



Consolidated Financial Statement for the First Half of the Fiscal Year Ending March 31, 2010

November 6, 2009

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Stock Exchange Listings: Tokyo, Nagoya, Sapporo

Stock Code: 9987

Planned Date of Filing of Quarterly Securities Report: November 13, 2009

Scheduled Date for Commencement of Dividend Payments: December 10, 2009

1. Results for the second quarter of the Fiscal Year ending March 31, 2010 (April 1, 2009 - September 30, 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	%
2Q ended March 31, 2010	849,902	6.8	5,735	(11.3)	12,948	(3.7)
2Q ended March 31, 2009	795,976	-	6,465	-	13,447	-

	Net income		Net income per share Basic	Net income per share Diluted
	Millions of yen	%	Yen	Yen
2Q ended March 31, 2010	7,054	44.5	78.31	-
2Q ended March 31, 2009	4,883	-	53.13	-

(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
2Q ended March 31, 2010	858,083	279,341	32.1	3,043.93
Year ended March 31, 2009	828,515	270,854	32.2	2,961.98

Reference: Shareholders' equity: As of September 30, 2010 ¥275,746 million As of March 31, 2009 ¥266,523 million

2. Dividends

	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, 2009	-	31.00	-	31.00	62.00
Year ended March 31, 2010	-	31.00			
Year ended March 31, 2010 (Forecast)			-	31.00	62.00

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

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

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,737,400	5.9	11,500	(21.7)	25,600	(11.1)	14,200	100.8	157.50

Note: Changes in consolidated earnings forecasts made during the second quarter under review: None

4. Other

- (1) Significant changes in subsidiaries (change in specified subsidiaries resulting in a change in the scope of consolidation):
None
- (2) Simplified methods and methods peculiar to the preparation of quarterly consolidated financial statements applied in accounting treatment: Yes
Note: For details, please refer to 4. Others of [Qualitative Data and Financial Statements] on page 6.
- (3) Changes in accounting policies and procedures and methods of presentation concerning the preparation of quarterly consolidated financial statements (to be included in changes in important items to prepare quarterly consolidated financial statements)
- i Changes resulting from amendments to accounting standards: None
 - ii Changes other than i above: None
- (4) Number of shares outstanding (Common share)
- i Number of shares outstanding at the year-end (including treasury shares)
 - 2Q ended March 31, 2010: 93,949,167 shares
 - Year ended March 31, 2009: 93,949,167 shares
 - ii Number of treasury shares at the year-end
 - 2Q ended March 31, 2010: 3,360,118 shares
 - Year ended March 31, 2009: 3,967,415 shares
 - iii Average number of shares for the period (Year to Date on a consolidated basis)
 - 2Q ended March 31, 2010: 90,079,384 shares
 - 2Q ended March 31, 2009: 91,914,070 shares

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

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

For further information on business forecasts, please refer to 3. Qualitative Data Regarding Business Forecasts of [Qualitative Data and Financial Statements] on page 5.

[Qualitative Data and Financial Statements]

1. Qualitative Data Regarding Consolidated Results of Operations

[Overview of Results of Operations]

Despite an easing in problems with the global economy caused by the financial crisis emanating in the United States, difficult conditions continued with the Japanese economy during the second quarter under review because of ongoing weak corporate facility investment and personal consumption.

It is estimated that the ethical pharmaceuticals market grew by approximately 4% due factors such as the advance of aging, growth in drugs for lifestyle-related diseases and the contribution of influenza-related drugs as a result of the spread of new strains of influenza.

The Suzuken Group has worked hard to realize the following aims contained in the Medium-term Vision: “Establishment of a Medical Distribution Platform” and “Best Partner for Medical Treatment and Healthcare”.

Under these circumstances, the company was able to build significant momentum towards the realization of the “Establishment of a Medical Distribution Platform” from pharmaceuticals manufacturers to customers by making transport and delivery company, CHUOUNYU Co., Ltd., a wholly-owned subsidiary in September 2009.

