



Kuraya Sanseido

Consolidated / Unconsolidated

Data Book

— For the Year Ended March 31, 2003 —

May 2003

Stock code number: 7459

Kuraya Sanseido Inc.

Stock exchange listings: Tokyo Stock Exchange First Section
 Osaka Securities Exchange First Section

URL <http://www.kurayasanseido.co.jp>

1. Corporate Group (Year ended March 31, 2003)

Consolidated subsidiaries: 10

Unconsolidated subsidiaries not accounted for by equity method: 12

Affiliated company not accounted for by equity method

Consolidated Subsidiaries

	Company Name	Business
	Kuraya Sansendo Inc.	Wholesale distribution of pharmaceuticals, quasi-drugs, diagnostic reagents, medical devices and nursing products
	ELF Co., Ltd.	Providing home care services and home helper training programs
	KURAYA SHOJI, INC.	Sale of emergency pharmaceutical sets and health related products to health cooperatives
	ORIENTAL PHARMACEUTICAL CO., LTD.	Manufacture and sale of prescription pharmaceuticals, health foods
	KURAYA KASEI, INC.	Sale of fertilizers, food additives
	YAMAHIRO INC.	Wholesale distribution of pharmaceutical products (Yamanashi prefecture)
	IZUTSU PHARMACEUTICAL CO., LTD.	Wholesale distribution of pharmaceutical products (Kyoto, Shiga prefectures)
	HEISEI YAKUHIN CO., LTD.	Wholesale distribution of pharmaceutical products (Gifu, Mie prefectures)
	USHIODA SANGOKUDO YAKUHIN CO., LTD.	Wholesale distribution of pharmaceutical products (Ibaraki, Fukushima, Tochigi, Gunma prefectures)
	Chiyaku Co., Ltd.	Wholesale distribution of pharmaceutical products (Chiba Prefecture)
	SENSHU YAKUHIN CO., LTD.	Wholesale distribution of pharmaceutical products (Akita, Aomori, Iwate prefectures)

Unconsolidated Subsidiaries / Affiliates

	Company Name	Business
	HONGOHO YAKUHIN, INC.	Management consultancy of pharmacies
	M.I.C. (Medical Information College), INC.	Providing medical office work services on a contract basis
	BIGEO Inc.	Leasing and cleaning of medical gowns and uniforms
	KURAYA (USA) CORPORATION	Wholesale distribution of medical supplies
	BUTSURYU 24, INC.	Management and operation of distribution center and distribution of freight goods
	HOSSP CORPORATION	Sales of medical equipment, instruments, and examination materials
Others	= 7 companies = 5 companies	

* IZUTSU PHARMACEUTICAL CO., LTD. has been included in the scope of consolidation since the interim period of the year ended March 31, 2001.

* HEISEI YAKUHIN CO., LTD., USHIODA SANGOKUDO YAKUHIN CO., LTD. and Chiyaku Co., Ltd. have been included in the scope of consolidation since the second half of the year ended March 31, 2001.

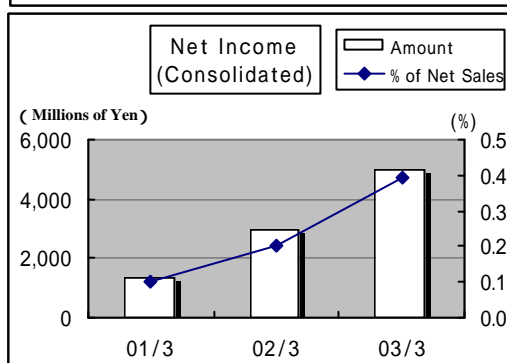
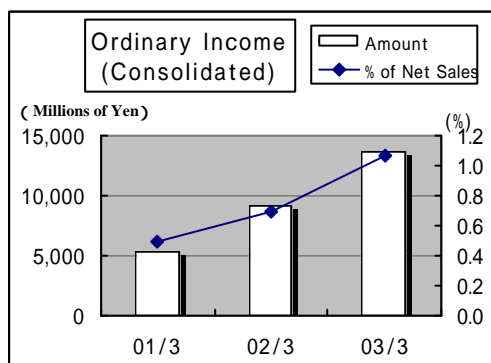
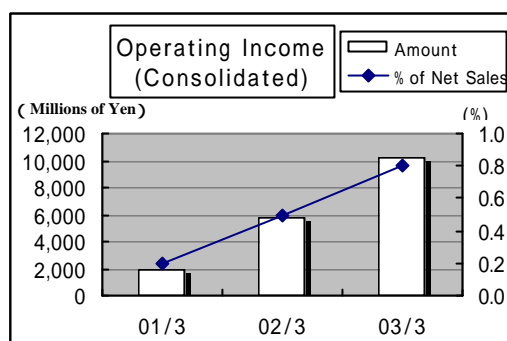
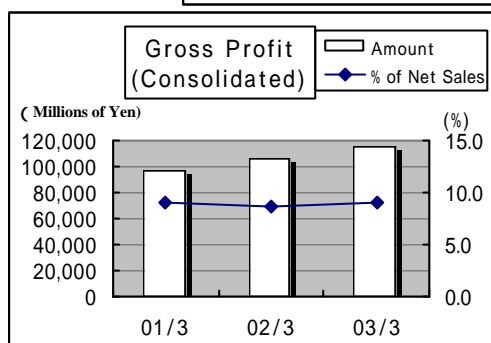
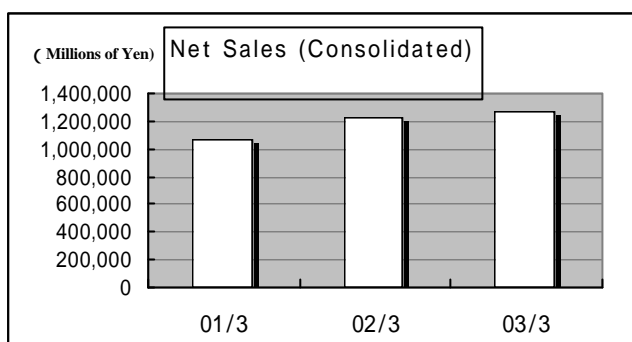
* Because the effective date for acquisition of SENSHU YAKUHIN CO., LTD. was the last day of the consolidated accounting period for the year ended March 31, 2001, it was within the scope of consolidation only on the balance sheets from the second half of the year ended March 31, 2001, and within the scope of consolidation on all financial statements from the interim period of the year ended March 31, 2002.

* Nishida YAKUHIN Co., Ltd. and HISATOMO KURAYA, INC. were removed from the scope of consolidation from the interim period of the year ended March 31, 2003.

