

Data Book

— For the Year Ended March 31, 2004 —

May 2004

Stock code number: 7459
Kuraya Sanseido Inc.

Stock exchange listings: Tokyo Stock Exchange First Section

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

1. Corporate Group (Year ended March 31, 2004)

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 YAKUHI CO., LTD.	Wholesale distribution of pharmaceutical products (Gifu, Mie prefectures)
	USHIODA SANGOKUDO YAKUHI CO., LTD.	Wholesale distribution of pharmaceutical products (Ibariki, Tochigi, Gunma prefectures)
	Chiyaku Co., Ltd.	Wholesale distribution of pharmaceutical products (Chiba Prefecture)
	SENSHU YAKUHI 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
	HONGOH YAKUHI, 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 YAKUHI CO., LTD., USHIODA SANGOKUDO YAKUHI 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.

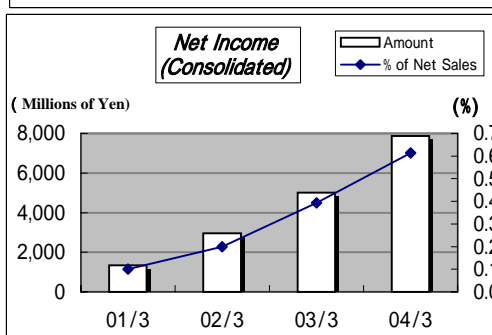
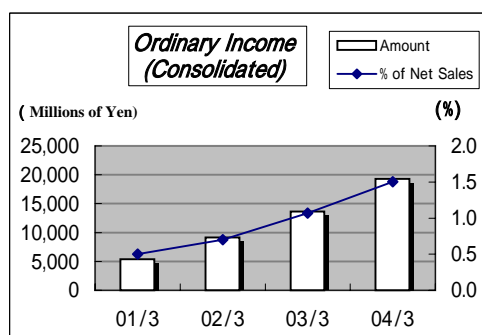
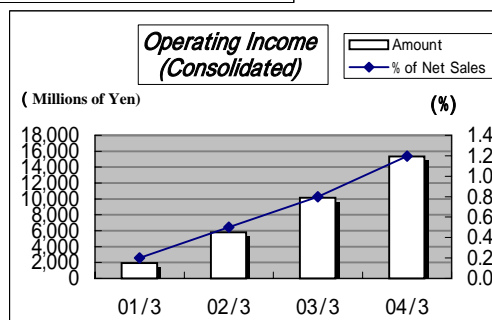
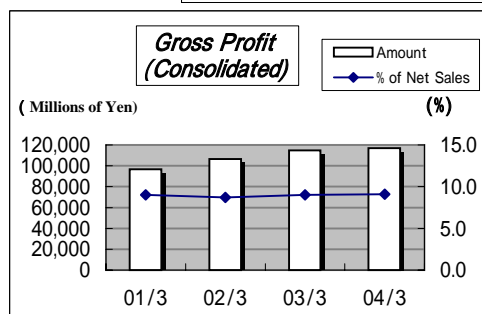
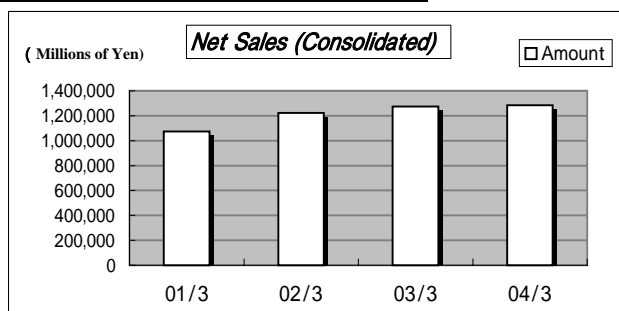
* Because the effective date for acquisition of SENSHU YAKUHI CO., LTD. was the last day of the consolidated accounting period for the year ended March 31, 2001, it was within the scope of consolidation only on the balance sheets from the second half of the year ended March 31, 2001, and within the scope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

* NISHIDA YAKUHI 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 YAKUHI 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 YAKUHI 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 YAKUHI CO., LTD. in Miyagi prefecture.
- On March 1, 2003, the Company made USHIODA SANGOKUDO YAKUHI 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 YAKUHI CO., LTD.
- On September 1, 2003, the Company made IZUTSU PHARMACEUTICAL CO., LTD. and HEISEI YAKUHI CO., LTD. wholly owned subsidiaries.
- On April 1, 2004, the Company transferred its prescription pharmaceutical wholesale business in Nagano prefecture to YAMAHIRO INC. On the same day, YAMAHIRO INC. changed its corporate name to YAMAHIRO KURAYA SANSEIDO Inc.
- On April 1, 2004, the Company transferred its diagnostic reagent sales business in Kyoto and Shiga prefecture to IZUTSU PHARMACEUTICAL CO., LTD.
- On April 1, 2004, the Company made ATOL CO., LTD. and EVERLTH Co., Ltd. wholly owned subsidiaries.
- On May 1, 2004, the Company made NAKAGAWA SEIKODO CO., LTD. a wholly owned subsidiary.
- On July 1, 2004, the Company will assume the OTC pharmaceutical wholesale businesses of USHIODA SANGOKUDO YAKUHI CO., LTD. and SENSHU YAKUHI CO., LTD.

