

May 12, 2010

To whom it may concern:

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Representative : Norio Hamada / President and CEO  
(Securities Code: 8129 / Tokyo Stock Exchange)  
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**Notice Regarding the Business Reorganization of ASUCOME CO., LTD., a Wholly Owned Sub-subsidiary of TOHO HOLDINGS CO., LTD. and the Integration of its Dispensing Pharmacy Business in Ibaraki Prefecture**

TOHO HOLDINGS CO., LTD. is pleased to announce that the meeting of its Board of Directors held today (May 12, 2010) resolved details of the business reorganization to be implemented on July 1, 2010, concerning the business reorganization of ASUCOME CO., LTD., a wholly owned sub-subsidiary of the Company, disclosed in the announcement “Notice Regarding the Business Reorganization of ASUCOME CO., LTD., a Wholly Owned Sub-subsidiary of TOHO HOLDINGS CO., LTD.” dated April 8, 2010, and the business reorganization of the dispensing pharmacy business in Ibaraki Prefecture. The details are as follows. In addition, the business merger of TOHO PHARMACEUTICAL CO., LTD. and ASUCOME CO., LTD. above, scheduled for October 1, 2010, will be announced separately as soon as possible after the detailed conditions are finalized.

**1. Purpose of the Business Reorganization**

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 the active use of the managerial resources of all member companies under the group slogan, “Total Commitment to Good Health.”

The Group has adopted a business management and control system under which the pharmaceutical wholesaling and the dispensing pharmacy businesses are centered on TOHO PHARMACEUTICAL CO., LTD., a wholly owned subsidiary of TOHO HOLDINGS (hereinafter “Toho Pharmaceutical”), and PharmaCluster Co., Ltd., another wholly owned subsidiary of the Company (hereinafter “PharmaCluster”), respectively. The Company today decided to reorganize the dispensing pharmacy businesses in Ibaraki prefecture of ASUCOME CO., LTD. (hereinafter “Asucome”), which became a wholly owned subsidiary of Toho Pharmaceutical on February 1, 2010, and five other Group companies (wholly owned subsidiaries and sub-subsidiaries), with the aim of optimizing group-wide managerial resources and maximizing its corporate value, and in order to promptly respond to the drastically changing business environment.

**2. Outline of the Business Reorganization**

**(1) Spinning off the Dispensing Pharmacy Business of Asucome**

(a) Toho Pharmaceutical shall newly establish a wholly owned subsidiary engaged in the dispensing pharmacy business (trade name: Nest Co., Ltd. (hereinafter “Nest”)).

(b) Asucome shall implement an absorption type corporate split for its dispensing pharmacy business with Nest, a newly established company, as referred to in item (a) above, on July 1, 2010.

(c) Toho Pharmaceutical shall implement an absorption type corporate split for its management business regarding Nest to PharmaCluster on the same date as the date of the corporate split in item (b) above (July 1, 2010).

**(2) Integration of the dispensing pharmacy business within the Group in Ibaraki prefecture**

(a) Trust Co., Ltd. (hereinafter “Trust”), a wholly owned subsidiary of PharmaCluster shall merge

with Yagen Co., Ltd. (“Yagen” hereinafter), a wholly owned subsidiary of PharmaCluster, on July 1, 2010. In addition, Trust shall change its trade name to Jus-Pharma Co., Ltd. in May 2010, prior to the merger with Yagen.

- (b) Trust shall integrate the dispensing pharmacy businesses in Ibaraki prefecture of Tomonity Inc., a wholly owned subsidiary of PharmaCluster, “Tomonity” hereinafter, Pharma Square Co., Ltd., a wholly owned subsidiary of PharmaCluster, “Pharma Square” hereinafter, and Nest through an absorption type corporate split effective on July 1, 2010.
- (3) Integration of the Pharmaceutical Wholesaling Business of Yamaguchi Toho Co., Ltd. and Asucome in Ibaraki Prefecture  
Yamaguchi Toho Co., Ltd., a wholly owned subsidiary of Toho Pharmaceutical, “Yamaguchi Toho” hereinafter, shall integrate the pharmaceutical wholesaling business of Asucome in Ibaraki prefecture through an absorption type corporate split effective on July 1, 2010.

