

This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between these translated documents and the Japanese originals, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code: 8129)
(Dispatch date) June 5, 2024
(Commencement date of measures for electronic provision) May 31, 2024

To Shareholders with Voting Rights:

Atsushi Udoh
Representative Director, CEO
TOHO HOLDINGS CO., LTD.
5-2-1, Daizawa, Setagaya-ku,
Tokyo, Japan

**NOTICE OF
THE 76TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Please be informed that the 76th Annual General Meeting of Shareholders of TOHO HOLDINGS CO., LTD. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (Matters to be Provided Electronically) is provided electronically and posted on the Company’s website on the Internet, so please access the following website and check the information.

The Company’s website
<https://ir.tohohd.co.jp/en/stock/meeting.html>

Matters to be Provided Electronically are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website (TSE Listed Company Information Service), enter “TOHO HOLDINGS” in “Issue Name (Company Name)” or the Company’s securities code “8129” (half-width) in “Code,” select “Basic Information” and then “Documents for Public Inspection/PR Information,” and check “Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting” in the “Filed information available for public inspection” section.

TSE website (TSE Listed Company Information Service)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Wednesday, June 26, 2024, which is the deadline for exercising your voting rights.

- When you attend the meeting, please kindly submit this Notice of Convocation together with the enclosed Voting Rights Exercise Form at the reception desk.
- If any of the matters subject to measures for electronic provision is modified, we will put that effect as well as matters before and after the modification on the Company’s and the TSE’s websites on the Internet as mentioned above.

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. Japan time
- 2. Place:** Sixth floor large conference room in the head office of the Company, located at 5-2-1, Daizawa, Setagaya-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 76th Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 76th Fiscal Year (April 1, 2023 - March 31, 2024)

Proposals to be resolved:

Proposal 1 : Election of six (6) Directors (excluding those who are Audit and Supervisory Committee Members)

Proposal 2 : Election of three (3) Directors who are Audit and Supervisory Committee Members

Proposal 3 : Revision of the details of compensation to give restricted stock to the Company's Directors (excluding those who are Audit and Supervisory Committee Members) in accordance with the revision of the restricted stock compensation system

4. Decisions concerning the Convocation of the Meeting (Information regarding Exercise of Voting Rights)

- (1) The following matters of those subject to measures for electronic provision are not stated in documents delivered to shareholders, in accordance with laws and regulations as well as the Company's Articles of Incorporation.
 - 1) The "System to Ensure Proper Execution of Business and Status of Operation of the System" in the Business Report
 - 2) "Consolidated Statements of Changes in Shareholders' Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - 3) "Statement of Changes in Shareholders' Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Accordingly, documents delivered to shareholders are some of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in drawing up the Audit Report and the Accounting Audit Report.

- (2) If no indication of approval or disapproval is made on the Voting Rights Exercise Form for a proposal, it will be treated as an indication of approval.
- (3) If you exercise your voting rights, both in writing and via the Internet, etc., the exercise via the Internet, etc., will be considered to be the valid exercise of voting rights. In the case that multiple votes are received via the Internet, etc., the last vote shall be deemed valid.
- (4) If you exercise your voting rights by proxy, the proxy must be another shareholder holding voting rights. You can designate only one proxy.

The End

Information about the exercise of voting rights

Attendance at the General Meeting of Shareholders

Please bring the enclosed Voting Rights Exercise Form with you and submit it to the reception desk.

Exercise of voting rights in writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by postal mail so that it reaches our shareholder register administrator by no later than 5:00 p.m. on Wednesday, June 26, 2024, Japan time.

Exercise of voting rights via the Internet, etc.

Please enter your vote for or against the proposals following the instructions below. Please also input it by no later than 5:00 p.m. on Wednesday, June 26, 2024, Japan time.

Guide to Exercising Voting Rights via the Internet, etc.

By scanning the QR Code “Smart Exercise”

You can log in to the website for exercise of voting rights without entering the voting rights exercise code or password.

(1) Please scan the QR Code printed on the bottom right of the Voting Rights Exercise Form.

(Note) “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

(2) After that, please follow the instructions on the screen and indicate your approval or disapproval.

The exercise of voting right by “Smart Exercise” is available only once.

If you wish to change your vote after exercising your voting rights, please access the PC website shown on the right, and then log in by entering the “voting rights exercise code” and “password” indicated on the Voting Rights Exercise Form to exercise your voting right again.

(Note) If you scan the QR code with your smartphone for the second and subsequent times, you will be transferred to the PC website.

By entering the voting rights exercise code and password

Voting Rights Exercise Website: <https://www.web54.net>

(1) Please access to the Voting Rights Exercise Website.

(2) Please enter the “voting rights exercise code” indicated on the Voting Rights Exercise Form.

(3) Please enter the “password” indicated on the Voting Rights Exercise Form.

(4) After that, please follow the instructions on the screen and indicate your approval or disapproval.

If you have any questions on how to exercise your voting rights via the Internet using a personal computer, smartphone, or mobile phone, please contact:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Telephone: 0120-652-031 (Operating hours: 9:00 a.m. to 9:00 p.m.)

(Note) Institutional investors can use the Electronic Voting System Platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of six (6) Directors (excluding those who are Audit and Supervisory Committee Members)

The term of office of all the incumbent Directors (6 persons) (excluding those who are Audit and Supervisory Committee Members) will expire upon the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of six (6) Directors (excluding those who are Audit and Supervisory Committee Members).

Furthermore, candidates for directors are selected through a discussion by the voluntary Nomination and Compensation Committee that is an advisory to the Board of Directors and a majority of whose members are Outside Directors.

No matter was particularly pointed out by the Audit and Supervisory Committee regarding this proposal.

The candidates for Directors (excluding those who are Audit and Supervisory Committee Members) are as follows:

No.		Name		Attendance at the Board of Directors meetings for the current fiscal year
1	Reappointment	Atsushi Udoh	Male	13/13 (100%)
2	Reappointment	Hiromi Edahiro	Male	13/13 (100%)
3	Reappointment	Akira Umada	Male	13/13 (100%)
4	Reappointment	Takeo Matsutani	Male	13/13 (100%)
5	Reappointment	Masami Tada	Female	13/13 (100%)
6	Reappointment	Kentaro Murakawa	Male	13/13 (100%)

1. Atsushi Udoh (Date of birth: April 26, 1964)		Reappointment
<ul style="list-style-type: none"> ■ Career summary, positions and responsibilities within the Company, and significant concurrent positions 		[Positions and responsibilities within the Company] Representative Director, CEO
July 1987	Joined TOHO PHARMACEUTICAL (current the Company)	
April 2009	Corporate Officer of TOHO PHARMACEUTICAL	
July 2012	Director of TOHO PHARMACEUTICAL	
June 2015	Managing Director of TOHO PHARMACEUTICAL	
June 2015	Corporate Officer of the Company	
June 2016	Executive Vice President and Director of TOHO PHARMACEUTICAL	
June 2016	Director of the Company	
June 2017	Vice President and Representative Director of TOHO PHARMACEUTICAL	
June 2017	Executive Managing Director of the Company	
June 2019	Director of TOHO PHARMACEUTICAL (to present)	
June 2019	President and COO, Representative Director of the Company	
June 2020	President and Representative Director of the Company	
June 2022	Representative Director, CEO of the Company (to present)	
<ul style="list-style-type: none"> ■ Number of shares of the Company held: 20,000 shares 		
<ul style="list-style-type: none"> ■ Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members) 		
<p>Mr. Atsushi Udo serves as Representative Director, CEO of the Company and has considerable knowledge and experience in management and business activities in the Group and as a manager in charge of the sales division over the years. In addition, he serves as Chairperson of the Group Compliance Risk Management Committee aiming to promote risk management and strengthening of compliance in the Group. We propose his reelection as we expect him to leverage his experience fostered so far and further contribute to the sustainable growth and enhancement of the corporate value of the Company group in a position to drive the whole Group's management going forward.</p>		

2. Hiromi Edahiro (Date of birth: May 14, 1952)		Reappointment
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>April 1977 Joined Tokio Marine Fire Insurance (current Tokio Marine & Nichido Fire Insurance Co., Ltd.)</p> <p>September 1985 Joined Tokiwa Pharmaceutical</p> <p>August 2000 Representative Director and President of Tokiwa Pharmaceutical</p> <p>June 2012 Auditor of the Company</p> <p>June 2015 President and Representative Director of TOHO PHARMACEUTICAL</p> <p>June 2015 Director of the Company</p> <p>June 2017 Vice President and Director of the Company</p> <p>June 2019 Director of TOHO PHARMACEUTICAL</p> <p>June 2019 Vice Chairman of the Board and CFO, Representative Director of the Company</p> <p>June 2020 Chairperson of the Board and Representative Director of TOHO PHARMACEUTICAL</p> <p>June 2020 Director of the Company</p> <p>June 2022 Director of TOHO PHARMACEUTICAL (to present)</p> <p>June 2022 Representative Director, CFO of the Company (to present)</p> <p>■ Number of shares of the Company held: 39,100 shares</p> <p>■ Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)</p> <p>Mr. Hiromi Edahiro serves as Representative Director, CFO of the Company and has considerable knowledge and experience in management and business activities in the Group and as a manager in charge of the management division over the years. In addition, he serves as Chairperson of the Investment Committee aiming to promote disciplined investment. We propose his reelection as we expect him to leverage his experience fostered so far and further contribute to the sustainable growth and enhancement of the corporate value of the Company group in a position to drive the whole Group's management going forward.</p>	<p>[Positions and responsibilities within the Company]</p> <p>Representative Director, CFO</p>	

