

April 8, 2010

To whom it may concern:

Company Name : TOHO HOLDINGS CO., LTD.  
Representative : Norio Hamada / President and CEO  
(Securities Code: 8129 / Tokyo Stock Exchange)  
Contact : Mamoru Ishii, Corporate Officer and  
General Manager of Corporate Planning Office  
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Notice regarding the Commencement of Consultations toward a Business Merger between TOHO HOLDINGS CO., LTD. and SHOU EI CO., LTD.

TOHO HOLDINGS CO., LTD. is pleased to announce that at the meeting of its Board of Directors held today (April 8, 2010), it was resolved that TOHO PHARMACEUTICAL CO., LTD., a wholly owned subsidiary of the Company, and SHOU EI CO., LTD. should commence consultations towards their business merger scheduled for April 1, 2011. The details are as follows:

1. Purpose of the Commencement of Consultations toward a Business Merger

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."

Founded more than 80 years ago, SHOU EI is a pharmaceutical wholesaler operating in Aomori and Iwate prefectures. Since October 1999, when it formed a business alliance with TOHO HOLDINGS, SHOU EI has shared values with all people involved in medical services as a member of the Kyoso Mirai Group and contributed to supporting the health and wellness of communities. TOHO HOLDINGS currently owns 10% of SHOU EI's outstanding shares.

TOHO HOLDINGS shifted to a holding company system on April 1, 2009 to promptly and flexibly respond to the rapidly changing business environment, and with the aim of optimizing group-wide managerial resources and maximizing its corporate value. With SHOU EI agreeing to jointly pursue this corporate policy, it has been decided to commence consultations toward a business merger.

2. Content of Consultations concerning the Business Merger

SHOU EI is scheduled to become a wholly owned subsidiary of TOHO PHARMACEUTICAL CO., LTD., a wholly owned subsidiary of TOHO HOLDINGS, on April 1, 2011. Specific details about the method of the business merger and the operation and business expansion after the merger will be announced immediately after they have been finalized.

3. Outlines of the parties involved (As of March 31, 2009)

(1) Company name	TOHO HOLDINGS CO., LTD.	SHOUEI CO., LTD.
(2) Business contents	Holding company's function, namely control and management of operating companies	Pharmaceutical wholesaling business
(3) Establishment	September 17, 1948	November 27, 1950
(4) Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo	1-6-2 Okuno, Aomori-shi, Aomori
(5) Corporate representative	Norio Hamada / President and CEO	Muchio Nakazato / President
(6) Capital	10,649 million yen	42.6 million yen
(7) Number of shares issued	60,766,622 shares	42,600 shares
(8) Net sales	838,903 million yen (consolidated)	42,858 million yen
(9) Net assets	77,605 million yen (consolidated)	2,993 million yen
(10) Total assets	397,845 million yen (consolidated)	17,910 million yen
(11) Fiscal year end	March 31	March 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%	Yoshie Hara: 21.48% Yukichiro Hara: 15.03% TOHO HOLDINGS CO., LTD.: 10.00% Tsuneharu Hayami: 6.60% Sachiko Sato: 6.22%
(13) Main Bank	Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Michinoku Bank, Ltd. Aomori Bank, Ltd.

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 SHOUEI CO., LTD. is as of April 1, 2010.