



Consolidated Financial Statement for the First Nine Months of the Fiscal Year Ending March 31, 2009

February 6, 2009

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Stock Exchange Listings: Tokyo, Nagoya, Sapporo

Stock Code: 9987

Planned Date of Filing of Annual Securities Report: February 13, 2009

1. Results for the third quarter of the Fiscal Year ending March 31, 2009 (April 1, 2008 – December 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	%
3Q ended March 31, 2009	1,238,610	-	11,181	-	22,013	-
3Q ended March 31, 2008	1,205,166	10.1	16,070	15.9	26,526	10.8

	Net income		Net income per share Basic		Net income per share Diluted	
	Millions of yen	%	Yen	Yen	Yen	Yen
3Q ended March 31, 2009	3,537	-	38.48	-	-	-
3Q ended March 31, 2008	15,039	11.6	162.18	-	-	-

(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	Millions of yen	Millions of yen	%	Yen	Yen	
3Q ended March 31, 2009	926,435	274,780	274,780	274,780	29.2	2,943.63	2,943.63	
Year ended March 31, 2008	822,852	274,357	274,357	274,357	33.0	2,951.19	2,951.19	

Reference: Shareholders' equity: 3Q ended March 31, 2009: ¥270,554 million

Year ended March 31, 2008: ¥271,261 million

2. Dividends

(Record Date)	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Full-year
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2008	-	25.00	-	25.00	50.00
Year ended March 31, 2009	-	31.00	-	-	-
Year ended March 31, 2009 (Forecast)	-	-	-	31.00	62.00

Note: Changes in dividend forecasts made during the third quarter under review: None

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

(% shows changes from the results for the previous term)

	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	Yen
Full-year	1,650,000	4.0	13,700	(41.1)	27,600	(25.7)	7,000	(67.2)	76.20	76.20

Note: Changes in consolidated earnings forecasts made during the third quarter under review: Yes

4. Other

- (1) Significant changes in subsidiaries (change in specified subsidiaries resulting in a change in the scope of consolidation):
None
- (2) Simplified methods and methods peculiar to the preparation of quarterly consolidated financial statements applied in accounting treatment: Yes
Note: For details, please refer to 4. Others of [Qualitative Data and Financial Statements] on page 7.
- (3) Changes in accounting policies and procedures and methods of presentation concerning the preparation of quarterly consolidated financial statements (to be included in changes in important items to prepare quarterly consolidated financial statements)
- i Changes resulting from amendments to accounting standards: Yes
 - ii Changes other than i above: Yes
- Note: For details, please refer to 4. Others of [Qualitative Data and Financial Statements] on page 7.
- (4) Number of shares outstanding (Common share)
- i Number of shares outstanding at the year-end (including treasury shares)

3Q ended March 31, 2009:	93,949,167 shares
Year ended March 31, 2008:	93,949,167 shares
 - ii Number of treasury shares at the year-end

3Q ended March 31, 2009:	2,037,415 shares
Year ended March 31, 2008:	2,033,363 shares
 - iii Average number of shares for the period (Year to Date on a consolidated basis)

3Q ended March 31, 2009:	91,913,452 shares
3Q ended March 31, 2008:	92,732,211 shares

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

1. 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. Please see today's "Announcement of a Revision of the Earnings Forecast" for more details. Net profit per share for the earnings forecast for the year as a whole has been calculated taking into account the content of today's announcement, "Suzuken Co., Ltd. Announces Decision to Acquire Treasury Stock".
2. From the 1st quarter of the consolidated accounting year, the company has applied the "Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standards No.12) and the "Guideline for Application of the Accounting Standard for Quarterly Financial Statements" (Corporate Accounting Standards Application Guidelines No.14). In addition, the company is creating quarterly consolidated financial statements in accordance with the "Regulations Concerning Quarterly Consolidated Financial Statements" following their revision due to the provisos of Article 7.1.5 of the Supplementary Provisions of the "Cabinet Office Regulation Revising Part of the Regulations on the Terms, Style and Preparation Methods of Financial Statements, etc" (Cabinet Office Regulation No.50, August 7, 2008).

[Qualitative Data and Financial Statements]

1. Qualitative Data Regarding Consolidated Results of Operations

[Overview of Results of Operations]

It is assumed that the recession phase of the Japanese economy strengthened during the 3rd quarter under review, with a fall in capital investment at companies as a result of awareness of excess employment and facilities, as well as a fall in personal consumption, in response to the impact of factors such as the global fall in share prices and the strengthening yen.

In the ethical pharmaceuticals market, despite a 5.2% reduction in the National Health Insurance Drug Price Standard of April 2008, it is assumed that the advance of aging and the expansion of the market for drugs for lifestyle-related diseases and anti-cancer drugs led to modest growth.

In the pharmaceutical industry, in response to the urgent proposals of the “Council for Improvement of the Distribution of Ethical Drugs” we are working towards “the improvement of long-term non-conclusion of agreements and shipments with provisional invoice prices”, “the improvement of aggregated transactions” and “the improvement of negative primary sales differentials”.