3. Akira Umada (Date of birth: April 16, 1965)		Reappointment
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>March 1986 Joined TOHO PHARMACEUTICAL (current the Company)</p> <p>April 2009 Corporate Officer of TOHO PHARMACEUTICAL</p> <p>July 2012 Director of TOHO PHARMACEUTICAL</p> <p>June 2015 Managing Director of TOHO PHARMACEUTICAL</p> <p>June 2015 Corporate Officer of the Company</p> <p>June 2016 Senior Managing Director of TOHO PHARMACEUTICAL</p> <p>June 2016 Director of the Company</p> <p>June 2019 President and Representative Director of TOHO PHARMACEUTICAL (to present)</p> <p>June 2019 Senior Executive Managing Director of the Company</p> <p>June 2022 Senior Executive Managing Director, COO of the Company (to present)</p> <p>■ Number of shares of the Company held: 28,400 shares</p> <p>■ Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)</p> <p>Mr. Akira Umada has considerable knowledge and experience as Senior Executive Managing Director, COO of the Company as well as President and Representative Director of TOHO PHARMACEUTICAL. He also serves as Chairperson of the Sustainability Promotion Committee aiming to promote efforts towards sustainability management.</p> <p>We propose his reelection as we expect him to leverage his experience fostered so far and further contribute to the sustainable growth and enhancement of the corporate value of the Company group.</p>	<p>[Positions and responsibilities within the Company]</p> <p>Senior Executive Managing Director, COO</p> <p>[Significant concurrent positions]</p> <p>President and Representative Director of TOHO PHARMACEUTICAL</p>	

4. Takeo Matsutani (Date of birth: April 20, 1966)		Reappointment
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>February 1992 Joined TOHO PHARMACEUTICAL (current the Company)</p> <p>June 2001 Director of TOHO PHARMACEUTICAL</p> <p>June 2007 Managing Director of TOHO PHARMACEUTICAL</p> <p>June 2008 Senior Managing Director of TOHO PHARMACEUTICAL</p> <p>April 2009 Director of the Company (to present)</p> <p>June 2013 Executive Managing Director of Kyushu Toho</p> <p>June 2015 President and Representative Director of Kyushu Toho</p> <p>June 2017 Vice President and Director of TOHO PHARMACEUTICAL (to present)</p> <p>June 2023 Chairperson of the Board and Director of Kyushu Toho (to present)</p> <p>■ Number of shares of the Company held: 62,628 shares</p> <p>■ Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)</p> <p>Mr. Takeo Matsutani, who has been executing his duties as Director of the Company, and through he has held Representative Director of Kyushu Toho , has considerable experience and knowledge in the relevant field. We propose his reelection as we expect him to leverage his experience fostered so far and further contribute to the sustainable growth and enhancement of the corporate value of the Company group.</p>	<p>[Positions and responsibilities within the Company]</p> <p>Director</p>	

5. Masami Tada (Date of birth: November 5, 1964)		Reappointment
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>December 2004 Joined TOHO PHARMACEUTICAL (current the Company)</p> <p>May 2020 General Manager of Pharmaceutical Affairs Information Department of TOHO PHARMACEUTICAL (to present)</p> <p>June 2020 Director of the Company (to present)</p> <p>■ Number of shares of the Company held: 1,500 shares</p> <p>■ Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)</p> <p>Ms. Masami Tada, who has been executing her duties as Director of the Company and as the head of the pharmaceutical affairs division, has considerable experience and knowledge in the relevant field. We propose her reelection as we expect her to leverage her experience fostered so far and further contribute to the sustainable growth and enhancement of the corporate value of the Company group.</p>	<p>[Positions and responsibilities within the Company]</p> <p>Director, General Manager of Pharmaceutical Affairs Headquarters and Quality Assurance Department</p>	

6. Kentaro Murakawa (Date of birth: February 28, 1959)		Reappointment
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>April 1982 Joined Daiichi Pharmaceutical Co., Ltd. (current DAIICHI SANKYO COMPANY, LIMITED)</p> <p>April 2016 Corporate Officer, General Manager, Tokyo Branch, Pharmaceutical Sales Headquarters, DAIICHI SANKYO COMPANY, LIMITED</p> <p>April 2018 Corporate Officer, General Manager, Sales Planning Dept., Pharmaceutical Sales Division, DAIICHI SANKYO COMPANY, LIMITED</p> <p>April 2019 President and Representative Director of DAIICHI SANKYO ESPHA CO., LTD.</p> <p>April 2022 Director of DAIICHI SANKYO ESPHA CO., LTD.</p> <p>June 2022 Joined the Company</p> <p>June 2022 Director of the Company (to present)</p> <p>■ Number of shares of the Company held: 4,300 shares</p> <p>■ Reason for the nomination as Director (excluding those who are Audit and Supervisory Committee Members)</p> <p>Mr. Kentaro Murakawa serves as Director of the Company and has held important positions in pharmaceutical companies, gaining considerable knowledge and experience in the pharmaceutical manufacturing and sales business. We propose his reelection as we expect him to leverage his experience fostered so far and further contribute to the sustainable growth and enhancement of the corporate value of the Company group.</p>	<p>[Positions and responsibilities within the Company]</p> <p>Director, in charge of Pharmaceutical Manufacturing and Sales Business</p>	

(Notes)

1. No special interest exists between the candidates for Directors and the Company.
2. Pursuant to Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into directors and officers liability insurance with an insurance company, in which Directors are insured. An outline of the provisions of that policy is as stated in 4. Matters Concerning Company's Executives, (3) Overview of Directors and Officers Liability Insurance Policy of the Business Report. If a candidate for Director is appointed as originally proposed, it is expected that he or her will be one of the insured and the insurance will be renewed to the same extent next time.

Proposal 2: Election of three (3) Directors who are Audit and Supervisory Committee Members

The term of office of all the incumbent Directors who are Audit and Supervisory Committee Members (3 persons) will expire upon the conclusion of this General Meeting of Shareholders.

Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members is proposed.

The consent of the Audit and Supervisory Committee has already been obtained in advance for this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.		Name			Attendance at the Board of Directors meetings for the current fiscal year	Attendance at the Audit and Supervisory Committee meetings for the current fiscal year
1	Reappointment	Yoshiaki Kamoya	Male	Outside Independent	13/13 (100%)	8/8 (100%)
2	Reappointment	Hidehito Kotani	Male	Outside Independent	13/13 (100%)	8/8 (100%)
3	New appointment	Chie Goto	Female	Outside Independent	-	-

1. Yoshiaki Kamoya (Date of birth: October 25, 1955)	Reappointment	Outside Director	Independent officer
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p> <p>April 1978 Joined Shionogi & Co., Ltd.</p> <p>April 2009 Corporate Officer, General Manager of Administration Department, and Senior Vice President of Tokyo Branch Office of Shionogi & Co., Ltd.</p> <p>April 2011 Executive Officer of Shionogi & Co., Ltd.</p> <p>April 2017 Senior Executive Officer and Senior Vice President of Tokyo Branch Office of Shionogi & Co., Ltd.</p> <p>April 2020 Adviser of Shionogi & Co., Ltd. (to present)</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>■ Term of office at the conclusion of this General Meeting: 4years</p> <p>■ Number of shares of the Company held: - shares</p> <p>■ Reason for the nomination as Outside Director who is an Audit and Supervisory Committee Member and overview of expected role</p> <p>Mr. Yoshiaki Kamoya has extensive experience as a person in charge of the business management division at Shionogi & Co., Ltd. and great insight into pharmaceutical administration, having held important positions, including Chairperson of the Distribution Improvement Committee of the Japan Pharmaceutical Manufacturers Association and that of the NHI Pricing Committee of The Federation of Pharmaceutical Manufacturers' Associations of Japan. Since assuming the position of Outside Director of the Company in 2020, based on this experience and insight, he gives advice and makes suggestions about the sustained growth of the Company at Board of Directors and supervises the Company's management from an objective and neutral point of view.</p> <p>In addition, as Chairperson of the Nomination and Compensation Committee, he participates in discussions about the selection of candidates for the Company's officers, settlement of officers' compensation and other matters from an independent point of view. For the above reasons, we continue to propose his election as Outside Director, as we expect him to contribute to advice to and appropriate supervision of the Company from an objective and diversified viewpoint in the future too.</p>		<p>[Positions and responsibilities within the Company]</p> <p>Outside Director (Audit and Supervisory Committee Member)</p>	

2. Hidehito Kotani (Date of birth: December 27, 1967)	Reappointment	Outside Director	Independent officer
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>	<p>[Positions and responsibilities within the Company] Outside Director (Audit and Supervisory Committee Member) [Significant concurrent positions] Representative of Frederick Research GK Representative Director of Novocure Corporation</p>		
<p>April 1994 Joined Pfizer, Inc. (USA), Connecticut State World Central Research Institute</p> <p>January 1998 Joined Banyu Pharmaceutical Co., Ltd. (current MSD K.K.)</p> <p>July 2009 Corporate Officer in charge of Corporate Services and General Manager of the President's Office of Banyu Pharmaceutical Co., Ltd.</p> <p>March 2012 Vice President, Corporate Officer, General Manager of Sales Division, General Manager of President's Office of MSD K.K.</p> <p>March 2012 Vice President of Merck & Co., Inc. (USA)</p> <p>September 2015 Representative Director and President, CEO and CTO of Panasonic Healthcare Holdings Corporation (current PHC Holdings Corporation)</p> <p>September 2019 Representative of Frederick Research GK (to present)</p> <p>February 2022 Representative Director of Novocure Corporation (to present)</p> <p>June 2022 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</p>			
<p>■ Term of office at the conclusion of this General Meeting: 2 years</p>			
<p>■ Number of shares of the Company held: - shares</p>			
<p>■ Reason for the nomination as Outside Director who is an Audit and Supervisory Committee Member and overview of expected role</p> <p>Mr. Hidehito Kotani held important positions at Pfizer Japan Inc., Banyu Pharmaceutical Co., Ltd. (current MSD K.K.), and Merck & Co., Inc, and engaged in business management as Representative Director of Panasonic Healthcare Holdings Co., Ltd. (current PHC Holdings Corporation). Based on these experiences and his great insight into the pharmaceutical, medical equipment and medical IT industries, he has given advice and made suggestions about the sustained growth of the Company at Board meetings and supervises the Company's management from an objective and neutral point of view since he assumed the post of Outside Director of the Company in 2022.</p> <p>Also, as a member of the Nomination and Compensation Committee, he participates in discussions about the selection of candidates for the Company's officers, settlement of officers' compensation and other matters from an independent point of view. For the above reasons, we continue to propose his election as Outside Director, as we expect him to contribute to advice to and appropriate supervision of the Company from an objective and diversified viewpoint in the future too.</p>			

