

February 18, 2019

To whom it may concern:

Company Name	TOHO HOLDINGS CO., LTD.
Corporate Representative	Norio Hamada, Chairman of the Board and Representative Director, Chief Executive Officer (CEO) (First Section of Tokyo Stock Exchange Securities Code:8129)
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Notice of Collaboration with SUZUKEN CO., LTD.

TOHO HOLDINGS CO., LTD.(hereinafter the “Company”) is pleased to announce that it has reached an agreement today (February 18, 2019) with SUZUKEN CO., LTD. (Headquarters: Nagoya, Aichi Prefecture; President and CEO: Hiromi Miyata; hereinafter “SUZUKEN”) on the shared development and deployment of new distribution models (generic drugs and specialty pharmaceuticals) and the shared use of customer support systems based on the Letter of Intent regarding Shared Use of Customer Support Systems, etc. (signed on July 24, 2018), as described below.

1. Details of the Intent

(1) The shared development and deployment of generic drugs

The Company and SUZUKEN will set up a joint company to conduct the planning and the shared negotiations on generic drugs. Both companies will each hold a 50% ownership in the joint company, which will be established on April 1, 2019. Through planning and shared negotiations, we aim to ensure a stable supply of safe, low-cost and high-quality generic drugs, which reflect the opinions of medical institutions and dispensing pharmacies, and also takes patients’ viewpoints into account.

KYOSOMIRAI PHARMA CO., LTD., a subsidiary of the Company and SANWA KAGAKU KENKYUSHO CO., LTD., a subsidiary of SUZUKEN, will deploy sales of generic drugs.

In addition to the deployment of new distribution models for generic drugs, we will work together with pharmaceutical manufacturers to discuss the development of a joint manufacturing system, joint procurement of materials such as active pharmaceutical ingredients and packaging materials, and supply chain efficiency including manufacturers’ logistics.

(2) The shared development and deployment of specialty pharmaceuticals

Both companies currently develop and deploy the distribution of specialty pharmaceuticals separately, including regenerative medicine products. The Company will invest (purchasing more than one third of the shares) in S.D. Collabo Co., Ltd., a subsidiary of SUZUKEN, and discuss the shared development and deployment of the distribution of specialty pharmaceuticals.

The Company and SUZUKEN will further strengthen the distribution platform of specialty pharmaceuticals through the shared use of the Company’s thermal management system, such as delivery boxes and SUZUKEN’s systems and related patents, by which the both companies will contribute to the enhancement of solutions they provides to patients, medical institutions and pharmaceutical manufacturers, and the reduction of social costs including the disposal of high-priced pharmaceuticals.

(3) The shared use of customer support systems

The Company has developed and provided customer support systems on its own accord to date. However, in order to meet the diverse needs of patients and medical institutions, the Company will share the use of systems with SUZUKEN, such as its own inventory-management system, order management system, and electronic medication history recording support system by voice-recognition. SUZUKEN is currently promoting the introduction of these systems.

Regarding future development, the Company will accept an offer from SUZUKEN to invest (purchasing more than one third of the shares) in Nextit Research Institute, Inc., a subsidiary of the Company to further promote the introduction of these systems by SUZUKEN.

Both companies will also collaborate to streamline customer support system inquiries into a single point of contact.

2. Performance outlook

As for the effects on financial results due to this matter, the Company will promptly disclose any effects if the need for timely disclosure should arise when the details have been determined.