

# Summary of Consolidated Financial Results for the First Half of Fiscal Year Ending March 2010



November 6, 2009

Name of Listed Company: Toho Holdings Co., Ltd. Listed: Tokyo Stock Exchange  
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Scheduled submission date for quarterly report: Nov 13, 2009 Planned Date of Dividends Payment: Dec 7, 2009

(Amounts are truncated to the nearest million yen.)

## 1. Consolidated Financial Results for the First Half of the Fiscal Year Ending March 2010 (from Apr 1, 2009 to Sep 30, 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	%
First Half of Fiscal 2010	476,564	16.4	2,916	-33.3	4,432	-27.5	2,286	•
First Half of Fiscal 2009	409,429	•	4,370	•	6,110	•	-2,896	•

	Current Net Income per Share	Current Net Income per Share - Diluted
	Yen	Yen
First Half of Fiscal 2010	38.95	36.98
First Half of Fiscal 2009	-49.80	•

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
First Half of Fiscal 2010	448,955	80,774	18.0	1,374.80
Fiscal 2009	397,845	77,605	19.5	1,320.76

(Reference) Shareholder's equity:

As of September 30, 2009 : 80,709 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	970,000	15.6	6,000	98.5	9,100	39.5	5,000	•	76.20

(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 (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) | First Half of Fiscal 2010: | 60,766,622 shares |
|  | Fiscal 2009:               | 60,766,622 shares |
| (ii) Number of treasury stocks at end of fiscal year   | First Half of Fiscal 2010: | 2,059,840 shares  |
|  | Fiscal 2009:               | 2,056,071 shares  |
| (iii) The average number of shares during the first half of the fiscal year                  | First Half of Fiscal 2010: | 58,710,084 shares |
|  | First Half of Fiscal 2009: | 58,172,078 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 13,815,880 shares (newly issued stocks) due to be allocated through a stock swap with OMWELL Inc. on October 1, 2009.

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

During the first half of the consolidated fiscal year under review, there have appeared some signs that the Japanese economy has begun picking up thanks to a series of pump priming measures. However, economic activities have still remained in the doldrums and we have continued to be surrounded by a harsh business environment.

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 4.4% year-on-year increase was posted during the period of April-September 2009, according to estimates by Crecon Research & Consulting Inc.) in line with the aging of the society.

Amid this operating environment, the Group has strongly promoted proposed-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. As a result, although operating income and ordinary income were smaller than the comparative amounts recorded in the same period of the preceding year when the impact of price declines was less adverse, profit margins improved compared with the results for the full fiscal 2009. Comparison with the Company estimates for the first half of the consolidated fiscal 2010 (before revisions) finds that every item surpassed the management plan, making good progress towards the achievement of the full-year targets.

Under these circumstances, sales for the first half of the consolidated fiscal 2010 increased by 67,135 million yen (up 16.4%) 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 OMWELL Inc. and Asucome Co., Ltd., which started in April 2009. Other contributors to the increased sales include: sales growth driven by proposed-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, despite some actual results falling short of the corresponding figures for the same period of the previous year, all income items as a ratio of sales surpassed the corresponding results of the full fiscal 2009, bolstered by efforts to keep product price declines as low as possible, a solid expansion of the dispensing pharmacy business, and curbed growth of SG&A expenses. Gross income increased by 2,374 million yen from the same period of the previous year; the gross income/sales ratio improved 0.2% from the full fiscal 2009 to 7.6%, compared to a decrease on a year-on-year basis. SG&A expenses increased by 3,828 million yen from the same period of the preceding year; however, the SG&A expenses/sales ratio dropped 0.1% from the full fiscal 2009. As a result, operating income decreased by 1,453 million yen from the same period last year; the operating income/sales ratio improved 0.2% from the full fiscal 2009 to 0.6%. Meanwhile, ordinary income decreased by 1,678 million yen from the same period last year; the ordinary income/sales ratio improved 0.1% from the full fiscal 2009 to 0.9%.

