

# Summary of Consolidated Financial Results for the First Half of Fiscal Year Ending March 2014

November 7, 2013

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 Quarterly Supplemental Explanatory Material Prepared: Applicable  
 Quarterly Results Briefing Held: Applicable (For Institutional Investors and Analysts)

(Amounts are truncated to the nearest million yen.)

## 1. Consolidated Financial Results for the First Half of the Fiscal Year Ending March 2014 (from April 1, 2013 to September 30, 2013)

### (1) Consolidated Results of Operations (Cumulative)

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

	Net Sales		Operating Income		Ordinary Income		Current Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Half of Fiscal 2014	579,175	4.1	5,298	-10.3	8,387	-2.9	4,914	-4.5
First Half of Fiscal 2013	556,184	3.1	5,907	104.8	8,640	42.6	5,145	52.9

(Note) Comprehensive income: First Half of Fiscal 2014: 3,133 million yen (-42.6%); First Half of Fiscal 2013: 5,456 million yen (42.6%)

	Current Net Income per Share	Current Net Income per Share - Diluted
	Yen	Yen
First Half of Fiscal 2014	66.73	66.73
First Half of Fiscal 2013	69.88	--

(Note) Since the Company changed its method of representation of financial statements since the consolidated first quarter of the fiscal year ending March 2014, financial data for the first half of the fiscal year ended March 2013 provide the reclassified figures and percent changes from the previous year by retroactively applying the changes in the method of representation. Operating income before reclassification was 7,252 million yen.

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's Equity per share
	Million yen	Million yen	%
First Half of Fiscal 2014	557,031	141,175	25.3
Fiscal 2013	562,668	134,272	23.9

(Reference) Shareholder's equity: First Half of Fiscal 2014: 141,165 million yen ; Fiscal 2013 : 134,272 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 2013	—	8.00	—	8.00	16.00
Fiscal 2014	—	10.00			
Fiscal 2014 (Projected)			—	10.00	20.00

(Note) Revision of the dividend forecasts most recently announced: None

Breakdown of cash dividends for the first half of fiscal 2014 Commemorative dividend: 2yen Ordinary dividend: 8yen

## 3. Consolidated Projected Results of Operations during Fiscal Year 2014 (from April 1, 2013 to March 31, 2014)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,181,000	3.6	14,700	-7.4	20,400	4.2	11,600	0.6	155.45

(Note) 1. Revision of consolidated projected results of operations most recently announced: None

2. The Company changed its method of representation of financial statements since the consolidated first quarter of the fiscal year ending March 2014. If operating income for the full-year of the fiscal year ended March 2013 was calculated based on the reclassified figures, the year-on-year rate of operating income for the full-term would be 11.8%, instead of "a minus 7.4%" as indicated above.

※ Notes

- (1) Changes in material subsidiaries during the first half of fiscal 2014: N.A.  
 (Changes in special subsidiaries accompanying a change in the scope of consolidation)  
 Inclusion — (            —            )            Exclusion     — (            —            )
- (2) Application of accounting process which is peculiar to the compilation of consolidated quarterly financial statements: N.A.
- (3) Changes in accounting policies and changes in accounting estimates, and correction and restatement  
 (i) Changes in accounting policies with revisions in the accounting standards, etc.: N.A  
 (ii) Changes in accounting policies other than those under the item (i): N.A.  
 (iii) Changes in the accounting estimates: N.A  
 (iv) Correction and Restatement: N.A

(4) Number of shares outstanding (Common stock)

- (i) Number of shares outstanding at end of fiscal year  
 (Including common stock for treasury)
- (ii) Number of treasury stocks at end of fiscal year
- (iii) The average number of shares during the first half

First Half of FY2014	78,270,142	FY2013	78,270,142
First Half of FY2014	2,670,566	FY2013	7,690,841
First Half of FY2014	73,650,079	First Half of FY2013	73,641,127

\* Indicates quarterly review procedure implementation status

This quarterly earnings report is exempt from the quarterly review procedure under the Financial Instruments and Exchange Act. The quarterly financial statements are under the quarterly review procedure process at the time of disclosure of this report.