In such circumstances, the Suzuken Group has implemented initiatives to build a distribution system for both sales and distribution that allows us to respond to customers, such as medical institutions and health insurance pharmacies, with a focus on their environment and based on the Group’s “All-Member Sales” strategy. Concerning the challenges of “the improvement of long-term non-conclusion of agreements and shipments with provisional invoice prices” and “the improvement of aggregated transactions” contained in the urgent proposals, our initiatives have met with some success and we have been praised for our efforts. However, concerning “the improvement of negative primary sales differentials”, factors such as the difficult business environment for customers have meant that price negotiations have met with difficulties and we have not been able to bring about improvements.

In terms of business management, we have implemented initiatives with the aim of becoming “No.1 in customer satisfaction” by building our reputation as “No.1 in sales reliability” and creating high quality distribution under an “All-Member Sales” strategy focused on the needs of the customer. Suzuken has also recruited transferees from among its employees to its logistics subsidiaries and to Shoyaku Co., Ltd., which has an operational base in Kyushu, with the aim of implementing low cost management. As a result, we had 692 applications for transfers to logistics subsidiaries and 104 applications for transfers to Shoyaku Co., Ltd., and these transfers were completed on January 1, 2009. At the same time, we supported a fresh start for 157 employees who wished to set out on a second career.

In regard to distribution, we began work aimed at launching operations in the first half of fiscal 2010 at the Kanagawa Distribution Center, which will focus on Kanagawa Prefecture and cover part of Tokyo and Shizuoka Prefecture. We are also working towards launching operations in the second half of fiscal 2010 at the Chiba Distribution Center, which will focus on Chiba Prefecture and Ibaraki Prefecture and also cover part of Tokyo.

In the Pharmaceutical Manufacturing Business, we have worked to expand prescriptions of “Seibule Tablets”, a drug that improves postprandial hyperglycemia in patients with diabetes mellitus, at both core hospitals and specialist medical facilities. Furthermore, in December we received additional approval of the medicine’s efficacy and advantages as a combined therapy with insulin.

In overseas business operations, Suzuken has worked on strengthening sales activities in the East China region centered on the cities of Shanghai and Tsingtao, as well as expanding the range of products that it handles, through Shanghai Suzuken Huzhong Pharmaceutical Co., Ltd, a Chinese joint venture that runs a wholesaling business for ethical pharmaceuticals.

Through these activities, the Suzuken Group is maximizing group synergies and making efforts towards the improvement of corporate value as the health-creating Suzuken Group based on the construction of new projects, etc.

In regards to earnings during the 3rd quarter consolidated cumulative period as a result of the activities described above, net sales were ¥1,238,610 million (2.8% increase in comparison to the previous year), operating income was ¥11,181 million (30.4% decrease in comparison to the previous year), ordinary income was ¥22,013 million (17.0% decrease in comparison to the previous year) and quarterly net income was ¥3,537 million (76.5% decrease in comparison to the previous fiscal year).

Overview of performance by business segment

(Units: Millions of yen)

		3 rd quarter cumulative period of the term ended March 2008	3 rd quarter cumulative period of the term ending March 2009	Change (%)
Pharmaceutical Distribution	Net sales	1,172,281	1,195,313	2.0
	Operating income	12,399	4,792	(61.3)
Pharmaceutical Manufacturing	Net sales	42,255	48,049	13.7
	Operating income	3,129	6,220	98.7
Healthcare-related Services	Net sales	30,003	40,989	36.6
	Operating income	359	263	(26.7)

- i In the Pharmaceutical Distribution Business, although there was a reduction in the National Health Insurance Drug Price Standard in April 2008, net sales finished at ¥1,195,313 million (2.0% increase in comparison to the previous year). Despite the fact that the company made efforts in price negotiations based on economic rationalization, the price reduction demands of medical institutions, etc., were strong and the gross profit margin declined. Due to this and other factors, operating income finished at ¥4,792 million (61.3% decrease in comparison to the previous year).
- ii In the Pharmaceutical Manufacturing Business, sales of “Seibule Tablets”, a drug that improves postprandial hyperglycemia in patients with diabetes mellitus, progressed steadily; in combination with the recording of R&D sales, this led to sales of ¥48,049 million (13.7% increase in comparison to the previous year) and operating income of ¥6,220 million (98.7% increase in comparison to the previous year).
- iii In the Healthcare-related Services Business, factors such as the October 2008 acquisition of Pfercos Co., Ltd. contributed to sales of ¥40,989 million (36.6% increase in comparison to the previous year) and operating income of ¥263 million (26.7% decrease in comparison to the previous year).

Note: Segment sales results include intersegment transactions.

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

* The comparisons with the same period of the previous year in the text are included as a reference.

2. Qualitative Data Regarding Consolidated Financial Position

The status of assets, liabilities and net assets at the end of the 3rd quarter consolidated accounting period was as follows.

(Assets)

Total assets at the end of the 3rd quarter consolidated accounting period increased ¥103,582 million in comparison to the end of the previous consolidated accounting year to ¥926,435 million. The main causes of this increase were as follows.

