

Summary of Consolidated Financial Results for the Third Quarter of Fiscal 2010

February 4, 2010

Name of Listed Company: Toho Holdings Co., Ltd. Listed: Tokyo Stock Exchange
 Securities Code Number: 8129 URL: <http://www.tohohd.co.jp>
 Corporate Representative / Title: Norio Hamada / President and CEO
 Contact Representative / Title: Momoru Ogino / Corporate Officer and General Manager of Finance division
 TEL: +81-3-4330-3735

Scheduled submission date for quarterly report: Feb 12, 2010 Planned Date of Dividends Payment: —

(Amounts are truncated to the nearest million yen.)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2010 (from Apr 1, 2009 to Dec 31, 2009)

(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	%
Third Quarter of Fiscal 2010	758,851	19.6	6,653	15.3	9,025	7.5	5,109	—
Third Quarter of Fiscal 2009	634,294	—	5,772	—	8,398	—	-930	—

	Current Net Income per Share	Current Net Income per Share - Diluted
	Yen	Yen
Third Quarter of Fiscal 2010	80.62	78.13
Third Quarter of Fiscal 2009	-15.80	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
Third Quarter of Fiscal 2010	527,446	96,439	18.3	1,334.19
Fiscal 2009	397,845	77,605	19.5	1,320.76

(Reference) Shareholder's equity:

As of December 31, 2009: 96,336 million yen; As of March 30, 2009: 77,542 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 2009	—	10.00	—	10.00	20.00
Fiscal 2010	—	8.00	—	—	16.00
Fiscal 2010 (Projected)	—	—	—	8.00	

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

3. Consolidated Projected Results of Operations during Fiscal Year 2010 (from April 1, 2009 to March 31, 2010)

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

	Net Sales		Operating Income		Ordinary Income		Current Net Income		Current Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year-end	980,000	16.8	7,500	148.2	10,500	60.9	5,500	—	83.68

(Note) Revision of consolidated projected results of operations in the current quarter: Applicable

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 five under “4. Others (2)” in “Qualitative Information, Financial Statements and Related Items.”
- (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.: N.A
- (ii) Changes other than (i): N.A
- (4) Number of shares outstanding (Common stock)
- | | | |
|--|-------------------------------|-------------------|
| (i) Number of shares outstanding at end of fiscal year (Including common stock for treasury) | Third Quarter of Fiscal 2010: | 74,582,502 shares |
| | Fiscal 2009: | 60,766,622 shares |
| (ii) Number of treasury stocks at end of fiscal year | Third Quarter of Fiscal 2010: | 2,376,544 shares |
| | Fiscal 2009: | 2,056,071 shares |
| (iii) The average number of shares during the first half of the fiscal year | Third Quarter of Fiscal 2010: | 63,375,693 shares |
| | Third Quarter of Fiscal 2009: | 58,892,914 shares |

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

- 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.
- The forecasted current net income per share has been revised with the inclusion of 863,444 shares due to be allocated through a stock swap with Asucome Co., Ltd. on February 1, 2010.

For further information concerning the above projections, please refer to page 4, under the section [Qualitative Information, Financial Statements and Related Items] 3. Qualitative Information on Projected Consolidated Results of Operations.

[Qualitative Information, Financial Statements and Related Items]

1. Qualitative Information on Consolidated Results of Operations

The Japanese economy during the Third Quarter (April-December 2009) of the fiscal year ending March 2010 showed some signs of recovery due to the effects of a series of economic stimulus packages. However, economic activities remained at a low level as they are still facing a severe environment, including worsened corporate earnings hit by the progressive sharp appreciation of the yen.

With the current fiscal year being the second year from the NHI drug price revisions, the market for prescription pharmaceuticals is estimated to have kept growing moderately (a 5.2% year-on-year increase was posted during the period of April-December 2009, according to estimates by Crecon Research & Consulting Inc.) in line with the aging of the society.

Amid this business environment, the Group strongly promoted, following the Second Quarter, proposal-based marketing and sales activities based on the pillar of customer support systems, which gives it a strong competitive edge over its competitors, as the current fiscal year is the first year covered by the Second Medium-term Management Plan, "Challenge to be the Demand Innovator 10-12." At the same time, the Group has kept product price declines as low as possible through the stricter operation of the Price Lock System. Furthermore, despite the increase in overall SG&A expenses due to the increasing number of consolidated subsidiaries, the SG&A expenses/sales ratio fell, helped by measures to curtail such expenses, including an expense review.