### 3. Spinning off the Dispensing Pharmacy Business of Asucome

#### (1) Establishment of a New Company

##### (a) Outline of the New Company

(1) Company name	Nest Co., Ltd.
(2) Principal place of business	1-3-7 Kimachidori, Aoba-ku, Sendai-shi, Miyagi
(3) Corporate representative	Masao Motohashi
(4) Business contents	Dispensing pharmacy business
(5) Capital	50 million yen
(6) Fiscal year end	March 31
(7) Major shareholders and equity holdings	TOHO PHARMACEUTICAL CO., LTD. 100.0%

#### (2) Outline of the Corporate Split in the Dispensing Pharmacy Business (absorption-type split)

##### (a) Schedule of the Corporate Split

May 12, 2010	Execution of an agreement regarding the corporate split
June 25, 2010	Extraordinary shareholders’ meeting to approve the corporate split agreement (Planned)
July 1, 2010	Date of the corporate split (Planned)

##### (b) Method of the Corporate Split

This is an absorption type corporate split in which Asucome is the split company and Nest, a wholly owned subsidiary of Toho Pharmaceutical, is the succeeding company.

##### (c) Details of the Allocation upon the Corporate Split

There will be no issuance of new shares or an increase in capital stock at the time of the corporate split due to the fact that the corporate split is between wholly owned sub-subsidiaries of the Company.

##### (d) Rights and Obligations to be Succeeded to by the Succeeding Companies

Nest shall succeed to the assets, liabilities and accompanying rights and obligations (except those under employment agreements) belonging to the dispensing pharmacy business owned by Asucome.

The liabilities to be succeeded to from Asucome shall be based on the joint assumption of liabilities method.

In addition, employees belonging to the dispensing pharmacy business of Asucome shall be dispatched to the succeeding company, in principle.

##### (e) Prospect of Fulfilling the Obligations

Asucome and Nest have concluded that there are no doubts as to the prospect of fulfilling the obligations to be borne by each party after the effective date of the corporate split.

##### (f) Outline of the Companies subject to the Corporate Split



the Company.

(d) Rights and Obligations to be Succeeded to by the Succeeding Companies  
PharmaCluster shall succeed to the assets belonging to the dispensing pharmacy management business owned by Toho Pharmaceutical.

(e) Prospect of Fulfilling the Obligations  
Toho Pharmaceutical and PharmaCluster have concluded that there are no doubts as to the prospect of fulfilling the obligations to be borne by each party after the effective date of the corporate split.

(f) Outline of the Companies subject to the Corporate Split

	The Split Company	The Succeeding Company
(1) Company name	TOHO PHARMACEUTICAL CO., LTD.	PharmaCluster Co., Ltd.
(2) Business contents	Pharmaceutical wholesaling business	Management of dispensing pharmacy business
(3) Establishment	November 4, 2008	December 24, 2008
(4) Principal place of business	5-2-1 Daizawa, Setagaya-ku, Tokyo	4-4-2 Nihonbashi-Honcho,, Chuo-ku, Tokyo
(5) Corporate representative	Hiroyuki Kohno / President	Kazunari Sue / President
(6) Capital	300 million yen	10 million yen
(7) Number of shares issued	200 shares	200 shares
(8) Net sales	806,215 million yen (as of the Fiscal Term ending March 2009)	0 million yen (as of the Fiscal Term ending March 2009)
(9) Net assets	64,928 million yen (as of the Fiscal Term ending March 2009)	5 million yen (as of the Fiscal Term ending March 2009)
(10) Total assets	378,513 million yen (as of the Fiscal Term ending March 2009)	21 million yen (as of the Fiscal Term ending March 2009)
(11) Fiscal year end	March 31	March 31
(12) Major shareholders and equity holdings	TOHO HOLDINGS CO., LTD. 100.0%	TOHO HOLDNIGS CO., LTD. 100.0%

(g) Overview of the Business Segments to be Split  
Toho Pharmaceutical's management business regarding Nest, which is engaged in the dispensing pharmacy business.

(h) Operating Results of the Business Segments to be Split (as of the Fiscal Term ending March 2009)  
The operating results are not available since Toho Pharmaceutical will commence the spun-off business from the fiscal year 2011.

(i) Item and Amount of the Assets and Liabilities to be Split (As of March 31, 2010)

Total assets	50 million yen
Total liabilities	0 million yen

(Note) The data above is based on figures as of March 31, 2010, and is different from the actual amount to be transferred in the corporate split.

