

Summary of Consolidated Financial Results for the First Quarter of Fiscal 2008



July 24, 2007

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(Amounts are truncated to the nearest million yen)

1. Consolidated Results of Operations during the First Quarter of Fiscal 2008 (from April 1, 2007 to June 30, 2007)

(1) Consolidated Results of Operations

(Percentages indicate changes over the same quarter of the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income for First Quarter	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
First Quarter of Fiscal 2008	196,488	(2.9)	2,274	(1.3)	3,257	(2.6)	1,807	(-5.7)
First Quarter of Fiscal 2007	190,884	(11.7)	2,246	(247.0)	3,174	(158.9)	1,916	(188.7)
Fiscal 2007	773,436		9,335		13,104		7,218	

	Net Income per Share	Net Income per Share - Diluted
	Yen	Yen
First Quarter of Fiscal 2008	31.73	29.03
First Quarter of Fiscal 2007	33.16	30.27
Fiscal 2007	125.82	115.10

(2) Consolidated Financial Position

	Total Assets	Net assets	Shareholders' Equity Ratio	Net assets per Share
	Million Yen	Million Yen	%	Yen
First Quarter of Fiscal 2008	406,821	78,201	17.8	1,270.09
First Quarter of Fiscal 2007	385,934	73,116	17.4	1,162.48
Fiscal 2007	396,447	76,790	17.9	1,247.22

(3) Consolidated Cash Position

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Million Yen	Million Yen	Million Yen	Million Yen
First Quarter of Fiscal 2008	1,739	-1,010	-1,334	42,824
First Quarter of Fiscal 2007	12,693	-2,845	-6,542	38,311
Fiscal 2007	24,273	-6,182	-9,678	43,429

2. Projected Consolidated Results of Operations during Fiscal Year 2008
(from April 1, 2007 to March 31, 2008) [Reference]

(Percentages indicate changes over the corresponding period of the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
First Half of Year	382,000	(1.2)	3,870	(-18.1)	5,900	(-10.0)	3,000	(-20.2)	52.66
Full Year	800,000	(3.4)	9,500	(1.8)	13,500	(3.0)	8,000	(10.8)	140.44

3. Others

- (1) Changes in significant subsidiary relationships (changes in particular subsidiary relationships that shifted the scope of consolidation) during the period under review : None
- (2) Simplified methods of accounting : Adopted
- (3) Accounting policies compared with the most recently completed fiscal year : Unchanged

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

(Reference) Overview of Non-Consolidated Results of Operations

1. Non-Consolidated Results of Operations during the First Quarter of Fiscal Year 2008 (from April 1, 2007 to June 30, 2007)

(1) Non-Consolidated Results of Operations

(Percentages indicate changes over the same quarter of the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income for First Quarter	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
First Quarter of Fiscal 2008	190,131	(9.5)	1,197	(-23.1)	2,026	(-7.2)	1,262	(-8.7)
First Quarter of Fiscal 2007	173,690	(4.8)	1,555	(158.5)	2,183	(97.8)	1,383	(96.7)
Fiscal 2007	729,380		5,070		7,181		3,932	

	Net Income per Share	Net Income per Share - Diluted
	Yen	Yen
First Quarter of Fiscal 2008	22.16	20.28
First Quarter of Fiscal 2007	23.91	21.83
Fiscal 2007	68.51	62.68

(2) Non-Consolidated Financial Position

	Total Assets	Net assets	Shareholders' Equity Ratio	Net assets per Share
	Million Yen	Million Yen	%	Yen
First Quarter of Fiscal 2008	377,974	63,219	16.7	1,109.05
First Quarter of Fiscal 2007	343,352	61,351	17.9	1,059.96
Fiscal 2007	370,235	62,396	16.8	1,094.72

2. Projected Non-Consolidated Results of Operations during Fiscal Year 2008 (from April 1, 2007 to March 31, 2008) [Reference]

(Percentages indicate changes over the corresponding period of the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
First Half of Year	376,500	(7.7)	2,110	(-20.2)	3,340	(-9.6)	2,180	(-5.1)	38.26
Full Year	771,700	(5.8)	5,270	(3.9)	7,450	(3.7)	5,100	(29.7)	89.51

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

Projected results of operations are based on information available as of the date of announcement, and actual results of operations may differ from the projections depending on a variety of factors that may subsequently occur.