Under these circumstances, sales for the third quarter of the consolidated fiscal 2010 increased by 124,557 million yen (up 19.6%) from the same period of the preceding year, due primarily to cooperative purchasing (products to be supplied by the Company's subsidiary, Toho Pharmaceutical Co., Ltd.) with Asucome Co., Ltd. and OMWELL Inc. (merged with SANUS Co., Ltd. on January 1, 2010, the present SAYWELL Co., Ltd.), which started in April 2009. Other contributors to the increased sales include: sales growth driven by proposal-based marketing and sales activities based on the pillar of the Company's unique customer support systems, which has become highly rated by its clients; sales growth of pharmaceuticals for lifestyle-related diseases as well as new drugs; and brisk demand for pharmaceutical products related to the pandemic H1N1 influenza.

In terms of profits, all income items surpassed the corresponding results for the same period of the preceding year, assisted by efforts to keep product price declines as low as possible, a solid expansion of the dispensing pharmacy business, and by curbing the growth of SG&A expenses. Gross income increased by 7,644 million yen from the same period of the preceding year and the gross income/sales ratio improved by 0.2% against the full-term of the previous year to 7.6%. SG&A expenses increased 6,762 million yen compared with the same period a year earlier but the SG&A expenses/sales ratio decreased 0.3% compared with the full-term of the previous year. As a result, operating income increased 881 million yen compared with the same period last year and the operating income ratio improved by 0.5% compared with the full-term of the preceding year to 0.9%. Ordinary income increased 627 million yen against the same period last year and the ordinary income ratio increased 0.4% against the full-term of the previous year to 1.2%. As for profits, each profit item and each profit ratio except gross income for the Third Quarter (April-December 2009) exceeded those for the full-term of the previous year.

As a consequence, financial results for the third quarter of the consolidated fiscal 2010 are as follows: sales, 758,851 million yen (up 19.6%, year on year); operating income, 6,653 million yen (up 15.3%, year on year); ordinary income, 9,025 million yen (up 7.5%, year on year); and net income, 5,109 million yen (up 6,039 million yen, year on year).

The outline of operating results by business segment is as follows:

In the pharmaceutical wholesaling operations, net sales for the third quarter were 737,940 million yen, an increase of 18.0% compared with the same period last year and its growth rate sharply exceeded the average growth rate for the market (5.2%). The operating income was 4,972 million yen. In addition, net sales include internal sales among the business segments of 19,104 million yen. In the dispensing pharmacy operations, net sales for the third quarter were 39,523 million yen and operating income was 1,782 million yen. In CRO and SMO operations, net sales for the third quarter were 378 million yen and the operating account was a minus of 54 million yen. In other operations, net sales for the third quarter were 288 million yen and the operating account was a minus of 100 million yen.

2. Qualitative Information on Consolidated Financial Position

(Assets)

Current assets increased 37.1% from the end of the previous consolidated fiscal year to 418,844 million yen with an increase of cash and deposits of 22,452 million yen, and an increase in bills receivable and accounts receivable of 69,254 million yen, and an increase in products of 19,706 million yen and a decrease in short-term loans receivable of 3,232 million yen.

Fixed assets increased 17.7% from the end of the previous consolidated fiscal year, to 108,601 million yen, with an increase in buildings of 1,543 million yen, and an increase in land of 4,016 million yen, and an increase in goodwill of 6,692 million yen and an increase in investment securities of 3,038 million yen.

As a result, consolidated net assets rose 32.6% from a year earlier, to 527,446 million yen.

(Liabilities)

Current liabilities increased 31.1% from the end of the previous consolidated fiscal year, to 392,195 million yen, principally because of the increase of bills payable and accounts payable of 93,041 million yen, and an increase in short-term loans payable of 3,454 million yen, and an increase in income tax payable of 1,371 million yen, and a decrease in current portion of bonds of 5,888 million yen.

