

Summary of Consolidated Financial Results for the First Quarter of Fiscal 2009



August 1, 2008

Name of Listed Company: Toho Pharmaceutical Co., Ltd. Listed: Tokyo Stock Exchange
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(Amounts are truncated to the nearest million yen.)

1. Consolidated Results of Operations during the First Quarter of Fiscal 2009 (from April 1, 2008 to June 30, 2008)

(1) Consolidated Results of Operations (Cumulative)

(Percentages indicate the rate of change compared with the preceding fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Quarter of Fiscal 2009	205,163	(-)	2,322	(-)	3,248	(-)	2,053	(-)
First Quarter of Fiscal 2008	196,488	(2.9)	2,274	(1.3)	3,257	(2.6)	1,807	(-5.7)

	Current Net Income per Share	Current Net Income per Share - Diluted
	Yen	Yen
First Quarter of Fiscal 2009	35.43	32.49
First Quarter of Fiscal 2008	31.73	29.03

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's Equity	Net Assets per Share
	Million yen	Million yen	%	Yen
First Quarter of Fiscal 2009	406,777	86,240	20.3	1,415.57
Fiscal 2008	387,273	80,772	19.9	1,351.96

(Reference) Shareholder's equity: First Quarter of Fiscal 2009: 82,636 million yen ; Fiscal 2008 : 77,237 million yen

2. Historical Payment of Dividends

	Annual Cash Dividend per Share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2008	—	8.00	—	8.00	16.00
Fiscal 2009	—	—	—	—	—
Fiscal 2009 (Projected)	—	10.00	—	10.00	20.00

(Note) Revision of dividend forecast in the current quarter: None

3. Consolidated Projected Results of Operations during Fiscal Year 2009 (from April 1, 2008 to March 31, 2009)

(The figures in percentages indicate changes from the preceding fiscal year for the year-end and changes from the preceding interim term for the current midterm.)

	Net Sales		Operating Income		Ordinary Income		Current Net Income		Current Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Midterm	410,000	(-)	4,900	(-)	6,800	(-)	4,000	(-)	68.76
Year-end	834,000	(3.5)	11,200	(9.1)	14,700	(5.7)	8,500	(1.4)	145.86

(Note) Revision of consolidated projected results of operations in the current quarter: None

4. Others

(1) Changes in material subsidiaries during the term (changes in special subsidiaries accompanying a change in the scope of consolidation): N.A.

(2) Application of simplified accounting process and application of accounting process which is peculiar to the compilation of consolidated quarterly financial statements: Applicable

(Note) For a detailed description, refer to page four under “4. Others (1)” in “Qualitative Information, Financial Statements and Others.”

(3) Changes in accounting principles, procedures, presentation methods, etc. concerning the preparation of quarterly consolidated financial statements (to be stated in changes based on the quarterly consolidated financial statements presented)

(i) Changes due to revision of accounting standards, etc.: Applicable

(ii) Changes other than (i): Applicable

(Note) For a detailed description, refer to page five under “4. Others (2)” in “Qualitative Information, Financial Statements and Others.”

(4) Number of shares outstanding (Common stock)

(i) Number of shares outstanding at end of fiscal year (Including common stock for treasury)	First Quarter of Fiscal 2009:	59,274,157 shares
	Fiscal 2008:	59,219,061 shares

(ii) Number of treasury stocks at end of fiscal year	First Quarter of Fiscal 2009:	897,029 shares
	Fiscal 2008:	2,089,059 shares

(iii) The average number of shares during the first quarter	First Quarter of Fiscal 2009:	57,965,859 shares
	First Quarter of Fiscal 2008:	56,965,260 shares

* Explanation of Appropriate Use of Performance Projections and Other Items Requiring Special Description

- Beginning in the consolidated fiscal year under review, the Accounting Standards for Quarterly Financial Reporting, ASBJ Statement No. 12, and the Guidelines for Application of Accounting Standards for Quarterly Financial Reporting, ASBJ Guidelines for Application of Accounting Standards No. 14, are being applied. In addition, the Company has complied with the Regulations for Quarterly Financial Statements in compiling consolidated quarterly financial statements.
- The above forecast figures are based on the information available to the management at the present moment, and therefore actual business results may differ from the above forecast figures due to a variety of factors that may occur in the near future.