[Qualitative Information, Financial Statements and Related Items]

1. Qualitative Information on Consolidated Results of Operations

The pharmaceutical wholesaling industry has entered its second year since the last revision of National Health Insurance drug prices, and (according to a survey by Crecon Research & Consulting Inc.) its first-quarter sales grew by 1.3% over the same period of the previous year having rebounded from customers' purchasing restraint ahead of the revision of drug prices.

The Company's sales revenues meanwhile achieved an above-industry average, year-on-year growth of 2.9%, benefiting from increased supply capacity enabled by the Group's joint purchasing, and stepped-up proposal-driven marketing based on customer support systems. The Company's earnings reflected its emphasis on ensuring profitability by competing in ways other than just price. Furthermore, in the interest of making our supplies more traceable, safer and more stable, we invested aggressively in distribution systems and centers to produce efficiencies and quality improvements.

As a result of these, the Company enjoyed stronger year-on-year results in the first half of fiscal 2008 and has got off to a steady start as it seeks to achieve its target growth for the current fiscal year.

During the first quarter under review, the Company's net sales amounted to 196,488 million yen (a year-on-year increase of 2.9%), operating income amounted to 2,274 million yen (a year-on-year increase of 1.3%), and ordinary income amounted to 3,257 million yen (a year-on-year increase of 2.6%). First-quarter net income amounted to 1,807 million yen (a year-on-year decrease of 5.7%), which reflected the inclusion of the extraordinary loss of 85 million yen charged for the demolition of the Omori Office building.

Tsuruhara Yoshii and Yakushin, two wholly owned subsidiaries of the Company, merged effective as of April 1, 2007, with a view to enhanced marketing capabilities and efficient utilization of business resources in their Kyushu region.

2. Qualitative Information on Consolidated Financial Position

• Changes in Consolidated Financial Position

The changes in the Company's financial position during the first fiscal quarter under review since the end of the preceding fiscal year are discussed below:

Total assets were up by 10,374 million yen, compared with the end of the preceding fiscal year, to 406,821 million yen.

Regarding assets, current assets were up by 11,101 million yen. The major factors included an increase of 6,693 million yen in notes and accounts receivable and an increase of 4,028 million yen in inventories. Fixed assets were down by 727 million yen.

Regarding liabilities, current liabilities were up by 9,750 million yen. Among the major factors were an increase of 12,780 million yen in trade notes and accounts payable and a decrease of 1,915 million yen in income taxes payable. Long-term liabilities were down by 786 million yen.

Net assets were up by 1,411 million yen. This reflected an increase of 1,460 million yen in retained earnings.

• Consolidated Cash Flows during First Fiscal Quarter

Consolidated cash and cash equivalents (hereinafter referred to as "cash") during the first quarter of the current fiscal year were down by 605 million yen, compared with the end of the preceding year. Accordingly, the consolidated cash balance at the end of the first quarter came to 42,824 million yen.

The three categories of cash flow during the first fiscal quarter under review, as well as the factors that caused them, are discussed below:

(Cash Flows from Operating Activities)

Operating activities generated a net increase in cash of 1,739 million yen.

This primarily reflected income before tax and other adjustments of 3,191 million yen, and an increase in purchases payable of 12,780 million yen. Meanwhile, sales receivable increased by 6,609 million yen, inventories increased by 4,027 million yen, and income tax payments amounted to 3,180 million yen.

(Cash Flows from Investing Activities)

Investing activities generated a net decrease in cash of 1,010 million yen.

This primarily reflected a payment of 574 million yen for the investments in securities.

(Cash Flows from Financing Activities)

Financing activities generated a net decrease in cash of 1,334 million yen.

This primarily reflected debt repayments of 816 million yen and a cash dividend payment of 347 million yen.

3. Qualitative Information on Projected Consolidated Results of Operations

Since the Company's first-quarter results proved as strong as initially projected, its projections of first-half and full-year results of operations during the current fiscal year remain the same as announced on May 10, 2007.

4. Others

(1) Adoption of Simplified Accounting Methods

① Accounting for inventories / Inventory amounts are stated on an as-booked basis

② Accounting for income taxes / Based on pro forma annual effective tax rate

③ Certain other items are accounted for using simplified procedures, provided they are insignificant in relative value

(2) Changes in Accounting Policies Compared with Most Recently Completed Fiscal Year

Effective with the first quarter of the current fiscal year, the Company's business operations in Segmental Information according to Types of Business are reclassified and renamed.

