

**Financial Results Briefing
for the First Quarter of Fiscal Year Ending
February 2015**

January 21, 2015



Welcia Holdings Co., Ltd.

(Securities Code: 3141; 1st Section of the Tokyo Stock Exchange)

1. Overview
 - Overview of 1Q of FY 2015
2. Outline of Financial Results
 - Actual results for 1Q of FY2015
 - Outline of financial results for 1Q of FY2015 [consolidated]
 - Monthly sales growth rate
 - Sales by category [1Q]
 - Gross profit margin by category [1Q]
 - SG&A expenses composition ratio [1Q]
 - Promotion of drug stores with dispensing pharmacy ('Pharmacy for Family')
 - Change of composition ratio of private-brand (PB) products sales
 - Number of employees (as of November 30, 2014)
 - Store openings and closures
3. Earnings Forecast for FY2015
 - Actual results for 1Q and full-year earnings forecast
 - Plan for store openings and closures

IR-related disclaimers

This material is prepared to provide investors with information on the management and financial conditions of Welcia Holdings Co., Ltd. for the purpose of helping them deepen their understanding of the Company.

Please understand and acknowledge the following points before referring to this material:

- Earnings forecasts and other forward-looking statements found in this material are based on assumptions the Company made with every effort possible at the time of preparation.
- Please understand that actual results may differ from any forecasts and expectations contained in this material.
- All investment decisions should be made solely at the discretion of investors themselves.
- The greatest care is taken to ensure that all information contained in this material is accurate. However, please be aware that there may be discrepancies and errors due to unavoidable reasons.

1. Overview

1. Sales were 99.4% against projections, and 110.4% compared with the same period of the previous year. Existing-store sales grew 3.1%. Gross operating profit was 99.3% against projections, and 109.6% over the previous year.
2. Operating income was 73.1% against projections, and 67.5% over the previous year. Ordinary income was 75.1% against projections, and 75.3% over the previous year.
3. Net income was 87.8% against projections, and 92.5% over the previous year.
4. Sales from dispensing performed favorably with an increase of 121.6% from the same period of the previous year, accounting for 13.1% of sales.
5. 26 stores were newly opened compared with 29 stores planned, while 4 stores were closed compared with 3 stores planned.
6. The ratio of drug stores with a dispensing pharmacy reached 69.3%, with the increase of 11 such stores.

2. Outline of Financial Results

Actual results for 1Q of FY2015

(Unit: million yen)

	Actual results	Projections	Comparison with projections		Comparison with the previous year	
			Amount	Achievement rate	Amount	Expressed in percentage
Net sales	93,847	94,380	-532	99.4%	8,810	110.4%
	100.0%	100.0%				
Gross operating profit	27,813	28,000	-186	99.3%	2,435	109.6%
	29.6%	29.7%				
SG&A expenses	25,632	25,017	615	102.5%	3,483	115.7%
	27.3%	26.5%				
Operating income	2,181	2,983	-801	73.1%	-1,048	67.5%
	2.3%	3.2%				
Ordinary income	2,526	3,363	-836	75.1%	-829	75.3%
	2.7%	3.6%				
Net income	1,688	1,923	-234	87.8%	-136	92.5%
	1.8%	2.0%				

Outline of financial results for 1Q of FY2015 [consolidated]

Sales			
1. Existing-store sales (growth rate)	3.1%	Projection: 3.6%	
2. Sales from dispensing	12,259 mil. yen	Year on Year: 121.6%	Ratio to total sales: 13.1%
3. Store openings	26 stores	Projection: 29 stores	
4. Store closures	4 stores	Projection: 3 stores	
Gross margin ratio			
1. Gross margin ratio	29.6%	Year on Year: -0.2%	
2. Gross margin ratio by segment			
OTC products	39.2%	Year on Year: -0.8%	
Dispensing	35.9%	Year on Year: +0.8%	
SG&A expenses			
1. SG&A ratio	27.3%	Projection: 26.5%	
2. Labor costs/sales ratio	12.9%	Projection: 12.3%	

Monthly sales growth rate

		2014											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Existing stores	former Welcia Kanto	3.9%	3.6%	18.2%	-8.8%	0.4%	2.1%	1.7%	2.3%	5.6%	5.1%	3.8%	7.6%
	former Takada	1.1%	-0.4%	15.6%	-12.2%	-4.2%	-3.6%	-3.0%	-6.2%	-0.3%	-3.0%	-8.0%	-2.1%
	former Welcia Kansai	1.0%	0.5%	15.1%	-16.4%	-7.7%	-4.4%	-3.6%	-2.4%	-2.5%	-2.9%	-2.4%	-2.2%
	Group total	3.3%	2.7%	17.6%	-9.9%	-0.9%	0.9%	0.7%	0.8%	4.2%	3.5%	1.8%	5.6%
All stores	Group total	9.0%	7.7%	23.4%	-5.3%	4.6%	6.6%	6.7%	7.6%	11.2%	10.8%	9.0%	13.2%

