

# *Data Book*

———— **Interim Period Ended September 30, 2003** ————

November 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 (Interim period ended September 30, 2003)

Consolidated subsidiaries: 10

Unconsolidated subsidiaries not accounted for by equity method: 11

Affiliated companies not accounted for by equity method: 5

### Consolidated Subsidiaries

	Company Name	Business
	Kuraya Sanseido Inc.	Wholesale distribution of pharmaceuticals, quasi-drugs, diagnostic reagents, medical devices and nursing products
	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, 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)
	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

### Unconsolidated Subsidiaries / Affiliates

	Company Name	Business
	HONGOYAKUHIN, 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	= 6 companies	
	= 4 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.

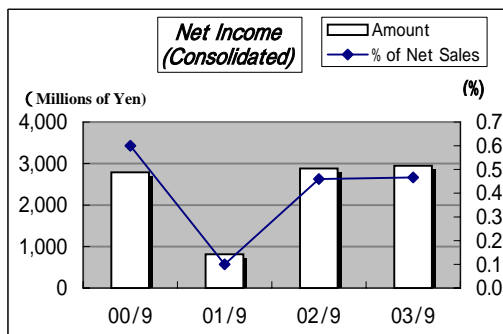
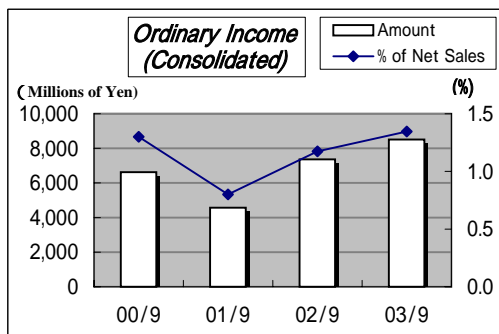
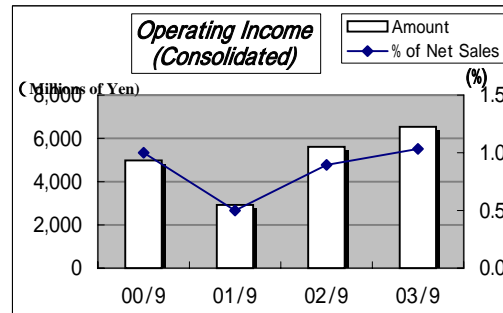
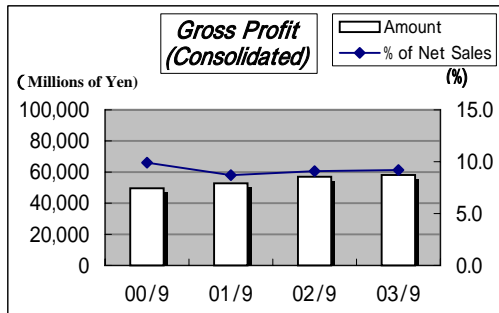
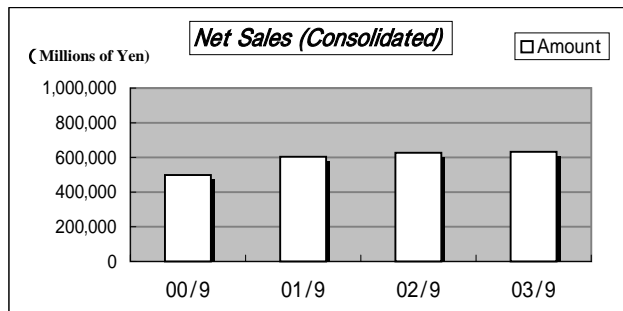
\* Because the effective date for acquisition of SENSHU YAKUHIN CO., LTD. was the last day of the consolidated accounting period for the year ended March 31, 2001, it was within the scope of consolidation only on the balance sheets from the second half of the year ended March 31, 2001, and within the 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.
- On September 1, 2003, the Company made IZUTSU PHARMACEUTICAL CO., LTD. and HEISEI YAKUHIN CO., LTD. wholly owned subsidiaries.
- On April 1, 2004, the Company will transfer its prescription pharmaceutical wholesale business in Nagano prefecture to YAMAHIRO INC.
- On July 1, 2004, the Company will assume the OTC pharmaceutical wholesale businesses of USHIODA SANGOKUDO YAKUHIN CO., LTD. and SENSHU YAKUHIN CO., LTD.

## 2. Main Management Indicators



### (Amounts)

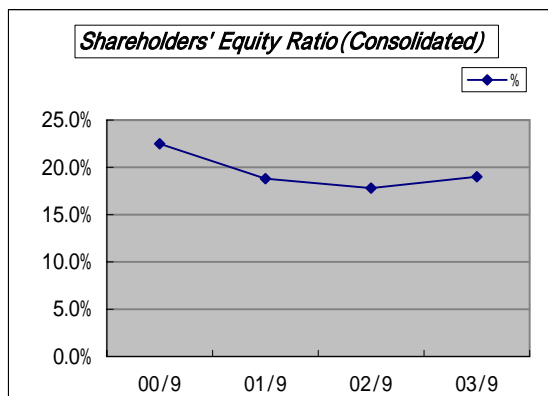
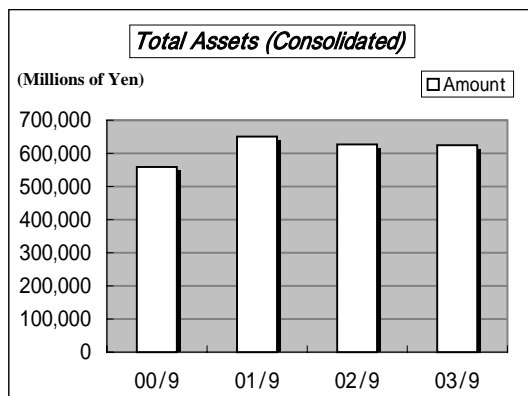
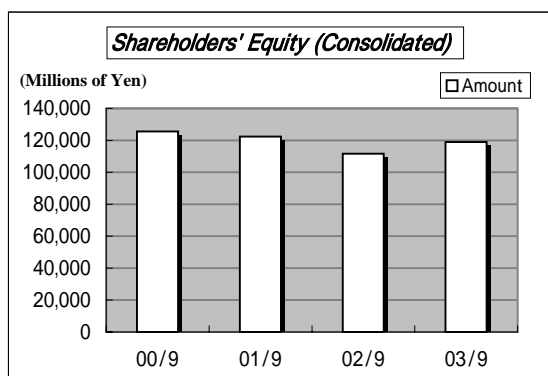
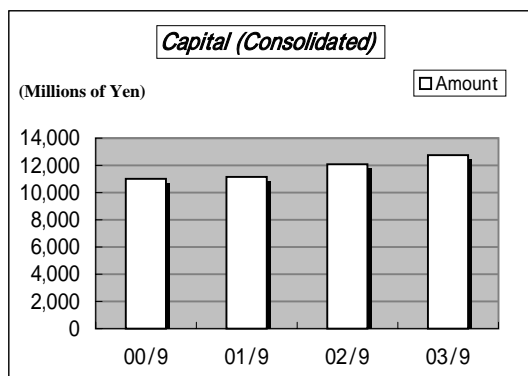
		00/9	01/9	02/9	03/9	Change from 02/9	(Millions of Yen)
Net sales	Con.	499,038	603,950	627,032	632,178	0.8 %	1,274,502
	Uncon.	462,762	546,817	588,866	599,208	1.8 %	
Gross profit	Con.	49,543	52,738	56,978	58,096	2.0 %	114,923
	Uncon.	45,029	41,274	44,708	44,434	(0.6)%	
Operating income	Con.	4,982	2,925	5,612	6,536	16.5 %	10,159
	Uncon.	4,716	3,404	4,819	4,869	1.0 %	
Ordinary income	Con.	6,628	4,567	7,365	8,507	15.5 %	13,644
	Uncon.	6,254	4,981	6,489	6,481	(0.1)%	
Net income	Con.	2,789	812	2,882	2,947	2.2 %	5,015
	Uncon.	2,644	1,443	2,904	2,814	(3.1)%	