5. (Summary) Quarterly Consolidated Financial Statements

(1) (Summary) Quarterly Consolidated Balance Sheets of the First Quarter

(Millions of yen, %)

Account	First Quarter Of Fiscal 2007	First Quarter Of Fiscal 2008	Increase (Decrease)		(Reference) Fiscal 2007
	Amount	Amount	Amount	%	Amount
(Assets)					
I Current assets					
1. Cash on hand and on deposit	36,363	42,333			42,449
2. Notes and accounts receivable	198,611	201,748			195,055
3. Marketable securities	3,496	1,497			1,996
4. Inventories	47,997	51,189			47,161
5. Deferred tax assets	1,382	1,517			1,517
6. Purchase rebates receivable	10,181	12,351			11,454
7. Others	8,663	9,781			9,668
Allowance for doubtful receivables	-466	-441			-428
Total current assets	306,229	319,975	13,746	4.5	308,874
II Fixed assets					
1. Property, plant and equipment					
(1) Buildings and structures	14,057	14,210			14,432
(2) Land	29,359	29,057			29,042
(3) Others	2,029	1,342			1,404
Total property, plant and equipment	45,446	44,611			44,879
2. Intangible fixed assets					
(1) Goodwill	178	4,006			4,088
(2) Others	2,270	2,827			2,979
Total Intangible fixed assets	2,448	6,833			7,068
3. Investments and other assets					
(1) Investments in securities	27,844	29,936			30,075
(2) Deferred income taxes	68	178			179
(3) Others	4,726	6,165			6,347
Allowance for doubtful receivables	-830	-879			-977
Total investments and other assets	31,809	35,401			35,624
Total fixed assets	79,704	86,845	7,141	9.0	87,572
Total assets	385,934	406,821	20,887	5.4	396,447

(Millions of yen, %)

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2008	Increase (Decrease)		(Reference) Fiscal 2007
	Amount	Amount	Amount	%	Amount
(Liabilities)					
I Current liabilities					
1. Notes and accounts payable	269,750	282,513			269,733
2. Short-term loans payable	5,392	4,375			5,160
3. Income taxes payable	1,157	1,215			3,130
4. Accrued expenses	1,652	1,599			1,500
5. Accrued bonuses	3,474	3,526			2,365
6. Directors' bonuses	—	52			92
7. Reserve for sales returns	313	307			307
8. Others	2,944	3,879			5,428
Total current liabilities	284,684	297,470	12,786	4.5	287,720
II Long-term liabilities					
1. Bonds payable	9,600	9,600			9,600
2. Long-term debt	720	206			238
3. Deferred tax liabilities	8,930	9,390			9,504
4. Accrued retirement benefits for employees	3,611	2,994			3,006
5. Accrued retirement benefits for directors and corporate auditors	215	—			—
6. Liabilities resulted from the investments in affairs	7	—			—
7. Deferred tax liabilities due to revaluation	1,417	1,414			1,414
8. Negative goodwill	—	3,376			3,706
9. Others	3,630	4,167			4,466
Total long-term liabilities	28,133	31,150	3,017	10.7	31,936
Total liabilities	312,817	328,620	15,803	5.1	319,656
(Net assets)					
I Shareholder's equity					
1. Common stock	10,599	10,599			10,599
2. Capital surplus	23,566	23,597			23,597
3. Retained earnings	36,529	42,822			41,362
4. Treasury stock	-1,794	-3,483			-3,481
Total shareholder's capital	68,901	73,536	4,635	6.7	72,078
II Evaluation, conversion balance					
1. Unrealized gains on available-for-sale securities	3,212	3,576			3,732
2. Unrealized gains on revaluation of land	-4,889	-4,762			-4,762
Total valuation and translation differences	-1,676	-1,186	490	-29.3	-1,030
III Equity warrants	—	29	29	—	21
IV Minority interests	5,891	5,820	-71	-1.2	5,720
Total net assets	73,116	78,201	5,085	7.0	76,790
Total liabilities, and net assets	385,934	406,821	20,887	5.4	396,447

(2) (Summary) Consolidated Statements of Income of First Quarter

(Millions of yen, %)

