

PROFILE

Kuraya Sanseido Inc. is Japan's largest pharmaceutical wholesaler, with an overwhelming share of Japan's two largest markets, the Tokyo area and the Kansai region. Our strengths include the largest customer base in Japan; more than 2,000 manufacturing suppliers; large-scale distribution centers; strong information and customer support capabilities; and knowledgeable marketing specialists. We are dedicated to providing a stable supply of healthcare products as well as generating superior value in other aspects of our business. As the leader in our industry, we strive at all times to be a company that inspires trust from our customers, suppliers and stockholders. At the same time, we are increasing stakeholder value by precisely managing costs, integrating the strengths of Group companies, and enhancing the value we offer customers.

FINANCIAL HIGHLIGHTS

Kuraya Sanseido Inc. and its consolidated subsidiaries
Two years ended March 31, 2001 and 2002

	Millions of yen		Thousands of	Percent change
	2001	2002	U.S. dollars (Note 1)	
			2002	2001/2002
For the Year:				
Net Sales	¥1,073,016	¥1,222,222	\$9,189,639	13.9%
Operating Income	1,949	5,781	43,466	196.6
Net Income	1,337	2,951	22,188	120.7
At Year-End:				
Total Shareholders' Equity	¥ 122,992	¥ 110,650	\$ 831,955	(10.0)%
Total Assets	652,368	644,248	4,843,970	(1.2)
Per Share (Yen and U.S. dollars):				
Net Income	¥ 9.80	¥21.67	\$0.16	121.1%
Diluted Net Income	9.02	18.92	0.14	109.8
Cash Dividends	12.00	12.00	0.09	—

Note: 1. The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥133 to U.S. \$1.00, the approximate exchange rate on March 31, 2002.

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FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements regarding Kuraya Sanseido's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from information available about the Company at the time of publication.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's business; competitive pressures; related laws and regulations; product development programs; and changes in exchange rates.