03/3	(Millions of Yen)
1,274,502	
1,200,543	
114,923	
90,336	
10,159	
8,286	
13,644	
11,572	
5,015	
4,957	

### (Profit Ratios)

		00/9	01/9	02/9	03/9	(%)
Gross profit	Con.	9.9	8.7	9.1	9.2	9.0
	Uncon.	9.7	7.5	7.6	7.4	
Operating income	Con.	1.0	0.5	0.9	1.0	0.8
	Uncon.	1.0	0.6	0.8	0.8	
Ordinary income	Con.	1.3	0.8	1.2	1.3	1.1
	Uncon.	1.4	0.9	1.1	1.1	
Net income	Con.	0.6	0.1	0.5	0.5	0.4
	Uncon.	0.6	0.3	0.5	0.5	

03/3	(%)
9.0	
7.5	
0.8	
0.7	
1.1	
1.0	
0.4	
0.4	



**(Amounts)**

		(Millions of Yen)			
		00/9	01/9	02/9	03/9
Capital	Con.	11,016	11,152	12,079	12,751
	Uncon.	11,016	11,152	12,079	12,751
Shareholders' equity	Con.	125,599	122,395	111,682	118,980
	Uncon.	124,141	121,777	111,777	118,827
Total assets	Con.	558,851	650,650	627,062	624,777
	Uncon.	522,230	588,440	584,523	599,292
Shareholders' equity ratio	Con.	22.5%	18.8%	17.8%	19.0%
	Uncon.	23.8%	20.7%	19.1%	19.8%

(Millions of Yen)

(Millions of Yen)
03/3
12,751
12,751
112,261
112,405
638,589
601,443
17.6%
18.7%

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

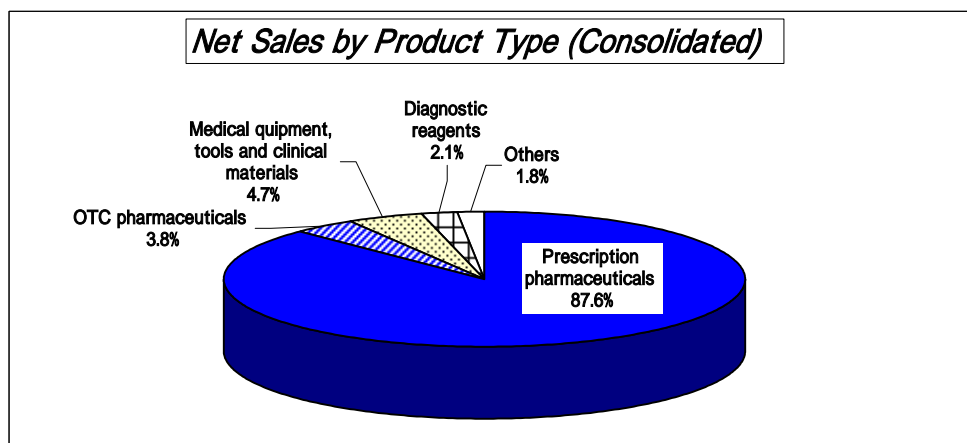
02/10 ~ 03/3

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

03/4 ~ 03/9

¥ 0 million increase in capital from the conversion of convertible bonds into shares

### 3. (1) Net Sales By Product Type



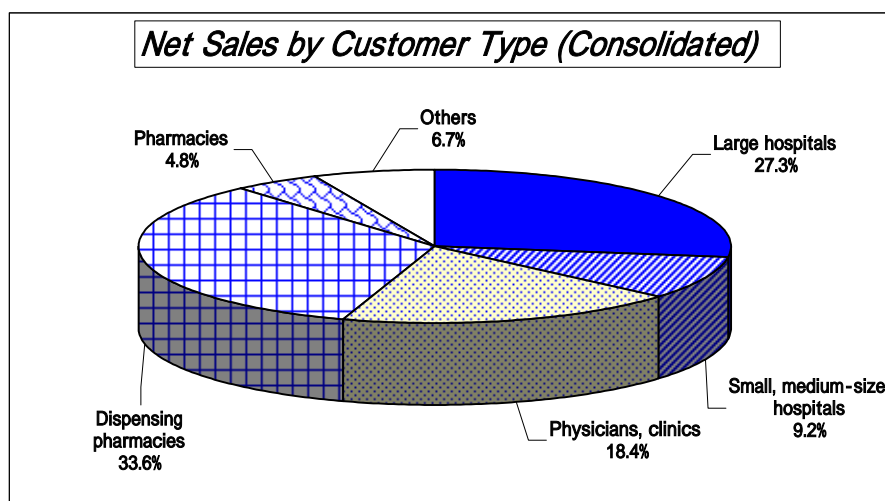
#### (Amounts)

		(Millions of Yen)				(Millions of Yen)	
		00/9	01/9	02/9	03/9	Change from 02/9	03/3
Prescription pharmaceuticals	Con.	433,017	527,278	551,092	553,928	0.5 %	1,110,137
	Uncon.	412,433	488,605	520,599	530,859	2.0 %	1,064,768
OTC pharmaceuticals	Con.	21,526	25,418	24,657	24,036	(2.5)%	53,379
	Uncon.	18,201	19,347	20,480	20,104	(1.8)%	39,816
Medical equipment, tools and clinical materials	Con.	21,081	24,636	28,458	29,684	4.3 %	59,856
	Uncon.	20,537	25,661	27,993	27,400	(2.1)%	57,031
Diagnostic reagents	Con.	11,053	14,000	11,816	13,413	13.5 %	27,973
	Uncon.	5,286	5,045	11,118	11,634	4.6 %	22,981
Others	Con.	12,359	12,616	11,007	11,115	1.0 %	23,156
	Uncon.	6,304	8,157	8,673	9,209	6.2 %	15,945
Total	Con.	499,038	603,950	627,032	632,178	0.8 %	1,274,502
	Uncon.	462,762	546,817	588,866	599,208	1.8 %	1,200,543

