

May 21, 2009

To whom it may concern:

5-2-1 Daizawa, Setagaya Ward, Tokyo
Toho Holdings 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
(Tel: 03-5259-9500)

Notice Regarding OMWELL Inc. Becoming a Wholly Owned Subsidiary of Toho Holdings Co., Ltd. through a Stock Swap

Toho Holdings Co., Ltd. is pleased to announce that a meeting of the Board of Directors held today (May 21, 2009) resolved to implement a stock swap with OMWELL Inc. (“OMWELL” hereinafter) to make OMWELL a wholly owned subsidiary with Toho Holdings being a wholly owning parent company (“this stock swap” hereinafter) and concluded the stock swap agreement with OMWELL, as a result of continued consultation about the business merger between both companies as announced in the Notice regarding the Commencement of Consultations toward a Business Merger between Toho Pharmaceutical Co., Ltd. and OMWELL published on January 6, 2009. Details are as follows:

1. Purpose behind establishing the wholly owned subsidiary through a stock swap

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 Holdings 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 Holdings, in November 2005, and both companies have so far developed mutual cooperation through the business alliance. Toho Holdings 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.

With OMWELL’s approval for our policy above and to be a member of our Group, both companies consider that they would be able to enhance their marketing and sales further and maximize the Group’s corporate value by positively utilizing managerial resources as a group while maintaining OMWELL’s community-based business bases. Consequently, both companies agreed to implement the stock swap.

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

2. Overview of stock swap

(1) Schedule of stock swap

BOD to resolve the commencement of consultations toward a business merger between Toho Holdings and OMWELL	January 6, 2009
BOD to approve the conclusion of the stock swap agreement	May 21, 2009
Conclusion of the agreement regarding the stock swap	May 21, 2009
Shareholders' meeting to approve the stock swap	June 26, 2009 (planned)
Stock swap date (proposed effective date)	October 1, 2009 (planned)

(2) Stock swap ratio

Company name	TOHO HOLDINGS	OMWELL
Stock swap ratio	1	40
Number of new shares to be issued for stock swap	Common stock: 13,815,880 shares	

Note: Toho Holdings will allocate and issue 40 common stocks to 1 common stock of OMWELL. In addition, since all treasury stocks owned by OMWELL are scheduled to be cancelled by the effective date of the stock swap, the number of new shares to be issued for the stock swap was calculated based on the number of OMWELL's common stocks of 345,397 shares, which was calculated by deducting the number of treasury stocks owned by OMWELL (33,343 shares as of May 21, 2009) from its outstanding shares.

(3) Grounds for calculating the stock swap rate

1) Basis of the calculation

To secure the fairness in the calculation of the stock swap ratio to be applied for this stock swap, Toho Holdings appointed Nomura Securities Co., Ltd. ("Nomura Securities" hereinafter) and OMWELL appointed Nikko Cordial Securities Inc. ("Nikko Cordial Securities" hereinafter) respectively as their financial advisers for this stock swap and requested each to calculate the stock swap ratio.

Prior to the Board of Directors' Meeting to approve the conclusion of the stock swap agreement concerning this stock swap, Toho Holdings received a calculation report containing the following results of the calculation from Nomura Securities.

As for common stocks of Toho Holdings as a listed company, Nomura Securities made calculations using the average market price method due to availability of market prices, and at the same time, calculated stock swap ratios for both companies using the comparable peer company analysis method and the discounted cash flow (DCF) method. A summary of results of the calculations by Nomura Securities is as follows:

	TOHO HOLDINGS	OMWELL	Stock swap ratio
①	Average market price method	Comparable peer company analysis method	1 : 33.04~39.08
②	Comparable peer company analysis method	Comparable peer company analysis method	1 : 25.70~55.43
③	DCF method	DCF method	1 : 25.73~45.81

In addition, in the average market price method, the calculation date was determined to be May 15, 2009, taking account of recent statuses of transactions on the market, and the average closing price during the period from May 11, 2009, the following business day after the date of announcement of the Company's Summary of Consolidated Financial Results for the Fiscal Year ending March 2009 to the calculation date, was adopted.

