

To whom it may concern:

Company Name	TOHO HOLDINGS CO., LTD.
Corporate Representative	Norio Hamada, President and Representative Director (First Section of Tokyo Stock Exchange Securities Code:8129)
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Notice regarding an Absorption-type Merger of a Consolidated Sub-subsidiary into a Consolidated Subsidiary

TOHO HOLDINGS CO., LTD. (hereinafter, "TOHO HOLDINGS") is pleased to announce that its Board of Directors, at its meeting held on December 8, 2016, resolved to merge Godo Toho Co., Ltd. (hereinafter, "Godo Toho"), its wholly-owned sub-subsidiary into TOHO PHARMACEUTICAL CO., LTD. (hereinafter, "TOHO PHARMACEUTICAL"), its wholly-owned subsidiary as described below.

It should be noted that, because the merger only involves the 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 merger

As a corporate group engaged in the medical, health and nursing care sector and under the corporate slogan, "Total commitment to good health", TOHO HOLDINGS conducts businesses such as pharmaceutical wholesaling, management of pharmacies, manufacture and sale of pharmaceuticals, 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.

TOHO HOLDINGS has decided to merge Godo Toho into TOHO PHARMACEUTICAL, with the aim of optimizing group-wide managerial resources, maximizing its corporate value and promptly responding to a rapidly changing business environment.

2. Objectives of merger

(1) Schedule of the merger

April 1, 2017, Date of the merger (Planned)

(2) Method of merger

The merger will be an absorption-type merger whereby TOHO PHARMACEUTICAL is the surviving company and Godo Toho will be dissolved.

3. Outlines of parties involved in the merger (As of December 8, 2016)

	Surviving Company	Absorbed Company
(1) Company name	TOHO PHARMACEUTICAL CO., LTD.	Godo Toho Co., Ltd.
(2) Business contents	Pharmaceutical Wholesaling	Pharmaceutical Wholesaling
(3) Principal place	5-2-1 Daizawa, Setagaya-ku, Tokyo	3-2-21 Kami Higashi, Hirano-ku, Osaka
(4) Corporate representative	Hiromi Eda, President and Representative Director	Yutaka Inaba, President and Representative Director
(5) Capital	300 million yen	45 million yen
(6) Fiscal year end	March 31	March 31
(7) Major shareholders and equity holdings	TOHO HOLDINGS CO., LTD. 100.0%	TOHO PHARMACEUTICAL CO., LTD. 100.0%

4. Effects of merger

There will be no change in the trade name, the business, the location of the head office, the name and title of representative, the amount of stated capital and the fiscal year-end of TOHO PHARMACEUTICAL upon the merger.

5. Outlook

Impacts from this merger on the consolidated operating results of TOHO HOLDINGS are insignificant.