



Consolidated Financial Statement for the First Quarter of the Fiscal Year Ending March 31, 2011 (Japanese Standard)

August 3, 2010

Company name: SUZUKEN CO., LTD

Stock Exchange Listings: Tokyo, Nagoya, Sapporo

Stock Code: 9987 URL : <http://www.suzuken.co.jp>

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Scheduled date for submission of the quarterly report: August 13, 2010

Scheduled Date for Commencement of Dividend Payments: -

Creation of supplementary explanatory materials on quarterly settlement: None

Holding of explanatory meeting on quarterly settlement: None

1. Results for the first quarter of the fiscal year ending March 31, 2011 (April 1, 2010 - June 30, 2010)

(1) Consolidated results of operations (cumulative)

(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	%
1Q period ended March 31, 2011	427,653	1.7	2,839	49.6	6,614	18.4
1Q period ended March 31, 2010	420,556	5.2	1,898	(53.4)	5,585	(28.2)

	Quarterly net income		Net income per share Basic	Net income per share Diluted
	Millions of yen	%	Yen	Yen
1Q period ended March 31, 2011	4,004	37.6	44.41	-
1Q period ended March 31, 2010	2,910	(3.9)	32.35	-

(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
1Q period ended March 31, 2011	875,064	278,218	31.8	3,083.79
Period ended March 31, 2010	858,608	277,944	32.3	3,080.67

Reference: Shareholders' equity: As of June 30, 2011 ¥278,028 million As of March 31, 2010 ¥277,758 million

2. Dividends

(Record Date)	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Period ended March 31, 2010	-	31.00	-	31.00	62.00
Period ended March 31, 2011	-	-	-	-	-
Period ended March 31, 2011 (Forecast)	-	31.00	-	31.00	62.00

(Note) Changes in dividend forecasts made during the first quarter under review: None

3. Forecasts for the Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(% for full term and for second quarter (cumulative) shows changes against results for the previous term and against results for the same quarter of the previous term respectively)

	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
Second quarter (cumulative)	861,400	1.4	4,700	(18.0)	12,200	(5.8)	6,700	(5.0)	74.31
Full year	1,778,000	2.5	21,800	54.9	36,500	27.4	20,400	46.0	226.26

(Note) Changes in results forecasts made during the first quarter under review: None

4. Other (For details, please see “2. Other information” on p.5 of the attached documentation)

(1) Significant changes in subsidiaries during the quarter under review: None

__ new companies (Company names) , __ excluded companies (Company names)

(Note) The above refers to changes in specified subsidiaries resulting in changes in the scope of consolidation during the quarter under review.

(2) Application of simplified accounting methods and particular accounting methods: Yes

(Note) The above refers to the application or non-application of simplified accounting methods and methods particular to the preparation of quarterly consolidated financial statements applied in accounting treatment.

(3) Application of simplified accounting methods and particular accounting methods

i. Changes resulting from amendments to accounting standards: Yes

ii. Changes other than i above: None

(Note) This refers to whether or not there were changes in accounting policies and procedures and methods of presentation concerning the preparation of the quarterly consolidated financial statements to be included in “Changes in important items for the preparation of quarterly consolidated financial statements”.

(4) Number of shares outstanding (Common share)

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

ii Number of treasury shares at the year-end

iii Average number of shares during the period (Year to Date on a consolidated basis)

1Q period ended March 31, 2011	93,949,167 shares	1Q period ended March 31, 2010	93,949,167 shares
1Q period ended March 31, 2011	3,791,289 shares	1Q period ended March 31, 2010	3,787,533 shares
1Q period ended March 31, 2011	90,158,880 shares	1Q period ended March 31, 2010	89,980,026 shares

* Presentation of information on the state of implementation of quarterly review procedures

This quarterly financial statement is not subject to the review procedures based on the Financial Instruments and Exchange Act and at the time of public disclosure of this quarterly financial statement, the review procedures for the quarterly financial statements based on the Financial Instruments and Exchange Act have not been completed.

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

Earnings forecasts and other statements about the future that are included in this material are based on information currently in the possession of the Company and certain conditions judged reasonable by the Company. Actual results, etc., may differ significantly due to various factors. For notes, etc., on the conditions for earnings forecasts and the use of earnings forecasts, please refer to “(3) Qualitative information on consolidated earnings forecasts” on p.4 of the attached documentation.