[Qualitative Information, Financial Statements and Related Items]

1. Qualitative Information on Consolidated Results of Operations

During the first quarter under review, the Japanese economy began to stall, largely on falling corporate profits induced by soaring crude oil prices and the negative effects of the slowing U.S. economy, in addition to the lack of dynamic individual consumption and capital investment.

Despite the April 2008 revision of National Health Insurance drug prices, which cut drug prices by an average of 5.2%, and the April 2008 revision of the medical fee scheme, sales in the pharmaceutical wholesaling industry rose steadily, achieving a 3.9% year-on-year increase according to the “super” preliminary figures released by Crecon Research & Consulting, Inc., with the overall market trend of responding to the graying of the Japanese society. In contrast, the overall industry is committed to improving during fiscal 2009 its distribution systems in order to correct the issues of non-settlement, temporary delivery, package deals, and differentiated pricing, in response to the emergency proposal of the Ministry of Health, Labour, and Welfare’s Council for Improvement in Pharmaceutical Product Distribution in 2007. The industry is being asked to produce tangible results.

In this environment, and in the third year of its medium-term management plan, “The Third Founding – Innovation and Creation” the Group continued to prioritize its key policies of normalizing and streamlining operations. We also sought to add greater value, and to reinvigorate our organization and human resources. We strenuously adopted proposal-based marketing that centers around our unique and competitive customer support system. As a result, our performance exceeded that of the previous fiscal year, with the exception of ordinary income, and we were able to make a first steady step toward achieving our goals for the current fiscal year.

With respect to progress in the expansion of Group operations, the Company made Zenkaido Corp., a company based in Nishi-ku, Niigata Prefecture, which operates a dispensing pharmacy chain mostly in Niigata Prefecture, a wholly owned subsidiary on May 1, 2008. In addition, we plan to make the following consolidated subsidiaries wholly owned subsidiaries on October 1, 2008: Ogawa Toho Co., Ltd., a company based in Takasaki, Gunma Prefecture in which Toho Pharmaceutical has a 51.0% stake; Yamaguchi Toho Co., Ltd., based in Tsuchiura, Ibaraki Prefecture, in which we also have 51.0% equity; and Sue Pharmaceutical Co., Ltd., an affiliate based in Midori, Gunma, in which we have a 10.0% equity stake. Meanwhile, the Company has decided to transfer to Mori Pharmaceutical Co., Ltd. on October 1, 2008 the Oita and Miyazaki prefectural portions of the pharmaceutical wholesale business of Kyushu Toho Co., Ltd.

As a consequence, consolidated sales in the first quarter under review rose 8,675 million yen from the year-ago period, a 4.4% year-on-year increase. We sustained growth at a pace that exceeds the market average.

With respect to profits, we were able to secure an 8.2% gross margin, just as a year earlier, thanks to the normalization and streamlining of operations, as well as more success competing in areas other than price through proposal-based marketing. Although selling, general and administrative expenses were up 772 million yen year on year, mainly because of new consolidations, operating income still rose 48 million yen.

Because non-operating expenses rose 75 million yen from a year earlier, consolidated ordinary income slipped 9 million yen year-to-year.

We posted extraordinary income of 206 million yen on sales of investment securities, and 220 million yen in income with the revision of the Company’s retirement benefit system. As a result, consolidated net income for the first quarter of fiscal 2009 was up 246 million yen compared with the same period in the previous fiscal year.

As a result, consolidated sales in the first quarter under review stood at 205,163 million yen, rising 4.4% from the same period in the previous fiscal year; consolidated operating income rose 2.1% year-on-year to 2,322 million yen; consolidated ordinary income declined 0.3% from a year earlier, to 3,248 million yen; and consolidated net income increased 13.6%, to 2,053 million yen.

