

April 8, 2016

To whom it may concern:

TOHO HOLDINGS CO., LTD.
Yell Pharmaceutical Co., Ltd.

Notice on Business Alliance

TOHO HOLDINGS CO., LTD. (Headquarters: Tokyo; President and Representative Director: Norio Hamada; hereinafter “TOHO HOLDINGS”) and Yell Pharmaceutical Co., Ltd. (Headquarters: Tokyo; President: Yasuyuki Kumada; hereinafter “Yell Pharmaceutical”) hereby announce that the two companies are currently in the process of forming a business alliance.

1. Background and Outline of Business Alliance

As a group of distribution companies engaged in the medical, health and nursing care sector and under the group’s corporate slogan, “Total commitment to good health”, TOHO HOLDINGS conducts businesses such as pharmaceutical wholesaling, management of dispensing pharmacies, development and provision of customer support systems, etc., and at the same time, actively promotes community healthcare collaboration and makes positive commitments to the home medical and nursing care sector. Having the manufacture and sale of injectable solutions as its core competency, Yell Pharmaceutical is on the other hand engaged in a wide range of business activities from contracted manufacturing of ampules and vials to contract-based pharmaceutical quality control and stability testing.

In order to respond to the rapidly changing market environment, the two companies will combine TOHO HOLDING’s broad operating base with Yell Pharmaceutical’s technologies, thereby expecting synergistic effects of undertaking a series of contract operations, from pharmaceutical companies’ manufacturing, packaging and testing, to pharmaceutical distribution; and aiming to achieve further strengthening of function and creation of additional value including packaging in a building dedicated to anticancer drugs, provision of additional information about product lot numbers and expiry dates, etc. The two companies also expect that they will be able to: meet a wide variety of needs by conducting business which covers not only prescription pharmaceuticals but also medical equipment manufacturing (ISO13485); and take on new business challenges in areas with growth potential, such as specialty drugs and generic drugs.

In relation to the business alliance between them, TOHO HOLDINGS has acquired 65% of outstanding shares of Yell Pharmaceutical.

2. Companies Outline

(1) TOHO HOLDINGS CO., LTD.

Company Name	TOHO HOLDINGS CO., LTD.
Principal Place	5-2-1, Daizawa, Setagaya-ku, Tokyo
Corporate Representative	Norio Hamada, President and Representative director
Business Contents	Pharmaceutical wholesaling business, Dispensing pharmacy business, etc
Capital	10,649 million yen
Established	September 17, 1948
Fiscal year end	March 31
Net Sales	1,162,148 million yen (FY ended March 2015)
Number of employees	8,414 (as of March 31, 2015)

(2) Yell Pharmaceutical Co., Ltd.

Company Name	Yell Pharmaceutical Co., Ltd.
Principal Place	1-4-4 Hiromachi, Shinagawa-ku, Tokyo
Corporate Representative	Yasuyuki Kumada, President and Representative director
Business Contents	Manufacture and sale of prescription pharmaceuticals, Contracted manufacture of injectable pharmaceuticals
Capital	199.23 million yen
Established	November 30, 1932
Fiscal year end	March 31
Net Sales	1,645 million yen (FY ended March 2015)
Number of employees	66 (as of March 31, 2015)

<Contact>

TOHO HOLDINGS: Public and Investor Relations Office 03-6838-2803
Yell Pharmaceutical: General Affairs Department 03-6740-7711