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1. Qualitative information on quarterly consolidated results

(1) Qualitative information on the consolidated results of operations

During the 1st quarter consolidated fiscal period under review, despite the appearance of a sense that economic conditions have bottomed out, including an increase in exports and an end to decreases in facility investment, a sense of uncertainty continued to pervade the Japanese economy, such as the impact of financial instability in Europe and the rate of domestic unemployment being at high levels, etc.

Although the ethical pharmaceuticals market was affected by average 6.5% reduction in the national health insurance drug price standard implemented in April 2010, it is estimated that there was mild growth due to the advance of aging society and an expansion in markets for medicines to treat lifestyle-related diseases.

In such conditions, net sales for the 1st quarter under review were ¥427,653 million (1.7% increase on the same period of the previous fiscal year), operating income was ¥2,839 million (49.6% increase on the same period of the previous fiscal year), ordinary income was ¥6,614 million (18.4% increase on the same period of the previous fiscal year), and quarterly net income was ¥4,004 million (37.6% increase on the same period of the previous fiscal year).

From the 1st quarter under review, the Company has separated the insurance pharmacy business that was formerly included in healthcare-related services, etc., business and is presenting it as a new segment. In addition, the Company has not reformulated the data on the same period of the previous year.

Performance by segment was as follows.

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

Name of segment		1Q period ended March 31, 2010 (cumulative)	1Q period ended March 31, 2011 (cumulative)	Change (%)
Pharmaceutical Distribution	Net sales	402,580	407,245	1.2
	Operating income	(345)	152	-
Pharmaceutical Manufacturing	Net sales	16,341	17,680	8.2
	Operating income	2,233	2,187	(2.1)
Insurance pharmacy	Net sales	-	16,397	-
	Operating income	-	307	-
Healthcare-related Services	Net sales	18,367	5,271	-
	Operating income	(80)	249	-

(Note) Segment sales results include intersegment transactions.

(Pharmaceutical Distribution)

Having received urgent proposals in the “Roundtable meeting on improvements in the distribution of ethical drugs”, Suzuken has continued to work on improvements in distribution and conducted price negotiations suited to the prices of individual ethical drugs in order to handle the introduction of the “System for Promoting the Creation of New Drugs and Resolving the Problems of Unapproved Usage of Foreign Drugs” In addition, the Company started operations at Kanagawa Distribution Center in May this year as the fifth distribution center based on the overall concept of having nine distribution centers nationwide, and is working on the realization of the optimum distribution service system to bring about high quality distribution at low cost.

As a result of the above, net sales finished at ¥407,245 million (increase of 1.2% in comparison to the same period of the previous year) and operating income finished at ¥152 million (compared to an operating loss of ¥345 million in the same period of the previous term). The Company is using reasonably estimated prices in regard to customers for whom sales prices have not yet been determined at the present time.

(Pharmaceutical Manufacturing)

Sales of “Seibule Tablets”, a drug that improves postprandial hyperglycemia in patients with diabetes mellitus, finished up ¥700 million at ¥4,500 million (increase of 18.3% in comparison to the same period of the previous year) due to the strengthening of information provision activities aimed at expanding the prescriptions issued by existing users and the pouring of efforts towards the acquisition of new users. In regard to selling, general and administrative expenses, R&D costs

increased in association with the conclusion of a joint development contract with Fujiyakuhin Co., Ltd. in October last year for the development of an antipodagric drug for treatment of hyperuricemia (FYX-051) as a new development pipeline.

As a result of the above, net sales finished at ¥17,680 million (increase of 8.2% in comparison to the same period of the previous year) and operating income finished at ¥2,187 million (decrease of 2.1% in comparison to the same period of the previous year).

(Insurance pharmacy)

Suzuken has expanded business through M&A and the opening of new stores, concentrated administrative work and reviewed operational systems to streamline work.

As a result, net sales finished at ¥16,397 million and operating income finished at ¥307 million.

(Healthcare-related Services)

Making CHUO UNYU Co., Ltd., a company involved in transportation and delivery operations centered on pharmaceutical products, a wholly-owned subsidiary in September last year contributed to the enhancement of one-stop distribution functions from pharmaceutical companies to medical institutions and patients.

At Sanki Well-Being, which runs a nursing care business in the Chugoku region, the number of users has increased due to the strengthening of activities towards community-based services including small-scale, multi-function centers integrating “ambulatory”, “accommodation” and “home visit” functions. In addition, we have reviewed the kinds of work done by people involved in nursing care and made efforts towards the improvement of productivity per person.