#### (Composition)

		(%)				(%)	
		00/9	01/9	02/9	03/9		03/3
Prescription pharmaceuticals	Con.	86.8	87.3	87.9	87.6		87.1
	Uncon.	89.1	89.4	88.4	88.6		88.7
OTC pharmaceuticals	Con.	4.3	4.2	3.9	3.8		4.2
	Uncon.	3.9	3.5	3.5	3.4		3.3
Medical equipment, tools and clinical materials	Con.	4.2	4.1	4.5	4.7		4.7
	Uncon.	4.4	4.7	4.8	4.6		4.8
Diagnostic reagents	Con.	2.2	2.3	1.9	2.1		2.2
	Uncon.	1.2	0.9	1.9	1.9		1.9
Others	Con.	2.5	2.1	1.8	1.8		1.8
	Uncon.	1.4	1.5	1.4	1.5		1.3
Total	Con.	100.0	100.0	100.0	100.0		100.0
	Uncon.	100.0	100.0	100.0	100.0		100.0

### 3. (2) Net Sales By Customer Type



#### (Amounts)

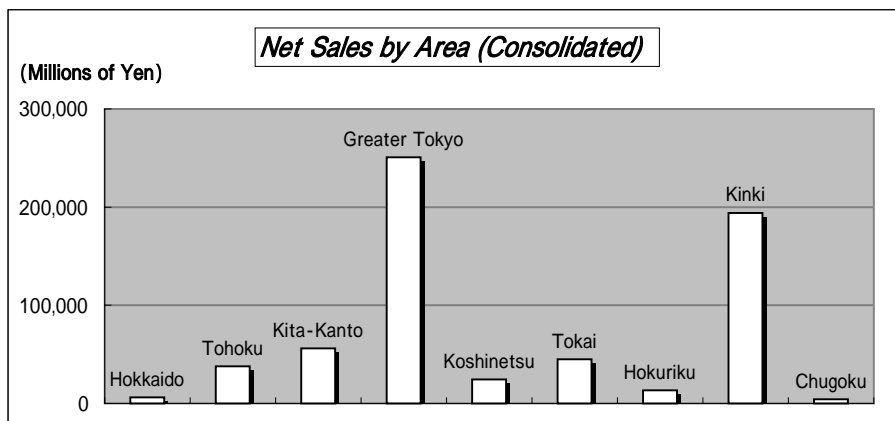
		(Millions of Yen)				(Millions of Yen)	
		00/9	01/9	02/9	03/9	03/3	
		Change from 02/9					
Large hospitals	Con.	169,559	180,950	175,991	172,685	(1.9)%	349,054
	Uncon.	157,464	145,925	140,491	128,791	(8.3)%	280,889
Small, medium-sized hospitals	Con.	55,074	63,895	61,000	58,230	(4.5)%	123,741
	Uncon.	51,834	50,327	47,647	43,573	(8.6)%	95,596
Physicians, clinics	Con.	98,879	116,163	116,987	116,115	(0.7)%	242,619
	Uncon.	92,430	91,999	88,971	85,318	(4.1)%	184,538
Dispensing pharmacies	Con.	124,251	169,861	196,861	212,425	7.9 %	410,602
	Uncon.	118,752	137,818	157,644	163,099	3.5 %	328,578
Pharmacies	Con.	25,753	30,416	30,515	30,204	(1.0)%	62,129
	Uncon.	22,598	25,322	26,916	26,263	(2.4)%	51,193
Others	Con.	25,519	42,662	45,674	42,516	(6.9)%	86,356
	Uncon.	19,682	95,424	127,194	152,161	19.6 %	259,746
Total	Con.	499,038	603,950	627,032	632,178	0.8 %	1,274,502
	Uncon.	462,762	546,817	588,866	599,208	1.8 %	1,200,543

#### (Composition)

		(%)				(%)
		00/9	01/9	02/9	03/9	03/3
Large hospitals	Con.	34.0	30.0	28.1	27.3	27.4
	Uncon.	34.0	26.7	23.8	21.5	23.4
Small, medium-sized hospitals	Con.	11.0	10.6	9.7	9.2	9.7
	Uncon.	11.2	9.2	8.1	7.3	7.9
Physicians, clinics	Con.	19.8	19.2	18.6	18.4	19.0
	Uncon.	20.0	16.8	15.1	14.2	15.4
Dispensing pharmacies	Con.	24.9	28.1	31.4	33.6	32.2
	Uncon.	25.7	25.2	26.8	27.2	27.4
Pharmacies	Con.	5.2	5.0	4.9	4.8	4.9
	Uncon.	4.9	4.6	4.6	4.4	4.3
Others	Con.	5.1	7.1	7.3	6.7	6.8
	Uncon.	4.2	17.5	21.6	25.4	21.6
Total	Con.	100.0	100.0	100.0	100.0	100.0
	Uncon.	100.0	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)
		00/9	01/9	02/9	03/9	03/3
		Change from 02/9				
Hokkaido	Con.	6,050	5,258	5,740	6,037	5.2 %
	Uncon.	5,733	4,945	5,713	5,908	3.4 %
Tohoku	Con.	11,407	35,682	38,268	37,989	(0.7)%
	Uncon.	11,407	24,785	31,103	32,665	5.0 %
Kita-Kanto	Con.	24,509	59,001	60,662	56,109	(7.5)%
	Uncon.	24,509	44,010	49,392	43,876	(11.2)%
Greater Tokyo	Con.	217,004	232,632	241,600	250,889	3.8 %
	Uncon.	206,413	218,506	237,081	247,209	4.3 %
Koshinetsu	Con.	18,469	21,431	22,995	24,489	6.5 %
	Uncon.	15,944	17,756	19,807	21,200	7.0 %
Tokai	Con.	13,967	39,430	42,852	45,042	5.1 %
	Uncon.	13,967	32,514	37,450	41,791	11.6 %
Hokuriku	Con.	11,213	12,472	13,397	13,347	(0.4)%
	Uncon.	11,213	12,400	13,347	13,347	0.0 %
Kinki	Con.	193,175	194,397	196,977	194,099	(1.5)%
	Uncon.	170,333	188,253	190,431	189,036	(0.7)%
Chugoku	Con.	3,240	3,644	4,537	4,172	(8.0)%
	Uncon.	3,240	3,644	4,537	4,172	(8.0)%
Total	Con.	499,038	603,950	627,032	632,178	0.8 %
	Uncon.	462,762	546,817	588,866	599,208	1.8 %

