

January 6, 2009

To whom it may concern:

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Toho Pharmaceutical Co., Ltd.
(Tokyo Stock Exchange Securities Code: 8129)
Norio Hamada, President and CEO
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Notice Regarding the Adoption of a Holding Company Structure and the Change of Company Name through a Corporate Split

Toho Pharmaceutical Co., Ltd. is pleased to announce that a meeting of the Board of Directors held today (January 6, 2009) resolved to transfer its pharmaceutical wholesaling business and its business pertaining to the management of dispensing pharmacy business companies to its wholly owned subsidiary, Toho Holdings Co., Ltd. (the “current Toho Holdings,” which is expected to be amended to “Toho Pharmaceutical Co., Ltd.” on April 1, 2009) and to its wholly owned subsidiary, PharmaCluster Co., Ltd. (“PharmaCluster”), respectively, by way of a corporate split (hereinafter collectively referred to as the “Corporate Split”), and to adopt a holding company structure on April 1, 2009.

After the Corporate Split, Toho Pharmaceutical will amend its company name to “Toho Holdings Co., Ltd.” on April 1, 2009 and will continue to be listed on the stock exchange.

Both the Corporate Split and the change of company name will be adopted subject to a resolution made by an extraordinary meeting of shareholders to be held on February 13, 2009.

1. Purpose of Corporate Split

The Kyoso Mirai Group, a distribution firm group of pharmaceutical products, is working toward maximizing its group synergy by positively applying all managerial resources under the corporate slogan of “Total Commitment to Good Health.” Toho Pharmaceutical Co., Ltd. is the core company of the Kyoso Mirai Group.

The business environment surrounding the pharmaceutical distribution industry, in which Toho Pharmaceutical operates, has recently become increasingly difficult, given the escalation of competition between major pharmaceutical wholesaling companies reflecting more careful examination by customers when selecting their business partners, lower sale prices as a result of the introduction of appropriate medical treatment costs, and an increase in customer purchasing power.

In this environment, while aiming to bolster the corporate value of the Group, Toho Pharmaceutical has decided to adopt a holding company structure to and respond promptly and flexibly to the dramatic changes in the business environment. By adopting a holding company structure, Toho Pharmaceutical will undertake the following initiatives.

(i) Strengthening the Group's management functions

By separating the Group's business management functions and operational execution functions, Toho Pharmaceutical will increase the speed with which the Group's management functions are carried out, achieve the appropriate allocation of the Group's management resources, and increase synergy between Group companies.

(ii) Improving the speed of decision making functions

Toho Pharmaceutical (Toho Holdings after the Corporate Split) will increase the speed of decision making with regard to the management of the Group by concentrating specific functions within the holding company, such as the development and implementation of the Group's strategies, and supervisory functions regarding the management of the Group, and by ensuring that each business company is flexible with regard to the execution of its operations.

(iii) Initiating flexible corporate and organizational restructuring

With the Corporate Split, Toho Pharmaceutical will initiate an additional round of flexible corporate restructuring. The Corporate Split should also enable the Group to carry out its business and organizational restructuring promptly and flexibly to respond to changes in the business environment.

2. Overview of Corporate Split

(1) Schedule of Corporate Split

Meeting of Board of Directors to resolve to adopt a holding company structure	November 6, 2008 (Thu)
Announcement of record date for meeting of shareholders	November 13, 2008 (Thu)
Record date for meeting of shareholders	November 28, 2008 (Fri)
Meeting of Board of Directors to approve the agreement for the Corporate Split	January 6, 2009 (Tue)
Execution of the agreement regarding the Corporate Split	January 6, 2009 (Tue)
Meeting of shareholders to approve the agreement for the Corporate Split	February 13, 2009 (Fri) (Planned)
Effective Date of the Corporate Split	April 1, 2009 (Wed) (Planned)

(Note) An absorption type corporate split, in which Toho Pharmaceutical is the Split Company and PharmaCluster is the Succeeding Company, will be conducted without the approval of a shareholders' meeting, as it is deemed to be a simplified absorption type split pursuant to Article 784, Paragraph 3 of the Corporation Law. In addition, the Corporate Split will be conducted without the approval of a shareholders' meeting by the current Toho Holdings and PharmaCluster, as it is deemed to be a summary absorption type split pursuant to Article 796, Paragraph 1 of the Corporation Law.