2. Main Management Indicators

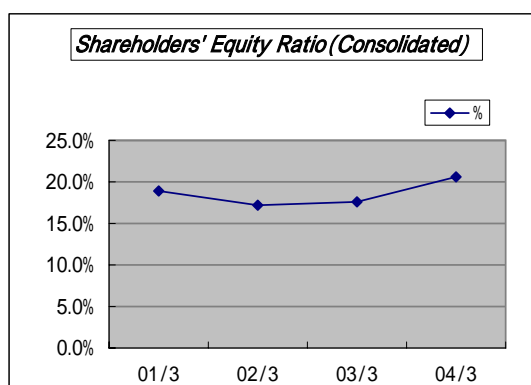
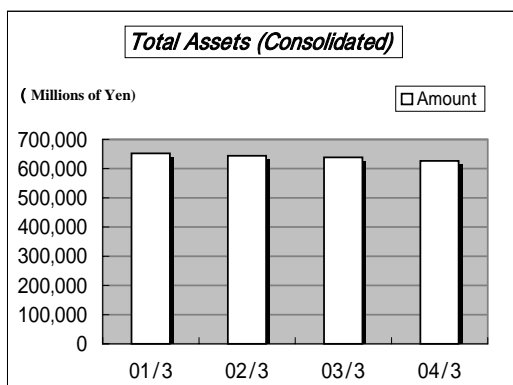
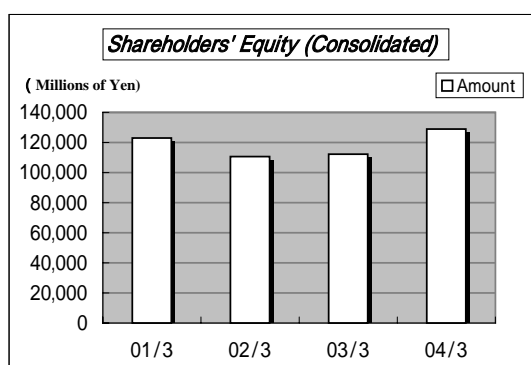
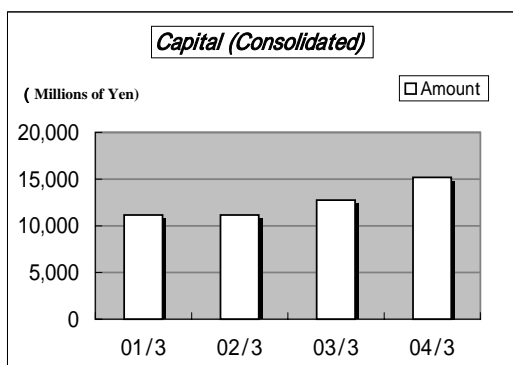


(Amounts)

		01/3	02/3	03/3	04/3	Change from 03/3	03/9
Net sales	Con.	1,073,015	1,222,221	1,274,502	1,283,925	0.7%	632,178
	Uncon.	965,348	1,116,754	1,200,543	1,218,355	1.5%	599,208
Gross profit	Con.	96,741	106,643	114,923	116,805	1.6%	58,096
	Uncon.	82,913	83,735	90,336	88,434	(2.1)%	44,434
Operating income	Con.	1,949	5,780	10,159	15,354	51.1%	6,536
	Uncon.	1,946	5,917	8,286	10,542	27.2%	4,869
Ordinary income	Con.	5,403	9,130	13,644	19,312	41.5%	8,507
	Uncon.	5,026	9,060	11,572	13,819	19.4%	6,481
Net income	Con.	1,337	2,950	5,015	7,878	57.1%	2,947
	Uncon.	1,176	3,581	4,957	6,359	28.3%	2,814

(Profit Ratios)

		01/3	02/3	03/3	04/3	03/9
Gross profit	Con.	9.0	8.7	9.0	9.1	9.2
	Uncon.	8.6	7.5	7.5	7.3	7.4
Operating income	Con.	0.2	0.5	0.8	1.2	1.0
	Uncon.	0.2	0.5	0.7	0.9	0.8
Ordinary income	Con.	0.5	0.7	1.1	1.5	1.3
	Uncon.	0.5	0.8	1.0	1.1	1.1
Net income	Con.	0.1	0.2	0.4	0.6	0.5
	Uncon.	0.1	0.3	0.4	0.5	0.5



(Amounts)

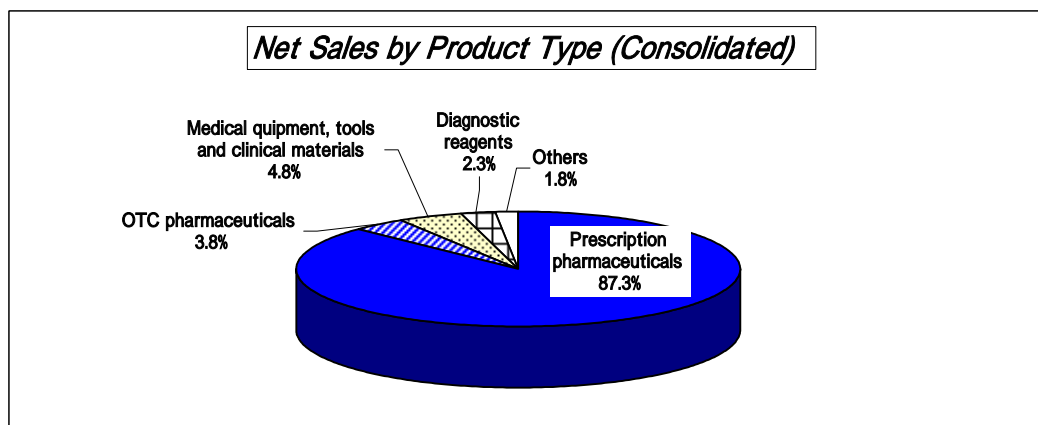
		(Millions of Yen)			
		01/3	02/3	03/3	04/3
Capital	Con.	11,152	11,152	12,751	15,183
	Uncon.	11,152	11,152	12,751	15,183
Shareholders' equity	Con.	122,991	110,650	112,261	128,987
	Uncon.	121,623	110,637	112,405	127,206
Total assets	Con.	652,367	644,247	638,589	626,626
	Uncon.	562,100	595,689	601,443	598,329
Shareholders' equity ratio	Con.	18.9%	17.2%	17.6%	20.6%
	Uncon.	21.6%	18.6%	18.7%	21.3%

(Millions of Yen)
03/9
12,751
12,751
118,980
118,827
624,777
599,292
19.0%
19.8%

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
- 03/10 ~ 04/3 ¥ 2,432 million increase in capital from the conversion of convertible bonds into shares

