

April 12, 2013

To whom it may concern:

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Representative : Norio Hamada /  
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Notice Regarding Business Consolidation Involving TOHO PHARMACEUTICAL CO., LTD., a Wholly-Owned Subsidiary of TOHO HOLDINGS, and Koizumi Yakuhin Co., Ltd., a Wholly-Owned Sub-Subsidiary of the Company

TOHO HOLDINGS CO., LTD. is pleased to announce that its Board of Directors meeting held today (April 12, 2013) has passed a resolution on the business consolidation involving TOHO PHARMACEUTICAL CO., LTD., a wholly-owned subsidiary of the Company (hereinafter "Toho Pharmaceutical"), and Koizumi Yakuhin Co., Ltd., a wholly-owned sub-subsidiary of the Company (hereinafter "Koizumi Yakuhin"), and will be implemented in the form set forth below.

It should be noted that, because the business consolidation only involves the Company's wholly-owned consolidated subsidiary and its consolidated sub-subsidiary, 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. The Company has decided to merge Koizumi Yakuhin, which became a wholly-owned subsidiary of Toho Pharmaceutical on October 1, 2011, into Toho Pharmaceutical, with the aim of optimizing group-wide managerial resources and boosting corporate value to promptly respond to a rapidly changing operating environment.

2. Objectives of consolidation

(1) Schedule of consolidation

April 12, 2013	The agreement of consolidation
July 1, 2013	Date of consolidation (planned)

Toho Pharmaceutical and Koizumi Yakuhin will perform the consolidation without obtaining an approval on the agreement of consolidation from their shareholders' meetings, with the former, pursuant to the provisions related to the small-scale merger set forth in Paragraph 3 of Article 796 of the Japanese Companies Act, and the latter, pursuant to those related to the summary form merger set forth in Paragraph 1 of Article 784 of the Act.

(2) Method of consolidation

Consolidation is to be carried out based on an absorption-type merger whereby Toho Pharmaceutical is the surviving company and Koizumi Yakuhin will be dissolved.

(3) Details of share allotment

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

(4) Treatment of the absorbed company's share options and bonds with share options

Koizumi Yakuhin 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.	Koizumi Yakuhin Co., Ltd.
(2) Business contents	Pharmaceutical Wholesaling	Pharmaceutical Wholesaling
(3) Establishment	November 4, 2008	November 30, 1948
(4) Principal place	5-2-1 Daizawa, Setagaya-ku, Tokyo	3-4-7, Oroshi-machi, Wakabayashi Ward, Sendai City, Miyagi
(5) Corporate representative	Hiroyuki Kono President	Masahiko Kato President
(6) Capital	300 million yen	24 million yen
(7) Number of shares issued	200 shares	480,000 shares
(8) Net sales	1,045,985 million yen (Fiscal 2012)	669 million yen (Fiscal 2012)
(9) Net assets	14,710 million yen (Fiscal 2012)	182 million yen (Fiscal 2012)
(10) Total assets	419,577 million yen (Fiscal 2012)	960 million yen (Fiscal 2012)
(11) Fiscal year end	March 31	March 31
(12) Major shareholders and equity holdings	TOHO HOLDINGS 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-subsidiary, the impact it will have on the Company's consolidated financial results for the fiscal year ending March 2014 is expected to be minimal.