

July 22, 2008

Suzuken Co., Ltd.

Hiroshi Ota, President and CEO

Stock Code: 9987

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

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### **Suzuken Co., Ltd. Announces a Basic Agreement Aimed at Starting Investigations into a Business Alliance and Share Acquisition**

Suzuken Co., Ltd. (hereinafter referred to as “Suzuken”) hereby announces that it recently concluded a basic agreement, described below, with NIC Corporation (hereinafter referred to as “NIC”) to start investigations into a comprehensive business alliance agreement and the acquisition of shares in Pfercos Co., Ltd. (an ethical pharmacy business; hereinafter referred to as “Pfercos”), a consolidated subsidiary of NIC.

#### **1. The purpose of the business alliance**

Suzuken is focused on the “establishment of a medical distribution platform” as its medium-term vision and is aiming to be of service to all healthcare-related people by taking on functions across the whole of medical distribution, from pharmaceutical companies to medical facilities and insurance pharmacies and even to patients themselves.

NIC provides good quality, uniform services through its healthcare and welfare-related business operations, and is aiming to contribute to the improvement of healthcare and welfare in regional society.

The business environment surrounding the two companies is facing a period of great transformation, including changes in medical insurance and tight financial conditions against the backdrop of an ever declining birthrate and growing proportion of elderly people and changes in the disease structure.

Also, further improvements in the streamlining of management and the quality of healthcare are being called for at medical facilities and insurance pharmacies, while patients and caregivers are demanding higher levels of service.

In such an environment, both companies are aware of their need for mutual use of the management resources and knowhow that both have accumulated to this point in order to respond promptly to the new functions

that are being demanded of them under their common ethos of making “further contributions to healthcare, welfare, and health”, and have decided to enter into a comprehensive business alliance, including research and cooperation in operations related to healthcare and welfare, and information exchange related to governmental authorities and the healthcare and welfare industries.

2. The agreement to investigate the acquisition of shares

Both companies think that it is necessary, through the ethical pharmacy business, to fuse their business infrastructure and business operation knowhow and aim at total optimization in healthcare distribution in order to further improve the quality of healthcare and the level of satisfaction of patients, and contribute more to regional society. Both companies have agreed to hold discussions aimed at having Suzuken acquire shares in Pfercos currently owned by NIC and make it into a subsidiary.

3. The number of shares to be acquired and the timing and method, etc., for their acquisition

The number of shares to be acquired and the timing and method, etc., for their acquisition have not been determined at the present stage, but an announcement will be made as soon as a decision is made following serious investigations between both companies.

4. Overview of the companies involved

(As of March 31, 2008)

(1) Company name	Suzuken Co., Ltd.	NIC Corporation	Pfercos Co., Ltd.
(2) Description of business	Wholesaling of ethical drugs, etc.	Medicine-related contract business, educational business, welfare business	Ethical pharmacy business
(3) Date of establishment	August 10, 1946	October 2, 1968	February 2, 1993
(4) Head office address	8 Higashi Kataha-machi Higashi-ku, Nagoya	3-2 Kanda Sakuma-cho, Chiyoda-ku, Tokyo	2 <sup>nd</sup> Fl., Murataya Bldg, 68 Kanda Neribeicho, Chiyoda-ku, Tokyo
(5) Representative	Hiroshi Ota, President and CEO	Osamu Tsuchiya, President and CEO	Mitsuaki Shimada, President and CEO
(6) Capital	¥13,546 million	¥6,184 million	¥382 million
(7) Number of outstanding shares	93,949,167 shares	12,400,689 shares (Note)	6,550 shares

(8) Number of employees	4,615	11,244	523
(9) Main shareholders and shareholding ratios	Japan Trustee Services Bank, Ltd. (Shionogi & Co., Ltd., retirement benefit trust account re-entrusted by Sumitomo Trust and Banking Co., Ltd.) 5.74%, Japan Trustee Services Bank, Ltd. (Trust account) 4.73% Citibank Singapore Barclays Bank (Suisse) SA 4.59%	Katsuyoshi Niimura 9.82% Meiji Yasuda Life Insurance Company 7.64% Kenshoh Co., Ltd 7.12%	NIC Corporation 82.44%

(Note) NIC carried out a 1-for-2 share split of common shares in April 1, 2008, based on a resolution of the Meeting of the Board of Directors held on February 21, 2008. By doing so, the number of outstanding shares in the company as of April 1, 2008 doubled to 24,801,378 shares.

#### 5. Consolidated results outlook

The impact on consolidated results for the period ending March 2009 in association with the matters described above will be announced as soon as the decision on the share acquisition, etc., has been made officially and the details become clear.