3. (1) Net Sales By Product Type



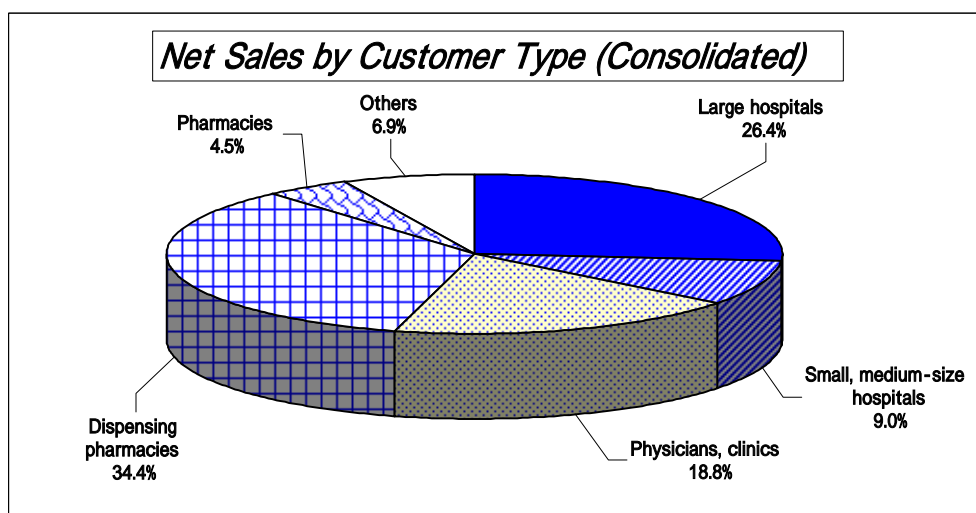
(Amounts)

		(Millions of Yen)				(Millions of Yen)	
		01/3	02/3	03/3	04/3	Change from 03/3	03/9
Prescription pharmaceuticals	Con.	932,088	1,069,480	1,110,137	1,120,711	1.0%	553,928
	Uncon.	860,520	991,216	1,064,768	1,083,538	1.8%	530,859
OTC pharmaceuticals	Con.	46,799	52,059	53,379	48,729	(8.7)%	24,036
	Uncon.	35,527	38,461	39,816	38,437	(3.5)%	20,104
Medical equipment, tools and clinical materials	Con.	46,338	51,622	59,856	61,413	2.6%	29,684
	Uncon.	45,953	54,509	57,031	55,585	(2.5)%	27,400
Diagnostic reagents	Con.	23,197	24,853	27,973	29,117	4.1%	13,413
	Uncon.	9,951	16,279	22,981	24,579	7.0%	11,634
Others	Con.	24,590	24,205	23,156	23,954	3.4%	11,115
	Uncon.	13,395	16,287	15,945	16,215	1.7%	9,209
Total	Con.	1,073,015	1,222,221	1,274,502	1,283,925	0.7%	632,178
	Uncon.	965,348	1,116,754	1,200,543	1,218,355	1.5%	599,208

(Composition)

		(%)				(%)	
		01/3	02/3	03/3	04/3		03/9
Prescription pharmaceuticals	Con.	86.8	87.5	87.1	87.3		87.6
	Uncon.	89.1	88.8	88.7	88.9		88.6
OTC pharmaceuticals	Con.	4.4	4.3	4.2	3.8		3.8
	Uncon.	3.7	3.4	3.3	3.2		3.4
Medical equipment, tools and clinical materials	Con.	4.3	4.2	4.7	4.8		4.7
	Uncon.	4.8	4.9	4.8	4.6		4.6
Diagnostic reagents	Con.	2.2	2.0	2.2	2.3		2.1
	Uncon.	1.0	1.4	1.9	2.0		1.9
Others	Con.	2.3	2.0	1.8	1.8		1.8
	Uncon.	1.4	1.5	1.3	1.3		1.5
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)

		01/3	02/3	03/3	04/3		03/9
						Change from 03/3	
Large hospitals	Con.	334,540	356,689	349,054	338,273	(3.1)%	172,685
	Uncon.	296,360	284,596	280,889	254,771	(9.3)%	128,791
Small, medium-sized hospitals	Con.	115,202	126,107	123,741	116,116	(6.2)%	58,230
	Uncon.	102,010	98,144	95,596	86,816	(9.2)%	43,573
Physicians, clinics	Con.	214,149	237,505	242,619	241,281	(0.6)%	116,115
	Uncon.	182,991	185,722	184,538	176,768	(4.2)%	85,318
Dispensing pharmacies	Con.	281,644	353,805	410,602	441,828	7.6%	212,425
	Uncon.	251,749	285,312	328,578	339,022	3.2%	163,099
Pharmacies	Con.	56,347	60,886	62,129	57,516	(7.4)%	30,204
	Uncon.	44,806	49,397	51,193	49,952	(2.4)%	26,263
Others	Con.	71,130	87,228	86,356	88,909	3.0%	42,516
	Uncon.	87,430	213,579	259,746	311,023	19.7%	152,161
Total	Con.	1,073,015	1,222,221	1,274,502	1,283,925	0.7%	632,178
	Uncon.	965,348	1,116,754	1,200,543	1,218,355	1.5%	599,208

(Composition)

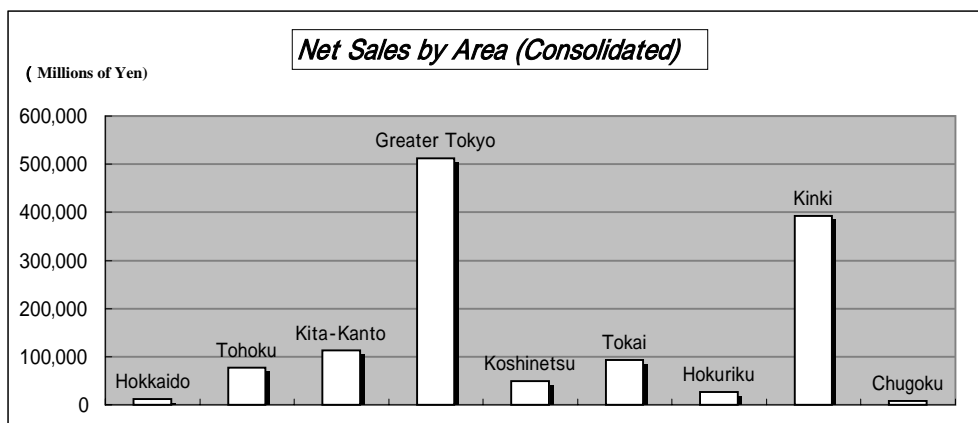
(%)

