



Consolidated Financial Statement of the Fiscal Year Ending March 31, 2009

May 8, 2009

SUZUKEN CO., LTD

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Stock Exchange Listings: Tokyo, Nagoya, Sapporo

Stock Code: 9987

Planned Date of General Meeting of Shareholders: June 26, 2009

Planned Date of Filing of Annual Securities Report: June 26, 2009

Scheduled Date for Commencement of Dividend Payments: June 5, 2009

1. Results for Fiscal Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(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, 2009	1,641,331	3.4	14,680	(36.9)	28,811	(22.5)
Year ended March 31, 2008	1,586,596	9.1	23,250	26.3	37,155	15.7

	Net income		Net income per share Basic	Net income per share Diluted
	Millions of yen	%	Yen	Yen
Year ended March 31, 2009	7,072	(66.8)	77.10	-
Year ended March 31, 2008	21,327	20.5	230.49	-

	Return on equity		Return on assets		Operating income on sales
		%		%	%
Year ended March 31, 2009		2.6		3.5	0.9
Year ended March 31, 2008		7.9		4.4	1.5

Reference: Profit or loss by equity method: As of March 31, 2009 ¥ - million As of March 31, 2008 ¥ - 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
Year ended March 31, 2009	828,515	270,854	32.2	2,961.98
Year ended March 31, 2008	822,852	274,357	33.0	2,951.19

Reference: Shareholders' equity: As of March 31, 2009 ¥266,523 million As of March 31, 2008 ¥271,261 million

(3) Consolidated Cash Flows

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

	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, 2009	(4,583)	(15,454)	(10,526)	73,017
Year ended March 31, 2008	(16,118)	(21,017)	(12,689)	103,584

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	-	31.00	62.00
Year ended March 31, 2010 (Forecast)	-	31.00	-	31.00	62.00

(Record Date)	Total dividends (Annual)	Payout ratio (Consolidated)	Dividends per net assets (Consolidated)
		Millions of yen	%
Year ended March 31, 2008	4,595	21.7	1.7
Year ended March 31, 2009	5,638	80.4	2.1
Year ended March 31, 2010 (Forecast)		42.9	

3. Forecasts for the Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(% 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	832,500	4.6	2,700	(58.2)	9,600	(28.6)	5,300	8.5	58.90
Full year	1,720,000	4.8	9,600	(34.6)	23,400	(18.8)	13,000	83.8	144.47

4. Other

(1) Significant changes in subsidiaries (change in specified subsidiaries resulting in changes in the scope of consolidation):
None

(2) Change in accounting policies, procedures and methods of presentation concerning the preparation of consolidated financial statements (Matters described under changes to the “Summary of Significant Accounting Policies for the Preparation of Consolidated Financial Statements”)

i. Changes resulting from amendments to accounting standards: Yes

ii. Changes other than i above: None

Note: For details, please refer to [Summary of Significant Accounting Policies for the Preparation of Consolidated Financial Statements] on page 19.

(3) Number of shares outstanding (Common share)

i Number of shares outstanding at the year-end (including treasury shares)

March 31, 2009 93,949,167 shares March 31, 2008 93,949,167 shares

ii Number of treasury shares at the year-end

March 31, 2009 3,967,415 shares March 31, 2008 2,033,363 shares

Note: Please refer to P.29 [Per Share Data] for the number of shares used as the basis for calculating current net income per share (consolidated).

[Reference] Overview of Non-consolidated Results of Operations**1. Overview of Non-consolidated Financial Results for the Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)****(1) Non-consolidated Results of Operations**

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2009	1,443,457	3.8	4,293	(69.8)	17,061	(35.0)	2,284	(85.6)
Year ended March 31, 2008	1,390,754	5.7	14,210	2.1	26,247	1.6	15,825	5.8

	Net income per share Basic	Net income per share Diluted
	Yen	Yen
Year ended March 31, 2009	24.90	-
Year ended March 31, 2008	171.03	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2009	740,800	225,932	30.5	2,510.87
Year ended March 31, 2008	740,614	235,026	31.7	2,556.98

Reference: Shareholders' equity: As of March 31, 2009 ¥225,932 million As of March 31, 2008 ¥235,026 million

2. Non-consolidated Forecasts for the Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(% 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	723,400	3.0	(600)	-	5,800	(29.9)	3,400	(0.2)	37.79
Full-year	1,501,000	4.0	1,000	(76.7)	13,500	(20.9)	8,000	250.3	88.91

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

* The above statements about the future, including earnings forecasts 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.

For details concerning the above forecasts, please refer to pages 4-7 of the attached documentation.

1. Business Performance

(1) Analysis of Business Performance

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

	Year ended March 31, 2008	Year ended March 31, 2009	Change (%)
Net sales	1,586,596	1,641,331	3.4
Operating income	23,250	14,680	(36.9)
Ordinary income	37,155	28,811	(22.5)
Net income	21,327	7,072	(66.8)
Net income per share Basic	¥230.49	¥77.10	(66.5)

[Outline of Performance in Fiscal Year under Review]

In the fiscal year ending March 31, 2009, conditions in the Japanese economy deteriorated as a result of falling corporate capital expenditure and personal consumption, caused by a perceived excess in employment and facilities in response to fears about a worsening global financial crises and deteriorating economic conditions, and the impact of major fluctuations in the stock markets and exchange rates.

However, in the ethical pharmaceuticals market, it is estimated that the market grew slightly as a result of the advance of an aging society, and an expansion in markets for medicines to treat lifestyle-related diseases and anti-cancer drugs, in addition to outbreaks of influenza and hay fever, despite an average decrease of 5.2% in the National Health Insurance Drugs Price Standard in April 2008 and limited medical consultations as a result of concerns about Medical-care system for the elderly of latter term.

In the Japanese pharmaceutical industry, manufacturers, wholesalers, medical institutions and health insurance pharmacies have worked together to improve the distribution of pharmaceutical products in response to “the urgent proposals” of the “Council for Improvement of the Distribution of Ethical Drugs”. This has resulted in certain improvements in the targeted areas of “the improvement of long-term non-conclusion of agreements and shipments with provisional invoice prices”, and “the improvement of aggregated transactions”. However, in the area of “the improvement of negative primary sales differentials”, improvements were not achieved by the industry as a whole because of growing competition from wholesalers. This performance was replicated by the Suzuken Group.

In terms of business management, the Group has established an “All-Member Sales” strategy focused on the needs of the customer, and has promoted quality improvements in both sales and logistic functions at the same time as promoting low-cost management through the transfer of company employees to logistics subsidiaries and Shoyaku Co., Ltd., which has an operational base located in Kyushu, as we aim to achieve the position of “No.1 in Customer Satisfaction”. As part of the goal of the “Establishment of a Medical Distribution Platform” contained in the Medium Term Business Vision, we have made preparations to establish specialist departments and specialist representatives to strengthen our distribution platform for health foods.

Concerning operations, we have worked hard to raise levels of service through strengthening the MS function (medical supply wholesaling sales representatives) by implementing an “All Employee Meeting” for employees of all ranks under the “All-Member Sales” strategy by hiring temporary workers with sales responsibilities as full-time employees, and by introducing new sales support systems to form the core for information functions.

Concerning logistics, as we aim to realize an optimum logistics service system that can bring about high quality logistics at low cost, we have promoted the concentration of logistics management functions in consideration of group synergy and begun to build a distribution center in Fukuoka (SILC Distribution Center), which will cover the area around Kitakyushu, in order to create a logistics network structure at an early stage.

In the pharmaceutical manufacturing business, we have worked in partnership with MR (medical representatives of pharmaceutical manufacturers) and MS representatives at Sanwa Kagaku Kenkyusho Co., Ltd. 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, after receiving additional approval of the medicine’s efficacy and advantages as a combined therapy with insulin in December 2008.

In overseas business operations, in March 2008 we established Shanghai Suzuken Huzhong Pharmaceutical Co., Ltd, a Chinese joint venture that runs a distribution business for ethical pharmaceuticals, and worked to improve customer satisfaction levels whilst utilizing the knowhow built up by the Group as a whole in the pharmaceutical distribution business. Moreover, we have supported penetration of the Chinese market by collecting information on the needs of medical workplaces and giving feedback to pharmaceutical manufacturers, in order to become the distributor of choice in the Chinese market.

Through these activities, the Suzuken Group has worked hard to maximize group synergy at the same time as improving the corporate value of Suzuken Group as a “health creator” through the creation of new business.

As a result of the above activities, earnings in the fiscal year ending March 31, 2009 were as follows. Net sales were ¥1,641,331 million (3.4% increase on the precious fiscal year), operating income was ¥ 14,680 million (36.9% decrease on the previous fiscal year), ordinary income was ¥28,811million (22.5% decrease on the previous fiscal year), and net income was ¥ 7,072 million (66.8% decrease on the previous fiscal year).

Overview of performance by business segment

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

		Year ended March 31, 2008	Year ended March 31, 2009	Change (%)
Pharmaceutical Distribution	Net sales	1,541,981	1,580,386	2.5
	Operating income	19,239	6,930	(64.0)
Pharmaceutical Manufacturing	Net sales	54,925	62,318	13.5
	Operating income	3,097	6,419	107.2
Healthcare-related Services	Net sales	41,074	59,219	44.2
	Operating income	559	1,199	114.5

- 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 ¥1,580,386 million (increase of 2.5% in comparison to the previous year). Despite the fact that the company made efforts in price negotiations based on economic rationalization, there were strong price reduction demands from medical institutions, etc., and the gross profit margin declined as a result. Due to this and other factors, operating income finished at ¥6,930 million (decrease of 64.0% 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 ¥62,318 million (13.5% increase in comparison to the previous year) and operating income of ¥6,419 million (107.2% increase in comparison to the previous year).
- iii. In Healthcare-related Services Business, factors such as the October 2008 acquisition of Pfercos Co., Ltd., a company involved in health insurance pharmacy business, contributed to sales of ¥59,219 million (44.2% increase in comparison to the previous year) and operating income of ¥1,199 million (114.5% increase 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.

[Outlook for Year Ending March 31, 2010]

Actual results for fiscal year under review and outlook for the next fiscal year

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

	Year ended March 31, 2009 (Actual)	Year ending March 31, 2010 (Forecast)	Change (%)
Net sales	1,641,331	1,720,000	4.8
Operating income	14,680	9,600	(34.6)
Ordinary income	28,811	23,400	(18.8)
Net income	7,072	13,000	83.8
Net income per share	¥77.10	¥144.47	87.4

In April 2009, a group management philosophy was created to bring together the philosophies of the various companies within the Group, and new steps were made towards achieving group synergy. This increased the sense of unity and integrated strength of Suzuken Group, and improved the Group’s standing in the field of “health creation”.

Modest growth is expected to continue in the ethical pharmaceuticals market as a result of the advance of an aging society, an expansion in the markets for medicines to treat lifestyle-related diseases and anti-cancer drugs, and the effects of new drugs.

The various distribution companies within the Group will continue to develop “nationwide distribution with local roots” and to build our reputation as “No. 1 in sales reliability and the distribution of high-quality products” based on the “All-Member Sales” strategy, as we aim to achieve the status of “No. 1 in Customer Satisfaction” from a position of “learning from our customers”.

In terms of the sales function, we will work to implement thorough reforms through the “All Employee Meeting” as we aim to achieve quality improvements and cost optimization in order to meet the needs of customers. Specifically, in order to respond to the differing needs of hospitals, clinics and health insurance pharmacies as we attempt to increase levels of customer satisfaction, we have implemented reforms to create a more mobile system by dispatching MS staff to each sales route and setting up an “AS Job Grade” to specialize in visiting customers, receiving orders and handling deliveries. Furthermore, we will take advantage of new sales support systems with an improved marketing function and implement more systematic organizational recommendations to customers, at the same time as developing promotions unique to the Suzuken Group.

In terms of the logistics function, we will clarify administrative processes by concentrating logistics management functions and introducing management indices for group integration, and work towards displaying group synergy with the aim of achieving high quality low cost logistics services through the strengthening of optimum logistics networks.

In the pharmaceutical manufacturing business, we will focus on detailing activities with the aim of expanding prescriptions to existing customers and obtaining new customers by clarifying the roles of MR and MS representatives at Sanwa Kagaku Kenkyusho Co., Ltd., information intensification and strengthening of partnership, as a way of developing sales of “Seibule Tablets”, a drug that improves postprandial hyperglycemia in patients with diabetes mellitus.

(2) Analysis of Financial Position

i. The status of assets, liabilities and net assets

(Assets)

Total assets at the end of the fiscal year ended March 31, 2009 increased ¥5,662 million in comparison to the end of the previous consolidated fiscal year to ¥828,515 million. The main causes of this increase were as follows.

Current assets decreased ¥7,532 million in comparison to the end of the previous consolidated fiscal year. This was mainly because cash and cash equivalents decreased ¥27,249 million and purchase rebates receivable decreased ¥2,816 million as a result of changes in the rebate system, despite the fact that trade notes and accounts receivable increased ¥16,459 million along with an increase in sales and inventories increased ¥6,607 million.

Fixed assets increased ¥13,195 million in comparison to the end of the previous consolidated fiscal year. This was mainly because tangible fixed assets rose ¥4,450 million as a result of the acquisition of land for logistics centers, intangible fixed assets rose ¥5,168 million as a result of systems investment, and in advance pension costs rose ¥9,634 million as a result of special contributions to the corporate pension fund, despite the fact that investment securities decreased ¥5,620 million as a result of the sale and redemption of investment trusts and the recording of appraisal losses on investment securities.

