

April 1, 2011

To whom it may concern:

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Notice Regarding Completion of the Distribution Center of Toho Holdings' Subsidiary

TOHO HOLDINGS CO., LTD. (hereinafter "TOHO HOLDINGS") is pleased to announce that its wholly owned subsidiary TOHO PHARMACEUTICAL CO., LTD., (Headquartered in Setagaya-ku, Tokyo; Hiroyuki Kono, President and Representative Director; hereinafter "TOHO PHARMACEUTICAL") has completed construction of its "TBC Kyushu" in Arao-shi, Kumamoto, as a new distribution center for prescription pharmaceuticals, etc., An outline of TBC Kyushu is as follows:

1. Purpose of the construction

The Kyoso Mirai Group, with TOHO HOLDINGS as its core company, has been working on improvements in the efficiency of distribution and upgrading traceability as priority measures towards achieving the "Challenge to be the Demand Innovator 10-12" as advocated in the second Medium-term Management Plan.

With the completion of TBC Kyushu, TOHO PHARMACEUTICAL, which is engaged in pharmaceutical wholesaling, will improve the efficiency of distribution and delivery operations, as well as realizing a reduction in the lead-time required for the delivery of goods for the whole of Kyushu and Okinawa areas, and will achieve a more accurate, speedy and stable supply of pharmaceuticals than ever before under the group corporate slogan "Total Commitment to Good Health."

2. Outline of TBC Kyushu

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|-----------------------|------------------------------------|
| (1) Name | TBC Kyushu |
| (2) Place | 1684-13 Mizuno, Arao-shi, Kumamoto |
| (3) Site area | 20,741 m ² |
| (4) Building space | 8,164 m ² |
| (5) Total floor space | 15,278 m ² |

- (6) Structure RCSS structure (Pillars: RC structure, Beams: steel structure),
Two-story building
- (7) Number of product lines About 25,000 items
- (8) Product lines Pharmaceutical, OTC, Medical equipment, Medical supplies, Reagent

3. Characteristics of TBC Kyushu

(1) Complete traceability

With the introduction of the Warehouse Management System*¹ that incorporates the know-how developed at the distribution centers of TOHO PHARMACEUTICAL, traceability to customers will be secured through the management of the lot numbers of pharmaceuticals and their expiry dates, aiming to provide customers with product safety and assurance of supply.

(2) Comprehensive measures against natural disasters and to ensure security

With the duplexing of the host computer and the Warehouse Management System, the installation of an uninterruptible power supply system and periodical practice of disaster exercises, etc., the Company has established a system that will ensure a stable supply of pharmaceuticals if a natural disaster occurs. Furthermore, the introduction of an IC card and biometric authentication techniques ensures proper security within the warehouse.

*₁ Warehouse Management System

This refers to a management system that centrally controls a series of distribution tasks within the warehouse to improve efficiency in the management operations.

4. Capital Investment

Total 2.4 billion yen (Land, Structure, Distribution Equipment, System, etc.,)

5. Coverage area

- (1) The whole of Kushi area (Business area of Kyushu Toho)
- (2) Okinawa Prefecture (Business area of Okinawa Toho)

6. Maximum shipping capacity

13 billion yen / monthly

7. Schedule

April 1, 2011 Completion

The Middle of April, 2011 Startup of the operation (Plan)

The Beginning of June, 2011 Full operation (Plan)