3. Chie Goto (Date of birth: November 30, 1958)	New appointment	Outside Director	Independent officer
<p>■ Career summary, positions and responsibilities within the Company, and significant concurrent positions</p>	<p>[Significant concurrent positions] Partner, Sakura Kyodo Law Office Audit and Supervisory Committee Member (Outside Director) of AVANT GROUP CORPORATION</p>		
<p>April 1984</p>	<p>Joined Société World Corporation.</p>		
<p>April 1988</p>	<p>Joined Tokyo Student Career Information Center Co.</p>		
<p>September 1994</p>	<p>Joined Yamada & Partners Accounting Office</p>		
<p>October 2006</p>	<p>Registered as a lawyer and joined Sakura Kyodo Law Office</p>		
<p>January 2011</p>	<p>Registered as a Certified Public Accountant</p>		
<p>September 2021</p>	<p>Partner, Sakura Kyodo Law Office (to present)</p>		
<p>September 2021</p>	<p>Corporate Auditor (outside) of AVANT CORPORATION (current AVANT GROUP CORPORATION)</p>		
<p>September 2022</p>	<p>Audit and Supervisory Committee Member (Outside Director) of AVANT GROUP CORPORATION (to present)</p>		
<p>■ Term of office (at the conclusion of this General Meeting): - year</p>			
<p>■ Number of shares of the Company held: - shares</p>			
<p>■ Reason for the nomination as Outside Director who is an Audit and Supervisory Committee Member and overview of expected role</p>			
<p>Ms. Chie Goto has a broad insight as a lawyer and a certified public accountant and extensive experience as an outside officer of other companies. We propose her election as Outside Director as we expect her to perform in the management and supervision of the Company by utilizing her professional knowledge of corporate law and accounting that is fostered through activities as a lawyer and a certified public accountant.</p>			

(Notes)

1. No special interest exists between the candidates for Directors and the Company.
2. Mr. Yoshiaki Kamoya, Mr. Hidehito Kotani and Ms. Chie Goto are candidates for Outside Directors who are Audit and Supervisory Committee Members.
3. The Company has designated Mr. Yoshiaki Kamoya, Mr. Hidehito Kotani as independent officers pursuant to the rules of Tokyo Stock Exchange, Inc., and has reported the appointment to Tokyo Stock Exchange, Inc. If they are appointed as originally proposed, they will continue to be the independent officers. If Ms. Chie Goto is appointed as originally proposed, he will newly become an independent officer.
4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company and Mr. Yoshiaki Kamoya and Mr. Hidehito Kotani have entered into an agreement to limit the damage liability as referred to in Article 423, Paragraph 1 of the Companies Act to the maximum amount prescribed in laws and regulations and the Articles of Incorporation. It is expected that, when he is reappointed, such agreement will continue to be effective.
5. If Ms. Chie Goto is appointed as originally proposed, pursuant to Article 427, Paragraph 1 of the Companies Act, it is expected that the Company and each of them will enter into an agreement to limit the damage liability as referred to in Article 423, Paragraph 1 of the Companies Act to the maximum amount prescribed in laws and regulations and the Articles of Incorporation.
6. Pursuant to Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into directors and officers liability insurance with an insurance company, in which Directors who are Audit and Supervisory Committee Members are insured. An outline of the provisions of that policy is as stated in 4. Matters Concerning Company's Executives, (3) Overview of Directors and Officers Liability Insurance Policy of the Business Report. If a candidate for Director who is an Audit and Supervisory Committee Member is appointed as originally proposed, it is expected that he will be one of the insured and the insurance will be renewed to the same extent next time.

Proposal 3 : Revision of the details of compensation to give restricted stock to the Company's Directors (excluding those who are Audit and Supervisory Committee Members) in accordance with the revision of the restricted stock compensation system

This proposal is made to obtain approval for modification of the details of compensation to give restricted stock to the Company's Directors (excluding those who are Audit and Supervisory Committee Members; hereinafter referred to as "Target Directors") by altering the present restricted stock compensation system (hereinafter referred to as the "System").

The amount of remuneration, etc., of not more than 700 million yen a year for the Company's Directors (excluding those who are Audit and Supervisory Committee Members) (including that of not more than 50 million yen a year for Outside Directors; a salary for an employee is not included in compensation for an employee and Director) was approved at the 68th Ordinary Shareholders' Meeting held on June 29, 2016. In addition, at the 69th Ordinary Shareholders' Meeting held on June 29, 2017, settling the amount of remuneration, etc., relating to the System at not more than 55 million yen a year (including remuneration of not more than 5 million yen a year for Outside Directors) within the said amount was approved. Moreover, the specific time of payment and division to each of the Target Directors will be decided by the Company's Board of Directors.

This time, with the aim of giving even more incentive to enhance the Company's corporate value continuously through Target Directors' terms of office and realizing value in common with shareholders for as long as possible, in addition to modification of the period of restriction on transfer pertaining to restricted stock for Target Directors from a "period predetermined by the Company's Board of Directors between 3 and 5 years" to a "period from the day of allotment of restricted stock to the day of resignation or retirement, etc., from any of the positions of the officers and employees of the Company and its subsidiaries which are predetermined by the Company's Board of Directors," the Company wishes to modify the details of the System.

The Company formulated a policy on settlement of remuneration, etc., for individual Directors at the Board of Directors held on January 22, 2021. This proposal gives a necessary and reasonable way to pay remuneration, etc., to individual Directors in accordance with that policy on settlement. Furthermore, the ratio of the total number of shares issued or disposed of for Target Directors (as of March 29, 2024) is 0.1% or less. Therefore, we consider the details of this proposal appropriate.

The number of present Target Directors is six. If Proposal No. 1 "Election of six (6) Directors (excluding those who are Audit and Supervisory Committee Members)" is approved as made, the number of Target Directors will also amount to six.

In addition, to Target Directors, all monetary compensation claims provided based on this proposal will be given as property contributed in kind according to a resolution of the Company's Board of Directors, and the Company's common stocks will be issued to or disposed of for the Target Directors. Then, the total number of the Company's common stocks issued or disposed of shall be not more than 25,000 a year (including common stocks of not more than 3,000 for Outside Directors; a salary for an employee shall not be included in compensation for an employee and Director) (if a share split (including allotment of the Company's common stocks without contribution) or share consolidation is carried out in connection with the Company's common stocks or in the case of the occurrence of another event which needs adjustment of the total number of the Company's common stocks issued or disposed of as restricted stock, on and after the day on which this proposal is approved, that total number of common stocks shall be adjusted within a reasonable range. Moreover, an amount to be paid in per share of the Company's common stocks issued or disposed of shall be settled by the Company's Board of Directors to the extent that such amount will not be an amount especially advantageous to Target Directors for whom those common stocks are issued or disposed of, on the basis of the closing price of the Company's common stocks at the Prime Market of the Tokyo Stock Exchange on the business day prior to the day of resolution of the Board of Directors (or the closing price on the day before that business day on which a transaction of that common stocks has been last carried out if that transaction is not carried out on the business day). Furthermore, the monetary compensation claims mentioned above shall be given on condition that a Target Director agrees to the contribution in kind as mentioned above and has entered into an allotment contract for restricted stock which contains the following provisions (hereinafter referred to as the "Allotment Contract" with the Company.

(1) Period of restriction on transfer

Subject to the Allotment Contract, during a period from the day of allotment of restricted stock to the day of resignation or retirement, etc., from any of the positions of the officers and employees of the Company and its subsidiaries which are predetermined by the Company's Board of Directors (if that day of resignation or retirement, etc., falls before the day on which three months have passed from the beginning of the business year which includes the day of allotment of restricted stock, the Company's Board of Directors may adjust the end of the period of restriction on transfer to a reasonable extent; hereinafter referred to as the "Revised Period of Restriction on Transfer"), a Target Director shall not transfer, create a security right on or otherwise dispose of the Company's common stocks allotted to him/her pursuant to the Allotment Contract (hereinafter referred to as "Allotted Shares") (hereinafter referred to as "Restriction on Transfer").

(2) Termination of Restriction on Transfer

Notwithstanding the provisions of (1) above, on condition that a Target Director continues to be in any of the positions of the Company or its subsidiaries which are predetermined by the Company's Board of Directors during the Revised Period of Restriction on Transfer, the Company shall terminate Restriction on Transfer for all of his/her Allotted Shares at the time of the expiration of the Revised Period of Restriction on Transfer, provided that, if that Target Director resigns or retires, etc., from any of the positions of the Company or its subsidiaries which are predetermined by the Company's Board of Directors owing to the expiration of his/her term of office, death or on other reasonable grounds before the expiration of the Revised Period of Restriction on Transfer, the Company shall reasonably adjust the number of Allotted Shares for which Restriction on Transfer is to be terminated and the time of termination of Restriction on Transfer, as necessary.

(3) Acquisition without compensation

The Company shall naturally acquire without compensation Allotted Shares for which Restriction on Transfer is not terminated pursuant to the provisions of (2) above at the time of the expiration of the Revised Period of Restriction on Transfer.

(4) Handling at reorganization, etc

Notwithstanding the provisions of (1) above, if a matter connected with a reorganization, etc., such as a merger agreement pursuant to which the Company becomes a disappearing company or a share exchange agreement or share transfer plan according to which the Company becomes a wholly owned subsidiary company, is approved at the Company's General Meeting of Shareholders (or the Company's Board of Directors when that reorganization, etc., requires no approval of the Company's General Meeting of Shareholders) during the Revised Period of Restriction on Transfer, the Company shall reasonably settle the number of Allotted Shares based on a period from the start date of the Revised Period of Restriction on Transfer to the date of approval for that reorganization, etc., and shall terminate Restriction on Transfer regarding that number of the Allotted Shares prior to the effective date of the reorganization etc., according to a resolution of the Company's Board of Directors. In that case, the Company shall naturally acquire without compensation Allotted Shares for which Restriction on Transfer is not terminated at the time immediately after Restriction on Transfer is so terminated in accordance with the provisions mentioned above.