In the Pharmaceuticals Distribution Business, in addition to focusing on group management that brings about “nationwide wholesaling with local roots”, the Suzuken Group has expanded the function of new business support systems and strengthened the marketing function of MS (pharmaceutical wholesaler marketing specialists) workers as we seek to maximize customer satisfaction levels. In terms of business support for the customers of insurance pharmacies, we have worked to introduce “PS-JOINET”, a communication system that creates more efficient information-sharing between stores, and “PS Stock – PS Top”, an inventory management system. We have also supported “Pharmacist Training” in order to improve pharmacist education.

With increasingly severe competition between wholesalers contributing to a fall in sales prices, we have worked to acquire fair profits by strengthening price management and developing a thorough awareness of costs.

In the Pharmaceuticals Manufacturing Business, additional approvals for combined treatment of “Seibule Tablet”, an agent for treating postprandial hyperglycemia in patients with diabetes mellitus, with insulin has allowed us to focus on expanding prescriptions further at existing customers and on acquiring new customers, and to work on establishing a brand for the Suzuken Group in the field of diabetes mellitus.

In the Insurance Pharmacy Business, we have expanded business at pharmacies by opening stores of a subsidiary of Pfercos etc., in order to contribute to improved customer satisfaction levels at the same time as contributing to regional society.

Through these activities, the Suzuken Group has maximized group synergies and made efforts towards the improvement of corporate value based on the construction of new businesses, etc.

In regard to business results for the second quarter consolidated cumulative period as a result of the activities described above, net sales were ¥849,902 million (6.8% increase in comparison to the previous year), operating income was ¥5,735 million (11.3% decrease in comparison to the previous year), ordinary income was ¥12,948 million (3.7% decrease in comparison to the previous year) and quarterly net income was ¥7,054 million (44.5% increase in comparison to the previous year).

Overview of performance by business segment

(Units: Millions of yen)

		2Q of the term ended March 31, 2009	2Q of the term ending March 31, 2010	Change (%)
Pharmaceutical Distribution	Net sales	769,770	813,274	5.7
	Operating income	2,644	1,375	(48.0)
Pharmaceutical Manufacturing	Net sales	31,202	32,903	5.5
	Operating income	4,004	3,741	(6.6)
Healthcare-related Services	Net sales	23,537	37,168	57.9
	Operating income	(282)	391	-

- i In the Pharmaceutical Distribution Business, net sales finished at ¥813,274 million (5.7% increase in comparison to the previous year) due to factors such as the advance of aging, growth in drugs for lifestyle-related diseases and the contribution of influenza-related drugs as a result of the spread of new strains of influenza. Operating income was ¥1,375 million (48.0% decrease in comparison to same period in the previous year) as a result of falling sales prices due to increasingly severe competition between wholesalers.
- ii In the Pharmaceutical Manufacturing Business, sales of “Seibule Tables”, a drug that improves postprandial hyperglycemia in patients with diabetes mellitus, progressed well, helping net sales to finish at ¥32,903 million (5.5% increase in comparison to the same period in the previous year). Operating income finished at ¥3,741 million (6.6% decrease in comparison to the same period in previous year) as a result of falling research and development sales.
- iii In the Healthcare-related Services Business, net sales were ¥37,168 million (57.9% increase in comparison to the same period in the previous year) due to the contribution of Pfercos, the insurance pharmacy business acquired in October, 2008, and operating income was ¥391 million (operating loss of ¥282 million in 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.

2. Qualitative Data Regarding Consolidated Financial Position

(i) Consolidated financial position

The status of assets, liabilities and net assets at the end of the second quarter consolidated accounting period was as follows.
(Assets)

Total assets at the end of the second quarter consolidated accounting period increased ¥29,568 million in comparison to the end of the previous consolidated accounting year to ¥858,083 million. The main causes of this increase were as follows.

