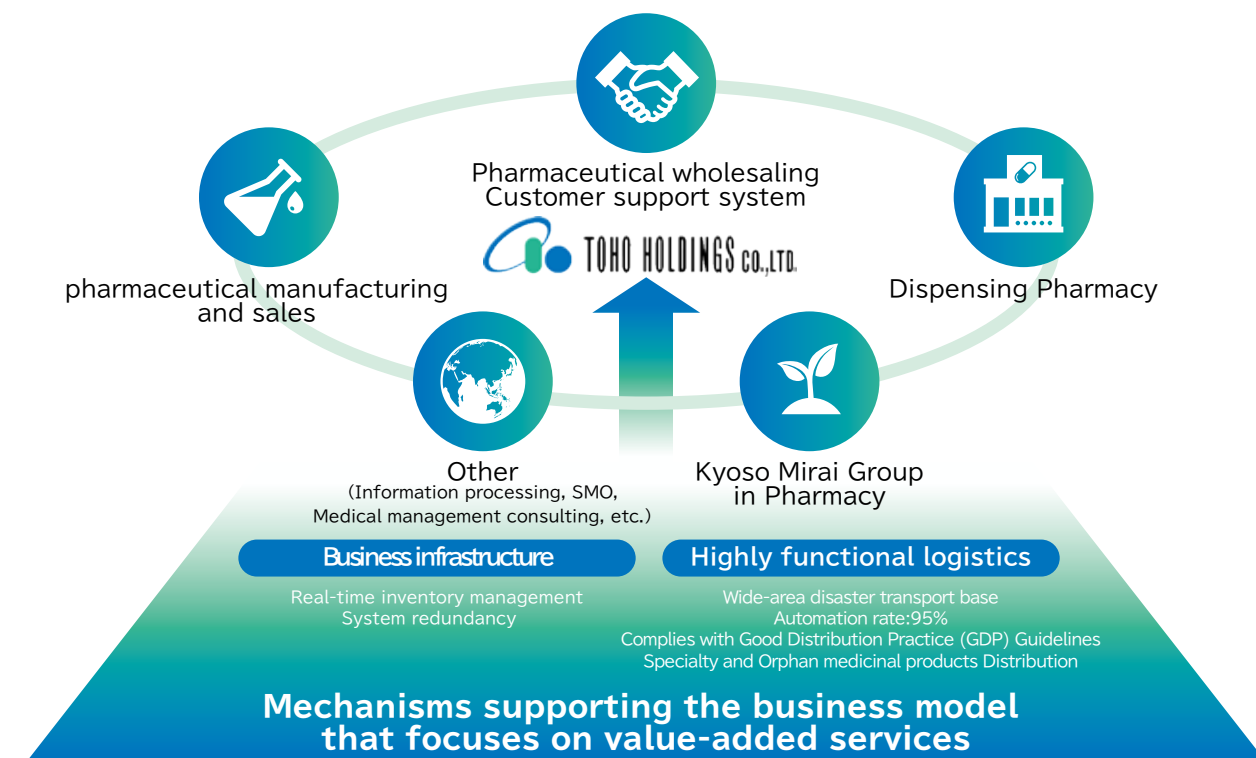
Business Domain (Business Structure Vision)

FIELD	Medical care, Health, Comfortable lifestyle Expand presence in health-related sectors around medical care, with the prescription pharmaceuticals wholesale business as the core business.
STAGE	Japan & the World Cover Japan nationwide, and survey expansion overseas.
STRATEGY	Sizebased competition→Business features competition Create numerous customer-value-creation business models with an alliance base that transcends industry borders.

Create our future together Total commitment to good health

Deliver pharmaceuticals in an accurate, secure and safe manner, anytime, anywhere. It is our mission, supporting pharmaceutical distribution nationwide. While visiting medical institutions on a daily basis, we also provide support for creating the better medical care environment. Supporting medical care means to support people's lives.

As the center of the Kyoso Mirai Group, the TOHO HOLDINGS is committed to building the better future together with you.