2. Qualitative Information on Consolidated Financial Position

(Assets)

Current assets increased 4.9% from the end of the previous consolidated fiscal year to 307,837 million yen with an increase of cash and deposits of 9,027 million yen, and an increase in bills receivable and accounts receivable of 3,631 million yen.

Fixed assets increased 5.4% from the end of the previous consolidated fiscal year, to 98,940 million yen, with an increase in goodwill of 1,566 million yen and an increase in investment and other assets of 3,324 million yen.

As a result, consolidated net assets rose 5.0% from a year earlier, to 406,777 million yen.

(Liabilities)

Current liabilities increased 5.0% from the end of the previous consolidated fiscal year, to 291,864 million yen, principally because of the increase of bills payable and accounts receivable of 15,418 million yen.

Long-term liabilities increased 0.2% from a year earlier to 28,673 million yen. As a result, total liabilities increased 4.6% year-on-year to 320,537 million yen.

(Net assets)

Total net assets were up 6.8% from the end of the previous consolidated fiscal year, to 86,240 million yen, with a 1,592 million yen increase in retained earnings and a 1,987 million yen decrease in treasury stock.

3. Qualitative Information on Projected Consolidated Results of Operations

The results of the first quarter under review conformed to the initial plan. There are no changes in the business forecasts for the cumulative consolidated period ending in the second quarter or for fiscal 2009 ending March 31, 2009, which were announced on May 9, 2008.

4. Others

(1) Application of simplified accounting process and application of accounting process which is peculiar to the compilation of consolidated quarterly financial statements

(i) Simplified accounting processing methods

- Method of calculation of estimated doubtful debts in general credits

The loan loss ratio and other items at the end of the consolidated first quarter under review are deemed not to have changed significantly from the end of the previous consolidated fiscal year. For this reason, the loan loss ratio, etc. as of the end of the previous consolidated fiscal year are used to calculate the loan loss ratio for the first quarter under review.

- Method of evaluating inventory assets

With respect to the calculation of ending inventory for the consolidated first quarter under review, on-site inventory is skipped. Instead, a reasonable method based on the ending on-site inventory for the previous consolidated fiscal year is used to calculate inventory.

In addition, with respect to the devaluation of book value for inventory assets, we used the method to devalue book value by estimating fair selling prices for items the profitability of which has apparently declined.

- Method of calculation of deferred and accrued account items

We use the method to post deferred and accrued account items by estimated amounts based on reasonable calculation methods.

- Methods of calculation of corporate and other taxes, deferred tax assets, and deferred tax liabilities

With respect to the calculation of tax payment amounts, such as corporate tax, the method to limit addition/subtraction items and tax deduction to important ones is used.

Concerning the probability of deferred tax assets collection, the method to rely on business forecasts announced in the previous consolidated fiscal year and tax planning is used since it is deemed that there have been no significant changes in the management environment and no temporary differences since the end of the previous consolidated fiscal year.

- Netting of credits, liabilities, and transactions between the Company and its consolidated subsidiaries

(Netting of credits and liabilities between the Company and its consolidated subsidiaries)

If the amount of credits and liabilities differ, the credits and liabilities are netted within a reasonable range without adjusting the differences.

(Netting of transactions between the Company and its consolidated subsidiaries)

If transaction amounts differ, but the significance of the differences is small, the transactions are netted by adjusting to the amount of transaction at the parent company.

- Erasure of unrealized gains and losses

The amount of inventory assets in the amount of ending inventory in the consolidated quarter and the profit/loss ratio concerning the transactions are calculated in reasonable estimation.

(ii) Accounting processing particular to compilation of consolidated quarterly financial statements

Not applicable.