As a result, net sales finished at ¥5,271 million and operating income finished at ¥249 million.

(2) Qualitative information on the consolidated financial position

Assets, liabilities and net assets at the end of the 1st quarter consolidated accounting period under review were as follows.

(Assets)

Total assets at the end of the 1st quarter consolidated accounting period under review increased ¥16,456 million in comparison to the end of the previous consolidated fiscal year to ¥875,064 million. The main causes of this increase were as follows.

Current assets increased ¥15,731 million in comparison to the end of the previous consolidated fiscal year. This was mainly because of an increase in merchandise and products of ¥10,450 million due to an increase in purchases, etc.

Fixed assets increased ¥724 million in comparison to the end of the previous consolidated fiscal year. This was mainly because of an increase in tangible fixed assets of ¥1,386 million due to the operation of Kanagawa Distribution Center, etc., although investments and other assets decreased ¥739 million due to falls in the prices of owned shares.

(Liabilities)

Total liabilities at the end of the 1st quarter consolidated accounting period under review increased ¥16,182 million in comparison to the end of the previous consolidated fiscal year to ¥596,846 million. This was mainly because of an increase in trade notes and accounts payable of ¥23,272 million as a result of an increase in purchasing although income taxes payable decreased by ¥3,152 million due to the payment of such taxes and accrued bonuses decreased by ¥3,518 million due to bonus payments.

(Net assets)

Total net assets at the end of the 1st quarter consolidated accounting period under review increased ¥274 million in comparison to the end of the previous consolidated fiscal year to ¥278,218 million. This was mainly because retained earnings increased ¥1,209 million due to the posting of quarterly net income, etc., although the net unrealized gain on available for sale securities decreased ¥926 million due to falls in the prices of owned shares.

(3) Qualitative information on consolidated earnings forecasts

There have been no changes to the consolidated earnings forecasts for the 2nd quarter consolidated accounting period and full term of the period ending March 31, 2011 announced on May 10, 2010.

2. Other information

(1) Overview of significant changes in subsidiaries

N/A

(2) Overview of simplified accounting methods and particular accounting methods

i Simplified accounting methods

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

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

b) Evaluation of inventory assets

The physical stock-take has been omitted from the calculation of inventories for the 1st quarter consolidated accounting period under review and the calculation is based on the booked inventories based on the results of the physical stock-take at the end of the previous consolidated fiscal year.

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

The calculation of income tax, etc., is based on a method that 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 fiscal year, the determination of the collectability of deferred tax assets is based on the method of using the future business forecasts and tax planning used in the previous consolidated fiscal year.

The income taxes, etc., of subsidiaries lacking in importance are calculated multiplying the income tax, etc., burden rate after application of tax effect accounting on the statements of income for the previous consolidated fiscal year. Income tax deferred is presented under income tax, etc.

ii Particular accounting procedures in the preparation of quarterly consolidated financial statements

N/A

(3) Overview of changes in accounting principles and procedures, methods of presentation, etc.

From the 1st quarter consolidated accounting period under review, the Company is applying the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No.21, March 31, 2008).

As a result, operating income and ordinary income have decreased by ¥2 million and quarterly net income before income taxes and minority interests has decreased by ¥191 million. Furthermore, the change in asset retirement obligations due to the start of application of this accounting standard is ¥296 million.

3. Quarterly consolidated financial statements**(1) Quarterly consolidated balance sheet**

	(Units: Millions of yen)	
	End of the quarterly consolidated accounting period under review (June 30, 2010)	Condensed consolidated balance sheet at the end of the previous consolidated fiscal year (March 31, 2010)
Assets		
Current Assets		
Cash and cash equivalents	82,919	72,354
Trade notes and accounts receivable	412,846	413,524
Marketable securities	6,298	7,293
Merchandises and products	114,182	103,731
Products in process	3,152	2,344
Raw materials and inventories of merchandise and supplies	1,788	1,714
Other current assets	28,403	33,052
Allowance for doubtful accounts	(3,205)	(3,361)
Total Current Assets	646,386	630,654
Property and Equipment		
Tangible Fixed Assets	111,186	109,800
Intangible Fixed Assets		
Goodwill	1,894	2,174
Other	17,835	17,477
Total Intangible Fixed Assets	19,729	19,651
Total Investments and Other Assets	97,761	98,500
Total Fixed Assets	228,677	227,953
Total Assets	875,064	858,608