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2008	Increase (Decrease)		(Reference) Fiscal 2007
	Amount	Amount	Amount	%	Amount
I Net sales	190,884	196,488	5,604	2.9	773,436
II Cost of sales	175,383	180,520	5,137	2.9	709,811
Gross income	15,500	15,968	468	3.0	63,624
Reversal of reserve for sales returns	—	—			5
Gross income after reserve for sales returns	15,500	15,968	468	3.0	63,629
III Selling, general and administrative expenses	13,253	13,693	440	3.3	54,294
Operating income	2,246	2,274	28	1.3	9,335
IV Non-operating income					
1. Interest income	15	30			95
2. Dividend income	147	166			269
3. Fee income from provision of information	379	429			1,733
4. Amortization of negative goodwill	332	330			1,325
5. Equity in earnings of investments	18	18			105
6. Miscellaneous income	193	156			862
Total non-operating income	1,085	1,131	46	4.2	4,391
V Non-operating expenses					
1. Interest expenses	29	15			91
2. Loss before deduction of temporary consumption tax payment	107	118			322
3. Miscellaneous losses	20	15			208
Total non-operating expenses	157	148	-9	-5.3	622
Ordinary income	3,174	3,257	83	2.6	13,104
VI Extraordinary gains					
1. Gains on sales of fixed assets	0	—			52
2. Gains on sales of investment securities	1	0			54
3. Gains on sales of stocks of affiliate companies	—	—			181
4. Reversal of allowance for doubtful receivables	20	31			—
5. Reversal of accrued retirement benefits for directors and corporate auditors	—	—			192
6. Others	—	—			68
Total extraordinary gains	22	31	9	42.3	549
VII Extraordinary losses					
1. Loss on disposal of fixed assets	18	96			601
2. Loss on sale of investment securities	—	—			0
3. Loss on sale of golf club memberships	—	0			4
4. Director's retirement benefits	—	—			309
5. Loss due to switchover to defined contribution pension program	—	—			96
6. Impairment loss	—	—			485
7. Others	—	0			358
Total extraordinary losses	18	97	79	428.2	1,856
Income before income taxes	3,178	3,191	13	0.4	11,797
Adjustments for income taxes	1,169	1,266	97	8.3	4,454
Minority interests	91	117	26	27.5	124
Net income	1,916	1,807	-109	-5.7	7,218

(3) (Summary) Quarterly Consolidated Statement of Changes in Shareholders' Equity
Previous First Fiscal Quarter (First Quarter of Fiscal Year 2007)

	Shareholder's Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's Equity
Balance on March 31, 2006 (million yen)	10,399	14,282	35,184	-1,268	58,598
Changes during this quarter					
New stock issued for swapping stocks		9,083			9,083
Increase reflecting exercises of stock acquisition rights embedded in bonds	200	199			400
Surplus distributed to shareholders			-520		-520
Bonuses to directors and corporate auditors			-51		-51
Net income			1,916		1,916
Company stock reacquired				-525	-525
Change (net increase or decrease) in non-shareholders' equity items during quarter					
Total changes during quarter (million yen)	200	9,283	1,344	-525	10,302
Balance at June 30, 2006 (million yen)	10,599	23,566	36,529	-1,794	68,901

	Valuation and translation differences			Minority interests	Total net assets
	Unrealized gains on available-for-sale securities	Unrealized gains on revaluation of land	Total valuation and translation differences		
Balance on March 31, 2006 (million yen)	3,207	-4,889	-1,682	5,804	62,720
Changes during this quarter					
New stock issued for swapping stocks					9,083
Increase reflecting exercises of stock acquisition rights embedded in bonds					400
Surplus distributed to shareholders					-520
Bonuses to directors and corporate auditors					-51
Net income					1,916
Company stock reacquired					-525
Change (net increase or decrease) in non-shareholders' equity items during quarter	5	—	5	87	92
Total changes during quarter (million yen)	5	—	5	87	10,395
Balance at June 30, 2006 (million yen)	3,212	-4,889	-1,676	5,891	73,116

First Fiscal Quarter under Review (First Quarter of Fiscal Year 2008)

