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To whom it may concern:

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Results of Operations during the First Quarter of Fiscal 2014

During the first quarter under review, the market for prescription pharmaceuticals followed a steady, albeit slow, upward path racking up a 1.5% increase from the previous quarter (estimates by Crecon Research & Consulting Inc.) supported by some positive factors including the progressive aging of the population and the sales of new drugs as well as orphan drugs despite the negative impact of the continuing drug cost cutting policy. Under these circumstances, the TOHO Group 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.

In the pharmaceutical wholesaling operations, the Company has promoted the expansion of fee-based businesses, and the sales of new products with the potential for market growth in the near future. In the field of dispensing pharmacy operations, the Company has promoted the expansion of operations and the efficiency of management, as well as bringing higher added value to their businesses. A group-wide effort to cut costs was also made.

As a result, the Group's consolidated net sales for the first quarter of fiscal 2014 were 289,328 million yen, an increase of 4.2% on a year-on-year basis, surpassing 50% of the progress towards the projection for the first half, resulting in the achievement of 50.2% of the progress. The operating income increased by 12.0% on a year-on-year basis to 2,437 million yen, achieving 46.9% of the rate of progress against the projection for the first half, and the ordinary income was 4,211 million yen, an increase of 9.9% on a year-on-year basis, marking a rate of progress of 52.0% against the projection for the first half, and the consolidated net income for the first quarter stood at 2,626 million yen, up by 8.9% from a year earlier, recording a rate of progress of 55.9% against the projection for the first half. Thanks to this favorable performance, we have made a great start towards achievement of the goals set out in the Medium-term Management Plan, "Total Commitment to Good Health 14-16" announced on June 20, 2013.

Meanwhile, the "loss before deduction of temporary consumption tax payment (non-deductible consumption tax, etc.)" that had traditionally been booked under the classification of "non-operating expenses" has started to be posted under a new accounting treatment employed from the first quarter of the consolidated fiscal year ending March 2014 as "selling, general and administrative (SG&A) expenses." For the purpose of year-on-year comparison, the comparative figure of the previous year has been re-calculated based on the new accounting treatment.

1. Results in the first quarter of fiscal 2014 (Consolidated)

(1) 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 2014 | 289,328 | 2,437 | 4,211 | 2,626 |
| First Quarter, Fiscal 2013 | 277,545 | 2,176 | 3,830 | 2,411 |
| YoY Change | 11,782 | 261 | 380 | 214 |
| YoY Change Ratio (%) | 104.2 | 112.0 | 109.9 | 108.9 |

(2) Comparison with the cumulative forecast for the first half of fiscal 2014

Unit: million yen, %

| Consolidated | Net Sales | Operating Income | Ordinary Income | Quarterly net Income |
|---|-----------|------------------|-----------------|----------------------|
| First Quarter, Fiscal 2014 | 289,328 | 2,437 | 4,211 | 2,626 |
| Cumulative Forecast for the First Half of Fiscal 2014 | 576,000 | 5,200 | 8,100 | 4,700 |
| Progress (%) | 50.2 | 46.9 | 52.0 | 55.9 |

2. Forecast for fiscal 2014 (Full-year)

There has been no change in our forecast for fiscal 2014 performance, both in the first half and the full-year period, from the figures announced on May 10, 2013.