Current assets increased ¥90,311 million in comparison to the end of the previous consolidated accounting year. This was mainly because trade notes and accounts receivable increased ¥39,364 million, merchandise and products increased ¥26,147 million and (as a result of the final day of the 3rd quarter consolidated cumulative period falling on a holiday for financial institutions) cash and cash equivalents increased ¥23,373 million.

Fixed assets increased ¥13,271 million in comparison to the end of the previous consolidated accounting year.

This was mainly because total investments and other assets increased ¥6,528 million as a result of an increase in advance pension costs due to special contributions to the corporate pension fund, in addition to an increase of ¥4,056 million in tangible fixed assets due to the acquisition of land for use at distribution centers.

(Liabilities)

Total liabilities at the end of the 3rd quarter consolidated accounting period increased ¥103,159 million in comparison to the end of the previous consolidated accounting year to ¥651,655 million.

This was mainly because of an increase in trade notes and accounts payable of ¥105,134 million due to an increase in purchasing and the fact that the final day of the 3rd quarter consolidated cumulative period fell on a holiday for financial institutions, leading to an increase in current liabilities of ¥103,104 million.

(Net assets)

Total assets at the end of the 3rd quarter consolidated accounting period increased ¥422 million in comparison to the end of the previous consolidated accounting year, to ¥274,780 million.

This was mainly because, although retained earnings decreased ¥1,524 million due to quarterly net profits and the payment of dividends on surpluses, there was an increase in minority interests of ¥1,129 million and an increase in net unrealized gain on available for sale securities of ¥918 million.

3. Qualitative Data Regarding Business Forecasts

The ethical pharmaceuticals market is inferred to have continued growing, if only mildly, due to the advance of aging and the expansion of the market for drugs for lifestyle-related diseases, etc.

The Suzuken Group makes customer-oriented “All Member Sales” an activity policy common to all employees, and has worked hard to bring about quality improvements in sales and distribution functions, as well as the further cost optimization. Regarding the sales function, Suzuken will implement reforms in the activities of MS (the sales staff of pharmaceutical wholesalers) through the creation of time for sales activities brought about by the division of deliveries, and will carry out preparations for the introduction in the first half of fiscal 2009 of a sales support system to allow a quicker response by MS staff. Regarding the distribution function, Suzuken has worked towards the realization of a distribution framework centered on medium-sized distribution centers that allow improvements in both distribution service standards and productivity. Moreover, concerning the urgent proposals, Suzuken shall continue to implement improvements, such as working to acquire fair profits with an emphasis on economic rationality at the same time as carrying out price negotiations with customers with whom agreement has yet to be reached.

In the Pharmaceutical Manufacturing Business, after receiving additional approval of the efficacy and advantages of “Seibule Tablets” (which improves postprandial hyperglycemia in patients with diabetes mellitus) as a combined therapy with insulin, Suzuken will work even harder at the strengthening of detailing aimed at expanding the number of prescriptions at existing Seibule Tablet-prescribing facilities and at measures aimed at acquiring new prescribing facilities.

Concerning the earnings forecast for the year as a whole, earnings are expected to fall below the forecast announced on October 27, 2008; thus, the earnings forecast has been revised as of today. Please see “Announcement of a Revision of the Earnings Forecast” for more details. Moreover, the following announcement was also made today: “Suzuken Co., Ltd. Announces Decision to Acquire Treasury Stock”. Net profit per share for the current year as a whole has been calculated taking into account the contents of this announcement.

4. Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries entailing a change in the scope of consolidation)

N/A

(2) Application of simplified accounting procedures and specific accounting procedures in the preparation of quarterly consolidated financial statements

① Simplified accounting procedures

a) Method for calculation of doubtful receivable estimates in general liabilities

Estimates of doubtful receivables are calculated based on the actual rate of doubtful receivables calculated for the previous consolidated accounting year because there is no marked change with the actual rate of doubtful receivables calculated at the end of the previous consolidated accounting year.

b) Evaluation of inventory assets

Inventory assets in the 3rd consolidated cumulative accounting period are calculated by omitting a physical inspection and using a ledger inventory amount based on the physical inspection amount calculated at the end of the 2nd quarter cumulative accounting period.

c) Method for calculation of corporate income tax, etc., deferred tax assets and deferred tax liabilities

The calculation of corporate income tax, etc., is carried out based on a method that limits calculation to significant adjusted account items and tax exempt items.

In addition, the determination of the collectability of deferred tax assets is carried out based on a method that uses the future results forecast and tax planning used in the previous consolidated accounting year in the event that it is recognized no significant changes have occurred in the business environment, etc., since the previous consolidated accounting year.

Moreover, calculations concerning subsidiaries lacking in importance shall be carried out based on a method that calculates by multiplication of the tax burden ratio following the application of tax effect accounting on the profit and loss statement of the previous consolidated accounting year.

The value of corporate income tax adjustment is presented included in corporate income tax, etc.