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

Any forward-looking statements contained in this report, including performance projections, are based on information currently available to the Company as well as certain assumptions that the Company determined to be rational at the time of the release of this report, and it is not intended that the Company undertake to achieve such results. Actual results may differ significantly from the projections above, due to a variety of factors. Please refer to Qualitative Information on Projected Consolidated Results of Operations on page 3 of this report (the Attached Document) for the suppositions on which the performance projections are based and points that have to be borne in mind for the use of such projections.

○Contents of Attached Document

1. Qualitative Information on Financial Results for the First Half of Fiscal 2014	2
(1) Explanation of Management Results	2
(2) Explanation of Financial Position	2
(3) Explanation of Projections of Consolidated Operating Results for Fiscal 2014	3
2. Matters Concerning Summary Information (Notes)	4
(1) Changes in Material Subsidiaries during the First Half of Fiscal 2014	4
(2) Application of Accounting Process which is Peculiar to the Compilation of Consolidated Quarterly Financial Statements	4
(3) Changes in Accounting Policies and Changes in Accounting Estimates, and Correction and Restatement	4
(4) Additional Information	4
3. Quarterly Consolidated Financial Statements	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Profit and Loss Statement and Quarterly Consolidated Statements of Comprehensive Income	7
Quarterly Consolidated Profit and Loss Statement	7
Quarterly Consolidated Statements of Comprehensive Income	9
(3) Quarterly Consolidated Statements of Cash Flows	10
(4) Notes Concerning Quarterly Consolidated Financial Statements	12
(Notes Concerning Premise of a Going Business)	12
(Notes Concerning Material Changes in Shareholders' Equity)	12
(Segmental Information)	12

## 1. Qualitative Information on Financial Results for the First Half of Fiscal 2014

### (1) Explanation of Management Results

During the second quarter under review, the market for prescription pharmaceuticals followed a steady, albeit slow, upward path racking up a 2.7% increase from the previous quarter (estimates by Crecon Research & Consulting Inc.) supported by some positive factors including the progressive aging of the population and the sales of new drugs despite the negative impact of the continuing drug cost cutting policy.

Under these circumstances, the TOHO Group, aiming to achieve the medium-term management plan “Total Commitment to Good Health 14-16” announced in June this year, has promoted proposal-based marketing and sales by taking advantage of its unique customer support systems in its pharmaceutical wholesaling business. It has also undertaken the expansion of operations and improvements in the efficiency of management as well as adding higher value in the dispensing pharmacy business.

As a result, the Company’s operating results for the consolidated cumulative first half of the fiscal year ending March 2014 recorded 579,175 million yen for net sales (an increase of 4.1% on a year-on-year basis), 5,298 million yen for operating income (a decrease of 10.3% on a year-on-year basis), 8,387 million yen for ordinary income (a decrease of 2.9% on a year-on-year basis), and 4,914 million yen for net income (a decrease of 4.5% on a year-on-year basis).

Meanwhile, the “loss before deduction of temporary consumption tax payment (non-deductible consumption tax, etc.)” that had traditionally been booked under the classification of “non-operating expenses” has started to be posted under a new accounting treatment employed from the first quarter of the consolidated fiscal year ending March 2014 as “selling, general and administrative (SG&A) expenses.” For the purpose of year-on-year comparison, the comparative figure of the previous year has been re-calculated based on the new accounting treatment.

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

Growth in the pharmaceutical wholesaling business exceeded the market average, thanks to the high evaluation among medical institutions of the Company’s continued proposal-based marketing and sales activities based on its customer support system, including the proposal of a new menu of services. As a result, in the first half of the current fiscal year, the pharmaceutical wholesaling business posted net sales of 556,364 million yen (a year-on-year increase of 3.9%) and segment income (operating income) of 4,584 million yen (a year-on-year decrease of 17.8%).

