



July 28, 2023

To whom it may concern

Listed Company Name	Tsuruha Holdings Inc.
Name of Representative	Jun Tsuruha, President & Executive Officer
Stock Listing	Tokyo Stock Exchange - Prime Market
Code Number	3391
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Opinion of the Board of Directors Regarding OASIS Press Release dated July 19

As announced in the “Notice of Receipt of Letter Concerning Shareholder Proposals” (*kabunushiteian-ni-kansuru-syomen-juryoutou-no-oshirase*) dated June 14, 2023, Tsuruha Holdings Inc. (“we” or the “Company”) has received a letter of intent to exercise the right to make a shareholder proposal (the “Shareholder Proposals”) from OASIS INVESTMENTS II MASTER FUND LTD. (“OASIS”) regarding the Annual General Meeting of Shareholders to be held on August 10, 2023. And as announced in the “[Notice of Opinion of the Board of Directors Regarding the Shareholder Proposals](#)” dated July 7 of the same year (the “Company Press Release dated July 7”) and the “[Presentation of Board of Directors’ Opinion Regarding Shareholder Proposals](#)” dated the same day (the “Supplementary Materials dated July 7”), the Board of Directors has resolved to oppose all of the Shareholder Proposals.

In response, on July 19 of the same year, OASIS released “Oasis’s additional material following “Explanatory Material for the Board of Directors’ Opinion on the Shareholder Proposal” by Tsuruha Holdings, Inc.” (“OASIS Press Release dated July 19”), but the content remains unilateral and arbitrary claims based on erroneous perceptions, and there is no change in the opinion of the Board of Directors. The Board of Directors continues to oppose all of the Shareholder Proposals.

The Board of Directors has expressed its opposition to all of the Shareholder Proposals because the reasons given by OASIS for making the Shareholder Proposals themselves are nothing more than unilateral and arbitrary claims based on erroneous perceptions, and we must evaluate them as “discussion point set-ups” that miss or ignore the objective situation of the Company, track record, and future prospects. That is to say:

- (i) There are no serious governance issues that would require the “replacement of all outside directors” at the Company;
- (ii) We believe that the Board of Directors composed of the director candidates proposed by the

Company is appropriate and much better in order for the Company to achieve sound and sustainable growth, enhance its corporate value over the medium to long term, and thereby increase the common interests of our shareholders;

- (iii) OASIS points out that the "founding family" maintains control over the Board of Directors in the Company, which "prevents the full realization of business synergies among the subsidiaries and the promotion of non-founding family members," but this is not true and OASIS has not provided any evidence or specific examples of such control;
- (iv) All of OASIS's claims or arguments are just speculative in nature, because they either dispute facts that existed prior to the election or distort irrelevant circumstances to try and prove that the Company has a serious governance issue that requires the "replacement of all outside directors". The Proposing Shareholder's claims or arguments miss or ignore the fact that each of the outside directors who are Audit and Supervisory Committee Members have already gained a high level of trust and confidence in the Company under these circumstances;
- (v) The three (3) outside directors who are Audit and Supervisory Committee Members, whom OASIS has specifically pointed out, were elected with the overwhelming trust and confidence of shareholders at the annual general meeting of shareholders at which they were elected, and there are no serious governance issues at the Company since their election that would require the "replacement of all outside directors"; and
- (vi) The Board of Directors, which comprises the director candidates for the Company proposals, has a track record of implementing M&A that strengthens and improves the Group's earning power and profitability, thereby increasing the Company's corporate value. In order to steadily carry out M&A in the drugstore industry, including large-scale M&A that will lead to the Group's dramatic growth in the future, it is essential that the Company be led by directors who have extensive experience in drugstore management, knowledge and personal connections and have experience and a successful track record in M&A within the drugstore industry, and the Board of Directors believe that OASIS's proposals could also have a negative impact on the M&A strategy that the Company has implemented to date.

We have already pointed out that OASIS's claims and disclosure materials contain misleading and arbitrary manipulation of impressions, in the Company Press Release dated July 7, but we must point out that the OASIS Press Release dated July 19 also contains many erroneous perceptions or arbitrary claims based on misleading claims. We regret that OASIS continually and intentionally makes false and misleading claims to shareholders of the Company. Please see the Appendix for explanations of the matters on which we have received particularly frequent inquiries from shareholders.

