

January 27, 2011

To whom it may concern:

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President and Representative Director
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Notice Regarding the Opening of the Portal Site “eKenkoshop”

TOHO HOLDINGS CO., LTD. is pleased to announce that TOHO HOLDINGS CO., LTD. (headquartered in Setagaya-ku, Tokyo; Norio Hamada, President and Representative Director; hereinafter “TOHO HOLDINGS” or the “Company”) and K.K. eHealthcare (headquartered in Shinjuku-ku, Tokyo; David Liebreich, President and Representative Director; hereinafter “eHealthcare”) have jointly established eKenkoshop Corporation (headquartered in Chuo-ku, Tokyo; Hiroki Kinoshita, President and Representative Director) and eKenkoshop commenced the operation of its website “eKenkoshop” in which customers can reserve the purchase of non-prescription pharmaceuticals on the Internet and pick them up at the dispensing pharmacy.

1. Background

With the revision of the Pharmaceutical Affairs Act that came into force in June 2009, the methods for the sale of non-prescription pharmaceuticals have changed significantly. In particular, three major points of the revisions with respect to the former regulations are 1) pharmaceuticals shall be classified into a 1st category, 2nd category and 3rd category; 2) persons engaged in the sales of these pharmaceuticals shall be specified; and 3) as for the sales of pharmaceuticals classified as the 1st category and 2nd category, face-to-face sales over the counter shall be obligatory. As a result, the channels for ensuring the safety of pharmaceuticals are assured.

However, on the other hand, consumers may face unfavorable conditions as they may not be able to buy a drug classified under the 1st category drug at the counter of certain drug stores or supermarkets since they can be sold only by pharmacists, or because a pharmacist may be absent from the store, despite the fact that these drugs are displayed in the drug store or supermarket. It is not unusual for a consumer who visits a pharmacy in order to buy a certain drug only to find that the product is not available, since it is difficult for visitors to identify the above categories.

In addition, because the sales of some pharmaceuticals that had a certain number of long-standing regular customers have been discontinued due to distributor’s convenience, the number of inquiries to manufacturers has increased.

Many of these kinds of pharmaceuticals have been delivered to consumers via shopping through the Internet, which is an alternative sales route. However, since purchasing via shopping on the Internet is not currently allowed, many regular patients are facing the inconvenience of not being able to obtain the pharmaceuticals they have used for years.

The Home Medicine Association of Japan, with about 100 member manufacturers of medicines for home use have carried out over the past 3 years the trial operation of a back-order system by some manufactures by which any pharmacy or drug store can have pharmaceuticals sent to its counter via regular distribution channels. However, it became evident that the number of pharmacies that were able to carry out back-orders for pharmaceuticals belonging to the 1st category was low and the delivery time was long.

Recently, eKenkoshop Corporation launched a portal site called “eKenkoshop”, with the aim of constructing a network that would ensure that patients and consumers could obtain the medicines they required without fail.

“eKenkoshop” offers a service in which any consumer can reserve the purchase of non-prescription pharmaceuticals classified as the 1st, 2nd or 3rd category medicines on the website and the consumer can then pick them up at a pharmacy that they designate. In other words, it is a service that utilizes the convenience of the Internet and at the same time enables the customer to receive proper guidance from a pharmacist on the medicine, thus complying with the principle of face-to-face sales. The checking of drug interactions and overlap dose with other prescription drugs that are usually taken is ensured by designating a family pharmacy as the receiving pharmacy, which makes it possible to substantially reduce the risk to patients when taking medicines.

Furthermore, since the pharmacy is designated by the customer, the total management of both prescription drugs and non-prescription pharmaceuticals provides the opportunity to promptly detect side-effects and give professional guidance according to the individual needs of the patients, which increases the value of pharmacies as a means of providing medical services for families. Pharmacies will be relieved of the burden of inventory control and inventory losses since they can sell medicines without maintaining any inventory and offer the opportunity for customers to purchase non-prescription pharmaceuticals without anxiety.

“eKenkoshop” will ensure a stable supply system, which will guarantee the safe delivery of pharmaceuticals required by patients with a lead time of 2 to 3 days, by utilizing the logistics infrastructure (delivery system for pharmaceuticals enabling delivery from the logistics center on the following day to 280 sales bases throughout the country) that was developed by the Kyoso Mirai Group operating as a group of pharmaceutical wholesale companies with TOHO HOLDINGS as its core company.

Currently, awareness of improvements in opportunities for self-medication has become more widespread among all Japanese citizens. Improvements in the quality of self-medication have also become essential for Japanese people as a factor supporting their longevity. The secure delivery of medicines safe to all those who want to maintain good health should be provided without fail. The Company intends to conduct its business based on this aspiration.

2. Product Outline

(1) Service Name: eKenkoshop

(2) URL: <http://www.ekenkoshop.jp/> (Website opened at January 27,2011)

*Accessible from both a PC and a mobile phone

(3) Service Characteristics:

① Back-order service for non-prescription pharmaceuticals (Medicine reservation system)

This is a service by which patients can purchase non-prescription pharmaceuticals by designating the nearest pharmacies as the delivery destination on a specific page of the website

and receive the drugs at the counter of the pharmacy after receiving the pharmacist's guidance on taking the medicine. As of the end of January 2011, this service has handled 3,000 different non-prescription pharmaceuticals. The service requests pharmacies throughout the country to become a member store and participate as a delivery destination to receive drugs, and delivers drugs that customers make a reservation to purchase to the designated pharmacy. As for 1st category pharmaceuticals, a description of the goods is enclosed together with the pharmaceutical product.

* On the website, the purchase of pharmaceuticals subject to controls over sales on the Internet will not be available. You are kindly requested to purchase them at the counter of a pharmacy.

② Services to sell healthcare related goods

Health foods, beauty and diet-related products, daily necessities, hygiene and medical care related goods, welfare, nursing care and childcare related products, consumer electrical appliances, and sporting goods are available on the website. Any goods purchased are delivered to the home of the customer from an affiliated logistics center via a customer delivery service. At present, the website sells about 60,000 items and the number of such goods will be increased to 100,000 items in the future.

③ The website also plans to publish information on products that are recommended by pharmacists and provide healthcare-related information.

3. Outline of the Member Pharmacies

Member pharmacy: A pharmacy with resident pharmacists can become a member.

Membership fee: Free of admission fees.

Target: First year 10,000 doors (Final target:40,000 doors)

4. Outline of the Management Company

(1) Company name	eKenkoshop Corporation
(2) Establishment	June, 2010
(3) Principal place of business	4-4-2 Honcho, Nihonbashi, Chuo-ku, Tokyo
(4) Corporate representative	Hiroki Kinoshita / President
(5) Capital	50million yen
(6) Major shareholders	TOHO HOLDINGS CO., LTD. K.K. eHealthcare