② Specific accounting procedures in the preparation of quarterly consolidated financial statements

N/A

(3) Changes in accounting principles and procedures, methods of presentation, etc., related to the preparation of quarterly consolidated financial statements

① From the 1st quarter of the consolidated accounting year, the company has applied the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and the "Guideline for Application of the Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.14). In addition, the company is creating quarterly consolidated financial statements in accordance with the "Regulations for Quarterly Consolidated Financial Statements" following their revision due to the provisos of Article 7.1.5 of the Supplementary Provisions of the "Cabinet Office Regulation Revising Part of the Regulations on the Terms, Style and Preparation Methods of Financial Statements, etc" (Cabinet Office Regulation No.50, August 7, 2008).

② The company has applied the "Accounting Standards for Measurement of Inventories" (ASBJ Statement No.9) since the 1st quarter of the consolidated accounting year and has changed its measurement standard from one cost accounting method to another (book price devaluation based on the decrease in profitability of balance sheet values).

In association with this change, gross profit on sales, operating income and ordinary income have each increased ¥1,342 million in comparison to calculation using the previous method and income before income taxes and minority interests has decreased ¥143 million. The impacts on segment information are included in the relevant places.

③ It has been possible to apply the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No.16) from quarterly consolidated financial statements related to consolidated accounting years starting on or after April 1, 2008, and in association with this, the company has applied this standard and guideline since the 1st quarter of the consolidated accounting year, changing from an accounting method conforming to the method for conventional lease transactions to an accounting method related to normal purchase transactions in regard to finance lease transactions other than those involving a transfer of ownership. Furthermore, in regard to the method for depreciation of lease assets related to finance lease transactions other than those involving a transfer of ownership, the company has adopted a straight line method taking the lease period as the useful life of the asset and making the residual value of the asset zero.

Moreover, the company will continue to apply the accounting method conforming to the method for normal lease transactions for finance lease transactions other than those involving a transfer of ownership that began prior to the first

year of application of the “Accounting Standard for Lease Transactions”.

The impacts on gross profit on sales, operating income, ordinary income and income before income taxes and minority interests in association with this change will be minor.

5. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

	(Units: Millions of yen)	
	End of 3 rd quarter consolidated accounting period (December 31, 2008)	Condensed Consolidated Balance Sheet at the Previous Consolidated Fiscal Year-End (March 31, 2008)
Assets		
Current Assets:		
Cash and cash equivalents	121,464	98,090
Trade notes and accounts receivable	425,788	386,423
Marketable securities	12,277	12,785
Merchandises and products	125,106	98,959
Products in process	2,032	1,705
Raw materials and inventories of merchandise and supplies	1,480	1,427
Other current assets	35,458	34,280
Allowance for doubtful accounts	(3,870)	(4,246)
Total Current Assets	719,738	629,426
Fixed Assets:		
Property and Equipment:	96,103	92,046
Intangible Fixed Assets:		
Goodwill	3,922	3,079
Other	11,340	9,497
Total Intangible Fixed Assets	15,262	12,576
Total Investments and Other Assets	95,331	88,802
Total Fixed Assets	206,697	193,426
Total Assets	926,435	822,852

	(Units: Millions of yen)	
	End of 3 rd quarter consolidated accounting period (December 31, 2008)	Condensed Consolidated Balance Sheet at the Previous Consolidated Fiscal Year-End (March 31, 2008)
Liabilities		
Current Liabilities:		
Trade notes and accounts payable	609,648	504,514
Short-term bank loans	2,032	468
Income taxes payable	1,603	9,650
Reserves for sales returns	516	541
Accrued bonuses	4,126	9,050
Allowance for directors' bonuses	2	3
Other current liabilities	19,276	9,872
Total Current Liabilities	637,206	534,102
Long-term Liabilities:		
Long-term borrowings	356	487
Liability of employees' retirement benefits	4,681	5,199
Liability for directors' and corporate auditors' retirement benefits	725	645
Other long-term liabilities	8,685	8,060
Total Long-term Liabilities	14,448	14,393
Total Liabilities	651,655	548,495
Net Assets		
Shareholders' Equity:		
Common stock	13,546	13,546
Capital surplus	39,373	39,375
Retained earnings	230,321	231,845
Treasury stock, at cost	(7,677)	(7,663)
Total Shareholders' Equity	275,564	277,103
Revaluation and Translation Difference:		
Net unrealized gain on available for sale securities	2,069	1,150
Land revaluation difference	(7,079)	(6,993)
Total Revaluation and Translation Difference	(5,009)	(5,842)
Minority Interests	4,225	3,096
Total Net Assets	274,780	274,357
Total Liabilities and Net Assets	926,435	822,852

(2) Quarterly Consolidated Statement of Income
3rd quarter consolidated cumulative period

(Units: Millions of yen)