As a consequence, financial results for the first half of the consolidated fiscal 2010 are as follows: sales, 476,564 million yen (up 16.4%, year on year); operating income, 2,916 million yen (down 33.3%, year on year); ordinary income, 4,432 million yen (down 27.5%, year on year); and net income, 2,286 million yen (up 5,183 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 first half were 462,521 million yen, an increase of 14.8% compared with the same period last year and its growth rate sharply exceeded the average growth rate for the market (4.4%). The operating income was 1,782 million yen. In addition, net sales include internal sales among the business segments of 12,011 million yen. In the dispensing pharmacy operations, net sales for the first half were 25,800 million yen and operating income was 1,115 million yen. In CRO and SMO operations, net sales for the first half were 259 million yen and the operating account was a minus of 39 million yen.

### 2. Qualitative Information on Consolidated Financial Position

#### (Assets)

Current assets increased 13.2% from the end of the previous consolidated fiscal year to 345,972 million yen with an increase of cash and deposits of 8,991 million yen, and an increase in bills receivable and accounts receivable of 32,283 million yen, and an increase in products of 3,803 million yen and a decrease in short-term loans receivable of 3,312 million yen.

Fixed assets increased 11.6% from the end of the previous consolidated fiscal year, to 102,983 million yen, with an increase in buildings of 501 million yen, and an increase in land of 1,756 million yen, and an increase in goodwill of 6,944 million yen.

As a result, consolidated net assets rose 12.8% from a year earlier, to 448,955 million yen.

#### (Liabilities)

Current liabilities increased 10.6% from the end of the previous consolidated fiscal year, to 330,734 million yen, principally because of the increase of bills payable and accounts receivable of 24,914 million yen, and an increase in short-term loans payable of 2,996 million yen, and an increase in income tax payable of 1,053 million yen, and an increase in accounts payable of 1,414 million yen.

Long-term liabilities increased 77.0% from a year earlier to 37,447 million yen with an increase in long-term debt of 14,535 million yen and an increase in deferred tax liabilities of 1,495 million yen. As a result, total liabilities increased 15.0% year-on-year to 368,181 million yen.

#### (Net assets)

Total net assets were up 4.1% from the end of the previous consolidated fiscal year, to 80,774 million yen, with a 1,810 million yen increase in retained earnings and a 1,362 million yen increase in valuation difference on available-for-sale securities.

### 3. Qualitative Information on Projected Consolidated Results of Operations

Although the financial results for the first half of the consolidated fiscal 2010 surpassed the initial management estimates, the Company has maintained its consolidated full-year forecasts released on May 8, 2009, partly because moves by pharmaceutical manufacturers regarding the invoice prices are yet to become clear at this stage prior to the NHI drug price revisions scheduled for April next year.

### 4. Others

- (1) Changes in material subsidies 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 second quarter of fiscal 2010 and that as of the end of the previous fiscal year.
    - Method of evaluating inventory assets  
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.
  - (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 First Half of the Fiscal Year

(Million of yen)

	End of the first half of the fiscal year (consolidated) (September 30, 2009)	Summarized consolidated balance sheet for the end of the previous consolidated fiscal year (March 31, 2009)
<b>Assets</b>		
<b>Current assets</b>		
Cash on hand and on deposit	22,764	13,772
Notes and accounts receivable	249,074	216,791
Marketable securities	500	500
Products	49,206	45,403
Other	24,790	29,519
Allowance for doubtful receivables	-364	-398
<b>Total current assets</b>	<b>345,972</b>	<b>305,589</b>
<b>Fixed assets</b>		
Property, plant and equipment	48,120	45,166
<b>Intangible fixed assets</b>		
Goodwill	15,343	8,398
Others	3,172	2,462
<b>Total intangible fixed assets</b>	<b>18,515</b>	<b>10,861</b>
<b>Investments and other assets</b>		
Others	38,620	38,175
Allowance for doubtful accounts	-2,273	-1,946
<b>Total investments and other assets</b>	<b>36,347</b>	<b>36,229</b>
<b>Total fixed assets</b>	<b>102,983</b>	<b>92,256</b>
<b>Total assets</b>	<b>448,955</b>	<b>397,845</b>