Current assets increased ¥14,146 million in comparison to the end of the previous consolidated accounting year. This was mainly because trade notes and accounts receivable increased ¥13,503 million and merchandise and products increased ¥3,026 million in association with increases in sales, despite a decrease in cash and cash equivalents of ¥1,409 million due to dividend payments, etc, and a decrease in marketable securities of ¥2,001 million due to redemption of shares etc.

Fixed assets increased ¥15,421 million in comparison to the end of the previous consolidated accounting year. This was mainly because of an increase in tangible fixed assets of ¥8,228 million as a result of making CHUOUNYU Co., Ltd. a wholly-owned subsidiary in September 2009 and an increase in investments and other assets of ¥3,999 million due to rises in the prices of owned shares and an increase in prepaid pension expenses.

(Liabilities)

Total liabilities at the end of the second quarter consolidated accounting period increased ¥21,081 million in comparison to the end of the previous consolidated accounting year to ¥578,742 million. The main causes of this increase were as follows.

Current liabilities increased ¥16,834 million in comparison to the end of the previous consolidated accounting year. This was mainly because trade notes and accounts payable increased ¥12,782 million due to an increase in purchases.

Fixed liabilities increased ¥4,246 million in comparison to the end of the previous consolidated accounting year. This was mainly because deferred income tax liabilities increased ¥2,469 million as a result of rises in the price of owned shares.

(Net assets)

Total net assets at the end of the second quarter consolidated accounting period increased ¥8,486 million in comparison to the end of the previous consolidated accounting year to ¥279,341 million. This was mainly because of an increase in quarterly net income of ¥4,188 million and an increase in the valuation difference of other marketable securities of ¥3,487 million due to increases in the prices of shares held, despite a decrease in retained earnings due to the payment of dividends.

(ii) The status of cash flow

Cash and cash equivalents at the end of the second quarter consolidated accounting period (hereinafter referred to as “Funds”) decreased ¥3,567 million in comparison to the previous consolidated fiscal year to ¥69,450 million. The situation regarding cash flow in the respective activities during the same second quarter consolidated accounting period was as follows.

(Cash flows from operating activities)

Fund gains as a result of operating activities were ¥7,491 million (¥2,089 million was spent in the same period of the previous fiscal year). The main causes of this were an increase in income before income taxes and minority interests of ¥12,903 million and an increase in trade payables of ¥12,169 million, despite an increase in trade receivables of ¥12,641 million, an increase in inventory assets of ¥3,879 million and a decrease in employees’ retirement benefits of ¥1,705 million.

(Cash flows from investment activities)

Funds spent as a result of investment activities were ¥8,057 million (increase of ¥1,372 million in comparison to the same period in the previous fiscal year). The main causes of this were expenditure on the acquisition of tangible and intangible fixed assets of ¥9,671 million and expenditure on the acquisition of investment securities and shares in subsidiaries of ¥6,337 million, despite income of ¥7,485 million from the sale and redemption of marketable securities and investment securities.

(Cash flows from financing activities)

Funds spent as a result of financing activities were ¥3,001 million (increase of ¥438 million in comparison to the same period in the previous fiscal year). The main cause was ¥2,788 million in dividends paid.

3. Qualitative Data Regarding Business Forecasts

The ethical pharmaceuticals market is forecast to continue growing due to the advance of aging and the expansion of the market for drugs to treat lifestyle-related diseases.

In the Pharmaceutical Distribution Business, we shall improve our competitiveness by becoming No. 1 in sales reliability and the distribution of high-quality products based on the “Every Employee is A Salesperson” an activity policy to all employees of the Suzuken Group. The difficult management environment in the Pharmaceuticals Distribution Business is forecast to continue, but Suzuken will make efforts in price negotiations emphasizing economic rationalism and develop a thorough awareness of costs. We will also focus on the supply of high value added services in accordance with individual customer needs by strengthening marketing functions using new sales support systems centered on information functions.

