



Consolidated Financial Statement for the Third Quarter of the Fiscal Year Ending March 31, 2010

February 5, 2010

SUZUKEN CO., LTD.

8, Higashi Kataha-machi
Higashi-ku, Nagoya 461-8701 Japan
Tel : +81(52)961-2331
URL : <http://www.suzuken.co.jp>

Representative : Hiroshi Ota, President and CEO

Contact: Harutaka Yamashita, Operating Officer and General Manager, Administrative Headquarters

Stock Exchange Listings: Tokyo, Nagoya, Sapporo

Stock Code: 9987

Planned Date of Filing of Quarterly Securities Report: February 15, 2010

Scheduled Date for Commencement of Dividend Payments: -

1. Results for the third quarter of the Fiscal Year ending March 31, 2010 (April 1, 2009 - December 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	%
3Q ended March 31, 2010	1,324,011	6.9	11,393	1.9	22,572	2.5
3Q ended March 31, 2009	1,238,610	-	11,181	-	22,013	-

	Net income		Net income per share Basic	Net income per share Diluted
	Millions of yen	%	Yen	Yen
3Q ended March 31, 2010	12,443	251.8	138.03	-
3Q ended March 31, 2009	3,537	-	38.48	-

(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
3Q ended March 31, 2010	974,216	276,591	28.4	3,065.57
Year ended March 31, 2009	828,515	270,854	32.2	2,961.98

Reference: Shareholders' equity: As of December 31, 2009 ¥276,452 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 third 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	157.51

Note: Changes in consolidated earnings forecasts made during the third 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 7.
- (3) Changes in accounting policies and procedures and methods of presentation concerning the preparation of quarterly consolidated financial statements (to be included in changes in important items to prepare quarterly consolidated financial statements)
- i Changes resulting from amendments to accounting standards: 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)
 - 3Q 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
 - 3Q ended March 31, 2010: 3,769,387 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)
 - 3Q ended March 31, 2010: 90,145,905 shares
 - 3Q ended March 31, 2009: 91,913,452 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 6.

[Qualitative Data and Financial Statements]

1. Qualitative Data Regarding Consolidated Results of Operations

[Overview of Results of Operations]

Difficult conditions continued in the Japanese economy during the third quarter under review because of the worsening of corporate income due to falling prices, and weak personal consumption, etc.

It is estimated that the ethical pharmaceuticals market grew by approximately 5% due to factors such as the advance of aging, growth in drugs for lifestyle-related diseases and the contribution of influenza-related drugs.

Under these circumstances, in the company group's Pharmaceuticals Distribution Business we made efforts to curb price reductions due to increasingly severe competition among wholesalers. In addition, immunizations using a vaccine for the new influenza virus started and we carried out stable supply based on the planning of the healthcare authorities.

In sales, in order to improve the quality of service and the speed of responses to customers, we have enhanced the functions of MS-PIT, the new sales support system that visualizes the activity status of MS staff (pharmaceutical wholesaler marketing specialists), and have advanced reform of work efficiency and other sales processes such as the sharing of information and know-how.

In distribution, the Suzuken Group has advanced preparations aimed at the operation during fiscal year 2010 of the distribution centers in Kanagawa, Chiba and Fukuoka towards the construction of the optimal distribution system that will realize high quality distribution at a low cost.

In addition, we have also focused on a new promotion inviting approximately 3,800 pharmacists to the simultaneous broadcast of an opinion leader lecture on the drug administration compliance of asthma patients from the patient perspective, which is different to the conventional wholesaling function, using the 210 nationwide branches of the Suzuken Group as viewing forums. In the Pharmaceuticals Manufacturing Business, we have worked on expanding prescriptions of "Seibule Tablet", an agent for treating postprandial hyperglycemia in patients with diabetes mellitus, owned by Sanwa Kagaku Kenkyusho, Co., Ltd, a subsidiary company, aimed at establishing the brand in the diabetes area. Furthermore, additional approval was also acquired for effect/ efficacy of combined treatment with biguanide agents in November. Furthermore, a licensing agreement has also been concluded with Fujiyakuhin Co., Ltd for the joint development and commercialization in Japan of a drug that Fujiyakuhin created for the treatment of hyperuricemia and gout.