	(Units: Millions of yen)	
	End of the quarterly consolidated accounting period under review (June 30, 2010)	Condensed consolidated balance sheet at the end of the previous consolidated fiscal year (March 31, 2010)
Liabilities		
Current Liabilities:		
Trade notes and accounts payable	551,857	528,585
Short-term bank loans	3,491	3,704
Income taxes payable	2,586	5,738
Reserves for sales returns	485	481
Accrued bonuses	4,357	7,875
Other current liabilities	14,014	13,811
Total Current Liabilities	576,792	560,197
Long-term Liabilities		
Corporate bonds	510	510
Long-term borrowings	1,063	1,090
Liability of employees' retirement benefits	4,985	5,012
Liability for directors' and corporate auditors' retirement benefits	698	783
Asset retirement obligations	312	-
Other long-term liabilities	12,483	13,070
Total Long-term Liabilities	20,053	20,466
Total Liabilities	596,846	580,663
Net Assets		
Shareholders' Equity:		
Common stock	13,546	13,546
Capital surplus	38,899	38,899
Retained earnings	243,362	242,152
Treasury stock, at cost	(12,037)	(12,025)
Total Shareholders' Equity	283,770	282,573
Revaluation and Translation Difference		
Net unrealized gain on available for sale securities	1,261	2,187
Land revaluation difference	(7,003)	(7,003)
Total Revaluation and Translation Difference	(5,741)	(4,815)
Minority Interests	190	186
Total Net Assets	278,218	277,944
Total Liabilities and Net Assets	875,064	858,608

(2) Quarterly consolidated statements of income[1st quarter consolidated cumulative accounting period]

(Units: Millions of yen)

	Previous 1 st quarter consolidated cumulative accounting period (From April 1, 2009 to June 30, 2009)	1 st quarter consolidated cumulative accounting period under review (From April 1, 2010 to June 30, 2010)
Net Sales	420,556	427,653
Cost of Sales	380,903	385,094
Gross Profit	39,652	42,558
Reversal of sales returns	486	481
Provision for sales returns	441	485
Gross Profit after Adjustment	39,697	42,554
Selling, General and Administrative Expenses	37,799	39,714
Operating Income	1,898	2,839
Non-operating Income:		
Interests income	183	176
Dividends income	325	353
Purchase discounts	1,754	1,756
Commission for supplying sales data	1,104	1,133
Other	415	522
Total Non-Operating Income	3,782	3,942
Non-operating Expenses:		
Interest expenses	15	24
Loss on foreign exchange	-	50
Real estate rental expenses	57	57
Other	23	34
Total Non-Operating Expenses	96	167
Ordinary Income	5,585	6,614
Extraordinary Gain:		
Gain on sale of investment securities	-	89
Reversal of allowance for doubtful accounts	103	158
Compensation for expropriation	-	85
Other	2	76
Total Extraordinary Profits	105	410
Extraordinary Loss:		
Loss on retirement and sales of fixed assets	47	71
Loss on revaluation of investment securities	57	-
Value of impact associated with application of the accounting standard on asset retirement obligations	-	189
Other	2	110
Total Extraordinary Losses	107	371
Quarterly net income before income taxes and minority interests	5,583	6,653
Income taxes	2,531	2,645
Quarterly net income before minority interests	-	4,008
Minority Interests	141	3
Quarterly net income	2,910	4,004

(3) Consolidated statements of quarterly cash flows

(Units: Millions of yen)