#### (Composition)

		(%)				(%)
		00/9	01/9	02/9	03/9	03/3
Hokkaido	Con.	1.2	0.9	0.9	0.9	0.9
	Uncon.	1.2	0.9	1.0	1.0	1.0
Tohoku	Con.	2.3	5.9	6.1	6.0	6.0
	Uncon.	2.5	4.5	5.3	5.5	5.2
Kita-Kanto	Con.	4.9	9.8	9.7	8.9	9.6
	Uncon.	5.3	8.1	8.4	7.3	8.5
Greater Tokyo	Con.	43.5	38.5	38.5	39.7	38.9
	Uncon.	44.6	40.0	40.2	41.3	40.5
Koshinetsu	Con.	3.7	3.5	3.7	3.9	3.7
	Uncon.	3.5	3.2	3.4	3.5	3.4
Tokai	Con.	2.8	6.5	6.8	7.1	6.8
	Uncon.	3.0	5.9	6.3	7.0	6.4
Hokuriku	Con.	2.2	2.1	2.2	2.1	2.1
	Uncon.	2.4	2.3	2.3	2.2	2.2
Kinki	Con.	38.7	32.2	31.4	30.7	31.3
	Uncon.	36.8	34.4	32.3	31.5	32.1
Chugoku	Con.	0.7	0.6	0.7	0.7	0.7
	Uncon.	0.7	0.7	0.8	0.7	0.7
Total	Con.	100.0	100.0	100.0	100.0	100.0
	Uncon.	100.0	100.0	100.0	100.0	100.0

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

**(Amounts)**

	(Millions of Yen)					(Millions of Yen)
	00/9	01/9	02/9	03/9	Change from 02/9	03/3
Takeda Chemical Industries, Ltd.	74,075	98,105	99,454	100,322	0.9 %	200,056
Yamanouchi Pharmaceutical Co., Ltd.	26,652	32,252	34,632	34,962	1.0 %	67,555
Chugai Pharmaceutical Co., Ltd.	12,387	14,906	15,043	23,763	58.0 %	41,183
Pfizer Japan Inc.	12,512	14,988	15,795	18,852	19.4 %	32,174
Otsuka Pharmaceutical Co., Ltd.	17,401	19,743	18,867	18,334	(2.8)%	37,587
Eisai Co., Ltd.	16,481	18,497	18,642	18,136	(2.7)%	36,818
Novartis Pharma K.K.	10,352	13,519	15,820	17,241	9.0 %	31,998
Mitsubishi Pharma Corporation	12,990	13,640	17,303	16,605	(4.0)%	33,681
Daiichi Pharmaceutical Co., Ltd.	13,164	15,860	15,750	16,285	3.4 %	32,909
AstraZeneca K.K.	8,956	11,017	13,737	15,290	11.3 %	28,644
Others	294,068	351,418	361,982	352,383	(2.7)%	731,892
Total	499,038	603,950	627,032	632,178	0.8 %	1,274,502

**(Composition)**

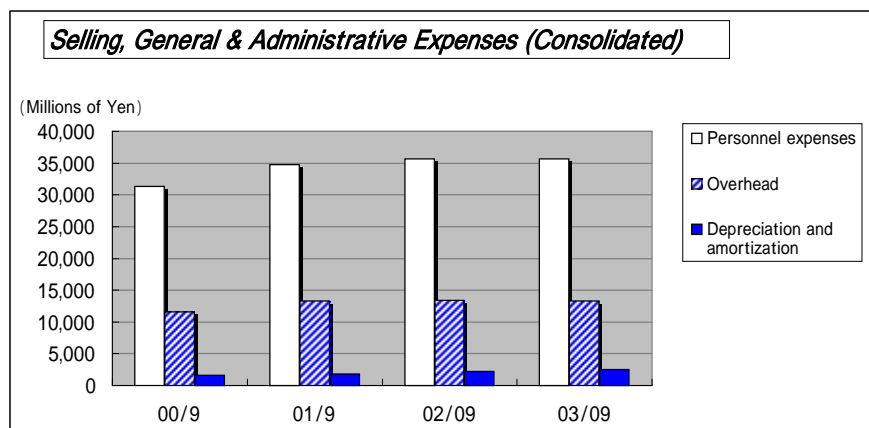
	(%)				(%)
	00/9	01/9	02/9	03/9	03/3
Takeda Chemical Industries, Ltd.	14.9	16.2	15.9	15.9	15.7
Yamanouchi Pharmaceutical Co., Ltd.	5.3	5.3	5.5	5.5	5.3
Chugai Pharmaceutical Co., Ltd.	2.5	2.5	2.4	3.8	3.2
Pfizer Japan Inc.	2.5	2.5	2.5	3.0	2.5
Otsuka Pharmaceutical Co., Ltd.	3.5	3.3	3.0	2.9	3.0
Eisai Co., Ltd.	3.3	3.1	3.0	2.9	2.9
Novartis Pharma K.K.	2.1	2.2	2.5	2.7	2.5
Mitsubishi Pharma Corporation	2.6	2.3	2.8	2.6	2.7
Daiichi Pharmaceutical Co., Ltd.	2.6	2.6	2.5	2.6	2.6
AstraZeneca K.K.	1.8	1.8	2.2	2.4	2.2
Others	58.9	58.2	57.7	55.7	57.4
Total	100.0	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.	19,582
2	Leuplin	Takeda Chemical Industries, Ltd.	11,189
3	Basen	Takeda Chemical Industries, Ltd.	10,719
4	Gaster	Yamanouchi Pharmaceutical Co., Ltd.	8,508
5	Norvasc	Pfizer Japan Inc.	8,241
6	Lipitor	Yamanouchi Pharmaceutical Co., Ltd.	7,916
7	Takepron	Takeda Chemical Industries, Ltd.	7,542
8	Epoetin	Chugai Pharmaceutical Co., Ltd.	7,041
9	MOHRUS	Hisamitsu Pharmaceutical Co., Ltd.	6,429
10	Adalat	Bayer Yakuhin, Ltd.	5,656
11	Harnal	Yamanouchi Pharmaceutical Co., Ltd.	4,884
12	Diovan	Novartis Pharma K.K.	4,524
13	Amlodin	Sumitomo Pharmaceuticals, Co., Ltd.	4,367
14	Lipovas	BANYU PHARMACEUTICAL CO., LTD.	4,297
15	Nu-Lotan	BANYU PHARMACEUTICAL CO., LTD.	4,151
16	Mucosta	Otsuka Pharmaceutical Co., Ltd.	3,955
17	Alinamin	Takeda Chemical Industries, Ltd.	3,804
18	Isovorin	Wyeth Lederle Japan, Ltd.	3,161
19	Paxil	GlaxoSmithKline K.K.	3,037
20	Omnipaque	Daiichi Pharmaceutical Co., Ltd.	3,023