In the field of dispensing pharmacy operations, the Company has promoted the expansion of operations and the efficiency in the businesses of its existing subsidiaries, as well as bringing higher added value to their businesses. As a result, in the first half of the current fiscal year, the dispensing pharmacy business posted net sales of 42,209 million yen (a year-on-year increase of 8.4%) and segment income (operating income) of 542 million yen (a year-on-year increase of 31.5%).

In the SMO operations, net sales for the first half of fiscal 2014 amounted to 280 million yen (a year-on-year increase of 65.5%) and segment income (operating income) was 176 million yen (a year-on-year increase of 191.0%), assisted by a constant increase in commissioned business.

In the information equipment sales operations, net sales for the first half of fiscal 2014 totaled 659 million yen (a year-on-year increase of 0.0%), with an operating loss of 16 million yen.

(Note) Segment sales include inter-segment transactions.

### (2) Explanation of Financial Position

#### (Assets)

Current assets as of the end of September 2013 decreased 3.7% from the end of the previous consolidated fiscal year to 395,165 million yen, due to an increase in notes and accounts receivable-trade of 4,278 million yen, and a decline in cash and deposits and merchandise and finished goods by 16,297 million yen and by 3,259 million yen. Noncurrent assets as of the end of September 2013 increased 6.2% compared with the end of the preceding consolidated fiscal year to 161,866 million yen, due mainly to an increase in property, plant and equipment of 14,144 million yen, despite a decline in investments and other assets of 3,603 million yen.

As a result, consolidated net assets decreased 1.0% from a year earlier, to 557,031 million yen.

(Liabilities)

Current liabilities decreased 5.6% from the end of the previous consolidated fiscal year to 371,529 million yen with an increase in short-term loans payable of 3,382 million yen, and a decrease in notes and accounts payable-trade of 20,734 million yen, and a decrease in income taxes payable of 3,428 million yen.

Noncurrent liabilities increased 27.4% from the end of the previous consolidated fiscal year, to 44,327 million yen with an increase in long-term loans payable of 4,614 million yen.

As a result, total liabilities decreased 2.9% year-on-year to 415,856 million yen.

(Net assets)

Total net assets were up 5.1% from the end of the previous consolidated fiscal year, to 141,175 million yen, with an increase in capital surplus of 1,670 million yen, and an increase in retained earnings of 1,074 million yen, and a decrease in treasury stocks of 5,928 million yen, and a decrease in valuation difference on available-for-sale securities of 1,780 million yen.

(Analysis of the Cash Flow Position)

Cash and cash equivalents (hereinafter referred to as “cash”) during this consolidated first half decreased by 16,764 million yen from the end of the preceding consolidated fiscal year. As a result, the balance at the end of this first half totaled 20,603 million yen (a decrease of 14,908 million yen on a year-on-year basis). The following describes the three categories of consolidated cash positions during this consolidated first half, as well as the factors responsible.

(Cash Flows from Operating Activities)

Cash flow from operating activities was an outflow of 20,695 million yen (a decrease of 29,350 million yen on a year-on-year basis). Although the inflow was secured by some positive factors such as the income before income taxes of 8,427 million yen, depreciation and amortization of 1,566 million yen, amortization of goodwill of 1,194 million yen, and a decrease in inventories of 3,407 million yen, these were somewhat offset by negative factors including the increase in notes and accounts receivable-trade of 2,806 million yen, a decrease in notes and accounts payable-trade of 23,003 million yen, and income taxes paid of 6,569 million yen.

