



Consolidated Financial Statement for the Year Ended March 31, 2008

May 12, 2008

SUZUKEN CO., LTD

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Stock Exchange Listings: Tokyo, Nagoya, Sapporo

Stock Code: 9987

Planned Date of General Meeting of Shareholders: June 27, 2008

Planned Date of Dividends Payment: June 6, 2008

Planned Date of Filing of Annual Securities Report: June 27, 2008

1. Results for the Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(1) Consolidated Results of Operations

(Fractions less than ¥1 million have been omitted.)

(% shows changes from results for the same period in the previous year.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2008	1,586,596	9.1	23,250	26.3	37,155	15.7
Year ended March 31, 2007	1,454,841	4.8	18,411	9.6	32,116	8.4

	Net income		Net income per share Basic	Net income per share Diluted	Return on equity	Ordinary income/total assets	Operating income/net sales
	Millions of yen	%	Yen	Yen	%	%	%
Year ended March 31, 2008	21,327	20.5	230.49	-	7.9	4.4	1.5
Year ended March 31, 2007	17,701	3.0	191.72	-	7.0	4.0	1.3

Reference: Profit or loss by equity method: March 31, 2008 - ¥ million March 31, 2007 - ¥ million

(2) Consolidated Financial Position

(Fractions less than ¥1 million have been omitted.)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2008	822,852	274,357	33.0	2,951.19
March 31, 2007	857,515	271,228	31.3	2,857.57

Reference: Equity: As of March 31, 2008 ¥271,261 million As of March 31, 2007 ¥268,385 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2008	(16,118)	(21,017)	(12,689)	103,584
Year ended March 31, 2007	68,116	(30,194)	(5,205)	153,411

2. Dividends

(Record Date)	Dividends per share			Total dividends (Annual)	Payout ratio (Consolidated)	Dividends per net assets (Consolidated)
	Interim	Year-end	Full-year			
	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2007	20.00	22.00	42.00	3,879	21.9	1.5
Year ended March 31, 2008	25.00	25.00	50.00	4,595	21.7	1.7
Year ended March 31, 2009 (Forecast)	31.00	31.00	62.00		25.9	

3. Forecasts for the Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(% shows changes from results for the same period in the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period	804,900	4.9	9,740	5.9	16,900	6.5	9,100	2.5	99.00
Full-year	1,662,300	4.8	25,300	8.8	39,200	5.5	22,000	3.2	239.35

4. Other

- (1) Significant changes in subsidiaries (change in specified subsidiaries resulting in the change in the scope of consolidation): None
- (2) Changes in accounting policies, procedures and methods of presentation [Matters described on the amendments to the basis of Consolidated Financial Statements]
 - i Changes due to revisions to accounting methods : Yes
 - ii Changes in other items than i above : None
- (3) Number of shares outstanding (Common share)
 - i Number of shares outstanding at the year-end (including treasury shares)

March 31, 2008	93,949,167 shares
March 31, 2007	93,949,167 shares
 - ii Number of treasury shares at the year-end

March 31, 2008	2,033,363 shares
March 31, 2007	28,439 shares

[Reference] Overview on Non-consolidated Results of Operations

1. Overview on Non-consolidated Financial Results for the Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(1) Non-consolidated Results of Operations

(Fractions less than ¥1 million have been omitted.)
(% shows changes from results for the same period in the previous year.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2008	1,390,754	5.7	14,210	2.1	26,247	1.6
Year ended March 31, 2007	1,315,699	2.5	13,917	36.0	25,843	16.9

	Net income		Net income per share Basic	Net income per share Diluted
	Millions of yen	%	Yen	Yen
Year ended March 31, 2008	15,825	5.8	171.03	-
Year ended March 31, 2007	14,951	24.9	161.93	-

(2) Non-consolidated Financial Position

(Fractions less than ¥1 million have been omitted.)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2008	740,614	235,026	31.7	2,556.98
March 31, 2007	767,803	236,643	30.8	2,519.61

Reference: Equity: As of March 31, 2008 ¥235,026 million As of March 31, 2007 ¥236,643 million

2. Non-Consolidated Forecasts for the Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(% shows changes from results for the same period in the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period	709,800	5.9	6,300	17.0	12,500	8.7	6,900	1.1	75.07
Full-year	1,462,000	5.1	16,000	12.6	28,000	6.7	16,000	1.1	174.07

Explanations concerning the appropriate use of earnings forecast and other special remarks

The above statements about the future including earnings forecast which are listed in this material are based on information available to the Company at the time of this report and certain conditions deemed to be reasonable to the Company. Actual results, performance or achievements may differ from the above forecasts due to various factors.

