

October 12, 2007

Suzuken Co., Ltd

Hiroshi Ota, President and CEO

Stock Code: 9987

Securities Traded: First sections of Tokyo and Nagoya Stock Exchanges, Sapporo  
Stock Exchange

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### **Suzuken Announces the Conclusion of the Basic Agreement Related to the Acquisition of Shares of Jingu Yakuhin KK to Make It a Wholly Owned Subsidiary**

Suzuken Co., Ltd. (hereafter, “Suzuken”) hereby announces it has resolved at its Board of Directors meeting held on this day to make clinical reagent wholesaler Jingu Yakuhin KK (hereafter “Jingu Yakuhin”), a wholly owned subsidiary of Suzuken by acquiring its shares, and has concluded a basic agreement with Jingu Yakuhin to merge businesses. The details of this announcement are as follows.

#### **1. Objective of the acquisition of shares to establish a wholly owned subsidiary**

The business environment of the clinical reagent wholesaling business is currently being influenced by reductions to the remuneration scheme for medical testing which is reassessed every other year. There has been a slight increase in demand for clinical reagents, but there is also increasing pressure for price restraints and intense price competition amongst the industry players resulting from the joint purchasing practices of hospital groups. Because of this, the market trend has been one of continued, slow growth.

Operating in this harsh business environment, Suzuken has reached a decision to further strengthen its business base, particularly in the areas of sales, procurement, and administration. Jingu Yakuhin is a trusted company with a solid business base centered on the hospital market and has been offering detailed and specialized services to customers in Mie Prefecture. Suzuken has decided to combine its business resources, which are centered on the medical private practice market with those of Jingu Yakuhin and a basic agreement relating to this business combination has been concluded.

Moving forward, Suzuken aims to create a synergistic effect from the combination of Suzuken and Jingu Yakuhin and offer higher value added services to customers.

## 2. Overview of Jingu Yakuhin

- (1) Company name: Jingu Yakuhin KK
- (2) Company representative: President and Representative Director Takayoshi Mizota
- (3) Address: 773-8, Oaza-Kongozaka, Meiwa-cho, Taki-gun ,Mie Prefecture
- (4) Founded: June 1937  
Incorporated: May 1980
- (5) Primary business activities: Sales of clinical reagents and clinical testing equipment
- (6) End of fiscal year: October 31
- (7) Number of employees: 19
- (8) Capital: ¥10 million
- (9) Total number of shares issued: 20,000 shares
- (10) Breakdown of shareholders: Takayoshi Mizota (76.05 percentage of the equity held)  
Shige Mizota (17.75 percentage of the equity held)  
Kayoko Mizota (4.25 percentage of the equity held)  
Masaki Mizota (1.95 percentage of the equity held )
- (11) Most recent financial results

Financial results for the fiscal year ended October 2006 (November 1, 2005 to October 31, 2006)	
Net sales:	¥1,412 million
Ordinary income:	¥14 million
Net income:	¥8 million
Total assets:	¥572 million
Net assets:	¥270 million

## 3. Acquisition of shares

- (1) Holders of shares targeted for acquisition  
Suzuken intends to acquire all shares of Jingu Yakuhin which are currently held by Takayoshi Mizota (President and Representative Director of Jingu Yakuhin) and the three other people.
- (2) Number of shares to be acquired and status of owned shares before and after acquisition
- (i) Number of shares held before acquisition: 0 shares (0.0 percentage of the equity held)
- (ii) Number of shares to be acquired: 20,000 shares
- (iii) Number of shares to be held after acquisition: 20,000 shares (100.0 percentage of the equity held)

## 4. Schedule

- Late October, 2007 Conclusion of share transfer agreement (scheduled date)
- November 1, 2007 Date of share transfer (scheduled date)

## **5. Effect on Suzuken's financial results**

This will have an immaterial effect on Suzuken's consolidated financial results.