(Liabilities)

Total liabilities at the end of the fiscal year ended March 31, 2009 increased ¥9,165 million in comparison to the end of the previous consolidated fiscal year to ¥557,660 million. The main causes for this were as follows.

Current liabilities increased ¥8,398 million in comparison to the end of the previous consolidated fiscal year. This was mainly because of an increase in trade notes and accounts payable of ¥13,730 million due to an increase in purchasing, despite a fall of ¥6,956 million in income taxes payable as a result of a fall in taxable income.

Long-term liabilities increased ¥766 million in comparison to the previous consolidated fiscal year. This was mainly because of a decrease of ¥660 million in the liability for employees' retirement benefits as a result of special contributions to the corporate pension fund and an increase of ¥1,175 million in deferred tax liabilities.

(Net assets)

Total net assets at the end of the fiscal year ended March 31, 2009 decreased ¥3,502 million in comparison to the end of the previous consolidated fiscal year to ¥270,854 million. The main causes were as follows.

Shareholders' equity decreased ¥3,009 million in comparison to the end of the previous consolidated fiscal year. This was mainly because of a decrease of ¥5,147 million in dividends on surpluses and a decrease of ¥5,028 million in treasury stock acquisitions, despite an increase of ¥7,072 million in net income.

Valuation and translation adjustments decreased ¥1,727 million as a result of a decrease in net unrealized gain on available-for-sale securities because of the downturn in the stock markets.

ii. The status of cash flow

Cash and cash equivalents in the consolidated fiscal year ended March 31, 2009 (hereinafter referred to as “Funds”) decreased ¥30,567 million in comparison to the previous consolidated fiscal year to ¥73,017 million. The situation regarding cash flow in the respective activities during the same year was as follows.

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

	Year ended March 31, 2008	Year ended March 31, 2009	Change
Cash flows from operating activities	(16,118)	(4,583)	11,534
Cash flows from investment activities	(21,017)	(15,454)	5,562
Cash flows from financing activities	(12,689)	(10,526)	2,162
Cash and cash equivalents at end of year	103,584	73,017	(30,567)

(Cash flows from operating activities)

Funds spent as a result of operating activities were ¥4,583 million (decrease of ¥ 11,534 million in comparison to the previous fiscal year).

The main causes of this were a decrease of liability of employees' retirement benefits of ¥10,468 million, an increase in trade receivables of ¥13,930 million, an increase of ¥5,587 in inventories and income tax paid of ¥11,775 million, despite income before income taxes and minority interests of ¥13,664 million, depreciation of ¥7,067 million, loss on valuation of investment securities of ¥4,354 million and an increase of ¥11,558 million in trade payables.

(Cash flows from investment activities)

Funds spent as a result of investment activities were ¥15,454 million (decrease of ¥ 5,562 million in comparison to the previous fiscal year).

The main causes of this were expenditure on the acquisition of property and equipment of ¥13,731 million, expenditure on the acquisition of investment securities of ¥10,383 million and expenditure on the acquisition of subsidiaries of ¥2,116 million, despite income of ¥6,300 million from the sale and disposal of marketable securities and income of ¥4,187 million from the sale and disposal of investment securities.

(Cash flows from financing activities)

Funds spent as a result of financing activities were ¥10,526 million (decrease of ¥2,162 million in comparison to the previous fiscal year).

The main causes were ¥5,176 million in dividends paid and ¥5,028 million paid in the acquisition of treasury stock.

In regard to assets, liabilities, net assets and cash flows, only a summary outlook on factors having an important impact on cash flow has been provided because of the large number of variables and uncertain data.

(Cash flows from operating activities)

Income before income taxes and minority interest is forecast to be ¥23,400 million and depreciation is forecast to be ¥8,000 million.

(Cash flows from investment activities)

Capital investment is forecast to be ¥28,000 million.

(Reference) Trends in indices related to cash flows

	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009
Equity ratio (%)	32.5	31.3	33.0	32.2
Equity ratio based on market prices (%)	45.3	45.8	45.8	28.0
Ratio of cash flow to interest-bearing debt (%)	7.9	1.8	-	-
Interest coverage ratio (times)	189.1	3,021.1	-	-

Equity ratio: equity/total assets

Equity ratio based on market prices: total market value of shares/ total assets

Ratio of cash flow to interest-bearing debt: interest bearing debt/ cash flow

Interest coverage ratio: cash flow/ interest payments

(Note 1) All of the above calculations are based on consolidated financial data.

(Note 2) Total market value of shares is calculated by multiplying the market price at the end of the fiscal year by the total number of outstanding shares at the end of the fiscal year (after subtracting treasury stock).

(Note 3) Operating cash flow in the consolidated statement of cash flows is used for "cash flow" above.

(Note 4) Interest-bearing debt includes all liabilities for which interest is paid of the liabilities recorded in consolidated financial statements. Interest paid in the consolidated statements of cash flows is used for "interest payments" above.

(Note 5) Ratio of cash flow to interest-bearing debt and interest coverage ratio are not recorded in the case that operating cash flow is negative.

(3) Basic Policy on Profit-sharing and Dividends in the Previous Fiscal Year and Fiscal Year under Review

The basic policy of the Suzuken Group is to raise the consolidated dividend payout ratio in stages to 30%, based on an ongoing policy of steady dividends, and the Group will aim to increase dividends based on ongoing improvement in business performance.

Concerning the internal reserve, given the difficult conditions currently surrounding the industry, profits are to be shared with an emphasis on strengthening business expansions and the sales and logistics platform in order to obtain a competitive advantage and maintain steady growth.

The basic policy governing dividends on surpluses at the Company is for two annual dividends, an interim dividend and an end-of-year dividend. The Articles of Incorporation stipulate that decisions on dividends shall be based on Article 459 Paragraph 1 of the Companies Act, and that dividends on surpluses may be paid based upon a resolution of the Board of Directors without requiring a resolution of the General Meeting of Shareholders.

Concerning end-of-year dividends for the fiscal year ended March 31, 2009, despite the fact that performance during this period fell below the forecast, it has been decided that, in overall consideration of the amount of surpluses that can be paid in dividends, an end-of-year dividend of 31 yen per share shall be paid as planned. This is 6 yen higher than the end-of-year dividend last year, meaning that total dividends for the full year will be 62 yen per share, or 12 yen higher than last year for the year as a whole.

Concerning next year's dividends, despite the fact that we expect difficult management conditions to continue, the Company plans to pay 62 yen per share for the year as a whole, with the aim of maintaining steady dividend payments to the shareholders.

Acquisitions of treasury stock will be implemented in consideration of the Company's financial position and stock price trends in order to carry out a flexible capital policy that can respond to a changing management environment. 1,927,900 treasury stocks were purchased under a resolution of the Board of Directors passed on February 6, 2009.

2. Status of the Group

The Company and its associates are composed of Suzuken Co., Ltd. (the Company), 59 subsidiaries and 9 affiliated companies. The main business of the group is the sale and manufacture of pharmaceutical products and healthcare-related services.

Details of the business and the status of the Company and its associates in relation to the business are as follows.

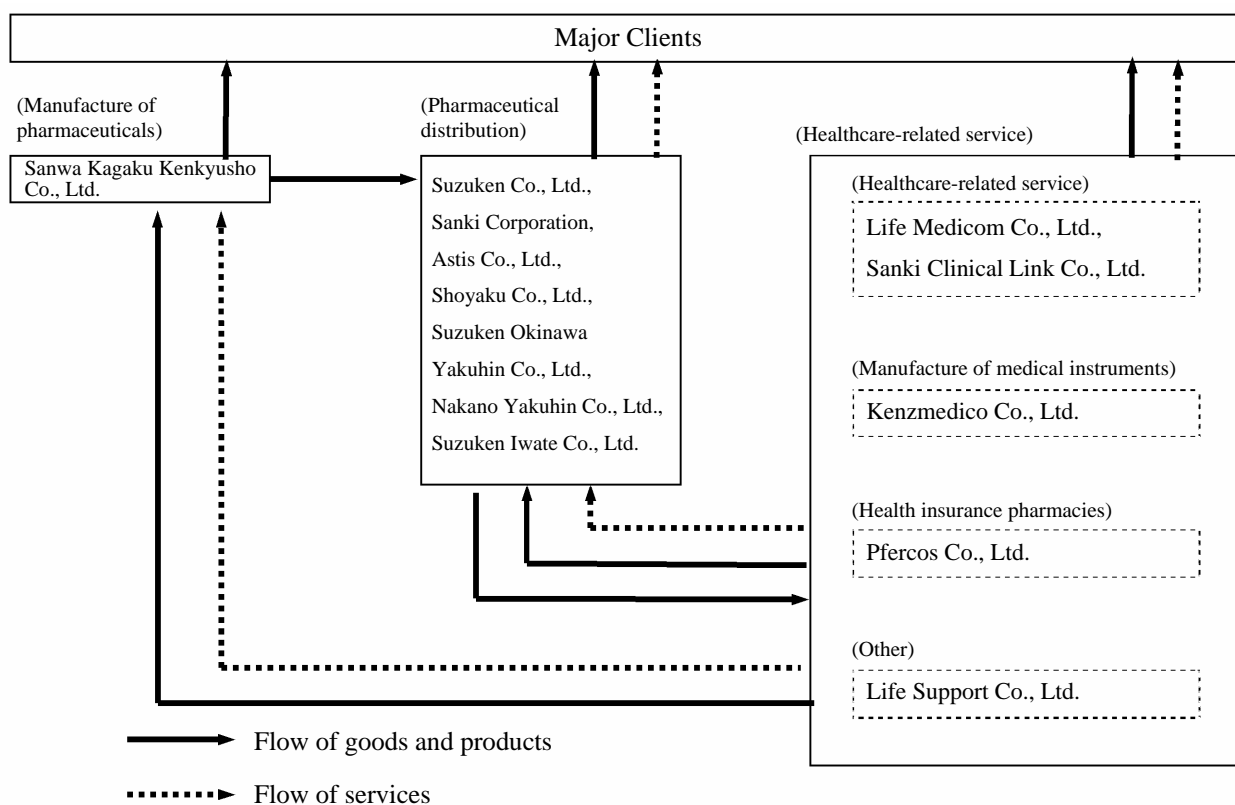
Business segment		Main companies
Pharmaceutical Distribution		Suzuken Co., Ltd., Sanki Corporation, Astis Co., Ltd., Shoyaku Co., Ltd., Suzuken Okinawa Yakuhin Co., Ltd., Nakano Yakuhin Co., Ltd., Suzuken Iwate Co., Ltd.
Pharmaceutical Manufacturing		Sanwa Kagaku Kenkyusho Co., Ltd.
Healthcare-related services	Healthcare-related services	Life Medicom Co., Ltd., Sanki Clinical Link Co., Ltd.
	Manufacture of medical instruments	Kenzmedico Co., Ltd.
	Health insurance pharmacies	Pfercos Co., Ltd.
	Other	Life Support Co., Ltd.

(Notes) 1. Business segments are the same classifications as segment sales results.

2. The main contents of each business segment are as follows.

- (1) Pharmaceutical Distribution business..... sale of pharmaceutical products, diagnostic reagents and medical equipment and supplies
- (2) Pharmaceutical Manufacturing business manufacture of pharmaceutical products and diagnostics reagents
- (3) Healthcare-related services business
 - Healthcare-related services..... sale of healthcare-related literature and the dispatch of clinical research coordinators
 - Manufacture of medical instruments manufacture of biological and physiological measuring equipment, such as electrocardiographic equipment and blood pressure gauges
 - Health insurance pharmacies preparation of drugs based on prescriptions from medical institutions
 - Other insurance agency and the sale of health foods and products

The above information can be displayed in the following systematic business diagram.