[Qualitative Data and Financial Statements]

1. Qualitative Data Regarding Consolidated Results of Operations

(Units: Millions of yen, fractions less than ¥1 million have been omitted)

	Year ended March 31, 2007	Year ended March 31, 2008	Change (%)
Net sales	1,454,841	1,586,596	9.1
Operating income	18,411	23,250	26.3
Ordinary income	32,116	37,155	15.7
Net income	17,701	21,327	20.5
Net income per share Basic (Yen)	191.72	230.49	20.2

[Overview of Results of Operations]

In the fiscal year ending March 31, 2008, Suzuken estimates that the Japanese economy's recovery continued to be hampered by low stock prices, sluggish wages and a downturn in consumer spending on the heels of hikes in commodity prices.

The ethical pharmaceuticals market probably expanded by approximately 3% helped by factors such as the continued aging of the Japanese population and the launch of new branded drugs.

As the Japanese ethical pharmaceutical wholesaling business moves in the direction of becoming an oligopoly dominated by large-scale wholesalers, their competitive advantage is coming to light as they move forward with corporate restructurings that move them beyond their business category. With the guidance of the Ministry of Health, Labour and Welfare, Suzuken has been working towards improving improper distribution practices such as unsettled or provisionally priced shipments of ethical pharmaceuticals.

In this environment, the Company has not only strived to improve distribution for the entire Group but also engaged in price negotiations based on sound economic rationale so as to promptly reach price agreements.

From a management aspect, Suzuken is utilizing its pioneering development cross-country to further strengthen purchasing and logistics functions shared among Group companies and continuing its efforts to foster Group synergy. In addition, to move itself towards a "one-stop service" provider of medical materials procured by medical institutions, Suzuken made Jingu Yakuhin Co., Ltd. of Mie Prefecture, a company specializing in wholesale diagnostic drugs, a wholly owned subsidiary on November 1, 2007.

For operations, with the motto "Every Employee Is A Salesperson" shared by all staff members, Suzuken resolutely followed a customer-first philosophy and offered proposals that met their various needs all in an effort to increase their satisfaction. As a result, net sales succeeded in increasing the growth rate of the market.

Furthermore, in addition to conventional wholesale functions, Suzuken has been utilizing systems that provide timely news concerning the activities of the medical supply wholesaling sales representatives (MS) to pharmaceutical companies and worked towards acquiring and strengthening its information-based "Performance fee" business model.

In step with its generic brand promotion measures implemented from April 2008, Suzuken is adding to the list of "Recommended Generics" selected based on Group criteria in an effort to meet the needs of the market.

The small-intestine capsule endoscope launched in May 2007 was approved for insurance coverage in October of that year and Suzuken has been further strengthening its sales apparatus and expanded its market for that product.

On the logistics side, Suzuken worked towards the early realization of its center-based logistics concept. It increased functions such as on-time shipments, product availability and traceability and operations have begun in October 2007 at the Hanshin Distribution Center, which covers the Kansai area focusing on Osaka and Hyogo Prefectures, as well as the Kakegawa Product Center covering Shizuoka Prefecture.

Meanwhile, in response to the application of "the Standards and Practice Standards for Management Assessment and Audit

concerning Internal Control over Financial Reporting” from April 2008, Suzuken has formulated and initiated a system of internal controls.

In the pharmaceutical manufacturing business, after the market penetration of Seibule tablets—a treatment for postprandial hyperglycemia—in January 2006, the Company has been working to increase its market share.

Pertaining to the development of the wholesale ethical pharmaceuticals business overseas, Suzuken established “Shanghai Suzuken Huzhong Pharmaceutical Co., Ltd.” jointly with Shanghai Pharmaceutical Co., Ltd. and began operations from May 1, 2008.

The Group is striving to unleash synergies among its constituent companies and increase its corporate value as “Health Creator Suzuken Group”.

As a result of the above activities, net sales for the current fiscal year rose 9.1% compared to last year to ¥1,586,596 million, operating income rose 26.3% from last year to ¥23,250 million, ordinary income increased by 15.7% to ¥37,155 million and net income came to ¥21,327 million, up 20.5% from last year.

