

Press Release

February 25, 2010

Suzuken Co., Ltd.

Hiroshi Ota, President and CEO

Stock Code: 9987

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

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Frontier Corporation

Katsusuke Onishi, President and CEO

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### **Notice Regarding Capital and Business Alliance With Frontier Corporation**

Suzuken Co., Ltd. (Suzuken) today announced that it has signed a comprehensive capital and business alliance agreement with Frontier Corporation (Frontier). Details of the agreement are as follows.

#### **1. Purpose of the Capital and Business Alliance**

The medical treatment environment in Japan today is undergoing a major paradigm shift as a raft of measures is enacted to address the financial stress on the country's medical insurance system. In this context, the environment that health insurance pharmacies face is, on the one hand, marked by calls for greater management efficiency through measures designed to curb medical care costs. At the same time, however, pharmacies are being asked to actively participate in home care and other community-based medical care.

In this environment, the Suzuken Group has declared "Establishment of a Medical Distribution Platform" as its Medium-term Vision. From this standpoint, the Group is determined to play a vital role for all interests

connected to medical care by assuming functions throughout the entire medical distribution chain. This chain spans everyone from pharmaceutical firms, medical institutions and health insurance pharmacies, to patients.

Frontier, as a member of the Watakyu Seimoa Group, is striving through its health insurance pharmacy operations to develop pharmacies that are kind to patients, and that the community can depend on.

Both companies have, over the years, developed a cordial relationship through their respective business operations. Against this backdrop, the companies have, whenever feasible, met to discuss how each might contribute to community-based medical care through its respective business operations.

Based on a common philosophy that emerged from these discussions—a commitment to contributing more to local society and community-based medical treatment—both companies determined that building a stronger relationship of trust would help them to better fulfill their social responsibilities via their respective business operations. To this end, recognizing that establishing a stronger relationship would require ready and mutual access to the knowledge and expertise that each company has acquired over the years, the decision was made to enter a comprehensive capital and business alliance.

## 2. Details of the Capital and Business Alliance

### (1) Details of the Business Alliance

- ① Exchange information on the health insurance pharmacy market
- ② Joint research on employee education and training
- ③ Research into joint usage of information systems
- ④ Joint research into businesses peripheral to health insurance pharmacies
- ⑤ Joint research into added value creation from synergies between both corporate groups

### (2) Details of the Capital Alliance

Suzuken will acquire 10% of Frontier's issued common stock.

### 3. Operating Company Overview

( 1 ) Name	Suzuken Co., Ltd.	Frontier Corporation
( 2 ) Business lines	Ethical pharmaceutical wholesaling	Dispensing pharmacy business
( 3 ) Establishment	August 10, 1946	November 18, 1983
( 4 ) Head office	8 Higashi Kataha-machi Higashi-ku, Nagoya	3-5-36 Miyahara Yodogawa-ku, Osaka
( 5 ) Representative	Hiroshi Ota President and CEO	Katsusuke Onishi President and CEO
( 6 ) Common stock	¥13,546 million	¥485 million
( 7 ) Issued common stock	93,949,167 shares	5,000 shares
( 8 ) Employees	4,744	610
( 9 ) Principal shareholders and percent shareholding	Japan Trustee Services Bank, Ltd. (Retirement benefit trust account re-trusted to Sumitomo Trust & Banking Co., Ltd. as trustee for Shionogi & Co., Ltd.) 5.74%  Japan Trustee Services Bank, Ltd. (Trust account) 3.96%  Japan Trustee Services Bank, Ltd. (Trust account 4G) 3.77%	Watakyu Seimoa Corporation 100.00%

\*Information for Suzuken Co., Ltd. current as of March 31, 2009; information for Frontier Corporation current as of June 30, 2009.

### 4. Timeline

February 25, 2010

Capital and business alliance agreement signed

March 1, 2010

Share acquisition (scheduled)

### 5. Outlook

The capital and business alliance discussed in this release will have a negligible impact on Suzuken's consolidated and non-consolidated operating results.