In the Pharmaceutical Manufacturing Business, as a means of developing sales of “Seibule Tablet”, an agent for treating postprandial hyperglycemia in patients with diabetes mellitus, Suzuken will focus on detailing activities aimed at increasing the number of prescriptions made by facilities that already prescribe the drug, as well as the acquisition of new facilities to commence prescription of the same drug, through measures such as the clarification of the roles of MR (pharmaceutical company medical representatives) and MS (pharmaceutical wholesaler marketing specialists) workers at Sanwa Kagaku Kenkyusho Co., Ltd., intensifying information, and strengthening alliances, etc., thereby expanding our market share.

In the Insurance Pharmacy Business, Suzuken will endeavor to expand business further and build know-how and functions related to the management of the insurance pharmacy business built up through business operations.

In accordance with the “Announcement of Revisions of the Earnings Forecasts for the First Half and Full-Year of the Fiscal Year Ending March 31, 2010” made on October 23, 2009, the company has revised its consolidated earnings forecasts for the first half of the fiscal year ending March 31, 2010 and the full-year of the fiscal year ending March 31, 2010.

4. Other

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

N/A

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

[1] Simplified accounting procedures

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

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

b) Method for calculation of income taxes, deferred income tax assets and deferred income tax liabilities

The calculation of income tax, etc, restricts the items to be added and subtracted as well as tax deduction items to significant matters.

In addition, if it is recognized that no marked changes have occurred in the management environment, etc, since the end of the previous consolidated accounting year, the determination of the collectability of deferred tax assets will be based on the method of using the future business forecasts and tax planning used in the previous consolidated accounting year.

The income taxes, etc, of subsidiaries lacking in importance are calculated using the tax burden rate after application of tax effect accounting on the profit and loss statement for the previous consolidated accounting year.

Income tax deferred is presented under income tax, etc.

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

N/A

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

N/A

5. Consolidated Financial Statements**(1) Consolidated Balance Sheets****(Units: Millions of yen)**

	End of 2Q consolidated accounting period (September 30, 2009)	Condensed Consolidated Balance Sheet at the Previous Consolidated Fiscal Year-End (March 31, 2009)
Assets		
Current Assets		
Cash and cash equivalents	69,431	70,841
Trade notes and accounts receivable	416,387	402,883
Marketable securities	6,782	8,784
Merchandises and products	108,006	104,979
Products in process	2,897	2,170
Raw materials and inventories of merchandise and supplies	1,695	1,549
Other current assets	34,307	34,498
Allowance for doubtful accounts	(3,468)	(3,812)
Total Current Assets	636,040	621,893
Fixed Assets		
Tangible Fixed Assets	104,725	96,496
Intangible Fixed Assets		
Goodwill	4,202	4,304
Other	16,735	13,440
Total Intangible Fixed Assets	20,937	17,745
Total Investments and Other Assets	96,379	92,379
Total Fixed Assets	222,042	206,621
Total Assets	858,083	828,515

(Units: Millions of yen)

	End of 2Q consolidated accounting period (September 30, 2009)	Condensed Consolidated Balance Sheet at the Previous Consolidated Fiscal Year-End (March 31, 2009)
Liabilities		
Current Liabilities		
Trade notes and accounts payable	531,026	518,244
Short-term bank loans	3,801	2,119
Income taxes payable	5,426	2,694
Reserves for sales returns	445	486
Accrued bonuses	7,946	7,406
Allowance for directors' bonuses	0	2
Other current liabilities	10,688	11,547
Total Current Liabilities	559,336	542,501
Long-term Liabilities		
Corporate bonds	540	-
Long-term borrowings	1,157	379
Liability of employees' retirement benefits	4,754	4,539
Liability for directors' and corporate auditors' retirement benefits	739	749
Other long-term liabilities	12,214	9,490
Total Long-term Liabilities	19,406	15,159
Total Liabilities	578,742	557,660
Net Assets		
Shareholders' Equity:		
Common stock	13,546	13,546
Capital surplus	38,899	39,373
Retained earnings	238,045	233,856
Treasury stock, at cost	(10,738)	(12,682)
Total Shareholders' Equity	279,753	274,094
Revaluation and Translation Difference		
Net unrealized gain on available for sale securities	2,996	(491)
Land revaluation difference	(7,003)	(7,079)
Total Revaluation and Translation Difference	(4,006)	(7,570)
Minority Interests	3,594	4,330
Total Net Assets	279,341	270,854
Total Liabilities and Net Assets	858,083	828,515