Reference:

- On October 1, 2000, the Company assumed the prescription pharmaceutical wholesale business of HEISEI YAKUHIN CO., LTD. in Aichi and Toyama prefectures, and transferred its prescription pharmaceutical wholesale business in Gifu prefecture.
- On April 1, 2001, the Company assumed the OTC pharmaceutical wholesale business of YAMAHIRO INC.
- On April 1, 2001, the Company assumed the pharmaceutical wholesale business of SENSHU YAKUHIN CO., LTD. in Yamagata prefecture.
- On October 1, 2001, the Company assumed the prescription pharmaceutical wholesale business of IZUTSU PHARMACEUTICAL CO., LTD. in Osaka and Nara prefectures.
- On October 1, 2001, the Company transferred the prescription pharmaceutical wholesale business to IZUTSU PHARMACEUTICAL CO., LTD. in Kyoto and Shiga prefectures.
- On October 1, 2001, HISATOMO KURAYA, INC. was merged into the Company.
- On November 1, 2001, the Company assumed the OTC pharmaceutical wholesale business of Chiyaku Co., Ltd.
- On April 1, 2002, the Company assumed the OTC pharmaceutical wholesale business of IZUTSU PHARMACEUTICAL CO., LTD., and the prescription pharmaceutical wholesale business of Nishida Pharmaceutical Co., Ltd.
- On October 1, 2002, the Company assumed the pharmaceutical wholesale business of SENSHU YAKUHIN CO., LTD. in Miyagi prefecture.
- On March 1, 2003, the Company made USHIODA SANGOKUDO YAKUHIN CO., LTD. a wholly owned subsidiary, and on April 1, 2003, transferred pharmaceutical wholesale operations in Ibaraki, Tochigi and Gunma prefectures, and assumed pharmaceutical wholesale operations in Fukushima prefecture.
- On April 1, 2003, the Company assumed the OTC pharmaceutical wholesale business of HEISEI YAKUHIN CO., LTD. in Gifu, Aichi and Mie prefectures.

2. Main Management Indicators

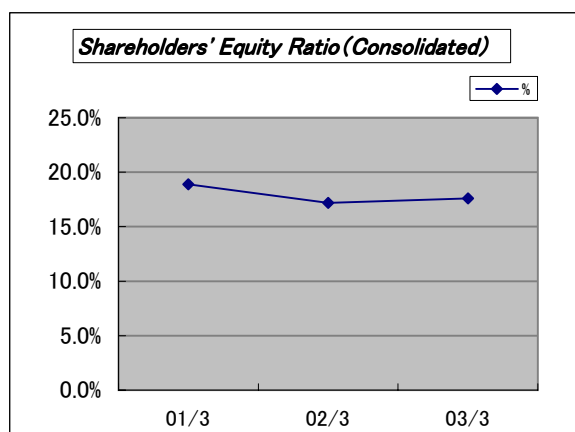
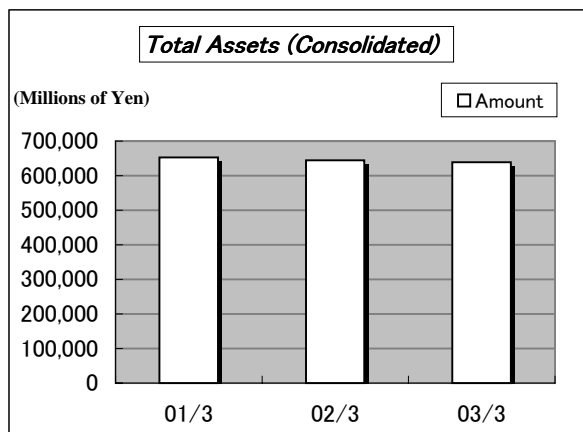
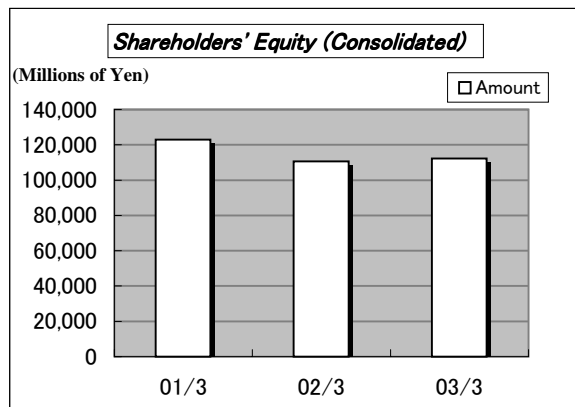
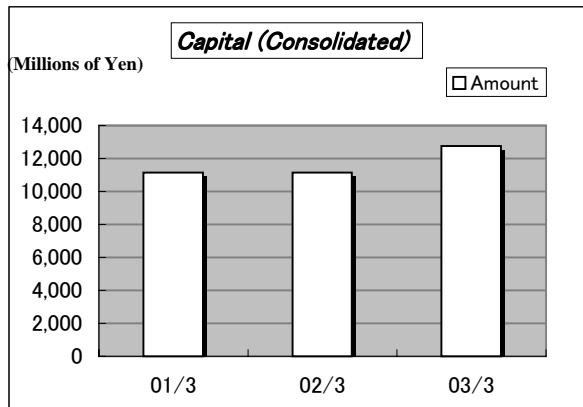


(Amounts)

		(Millions of Yen)				(Millions of Yen)
		01/3	02/3	03/3	Change from 02/3	02/9
Net Sales	Con.	1,073,015	1,222,221	1,274,502	4.3%	627,032
	Uncon.	965,348	1,116,754	1,200,543	7.5%	588,866
Gross Profit	Con.	96,741	106,643	114,923	7.8%	56,978
	Uncon.	82,913	83,735	90,336	7.9%	44,708
Operating income	Con.	1,949	5,780	10,159	75.7%	5,612
	Uncon.	1,946	5,917	8,286	40.0%	4,819
Ordinary income	Con.	5,403	9,130	13,644	49.4%	7,365
	Uncon.	5,026	9,060	11,572	27.7%	6,489
Net income	Con.	1,337	2,950	5,015	70.0%	2,882
	Uncon.	1,176	3,581	4,957	38.4%	2,904

(Profit Ratios)

		(%)			(%)
		01/3	02/3	03/3	02/9
Gross profit	Con.	9.0	8.7	9.0	9.1
	Uncon.	8.6	7.5	7.5	7.6
Operating income	Con.	0.2	0.5	0.8	0.9
	Uncon.	0.2	0.5	0.7	0.8
Ordinary income	Con.	0.5	0.7	1.1	1.2
	Uncon.	0.5	0.8	1.0	1.1
Net income	Con.	0.1	0.2	0.4	0.5
	Uncon.	0.1	0.3	0.4	0.5



(Amounts)

		(Millions of Yen)			(Millions of Yen)
		01/3	02/3	03/3	02/9
Capital	Con.	11,152	11,152	12,751	12,079
	Uncon.	11,152	11,152	12,751	12,079
Shareholders' equity	Con.	122,991	110,650	112,261	111,682
	Uncon.	121,623	110,637	112,405	111,777
Total assets	Con.	652,367	644,247	638,589	627,062
	Uncon.	562,100	595,689	601,443	584,523
Shareholders' equity ratio	Con.	18.9%	17.2%	17.6%	17.8%
	Uncon.	21.6%	18.6%	18.7%	19.1%

Note: Capital

00/4 ~ 9

¥46 million increase in capital from the conversion of convertible bonds into shares

00/10 ~ 01/3

¥136 million increase in capital from the conversion of convertible bonds into shares