(%)

		01/3	02/3	03/3	04/3		03/9
Large hospitals	Con.	31.2	29.2	27.4	26.4		27.3
	Uncon.	30.7	25.5	23.4	20.9		21.5
Small, medium-sized hospitals	Con.	10.7	10.3	9.7	9.0		9.2
	Uncon.	10.6	8.8	7.9	7.1		7.3
Physicians, clinics	Con.	20.0	19.4	19.0	18.8		18.4
	Uncon.	18.9	16.6	15.4	14.5		14.2
Dispensing pharmacies	Con.	26.2	29.0	32.2	34.4		33.6
	Uncon.	26.1	25.6	27.4	27.8		27.2
Pharmacies	Con.	5.3	5.0	4.9	4.5		4.8
	Uncon.	4.6	4.4	4.3	4.1		4.4
Others	Con.	6.6	7.1	6.8	6.9		6.7
	Uncon.	9.1	19.1	21.6	25.6		25.4
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)

		01/3	02/3	03/3	04/3	Change from	03/9
						03/3	
Hokkaido	Con.	10,984	10,441	11,614	12,096	4.2%	6,037
	Uncon.	10,304	9,936	11,456	11,866	3.6%	5,908
Tohoku	Con.	23,889	72,068	76,470	77,148	0.9%	37,989
	Uncon.	23,889	51,392	61,994	66,876	7.9%	32,665
Kita-Kanto	Con.	84,202	119,984	122,170	113,117	(7.4)%	56,109
	Uncon.	51,043	92,342	101,444	88,025	(13.2)%	43,876
Greater Tokyo	Con.	447,157	475,372	495,929	512,333	3.3%	250,889
	Uncon.	420,844	454,502	486,411	503,983	3.6%	247,209
Koshinetsu	Con.	41,358	42,800	47,004	49,177	4.6%	24,489
	Uncon.	32,438	35,622	40,759	42,594	4.5%	21,200
Tokai	Con.	52,620	80,658	87,171	92,516	6.1%	45,042
	Uncon.	45,438	67,358	77,147	87,141	13.0%	41,791
Hokuriku	Con.	22,505	25,291	26,726	26,469	(1.0)%	13,347
	Uncon.	22,505	25,175	26,634	26,469	(0.6)%	13,347
Kinki	Con.	383,711	387,819	398,562	392,696	(1.5)%	194,099
	Uncon.	352,299	372,641	385,842	383,028	(0.7)%	189,036
Chugoku	Con.	6,584	7,782	8,852	8,370	(5.4)%	4,172
	Uncon.	6,584	7,782	8,852	8,370	(5.4)%	4,172
Total	Con.	1,073,015	1,222,221	1,274,502	1,283,925	0.7%	632,178
	Uncon.	965,348	1,116,754	1,200,543	1,218,355	1.5%	599,208

(Composition)

(%)

(%)

		01/3	02/3	03/3	04/3	03/9
Hokkaido	Con.	1.0	0.9	0.9	0.9	0.9
	Uncon.	1.1	0.9	1.0	1.0	1.0
Tohoku	Con.	2.2	5.9	6.0	6.0	6.0
	Uncon.	2.5	4.6	5.2	5.5	5.5
Kita-Kanto	Con.	7.8	9.8	9.6	8.8	8.9
	Uncon.	5.3	8.3	8.5	7.2	7.3
Greater Tokyo	Con.	41.7	38.9	38.9	39.9	39.7
	Uncon.	43.6	40.7	40.5	41.4	41.3
Koshinetsu	Con.	3.9	3.5	3.7	3.8	3.9
	Uncon.	3.3	3.2	3.4	3.5	3.5
Tokai	Con.	4.9	6.6	6.8	7.2	7.1
	Uncon.	4.7	6.0	6.4	7.1	7.0
Hokuriku	Con.	2.1	2.1	2.1	2.1	2.1
	Uncon.	2.3	2.2	2.2	2.2	2.2
Kinki	Con.	35.8	31.7	31.3	30.6	30.7
	Uncon.	36.5	33.4	32.1	31.4	31.5
Chugoku	Con.	0.6	0.6	0.7	0.7	0.7
	Uncon.	0.7	0.7	0.7	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)
	01/3	02/3	03/3	04/3	Change from 03/3	
Takeda Chemical Industries, Ltd.	165,005	195,151	200,056	200,659	0.3%	100,322
Yamanouchi Pharmaceutical Co., Ltd.	56,805	66,512	67,555	69,655	3.1%	34,962
Chugai Pharmaceutical Co., Ltd.	25,994	29,143	41,183	51,765	25.7%	23,763
Pfizer Japan Inc.	26,508	30,640	32,174	42,724	32.8%	18,852
Eisai Co., Ltd.	33,878	36,819	36,818	37,063	0.7%	18,136
Otsuka Pharmaceutical Co., Ltd.	35,797	39,062	37,587	36,359	(3.3)%	18,334
Novartis Pharma K.K.	22,311	27,806	31,998	34,872	9.0%	17,241
Mitsubishi Pharma Corporation	26,434	30,810	33,681	33,200	(1.4)%	16,605
Daiichi Pharmaceutical Co., Ltd.	28,869	32,202	32,909	33,177	0.8%	16,285
Fujisawa Pharmaceutical Co., Ltd.	26,177	29,829	31,241	31,654	1.3%	14,873
Others	625,232	704,243	729,296	712,793	(2.3)%	352,800
Total	1,073,015	1,222,221	1,274,502	1,283,925	0.7%	632,178

(Composition)