	3 rd quarter consolidated cumulative period (April 1, 2008 to December 31, 2008)
Net Sales	1,238,610
Cost of Sales	1,117,202
Gross Profit	121,408
Reversal of sales returns	541
Provision for sales returns	516
Gross Profit after Adjustment	121,433
Selling, General and Administrative Expenses	110,252
Operating Income	11,181
Non-operating Income:	
Interests income	891
Dividends income	623
Purchase discounts	4,889
Commission for supplying sales data	3,236
Other	1,427
Total Non-Operating Income	11,068
Non-operating Expenses:	
Interest expenses	28
Real estate rental expenses	167
Other	39
Total Non-Operating Expenses	236
Ordinary Income	22,013
Extraordinary Gain:	
Gain on disposal of fixed assets	73
Subsidy income	210
Other	97
Total Extraordinary Profits	381
Extraordinary Loss:	
Loss on retirement and sales of fixed assets	575
Impairment loss	80
Loss on revaluation of inventories	1,485
Loss on revaluation of investment securities	4,245
Special severance payments for retired employees	8,103
Other	358
Total Extraordinary Losses	14,848
Income before Income Taxes and Minority Interests	7,546
Income Taxes	3,590
Minority Interests	419
Net Income	3,537

(3) Consolidated Statements of Cash Flows**(Units: Millions of yen)**

	3 rd quarter consolidated cumulative period (April 1, 2008 to December 31, 2008)
Cash flows from Operating Activities:	
Income before income taxes and minority interests	7,546
Depreciation	5,286
Impairment loss	80
Decrease in allowance for doubtful accounts	(671)
Decrease in liability for employees' retirement benefits	(9,527)
Increase (decrease) in provision for other allowance	(5,095)
Interest and dividend income	(1,514)
Interest expenses	28
Gain on sales of fixed assets (indicates profit)	501
Profit or loss on revaluation of investment securities ((indicates profit)	4,245
Special severance payments for retired employees	8,103
Decrease (increase) in trade receivables	(37,101)
Decrease (increase) in inventories	(25,597)
Increase (decrease) in trade payables	103,366
Other	(19)
Subtotal	49,630
Interest and dividend income received	1,505
Interest expenses paid	(32)
Payment of special severance payment for retired employees	(14)
Income tax paid	(11,069)
Net Cash Provided by (Used in) Operating Activities	40,018
Cash flows from Investing Activities:	
Purchases of marketable securities	(1,490)
Proceeds from redemption of marketable securities	4,596
Purchases of property and equipment	(7,080)
Proceeds from sales of property and equipment	937
Acquisition of intangible fixed assets	(3,377)
Purchase of investment securities	(8,110)
Income due to disposal of investment securities	2,153
Income due to redemption of investment securities	2,000
Expenditure due to the acquisition of subsidiary company shares entailing a change in the scope of consolidation	(1,685)
Other	(136)
Net Cash Used in Investing Activities	(12,194)
Cash flows from Financing Activities:	
Increase (decrease) in short-term borrowings, net	160
Income from long-term loans payable	70
Repayments of long-term borrowings	(415)
Repayment of lease obligations	(24)
Acquisition of treasury stocks	(21)
Proceeds from sales of treasury stocks	6
Dividends paid	(5,122)
Dividends paid to minority shareholders	(29)
Net Cash Used in Financing Activities	(5,377)
Translation Adjustments on Cash and Cash Equivalents	(3)
Net Increase (decrease) in Cash and Cash Equivalents	22,443
Cash and Cash Equivalents, Beginning of Period	103,584
Cash and Cash Equivalents, End of Period	126,028

From the 1st quarter of the consolidated accounting year, the company has applied the “Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards No.12) and the “Guideline for Application of the Accounting Standard for Quarterly Financial Statements” (Corporate Accounting Standards Application Guidelines No.14). In addition, the company is creating quarterly consolidated financial statements in accordance with the “Regulations Concerning Quarterly Consolidated Financial Statements” following their revision due to the provisos of Article 7.1.5 of the Supplementary Provisions of the “Cabinet Office Regulation Revising Part of the Regulations on the Terms, Style and Preparation Methods of Financial Statements, etc” (Cabinet Office Regulation No.50, August 7, 2008).

(4) Notes on the assumption of the company as a going concern

N/A

(5) Segment information

1. Segment information classified according to business type

3rd quarter consolidated cumulative period (April 1, 2008 to December 31, 2008)

(Units: Millions of yen)

	Pharmaceutical Distribution	Pharmaceutical Manufacturing	Health-related service	Total	Deletions or company-wide	Consolidated
Sales						
(1) Sales to external customers	1,183,652	15,710	39,248	1,238,610	-	1,238,610
(2) Internal sales or transfers between segments	11,660	32,339	1,741	45,741	(45,741)	-
Total	1,195,313	48,049	40,989	1,284,351	(45,741)	1,238,610
Operating income or operating loss	4,792	6,220	263	11,276	(95)	11,181

Notes: 1. The Company Group's business categories are divided into pharmaceutical distribution, pharmaceutical manufacturing, and health-related services, in consideration of the similarities of sales methods, business organization and markets/ technologies, etc.

2. The main work in each type of business is as follows.

(1) Pharmaceutical Distribution ... Sale of pharmaceutical products, diagnostic reagents and medical equipment and supplies, etc.

(2) Pharmaceutical Manufacturing ... Manufacture of pharmaceutical products and diagnostic reagents, etc.