01/4 ~ 9

No increase

01/10 ~ 02/3

No increase

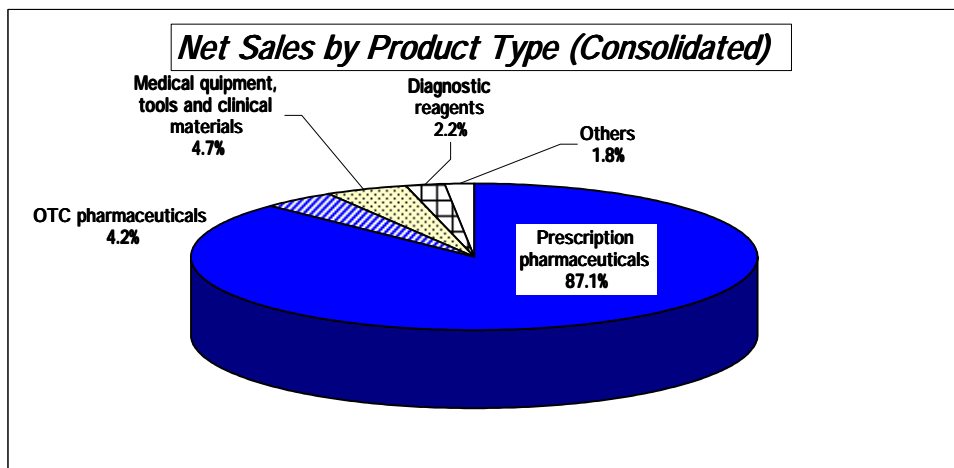
02/4 ~ 9

¥926 million increase in capital from the conversion of convertible bonds into shares

02/10 ~ 03/3

¥672 million increase in capital from the conversion of convertible bonds into shares

3.(1) Net Sales By Product Type



(Amounts)

(Millions of Yen)

(Millions of Yen)

		01/3	02/3	03/3	Change from 02/3	02/9
Prescription pharmaceuticals	Con.	932,088	1,069,480	1,110,137	3.8%	551,092
	Uncon.	860,520	991,216	1,064,768	7.4%	520,599
OTC pharmaceuticals	Con.	46,799	52,059	53,379	2.5%	24,657
	Uncon.	35,527	38,461	39,816	3.5%	20,480
Medical equipment, tools and clinical materials	Con.	46,338	51,622	59,856	16.0%	28,458
	Uncon.	45,953	54,509	57,031	4.6%	27,993
Diagnostic reagents	Con.	23,197	24,853	27,973	12.6%	11,816
	Uncon.	9,951	16,279	22,981	41.2%	11,118
Others	Con.	24,590	24,205	23,156	(4.3)%	11,007
	Uncon.	13,395	16,287	15,945	(2.1)%	8,673
Total	Con.	1,073,015	1,222,221	1,274,502	4.3%	627,032
	Uncon.	965,348	1,116,754	1,200,543	7.5%	588,866

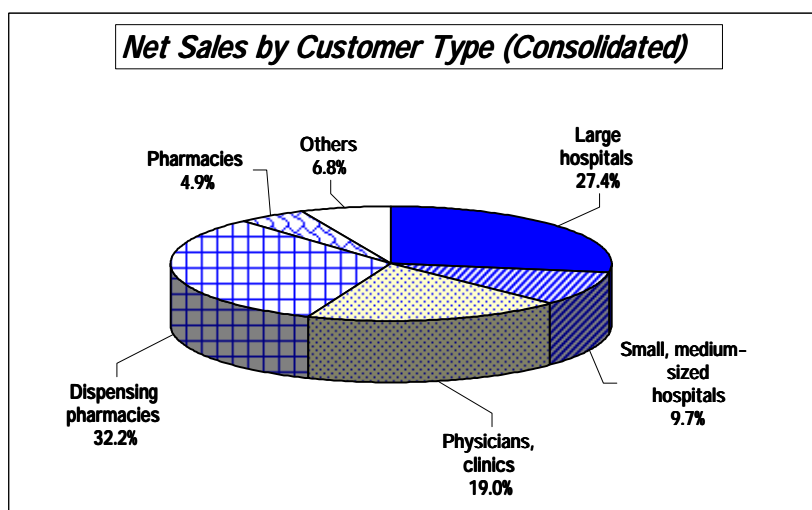
(Composition)

(%)

(%)

		01/3	02/3	03/3	02/9
Prescription pharmaceuticals	Con.	86.8	87.5	87.1	87.9
	Uncon.	89.1	88.8	88.7	88.4
OTC pharmaceuticals	Con.	4.4	4.3	4.2	3.9
	Uncon.	3.7	3.4	3.3	3.5
Medical equipment, tools and clinical materials	Con.	4.3	4.2	4.7	4.5
	Uncon.	4.8	4.9	4.8	4.8
Diagnostic reagents	Con.	2.2	2.0	2.2	1.9
	Uncon.	1.0	1.4	1.9	1.9
Others	Con.	2.3	2.0	1.8	1.8
	Uncon.	1.4	1.5	1.3	1.4
Total	Con.	100.0	100.0	100.0	100.0
	Uncon.	100.0	100.0	100.0	100.0

3.(2) Net Sales By Customer Type



(Amounts)

(Millions of Yen)

(Millions of Yen)

		01/3	02/3	03/3	Change from 02/3	02/9
Large hospitals	Con.	334,540	356,689	349,054	(2.1)%	175,991
	Uncon.	296,360	284,596	280,889	(1.3)%	140,491
Small, medium-sized hospitals	Con.	115,202	126,107	123,741	(1.9)%	61,000
	Uncon.	102,010	98,144	95,596	(2.6)%	47,647
Physicians, clinics	Con.	214,149	237,505	242,619	2.2%	116,987
	Uncon.	182,991	185,722	184,538	(0.6)%	88,971
Dispensing pharmacies	Con.	281,644	353,805	410,602	16.1%	196,861
	Uncon.	251,749	285,312	328,578	15.2%	157,644
Pharmacies	Con.	56,347	60,886	62,129	2.0%	30,515
	Uncon.	44,806	49,397	51,193	3.6%	26,916
Others	Con.	71,130	87,228	86,356	(1.0)%	45,674
	Uncon.	87,430	213,579	259,746	21.6%	127,194
Total	Con.	1,073,015	1,222,221	1,274,502	4.3%	627,032
	Uncon.	965,348	1,116,754	1,200,543	7.5%	588,866

(Composition)

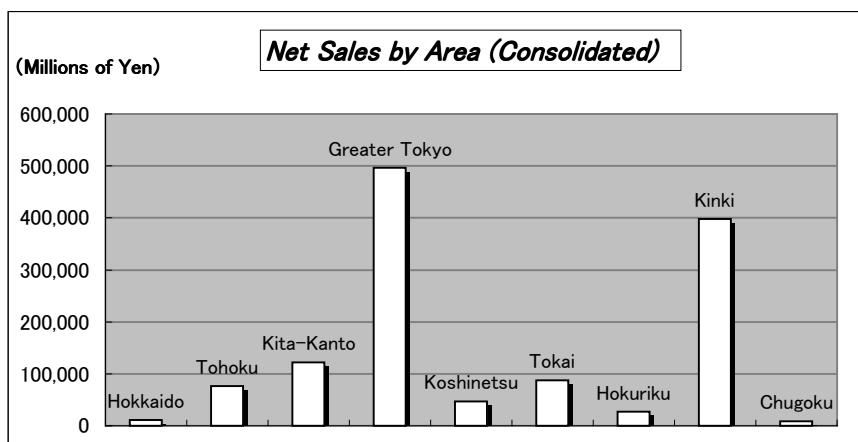
(%)