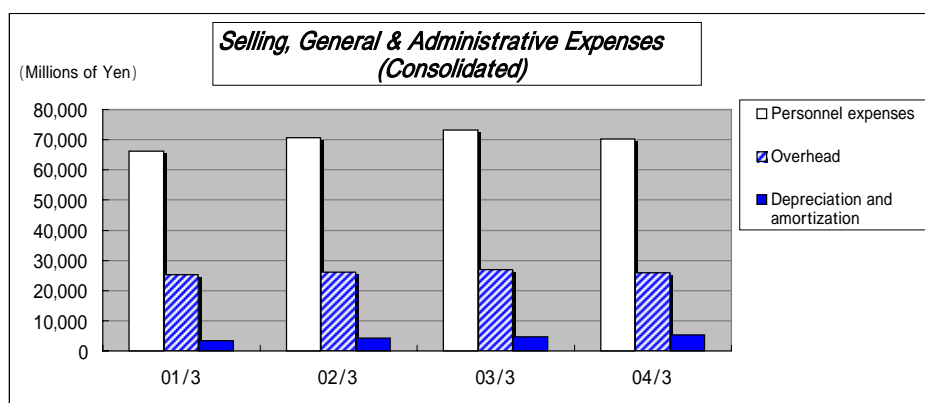
	(%)				(%)
	01/3	02/3	03/3	04/3	
Takeda Chemical Industries, Ltd.	15.4	16.0	15.7	15.6	15.9
Yamanouchi Pharmaceutical Co., Ltd.	5.3	5.5	5.3	5.4	5.5
Chugai Pharmaceutical Co., Ltd.	2.4	2.4	3.2	4.0	3.8
Pfizer Japan Inc.	2.5	2.5	2.5	3.3	3.0
Eisai Co., Ltd.	3.1	3.0	2.9	2.9	2.9
Otsuka Pharmaceutical Co., Ltd.	3.3	3.2	3.0	2.9	2.9
Novartis Pharma K.K.	2.1	2.3	2.5	2.7	2.7
Mitsubishi Pharma Corporation	2.5	2.5	2.6	2.6	2.6
Daiichi Pharmaceutical Co., Ltd.	2.7	2.6	2.6	2.6	2.6
Fujisawa Pharmaceutical Co., Ltd.	2.4	2.4	2.5	2.5	2.3
Others	58.3	57.6	57.2	55.5	55.8
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.	35,026
2	Leuplin	Takeda Chemical Industries, Ltd.	22,689
3	Basen	Takeda Chemical Industries, Ltd.	21,489
4	Gaster	Yamanouchi Pharmaceutical Co., Ltd.	16,888
5	Norvasc	Pfizer Japan Inc.	16,678
6	Lipitor	Yamanouchi Pharmaceutical Co., Ltd.	16,147
7	Takepron	Takeda Chemical Industries, Ltd.	15,482
8	Epoetin	Chugai Pharmaceutical Co., Ltd.	13,879
9	MOHRUS	Hisamitsu Pharmaceutical Co., Ltd.	12,402
10	Adalat	Bayer Yakuhin, Ltd.	11,187
11	Diovan	Novartis Pharma K.K.	9,850
12	Harnal	Yamanouchi Pharmaceutical Co., Ltd.	9,594
13	Amlodin	Sumitomo Pharmaceuticals, Co., Ltd.	8,903
14	Lipovas	BANYU PHARMACEUTICAL CO., LTD.	8,454
15	Nu-Lotan	BANYU PHARMACEUTICAL CO., LTD.	8,336
16	Alinamin	Takeda Chemical Industries, Ltd.	7,978
17	Isovorin	Wyeth Japan, Ltd.	7,948
18	Mucosta	Otsuka Pharmaceutical Co., Ltd.	7,490
19	Omnipaque	Daiichi Pharmaceutical Co., Ltd.	6,160
20	Paxil	GlaxoSmithKline K.K.	5,836

4. Selling, General & Administrative Expenses



		(Millions of Yen / %)				(Millions of Yen)					
		01/3	% of sales	02/3	% of sales	03/3	% of sales	04/3	% of sales	Change from 03/3	03/9
Sales	Con.	1,073,015	-	1,222,221	-	1,274,502	-	1,283,925	-	0.7%	632,178
	Uncon.	965,348	-	1,116,754	-	1,200,543	-	1,218,355	-	1.5%	599,208
Personnel expenses	Con.	66,113	6.2	70,589	5.8	73,155	5.7	70,265	5.3	(4.0)%	35,713
	Uncon.	56,713	5.9	54,763	5.0	58,008	4.8	54,567	4.5	(5.9)%	27,598
Overhead	Con.	25,297	2.3	26,021	2.1	26,965	2.1	25,966	2.0	(3.7)%	13,334
	Uncon.	21,194	2.2	19,470	1.7	19,971	1.7	18,621	1.5	(6.8)%	9,712
Depreciation and amortization	Con.	3,379	0.3	4,251	0.4	4,641	0.4	5,218	0.4	12.4%	2,512
	Uncon.	3,058	0.3	3,583	0.3	4,070	0.3	4,702	0.4	15.5%	2,254
SG&A expenses total	Con.	94,791	8.8	100,862	8.3	104,763	8.2	101,450	7.9	(3.2)%	51,559
	Uncon.	80,966	8.4	77,817	7.0	82,050	6.8	77,891	6.4	(5.1)%	39,565

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

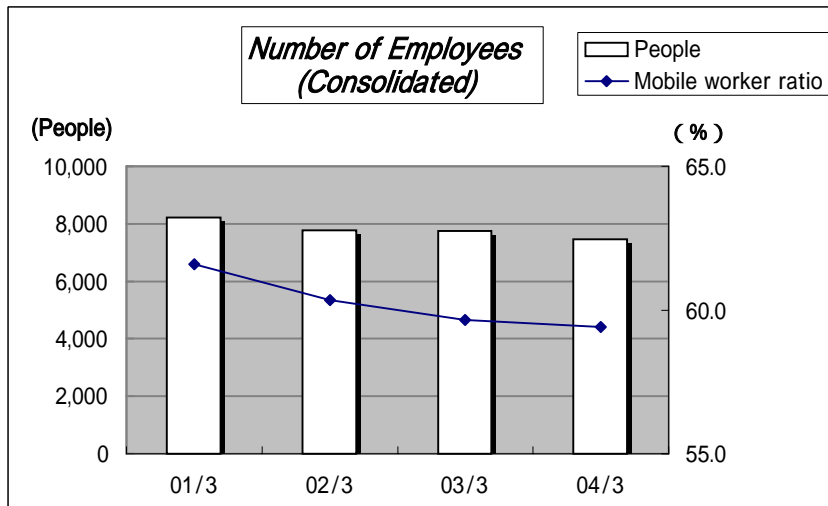
03/3

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

04/3

HC HIGASHINIPPON DISTRIBUTION CENTER Construction	2,645
Other	1,821
Unconsolidated Total	4,466
Consolidated Total	4,974