	Shareholder's Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's Equity
Balance on March 31, 2007 (million yen)	10,599	23,597	41,362	-3,481	72,078
Changes during this quarter					
Surplus distributed to shareholders			-347		-347
Net income			1,807		1,807
Company stock reacquired				-1	-1
Change (net increase or decrease) in non-shareholders' equity items during quarter					
Total changes during quarter (million yen)	—	—	1,459	-1	1,458
Balance at June 30, 2007 (million yen)	10,599	23,597	42,822	-3,483	73,536

	Valuation and translation differences			Equity warrants	Minority interests	Total net assets
	Unrealized gains on available-for-sale securities	Unrealized gains on revaluation of land	Total valuation and translation differences			
Balance on March 31, 2007 (million yen)	3,732	-4,762	-1,030	21	5,720	76,790
Changes during this quarter						
Surplus distributed to shareholders						-347
Net income						1,807
Company stock reacquired						-1
Change (net increase or decrease) in non-shareholders' equity items during quarter	-156	—	-156	8	100	-47
Total changes during quarter (million yen)	-156	—	-156	8	100	1,410
Balance at June 30, 2007 (million yen)	3,576	-4,762	-1,186	29	5,820	78,201

(Reference) Previous Fiscal Year (Fiscal Year 2007)

	Shareholder's Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's Equity
Balance on March 31, 2006 (million yen)	10,399	14,282	35,184	-1,268	58,598
Changes during fiscal year					
New stock issued for swapping stocks		9,083			9,083
Increase reflecting exercises of stock acquisition rights embedded in bonds	200	199			400
Surplus distributed to shareholders			-862		-862
Bonuses to directors and corporate auditors			-51		-51
Net income			7,218		7,218
Company stock reacquired				-2,209	-2,209
Company stock disposed of		31			31
Decrease due to increase in consolidated subsidiaries			-0	-3	-3
Transfer from land revaluation excess			-126		-126
Change (net increase or decrease) in non-shareholders' equity items					
Total changes (Million Yen)	200	9,315	6,177	-2,212	13,480
Balance at March 31, 2007 (million yen)	10,599	23,597	41,362	-3,481	72,078

	Valuation and translation differences			Equity warrants	Minority interests	Total net assets
	Unrealized gains on available-for-sale securities	Unrealized gains on revaluation of land	Total valuation and translation differences			
Balance on March 31, 2006 (million yen)	3,207	-4,889	-1,682	—	5,804	62,720
Changes during fiscal year						
New stock issued for swapping stocks						9,083
Increase reflecting exercises of stock acquisition rights embedded in bonds						400
Surplus distributed to shareholders						-862
Bonuses to directors and corporate auditors						-51
Net income						7,218
Company stock reacquired						-2,209
Company stock disposed of						31
Decrease due to increase in consolidated subsidiaries						-3
Transfer from land revaluation excess						-126
Change (net increase or decrease) in non-shareholders' equity items	525	126	652	21	-83	590
Total changes (Million Yen)	525	126	652	21	-83	14,070
Balance at March 31, 2007 (million yen)	3,732	-4,762	-1,030	21	5,720	76,790

(4) (Summary) Consolidated Statements of Cash Flows

(Millions of yen)