Status of Affiliated Companies

Company name	Location	Capital (million yen)	Main contents of business	Percentage of voting rights held	Related information
(Consolidated subsidiary) Sanki Corporation	Nishi Ward, Hiroshima City	1,081	Pharmaceutical Distribution	100.0	Sale of pharmaceuticals in the Chugoku region, in which the Company has yet to develop business Concurrent holding of directors' posts...Yes Capital loan
Astis Co., Ltd.	Matsuyama City, Ehime Prefecture	946	Pharmaceutical Distribution	100.0	Sale of pharmaceuticals in the Shikoku region, in which the Company has yet to develop business Concurrent holding of directors' posts...No Capital loan
Shoyaku Co., Ltd.	Hakata Ward, Fukuoka City	880	Pharmaceutical Distribution	100.0	Sale of pharmaceuticals in the Kyushu region through business merger with the Company Concurrent holding of directors' posts...No Capital loan
Suzuken Okinawa Yakuhin Co., Ltd.	Naha City, Okinawa Prefecture	12	Pharmaceutical Distribution	100.0	Sale of pharmaceuticals in Okinawa Prefecture, in which the Company has yet to develop business Concurrent holding of directors' posts...No
Nakano Yakuhin Co., Ltd.	Utsunomiya City, Tochigi Prefecture	94	Pharmaceutical Distribution	100.0	Sale of pharmaceuticals in Tochigi Prefecture, in which the Company has yet to develop business Concurrent holding of directors' posts...No
Suzuken Iwate Co., Ltd.	Morioka City, Iwate Prefecture	97	Pharmaceutical Distribution	100.0	Sale of pharmaceuticals in Iwate Prefecture, in which the Company has yet to develop business Concurrent holding of directors' posts...No
Sanwa Kagaku Kenkyusho Co., Ltd.	Higashi Ward, Nagoya City	101	Pharmaceutical Manufacturing	90.1	Manufacture of ethical pharmaceuticals sold by the Company Concurrent holding of directors' posts...No
Life Medicom Co., Ltd.	Higashi Ward, Nagoya City	10	Healthcare-related service	100.0	Issue of medical information magazines to medical institution customers of the Company Concurrent holding of directors' posts...No
Sanki Clinical Link Co., Ltd.	Nishi Ward, Hiroshima City	90	Healthcare-related service	100.0 (100.0)	Dispatch of clinical research coordinators to medical institution customers of the Company Concurrent holding of directors' posts...No
Kenzmedico Co., Ltd.	Honjo City, Saitama Prefecture	10	Manufacture of medical instruments	100.0	Manufacture of medical equipment sold by the Company Concurrent holding of directors' posts...No
Pfercos Co., Ltd.	Chiyoda Ward, Tokyo Metropolitan	382	Health insurance pharmacies	58.0	Preparation of ethical pharmaceuticals sold by the Company Concurrent holding of directors' posts...No
Life Support Co., Ltd.	Nakamura Ward, Nagoya City	30	Other	100.0	Goods supply services for hospitals and clinics that are customers of the Company Concurrent holding of directors' posts...No
47 other companies	-	-	-	-	-

(Note) The percentage of voting rights held given in parentheses () refers to the percentage of voting rights held indirectly.

3. Management Policy

(1) Company's Basic Management Policy

The Suzuken Group has established "health creation" as its field of business. We will work hard to increase long term corporate value as we aim to achieve the "development of health resources and the global expansion of logistics", rooted in the basic management policies of "customer-oriented management" that can meet the needs of our customers and management which respects the human nature of our employees and in which "all employees participate".

Based on these management policies, we will invest managerial resources with a focus on our core business of pharmaceutical distribution, as well as healthcare-related businesses that can contribute to the profitability of our core business.

(2) Targeted Management Indices

The Suzuken Group has formulated a three year Medium-term Business Plan for the three years from the fiscal year ended March 31, 2009 to the fiscal year ending March 31, 2011. After setting a consolidated management target for the fiscal year ending March 31, 2011 of consolidated net sales of 2 trillion yen and consolidated ROE of 10%, we are currently reformulating the Medium-term Business Plan in the light of changes to the environment surrounding the pharmaceutical distribution business.

(3) Company's Medium-term Management Strategy and Future Challenges

Difficult conditions are expected to continue in the environment surrounding Japanese healthcare, with pressure from reforms of the social welfare system, such as the healthcare system for the elderly, the insurance system for public healthcare and nursing and the pension system, against a background of tighter finances in healthcare and nursing insurance as a result of the lower birthrate and aging society.

The ethical pharmaceuticals market is expected to see modest growth as a result of the advance of an aging society, an expansion in the markets for medicines to treat lifestyle-related diseases and anti-cancer drugs, and the effects of new drugs, despite the development of a variety of medical cost-cutting measures in the medium to long term. Moreover, changes to the public insurance system and changes to market needs are expected to create new business opportunities.

Under these circumstances, the Suzuken Group has formulated the management philosophy and message "Design Your Smile – Creating Health through the Suzuken Group", in the hope of bringing a smile to everyone involved with the Suzuken Group. The various distribution companies within the Group will continue to develop "nationwide distribution with local roots" from a perspective of "learning from our customers". We will improve the Suzuken Group's standing in the field of "health creation" by increasing our sense of unity and integrated strength and combining the wisdom of all companies within the Group, as well as providing wide-ranging value that could not be obtained by a wholesale group on its own.

Under the Group management philosophy, we are working hard on the measures contained in the Medium-term Business Plan beginning in fiscal 2008 as we seek to realize our medium-term vision of "establishing a medical distribution platform" and "becoming the best partner for medicine and health". In terms of new measures, we are working to develop a "medical distribution platform" that can undertake a general distribution function to serve manufacturers, medical institutions and patients alike, through initiatives such as the reorganization of the distribution function for health foods.

As a group that has established its business field as "health creation", Suzuken Group will work to "maximize customer satisfaction" and improve the Group's corporate value through the above measures.

(Pharmaceutical Distribution)

The Suzuken Group will work to enhance our role in society by developing into a "nationwide distributor with local roots". We will also work to obtain the No.1 nationwide share in the market by integrating the sales and logistics functions in addition to carrying out mergers and strengthening partnerships with the various distribution companies within the Group, and by increasing group synergy at the same time as looking towards new mergers and acquisitions. We will also work to reform our sales and logistics systems under our "All-Member Sales" strategy, which targets all employees, as we aim to meet the needs of diverse and individual medical institution customers

In operations, we will work to improvement customer satisfaction by identifying changing customer needs and implementing the phased development of new sales support systems with developed marketing functions.

In logistics, we will work on initiatives to promote streamlining of the nationwide logistics function through traceability, including industry-leading lot number and valid period management, and improvements to inventory reductions and out of stock rates, at the same time as establishing both higher quality logistics and low cost management.

We will continue with preparations for Kanagawa Distribution Center and Chiba Distribution Center to go into operation in 2010, with the aim of the early realization of a logistics network founded on the construction of nine distribution centers nationwide, and eight product centers to take responsibility for their functioning. At the same time, we will work to put our seventh base into operation by the second half of 2010 (the SILC Distribution Center, a distribution center in Fukuoka which will cover the area around Kitakyushu). Through these initiatives, we aim to achieve higher standards of reliability in our distribution services.

(Pharmaceutical Manufacturing)

In the Pharmaceutical Manufacturing Business, under the Medium-term Business Plan we aim to “strengthen our position as the best partner in diabetes treatment”, and support disease management in terms of prevention, diagnosis, treatment and convalescence and nursing in diabetes and associated fields as we display integrated strength in the three areas of “pharmaceuticals”, “diagnostic reagents” and “nutrition”. Moreover, we will work to build a sales platform through integrated strength and Group synergy in five areas in total, also including “commissioned manufacturing” and “new tablet technology OSDrC” (One-Step Dry-Coating).

We have set out the following three priority challenges in order to achieve the above goals: “rebuilding strategies and establishing a platform for growth, with diabetes and related complications as the core field”, “secondary structural improvements in each field of business”, and “the development and strengthening of human resources”.

We will work towards the early achievement of total annual sales of 30 billion yen for core product “Seibule Tablets”. In the area of structural improvements, we will optimize resource distribution as well as strengthening the competitiveness of our strategic alliances and challenging for new business by expanding our market share and reforming the profit structure with the aim of maximizing profits.

In “post-Seibule” initiatives, we aim to receive accreditation for new hypoglycemic agent SK-0403 by 2013 with a view to developing a combined preparation for Seibule and SK-0403, at the same time as confirming the usefulness of concomitant use of Seibule Tablets with Incretin-related preparations.

(New Business)

In new business, we will develop new profitable business such as business to support effective and efficient management at medical institutions, health insurance pharmacies and pharmaceutical manufacturers, and business to support the prevention, diagnosis and treatment of lifestyle diseases.

In the development of capsule endoscopy business, we will provide opportunities for information exchange, such as image interpretation seminars in various regions of Japan and the inauguration of a study-group for issues related to diseases of the small intestine that can contribute to local partnerships with a focus on infrastructure in each region. Furthermore, we will work to develop sales systems through increased numbers of sales specialists and partnerships with medical equipment representatives. In order to improve customer service, we will also set up a “Pillcam (capsule endoscopy) Interpretation Support Center” to provide support for the interpretation of images taken using capsule endoscopy, and work towards market expansion.

In clinical research support business (cardiac toxicity), we have taken on cardiac toxicity evaluation trials for Japanese-owned pharmaceutical manufacturers since entering business in 2005. Furthermore, as part of our response to the globalization of pharmaceutical manufacturers, in September 2008, we entered into a business alliance contract with American company Medifacts International, Inc., which has broad experience of submitting data to the American Food and Drug Administration (FDA). In the future, we plan to strengthen our support systems, not only for testing within Japan, but also for clinical testing of items for global development.

In overseas business, in response to the changing environment in China, such as reforms to the healthcare system, we will work towards expanding new sales routes by strengthening the sales platform for clients of Shanghai Suzuken Huzhong Pharmaceutical Co., Ltd, a joint venture that runs a distribution business for ethical pharmaceuticals, particularly in the cities of Shanghai and Tsingtao (East China Region). In order to become the distributor of choice in the Chinese market, in addition to supporting penetration of the Chinese market by providing feedback to pharmaceutical manufacturers on information from medical workplaces, we will display group synergy by strengthening our organization to allow low cost high quality distribution, and contribute to the development of the Chinese medical industry.

4. [Consolidated Financial Statements]**(1) [Consolidated balance sheets]**

(Units: Millions of yen)

	Previous consolidated accounting period (March 31, 2008)	This consolidated accounting period (March 31, 2009)
Assets		
Current Assets		
Cash and cash equivalents	98,090	70,841
Trade notes and accounts receivable	386,423	402,883
Marketable securities	12,785	8,784
Inventories	102,091	-
Merchandises and products	-	104,979
Products in process	-	2,170
Raw materials and inventories of merchandise and supplies	-	1,549
Deferred tax assets	8,346	10,112
Purchase rebates receivable	24,372	21,556
Other current assets	1,561	2,830
Allowance for doubtful accounts	(4,246)	(3,812)
Total Current Assets	629,426	621,893
Property and Equipment		
Tangible Fixed Assets		
Buildings and structures	83,550	86,601
Accumulated depreciation	(45,216)	(47,884)
Buildings and structure (net)	38,334	38,716
Machinery and vehicles	10,935	10,843
Accumulated depreciation	(6,931)	(7,400)
Machinery and vehicles (net)	4,004	3,442
Tools, furniture and fixtures	10,828	11,936
Accumulated depreciation	(8,426)	(9,300)
Tools, furniture and fixtures (net)	2,401	2,635
Land	47,051	49,555
Lease assets	-	467
Accumulated depreciation	-	(130)
Lease assets (net)	-	337
Construction in progress	255	1,809
Total tangible fixed assets	92,046	96,496
Intangible Fixed Assets		
Goodwill	-	4,304
Other	-	13,440
Total Intangible Fixed Assets	12,576	17,745
Total Investments and Other Assets		
Investment securities	62,182	56,562
Long-term loans	788	536
Deferred tax assets	1,323	647
Prepaid pension expenses	12,475	22,109
Other assets	13,774	14,025
Allowance for doubtful accounts	(1,741)	(1,501)
Total investments and other assets	88,802	92,379
Total Fixed Assets	193,426	206,621
Total Assets	822,852	828,515

(Units: Millions of yen)

	Previous consolidated accounting period (March 31, 2008)	This consolidated accounting period (March 31, 2009)
Liabilities		
Current Liabilities:		
Trade notes and accounts payable	504,514	518,244
Short-term bank loans	468	2,119
Lease obligations	-	100
Consumption taxes payable	1,332	536
Income taxes payable	9,650	2,694
Reserves for sales returns	541	486
Accrued bonuses	9,050	7,406
Allowance for directors' bonuses	3	2
Other current liabilities	8,539	10,911
Total Current Liabilities	534,102	542,501
Long-term Liabilities		
Long-term borrowings	487	379
Lease obligations	-	315
Deferred tax liabilities	5,089	6,265
Deferred tax liabilities on revaluations	2,177	2,119
Liability of employees' retirement benefits	5,199	4,539
Liability for directors' and corporate auditors' retirement benefits	645	749
Other long-term liabilities	793	790
Total Long-term Liabilities	14,393	15,159
Total Liabilities	548,495	557,660
Net Assets		
Shareholders' Equity:		
Common stock	13,546	13,546
Capital surplus	39,375	39,373
Retained earnings	231,845	233,856
Treasury stock, at cost	(7,663)	(12,682)
Total Shareholders' Equity	277,103	274,094
Revaluation and Translation Difference		
Net unrealized gain on available for sale securities	1,150	(491)
Land revaluation difference	(6,993)	(7,079)
Total Revaluation and Translation Difference	(5,842)	(7,570)
Minority Interests	3,096	4,330
Total Net Assets	274,357	270,854
Total Liabilities and Net Assets	822,852	828,515

(2) [Consolidated Statements of Income]

(Units: Millions of yen)