## 4. Selling, General & Administrative Expenses



		(Millions of Yen / % )						(Millions of Yen)			
		00/9		01/9		02/9		03/9		Change from 02/9	03/3
			% of sales		% of sales		% of sales		% of sales		
Sales	Con.	499,038	-	603,950	-	627,032	-	632,178	-	0.8	1,274,502
	Uncon.	462,762	-	546,817	-	588,866	-	599,208	-	1.8	1,200,543
Personnel expenses	Con.	31,356	6.3	34,751	5.7	35,689	5.7	35,713	5.7	0.1	73,155
	Uncon.	28,399	6.1	26,450	4.8	28,059	4.8	27,598	4.6	(1.6)	58,008
Overhead	Con.	11,627	2.3	13,266	2.2	13,431	2.1	13,334	2.1	(0.7)	26,965
	Uncon.	10,419	2.3	9,954	1.8	9,881	1.7	9,712	1.6	(1.7)	19,971
Depreciation and amortization	Con.	1,576	0.3	1,795	0.3	2,244	0.4	2,512	0.4	11.9	4,641
	Uncon.	1,493	0.3	1,465	0.3	1,948	0.3	2,254	0.4	15.7	4,070
SG&A expenses total	Con.	44,561	8.9	49,813	8.2	51,365	8.2	51,559	8.2	0.4	104,763
	Uncon.	40,312	8.7	37,870	6.9	39,889	6.8	39,565	6.6	(0.8)	82,050

## 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

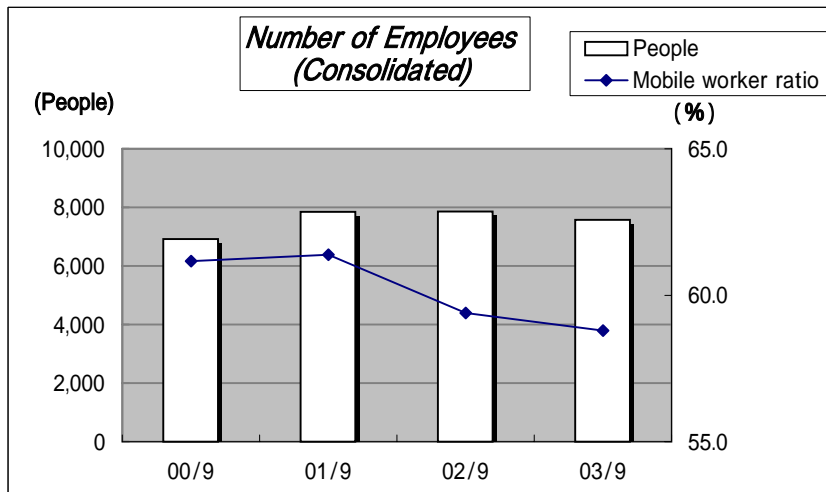
**03/3**

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

**03/9**

HC HIGASHINIPPON DISTRIBUTION CENTER Construction	875
Other	960
Unconsolidated Total	1,835
Consolidated Total	2,001

## 6. Number of Employees



		(Number Employees)				(Number Employees)
		00/9	01/9	02/9	03/9	03/3
Office workers	Con.	2,688	3,030	3,191	3,121	3,123
	Uncon.	2,339	2,172	2,312	2,241	2,288
Mobile workers	Con.	4,233	4,816	4,667	4,453	4,618
	Uncon.	3,791	3,606	3,486	3,211	3,459
(MS incl. in above)	Con.	3,583	4,073	3,891	3,612	3,810
	Uncon.	3,315	3,108	3,016	2,732	2,981
Regular employees	Con.	6,921	7,846	7,858	7,574	7,741
	Uncon.	6,130	5,778	5,798	5,452	5,747

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.

		(%)				(%)
		00/9	01/9	02/9	03/9	03/3
Mobile worker ratio	Con.	61.2	61.4	59.4	58.8	59.7
	Uncon.	61.8	62.4	60.1	58.9	60.2

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

	<b>00/9</b>	<b>01/9</b>	<b>02/9</b>	<b>03/9</b>	<b>03/3</b>
Sales	499,038	603,950	627,032	632,178	1,274,502
Cost of sales	449,414	551,298	570,023	574,103	1,159,550
Provision for losses on sales returns	81	(86)	30	(21)	28
Gross profit	49,543	52,738	56,978	58,096	114,923
Selling, general and administrative expenses	44,561	49,813	51,365	51,559	104,763
Operating income	4,982	2,925	5,612	6,536	10,159
Non-operating income:	2,267	2,442	2,399	2,503	4,830
Interest income	80	74	60	34	115
Dividend income	77	82	96	97	145
Research fee income	1,151	1,416	1,417	1,507	2,886
Real estate rental income	477	520	515	418	1,024
Other non-operating income	480	349	310	446	659
Non-operating expenses:	621	800	646	532	1,346
Interest expense	90	176	117	80	208
Bond expenses	100	106	92	86	179
Real estate rental expenses	384	366	351	309	708
Other non-operating expenses	45	151	85	55	249
Ordinary income	6,628	4,567	7,365	8,507	13,644
Extraordinary gains:	1,045	531	33	171	103
Gain on sales of fixed assets	17	153	22	11	28
Gain on sales of investment securities	656	0	2	0	33
Gain on disposal of golf memberships	-	-	-	-	30
Reversal of allowance for doubtful accounts	38	364	-	-	-
Difference accompanying changes to employees retirement benefits reserve	332	-	-	-	-
Reversal of allowance for losses on debt guarantees	-	11	8	-	8
Gain on transfer of business	-	-	-	160	-
Other extraordinary gains	-	2	-	-	2
Extraordinary losses:	1,946	3,112	1,613	2,640	2,547
Loss on sale and disposal of fixed assets	94	149	307	204	890
Loss on sale of investment securities	-	0	3	-	7
Loss on valuation of investment securities	199	507	57	36	312
Loss on valuation of equity in affiliates	-	-	-	256	-
Loss on disposal of golf memberships	-	-	50	3	80
Loss on valuation of golf memberships	437	93	116	6	132
Special retirement benefits	-	2,335	1,079	1,303	1,079
Office consolidation expenses	1,214	-	-	828	44
Other extraordinary losses	-	26	-	-	-
Income before income taxes and minority interests	5,727	1,986	5,785	6,038	11,200
Current income taxes	1,696	1,962	3,048	2,308	7,803
Deferred income taxes	1,076	(683)	(425)	502	(2,131)
Gain in minority interests	164	-	280	279	512
Loss in minority interests	-	104	-	-	-
Net income	2,789	812	2,882	2,947	5,015

(Millions of Yen)