(%)

		01/3	02/3	03/3	02/9
Large hospitals	Con.	31.2	29.2	27.4	28.1
	Uncon.	30.7	25.5	23.4	23.8
Small, medium-sized hospitals	Con.	10.7	10.3	9.7	9.7
	Uncon.	10.6	8.8	7.9	8.1
Physicians, clinics	Con.	20.0	19.4	19.0	18.7
	Uncon.	18.9	16.6	15.4	15.1
Dispensing pharmacies	Con.	26.2	29.0	32.2	31.4
	Uncon.	26.1	25.6	27.4	26.8
Pharmacies	Con.	5.3	5.0	4.9	4.9
	Uncon.	4.6	4.4	4.3	4.6
Others	Con.	6.6	7.1	6.8	7.3
	Uncon.	9.1	19.1	21.6	21.6
Total	Con.	100.0	100.0	100.0	100.0
	Uncon.	100.0	100.0	100.0	100.0

Note: Unconsolidated figures for "Others" include sales to consolidated subsidiaries.

3.(3) Net Sales By Area



(Amounts)

(Millions of Yen)

(Millions of Yen)

		01/3	02/3	03/3	Change from 02/3	02/9
Hokkaido	Con.	10,984	10,441	11,614	11.2%	5,740
	Uncon.	10,304	9,936	11,456	15.3%	5,713
Tohoku	Con.	23,889	72,068	76,470	6.1%	38,268
	Uncon.	23,889	51,392	61,994	20.6%	31,103
Kita-Kanto	Con.	84,202	119,984	122,170	1.8%	60,662
	Uncon.	51,043	92,342	101,444	9.9%	49,392
Greater Tokyo	Con.	447,157	475,372	495,929	4.3%	241,600
	Uncon.	420,844	454,502	486,411	7.0%	237,081
Koshinetsu	Con.	41,358	42,800	47,004	9.8%	22,995
	Uncon.	32,438	35,622	40,759	14.4%	19,807
Tokai	Con.	52,620	80,658	87,171	8.1%	42,852
	Uncon.	45,438	67,358	77,147	14.5%	37,450
Hokuriku	Con.	22,505	25,291	26,726	5.7%	13,397
	Uncon.	22,505	25,175	26,634	5.8%	13,347
Kinki	Con.	383,711	387,819	398,562	2.8%	196,977
	Uncon.	352,299	372,641	385,842	3.5%	190,431
Chugoku	Con.	6,584	7,782	8,852	13.7%	4,537
	Uncon.	6,584	7,782	8,852	13.7%	4,537
Total	Con.	1,073,015	1,222,221	1,274,502	4.3%	627,032
	Uncon.	965,348	1,116,754	1,200,543	7.5%	588,866

(Composition)

(%)

(%)

		01/3	02/3	03/3	02/9
Hokkaido	Con.	1.0	0.9	0.9	0.9
	Uncon.	1.1	0.9	1.0	1.0
Tohoku	Con.	2.2	5.9	6.0	6.1
	Uncon.	2.5	4.6	5.2	5.3
Kita-Kanto	Con.	7.8	9.8	9.6	9.7
	Uncon.	5.3	8.3	8.5	8.4
Greater Tokyo	Con.	41.7	38.9	38.9	38.5
	Uncon.	43.6	40.7	40.5	40.2
Koshinetsu	Con.	3.9	3.5	3.7	3.7
	Uncon.	3.3	3.2	3.4	3.4
Tokai	Con.	4.9	6.6	6.8	6.8
	Uncon.	4.7	6.0	6.4	6.3
Hokuriku	Con.	2.1	2.1	2.1	2.2
	Uncon.	2.3	2.2	2.2	2.3
Kinki	Con.	35.8	31.7	31.3	31.4
	Uncon.	36.5	33.4	32.1	32.3
Chugoku	Con.	0.6	0.6	0.7	0.7
	Uncon.	0.7	0.7	0.7	0.8
Total	Con.	100.0	100.0	100.0	100.0
	Uncon.	100.0	100.0	100.0	100.0

3.(4) Net Sales By Manufacturer (Consolidated)

(Amounts)

(Millions of Yen)

(Millions of Yen)

	01/3	02/3	03/3	Change from 02/3		02/9
Takeda Chemical Industries, Ltd.	165,005	195,151	200,056	2.5%		99,454
Yamanouchi Pharmaceutical Co., Ltd.	56,805	66,512	67,555	1.6%		34,632
Chugai Pharmaceutical Co., Ltd.	25,994	29,143	41,183	41.3%		15,043
Otsuka Pharmaceutical Co., Ltd.	35,797	39,062	37,587	(3.8)%		18,867
Eisai Co., Ltd.	33,878	36,819	36,818	0.0%		18,642
Mitsubishi Pharma Corporation	26,434	30,810	33,681	9.3%		17,303
Daiichi Pharmaceutical Co., Ltd.	28,869	32,202	32,909	2.2%		15,750
Pfizer Pharmaceuticals Inc.	26,508	30,640	32,174	5.0%		15,795
Novartis Pharma K.K.	22,311	27,806	31,998	15.1%		15,820
Fujisawa Pharmaceutical Co., Ltd.	26,177	29,829	31,241	4.7%		14,433
Others	625,232	704,243	729,296	3.6%		361,286
Total	1,073,015	1,222,221	1,274,502	4.3%		627,032

(Composition)

(%)

(%)

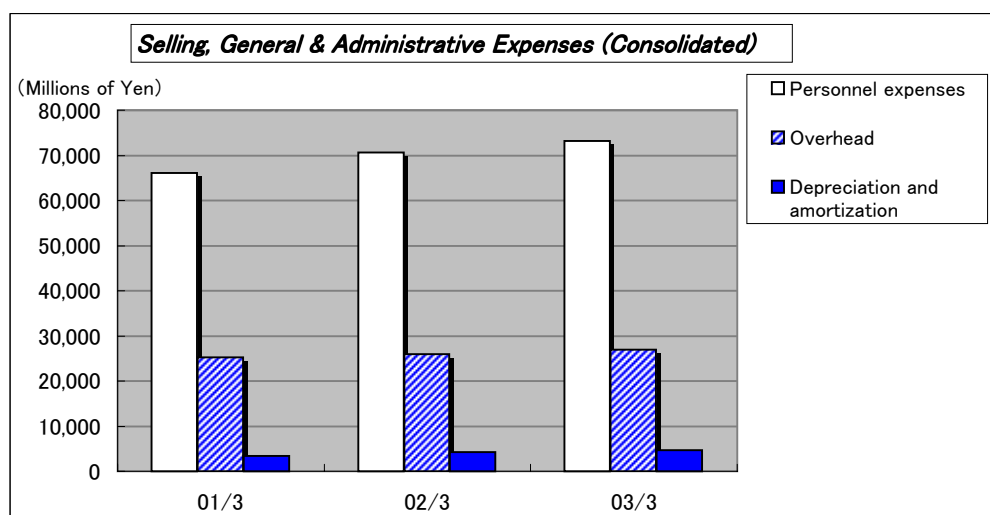
	01/3	02/3	03/3	02/9
Takeda Chemical Industries, Ltd.	15.4	16.0	15.7	15.9
Yamanouchi Pharmaceutical Co., Ltd.	5.3	5.5	5.3	5.5
Chugai Pharmaceutical Co., Ltd.	2.4	2.4	3.2	2.4
Otsuka Pharmaceutical Co., Ltd.	3.3	3.2	3.0	3.0
Eisai Co., Ltd.	3.1	3.0	2.9	3.0
Mitsubishi Pharma Corporation	2.5	2.5	2.6	2.8
Daiichi Pharmaceutical Co., Ltd.	2.7	2.6	2.6	2.5
Pfizer Pharmaceuticals Inc.	2.5	2.5	2.5	2.5
Novartis Pharma K.K.	2.1	2.3	2.5	2.5
Fujisawa Pharmaceutical Co., Ltd.	2.4	2.4	2.5	2.3
Others	58.3	57.6	57.2	57.6
Total	100.0	100.0	100.0	100.0

