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To whom it may concern:

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### **Results of Operations during the First Quarter of Fiscal 2015**

The prescription pharmaceuticals market experienced NHI drug price reductions by 2.65% on average on the basis of NHI drug prices inclusive of the increased portion of the consumption tax effective from April 2014 (or by 5.64% on average exclusive of tax) when medical fees and NHI drug prices were revised in April this year. The market volume as a whole posted a 3.3% decrease from the previous quarter period (estimated by CRECON Research & Consulting Inc.) partly due to medical care cost containment measures such as the effort to promote the use of generic drugs further in the wake of the medical fee revisions, and partly due to the backlash of the last-minute demand before the consumption tax hike.

Under these circumstances, in the field of pharmaceutical wholesaling operations, the TOHO HOLDINGS Group boldly promoted proposal-based marketing and sales activities, which are centered on the unique customer support systems, in order to further strengthen the relationship with medical institutions and expand its fee business. The Company has been striving to ensure a reasonable selling price formation in which the value of each prescription pharmaceutical should be reflected, with the ultimate goal of securing appropriate profits. At the same time, it has been making efforts to improve distribution problems, for purposes of promoting the early conclusion of negotiations, ensuring total value transactions, and correcting the gaps between NHI prices and market prices and other issues. On the other hand, in the field of dispensing pharmacy operations, the Company has promoted the expansion of operations and the efficiency in the businesses of its existing subsidiaries, as well as bringing higher added value to their businesses.

As a result, the Company's operating results for the consolidated cumulative first quarter of the fiscal year ending March 2015 recorded 281,479 million yen for net sales (a decrease of 2.7% on a year-on-year basis), 2,911 million yen for operating income (an increase of 19.4% on a year-on-year basis), 4,676 million yen for ordinary income (an increase of 11.1% on a year-on-year basis), and 2,759 million yen for net income (an increase of 5.1% on a year-on-year basis).

#### 1. Results in the first quarter of fiscal 2015 (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 2015	281,479	2,911	4,676	2,759
First Quarter, Fiscal 2014	289,328	2,437	4,211	2,626
YoY Change	-7,848	473	465	132
YoY Change Ratio (%)	97.3	119.4	111.1	105.1

(2) Comparison with the cumulative forecast for the first half of fiscal 2015

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Quarterly net Income
First Quarter, Fiscal 2015	281,479	2,911	4,676	2,759
Cumulative Forecast for the First Half of Fiscal 2015	594,000	6,500	9,400	5,800
Progress (%)	47.4	44.8	49.8	47.6

2. Forecast for fiscal 2015 (Full-year)

There has been no change in our forecast for fiscal 2015 performance, both in the first half and the full-year period, from the figures announced on May 9, 2014.