In the Insurance Pharmacy Business of healthcare related services, we have made efforts to improve patient satisfaction through the training of employees at the subsidiary Pfercos and elsewhere. Furthermore, we have also expanded business at pharmacies by opening stores.

Through these activities, the Suzuken Group has continued to make efforts towards the maximization of group synergies.

In regard to business results for the third quarter consolidated cumulative period as a result of the activities described above, net sales were ¥1,324,011 million (6.9% increase in comparison to the previous year), operating income was ¥11,393 million (1.9% increase in comparison to the previous year), ordinary income was ¥22,572 million (2.5% increase in comparison to the previous year) and quarterly net income was ¥12,443 million (251.8% increase in comparison to the previous year).

Overview of performance by business segment

(Units: Millions of yen)

		3Q of the term ended March 31, 2009	3Q of the term ending March 31, 2010	Change (%)
Pharmaceutical Distribution	Net sales	1,195,313	1,266,553	6.0
	Operating income	4,792	4,448	(7.2)
Pharmaceutical Manufacturing	Net sales	48,049	51,488	7.2
	Operating income	6,220	5,476	(12.0)
Healthcare-related Services	Net sales	40,989	59,312	44.7
	Operating income	263	1,386	425.9

- i In the Pharmaceutical Distribution Business, net sales finished at ¥1,266,553 million (6.0% increase in comparison to the same period of 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. Although we made efforts to limit the falling sales prices due to increasingly severe competition among wholesalers, operating income was ¥4,448 million (7.2% decrease in comparison to same period of the previous year).
- 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 ¥51,488 million (7.2% increase in comparison to the same period of the previous year). Operating income finished at ¥5,476 million (12.0% decrease in comparison to the same period of the previous year) due to falling research and development sales.
- iii In the Healthcare-related Services Business, net sales were ¥59,312 million (44.7% increase in comparison to the same period of the previous year) due to the contribution of Pfercos, the insurance pharmacy business acquired in October, 2008, and operating income was ¥1,386 million (425.9% increase in comparison to the same period of 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 third quarter consolidated accounting period was as follows.

(Assets)

Total assets at the end of the third quarter consolidated accounting period increased ¥145,700 million in comparison to the end of the previous consolidated accounting year to ¥974,216 million. The main causes of this increase were as follows. Current assets increased ¥125,189 million in comparison to the end of the previous consolidated accounting year. This was mainly because trade notes and accounts receivable increased ¥53,750 million and merchandise and products increased ¥24,899 million due to increases in sales, and cash and cash equivalents increased ¥43,582 million due to the fact that the last day of the third quarter consolidated accounting period was a holiday for financial institutions, etc.

Fixed assets increased ¥20,511 million in comparison to the end of the previous consolidated accounting year. This was mainly because of an increase in tangible fixed assets of ¥11,243 million as a result of making CHUOUNYU Co., Ltd. a wholly-owned subsidiary in September 2009, etc., and an increase in investments and other assets of ¥6,855 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 third quarter consolidated accounting period increased ¥139,963 million in comparison to the end of the previous consolidated accounting year to ¥697,624 million. The main cause of this increase was that trade notes and accounts payable increased ¥131,609 million because of an increase in purchasing due to the handling of year-end/New Year business, etc., and the fact that the last day of the third quarter consolidated accounting period was a holiday for financial institutions, etc.

(Net assets)

Total net assets at the end of the third quarter consolidated accounting period increased ¥5,736 million in comparison to the end of the previous consolidated accounting year to ¥276,591 million. This was mainly because of an increase in retained earnings of ¥6,769 million due to the posting of quarterly net income, etc., and an increase in the valuation difference of other marketable securities of ¥2,843 million due to increases in the prices of shares held, despite a decrease in minority interests of ¥4,191 million due to making Sanwa Kagaku Kenkyusho Co., Ltd. a wholly-owned subsidiary, etc.

