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104-0028

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2-2-1 Yaesu, Chuo-ku, Tokyo
Toho Holdings Co., Ltd.

Attn: Outside Director Yoshiaki Kamotani
Attn: Outside Director Hidehito Kotani
Attn: Outside Director Chie Goto
Attn: Outside Director Miho Saito
Attn: Outside Director Manako Haga

1 Temasek Avenue
#20-02A Millenia Tower, Singapore
3D Investment Partners Pte. Ltd.

**Final Request for the Establishment of a Third-Party Committee Based on the New Facts Set Forth in the
Written Statements to Prosecutors**

Dear Sirs and Madams,

We trust this letter finds you in ever-greater prosperity. As you are well aware, we have long engaged in constructive dialogue with Toho Holdings (the “Company”), driven by our sincere desire to enhance the Company’s medium- to long-term corporate value. At this time, we hereby respectfully and finally request that you, as outside directors responsible for overseeing the Company’s governance, make a decision on the matters set out below.

Systemic and Cultural Issues at the Company

In August 2025, we obtained written statements prepared by prosecutors and bearing the signatures and seals of CEO, Hiromi Edahiro¹, and COO, Akira Umada² of the Company, in connection with the Antimonopoly Act violation case involving Toho Yakuhin Co., Ltd.³ arising from tenders conducted by the Japan Community Healthcare Organization (JCHO)⁴ (the “Written Statements”). These Written Statements revealed that CEO Edahiro and COO Umada were aware of the existence of bid-rigging (order allocation) and regarded it as a “necessary evil” that was strategically condoned. CEO Edahiro and COO Umada knew such illegal conduct was being engaged in on a widespread basis and left such conduct unaddressed. These new facts demonstrate that the misconduct was not confined to the operational level,

¹ Hereinafter, “CEO Edahiro”

² Hereinafter, “COO Umada”

³ Hereinafter, “Toho Yakuhin”

⁴ Hereinafter, the “JCHO Case”

but was a systemic, organizational issue resulting from a lack of decision-making and control at the very top of management.

Seriousness of the Systemic Problems

We understand that the Company's systemic problems have reached a point where they constitute a breach of the directors' duty of due care that may give rise to liability in a shareholder derivative action. The situation is therefore extremely serious. Specifically, CEO Edahiro and COO Umada, as members of the board of directors of Toho Yakuhin, were under a duty to monitor and supervise the company's operations to ensure that no illegal conduct was carried out⁵, and to establish and maintain an effective internal control system⁶. In addition, both individuals were, at the time, also directors of the Company, the parent company of Toho Yakuhin, and therefore owed a duty⁷ to monitor and supervise the subsidiary to ensure that no illegal business operations are conducted, as a specific aspect of the duty to prevent any impairment of the value of the subsidiary's shares which is the Company's asset, as well as a duty⁸ to establish and maintain group-wide internal controls for the corporate group as a whole. Nevertheless, as they themselves had admitted in the Written Statements, they failed to implement corrective measures, thereby allowing the JCHO case to occur and causing payments in the form of a JPY 162 million surcharge, a JPY 250 million criminal fine and a JPY 3.267 billion settlement. We consider these failures to constitute breaches of their duty of due care and duty of loyalty as directors of both Toho Yakuhin and the Company.⁹

Root Causes of the Systemic Problems

We understand that the root cause of the Company's organizational issues lies in two troubling corporate issues: a culture of concealment and an escape into hollow, perfunctory measures. These pathologies not only serve as a breeding ground for organizational misconduct, but also impede the organizational imperative to compete effectively, improve performance and create corporate value in a legal and appropriate

⁵ These duties arise as part of the duty of due care of a prudent manager (Article 330 of the Companies Act and Article 644 of the Civil Code) and the duty of loyalty (Article 355 of the Companies Act).

⁶ The board of directors owes a duty to establish and maintain internal control systems (Article 362, Paragraph 5 and Paragraph 4, Item 6 of the Companies Act). At the time of the JCHO Case, CEO Edahiro and COO Umada were directors of Toho Yakuhin. Accordingly, in their capacity as directors of Toho Yakuhin, it is understood that they owed the duty to establish and maintain Toho Yakuhin's internal control systems, pursuant to the duty imposed on the Toho Yakuhin board of directors to establish and maintain such internal control systems.

⁷ These duties arise as part of the duty of due care of a prudent manager (Article 330 of the Companies Act and Article 644 of the Civil Code) and the duty of loyalty (Article 355 of the Companies Act).

⁸ The board of directors of a parent company has a duty to establish and maintain internal control systems for the corporate group comprising the parent company and its subsidiaries (Article 399-13, Paragraph 1, Item 1 (ha) of the Companies Act and Article 100-4, Paragraph 2, Item 5 of the Ordinance for Enforcement of the Companies Act). At the time of the JCHO Case, CEO Edahiro and COO Umada were directors of the Company. Accordingly, as members of the Company's board of directors, it is understood that they owed the duty to establish and maintain the internal control systems of the corporate group, pursuant to the duty imposed on the board of directors to establish and maintain such group-wide internal control systems.

