

To whom it may concern:

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 Toho Pharmaceutical Co., Ltd.  
 (Tokyo Stock Exchange Securities Code: 8129)  
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## **Notice Regarding Conclusion of Business Combination Agreement with Capital and Business Alliance Company (Nagaoka Pharmaceutical Co., Ltd.)**

Toho Pharmaceutical Co., Ltd. is pleased to announce that its Board of Directors held today (February 13, 2009) resolved the business combination with Nagaoka Pharmaceutical Co., Ltd. (Head office: Nagaoka City, Niigata; Toho Pharmaceutical's controlling share: 10.00%) which has been in a capital and business alliance with the Company, and both parties concluded the business combination agreement as follows:

### **1. Aim of business combination**

Nagaoka Pharmaceutical is a pharmaceutical wholesaler established in Nagaoka City, Niigata in May 1968, and trading in Niigata Prefecture. The company made a capital and business alliance with Toho Pharmaceutical in March 1990, and has conducted, as a member company of the Kyoso Mirai Group, its business operations jointly with Toho Pharmaceutical, which is the core company of the Group.

Taking into consideration perspectives for the future of the pharmaceutical wholesale industry, Toho Pharmaceutical and Nagaoka Pharmaceutical reached an agreement that the business combination between the two companies was in the best interests of their future business operations. Toho Pharmaceutical will strive to enhance its marketing capabilities and to maximize the corporate value of the Group through improving further the mobility of distribution functions and making effective use of management resources, while carefully maintaining the community-based infrastructure of business cultivated by Nagaoka Pharmaceutical.

### **2. Method of business combination**

The Company will make Nagaoka Pharmaceutical its wholly owned subsidiary on February 27, 2009 (scheduled) after transfer of all shares of Nagaoka Pharmaceutical from its shareholders, and then make the company merge into the Toho Pharmaceutical's wholly owned subsidiary Honma Toho Co., Ltd. (the surviving company) having Niigata Prefecture as its marketing territory, on April 1, 2009.

Note: The Company announced that the date for acquiring all shares of Nagaoka Pharmaceutical would be February 1, 2009 in the previous notice (November 6, 2008), but has changed it to the date mentioned above. The merger date for Nagaoka Pharmaceutical and Honma Toho Pharmaceutical has not been changed.

### **3. Outline of parties involved in merger (as of March 31, 2008)**

(1) Company name	Nagaoka pharmaceutical Co., Ltd. (extinct company)	Honma Toho Co., Ltd. (surviving company)
(2) Business contents	Wholesale of pharmaceuticals	Wholesale of pharmaceuticals
(3) Establishment	May 29, 1968	February 28, 1949
(4) Principal place of business	2-2-3 Shinsan, Nagaoka city, Niigata	3-12-1 Niitsu-Honmachi, Akiha Ward, Niigata, Niigata City, Niigata
(5) Corporate representative	President / Futoshi Ohno	President / Toshio Honma
(6) Capital	15 million yen	100 million yen
(7) Number of shares issued	30,000 share	720,000 share
(8) Net sales	1,847 million yen	22,034 million yen
(9) Net assets	408 million yen	1,209 million yen
(10) Total assets	697 million yen	7,503 million yen
(11) Fiscal year end	March 31	March 31
(12) Major business partners	Kiyoshi Ohno 32.33% Futoshi Ohno 17.07% Toho Pharmaceutical Co., Ltd. 10.00% Yoshiko Ohno 7.77% Yuriko Ohno 7.17%	Toho Pharmaceutical Co., Ltd.100.00%

### **4. Effects on Toho Pharmaceutical's Business Results**

The business transfer will have no impact on Toho Pharmaceutical's non-consolidated and consolidated business results.