

November 6, 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  
Contact: Mamoru Ishii, Corporate Officer and  
General Manager of Corporate Planning Office  
(Tel: 03-5259-9500)

**Notice Regarding Himawari Pharmacy Becoming a Wholly Owned Subsidiary of  
Toho Holdings Co., Ltd. through a Simplified Stock Swap**

As published on October 9, 2009, Toho Holdings Co., Ltd. has been in negotiations with the Seiko Pharmacy Group (Seiko Pharmacy Co., Ltd., headquartered in Iizuka City, Fukuoka Prefecture; and Himawari Pharmacy Company Limited, headquartered in Sawara Ward, Fukuoka City) with the object of making the latter Toho Holdings' subsidiaries. The Company is pleased to announce that a meeting of the Board of Directors held today (November 6, 2009) resolved to enter into a stock swap agreement with the Seiko Pharmacy Group, in accordance with which Himawari Pharmacy Company Limited (scheduled to be reorganized on November 20, 2009 as a joint-stock company) will become a wholly owned subsidiary of Toho Holdings through a simplified stock swap, effective on December 1, 2009, as detailed below.

It should be noted that, because this stock swap qualifies for a simplified process, the disclosures that would otherwise be required are provided herein with certain omissions.

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

Toho Holdings Group started up the business group the Kyoso Mirai Group in Pharmacy last year in order to cooperate with and assist pharmacies that are independently contributing to medical services and the support of patients in the local community, and has been inviting the participation of dispensing pharmacies that approve its objectives. The Seiko Pharmacy Group has responded to this invitation to jointly pursue the objectives, because it considers that the active use of Toho Holdings Group's managerial resources, while maintaining its local community-oriented operating bases centering on Fukuoka Prefecture, will be able to further intensify the Seiko Pharmacy Group's functions as dispensing pharmacies and to optimize its corporate value. Under these circumstances, the Company and the Seiko Pharmacy Group have recently decided to execute a stock swap.

**2. Overview of stock swap**

**(1) Schedule of stock swap**

1) November 6, 2009	Board of directors' meeting to approve the stock swap
2) November 6, 2009	Conclusion of the agreement regarding the stock swap
3) November 20, 2009 (Planned)	Extraordinary general shareholders meeting for approval of the stock swap agreement as well as corporate transformation into a joint-stock company due to change of the trade name (Himawari Pharmacy)
December 1, 2009 (Planned)	Stock swap date (proposed effective date)

(Note) This stock swap, as it concerns Toho Holdings Co., Ltd., is scheduled to adopt a simplified process that is

exempted, under Article 796, Paragraph 3 of the Corporations Law, from obtaining approval of its shareholders' meeting.

**(2) Stock swap ratio**

	Toho Holdings Co., Ltd. (Parent company)	Himawari Pharmacy Company Limited (Wholly-owned subsidiary)
Stock swap ratio	1	2,936

(Note) 1) Stock allocation

Toho Holdings Co., Ltd. will allocate and distribute 2,936 shares to 1 share of Himawari Pharmacy. (Himawari Pharmacy is slated to be reorganized as a joint-stock company prior to the effective stock swap date.)

2) Number of shares to be distributed as part of the stock swap

We will appropriate 176,160 shares of our company for allocation to the stock swap.

**(3) Grounds for calculating the stock swap rate**

1) Basis and background of the calculation

In order to carry out fair dealing in terms of the calculation of the rate to be applied for this stock swap, we selected SN Corporate Advisory as a third-party institution and requested that they calculate the stock swap rate on behalf of the participants.

SN Corporate Advisory analyzed the stock value of our company using the market stock price average method and analyzed the stock value of Himawari Pharmacy using the DCF (discounted cash flow) method for calculating the per stock value respectively.

After discussing the results of the stock values calculated by SN Corporate Advisory with Himawari Pharmacy, we came to an agreement on the stock swap ratio for this issue as previously described.

2) Relationship with the company chosen to provide the calculation

SN Corporate Advisory, the company chosen to provide the calculation, is an unrelated party to Toho Holdings Co., Ltd. and Himawari pharmacy.

**(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 stock swap

(1) Company name	Toho Holdings Co., Ltd. (as of March 31, 2009)	Himawari Pharmacy (as of March 31, 2009)
(2) Business contents	Holding company's function, namely control and management of operating companies	Dispensing pharmacy business
(3) Establishment	September 17, 1948	March 10, 1994
(4) Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo	4-20-11 Momochihama ,Sawara Ward, Fukuoka City, Fukuoka
(5) Corporate representative	Norio Hamada President and CEO	Masahiro Iwaido President
(6) Capital	10,649 million yen	3 million yen
(7) Number of shares issued	60,766,622 shares	60 shares
(8) Net sales	838,903 million yen (Consolidated)	444 million yen
(9) Net asset	77,605 million yen (Consolidated)	14 million yen
(10) Total asset	397,845 million yen (Consolidated)	126 million yen
(11) Fiscal year end	March 31	October 31
(12) 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 4.12% Japan Trustee Service Bank, Ltd. (trust account 4G) 3.64%	Masahiro Iwaido 50.0% Norio Deguchi 50.0%

### 4. Status after the stock swap (of the wholly owning parent company created as a result of the stock swap)

(1) Company name, business contents, principal place of business, corporate representative, fiscal year end, capital

The information regarding these items will remain the same as indicated in 3. Outlines of parties involved in the stock swap.

(2) Performance outlook

The impact of Himawari Pharmacy Company Limited becoming Toho Holdings' subsidiary on the Company's consolidated earnings for the current fiscal year, during which the consolidation will be carried out, and thereafter is minimal.