Overview of performance by business segment

(Units: Millions of yen, fractions less than ¥1 million have been omitted)

		Year ended March 31, 2007	Year ended March 31, 2008	Change (%)
Pharmaceutical Distribution	Net sales	1,418,957	1,541,981	8.7
	Operating income	16,472	19,239	16.8
Pharmaceutical Manufacturing	Net sales	51,199	54,925	7.3
	Operating income	2,081	3,097	48.8
Healthcare-related Services	Net sales	29,328	41,074	40.1
	Operating income	(39)	559	-

Pharmaceutical Distribution

Segment net sales increased 8.7% year on year to ¥1,541,981 million reflecting the fact that Shoyaku Co., Ltd. became a consolidated subsidiary on October 1, 2006. As a result of improved gross profitability, segment operating income rose 16.8% year on year to ¥19,239 million.

Pharmaceutical Manufacturing

The strong sales of Seibule tablets—for the treatment of postprandial hyperglycemia—offset the decline in sales of devices for self-monitoring of blood glucose (SMBG) caused by increased competition in the diagnostic reagent market.

Segment net sales increased 7.3% compared with a year earlier to ¥54,925 million. The increased sales of Seibule tablets resulted in a 48.8% of year-on-year increase in segment operating income to ¥3,097 million.

Healthcare-related Services

Segment net sales increased 40.1% compared with a year earlier to ¥41,074 million reflecting revenue growth on the back of support businesses associated with pharmaceutical company logistics. Segment operating income was ¥559 million compared with an operating loss of ¥39 million in the same period a year ago.

Note: Segment sales results include intersegment transactions.

Geographic segment information is not presented since Suzuken has no significant consolidated subsidiaries or offices outside Japan.

[Outlook for Fiscal Year 2008]

Actual results for the year ended March 31, 2008 and outlook for the year ended March 31, 2009

(Units: Millions of yen, fractions less than ¥1 million have been omitted.)

	Year ended March 31, 2008 (Actual)	Year ended March 31, 2009 (Forecast)	Change (%)
Net sales	1,586,596	1,662,300	4.8
Operating income	23,250	25,300	8.8
Ordinary income	37,155	39,200	5.5
Net income	21,327	22,000	3.2
Net income per share Basic (Yen)	230.49	239.35	3.8

Suzuken estimates that the ethical pharmaceuticals market will expand by approximately 3 to 4% in the next fiscal year helped by factors such as the continued aging of the Japanese population and the launch of new branded drugs despite an average decrease in drug price standards of 5.2% and measures to promote the use of generics.

In difficult business negotiations effectuated after drug price revisions, the Suzuken Group will continue to focus on economic rationality and work towards building a strong business base, such as through the enhancement of its sales and delivery system, constantly revolving around the interests of its valued customers.

Further, with respect to pharmaceutical companies, Suzuken's suppliers, the Group will pursue building new information-based business models with a system enabling the timely provision of information on MS activities will be utilized, and the Group will strive to enhance its business efficiency support services for insurance pharmacies such as effectuating Internet-based orders, managing inventory and implementing drug dispensing error prevention measures.

In the Pharmaceutical Manufacturing segment, in hopes of expanding the market share of the postprandial hyperglycemia drug "Seibule tablets", the Group will do its utmost to increase the prescriptions of current users and acquire new prescriptions.

In addition, for small-intestine capsule endoscopes exclusively sold by Suzuken in Japan, an expansion of the market will be attempted through the formulation of a countrywide sales system.

Lastly, in light of the new requirement to provide specified health examination and healthcare guidance starting in April 2008, Suzuken has established a "Health Support Department" in charge of providing healthcare advisory services on a consignment basis in May 2008 and aim to further expand that business.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Fractions less than ¥1 million is omitted)