(5) Other matters to be decided by the Board of Directors

In addition to items (1) through (4) above, the provisions of the Allotment Contract shall include the methods of expressing intention, giving a notice and amending the Allotment Contract and other matters to be decided by the Board of Directors.

(Attachment)

Business Report

[from April 1, 2023 to March 31, 2024]

1. Current Situation of the Corporate Group

(1) Business Conditions for the Current Fiscal Year

1) Business Progress and Results

During the fiscal year under review, the prescription pharmaceuticals market continued to be affected by the promotion of measures to curb medical expenses, such as the off-year NHI drug price revisions in April 2023. In addition, owing to the continued adjustment of shipments of certain prescription pharmaceutical products, the outlook for the market remained uncertain. In the Group, although sales of test reagents and test kits for detecting COVID-19 plummeted from the previous year, overall sales of new coronavirus-related products did not tumble as much as initially expected, and sales of specialty pharmaceuticals and other limited-handling products for selected wholesalers continued to grow. This favorable sales performance combined with changes in the distribution system by some pharmaceutical manufacturers resulted in higher sales and profits than in the preceding year.

In May 2023, the Group announced the Medium-term Management Plan 2023-2025 “Create the Next Generation,” for the three-year period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026 as follows. It set out four basic policies: (1) Business transformation, (2) Investment for growth and improvement of profitability, (3) Sustainability management, and (4) Improvement of capital efficiency and enhancement of shareholder returns, and based on these policies, we implemented specific measures to maintain sustainable growth and enhance corporate value through such means as active business alliances and digital transformation (DX).

In the area of business transformation, in order to promote wholesaling business transformation, we made in July 2023 substantial organizational changes to TOHO PHARMACEUTICAL CO., LTD., a consolidated subsidiary engaged in the pharmaceutical wholesaling business, mainly in the sales division, and are accelerating initiatives to reorganize the sales structure based on secondary medical care areas to promote community-based initiatives. The major theme of the transformation was the integration of pharmaceuticals and reagents, and we pushed forward with joint promotion of pharmaceutical MS (Marketing Specialist) and reagent MS. We also worked to streamline sales and delivery operations by consolidating and closing business sites and clarifying the roles of MS and EMS (ENIF Marketing Supporter) ^(Note1). Furthermore, in order to create new added value by integrating cutting-edge technologies with various functions, including our unique customer support systems, through active alliances, we established a joint research laboratory with the National Institute of Advanced Industrial Science and Technology (AIST) and launched joint research aimed at establishing universal medical access ^(Note2). We have also formed a capital and business alliance with MICIN, Inc., which is engaged in the online medical business, clinical development digital solution business, etc., launched a project team made up of six working groups, and started to collaborate in some businesses.

With regard to investment for growth and improvement of profitability, we have started handling regenerative medical products, for which market growth is expected, and established a Regenerative Medicine Management Office within TOHO PHARMACEUTICAL CO., LTD. to build a system for proper distribution. We have also set up the Investment Committee to implement disciplined investments by verifying the appropriateness, analyzing profitability, assessing growth potential, and understanding potential risks of investment projects from financial and business strategy perspectives.

With regard to the promotion of sustainability, we have established short-, medium-, and long-term CO2 emissions reduction targets, and in a bid to achieve these targets, we are switching to electricity plans derived from renewable energy sources, installing solar panels, and introducing EVs at our offices and distribution centers. Since March of this year, TOHO PHARMACEUTICAL CO., LTD. and 15 pharmacies in the Group have participated in ReMed™, a recycling project for used pre-filled injection pens, which Novo Nordisk Pharma has launched on a trial basis for the first time in Japan, thereby contributing to the reduction of plastic waste (footprint).

In the area of capital policy, we worked for improvement of capital efficiency and enhancement of shareholder returns by continuously reducing cross-shareholdings, implementing two share buybacks (6 billion yen each for a total of 12 billion yen), and canceling all of the shares acquired in the second buyback.

In addition, in order to accelerate the implementation of these initiatives of the Medium-term Management Plan and increase their effectiveness, we have decided to establish the Management Strategy Committee as an advisory body to the Board of Directors to discuss and review important management and business strategies and other matters. In March 2024, we reorganized the organization of TOHO HOLDINGS and established the Corporate Strategy Division and the Logistics and Systems Planning Division, with the aim of strengthening concrete measures.

The Company's consolidated operating results for fiscal year ended March 31, 2024 recorded 1,476,712 million yen for net sales (an increase of 6.1% on a year-on-year basis), 19,331 million yen for operating profit (an increase of 18.1% on a year-on-year basis), 21,787 million yen for ordinary profit (an increase of 13.6% on a year-on-year basis), and 20,657 million yen for profit attributable to owners of parent (an increase of 51.5% on a year-on-year basis).

We have decided to include revenues from information service fees, etc., which were previously recorded as nonoperating income in net sales, beginning with the first quarter of the fiscal year under review. In order to reflect this change in the presentation method, revenues from information service fees, etc. for the previous fiscal year have been reclassified to net sales.

Pharmaceutical wholesaling business

In the pharmaceutical wholesaling business, we made efforts to respond to shipment adjustments due to the tight supply and demand of antipyretics and analgesics, cough medicines, expectorants, and measles vaccines. Sales of specialty pharmaceuticals and other limited-handling products for selected wholesalers continued to grow. This together with changes in the distribution arrangements at some pharmaceutical manufacturers also contributed to increased sales. In price negotiations with medical institutions, we continued our efforts to negotiate unit prices for individual products in order to better reflect their individual value and distribution costs. Our actions for customer support systems included strengthening promotions using video and remote detailing ^(Note3), promoting the introduction of the ENIFvoice series mainly to drugstores, facilitating a switch from ENIF to FutureENIF, and ramping up the proposal activity of Byoin-Navi's website-creating service. As a result, the pharmaceutical wholesaling business posted net sales of 1,424,488 million yen (an increase of 6.3% on a year-on-year basis) and segment profit (operating profit) of 19,453 million yen (an increase of 39.0% on a year-on-year basis) for the consolidated fiscal year under review.

Dispensing pharmacy business

In the 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 reorganized operating companies, opened and closed pharmacies with an emphasis on profitability, and worked to strengthen cooperation with clinics specialized in providing home-based care. In addition, we have launched a portal application, Kyoso Mirai Pharmacy Health Navi, which includes a function for sending prescriptions and an electronic medicine notebook, to promote digitalization. During this fiscal year under review, although the number of prescriptions increased owing to a rebound from patients' reluctance to seek care, the transitional measure for the community support system incentives was terminated, reducing technical fees. As a result, net sales of the dispensing pharmacy business were 93,789 million yen (an increase of 1.6% year on year) and segment profit (operating profit) was 1,546 million yen (a decrease of 36.4% year on year).

Pharmaceutical manufacturing and sales business

In the pharmaceutical manufacturing and sales business, the Group engaged in the stable supply of high-quality and high value-added pharmaceuticals by strictly monitoring the quality of products based on its own verification system and establishing a planned production system. The number of large hospitals with 200 or more beds that adopted generic drugs sold by KYOSOMIRAI PHARMA exceeded 1,000. As a result, the pharmaceutical manufacturing and sales business posted net sales of 10,593 million yen (an increase of 6.5% on a year-on-year basis.) and segment profit (operating profit) of 755 million yen (a decrease of 12.6% on a year-on-year basis.).

Other peripheral businesses

In the other peripheral businesses, net sales amounted to 6,147 million yen (a decrease of 7.4% on a year-on-year basis.) and segment profit (operating profit) was 448 million yen (a decrease of 27.9% on a year-on-year basis.).

(Note) 1. EMS means a person in charge of delivery.

2. Universal medical access refers to the system that allows everyone to provide high quality medical and nursing care without anxiety, regardless of the skill level of the medical or nursing personnel. It also refers to the highest level of medical accessibility, which allows people to access necessary and sufficient medical and nursing care regardless of where they live, even in the event of a disaster or emergency.
3. Remote Detailing refers to the provision of information online to healthcare professionals by a specialist.
4. Segment sales include inter-segment transactions.

◇Net sales in each department

The net sales in each department for the consolidated fiscal year under review was as follows:

Department	Amount (million yen)	Composition ratio (%)	Increase/decrease compared to the previous fiscal year (%)
Pharmaceutical wholesaling business	1,375,794	93.2	6.4
Pharmaceuticals	1,216,951		
Reagents	75,565		
Others	83,277		
Dispensing pharmacy business	93,774	6.3	1.6
Pharmaceutical manufacturing and sales business	2,442	0.2	16.0
Other peripheral business	4,701	0.3	-5.7
Total	1,476,712	100.0	6.1

(Note) Sales represent sales to external customers.

2) Status of Capital Investment

The total amount of capital investment by the Group was 4,162 million yen, of which the main items were new construction and renovation of sales offices in the pharmaceutical wholesaling business.

3) Status of Fund Procurement

According to the resolution at the Board of Directors held on May 31, 2023, the Company issued Euro-yen convertible bonds due 2028 to raise 22,110 million yen.

(2) Status of Assets and Profits and Losses

1) Trends of the Status of Business Performance and Assets of the Corporate Group

Item	The 73rd fiscal year (ended March 31, 2021)	The 74th fiscal year (ended March 31, 2022)	The 75th fiscal year (ended March 31, 2023)	The 76th fiscal year (Consolidated fiscal year under review) (ended March 31, 2024)
Net sales (million yen)	1,210,274	1,266,171	1,392,117	1,476,712
Ordinary income (million yen)	10,289	18,182	19,176	21,787
Profit attributable to owners of parent (million yen)	4,989	13,379	13,630	20,657
Net income per share	70.77 yen	189.70 yen	196.70 yen	320.14 yen

Total assets (million yen)	683,181	702,376	715,288	773,427
----------------------------	---------	---------	---------	---------

(Note) Since the 76th term, the Company has changed the method of presenting revenues from information service fees, etc., to be included in net sales, not in non-operating income, and for the 75th term, figures reflecting that change are stated.