(2) Changes in accounting principles, procedures, presentation methods, etc. concerning the preparation of quarterly consolidated financial statements

(i) Beginning in the first consolidated quarter under review, the Accounting Standards for Quarterly Financial Reporting, ASBJ Statement No. 12 dated March 14, 2007, and the Guidelines for Application of Accounting Standards for Quarterly Financial Reporting, ASBJ Guidelines for Application of Accounting Standards No. 14 dated March 14, 2007, are being applied. In addition, the Company has complied with the Regulations for Quarterly Financial Statements in compiling consolidated quarterly financial statements.

(ii) Beginning in the first consolidated quarter under review, the Accounting Standards for Measurement of Inventories, ASBJ Statement No. 9 dated July 5, 2006, is applied. Accordingly, the measurement standard was changed from the conventional cost method to the cost method of devaluing book value upon decline of profitability.

As a result, gross profit, operating income, ordinary income, and quarterly pretax net income decreased 13 million yen respectively.

The effects of the changes on segment data are discussed in relevant sections.

(iii) Beginning in the first consolidated quarter under review, the Accounting Standards for Lease Transactions, ASBJ Statement No. 13 dated June 17, 1993, with the final revision on March 30, 2007, as well as the Guidelines for Application of the Accounting Standards for Lease Transactions, ASBJ Guidelines No. 16 dated January 18, 1994, with the final revision on March 30, 2007, are applied promptly. With respect to financing lease transactions outside ownership transfer, accounting processing was changed from the method concerning conventional lease and rental transactions to the method concerning conventional selling and buying transactions, and are posted as leased assets.

In addition, depreciation for leased assets uses the method of assuming the lease period as the expected lifetime, and calculating depreciation by setting the residual value as zero.

With respect to financing lease transactions outside ownership transfer with the lease start date before the first year of the application of the new method, the accounting method concerning conventional lease and rental transactions continues to be employed.

As a result, 164 million yen in leased assets are posted as property, plant and equipment assets in comparison with the previous method. However, the effects of this change on profits and losses are very small.

The effects of the changes on segment data are discussed in relevant sections.

5. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets of the First Quarter

(Million of yen)

	End of consolidated first quarter (June 30, 2008)	Summarized consolidated balance sheet for the end of the previous consolidated fiscal year (March 31, 2008)
Assets		
Current assets		
Cash on hand and on deposit	25,769	16,742
Notes and accounts receivable	208,986	205,355
Marketable securities	1,498	498
Products	47,357	46,460
Other	24,600	24,752
Allowance for doubtful receivables	-375	-385
Total current assets	307,837	293,424
Fixed assets		
Property, plant and equipment	45,791	45,545
Intangible fixed assets		
Goodwill	7,937	6,371
Other	2,546	2,640
Total intangible fixed assets	10,483	9,011
Investments and other assets	43,535	40,211
Allowance for doubtful receivables	-869	-920
Total fixed assets	98,940	93,849
Total assets	406,777	387,273
Liabilities		
Current liabilities		
Notes and accounts payable	275,135	259,717
Short-term loans payable	5,577	6,495
Income taxes payable	1,788	3,003
Accrued bonuses	3,719	2,506
Directors' bonuses	41	75
Reserve for sales returns	336	319
Other	5,266	5,780
Total current liabilities	291,864	277,898
Long-term liabilities		
Bonds payable	9,800	9,900
Long-term debt	399	535
Accrued retirement benefits for employees	2,127	2,095
Negative goodwill	2,571	2,839
Other	13,774	13,232
Total long-term liabilities	28,673	28,601
Total liabilities	320,537	306,500
Net assets		
Shareholders' equity		
Common stock	10,649	10,599
Capital surplus	25,157	24,181
Retained earnings	50,421	48,829
Treasury stock	-1,449	-3,436
Total shareholders' equity	84,779	80,175
Unrealized gains on revaluation		
Unrealized gains on available-for-sale securities	2,495	1,699
Unrealized gains on revaluation of land	-4,637	-4,637
Total unrealized gains on revaluation	-2,142	-2,937
Equity warrants	62	54
Minority interests	3,540	3,480
Total net assets	86,240	80,772
Total liabilities and net assets	406,777	387,273