Item	As of March 31, 2007		As of March 31, 2008		Change
	¥ million	%	¥ million	%	¥ million
Assets					
Current Assets:					
Cash and cash equivalents	162,107		98,090		(64,016)
Trade notes and accounts receivable	368,555		386,423		17,868
Marketable securities	5,425		12,785		7,360
Inventories	106,948		102,091		(4,856)
Deferred tax assets	8,636		8,346		(290)
Purchase rebates receivable	23,123		24,372		1,249
Other current assets	2,882		1,561		(1,321)
Allowance for doubtful accounts	(4,247)		(4,246)		1
Total Current Assets	673,430	78.5	629,426	76.5	(44,004)
Fixed Assets:					
Property and Equipment:					
Buildings and structures	35,657		38,334		2,676
Machinery and vehicles	2,788		4,004		1,215
Tools, furniture and fixtures	1,973		2,401		427
Land	45,900		47,051		1,151
Construction in progress	3,398		255		(3,142)
Total Property and Equipment	89,718	10.5	92,046	11.2	2,328
Intangible Fixed Assets:	13,741	1.6	12,576	1.5	(1,164)
Investments and Other Assets:					
Investment securities	56,966		62,182		5,216
Long-term loans	449		788		339
Deferred tax assets	1,373		1,323		(49)
Prepaid pension expenses	12,020		12,475		454
Others	11,733		13,774		2,041
Allowance for doubtful accounts	(1,917)		(1,741)		175
Total Investments and Other Assets	80,625	9.4	88,802	10.8	8,177
Total Fixed Assets	184,084	21.5	193,426	23.5	9,341
Total Assets	857,515	100.0	822,852	100.0	(34,662)

(Fractions less than ¥1 million is omitted)

Item	As of March 31, 2007		As of March 31, 2008		Change
	¥ million	%	¥ million	%	¥ million
Liabilities					
Current Liabilities:					
Trade notes and accounts payable	537,848		504,514		(33,334)
Short-term bank loans	786		468		(318)
Consumption taxes payable	772		1,332		560
Income taxes payable	7,470		9,650		2,180
Reserves for sales returns	529		541		12
Accrued bonuses	9,082		9,050		(31)
Allowance for directors' bonuses	61		3		(57)
Other current liabilities	10,392		8,539		(1,852)
Total Current Liabilities	566,943	66.1	534,102	64.9	(32,840)
Long-term Liabilities:					
Long-term borrowings	421		487		66
Deferred tax liabilities	9,863		5,089		(4,774)
Deferred tax liabilities on revaluations	2,247		2,177		(70)
Liability of employees' retirement benefits	5,569		5,199		(369)
Liability for directors' and corporate auditors' retirement benefits	590		645		55
Other long-term liabilities	651		793		141
Total Long-term Liabilities	19,343	2.3	14,393	1.8	(4,950)
Total Liabilities	586,286	68.4	548,495	66.7	(37,791)
Net Assets					
Shareholders' Equity:					
Common stock	13,546	1.6	13,546	1.6	-
Capital surplus	39,375	4.6	39,375	4.8	0
Retained earnings	214,779	25.0	231,845	28.2	17,066
Treasury stock, at cost	(85)	0.0	(7,663)	(0.9)	(7,578)
Total Shareholders' Equity	267,615	31.2	277,103	33.7	9,488
Revaluation and Translation Difference:					
Net unrealized gain on available for sale securities	7,660	0.9	1,150	0.1	(6,509)
Land revaluation difference	(6,890)	(0.8)	(6,993)	(0.8)	(103)
Total Revaluation and Translation Difference	769	0.1	(5,842)	(0.7)	(6,612)
Minority Interests	2,843	0.3	3,096	0.3	252
Total Net Assets	271,228	31.6	274,357	33.3	3,128
Total Liabilities and Net Assets	857,515	100.0	822,852	100.0	(34,662)

(2) Consolidated Statements of Income

(Fractions less than ¥1 million is omitted)

Item	Year ended March 31, 2007		Year ended March 31, 2008		Change
	¥ million	%	¥ million	%	¥ million
Net Sales	1,454,841	100.0	1,586,596	100.0	131,754
Cost of Sales	1,306,495	89.8	1,422,543	89.7	116,048
Gross Profit	148,346	10.2	164,052	10.3	15,706
Reversal of sales returns	544	0.0	529	0.0	(15)
Provision for sales returns	529	0.0	542	0.0	12
Gross Profit after Adjustment	148,361	10.2	164,039	10.3	15,678
Selling, General and Administrative Expenses	129,950	8.9	140,788	8.9	10,838
Operating Income	18,411	1.3	23,250	1.4	4,839
Non-operating Income:	14,011	0.9	14,307	0.9	296
Interests income	730		1,003		272
Dividends income	421		540		118
Purchase discounts	6,642		6,204		(438)
Commission for supplying sales data	4,028		4,320		291
Other	2,187		2,240		52
Non-operating Expenses:	305	0.0	403	0.0	98
Interest expenses	26		47		20
Expenses of rental building	163		223		60
Office contract cancellation penalty	36		2		(34)
Other	79		130		51
Ordinary Income	32,116	2.2	37,155	2.3	5,038
Extraordinary Gain:	688	0.0	2,477	0.1	1,788
Gain on prior period adjustments	1		405		404
Gain on sales of fixed assets	79		214		134
Gain on sales of investment securities	207		1,413		1,206
Reversal of allowance for doubtful accounts	159		-		(159)
Other	240		443		202
Extraordinary Loss:	2,093	0.1	1,947	0.1	(145)
Loss on sales and disposal of fixed assets	1,377		1,052		(324)
Impairment loss	313		43		(270)
Loss on valuation of investment securities	15		533		518
Other	386		317		(68)
Income before Income Taxes and Minority Interests	30,712	2.1	37,684	2.3	6,972
Income Taxes	12,775	0.9	16,187	1.0	3,411
Income Taxes - Deferred	106	0.0	(47)	0.0	(153)
Minority Interests	128	0.0	217	0.0	88
Net Income	17,701	1.2	21,327	1.3	3,625