2) Trends of the Status of Business Performance and Assets of the Company

Item	The 73rd fiscal year (ended March 31, 2021)	The 74th fiscal year (ended March 31, 2022)	The 75th fiscal year (ended March 31, 2023)	The 76th fiscal year (Consolidated fiscal year under review) (ended March 31, 2024)
Net sales (million yen)	11,382	7,308	13,039	12,515
Ordinary income (million yen)	6,840	2,080	7,260	4,883
Net income (million yen)	10,245	4,014	9,655	13,118
Net income per share	145.29 yen	56.91 yen	139.32 yen	203.27 yen
Total assets (million yen)	260,028	254,760	253,452	267,428

(Note) Since the 76th term, the Company has changed the method of presenting revenues from information service fees, etc., to be included in net sales, not in non-operating income, and for the 75th term, figures reflecting that change are stated.

(3) Status of Significant Parent Company and Subsidiary Companies (as of March 31, 2024)

1) Status of Parent Company

Not applicable

2) Status of Material Subsidiaries (Consolidated Subsidiaries)

Company name	Capital (million yen)	The Company's percentage of equity participation (%)	Principal business
TOHO PHARMACEUTICAL	300	100.00	Pharmaceutical wholesaling
Kyushu Toho	522	100.00	Pharmaceutical wholesaling
SAYWELL	95	100.00	Pharmaceutical wholesaling
Koyo	72	100.00	Pharmaceutical wholesaling
SQUARE-ONE	100	100.00	Leasing of real estate properties
Toho System Service	10	100.00	Information processing business
Pharma Cluster	10	100.00	Management services for dispensing pharmacy business companies
Pharma-Daiwa	100	100.00	Operation of dispensing pharmacies
J. Mirai Medical	100	100.00	Operation of dispensing pharmacies
Shimizu Pharmacy	67	100.00	Operation of dispensing pharmacies
Pharma Mirai	50	100.00	Operation of dispensing pharmacies and small-lot wholesaling of pharmaceuticals
Seiko Medical Brain	30	100.00	Operation of dispensing pharmacies
Strelitzia	25	100.00	Operation of dispensing pharmacies
VEGA PHARMA	10	100.00	Operation of dispensing pharmacies
Cure	5	100.00	Operation of dispensing pharmacies
Aobado	3	100.00	Operation of dispensing pharmacies
Kosei	3	100.00	Operation of dispensing pharmacies
KYOSOMIRAI PHARMA	199	100.00	Manufacture and sales of pharmaceuticals
Tokyo Research Center of Clinical Pharmacology	401	100.00	SMO
ALF	90	91.48	Manufacture and marketing of information processing equipment
Nextit Research Institute	20	100.00	Software development and sales, corporate and medical management consulting
eKenkoshop	50	90.05	Internet business relates to a pharmaceutical
eHealthcare	79	95.80	Provision of business relates to medical information

(Note) The Company's percentage of equity participation includes indirect ownership.

(4) Challenges to be Addressed

Setting “Total Commitment to Good Health” as our corporate slogan and under the mission statement, “Working in harmony with society and customers, and jointly creating new value through the provision of original services, thereby contributing to the improvement of medical services for, and health of, people around the world”, the Group always places ultimate priority on people who wish to be healthy, makes efforts to create customer value in order to increase customer satisfaction, and aims to improve corporate value and establish a corporate brand in the market.

Aiming to develop and maintain sustainable social security systems amidst the extending healthy life expectancy, a super-aging society, and decrease in the total population in Japan, various measures have been introduced to curb medical costs, including an annual revision of NHI drug prices and charging patients who opt for brand-name drugs (long-term listed drugs) rather than cheaper generic drugs (selective treatment) an additional fee. In addition, efforts are being made to promote medical DX and build a Community-based Integrated Care System in order to ensure that citizens can receive high-quality medical services and care. In recent years, there have been many new expensive drugs that require strict control, such as gene therapy pharmaceuticals and regenerative medical products, and so the pharmaceutical modality^(Note) has changed significantly. Accordingly, it has become necessary to establish sales and logistics systems that can respond to the diversity of pharmaceutical and other products.

As the environment surrounding the medical and pharmaceutical industries is changing at an ever-accelerating pace as described above, in order to continue to provide added value to medical institutions, people who wish for good health, and other stakeholders and to remain a company that contributes to society in the next generation and beyond, we have formulated the Medium-term Management Plan 2023-2025 “Create the Next Generation” with the fiscal year ending March 31, 2026 as the final year. It sets out the four basic policies: (1) Business transformation, (2) Investment for growth and improvement of profitability, (3) Sustainability management, and (4) Improvement of capital efficiency and enhancement of shareholder returns, and based on these policies, we are pressing ahead with each measure to realize the Group’s vision.

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 sustainability management to resolve them. As a company responsible for the distribution of pharmaceuticals and other products, we regard coping with both environmental conservation and business activities as our most important issue. Therefore, we have set short-, medium-, and long-term reduction targets for CO2 emissions and are working to improve delivery efficiency, including optimizing the number of deliveries, installing solar panels, introducing EVs, and switching to electricity plans derived from renewable energy sources.

Based on the belief that employees are the company’s assets, or “human capital,” the Group is, while carefully passing on its history of growth through human capital and its corporate culture that respects the out-of-box-thinking of employees, committed to utilizing a wide range of human resources regardless of gender, nationality, age, etc., and to developing human resources through participation in various training programs and projects, as well as to promoting work-style reforms. We will also foster a free and active corporate culture and maximize human capital value by respecting the human rights and personality of each employee. Meanwhile, in order to carry out sound business activities, we will further strengthen governance and all executives and employees will give top priority to "compliance with relevant laws and regulations" and "compliance and risk management."

In addition, in recognition of its public nature as a medical and health-related company and its mission as a social infrastructure, the Company will continue to invest in measures against earthquakes and pandemics, and other measures necessary for the stable supply of pharmaceuticals, based on the trust and sympathy of each stakeholder, in order to sustain the medical care system even in an emergency.

Through the implementation of the above-mentioned measures, we will strive to become a corporate group relied upon and continuously supported by all stakeholders including people who wish to be healthy, customers, local communities, shareholders and employees.

(Note) Modality refers to the type of therapeutic means, such as drug discovery technologies and methods.

(5) Principal Business (as of March 31, 2024)

Department	Principal business
Pharmaceutical wholesaling business	Sales of pharmaceuticals, narcotic drugs, regents, etc., and sales of medical devices
Dispensing pharmacy business	Operation of insurance dispensing pharmacies, home-care support services, and sales of pharmaceuticals
Pharmaceutical manufacturing and sales business	Manufacture and sales of prescription pharmaceuticals and contract manufacture of injection drugs
Other peripheral business	Peripheral businesses related to the above businesses

(6) Principal Business Locations (as of March 31, 2024)

Company name	Business office	Location	
The Company	Head office	5-2-1, Daizawa, Setagaya-ku, Tokyo	
	Yaesu office	2-2-1, Yaesu, Chuo-ku, Tokyo	
	Subsidiary	TOHO PHARMACEUTICAL (Tokyo) Pharma Cluster (Tokyo) Toho System Service (Tokyo) SQUARE-ONE (Tokyo) KYOSO MIRAI PHARMA (Tokyo) Tokyo Research Center of Clinical Pharmacology (Tokyo) ALF (Tokyo) eKenkoshop (Tokyo) eHealthcare (Tokyo) Shimizu Pharmacy (Tokyo) Aobado (Osaka) Kosei (Osaka) Nextit Research Institute (Hyogo) Seiko Medical Brain (Fukuoka)	
TOHO PHARMACEUTICAL (Pharmaceutical wholesaling business)	Head office	5-2-1, Daizawa, Setagaya-ku, Tokyo	
	Branch	Hokkaido and Tohoku branches	Hokkaido, Aomori, Iwate, Miyagi, Akita, Yamagata, and Fukushima
		Northern Kanto and Koshinetsu branches	Ibaraki, Tochigi, Gunma, Niigata, Yamanashi, and Nagano
		Tokyo Metropolitan Area branches	Saitama, Chiba, Tokyo, and Kanagawa
		Tokai and Hokuriku branches	Gifu, Shizuoka, Aichi, and Mie
		Kansai branches	Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama
	Distribution center	TBC Sapporo (Hokkaido), TBC Sano (Tochigi), TBC Saitama (Saitama), TBC Omiya (Saitama), TBC DynaBASE (Tokyo), TBC WILL Shinagawa (Tokyo), TBC Hokuriku(Ishikawa), TBC Hanshin (Hyogo), TBC Hiroshima (Hiroshima), TBC Kyushu (Kumamoto)	
Subsidiary	SAYWELL (Hiroshima) Koyo (Kagawa) Kyushu Toho (Fukuoka)		
Pharma Cluster (Dispensing pharmacy business)	Head office	2-2-1, Yaesu, Chuo-ku, Tokyo	
	Subsidiary	Pharma Mirai (Tokyo) Strelitzia (Tokyo) Cure (Niigata) J. Mirai Medical (Osaka) VEGA PHARMA (Osaka) Pharma-Daiwa (Kumamoto)	

(Note) Strelitzia and Cure are a subsidiary of PHARMA MIRAI .

(7) Status of Employees (as of March 31, 2024)

1) Number of Employees of the Corporate Group

Number of employees	Increase/decrease from the previous consolidated fiscal year-end
7,572	Decreased by 127

(Notes) 1. The number of employees includes contract employees and employees re-employed after the mandatory retirement age.

2. The number of employees excludes temporary workers, etc.

2) Number of Employees of the Company

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average number of years of continued service
192	—	47 years and 3 months	18 years and 5 months

(Notes) 1. The number of employees includes contract employees and employees re-employed after the mandatory retirement age.

2. The number of employees excludes temporary workers, etc.

3. The number of employees excludes eighteen (18) persons who were temporarily transferred to other companies.

4. The number of employees includes ten (10) persons who were temporarily transferred to the Company from other companies.