	Previous consolidated accounting period (April 1, 2007 - March 31, 2008)	This consolidated accounting period (April 1, 2008 - March 31, 2009)
Net Sales	1,586,596	1,641,331
Cost of Sales	1,422,543	1,479,321
Gross Profit	164,052	162,009
Reversal of sales returns	529	541
Provision for sales returns	542	486
Gross Profit after Adjustment	164,039	162,065
Selling, General and Administrative Expenses	140,788	147,384
Operating Income	23,250	14,680
Non-operating Income:		
Interests income	1,003	1,131
Dividends income	540	629
Purchase discounts	6,204	6,519
Commission for supplying sales data	4,320	4,345
Other	2,240	1,883
Total Non-Operating Income	14,307	14,510
Non-operating Expenses:		
Interest expenses	47	43
Real estate rental expenses	223	228
Other	132	107
Total Non-Operating Expenses	403	379
Ordinary Income	37,155	28,811
Extraordinary Gain:		
Gain on prior period adjustments	405	-
Gain on disposal of fixed assets	214	72
Gain on sale of investment securities	1,413	53
Subsidy income	-	119
Investment returns from anonymous associations	-	63
Other	443	71
Total Extraordinary Profits	2,477	381
Extraordinary Loss:		
Loss on retirement and sales of fixed assets	1,052	680
Impairment loss	43	380
Loss on revaluation of inventories	-	1,485
Loss on revaluation of investment securities	533	4,354
Special severance payments for retired employees	27	8,127
Other	290	500
Total Extraordinary Losses	1,947	15,528
Income before income taxes and minority interest	37,684	13,664
Income taxes	16,187	4,780
Income taxes - deferred	(47)	1,307
Total income taxes	16,139	6,088
Minority Interests	217	502
Net income	21,327	7,072

(3) [Consolidated Statements of Changes in Shareholders' Equity]

(Units: Millions of yen)

	Previous consolidated accounting period (April 1, 2007 - March 31, 2008)	This consolidated accounting period (April 1, 2008 - March 31, 2009)
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	13,546	13,546
Changes during fiscal year		
Total changes during fiscal year	-	-
Balance at end of fiscal year	13,546	13,546
Capital surplus		
Balance at end of previous fiscal year	39,375	39,375
Changes during fiscal year		
Disposal of treasury stock	0	(1)
Total changes during fiscal year	0	(1)
Balance at end of fiscal year	39,375	39,373
Retained earnings		
Balance at end of previous fiscal year	214,779	231,845
Changes during fiscal year		
Dividends on surpluses	(4,364)	(5,147)
Net income	21,327	7,072
Write-off due to land revaluation difference	103	85
Total changes during fiscal year	17,066	2,010
Balance at end of fiscal year	231,845	233,856
Treasury stock		
Balance at end of previous fiscal year	(85)	(7,663)
Changes during fiscal year		
Acquisition of treasury stock	(7,580)	(5,028)
Disposal of treasury stock	2	9
Total changes during fiscal year	(7,578)	(5,018)
Balance at end of fiscal year	(7,663)	(12,682)
Total shareholders' equity		
Balance at end of previous fiscal year	267,615	277,103
Changes during fiscal year		
Dividends on surpluses	(4,364)	(5,147)
Net income	21,327	7,072
Acquisition of treasury shares	(7,580)	(5,028)
Disposal of treasury shares	2	7
Write-off due to land revaluation difference	103	85
Total changes during fiscal year	9,488	(3,009)
Balance at end of fiscal year	277,103	274,094

(Units: Millions of yen)

	Previous consolidated accounting period (April 1, 2007 - March 31, 2008)	This consolidated accounting period (April 1, 2008 - March 31, 2009)
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities		
Balance at end of previous fiscal year	7,660	1,150
Changes during fiscal year		
Changes during fiscal year to items other than shareholders' equity (net)	(6,509)	(1,642)
Total changes during fiscal year	(6,509)	(1,642)
Balance at end of fiscal year	1,150	(491)
Land revaluation difference		
Balance at end of previous fiscal year	(6,890)	(6,993)
Changes during fiscal year		
Changes during fiscal year to items other than shareholders' equity (net)	(103)	(85)
Total changes during fiscal year	(103)	(85)
Balance at end of fiscal year	(6,993)	(7,079)
Total valuation and translation adjustments		
Balance at end of previous fiscal year	769	(5,842)
Changes during fiscal year		
Changes during fiscal year to items other than shareholders' equity (net)	(6,612)	(1,727)
Total changes during fiscal year	(6,612)	(1,727)
Balance at end of fiscal year	(5,842)	(7,570)
Minority interests		
Balance at end of previous fiscal year	2,843	3,096
Changes during fiscal year		
Changes during fiscal year to items other than shareholders' equity (net)	252	1,234
Total changes during fiscal year	252	1,234
Balance at end of fiscal year	3,096	4,330
Total net assets		
Balance at end of previous fiscal year	271,228	274,357
Changes during fiscal year		
Dividends on surpluses	(4,364)	(5,147)
Net income	21,327	7,072
Acquisition of treasury stock	(7,580)	(5,028)
Disposal of treasury stock	2	7
Write-off due to land revaluation difference	103	85
Changes during fiscal year to items other than shareholders' equity (net)	(6,359)	(492)
Total changes during fiscal year	3,128	(3,502)
Balance at end of fiscal year	274,357	270,854

(4) [Consolidated Statements of Cash Flows]

(Units: Millions of yen)

	Previous consolidated accounting period (April 1, 2007 - March 31, 2008)	This consolidated accounting period (April 1, 2008 - March 31, 2009)
Cash flows from Operating Activities:		
Income before income taxes and minority interests	37,684	13,664
Depreciation	6,573	7,067
Impairment loss	43	380
Decrease in allowance for doubtful accounts	(177)	(727)
Decrease in liability for employees' retirement benefits	(748)	(10,468)
Increase (decrease) in provision for other allowance	(131)	(1,823)
Interest and dividend income	(1,543)	(1,761)
Interest expenses	47	43
Gain on sales of fixed assets (indicates profit)	(214)	-
Loss on disposal of fixed assets	1,052	-
Loss (gain) on sale and disposal of fixed assets	-	607
Loss (gain) on sale of investment securities	(1,413)	(11)
Profit or loss on revaluation of investment securities	533	4,354
Special severance payments for retired employees	27	8,127
Decrease (increase) in trade receivables	(17,335)	(13,930)
Decrease (increase) in inventories	4,644	(5,587)
Decrease (increase) in purchase rebates receivable	(1,249)	2,816
Increase (decrease) in trade payables	(34,161)	11,558
Other	1,694	(746)
Subtotal	(4,674)	13,536
Interest and dividend income received	1,541	1,768
Interest expenses paid	(47)	(47)
Settlement packages	1,200	-
Payment of special severance payment for retired employees	(34)	(8,091)
Income tax paid	(14,102)	(11,775)
Net Cash Provided by (Used in) Operating Activities	(16,118)	(4,583)

(Units: Millions of yen)

	Previous consolidated accounting period (April 1, 2007 - March 31, 2008)	This consolidated accounting period (April 1, 2008 - March 31, 2009)
Cash flows from Investing Activities		
Purchase of long-term deposits	(5,867)	(2,719)
Proceeds from long-term deposits	16,093	3,424
Purchases of marketable securities	(2,391)	(1,490)
Proceeds from redemption of marketable securities	4,792	-
Proceeds from sale and disposal of marketable securities	-	6,300
Purchases of property and equipment	(8,698)	(8,500)
Proceeds from sales of property and equipment	639	954
Acquisition of intangible fixed assets	(3,142)	(5,230)
Proceeds from sale of intangible fixed assets	1	1
Purchase of investment securities	(27,078)	(10,383)
Proceeds from sale and disposal of investment securities	7,358	4,187
Expenditure due to the acquisition of subsidiary company shares entailing a change in the scope of consolidation	(758)	(2,116)
Expenditure due to investments in subsidiaries	(2,596)	-
Loan payments	(59)	(284)
Proceeds from the redemption of loans	249	485
Other	439	(83)
Net Cash Used in Investing Activities	(21,017)	(15,454)
Cash flows from Financing Activities		
Increase (decrease) in short-term borrowings, net	-	180
Repayments of long-term borrowings	(806)	(523)
Income from long-term loans payable	70	70
Repayment of lease obligations	-	(56)
Acquisition of treasury stock	(7,580)	(5,028)
Proceeds from sales of treasury stock	2	7
Dividends paid	(4,362)	(5,146)
Dividends paid to minority shareholders	(12)	(29)
Net Cash Used in Financing Activities	(12,689)	(10,526)
Translation Adjustments on Cash and Cash Equivalents	(1)	(2)
Net Increase (decrease) in Cash and Cash Equivalents	(49,826)	(30,567)
Cash and Cash Equivalents, Beginning of Period	153,411	103,584
Cash and cash equivalents, end of year	103,584	73,017

(5) Notes on the Assumption of the Company as a Going Concern

N/A

(6) Summary of Significant Accounting Policies for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

Consolidated subsidiaries: 59

Consolidated subsidiaries have been omitted here because the main consolidated subsidiaries are listed in “2. Status of the Group”

As a result of share acquisitions, Pfercos Co., Ltd. and eight other companies have been included in the scope of consolidation from this consolidated fiscal year.

Five companies have been removed from the scope of consolidation from this fiscal year as a result of mergers of subsidiaries.

2. Accounting Standards

(1) Standards and methods of evaluation of important assets

i. Inventory assets

Merchandise and raw materials

Mostly cost approach based on the moving average method

(Balance sheet values are calculated using book price devaluation based on decrease in profitability)

Products and products in process

Mostly cost approach based on average historical-cost method

(Balance sheet values are calculated using book price devaluation based on decrease in profitability)

Inventories of merchandise and supplies

Cost approach based on last purchase price method

(Balance sheet values are calculated using book price devaluation based on decrease in profitability)

(Changes in Accounting Policies)

The Company has applied the “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9 – July 5, 2006) from this consolidated fiscal year. In association with this change, gross profit on sales, operating income and ordinary income have each increased ¥1,184 million and income before income taxes and other adjustments has decreased ¥301 million, in comparison to calculation using the method from the previous consolidated fiscal year. The impact on segment information is recorded in the relevant places.

(2) Depreciation methods for important depreciation assets

i. Tangible fixed assets (excluding lease assets)

For Suzuken and our domestic consolidated subsidiaries, the fixed percentage on declining balance method is used.

However, for buildings acquired on April 1, 1998 (excluding facilities attached to buildings) the straight-line method is used.

The depreciation period for significant items is as follows.

Buildings and structures: between 2 and 50 years

Machinery, equipment and vehicles: between 2 and 50 years

(Additional information)

The 2008 tax law amendments have led the Company and its domestic consolidated subsidiaries to change the depreciation period for machinery and equipment from this consolidated fiscal year after carrying out a review of the usage of machinery and equipment assets. There is negligible impact on gross profit on sales, operating income, ordinary income and income before income taxes and other adjustments as a result of these changes.

ii. Intangible fixed assets (excluding lease assets)

The straight-line method is used for intangible fixed assets. For software used by the Company, this is based on the usable period within the Company (five years).

iii. Lease assets

For lease assets, a straight-line method has been adopted taking the lease period as the useful life of the asset and making the residual value of the asset zero. For finance lease transactions other than those involving a transfer of ownership that were entered into on March 31, 2008 or earlier, the Company has applied the accounting method conforming to the method for normal lease transactions.

(Changes in Accounting Policies)

For finance lease transactions other than those involving a transfer of ownership, in the past accounting methods conforming to the method for normal lease transactions have been applied, but from this consolidated fiscal year accounting methods for normal sales transactions shall be applied, in accordance with the following standards: “Accounting Standard for Lease Transactions” (ASBJ Statement No.13 – June 17, 1993 (First Committee of Business Accounting Council), revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transaction” (ASBJ Guidance No.16 – January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting System Committee), revised March 30, 2007).

Moreover, the Company will continue to apply the accounting methods conforming to the methods for normal lease transactions for finance lease transactions other than those involving a transfer of ownership that began prior to the first year of the “Accounting Standard for Lease Transactions”.

There is negligible impact on gross profit on sales, operating income, ordinary income and income before income taxes and other adjustments as a result of these changes.

Notes regarding matters other than the above have been omitted because there are no significant changes from the most recent annual securities report (June 27, 2008).

Changes in Methods of Presentation

(Consolidated Balance Sheet)

1. In association with the application of “Cabinet Office Regulation Revising Part of the Regulations of the Terms, Style and Preparation Methods of Financial Statements, etc.” (Cabinet Office Regulation No.50, August 7, 2008), items recorded as “inventories” in the previous consolidated fiscal year are to be divided into “merchandise and products”, “products in progress” and “raw materials and inventories of merchandise and supplies” from this consolidated fiscal year. The respective values in the previous consolidated fiscal year were as follows: “merchandise and products” - ¥98,959 million; “products in progress” - ¥1,705 million; “raw materials and inventories of merchandise and supplies” - ¥1,427 million.
2. In the previous consolidated fiscal year “intangible fixed assets” were recorded together, but in order to improve the comparability of consolidated financial statements in association with the introduction of the XBRL format to the EDINET system, a “goodwill” classification has been recorded. “Goodwill” under “intangible fixed assets” in the previous consolidated fiscal year was ¥3,079 million.

(Consolidated Statements of Income)

1. In the previous consolidated fiscal year “Gain on prior period adjustments” (¥5 million in the current consolidated fiscal year) was recorded, but this has been recorded as “Other” under extraordinary gains because the total amount fell below 10% of total extraordinary gains.
2. “Investment returns from anonymous associations”, which in the previous consolidated fiscal year had been recorded as “Other” under extraordinary gains, has been given a separate classification in the current consolidated fiscal year because it has exceeded 10% of total extraordinary gains. “Investment returns from anonymous associations” recorded as “Other” under extraordinary gains in the previous consolidated fiscal year totaled ¥22 million.