We aim to be "Japan's No.1 drugstore chain", loved and appreciated by local communities, and to develop stores that from the customer's perspective deliver services that are more accessible and reassuring and act as a leader in community healthcare, and with the goal of further strengthening and realizing this philosophy, we announced the Medium-Term Management Plan in the "Announcement of Formulation of Medium-Term Management Plan (*shin-chuuki-keiei-keikaku-sakutei-ni-kansuru-oshirase*)" published on June 21, 2022. The Board of Directors believes that the Medium-Term Management Plan is already being steadily executed based on consolidated results for the fiscal year that ending in May 2023, etc.

In the fiscal year that ending in May 2023 and beyond, we will continue to promote strategic M&A, etc., as we have in the past, to achieve overall group growth and steadily implement the Medium-Term Management Plan while considering measures to stabilize the management base, while strengthening and improving profitability.

We hope that our shareholders will read this press release and Company Press Release dated July 7 and continue to have confidence in the Board of Directors and look forward to the sound and robust growth of the Company.

END

<p>*This press release is intended to request that you exercise your voting rights based on your understanding of the Company's position, and is not intended to solicit you to have the Company or any third party exercise such voting rights on your behalf.</p>

Appendix

*The following are explanations of the matters on which we have received particularly frequent inquiries from shareholders regarding the OASIS Press Release dated July 19.

- (i) Regarding the OASIS Press Release dated July 19 on page 10 that “By selecting the timing of its medium-term management plan announcement as the starting point for its stock price comparison, which happened to be at the time of the lowest share price, Tsuruha is misleading its shareholders.”
 - The Board of Directors is in the process of steadily implementing the Medium-Term Management Plan that was formulated and published on 21 June, 2022, despite the objectively severe environment under the impact of COVID-19, and, in fact, is looking at June 2022 as a starting point, for example, to note where the Company's stock price has remained relatively favorable, which we believe demonstrates that the contents of the Medium-Term Management Plan and our subsequent performance have been appreciated by the market.
 - In response to this situation, we have explained the transition of the Company's stock price starting from June 2022, the timing of the announcement of the Medium-Term Management Plan (June 21, 2022). OASIS's point is to intentionally ignore the steady implementation of the Medium-Term Management Plan under the current management and the market's evaluation of that.

- (ii) Regarding the OASIS Press Release dated July 19 from pages 18 to 21 that it is a false disclosure based on an erroneous understanding that "there is no fact that North Pacific Bank was our main bank.”
 - As stated on page 21 of the OASIS Press Release dated July 19, we had transactions with North Pacific Bank prior to 2003, before we adopted the current holding company structure. But North Pacific Bank was never our main bank after we adopted the holding company structure.
 - In addition, there are no financing transactions between the Company and North Pacific Bank at present, and Mr. Fujii's independence should not be questioned.

- (iii) Regarding the OASIS Press Release dated July 19 from pages 29 to 30 on the election of two (2) additional new outside directors proposed by the Company.
 - OASIS's point has been raised without considering their roles as a director expected by the Company. As stated in the Company Press Release dated July 7, we believe that the two (2) candidates for new outside directors proposed by the Company will be able to

respectively make use of their past experience and knowledge as follows: Ms. Wakana Tanaka will be able to make use of her past experience and knowledge for the Board of Directors based on her high level of management consulting and brand marketing expertise cultivated at a pharmaceutical company and a global IT company, and her experience as a member of a special government project to promote DX and globalization; and Mr. Hiroshi Okuno will be able to make use of his expertise in finance and highly specialized perspective in finance for the Board of Directors based on his high level of expertise in finance and highly specialized perspective in finance on the Company's finance/financing strategies, including fund procurement, as the Company implements various measures for the growth of the Company group, including large-scale M&A, in the future.

- We have decided that both candidates for outside director are necessary to achieve sustainable growth and increase the Company's corporate value over the medium to long term.

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