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To whom it may concern:

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Notice regarding a Change in the Accounting Treatment

TOHO HOLDINGS CO., LTD. (hereinafter, the “Company”) hereby announces that starting from the first quarter of the fiscal year ending March 2014, the Company will employ a new accounting treatment as described below.

1. Details of and the reason for the change

The Company has thus far booked expenses such as non-deductible consumption tax as a “loss before deduction of temporary consumption tax payment” under the classification of non-operating expenses because the dispensing pharmacy business had traditionally accounted for a small proportion of total consolidated operations, and accordingly the ratio of such expenses to net sales had been relatively low.

However, judging from the growing scale of the dispensing pharmacy business in the TOHO Group in recent years and the fact that the consumption tax rate is highly likely to be raised in and after April 2014 in a phased manner in accordance with the law on the comprehensive reform of Japan’s social security and tax systems enacted in August 2012, the significance of any non-deductible consumption tax, etc., in terms of its monetary amount is expected to increase from this point onward. Furthermore, as the Company has determined that the operating income into which such expenses are factored is more useful as a management indicator, it has decided to employ from the first quarter of the fiscal year ending March 2014 a new accounting treatment under which such expenses are posted as selling, general and administrative (SG&A) expenses.

2. Impact on the full-year earnings forecasts for the fiscal year ending March 2014

The above-mentioned change in the accounting treatment has required revision of the full-year earnings forecasts for the fiscal year ending March 2014, which were released today compared to the forecasts based on the previous accounting treatment as follows: SG&A expenses increased by 2.8 billion yen and the operating income decreased by the same amount. Meanwhile, neither the ordinary income nor the net income is affected by the change.