When calculating the stock swap ratio, Nomura Securities adopted data and information provided or publicly disclosed by Toho Holdings and OMWELL as they were, and calculated ratios on the assumption that data and information were correct and complete, without individually verifying the correctness and the completeness of data and information. Additionally, Nomura Securities did not carry out its independent evaluation, appraisal and assessment of values, including its own analysis and revaluation, of individual non-consolidated assets and liabilities including contingent liability of both companies and their affiliated companies, and did not request an appraisal or assessment of values to a third-party institution. Furthermore, for the calculations, Nomura Securities assumed that both companies' information for financial forecasts was prepared reasonably based on the best forecasts and judgment by both companies' management available as of the time of preparation. Consequently, Nomura Securities' calculation of the stock swap ratio is based on information and economic conditions as of May 15, 2009.

The calculation report for the stock swap ratio by Nomura Securities was provided to Toho Holdings as reference information and advice to the investigation of the Board of Directors' meeting of Toho Holdings, and is not intended to solicit the approval of this stock swap at the shareholders' meeting to be convened concerning this stock swap.

Prior to the Board of Directors' Meeting to approve the conclusion of the stock swap agreement concerning this stock swap, OMWELL received the calculation report for the stock swap ratio containing the following results of calculation from Nikko Cordial Securities.

Nikko Cordial Securities planned to conduct a multilateral assessment of stock prices of Toho Holdings and OMWELL, and applied the average market price method, the comparable peer company analysis method and DCF method to the calculation of stock values of Toho Holdings, a listed company, and evaluated stock values of OMWELL, a non-listed company, using the comparable peer company analysis method and DCF method, and calculated the stock swap ratios. A summary of results of the calculations by Nikko Cordial Securities is as follows:

	TOHO HOLDINGS	OMWELL	Stock swap ratio
①	Average market price method	Comparable peer company analysis method	1 : 31.39~35.72
②	Comparable peer company analysis method	Comparable peer company analysis method	1 : 35.01~44.33
③	DCF method	DCF method	1 : 28.71~32.29

In addition, in the average market price method, the calculation date was determined to be May 15, 2009, and the average closing price during the period from the following business day of April 28, 2009 when the Company's Notice regarding the Revision of the Full-Year Earnings Forecasts for the Fiscal Year ending March 2009 was disclosed to the calculation date and the average closing price during the period from the following business day of May 8, 2009 when Toho Holdings' Summary of Consolidated Financial Results for the Fiscal Year ending March 2009 was disclosed to the calculation date were analyzed.

When calculating the stock swap ratio, Nikko Cordial Securities adopted data and information provided or publicly disclosed by Toho Holdings and OMWELL as they were, and calculated ratios on the assumption that data and information were correct and complete, without individually verifying the correctness and the completeness of data and information. Additionally, Nikko Cordial Securities did not carry out its independent evaluation, appraisal and

assessment of values, including its own analysis and revaluation, of individual non-consolidated assets and liabilities including contingent liabilities of both companies and their affiliated companies, and did not request appraisal or assessment of values to a third-party institution. Furthermore, for calculations, Nikko Cordial Securities assumed that both companies' information for financial forecasts was prepared reasonably based on the best forecasts and judgment by both companies' management available as of the time of preparation.

Additionally, Toho Holdings' future earnings forecasts, which were a prerequisite for the DCF calculation method by Nomura Securities and Nikko Cordial Securities, estimated a significant increase in earnings, but those of OMWELL did not forecast any material increase or decrease in profits.

2) Background of the calculation

As described in the above, Toho Holdings and OMWELL requested each of Nomura Securities and Nikko Cordial Securities to calculate the stock swap ratio to be used for this stock swap, and continued with careful consultations about the stock swap ratio, by referring to the results of the calculations of both securities companies and taking into consideration comprehensively both companies' various factors including their financial situation, status of assets, future prospects and the schedule for the cancellation of all treasury stocks by OMWELL, which were acquired by OMWELL on May 18, 2009, by the effective date. As a result of careful deliberation and consultation concerning, on May 21, 2009, Toho Holdings and OMWELL made a final decision that the stock swap ratio in the above was appropriate, and reached an agreement.