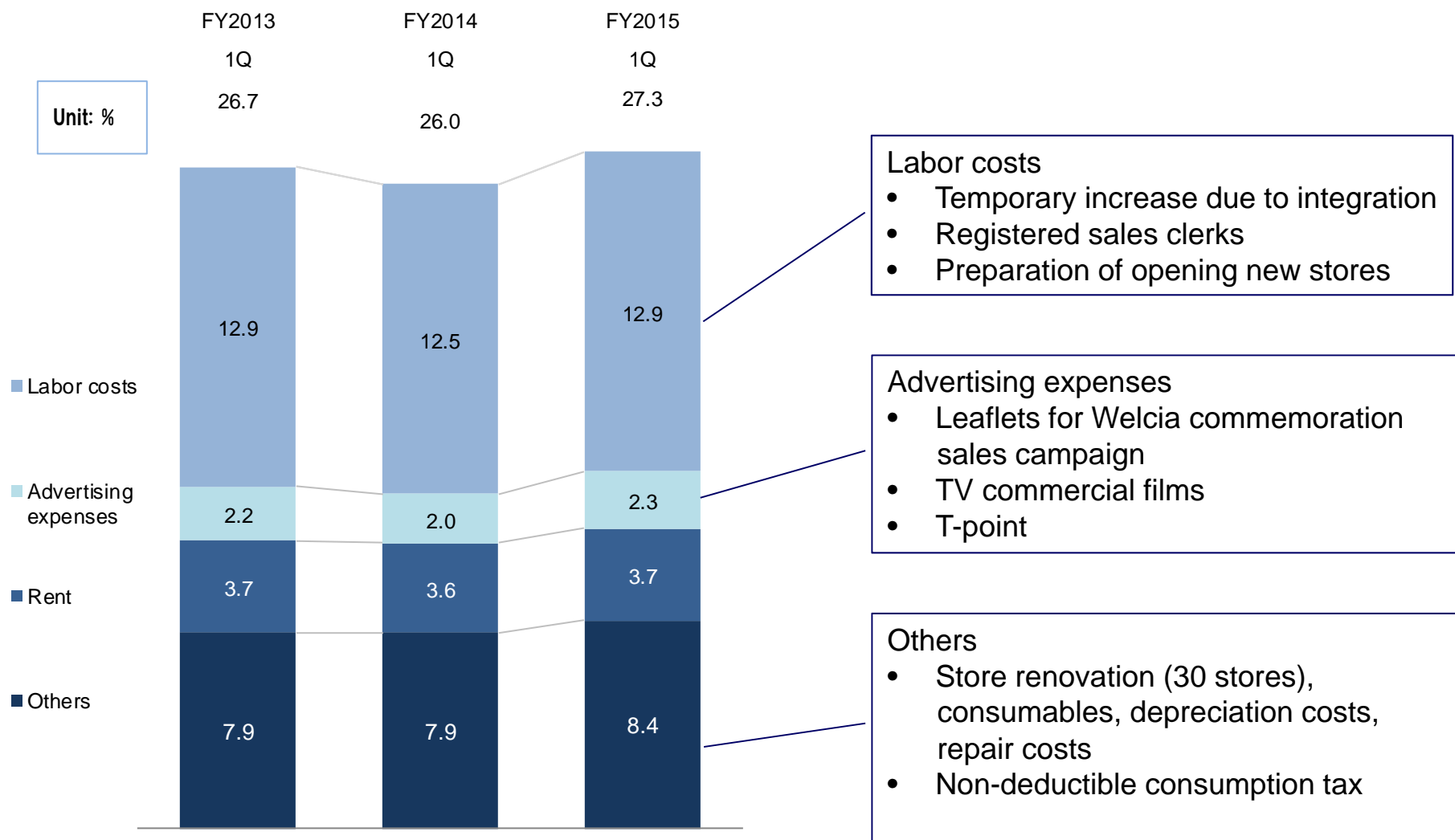
Sales by category [1Q]

