July 15, 2026

To Whom It May Concern:

Company Name: TOHO CO., LTD.
Representative: Hiro Matsuoka, President, CEO
(Securities Code: 9602, Prime Market of Tokyo Stock Exchange, Fukuoka Stock Exchange)
Inquiries: Nobuyuki Tako, Representative Director, Executive Vice President, CFO, Head of Corporate Management Group
(Telephone Number: +81-3-3591-1218)

Notice Regarding the Formulation of a Policy for the Reduction of Strategic Shareholdings

TOHO CO., LTD. (the "Company") hereby announces that its Board of Directors, at a meeting held today, resolved to formulate a policy for the reduction of strategic shareholdings, as detailed below.

Details

1. Policy for the Reduction of Strategic Shareholdings

Previously, the Company's policy has been to hold strategic shares when there is a business necessity, such as business alliances or the maintenance and strengthening of transactions, and when it is judged to contribute to the enhancement of the Group's corporate value over the medium to long term. However, based on the results of verification by the Board of Directors, if the necessity and rationality of holding such shares are not recognized, the policy was to reduce them through sale. Based on this policy, the Company has completely sold all shares of 8 issues between the fiscal year ended February 2023 and the fiscal year ended February 2026.

Under these circumstances, at the Board of Directors' meeting held today, in order to further promote management that is conscious of cost of capital and stock price, the Company resolved to formulate the following reduction policy regarding its strategic shareholdings.

- Reduce the balance sheet carrying amount of strategic shareholdings by more than 50 billion yen by the end of February 2030 compared to the end of February 2026, and lower the ratio to consolidated net assets to less than 10%.
  - ✓ Toward the end of February 2030, proceed with the sale of strategic shareholdings in a phased and steady manner.
  - ✓ For the fiscal year ending February 2027 as well, proceed with the sale toward the end of the fiscal year, lowering the ratio to consolidated net assets to less than 20%.
- The proceeds from the sales will be prioritized for growth investments and also utilized as funds for shareholder returns to improve capital efficiency.

In addition, we will engage in careful dialogue with the issuing companies of the shares subject to sale to ensure they fully understand this policy, and we will strive to maintain appropriate relationships even after the sales are completed.

2. Impact on Financial Results for the Fiscal Year Ending February 2027

February 2027 as well, the Company plans to proceed with the sale of its strategic shareholdings toward the end of the fiscal year, lowering the ratio to consolidated net assets to less than 20%. In selling these shares, we will engage in careful dialogue with the target issuing companies. Going forward, once specific details are confirmed and fall under the disclosure criteria, we will promptly disclose them. Please note that the impact of this matter is not incorporated in the full-year earnings forecast for the fiscal year ending February 2027 announced on April 14, 2026.

(Reference) Trends and Reduction Policy for Strategic Shareholdings (From the Financial Results Briefing Materials for the First Quarter of the Fiscal Year Ending February 2027, announced on July 15)

Executive Summary

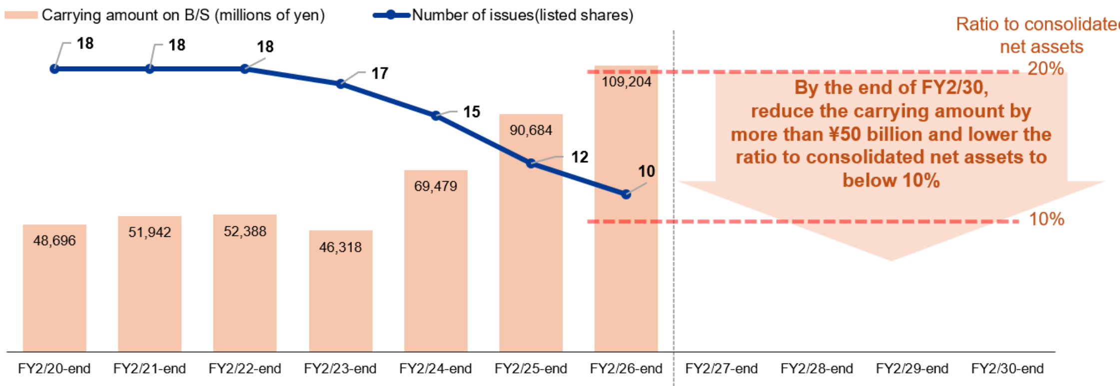
TOHO

Strategic Shareholdings: >¥50B Reduction and Net Asset Ratio Below 10% by FY2/30-End

[New]

Target: By the end of FY2/30, reduce the carrying amount of strategic shareholdings by more than ¥50 billion and lower the ratio to consolidated net assets to below 10%.

- Sell holdings in a phased and planned manner toward the end of FY2/30.
- Progress sales toward reducing the ratio to consolidated net assets to below 20% by the end of FY2/27 (*gain on sale is not factored into the initial forecast).
- Sale proceeds will be primarily allocated to growth investments, while also being used as a source of shareholder returns to improve capital efficiency.



*The carrying amount on the balance sheet represents the total of listed shares, unlisted shares, and deemed holdings.

END