(3) Health-related services

Health-related services ... Sale of health-related books, dispatch of clinical trial coordinators, etc.

Medical equipment manufacturing ... Manufacture of biological and physiological test equipment, such as electrocardiographs, blood pressure meters, etc.

Insurance pharmacies ... Preparation of pharmaceutical products based on prescriptions issued by medical institutions

Other ... Insurance agency business, sales of food and other goods, etc.

3. The company has applied the “Accounting Standards for Measurement of Inventories” (Corporate Accounting Standards No.9) since the 1st quarter of the consolidated accounting year.

In association with the application of this standard, operating income in the 3rd quarter consolidated cumulative period has increased ¥1,339 million in the pharmaceutical distribution business and increased ¥3 million in the pharmaceutical manufacturing business in comparison to calculation using the previous method.

2. Segment information classified by location

There were no significant consolidated subsidiaries or branches located in countries or regions outside of Japan during the 3rd quarter consolidated cumulative period and so no matters are recorded here.

3. Overseas sales

Overseas sales were less than 10% of consolidated sales during the 3rd quarter consolidated cumulative period so no matters concerning overseas sales are recorded here.

(6) Notes in cases of significant changes in the value of shareholders' equity

N/A

[Reference]**1. Financial Statements, etc., for the Same Quarter of the Previous Year****(1) 3rd Quarter Consolidated Cumulative Profit and Loss Statement**

(Units: Millions of yen)

	Previous 3 rd quarter consolidated cumulative accounting period (April 1, 2007 to December 31, 2007)
Net Sales	1,205,166
Cost of Sales	1,084,694
Gross Profit	120,471
Reversal of sales returns	529
Provision for sales returns	490
Gross Profit after Adjustment	120,510
Selling, General and Administrative Expenses	104,440
Operating Income	16,070
Non-operating Income:	
Interests income	688
Dividends income	530
Purchase discounts	4,686
Commission for supplying sales data	3,234
Other	1,624
Total Non-Operating Income	10,764
Non-operating Expenses:	
Interest expenses	33
Real estate rental expenses	188
Other	85
Total Non-Operating Expenses	307
Ordinary Income	26,526
Extraordinary Gain:	
Gain on disposal of fixed assets	241
Gain on sale of investment securities	146
Other	606
Total Extraordinary Profits	994
Extraordinary Loss:	
Loss on retirement and sales of fixed assets	262
Loss on revaluation of investment securities	425
Other	233
Total Extraordinary Losses	921
Quarterly income before income taxes and minority interests	26,598
Income Taxes	11,351
Minority Interests	207
Quarterly net income	15,039

(2) Consolidated Cash-flow Statement

(Units: Millions of yen)

	Previous 3 rd quarter consolidated cumulative accounting period (April 1, 2007 to December 31, 2007)
Cash flows from Operating Activities:	
Interim net income before income taxes and minority interests	26,598
Depreciation	4,732
Impairment loss	29
Decrease in allowance for doubtful accounts	(186)
Decrease in liability for employees' retirement benefits	(580)
Increase (decrease) in provision for other allowance	(4,649)
Interest and dividend income	(1,218)
Interest expenses	33
Gain on disposal of fixed assets	(241)
Gain on sale of investment securities	(146)
Loss on retirement and sales of fixed assets	262
Loss on revaluation of investment securities	425
Special severance payments for retired employees	24
Decrease (increase) in trade receivables	(54,410)
Decrease (increase) in inventories	(23,231)
Decrease (increase) in purchase rebates receivable	(2,408)
Increase (decrease) in trade payables	79,125
Other	(1,278)
Subtotal	22,880
Interest and dividend income received	1,184
Interest expenses paid	(33)
Payment of special severance payments for retired employees	(32)
Income tax paid	(13,812)
Net Cash Provided by (Used in) Operating Activities	10,186
Cash flows from Investing Activities:	
Expenditures due to the deposit of fixed deposits	(2,901)
Income due to the withdrawal of fixed deposits	12,876
Purchases of marketable securities	(2,391)
Income due to the redemption of marketable securities	3,603
Purchases of property and equipment	(7,418)
Proceeds from sales of property and equipment	568
Acquisition of intangible fixed assets	(2,633)
Purchase of investment securities	(19,740)
Income due to disposal of investment securities	171
Other (net value)	(572)
Net Cash Used in Investing Activities	(18,438)
Cash flows from Financing Activities:	
Increase (decrease) in short-term borrowings, net (decrease)	(30)
Repayments of long-term borrowings	(667)
Acquisition of treasury stocks	(7,574)
Proceeds from sales of treasury stocks	1
Payment of dividends by parent company	(4,347)
Dividends paid to minority shareholders	(12)
Net Cash Used in Financing Activities	(12,631)
Translation Adjustments on Cash and Cash Equivalents	(0)
Net Increase (decrease) in Cash and Cash Equivalents	(20,884)
Cash and Cash Equivalents, Beginning of Period	153,411
Balance of cash and cash equivalents, end of quarter	132,527