Long-term liabilities increased 83.5% from a year earlier to 38,810 million yen with an increase in long-term debt of 13,630 million yen, and an increase in deferred tax liabilities of 1,241 million yen and an increase in accrued retirement benefits for employees of 1,300 million yen. As a result, total liabilities increased 34.6% year-on-year to 431,006 million yen.

(Net assets)

Total net assets were up 24.3% from the end of the previous consolidated fiscal year, to 96,439 million yen, with a 14,245 million yen increase in capital surplus and a 4,163 million yen increase in retained earnings.

3. Qualitative Information on the Projected Consolidated Results of Operations

With respect to the Projected Consolidated Results of Operations for the fiscal year ending March 2010, the Company has revised the Full-year Earnings Forecasts announced on May 8, 2009, based on the Company's recent trend in business performance. As for the details, please refer to the Notice regarding the Revision of the Full-year Earnings Forecasts for the Fiscal Year ending March 2010 announced today (February 4, 2010).

4. Others

- (1) Changes in material subsidiaries during the term (changes in special subsidiaries accompanying a change in the scope of consolidation)
Not applicable.
- (2) 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
With the shift to a pure holding company through a corporate split, the Company calculated the actual credit loss rate. Other consolidated subsidiaries calculated the amounts for the allowance for doubtful accounts by using the actual credit loss rates calculated at the end of the preceding fiscal year, since there were no material changes between the actual credit loss rate as of the end of the third quarter of fiscal 2010 and that as of the end of the previous fiscal year.
 - Method of evaluating inventory assets
Regarding the accounting of inventories as of the end of the consolidated third quarter, physical inventory was omitted, and the Company adopted the method of calculating inventories reasonably based on the results of the physical inventory at the end of the consolidated second quarter.
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 payable amounts, such as corporate tax, the method that limits addition/subtraction items and tax deduction to important ones is used.
Concerning the probability of deferred tax assets collection, the method of relying on business forecasts announced in the previous consolidated fiscal year and tax planning is used if 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. Meanwhile, the method of adding the effects of such significant changes to business forecasts announced in the previous consolidated fiscal year and tax planning is used if it is deemed that there have been significant changes in the management environment or 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.
 - Netting of unrealized gains and losses
The Company calculates the net unrealized gains or losses by making a reasonable estimate of the portion of relevant inventory to the balance of inventories at the end of the consolidated third quarter and the profit ratios related to the relevant transactions.
- (ii) Accounting processing particular to compilation of consolidated quarterly financial statements
Not applicable.
- (3) Changes in accounting principles, procedures, presentation methods, etc. concerning the preparation of quarterly consolidated financial statements
Not applicable.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets of the Third Quarter of the Fiscal Year

(Million of yen)

	End of the third quarter of the fiscal year (consolidated) (December 31, 2009)	Summarized consolidated balance sheet for the end of the previous consolidated fiscal year (March 31, 2009)
Assets		
Current assets		
Cash on hand and on deposit	36,224	13,772
Notes and accounts receivable	286,045	216,791
Marketable securities	3,399	500
Products	65,109	45,403
Other	28,551	29,519
Allowance for doubtful receivables	-485	-398
Total current assets	418,844	305,589
Fixed assets		
Property, plant and equipment	51,457	45,166
Intangible fixed assets		
Goodwill	15,090	8,398
Others	2,934	2,462
Total intangible fixed assets	18,025	10,861
Investments and other assets		
Others	41,408	38,175
Allowance for doubtful accounts	-2,289	-1,946
Total investments and other assets	39,118	36,229
Total fixed assets	108,601	92,256
Total assets	527,446	397,845

