

June 26, 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 of the Start of Negotiations toward the Reorganization of Dispensing Pharmacy Business Companies

TOHO HOLDINGS CO., LTD. is pleased to announce that its Board of Directors held today resolved concerning ETHOS Inc. (Head office: Tokyo), our consolidated sub-subsidiary, TOYAKU Corporation (Head office: Tokyo) and Chuo Medical Co., Ltd. (Head office: Niigata), ETHOS' consolidated subsidiaries.

1. Negotiations shall be started toward the integration of ETHOS Inc. and TOYAKU Corporation on around October 1, 2009; and
2. Negotiations shall be started toward the division and absorption of Chuo Medical Co., Ltd., ETHOS's subsidiary, into PharmaCluster Co., Ltd., involved in the management of dispensing pharmacy business companies, on around October 1, 2009.

* ETHOS Inc. is a subsidiary of PharmaCluster Co., Ltd., which is a subsidiary of TOHO HOLDINGS CO., LTD.

1. Objectives of reorganizing the dispensing pharmacy businesses

On April 1, 2009, we shifted to a holding company system, handing over the pharmaceutical wholesaling business to Toho Pharmaceuticals Co., Ltd., our wholly owned subsidiary, and the management of dispensing pharmacy business companies to PharmaCluster Co., Ltd., also our wholly owned subsidiary.

We are to start negotiations toward the integration and the division and absorption as indicated above, in order to ensure business growth opportunities and adaptability to environmental changes for ETHOS Inc., our consolidated sub-subsidiary, through effective use of managerial resources of parent and subsidiary companies.

We intend to promote this reorganization as a means toward further contributing to community health care and creating more trusted pharmacies.

2. Schedule of reorganization

July 16, 2009 Conclusion and approval of absorption and integration agreement (at board of directors meetings of TOHO HOLDINGS CO., LTD., PharmaCluster Co., Ltd., ETHOS Inc., and TOYAKU Corporation)

Conclusion and approval of division and absorption agreement (at board of directors meetings of TOHO HOLDINGS CO., LTD., PharmaCluster Co., Ltd. and ETHOS Inc.)

October 1, 2009 (planned) Date for the integration and division and absorption

3. Specifications of reorganization

1. For the integration of ETHOS Inc. and TOYAKU Corporation, ETHOS Inc. is to become the absorbing and sustaining company, which will be represented by Hiroki Kinoshita (the incumbent representative of TOYAKU Corporation) as President and Representative Director.
2. Other details concerning the integration and the division and absorption are to be determined through negotiation by the parties involved, including TOHO HOLDINGS CO., LTD. and PharmaCluster Co., Ltd.

4. Impact on business performance

The three companies are our consolidated companies, and the impact of this reorganization on our consolidated and non-consolidated performance is expected to be minor.

5. Outlines of parties involved

(1) Company name	PharmaCluster Co., Ltd. (Non-consolidated)	ETHOS Inc. (Non-consolidated)	TOYAKU Corporation	Chuo Medical Co., Ltd.
(2) Corporate representative	Kazunari Sue	Kazunari Sue	Hiroki Kinoshita	Suguru Ohi
(3) Principal place of business	4-4-2 Honcho, Nihonbashi, Chuo Ward, Tokyo	4-4-2 Honcho, Nihonbashi, Chuo Ward, Tokyo	4-4-2 Honcho, Nihonbashi, Chuo Ward, Tokyo	2-646-107 Hakusanura, Chuo Ward, Niigata City, Niigata
(4) Establishment	Dec 24, 2008	Jul 7, 1993	Jan 21, 1982	Feb 25, 1997
(5) Main business contents	Management of dispensing pharmacy business companies	Dispensing pharmacy business	Dispensing pharmacy business	Dispensing pharmacy business
(6) Fiscal year end	May 31	May 31	May 31	May 31
(7) Capital	10 million yen	50 million yen	10 million yen	50 million yen
(8) Number of shares issued	200	400,000	20,000	1,000
(9) Five major shareholders	(Shareholder's name) (share) 1. TOHO HOLDINGS CO., LTD. 100.0 %	(Shareholder's name) (share) 1. PharmaCluster Co., Ltd. 100.0 %	(Shareholder's name) (share) 1. ETHOS Inc. 100.0 %	(Shareholder's name) (share) 1. ETHOS Inc. 100.0 %
(10) Net Sales (FY2009)	0 yen	15,579 million yen	4,228 million yen	4,103 million yen
(11) Employees (as of March 31, 2009)	0 (Full-time worker)	319 (Full-time worker)	91 (Full-time worker)	110 (Full-time worker)

6. Others

Details concerning reorganization are to be disclosed when they become clear.