

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 Intragroup Reorganization of Seven Pharmaceutical Wholesale Subsidiaries

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 it has decided to carry out an intragroup reorganization of seven pharmaceutical wholesale subsidiaries in Yamaguchi, Hiroshima, Fukuoka, Oita, Kumamoto, Kagoshima and Okinawa Prefectures and three pharmaceutical wholesale sub-subsidiaries, namely SAYWELL inc.(Headquarters: Hiroshima Prefecture; Representative Director and President: Shuzo Kono; hereinafter, "SAYWELL"), Kyushu Toho Co., Ltd.(Headquarters: Fukuoka Prefecture; Representative Director and President: Takeo Matsutani; hereinafter, "Kyushu Toho"), and Okinawa Toho Co., Ltd. (Headquarters: Okinawa Prefecture; Representative Director and President: Yoshinori Ijuin; hereinafter, "Okinawa Toho"). For reference, the seven subsidiaries joined the TOHO Group in September 2016 when the Company acquired all of their outstanding shares.

1. Purpose of the reorganization

TOHO HOLDINGS is a corporate group active in medical, nursing and healthcare fields, engaged in pharmaceutical wholesaling, dispensing pharmacy, manufacturing and sales of pharmaceuticals, and development and provision of customer support systems under the corporate slogan "Total Commitment to Good Health". TOHO HOLDINGS also proactively promotes initiatives for regional medical collaboration, nursing and home care.

The Company has decided to carry out the reorganization for the purpose of optimizing group-wide managerial resources, maximizing its corporate value and promptly responding to a changing business environment in the pharmaceuticals market.

2. Summary of the reorganization

(1) Schedule of the reorganization

September 1, 2018 (planned)

(2) Method of the reorganization

- A) Businesses of both Kyoso Mirai Yamaguchi Pharmaceutical (Headquarters: Yamaguchi Prefecture; Representative Director and President: Naoya Okamura) and Kyoso Mirai Hiroshima Pharmaceutical (Headquarters: Hiroshima Prefecture; Representative Director and President: Koji Kishimoto) shall be succeeded to SAYWELL.
- B) Businesses of Kyoso Mirai Fukuoka Pharmaceutical(Headquarters: Fukuoka Prefecture; Representative Director and President: Hidetoshi Miyamura) , Kyoso Mirai Oita Pharmaceutical(Headquarters: Oita Prefecture; Representative Director and President: Kimiaki Suemune), Kyoso Mirai Kumamoto Pharmaceutical(Headquarters: Kumamoto Prefecture; Representative Director and President: Kazuhide Teraoka), and Kyoso Mirai Kagoshima Pharmaceutical (Headquarters: Kagoshima Prefecture; Representative Director and President: Masatoshi Sako) shall be succeeded to Kyushu Toho.
- C) Businesses of Kyoso Mirai Okinawa Pharmaceutical (Headquarters: Okinawa Prefecture; Representative Director and President: Tsutomu Miyazato) shall be succeeded to Okinawa Toho.

As for methods of business succession such as transfer of operation or absorption-type merger, the Company will decide on the appropriate methods after considering the options.

3. Performance outlook

Impact to consolidated performance is minor.