

June 28, 2018

To whom it may concern:

Company Name	TOHO HOLDINGS CO., LTD.
Corporate Representative	Norio Hamada, Chairman of the Board and Representative Director, Chief Executive Officer (CEO) (First Section of Tokyo Stock Exchange Securities Code:8129)
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Notice Regarding Start of Discussions about KYOUEI DRUG WHOLESALERS CO., LTD.
Becoming a Wholly Owned Subsidiary of TOHO HOLDINGS CO., LTD.

TOHO HOLDINGS CO., LTD. (Headquarters: Tokyo; Chairman of the Board and Representative Director, Chief Executive Officer (CEO): Norio Hamada; hereinafter, "TOHO HOLDINGS") is pleased to announce that KYOUEI DRUG WHOLESALERS CO., LTD. (Headquarters: Toyama City; Representative Director and President: Shoji Yoshiura; hereinafter, "KYOUEI") and TOHO HOLDINGS have reached an agreement where KYOUEI will become a wholly-owned subsidiary of TOHO HOLDINGS, which currently holds 40% of KYOUEI's outstanding shares, and that the two will start the relevant discussions.

1. Purpose

The Company has decided to start the discussions with KYOUEI for the purpose of strengthening its sales force in the Hokuriku region and promptly responding to a changing business environment in the pharmaceuticals market.

2. Schedule

The deal is aimed to be concluded by the end of 2018.

3. Outline of KYOUEI

- 1) Principal Place: 44-5 Shinjo-machi, Toyama City, Toyama
- 2) Corporate Representative: Shoji Yoshiura
- 3) Established: January 1964
- 4) Capital: 50 million yen
- 5) Net Sales: 3,041 million yen
- 6) Sales area: Toyama, Ishikawa, Fukui

4. Performance outlook

Impact to consolidated performance is minor.