(Million of yen)

	End of the first half of the fiscal year (consolidated) (September 30, 2009)	Summarized consolidated balance sheet for the end of the previous consolidated fiscal year (March 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	303,435	278,520
Short-term loans payable	8,542	5,546
Current portion of bonds	6,273	6,169
Income taxes payable	1,655	601
Accrued bonuses	2,725	2,555
Directors' bonuses	36	80
Reserve for sales returns	278	273
Others	7,787	5,339
Total current liabilities	330,734	299,087
Long-term liabilities		
Bonds payable	618	300
Long-term debt	18,299	3,763
Accrued retirement benefits for employees	2,352	2,172
Negative goodwill	2,455	2,926
Others	13,721	11,991
Total long-term liabilities	37,447	21,153
Total liabilities	368,181	320,240
Net assets		
Shareholders' equity		
Common stock	10,649	10,649
Capital surplus	28,062	28,062
Retained earnings	46,943	45,133
Treasury stock	-1,985	-1,980
Total shareholders' equity	83,670	81,865
Unrealized gains on revaluation		
Unrealized gains on available-for-sale securities	1,612	249
Unrealized gains on revaluation of land	-4,572	-4,572
Total unrealized gains on revaluation	-2,960	-4,322
Equity warrants	64	62
Minority interests	0	—
Total net assets	80,744	77,605
Total liabilities and net assets	448,955	397,845

## (2) Consolidated Profit and Loss Statement for the Six Months Ended Sep 30, 2009

[Cumulative Period for the First Half of the Fiscal Year (consolidated)]

(Million of yen)

	Cumulative Period for Previous Consolidated Second Quarter (from April 1, 2008 to September 30, 2008)	Cumulative Period for this Consolidated Second Quarter (from April 1, 2009 to September 30, 2009)
Net sales	409,429	476,564
Cost of sales	375,730	440,491
Gross profit	33,699	36,073
Selling, general and administrative expenses		
Director's compensations, salaries and allowances	13,737	15,749
Provision for accrued bonuses	2,525	2,694
Provision for directors' bonuses	36	36
Provision for accrued retirement benefits for employees	93	125
Welfare expenses	2,277	2,620
Vehicle expenses	671	504
Provision of allowance for doubtful accounts	—	12
Depreciation and amortization	1,042	1,164
Amortization expenses for goodwill	614	1,021
Rent	2,315	2,842
Taxes and dues	388	427
Others	5,624	5,958
Total selling, general and administrative expenses	29,329	33,157
Operating income	4,370	2,916
Non-operating income		
Interest income	74	53
Dividend income	256	302
Received commission	939	1,043
Amortization expenses for negative goodwill	535	680
Equity in earnings of affiliates	11	34
Others	403	502
Total non-operating income	2,220	2,617
Non-operating expenses		
Interest expenses	64	146
Loss before deduction of temporary consumption tax payment	383	846
Others	31	108
Total non-operating expenses	479	1,101
Ordinary income	6,110	4,432