	End of the third quarter of the fiscal year (consolidated) (December 31, 2009)	Summarized consolidated balance sheet for the end of the previous consolidated fiscal year (March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable	371,561	278,520
Short-term loans payable	9,000	5,546
Current portion of bonds	281	6,169
Income taxes payable	1,972	601
Accrued bonuses	1,483	2,555
Directors' bonuses	57	80
Reserve for sales returns	337	273
Others	7,501	5,339
Total current liabilities	392,195	299,087
Long-term liabilities		
Bonds payable	507	300
Long-term debt	17,393	3,763
Accrued retirement benefits for employees	3,472	2,172
Negative goodwill	3,851	2,926
Others	13,585	11,991
Total long-term liabilities	38,810	21,153
Total liabilities	431,006	320,240
Net assets		
Shareholders' equity		
Common stock	10,649	10,649
Capital surplus	42,307	28,062
Retained earnings	49,296	45,133
Treasury stock	-2,433	-1,980
Total shareholders' equity	99,820	81,865
Unrealized gains on revaluation		
Unrealized gains on available-for-sale securities	1,089	249
Unrealized gains on revaluation of land	-4,572	-4,572
Total unrealized gains on revaluation	-3,483	-4,322
Equity warrants	64	62
Minority interests	39	—
Total net assets	96,439	77,605
Total liabilities and net assets	527,446	397,845

(2) Quarterly Consolidated Profit and Loss Statement

[Cumulative Period for the Consolidated Third Quarter]

(Million of yen)

	Cumulative Period for Previous Consolidated Third Quarter (from April 1, 2008 to December 31, 2008)	Cumulative Period for this Consolidated Third Quarter (from April 1, 2009 to December 31, 2009)
Net sales	634,294	758,851
Cost of sales	583,964	700,878
Gross profit	50,329	57,973
Selling, general and administrative expenses		
Director's compensations, salaries and allowances	23,496	27,276
Provision for accrued bonuses	1,255	1,447
Provision for directors' bonuses	56	57
Provision for accrued retirement benefits for employees	130	220
Welfare expenses	3,498	4,083
Vehicle expenses	1,024	791
Provision of allowance for doubtful accounts	—	18
Depreciation and amortization	1,578	1,842
Amortization expenses for goodwill	979	1,512
Rent	3,506	4,340
Taxes and dues	583	649
Others	8,445	9,077
Total selling, general and administrative expenses	44,557	51,319
Operating income	5,772	6,653
Non-operating income		
Interest income	108	80
Dividend income	412	480
Received commission	1,427	1,597
Amortization expenses for negative goodwill	864	1,110
Equity in earnings of affiliates	6	51
Others	617	776
Total non-operating income	3,437	4,096
Non-operating expenses		
Interest expenses	96	249
Loss before deduction of temporary consumption tax payment	615	1,337
Others	98	137
Total non-operating expenses	811	1,724
Ordinary income	8,398	9,025

	Cumulative Period for Previous Consolidated Third Quarter (from April 1, 2008 to December 31, 2008)	Cumulative Period for this Consolidated Third Quarter (from April 1, 2009 to December 31, 2009)
Extraordinary gains		
Gains on sales of fixed assets	0	59
Gains on sales of investment securities	211	0
Gains on transfer of business	—	27
Gains on liquidation of subsidiaries and affiliates	—	26
Gain on sales of subsidiaries and affiliates' stocks	—	97
Gains on revision of retirement benefits system	220	—
Others	34	24
Total extraordinary gains	467	235
Extraordinary losses		
Loss on disposal of fixed assets	48	69
Impairment loss	145	59
Loss on revaluation of affiliates stocks clearance	5,586	—
Provision of allowance for doubtful accounts	2,952	119
Loss from debt waiver	—	93
Others	168	81
Total extraordinary losses	8,900	423
Income before income taxes	-34	8,838
Corporate, inhabitant and enterprise taxes	898	2,977
Adjustments for income taxes	-46	768
Total income taxes	851	3,746
Minority interests	43	-17
Current net income	-930	5,109

	Accounting Period for Previous Consolidated Third Quarter (from July 1, 2008 to December 31, 2008)	Accounting Period for this Consolidated Third Quarter (from July 1, 2009 to December 31, 2009)
Net sales	224,865	282,286
Cost of sales	208,234	260,387
Gross income	16,630	21,899
Selling, general and administrative expenses		
Director's compensations, salaries and allowances	7,233	8,831
Provision for accrued bonuses	1,255	1,447
Provision for directors' bonuses	20	20
Provision for accrued retirement benefits for employees	36	95
Welfare expenses	1,221	1,463
Vehicle expenses	352	287
Provision of allowance for doubtful accounts	—	6
Depreciation and amortization	536	678
Amortization expenses for goodwill	364	490
Rent	1,191	1,498
Taxes and dues	195	222
Others	2,820	3,118
Total selling, general and administrative expenses	15,228	18,162
Operating income	1,402	3,737
Non-operating income		
Interest income	33	26
Dividend income	156	177
Received commission	488	554
Amortization expenses for negative goodwill	329	429
Equity in earnings of affiliates	-5	16
Others	213	273
Total non-operating income	1,216	1,478
Non-operating expenses		
Interest expenses	31	102
Loss before deduction of temporary consumption tax payment	232	490
Others	67	29
Total non-operating expenses	331	622
Ordinary income	2,287	4,593