(3) Segment Information

1. Segment information classified according to business type

Previous 3rd quarter consolidated cumulative accounting period (April 1, 2007 to December 31, 2007) (Units: Millions of yen)

	Pharmaceutical Distribution	Pharmaceutical Manufacturing	Health-related service	Total	Deletions or company-wide	Consolidated
Sales						
(1) Sales to external customers	1,163,358	13,614	28,193	1,205,166	-	1,205,166
(2) Internal sales or transfers between segments	8,923	28,641	1,810	39,374	(39,374)	-
Total	1,172,281	42,255	30,003	1,244,540	(39,374)	1,205,166
Operating income	12,399	3,129	359	15,888	181	16,070

Notes: 1. The Company Group's business categories are divided into pharmaceutical distribution, pharmaceutical manufacturing, and health-related services, in consideration of the similarities of sales methods, business organization and markets/ technologies, etc.

2. The main work in each type of business is as follows.

(1) Pharmaceutical Distribution ... Sale of pharmaceutical products, diagnostic reagents and medical equipment and supplies, etc.

(2) Pharmaceutical Manufacturing ... Manufacture of pharmaceutical products and diagnostic reagents, etc.

(3) Health-related services

Health-related services ... Sale of health-related books, dispatch of clinical trial coordinators, etc.

Medical equipment manufacturing ... Manufacture of biological and physiological test equipment, such as electrocardiographs, blood pressure meters, etc.

Insurance pharmacies ... Preparation of pharmaceutical products based on prescriptions issued by medical institutions

Other ... Insurance agency business, sales of food and other goods, etc.

2. Segment information classified by location

There were no significant consolidated subsidiaries or branches located in countries or regions outside of Japan during Previous 3rd quarter consolidated cumulative accounting period and so no matters are recorded here.

3. Overseas sales

Overseas sales were less than 10% of consolidated sales during Previous 3rd quarter consolidated cumulative accounting period so no matters concerning overseas sales are recorded here.

2. Quarterly Non-consolidated Financial Statements**(1) Quarterly Balance Sheet**

	End of this 3 rd quarter accounting period (December 31, 2008)	Condensed balance sheet pertaining to the end of the previous fiscal year (March 31, 2008)
(Units: Millions of yen)		
Assets		
Current Assets:		
Cash and cash equivalents	90,635	72,761
Trade notes and accounts receivable	408,461	367,229
Marketable securities	12,277	12,785
Merchandises and products	88,214	71,902
Products in process	150	84
Raw materials and inventories of merchandise and supplies	358	359
Other current assets	26,798	26,540
Allowance for doubtful accounts	(3,092)	(3,419)
Total Current Assets	623,804	548,243
Fixed Assets:		
Property and Equipment:	58,159	55,451
Intangible Fixed Assets:	9,798	8,075
Total Investments and Other Assets	137,393	128,843
Total Fixed Assets	205,351	192,370
Total Assets	829,156	740,614
Liabilities		
Current Liabilities:		
Trade notes and accounts payable	563,947	471,150
Income taxes payable	92	6,818
Reserves for sales returns	386	416
Accrued bonuses	2,274	5,619
Other current liabilities	24,977	15,489
Total Current Liabilities	591,679	499,494
Long-term Liabilities:	6,661	6,093
Total Liabilities	598,340	505,587
Net Assets		
Shareholders' Equity:		
Common stock	13,546	13,546
Capital surplus	40,989	40,991
Retained earnings	189,312	194,315
Treasury stock, at cost	(7,677)	(7,663)
Total Shareholders' Equity	236,170	241,188
Revaluation and Translation Difference:		
Net unrealized gain on available for sale securities	1,724	831
Land revaluation difference	(7,079)	(6,993)
Total Revaluation and Translation Difference	(5,354)	(6,162)
Total Net Assets	230,816	235,026
Total Liabilities and Net Assets	829,156	740,614

(2) Quarterly Profit and Loss Statement

(Units: Millions of yen)

	Previous 3 rd Quarter cumulative period (April 1, 2007 to December 31, 2007)	This 3 rd quarter cumulative period (April 1, 2008 to December 31, 2008)
Net Sales	1,060,304	1,094,088
Cost of Sales	989,425	1,027,653
Gross Profit	70,879	66,434
Reversal of sales returns	412	416
Provision for sales returns	376	386
Gross Profit after Adjustment	70,915	66,464
Selling, General and Administrative Expenses	62,012	63,468
Operating Income	8,902	2,996
Non-operating Income:		
Interests income	770	1,018
Dividends income	1,011	1,382
Purchase discounts	4,577	4,780
Commission for supplying sales data	2,518	2,508
Other	1,250	1,111
Total Non-Operating Income	10,128	10,800
Non-operating Expenses:		
Interest expenses	22	31
Sales discounts	726	737
Other	164	125
Total Non-Operating Expenses	912	895
Ordinary Income	18,118	12,901
Extraordinary Gain:		
Gain on disposal of fixed assets	197	24
Reversal of allowance for doubtful accounts	100	241
Other	197	26
Total Extraordinary Profits	494	292
Extraordinary Loss:		
Loss on retirement and sales of fixed assets	122	132
Impairment loss	-	73
Loss on revaluation of inventories	-	937
Loss on revaluation of investment securities	408	4,169
Special severance payments for retired employees	-	8,088
Other	5	110
Total Extraordinary Losses	535	13,512
Quarterly net income before taxes or quarterly net loss (-) before taxes	18,077	(317)
Income Taxes	7,277	(376)
Quarterly net income	10,799	58

* The quarterly non-consolidated financial statements above are not subject to quarterly review.