	Cumulative Period for Previous Consolidated Second Quarter (from April 1, 2008 to September 30, 2008)	Cumulative Period for this Consolidated Second Quarter (from April 1, 2009 to September 30, 2009)
Extraordinary gains		
Gains on sales of fixed assets	0	64
Gains on sales of investment securities	206	0
Gains on transfer of business	—	27
Gains on liquidation of subsidiaries and affiliates	—	21
Gains on revision of retirement benefits system	220	—
Others	16	5
Total extraordinary gains	444	118
Extraordinary losses		
Loss on disposal of fixed assets	31	25
Impairment loss	120	51
Loss on revaluation of affiliates stocks clearance	5,586	—
Provision for loss on guarantees	1,000	—
Provision of allowance for doubtful accounts	1,793	226
Others	186	42
Total extraordinary losses	8,716	346
Income before income taxes	-2,161	4,204
Corporate, inhabitant and enterprise taxes	1,393	1,875
Adjustments for income taxes	-701	42
Total income taxes	691	1,918
Minority interests	43	—
Current net income	-2,896	2,286



	Accounting Period for Previous Consolidated Second Quarter (from July 1, 2008 to September 30, 2008)	Accounting Period for this Consolidated Second Quarter (from July 1, 2009 to September 30, 2009)
Net sales	204,265	243,661
Cost of sales	187,354	225,486
Gross income	16,911	18,175
Selling, general and administrative expenses		
Director's compensations, salaries and allowances	6,906	7,794
Provision for accrued bonuses	1,279	1,355
Provision for directors' bonuses	18	17
Provision for accrued retirement benefits for employees	53	50
Welfare expenses	1,137	1,299
Vehicle expenses	376	273
Provision of allowance for doubtful accounts	—	-4
Depreciation and amortization	540	594
Amortization expenses for goodwill	335	507
Rent	1,174	1,416
Taxes and dues	176	235
Others	2,863	3,016
Total selling, general and administrative expenses	14,863	16,557
Operating income	2,048	1,617
Non-operating income		
Interest income	45	33
Dividend income	47	8
Received commission	473	571
Amortization expenses for negative goodwill	267	340
Equity in earnings of affiliates	10	33
Others	226	247
Total non-operating income	1,070	1,233
Non-operating expenses		
Interest expenses	28	75
Loss before deduction of temporary consumption tax payment	213	407
Others	15	62
Total non-operating expenses	256	544
Ordinary income	2,862	2,307

(Million of yen)

	Accounting Period for Previous Consolidated Second Quarter (from July 1, 2008 to September 30, 2008)	Accounting Period for this Consolidated Second Quarter (from July 1, 2009 to September 30, 2009)
Extraordinary gains		
Gains on sales of fixed assets	0	35
Gains on liquidation of subsidiaries and affiliates	—	21
Reversal of allowance for doubtful accounts	13	—
Others	0	—
Total extraordinary gains	14	56
Extraordinary losses		
Loss on disposal of fixed assets	11	9
Impairment loss	27	30
Loss on revaluation of affiliates stocks clearance	5,586	—
Provision for loss on guarantees	1,000	—
Provision of allowance for doubtful accounts	1,793	53
Others	186	22
Total extraordinary losses	8,603	115
Income before income taxes	-5,727	2,248
Corporate, inhabitant and enterprise taxes	-458	538
Adjustments for income taxes	-297	452
Total income taxes	-756	991
Minority interests	-20	—
Current net income	-4,950	1,257

## (3) Consolidated Statements of Cash Flows of the First half of the fiscal year

(Million of yen)

