

PROFILE

Kuraya Sanseido Inc. is the **largest** pharmaceutical **wholesaler** in Japan, a market that comprises 210,000 medical institutions. Adapting to a changing industry environment, Kuraya Sanseido is now creating the **MEDICEO Group** of leading wholesalers unified under an operating holding company structure. The MEDICEO Group will have **5,000 marketing specialists** throughout Japan to handle the products of more than 2,000 pharmaceutical and medical manufacturers and serve some **131,000 customers**. Kuraya Sanseido's strengths in large-scale **distribution** and the innovative use of **information technology** to serve customers and suppliers will continue to create a strong **competitive** advantage for the MEDICEO Group, which we project will have a **market share** of **over 30 percent** in both the Tokyo and Osaka areas, Japan's primary economic centers, the **top share** in each of Japan's six largest markets, and a 23.9 percent share nationwide. As the **leader** in our industry, we are committed to retaining the **trust** of our customers, suppliers and shareholders by adhering to the highest standards of **ethics** and operating **efficiency**. Our approach to increasing **stakeholder value** is based on benefiting fully from economies of **scale** and **scope**, effective **cost management** and **innovative** management of Group resources to add **value**.

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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 judgements 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.