(j) Outline of the Succeeding Company in the Absorption Type Split

(1) Company name	PharmaCluster Co., Ltd.
(2) Business contents	Management of dispensing pharmacy business

(4) Principal place of business	4-4-2 Nihonbashi-Honcho, Chuo-ku, Tokyo
(5) Corporate representative	Kazunari Sue / President
(6) Capital	10 million yen
(11) Fiscal year end	March 31

#### 4. Integration of the Dispensing Pharmacy Business in Ibaraki Prefecture

##### (1) Summary of the absorption type merger between Trust and Yagen

###### (a) Schedule of the Merger

May 13, 2010	Conclusion and approval of an absorption type merger agreement (Planned)
June 25, 2010	Extraordinary shareholders' meeting to approve the absorption type merger agreement (Planned)
July 1, 2010	Date for the merger (Planned)

###### (b) Method of the Merger

This is an absorption type merger in which Trust is the surviving company and Yagen is the absorbed company.

###### (c) Details of the Allocation upon the Merger

There will be no issuance of new shares or an increase in capital stock at the time of the merger due to the fact that the merger is between wholly owned sub-subsidiaries of the Company.

###### (d) Outlines of the Parties involved in the Merger

	Surviving company	Absorbed company
(1) Company name	Trust Co., Ltd.	Yagen Co., Ltd.
(2) Business contents	Dispensing pharmacy business	Dispensing pharmacy business
(3) Establishment	November 13, 1989	March 30, 1998
(4) Principal place of business	6-5-8 Takamatsu, Nerima-ku, Tokyo	1774 Sasama, Kasama-shi, Ibaraki
(5) Corporate representative	Mikiho Nakata / President	Yoshiyuki Kumazaki / President
(6) Capital	10 million yen	40 million yen
(7) Number of shares issued	10,000 shares	400 shares
(8) Net sales	1,417million yen (as of the Fiscal Term ending June 2009)	1,155 million yen (as of the Fiscal Term ending August 2009)
(9) Net assets	391 million yen (as of the Fiscal Term ending June 2009)	-3 million yen (as of the Fiscal Term ending August 2009)
(10) Total assets	1,248 million yen (as of the Fiscal Term ending June 2009)	378 million yen (as of the Fiscal Term ending August 2009)
(11) Fiscal year end	March 31	August 31
(12) Major shareholders and equity holdings	PharmaCluster Co., Ltd. 100.0%	PharmaCluster Co., Ltd. 100.0%

###### (e) Outline of the Company Succeeding to the Absorption Type Merger

(1) Company name	Jus-Pharma Co., Ltd. (Change of the trade name from Trust Co., Ltd.)
(2) Business contents	Dispensing pharmacy business
(3) Principal place of business	2-2-33 Izumi-cho, Mito-shi, Ibaraki
(4) Corporate representative	Sadao Kimura / President
(5) Capital	10 million yen
(6) Fiscal year end	March 31

\* The company succeeding to the absorption type merger is scheduled to change its trade name from Trust Co., Ltd. and the location of its principal place of business and the representatives in May 2010.

(2) Summary of the Absorption Type Corporate Split of the Subsidiary Engaged in the Dispensing Pharmacy Business

(a) Schedule of the Corporate Split

May 13, 2010	Execution of an agreement regarding the corporate split (Planned)
June 25, 2010	Extraordinary shareholders' meeting to approve the corporate split agreement (Planned)
July 1, 2010	Date of the corporate split (Planned)

(b) Method of the Corporate Split

This is an absorption type corporate split in which each of Tomonity, Pharma Square and Nest is a split company and Trust is the company succeeding to them.

(c) Details of the Allocation upon the Corporate Split

There will be no issuance of new shares or an increase in capital stock at the time of the corporate split due to the fact that the corporate split is between wholly owned sub-subsidiaries of the Company.

(d) Rights and Obligations to be Succeeded to by the Succeeding Companies

Trust shall succeed to the assets, liabilities and accompanying rights and obligations (except those under employment agreements) belonging to the dispensing pharmacy business owned by each of Tomonity, Pharma Square and Nest in Ibaraki prefecture.

The liabilities to be succeeded to from each of Tomonity, Pharma Square and Nest shall be based on the joint assumption of liabilities method.