	First Quarter of Fiscal 2007 (From April 1, 2006 To June 30, 2006)	First Quarter of Fiscal 2008 (From April 1, 2007 To June 30, 2007)	(Reference) (Fiscal 2007)
Classification	Amount	Amount	Amount
I Cash flows from operating activities			
Income before income taxes	3,178	3,191	11,797
Depreciation	475	497	2,000
Loss on impairment	—	—	485
Amortization of goodwill	335	202	992
Amortization of negative goodwill	-332	-330	-1,325
Equity in earnings of investments	-18	-18	-105
Increase (decrease) in accrued employees' retirement benefits	8	-11	-597
Decrease in accrued directors' retirement benefits	-846	—	-192
Decrease in reserve for sales returns	—	—	-5
Increase in accrued bonuses	1,159	1,161	50
Increase (decrease) in accrued director's bonuses	—	-40	92
Increase (decrease) in allowance for doubtful receivables	-24	-84	84
Decrease (increase) in trade receivables	-2,646	-6,609	624
Decrease (increase) in inventories	-813	-4,027	30
Decrease (increase) in purchase rebates receivable	1,737	-897	465
Decrease (increase) in other assets	309	-150	-916
Increase in trade payables	11,889	12,780	11,861
Increase (decrease) in other liabilities	645	-305	2,017
Decrease in accrued consumption taxes	-195	-458	-260
Payment of directors' bonuses	-61	—	-61
Others	-561	-488	-1,673
Subtotal	14,238	4,410	25,363
Payment of income taxes	-2,172	-3,180	-3,528
Others	627	508	2,438
Net cash provided by operating activities	12,693	1,739	24,273
II Cash flows from investing activities			
Payment for addition to time deposits	-67	-66	-1,590
Proceeds from refunds of time deposits	442	76	1,097
Payment for acquisition of tangible fixed assets	-447	-263	-1,808
Proceeds from sale of tangible fixed assets	12	60	179
Payment for acquisition of goodwill	—	-120	—
Payment for acquisition of software	-65	-38	-187
Payment for acquisition of investment securities	-26	-574	-782
Proceed from sale of investment securities	5	0	78
Payment for acquisition of stocks in subsidiaries accompanied by changes in consolidation	-1,841	—	-1,841
Payment for acquisition of stocks in subsidiaries	-66	-48	-408
Proceeds for acquisition of stocks in affiliates	—	—	177
Payment for acquisition of other investments	-82	-72	-473
Proceeds from sale of other investments	14	69	540
Others	-722	-33	-1,163
Net cash provided by (used in) investing activities	-2,845	-1,010	-6,182

	First Quarter of Fiscal 2007 (From April 1, 2006 To June 30, 2006)	First Quarter of Fiscal 2008 (From April 1, 2007 To June 30, 2007)	(Reference) (Fiscal 2007)
Classification	Amount	Amount	Amount
III Cash flows from financing activities			
Net decrease in short-term loans payable	-5,284	-748	-4,558
Payment for repayment of long-term debt	-70	-68	-1,524
Payment for acquisition of own stock	-522	-1	-2,169
Payment for satisfaction of finance lease liabilities	-129	-162	-549
Payment of cash dividends	-520	-347	-862
Payment of cash dividends to minority shareholders	-14	-6	-14
Net cash provided by financing activities	-6,542	-1,334	-9,678
IV Increase (decrease) in cash and cash equivalents	3,306	-605	8,412
V Cash and cash equivalents at beginning of year	34,124	43,429	34,124
VI Increase in cash and cash equivalents due to business mergers	—	—	13
VII Increase in cash and cash equivalents due to stock swapping	879	—	879
VIII Cash and cash equivalents at end of first quarter	38,311	42,824	43,429

(5) Segmental Information

[Segmental Information according to Types of Business]

First Quarter of Fiscal 2007 (from April 1, 2006 to June 30, 2006)

(Millions of yen)

	Pharmaceutical	Information Processing	CRO and SMO	Total	Eliminations or corporate	Consolidated
Net sales						
(1) Net sales to external customers	190,669	14	200	190,884	—	190,884
(2) Inter-segment internal net sales or transfers	29	230	—	260	(260)	—
Total	190,699	244	200	191,144	(260)	190,884
Operating expense	188,200	236	257	188,694	(56)	188,637
Operating income	2,498	8	-56	2,449	(203)	2,246

First Quarter of Fiscal 2008 (from April 1, 2007 to June 30, 2007)

	Pharmaceutical Wholesaling	Company's dealings with dispensing pharmacies	Information Processing	CRO and SMO	Total	Eliminations or corporate	Consolidated
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 expense	191,968	3,074	214	178	195,436	(1,222)	194,214
Operating income	2,326	174	4	-70	2,436	(161)	2,274

(Reference) Fiscal of Fiscal 2007 (from April 1, 2006 to March 31, 2007)

	Pharmaceutical	Information Processing	CRO and SMO	Total	Eliminations or corporate	Consolidated
Net sales						
(1) Net sales to external customers	772,385	89	960	773,436	—	773,436
(2) Inter-segment internal net sales or transfers	103	882	—	986	(986)	—
Total	772,489	972	960	774,422	(986)	773,436
Operating expense	762,335	918	1,042	764,296	(195)	764,101
Operating income	10,153	53	-81	10,126	(791)	9,335

Reclassification and Renaming of Business Operations

Up until this point, the Company's dealings with dispensing pharmacies were classified into the segment called Pharmaceutical, but both their net sales and operating income have grown to levels considered to be significant, so these operations are reclassified effective with the first quarter of the current fiscal year.