(ii) The status of cash flow

Cash and cash equivalents at the end of the third quarter consolidated accounting period (hereinafter referred to as “Funds”) increased ¥41,296 million in comparison to the end of the previous consolidated fiscal year to ¥114,314 million. The situation regarding cash flow in the respective activities during the same third quarter consolidated accounting period was as follows.

(Cash flows from operating activities)

Fund gains as a result of operating activities were ¥70,676 million (¥30,657 million increase in comparison to the same period of the previous year). The main causes were income before income taxes and minority interests of ¥21,954 million and an increase in accounts payable of ¥130,996 million despite an increase in trade receivables of ¥52,888 million, an increase in inventory assets of ¥26,060 million, a decrease in all reserves of ¥5,855 million and payments of income taxes of ¥5,069 million.

(Cash flows from investment activities)

Funds spent as a result of investment activities were ¥22,289 million (increase of ¥10,095 million in comparison to the same period of the previous fiscal year). The main causes of this were expenditure on the acquisition of tangible and intangible fixed assets of ¥17,334 million and expenditure on the acquisition of investment securities and shares in subsidiaries of ¥12,977 million, despite income of ¥8,703 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 ¥7,089 million (increase of ¥1,712 million in comparison to the same period of the previous fiscal year). The main causes were ¥5,680 million in dividends paid and expenditures due to the acquisition of treasury stock of ¥1,244 million.

3. Qualitative Data Regarding Business Forecasts

Although 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, growth is expected to be moderate in association with purchasing restraint prior to the drug price revision in April 2010 and the conclusion of the influenza epidemic.

In the Pharmaceutical Distribution Business, we shall focus on ensuring profits by continuing to strengthen price management to restrain declines in sales prices due to the increasing severity of competition among wholesalers and by making people thoroughly aware of costs. In addition, we will grasp the trends of the new drug price system to be introduced in April 2010 and advance preparations.

In sales, we will use MS-PIT, the new sales support system central to information functions to grasp diverse customer needs to strengthen marketing functions towards the maximization of levels of customer satisfaction. At the same time, we will make efforts towards the reform of sales processes so that we can fulfill MS functions effectively and efficiently by sales route and by segment.

In terms of distribution, we will advance preparations towards the operation of distribution centers in Miyagi and Okayama based on the distribution framework centered on the construction of a 9-base nationwide distribution center structure.

In the Pharmaceutical Manufacturing Business, we will strive to expand share based on the acquisition of newly-adopting facilities in association with the expanded indication of “Seibule Tablet”, an agent for treating postprandial hyperglycemia in patients with diabetes mellitus, and to expand prescriptions overall by strengthening detailing activities at facilities that have already adopted the drug.

In the Insurance Pharmacy Business of healthcare-related services, 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.

Results for the third quarter consolidated accounting period transited as planned so no revisions have been made to the earnings forecast for the full-year ending March 31, 2010, which was announced on October 23, 2009.

4. Other

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

N/A

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

[1] Simplified accounting procedures

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

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

b) Evaluation of inventory assets

The physical stock-take has been omitted from the calculation of inventories for the end of the third quarter consolidated accounting period and the calculation will be based on the booked inventories based on the results of the physical stock-take at the end of the second quarter consolidated accounting period.

c) 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 3Q consolidated accounting period (December 31, 2009)	Condensed Consolidated Balance Sheet at the Previous Consolidated Fiscal Year-End (March 31, 2009)
Assets		
Current Assets		
Cash and cash equivalents	114,423	70,841
Trade notes and accounts receivable	456,634	402,883
Marketable securities	8,088	8,784
Merchandises and products	129,879	104,979
Products in process	3,145	2,170
Raw materials and inventories of merchandise and supplies	1,756	1,549
Other current assets	36,671	34,498
Allowance for doubtful accounts	(3,515)	(3,812)
Total Current Assets	747,082	621,893
Fixed Assets		
Tangible Fixed Assets	107,740	96,496
Intangible Fixed Assets		
Goodwill	2,421	4,304
Other	17,735	13,440
Total Intangible Fixed Assets	20,157	17,745
Total Investments and Other Assets	99,235	92,379
Total Fixed Assets	227,133	206,621
Total Assets	974,216	828,515