(2) Method of Corporate Split

(i) Pharmaceutical wholesaling business

Absorption Type Corporate Split, in which Toho Pharmaceutical is the Split Company and its wholly owned subsidiary, the current Toho Holdings, is the Succeeding Company.

(ii) Business pertaining to the management of dispensing pharmacy business companies

Absorption Type Corporate Split, in which Toho Pharmaceutical is the Split Company and its wholly owned subsidiary, PharmaCluster, is the Succeeding Company.

(3) Details of Allocation upon Corporate Split

No shares of stock to be allocated upon Corporate Split because the current Toho Holdings and PharmaCluster are wholly owned subsidiaries of Toho Pharmaceutical.

(4) Capital Reduction due to Corporate Split

Not applicable.

(5) Treatment of Share Options and Bonds with Share Options of the Split Company

There is no change in the share options and bonds with share options issued by Toho Pharmaceutical because of the Corporate Split.

(6) Rights and Obligations to be Succeeded by the Succeeding Companies

The current Toho Holdings shall succeed to the assets, liabilities, and employment contracts, as well as the rights and obligations incidental to these with respect to the pharmaceutical wholesaling business of Toho Pharmaceutical as of the effective date of the Corporate Split.

In addition, PharmaCluster shall succeed to the assets with respect to the business pertaining to the management of dispensing pharmacy business companies of Toho Pharmaceutical as of the effective date of the Corporate Split.

The obligation to be succeeded by the Corporate Split shall be additionally assumed by Toho Pharmaceutical.

(7) Prospect of Fulfilling Obligation

Toho Pharmaceutical, the current Toho Holdings and PharmaCluster conclude that there are no doubts in fulfillment of the obligation to be borne by each party after the effective date of the Corporate Split.

(8) Members of the Board who will Assume the Positions of Director, Auditor and Corporate Officer

	(The Succeeding Company) TOHO HOLDINGS CO., LTD. (A change in company name to Toho Pharmaceutical Co., Ltd., effective April 1, 2009, is planned.)	(The Succeeding Company) PHARMACLUSTER CO., LTD.
Director	Representative Director and Chairman Norio Hamada Representative Director and President Hiroyuki Kohno Senior Executive Managing Director Toshio Honma Senior Executive Managing Director Takeo Matsutani Executive Managing Director Shigeru Sato Executive Managing Director Mitsuo Morikubo Executive Managing Director Mamoru Ogino Director Atsuko Naitou Director Kengo Ogawa Director Toshio Sugimoto Director Takashi Kobayashi Director Katsuya Kato Director Noritaka Wakasa Director Yuzou Yamaguchi Director Atsuyasu Nakatsubo Director Kazunari Sue Director Yasuo Sakai Director Muchio Nakazato Director Shutaro Matsui Director Tokiaki Nishio Director Tadakatsu Terazono Director Toyoharu Kubota	Representative Director and Chairman Minoru Kashiwagi Representative Director and President Kazunari Sue Director Yasutaka Sarasawa Director Hiroki Kinoshita Director Takeshi Kurita Director Yoshiro Okayama Director Yasushi Yamaga Director Toshio Honma Director Yoshio Watanabe
Auditor	Auditor Shigeru Kataoka	Auditor Shigeru Kataoka

Corporate Officer	Executive Corporate Officer	Yoshio Watanabe	Corporate Officer	Shinji Yasu
	Executive Corporate Officer	Takashi Tada		
	Corporate Officer	Rikiya Ogawa		
	Corporate Officer	Tetsuro Tada		
	Corporate Officer	Itsuro Aridome		
	Corporate Officer	Mikio Miura		
	Corporate Officer	Mitsuhiro Narikawa		
	Corporate Officer	Fumio Hoshi		
	Corporate Officer	Kiichi Chiba		
	Corporate Officer	Atsushi Udo		
	Corporate Officer	Kaoru Wakabayashi		
Corporate Officer	Toru Sasaki			