(8) Status of Major Banks (as of March 31, 2024)

Bank	Borrowing (million yen)
Mizuho Bank, Ltd.	2,651
MUFG Bank, Ltd.	668
Sumitomo Mitsui Banking Corporation	2,218

(Note) The status of the banks from which the Company and its consolidated subsidiaries borrow money is described.

2. Matters Concerning Shares (as of March 31, 2024)

(1) Total number of shares authorized to be issued 192,000,000 shares

(2) Total number of shares outstanding 76,431,342 shares

(3) Number of shareholders 4,401 persons

(4) Major shareholders

Shareholder name	Number of shares (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,314	10.05
Shionogi & Co., Ltd.	3,500	5.57
Custody Bank of Japan, Ltd. (Trust Account)	1,904	3.03
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,904	3.03
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust, Daiichi Sankyo Account Re-trust Trustee, Custody Bank of Japan, Ltd.	1,637	2.60
TOHO HOLDINGS Employee Stock Ownership Plan	1,531	2.43
Mizuho Securities Co., Ltd.	1,526	2.43
Hiroyuki Kono	1,333	2.12
BNP PARIBAS FINANCIAL MARKETS	1,304	2.07
JPMorgan Securities Japan Co., Ltd.	1,269	2.02

(Note) The shareholding ratio is calculated excluding the treasury shares (13,639,304 shares) held by the Company.

(5) Status of shares delivered to Company's executives as consideration for their execution of duties during the fiscal year under review

Directors' Category	Number of shares	Number of grantees
Directors (excluding those who are Audit and Supervisory Committee Members)	11,500	6

(Note) Directors who are Audit and Supervisory Committee Members were not granted.

(Reference) Matters concerning shares held by the Company

Comprehensively taking into account a management strategy, building, maintenance and strengthening of relations with business connections and other matters, the Company holds shares that it finds to contribute to enhancement of the Group's corporate value from a medium- to long-term point of view.

The Company regularly reviews the appropriateness of holding those shares in such a way as minutely examining whether an advantage, etc., to holding the shares of each of the companies meets the Company's policy and selling the shares of any of the companies if it does not find holding of them appropriate.

As announced in the Medium-term Management Plan 2023-2025 "Create the Next Generation" in May 2023, the Company will continue with the reduction of cross-shareholdings after sufficient dialogue with companies whose shares it holds. According to the policy, in the fiscal year under review, the Company sold shares of considerably over 13,188 million yen, a significant increase over previous fiscal year.

Status of cross-shareholdings

	The 72nd fiscal year (ended March 31, 2020)	The 73rd fiscal year (ended March 31, 2021)	The 74th fiscal year (ended March 31, 2022)	The 75th fiscal year (ended March 31, 2023)	The 76th fiscal year (Consolidated fiscal year under review) (ended March 31, 2024)
Ratio to net assets	29.0	29.0	23.2	20.7	19.5
Total of the amounts recorded on balance sheet (million yen)	67,098	68,833	55,900	50,368	48,765

(Notes) 1. The above amounts include unlisted shares.

2. The Company does not have any shares deemed to be held.

Changes in Amount of Shares Sold and Number of Issues Sold

	The 72nd fiscal year (ended March 31, 2020)	The 73rd fiscal year (ended March 31, 2021)	The 74th fiscal year (ended March 31, 2022)	The 75th fiscal year (ended March 31, 2023)	The 76th fiscal year (Consolidated fiscal year under review) (ended March 31, 2024)
Number of issues	52	16	15	12	12
Amount(million yen)	2,298	7,391	5,195	5,808	13,188

(Notes) Including a partial sale.

3. Matters Concerning Subscription Rights to Shares, etc.

Status of subscription rights to shares held by the Company's executives as of the last day of the consolidated fiscal year under review

Name (Issuance date)	Number of subscription rights to shares	Type and number of shares subject to subscription rights to shares	Amount to be paid in for subscription rights to shares	Exercise value of subscription rights to shares	Exercise period of subscription rights to shares	Number of persons holding subscription rights to shares
The first subscription rights to shares (September 24, 2013)	23	Common stocks 2,300 shares	1,505 yen per share	1 yen per share	From September 25, 2013 to September 24, 2043	1 Director
The second subscription rights to shares (December 24, 2015)	32	Common stocks 3,200 shares	2,585 yen per share	1 yen per share	From December 25, 2015 to December 24, 2045	4 Directors (excluding Outside Directors) 1 Outside Directors
The third subscription rights to shares (February 6, 2017)	90	Common stocks 9,000 shares	2,191 yen per share	1 yen per share	From February 7, 2017 to February 6, 2047	4 Directors (excluding Outside Directors) 1 Outside Directors

(Notes) 1. Principal exercise condition for the first and second subscription rights to shares

When a share option holder loses his/her position as a director, auditor, or corporate officer of the Company and is no longer in any such position, he/she can exercise, on or after the day when he/she has lost the position, the subscription rights to shares allocated to him/her based on the status that he/she has lost.

2. Principal exercise condition for the third subscription rights to shares

A share option holder can exercise the subscription rights to shares from the day after the day on which three years have passed since the day after the day on which the subscription rights to shares were allocated.

4. Matters Concerning Company's Executives

(1) Status of Directors (as of March 31, 2024)

Name	Position and areas of responsibility within the Company	Significant concurrent positions
Atsushi Udoh	Representative Director, CEO	President and Representative Director of TOHO PHARMACEUTICAL
Hiroshi Eda	Representative Director, CFO	
Akira Umada	Senior Executive Managing Director, COO	
Takeo Matsutani	Director	
Masami Tada	Director, General Manager of Pharmaceutical Affairs Headquarters and Quality Assurance Department	

Name	Position and areas of responsibility within the Company	Significant concurrent positions
Kentaro Murakawa	Director, in charge of Pharmaceutical Manufacturing and Sales Business	
Yoshiaki Kamoya	Director (Audit and Supervisory Committee Member)	
Shunsuke Watanabe	Director (Audit and Supervisory Committee Member)	Visiting Professor, Graduate School of International University of Health and Welfare
Hidehito Kotani	Director (Audit and Supervisory Committee Member)	Representative of Frederick Research GK Representative Director of Novocure Corporation

- (Notes)
1. Directors who are Audit and Supervisory Committee Members, Yoshiaki Kamoya, Shunsuke Watanabe, and Hidehito Kotani, are Outside Directors. The Company has designated each of them as independent directors in accordance with the Tokyo Stock Exchange, Inc.'s regulations and has notified the Tokyo Stock Exchange to that effect.
 2. Mr. Hidehito Kotani, Director who is an Audit and Supervisory Committee Member, has considerable knowledge of finance and accounting through his career in corporate manager.
 3. The Company has not selected a full-time Audit and Supervisory Committee Member because it has assigned employees to assist the Audit and Supervisory Committee in performing its duties.

(2) Outline of Limitation of Liability Contracts

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded with Directors who are Audit and Supervisory Committee Members, Mr. Yoshiaki Kamoya, Mr. Shunsuke Watanabe and Mr. Hidehito Kotani contracts under which liability for the damage provided in Article 423, Paragraph 1 of the Companies Act is limited to the maximum amount prescribed in laws and regulations and the Company's Articles of Incorporation.

(3) Overview of Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Pursuant to that insurance contract, this means damages, litigation expenses, etc., and the like which the insured would suffer owing to a claim for damages which arises from an act performed by the insured in the position of an officer or the like of the Company. In this respect, to prevent the properness of execution of duties by the insured from being impaired, if the insured commits a criminal act or intentional violation of laws and regulations, a loss arising from the act or violation will not be made up pursuant to the insurance contract. The insured persons under the policy are main executors such as Directors and auditors of the Company and its subsidiaries.

(4) Remuneration, etc. for Directors for the Fiscal Year under Review

1) Matters concerning the Policy for Determining Remuneration, etc. for Each Individual Director

At the Board of Directors' meeting held on January 22, 2021, a resolution on the policy for determining remuneration, etc. for each individual director has been passed.

The Company has established the following policy for determining remuneration, etc. for each individual director.

I. Policy for determining the amount of base remuneration (monetary remuneration) for each individual director

Base remuneration for Directors shall be paid monthly as a fixed salary in accordance with the position and role of each director, in consideration of the business environment surrounding the Company. The bonus for Directors shall be determined in accordance with the level of contribution to the business performance of the Company and paid at a certain time of the year.

II. Policy for determining the details and the calculation method of the amount or number of non-monetary remuneration

The Company has introduced the restricted stock compensation system as non-monetary remuneration. When implementing such remuneration, the board of directors shall decide on whether or not to implement and the allocation thereof within the scope of the remuneration limit resolved at the general meeting of shareholders.

III. Policy on determining the ratio of the amount of remuneration for each individual director such as base remuneration (monetary remuneration) and non-monetary remuneration

The payment ratio of remuneration, etc. for each individual director shall be the most appropriate ratio in order to contribute to the sustainable growth of the Company and the improvement of corporate value over the medium to long term.

2) Matters concerning the Resolution of General Meetings of Shareholders on Remuneration, etc. of Directors

The Company distinguishes the remuneration, etc. to the Directors (excluding those who are Audit and Supervisory Committee Members) from the remuneration, etc. to the Directors who are Audit and Supervisory Committee Members. At the 68th General Meeting of Shareholders held on June 29, 2016, a resolution was passed to the effect that the maximum amount of the remuneration to the Directors (excluding those who are Audit and Supervisory Committee Members) and to the Directors who are Audit and Supervisory Committee Members should be “no more than 700 million yen per year” (of which, the remuneration to the Outside Directors should be no more than 50 million yen) (excluding, however, employee salaries) and “no more than 50 million yen per year”, respectively. As of the end of the said general meeting of shareholders, the number of Directors (excluding those who are Audit and Supervisory Committee Members) was 16 (of which, three (3) were outside directors) and that of Directors who are Audit and Supervisory Committee Members was three (3) (of which, two (2) were outside directors).