(Units: Millions of yen)

	End of 3Q consolidated accounting period (December 31, 2009)	Condensed Consolidated Balance Sheet at the Previous Consolidated Fiscal Year-End (March 31, 2009)
Liabilities		
Current Liabilities		
Trade notes and accounts payable	649,853	518,244
Short-term bank loans	3,816	2,119
Income taxes payable	6,666	2,694
Reserves for sales returns	491	486
Accrued bonuses	4,280	7,406
Allowance for directors' bonuses	0	2
Other current liabilities	13,198	11,547
Total Current Liabilities	678,307	542,501
Long-term Liabilities		
Corporate bonds	540	-
Long-term borrowings	1,150	379
Liability of employees' retirement benefits	5,045	4,539
Liability for directors' and corporate auditors' retirement benefits	762	749
Other long-term liabilities	11,818	9,490
Total Long-term Liabilities	19,317	15,159
Total Liabilities	697,624	557,660
Net Assets		
Shareholders' Equity:		
Common stock	13,546	13,546
Capital surplus	38,899	39,373
Retained earnings	240,626	233,856
Treasury stock, at cost	(11,969)	(12,682)
Total Shareholders' Equity	281,102	274,094
Revaluation and Translation Difference		
Net unrealized gain on available for sale securities	2,352	(491)
Land revaluation difference	(7,003)	(7,079)
Total Revaluation and Translation Difference	(4,650)	(7,570)
Minority Interests	139	4,330
Total Net Assets	276,591	270,854
Total Liabilities and Net Assets	974,216	828,515

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

(Units: Millions of yen)

	Previous 3Q consolidated cumulative period (April 1, 2008 to December 31, 2008)	3Q consolidated cumulative period (April 1, 2009 to December 31, 2009)
Net Sales	1,238,610	1,324,011
Cost of Sales	1,117,202	1,196,722
Gross Profit	121,408	127,288
Reversal of sales returns	541	486
Provision for sales returns	516	491
Gross Profit after Adjustment	121,433	127,283
Selling, General and Administrative Expenses	110,252	115,889
Operating Income	11,181	11,393
Non-operating Income:		
Interests income	891	523
Dividends income	623	711
Purchase discounts	4,889	5,427
Commission for supplying sales data	3,236	3,406
Other	1,427	1,412
Total Non-Operating Income	11,068	11,481
Non-operating Expenses:		
Interest expenses	28	49
Real estate rental expenses	167	176
Other	39	76
Total Non-Operating Expenses	236	302
Ordinary Income	22,013	22,572
Extraordinary Gain:		
Gain on disposal of fixed assets	73	39
Reversal of allowance for doubtful accounts	210	189
Other	97	52
Total Extraordinary Profits	381	282
Extraordinary Loss		
Loss on retirement and sales of fixed assets	575	152
Impairment loss	80	68
Loss on revaluation of inventories	1,485	-
Loss on revaluation of investment securities	4,245	89
Special retirement allowances	8,103	-
Loss on completion of eligible retirement pensions	-	410
Other	358	179
Total Extraordinary Losses	14,848	900
Income before Income Taxes and Minority Interests	7,546	21,954
Income Taxes	3,590	9,128
Minority Interests	419	382
Net Income	3,537	12,443