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

	<b>00/9</b>	<b>01/9</b>	<b>02/9</b>	<b>03/9</b>	<b>03/3</b>
Sales	462,762	546,817	588,866	599,208	1,200,543
Cost of sales	417,650	505,640	544,132	554,796	1,110,177
Provision for losses on sales returns	82	(97)	24	(23)	29
Gross profit	45,029	41,274	44,708	44,434	90,336
Selling, general and administrative expenses	40,312	37,870	39,889	39,565	82,050
Operating income	4,716	3,404	4,819	4,869	8,286
Non-operating income:	2,112	2,210	2,178	2,073	4,368
Interest income	77	61	55	39	96
Dividend income	77	93	91	99	127
Interest on marketable securities	0	0	0	0	0
Research fee income	1,066	1,092	1,110	1,147	2,260
Real estate rental income	492	508	527	436	1,045
Other non-operating income	398	455	392	350	838
Non-operating expenses:	574	633	508	461	1,082
Interest expense	48	34	23	21	41
Bond expenses	100	99	92	86	179
Real estate rental expenses	384	363	348	306	703
Transfer of allowance for doubtful accounts	-	-	-	-	12
Other non-operating expenses	41	136	44	46	145
Ordinary income	6,254	4,981	6,489	6,481	11,572
Extraordinary gains:	574	496	22	1,247	58
Gain on sales of fixed assets	0	83	22	11	28
Gain on sales of investment securities	26	-	-	-	-
Gain on disposal of golf memberships	-	-	-	-	30
Gain on transfer of business	-	-	-	1,080	-
Reversal of allowance for doubtful accounts	81	413	-	156	-
Difference accompanying changes to employees' retirement benefits reserve	465	-	-	-	-
Extraordinary losses:	1,764	2,478	1,410	2,666	2,267
Loss on sale and disposal of fixed assets	88	144	228	198	781
Loss on valuation of investment securities	140	452	0	29	265
Loss on valuation of equity in affiliates	-	-	-	328	-
Loss on disposal of golf memberships	-	-	50	3	75
Loss on valuation of gold memberships	320	75	103	1	116
Special retirement benefits	-	1,806	1,028	1,303	1,028
Office consolidation expenses	1,214	-	-	803	-
Other extraordinary losses	-	1	-	-	-
Income before income taxes and minority interests	5,064	2,999	5,100	5,061	9,363
Current income taxes	1,126	1,815	2,230	1,380	6,280
Deferred income taxes	1,294	(258)	(33)	866	(1,873)
Net income	2,644	1,443	2,904	2,814	4,957
Unappropriated retained earnings carried forward	2,419	973	1,918	2,059	1,918
Disposition of land revaluation surplus	-	-	(5)	(450)	44
Loss from appropriation of treasury stock	-	-	-	-	238
Interim dividends	-	-	-	-	804
Unappropriated losses in affiliated companies	1,444	-	-	-	-
Unappropriated profits	3,620	2,416	4,818	4,423	5,877

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

	<b>00/9</b>	<b>01/9</b>	<b>02/9</b>	<b>03/9</b>	<b>(Millions of Yen)</b>
<b>ASSETS</b>	<b>558,851</b>	<b>650,650</b>	<b>627,062</b>	<b>624,777</b>	<b>03/3</b>
Current assets	423,073	495,374	484,220	485,835	638,589
Cash on hand and in banks	57,622	65,872	60,834	62,999	498,551
Notes and accounts receivable - trade	301,352	342,700	341,025	341,142	70,153
Marketable securities	-	12	34	2	340,233
Inventories	39,483	54,817	53,816	56,059	2
Deferred income taxes	1,648	1,741	2,559	3,414	55,900
Accounts receivable	24,159	31,884	27,720	23,429	4,126
Other current assets	1,756	2,091	1,971	2,462	29,917
Allowance for doubtful accounts	(2,950)	(3,746)	(3,741)	(3,675)	2,162
Fixed assets	135,777	155,275	142,841	138,941	(3,944)
Tangible fixed assets	106,104	118,585	97,406	94,288	140,037
Buildings and structures	36,956	39,404	41,437	39,091	95,464
Land	64,576	69,828	48,963	48,107	40,603
Construction in progress	1,331	5,866	181	917	48,402
Other tangible fixed assets	3,239	3,486	6,823	6,172	53
Intangible fixed assets	1,741	5,252	6,893	7,575	6,405
Software	457	1,056	1,920	5,167	7,629
Consolidation difference	636	3,125	2,410	1,510	1,817
Other intangible fixed assets	647	1,070	2,562	897	1,987
Investments and other assets:	27,932	31,437	38,542	37,076	3,825
Investment securities	16,869	14,072	13,093	13,006	36,943
Long-term loans receivable	595	438	459	351	11,956
Deferred income taxes	664	6,132	6,992	7,666	398
Deferred income taxes - land revaluation	-	-	8,668	8,163	7,678
Other	12,613	16,127	14,508	13,490	8,456
Allowance for doubtful accounts	(2,811)	(5,334)	(5,180)	(5,601)	13,633
<b>Total assets</b>	<b>558,851</b>	<b>650,650</b>	<b>627,062</b>	<b>624,777</b>	<b>638,589</b>

(Consolidated)

(Millions of Yen)

	00/9	01/9	02/9	03/9	03/3
<b>LIABILITIES</b>	431,703	523,614	510,567	505,188	521,900
Current liabilities	393,392	480,505	471,012	465,139	481,680
Notes and accounts payable - trade	364,244	440,137	427,607	433,314	445,652
Short-term bank loans	11,708	17,424	23,306	12,885	13,268
Current portion of convertible bonds	-	-	1,348	-	-
Income taxes payable	2,640	1,959	3,077	2,515	5,383
Reserve for bonuses	6,383	5,608	5,958	5,872	7,014
Allowance for losses on sales returns	615	670	706	683	704
Other current liabilities	7,799	14,705	9,007	9,868	9,657
Long-term liabilities	38,311	43,109	39,555	40,048	40,219
Convertible bonds	22,798	22,525	19,324	19,323	19,324
Long-term debt	1,290	2,475	1,557	982	1,137
Deferred income taxes - land revaluation	-	-	259	252	252
Employees' retirement benefits	12,050	15,124	15,353	16,949	16,420
Officers' retirement bonuses	1,308	1,750	1,724	1,750	1,827
Allowances for losses on debt guarantees	-	311	292	74	292
Other long-term liabilities	863	921	1,043	716	965
<b>MINORITY INTERESTS</b>	1,547	4,640	4,812	607	4,427
<b>SHAREHOLDERS' EQUITY</b>	125,599	122,395	111,682	118,980	112,261
Common stock	11,016	11,152	12,079	12,751	12,751
Additional paid-in capital	24,184	24,321	25,247	27,632	25,919
Retained earnings	85,510	83,219	86,677	89,406	87,874
Revaluation surplus	-	-	(11,795)	(11,616)	(12,259)
Unrealized gains on certain investment securities	4,888	3,702	3,099	3,243	2,602
Treasury stock, at cost	(0)	(0)	(3,625)	(2,436)	(4,626)
Total liabilities, minority interests and shareholders' equity	558,851	650,650	627,062	624,777	638,589

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

(Millions of Yen)