The company prepares quarterly non-consolidated financial statements based on the regulations, etc., for quarterly financial statements.

6. Other Information

Reference data

Comparison against same quarter in previous year: Condensed consolidated profit and loss statement

(Units: Millions of yen)

Account item	Term	Previous 3 rd quarter consolidated cumulative accounting period April 1, 2007 to December 31, 2007		This 3 rd quarter consolidated cumulative accounting period April 1, 2008 to December 31, 2008		Difference (Current period against same period in previous year)		Full term (forecast) April 1, 2008 to March 31, 2009	
		Value	Percentage	Value	Percentage	Value	Percentage change	Value	Percentage
Net Sales		1,205,166	100.0	1,238,610	100.0	33,444	2.8	1,650,000	100.0
Cost of Sales		1,084,694	90.0	1,117,202	90.2	32,507	3.0	1,487,800	90.2
Gross Profit		120,471	10.0	121,408	9.8	936	0.8	162,200	9.8
Provision for sales returns		(38)	(0.0)	(25)	(0.0)	13	-	-	-
Gross Profit after Adjustment		120,510	10.0	121,433	9.8	923	0.8	162,200	9.8
Selling, General and Administrative Expenses		104,440	8.7	110,252	8.9	5,812	5.6	148,500	9.0
Operating Income		16,070	1.3	11,181	0.9	(4,888)	(30.4)	13,700	0.8
Non-operating Income:		10,764	0.9	11,068	0.9	304	2.8	14,300	0.9
Non-operating Expenses:		307	0.0	236	0.0	(71)	(23.3)	400	0.0
Ordinary Income		26,526	2.2	22,013	1.8	(4,513)	(17.0)	27,600	1.7
Extraordinary Gain:		994	0.1	381	0.0	(612)	(61.6)	500	0.0
Extraordinary Loss:		921	0.1	14,848	1.2	13,926	-	15,000	0.9
Quarterly (current) income before income taxes and minority interests		26,598	2.2	7,546	0.6	(19,051)	(71.6)	13,100	0.8
Income Taxes		11,351	0.9	3,590	0.3	(7,761)	(68.4)	5,600	0.4
Minority Interests		207	0.0	419	0.0	211	101.8	500	0.0
Quarterly (current) net income		15,039	1.3	3,537	0.3	(11,501)	(76.5)	7,000	0.4

Comparison against same quarter in previous year: Condensed non-consolidated profit and loss statement

(Units: Millions of yen)

Account item	Term	Previous 3 rd quarter consolidated cumulative accounting period April 1, 2007 to December 31, 2007		This 3 rd quarter consolidated cumulative accounting period April 1, 2008 to December 31, 2008		Difference (Current period against same period in previous year)		Full term (forecast) April 1, 2008 to March 31, 2009	
		Value	Percentage	Value	Percentage	Value	Percentage change	Value	Percentage
Net Sales		1,060,304	100.0	1,094,088	100.0	33,783	3.2	1,446,300	100.0
Cost of Sales		989,425	93.3	1,027,653	93.9	38,228	3.9	1,357,500	93.9
Gross Profit		70,879	6.7	66,434	6.1	(4,444)	(6.3)	88,800	6.1
Provision for sales returns		(36)	(0.0)	(30)	(0.0)	5	-	-	-
Gross Profit after Adjustment		70,915	6.7	66,464	6.1	(4,450)	(6.3)	88,800	6.1
Selling, General and Administrative Expenses		62,012	5.9	63,468	5.8	1,455	2.3	84,600	5.8
Operating Income		8,902	0.8	2,996	0.3	(5,906)	(66.3)	4,200	0.3
Non-operating Income:		10,128	1.0	10,800	1.0	672	6.6	13,850	1.0
Non-operating Expenses:		912	0.1	895	0.1	(17)	(1.9)	1,250	0.1
Ordinary Income		18,118	1.7	12,901	1.2	(5,216)	(28.8)	16,800	1.2
Extraordinary Gain:		494	0.1	292	0.0	(201)	(40.8)	330	0.0
Extraordinary Loss:		535	0.1	13,512	1.2	12,976	-	13,530	0.9
Quarterly net income (current period) before taxes or quarterly net loss (-) before taxes		18,077	1.7	(317)	(0.0)	(18,395)	-	3,600	0.3
Income Taxes		7,277	0.7	(376)	(0.0)	(7,654)	-	1,300	0.1
Quarterly (current) net income		10,799	1.0	58	0.0	(10,741)	(99.5)	2,300	0.2