

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)  
Contact: Katsuya Kato  
Corporate Officer and General Manager of  
Corporate Communications Office  
and Corporate Planning Office  
(TEL: 03-5259-9520)

Notice Regarding the Commencement of Negotiation Concerning the Inclusion of Two Wholly Owned Subsidiaries  
into the Business Integration among Five Wholly Owned Sub-subsidiaries

TOHO HOLDINGS CO., LTD. is pleased to announce that it has resolved to proceed with consultations towards a business merger on November 1, 2013 (planned) among seven companies consisting of two newly invited Company's wholly-owned subsidiaries, Japan Pharmacy Co., Ltd. ("Japan Pharmacy" hereinafter) and Yotsuba Co., Ltd. ("Yotsuba" hereinafter) and the existing five wholly-owned sub-subsidiaries, Tomonity Inc. ("Tomonity" hereinafter), Pharma Square Co., Ltd. ("Pharma Square" hereinafter), Mirai Corporation ("Maria" hereinafter), Nest Co., Ltd. ("Nest" hereinafter) and Jus-Pharma Co., Ltd. ("Jus Pharma" hereinafter) announced on May 27 this year. An outline is as follows.

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 Group adopts a business management and control system under which our wholly-owned subsidiary PharmaCluster Co., Ltd. plays a central role in dispensing pharmacy businesses. The Company considers that its five wholly-owned sub-subsidiaries, Tomonity, Pharma Square, Mirai, Nest and Jus-Pharma will be able to further reinforce the pharmacy functions and maximize the Group companies' corporate value by actively utilizing the Group's management resources, and has been proceeding with consultations towards business merger. However, the Company has now decided to commence negotiations towards a business merger among seven companies further including two wholly-owned subsidiaries, Japan Pharmacy and Yotsuba.

In addition, the Company will continue to discuss the business reorganization within the Group to strengthen the management base of the dispensing pharmacy business.

2. Objectives of consolidation

(1) Schedule of consolidation

The end of July 2013	The agreement of consolidation (planned)
November 1, 2013	Date of consolidation (planned)

(2) Method of consolidation / Details of share allotment

The method of consolidation and details of the share allotment will be specified in the near future after consultations by the Group companies in charge of the operation and management of the dispensing pharmacies, including the Company and PharmaCluster Co., Ltd.

3. Outlines of parties involved in the consolidation

(1) Company name	Tomonity Inc.	Pharma Square Co., Ltd.
(2) Business contents	Dispensing Pharmacy Business	Dispensing Pharmacy Business
(3) Establishment	July 7, 1993	July 1, 1989
(4) Principal place	4-4-2, Honcho, Nihonbashi, Chuo-ku, Tokyo	4-4-2, Honcho, Nihonbashi, Chuo-ku, Tokyo
(5) Corporate representative	Toshiyuki Tsukuda	Katsuhiko Yoshimoto
(6) Capital	50 million yen	50 million yen
(7) Number of shares issued	400,000	100,000
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and equity holdings	PharmaCluster Co., Ltd. 100%	PharmaCluster Co., Ltd. 100%

(1) Company name	Mirai Corporation	Nest Co., Ltd.
(2) Business contents	Dispensing Pharmacy Business	Dispensing Pharmacy Business
(3) Establishment	March 31, 1981	April 30, 2010
(4) Principal place	3-5-13, Heijima, Nishi-ku, Niigata city, Niigata	1-3-7, Kimachidori, Aoba-ku, Sendai city, Miyagi
(5) Corporate representative	Takeshi Kurita	Masao Motohashi
(6) Capital	36 million yen	50 million yen
(7) Number of shares issued	900	1,000
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and equity holdings	PharmaCluster Co., Ltd. 100%	PharmaCluster Co., Ltd. 100%

(1) Company name	Jus-Pharma Co., Ltd.
(2) Business contents	Dispensing Pharmacy Business
(3) Establishment	November 11, 1989
(4) Principal place	3-4139-11, Ishikawa, Mito city, Ibaraki
(5) Corporate representative	Sadao Kimura
(6) Capital	10 million yen
(7) Number of shares issued	10,000
(8) Fiscal year end	March 31
(9) Major shareholders and equity holdings	PharmaCluster Co., Ltd. 100%

(1) Company name	Japan Pharmacy Co., Ltd.	Yotsuba Co., Ltd.
(2) Business contents	Dispensing Pharmacy Business	Dispensing Pharmacy Business
(3) Establishment	May 13, 1992	September 11, 1996
(4) Principal place	4-5-12 Hongoku-cho, Nihonbashi, Chuo-ku, Tokyo	1-4-15 Hirakawa-cho Chiyoda-ku Tokyo
(5) Corporate representative	Takahiro Kanno	Saburo Tanaka
(6) Capital	50 million yen	44.8 million yen
(7) Number of shares issued	1,000	896
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and equity holdings	Toho Holdings Co., Ltd. 100%	Toho Holdings Co., Ltd. 100%

#### 4. Effects of consolidation

The trade name, location of the main office, the title and the name of the representatives, the amount of capital and the term for the settlement of accounts will be decided after consultations among the related parties, including the Company and PharmaCluster Co., Ltd.

#### 5. Outlook

Since the planned consolidation is a part of the Group's reorganization involving only the Company's 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.