Category	Actual Performance		Actual Performance for 1Q of the Previous Year		Year-on-Year Change (%)
	Amount (million yen)	Composition Ratio	Amount (million yen)	Composition Ratio	
OTC Products	20,588	21.9%	19,446	22.9%	105.9%
Dispensing	12,259	13.1%	10,082	11.9%	121.6%
Cosmetics	15,604	16.6%	15,053	17.7%	103.7%
Household Goods	13,959	14.9%	12,503	14.7%	111.6%
Food Products	22,570	24.1%	20,114	23.6%	112.2%
Others	8,865	9.4%	7,836	9.2%	113.1%
Total	93,847	100.0%	85,037	100.0%	110.4%

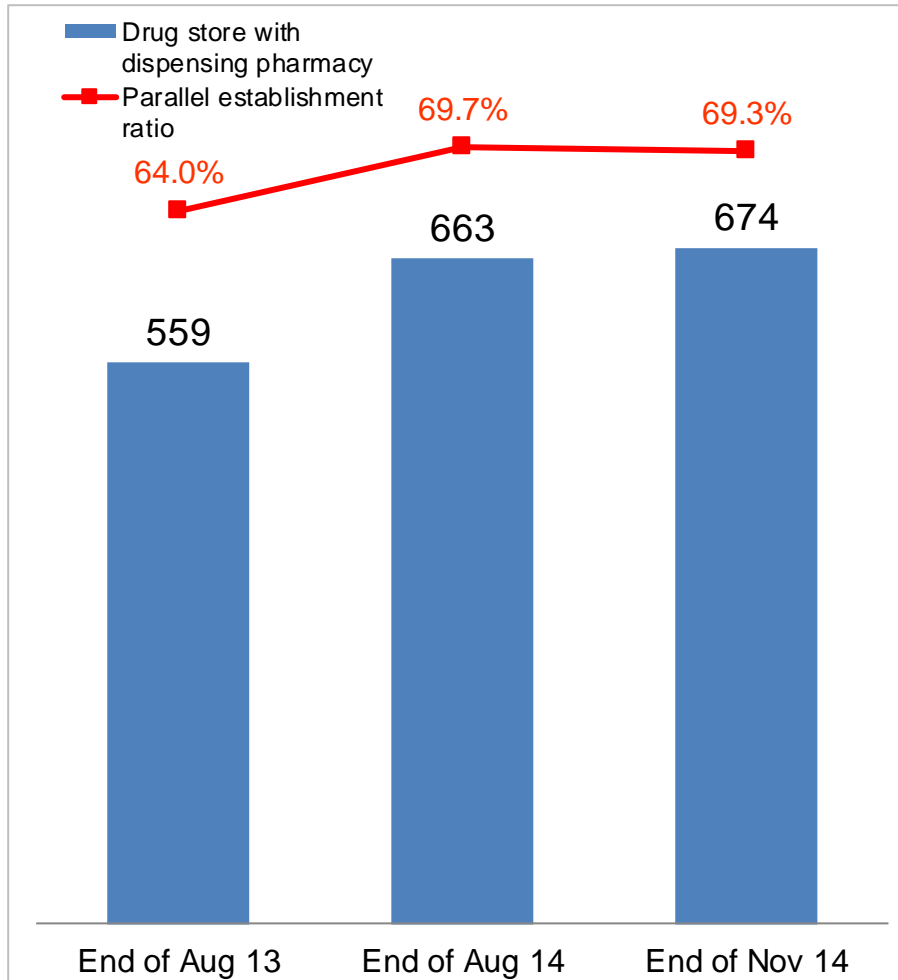
Gross profit margin by category [1Q]

Category	Actual Performance		Performance of 1Q of the Previous year		Year-on-Year Change (%)
	Amount (million yen)	Composition Ratio	Amount (million yen)	Composition Ratio	
OTC Products	8,079	39.2%	7,778	40.0%	103.7%
Dispensing	4,406	35.9%	3,536	35.1%	124.6%
Cosmetics	5,350	34.3%	5,064	33.6%	105.6%
Houshold Goods	3,730	26.7%	3,457	27.7%	107.9%
Food Products	5,053	22.4%	4,446	22.1%	113.7%
Others	1,192	13.5%	1,085	13.8%	109.9%
Total	27,813	29.6%	25,377	29.8%	109.6%

SG&A expenses composition ratio [1Q]



Promotion of drug stores with dispensing pharmacy (‘Pharmacy for Family’)



