

January 6, 2009

To whom it may concern:

5-2-1 Daizawa, Setagaya Ward, Tokyo
Toho Pharmaceutical Co., Ltd.
(Tokyo Stock Exchange Securities Code: 8129)
Norio Hamada, President and CEO
Contact: Mamoru Ishii, Corporate Officer and
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Corporate Planning Division
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Notice regarding the Commencement of Consultations toward a Business Merger between Toho Pharmaceutical Co., Ltd. and OMWELL Inc.

We hereby announce that we, Toho Pharmaceutical Co., Ltd., and OMWELL Inc. have reached an agreement in a meeting of the Board of Directors held on January 6, 2009 to commence consultations toward a business merger between both companies. The details are as follows.

1. Purpose of the Commencement of Consultations toward Business Merger

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

OMWELL Inc. is a pharmaceutical wholesaler that trades in all prefectures of the Chugoku region. This company became a member of the Kyoso Mirai Group in May 2004, following a business alliance. OMWELL Inc. is also a member of the “HEREON Inc.” established by nine companies in the same trade, including Toho Pharmaceutical, in November 2005, and both companies have so far developed mutual cooperation through the business alliance.

Toho Pharmaceutical has decided to adopt a holding company structure to respond promptly and flexibly to the dramatic changes in the business environment, aiming to bolster the corporate value of the Group. It gained the consent of OMWELL Inc. on this policy as a member of the Group after the adoption of that structure. Both companies conclude that the Group can further strengthen marketing capabilities and maximize the corporate value of the Group by making effective use of management resources of the Group, while maintaining the local business bases developed by OMWELL Inc. and have now decided to commence consultations toward a business merger.

Toho Pharmaceutical intends to pursue synergy mainly in the fields of purchase, physical distribution, and marketing through a business merger between both companies.

2. Content of Consultations concerning Business Merger

Toho Pharmaceutical expects to make OMWELL Inc. its wholly owned subsidiary on October 1, 2009. Specific details about the method of the business merger and the operation and business expansion after the business merger will be announced immediately after they have been finalized.

3. Outlines of parties involved (as of September 30, 2008)

(1)	Company name	Toho Pharmaceutical Co., Ltd.	OMWELL Inc
(2)	Business contents	Wholesale of pharmaceuticals and reagent, Dispensing pharmacy business	Wholesale of pharmaceuticals business
(3)	Establishment	September 17, 1948	December 24, 1947
(4)	Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo	5-12 Noborimachi, Naka Ward, Hiroshima City, Hiroshima
(5)	Corporate representative	Norio Hamada / President and CEO	Hiroyuki Kohno / President
(6)	Capital	10,649 million yen	75 million yen
(7)	Number of shares issued	59,274,157 share	378,740 share
(8)	Net assets	81,017 million yen (consolidated)	15,888 million yen
(9)	Total assets	385,702 million yen (consolidated)	40,122 million yen
(10)	Fiscal year end	March 31	March 31
(11)	Employees	5,555 (consolidated)	492 (temporary employees excluded)
(12)	Major business partners	<ul style="list-style-type: none"> • DAIICHI SANKYO COMPANY, LIMITED • Mitsubishi Tanabe Pharma Corporation • Astellas Pharma Inc. 	SHIONOGI & CO., LTD. Eisai Co., Ltd. Dainippon Sumitomo Pharma Co., Ltd.
(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"> • SHIONOGI & CO., LTD:30.6% • Hiroyuki Kohno: 13.0% • Aggregate Corporation Okayama Prefectural Medical Association: 6.3% • KOHNO KOSAN: 5.0% • Teruko Kohno: 2.3%
(14)	Major bank of accounts	<ul style="list-style-type: none"> • Mizuho Bank, Ltd. • The Bank of Tokyo Mitsubishi UFJ, Ltd. 	The Hiroshima Bank, Ltd., Momiji Bank, Ltd.
(15)	Relationships between Parties	Capital relationship	Not applicable.
		Personnel relationships	One of the directors of Toho Pharmaceutical is also a director of OMWELL Inc. In addition, one of the directors of OMWELL Inc. is also a director of Toho Pharmaceutical.
		Business relationships	Toho Pharmaceutical has small business transactions with OMWELL Inc. as a sales destination.

4. Financial results for the latest three fiscal Years

Fiscal year end	Toho Pharmaceutical Co., Ltd.			OMWELL Inc		
	FY2006	FY2007	FY2008	FY2006	FY2007	FY2008
Net sales (million yen)	706,488	773,436	805,419	67,467	68,674	72,557
Operating income (million yen)	6,104	9,335	10,269	831	1,385	1,509
Ordinary income (million yen)	8,889	13,104	13,901	1,138	1,698	1,867
Net income (million yen)	3,612	7,218	8,381	629	952	975
Net income per share (yen)	72.26	125.82	148.23	1,665.83	2,586.39	2,649.58
Dividends per share (yen)	10.00	12.00	16.00	40.00	40.00	40.00
Book value per share (yen)	1,092.58	1,247.22	1,351.96	37,854.32	40,580.11	42,171.45