This reclassification involves the renaming of Pharmaceutical to Pharmaceutical Wholesaling.

Under the same classification system that applies to the first quarter under review, the first-quarter and full-year Segmental Information according to Types of Business during the preceding fiscal year is restated as follows:

First Quarter of Fiscal 2007 (from April 1, 2006 to June 30, 2006)

(Millions of yen)

	Pharmaceutical Wholesaling	Company's dealings with dispensing pharmacies	Information Processing	CRO and SMO	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Net sales to external customers	187,784	2,884	14	200	190,884	—	190,884
(2) Inter-segment internal net sales or transfers	1,141	—	230	—	1,371	(1,371)	—
Total	188,926	2,884	244	200	192,255	(1,371)	190,884
Operating expense	186,415	2,896	236	257	189,805	(1,168)	188,637
Operating income	2,510	-12	8	-56	2,449	(203)	2,246

(Reference) Fiscal of Fiscal 2007 (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Pharmaceutical Wholesaling	Company's dealings with dispensing pharmacies	Information Processing	CRO and SMO	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Net sales to external customers	760,140	12,245	89	960	773,436	—	773,436
(2) Inter-segment internal net sales or transfers	4,281	—	882	—	5,164	(5,164)	—
Total	764,422	12,245	972	960	778,600	(5,164)	773,436
Operating expense	754,713	11,800	918	1,042	768,474	(4,373)	764,101
Operating income	9,708	445	53	-81	10,126	(791)	9,335

[Segmental Information according to Geographical Locations]

Previous first fiscal quarter (First quarter of fiscal year 2007)

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

First fiscal quarter under review (First quarter of fiscal year 2008)

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

(Reference) Previous fiscal year (Fiscal year 2007)

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

[Overseas Sales]

Previous first fiscal quarter (First quarter of fiscal year 2007)

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

First fiscal quarter under review (First quarter of fiscal year 2008)

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

(Reference) Previous fiscal year (Fiscal year 2007)

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

(6) State of Purchasing and Selling

(1) Historical purchases

Business segment	First Quarter of Fiscal 2007 (From April 1, 2006 To June 30, 2006)		First Quarter of Fiscal 2008 (From April 1, 2007 To June 30, 2007)		(Reference) Fiscal 2007	
	Amount (Million Yen)	Share (%)	Amount (Million Yen)	Share (%)	Amount (Million Yen)	Rate (%)
Pharmaceutical Wholesaling	175,015	99.4	183,260	99.3	705,080	99.4
Company's dealings with dispensing pharmacies	1,053	0.6	1,225	0.7	4,251	0.6
Information processing	9	0.0	2	0.0	46	0.0
Total	176,078	100.0	184,487	100.0	709,378	100.0

- (Note) 1. As the Company's operations are reclassified effective with the first quarter under review, the first-quarter and full-year results during the preceding year have been restated to conform to the same business segmentation that applies to the first quarter under review.
2. Inter-segment transactions are stated in net terms for elimination.

(2) Historical sales

Business segment	First Quarter of Fiscal 2007 (From April 1, 2006 To June 30, 2006)		First Quarter of Fiscal 2008 (From April 1, 2007 To June 30, 2007)		(Reference) Fiscal 2007	
	Amount (Million Yen)	Share (%)	Amount (Million Yen)	Share (%)	Amount (Million Yen)	Rate (%)
Pharmaceutical Wholesaling	187,784	98.4	193,107	98.3	760,140	98.3
Company's dealings with dispensing pharmacies	2,884	1.5	3,249	1.6	12,245	1.6
Information processing	14	0.0	22	0.0	89	0.0
SMO	200	0.1	108	0.1	960	0.1
Total	190,884	100.0	196,488	100.0	773,436	100.0

- (Note) 1. As the Company's operations are reclassified effective with the first quarter under review, the first-quarter and full-year results during the preceding year have been restated to conform to the same business segmentation that applies to the first quarter under review.
2. Inter-segment transactions are stated in net terms for elimination.