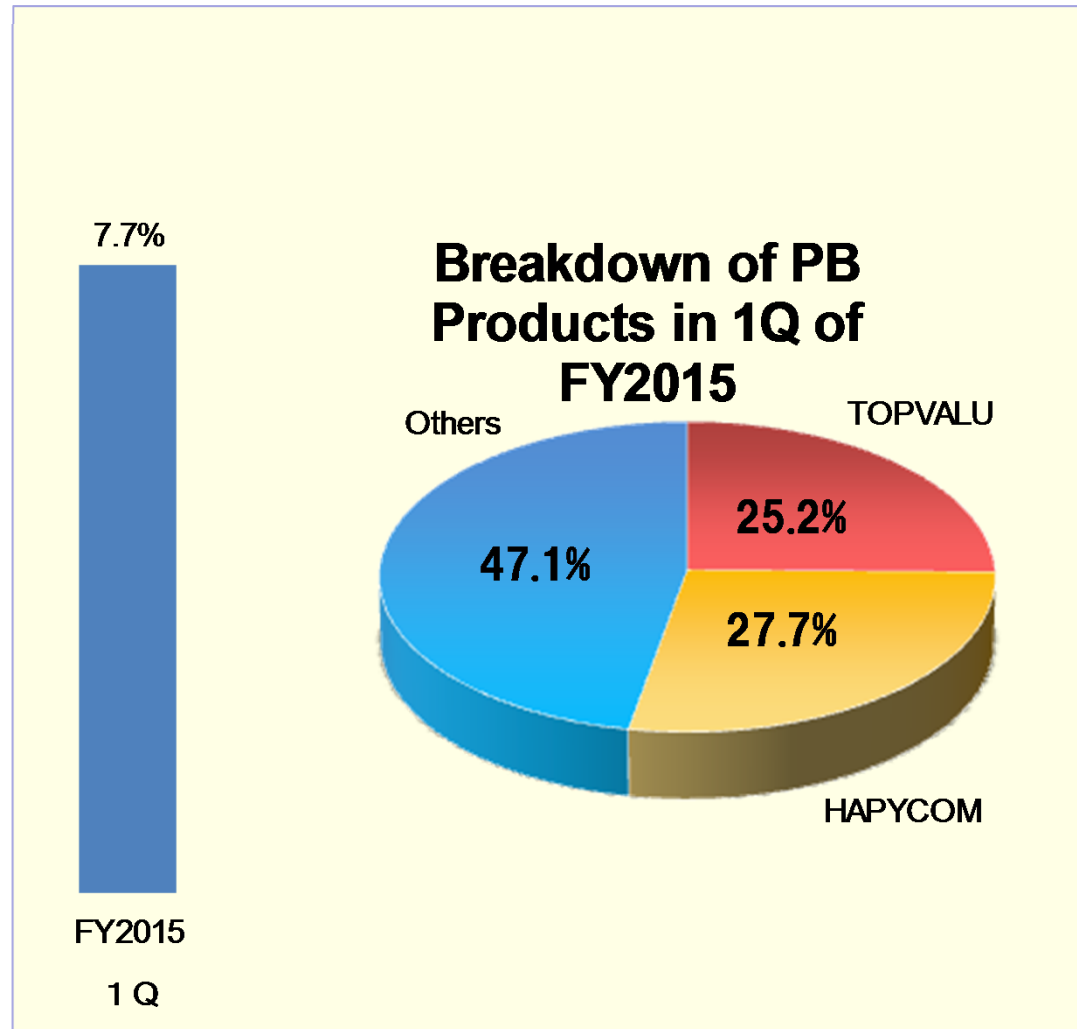
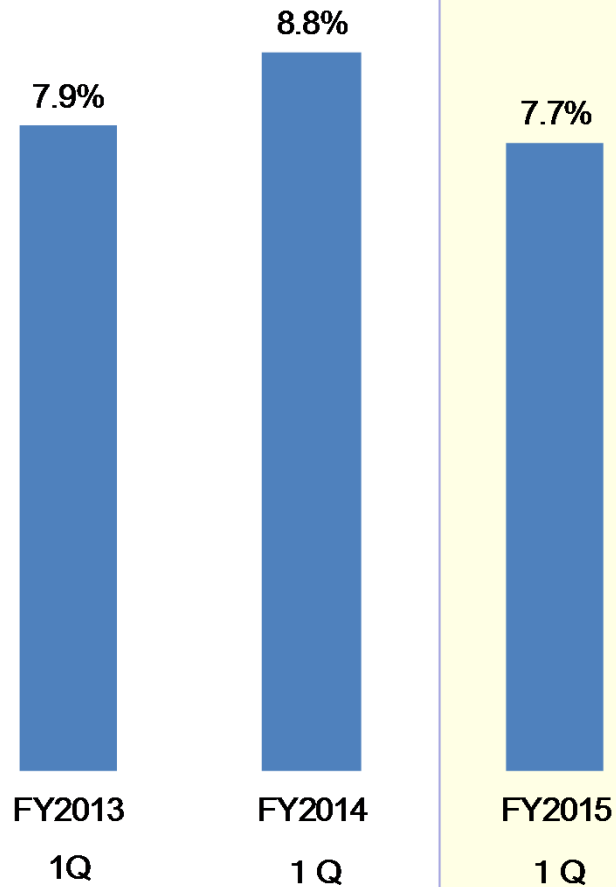
1Q of FY 2015

