

November 6, 2009

To whom it may concern

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Toho Holdings Co., Ltd.
(Tokyo Stock Exchange Securities Code: 8129)
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Notice of Conclusion of Consolidation Agreement between Consolidated Subsidiary and Sub-Subsidiary

As published on September 10, 2009, SANUS Inc. (Head office: Nishi Ward, Hiroshima City), a consolidated sub-subsidiary of Toho Holdings Co., Ltd., and OMWELL INC. (Head office: Naka Ward, Hiroshima City), which became the Company's wholly-owned subsidiary through a stock swap on October 1, 2009, have been in consultations about their consolidation scheduled for January 1, 2010, after concluding a memorandum to promote consultation toward the consolidation. Toho Holdings is pleased to announce that its Board of Directors' meeting held today has passed a resolution to approve the conclusion of the agreement of consolidation between the two companies as detailed below.

It should be noted that, because an absorption-type merger will be made between the Company's consolidated subsidiary and sub-subsidiary, the disclosures that would otherwise be required are provided herein with certain omissions.

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 Holdings Co., Ltd. is the core company of the Kyoso Mirai Group.

Toho Holdings transformed OMWELL INC. into its wholly-owned subsidiary through a stock swap, effective on October 1 of this year. As mentioned above, OMWELL INC. and SANUS Inc. concluded a memorandum in order to promote consultations about their consolidation by January 1, 2010. 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 Chugoku region.

2. Objectives of consolidation

(1) Schedule of consolidation

May 21, 2009	SANUS Inc. and OMWELL INC. made the memorandum to promote consultation about their consolidation. Toho Holdings resolved to approve the memorandum at its Board of Directors' Meeting.
November 6, 2009	Toho Holdings resolved to approve the agreement of consolidation between the two companies at its Board of Directors' Meeting.
November 9, 2009 (planned)	Board of Directors' Meetings to be held at both SANUS Inc. and OMWELL INC. to approve the agreement of consolidation. Conclusion of the agreement of consolidation.
November 13, 2009 (planned)	Extraordinary shareholders' meeting to approve the agreement of consolidation SANUS Inc. and OMWELL INC. are scheduled to each implement a resolution in writing under Article 319, Paragraph 1 of the Companies Law on November 13, 2009 (planned).
January 1, 2010 (planned)	Date of consolidation

(2) Method of consolidation

Consolidation is to be carried out based on an absorption-type merger whereby SANUS is the surviving company and OMWELL is the absorbed company, and OMWELL will be dissolved.

(3) Details of share allotment

Company name	SANUS Inc. (Surviving company)	OMWELL INC. (Absorbed company)
ratio	1	10

(Note)1. Share allotment ratio

SANUS Inc. shall allot and issue 10 common shares for each OMWELL INC. common share.

2. Number of shares to be issued in the consolidation

Common stock (SANUS Inc.) 3,453,970 shares

(4) Basis of calculation for the share allotment ratio

SN Corporate Advisory, a third-party institution, was selected to perform the calculation of the share allotment ratio. Taking share prices arrived at through both the discount cash flow and multiples approaches into account and having exhaustive consultations with each other, the parties involved judged and agreed that the share allotment ratio specified in the above item (3) was fair and appropriate.

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

OMWELL INC. has not issued any share options, nor bonds with share options.

2. Outlines of parties involved in the consolidation (As of March 31, 2009, except for (12) Major shareholders and equity holdings, which are as of October 1, 2009)

	Surviving company	Absorbed company
(1) Company name	SANUS Inc.	OMWELL INC.
(2) Business contents	Wholesale of pharmaceuticals business	Wholesale of pharmaceuticals business
(3) Establishment	September 8, 1947	December 24, 1947
(4) Principal place	5-1-1 Shoko-center, Nishi Ward, Hiroshima City, Hiroshima	5-12 Noborimachi, Naka Ward, Hiroshima City, Hiroshima
(5) Corporate representative	Toshio Sugimoto President	Yohji Doi President
(6) Capital	95 million yen	75 million yen
(7) Number of shares issued	1,910,000 share	378,740 share
(8) Net sales	59,185 million yen	73,509 million yen
(9) Net asset	10,895 million yen	15,790 million yen
(10) Total asset	28,091 million yen	39,742 million yen
(11) Financial year end	March 31	March 31
(12) Major shareholders and equity holdings	Toho Pharmaceutical Co., Ltd. 100.0%	Toho Holdings Co., Ltd. 100.0%

3. Effects of consolidation

(1) Company name	SAYWELL Inc.
(2) Business contents	Wholesale of pharmaceuticals business
(3) Principal place	5-1-1 Shoko-center, Nishi Ward, Hiroshima City, Hiroshima
(4) Corporate representative	Yohji Doi President
(5) Capital	95 million yen
(6) Financial year end	March 31
(7) Outlook	Impacts from the consolidation on the Company's performance will be announced when details of the consolidation are finalized.