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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, 2018

TOHO HOLDINGS CO., LTD. (hereinafter “the Company”) announces that it has released consolidated financial results for the first quarter of the fiscal year ending March 2018 today.

During the first quarter under review, the prescription pharmaceuticals market saw 3.2% negative growth compared to the same period of the previous year. While the results of the Company fell year on year below the market average due to a decrease in sales of the curative drugs for hepatitis C, the progress to projections exceeded the standard.

The Group has, as a corporate group engaged in the areas of medical care, healthcare, and nursing care, continued to develop and propose customer support systems to offer solutions to problems faced by patients, medical institutions and specialists etc. in the fields of home healthcare and nursing care. In addition, the Company has tackled to develop service and systems including new themes such as enhancement of function as a healthcare support pharmacy and establishment of a community comprehensive healthcare system, thereby promoting a shift to a business model that focuses on value-added services.

In the pharmaceutical wholesaling business, completing an absorption-type merger of Godo Toho Co., Ltd. into TOHO PHARMACEUTICAL CO., LTD. and newly establishing the Kansai branch, we reinforced a prompt cooperation structure as well as strengthened our operating base by increasing the number of members of the Kyoso Mirai Group in Pharmacy. Furthermore, aiming at spreading our customer support systems at early stage, we made efforts to increase the number of contracts especially for “Byouin-Navi”, “initial examination reservation service” and “ENIFvoice SP”.

In the dispensing pharmacy business, we endeavored to improve profitability by responding to the dispensing fee revision and increasing management efficiency through standardization of store operations and consolidation of some operations into the headquarters.

In anticipation of the era in which generic drugs account for 80% or more of the off-patent pharmaceuticals market on a volume basis, KYOSOMIRAI PHARMA, which was established in November 2016, released 2 ingredients/11 products listed on the NHI drug prices as a supplement in June 2017, accordingly offering 4 ingredients/ 14 products as “KYOSOMIRAI PHARMA” brand products.

As a result, net sales for the pharmaceutical wholesaling business in the first quarter under review were 286,808 million yen (down 5.3% year on year) and operating income was 2,221 million yen (down 45.1% year on year). The dispensing pharmacy business recorded net sales of 24,147 million yen (up 2.8% year on year) and operating income of 662 million yen (operating loss of 118 million yen in the same period of the previous year).

Consequently, the Company’s operating results for the consolidated 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 2018 and the full-term of the year published on May 11, 2017.

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 2017	299,279	2,431	3,856	2,305
First Quarter, Ended June 2016	314,333	3,753	5,293	3,503
YoY Change	△15,054	△1,322	△1,436	△1,197
YoY Change Ratio	95.2%	64.8%	72.9%	65.8%
Projected results for the First Half	573,000	5,000	7,200	4,000
Progress	52.2%	48.6%	53.6%	57.6%