6. (Summary) Quarterly Financial Statements
(1) (Summary) Balance Sheets

(Millions of yen, %)

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2008	Increase (Decrease)		(Reference) Fiscal 2007
	Amount	Amount	Amount	%	Amount
(Assets)					
I Current assets					
1. Cash on hand and on deposit	21,140	34,990			34,988
2. Notes receivable	3,216	1,803			2,013
3. Accounts receivable	202,099	214,403			204,330
4. Inventories	36,457	40,997			37,964
5. Purchase rebates receivable	6,474	8,365			10,908
6. Others	11,120	9,848			11,976
Allowance for doubtful receivables	-220	-112			-109
Total current assets	280,287	310,296	30,009	10.7	302,073
II Fixed assets					
1. Property, plant and equipment					
(1) Buildings	9,369	9,776			9,917
(2) Land	13,604	14,215			14,215
(3) Others	1,600	1,108			1,168
Total property, plant and equipment	24,574	25,099			25,301
2. Intangible fixed assets	2,538	2,793			2,984
3. Investments and other assets					
(1) Equity shares in associated companies	23,847	23,242			23,194
(2) Others	12,550	17,066			17,261
Allowance for doubtful receivables	-444	-524			-579
Total investments and other assets	35,952	39,784			39,876
Total fixed assets	63,065	67,677	4,612	7.3	68,162
Total assets	343,352	377,974	34,622	10.1	370,235

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2008	Increase (Decrease)		(Reference) Fiscal 2007
	Amount	Amount	Amount	%	Amount
(Liabilities)					
I Current liabilities					
1. Notes payable	2,236	905			945
2. Accounts payable	251,448	278,036			265,375
3. Short-term loans payable	1,553	394			603
4. Income taxes payable	763	630			1,334
5. Accrued bonuses	1,515	1,662			1,111
6. Director's bonuses	—	9			36
7. Reserve for sales return	180	192			192
8. Other	8,059	16,119			21,126
Total current liabilities	265,756	297,950	32,194	12.1	290,725
II Long-term liabilities					
1. Bonds payable	9,600	9,600			9,600
2. Long-term debt	358	33			33
3. Deferred tax liabilities	1,727	2,261			2,332
4. Deferred tax liabilities due to revaluation	1,312	1,414			1,414
5. Accrued retirement benefits for employees	985	955			991
6. Guarantee loss reserve	8	—			—
7. Negative goodwill	—	58			117
8. Others	2,252	2,479			2,625
Total long-term liabilities	16,245	16,803	558	3.4	17,114
Total liabilities	282,001	314,754	32,753	11.6	307,839
(Net assets)					
I Shareholders' equity					
1. Common stock	10,599	10,599			10,599
2. Capital surplus	26,206	26,206			26,206
3. Retained earnings	28,607	31,609			30,688
4. Common stock for treasury	-1,782	-3,509			-3,507
Total shareholder's equity	63,631	64,906	1,275	2.0	63,986
II Evaluation and conversion difference, etc					
1. Unrealized gains on available-for-sale securities	2,579	3,023			3,126
2. Unrealized gains on revaluation of land	-4,859	-4,739			-4,739
Total evaluation and conversion difference, etc	-2,280	-1,716	564	-24.7	-1,612
III Equity warrants	—	29	29	—	21
Total net assets	61,351	63,219	1,868	3.0	62,396
Total liabilities and net assets	343,352	377,974	34,622	10.1	370,235

(2) (Summary) Statements of Income

(Millions of yen, %)

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2008	Increase (Decrease)		(Reference) Fiscal 2007
	Amount	Amount	Amount	%	Amount
I Net sales	173,690	190,131	16,441	9.5	729,380
II Cost of sales	165,759	181,591	15,832	9.6	696,716
Gross income	7,930	8,539	609	7.7	32,663
Reversal of reserve for sales returns	—	—	—	—	5
Gross income after reserve for sales returns	7,930	8,539	609	7.7	32,668
III Selling, general and administrative expenses	6,374	7,342	968	15.2	27,598
Operating income	1,555	1,197	-358	-23.1	5,070
IV Non-operating income	659	857	198	30.0	2,236
V Non-operating expenses	32	28	-4	-11.8	125
Ordinary income	2,183	2,026	-157	-7.2	7,181
VI Extraordinary gains	4	10	6	157.1	206
VII Extraordinary losses	14	85	71	501.0	1,202
Income before income taxes	2,172	1,951	-221	-10.2	6,186
Income taxes	789	688	-101	-12.8	2,253
Net income	1,383	1,262	-121	-8.7	3,932