6. Number of Employees



		(Number Employees)				(Number Employees)
		01/3	02/3	03/3	04/3	03/9
Office workers	Con.	3,159	3,085	3,123	3,031	3,121
	Uncon.	2,288	2,167	2,288	2,194	2,241
Mobile workers	Con.	5,067	4,695	4,618	4,437	4,453
	Uncon.	3,803	3,446	3,459	3,233	3,211
(MS incl. in above)	Con.	4,326	3,948	3,810	3,459	3,612
	Uncon.	3,322	2,999	2,981	2,612	2,732
Regular employees	Con.	8,226	7,780	7,741	7,468	7,574
	Uncon.	6,091	5,613	5,747	5,427	5,452

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	04/3	03/9
						(%)			
		01/3	02/3	03/3	04/3				
Mobile worker ratio	Con.	61.6	60.3	59.7	59.4	58.8			
	Uncon.	62.4	61.4	60.2	59.6	58.9			

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

(Millions of Yen)

	01/3	02/3	03/3	04/3	03/9
Sales	1,073,015	1,222,221	1,274,502	1,283,925	632,178
Cost of sales	976,181	1,115,658	1,159,550	1,167,126	574,103
Provision for losses on sales returns	92	80	28	5	21
Gross profit	96,741	106,643	114,923	116,805	58,096
Selling, general and administrative expenses	94,791	100,862	104,763	101,450	51,559
Operating income	1,949	5,780	10,159	15,354	6,536
Non-operating income:	4,882	4,964	4,830	5,001	2,503
Interest income	199	150	115	66	34
Dividend income	123	124	145	151	97
Research fee income	2,424	2,808	2,886	3,201	1,507
Real estate rental income	960	1,042	1,024	834	418
Other non-operating income	1,175	837	659	748	446
Non-operating expenses:	1,428	1,615	1,346	1,044	532
Interest expense	266	318	208	154	80
Bond expenses	218	206	179	152	86
Real estate rental expenses	782	743	708	612	309
Other non-operating expenses	160	347	249	124	55
Ordinary income	5,403	9,130	13,644	19,312	8,507
Extraordinary gains:	1,048	1,130	103	231	171
Gain on sales of fixed assets	32	447	28	27	11
Gain on sales of investment securities	671	0	33	4	0
Gain on disposal of golf memberships	-	-	30	3	-
Reversal of allowance for doubtful accounts	-	656	-	36	-
Difference accompanying changes to employees' retirement benefits reserve	332	-	-	-	-
Reversal of allowance for losses on debt guarantees	11	22	8	-	-
Gain on transfer of business	-	-	-	160	160
Other extraordinary gains	-	2	2	-	-
Extraordinary losses:	2,749	3,675	2,547	4,450	2,640
Loss on sale and disposal of fixed assets	294	234	890	703	204
Loss on sale of investment securities	1	0	7	-	-
Loss on valuation of investment securities	546	745	312	43	36
Loss on valuation of equity in affiliates	-	-	-	256	256
Loss on disposal of golf memberships	-	-	80	3	3
Loss on valuation of golf memberships	692	184	132	36	6
Loss on reorganization of affiliates	-	43	-	-	-
Special retirement benefits	-	2,435	1,079	1,362	1,303
Office consolidation expenses	1,214	-	44	1,476	828
Loss on revision of retirement benefit system	-	-	-	566	-
Other extraordinary losses	-	31	-	-	-
Income before income taxes and minority interests	3,702	6,584	11,200	15,093	6,038
Current income taxes	1,326	5,049	7,803	6,327	2,308
Deferred income taxes	984	1,551	2,131	530	502
Gain in minority interests	53	135	512	356	279
Net income	1,337	2,950	5,015	7,878	2,947

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

	(Millions of Yen)				
	01/3	02/3	03/3	04/3	03/9
Sales	965,348	1,116,754	1,200,543	1,218,355	599,208
Cost of sales	882,344	1,033,108	1,110,177	1,129,932	554,796
Provision for losses on sales returns	89	89	29	11	23
Gross profit	82,913	83,735	90,336	88,434	44,434
Selling, general and administrative expenses	80,966	77,817	82,050	77,891	39,565
Operating income	1,946	5,917	8,286	10,542	4,869
Non-operating income:	4,327	4,447	4,368	4,157	2,073
Interest income	160	129	96	77	39
Dividend income	113	125	127	138	99
Interest on marketable securities	0	0	0	0	0
Research fee income	2,102	2,183	2,260	2,467	1,147
Real estate rental income	996	1,034	1,045	867	436
Other non-operating income	955	974	838	606	350
Non-operating expenses:	1,248	1,305	1,082	881	461
Interest expense	125	70	41	42	21
Bond expenses	200	199	179	152	86
Real estate rental expenses	780	737	703	589	306
Transfer of provision for doubtful investments, etc.	15	-	12	-	-
Other non-operating expenses	126	298	145	97	46
Ordinary income	5,026	9,060	11,572	13,819	6,481
Extraordinary gains:	508	676	58	1,455	1,247
Gain on sales of fixed assets	15	326	28	11	11
Gain on sales of investment securities	26	-	-	2	-
Gain on disposal of golf memberships	-	-	30	2	-
Gain on transfer of business	-	-	-	1,080	1,080
Reversal of allowance for doubtful accounts	-	350	-	358	156
Difference accompanying changes to employees' retirement benefits reserve	465	-	-	-	-
Extraordinary losses:	2,504	2,889	2,267	4,306	2,666
Loss on sale and disposal of fixed assets	272	214	781	677	198
Loss on valuation of investment securities	470	691	265	29	29
Loss on valuation of equity in affiliates	-	-	-	328	328
Loss on disposal of golf memberships	-	-	75	3	3
Loss on valuation of golf memberships	546	133	116	20	1
Loss on reorganization of affiliates	-	43	-	-	-
Special retirement benefits	-	1,806	1,028	1,305	1,303
Office consolidation expenses	1,214	-	-	1,374	803
Loss on revision of retirement benefit system	-	-	-	566	-
Other extraordinary losses	-	1	-	-	-
Income before income taxes and minority interests	3,029	6,847	9,363	10,968	5,061
Current income taxes	990	4,600	6,280	4,070	1,380
Deferred income taxes	862	1,334	1,873	539	866
Net income	1,176	3,581	4,957	6,359	2,814
Unappropriated retained earnings carried forward	2,419	973	1,918	2,059	2,059
Disposition of land revaluation surplus	-	-	44	658	450
Loss from appropriation of treasury stock	-	-	238	-	-
Interim dividends	818	820	804	832	-
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	6,927	4,423