In addition, employees engaged in the dispensing pharmacy business in Ibaraki prefecture of Tomonity, Pharma Square and Nest shall be dispatched to the succeeding company, in principle.

(e) Prospect of Fulfilling the Obligations

Trust, Tomonity, Pharma Square and Nest have concluded that there are no doubts as to the prospect of fulfilling the obligations to be borne by each party after the effective date of the corporate split.

(f) Outline of the Companies subject to the Corporate Split

	The Split Company	The Split Company
(1) Company name	Tomonity Inc.	Pharma Square Co., Ltd.
(2) Business contents	Dispensing pharmacy business	Dispensing pharmacy business
(3) Establishment	July 7, 1993	July 1, 1989
(4) Principal place of business	4-4-2, Nihonbashi-Honcho, Chuo-ku, Tokyo	4-4-2 Nihonbashi-Honcho, Chuo-ku, Tokyo
(5) Corporate representative	Hiroki Kinoshita / President	Katsuhiko Yoshimoto / President
(6) Capital	50 million yen	50 million yen
(7) Number of shares issued	400,000 shares	100,000 shares
(8) Net sales	15,579 million yen (as of the Fiscal Term ending March 2009)	13,957 million yen (as of the Fiscal Term ending May 2009)
(9) Net assets	660 million yen (as of the Fiscal Term ending March 2009)	-1,034 million yen (as of the Fiscal Term ending May 2009)
(10) Total assets	9,172 million yen (as of the Fiscal Term ending March 2009)	5,204 million yen (as of the Fiscal Term ending May 2009)
(11) Fiscal year end	March 31	March 31

(12) Major shareholders and equity holdings	PharmaCluster Co., Ltd. 100.0%	PharmaCluster Co., Ltd. 100.0%
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	The Split Company	The Succeeding Company
(1) Company name	Nest Co., Ltd.	Trust Co., Ltd.
(2) Business contents	Dispensing pharmacy business	Dispensing pharmacy business
(3) Establishment	April 30, 2010	November 13, 1989
(4) Principal place of business	1-3-7 Kimachidori, Aoba-ku, Sendai-shi, Miyagi	6-5-8 Takamatsu, Nerima-ku, Tokyo
(5) Corporate representative	Masao Motohashi / President	Mikiho Nakata / President
(6) Capital	50 million yen	10 million yen
(7) Number of shares issued	1,000 shares	10,000 shares
(8) Net sales	-----	1,417 million yen (as of the Fiscal Term ending June 2009)
(9) Net assets	50 million yen (At the time of foundation in April 2010)	391 million yen (as of the Fiscal Term ending June 2009)
(10) Total assets	50 million yen (At the time of foundation in April 2010)	1,248 million yen (as of the Fiscal Term ending June 2009)
(11) Fiscal year end	March 31	March 31
(12) Major shareholders and equity holdings	TOHO PHARMACEUTICAL CO., LTD. 100.0%	PharmaCluster Co., Ltd. 100.0%

(g) Overview of the Business Segments to be Split

Tomonity: Dispensing pharmacy business run by one dispensing pharmacy in Ibaraki prefecture

Pharma Square: Dispensing pharmacy business run by two dispensing pharmacies in Ibaraki prefecture

Nest: Dispensing pharmacy business run by five dispensing pharmacies in Ibaraki prefecture

(h) Operating Results of the Business Segments to be Split

Tomonity Net Sales about 252 million yen (as of the Fiscal Term ending March 2009)

Pharma Square Net Sales about 166 million yen (as of the Fiscal Term ending May 2009)

The operating results are not available since Nest will commence the assigned business from the fiscal year 2010.

(i) Item and Amount of the Assets and Liabilities to be Split (As of March 31, 2010)

Tomonity

Total assets	43 million yen
Total liabilities	0 million yen

Pharma Square

Total assets	8 million yen
Total liabilities	3 million yen

Nest

Total assets	85 million yen
Total liabilities	21 million yen

(Note) The data above is based on the figures as of March 31, 2010, and is different from the actual amount to be transferred in the corporate split.

