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To whom it may concern:

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### **Notice on the Formulation of the New Medium-term Management Plan**

TOHO HOLDINGS CO., LTD. hereby announces that it has formulated a new Medium-term Management Plan, which covers the period from April 2009 to March 2012. An outline of the new Medium-term Management Plan is as follows:

#### 1. Purpose of Formulating the Medium-term Management Plan

With the shift to the holding company system from April 2009, the Company has formulated a new Medium-term Management Plan “Challenge to be the Demand Innovator 10-12.” The Company aims to overcome the current severe business environment as soon as possible and to be the corporate group that will realize by itself demand innovation in the fields of medical care and health in Japan and the world under the corporate slogan of “Total Commitment to Good Health” with various measures to achieve new growth and full optimization and improvements in productivity by preempting rapid changes in the medical service industry.

#### 2. Basic policy of the Medium-term Management Plan

##### (1) Establishment of a new group strategy

Taking advantage of the opportunity to shift to a holding company structure, the Company will uphold the theme “Securing Growth and Profits” in the mainstay pharmaceutical wholesaling business and implement a zero-based review of the existing marketing strategy. In the dispensing pharmacy business, the Company will strongly support the improvement of business efficiency and increase added value in the management of dispensing pharmacies, which are responsible for community healthcare. Furthermore, as for other peripheral fields of medical business, the Company plans to create a new core business so that each member company may be able to establish a business structure that enables it to display its characteristics to the maximum and to anticipate growth.

##### (2) Creation of an original business model

In addition to the CS (customer satisfaction) type business model, which responds and gives satisfaction to the customer’s actual demands, the Company will focus on creating an original business model of the CJ (customer’s joy) type, which gives joy to the customers by satisfying their potential needs, and will maximize corporate value.

### 3. Priority measures towards achievement of the Medium-term Management Plan's goals

#### (1) Innovation and increments in productivity in marketing activities

The Company will promote the compatibility of proposal-based marketing that is centered on customer support and the promotion of medicines, and, at the same time, reinforce the ability to collect pharmaceutical market information and information on customers. In addition, the Company will continue to deploy its prime partner strategy and will be involved in activities to enhance transactions with prime customers and to develop new customers. Furthermore, the Company will verify the importance of information-based marketing activities and realize improvements in added value and productivity by implementing individual marketing according to the characteristics of the customers.

#### (2) Improvements in distribution efficiency and the upgrading of traceability

The Company views ensuring of safety and security in pharmaceutical distribution as one of its top priority management issues and will promote the construction of storage and delivery systems. The Company will materialize auto location control over pharmaceutical products based on a production number (lot number) and an expiry date at all distribution centers, as well as promoting innovation in distribution equipment, including the introduction of robots to improve the efficiency of warehouse tasks.

#### (3) Promotion of cash flow management

The Company will strive to improve its cash flows based on the principles of selection and concentration and priority, through the implementation of shortening of the terms of notes and accounts receivable, improving cost-effectiveness and screening the investment recovery plan for each new planned investment.

#### (4) Human resources development to achieve a lean and active business organization

The Company sets a high value on employees aspiring to challenges from the viewpoint of improving the productivity of employees and will build an organizational climate that enables employees to exert their multiple capabilities through their voluntary activities. In addition, the Company will increase business efficiency through the promotion of cross-organizational project activities.

### 4. Performance targets

Numerical targets for the performance during the new Medium-term Management Plan have been set as follows:

Consolidated	(Unit: million yen)			
	FY2009	FY2010 (Target)	FY2011 (Target)	FY2012 (Target)
Net sales	838,903	970,000	1,027,000	1,080,000
Operating income	3,022	6,000	8,000	10,500
Ordinary income	6,525	9,100	12,500	15,000

Note: Demand innovation refers to understanding the priority order of the urgent problems, potential problems and related issues of a customer and to establish a package of products, information, services and a network for the customers to improve their quality of life by proactively

corresponding to these problems and issues.