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

	Previous 3Q consolidated cumulative period (April 1, 2008 to December 31, 2008)	3Q consolidated cumulative period (April 1, 2009 to December 31, 2009)
Cash flows from Operating Activities		
Income before income taxes and minority interests	7,546	21,954
Depreciation	5,286	5,840
Impairment loss	80	68
Decrease in allowance for doubtful accounts	(671)	(590)
Decrease in liability for employees' retirement benefits	(9,527)	(2,000)
Increase (decrease) in provision for other allowance	(5,095)	(3,264)
Interest and dividend income	(1,514)	(1,235)
Interest expenses	28	49
Loss or gain on disposal of fixed assets (indicates profit)	501	112
Profit or loss on revaluation of investment securities (indicates profit)	4,245	89
Special retirement allowances	8,103	-
Decrease (increase) in trade receivables	(37,101)	(52,888)
Decrease (increase) in inventories	(25,597)	(26,060)
Increase (decrease) in trade payables	103,366	130,996
Other	(19)	1,561
Subtotal	49,630	74,634
Interest and dividend income received	1,505	1,220
Interest expenses paid	(32)	(49)
Payment of special severance payment for retired employees	(14)	(59)
Income tax paid	(11,069)	(5,069)
Net Cash Provided by (Used in) Operating Activities	40,018	70,676
Cash flows from Investing Activities		
Purchase of long-term deposits	-	(4,000)
Proceeds from long-term deposits	-	2,910
Purchases of marketable securities	(1,490)	(500)
Proceeds from redemption of marketable securities	4,596	3,597
Purchases of property and equipment	(7,080)	(10,096)
Proceeds from sales of property and equipment	937	191
Acquisition of intangible fixed assets	(3,377)	(7,237)
Purchase of investment securities	(8,110)	(9,017)
Income from disposal of investment securities	2,153	-
Income from redemption of investment securities	2,000	-
Proceeds from sale and disposal of investment securities	-	5,106
Expenditures due to the acquisition of shares in subsidiaries entailing a change in the scope of consolidation	(1,685)	-
Acquisition of shares in subsidiaries	-	(3,960)
Other	(136)	716
Net Cash Used in Investing Activities	(12,194)	(22,289)

(Units: Millions of yen)

	Previous 3Q consolidated cumulative period (April 1, 2008 to December 31, 2008)	3Q consolidated cumulative period (April 1, 2009 to December 31, 2009)
Cash flows from Financing Activities		
Increase (decrease) in short-term borrowings, net	160	149
Income from long-term loans payable	70	200
Repayments of long-term borrowings	(415)	(384)
Repayment of lease obligations	(24)	(102)
Expenditures due to the repayment of installment liabilities	-	(30)
Acquisition of treasury stock	(21)	(1,244)
Proceeds from sales of treasury stock	6	3
Dividends paid	(5,122)	(5,584)
Dividends paid to minority shareholders	(29)	(96)
Net Cash Used in Financing Activities	(5,377)	(7,089)
Translation Adjustments on Cash and Cash Equivalents	(3)	(0)
Net Increase (decrease) in Cash and Cash Equivalents	22,443	41,296
Cash and Cash Equivalents, Beginning of Period	103,584	73,017
Cash and Cash Equivalents, End of Period	126,028	114,314

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

(Units: Millions of yen)

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

Previous 3Q consolidated cumulative period (April 1, 2009 to December 31, 2009)

(Units: Millions of yen)

	Pharmaceutical Distribution	Pharmaceutical Manufacturing	Health-related service	Total	Deletions or company-wide	Consolidated
Sales						
(1) Sales to external customers	1,251,363	15,861	56,785	1,324,011	-	1,324,011
(2) Internal sales or transfers between segments	15,189	35,626	2,526	53,343	(53,343)	-
Total	1,266,553	51,488	59,312	1,377,354	(53,343)	1,324,011
Operating income	4,448	5,476	1,386	11,311	81	11,393

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. Changes in accounting procedures

Previous third quarter consolidated accounting period

(Accounting Standard for Measurement of Inventories)

The company is applying the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9; July 5, 2006) from the first quarter consolidated accounting period.

In association with this change, operating income for the third quarter consolidated cumulative period has increased ¥1,339 million in the Pharmaceutical Distribution Business and ¥3 million in the Pharmaceutical Manufacturing Business in comparison to calculations using the previous method.

