

January 9, 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
General Manager of Corporate Planning Office
and Public and Investor Relations Office
Corporate Planning Division
(Tel: 03-4330-3732)

Notice regarding the Commencement of Consultations toward a Business Merger between Toho Pharmaceutical Co., Ltd. and Asucome Inc.

We hereby announce that we, Toho Pharmaceutical Co., Ltd., and Asucome have reached an agreement in a meeting of the Board of Directors held on January 9, 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.

Asucome is a pharmaceutical wholesaler and operator of dispensing pharmacies serving markets in the Tohoku region (excluding Akita Prefecture), and in Ibaraki Prefecture. Since Asucome formed a business alliance with Toho Pharmaceutical in October 2000 and became a member of the Kyoso Mirai Group, the two companies have strove for mutual cooperation.

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 asucome 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 asucome 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 plans to make Asucome its wholly owned subsidiary, with October 1, 2009 as a target. 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.	Asucome
(2)	Business contents	Wholesale of pharmaceuticals and reagent, Dispensing pharmacy business	Wholesale of pharmaceuticals and reagent, Dispensing pharmacy business
(3)	Establishment	September 17,1948	December 27, 1950
(4)	Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo	1-3-7 Kimachidori, Aoba Ward, Sendai City,Miyagi
(5)	Corporate representative	Norio Hamada / President and CEO	Susumu Hosoda (Note 1) / President
(6)	Capital	10,649 million yen	404 million yen
(7)	Number of shares issued	59,274,157 share	730,300 share
(8)	Net assets	81,017 million yen (consolidated)	4,914 million yen
(9)	Total assets	385,702 million yen (consolidated)	31,324 million yen
(10)	Fiscal year end	March 31	March 31
(11)	Employees	5,555 (consolidated)	663
(12)	Major business partners	DAIICHI SANKYO COMPANY, LIMITED Mitsubishi Tanabe Pharma Corporation Astellas Pharma Inc.	DAIICHI SANKYO COMPANY, LIMITED CHUGAI PHARMACEUTICAL CO., LTD. Mitsubishi Tanabe Pharma Corporation
(13)	Major shareholders and equity holdings	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%	DAIICHI SANKYO COMPANY, LIMITED : 14.71 % Katsumi Iwasaki 8.72 % Masato Sugano 6.93 % CHUGAI PHARMACEUTICAL CO., LTD: 5.68 % Kimimichi Ishidate 4.94 %
(14)	Major bank of accounts	Mizuho Bank , Ltd. The Bank of Tokyo·Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Banking Corporation The 77 Bank, Ltd. JOYO BANK, Ltd. THE TOHO BANK, LTD.
(15)	Relationships between Parties	Capital relationship	Not applicable.
		Personnel relationships	Not applicable. (Note 2)
		Business relationships	Not applicable.

(Note 1) Susumu Hosoda, President, is scheduled to retire from his post as Director as of February 12 of this year, and Masato Kanno (currently Vice President) is scheduled to become President as of the same date.

(Note 2) As of February 12 of this year, Masami Okubo, currently Deputy General Manager in charge of Tohoku at the Sales and Marketing Division of Toho Pharmaceutical, and Yoshiro Matsumoto, currently a Full-time Corporate Auditor at Toho Pharmaceutical, are respectively scheduled to become a Director and a Corporate Auditor, at Asucome.

4. Financial results for the latest three fiscal Years

Fiscal year end	Toho Pharmaceutical Co., Ltd. (Consolidated)			Asucome (Non-consolidated)		
	FY2006	FY2007	FY2008	FY2006	FY2007	FY2008
Net sales (million yen)	706,488	773,436	805,419	87,598	72,876	63,339
Operating income (million yen)	6,104	9,335	10,269	32	221	31
Ordinary income (million yen)	8,889	13,104	13,901	117	268	28
Net income (million yen)	3,612	7,218	8,381	- 590	- 132	- 505
Net income per share (yen)	72.26	125.82	148.23	- 899.78	- 188.23	- 705.43
Dividends per share (yen)	10.00	12.00	16.00	50.00	50.00	50.00
Book value per share (yen)	1,092.58	1,247.22	1,351.96	9,997.62	9,617.78	8,529.66