(2) Consolidated Profit and Loss Statement of First Quarter

(Million of yen)

	Cumulative period for consolidated first quarter (from April 1, 2008 to June 30, 2008)
Net sales	205,163
Cost of sales	188,375
Gross income	16,788
Selling, general and administrative expenses	
Provision for allowances for directors' bonuses and salaries	6,831
Provision for accrued bonuses	1,246
Provision for directors' bonuses	18
Provision for accrued retirement benefits for employees	40
Welfare expenses	1,140
Vehicle expenses	294
Depreciation and amortization	501
Amortization expenses for goodwill	279
Rent	1,140
Taxes and dues	212
Other	2,761
Total selling, general and administrative expenses	14,465
Operating income	2,322
Non-operating income	
Interest income	28
Dividend income	209
Received commission	465
Amortization expenses for negative goodwill	267
Equity in earnings of investees	0
Other	177
Total non-operating income	1,149
Non-operating expenses	
Interest expenses	36
Loss before deduction of temporary consumption tax payment	170
Other	16
Total non-operating expenses	223
Ordinary income	3,248
Extraordinary gains	
Gains on sales of investment securities	206
Gains on revision of retirement benefits system	220
Other	2
Total extraordinary gains	429
Extraordinary losses	
Loss on disposal of fixed assets	19
Impairment loss	93
Other	0
Total extraordinary losses	113
Income before income taxes	3,565
Corporate, inhabitant and enterprise taxes	1,851
Adjustments for income taxes	-403
Total income before income taxes	1,447
Minority interests	63
Current net income	2,053

(3) Consolidated Statements of Cash Flows

(Million of yen)

	Cumulative period for consolidated first quarter (from April 1, 2008 to June 30, 2008)
Cash flows from operating activities	
Income before income taxes	3,565
Depreciation	501
Loss on impairment	93
Amortization expenses for goodwill	279
Amortization expenses for negative goodwill	-267
Increase (decrease) in accrued employees' retirement benefits	-18
Increase (decrease) in reserve for sales returns	17
Increase (decrease) in accrued bonuses	1,203
Increase (decrease) in accrued directors' bonuses	-34
Increase (decrease) in allowance for doubtful receivables	-60
Interest and dividend income	-237
Interest expense	36
Loss (profit) on sale excluding fixed assets	19
Loss (profit) on sale and assessment of investment securities	-206
Decrease (increase) in trade receivables	-3,399
Decrease (increase) in inventories	-592
Decrease (increase) in other assets	1,360
Increase (decrease) in trade payables	15,129
Increase (decrease) in other liabilities	-640
Increase (decrease) in accrued consumption taxes	-135
Other loss (profit)	-671
Subtotal	<u>15,942</u>
Interest and dividend income	245
Interest payment	-31
Payment of income taxes	-2,899
Other	565
Net cash provided by operating activities	<u>13,822</u>
Cash flows from investing activities	
Payment for addition to time deposits	-36
Proceeds from refunds of time deposits	36
Payment for acquisition of property, plant and equipment	-386
Proceeds from sale of property, plant and equipment	147
Payment for acquisition of intangible fixed assets	-38
Payment for acquisition of investment securities	-610
Proceeds from sale of investment securities	254
Payment for acquisition of stocks in affiliates	-404
Payment for extension of loans	-145
Proceeds from collection of loans	54
Other	41
Net cash used in investing activities	<u>-1,087</u>
Cash flows from financing activities	
Net increase (decrease) in short-term loans payable	-1,043
Payment for repayment of long-term debt	-223
Payment for acquisition of own stock	-1
Payment for satisfaction of finance lease liabilities	-137
Payment of cash dividends	-457
Payment of cash dividends to minority shareholders	-6
Net cash used in financing activities	<u>-1,869</u>
Increase (decrease) in cash and cash equivalents	<u>10,865</u>
Cash and cash equivalents at beginning of year	15,851
Amount of increase (decrease) in cash and cash equivalents due to change in the scope of consolidation	84
Cash and cash equivalents at the end of first quarter	<u>26,801</u>

Beginning in the first consolidated quarter under review, the Accounting Standards for Quarterly Financial Reporting, ASBJ Statement No. 12, and the Guidelines for Application of Accounting Standards for Quarterly Financial Reporting, ASBJ Guidelines for Application of Accounting Standards No. 14, are being applied. In addition, the Company has complied with the Regulations for Quarterly Financial Statements in compiling consolidated quarterly financial statements.