	Previous 1 st quarter consolidated cumulative accounting period (From April 1, 2009 to June 30, 2009)	1 st quarter consolidated cumulative accounting period under review (From April 1, 2010 to June 30, 2010)
Cash flows from Operating Activities:		
Quarterly income before income taxes and minority interests	5,583	6,653
Depreciation	1,781	2,290
Decrease in allowance for doubtful accounts	(125)	(211)
Decrease in liability for employees' retirement benefits	(771)	(877)
Increase (decrease) in provision for other allowance	(3,452)	(3,573)
Interest and dividend income	(509)	(529)
Interest expenses	15	24
Loss (gain) on sale and disposal of fixed assets	47	46
Value of impact associated with application of the accounting standard on asset retirement obligations	-	189
Decrease (increase) in trade receivables	(6,213)	800
Decrease (increase) in inventories	(6,869)	(11,326)
Increase (decrease) in trade payables	12,563	23,158
Other	3,785	6,827
Subtotal	5,834	23,469
Interest and dividend income received	505	546
Interest expenses paid	(13)	(25)
Payment of special severance payment for retired employees	(35)	-
Income tax paid	(2,646)	(5,712)
Net Cash Provided by (Used in) Operating Activities	3,643	18,278
Cash flows from Investing Activities		
Purchase of long-term deposits	(1,413)	(1,774)
Proceeds from long-term deposits	214	874
Proceeds from redemption of marketable securities	1,199	1,198
Purchases of property and equipment	(4,287)	(3,734)
Proceeds from sales of property and equipment	44	59
Acquisition of intangible fixed assets	(2,836)	(2,121)
Purchase of investment securities	(1,709)	(1,235)
Proceeds from sale and disposal of investment securities	1,011	117
Acquisition of subsidiary company shares	(1,917)	-
Other	223	101
Net Cash Used in Investing Activities	(9,471)	(6,514)
Cash flows from Financing Activities		
Increase (decrease) in short-term borrowings, net	90	(219)
Income from long-term loans payable	-	150
Repayments of long-term borrowings	(76)	(170)
Repayment of lease obligations	(28)	(47)
Expenditures due to the repayment of installment liabilities	-	(27)
Acquisition of treasury stock	(9)	(13)
Proceeds from sales of treasury stock	2	0
Dividends paid	(2,767)	(2,769)
Dividends paid to minority shareholders	(96)	-
Net Cash Used in Financing Activities	(2,885)	(3,096)
Translation Adjustments on Cash and Cash Equivalents	(0)	(1)
Net Increase (decrease) in Cash and Cash Equivalents	(8,713)	8,666
Cash and Cash Equivalents, Beginning of Period	73,017	71,954
Balance of cash and cash equivalents at the end of the quarter	64,304	80,621

(Units: Millions of yen)

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

N/A

(5) Segment information

[Segment information classified according to business type]

Previous 1Q consolidated cumulative accounting period (From April 1, 2009 to June 30, 2009)

	Pharmaceutical Distribution (million yen)	Pharmaceutical Manufacturing (million yen)	Health-related service (million yen)	Total (million yen)	Deletions or company-wide (million yen)	Consolidated (million yen)
Net sales						
(1) Sales to external customers	397,657	5,108	17,789	420,556	-	420,556
(2) Intersegment sales and transfers	4,922	11,233	577	16,733	(16,733)	-
Total	402,580	16,341	18,367	437,290	(16,733)	420,556
Operating income or operating loss	(345)	2,233	(80)	1,808	90	1,898

(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

[Geographic Segment Information]

Previous 1Q consolidated cumulative accounting period (From April 1, 2009 to June 30, 2009)

Geographic segment information has been omitted because the Company has not possessed important subsidiaries or overseas offices located in countries or regions outside Japan.

[Overseas Sales]

Previous 1Q consolidated cumulative accounting period (From April 1, 2009 to June 30, 2009)

Notes regarding overseas sales have been omitted because overseas sales were less than 10% of consolidated sales.

[Segment Information]

1. Overview of reporting segments

The reporting segments of the Company Group are subject to regular review in order for financial information separated for the constituent units of Suzuken and its subsidiaries to be made available for the Board of Directors to determine the distribution of management resources and evaluate results.

The Suzuken Group pursues business activities related to the distribution of drugs, from the development and production of drugs, to their sale to medical institutions, etc., and their prescription to patients, etc.

Consequently, the Suzuken Group is made up of segments based on the types of operations found in the distribution of drugs, and works with the four reporting segments of “Pharmaceutical distribution”, “Pharmaceutical manufacturing”, “Insurance pharmacy” and “Healthcare-related services”.

In “Pharmaceutical distribution”, the Group sells products such as pharmaceuticals, diagnostic reagents, medical equipment and supplies, etc., to medical institutions. In “Pharmaceutical manufacturing”, the Group manufactures products such as pharmaceuticals and diagnostic reagents, etc. In “Insurance pharmacy business”, the Group prepares drugs based on prescriptions from medical institutions. In “Healthcare-related services”, the Group delivers drugs, manufactures medical equipment such as electrocardiographs, etc., and sells medicine-related literature, etc.