(7) Notes on Consolidated Financial Statements
(Consolidated Balance Sheet)

Previous consolidated accounting period (March 31, 2008)	This consolidated accounting period (March 31, 2009)																																
<p>1. Land has been revalued in accordance with the Act on Revaluation of Land (Law No. 34 enforced on March 31, 1998). The tax effect accounting part of the revaluation amount has been recorded as “deferred tax liabilities on revaluations” under long-term liabilities and the remainder has been recorded as “land revaluation difference” under net assets.</p> <p>Method of revaluation: In order to calculate the land value to be used as the basis for calculating the tax value of land provided for under Article 16 of the Land Value Tax Act, as stipulated under Article 2 Paragraph 4 of the “Enforcement Regulations of the Law Concerning Revaluation of Land” (Ordinance No. 119 enforced on March 31, 1998), revaluation has been calculated using reasonable adjustments to the values calculated using the methods set out and published by the Commissioner of the National Tax Agency.</p> <p>Date of revaluation: March 31, 2002 Difference between market value of revalued land in the current consolidated fiscal year and the book value after revaluation: ¥(4,951) million</p> <p>2. Assets used as collateral</p> <p>(1) Assets used as collateral and liabilities in respect to collateral</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Buildings and structures</td> <td style="text-align: right;">¥256 million</td> </tr> <tr> <td><u>Land</u></td> <td style="text-align: right;"><u>¥1,236 million</u></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">¥1,493 million</td> </tr> </table> <p>The above property has been used as collateral for long-term borrowings (including long-term borrowings scheduled for repayment within one year) of ¥50 million.</p> <p>(2) Assets used as collateral for guarantee deposits</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and cash equivalents</td> <td style="text-align: right;">¥4 million</td> </tr> <tr> <td>Buildings and structures</td> <td style="text-align: right;">¥534 million</td> </tr> <tr> <td>Land</td> <td style="text-align: right;">¥2,763 million</td> </tr> <tr> <td><u>Investment securities</u></td> <td style="text-align: right;"><u>¥1,474 million</u></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">¥4,775 million</td> </tr> </table>	Buildings and structures	¥256 million	<u>Land</u>	<u>¥1,236 million</u>	Total	¥1,493 million	Cash and cash equivalents	¥4 million	Buildings and structures	¥534 million	Land	¥2,763 million	<u>Investment securities</u>	<u>¥1,474 million</u>	Total	¥4,775 million	<p>1. Land has been revalued in accordance with the Act on Revaluation of Land (Law No. 34 enforced on March 31, 1998). The tax effect accounting part of the revaluation amount has been recorded as “deferred tax liabilities on revaluations” under long-term liabilities and the remainder has been recorded as “land revaluation difference” under net assets.</p> <p>Method of revaluation: In order to calculate the land value to be used as the basis for calculating the tax value of land provided for under Article 16 of the Land Value Tax Act, as stipulated under Article 2 Paragraph 4 of the “Enforcement Regulations of the Law Concerning Revaluation of Land” (Ordinance No. 119 enforced on March 31, 1998), revaluation has been calculated using reasonable adjustments to the values calculated using the methods set out and published by the Commissioner of the National Tax Agency.</p> <p>Date of revaluation: March 31, 2002 Difference between market value of revalued land in the current consolidated fiscal year and the book value after revaluation: ¥(3,478) million</p> <p>2. 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Previous consolidated accounting period (March 31, 2008)	This consolidated accounting period (March 31, 2009)
<p>4. Contingency liabilities</p> <p>(1) The following guarantees have been made in respect of affiliated company Kensyo Co. Ltd.</p> <p>i. We have guaranteed borrowings from financial institutions. ¥49 million</p> <p>The total amount is ¥220 million, but the Company's obligation is specified and it is this obligation that has been recorded above.</p> <p>ii. We have guaranteed purchase liabilities to purchasers. ¥800 million</p> <p>The total amount is ¥3,556 million, but the Company's obligation is specified and it is this obligation that has been recorded above.</p> <p>Kensyo Co. Ltd. total: ¥849 million</p> <p>(2) We have carried out debt guarantees for customers' borrowings from financial institutions. ¥49 million</p> <p>5. Displaying goodwill or negative goodwill Goodwill and negative goodwill are offset and displayed as "goodwill" under intangible fixed assets. The amounts before offsetting are as follows.</p> <p>Goodwill: ¥3,529 million <u>Negative goodwill: ¥(450) million</u> Balance: ¥3,079 million</p>	<p>4. Contingency liabilities</p> <p>(1) The following guarantees have been made in respect of affiliated company Kensyo Co. Ltd.</p> <p>i. We have guaranteed borrowings from financial institutions. ¥45 million</p> <p>The total amount is ¥200 million, but the Company's obligation is specified and it is this obligation that has been recorded above.</p> <p>ii. We have guaranteed purchase liabilities to purchasers. ¥747 million</p> <p>The total amount is ¥3,323 million, but the Company's obligation is specified and it is this obligation that has been recorded above.</p> <p>Kensyo Co. Ltd. total: ¥792 million</p> <p>(2) We have carried out debt guarantees for customers' borrowings from financial institutions. ¥43 million</p> <p>5. Displaying goodwill or negative goodwill Goodwill and negative goodwill are offset and displayed as "goodwill" under intangible fixed assets. The amounts before offsetting are as follows.</p> <p>Goodwill: ¥4,390 million <u>Negative goodwill: ¥(86) million</u> Balance: ¥4,304 million</p>

(Consolidated Statements of Income)

Previous consolidated accounting period (April 1, 2007 - March 31, 2008)	This consolidated accounting period (April 1, 2008 - March 31, 2009)																																																		
<p>1. Total research and development costs Research and development costs included under selling, general and administrative costs</p> <p style="text-align: right;">¥5,437 million</p> <p>2. Details of gain on disposal of fixed assets</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Land</td> <td style="text-align: right;">¥207 million</td> </tr> <tr> <td>Buildings and structures</td> <td style="text-align: right;">¥6 million</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">¥214million</td> </tr> </table> <p>3. 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Impairment losses</p> <p>For real estate for business use, the Suzuken Group includes property from the pharmaceutical distribution business in each region of Japan and property from offices etc. in the healthcare service-related business in its asset groups.</p> <p>The Group also includes individual properties from underutilized real estate or real estate for rental use in its asset groups.</p> <p>For real estate for business use, an impairment loss of ¥14 million (of which ¥11 million were losses from "Buildings" and ¥2 million were losses from "Others") was recorded as a result of ongoing operational losses.</p> <p>An impairment loss of ¥28 million (of which ¥11 million were losses from "Land", ¥14 million were losses from "Buildings" and ¥2 million were losses from "Others") was recorded for underutilized real estate as a result of the effects of an increase in underutilized real estate through business eliminations and mergers and the ongoing fall in land prices.</p> <p>Recoverable amounts have been measured using net sale value and land assessments have been carried out using the assessed value of fixed assets.</p>	Land	¥207 million	Buildings and structures	¥6 million	Total	¥214million	Buildings and structures	¥177 million	Tools, furniture and fixtures	¥41 million	<u>Intangible fixed assets</u>	<u>¥752 million</u>	Total	¥971million	Buildings and structures	¥26 million	Land	¥21 million	Tools, furniture and fixtures	¥31 million	<u>Intangible fixed assets</u>	<u>¥1 million</u>	Total	¥81million	<p>1. 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Impairment losses</p> <p>For real estate for business use, the Suzuken Group includes property from the pharmaceutical distribution business in each region of Japan and property from offices etc. in the healthcare service-related business in its asset groups.</p> <p>The Group also includes individual properties from underutilized real estate or real estate for rental use in its asset groups.</p> <p>Impairment losses of ¥378 million (of which ¥188 million were losses from "Land", ¥181 million were losses from "Buildings" and ¥8 million were losses from "Others") were recorded for underutilized real estate as a result of eliminations and mergers of operational bases. Recoverable amounts have been measured using net sale value and calculations have been made based upon valuations from a real estate surveyor.</p> <p>An impairment loss of ¥1 million for "Buildings" was recorded for real estate for rental use as a result of a fall in utility value. Recoverable amounts have been measured using utility value, with a discount rate of 2.50%.</p>	Land	¥70 million	Buildings and structures	¥2 million	Total	¥72 million	Buildings and structures	¥269 million	Machinery, equipment and vehicle	¥51 million	Tools, furniture and fixtures	¥33 million	<u>Intangible fixed assets (Other)</u>	<u>¥1 million</u>	Total	¥355million	Buildings and structures	¥14 million	Land	¥288 million	Tools, furniture and fixtures	¥1 million	<u>Intangible fixed assets (Other)</u>	<u>¥20 million</u>	Total	¥324 million
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(Consolidated Statements of Changes in Shareholders' Equity)

Previous consolidated fiscal year (April 1, 2007 - March 31, 2008)

1. Outstanding Stock

Type of stock	Previous consolidated fiscal year	Increase	Decrease	Current consolidated fiscal year
Common stock (1,000s of stocks)	93,949	-	-	93,949

2. Treasury Stock

Type of stock	Previous consolidated fiscal year	Increase	Decrease	Current consolidated fiscal year
Common stock (1,000s of stocks)	28	2,005	0	2,033

(Outline of reasons for changes)

The reasons for the increases can be broken down into the acquisition of 2,000,000 treasury stocks through treasury stock acquisition resolutions passed by the Board of Directors meetings held on May 28, 2007 and August 10, 2007, and an increase of 5,000 stocks as a result of purchases of odd stock.

Decreases are the result of applications for further purchases of odd stock.

3. Subscription Rights to Stock

N/A

4. Dividends

(1) Dividend Payments

Resolution	Type of stock	Total dividends paid (millions yen)	Dividend per stock (yen)	Record date	Effective date
May 14, 2007 Board of Directors Meeting	Common stock	2,066	22.00	March 31, 2007	June 13, 2007
November 9, 2007 Board of Directors Meeting	Common stock	2,297	25.00	September 30, 2007	December 10, 2007

(2) Dividends the effective date for which is in the consolidated fiscal year following the consolidated fiscal year of the record date

Resolution	Type of stock	Dividend capital	Total dividends paid (millions yen)	Dividend per stock (yen)	Record date	Effective date
May 12, 2008 Board of Directors Meeting	Common stock	Retained earnings	2,297	25.00	March 31, 2008	June 6, 2008

Consolidated fiscal year under review (April 1, 2008 - March 31, 2009)

1. Outstanding Stock

Type of stock	Previous consolidated fiscal year	Increase	Decrease	Current consolidated fiscal year
Common stock (1,000s of stocks)	93,949	-	-	93,949

2. Treasury Shares

Type of stock	Previous consolidated fiscal year	Increase	Decrease	Current consolidated fiscal year
Common stock (1,000s of stocks)	2,033	1,936	2	3,967

(Outline of reasons for changes)

The reasons for the increases can be broken down into the acquisition of 1,927,000 treasury stocks through a treasury stock acquisition resolution passed by the Board of Directors meeting held on February 6, 2009, and an increase of 8,000 stocks as a result of purchases of odd stock.

Decreases are the result of applications for further purchases of odd stock.

3. Subscription Rights to Stock

N/A

4. Dividends

(1) Dividend Payments

Resolution	Type of stock	Total dividends paid (millions yen)	Dividend per share (yen)	Record date	Effective date
May 12, 2008 Board of Directors Meeting	Common stock	2,297	25.00	March 31, 2008	June 6, 2008
November 7, 2008 Board of Directors Meeting	Common stock	2,849	31.00	September 30, 2008	December 10, 2008

(2) Dividends the effective date for which is in the consolidated fiscal year following the consolidated fiscal year of the record date

Resolution	Type of stock	Dividend capital	Total dividends paid (millions yen)	Dividend per stock (yen)	Record date	Effective date
May 8, 2009 Board of Directors Meeting	Common stock	Retained earnings	2,789	31.00	March 31, 2009	June 5, 2009

(Consolidated Statements of Cash Flows)

Previous consolidated accounting period (April 1, 2007 - March 31, 2008)	This consolidated accounting period (April 1, 2008 - March 31, 2009)																																																				
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Breakdown of major assets and liabilities at new consolidated subsidiaries through stock acquisitions</p> <p style="padding-left: 20px;">The following is a breakdown of the major assets and liabilities at the beginning of consolidation at companies made into new consolidated subsidiaries in the current consolidated fiscal year through stock acquisitions.</p> <table> <tr> <td>Current assets</td> <td style="text-align: right;">¥1,538 million</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">¥725 million</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">-¥(1,284) million</td> </tr> <tr> <td>Long-term liabilities</td> <td style="text-align: right;">¥(433) million</td> </tr> <tr> <td>Minority shareholders' equity</td> <td style="text-align: right;">¥(54) million</td> </tr> <tr> <td>Goodwill</td> <td style="text-align: right;"><u>¥709 million</u></td> </tr> <tr> <td>Acquisition price of stocks</td> <td style="text-align: right;">¥1,200 million</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;"><u>¥(441) million</u></td> </tr> <tr> <td>Expenditure on the acquisition of shares in subsidiaries affecting the scope of consolidation</td> <td style="text-align: right;">¥758 million</td> </tr> </table> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p>	Cash and deposit accounts	¥98,090 million	Long-term deposits of three months or more	¥(2,491) million	Commercial paper from marketable securities	<u>¥7,985 million</u>	Cash and cash equivalents	¥103,584 million	Current assets	¥1,538 million	Fixed assets	¥725 million	Current liabilities	-¥(1,284) million	Long-term liabilities	¥(433) million	Minority shareholders' equity	¥(54) million	Goodwill	<u>¥709 million</u>	Acquisition price of stocks	¥1,200 million	Cash and cash equivalents	<u>¥(441) million</u>	Expenditure on the acquisition of shares in subsidiaries affecting the scope of consolidation	¥758 million	<p>1. 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Cash and cash equivalents	<u>¥(441) million</u>																																																				
Expenditure on the acquisition of shares in subsidiaries affecting the scope of consolidation	¥758 million																																																				
Cash and deposit accounts	¥70,841million																																																				
Long-term deposits of three months or more	¥(1,817) million																																																				
Commercial paper from marketable securities	<u>¥3,993 million</u>																																																				
Cash and cash equivalents	¥73,017 million																																																				
Current assets	¥4,659 million																																																				
Fixed assets	¥2,273 million																																																				
Current liabilities	¥(4,532) million																																																				
Long-term liabilities	¥(744) million																																																				
Minority shareholders' equity	¥(783) million																																																				
Goodwill	<u>¥2,128 million</u>																																																				
Acquisition price of stocks	¥3,000 million																																																				
Cash and cash equivalents	<u>¥(883) million</u>																																																				
Expenditure on the acquisition of shares in subsidiaries affecting the scope of consolidation	¥2,116 million																																																				

