

July 26, 2013

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
Director and General Manager of
Corporate Communications Office
and Corporate Planning Office
(TEL: 03-5259-9520)

Notice regarding the Acquisition of Shares by a Wholly-owned Subsidiary and the Commencement of Negotiations concerning the Business Consolidation of Sub-subsidiaries

TOHO PHARMACEUTICAL, CO., LTD. (hereinafter, "TOHO PHARMACEUTICAL"), a wholly-owned subsidiary of TOHO HOLDINGS CO., LTD. (hereinafter, "TOHO HOLDINGS"), took over in July this year shares in Okinawa Sawai Pharmaceutical Co., Ltd. (hereinafter, "Okinawa Sawai Pharmaceutical"), turning it into a wholly-owned sub-subsidiary of TOHO HOLDINGS.

TOHO HOLDINGS also hereby announces that at a meeting held today (July 26, 2013), the Board of Directors resolved to start negotiations towards a business merger between Okinawa Toho Co., Ltd. (hereinafter, "Okinawa Toho"), a wholly-owned sub-subsidiary of TOHO HOLDINGS, and Okinawa Sawai Pharmaceutical on January 1, 2014 (planned).

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

1. The purpose of merger and acquisition of the stock

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 regard to the operations in Okinawa Prefecture, Okinawa Toho and Okinawa Sawai Pharmaceutical became wholly-owned subsidiaries of TOHO PHARMACEUTICAL in June 2010 and July this year, respectively.

The two companies have decided to enter into talks towards integration of the management with the purpose of optimizing the managerial resources of the entire Group, maximizing the corporate value, and quickly responding to the dramatically changing business environment.

2. Objectives of consolidation

(1) Schedule of consolidation

The Beginning of September, 2013	The agreement of consolidation (planned)
The Beginning of November, 2013	Extraordinary meeting of shareholders (planned)
January 1, 2014	Date of consolidation (planned)

(2) Method of consolidation

Consolidation is to be carried out based on an absorption-type merger whereby Okinawa Toho is the surviving company and Okinawa Sawai Pharmaceutical 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

Okinawa Sawai Pharmaceutical 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	Okinawa Toho Co., Ltd.	Okinawa Sawai Pharmaceutical Co., Ltd.
(2) Business contents	Pharmaceutical Wholesaling	Pharmaceutical Wholesaling
(3) Establishment	April 4, 1977	September 21, 1972
(4) Principal place	834 Aza-Onaga, Nishihara-cho, Nakagami-gun, Okinawa	2-23-27 Akebono, Naha City, Okinawa
(5) Corporate representative	Nobuhiko Miyagi President	Sakou Kimikazu President
(6) Capital	100 million yen	40.6 million yen
(7) Number of shares issued	100,000 shares	4,065 shares
(8) Fiscal year end	March 31	September 30
(9) 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 amount of stated capital and the fiscal year-end of Okinawa Toho upon the consolidation.

5. Outlook

Impacts from the above consolidation on the consolidated results of operations for the fiscal year ending March 2014 will be insignificant since the consolidation is a merger between consolidated sub-sub-subsidiaries of TOHO HOLDINGS.