TOHO HOLDINGS Group structure

TOHO HOLDINGS (business management, planning, administration)			
Pharmaceutical wholesaling	Dispensing pharmacy	pharmaceutical manufacturing and sales	Others
TOHO PHARMACEUTICAL	PharmaCluster	KYOSOMIRAI PHARMA	
SAYWELL Koyo Kyushu Toho Okinawa Toho Sakai Yakuhin and others	PHARMA MIRAI Strelitzia VEGA PHARMA J.MIRAIMEDICAL AOBADO KOSEI K>Create Corporation PHARMA DAIWA and others		Tokyo Research Center of Clinical Pharmacology Toho Systems Service ALF Nextit Research Institute eKenkoshop Corporation eHealthcare Orphan Trust Japan Hubei Kyoso Pharmaceutical Kokando and Kyoso Mirai Asia Toho Real Estate Alpharia enTouch and others

*Including affiliated companies



Pharmaceutical wholesaling

Looking ahead towards a new era, we pledge to center our efforts on frontier operations, such as customer support systems contributing to higher business efficiency, assistance in the start-up of medical institutions and pharmacies, management consulting services, total medical support by transferring pharmacists and registered dietitians to medical institutions and personnel recruitment, based mainly on wholesaling business for pharmaceuticals, reagents, medical equipment and OTC drugs.



Dispensing pharmacy

We aim to serve as a trusted group of home pharmacies and pharmacists that contribute to local healthcare and society. In addition to dispensing and providing medication guidance, we are making active efforts, as a community health-care support pharmacy, to respond to recent changes in the health-care delivery system by providing home medical care, selling OTC drugs, operating cafes for dementia patients, strengthening advanced pharmaceutical management functions, etc.



Pharmaceutical manufacturing and sales

We manufacture and sell generic drugs and contract manufacturing of injectable pharmaceuticals. We verify and guarantee quality based on our knowledge as a pharmaceutical wholesaler and ensure a stable and continuous supply of high-quality generic drugs. We also strive to disclose information on API manufacturing countries and names of drug makers and to create unique packages, so that medical institutions can select and use our products with confidence.



Kyoso Mirai

Under the corporate slogan, "Total Commitment to good health, The Kyoso Mirai Group, with TOHO HOLDINGS as its core company, as a corporate group engaged in the medical, health and nursing care sector, conducts businesses such as pharmaceutical wholesaling, management of dispensing pharmacies, manufacture and sale of pharmaceuticals and others, development and provision of customer support systems, etc., and at the same time, actively promotes community healthcare collaboration and makes positive commitments to the home medical and nursing care sector. As our businesses are developed, our wish gets deeper and greater on the basis of our philosophy, "Kyoso Mirai" that each of us are gathered with the same will and make the future full of hope.