(2) Quarterly Consolidated Statement of Income
(2Q consolidated cumulative period)

(Units: Millions of yen)

	Previous 2Q consolidated cumulative period (April 1, 2008 to September 30, 2008)	2Q consolidated cumulative period (April 1, 2009 to September 30, 2009)
Net Sales	795,976	849,902
Cost of Sales	716,974	768,450
Gross Profit	79,001	81,451
Reversal of sales returns	541	486
Provision for sales returns	465	445
Gross Profit after Adjustment	79,077	81,492
Selling, General and Administrative Expenses	72,611	75,757
Operating Income	6,465	5,735
Non-operating Income:		
Interests income	582	358
Dividends income	326	338
Purchase discounts	3,054	3,506
Commission for supplying sales data	2,119	2,214
Other	1,045	998
Total Non-Operating Income	7,128	7,416
Non-operating Expenses:		
Interest expenses	16	26
Real estate rental expenses	111	117
Other	19	59
Total Non-Operating Expenses	146	203
Ordinary Income	13,447	12,948
Extraordinary Gain:		
Gain on disposal of fixed assets	24	1
Reversal of allowance for doubtful accounts	-	245
Subsidy income	30	-
Other	48	44
Total Extraordinary Profits	103	291
Extraordinary Loss		
Loss on retirement and sales of fixed assets	469	112
Impairment loss	80	65
Loss on revaluation of inventories	1,485	-
Loss on revaluation of investment securities	1,995	96
Other	328	62
Total Extraordinary Losses	4,360	336
Income before Income Taxes and Minority Interests	9,190	12,903
Income Taxes	4,075	5,589
Minority Interests	232	259
Net Income	4,883	7,054

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

	Previous 2Q consolidated cumulative period (April 1, 2008 to September 30, 2008)	2Q consolidated cumulative period (April 1, 2009 to September 30, 2009)
Cash flows from Operating Activities		
Income before income taxes and minority interests	9,190	12,903
Depreciation	3,424	3,624
Impairment loss	80	65
Decrease in allowance for doubtful accounts	(178)	(548)
Decrease in liability for employees' retirement benefits	(8,508)	(1,705)
Increase (decrease) in provision for other allowance	(982)	331
Interest and dividend income	(908)	(696)
Interest expenses	16	26
Gain on sales of fixed assets (indicates profit)	445	110
Loss on revaluation of inventories	1,485	-
Profit or loss on revaluation of investment securities (indicates profit)	1,995	96
Decrease (increase) in trade receivables	5,979	(12,641)
Decrease (increase) in inventories	(6,331)	(3,879)
Increase (decrease) in trade payables	(2,704)	12,169
Other	3,672	(364)
Subtotal	6,676	9,491
Interest and dividend income received	888	715
Interest expenses paid	(16)	(24)
Payment of special severance payment for retired employees	-	(41)
Income tax paid	(9,638)	(2,649)
Net Cash Provided by (Used in) Operating Activities	(2,089)	7,491
Cash flows from Investing Activities		
Purchase of long-term deposits	-	(2,080)
Proceeds from long-term deposits	-	1,925
Purchases of marketable securities	(493)	-
Proceeds from redemption of marketable securities	2,400	2,399
Purchases of property and equipment	(3,580)	(5,720)
Proceeds from sales of property and equipment	777	53
Acquisition of intangible fixed assets	(1,598)	(3,951)
Purchase of investment securities	(6,847)	(4,419)
Proceeds from sale and disposal of investment securities	-	5,086
Acquisition of shares in subsidiaries	-	(1,917)
Other	2,657	568
Net Cash Used in Investing Activities	(6,684)	(8,057)

(Units: Millions of yen)