With the aim of giving even more incentive to undertake sustainable enhancement of the Company’s corporate value and of further promoting value-sharing with shareholders, at the 69th General Meeting of Shareholders held on June 29, 2017, a resolution was passed to introduce restricted stock compensation that shall be no more than 55 million yen per year (out of this amount, the amount of remuneration to Outside Directors shall be no more than 5 million yen per year), to the extent of the amount of remuneration, etc. to the Directors (excluding those who are Audit and Supervisory Committee Members). As of the end of the said general meeting of shareholders, the number of Directors (excluding those who are Audit and Supervisory Committee Members) was 16 (of which, three (3) were outside directors)

3) Matters concerning the delegation for determining the details of remuneration, etc. for each individual director

Determination of the content of individual remuneration of Directors is delegated to Representative Directors in order to evaluate the roles and contributions of each Director while over-viewing the Company’s overall performance. To ensure that the delegated authority is appropriately exercised, multiple directors appointed by Representative Directors hold consultations, and Representative Directors make decisions through consultation based on the resolution by the Board of Directors. Since the amounts of remunerations for individual director are determined through the policy for determining remuneration, etc. and such procedures, the Board of Directors judges that their details are in line with the Policy.

The Board of Directors has determined that the content of the remuneration is in line with the decision-making policy, as the amount of remuneration for each individual Director is determined through the policy for determining remuneration, etc. and the relevant procedures.

4) Total Amount of Remuneration, etc. to Directors

Directors’ Category	Total amount of remuneration, etc. (million yen)	Types of remuneration, etc. (million yen)			Number of Directors
		Monthly remuneration	Directors’ bonuses	Restricted stock compensation	

Directors (excluding those who are Audit and Supervisory Committee Members) (of which Outside Directors)	326 (-)	283 (-)	19 (-)	23 (-)	6 (-)
Directors who are Audit and Supervisory Committee Members (of which Outside Directors)	45 (45)	42 (42)	2 (2)	- (-)	3 (3)
Total (of which Outside Directors)	371 (45)	326 (42)	22 (2)	23 (-)	9 (3)

- (Notes) 1. The total amount of remuneration, etc., of the Directors excludes employee salaries paid to the persons who hold both the position of Director and the position of employee.
2. Both the amount of bonus for directors and the amount of restricted stock compensation for directors were posted as expenses for the fiscal year under review.

(5) Matters Concerning Outside Officers

Relationship between the Company and Significant Entities where Outside Officers Hold Concurrent Posts and Main Activities during the Fiscal Year under Review

Name	Title	Attendance status		Relationship between the Company and Significant Entities where Outside Officers Hold Concurrent Posts and Main Activities
		Board of Directors meetings	Audit and Supervisory Committee meetings	
Yoshiaki Kamoya	Outside Director (Audit and Supervisory Committee Member)	13/13 (100%)	8/8 (100%)	At Board of Directors, utilizing extensive experience and a great insight fostered through serving in important positions in the business management division and industrial groups, he contributes to substantial and appropriate supervision of and decision-making by the Board of Directors in such a way as giving advice, etc., in the position of Outside Director. In addition, as Chairperson of the Nomination and Compensation Committee, he makes remarks in discussions about the selection of candidates for the Company's officers, settlement of officers' compensation and other matters from an independent point of view and from an objective and neutral standpoint. At Audit and Supervisory Committee meetings, he expresses his opinions from a viewpoint to secure legality and appropriateness of decision-making regarding business execution by the Company and to observe and supervise the Company's management.
Shunsuke Watanabe	Outside Director (Audit and Supervisory Committee Member)	12/13 (92%)	7/8 (88%)	At Board of Directors, utilizing extensive experience and a great insight fostered through editorial writer of Nikkei and as a university professor, he contributes to substantial and appropriate supervision of and decision-making by the Board of Directors in

				<p>such a way as giving advice, etc., in the position of Outside Director. In addition, as a member of the Nomination and Compensation Committee, he makes remarks in discussions about the selection of candidates for the Company's officers, settlement of officers' compensation and other matters from an independent point of view and from an objective and neutral standpoint.</p> <p>At Audit and Supervisory Committee meetings, he expresses his opinions from a viewpoint to secure legality and appropriateness of decision-making regarding business execution by the Company and to observe and supervise the Company's management.</p> <p>Moreover, he is a Visiting Professor, Graduate School of International University of Health and Welfare, although a consolidated subsidiary of the Company sells prescription pharmaceuticals, etc., to the International University of Health and Welfare, the ratio of amounts of such transactions is less than 1% of the Company group's annual consolidated net sales.</p>
Hidehito Kotani	Outside Director (Audit and Supervisory Committee Member)	13/13 (100%)	8/8 (100%)	<p>At Board of Directors, utilizing extensive experience and a great insight fostered through corporate management and pharmaceutical, medical device, and medical IT industries and, he contributes to substantial and appropriate supervision of and decision-making by the Board of Directors in such a way as giving advice, etc., in the position of Outside Director. In addition, as a member of the Nomination and Compensation Committee, he makes remarks in discussions about the selection of candidates for the Company's officers, settlement of officers' compensation and other matters from an independent point of view and from an objective and neutral standpoint.</p> <p>At Audit and Supervisory Committee meetings, he expresses his opinions from a viewpoint to secure legality and appropriateness of decision-making regarding business execution by the Company and to observe and supervise the Company's management.</p> <p>Moreover, he has assumed the posts of a representative member of Frederick Research GK and a representative director of Novocure Corporation. In this respect, there are no special interests between companies at which he holds important posts and the Company.</p>

5. Matters Concerning Accounting Auditor

- 1) Name Ernst & Young ShinNihon LLC
- 2) Amount of Compensation, etc.

	Amount of payment (million yen)
Amount of the Accounting Auditor's compensation, etc., for the fiscal year under review	115
Total amount of cash and other economic benefits payable by the Company and its subsidiaries to the Accounting Auditor	176

(Notes) 1. The Company paid compensation to the Accounting Auditor for the preparation of comfort letters associated with issuance of convertible bond-type bonds with stock acquisition rights, which is outside the scope of services stipulated under Article 2, Paragraph 1 of the Certified Public Accountants Act.

2. After making a comparison between the audit plan and audit record for the previous fiscal year, and verifying the trends of the audit hours and the amount of compensation for the previous fiscal year, and as a result of examining the reasonableness of the expected audit hours and the amount of compensation for the fiscal year under review, the Audit and Supervisory Committee gave its consent to the amount of the compensation, etc., to the Accounting Auditor.
3. Under the audit contract between the Company and the Accounting Auditor, there is no distinction between the amount of the audit fee for the audit under the Companies Act and the amount of the audit fee for the audit under the Financial Instruments and Exchange Act. For this reason, the amount of the audit fee for the audit under the Financial Instruments and Exchange Act is included in the amount shown above.

3) Policy Regarding Determination of Dismissal or Nonrenewal of Appointment of the Accounting Auditor

In the event that the Accounting Auditor is judged to have met any of the grounds set forth in the items of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will determine the dismissal of the Accounting Auditor based on the unanimous consent of all the Audit and Supervisory Committee Members.

In addition, the Audit and Supervisory Committee performs comprehensive assessment of the Accounting Auditor's eligibility, independence, status of audit quality management and status of duty performance every fiscal year, and if nonrenewal of the appointment of the Accounting Auditor is judged to be appropriate, will decide the contents of a proposal for the dismissal or nonrenewal of the appointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

6. Policies Concerning the Decisions on Dividends of Surplus

The Company considers shareholder returns as one of the important management priorities, and recognizes that it is the Company's responsibility to increase the earnings per share. In terms of the distribution of profits, the Company will make efforts for the enhancement of the internal reserve in order to strengthen the future profit base and in preparation for changes in market conditions. The Company has the policy of stable dividends as its basic dividend policy, while taking into account any fluctuation of business performance in each period.

Regarding the dividend of surplus in the consolidated fiscal year under review, the Company decided the yearend dividend of 22yen per share based on the above policies. The annual dividend amounts to 40 yen per share in total with the interim dividend of 18yen per share already distributed.

At the 58th General Meeting of Shareholders held on June 29, 2006, a resolution was passed to the effect that the Company may decide its dividend of surplus, etc., by a resolution of the Board of Directors (Article 43 of the Articles of Incorporation).

Consolidated Balance Sheets

(As of March 31, 2024)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)	773,427	(Liabilities)	523,990
Current assets	597,888	Current liabilities	471,305
Cash and deposits	132,970	Notes and account payable-trade	438,072
Notes receivable-trade	2,107	Short-term borrowings	139
Accounts receivable-trade	336,618	Current portion of long-term borrowings	413
Merchandise and finished goods	87,107	Lease obligations	574
Raw materials and supplies	180	Income taxes payable	7,429
Purchase rebates receivable	12,171	Contract liabilities	180
Others	27,091	Accrued expenses	2,851
Allowance for doubtful accounts	-359	Provision for bonuses	3,681
Noncurrent assets	175,538	Provision for directors' bonuses	43
Property, plant and equipment	87,478	Others	17,921
Buildings and structures	34,612	Noncurrent liabilities	52,684
Machinery, equipment and vehicles	217	Bonds payable	22,092
Furniture and fixtures	8,857	Long-term borrowings	6,074
Land	42,311	Lease obligations	952
Lease assets	1,001	Deferred tax liabilities	11,714
Construction in progress	477	Deferred tax liabilities for land revaluation	753
Intangible assets	5,636	Retirement benefit liabilities	2,539
Goodwill	297	Asset retirement obligations	2,846
Others	5,339	Provision for loss on guarantees	148
Investments and other assets	82,423	Provision for loss on Antimonopoly Act	4,849
Investments securities	70,212	Others	715
Long-term loans receivable	1,882	(Net assets)	249,437
Deferred tax assets	2,146	Shareholders' equity	234,701
Others	9,551	Share capital	10,649
Allowance for doubtful accounts	-1,369	Capital surplus	45,212
Total assets	773,427	Retained earnings	209,746
		Treasury stock	-30,907
		Accumulated other comprehensive income	14,486
		Valuation difference on available-for sale securities	18,770
		Revaluation reserve for land	-4,283
		Subscription rights to shares	144
		Non-controlling interests	104
		Total liabilities and net assets	773,427

(Note) Reported amounts are rounded down to the nearest million yen.