(Cash Flows from Investing Activities)

Cash flow from investing activities was an outflow of 5,329 million yen (a decrease of 959 million yen from the same period of the preceding year). Positive factors such as proceeds from sales of property, plant and equipment of 643 million yen were totally offset by negative factors including purchase of property, plant and equipment of 4,690 million yen, purchase of intangible assets of 547 million yen, and purchase of stocks of subsidiaries and affiliates of 255 million yen.

(Cash Flows from Financing Activities)

Cash flow from financing activities was an inflow of 8,806 million yen (an increase of 16,600 million yen on a year-on-year basis), which is mainly attributable to a net increase in short-term loans payable of 3,020 million yen and proceeds from disposal of treasury stock of 7,601 million yen, despite factors including a net decrease in long-term loans payable of 939 million yen and cash dividends paid of 564 million yen.

(3) Qualitative Information on Projected Consolidated Results of Operations

There are no changes in the projected consolidated results of operations for the full-term of fiscal 2014 published on May 10, 2013. Meanwhile, the “loss before deduction of temporary consumption tax payment (non-deductible consumption tax, etc.)” that had traditionally been booked under the classification of “non-operating expenses” has started to be posted under a new accounting treatment employed from the first quarter of the consolidated fiscal year ending March 2014 as “selling, general and administrative (SG&A) expenses.” If operating income for the full-year of the fiscal year ended March 2013 was calculated based on the reclassified figures, the year-on-year rate of operating income for the full-term would be 11.8%, instead of “a minus 7.4%” as indicated above.

## 2. Matters Concerning Summary Information (Notes)

### (1) Changes in Material Subsidiaries during the First Half of Fiscal 2013

Not Applicable.

### (2) Application of Accounting Process which is Peculiar to the Compilation of Consolidated Quarterly Financial Statements

Not Applicable.

### (3) Changes in Accounting Policies and Changes in Accounting Estimates, and Correction and Restatement

Not Applicable.

### (4) Additional Information

#### (Change in the Accounting Treatment)

The “loss before deduction of temporary consumption tax payment (non-deductible consumption tax, etc.)” that had traditionally been booked under the classification of “non-operating expenses” has started to be posted under a new accounting treatment employed from the first quarter of the consolidated fiscal year ending March 2014 as “selling, general and administrative (SG&A) expenses.”

The Company has thus far booked expenses such as non-deductible consumption tax as a “loss before deduction of temporary consumption tax payment” under the classification of non-operating expenses because the dispensing pharmacy business had traditionally accounted for a small proportion of total consolidated operations, and accordingly the ratio of such expenses to net sales had been relatively low.

However, judging from the growing scale of the dispensing pharmacy business in the TOHO Group in recent years and the fact that the consumption tax rate is highly likely to be raised in and after April 2014 in a phased manner in accordance with the law on the comprehensive reform of Japan’s social security and tax systems enacted in August 2012, the significance of any non-deductible consumption tax, etc., in terms of its monetary amount is expected to increase from this point onward. Furthermore, as the Company has determined that the operating income into which such expenses are factored is more useful as a management indicator, it has decided to employ from the first quarter of the fiscal year ending March 2014 a new accounting treatment under which such expenses are posted as selling, general and administrative (SG&A) expenses.

The Company has reclassified the consolidated financial statements for the prior consolidated fiscal year to reflect the change in representation.

As a result, consolidated operating income for the cumulative first half of the previous year decreased by 1,344 million yen compared with that before reclassification of the representation method. Meanwhile, neither the ordinary income nor the current net income is affected by the change.

