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To whom it may concern:

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Results of Operations during the First Quarter of Fiscal 2012

The market for prescription pharmaceuticals during the first quarter of fiscal 2012 grew only 1.2% compared with the same period of the preceding year (estimates by Crecon Research & Consulting Inc.), due partly to the adverse effects of the Great East Japan Earthquake that occurred on March 11, 2011. In the preceding fiscal year, profitability declined significantly, owing primarily to hikes in manufacturer invoice prices and difficult conditions for price negotiations with medical institutions, as well as intensified price competition among wholesalers. However, for fiscal 2012, the Company has been promoting proposal-based marketing and sales by taking advantage of its unique customer support systems based on the major business target of securing appropriate profits, and has been tackling improvements in relation to distribution problems, including provisional shipping with the pricing yet to be negotiated, total value transactions and the issue of the gap between the NHI price and the market price.

Under these circumstances, the Group's consolidated net sales for the first quarter of fiscal 2012 were 265,548 million yen, a favorable start for the first half of fiscal 2012, by surpassing 50% of the progress towards the projection for the first half, resulting in the achievement of 50.1% of the progress. Gross profit for the first quarter made steady progress in line with profit planning, supported primarily by the effect of the business administration for securing appropriate profits in the pharmaceutical wholesaling operations and the effect of increase in the number of newly consolidated subsidiaries in the field of dispensing pharmacy operations for the previous fiscal year as well as steady growth in existing subsidiaries. The SG&A expenses for the first quarter came below the level targeted for the first half of fiscal 2012. As a result, the consolidated operating income for the first quarter was 1,744 million yen, a successful beginning for fiscal 2012 with the achievement of 60.1% of the progress towards the projection for the first half. The ratio of operating income to net sales was 0.7%, exceeding the projected rate for the first half of 0.5% by 0.2%. Ordinary income stood at 2,905 million yen, 66.0% of the progress towards the projection for the first half, and the ratio of ordinary income to net sales was 1.1%, exceeding the projected rate for the first half of 0.8% by 0.3%. The consolidated net income for the first quarter of fiscal 2012 was 1,944 million yen, 84.5% of the progress towards the projection for the first half. The ratio of net profit to net sales was 0.7%, exceeding the projected rate for the first half of 0.4% by 0.3%.

1. Results in the first quarter of fiscal 2012 (Consolidated)

(1) Comparison with the cumulative forecast for the first half of fiscal 2012

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Quarterly net Income
First Quarter, Fiscal 2012	265,548	1,744	2,905	1,944
Cumulative Forecast for the First Half of Fiscal 2012	530,000	2,900	4,400	2,300
Progress (%)	50.1	60.1	66.0	84.5

(2) Comparison with the same period in the previous fiscal year

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Quarterly net Income
First Quarter, Fiscal 2012	265,548	1,744	2,905	1,944
First Quarter, Fiscal 2011	258,786	2,773	3,946	1,969
YoY Change	6,762	-1,029	-1,041	-25
YoY Change Ratio (%)	102.6	62.9	73.6	98.7

2. Forecast for fiscal 2012 (Full-year)

There has been no change in our forecast for fiscal 2012 performance, both in the first half and the full-year period, from the figures announced on May 11, 2011.