	<b>00/09</b>	<b>01/09</b>	<b>02/09</b>	<b>03/09</b>	<b>03/3</b>
<b>ASSETS</b>	522,230	588,440	584,523	599,292	601,443
Current assets	392,705	452,061	462,492	471,843	476,786
Cash on hand and in banks	53,942	55,291	49,462	50,662	57,145
Notes	36,179	34,371	30,704	21,805	27,310
Accounts receivable-trade	242,964	289,908	307,301	327,446	317,218
Inventories	36,041	41,273	42,935	43,895	42,581
Deferred income taxes	1,469	1,408	2,095	2,676	3,509
Accounts receivable	22,593	29,873	26,583	24,922	29,161
Other current assets	1,679	1,684	5,295	1,568	1,390
Allowance for doubtful accounts	(2,164)	(1,749)	(1,887)	(1,135)	(1,531)
Fixed assets	129,525	136,378	122,031	127,448	124,657
Tangible fixed assets	100,123	102,176	81,446	78,371	79,449
Buildings	33,841	32,172	34,524	32,312	33,661
Land	60,597	60,060	39,237	38,353	38,648
Other tangible fixed assets	5,683	9,943	7,683	7,705	7,139
Intangible fixed assets	1,062	1,875	4,212	5,807	5,373
Investments and other assets	28,340	32,326	36,372	43,270	39,834
Investment securities	12,235	10,003	9,342	9,589	8,507
Affiliated companies	6,313	8,707	8,692	12,853	9,273
Deferred income taxes	-	1,211	1,978	2,638	2,805
Deferred income taxes - land revaluation	-	-	8,494	7,975	8,287
Other	12,527	15,593	10,592	13,149	13,781
Allowance for doubtful accounts	(2,736)	(3,190)	(2,727)	(2,936)	(2,820)
<b>Total assets</b>	<b>522,230</b>	<b>588,440</b>	<b>584,523</b>	<b>599,292</b>	<b>601,443</b>

(Unconsolidated)

(Millions of Yen)

	00/9	01/9	02/9	03/9	03/3
<b>LIABILITIES</b>	398,089	466,662	472,746	480,464	489,038
Current liabilities:	363,761	432,763	441,512	448,207	456,784
Notes	19,741	15,157	15,834	12,996	15,478
Accounts payable - trade	321,187	391,198	393,897	408,449	413,528
Short-term bank loans	6,725	-	6,900	-	-
Current portion of convertible bonds	-	-	1,348	-	-
Income taxes payable	2,048	1,833	2,250	1,643	4,035
Reserve for bonuses	5,898	4,522	4,908	4,721	6,010
Allowance for losses on sales returns	609	518	553	535	558
Other current liabilities	7,551	19,532	15,819	19,860	17,173
Long-term liabilities	34,328	33,898	31,233	32,257	32,253
Convertible bonds	22,798	22,525	19,324	19,323	19,324
Employees' retirement benefits	9,427	9,338	9,641	10,977	10,647
Officers' retirement bonuses	1,004	1,180	1,242	1,240	1,317
Other long-term liabilities	1,098	855	1,025	716	965
<b>SHAREHOLDERS' EQUITY</b>	124,141	121,777	111,777	118,827	112,405
Common stock	11,016	11,152	12,079	12,751	12,751
Additional paid-in capital	24,184	24,321	25,247	27,632	25,919
Capital reserve	24,184	24,321	25,247	25,919	25,919
Other additional paid-in capital	-	-	-	1,712	-
Retained earnings	84,583	82,920	86,814	89,299	87,873
Legal reserve	1,623	1,787	1,795	1,795	1,795
General reserve	79,340	78,715	80,200	83,081	80,200
Unappropriated earnings	3,620	2,416	4,818	4,423	5,877
Revaluation surplus	-	-	(11,682)	(11,523)	(11,974)
Unrealized gains on certain investment securities	4,357	3,382	2,944	3,104	2,462
Treasury stock, at cost	(0)	(0)	(3,625)	(2,436)	(4,626)
Total liabilities, minority interests and shareholders' equity	522,230	588,440	584,523	599,292	601,443

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

(Millions of Yen)

	00/9	01/9	02/9	03/9	03/3
<b>CAPITAL SURPLUS</b>					
Capital surplus, beginning of period	6,034	24,321	24,321	25,919	24,321
Increase in capital surplus	18,149	-	926	1,712	1,598
Increase in surplus due to mergers	18,103	-	-	-	-
Increase due to conversion of convertible bonds	46	-	926	0	1,598
Losses from appropriation of treasury stock	-	-	-	1,712	-
Capital surplus, end of period	24,184	24,321	25,247	27,632	25,919
<b>RETAINED EARNINGS</b>					
Retained earnings, beginning of period	48,666	83,241	84,536	87,874	84,536
Increase in retained earnings	37,266	812	2,962	2,947	5,203
Net income	2,789	812	2,882	2,947	5,015
Increase in surplus due to mergers	33,619	-	-	-	57
Increase in surplus due to increase in consolidated subsidiaries	856	-	-	-	-
Increase in surplus due to consolidated write-offs	-	-	22	-	22
Disposition of land revaluation surplus	-	-	57	-	107
Decrease in retained earnings	423	835	822	1,415	1,865
Cash dividends paid	337	820	805	812	1,610
Bonuses to directors and corporate auditors	86	14	16	151	16
[Bonuses to corporate auditors]	[7]	[0]	[0]	[6]	[0]
Losses from appropriation of treasury stock	-	-	-	-	238
Disposition of land revaluation surplus	-	-	-	450	-
Retained earnings, end of period	85,510	83,219	86,677	89,406	87,874