3.(5) Net Sales By Brand (Consolidated)

(Millions of Yen)

	Brand Name	Manufacturer	Sales
1	Blopress	Takeda Chemical Industries, Ltd.	27,782
2	Leuplin	Takeda Chemical Industries, Ltd.	22,989
3	Basen	Takeda Chemical Industries, Ltd.	20,211
4	Gaster	Yamanouchi Pharmaceutical Co., Ltd.	17,810
5	Norvasc	Pfizer Pharmaceuticals Inc.	15,777
6	Lipitor	Yamanouchi Pharmaceutical Co., Ltd.	13,606
7	Epoetin	Chugai Pharmaceutical Co., Ltd.	13,270
8	Takepron	Takeda Chemical Industries, Ltd.	12,308
9	Harnal	Yamanouchi Pharmaceutical Co., Ltd.	9,715
10	Lipovas	BANYU PHARMACEUTICAL CO., LTD.	9,293
11	Amlodin	Sumitomo Pharmaceuticals, Co., Ltd.	8,449
12	Nu-Lotan	BANYU PHARMACEUTICAL CO., LTD.	8,262
13	Mucosta	Otsuka Pharmaceutical Co., Ltd.	7,955
14	MOHRUS TAPE	Hisamitsu Pharmaceutical Co., Inc.	7,577
15	Diovan	Novartis Pharma K.K.	6,642
16	Adalat L	Bayer Yakuhin, Ltd.	6,501
17	Cravit	Daiichi Pharmaceutical Co.,Ltd.	6,375
18	Pansporin	Takeda Chemical Industries, Ltd.	6,108
19	Methycobal	Eisai Co., Ltd.	5,978
20	Furtulon	Chugai Pharmaceutical Co., Ltd.	5,484

4. Selling, General & Administrative Expenses



		(Millions of Yen / %)						(Millions of Yen)
		01/3		02/3		03/3		02/9
			% of sales		% of sales		YoY	
Sales	Con.	1,073,015	-	1,222,221	-	1,274,502	104.3	627,032
	Uncon.	965,348	-	1,116,754	-	1,200,543	107.5	588,866
Personnel expenses	Con.	66,113	6.2	70,589	5.8	73,155	103.6	35,689
	Uncon.	56,713	5.9	54,763	5.0	58,008	105.9	28,059
Overhead	Con.	25,297	2.3	26,021	2.1	26,965	103.6	13,431
	Uncon.	21,194	2.2	19,470	1.7	19,971	102.6	9,881
Depreciation and amortization	Con.	3,379	0.3	4,251	0.4	4,641	109.2	2,244
	Uncon.	3,058	0.3	3,583	0.3	4,070	113.6	1,948
SG&A total	Con.	94,791	8.8	100,862	8.3	104,763	103.9	51,365
	Uncon.	80,966	8.4	77,817	7.0	82,050	105.4	39,889

5. Major Capital Investment (Payment Base)

01/3

(Millions of Yen)

NISHINIPPON DISTRIBUTION CENTER Construction	2,406
Other	1,532
Unconsolidated Total	3,938
Consolidated Total	4,287

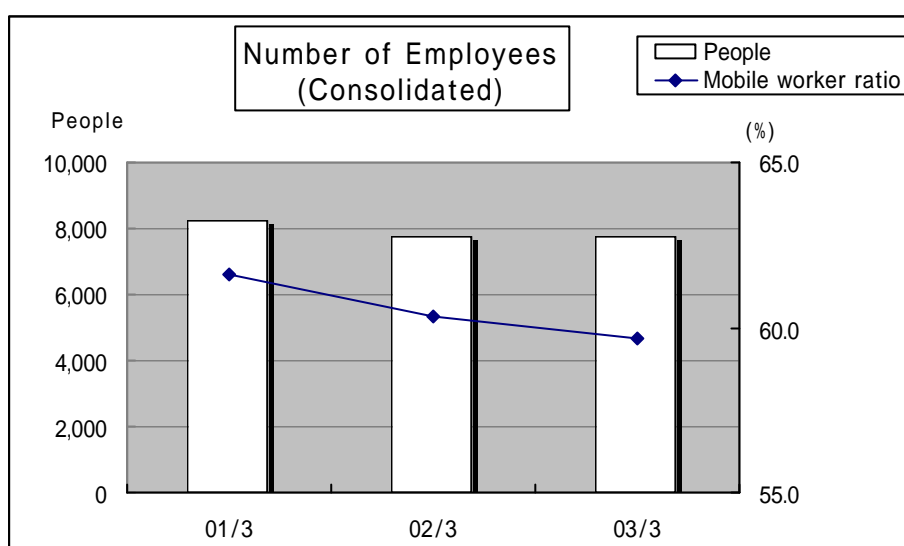
02/3

NISHINIPPON DISTRIBUTION CENTER Construction	4,738
Other	767
Unconsolidated Total	5,505
Consolidated Total	5,663

03/3

NISHINIPPON DISTRIBUTION CENTER Construction	3,195
Other	2,145
Unconsolidated Total	5,340
Consolidated Total	6,205

6. Number of Employees



		(Number Employees)			(Number Employees)
		01/3	02/3	03/3	02/9
Officeworkers	Con.	3,159	3,085	3,123	3,191
	Uncon.	2,288	2,167	2,288	2,312
Mobile workers	Con.	5,067	4,695	4,618	4,667
	Uncon.	3,803	3,446	3,459	3,486
(MS incl. in above)	Con.	4,326	3,948	3,810	3,891
	Uncon.	3,322	2,999	2,981	3,016
Regular employees	Con.	8,226	7,780	7,741	7,858
	Uncon.	6,091	5,613	5,747	5,798

Note: Regular employees include regular staff, contract workers, executive officers, and workers loaned to the Company; and exclude executives and workers loaned by the Company.

MS includes office managers, team leaders and other temporary employees.