Segment information

1. Segment information classified according to business type

Previous consolidated fiscal year (April 1, 2007 - March 31, 2008)

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

	Pharmaceutical Distribution	Pharmaceutical Manufacturing	Health-related service	Total	Deletions or company-wide	Consolidated
I. Net sales and operating profits						
Net sales						
(1) Sales to external customers	1,530,396	17,423	38,776	1,586,596	-	1,586,596
(2) Intersegment sales and transfers	11,584	37,502	2,298	51,385	(51,385)	-
Total	1,541,981	54,925	41,074	1,637,981	(51,385)	1,586,596
Operating expenses	1,522,742	51,827	40,515	1,615,085	(51,740)	1,563,345
Operating income	19,239	3,097	559	22,896	354	23,250
II. Assets, depreciation, impairment losses and capital expenditures						
Assets	739,284	44,914	24,567	808,766	14,086	822,852
Depreciation	4,892	1,224	478	6,595	(22)	6,573
Impairment loss	21	-	21	43	-	43
Capital expenditures	7,500	816	1,399	9,716	-	9,716

(Notes) 1. Business segments have been classified into "Pharmaceutical Distribution", "Pharmaceutical Manufacturing" and "Healthcare-related service" in consideration of sales methods, and similarity of business organization, markets and technology.

2. The main contents of each business segment are as follows.

- (1) Pharmaceutical Distribution business..... sale of pharmaceutical products, diagnostic reagents and medical equipment and supplies
- (2) Pharmaceutical Manufacturing business manufacture of pharmaceutical products and diagnostics reagents
- (3) Healthcare-related service business
 - Healthcare-related service sale of healthcare-related literature and the dispatch of clinical research coordinators
 - Medical equipment manufacturing manufacture of biological and physiological measuring equipment, such as electrocardiographic equipment and blood pressure gauges
 - Health insurance pharmacies preparation of drugs based on prescriptions from medical institutions
 - Other insurance agency and the sale of health foods and products

3. Company assets in the current consolidated fiscal year erased or included under company-wide headings totaled ¥47,202 million, and were largely composed of surplus management funds (marketable securities), long-term investment funds (investment securities), and assets related to management departments.

4. In association with amendments to corporate tax law, tangible fixed assets acquired on April 1, 2007 or later are to be switched to a depreciation method based on corporate tax law after said amendments. Accordingly, in comparison with calculation under the same methods used in the previous consolidated fiscal year, operating expenses rose by the following amounts, with operating incomes falling by the same amounts: pharmaceutical distribution business ¥99 million; pharmaceutical manufacturing business ¥24 million; healthcare-related services business ¥25 million.

5. In association with amendments to corporate tax law, tangible fixed assets acquired on March 31, 2007 or earlier are to be calculated using a depreciation method based on corporate tax law before the above amendments. When the assets reach 5% of acquisition cost, the balance of the value equivalent to 5% of acquisition cost and remainder price are amortized equally for 5 years and included in depreciation from the next consolidated fiscal year. Accordingly, in comparison with calculation under the same methods used in the previous consolidated fiscal year, operating expenses rose by the following amounts, with operating incomes falling by the same amounts: pharmaceutical distribution business -¥76 million; pharmaceutical manufacturing business ¥58 million; and healthcare-related services business ¥3 million.

Consolidated fiscal year under review (April 1, 2008 - March 31, 2009)

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

	Pharmaceutical Distribution	Pharmaceutical Manufacturing	Health-related service	Total	Deletions or company-wide	Consolidated
I. Net sales and operating profits						
Net sales						
(1) Sales to external customers	1,564,873	19,741	56,716	1,641,331	-	1,641,331
(2) Intersegment sales and transfers	15,512	42,577	2,503	60,593	(60,593)	-
Total	1,580,386	62,318	59,219	1,701,925	(60,593)	1,641,331
Operating expenses	1,573,456	55,899	58,020	1,687,376	(60,725)	1,626,650
Operating income	6,930	6,419	1,199	14,548	131	14,680
II. Assets, depreciation, impairment losses and capital expenditures						
Assets	733,264	50,584	36,379	820,228	8,286	828,515
Depreciation	5,153	1,195	738	7,087	(19)	7,067
Impairment loss	380	-	-	380	-	380
Capital expenditures	12,426	1,705	1,202	15,333	-	15,333

(Notes) 1. Business segments have been classified into "Pharmaceutical Distribution", "Pharmaceutical Manufacturing" and "Healthcare-related service" in consideration of sales methods, and similarity of business organization, markets and technology.

2. The main contents of each business segment are as follows.

- (1) Pharmaceutical Distribution business..... sale of pharmaceutical products, diagnostic reagents and medical equipment and supplies
- (2) Pharmaceutical Manufacturing business manufacture of pharmaceutical products and diagnostics reagents
- (3) Healthcare-related service business
 - Healthcare-related service sale of healthcare-related literature and the dispatch of clinical research coordinators
 - Medical equipment manufacturing manufacture of biological and physiological measuring equipment, such as electrocardiographic equipment and blood pressure gauges
 - Health insurance pharmacies preparation of drugs based on prescriptions from medical institutions
 - Other insurance agency and the sale of health foods and products

3. Company assets in the current consolidated fiscal year erased or included under company-wide headings totaled ¥42,523 million, and were largely composed of surplus management funds (marketable securities), long-term investment funds (investment securities), and assets related to management departments.

4. The Company has applied the "Accounting Standards for Measurement of Inventories" (ASBJ Statement No.9 – July 5, 2006) from this consolidated fiscal year. Accordingly, in comparison with calculation under the previous methods, operating expenses in the current consolidated fiscal year fell by the following amounts, with operating incomes rising by the same amounts: pharmaceutical distribution business ¥1,177 million; and pharmaceutical manufacturing business ¥6 million.

2. Geographic Segment Information

Geographic segment information has been omitted because the Company has not possessed important subsidiaries or overseas offices located in countries or regions outside Japan during the current or previous consolidated fiscal years.

3. Overseas Sales

Overseas sales have been omitted because they have not exceeded 10% of consolidated sales during the current or previous consolidated fiscal years.

Omitted Disclosures

Notices regarding lease transactions, transactions with related parties, tax effect accounting, marketable securities, derivatives trading, accrued benefits, stock options and corporate mergers have been omitted because there is deemed to be little need in relation to the disclosure of financial statements.

Per Stock Data

Previous consolidated accounting period (April 1, 2007 - March 31, 2008)		This consolidated accounting period (April 1, 2008 - March 31, 2009)	
Net assets per stock:	2,951.19 yen	Net assets per stock:	2,961.98 yen
Net income per stock:	230.49 yen	Net income per stock:	77.10 yen
Net income per stock after adjustments for residual securities has not been recorded because there were no residual securities in the current consolidated fiscal year.		Net income per stock after adjustments for residual securities has not been recorded because there were no residual securities in the current consolidated fiscal year.	

(Note) The basis for calculating net income per stock is as follows.

	Previous consolidated accounting period (April 1, 2007 - March 31, 2008)	This consolidated accounting period (April 1, 2008 - March 31, 2009)
Net income per stock		
Current net income (millions yen)	21,327	7,072
Amount not attributed to ordinary shareholders (millions yen)	-	-
Amount attributed to common stock (millions yen)	21,327	7,072
Average number of common stock during the period (1,000s of stocks)	92,529	91,731

Important Post-Balance Sheet Events

N/A

5. [Non-consolidated Financial Statements]**(1) [Balance sheet]**

(Units: Millions of yen)

	Previous accounting period (March 31, 2008)	This accounting period (March 31, 2009)
Assets		
Current Assets:		
Cash and cash equivalents	72,761	39,378
Trade notes	5,541	4,914
Account receivable	361,688	382,607
Marketable securities	12,785	8,784
Merchandise	71,554	-
Products	348	-
Merchandises and products	-	75,555
Raw materials	249	-
Products in process	84	139
Inventories of merchandise and supplies	109	-
Raw materials and inventories of merchandise and supplies	-	403
Prepaid expenses	1	1
Deferred tax assets	4,453	5,862
Purchase rebates receivable	21,162	18,889
Other current assets	922	2,266
Allowance for doubtful accounts	(3,419)	(2,995)
Total Current Assets	548,243	535,806

(Units: Millions of yen)

	Previous accounting period (March 31, 2008)	This accounting period (March 31, 2009)
Property and Equipment		
Tangible Fixed Assets		
Buildings	43,242	43,654
Accumulated depreciation	(21,602)	(22,774)
Buildings (net)	21,640	20,879
Structures	2,502	2,547
Accumulated depreciation	(1,861)	(1,923)
Structures (net)	640	623
Machinery and equipment	5,860	5,872
Accumulated depreciation	(3,047)	(3,549)
Machinery and equipment (net)	2,812	2,323
Vehicles	300	313
Accumulated depreciation	(214)	(244)
Vehicles (net)	85	68
Tools, furniture and fixtures	5,450	5,928
Accumulated depreciation	(4,285)	(4,674)
Tools, furniture and fixtures (net)	1,164	1,254
Land	28,998	31,625
Construction in progress	110	1,187
Total tangible fixed assets	55,451	57,961
Intangible Fixed Assets		
Goodwill	110	80
Lease rights	386	386
Software	4,550	4,779
Telephone subscription rights	172	151
Other	2,856	6,386
Total Intangible Fixed Assets	8,075	11,785
Total Investments and Other Assets		
Investment securities	56,269	51,472
Subsidiaries' stocks	41,610	43,570
Investments	163	164
Investments in subsidiaries	2,310	2,338
Long-term loans	533	247
Long-term loans to employees	2	3
Long-term loans to subsidiaries	10,826	11,628
Claims in bankruptcy	1,400	1,083
Long-term prepaid expenses	228	254
Prepaid pension expenses	12,341	20,812
Other assets	4,677	4,897
Allowance for doubtful accounts	(1,521)	(1,225)
Total investments and other assets	128,843	135,246
Total Fixed Assets	192,370	204,993
Total Assets	740,614	740,800

(Units: Millions of yen)

	Previous accounting period (March 31, 2008)	This accounting period (March 31, 2009)
Liabilities		
Current Liabilities:		
Trade notes	3,659	2,844
Accounts payable	467,491	480,300
Accrued liabilities	5,698	6,930
Accrued expenses	1,421	1,310
Consumption taxes payable	411	-
Income taxes payable	6,818	197
Advances received	0	0
Deposits received	230	199
Advance profits received	7	3
Reserves for sales returns	416	365
Accrued bonuses	5,619	3,961
Deposits received from affiliate CMS	7,640	10,973
Other current liabilities	78	66
Total Current Liabilities	499,494	507,155
Long-term Liabilities:		
Deferred tax liabilities	3,452	5,163
Deferred tax liabilities on revaluations	2,177	2,119
Other long-term liabilities	464	430
Total Long-term Liabilities	6,093	7,712
Total Liabilities	505,587	514,867
Net Assets		
Shareholders' Equity		
Common stock	13,546	13,546
Capital surplus		
Capital reserve	33,836	33,836
Other capital surpluses	7,154	7,152
Total capital surpluses	40,991	40,989
Retained earnings		
Retained earnings reserve	3,278	3,278
Other retained earnings		
Reserve for advanced depreciation of fixed assets	527	527
Special reserve	100,000	100,000
Retained earnings carried forward	90,508	87,731
Total retained earnings	194,315	191,537
Treasury stock, at cost	(7,663)	(12,682)
Total Shareholders' Equity	241,188	233,391
Valuation and Translation Adjustments		
Net unrealized gain on available-for-sale securities	831	(379)
Land revaluation difference	(6,993)	(7,079)
Total Valuation and Translation Adjustments	(6,162)	(7,458)
Total Net Assets	235,026	225,932
Total Liabilities and Net Assets	740,614	740,800

(2) [Statements of Income]

(Units: Millions of yen)