	Previous 2Q consolidated cumulative period (April 1, 2008 to September 30, 2008)	2Q consolidated cumulative period (April 1, 2009 to September 30, 2009)
Cash flows from Financing Activities		
Increase (decrease) in short-term borrowings, net	80	60
Income from long-term loans payable	50	-
Repayments of long-term borrowings	(345)	(102)
Repayment of lease obligations	(4)	(63)
Acquisition of treasury stock	(17)	(12)
Proceeds from sales of treasury stock	3	2
Dividends paid	(2,297)	(2,788)
Dividends paid to minority shareholders	(29)	(96)
Net Cash Used in Financing Activities	(2,562)	(3,001)
Translation Adjustments on Cash and Cash Equivalents	(0)	(0)
Net Increase (decrease) in Cash and Cash Equivalents	(11,336)	(3,567)
Cash and Cash Equivalents, Beginning of Period	103,584	73,017
Cash and Cash Equivalents, End of Period	92,247	69,450

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

N/A

(5) Segment information

1. Segment information classified according to business type

Previous 2Q consolidated cumulative period (April 1, 2008 to September 30, 2008)

(Units: Millions of yen)

	Pharmaceutical Distribution	Pharmaceutical Manufacturing	Health-related service	Total	Deletions or company-wide	Consolidated
Sales						
(1) Sales to external customers	763,047	10,494	22,433	795,976	-	795,976
(2) Internal sales or transfers between segments	6,722	20,708	1,103	28,534	(28,534)	-
Total	769,770	31,202	23,537	824,510	(28,534)	795,976
Operating income or operating loss (loss in parentheses)	2,644	4,004	(282)	6,366	99	6,465

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

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

- (1) Pharmaceutical Distribution ... Sale of pharmaceutical products, diagnostic reagents and medical equipment and supplies, etc.
- (2) Pharmaceutical Manufacturing ... Manufacture of pharmaceutical products and diagnostic reagents, etc.
- (3) Health-related services
 - Health-related services ... Sale of health-related books, dispatch of clinical trial coordinators, etc.
 - Medical equipment manufacturing ... Manufacture of biological and physiological test equipment, such as electrocardiographs, blood pressure meters, etc.
 - Insurance pharmacies ... Preparation of pharmaceutical products based on prescriptions issued by medical institutions
 - Other ... Insurance agency business, sales of food and other goods, etc.

3. The company has applied the "Accounting Standards for Measurement of Inventories" (Corporate Accounting Standards No.9, July 5, 2006) since the 1st quarter of the consolidated accounting year.

In association with the application of this standard, operating income in the 2nd quarter consolidated cumulative period has increased ¥1,322 million in the pharmaceutical distribution business and has decreased by ¥11 million in the pharmaceutical manufacturing business in comparison to calculations using the previous method.

2Q consolidated cumulative period (April 1, 2009 to June 30, 2009)

(Units: Millions of yen)

	Pharmaceutical Distribution	Pharmaceutical Manufacturing	Health-related service	Total	Deletions or company-wide	Consolidated
Sales						
(1) Sales to external customers	803,870	10,094	35,937	849,902	-	849,902
(2) Internal sales or transfers between segments	9,403	22,809	1,230	33,443	(33,443)	-
Total	813,274	32,903	37,168	883,346	(33,443)	849,902
Operating income	1,375	3,741	391	5,508	227	5,735

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

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

- (1) Pharmaceutical Distribution ... Sale of pharmaceutical products, diagnostic reagents and medical equipment and supplies, etc.
- (2) Pharmaceutical Manufacturing ... Manufacture of pharmaceutical products and diagnostic reagents, etc.
- (3) Health-related services
 - Health-related services ... Sale of health-related books, dispatch of clinical trial coordinators, etc.
 - Medical equipment manufacturing ... Manufacture of biological and physiological test equipment, such as electrocardiographs, blood pressure meters, etc.
 - Insurance pharmacies ... Preparation of pharmaceutical products based on prescriptions issued by medical institutions
 - Other ... Insurance agency business, sales of food and other goods, etc.