⁹ Given that Toho Yakuhin is a wholly owned subsidiary of your Company, any loss incurred by Toho Yakuhin is deemed to be a loss of your Company.

way. Once a culture of cheating and concealment pervade a corporation, the “easy” way becomes a crutch and the organization fails to develop good practices that can lead to effective practices and success. For further details, please refer to the attached materials or the link provided below.

[Link]

The Failure to Establish Effective Recurrence Prevention Measures Will Damage Corporate Value

Global governance standards — including those of ISS, Glass Lewis and the Tokyo Stock Exchange’s practical guidelines — require that, where serious misconduct has occurred or recurred and systemic problems are suspected, the board of directors has, as a core responsibility, the task of developing recurrence prevention measures based on fact-finding by an independent third party and an accurate identification of root causes. However, despite the repeated occurrence of bid-rigging incidents and the clear indications of organizational issues, and despite our repeated requests, the Company has not implemented effective recurrence prevention measures grounded in independent third-party fact-finding and accurate root-cause analysis. The directors of the Company continue to neglect their duty of due care and duty of loyalty by leaving unaddressed the root causes of the systemic problems. As a result, we cannot help but be seriously concerned that irreversible damage to corporate value may arise from the recurrence of misconduct.

Concerns Regarding the Lack of Information Provided to the Outside Directors

Given the above, we are convinced that, based on the existence of the Written Statements, a rigorous fact-finding and root-cause analysis by an independent third party is clearly warranted. We can only assume that you, the outside directors, were not aware of the existence of the Written Statements until now. For this reason, despite our repeated requests, we surmise that you have determined that it would be sufficient to rely solely on the Special Committee for Governance Enhancement—whose scope was limited to considering recurrence prevention measures without conducting an investigation—and chose not to establish a third-party committee.

Final Request to the Outside Directors

In light of the above, we hereby request that you, the outside directors, once again give careful consideration to the following two items and, by December 26, publicly state whether you will implement each of them or not, in order to secure the common interests of shareholders:

1. Establishment of an independent third-party committee, separate from the Company, that satisfies the conditions set out in the attached appendix and is formed in accordance with the *Guidelines for Third-Party Committees in Corporate Misconduct Cases* issued by the Japan Federation of Bar Associations.
2. A commitment to shareholders to remedy the issues identified in the investigation, including by establishing an appropriate governance framework.

If we do not receive your response by the deadline, we will regard your position as unchanged and deem that, even after becoming aware of the significant new fact of the existence of the Written Statements, you, the outside directors, have nonetheless decided not to establish an appropriate investigative committee and implement remedies.

Lastly: Introduction of the Takeover Defense Measures

We have engaged in good-faith dialogue with the Company with the aim of maximizing its corporate value. In addition, in order to dispel any unfounded concerns regarding an acquisition of control, we not only explained that we had no such intention, but also voluntarily submitted a draft “letter of undertaking” stating that we would not acquire shares representing more than 30% of the Company’s voting rights through market transactions, including the shares already held.

Nevertheless, a mere month and a half after we presented the Company with our serious concerns about systemic compliance issues (the existence of Written Statements), the Company suddenly and without basis judged that “3D’s objective would be to obtain control and its interests would be in conflict with those of the general shareholders,” and proceeded to adopt takeover defense measures, seemingly in retaliation for our concerns. The Company ignored our proposed undertaking.

We were deeply shocked by this response and cannot help but feel profound sadness and regret that the good will between our organizations was dissipated by this unilateral action. We sincerely hope that you, the outside directors, understand that our sole objective is the enhancement of the Company’s corporate value, and that you will give careful consideration to the requests set forth in this letter.

Yours faithfully,

Appendix: Requirements for the Third-Party Committee

1. Ensuring Complete Independence and Elimination of Conflicts of Interest
 - The committee shall be composed solely of external experts (such as attorneys and certified public accountants) who have no conflicting interests with the Company, and shall not include any current outside directors.
2. A Fully Unrestricted Scope of Investigation, with No “Off-Limits” Areas
 - Fact-finding and historical review of past misconduct
 - ✧ Conduct fact-finding and root-cause analysis regarding the bid-rigging cases and the improper funds outflow cases involving hospitals affiliated with Nihon University.
 - ✧ Conduct a historical review of why the recurrence prevention measures formulated in the Company and its entire group since 2003 failed to function effectively and did not prevent subsequent recurrences, including those that occurred around 2016–2018.
 - Clarify how and why investigative processes were avoided or circumvented.
 - ✧ Clarify the background and reasons why investigations by independent third parties were not conducted in dealing with past misconduct.
 - Conduct a comprehensive investigation into similar incidents.
 - ✧ Conduct a comprehensive investigation across the entire Group and all locations into whether there have been any similar cases, including similar commercial practices.
 - Identify the underlying corporate culture and systemic issues and formulate measures to prevent their recurrence.
 - ✧ Identify the root causes of the organizational pathologies — namely, the culture of concealment and an escape into hollow, perfunctory measures — and formulating effective measures to prevent recurrence.
3. Ensuring Transparency
 - The investigation report shall be disclosed in its entirety to shareholders without delay.
4. Full Compliance with the Guidelines
 - In addition to the matters set forth above, all aspects concerning the establishment and operation of the Committee shall be in full compliance with the Guidelines for Third-Party Committees in Corporate Misconduct Cases issued by the Japan Federation of Bar Associations.