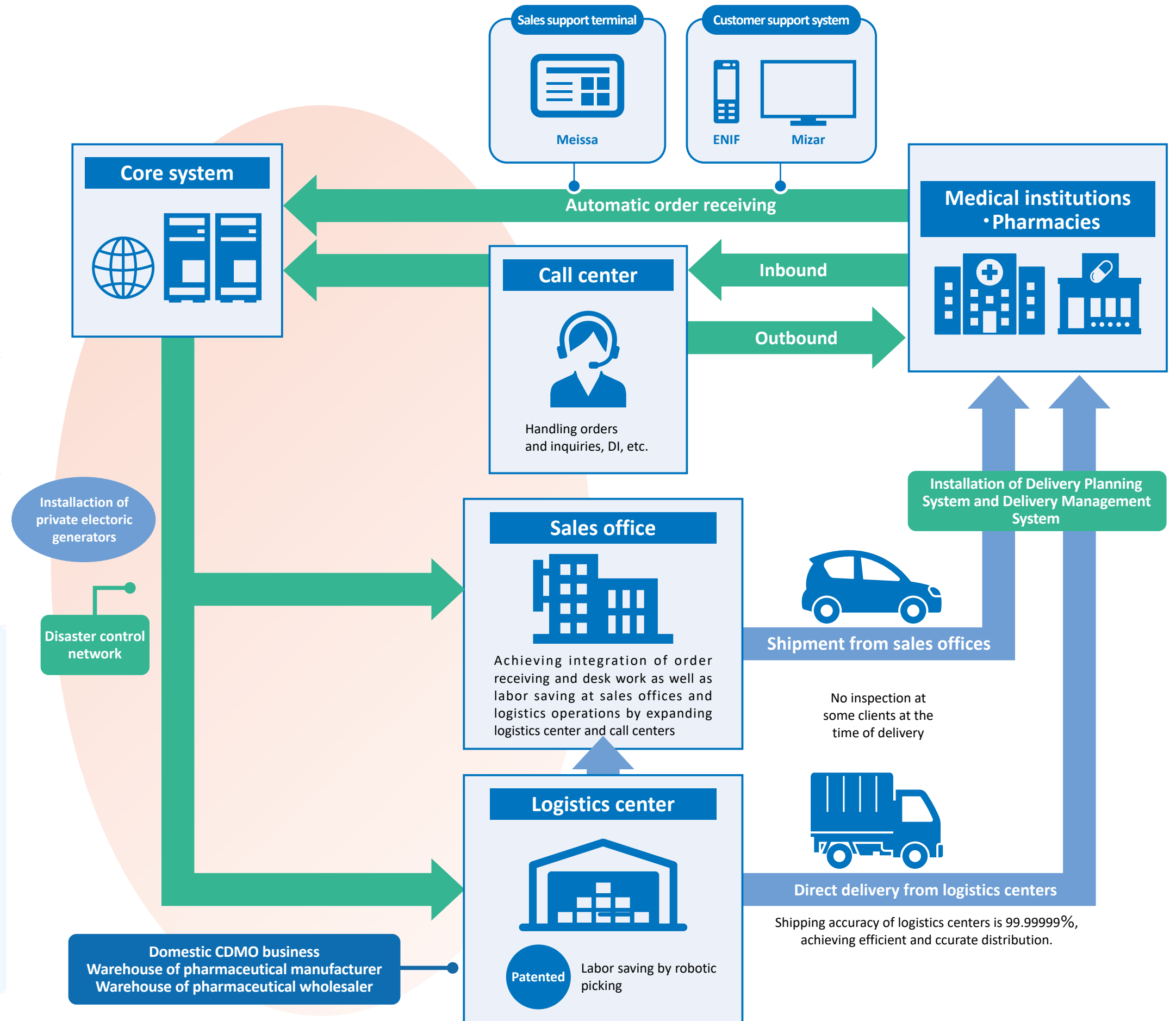


The strong business infrastructure ensures a stable supply of pharmaceuticals and the provision of our services.

The Group's business infrastructure is constantly linking mission-critical systems managing sales, inventory, etc. with information systems managing sales operation, customers, etc. for automated data processing. In inventory management, in particular, the system processes incoming and outgoing shipments in real time to ensure that the inventory data always matches the actual inventory on the shelves. This enables sales offices, logistics centers, and call centers to be linked with each other and to provide customers with real-time information on inventory status and delivery dates. We have also focused on traceability (tracking records) of pharmaceutical products for many years. With the development of a system that manages each product by expiration date and lot number, we have built a thorough mechanism that enables us to centrally manage all necessary information, whether delivery orders are issued by a sales office or logistics center anywhere in Japan from Hokkaido to Okinawa. This robust business infrastructure has enabled us to develop pharmaceutical ordering information terminal ENIF, which checks the inventory status when receiving orders and immediately returns scheduled delivery data to the customer concerned, and subsequent customer support systems. In terms of logistics, the core system and those of all logistics centers are linked to help facilitate inter-center transfer of products. This means we are now equipped with a complete mechanism that allows logistics centers to complement each other in the event of an emergency.

Completely redundant backup (east and west data centers)

The completely redundant computer system and establishment of the mutual switch network between distribution centers enables to construct the structure for uninterrupted operations in case of disaster.

