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To whom it may concern:

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Results of Operations during the Second Quarter of Fiscal 2015

The prescription pharmaceuticals market during the second quarter of fiscal 2015 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 treatment fees and NHI drug prices were revised in April this year. As the use of generic drugs has been promoted further in the wake of the medical treatment fee revisions, the sales of long-listed drugs have decreased more than expected. In addition, due to the control of consulting a doctor by the increase of the consumption tax and bad weather as well as the backlash of the last-minute demand with the consumption tax hike, the market volume as a whole posted a 3.4% decrease from the previous quarter period (estimated by CRECON Research & Consulting Inc.).

Under these circumstances in the pharmaceutical wholesaling business of the TOHO HOLDINGS Group net sales have been far below the forecast partly because the category change from long-listed drugs to generic drugs was done faster than expected. Although it has been sure to get the stable profit from fee business toward a change into a value-added service model and the comprehensive reform of marketing and distribution through distribution centers and call centers has had the steady effect, the Company was not able to accomplish cost-cutting by the operation efficiency during this period. In the dispensing pharmacy business, despite pharmacy management that corresponded to dispensing fee revisions and improvement measures for profitability the expenditure precedes due to the increased expenses for setting up new pharmacies and employing pharmacists and to the delayed standardization of pharmacy operation and labor-saving by consolidating to the headquarters.

As a result of the cumulative second quarter of the fiscal year ending March 2015, the net sales were 560,916 million yen (3.2% decrease compared to the previous year), the operating income was 2,622 million yen (50.5% decrease compared to the previous year), the ordinary income was 5,558 million yen (33.7% decrease compared to the previous year), and the quarterly net income was 3,019 million yen (38.6% decrease compared to the previous year).

The Company has revised as below the full-year earnings forecast announced in May 5, 2014 because not only it is difficult to accomplish the forecast of net sales under the changes of market circumstances stated above but also a part of reduction in SG&A expenses is expected behind schedule till fiscal year 2016.

1. Results in the second 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 Half, Fiscal 2015	560,916	2,622	5,558	3,019
First Half, Fiscal 2014	579,175	5,298	8,387	4,914
YoY Change	-18,259	-2,675	-2,829	-1,895
YoY Change Ratio (%)	-3.2	-50.5	-33.7	-38.6

(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 Half, Fiscal 2015	560,916	2,622	5,558	3,019
Revised Forecasts for the First Half of Fiscal 2015	560,000	2,600	5,500	3,000
Initial Forecasts for the First Half of Fiscal 2015	594,000	6,500	9,400	5,800
Comparison with the Initial Forecasts for the First Half of Fiscal 2015(%)	94.4	40.3	59.1	52.1

2. The Revision of the Full-year Earnings Forecasts for the Fiscal Year Ending March 2015

On November 6, 2014, the Company announced a revision of the full-year earnings forecast for fiscal 2015, which was published on May 9, 2014.

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Quarterly net Income
Revised Forecasts for Fiscal 2015	1,161,000	8,900	14,500	11,700
Initial Forecasts for Fiscal 2015	1,221,000	15,600	21,100	12,700
Increase/Decrease	-60,000	-6,700	-6,600	-1,000

3. Progress Rate Compared to the Revised Forecasts for Fiscal 2015

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Quarterly net Income
First Half, Fiscal 2015	560,916	2,622	5,558	3,019
Revised Forecasts for Fiscal 2015	1,161,000	8,900	14,500	11,700
Comparison with the Revised Forecast for Fiscal 2015(%)	48.3	29.5	38.3	25.8