		(%)			(%)
		01/3	02/3	03/3	02/9
Mobile worker ratio	Con.	61.6	60.3	59.7	59.4
	Uncon.	62.4	61.4	60.2	60.1

7.(1) Financial Statements: Statements of Operations (Consolidated)

(Millions of Yen)

	01/3	02/3	03/3	02/9
Sales	1,073,015	1,222,221	1,274,502	627,032
Cost of sales	976,181	1,115,658	1,159,550	570,023
Provision for losses on sales returns	92	(80)	28	30
Gross profit	96,741	106,643	114,923	56,978
Selling, general and administrative expenses	94,791	100,862	104,763	51,365
Operating income	1,949	5,780	10,159	5,612
Non-operating income:	4,882	4,964	4,830	2,399
Interest income	199	150	115	60
Dividend income	123	124	145	96
Research fee income	2,424	2,808	2,886	1,417
Real estate rental income	960	1,042	1,024	515
Other non-operating income	1,175	837	659	310
Non-operating expenses:	1,428	1,615	1,346	646
Interest expense	266	318	208	117
Bond expenses	218	206	179	92
Real estate rental expenses	782	743	708	351
Other non-operating expenses	160	347	249	85
Ordinary income	5,403	9,130	13,644	7,365
Extraordinary gains:	1,048	1,130	103	33
Gain on sales of fixed assets	32	447	28	22
Gain on sales of investment securities	671	0	33	2
Gain on disposal of gold memberships	-	-	30	-
Reversal of allowance for doubtful accounts	-	656	-	-
Difference accompanying changes to employees' retirement benefits reserve	332	-	-	-
Reversal of allowance for losses on debt guarantees	11	22	8	8
Other extraordinary gains	-	2	2	-
Extraordinary losses:	2,749	3,675	2,547	1,613
Loss on sale and disposal of fixed assets	294	234	890	307
Loss on sale of investment securities	1	0	7	3
Loss on valuation of investment securities	546	745	312	57
Loss on disposal of golf memberships	-	-	80	50
Loss on valuation of golf memberships	692	184	132	116
Loss on reorganization of affiliates	-	43	-	-
Special retirement benefits	-	2,435	1,079	1,079
Office consolidation expenses	1,214	-	44	-
Other extraordinary losses	-	31	-	-
Income before income taxes and minority interests	3,702	6,584	11,200	5,785
Current income taxes	1,326	5,049	7,803	3,048
Deferred income taxes	984	(1,551)	(2,131)	(425)
Gain in minority interests	53	135	512	280
Net income	1,337	2,950	5,015	2,882

7.(1) Financial Statements: Statements of Operations (Unconsolidated)

	01/3	02/3	03/3	(Millions of Yen) 02/9
Sales	965,348	1,116,754	1,200,543	588,866
Cost of sales	882,344	1,033,108	1,110,177	544,132
Provision for losses on sales returns	89	(89)	29	24
Gross profit	82,913	83,735	90,336	44,708
Selling, general and administrative expenses	80,966	77,817	82,050	39,889
Operating income	1,946	5,917	8,286	4,819
Non-operating income:	4,327	4,447	4,368	2,178
Interest income	160	129	96	55
Dividend income	113	125	127	91
Interest on marketable securities	0	0	0	0
Research fee income	2,102	2,183	2,260	1,110
Real estate rental income	996	1,034	1,045	527
Other non-operating income	955	974	838	392
Non-operating expenses:	1,248	1,305	1,082	508
Interest expense	125	70	41	23
Bond expenses	200	199	179	92
Real estate rental expenses	780	737	703	348
Provision for doubtful investments, etc.	15	-	12	-
Other non-operating expenses	126	298	145	44
Ordinary income	5,026	9,060	11,572	6,489
Extraordinary gains:	508	676	58	22
Gain on sales of fixed assets	15	326	28	22
Gain on sales of investment securities	26	-	-	-
Gain on disposal of gold memberships	-	-	30	-
Reversal of allowance for doubtful accounts	-	350	-	-
Difference accompanying changes to employees' retirement benefits reserve	465	-	-	-
Other extraordinary gains	-	-	-	-
Extraordinary losses:	2,504	2,889	2,267	1,410
Loss on sale and disposal of fixed assets	272	214	781	228
Loss on valuation of investment securities	470	691	265	0
Loss on disposal of golf memberships	-	-	75	50
Loss on valuation of golf memberships	546	133	116	103
Loss on reorganization of affiliates	-	43	-	-
Special retirement benefits	-	1,806	1,028	1,028
Office consolidation expenses	1,214	-	-	-
Other extraordinary losses	-	1	-	-
Income before income taxes and minority interests	3,029	6,847	9,363	5,100
Current income taxes	990	4,600	6,280	2,230
Deferred income taxes	862	(1,334)	(1,873)	(33)
Net income	1,176	3,581	4,957	2,904
Unappropriated retained earnings carried forward	2,419	973	1,918	1,918
Disposition of land revaluation surplus	-	-	44	(5)
Loss from appropriation of treasury stock	-	-	238	-
Interim dividends	818	820	804	-
Provision for legal profit reserve related to interim dividend	81	-	-	-
Investments in affiliated companies	-	108	-	-
Unappropriated losses in affiliated companies	1,444	-	-	-
Unappropriated profits	1,252	3,844	5,877	4,818

7.(2) Financial Statements: Balance Sheets (Consolidated)

	01/3	02/3	03/3	(Millions of Yen) 02/9
ASSETS	652,367	644,247	638,589	627,062
Current assets	497,308	499,614	498,551	484,220
Cash on hand and in banks	73,914	76,053	70,153	60,834
Notes and accounts receivable - trade	339,147	336,315	340,233	341,025
Marketable securities	13	39	2	34
Inventories	54,700	53,691	55,900	53,816
Deferred income taxes	1,617	2,802	4,126	2,559
Accounts receivable	30,891	31,582	29,917	27,720
Other current assets	1,516	2,176	2,162	1,971
Allowance for doubtful accounts	(4,493)	(3,047)	(3,944)	(3,741)
Fixed assets	155,059	144,633	140,037	142,841
Tangible fixed assets	116,852	99,437	95,464	97,406
Buildings and structures	40,491	42,693	40,603	41,437
Land	69,922	49,571	48,402	48,963
Construction in progress	2,874	275	53	181
Other tangible fixed assets	3,563	6,895	6,405	6,823
Intangible fixed assets	5,072	6,097	7,629	6,893
Software	799	1,750	1,817	1,920
Consolidation difference	3,498	2,752	1,987	2,410
Other intangible fixed assets	773	1,593	3,825	2,562
Investments and other assets:	33,134	39,099	36,943	38,542
Investment securities	15,469	13,808	11,956	13,093
Long-term loans receivable	658	379	398	459
Deferred income taxes	5,029	6,022	7,678	6,992
Deferred income taxes - land revaluation	-	8,626	8,456	8,668
Other	17,434	15,968	13,633	14,508
Allowance for doubtful accounts	(5,456)	(5,705)	(5,180)	(5,180)
Total assets	652,367	644,247	638,589	627,062

(Consolidated)

(Millions of Yen)