2. Segment information classified by location

There were no significant consolidated subsidiaries or branches located in countries or regions outside of Japan during the previous 2nd quarter consolidated cumulative period or the 2nd quarter consolidated cumulative period under review and so no matters are recorded here.

3. Overseas sales

Overseas sales were less than 10% of consolidated sales during the previous 2nd quarter consolidated cumulative period and the 2nd quarter consolidated cumulative period under review and so no matters concerning overseas sales are recorded here.

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

N/A

[Reference]
Quarterly Non-consolidated Financial Statements
(1) Quarterly Balance Sheet

(Units: Millions of yen)

	End of this 2Q accounting (June 30, 2009)	Condensed balance sheet pertaining to the end of the previous fiscal year (March 31, 2009)
Assets		
Current Assets		
Cash and cash equivalents	41,028	39,378
Trade notes and accounts receivable	398,741	387,522
Marketable securities	6,782	8,784
Merchandises and products	76,701	75,555
Products in process	126	139
Raw materials and inventories of merchandise and supplies	538	403
Other current assets	26,450	27,018
Allowance for doubtful accounts	(2,672)	(2,995)
Total Current Assets	547,696	535,806
Fixed Assets		
Property and Equipment	58,062	57,961
Intangible Fixed Assets	14,804	11,785
Total Investments and Other Assets	141,859	135,246
Total Fixed Assets	214,726	204,993
Total Assets	762,422	740,800
Liabilities		
Current Liabilities		
Trade notes and accounts payable	492,839	483,145
Income taxes payable	2,490	197
Reserves for sales returns	324	365
Accrued bonuses	3,917	3,961
Other current liabilities	20,443	19,485
Total Current Liabilities	520,015	507,155
Long-term Liabilities	9,609	7,712
Total Liabilities	529,625	514,867
Net Assets		
Shareholders' Equity		
Common stock	13,546	13,546
Capital surplus	40,515	40,989
Retained earnings	193,903	191,537
Treasury stock, at cost	(10,738)	(12,682)
Total Shareholders' Equity	237,226	233,391
Revaluation and Translation Difference		
Net unrealized gain on available for sale securities	2,574	(379)
Land revaluation difference	(7,003)	(7,079)
Total Revaluation and Translation Difference	(4,429)	(7,458)
Total Net Assets	232,797	225,932
Total Liabilities and Net Assets	762,422	740,800

(2) Quarterly Profit and Loss Statement

(Units: Millions of yen)

	Previous 2Q cumulative period (April 1, 2008 to September 30, 2008)	This 2Q cumulative period (April 1, 2009 to September 30, 2009)
Net Sales	702,308	746,189
Cost of Sales	658,621	704,439
Gross Profit	43,686	41,749
Reversal of sales returns	416	365
Provision for sales returns	351	324
Gross Profit after Adjustment	43,751	41,789
Selling, General and Administrative Expenses	42,078	41,192
Operating Income	1,673	597
Non-operating Income		
Interests income	663	456
Dividends income	1,146	1,513
Purchase discounts	2,984	3,458
Commission for supplying sales data	1,655	1,732
Other	747	756
Total Non-Operating Income	7,197	7,917
Non-operating Expenses		
Interest expenses	23	5
Sales discounts	492	617
Other	83	117
Total Non-Operating Expenses	599	740
Ordinary Income	8,271	7,774
Extraordinary Gain		
Gain on disposal of fixed assets	24	1
Reversal of allowance for doubtful accounts	-	244
Other	12	15
Total Extraordinary Profits	37	260
Extraordinary Loss		
Loss on retirement and sales of fixed assets	78	84
Impairment loss	73	43
Loss on revaluation of inventories	937	-
Loss on revaluation of investment securities	1,932	20
Other	76	35
Total Extraordinary Losses	3,099	183
Quarterly net income before taxes	5,209	7,852
Income Taxes	1,801	2,621
Quarterly net income	3,407	5,230

* The quarterly non-consolidated financial statements above are not subject to quarterly review. The company prepares quarterly non-consolidated financial statements based on the regulations, etc., for quarterly financial statements.

