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To whom it may concern:

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Results of Operations during the First Quarter of Fiscal Year Ending March 31, 2016

TOHO HOLDINGS CO., LTD. (hereafter “the Company”) announces that it has released consolidated financial results for the first quarter of the fiscal year ending March 2016 today.

In spite of the adverse effects of ongoing measures to curtail medical expenses as seen in the increasing use of generic drugs, the prescription pharmaceuticals market achieved a 5.6% growth during the first quarter under review, compared to the same period of the previous year (estimated by CRECON Research & Consulting Inc.), partly due to higher sales of pharmaceuticals in the wake of the aging population as well as a growth of new drugs, and partly due to a lower comparison base of the same period of the previous year when there had been a backlash of last-minute demand before the consumption tax hike.

Under these circumstances, the pharmaceutical wholesaling business of the TOHO HOLDINGS Group has strived to secure appropriate profits and to increase profits from fee-based business. This business segment has also advanced its efforts to diffuse its customer support systems by focusing on a proposal that integrates the series of Dispensing ENI-Pharma, which comprehensively supports dispensing pharmacy operations, and ENIFvoice SP, a voice-recognition medication history recording support system.

In addition, this business segment has enhanced its functions of both distribution centers and call centers, and has also forged ahead with an integrated reform in sales and distribution with a view to reducing costs and improving efficiency of operations by means of a fundamental overhaul of existing operations.

The dispensing pharmacy business has endeavored to expand its operations. At the same time, it has implemented both profitability enhancement measures through its store management in response to the direction of dispensing fees, and cost reduction measures such as the standardization of store operations and consolidation of some operations into headquarters.

As a result, the Company’s operating results for the consolidated cumulative first quarter of the current fiscal year are as follows. There are no changes in the projected consolidated results of operations for the first half of the fiscal year ending March 2016 and the full-term of the year published on May 12, 2015.

Unit: million yen (Amounts are truncated to the nearest million yen.)

Consolidated	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent
First Quarter, Ended June 2015	295,159	2,687	4,309	1,358
First Quarter, Ended June 2014	281,479	2,911	4,676	2,759
YoY Change	13,680	△223	△367	△1,400
YoY Change Ratio (%)	104.9	92.3	92.1	49.2
Projected results for the First Half	583,000	4,800	7,200	4,200
Progress (%)	50.6	56.0	59.9	32.4