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

	01/3	02/3	03/3	04/3	(Millions of Yen) 03/9
ASSETS	652,367	644,247	638,589	626,626	624,777
Current assets	497,308	499,614	498,551	487,645	485,835
Cash on hand and in banks	73,914	76,053	70,153	70,645	62,999
Notes and accounts receivable - trade	339,147	336,315	340,233	338,035	341,142
Marketable securities	13	39	2	2	2
Inventories	54,700	53,691	55,900	52,954	56,059
Deferred income taxes	1,617	2,802	4,126	3,633	3,414
Accounts receivable	30,891	31,582	29,917	23,169	23,429
Other current assets	1,516	2,176	2,162	2,095	2,462
Allowance for doubtful accounts	4,493	3,047	3,944	2,891	3,675
Fixed assets	155,059	144,633	140,037	138,980	138,941
Tangible fixed assets	116,852	99,437	95,464	93,739	94,288
Buildings and structures	40,491	42,693	40,603	38,333	39,091
Land	69,922	49,571	48,402	46,805	48,107
Construction in progress	2,874	275	53	2,714	917
Other tangible fixed assets	3,563	6,895	6,405	5,885	6,172
Intangible fixed assets	5,072	6,097	7,629	7,294	7,575
Software	799	1,750	1,817	5,188	5,167
Consolidation difference	3,498	2,752	1,987	1,155	1,510
Other intangible fixed assets	773	1,593	3,825	949	897
Investments and other assets:	33,134	39,099	36,943	37,946	37,076
Investment securities	15,469	13,808	11,956	15,003	13,006
Long-term loans receivable	658	379	398	324	351
Deferred income taxes	5,029	6,022	7,678	6,808	7,666
Deferred income taxes - land revaluation	-	8,626	8,456	7,974	8,163
Other	17,434	15,968	13,633	13,624	13,490
Allowance for doubtful accounts	5,456	5,705	5,180	5,789	5,601
Total assets	652,367	644,247	638,589	626,626	624,777

(Consolidated)

(Millions of Yen)

	01/3	02/3	03/3	04/3	03/9
LIABILITIES	524,509	528,823	521,900	496,946	505,188
Current liabilities	480,236	489,780	481,680	462,988	465,139
Notes and accounts payable - trade	444,666	444,256	445,652	433,696	433,314
Short-term bank loans	16,952	17,115	13,268	8,074	12,885
Current portion of bonds	300	-	-	-	-
Current portion of convertible bonds	-	3,201	-	-	-
Income taxes payable	851	3,901	5,383	2,839	2,515
Reserve for bonuses	6,507	6,203	7,014	6,026	5,872
Allowance for losses on sales returns	756	676	704	699	683
Other current liabilities	10,202	14,426	9,657	11,653	9,868
Long-term liabilities	44,273	39,043	40,219	33,958	40,048
Convertible bonds	22,525	19,324	19,324	14,459	19,323
Long-term debt	2,903	1,537	1,137	741	982
Deferred income taxes - land revaluation	-	259	252	234	252
Employees' retirement benefits	15,894	14,617	16,420	9,956	16,949
Officers' retirement bonuses	1,789	1,860	1,827	1,854	1,750
Allowances for losses on debt guarantees	323	300	292	74	74
Other long-term liabilities	837	1,144	965	6,638	716
MINORITY INTERESTS	4,866	4,773	4,427	691	607
SHAREHOLDERS' EQUITY	122,991	110,650	112,261	128,987	118,980
Common stock	11,152	11,152	12,751	15,183	12,751
Additional paid-in capital	24,321	24,321	25,919	30,064	27,632
Retained earnings	83,241	84,536	87,874	93,308	89,406
Revaluation surplus	-	11,768	12,259	11,462	11,616
Unrealized gains on certain investment securities	4,276	3,603	2,602	4,341	3,243
Treasury stock, at cost	0	1,195	4,626	2,448	2,436
Total liabilities, minority interests and shareholders' equity	652,367	644,247	638,589	626,626	624,777

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

(Millions of Yen)

	01/3	02/3	03/3	04/3	03/09
ASSETS	562,100	595,689	601,443	598,329	599,292
Current assets	427,013	472,644	476,786	470,141	471,843
Cash on hand and in banks	61,732	65,647	57,145	57,962	50,662
Notes	34,210	32,809	27,310	17,889	21,805
Accounts receivable-trade	261,664	295,601	317,218	325,613	327,446
Inventories	42,776	42,499	42,581	42,153	43,895
Deferred income taxes	1,310	2,526	3,509	2,823	2,676
Accounts receivable	26,530	30,087	29,161	23,410	24,922
Other current assets	1,215	5,080	1,390	10,950	1,568
Allowance for doubtful accounts	2,428	1,606	1,531	806	1,135
Fixed assets	135,086	123,045	124,657	128,187	127,448
Tangible fixed assets	100,137	83,370	79,449	77,847	78,371
Buildings	32,955	35,639	33,661	31,560	32,312
Land	60,131	39,847	38,648	37,120	38,353
Other tangible fixed assets	7,049	7,882	7,139	9,166	7,705
Intangible fixed assets	1,337	3,064	5,373	5,879	5,807
Investments and other assets	33,611	36,610	39,834	44,460	43,270
Investment securities	11,046	9,981	8,507	11,048	9,589
Affiliated companies	8,715	8,462	9,273	12,974	12,853
Deferred income taxes	710	1,232	2,805	2,397	2,638
Deferred income taxes - land revaluation	-	8,498	8,287	7,792	7,975
Other	16,583	11,821	13,781	12,936	13,149
Allowance for doubtful accounts	3,443	3,385	2,820	2,687	2,936
Total assets	562,100	595,689	601,443	598,329	599,292

