

March 11, 2010

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  
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Notice Regarding Kosei Co., Ltd. Becoming a Wholly Owned Subsidiary of  
TOHO HOLDINGS CO., LTD. through a Simplified Stock Swap

TOHO HOLDINGS CO., LTD. is pleased to announce that a meeting of the Board of Directors held today (March 11, 2010) resolved to enter into a stock swap agreement with Kosei Kosei Co., Ltd., headquartered in Sumiyoshi Ward, Osaka City) in accordance with which Kosei will become a wholly owned subsidiary of TOHO HOLDINGS through a simplified stock swap, effective on April 16, 2010, as detailed below.

In addition, since the total assets of Kosei, which will be a wholly-owned subsidiary of the Company as of the end of the latest fiscal year, are less than 10% of the net assets of the Company that will be the parent company and the net sales of Kosei are less than 3% of those of the Company, some of the disclosure items and descriptions concerning the stock swap are omitted.

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 the year before last 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. Kosei 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 will be able to further intensify Kosei's functions as dispensing pharmacies and to optimize its corporate value. Under these circumstances, the Company and Kosei have recently decided to execute a stock swap.

2. Outlines of the Stock Swap

(1) Schedule of stock swap

- |                            |  |
|----------------------------|--|
| ① March 11, 2010           | Board of directors' meeting to approve the stock swap              |
| ② March 11, 2010           | Conclusion of the agreement regarding the stock swap               |
| ③ March 25, 2010 (Planned) | Special shareholders' meeting to approve the stock swap (at Kosei) |
| ④ April 16, 2010 (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)	Kosei Co., Ltd. (Wholly-owned subsidiary)
Stock swap ratio	1	3,888

(Note)①Stock allocation

Toho Holdings will allocate and distribute 3,888 shares to 1 share of Kosei.

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

We will appropriate 233,280 shares of our company for allocation to the stock swap.

(3) Grounds for calculating the stock swap rate

①Basis 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 Kosei 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 Kosei, we came to an agreement on the stock swap ratio for this issue as previously described.

②Relationship 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 and Kosei.

(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.	Kosei Co., Ltd.
(2) Business contents	Holding company's function, namely control and management of operating companies	Dispensing pharmacy business
(3) Establishment	September 17, 1948	June 1, 2001
(4) Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo	7-11-10 Karita, Sumiyoshi Ward, Osaka City, Osaka
(5) Corporate representative	Norio Hamada / President and CEO	Harumi Nomura / 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)	686 million yen

(9) Net assets	77,605 million yen (consolidated)	74 million yen
(10) Total assets	397,845 million yen (consolidated)	300 million yen
(11) Fiscal year end	March 31	May 31
(12) Major shareholders and equity holdings	SHIONOGI& CO., LTD: 9.45% Mitsubishi Tanabe Pharma Corporation: 4.74% Japan Trustee Service Bank, Ltd. (trust account): 3.99% DAIICHI SANKYO COMPANY, LIMITED: 3.48% Astellas Pharma Inc.: 2.67%	Harumi Nomura: 50.0% Takuzou Nomura: 50.0%

Note: With respect to item (12) Major shareholders and equity holdings above, the data for the TOHO HOLDINGS CO., LTD. is as of October 1, 2009, due to changes resulting from stock swaps, and the data for Kosei Co., Ltd. is as of March 1, 2010.

#### 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 Kosei Co., Ltd. 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.