	01/3	02/3	03/3	02/9
LIABILITIES	524,509	528,823	521,900	510,567
Current liabilities	480,236	489,780	481,680	471,012
Notes and accounts payable - trade	444,666	444,256	445,652	427,607
Short-term bank loans	16,952	17,115	13,268	23,306
Current portion of bonds	300	-	-	-
Current portion of convertible bonds	-	3,201	-	1,348
Income taxes payable	851	3,901	5,383	3,077
Reserve for bonuses	6,507	6,203	7,014	5,958
Allowance for losses on sales returns	756	676	704	706
Other current liabilities	10,202	14,426	9,657	9,007
Long-term liabilities	44,273	39,043	40,219	39,555
Convertible bonds	22,525	19,324	19,324	19,324
Long-term debt	2,903	1,537	1,137	1,557
Deferred income taxes - land revaluation	-	259	252	259
Employees' retirement benefits	15,894	14,617	16,420	15,353
Officers' retirement bonuses	1,789	1,860	1,827	1,724
Allowances for losses on debt guarantees	323	300	292	292
Other long-term liabilities	837	1,144	965	1,043
MINORITY INTERESTS	4,866	4,773	4,427	4,812
SHAREHOLDERS' EQUITY	122,991	110,650	112,261	111,682
Common stock	11,152	11,152	12,751	12,079
Additional paid-in capital	24,321	24,321	25,919	25,247
Retained earnings	83,241	84,536	87,874	86,677
Revaluation surplus	-	(11,768)	(12,259)	(11,795)
Unrealized gains on certain investment securities	4,276	3,603	2,602	3,099
Treasury stock, at cost	(0)	(1,195)	(4,626)	(3,625)
Total liabilities, minority interests and shareholders' equity	652,367	644,247	638,589	627,062

7.(2) Financial Statements: Balance Sheets (Unconsolidated)

	01/3	02/3	03/3	(Millions of Yen) 02/9
ASSETS	562,100	595,689	601,443	584,523
Current assets	427,013	472,644	476,786	462,492
Cash on hand and in banks	61,732	65,647	57,145	49,462
Notes	34,210	32,809	27,310	30,704
Accounts receivable-trade	261,664	295,601	317,218	307,301
Inventories	42,776	42,499	42,581	42,935
Deferred income taxes	1,310	2,526	3,509	2,095
Accounts receivable	26,530	30,087	29,161	26,583
Other current assets	1,215	5,080	1,390	5,295
Allowance for doubtful accounts	(2,428)	(1,606)	(1,531)	(1,887)
Fixed assets	135,086	123,045	124,657	122,031
Tangible fixed assets	100,137	83,370	79,449	81,446
Buildings	32,955	35,639	33,661	34,524
Land	60,131	39,847	38,648	39,237
Other tangible fixed assets	7,049	7,882	7,139	7,683
Intangible fixed assets	1,337	3,064	5,373	4,212
Investments and other assets	33,611	36,610	39,834	36,372
Investment securities	11,046	9,981	8,507	9,342
Affiliated companies	8,715	8,462	9,273	8,692
Deferred income taxes	710	1,232	2,805	1,978
Deferred income taxes - land revaluation	-	8,498	8,287	8,494
Other	16,583	11,821	13,781	10,592
Allowance for doubtful accounts	(3,443)	(3,385)	(2,820)	(2,727)
Total assets	562,100	595,689	601,443	584,523

(Unconsolidated)

(Millions of Yen)

	01/3	02/3	03/3	02/9
LIABILITIES	440,477	485,051	489,038	472,746
Current liabilities:	406,039	454,464	456,784	441,512
Notes	14,496	14,332	15,478	15,834
Accounts payable - trade	373,564	406,288	413,528	393,897
Short-term bank loans	-	-	-	6,900
Current portion of convertible bonds	-	3,201	-	1,348
Income taxes payable	231	3,695	4,035	2,250
Reserve for bonuses	5,470	5,214	6,010	4,908
Allowance for losses on sales returns	616	529	558	553
Other current liabilities	11,660	21,203	17,173	15,819
Long-term liabilities	34,437	30,587	32,253	31,233
Convertible bonds	22,525	19,324	19,324	19,324
Employees' retirement benefits	9,986	8,914	10,647	9,641
Officers' retirement bonuses	1,102	1,265	1,317	1,242
Other long-term liabilities	824	1,082	965	1,025
SHAREHOLDERS' EQUITY	121,623	110,637	112,405	111,777
Common stock	11,152	11,152	12,751	12,079
Additional paid-in capital	24,321	24,321	25,919	25,247
Capital reserve	24,321	24,321	25,919	25,247
Retained earnings	82,297	84,720	87,873	86,814
Legal reserve	1,704	1,795	1,795	1,795
General reserve	79,340	79,080	80,200	80,200
Unappropriated earnings	1,252	3,844	5,877	4,818
Revaluation surplus	-	(11,687)	(11,974)	(11,682)
Unrealized gains on certain investment securities	3,851	3,326	2,462	2,944
Treasury stock, at cost	-	(1,195)	(4,626)	(3,625)
Total liabilities, minority interests and shareholders' equity	562,100	595,689	601,443	584,523

7.(3) Financial Statements: Statements of Retained Earnings (Consolidated)

(Millions of Yen)

	01/3	02/3	03/3	02/9
CAPITAL SURPLUS				
Capital surplus, beginning of period	6,034	24,321	24,321	24,321
Increase in capital surplus	18,286	-	1,598	926
Increase in surplus due to mergers	18,103	-	-	-
Increase due to conversion of convertible bonds	182	-	1,598	926
Capital surplus, end of period	24,321	24,321	25,919	25,247
RETAINED EARNINGS				
Retained earnings, beginning of period	48,666	83,241	84,536	84,536
Increase in retained earnings	35,816	2,950	5,203	2,962
Net income	1,337	2,950	5,015	2,882
Increase in surplus due to mergers	33,619	-	57	-
Increase in surplus due to increase in consolidated subsidiaries	858	-	-	-
Increase in surplus due to consolidated write-offs	-	-	22	22
Disposition of land revaluation surplus	-	-	107	57
Decrease in retained earnings	1,241	1,655	1,865	822
Cash dividends paid	1,155	1,640	1,610	805
Bonuses to directors and corporate auditors	86	14	16	16
[Bonuses to corporate auditors]	[7]	[0]	[0]	[0]
Losses from appropriation of treasury stock	-	-	238	-
Retained earnings, end of period	83,241	84,536	87,874	86,677

7.(4) Financial Statements: Statements of Cash Flows (Consolidated)