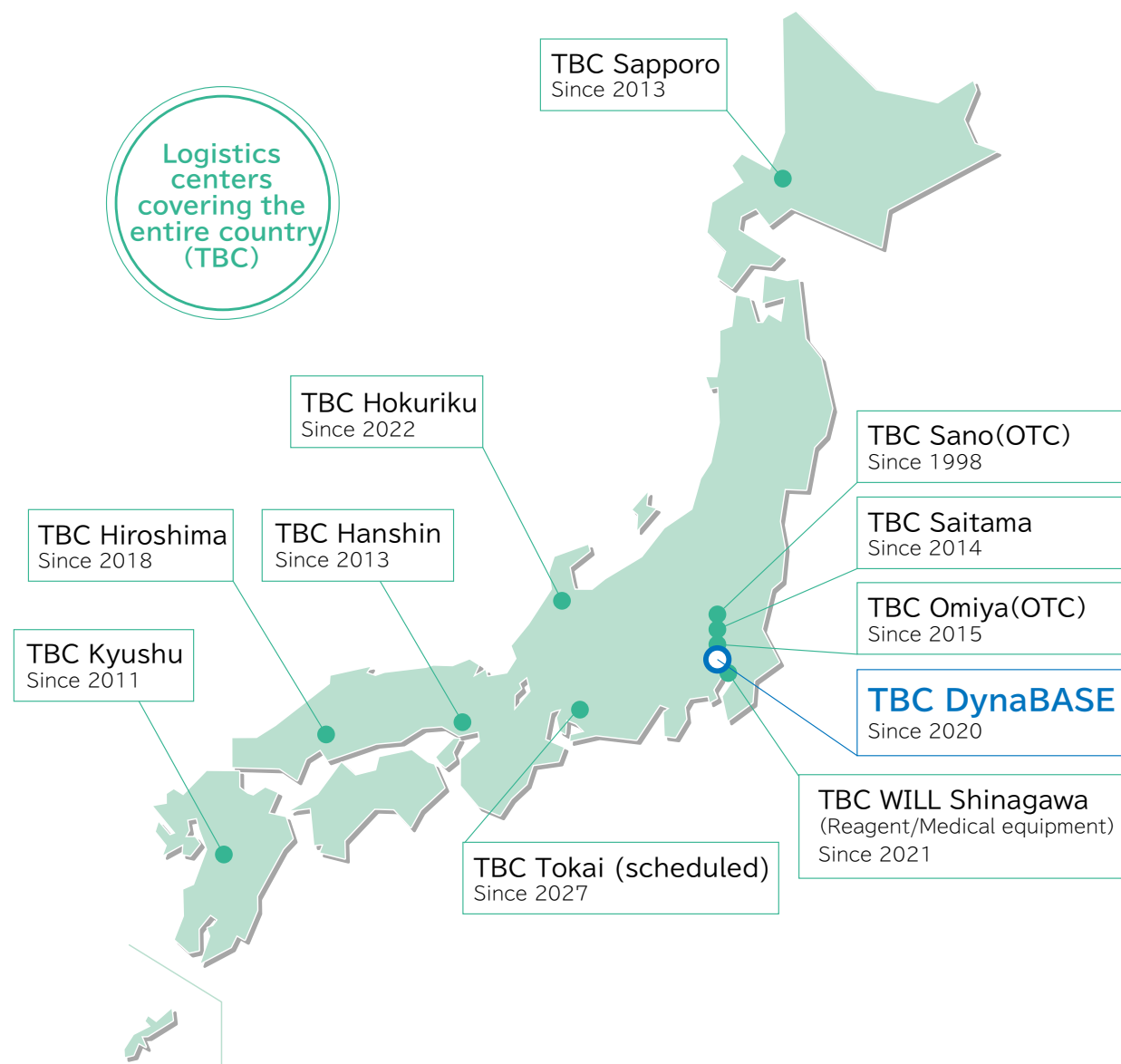


Achieve the highest level of quality and safety in the industry as well as efficient logistics

We are striving to evolve our logistics system, thoroughly promoting efficiency and traceability.

Prescription pharmaceuticals are directly linked to lives and health of patients.