3. Quarterly Consolidated Financial Statements  
 (1) Quarterly Consolidated Balance Sheets

(Million of yen)

	Fiscal 2013 (As of March 31, 2013)	End of consolidated this first half (As of September 30, 2013)
<b>Assets</b>		
Current assets		
Cash and deposits	41,119	24,821
Notes and accounts receivable-trade	263,136	267,414
Short-term investment securities	502	502
Merchandise and finished goods	72,356	69,097
Other	33,729	34,108
Allowance for doubtful accounts	-557	-779
<b>Total current assets</b>	<b>410,286</b>	<b>395,165</b>
Noncurrent assets		
Property, plant and equipment	70,710	84,855
Intangible assets		
Goodwill	12,660	11,531
Other	3,026	3,097
<b>Total intangible assets</b>	<b>15,686</b>	<b>14,628</b>
Investments and other assets		
Other	67,966	64,356
Allowance for doubtful accounts	-1,981	-1,974
<b>Total investments and other assets</b>	<b>65,985</b>	<b>62,381</b>
<b>Total noncurrent asset</b>	<b>152,382</b>	<b>161,866</b>
<b>Total assets</b>	<b>562,668</b>	<b>557,031</b>

(Million of yen)

	Fiscal 2013 (As of March 31, 2013)	End of consolidated this first half (As of September 30, 2013)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	363,606	342,871
Short-term loans payable	9,884	13,266
Current portion of bonds	10	—
Income taxes payable	6,465	3,037
Provision for bonuses	3,636	3,676
Provision for directors' bonuses	105	55
Provision for sales returns	299	290
Other	9,604	8,331
<b>Total current liabilities</b>	<b>393,611</b>	<b>371,529</b>
Noncurrent liabilities		
Long-term loans payable	10,474	15,088
Provision for retirement benefits	2,074	1,647
Asset retirement obligations	879	885
Negative goodwill	1,177	773
Other	20,178	25,931
<b>Total noncurrent liabilities</b>	<b>34,785</b>	<b>44,327</b>
<b>Total liabilities</b>	<b>428,396</b>	<b>415,856</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	10,649	10,649
Capital surplus	46,144	47,814
Retained earnings	78,100	79,175
Treasury stock	-9,030	-3,101
<b>Total shareholders' equity</b>	<b>125,864</b>	<b>134,539</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,716	10,935
Revaluation reserve for land	-4,308	-4,308
<b>Total accumulated other comprehensive income</b>	<b>8,407</b>	<b>6,626</b>
Subscription rights to shares	—	9
<b>Total net assets</b>	<b>134,272</b>	<b>141,175</b>
<b>Total liabilities and net assets</b>	<b>562,668</b>	<b>557,031</b>



(2) Quarterly Consolidated Profit and Loss Statement and Quarterly Consolidated Statements of Comprehensive Income  
 Quarterly Consolidated Profit and Loss Statement  
 [Cumulative period for the consolidated first half]

(Million of yen)

	Cumulative period for previous consolidated second quarter (from April 1, 2012 to September 30, 2012)	Cumulative period for this consolidated second quarter (from April 1, 2013 to September 30, 2013)
Net sales	556,184	579,175
Cost of sales	506,090	527,954
Gross profit	50,094	51,221
Selling, general and administrative expenses		
Directors' compensations, salaries and allowances	20,708	21,361
Provision for bonuses	3,507	3,641
Provision for directors' bonuses	54	55
Provision for accrued retirement benefits	138	118
Welfare expenses	3,762	3,903
Vehicle expenses	775	790
Provision of allowance for doubtful accounts	-138	5
Depreciation	1,397	1,566
Amortization of goodwill	1,203	1,194
Rent expenses	3,544	3,500
Taxes and dues	627	588
Expense before deduction of temporary consumption tax payment	1,344	1,471
Other	7,261	7,726
Total selling, general and administrative expenses	44,186	45,923
Operating income	5,907	
Non-operating income		
Interest income	69	48
Dividend income	561	572
Commission fee	1,423	1,497
Amortization of negative goodwill	459	428
Equity in earnings of affiliates	27	44
Other	648	1,009
Total non-operating income	3,190	3,600
Non-operating expenses		
Interest expenses	208	182
Expenses of real estate rent	—	268
Other	249	59
Total non-operating expenses	457	510
Ordinary income	8,640	8,387

(Million of yen)