(4) Consolidated Statements of Cash Flows

(Fractions less than ¥1 million is omitted)

Item	Year ended March 31, 2007	Year ended March 31, 2008
	¥ million	¥ million
I. Cash flows from operating Activities:		
Income before income taxes and minority interests	30,712	37,684
Depreciation	5,716	6,573
Impairment loss	313	43
Decrease in allowance for doubtful accounts	(466)	(177)
Decrease in liability for employees' retirement benefits	(213)	(748)
Increase (decrease) in provision for other allowance	529	(131)
Interest and dividend income	(1,152)	(1,543)
Interest expenses	26	47
Gain on sales of fixed assets	(79)	(214)
Gain on sales of investment securities	(207)	(1,413)
Loss on sales and disposal of fixed assets	1,377	1,052
Loss on valuation of investment securities	15	533
Special retirement pay	15	27
Increase in trade receivables	(2,026)	(17,335)
Decrease (increase) in inventories	(8,054)	4,644
Decrease (increase) in purchase rebates receivable	2,454	(1,249)
Increase (decrease) in trade payables	53,312	(34,161)
Other	(739)	1,694
Subtotal	81,531	(4,674)
Interest and dividend income received	1,060	1,541
Interest expenses paid	(22)	(47)
Settlement package received	-	1,200
Special retirement pay paid	(11)	(34)
Income tax paid	(14,441)	(14,102)
Net Cash Provided by (Used in) Operating Activities	68,116	(16,118)
II. Cash flows from investing Activities:		
Disbursements for time deposits	(10,488)	(5,867)
Proceeds from time deposits	2,501	16,093
Purchases of marketable securities	(2,393)	(2,391)
Proceeds from redemption of marketable securities	1,199	4,792
Purchases of property and equipment	(6,437)	(8,698)
Proceeds from sales of property and equipment	1,760	639
Acquisition of intangible fixed assets	(3,247)	(3,142)
Purchase of investment securities	(19,436)	(27,078)
Proceeds from sales of investment securities	4,517	7,358
Purchase of subsidiaries' stock, resulting in charge in scope of consolidation	(833)	(758)
Proceeds from sales of subsidiaries' stock, resulting in charge in scope of consolidation	2,006	-
Purchase of affiliates' stock	-	(2,596)
Disbursements for loans	(38)	(59)
Proceeds from collections of loans	72	249
Other, net	623	441
Net Cash Used in Investing Activities	(30,194)	(21,017)

(Fractions less than ¥1 million is omitted)

Item	Year ended March 31, 2007	Year ended March 31, 2008
	¥ million	¥ million
III. Cash flows from Financing Activities:		
Increase (decrease) in short-term borrowings, net	46	-
Repayments of long-term borrowings	(507)	(806)
Proceeds from long-term loans payable	-	70
Acquisition of treasury stocks	(1,081)	(7,580)
Proceeds from sales of treasury stocks	2	2
Dividends paid by parent company	(3,629)	(4,362)
Dividends paid to minority shareholders	(35)	(12)
Net Cash Used in Financing Activities	(5,205)	(12,689)
IV. Translation Adjustments on Cash and Cash Equivalents	(0)	(1)
V. Net Increase (decrease) in Cash and Cash Equivalents	32,716	(49,826)
VI. Cash and Cash Equivalents, Beginning of Period	120,695	153,411
VII. Cash and Cash Equivalents, End of Period	153,411	103,584