6. Other Information

Forecast/ results comparison: Condensed consolidated profit and loss statement

(Units: Millions of yen)

Account item	This quarter (forecast) April 1, 2009 to September 30, 2009		This quarter (results) April 1, 2009 to September 30, 2009		Difference (Results - forecast)		Full term (forecast) April 1, 2009 to March 31, 2010	
	Value	Percentage	Value	Percentage	Value	Results Forecast	Value	Percentage
Net Sales	849,900	100.0	849,902	100.0	2	100.0	1,737,400	100.0
Cost of Sales	768,470	90.4	768,450	90.4	(19)	100.0	1,569,600	90.3
Gross Profit	81,430	9.6	81,451	9.6	21	100.0	167,800	9.7
Provision for sales returns	(40)	0.0	(41)	0.0	(1)	102.8	-	-
Gross Profit after Adjustment	81,470	9.6	81,492	9.6	22	100.0	167,800	9.7
Selling, General and Administrative Expenses	75,770	8.9	75,757	8.9	(12)	100.0	156,300	9.0
Operating Income	5,700	0.7	5,735	0.7	35	100.6	11,500	0.7
Non-operating Income	7,410	0.8	7,416	0.8	6	100.1	14,500	0.8
Non-operating Expenses	210	0.0	203	0.0	(6)	97.0	400	0.0
Ordinary Income	12,900	1.5	12,948	1.5	48	100.4	25,600	1.5
Extraordinary Gain	290	0.0	291	0.0	1	100.5	300	0.0
Extraordinary Loss	340	0.0	336	0.0	(3)	99.1	350	0.0
Quarterly (current) income before income taxes and minority interests	12,850	1.5	12,903	1.5	53	100.4	25,550	1.5
Income Taxes	5,490	0.7	5,589	0.7	99	101.8	10,750	0.7
Minority Interests	260	0.0	259	0.0	(0)	99.9	600	0.0
Quarterly (current) net income	7,100	0.8	7,054	0.8	(45)	99.4	14,200	0.8

Forecast/ results comparison: Condensed non-consolidated profit and loss statement

(Units: Millions of yen)

Account item	This quarter (forecast) April 1, 2009 to September 30, 2009		This quarter (results) April 1, 2009 to September 30, 2009		Difference (Results - forecast)		Full term (forecast) April 1, 2009 to March 31, 2010	
	Value	Percentage	Value	Percentage	Value	Results Forecast	Value	Percentage
Net Sales	746,000	100.0	746,189	100.0	189	100.0	1,523,800	100.0
Cost of Sales	704,270	94.4	704,439	94.4	169	100.0	1,437,200	94.3
Gross Profit	41,730	5.6	41,749	5.6	19	100.0	86,600	5.7
Provision for sales returns	(40)	0.0	(40)	0.0	(0)	100.7	-	-
Gross Profit after Adjustment	41,770	5.6	41,789	5.6	19	100.0	86,600	5.7
Selling, General and Administrative Expenses	41,200	5.5	41,192	5.5	(7)	100.0	84,600	5.6
Operating Income	570	0.1	597	0.1	27	104.8	2,000	0.1
Non-operating Income	7,920	1.1	7,917	1.1	(2)	100.0	14,650	1.0
Non-operating Expenses	740	0.1	740	0.1	0	100.0	1,450	0.1
Ordinary Income	7,750	1.1	7,774	1.1	24	100.3	15,200	1.0
Extraordinary Gain	260	0.0	260	0.0	0	100.4	260	0.0
Extraordinary Loss	180	0.0	183	0.0	3	101.8	260	0.0
Quarterly (current) net income before taxes	7,830	1.1	7,852	1.1	22	100.3	15,200	1.0
Income Taxes	2,630	0.4	2,621	0.4	(8)	99.7	6,200	0.4
Quarterly (current) net income	5,200	0.7	5,230	0.7	30	100.6	9,000	0.6