	Cumulative period for previous consolidated second quarter (from April 1, 2012 to September 30, 2012)	Cumulative period for this consolidated second quarter (from April 1, 2013 to September 30, 2013)
Extraordinary income		
Gain on sales of noncurrent assets	158	230
Gain on redemption of investment securities	258	—
Other	112	29
Total extraordinary income	529	260
Extraordinary loss		
Loss on disposal of noncurrent assets	56	209
Other	90	11
Total extraordinary loss	147	221
Income before income taxes	9,022	8,427
Income taxes-current	4,220	3,291
Income taxes-deferred	-343	220
Total income taxes	3,877	3,512
Income before minority interests	5,145	4,914
Current net income	5,145	4,914

Quarterly Consolidated Statements of Comprehensive Income  
 [Cumulative period for the consolidated first half]

(Million of yen)

	Cumulative period for previous consolidated second quarter (from April 1, 2012 to September 30, 2012)	Cumulative period for this consolidated second quarter (from April 1, 2013 to September 30, 2013)
Income before minority interests	5,145	4,914
Other comprehensive income		
Valuation difference on available-for-sale securities	303	-1,769
Share of other comprehensive income of associates accounted for using equity method	7	-11
Total other comprehensive income	310	-1,780
Comprehensive income	5,456	3,133
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,456	3,133
Comprehensive income attributable to minority interests	—	—

## (3) Quarterly Consolidated Statements of Cash Flows

(Million of yen)

	Cumulative period for previous consolidated first half (from April 1, 2012 to September 30, 2012)	Cumulative period for this consolidated first half (from April 1, 2013 to September 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	9,022	8,427
Depreciation and amortization	1,397	1,566
Amortization of goodwill	1,203	1,194
Amortization of negative goodwill	-459	-428
Increase (decrease) in provision for retirement benefits	38	-486
Increase (decrease) in provision for sales returns	13	-8
Increase (decrease) in provision for bonuses	15	14
Increase (decrease) in provision for directors' bonuses	-37	-49
Increase (decrease) in allowance for doubtful accounts	-158	-0
Interest and dividend income	-631	-620
Interest expense	208	182
Loss (gain) on sales and retirement of noncurrent assets	-101	-21
Loss (gain) on sales and valuation of investment securities	25	3
Loss (gain) on redemption of investment securities	-258	—
Loss on valuation of golf club memberships	5	—
Decrease (increase) in notes and accounts receivable-trade	9,627	-2,806
Decrease (increase) in inventories	-875	3,407
Decrease (increase) in other assets	-398	-960
Increase (decrease) in notes and accounts payable-trade	-5,834	-23,003
Increase (decrease) in other liabilities	35	-1,279
Increase (decrease) in accrued consumption taxes	-536	303
Other loss (gain)	-1,663	-2,059
Subtotal	10,635	-16,628
Interest and dividends income received	639	626
Interest expenses paid	-233	-193
Income taxes paid	-3,865	-6,569
Other	1,479	2,068
Net cash provided by (used in) operating activities	8,654	-20,695

(Million of yen)