2. Information on sales, income and loss classified by reporting segment

1st quarter consolidated cumulative accounting period under review (From April 1, 2010 to June 30, 2010)

(Unit: Million yen)

	Reporting segment				Total
	Pharmaceutical distribution	Pharmaceutical manufacturing	Insurance pharmacy business	Healthcare-related services	
Sales					
Sales to external customers	401,401	5,838	16,397	4,015	427,653
Intersegment sales and transactions	5,843	11,841	0	1,255	18,940
Total	407,245	17,680	16,397	5,271	446,593
Segment income	152	2,187	307	249	2,896

3. Variance in the total value of income or loss of reporting segments and the value of income posted on the quarterly consolidated statement of income, and the main details of the variance in question (matters related to variance adjustment)

(Unit: Million yen)

Income	Value
Reporting segment total	2,896
Elimination of intersegment transactions	(56)
Operating income on the quarterly consolidated statement of income	2,839

(Additional information)

Suzuken is applying the “Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No.17, March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No.20, March 21, 2008).

(6) Notes in the event of marked changes in shareholders' equity

N/A

4. Reference information**(1) Quarterly non-consolidated financial statements****i Quarterly balance sheet**

	(Units: Millions of yen)	
	End of the quarterly accounting period under review (June 30, 2010)	Condensed balance sheet at the end of the previous consolidated fiscal year (March 31, 2010)
Assets		
Current Assets:		
Cash and cash equivalents	48,365	40,689
Trade notes and accounts receivable	403,089	396,969
Marketable securities	6,298	7,293
Merchandises and products	79,156	73,327
Products in process	138	128
Raw materials and inventories of merchandise and supplies	444	457
Other current assets	21,156	25,609
Allowance for doubtful accounts	(2,545)	(2,669)
Total Current Assets	556,103	541,807
Property and Equipment		
Tangible Fixed Assets	61,603	60,514
Intangible Fixed Assets	15,591	15,209
Total Investments and Other Assets	144,624	145,216
Total Fixed Assets	221,819	220,941
Total Assets	777,922	762,748
Liabilities		
Current Liabilities:		
Trade notes and Accounts payable	510,124	490,804
Income taxes payable	604	2,411
Reserves for sales returns	347	359
Accrued bonuses	1,954	4,085
Other current liabilities	24,181	23,102
Total Current Liabilities	537,212	520,762
Long-term Liabilities:	10,263	10,655
Total Liabilities	547,476	531,418
Net Assets		
Shareholders' Equity		
Common stock	13,546	13,546
Capital surplus	40,515	40,515
Retained earnings	194,238	194,316
Treasury stock, at cost	(12,037)	(12,025)
Total Shareholders' Equity	236,262	236,353
Valuation and Translation Adjustments		
Net unrealized gain on available-for-sale securities	1,186	1,979
Land revaluation difference	(7,003)	(7,003)
Total Valuation and Translation Adjustments	(5,816)	(5,023)
Total Net Assets	230,446	231,330
Total Liabilities and Net Assets	777,922	762,748

ii Quarterly statements of income

	(Units: Millions of yen)	
	Previous 1 st quarter cumulative accounting period (From April 1, 2009 to June 30, 2009)	1 st quarter cumulative accounting period under review (From April 1, 2010 to June 30, 2010)
Net Sales	369,793	374,924
Cost of Sales	349,929	354,407
Gross Profit	19,864	20,516
Reversal of sales returns	365	359
Provision for sales returns	328	347
Gross Profit after Adjustment	19,900	20,528
Selling, General and Administrative Expenses	20,588	21,595
Operating Income	(688)	(1,066)
Non-operating Income:		
Interests income	234	235
Dividends income	1,502	1,720
Purchase discounts	1,729	1,732
Other	1,254	1,263
Total Non-Operating Income	4,721	4,951
Non-operating Expenses:		
Interest expenses	2	3
Sales discount	311	325
Other	54	71
Total Non-Operating Expenses	369	400
Ordinary Income	3,664	3,484
Extraordinary Gain:		
Gain on sale of investment securities	-	89
Reversal of allowance for doubtful accounts	137	115
Other	0	-
Total Extraordinary Profits	137	204
Extraordinary Loss:		
Loss on retirement and sales of fixed assets	39	33
Value of impact associated with application of the accounting standard on asset retirement obligations	-	31
Other	0	0
Total Extraordinary Losses	40	64
Quarterly net income before income taxes and minority interests	3,762	3,624
Total income taxes	981	907
Quarterly net income	2,780	2,716

* The quarterly non-consolidated financial statements given above are not subject to quarterly review.