(4) Notes concerning premise of a going business

Cumulative period for consolidated first quarter (from April 1, 2008 to June 30, 2008)

This is not applicable.

(5) Segmental Information

[Segmental Information according to Types of Business]

Cumulative period for consolidated first quarter (from April 1, 2008 to June 30, 2008)

	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	CRO and SMO (million yen)	Total (million yen)	Eliminations or corporate (million yen)	Consolidated (million yen)
Net Sales						
(1) Net sales to external customers	200,669	4,394	99	205,163	—	205,163
(2) Inter-segment internal net sales or transfers	1,812	—	—	1,812	(1,812)	—
Total	202,481	4,394	99	206,975	(1,812)	205,163
Operating income	2,513	147	-119	2,541	(219)	2,322

(Notes) 1. Business operations are segmented according to the types of products sold and services provided.

2. Major operations of each business segment:

- (1) Pharmaceutical Wholesaling... Sales of pharmaceuticals, narcotics, reagents, etc., and sales of medical devices,
- (2) Dispensing Pharmacy..... National Health Insurance pharmacies, home medical care services, and sales of pharmaceuticals
- (3) CRO and SMO..... SMO and CRO services

3. Of operating expenses, the major portion of erasure or unclassifiable operating expenses included in the companywide category (239 million yen) are expenses related to the management division, such as general affairs and accounting, of the Company submitting consolidated financial statements.

4. Changes in accounting policy

- (1) As stated in 4. Others (3) Changes in accounting principles, procedures, presentation methods, etc. concerning the preparation of quarterly consolidated financial statements, the Accounting Standards for Measurement of Inventories, ASBJ Statement No. 9 dated July 5, 2006, is applied. As a result, operating income of the pharmaceutical wholesaling business decreased 13 million yen during the cumulative period for consolidated first quarter under review.
- (2) As stated in 4. Others (3) Changes in accounting principles, procedures, presentation methods, etc. concerning the preparation of quarterly consolidated financial statements, the Accounting Standards for Lease Transactions, ASBJ Statement No. 13 dated June 17, 1993, with the final revision on March 30, 2007, as well as the Guidelines for the Application of the Accounting Standards for Lease Transactions, ASBJ Guidelines No. 16 dated January 18, 1994, with final revision on March 30, 2007, are applied promptly. However, the effects of this change on profits and losses are minimal.

[Segmental Information according to Geographical Locations]

Cumulative period for consolidated first quarter (from April 1, 2008 to June 30, 2008)

This disclosure is not applicable, because all the Group's consolidated subsidiaries are located in Japan.

[Overseas Sales]

Cumulative period for consolidated first quarter (from April 1, 2008 to June 30, 2008)

This disclosure is not applicable, because the Group generates no sales outside Japan.

(6) Notes on significant changes in the amount of equity

Cumulative period for consolidated first quarter (from April 1, 2008 to June 30, 2008)

This is not applicable.

