

September 9, 2011

To whom it may concern:

Company Name : TOHO HOLDINGS CO., LTD.  
Representative : Norio Hamada /  
President and Representative Director  
(Securities Code: 8129 / First Section of Tokyo Stock Exchange)  
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General Manager of Corporate Communications Office  
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Notice Regarding the Business Merger between TOHO PHARMACEUTICAL CO., LTD. and  
SHOU EI CO., LTD., Wholly Owned Subsidiaries of TOHO HOLDINGS CO., LTD.

TOHO HOLDINGS CO., LTD. is pleased to announce that it resolved to carry out a business merger between its wholly owned subsidiaries, TOHO PHARMACEUTICAL CO., LTD. (“TOHO PHARMACEUTICAL” hereinafter) and SHOU EI CO., LTD., (“SHOU EI” hereinafter) at the meeting of the board of directors held on September 9, 2011. An outline of the business merger is as follows.

Concerning the business merger, some of the items disclosed and its contents are omitted since this consolidation is to be carried out between wholly owned consolidated subsidiaries of TOHO HOLDINGS.

1. Purpose of Consolidation

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.”

The TOHO HOLDINGS Group is developing its business operations and management systems with TOHO PHARMACEUTICAL, a wholly owned subsidiary, as a core company in the pharmaceutical wholesaling business, and PharmaCluster Co., Ltd., a wholly owned subsidiary, as a core company in the dispensing pharmacy business. With respect to SHOU EI, which is operating pharmaceutical businesses in markets in two prefectures in the Tohoku district (Aomori and Iwate prefectures), even after becoming a wholly owned subsidiary of TOHO HOLDINGS on April 1, 2011, TOHO HOLDINGS decided to consolidate SHOU EI (absorption by TOHO PHARMACEUTICAL) for the purpose of providing swifter responses to the rapidly changing business environment through the total optimization of the Group’s management resources and the maximization of its corporate value.

## 2. Objectives of Consolidation

### (1) Schedule of Consolidation

The agreement of consolidation(both parties)	September 9, 2011
Extraordinary shareholders' meeting approve the agreement of consolidation(both parties)	November 18, 2011(Planned)
Date of consolidation (proposed effective date)	January 1, 2012(Planned)

### (2) Method of Consolidation

Consolidation is to be carried out based on an absorption-type merger whereby TOHO PHARMACEUTICAL is the surviving company and SHOUUEI will be dissolved.

### (3) Details of Share Allotment

There are no plans for any issuance of new stocks or an increase in capital with the consolidation or any payment of a merger subsidy due to the consolidation.

### (4) Treatment of the Absorbed company's Share Options and Bonds with Share Options

SHOUUEI has not issued any share options, nor bonds with share options.

## 3. Outlines of Parties Involved in the Consolidation

	Surviving Company	Absorbed Company
(1) Company name	Toho Pharmaceutical Co., Ltd.	SHOUUEI CO., LTD.
(2) Business contents	Pharmaceutical wholesaling business	Pharmaceutical wholesaling business
(3) Establishment	November 4, 2008	April 1, 1992
(4) Principal place of business	5-2-1 Daizawa, Setagaya Ward, Tokyo	1-6-2 Okuno, Aomori-shi, Aomori
(5) Corporate representative	Hiroyuki Kohno / President and Representative Director	Muchio Nakazato / President
(6) Capital	300 million yen	42 million yen
(7) Number of shares issued	200 shares	37,784 shares
(8) Net sales	1,005,498 million yen (FY2011)	43,715 million yen (FY2011)
(9) Net assets	10,677 million yen (FY2011)	3,129 million yen (FY2011)
(10) Total assets	402,807 million yen (FY2011)	17,916 million yen (FY2011)
(11) Fiscal year end	March 31	March 31
(12) Major shareholders and equity holdings	TOHO HOLDINGS CO., LTD. 100.0%	TOHO HOLDINGS CO., LTD. 100.0%

## 4. Effects of Consolidation

There will be no change in the trade name, the business, the location of the head office, the title

and name of representatives, the amount of stated capital and the fiscal year-end of Toho Pharmaceutical upon the consolidation.

5. Outlook

Impacts from the above consolidation on the consolidated results of operations for the fiscal year ending March 2012 will be insignificant since the consolidation is a merger between consolidated subsidiaries of TOHO HOLDINGS.