Consolidated Profit and Loss Statement

(April 1, 2023 - March 31, 2024)

(In millions of yen)

Description	Amount	
Net sales		1,476,712
Cost of sales		1,357,564
Gross profit		119,148
Selling, general and administrative expenses		99,817
Operating profit		19,331
Non-operating income		
Interest and dividend income	1,308	
Share profit of entities accounted for using equity method	164	
Others	1,754	3,227
Non-operating expenses		
Interest expenses	62	
Others	708	771
Ordinary profit		21,787
Extraordinary income		
Gains on sales of noncurrent assets	101	
Gains on sales of investment securities	9,699	
Others	215	10,016
Extraordinary losses		
Loss on disposal of noncurrent assets	195	
Impairment loss	260	
Loss on valuation of investment securities	135	
Loss on valuation of shares of subsidiaries	413	
Others	15	1,020
Profit before income taxes		30,783
Income taxes-current	10,922	
Income taxes-deferred	-808	10,113
Net profit		20,669
Profit attributable to non-controlling interests		12
Profit attributable to owners of parent		20,657

(Note) Reported amounts are rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(As of March 31, 2024)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)	267,428	(Liabilities)	117,374
Current assets	124,928	Current liabilities	81,230
Cash and deposits	121,512	Lease obligations	126
Operating accounts receivable	96	Account payable	277
Prepaid expenses	30	Accrued expenses	662
Other accounts receivable	705	Income taxes payable	2,500
Others	1,952	Accrued consumption taxes	34
Noncurrent assets	143,130	Deposits received	77,536
Property, plant and equipment	42,340	Provision for bonuses	70
Buildings	21,112	Provision for directors' bonuses	22
Structures	439	Noncurrent liabilities	36,144
Furniture and fixtures	506	Bonds payable	22,092
Land	19,534	Lease obligations	343
Lease assets	426	Deferred tax liabilities	10,617
Construction in progress	321	Deferred tax liabilities for land revaluation	753
Intangible assets	1,112	Provision for retirement benefits	10
Leasehold interests in land	12	Provision for loss on guarantees	148
Software	1,044	Asset retirement obligations	2,009
Others	56	Others	168
Investments and other assets	99,676	(Net assets)	150,054
Investments securities	49,219	Shareholders' equity	132,429
Stocks of subsidiaries and affiliates	44,232	Share capital	10,649
Investment in capital of subsidiaries and affiliates	1,585	Capital surplus	46,177
Long-term loans receivable	640	Legal capital surplus	46,177
Long-term loans receivable from subsidiaries	1,282	Retained earnings	106,550
Distressed receivables	2,860	Legal retained earnings	664
Long-term prepaid expenses	172	Other retained earnings	105,886
Others	1,667	Reserve for tax purpose reduction entry of land	1,356
Allowance for doubtful accounts	-1,983	General reserve	6,336
		Retained earnings brought forward	98,193
		Treasury stock	-30,947
		Valuation and translation adjustment	17,479
		Valuation difference on available-for-sale securities	21,740
		Revaluation reserve for land	-4,260
		Subscription rights to shares	144
Total assets	267,428	Total liabilities and net assets	267,428

(Note) Reported amounts are rounded down to the nearest million yen.

Non-consolidated Profit and Loss Statement

(April 1, 2023 - March 31, 2024)

(In millions of yen)

Description	Amount	
Operating revenue		
Consulting fee income	1,336	
Real estate lease revenue	4,019	
Dividend income	6,639	
Others	520	12,515
		8,708
Operating expenses		
Operating profit		3,807
Non-operating income		
Interest and dividend income	1,367	
Others	475	1,842
Non-operating expenses		
Interest expenses	372	
Others	394	766
Ordinary profit		4,883
Extraordinary income		
Gains on sale of noncurrent assets	18	
Gains on sales of investment securities	11,337	
Others	0	11,356
Extraordinary loss		
Loss on disposal of noncurrent assets	103	
Impairment loss	12	
Loss on valuation of investment securities	135	
Others	11	262
Profit before income taxes		15,977
Income taxes-current	3,158	
Income taxes-deferred	-299	2,858
Net profit		13,118

(Note) Reported amounts are rounded down to the nearest million yen.

Accounting Auditor's Audit Report on the Consolidated Financial Statements (duplicated copy)

Independent Auditor's Report
(English Translation)

May 10, 2024

To the Board of Directors
TOHO HOLDINGS CO., LTD.

Ernst & Young ShinNihon LLC
Tokyo Office

Yoshiyuki Nomizu, CPA
Designated Limited Liability
Partner/Engagement Partner
Daisuke Shiratori, CPA
Designated Limited Liability
Partner/Engagement Partner
Masayo Takada, CPA
Designated Limited Liability
Partner/Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheets, the consolidated profit and loss statement, the consolidated statement of changes in shareholders' equity and the notes to the consolidated financial statements of TOHO HOLDINGS CO., LTD. (the "Company") for the fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of TOHO HOLDINGS CO., LTD., which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other contents

Other contents are the Business Report and its Supplementary Schedules. Management is responsible for the preparation and disclosure of other contents. The Audit and Supervisory Committee is also responsible for monitoring the performance of duties by Directors in the development and operation of the reporting process for other content.

The subject of our audit opinion on the consolidated financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility in auditing the consolidated financial statements is to read through the other contents and, during this process, to examine whether there are significant differences between the other contents and the consolidated financial statements or the knowledge that we have acquired during the auditing process, and to pay attention to whether there are other indications of material errors in the other contents other than such

material differences.

Based on the work performed, we are required to report any material errors in other contents.

There are no matters to be reported by us regarding the other contents.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence. In addition, when the Company has taken measures to remove hindrance factors or applies a safeguard to reduce hindrance factors to a permissible level, the auditor shall report the details of the measures or safeguard.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Accounting Auditor's Audit Report on the Non-consolidated Financial Statements (duplicated copy)

Independent Auditor's Audit Report
(English Translation)

May 10, 2024

To the Board of Directors
TOHO HOLDINGS CO., LTD.

Ernst & Young ShinNihon LLC
Tokyo Office

Yoshiyuki Nomizu, CPA
Designated Limited Liability
Partner/Engagement Partner
Daisuke Shiratori, CPA
Designated Limited Liability
Partner/Engagement Partner
Masayo Takada, CPA
Designated Limited Liability
Partner/Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the non-consolidated balance sheets, the non-consolidated profit and loss statement, the statement of changes in shareholders' equity, the notes to non-consolidated financial statements, and the accompanying supplementary schedules of TOHO HOLDINGS CO., LTD. (the "Company") for the 76th fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other contents

Other contents are the Business Report and its Supplementary Schedules. Management is responsible for the preparation and disclosure of other contents. The Audit and Supervisory Committee is also responsible for monitoring the performance of duties by Directors in the development and operation of the reporting process for other content.

The subject of our audit opinion on the unconsolidated financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility in auditing the non-consolidated financial statements is to read through the other contents and, during that process, to examine whether there are significant differences between the other contents and the non-consolidated financial statements or the knowledge that we have acquired during the auditing process, and to pay attention to whether there are other indications of material errors in the other contents other than such material differences.

Based on the work performed, we are required to report any material errors in other contents.
There are no matters to be reported by us regarding the other contents.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules

fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit and Supervisory Committee's Audit Report (duplicated copy)

Audit Report

(English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 76th fiscal year from April 1, 2023 to March 31, 2024. The Audit and Supervisory Committee hereby reports the audit methods and results as follows.

1. Methods and Contents of Audits

With respect to the contents of resolutions by the Board of Directors pertaining to items listed in Article 399-13, Paragraph 1, Items 1 (b) and (c) of the Companies Act and the system established based on such resolutions (internal control system), the Audit and Supervisory Committee had periodical reporting from Directors and employees, etc. concerning the status of development and operations of such system, sought explanation as necessary, expressed opinions and performed the audit in accordance with the following methods.

1) In accordance with the audit policies and division of duties, etc. determined by the Audit and Supervisory Committee, the Audit and Supervisory Committee, in coordination with internal control sections, by means of telephone lines or the Internet, etc., participated in important meetings, received reports from the Directors, employees and other relevant personnel regarding the matters concerning performance of their duties, sought explanations as necessary, examined important decision-making documents, etc., and studied the operations and the status of assets at the head office and major business offices. Regarding subsidiaries, the Audit and Supervisory Committee communicated and exchanged information with the Directors and Auditors, etc., of subsidiaries, and received business reports from subsidiaries as necessary.

2) The Audit and Supervisory Committee monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that “the system for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Ordinance for Corporate Accounting) had been prepared in accordance with the Product Quality Management Standards Regarding Audits (issued by the Business Accounting Deliberation Council (BADC) on October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, the Audit and Supervisory Committee examined the business report and supporting schedules, non-consolidated financial statements (non-consolidated balance sheets, non-consolidated profit and loss statement, non-consolidated statement of changes in shareholders' equity, and notes to non-consolidated financial statements) and the supplementary schedules, as well as consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in shareholders' equity and notes to consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the business report and the supplementary schedules are in accordance with the related laws and regulations, and Articles of Incorporation, and fairly represent the Company's condition.
- 2) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to the performance of duties by the Directors.
- 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal controls system are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to such internal controls system.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by Ernst & Young ShinNihon LLC are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by Ernst & Young ShinNihon LLC are fair and reasonable.

May 10, 2024

Audit and Supervisory Committee, TOHO HOLDINGS CO., LTD.

Audit and Supervisory Committee Member	Yoshiaki Kamoya
Audit and Supervisory Committee Member	Shunsuke Watanabe
Audit and Supervisory Committee Member	Hidehito Kotani

(Note) Mr. Yoshiaki Kamoya, Mr. Shunsuke Watanabe and Mr. Hidehito Kotani are Outside Directors prescribed in Article 2, Item (xv) and Article 331, Paragraph 6 of the Companies Act.

End of Document