

December 11, 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 Regarding Asucome Co., Ltd. Becoming a Wholly Owned Subsidiary of
Toho Holdings Co., Ltd. through a Simplified Stock Swap**

As published on January 9, 2009 and August 5, 2009, Toho Holdings Co., Ltd. has been in negotiations with Asucome Co., Ltd. (hereinafter "Asucome") about a business merger between the two companies. The Company is pleased to announce that its Board of Directors meeting held today has passed a resolution to implement a stock swap through which Toho Holdings will make Asucome its wholly-owned subsidiary (hereinafter the "Stock Swap"), and has entered into a stock swap agreement with the company.

Toho Holdings is further planning to make Asucome a wholly-owned subsidiary of Toho Pharmaceutical Co., Ltd., another wholly owned subsidiary of the Company, immediately after the effective date of the Stock Swap.

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

The Kyoso Mirai Group, with Toho Holdings as its core company, is a corporate group engaged in the distribution of pharmaceutical and other medical products. It has been working toward maximizing its group synergy through active use of managerial resources of all member companies under the group slogan, "Total Commitment to Good Health."

Asucome operates pharmaceutical wholesaling and dispensing pharmacy businesses in the five prefectures (Aomori, Iwate, Miyagi, Yamagata, and Fukushima) of the Tohoku region as well as in Ibaraki prefecture. It formed a business alliance with Toho Holdings in October 2000 to become a member of the Kyoso Mirai Group so that it could benefit from the Group's cooperative purchasing, marketing tie-ups, and joint use of computers.

Toho Holdings has decided to integrate businesses with Asucome through a stock swap, considering that the effective use of the Kyoso Mirai Group's managerial resources in the Asucome's operating bases will be able to further intensify the Group's marketing capacity and to optimize its value.

Through this business merger, the two companies intend to benefit from synergy effects mainly in the areas of purchasing, distribution, and marketing activities.

2. Outlines of the Stock Swap and the Stock Transfer

(1) Schedule of stock swap

December 11,2009(Friday)	BOD to approve the conclusion of the stock swap agreement (This company and Asucome)
December 11,2009(Friday)	Conclusion of the agreement regarding the stock swap (Toho Holdings and Asucome)
December 26,2009(Saturday) (Planned)	Special shareholders' meeting to approve the stock swap (at Asucome)
February 1,2010(Monday) (Planned)	Stock swap date (proposed effective date)

(Note) This stock swap, as it concerns Toho Holdings 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)	Asucome Co., Ltd. (Wholly-owned subsidiary)
Stock swap ratio	1	1.239

(Note) 1) Stock allocation

Toho Holdings will allocate and distribute 1,239 shares to 1 share of Asucome.

If a fraction that is less than one share arises as a share allocation number, we are to sell shares that are equivalent to the total of the fractions in accordance with Article 234 of the Corporation Law (If the total number contains a fraction that is less than 1, the fraction is to be disregarded.), and distribute the proceeds to the relevant shareholders in response to the fractions.

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

Toho Holdings will appropriate 863,444 shares of the Company for allocation of common shares 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 ratio to be applied for the Stock Swap, we selected Nomura Securities Co., Ltd. as a third-party institution and requested that they calculate the stock swap ratio on behalf of the parties involved. After consultations with each other based on the results of the stock swap ratio calculated by Nomura Securities, Toho Holdings and Asucome agreed and decided to employ the above-mentioned ratio for the Stock Swap, which was arrived at by comparing the per-share stock values of the two companies: the per-share stock value of Toho Holdings was calculated through the market stock price average method, since its shares are publicly traded, whereas that of Asucome, through a comparison with similar companies. If there are significant changes affecting the conditions of the calculation base, the share swap ratio may be revised through consultations between the two companies.

2) Relationship with the company chosen to provide the calculation

Nomura Securities the company chosen to provide the calculation, is an unrelated party to Toho Holdings and Asucome.

(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 (as of March 31, 2009)

	Parent company	Wholly-owned subsidiary
(1) Company name	Toho Holdings Co., Ltd.	Asucome Co., Ltd.
(2) Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo	1-3-7 Kimachidori, Aoba Ward, Sendai City, Miyagi
(3) Corporate representative	Norio Hamada, President and CEO	Masato Kanno, President
(4) Business contents	Holding company's function, namely control and management of operating companies	Wholesale of pharmaceutical and other medical products, Dispensing Pharmacy Business
(5) Capital	10,649 million yen	404 million yen
(6) Establishment	September 17, 1948	December 27, 1950

(7) Number of shares issued	60,766,622	696,888				
(8) Fiscal year end	March 31	March 31				
(9) Employees	5,558 (consolidated)	695				
(10) Major business partners	DAIICHI SANKYO COMPANY, LIMITED. Mitsubishi Tanabe Pharma Corporation. Astellas Pharma Inc.	DAIICHI SANKYO COMPANY, LIMITED. Chugai Pharmaceutical Co., Ltd. Mitsubishi Tanabe Pharma Corporation.				
(11) Main bank	Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Banking Corporation. The 77 Bank Ltd.				
(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%	DAIICHI SANKYO COMPANY, LIMITED. 15.41% Katsumi Iwasaki 9.14% Masato Kanno 7.26% Chugai Pharmaceutical Co., Ltd. 5.95% Hiromichi Ishidate 5.18%				
(13) Relationships between parties						
Capital relationship	There is no material capital relationship between Toho Holdings and Asucome, nor is there any material capital relationship between personnel or companies affiliated with Toho Holdings and personnel or companies affiliated with Asucome.					
Personnel relationships	One employee of Toho Pharmaceutical Co., Ltd., Toho Holdings' wholly-owned subsidiary, has assumed the position of a senior director of Asucome. Toho Holdings' auditor has assumed the position of an auditor for Asucome as well.					
Business relationships	Toho Holdings has provided guarantees for Asucome's debt. In addition, Toho Pharmaceutical Co., Ltd., the Company's wholly-owned subsidiary, has business deals with Asucome, such as sales of products to the latter.					
Status applicable to the related party	Asucome is not a related party of Toho Holdings, nor is any personnel or company affiliated with Asucome, either.					
(14) Management results and financial conditions for the latest three fiscal years (Unit: million yen)						
	Toho Holdings (Consolidated)			Asucome (Non-consolidated)		
Fiscal year	FY2007	FY2008	FY2009	FY2007	FY2008	FY2009
Net asset	76,790	80,772	77,605	6,882	6,226	3,151
Total asset	396,447	387,273	397,845	36,532	33,292	30,218
Net asset per share (yen)	1,241.22	1,351.96	1,320.76	9,617.78	8,529.66	4,522.57
Net sales	773,436	805,419	838,903	72,876	63,339	57,449
Operating income	9,335	10,269	3,021	221	31	-2,125
Ordinary income	13,104	13,901	6,525	268	28	-2,185
Net income	7,218	8,381	-2,471	-132	-505	-2,753
Net income per share (yen)	125.82	148.23	-41.73	-188.23	-705.43	-4,004.29
Dividends per share (yen)	12.00	16.00	20.00	50.00	50.00	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

Toho Holdings is planning to make Asucome a wholly-owned subsidiary of TOHO PHARMACEUTICAL, another wholly owned-subsiary of the Company, immediately after the effective date of the Stock Swap. The impact of Asucome becoming Toho Holdings' wholly-owned subsidiary on the Company's consolidated earnings for the current fiscal year, during which the consolidation will be carried out, is minimal.