

To whom it may concern:

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Notice Regarding Business Consolidation Involving TOHO PHARMACEUTICAL CO., LTD., a Wholly-Owned  
Subsidiary of TOHO HOLDINGS, and 4 Wholly-Owned Sub-Subsidiaries of the Company

TOHO HOLDINGS CO., LTD. is pleased to announce that a meeting of the Board of Directors held today (April 12, 2013) adopted a resolution on a business consolidation involving TOHO PHARMACEUTICAL CO., LTD. (hereinafter "TOHO PHARMACEUTICAL"), a wholly-owned subsidiary of TOHO HOLDINGS, and wholly-owned sub-subsidiaries of the Company, namely Honma Toho Co., Ltd. ("Honma Toho"), Ogawa Toho Co., Ltd. ("Ogawa Toho"), Sue Yakuhin Co., Ltd. ("Sue Yakuhin"), and Yamaguchi Toho Co., Ltd. ("Yamaguchi Toho"), as described below.

It should be noted that, because the business consolidation only involves the Company's wholly-owned consolidated subsidiary and its consolidated sub-subsidiaries, the disclosures that would otherwise be required are provided herein with certain omissions.

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 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.

TOHO HOLDINGS has decided that the four wholly-owned sub-subsidiaries of the Company operating in the North Kanto and Koshinetsu regions, Honma Toho, Ogawa Toho, Sue Yakuhin and Yamaguchi Toho, will be consolidated (absorbed) into TOHO PHARMACEUTICAL for the purpose of optimizing the managerial resources of the entire Group and maximizing its corporate value, thereby responding promptly to the dramatically changing business environment.

2. Objectives of consolidation

(1) Schedule of consolidation

The Beginning of July 1, 2013	The agreement of consolidation (planned)
October 1, 2013	Date of consolidation (planned)

Since this merger falls within the scope of a simple merger for TOHO PHARMACEUTICAL as set forth in the provisions of Article 796, paragraph 3 of the Companies Act and a short form merger for Honma Toho, Ogawa Toho, Sue Yakuhin and Yamaguchi Toho as set forth in Article 784, paragraph 1 of the same act, it is being executed without obtaining the approval of their respective general shareholders' meetings concerning the merger agreement.

(2) Method of consolidation

Consolidation is to be carried out based on an absorption-type merger whereby Toho Pharmaceutical is the surviving company and Honma Toho, Ogawa Toho, Sue Yakuin and Yamaguchi Toho will be dissolved.

(3) Details of share allotment

As Toho Pharmaceutical owns all shares of the absorbed companies, there will be no issuance of new shares, increase of share capital or cash payment upon the consolidation.

(4) Treatment of the absorbed companies' shares options and bonds with share options

Honma Toho, Ogawa Toho, Sue Yakuin and Yamaguchi Toho have not issued any share options, nor bonds with share options.

3. Outlines of parties involved in the consolidation

	Surviving Company
(1) Company name	Toho Pharmaceutical Co., Ltd.
(2) Business contents	Pharmaceutical Wholesaling
(3) Establishment	November 4, 2008
(4) Principal place	5-2-1 Daizawa, Setagaya-ku, Tokyo
(5) Corporate representative	Hiroyuki Kono President
(6) Capital	300 million yen
(7) Number of shares issued	200 shares
(8) Net sales	1,045,985 million yen (Fiscal 2012)
(9) Net assets	14,710 million yen (Fiscal 2012)
(10) Total assets	419,577 million yen (Fiscal 2012)
(11) Fiscal year end	March 31
(12) Major shareholders and equity holdings	TOHO HOLDINGS CO., LTD. 100.0%

	Absorbed Company	Absorbed Company
(1) Company name	Honma Toho Co., Ltd.	Ogawa Toho Co., Ltd.
(2) Business contents	Pharmaceutical Wholesaling	Pharmaceutical Wholesaling
(3) Establishment	February 28, 1949	March 9, 1948
(4) Principal place	1-23-2 Misaki-cho, Chuo-ku, Niigata City, Niigata	378 Kaminamiemachi, Takasaki City, Gunma
(5) Corporate representative	Toshio Honma President	Kengo Ogawa President
(6) Capital	100 million yen	20 million yen
(7) Number of shares issued	720,000 shares	400,000 shares
(8) Net sales	26,537 million yen (Fiscal 2012)	31,370 million yen (Fiscal 2012)
(9) Net assets	2,461 million yen (Fiscal 2012)	4,706 million yen (Fiscal 2012)
(10) Total assets	9,120 million yen (Fiscal 2012)	12,752 million yen (Fiscal 2012)
(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%

	Absorbed Company	Absorbed Company
(1) Company name	Sue Yakuhin Co., Ltd.	Yamaguchi Toho Co., Ltd.
(2) Business contents	Pharmaceutical Wholesaling	Pharmaceutical Wholesaling
(3) Establishment	April 1, 1967	December 26, 1950
(4) Principal place	2833-1 Asami, kasagake-cho, Midori City, Gunma	2-2-27 Manabe, Tuchiura City, Ibaraki
(5) Corporate representative	Hirokuni Sue President	Yuzo Yamaguchi President
(6) Capital	30 million yen	2,080 million yen
(7) Number of shares issued	60,000 shares	416,000 shares
(8) Net sales	8,865 million yen (Fiscal 2012)	45,859 million yen (Fiscal 2012)
(9) Net assets	1,236 million yen (Fiscal 2012)	3,098 million yen (Fiscal 2012)
(10) Total assets	3,564 million yen (Fiscal 2012)	19,229 million yen (Fiscal 2012)
(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%

#### 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

Since the planned consolidation is a part of the Group's reorganization involving only the Company's wholly-owned subsidiary and its wholly-owned sub-subsidiaries, the impact it will have on the Company's consolidated financial results for the fiscal year ending March 2014 is expected to be minimal.