(Million of yen)

	Accounting Period for Previous Consolidated Third Quarter (from July 1, 2008 to December 31, 2008)	Accounting Period for this Consolidated Third Quarter (from July 1, 2009 to December 31, 2009)
Extraordinary gains		
Gains on sales of fixed assets	—	-4
Gains on sales of investment securities	4	0
Gains on liquidation of subsidiaries and affiliates	—	4
Gain on sales of subsidiaries and affiliates' stocks	—	97
Reversal of allowance for doubtful accounts	12	—
Others	5	19
Total extraordinary gains	23	117
Extraordinary losses		
Loss on disposal of fixed assets	17	44
Impairment loss	24	7
Provision of allowance for doubtful accounts	159	-107
Loss from debt waiver	—	93
Loss on extinguishment of tie-in shares	—	28
Others	-17	9
Total extraordinary losses	184	77
Income before income taxes	2,126	4,633
Corporate, inhabitant and enterprise taxes	-494	1,101
Adjustments for income taxes	655	726
Total income taxes	160	1,827
Minority interests	0	-17
Current net income	1,966	2,822

(3) Quarterly Consolidated Statements of Cash Flows

	(Million of yen)	
	Cumulative Period for Previous Consolidated Third Quarter (from April 1, 2008 to December 31, 2008)	Cumulative Period for this Consolidated Third Quarter (from April 1, 2009 to December 31, 2009)
Cash flows from operating activities		
Income before income taxes	-34	8,838
Depreciation and amortization	1,578	1,898
Loss on impairment	145	59
Amortization expenses for goodwill	979	1,512
Amortization expenses for negative goodwill	-864	-1,110
Increase (decrease) in accrued employees' retirement benefits	-76	-30
Increase (decrease) in reserve for sales returns	32	52
Increase (decrease) in accrued bonuses	-1,250	-1,535
Increase (decrease) in accrued directors' bonuses	-21	-22
Increase (decrease) in allowance for doubtful receivables	2,803	-295
Interest and dividend income	-520	-560
Interest expense	96	249
Loss (profit) on sale excluding fixed assets	48	9
Loss (profit) on sale and assessment of investment securities	-139	41
Loss (profit) on sales of stocks of subsidiaries and affiliates	—	-97
Loss on valuation of stocks of subsidiaries and affiliates	5,586	—
Loss on valuation of golf club memberships	6	—
Decrease (increase) in trade receivables	-23,111	-55,275
Decrease (increase) in inventories	-6,038	-13,680
Decrease (increase) in other assets	-2,117	-2,551
Increase (decrease) in trade payables	38,876	74,288
Increase (decrease) in other liabilities	931	1,994
Increase (decrease) in accrued consumption taxes	-964	-1,322
Other loss (profit)	-1,385	-644
Subtotal	14,558	11,820
Interest and dividend income	514	584
Interest payment	-91	-249
Payment of income taxes	-4,109	-2,059
Other	-670	1,860
Net cash provided by operating activities	10,200	11,958

(Million of yen)

