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To whom it may concern:

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Results of Operations during the Third Quarter of Fiscal 2014

During the cumulative third quarter under review, the market for prescription pharmaceuticals grew by only 2.7% on a year-on-year basis (estimates by Crecon Research & Consulting Inc.). Nevertheless, the Group successfully achieved higher growth than the market average as a result of boldly promoting proposal-based marketing and sales toward the achievement of the Group's medium-term management plan "Total Commitment to Good Health 14-16." To cite a specific example, the Company's pharmaceutical wholesaling business proposed new service menus by capitalizing on the Company's unique customer support systems that demonstrate our competitive advantage.

Under these circumstances, the Group's consolidated net sales for the third quarter (cumulative) were 898,889 million yen, an increase of 4.2% on a year-on-year basis, achieving 76.1% of the rate of progress against the initial projection for the full-term. In the pharmaceutical wholesaling operations, the Company strictly operated a price lock system to secure appropriate profits, 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. The Company has also promoted the expansion of fee-based businesses resulting from the sufficient use of Meissa and customer support systems as well as cost reduction activities within the companies of the whole Group. 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 operating income increased by 22.2% on a year-on-year basis to 10,432 million yen, achieving 71.0% of the rate of progress against the initial projection for the full-term, and the ordinary income was 15,102 million yen, an increase of 15.7% on a year-on-year basis, marking a rate of progress of 74.0% against the initial projection for the full-term, and the consolidated net income for the third quarter stood at 9,134 million yen, up by 16.3% from a year earlier, recording a rate of progress of 78.7% against the initial projection for the full-term.

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 third 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
Third Quarter, Fiscal 2014	898,889	10,432	15,102	9,134
Third Quarter, Fiscal 2013	862,368	8,539	13,051	7,852
YoY Change	36,521	1,892	2,050	1,281
YoY Change Ratio (%)	104.2	122.2	115.7	116.3

(2) Comparison with the forecast for the full fiscal 2014

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Quarterly net Income
Third Quarter, Fiscal 2014	898,889	10,432	15,102	9,134
Forecast for Fiscal 2014	1,181,000	14,700	20,400	11,600
Percentage against the Full-year Earnings Forecasts (%)	76.1	71.0	74.0	78.7

2. Forecast for fiscal 2014 (Full-year)

There has been no change in our forecast for the fiscal 2014 performance from the figures announced on May 10, 2013.