2. Segment information classified by location

There were no significant consolidated subsidiaries or branches located in countries or regions outside of Japan during the previous third quarter consolidated cumulative period or the third 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 third quarter consolidated cumulative period and the third 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 3Q accounting (As of December 31, 2009)	Condensed balance sheet pertaining to the end of the previous fiscal year (As of March 31, 2009)
Assets		
Current Assets		
Cash and cash equivalents	80,323	39,378
Trade notes and accounts receivable	440,010	387,522
Marketable securities	8,088	8,784
Merchandises and products	92,012	75,555
Products in process	189	139
Raw materials and inventories of merchandise and supplies	492	403
Other current assets	29,977	27,018
Allowance for doubtful accounts	(2,677)	(2,995)
Total Current Assets	648,417	535,806
Fixed Assets		
Property and Equipment	58,742	57,961
Intangible Fixed Assets	15,763	11,785
Total Investments and Other Assets	146,501	135,246
Total Fixed Assets	221,007	204,993
Total Assets	869,424	740,800
Liabilities		
Current Liabilities		
Trade notes and accounts payable	601,003	483,145
Income taxes payable	4,595	197
Reserves for sales returns	358	365
Accrued bonuses	2,172	3,961
Other current liabilities	20,721	19,485
Total Current Liabilities	628,851	507,155
Long-term Liabilities	9,314	7,712
Total Liabilities	638,166	514,867
Net Assets		
Shareholders' Equity		
Common stock	13,546	13,546
Capital surplus	40,515	40,989
Retained earnings	194,080	191,537
Treasury stock, at cost	(11,969)	(12,682)
Total Shareholders' Equity	236,172	233,391
Revaluation and Translation Difference		
Net unrealized gain on available for sale securities	2,088	(379)
Land revaluation difference	(7,003)	(7,079)
Total Revaluation and Translation Difference	(4,914)	(7,458)
Total Net Assets	231,258	225,932
Total Liabilities and Net Assets	869,424	740,800

(2) Quarterly Profit and Loss Statement

(Units: Millions of yen)

	Previous 3Q cumulative period (April 1, 2008 to December 31, 2008)	This 3Q cumulative period (April 1, 2009 to December 31, 2009)
Net Sales	1,094,088	1,164,807
Cost of Sales	1,027,653	1,099,670
Gross Profit	66,434	65,137
Reversal of sales returns	416	365
Provision for sales returns	386	358
Gross Profit after Adjustment	66,464	65,143
Selling, General and Administrative Expenses	63,468	62,818
Operating Income	2,996	2,325
Non-operating Income		
Interests income	1,018	678
Dividends income	1,382	1,845
Purchase discounts	4,780	5,353
Commission for supplying sales data	2,508	2,663
Other	1,111	1,166
Total Non-Operating Income	10,800	11,706
Non-operating Expenses		
Interest expenses	31	8
Sales discounts	737	935
Other	125	165
Total Non-Operating Expenses	895	1,109
Ordinary Income	12,901	12,922
Extraordinary Gain		
Gain on disposal of fixed assets	24	35
Reversal of allowance for doubtful accounts	241	242
Other	26	15
Total Extraordinary Profits	292	293
Extraordinary Loss		
Loss on retirement and sales of fixed assets	132	89
Impairment loss	73	43
Loss on revaluation of inventories	937	-
Loss on revaluation of investment securities	4,169	20
Special retirement allowances	8,088	-
Other	110	35
Total Extraordinary Losses	13,512	189
Pretax quarterly net income or pretax quarterly net loss	(317)	13,026
Income Taxes	(376)	4,810
Quarterly net income	58	8,216

* 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

**Comparison with previous third quarter consolidated accounting period/
Condensed consolidated profit and loss statement**

(Units: Millions of yen)