3. Outline of Companies subject to Corporate Split

	The Split Company (as of September 30, 2008)	The Succeeding Company (as of November 4, 2008)	The Succeeding Company (as of December 24, 2008)
(1) Company name	Toho Pharmaceutical Co., Ltd. (A change in company name to Toho Holdings Co., Ltd., effective April 1, 2009, is planned.)	TOHO HOLDINGS CO., LTD. (A change in company name to Toho Pharmaceutical Co., Ltd., effective April 1, 2009, is planned.)	PHARMACLUSTER CO., LTD.
(2) Business contents	Wholesale of pharmaceuticals and reagent, Dispensing pharmacy business	Wholesale of pharmaceuticals and reagent	Management of dispensing pharmacy business companies
(3) Establishment	September 17, 1948	November 4, 2008	December 24, 2008
(4) Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo	5-2-1 Daizawa, Setagaya Ward, Tokyo	4-4-2 Honcho, Nihonbashi, Chuo Ward, Tokyo
(5) Corporate representative	Norio Hamada President and CEO	Mamoru Ishii President and CEO (*1)	Mamoru Ishii President and CEO (*2)
(6) Capital	10,649 million yen	10 million yen	10 million yen
(7) Number of shares issued	59,274,157 share	200 share	200 share
(8) Net asset	81,017 million yen (consolidated)	10 million yen (non-consolidated)	10 million yen (non-consolidated)
(9) Total assets	385,702 million yen (consolidated)	10 million yen (non-consolidated)	10 million yen (non-consolidated)
(10) Fiscal year end	March 31	March 31	March 31
(11) Employees	5,555 (consolidated)	0 (non-consolidated)	0 (non-consolidated)
(12) Major business partners	<ul style="list-style-type: none"> DAIICHI SANKYO COMPANY, LIMITED Mitsubishi Tanabe Pharma Corporation Astellas Pharma Inc. 	Currently conducting no business activities.	Currently conducting no business activities.
(13) Major shareholders and equity holdings	<ul style="list-style-type: none"> Mitsubishi Tanabe Pharma Corporation: 5.97% Japan Trustee Service Bank, Ltd. (trust account): 4.30% DAIICHI SANKYO COMPANY, LIMITED: 4.23% SHIONOGI & CO., LTD: 4.08% Astellas Pharma Inc.: 3.21% 	<ul style="list-style-type: none"> Toho Pharmaceutical Co., Ltd: 100% 	<ul style="list-style-type: none"> Toho Pharmaceutical Co., Ltd.: 100%
(14) Major bank of accounts	<ul style="list-style-type: none"> Mizuho Bank, Ltd. The Bank of Tokyo Mitsubishi UFJ, Ltd. 	<ul style="list-style-type: none"> Mizuho Bank, Ltd. 	<ul style="list-style-type: none"> Mizuho Bank, Ltd. (Planned)

(15) Relationships between Parties	Capital relationship	Toho Pharmaceutical holds all of the issued shares of the Succeeding Company.	Toho Pharmaceutical holds all of the issued shares of the Succeeding Company.
	Personnel relationships	One of the directors of Toho Pharmaceutical is also a director of the Succeeding Company.	One of the directors of Toho Pharmaceutical is also a director of the Succeeding Company.
	Business relationships	As the Succeeding Company is currently conducting no business activities, there are no transactions with Toho Pharmaceutical.	As the Succeeding Company is currently conducting no business activities, there are no transactions with Toho Pharmaceutical.

(*1) Hiroyuki Kohno will assume the position of the Representative Director and President on April 1, 2009.

(*2) Kazunari Sue will assume the position of the Representative Director and President on April 1, 2009.