	Cumulative Period for Previous Consolidated Second Quarter (from April 1, 2008 to September 30, 2008)	Cumulative Period for this Consolidated Second Quarter (from April 1, 2009 to September 30, 2009)
Cash flows from operating activities		
Income before income taxes	-2,161	4,204
Depreciation and amortization	1,042	1,164
Loss on impairment	120	51
Amortization expenses for goodwill	614	1,021
Amortization expenses for negative goodwill	-535	-680
Increase (decrease) in accrued employees' retirement benefits	-46	-13
Increase (decrease) in reserve for sales returns	8	4
Increase (decrease) in accrued bonuses	19	-8
Increase (decrease) in accrued directors' bonuses	-38	-43
Increase (decrease) in allowance for doubtful receivables	1,668	-139
Increase (decrease) in provision for loss on guarantees	1,000	—
Interest and dividend income	-330	-356
Interest expense	64	146
Loss (profit) on sale excluding fixed assets	30	-38
Loss (profit) on sale and assessment of investment securities	-155	32
Loss on valuation of stocks of subsidiaries and affiliates	5,586	—
Decrease (increase) in trade receivables	-132	-27,295
Decrease (increase) in inventories	1,422	-2,422
Decrease (increase) in other assets	-343	-661
Increase (decrease) in trade payables	181	20,168
Increase (decrease) in other liabilities	-73	1,396
Increase (decrease) in accrued consumption taxes	-473	-729
Other loss (profit)	-951	-573
Subtotal	6,514	-4,771
Interest and dividend income	333	367
Interest payment	-66	-140
Payment of income taxes	-2,875	-889
Other	1,179	1,329
Net cash provided by operating activities	5,086	-4,105

(Million of yen)

	Cumulative period for previous consolidated second quarter (from April 1, 2008 to September 30, 2008)	Cumulative period for this consolidated second quarter (from April 1, 2009 to September 30, 2009)
Cash flows from investing activities		
Payment for addition to time deposits	-142	-314
Proceeds from refunds of time deposits	683	1,071
Payment for acquisition of property, plant and equipment	-699	-2,018
Proceeds from sale of property, plant and equipment	214	259
Payment for acquisition of intangible fixed assets	-87	-158
Payment for acquisition of investment securities	-776	-95
Proceeds from sale of investment securities	424	632
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	460
Payment for acquisition of stocks in affiliates	-1,276	-75
Payment for extension of loans	-1,363	-625
Proceeds from collection of loans	129	158
Other	-530	-515
Net cash used in investing activities	-3,425	-1,220
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-1,414	-945
Proceeds from long-term loans payable	—	16,400
Payment for repayment of long-term debt	-303	-533
Redemption of bonds	—	-8
Payment for acquisition of own stock	-4	-0
Payment for satisfaction of finance lease liabilities	-318	-367
Payment of cash dividends	-457	-587
Payment of cash dividends to minority shareholders	-6	—
Net cash used in financing activities	-2,504	13,957
Increase (decrease) in cash and cash equivalents	-843	8,631
Cash and cash equivalents at beginning of year	15,851	13,091
Increase in cash and cash equivalents resulting from merger	19	433
Amount of increase (decrease) in cash and cash equivalents due to change in the scope of consolidation	84	410
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	15,112	22,286

(4) Notes concerning premise of a going business

Cumulative period for this consolidated second quarter (from April 1, 2009 to September 30, 2009)

This is not applicable.

(5) Segmental Information

[Segmental Information according to Types of Business]

Cumulative period for previous consolidated second quarter (from April 1, 2008 to September 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	399,038	10,185	205	409,429	•	409,429
(2) Inter-segment internal net sales or transfers	3,961	•	•	3,961	(3,961)	•
Total	403,000	10,185	205	413,390	(3,961)	409,429
Operating income	4,649	437	-218	4,868	(497)	4,370

(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 second quarter (from April 1, 2009 to September 30, 2009)

	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	450,510	25,795	259	476,564	•	476,564
(2) Inter-segment internal net sales or transfers	12,011	5	•	12,016	(12,016)	•
Total	462,521	25,800	259	488,581	(12,016)	476,564
Operating income	1,782	1,115	-39	2,858	57	2,916

(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

[Segmental Information according to Geographical Locations]

Cumulative period for previous consolidated second quarter (from April 1, 2008 to September 30, 2008) and the cumulative period for this consolidated second quarter (from April 1, 2009 to September 30, 2009)

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

[Overseas Sales]

Cumulative period for previous consolidated second quarter (from April 1, 2008 to September 30, 2008) and the cumulative period for this consolidated second quarter (from April 1, 2009 to September 30, 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 second quarter (from April 1, 2009 to September 30, 2009)

This is not applicable.