	Previous accounting period (April 1, 2007 - March 31, 2008)	This accounting period (April 1, 2008 - March 31, 2009)
Net Sales	1,390,754	1,443,457
Cost of Sales		
Beginning of term inventories of merchandise and products	75,791	71,902
Merchandise purchases	1,288,434	1,359,795
Product purchases	950	747
Total	1,365,176	1,432,446
Transfers from other accounts	127	1,172
End of term inventories of merchandise and products	71,902	75,555
Total cost of sales	1,293,145	1,355,718
Gross Profit	97,608	87,739
Reversal of sales returns	412	416
Provision for sales returns	416	365
Gross Profit after Adjustment	97,604	87,790
Selling, General and Administrative Expenses		
Freight outward	11,473	12,556
Sales promotion expenses	289	289
Vehicles expenses	1,569	1,611
Advertising expenses	257	309
Directors' remuneration	343	371
Salaries and allowances	25,135	25,186
Bonuses	4,989	4,476
Provision for accrued bonuses	5,562	3,897
Retirement benefits	2,243	2,656
Welfare expenses	5,122	4,957
Entertainment expenses	178	168
Travel and transportation expenses	782	790
Communications expenses	1,203	1,200
Utilities expenses	861	949
Taxes and public charges	1,139	1,035
Lease expenses	4,330	4,393
Business consignment expenses	9,678	10,332
Depreciation expenses	4,047	4,230
Other	4,183	4,082
Total selling, general and administrative expenses	83,394	83,497
Operating Income	14,210	4,293

(Units: Millions of yen)

	Previous accounting period (April 1, 2007 - March 31, 2008)	This accounting period (April 1, 2008 - March 31, 2009)
Non-operating Income:		
Interests income	434	428
Dividends income	1,018	1,386
Purchase discounts	6,067	6,378
Commission for supplying sales data	3,377	3,389
Rents received	441	475
Other	1,927	1,975
Total Non-Operating Income	13,266	14,033
Non-operating Expenses:		
Interest expenses	30	33
Sales discount	983	1,021
Real estate rental expenses	152	153
Other	64	56
Total Non-Operating Expenses	1,229	1,266
Ordinary Income	26,247	17,061
Extraordinary Gain:		
Gain on disposal of fixed assets	183	25
Gain on sale of investment securities	1,299	51
Subsidy income	72	204
Other	166	-
Total Extraordinary Profits	1,721	281
Extraordinary Loss:		
Loss on retirement and sales of fixed assets	867	176
Impairment loss	-	301
Loss on revaluation of inventories	-	937
Loss on revaluation of investment securities	410	4,223
Special severance payments for retired employees	-	8,112
Other	19	117
Total Extraordinary Losses	1,297	13,869
Pre-tax net income	26,671	3,473
Income taxes	11,451	171
Income taxes – deferred	(604)	1,018
Total income taxes	10,846	1,189
Net income	15,825	2,284

(3) [Statements of Changes in Shareholders' Equity]

(Units: Millions of yen)

	Previous accounting period (April 1, 2007 - March 31, 2008)	This accounting period (April 1, 2008 - March 31, 2009)
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	13,546	13,546
Changes during fiscal year		
Total changes during fiscal year	-	-
Balance at end of fiscal year	13,546	13,546
Capital surplus		
Capital reserves		
Balance at end of previous fiscal year	33,836	33,836
Changes during fiscal year		
Total changes during fiscal year	-	-
Balance at end of fiscal year	33,836	33,836
Other capital surpluses		
Balance at end of previous fiscal year	7,154	7,154
Changes during fiscal year		
Disposal of treasury stock	0	(1)
Total changes during fiscal year	0	(1)
Balance at end of fiscal year	7,154	7,152
Total capital surpluses		
Balance at end of previous fiscal year	40,990	40,991
Changes during fiscal year		
Disposal of treasury stock	0	(1)
Total changes during fiscal year	0	(1)
Balance at end of fiscal year	40,991	40,989
Retained earnings		
Retained earnings reserve		
Balance at end of previous fiscal year	3,278	3,278
Changes during fiscal year		
Total changes during fiscal year	-	-
Balance at end of fiscal year	3,278	3,278
Other retained earnings		
Reserve for advanced depreciation of fixed assets		
Balance at end of previous fiscal year	527	527
Changes during fiscal year		
Total changes during fiscal year	-	-
Balance at end of fiscal year	527	527
Special reserve		
Balance at end of previous fiscal year	100,000	100,000
Changes during fiscal year		
Total changes during fiscal year	-	-
Balance at end of fiscal year	100,000	100,000

(Units: Millions of yen)

	Previous accounting period (April 1, 2007 - March 31, 2008)	This accounting period (April 1, 2008 - March 31, 2009)
Retained earnings carried forward		
Balance at end of previous fiscal year	78,945	90,508
Changes during fiscal year		
Dividends on surpluses	(4,364)	(5,147)
Net income	15,825	2,284
Write-off due to land revaluation difference	103	85
Total changes during fiscal year	11,563	(2,777)
Balance at end of previous fiscal year	90,508	87,731
Total retained earnings		
Balance at end of previous fiscal year	182,751	194,315
Changes during fiscal year		
Dividends on surpluses	(4,364)	(5,147)
Net income	15,825	2,284
Write-off due to land revaluation difference	103	85
Total changes during fiscal year	11,563	(2,777)
Balance at end of fiscal year	194,315	191,537
Treasury stock		
Balance at end of previous fiscal year	(85)	(7,663)
Changes during fiscal year		
Acquisition of treasury stock	(7,580)	(5,028)
Disposal of treasury stock	2	9
Total changes during fiscal year	(7,578)	(5,018)
Balance at end of fiscal year	(7,663)	(12,682)
Total shareholders' equity		
Balance at end of previous fiscal year	237,202	241,188
Changes during fiscal year		
Dividends on surpluses	(4,364)	(5,147)
Net income	15,825	2,284
Acquisition of treasury stock	(7,580)	(5,028)
Disposal of treasury stock	2	8
Write-off due to land revaluation difference	103	85
Total changes during fiscal year	3,986	(7,797)
Balance at end of fiscal year	241,188	233,391

(Units: Millions of yen)

	Previous accounting period (April 1, 2007 - March 31, 2008)	This accounting period (April 1, 2008 - March 31, 2009)
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities		
Balance at end of previous fiscal year	6,331	831
Changes during fiscal year		
Changes during fiscal year to items other than shareholders' equity (net)	(5,500)	(1,211)
Total changes during fiscal year	(5,500)	(1,211)
Balance at end of fiscal year	831	(379)
Land revaluation difference		
Balance at end of previous fiscal year	(6,890)	(6,993)
Changes during fiscal year		
Changes during fiscal year to items other than shareholders' equity (net)	(103)	(85)
Total changes during fiscal year	(103)	(85)
Balance at end of fiscal year	(6,993)	(7,079)
Total valuation and translation adjustments		
Balance at end of previous fiscal year	(559)	(6,162)
Changes during fiscal year		
Changes during fiscal year to items other than shareholders' equity (net)	(5,603)	(1,296)
Total changes during fiscal year	(5,603)	(1,296)
Balance at end of fiscal year	(6,162)	(7,458)
Total net assets		
Balance at end of previous fiscal year	236,643	235,026
Changes during fiscal year		
Dividends on surpluses	(4,364)	(5,147)
Net income	15,825	2,284
Acquisition of treasury stock	(7,580)	(5,028)
Disposal of treasury stock	2	8
Write-off due to land revaluation difference	103	85
Changes during fiscal year to items other than shareholders' equity (net)	(5,603)	(1,296)
Total changes during fiscal year	(1,617)	(9,094)
Balance at end of fiscal year	235,026	225,932

(4) Notes on the Assumption of the Company as a Going Concern

N/A

(5) Significant Accounting Policies

1. Standards and Methods of Evaluation for Inventory Assets

Merchandise and raw materials

Cost approach based on the moving average method

(Balance sheet values are calculated using book price devaluation based on decrease in profitability)

Products and products in process

Cost approach based on average historical-cost method

(Balance sheet values are calculated using book price devaluation based on decrease in profitability)

Inventories of merchandise and supplies

Cost approach based on last purchase price method

(Balance sheet values are calculated using book price devaluation based on decrease in profitability)

(Changes in Accounting Policies)

The Company has applied the “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9 – July 5, 2006) from this consolidated fiscal year. In association with this change, gross profit on sales, operating income and ordinary income have each increased ¥764 million in comparison to calculation using the method from the previous consolidated fiscal year, and income before income taxes and other adjustments has decreased ¥173 million.

2. Depreciation Methods for Fixed Assets

(1) Tangible fixed assets (excluding lease assets)

The Company has used the fixed percentage on declining balance method. However, for buildings acquired on April 1, 1998 (excluding facilities attached to buildings) the straight-line method is used.

The depreciation period for significant items is as follows.

Buildings and structures: between 2 and 50 years

Machinery, equipment and vehicles: between 2 and 20 years

(Additional information)

The 2008 tax law amendments have led the Company to change the depreciation period for machinery and equipment from this business year after carrying out a review of the usage of machinery and equipment assets. There is negligible impact on gross profit on sales, operating income, ordinary income and income before income taxes and other adjustments as a result of these changes.

(2) Intangible fixed assets (excluding lease assets)

The straight-line method is used for intangible fixed assets. For software used by the Company, this is based on the usable period within the Company (five years).

3. Change in Accounting Policies

(Accounting standards for lease transactions)

For finance lease transactions other than those involving a transfer of ownership, in the past accounting methods conforming to the method for normal lease transactions have been applied, but from this consolidated fiscal year accounting methods for normal sales transactions shall be applied, in accordance with the following standards: “Accounting Standard for Lease Transactions” (ASBJ Statement No.13 – June 17, 1993 (First Committee of Business Accounting Council), revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transaction” (ASBJ Guidance No.16 – January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting System Committee), revised March 30, 2007).

Moreover, the Company will continue to apply the accounting methods conforming to the methods for normal lease transactions for finance lease transactions other than those involving a transfer of ownership that began prior to the first year of the “Accounting Standard for Lease Transactions”.

There is no impact on profits and losses because there are no lease transactions beginning on or after April 1, 2008 for which accounting methods for normal sales transactions are to be applied.

Notes regarding matters other than the above have been omitted because there are no significant changes from the most recent annual securities report (June 27, 2008).

(6) Notes on Non-consolidated Financial Statements

(Balance sheet)

Previous accounting period (March 31, 2008)	This accounting period (March 31, 2009)
<p>1. Land has been revalued in accordance with the Act on Revaluation of Land (Law No. 34 enforced on March 31, 1998). The tax effect accounting part of the revaluation amount has been recorded as “deferred tax liabilities on reevaluations” under long-term liabilities and the remainder has been recorded as “land revaluation difference” under net assets.</p> <p>Method of revaluation: In order to calculate the land value to be used as the basis for calculating the tax value of land provided for under Article 16 of the Land Value Tax Act, as stipulated under Article 2 Paragraph 4 of the “Enforcement Regulations of the Law Concerning Revaluation of Land” (Ordinance No. 119 enforced on March 31, 1998), revaluation has been calculated using reasonable adjustments to the values calculated using the methods set out and published by the Commissioner of the National Tax Agency.</p> <p>Date of revaluation: March 31, 2002 Difference between market value of revalued land in the current consolidated fiscal year and the book value after revaluation: ¥(4,951) million</p>	<p>1. Land has been revalued in accordance with the Act on Revaluation of Land (Law No. 34 enforced on March 31, 1998). The tax effect accounting part of the revaluation amount has been recorded as “deferred tax liabilities on reevaluations” under long-term liabilities and the remainder has been recorded as “land revaluation difference” under net assets.</p> <p>Method of revaluation: In order to calculate the land value to be used as the basis for calculating the tax value of land provided for under Article 16 of the Land Value Tax Act, as stipulated under Article 2 Paragraph 4 of the “Enforcement Regulations of the Law Concerning Revaluation of Land” (Ordinance No. 119 enforced on March 31, 1998), revaluation has been calculated using reasonable adjustments to the values calculated using the methods set out and published by the Commissioner of the National Tax Agency.</p> <p>Date of revaluation: March 31, 2002 Difference between market value of revalued land in the current consolidated fiscal year and the book value after revaluation: ¥(3,478) million</p>
<p>2. Assets used as collateral ¥170 million in investment securities has been used as collateral for guarantee deposits.</p>	<p>2. Assets used as collateral ¥168 million in investment securities has been used as collateral for guarantee deposits.</p>
<p>3. Major assets and liabilities in respect to affiliated companies Accounts receivable ¥76,818 million Accounts payable ¥15,354 million</p>	<p>3. Major assets and liabilities in respect to affiliated companies Accounts receivable ¥86,518 million Accounts payable ¥13,359 million</p>
<p>4. Contingency liabilities We have carried out debt guarantees for customers’ borrowings from financial institutions. ¥37 million</p>	<p>4. Contingency liabilities We have carried out debt guarantees for customers’ borrowings from financial institutions. ¥34 million</p>
<p>_____</p>	<p>5. ¥4,791 million of marketable securities and ¥19,196 million of investment securities have been used as collateral in loan transactions.</p>

(Statements of Income)