In addition, the preparation of the quarterly non-consolidated financial statements is based on the regulations for quarterly financial statements, etc.

(2)Other

Forecast/ results comparison of the condensed consolidated statement of income

(Unit: Million yen)

	Quarter under review (forecast) From April 1, 2010 to June 30, 2010		Quarter under review (results) From April 1, 2010 to June 30, 2010		Difference (Forecast - results)		Full term (forecast) From April 1, 2010 to March 31, 2011	
	Value	Percentage comparison	Value	Percentage comparison	Value	Result / forecast	Value	Percentage comparison
Net sales	432,560	100.0	427,653	100.0	(4,906)	98.9	1,778,000	100.0
Cost of sales	389,120	90.0	385,094	90.0	(4,025)	99.0	1,590,100	89.4
Gross profit	43,440	10.0	42,558	10.0	(881)	98.0	187,900	10.6
Provision for sales returns	-	-	4	0.0	4	-	-	-
Gross profit after adjustment	43,440	10.0	42,554	10.0	(885)	98.0	187,900	10.6
Selling, general and administrative expenses	41,000	9.5	39,714	9.3	(1,285)	96.9	166,100	9.4
Operating income	2,440	0.5	2,839	0.7	399	116.4	21,800	1.2
Non-operating income	4,120	0.9	3,942	0.9	(177)	95.7	15,400	0.8
Non-operating expenses	160	0.0	167	0.0	7	104.4	700	0.0
Ordinary income	6,400	1.4	6,614	1.6	214	103.4	36,500	2.0
Extraordinary income	-	-	410	0.1	410	-	-	-
Extraordinary loss	100	0.0	371	0.1	271	371.2	600	0.0
Quarterly net income before income taxes and minority interests	6,300	1.4	6,653	1.6	353	105.6	35,900	2.0
Income taxes, etc.	2,800	0.6	2,645	0.6	(154)	94.5	15,400	0.9
Quarterly net income before minority interests	3,500	0.8	4,008	1.0	508	114.5	20,500	1.1
Minority interests	-	-	3	0.0	3	-	100	0.0
Quarterly net income	3,500	0.8	4,004	1.0	504	114.4	20,400	1.1

Forecast/ results comparison of the condensed non-consolidated statement of income

(Unit: Million yen)

	Quarter under review (forecast) From April 1, 2010 to June 30, 2010		Quarter under review (results) From April 1, 2010 to June 30, 2010		Difference (Forecast - results)		Full term (forecast) From April 1, 2010 to March 31, 2011	
	Value	Percentage comparison	Value	Percentage comparison	Value	Result / forecast	Value	Percentage comparison
Net sales	375,900	100.0	374,924	100.0	(975)	99.7	1,549,000	100.0
Cost of sales	354,100	94.2	354,407	94.5	307	100.1	1,449,200	93.6
Gross profit	21,800	5.8	20,516	5.5	(1,283)	94.1	99,800	6.4
Provision for sales returns	-	-	(11)	0.0	(11)	-	-	-
Gross profit after adjustment	21,800	5.8	20,528	5.5	(1,271)	94.2	99,800	6.4
Selling, general and administrative expenses	22,030	5.9	21,595	5.8	(434)	98.0	89,400	5.8
Operating income	(230)	(0.1)	(1,066)	(0.3)	(836)	463.6	10,400	0.6
Non-operating income	4,770	1.3	4,951	1.3	181	103.8	15,000	1.0
Non-operating expenses	390	0.1	400	0.1	10	102.7	1,600	0.1
Ordinary income	4,150	1.1	3,484	0.9	(665)	84.0	23,800	1.5
Extraordinary income	-	-	204	0.1	204	-	-	-
Extraordinary loss	50	0.0	64	0.0	14	129.8	300	0.0
Quarterly income before taxes	4,100	1.1	3,624	1.0	(475)	88.4	23,500	1.5
Income taxes, etc.	1,400	0.4	907	0.3	(492)	64.8	9,500	0.6
Quarterly net income	2,700	0.7	2,716	0.7	16	100.6	14,000	0.9