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To whom it may concern:

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## Results of Operations for the Fiscal Year Ended March 2015

In the market for prescription pharmaceuticals during the consolidated fiscal year under review, medical treatment fees and NHI drug prices were revised in April 2014. Meanwhile, sales of long-listed drugs slumped as the use of generic drugs had been further accelerated. Consequently, the market for prescription pharmaceuticals shrank 2.7% from the previous year (estimates by Crecon Research & Consulting Inc.).

Amid changes in the market environment, the Group has, in the pharmaceutical wholesaling business, implemented more thorough management of appropriate profits, promoted shifting to the business model focusing on the provision of value-added services, and endeavored to strengthen ties with medical institutions and secure profits from fee-based business by proposing unique customer support systems. As part of cost-cutting efforts, it has enhanced functions of distribution centers and call centers and forged ahead with the integrated reform in sales and distribution with a view to reducing costs for and improving efficiency of operations from order receipt to delivery.

The dispensing pharmacy business has endeavored to increase profitability in response to the revision of dispensing fees, focusing on management of high value-added stores while maintaining close contact with community healthcare programs. At the same time, it has implemented cost reduction measures such as standardization of store operations and consolidation of some operations into the headquarters.

As a result, in the consolidated fiscal year ended March 2015, the Group achieved higher results than those previously estimated in all earnings items: net sales of 1,162,148 million yen (100.1% of the full-year estimate), operating income of 10,017 million yen (112.6% of the full-year estimate), ordinary income of 15,902 million yen (109.7% of the full-year estimate), and net income of 13,535 million yen (115.7% of the full-year estimate).

Meanwhile, in order to strengthen its financial foundation, the Group issued 15 billion yen worth of convertible bonds in December 2014. Furthermore, the Group acquired around 12 billion yen worth of treasury stock up until April 21, 2015 in an effort to improve capital efficiency.

1. Financial Results for Fiscal 2015(Consolidated)

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Net Income
Fiscal 2015	1,162,148	10,017	15,902	13,535
Forecast for the Fiscal 2015	1,161,000	8,900	14,500	11,700
Percentage against the Full-year Earnings Forecasts	100.1	112.6	109.7	115.7
YoY Change Ratio	97.7	81.3	86.9	130.1

2. Forecast for fiscal 2016 (Full-year)

Unit: million yen, %

Consolidated	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Fiscal 2016	1,201,000	12,700	17,900	10,200	168.00 yen
Fiscal 2015	1,162,148	10,017	15,902	13,535	181.83 yen
Increase/Decrease	38,851	2,682	1,997	△3,335	△13.83 yen
Increase/Decrease Ratio	3.3	26.8	12.6	△24.6	△7.6