Previous accounting period (April 1, 2007 - March 31, 2008)	This accounting period (April 1, 2008 - March 31, 2009)						
<p>1. Details of gain on disposal of fixed assets</p> <p>Land ¥181million</p> <p><u>Tools, furniture and fixtures</u> ¥2 million</p> <p style="padding-left: 40px;">Total ¥183million</p> <p>2. Details of loss on retirement and sales of fixed assets</p> <p>Loss on retirement of fixed assets</p> <p>Buildings ¥96 million</p> <p>Tools, furniture and fixtures ¥17 million</p> <p><u>Other intangible fixed assets</u> ¥750 million</p> <p style="padding-left: 40px;">Total ¥864 million</p> <p>Loss on sale of fixed assets</p> <p><u>Land</u> ¥2 million</p> <p>Total loss on retirement and sales of fixed assets ¥867 million</p>	<p>1. Details of gain on disposal of fixed assets</p> <p>Land ¥24million</p> <p><u>Tools, furniture and fixtures</u> ¥ 0 million</p> <p style="padding-left: 40px;">Total ¥25 million</p> <p>2. Details of loss on retirement and sales of fixed assets</p> <p>Loss on retirement of fixed assets</p> <p>Buildings ¥100 million</p> <p>Structures ¥4 million</p> <p>Machinery and equipment ¥14 million</p> <p><u>Tools, furniture and fixtures</u> ¥18 million</p> <p style="padding-left: 40px;">Total ¥137 million</p> <p>Loss on sale of fixed assets</p> <p>Land ¥3 million</p> <p>Buildings ¥14 million</p> <p><u>Telephone subscription rights</u> ¥20 million</p> <p style="padding-left: 40px;">Total ¥38million</p> <p>Total loss on retirement and sales of fixed assets ¥176 million</p> <p>3. Impairment losses</p> <p style="padding-left: 40px;">The Company has recorded impairment losses for the following asset groups in the current business year.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Location</th> <th style="text-align: center;">Use</th> <th style="text-align: center;">Classification</th> </tr> </thead> <tbody> <tr> <td>Nishi Ward, Saitama City, and other locations: 3 in total</td> <td>Underutilized real estate</td> <td>Land, buildings</td> </tr> </tbody> </table> <p style="padding-left: 40px;">The Company includes individual properties from underutilized real estate in its asset groups.</p> <p style="padding-left: 40px;">Impairment losses of ¥301 million (of which ¥113 million were losses from “Land”, ¥180 million were losses from “Buildings” and ¥8 million were losses from “Others”) were recorded for underutilized real estate because of changes to business use resulting from branch transfers.</p> <p style="padding-left: 40px;">Recoverable amounts have been measured using net sale value and calculations have been made based upon valuations from a real estate surveyor.</p>	Location	Use	Classification	Nishi Ward, Saitama City, and other locations: 3 in total	Underutilized real estate	Land, buildings
Location	Use	Classification					
Nishi Ward, Saitama City, and other locations: 3 in total	Underutilized real estate	Land, buildings					

(Statements of Changes in Shareholders' Equity)

Previous business year (April 1, 2007 - March 31, 2008)

Treasury Stock

Type of stock	Previous business year	Increase	Decrease	Business year under review
Common stock (1,000s of stocks)	28	2,005	0	2,033

(Outline of reasons for changes)

The reasons for the increases can be broken down into the acquisition of 2,000,000 treasury stocks through treasury stock acquisition resolutions passed by the Board of Directors meetings held on May 28, 2007 and August 10, 2007, and an increase of 5,000 stocks as a result of purchases of odd stock.

Decreases are the result of applications for further purchases of odd stock.

Business year under review (April 1, 2008 - March 31, 2009)

Treasury Stock

Type of stock	Previous business year	Increase	Decrease	Business year under review
Common stock (1,000s of stocks)	2,033	1,936	2	3,967

(Outline of reasons for changes)

The reasons for the increases can be broken down into the acquisition of 1,927,000 treasury stocks through a treasury stock acquisition resolution passed by the Board of Directors meeting held on February 6, 2009, and an increase of 8,000 shares as a result of purchases of odd stock.

Decreases are the result of applications for further purchases of odd stock.

Per Stock Data

Previous accounting period (April 1, 2007 - March 31, 2008)	This accounting period (April 1, 2008 - March 31, 2009)
Net assets per stock: 2,556.98 yen	Net assets per stock: 2,510.87 yen
Net income per stock: 171.03 yen	Net income per stock: 24.90 yen
Net income per stock after adjustments for residual securities has not been recorded because there were no residual securities in the current consolidated fiscal year.	Net income per stock after adjustments for residual securities has not been recorded because there were no residual securities in the current consolidated fiscal year.

(Note) The basis for calculating net income per stock is as follows.

	Previous accounting period (April 1, 2007 - March 31, 2008)	This accounting period (April 1, 2008 - March 31, 2009)
Net income per share		
Current net income (millions yen)	15,825	2,284
Amount not attributed to ordinary shareholders (millions yen)	-	-
Amount attributed to common shares (millions yen)	15,825	2,284
Average number of common shares during the period (1,000s of stocks)	92,529	91,731

Important Post-Balance Sheet Events

N/A

6. Other notes

(1) Transfer of directors

(As of June 26, 2009)

- i. Transfers of representative
N/A

- ii. Transfers of other directors
 - Candidates for new director
N/A

 - Candidates for new auditor
Permanent Auditor: Kenko Okada (Current position: Operating Officer of the Risk Management Dept.)

 - Directors scheduled to retire
Executive Consultant: Tadao Nishiura

 - Auditors scheduled to retire
Permanent Auditor: Tetsuji Ando

 - Directors scheduled for promotion
N/A

(2) Status of Production, Orders and Sales (Consolidated)**1. Production Results**

Production results in each business segment in the current consolidated fiscal year are as follows.

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

Name of business segment	Amount	Year-on-year (%)
Pharmaceutical Manufacturing	14,296	110.6
Healthcare-related service	1,235	108.1
Total	15,531	110.4

(Note) Amounts are based on cost of manufacture and do not include taxes.

2. Merchandise Purchases Results

Merchandise purchase results in each business segment in the current consolidated fiscal year are as follows.

Name of business segment		Amount	Year-on-year (%)
Pharmaceutical distribution business	Ethical pharmaceuticals	1,349,605	104.2
	Diagnostic reagents	58,370	107.4
	Medical equipment and supplies	42,668	102.9
	Other	18,857	103.0
	Total	1,469,502	104.2
Pharmaceutical Manufacturing		33,188	109.5
Healthcare-related service		41,569	143.0
Subtotal		1,544,260	105.1
Intersegment elimination		(60,045)	116.6
Total		1,484,214	104.7

(Note) Amounts are based on purchase prices and do not include taxes.

3. Status of Orders

The status of orders in each business segment in the current consolidated fiscal year is as follows.

Name of business segment	Orders	Year-on-year (%)	Orders backlog	Year-on-year (%)
Pharmaceutical Manufacturing	2,342	81.4	665	105.4
Healthcare-related services	1,804	99.2	418	104.5
Intersegment elimination	(813)	105.3	(26)	86.5
Total	3,333	84.9	1,057	105.6

4. Sales Results

Sales results in each business segment in the current consolidated fiscal year are as follows.

Name of business segment		Amount	Year-on-year (%)
Pharmaceutical distribution business	Ethical pharmaceuticals	1,447,748	102.2
	Diagnostic reagents	63,432	106.4
	Medical equipment and supplies	48,404	104.4
	Other	20,800	103.6
	Total	1,580,386	102.5
Pharmaceutical Manufacturing		62,318	113.5
Healthcare-related services		59,219	144.2
Subtotal		1,701,925	103.9
Intersegment elimination		(60,593)	117.9
Total		1,641,331	103.4

(Note) Amounts do not include taxes.

(3) Performance Trends and Forecasts (Consolidated)

1. Performance Trends and Forecasts for the Full Year

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

	Fiscal year ending March 31, 2010 (Forecast)	Fiscal year ended March 31, 2009 (Actual)	Fiscal year ended March 31, 2008 (Actual)	Fiscal year ended March 31, 2007 (Actual)	Fiscal year ended March 31, 2006 (Actual)
Net sales	1,720,000	1,641,331	1,586,596	1,454,841	1,388,694
Operating income	9,600	14,680	23,250	18,411	16,804
Ordinary income	23,400	28,811	37,155	32,116	29,639
Net income	13,000	7,072	21,327	17,701	17,183

2. Interim and 2nd Quarter Cumulative Consolidated Accounting Period Performance Trends and Forecasts

	Fiscal year ending March 31, 2010 (2 nd Quarter Cumulative - Forecast)	Fiscal year ended March 31, 2009 (2 nd Quarter Cumulative - Actual)	Fiscal year ended March 31, 2008 (Interim - Actual)	Fiscal year ended March 31, 2007 (Interim - Actual)	Fiscal year ended March 31, 2006 (Interim - Actual)
Net sales	832,500	795,976	767,000	686,139	682,755
Operating income	2,700	6,465	9,195	7,202	6,964
Ordinary income	9,600	13,447	15,870	13,711	13,189
Interim income/ 2 nd quarter net income	5,300	4,883	8,875	7,632	6,037

3. Sales by Business

Name of business segment		Fiscal Year ending March 31, 2010 (Forecast)		Fiscal Year ended March 31, 2009 (Actual)	
		Amount	Year-on-year (%)	Amount	Year-on-year (%)
Pharmaceutical distribution business	Ethical pharmaceuticals	1,506,000	104.0	1,447,748	102.2
	Diagnostic reagents	66,400	104.7	63,432	106.4
	Medical equipment and supplies	51,400	106.2	48,404	104.4
	Other	22,200	106.7	20,800	103.6
	Total	1,646,000	104.2	1,580,386	102.5
Pharmaceutical Manufacturing		66,370	106.5	62,318	113.5
Healthcare-related service		76,500	129.2	59,219	144.2
Subtotal		1,788,870	105.1	1,701,925	103.9
Intersegment elimination		(68,870)	113.7	(60,593)	117.9
Total		1,720,000	104.8	1,641,331	103.4

4. Capital Expenditure and Depreciation Expenses

	Fiscal year ending March 31, 2010 (Forecast)	Fiscal year ended March 31, 2009 (Actual)	Fiscal year ended March 31, 2008 (Actual)	Fiscal year ended March 31, 2007 (Actual)	Fiscal year ended March 31, 2006 (Actual)
Capital expenditure	28,000	15,333	9,716	10,628	10,680
(capital expenditure on information investments)	9,500	5,979	2,580	3,126	4,152
Depreciation expenses	8,000	7,067	6,573	5,716	5,516

5. Research and Development Costs

	Fiscal year ending March 31, 2010 (Forecast)	Fiscal year ended March 31, 2009 (Actual)	Fiscal year ended March 31, 2008 (Actual)	Fiscal year ended March 31, 2007 (Actual)	Fiscal year ended March 31, 2006 (Actual)
Research and development costs	6,200	5,390	5,437	5,461	6,230

(4) Performance Trends and Forecasts (Non-consolidated)

1. Performance Trends and Forecasts for the Full Year

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

	Fiscal year ending March 31, 2010 (Forecast)	Fiscal year ended March 31, 2009 (Actual)	Fiscal year ended March 31, 2008 (Actual)	Fiscal year ended March 31, 2007 (Actual)	Fiscal year ended March 31, 2006 (Actual)
Net sales	1,501,000	1,443,457	1,390,754	1,315,699	1,283,513
Operating income	1,000	4,293	14,210	13,917	10,233
Ordinary income	13,500	17,061	26,247	25,843	22,100
Net income	8,000	2,284	15,825	14,951	11,970

2. Interim and 2nd Quarter Cumulative Consolidated Accounting Period Performance Trends and Forecasts

	Fiscal year ending March 31, 2010 (2 nd Quarter Cumulative - Forecast)	Fiscal year ended March 31, 2009 (2 nd Quarter Cumulative - Actual)	Fiscal year ended March 31, 2008 (Interim - Actual)	Fiscal year ended March 31, 2007 (Interim - Actual)	Fiscal year ended March 31, 2006 (Interim - Actual)
Net sales	723,400	702,308	670,399	639,306	630,588
Operating income	(600)	1,673	5,380	5,082	3,704
Ordinary income	5,800	8,271	11,493	11,132	9,587
Interim income/ 2 nd quarter net income	3,400	3,407	6,823	6,576	4,347

3. Sales by Business

	Fiscal Year ending March 31, 2010 (Forecast)		Fiscal Year ended March 31, 2009 (Actual)	
	Amount	Year-on-year (%)	Amount	Year-on-year (%)
Pharmaceutical products	1,376,500	104.0	1,323,716	103.7
Diagnostic reagents	61,700	104.0	59,314	105.2
Medical equipment and supplies	44,300	104.8	42,288	105.6
Other	16,700	101.1	16,515	103.5
Merchandise subtotal	1,499,200	104.0	1,441,835	103.8
Products subtotal	1,800	111.0	1,622	92.0
Total	1,501,000	104.0	1,443,457	103.8

4. Capital Expenditure and Depreciation Expenses

	Fiscal year ending March 31, 2010 (Forecast)	Fiscal year ended March 31, 2009 (Actual)	Fiscal year ended March 31, 2008 (Actual)	Fiscal year ended March 31, 2007 (Actual)	Fiscal year ended March 31, 2006 (Actual)
Capital expenditure	15,500	11,138	5,508	7,497	7,525
(capital expenditure on information investments)	9,000	5,439	2,056	2,784	3,728
Depreciation expenses	4,640	4,342	4,177	3,643	3,530