For fulfilling our mission to distribute secure and safe pharmaceuticals, we achieve the highest level of quality (thorough quality control), safety (traceability) and efficiency (establishment of the efficient logistics environment) by introducing cutting-edge technologies.



For more information, please visit the website.

Highly functional logistics center "TBC DynaBASE"

"TBC DynaBASE" is a logistics center with cutting-edge technologies for prescription pharmaceuticals built in the "Keihin Truck Terminal," an area designated by the Tokyo Metropolitan Government as a wide-area transportation base in the event of a disaster.

Disaster response in the Tokyo metropolitan area

Being located inside the Loop Road No. 7 and near "Ariake-no-Oka," the main wide-area disaster management base facility, it's capable of providing pharmaceuticals promptly and smoothly in the event of a disaster such as the Tokyo Inland Earthquake. A seismic isolation structure is used not only for the buildings but also for the adjacent rampway (slope passage). In addition, equipped with a large private power generator (5,000 kVA), it can run at full capacity for 72 hours during emergencies.



Leading-edge automation technology

With the world's highest-level automation technologies, we aim to achieve a robot piece-picking rate of 95%. We also aim to attain more than seven-nines (99.99999%) shipping accuracy, which has been achieved by other logistics centers. Based on this high shipping accuracy, we will establish a delivery system based on a "No inspection system," which may contribute to improving the operational efficiency of our customers by omitting inspections at the time of delivery.



Thorough quality control

We have acquired ISO9001:2015 certification (an international standard for quality management systems for products and services) and conducts quality control. In addition, TBC Saitama, TBC Hiroshima and TBC DynaBASE have established logistics systems that comply with Good Distribution Practice (GDP) Guidelines for pharmaceuticals, and are working to further strengthen them.

Initiatives for specialty pharmaceuticals

In recent years, the pharmaceutical distribution industry has seen an increase in specialty pharmaceuticals, including orphan drug and high-cost medicines, many of which require special management methods such as temperature control during the transport process. In specialty pharmaceuticals, we have established a stable and continuous logistics system backed by high shipping accuracy and an advanced temperature control system.

Aiming to establish an optimal distribution system for specialty pharmaceuticals

We are also taking on the challenge of establishing a one-stop logistics system for specialty pharmaceuticals. TBC DynaBASE, TBC WILL Shinagawa, and KYOSOMIRAI PHARMA CO., LTD.'s Shinagawa Plant are conveniently located near Haneda Airport. By taking this locational advantage and fully cooperating with bio-ventures and other pharmaceutical manufacturers and venture companies with cutting-edge technologies in their efforts to address distribution issues, including raw material transportation, clinical trial logistics, manufacturer logistics, and wholesale logistics, we aim to establish a distribution platform for specialty pharmaceuticals such as gene therapy drugs, regenerative medical products, and cellular medical products.