(16) Financial results for the latest three fiscal Years (consolidated)

Fiscal year end	Fiscal year of 2006	Fiscal year of 2007	Fiscal year of 2008
Net sales (million yen)	706,488	773,436	805,419
Operating income (million yen)	6,104	9,335	10,269
Ordinary income (million yen)	8,889	13,104	13,901
Net income (million yen)	3,612	7,218	8,381
Net income per share (yen)	72.26	125.82	148.23
Dividends per share (yen)	10.00	12.00	16.00
Book value per share (yen)	1,092.58	1,247.22	1,351.96

4. Overview of Business Segments to be Split

(1) Content of Businesses of Divisions to be Split

(i) Pharmaceutical wholesaling business

Management of the subsidiaries that engage in sales of pharmaceuticals, narcotics, reagents, etc., sales of medical devices, and wholesales of pharmaceuticals.

(ii) Business pertaining to the management of dispensing pharmacy business companies

Management of the subsidiaries that engage in national health insurance pharmacies, home medical care services, and sales of pharmaceuticals.

(2) Operating Results of Divisions to be Split (as of the Fiscal Term ending March 2008)

	The Split Company (before corporate split) (a)	Pharmaceutical wholesaling business (b)	Business pertaining to the management of dispensing pharmacy business companies (c) (Note)	Ratio (b/a)	Ratio (c/a)
Net sales	774,734 million yen	774,734 million yen	0 million yen	100%	0%
Gross profit	35,491 million yen	35,491 million yen	0 million yen	100%	0%
Operating income	5,780 million yen	5,780 million yen	0 million yen	100%	0%

(Note) As Toho Pharmaceutical does not operate the dispensing pharmacy business by itself, it will only split its shares of stocks of its dispensing pharmacy business subsidiaries. Therefore, the figures including net sales to be split are set at zero.

(3) Item and Amount of Assets and Liabilities to be Split (as of September 30, 2008)

	Pharmaceutical wholesaling business	Business pertaining to the management of dispensing pharmacy business companies
Current assets	277,841 million yen	0 million yen
Fixed Assets	29,091 million yen	5,123 million yen
Total Assets	306,932 million yen	5,123 million yen
Current liabilities	279,057 million yen	0 million yen
Long-term liabilities	898 million yen	0 million yen
Total liabilities	279,956 million yen	0 million yen

(Note) The data above is based on figures as of September 30, 2008, and is different from the actual amount to be transferred in the corporate split.

5. Basic Information on the Listed Company after Corporate Split

(1) Company name	TOHO HOLDINGS CO., LTD.
(2) Business contents	Control and management of business companies as a holding company
(3) Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo
(4) Corporate representative	Norio Hamada / President and CEO
(5) Capital	10,649 million yen (There is no change due to the Corporate Split.)
(6) Fiscal year end	March 31 (not amended)

(7) Performance outlook

As the current Toho Holdings and PharmaCluster are wholly owned subsidiaries of Toho Pharmaceutical, the Corporate Split has no effect upon the consolidated performance of Toho Pharmaceutical. In addition, the revenue of Toho Pharmaceutical will consist mainly of rent of real estate, and management service fees and dividends from its subsidiaries, and expenses of Toho Pharmaceutical will consist mainly of operating costs relating to the functions of the holding company.

(8) Board Members who will Assume the Post of Director, Auditor and Corporate Officer

Director	Representative Director and Chairman Representative Director and President Deputy President and Director Director Director	Takaaki Matsutani Norio Hamada Hiroyuki Kohno Toshio Honma Takeo Matsutani
Auditor	Full-time Auditor Full-time Auditor (Outside Corporate) Full-time Auditor (Outside Corporate) Auditor Auditor (Outside Corporate)	Taketoshi Kitamichi Mikihiko Matsumiya Yoshiro Matsumoto Hiroshi Kenmotsu Hiroshi Sato
Corporate Officer	Corporate Officer Corporate Officer Corporate Officer Corporate Officer Corporate Officer	Mitsuo Morikubo Mamoru Ogino Shigeru Kataoka Katsuya Kato Mamoru Isii