(j) Outline of the Succeeding Company in the Absorption Type Split

(1) Company name	Jus Pharma Co., Ltd.
(2) Business contents	Dispensing pharmacy business
(3) Principal place of business	2-2-33 Izumi-cho, Mito-shi, Ibaraki
(4) Corporate representative	Sadao Kimura / President
(5) Capital	10 million yen
(6) Fiscal year end	March 31

5. Integration of the Pharmaceutical Wholesaling Business in Ibaraki Prefecture(Summary of the Absorption Type Corporate Split between Asucome and Yamaguchi Toho)

(1) Schedule of the Corporate Split

May 12, 2010	Execution of an agreement regarding the corporate split
June 25, 2010	Extraordinary shareholders' meeting to approve the corporate split agreement (Planned)
July 1, 2010	Date of the corporate split (Planned)

(2) Method of the Corporate Split

This is an absorption type corporate split, in which Asucome is the split company and Yamaguchi Toho is the succeeding company.

(3) Details of the Allocation upon the Corporate Split

There will be no issuance of new shares or an increase in capital stock at the time of the corporate split due to the fact that the corporate split is between wholly owned sub-subsidiaries of the Company.

(4) Rights and Obligations to be Succeeded to by the Succeeding Companies

Yamaguchi Toho shall succeed to the assets, liabilities and accompanying rights and obligations (except those under employment agreements) belonging to the pharmaceutical wholesaling business owned by Asucome in Ibaraki prefecture.

The liabilities to be succeeded to from Asucome shall be based on the joint assumption of liabilities method.

In addition, employees engaged in the pharmaceutical wholesaling business in Ibaraki prefecture of Asucome shall be dispatched to the succeeding company, in principle.

(5) Prospect of Fulfilling the Obligations

Asucome and Yamaguchi Toho have concluded that there are no doubts as to the prospect of fulfilling the obligations to be borne by each party after the effective date of the Corporate Split.

(6) Outline of the Companies subject to the Corporate Split

	The Split Company	The Succeeding Company
(1) Company name	ASUCOME CO., LTD.	Yamaguchi Toho Co., Ltd.
(2) Business contents	Pharmaceutical wholesaling business, Dispensing pharmacy business	Pharmaceutical wholesaling business
(3) Establishment	November 27, 1950	December 26, 1950
(4) Principal place of business	1-3-7 Kimachidori, Aoba-ku, Sendai-shi, Miyagi	2-2-27 Manabe, Tsuchiura-shi, Ibaraki
(5) Corporate representative	Masami Okubo / President	Yuzo Yamaguchi / President
(6) Capital	404 million yen	20.8 million yen
(7) Number of shares issued	696,888 shares	416,000 shares



(8) Net sales	57,449 million yen (as of the Fiscal Term ending March 2009)	30,955 million yen (as of the Fiscal Term ending March 2009)
(9) Net assets	3,151 million yen (as of the Fiscal Term ending March 2009)	1,512 million yen (as of the Fiscal Term ending March 2009)
(10) Total assets	30,218 million yen (as of the Fiscal Term ending March 2009)	12,796 million yen (as of the Fiscal Term ending March 2009)
(11) Fiscal year end	March 31	March 31
(12) Major shareholders and equity holdings	TOHO PHARMACEUTICAL CO., LTD. 100.0%	TOHO PHARMACEUTICAL CO., LTD. 100.0%

(7) Overview of the Business Segments to be Split

Pharmaceutical wholesaling business run by the office of Asucome in Ibaraki prefecture.

(8) Operating Results of the Business Segments to be Split (as of the Fiscal Term ending March 2009)

Asucome Net Sales about 11,063 million yen

(9) Item and Amount of Assets and Liabilities to be Split (As of March 31, 2010)

Total assets	3,926 million yen
Total liabilities	2 million yen

(Note) The data above is based on figures as of March 31, 2010, and is different from the actual amount to be transferred in the corporate split.

(10) Outline of the Succeeding Company in the Absorption Type Split

(1) Company name	Yamaguchi Toho Co., Ltd.
(2) Business contents	Pharmaceutical wholesaling business
(3) Principal place of business	2-2-27 Manabe, Tsuchiura-shi, Ibaraki
(4) Corporate representative	Yuzo Yamaguchi / President
(5) Capital	20.8 million yen
(6) Fiscal year end	March 31

6. Performance Outlook

Since the business reorganization above is to be implemented among the Company's wholly owned subsidiaries and sub-subsidiaries, its impact on the Company's consolidated earnings for the fiscal year ending March 2011 will be minimal.