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

	00/9	01/9	02/9	03/9	(Millions of Yen) 03/3
<b>Cash flows from operating activities</b>					
Income before income taxes and minority interests (interim)	5,727	1,986	5,785	6,038	11,200
Depreciation and amortization	1,880	2,093	2,525	2,771	5,203
Amortization of consolidation difference	77	375	362	371	732
(Increase) decrease in employees' retirement benefits - net	(381)	(770)	745	529	1,811
Increase (decrease) in officers' retirement benefits	(914)	(38)	(131)	(77)	(27)
Increase (decrease) in accrued employees' bonuses	467	(898)	(237)	(1,142)	818
Increase (decrease) in allowance for doubtful accounts	118	(869)	171	152	373
Increase (decrease) in allowance for returns	81	(86)	30	(21)	28
Reversal of allowance for losses on debt guarantees	-	(11)	(8)	(217)	(8)
Reversal of allowance for losses on investments	(1,090)	-	-	-	-
Interest and dividend income	(158)	(156)	(156)	(131)	(260)
Interest expenses	191	282	209	166	388
Gain (loss) on foreign currency translation	(9)	0	(3)	0	(2)
(Gain) loss on disposal of fixed assets	76	(3)	284	901	862
(Gain) loss on sale and devaluation of securities	(456)	507	57	293	286
Loss on golf memberships	437	93	166	9	182
Gain on transfer of business	-	-	-	(160)	-
Special retirement benefits	-	2,335	1,079	1,303	1,079
(Increase) decrease in notes and accounts receivable - trade	(16,444)	(3,225)	(3,684)	(1,379)	(2,871)
(Increase) decrease in inventories	572	(117)	(231)	(176)	(2,314)
(Increase) decrease in other current assets	548	(2,945)	3,948	6,221	1,487
Increase (decrease) in notes and accounts payable	7,258	(4,528)	(16,548)	(12,337)	1,495
Increase (decrease) in accrued consumption taxes	(179)	5	(633)	(1,040)	225
Increase (decrease) in other current liabilities	488	2,191	(2,921)	71	(1,772)
Payment of officers' bonuses	(176)	(19)	(21)	(163)	(21)
Subtotal	(1,882)	(3,799)	(9,212)	1,983	18,896
Interest and dividends received	163	182	156	131	261
Cash paid for interest	(189)	(278)	(205)	(165)	(386)
Special retirement benefits paid	-	-	-	-	(1,079)
Cash paid for income taxes	(40)	572	(3,732)	(5,176)	(6,182)
<b>Net cash (used in) provided by operating activities</b>	<b>(1,948)</b>	<b>(3,323)</b>	<b>(12,993)</b>	<b>(3,226)</b>	<b>11,509</b>
<b>Cash flows from investing activities</b>					
Payments for time deposits	(619)	(577)	(262)	(181)	(1,658)
Maturity of time deposits	650	1,352	335	116	1,990
Payments for purchase of marketable securities	-	-	-	-	(2)
Proceeds from sale of marketable securities	-	5	-	-	39
Payments for purchase of property, plant and equipment	(1,686)	(3,874)	(4,404)	(2,001)	(6,205)
Proceeds from sale of property, plant and equipment	280	271	783	302	1,251
Payments for purchase of investment	(2,168)	(291)	(55)	(51)	(452)
Proceeds from sale of investment securities	932	9	8	4	169
Payments for purchase of investment in subsidiary	-	-	(229)	(12)	(229)
Proceeds from acquisition of subsidiary stock due to change in scope of consolidation	1,290	-	-	-	-
Payments for issuance of loans	(159)	(188)	(133)	(337)	(257)
Proceeds from recovery of loans	71	341	51	142	246
Proceeds from transfer of business	-	-	-	317	-
Other, net	(105)	101	(777)	(916)	(1,429)
<b>Net cash (used in) investing activities</b>	<b>(1,515)</b>	<b>(2,851)</b>	<b>(4,684)</b>	<b>(2,617)</b>	<b>(6,540)</b>
<b>Cash flows from financing activities</b>					
Increase (decrease) in short-term bank loans - net	319	559	6,210	(280)	(3,641)
Proceeds from long-term debt	-	600	800	300	800
Repayment of long-term debt	(519)	(1,115)	(798)	(557)	(1,405)
Repayment of bonds	-	(300)	-	-	-
Repayment of convertible bonds	(0)	-	(0)	(0)	(4)
Proceeds from issuance of common stock	-	-	-	-	4
Purchase of treasury stocks	(9)	(1)	(2,429)	(2)	(4,250)
Proceeds from sale of treasury stock	79	1	-	-	-
Cash dividends paid	(332)	(820)	(805)	(812)	(1,610)
Payment of cash-out subsidiary mergers	(426)	-	-	-	-
Cash dividends paid to minority shareholders	(8)	(15)	(15)	(21)	(15)
<b>Net cash provided by (used in) financing activities</b>	<b>(899)</b>	<b>(1,092)</b>	<b>2,959</b>	<b>(1,373)</b>	<b>(10,123)</b>
Effect of exchange rate change on cash and cash equivalents	9	(0)	3	(0)	2
Net increase (decrease) in cash and cash equivalents	(4,353)	(7,267)	(14,715)	(7,218)	(5,151)
Cash and cash equivalents, beginning of period	28,152	70,758	73,933	68,375	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)
<b>Cash and cash equivalents, end of period</b>	<b>56,139</b>	<b>63,491</b>	<b>58,797</b>	<b>61,156</b>	<b>68,375</b>

## **8. Stock Information (As of September 30, 2003) (Unconsolidated)**

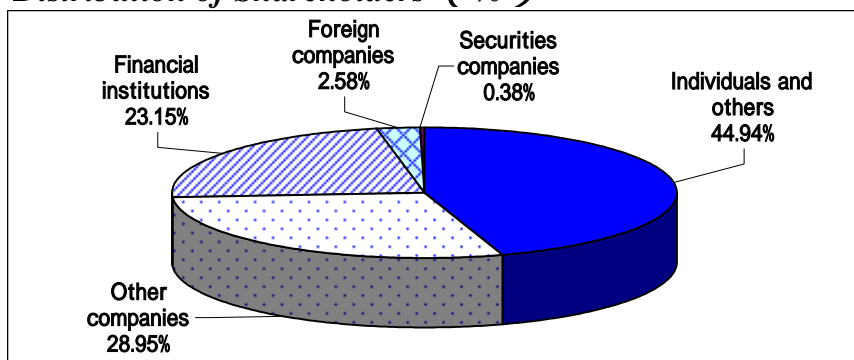
Number of shares authorized	500,000,000 shares
Number of outstanding shares	142,426,037 shares
Trading unit	100 shares
Number of stockholders	14,085
[trading unit holders incl. in above]	[13,223]

### **Major Shareholders**

<b>Shareholders</b>	<b>Shares Held (Thousands)</b>	<b>Voting Trust (%)</b>
Takeda Chemical Industries, Ltd.	18,816	13.21
Employees Shareholders' Association	11,968	8.40
Japan Trustee Services Bank, Ltd. (Trust Account)	7,687	5.40
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,482	2.44
Sadatake Kumakura	3,420	2.40
Yamanouchi Pharmaceutical Co., Ltd.	2,861	2.01
Trust and Custody Services Bank, Ltd. (Pension Account)	2,562	1.80
Osamu Takumiya	2,370	1.66
Nippon Life Insurance Company (Special Pension Account)	2,168	1.52
The Sumitomo Trust & Banking Co., Ltd. (Trust Account B)	1,913	1.34

Note: The Company holds 3,712 thousand shares of treasury stock, but is excluded from the major shareholders listed above.

### **Distribution of Shareholders (%)**



<b>Shareholders</b>	<b>Number of Shareholders</b>	<b>Shares Held (Thousands)</b>	<b>of Total Shares</b>
Individuals and others	13,689	64,014	44.94
Other companies	215	41,226	28.95
Financial institutions	73	32,966	23.15
Foreign companies	90	3,670	2.58
Securities companies	18	547	0.38
Total	14,085	142,426	100.00

Note: The 3,712 thousand shares of treasury stock held by the Company are included under "Individuals and others."