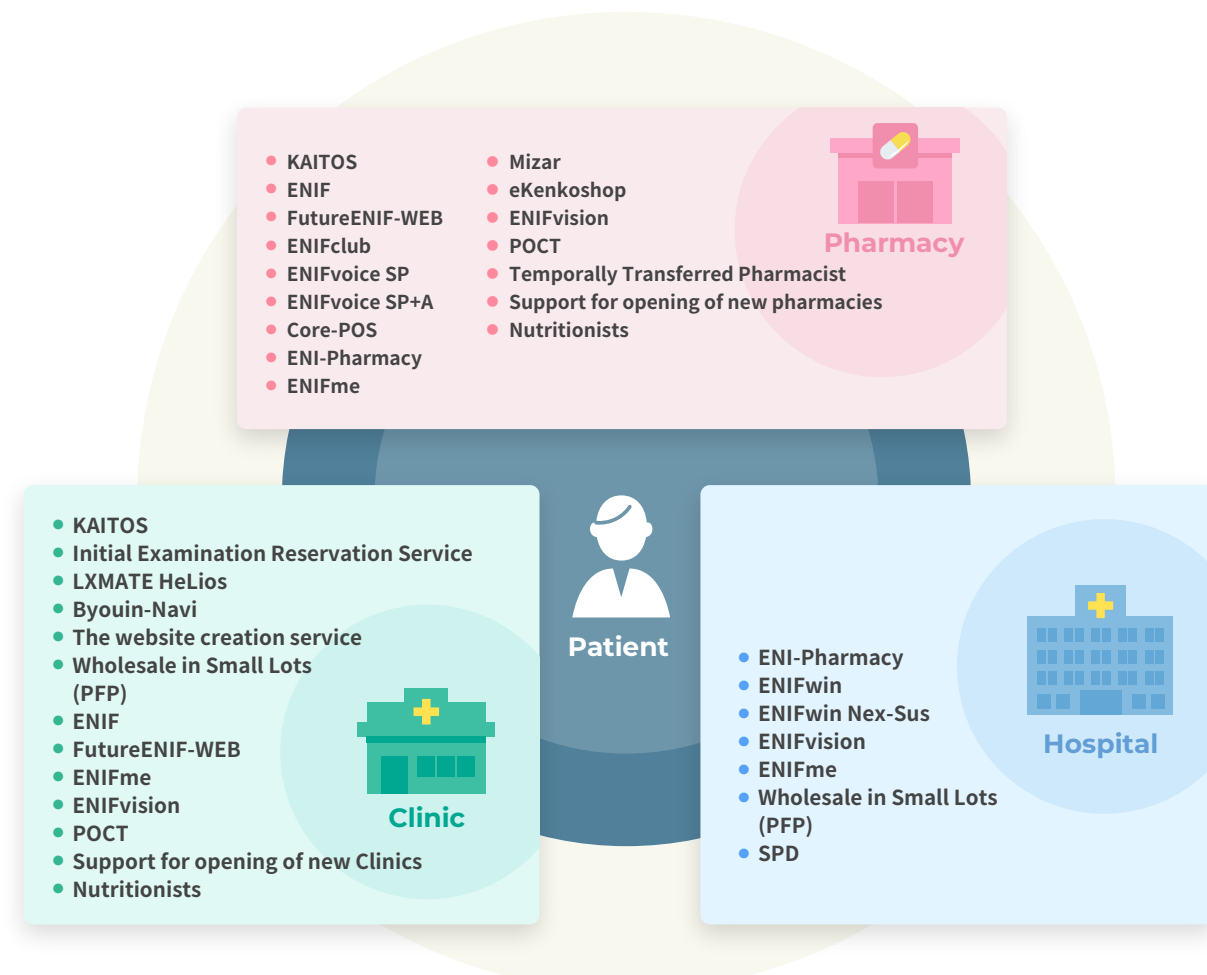
*The SALM device offers thorough control from shipment to use consistently in order to maintain the quality of specialty pharmaceuticals that require a rigorous temperature control and record.



Pharmaceutical wholesaling

Customer support system

Our customer support systems are constantly evolving not only in order to deliver products to our customer medical institutions, but also in order to pursue benefits and convenience for the patients who are the end-users.



Lineup

KAITOS

Online Medical Examination / Dosing Guidance System

In conjunction with “Byouin-Navi”, the online medical examination/dosing guidance system “KAITOS” enables a series of processes from searching clinics that provide online medical examination services, making reservations, receiving such online services, to settlement.



Initial Examination Reservation Service

Online appointment service for first patients

This service enables any user patient who is intending to make his/her initial hospital visit to arrange the initial medical care appointment in advance upon browsing the website of a given medical institution or search sites for medical institutions via his/her computer or smartphone.



SDGs Marks



LXMATE HeLios

Automated medical care appointment system

This system enables patients to avoid any waiting time for an appointment. The patients can personally get access at any time of the day via telephone, the Internet, or mobile phone to make a medical care appointment and then confirm or change or cancel the appointment at any time.



Byouin-Navi

Web-portal site for finding hospitals / clinics

It gives information with high accuracy and instant by using our own detailed data MSes collect. In combination with initial examination reservation service, you can complete a procedure from searching for medical institutions to booking.