	Cumulative Period for Previous Consolidated Third Quarter (from April 1, 2008 to December 31, 2008)	Cumulative Period for this Consolidated Third Quarter (from April 1, 2009 to December 31, 2009)
Cash flows from investing activities		
Payment for addition to time deposits	-193	-362
Proceeds from refunds of time deposits	805	1,509
Payment for acquisition of securities	—	-1,500
Proceeds from sale of securities	—	1,999
Payment for acquisition of property, plant and equipment	-921	-2,341
Proceeds from sale of property, plant and equipment	205	235
Payment for acquisition of intangible fixed assets	-157	-310
Proceeds from sale of intangible fixed assets	4	32
Payment for acquisition of investment securities	-783	-153
Proceeds from sale of investment securities	458	632
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	460
Payment for acquisition of stocks in affiliates	-1,967	-312
Proceeds from sale of stocks in affiliates	—	210
Payment for extension of loans	-3,713	-831
Proceeds from collection of loans	425	335
Other	-162	-588
Net cash used in investing activities	-5,999	-984
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-1,392	-481
Proceeds from long-term loans payable	—	16,400
Payment for repayment of long-term debt	-409	-1,389
Redemption of bonds	—	-6,110
Payment for acquisition of own stock	-5	-1,084
Payment for satisfaction of finance lease liabilities	-417	-488
Payment of cash dividends	-1,041	-1,056
Payment of cash dividends to minority shareholders	-6	—
Net cash used in financing activities	-3,273	5,788
Increase (decrease) in cash and cash equivalents	927	16,762
Cash and cash equivalents at beginning of year	15,851	13,091
Increase in cash and cash equivalents resulting from merger	30	449
Amount of increase (decrease) in cash and cash equivalents due to change in the scope of consolidation	610	2,366
Decrease in cash and cash equivalents due to alteration of the financial period of a consolidated subsidiary	—	-280
Cash and cash equivalents at the end of second quarter	17,420	32,388

(4) Notes Concerning Premise of a Going Business

Cumulative period for this consolidated third quarter (from April 1, 2009 to December 31, 2009)

This is not applicable.

(5) Segmental Information

[Segmental Information according to Types of Business]

Cumulative period for previous consolidated third quarter (from April 1, 2008 to December 31, 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	617,546	16,419	328	634,294	—	634,294
(2) Inter-segment internal net sales or transfers	7,705	—	—	7,705	(7,705)	—
Total	625,252	16,419	328	642,000	(7,705)	634,294
Operating income	5,778	928	-285	6,421	(648)	5,772

(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

Cumulative period for this consolidated third quarter (from April 1, 2009 to December 31, 2009)

	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	CRO and SMO (million yen)	Other Operations (million yen)	Total (million yen)	Eliminations or corporate (million yen)	Consolidated (million yen)
Net Sales							
(1) Net sales to external customers	718,835	39,514	378	122	758,851	—	758,851
(2) Inter-segment internal net sales or transfers	19,104	8	—	165	19,278	(19,278)	—
Total	737,940	39,523	378	288	778,130	(19,278)	758,851
Operating income	4,972	1,782	-54	-100	6,600	53	6,653

(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
- (4) Other Operations..... Manufacturing and sales of information processing devices

3. Segment information by type of business was categorized into the three segments of Pharmaceutical Wholesaling, Dispensing Pharmacy and CRO and SMO in the past. However, the businesses of ALF Inc., which became a consolidated subsidiary at the end of the Second Quarter of fiscal 2010, were presented under Other Operations.

[Segmental Information according to Geographical Locations]

Cumulative period for previous consolidated third quarter (from April 1, 2008 to December 31, 2008) and the cumulative period for this consolidated third quarter (from April 1, 2009 to December 31, 2009)

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

[Overseas Sales]

Cumulative period for previous consolidated third quarter (from April 1, 2008 to December 31, 2008) and the cumulative period for this consolidated third quarter (from April 1, 2009 to December 31, 2009)

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 this consolidated third quarter (from April 1, 2009 to December 31, 2009)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of the preceding year	10,649	28,062	45,133	-1,980	81,865
Increase due to a change in the financial term of the consolidated subsidiary			115		115
Change during the period up to the end of the current consolidated third quarter					
Surplus distributed to shareholders			-1,056		-1,056
Net Income			5,109		5,109
Own company stock reacquired				-1,084	-1,084
Change due to a stock swap		14,244		639	14,884
Acquisition due to new consolidation			-5	-8	-13
Reversal of revaluation reserve for land			0		0
Increase due to a change in the financial term of the consolidated subsidiary		14,244	4,047	-452	17,839
Balance at the end of the current consolidated third quarter	10,649	42,307	49,296	-2,433	99,820