	(Millions of Yen)			
	01/3	02/3	03/3	02/9
Cash flows from operating activities				
Income before income taxes and minority interests (interim)	3,702	6,584	11,200	5,785
Depreciation and amortization	4,024	4,865	5,203	2,525
Amortization of consolidation difference	165	748	732	362
Increase (decrease) in employees' retirement benefits - net	(41)	(1,277)	1,811	745
Increase (decrease) in officers' retirement benefits	(781)	70	(27)	(131)
Decrease in accrued employees' bonuses	(110)	(303)	818	(237)
Increase (decrease) in allowance for doubtful accounts	513	(1,196)	373	171
Increase (decrease) in allowance for returns	92	(80)	28	30
Reversal of allowance for losses on debt guarantees	(11)	(22)	(8)	(8)
Reversal of allowance for losses on investments	(1,090)	-	-	-
Interest and dividend income	(322)	(275)	(260)	(156)
Interest expenses	484	524	388	209
Gain (loss) on foreign currency translation	(18)	(0)	(2)	(3)
(Gain) loss on disposal of fixed assets	717	(212)	862	284
(Gain) loss on sale and devaluation of securities	(123)	745	286	57
Loss on golf memberships	692	184	182	166
Loss on restructuring of affiliated companies	-	43	-	-
Special retirement benefits	-	2,435	1,079	1,079
Decrease (increase) in trade receivables	(3,951)	3,004	(2,871)	(3,684)
Decrease (increase) in inventories	(5,803)	1,008	(2,314)	(231)
Decrease (increase) in other current assets	(291)	(2,560)	1,487	3,948
Decrease in notes and accounts payable	26,176	(409)	1,495	(16,548)
Increase (decrease) in accrued consumption taxes	0	502	225	(633)
Increase (decrease) in other current liabilities	1,327	1,539	(1,772)	(2,921)
Payment of officers' bonuses	(176)	(19)	(21)	(21)
Subtotal	25,174	15,897	18,896	(9,212)
Interest and dividends received	300	308	261	156
Cash paid for interest	(480)	(521)	(386)	(205)
Special retirement benefits paid	-	(2,435)	(1,079)	-
Cash paid for income taxes	(2,610)	(706)	(6,182)	(3,732)
Net cash used in / provided by operating activities	22,384	12,542	11,509	(12,993)
Cash flows from investing activities				
Payments for time deposits	(1,718)	(6,280)	(1,658)	(262)
Maturity of time deposits	2,005	7,317	1,990	335
Payments for purchase of marketable securities	-	(7)	(2)	-
Proceeds from sale of marketable securities	-	13	39	-
Payments for purchase of property, plant and equipment	(4,287)	(5,663)	(6,205)	(4,404)
Proceeds from sale of property, plant and equipment	650	539	1,251	783
Payments for purchase of investment	(625)	(639)	(452)	(55)
Proceeds from sale of investment securities	973	10	169	8
Proceeds from acquisition of subsidiary stock due to change in scope of consolidation	4,412	-	-	-
Proceeds from additional purchase of stock of consolidated subsidiaries	-	-	(229)	(229)
Payments for issuance of loans	(3,825)	(301)	(257)	(133)
Proceeds from recovery of loans	140	544	246	51
Other, net	(616)	(545)	(1,429)	(777)
Net cash (used in) / investing activities	(2,890)	(5,012)	(6,540)	(4,684)
Cash flows from financing activities				
Increase in short-term bank loans - net	(7,083)	609	(3,641)	6,210
Proceeds from long-term debt	1,470	1,811	800	800
Repayment of long-term debt	(1,602)	(3,624)	(1,405)	(798)
Repayment of bonds	(500)	(300)	-	-
Repayment of convertible bonds	(0)	-	(4)	(0)
Proceeds from issue of stock	-	-	4	-
Purchase of treasury stocks	(12)	(1,196)	(4,250)	(2,429)
Proceeds from sale of treasury stock	66	1	-	-
Cash dividends paid	(1,150)	(1,640)	(1,610)	(805)
Payment of cash-out subsidiary mergers	(426)	-	-	-
Cash dividends paid to minority shareholders	(8)	(15)	(15)	(15)
Net cash provided by / (used in) financing activities	(9,247)	(4,355)	(10,123)	2,959
Effect of exchange rate change on cash and cash equivalents	18	0	2	3
Net (decrease) increase in cash and cash equivalents	10,264	3,175	(5,151)	(14,715)
Cash and cash equivalents, beginning of period	28,152	70,758	73,933	73,933
Increase in cash and cash equivalents due to merger	30,312	-	13	-
Cash and cash equivalents of newly consolidated subsidiaries, beginning of period	2,028	-	-	-
Decrease in cash and cash equivalents due to exclusion of subsidiaries from consolidation	-	-	(420)	(420)
Cash and cash equivalents, end of period	70,758	73,933	68,375	58,797

7.(5) Financial Statements: Appropriation of Retained Earnings (Unconsolidated)

(Millions of Yen)

	01/3	02/3	03/3
Appropriation of earnings at end of term	1,252	3,844	5,877
Reversal of reserve for accelerated depreciation	31	30	38
Reversal of special appropriation to the reserve for accelerated depreciation	-	50	-
Reversal of special reserve	600	-	-
Total	1,883	3,925	5,916
Total Appropriations	910	2,006	3,857
General reserve	83	-	-
Dividends	820	805	812
Bonuses to directors	-	-	120
Bonuses to auditors	-	-	5
Reserve for accelerated depreciation	-	200	219
Special appropriation to the reserve for accelerated depreciation	6	-	-
Special reserve	-	1,000	2,700
Retained earnings carried forward to the next term	973	1,918	2,059

8. Stock Information (As of March 31, 2003) (Unconsolidated)

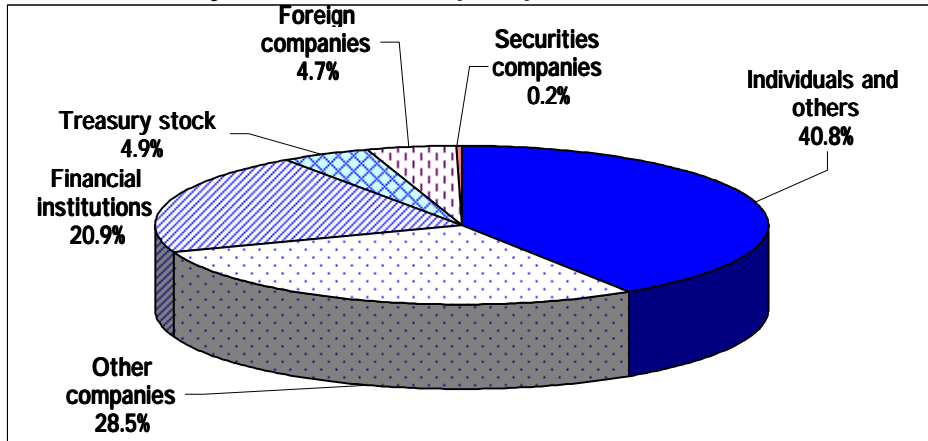
Number of shares authorized	500000000 shares
Number of outstanding shares	142424946 shares
Trading unit	100 shares
Number of stockholders	13,968
(incl. trading unit holders)	13,095

Major Shareholders

<i>Shareholder</i>	<i>Shares Held (Thousands)</i>	<i>Voting Trust (%)</i>
Takeda Chemical Industries, Ltd.	18,816	13.9
Employees Shareholders' Association	11,904	8.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,741	3.5
Sadatake Kumakura	3,420	2.5
Trust and Custody Services Bank, Ltd. (Pension Trust Account)	3,049	2.3
Yamanouchi Pharmaceutical Co., Ltd.	2,861	2.1
JP Morgan Trust Bank Ltd. (Tax-free Account)	2,772	2.1
Japan Trustee Services Bank, Ltd. (Trust Account)	2,571	1.9
Osamu Takumiya	2,370	1.8
Trust and Custody Services Bank, Ltd. (Trust Account A)	2,227	1.6

Note: The Company holds 7,049,000 shares of treasury stock, but is excluded from the major shareholders listed above.

Distribution of Shareholders (%)



<i>Shareholder</i>	<i>Number of Shareholders</i>	<i>Shares Held (Thousands)</i>	<i>% of Total Shares</i>
Individuals and others	13,575	58,116	40.8
Other companies	205	40,575	28.5
Financial institutions	76	29,710	20.9
Treasury stock	1	7,049	4.9
Foreign companies	95	6,679	4.7
Securities companies	16	293	0.2
Total	13,968	142,424	100.0