ENIF

Pharmaceutical ordering system

This system makes pharmaceutical ordering operations dramatically more efficient. Any user can easily place an order simply by scanning the relevant barcode through the terminal, which eliminates the need for cumbersome ordering operations via the telephone.



Mizar

Centralized administration system of pharmacy operations

This system realizes the centralized management of sales, inventories and accounts receivable for all pharmacy stores at the headquarters. With automatic order placement based on prescription data, it contributes to significantly reduce pharmacists' time and efforts needed for ordering.



ENIFvoice SP+A

Cloud-based Voice Recognition medication history system

This is an all-in-one automatic voice-recognition and electronic medication history recording system. Pharmacists can easily record medication history by voice-recognition and, furthermore, it enables inter-terminal and inter-store data sharing of medication history and voice input via a cloud server.



ENI-Pharmacy

System supporting the separation of dispensing and prescribing function

This system sends prescription information to a designated pharmacy in accordance with the simple touch panel operations performed by a patient. It reduces the waiting time for the patient at a pharmacy, while at the same time enabling the designated pharmacist to spend more time in dispensing.



ENIFclub

Members service to visualize and resolve pharmacy management issues

Dokoshiru Dengonban

Unidentified person information sharing service

eKenkoshop

Website supporting dispensing pharmacies

ENIFwin Nex-Sus

An integrated in-hospital distribution and inventory-management system

ENIFme

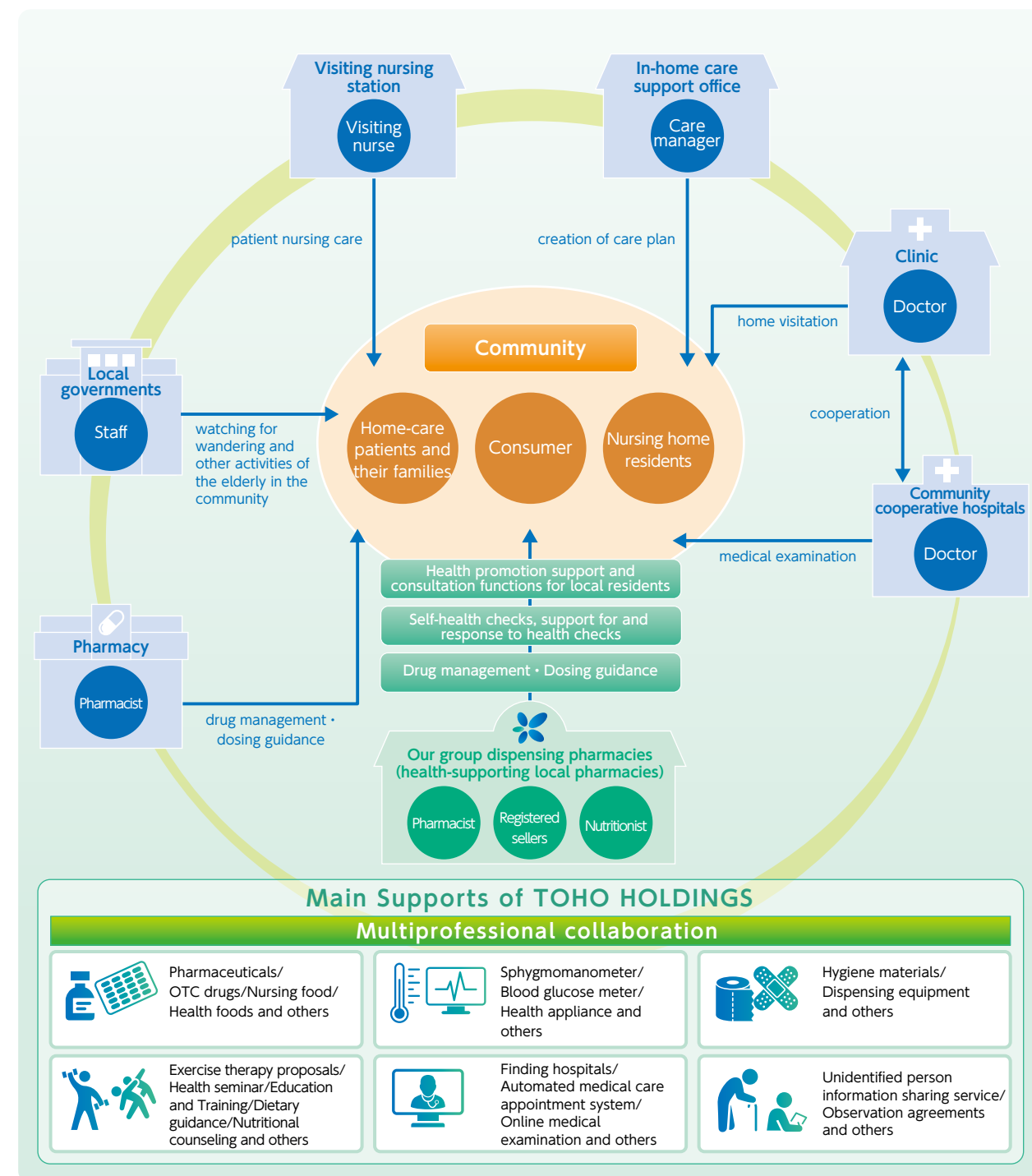
Wholesale of medical materials in small lots

