

July 16, 2009

To whom it may concern

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Toho Holdings Co., Ltd.
(Tokyo Stock Exchange Securities Code: 8129)
Norio Hamada, President and CEO
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Notice of the Conclusion of a Consolidation Agreement between Consolidated Sub-subsidiaries

As announced in the Notice of Conclusion of Memorandum to Promote Consultation about Consolidation between Consolidated Subsidiaries published on May 21, 2009, Kyushu Toho Co., Ltd. (head office: Kumamoto City), a consolidated sub-subsidiary of TOHO HOLDINGS CO., LTD., and Mori Pharmaceutical Co., Ltd. (head office: Miyazaki City), also a consolidated sub-subsidiary of the Company, made the memorandum to promote consolidation between them by October 1, 2009. In this connection, TOHO HOLDINGS is pleased to announce that its Board of Directors meeting held today has resolved the conclusion of a consolidation agreement between both companies. The details are as follows:

1. Purpose of consolidation

The Kyoso Mirai Group as a corporate group that is engaged in the distribution of drugs and medicines and other medical products is working toward maximizing its group synergy by actively applying all managerial resources under the corporate slogan of "Total Commitment to Good Health." Toho Pharmaceutical Co., Ltd. is the core company of the Kyoso Mirai Group.

As mentioned above, Kyushu Toho Co., Ltd. and Mori Pharmaceutical Co., Ltd. concluded a memorandum in order to promote consultations about their consolidation by October 1, 2009. Today, Toho Holdings' Board of Directors meeting has approved the conclusion of this agreement of consolidation between both companies.

Toho Holdings intends to promote this business integration in order to increase competitiveness of the Group by efficiently using the managerial resources of Kyoso Mirai Group in the Kyushu region.

2. Objectives of consolidation

(1) Schedule of consolidation

May 21, 2009	Kyushu Toho Co., Ltd. and Mori Pharmaceutical Co., Ltd. made the memorandum to promote consultation about their consolidation. Toho Holdings resolved to approve the memorandum at its Board of Directors' Meeting.
July 16, 2009	Conclusion of the consolidation agreement by Kyushu Toho Co., Ltd. and Mori Pharmaceutical Co., Ltd. Company's approval of the consolidation agreement at its Board of Directors meeting
The beginning of September 2009	Extraordinary shareholders' meeting to approve the agreement of consolidation Kyushu Toho Co., Ltd. and Mori Pharmaceutical Co., Ltd. are scheduled to each implement a resolution in writing under Article 319, Paragraph 1 of the Companies Law on September 10, 2009 (planned).
October 1, 2009	Date of consolidation

(2) Method of consolidation

Consolidation is to be carried out based on an absorption-type merger whereby Kyushu Toho is the surviving company and Mori Pharmaceutical is the absorbed company, and Mori Pharmaceutical will be dissolved.

In addition, no shares or money shall be allocated at the time of the merger since the Company's wholly-owned subsidiary, Toho Pharmaceutical Co., Ltd., possesses the whole of the outstanding shares of both companies.

(3) Treatment of the absorbed company's share options and bonds with share options

Mori Pharmaceutical Co., Ltd. has not issued any share options, nor bonds with share options.

3. Outline of both parties

	Surviving company	Absorbed company
(1) Company name	Kyushu Toho Co., Ltd	Mori Pharmaceutical Co., Ltd.
(2) Business contents	Wholesale of pharmaceuticals business	Wholesale of pharmaceuticals business
(3) Establishment	February 2, 1948	December 27, 1950
(4) Principal place	356 Yoyasu-cho, Kumamoto City, Kumamoto	33 Yanagimaru-cho, Miyazaki City, Miyazaki
(5) Corporate representative	Tadakatsu Terazono President	Toyoharu Kubota President
(6) Capital	522 million yen	400 million yen
(7) Number of shares issued	10,440,000 share	580,000 share
(8) Net asset	8,697 million yen (non-consolidated)	-87 million yen (non-consolidated)
(9) Total asset	26,696 million yen (non-consolidated)	3,350 million yen (non-consolidated)
(10) Financial year end	March 31	March 31

4. Effects of consolidation

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|------------------------------|--|
| (1) Company name | Kyushu Toho Co., Ltd |
| (2) Business contents | Wholesale of pharmaceuticals business |
| (3) Principal place | 356 Yoyasu-cho, Kumamoto City |
| (4) Corporate representative | Tadakatsu Terazono President |
| (5) Capital | 522 million yen (No increase in capital due to consolidation) |
| (6) Financial year end | March 31 |
| (7) Outlook | Impacts from this consolidation on the Company's consolidated operating results are insignificant. |

<Reference>

New lineup of the management after consolidation (effective on October 1, 2009, unofficially decided)

Name	New appointment
Noritaka Wakasa	Representative Director and Chairman
Tadakatsu Terazono	Representative Director and President
Toyoharu Kubota	Deputy President and Director General Manager of Sales and Marketing Division
Kohichi Arakawa	Deputy President and Director
Norio Hamada	Director (part-time director)
Noboru Sakagami	Auditor (part-time auditor)
Sadarou Matsumoto	Auditor (part-time auditor)
Mieko Yamada	Executive Corporate Officer General Manager of Administration Division
Tsuneo Ohmachi	Executive Corporate Officer General Manager of General Affairs Division
Kazuhiro Imasugi	Corporate Officer Joint General Manager of Marketing and Sales Division in charge of Northern Kyushu
Yoshinori Fukura	Corporate Officer Joint General Manager of Marketing and Sales Division in charge of Southern Kyushu
Akira Amada	Corporate Officer General manager of Customer Support Department
Takuji Yoshii	Senior Advisor