- Number of prescriptions handled
1,234,000 prescriptions
(Year-on-Year: +20.2%)

Sept.	400,000 prescriptions
Oct.	428,000 prescriptions
Nov.	405,000 prescriptions

- Sales from dispensing
12,259 million yen
(Year-on-Year: +21.6%)

- Composition ratio of sales from dispensing
13.1% (Year-on-Year: +1.2%)



Number of employees (as of November 30, 2014)

	As of End of November 2014	As of End of November 2013	Change
Number of employees	4,082	3,772	310
Number of temporary employees (based on 8h/employee)	9,351	8,243	1,108
Sales per employee (unit: thousand yen)	6,986	7,077	-91
Number of pharmacists (enrollment)	2,091	1,983	108
Number of registered sales clerks (enrollment)	4,631	4,016	615
Number of stores	973	888	85
Number of pharmacists per store	2.15	2.23	-0.08
Number of registered sales clerks per store	4.76	4.52	0.24

*Five stores belonging to Lianhua Meiriling (Shanghai) Co., Ltd. that became a consolidated subsidiary in November 2014 are not included in the table above.

Store openings and closures

(Unit: number of store)

Prefecture	End of Aug. 2014	Openings	Closures	End of Nov. 2014	Prefecture	End of Aug. 2014	Openings	Closures	End of Nov. 2014
Miyagi	1			1	Yamanashi	29			29
Fukushima	19	1		20	Nagano	21			21
Tohoku Total	20	1		21	Shizuoka	122	2		124
Ibaraki	126	5	1	130	Aichi	16			16
Tochigi	43	1		44	Chubu Total	273	6	1	278
Gunma	41	3		44	Mie	8	1		9
Saitama	149	4	2	147	Shiga	8	1		9
Chiba	100			104	Kyoto	4			4
Tokyo	77			77	Osaka	57	3		60
Kanagawa	21	1		22	Hyogo	18			18
Kanto Total	557	14	3	568	Nara	2			2
Niigata	40	3		43	Wakayama	4			4
Toyama	38		1	37	Kinki total	101	5	0	106
Ishikawa	7	1		8	Grand Total	951	26	4	973

*Five stores belonging to Lianhua Meiriling (Shanghai) Co., Ltd. that became a consolidated subsidiary in November 2014 are not included in the table above.

3. Earnings Forecast for FY2015

Actual results for 1Q and full-year earnings forecast

(Unit: million yen)

	1 Q (Actual)		Dec. 2014 - Feb. 2015		Full FY2015		Year-on-Year Change (%)
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	
Sales	93,847	100.0%	98,352	100.0%	192,200	100.0%	111.5%
Gross operating profit	27,813	29.6%	29,756	30.3%	57,570	30.0%	111.7%
SG&A expenses	25,632	27.3%	24,687	25.1%	50,320	26.2%	113.5%
Operating income	2,181	2.3%	5,068	5.2%	7,250	3.8%	100.2%
Ordinary income	2,526	2.7%	5,443	5.5%	7,970	4.1%	105.7%
Net income	1,688	1.8%	2,631	2.7%	4,320	2.2%	108.6%

Plan for store openings and closures

(Unit: number of store)

	August 31, 2014	Openings	Closures	Expected No. of Stores as of the end of Feb. 2015
Tohoku	20	2	-	22
Kanto	557	27	6	578
Chubu	273	11	5	279
Kinki	101	8	-	109
Total	951	48	11	988
With dispensing pharmacy (reference)	663			687
Parallel establishment ratio (reference)	69.7%			69.5%

*Five stores belonging to Lianhua Meiriling (Shanghai) Co., Ltd. that became a consolidated subsidiary in November 2014 are not included in the table above.