

May 10, 2013

To whom it may concern:

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Results of Operations for the Fiscal Year Ended March 2013

In the market for prescription pharmaceuticals during the consolidated fiscal year under review, medical treatment fees and NHI drug prices were revised, and accordingly NHI drug prices were reduced by 6.0% on average (6.25% on average if additional reductions in the prices for long listed drugs are included). In addition, measures to hold down medical expenses have been spreading, as seen in the accelerated use of generic drugs due partly to the promotion of generic name prescription. On the other hand, some positive factors such as the progressive aging of the population and the sales of new drugs as well as orphan drugs helped the market follow a steady, albeit slow, upward path; it advanced 1.9%, year on year (estimates by Crecon Research & Consulting Inc.). The Company's pharmaceutical wholesaling business continued to promote its unique business model, i.e. proposal-based marketing and sales centering on customer support systems, while selling new products for which the market is expected to be expanding. Thanks to the pursuit of this "two-pronged strategy", the Company was able to achieve growth that was faster than the market average.

Under these circumstances, the Group's consolidated net sales for fiscal 2013 were 1,140,364 million yen, 102.9% of that of the previous year. In the pharmaceutical wholesaling operations, the Company strictly operated a price lock system to secure appropriate profits based on price systems in accordance with the value of each product, and tackled improvements in relation to distribution problems, including total value transactions and the issue of the gap between the NHI price and the market prices as well as the problem of provisional shipping with the pricing yet to be negotiated. A group-wide effort to expand fee businesses and cut costs was also made. In the field of dispensing pharmacy operations, the Company constantly expanded its business scale through setting up new dispensing pharmacies, however, the increased expenses for setting up new pharmacies and employing pharmacists have weighed on profits. As a result, the consolidated operating income was 15,877 million yen, 112.8 % of that of the preceding year, and the ratio of operating income to net sales was 1.4 %, an increase by 0.1 percentage points compared with last year. Consolidated ordinary income was 19,585 million yen, 110.5% of the figure for fiscal 2012. Consolidated net Income was 11,526 million yen, 107.1% of the figure for fiscal 2012. Consequently, all of the net sales, operating income, ordinary income and net income hit all-time highs, as they did in the previous year.

"The loss before deduction of temporary consumption tax payment (non-deductible consumption tax, etc.)" accounted for up to the fiscal year under review as "non-operating expenses" will be booked as "SG&A expenses" under the new accounting treatment to be employed from the next fiscal year onward, as mentioned in the "Notice regarding a Change in the Accounting Treatment" announced today.

Due to the change, SG&A expenses have been raised by 2.8 billion yen, whereas the operating income has been reduced by the same amount in the full-year earnings forecasts for the next fiscal year. The full-year operating income forecast based on the accounting treatment prior to the change is 17.5 billion yen (up 10.2% from the previous year in real terms). Neither ordinary income nor net income is affected by the change.

1. Financial Results for Fiscal 2013(Consolidated)

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

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Net Income
Fiscal 2013	1,140,364	15,877	19,585	11,526
Fiscal 2012	1,108,089	14,073	17,732	10,766
YoY Change	32,275	1,804	1,853	759
YoY Change Ratio	102.9	112.8	110.5	107.1

(2) Comparison with the forecast for full fiscal 2013

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Net Income
Fiscal 2013	1,140,364	15,877	19,585	11,526
Forecast for the Fiscal 2013	1,140,000	15,700	18,400	10,400
Percentage against the Full-year Earnings Forecasts	100.0	101.1	106.4	110.8

(3) Gross profit rates, SGA expenses rate, Operating income ratio and Ordinary income ratio (Year-on-year change Ratio)

Unit: %

Consolidated	Gross profit to net sales	SG&A expenses to net sales	Operating income to net sales	Ordinary income to net Sales
Fiscal 2013	8.9	7.6	1.4	1.7
Fiscal 2012	8.8	7.5	1.3	1.6
YoY Change Ratio	0.1	0.1	0.1	0.1

2. Forecast for fiscal 2014 (Full-year)

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Fiscal 2014	1,181,000	14,700	20,400	11,600	164.35 yen
Fiscal 2013	1,140,364	15,877	19,585	11,526	159.21 yen
Increase/Decrease	40,635	-1,177	814	73	5.14 yen
Increase/Decrease Ratio	3.6	-7.4	4.2	0.6	3.2