3) Relationship with the calculation agents

Calculation agents of Nomura Securities and Nikko Cordial Securities are not related parties of Toho Holdings Co., Ltd. and OMWELL Inc.

(4) Share warrant and corporate bonds with share warrant of the wholly owned subsidiary established through the stock swap

There are no applicable items.

3. Outlines of parties involved in the share exchange (as of March 31, 2009)

(1) Company name	TOHO HOLDINGS CO., LTD.	OMWELL.INC
(2) Business contents	Holding company's function, namely control and management of operating companies	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	60,766,622 share	378,740 share
(8) Net assets	77,605 million yen (consolidated)	15,790 million yen (non-consolidated)
(9) Total assets	397,845 million yen (consolidated)	39,742 million yen (non-consolidated)
(10) Fiscal year end	March 31	March 31
(11) Employees	5,558 (consolidated)	429 (non-consolidated)
(12) Major business partners	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	Mitsubishi Tanabe Pharma Corporation: 6.02 % DAIICHI SANKYO COMPANY, LIMITED: 4.42 % Japan Trustee Service Bank, Ltd. (trust account): 4.24 % SHIONOGI & CO., LTD: 4.11 % Japan Trustee Service Bank, Ltd. (trust account 4G): 3.64 %	SHIONOGI & CO., LTD:30.57 % Hiroyuki Kohno: 113.02 % Aggregate Corporation Okayama Prefectural Medical Association: 6.33 % OMWELL Holdings Company.: 5.49 % KOHNO KOSAN: 5.04 %
(14) Major bank of accounts	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 Holdings is also a director of OMWEL Inc. In addition, one of the directors of OMWELL Inc. is also a director of Toho Holdings.
	Business relationships	A consolidated subsidiary of Toho Holdings has a limited business relationship with OMWELL as its customer.
	Status applicable to the related party	Not applicable.

(□) The Representative Director and President have been replaced by Yohji Doi as of May 21, 2009.

4. Financial results for the latest three fiscal Years (unit: million yen)

Fiscal year end	TOHO HOLDINGS (consolidated)			OMWELL (non-consolidated)		
	FY2007	FY2008	FY2009	FY2007	FY2008	FY2009
Net sales	773,436	805,419	838,903	68,674	72,557	73,509
Operating income	9,335	10,269	3,021	1,385	1,509	823
Ordinary income	13,104	13,901	6,525	1,698	1,867	1,206
Net income	7,218	8,381	△2,471	952	975	498
Net income per share	125.82 yen	148.23 yen	△41.73 yen	2,586.39 yen	2,649.58 yen	1,354.48 yen (note)
Dividends per share	12.00 yen	16.00 yen	20.00 yen	40.00 yen	40.00 yen	40.00 yen
Book value per share	1,247.22 yen	1,351.96 yen	1,320.76 yen	40,581.11 yen	42,171.45 yen	42,873.18 yen (note)

(note) OMWELL acquired treasury stocks on May 18, 2009. Net income per share and net assets per share after adjustment of treasury stocks above are 1,444.35 yen and 45,691.26 yen respectively.

5. Status after the stock swap

(1) Company name	TOHO HOLDINGS CO., LTD.
(2) Business contents	Holding company's function, namely control and management of operating companies
(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
(6) Net assets	Currently not yet determined
(7) Total assets	Currently not yet determined
(8) Fiscal year end	March 31
(9) Outline of accounting procedure	Accounting of the stock swap is expected to be based on the purchase method, since a stock swap comes under the category of "acquisition" under accounting standards for business combinations. However, an estimation of good will is not available at present, and the amount and the amortization period will be announced as soon as they are finalized.
(10) Performance outlook	Impacts from OMWELL's becoming a wholly owned subsidiary and other effects on the Company's consolidated operating results will be reported immediately after details are finalized.