11 Leveraging the collective strength of the Group



Contribution to local healthcare

While Japan's population aging is advancing, efforts are underway to realize a "community comprehensive healthcare system" in which the community as a whole provides services that enable the elderly to continue to live in their familiar neighborhoods. Through the operation of dispensing pharmacies, we ourselves are actively involved as a member of the inter-professional collaboration project, and provide community health-care support to medical institutions and patients with whom we do business in various aspects of medical care, nursing care, disease prevention, and lifestyle.



12 Initiatives to Enhance Corporate Value



Promotion of sustainable management

We, the TOHO HOLDINGS Group, would like to contribute to people who desire health by fulfilling our social mission of a stable supply of pharmaceuticals. In addition, with the aim of achieving stable and long-term corporate growth and a sustainable society, the Group identifies issues in the areas of the environment, society, governance, and compliance, and promotes initiatives to resolve them.

Full Enforcement of Legal Compliance

• Establishment of the Group Compliance and Risk Management Committee

We hold meetings of the Group Compliance Risk Management Committee regularly based on the Risk Management Basic Rules. In addition, we have established the Code of Ethics, and training is provided to all employees to make them fully aware of it.

• Conducting compliance training

The Group requires all executives and employees to receive compliance training on important laws and regulations to be understood in conducting business activities. In addition to compliance training, we also provide timely specialized training. Specifically, external lecturers are invited to give lectures on the Antimonopoly Act, anti-bribery and purchase-related laws, and videos are streamed to all executives and employees.

Promote environmental load reduction

To ensure safe and secure delivery of pharmaceuticals at any time, we have established logistics centers throughout Japan. Logistics centers have many air conditioners and a lot of lighting equipment and use large material handling equipment and robots. This results in higher electricity consumption than other business offices. For this reason, we have introduced BEMS at our logistics centers to manage the consumption.

Maximize the value of human capital

The Group has improved the program to develop human resources who are capable of creating customer value. With broad utilization of human resources regardless of gender, nationality, age, etc. and respecting individualities, capabilities and teamwork of employees, we nurture a free-spirited corporate culture and work on human resources development, aiming at mid- and long-term enhancement of corporate value through continuing sustainable growth and establishment of our corporate brand.

Work-Life Balance

As a part of our work-life balance initiatives, we opened the Mirai Nursery at the TBC Sapporo Logistics Center. We participate in the Support for Balancing Work and Childcare promoted by the national government, and will continue working to create an environment where employees can work flexibly and actively.



Toward Further Enhancement of Corporate Governance

The Company and the Group are committed to enhancing the corporate governance as one of the most important managerial tasks, because we recognize that it is important to enhance the auditing and supervisory functions concerning corporate management, achieve full compliance, and improve the transparency of management so that we can sincerely fulfill our responsibilities towards various stakeholders, including customers, business partners, shareholders, employees, and government entities, and enhance our corporate value as sustainable companies.