	Cumulative period for previous consolidated first half (from April 1, 2012 to September 30, 2012)	Cumulative period for this consolidated first half (from April 1, 2013 to September 30, 2013)
Net cash provided by (used in) investment activities		
Payments into time deposits	-410	-688
Proceeds from withdrawal of time deposits	1,192	650
Purchase of property, plant and equipment	-5,993	-4,690
Proceeds from sales of property, plant and equipment	1,005	643
Purchase of intangible assets	-311	-547
Proceeds from sales of intangible assets	2	5
Purchase of investment securities	-75	-58
Proceeds from sales and redemption of investment securities	1,451	51
Purchase of stocks of subsidiaries and affiliates	-1,302	-255
Proceeds from sales of stocks of subsidiaries and affiliates	—	10
Expenditures for the performance of asset retirement obligations	-3	—
Payments of loans receivable	-904	-24
Collection of loans receivable	1,091	113
Other	-113	-538
Net cash provided by (used in) investment activities	-4,370	-5,329
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	630	3,020
Proceeds from long-term loans payable	1,077	3,175
Repayment of long-term loans payable	-7,990	-4,114
Redemption of bonds	-10	-10
Purchase of treasury stock	-459	-1
Proceeds from disposal of treasury stock	—	7,601
Repayments of finance lease obligations	-453	-299
Cash dividends paid	-589	-564
Net cash provided by (used in) financing activities	-7,794	8,806
Effect of exchange rate change on cash and cash equivalents	-32	54
Net increase (decrease) in cash and cash equivalents	-3,542	-17,164
Cash and cash equivalents at beginning of year	38,588	37,368
Increase in cash and cash equivalents resulting from merger	118	58
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	347	341
Cash and cash equivalents at the end of first half	35,512	20,603

(4) Notes of Quarterly Consolidated Financial Statements

(Notes Concerning Premise of a Going Business)

Not applicable.

(Notes concerning Material Changes in Shareholders' Equity)

Cumulative period for this consolidated first quarter (from April 1, 2013 to September 30, 2013)

Not applicable.

(Segmental Information)

I Cumulative period for previous consolidated first quarter (from April 1, 2012 to September 30, 2012)

1. Information about sales and profit or loss by reportable segment

	Reportable segments					Adjustments (million yen) (Note 1)	Amount on the quarterly consolidated profit and loss statement (million yen) (Note2)
	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	SMO (million yen)	Information equipment sales (million yen)	Total (million yen)		
Net Sales							
(1) Net sales to external customers	516,586	38,914	169	514	556,184	—	556,184
(2) Inter-segment internal net sales or transfers	18,647	9	—	144	18,802	-18,802	—
Total	535,234	38,924	169	659	574,987	-18,802	556,184
Segment income or loss	5,579	412	60	-12	6,040	-133	5,907

(Note) 1. Adjustments represent elimination of internal transactions and unrealized profit.

2. The amounts for income or losses in the reportable segments were subsequently adjusted with the amount of operating income on the quarterly consolidated profit and loss statement.

3. As described in (4) Additional Information (Change in the Accounting Treatment) of “2. Matters Concerning Summary Information (Notes)”, the “loss before deduction of temporary consumption tax payment (non-deductible consumption tax, etc.)” that had traditionally been booked under the classification of “non-operating expenses” has started to be posted under a new accounting treatment employed from the first quarter of the consolidated fiscal year ending March 2014 as “selling, general and administrative (SG&A) expenses.”

To reflect the change in the representation method above, the segment income or loss was reclassified as mentioned above.

2. Information about impairment losses on noncurrent assets or goodwill by each business segment

Not applicable.

II Cumulative period for this consolidated first quarter (from April 1, 2013 to September 30, 2013)

1. Information about sales and profit or loss by reportable segment

	Reportable segments					Adjustments (million yen) (Note 1)	Amount on the quarterly consolidated profit and loss statement (million yen) (Note2)
	Pharmaceutical Wholesaling (million yen)	Dispensing Pharmacy (million yen)	SMO (million yen)	Information equipment sales (million yen)	Total (million yen)		
Net Sales							
(1) Net sales to external customers	536,171	42,201	280	521	579,175	—	579,175
(2) Inter-segment internal net sales or transfers	20,192	8	—	137	20,338	-20,338	—
Total	556,364	42,209	280	659	599,514	-20,338	579,175
Segment income or loss	4,584	542	176	-16	5,287	10	5,298

(Note) 1. Adjustments represent elimination of internal transactions and unrealized profit.

2. The amounts for income or losses in the reportable segments were subsequently adjusted with the amount of operating income on the quarterly consolidated profit and loss statement.

2. Information about impairment losses on noncurrent assets or goodwill by each business segment

Not applicable.