[Reference]

Financial Statements and Other Information Concerning the Previous Consolidated First Quarter
(Summary) Consolidated Earnings Statement for the Previous Quarter

(Million of yen)

	Cumulative period for previous consolidated first quarter (from April 1, 2007 to June 30, 2007)
I Net sales	196,488
II Cost of sales	180,520
Gross income	15,968
III Selling, general and administrative expenses	13,693
Operating income	2,274
IV Non-operating income	
1. Interest income	30
2. Dividend income	166
3. Information service income	429
4. Amortization expenses for negative goodwill	330
5. Equity in earnings of investees	18
6. Miscellaneous income	156
Total non-operating income	1,131
V Non-operating expenses	
1. Interest expenses	15
2. Loss before deduction of temporary consumption tax payment	118
3. Miscellaneous losses	15
Total non-operating expenses	148
Ordinary income	3,257
VI Extraordinary gains	
1. Gains on sales of investment securities	0
2. Reversal of allowance for doubtful receivables	31
Total extraordinary gains	31
VII Extraordinary losses	
1. Loss on disposal of fixed assets	96
2. Loss on sale of golf club memberships	0
3. Other	0
Total extraordinary losses	97
Income before income taxes	3,191
Corporate and other taxes	1,266
Minority interests	117
Current net income	1,807

(Summary) Cash Flow Statement for the Previous Consolidated First Quarter

(Million of yen)

	Cumulative period for previous consolidated first quarter (from April 1, 2007 to June 30, 2007)
I Cash flows from operating activities	
Income before income taxes	3,191
Depreciation	497
Amortization expenses for goodwill	202
Amortization expenses for negative goodwill	-330
Equity in earnings of investees	-18
Increase (decrease) in accrued employees' retirement benefits	-11
Increase in accrued bonuses	1,161
Increase (decrease) in accrued directors' bonuses	-40
Increase (decrease) in allowance for doubtful receivables	-84
Decrease (increase) in trade receivables	-6,609
Decrease (increase) in inventories	-4,027
Decrease (increase) in purchase rebates receivable	-897
Increase in other assets	-150
Increase (decrease) in trade payables	12,780
Increase (decrease) in other liabilities	-305
Decrease in accrued consumption taxes	-458
Other	-488
Subtotal	4,410
Payment of income taxes	-3,180
Other	508
Net cash provided by operating activities	1,739
II Cash flows from investing activities	
Payment for addition to time deposits	-66
Proceeds from refunds of time deposits	76
Payment for acquisition of property, plant and equipment	-263
Proceeds from sale of property, plant and equipment	60
Payment for acquisition of goodwill	-120
Payment for acquisition of software	-38
Payment for acquisition of investment securities	-574
Proceeds from sale of investment securities	0
Payment for acquisition of stocks in subsidiaries	-48
Payment for acquisition of other investments	-72
Proceeds from sale of other investments	69
Other	-33
Net cash used in investing activities	-1,010
III Cash flows from financing activities	
Net increase (decrease) in short-term loans payable	-748
Payment for repayment of long-term debt	-68
Payment for acquisition of own stock	-1
Payment for satisfaction of finance lease liabilities	-162
Payment of cash dividends	-347
Payment of cash dividends to minority shareholders	-6
Net cash used by financing activities	-1,334
IV Increase (decrease) in cash and cash equivalents	-605
V Cash and cash equivalents at beginning of year	43,429
VI Cash and cash equivalents at the end of first quarter	42,824

Segmental Information

Segmental Information according to Types of Business

Cumulative period for previous consolidated first quarter (from April 1, 2007 to June 30, 2007)

	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	Information Processing (million yen)	CRO and SMO (million yen)	Total (million yen)	Eliminations or corporate (million yen)	Consolidated (million yen)
Net Sales							
(1) Net sales to external customers	193,107	3,249	22	108	196,488	—	196,488
(2) Inter-segment internal net sales or transfers	1,187	—	196	—	1,383	(1,383)	—
Total	194,295	3,249	219	108	197,872	(1,383)	196,488
Operating income	2,326	174	4	-70	2,436	(161)	2,274

Segmental Information according to Geographical Locations

Cumulative period for previous consolidated first quarter (from April 1, 2007 to June 30, 2007)

This disclosure is not applicable, because all the Group's consolidated subsidiaries are located in Japan.

Overseas Sales

Cumulative period for previous consolidated first quarter (from April 1, 2007 to June 30, 2007)

This disclosure is not applicable, because the Group generates no sales outside Japan.