Account item	Previous third quarter consolidated cumulative period April 1, 2008 to December 31, 2008		This third quarter consolidated cumulative period April 1, 2009 to December 31, 2009		Change (This period - previous period)		Full term (forecast) April 1, 2009 to March 31, 2010	
	Value	Percentage	Value	Percentage	Value	Rate of change	Value	Percentage
Net Sales	1,238,610	100.0	1,324,011	100.0	85,400	6.9	1,737,400	100.0
Cost of Sales	1,117,202	90.2	1,196,722	90.4	79,520	7.1	1,569,600	90.3
Gross Profit	121,408	9.8	127,288	9.6	5,880	4.8	167,800	9.7
Provision for sales returns	(25)	(0.0)	5	0.0	30	-	-	-
Gross Profit after Adjustment	121,433	9.8	127,283	9.6	5,849	4.8	167,800	9.7
Selling, General and Administrative Expenses	110,252	8.9	115,889	8.7	5,637	5.1	156,300	9.0
Operating Income	11,181	0.9	11,393	0.9	212	1.9	11,500	0.7
Non-operating Income	11,068	0.9	11,481	0.8	413	3.7	14,500	0.8
Non-operating Expenses	236	0.0	302	0.0	66	28.2	400	0.0
Ordinary Income	22,013	1.8	22,572	1.7	559	2.5	25,600	1.5
Extraordinary Gain	381	0.0	282	0.0	(99)	(26.1)	300	0.0
Extraordinary Loss	14,848	1.2	900	0.1	(13,948)	(93.9)	350	0.0
Quarterly (current) income before income taxes and minority interests	7,546	0.6	21,954	1.6	14,407	190.9	25,550	1.5
Income Taxes	3,590	0.3	9,128	0.7	5,538	154.3	10,750	0.7
Minority Interests	419	0.0	382	0.0	(36)	(8.8)	600	0.0
Quarterly (current) net income	3,537	0.3	12,443	0.9	8,906	251.8	14,200	0.8

**Comparison with previous third quarter non-consolidated accounting period/
Condensed non-consolidated profit and loss statement**

(Units: Millions of yen)

Account item	Previous third quarter non-consolidated cumulative period April 1, 2008 to December 31, 2008		This third quarter consolidated cumulative period April 1, 2009 to December 31, 2009		Change (This period - previous period)		Full term (forecast) April 1, 2009 to March 31, 2010	
	Value	Percentage	Value	Percentage	Value	Rate of change	Value	Percentage
Net Sales	1,094,088	100.0	1,164,807	100.0	70,719	6.5	1,523,800	100.0
Cost of Sales	1,027,653	93.9	1,099,670	94.4	72,016	7.0	1,437,200	94.3
Gross Profit	66,434	6.1	65,137	5.6	(1,297)	(2.0)	86,600	5.7
Provision for sales returns	(30)	(0.0)	(6)	(0.0)	24	-	-	-
Gross Profit after Adjustment	66,464	6.1	65,143	5.6	(1,321)	(2.0)	86,600	5.7
Selling, General and Administrative Expenses	63,468	5.8	62,818	5.4	(650)	(1.0)	84,600	5.6
Operating Income	2,996	0.3	2,325	0.2	(670)	(22.4)	2,000	0.1
Non-operating Income	10,800	1.0	11,706	1.0	905	8.4	14,650	1.0
Non-operating Expenses	895	0.1	1,109	0.1	214	23.9	1,450	0.1
Ordinary Income	12,901	1.2	12,922	1.1	20	0.2	15,200	1.0
Extraordinary Gain	292	0.0	293	0.0	0	0.2	260	0.0
Extraordinary Loss	13,512	1.2	189	0.0	(13,323)	(98.6)	260	0.0
Pretax quarterly net income (this period) or pretax quarterly net loss	(317)	(0.0)	13,026	1.1	13,344	-	15,200	1.0
Income Taxes	(376)	(0.0)	4,810	0.4	5,187	-	6,200	0.4
Quarterly (current) net income	58	0.0	8,216	0.7	8,157	-	9,000	0.6