(Unconsolidated)

(Millions of Yen)

	01/3	02/3	03/3	04/3	03/9
LIABILITIES	440,477	485,051	489,038	471,122	480,464
Current liabilities:	406,039	454,464	456,784	444,784	448,207
Notes	14,496	14,332	15,478	11,547	12,996
Accounts payable - trade	373,564	406,288	413,528	412,424	408,449
Current portion of convertible bonds	-	3,201	-	-	-
Income taxes payable	231	3,695	4,035	1,393	1,643
Reserve for bonuses	5,470	5,214	6,010	4,872	4,721
Allowance for losses on sales returns	616	529	558	547	535
Other current liabilities	11,660	21,203	17,173	13,997	19,860
Long-term liabilities	34,437	30,587	32,253	26,338	32,257
Convertible bonds	22,525	19,324	19,324	14,459	19,323
Employees' retirement benefits	9,986	8,914	10,647	3,928	10,977
Officers' retirement bonuses	1,102	1,265	1,317	1,313	1,240
Other long-term liabilities	824	1,082	965	6,637	716
SHAREHOLDERS' EQUITY	121,623	110,637	112,405	127,206	118,827
Common stock	11,152	11,152	12,751	15,183	12,751
Additional paid-in capital	24,321	24,321	25,919	30,064	27,632
Capital reserve	24,321	24,321	25,919	28,351	25,919
Other additional paid-in capital	-	-	-	1,712	1,712
Retained earnings	82,297	84,720	87,873	91,804	89,299
Legal reserve	1,704	1,795	1,795	1,795	1,795
General reserve	79,340	79,080	80,200	83,081	83,081
Unappropriated earnings	1,252	3,844	5,877	6,927	4,423
Revaluation surplus	-	11,687	11,974	11,354	11,523
Unrealized gains on certain investment securities	3,851	3,326	2,462	3,956	3,104
Treasury stock, at cost	-	1,195	4,626	2,448	2,436
Total liabilities, minority interests and shareholders' equity	562,100	595,689	601,443	598,329	599,292

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

(Millions of Yen)

	01/3	02/3	03/3	04/3	03/9
CAPITAL SURPLUS					
Capital surplus, beginning of period	6,034	24,321	24,321	25,919	25,919
Increase in capital surplus	18,286	-	1,598	4,144	1,712
Increase in surplus due to mergers	18,103	-	-	-	-
Increase due to conversion of convertible bonds	182	-	1,598	2,432	0
Losses from appropriation of treasury stock	-	-	-	1,712	1,712
Capital surplus, end of period	24,321	24,321	25,919	30,064	27,632
RETAINED EARNINGS					
Retained earnings, beginning of period	48,666	83,241	84,536	87,874	87,874
Increase in retained earnings	35,816	2,950	5,203	7,878	2,947
Net income	1,337	2,950	5,015	7,878	2,947
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	-	-
Disposition of land revaluation surplus	-	-	107	-	-
Decrease in retained earnings	1,241	1,655	1,865	2,445	1,415
Cash dividends paid	1,155	1,640	1,610	1,644	812
Bonuses to directors and corporate auditors	86	14	16	151	151
[Bonuses to corporate auditors]	(7)	(0)	(0)	(6)	(6)
Losses from appropriation of treasury stock	-	-	238	-	-
Disposition of land revaluation surplus	-	-	-	649	450
Retained earnings, end of period	83,241	84,536	87,874	93,308	89,406

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

	01/3	02/3	03/3	04/3	03/9
(Millions of Yen)					
Cash flows from operating activities					
Income before income taxes and minority interests (interim)	3,702	6,584	11,200	15,093	6,038
Depreciation and amortization	4,024	4,865	5,203	5,709	2,771
Amortization of consolidation difference	165	748	732	726	371
(Increase) decrease in employees' retirement benefits - net	41	1,277	1,811	6,463	529
Increase (decrease) in officers' retirement benefits	781	70	27	26	77
Increase (decrease) in accrued employees' bonuses	110	303	818	988	1,142
Increase (decrease) in allowance for doubtful accounts	513	1,196	373	442	152
Increase (decrease) in allowance for returns	92	80	28	5	21
Reversal of allowance for losses on debt guarantees	11	22	8	217	217
Reversal of allowance for losses on investments	1,090	-	-	-	-
Interest and dividend income	322	275	260	217	131
Interest expenses	484	524	388	306	166
Gain (loss) on foreign currency translation	18	0	2	0	0
(Gain) loss on disposal of fixed assets	717	212	862	1,770	901
(Gain) loss on sale and devaluation of securities	123	745	286	296	293
Loss on golf memberships	692	184	182	37	9
Loss on restructuring of affiliated companies	-	43	-	-	-
Gain on transfer of business	-	-	-	160	160
Special retirement benefits	-	2,435	1,079	1,362	1,303
(Increase) decrease in notes and accounts receivable - trade	3,951	3,004	2,871	1,463	1,379
(Increase) decrease in inventories	5,803	1,008	2,314	2,928	176
(Increase) decrease in other current assets	291	2,560	1,487	6,787	6,221
Increase (decrease) in notes and accounts payable	26,176	409	1,495	11,955	12,337
Increase (decrease) in accrued consumption taxes	0	502	225	292	1,040
Increase (decrease) in other current liabilities	1,327	1,539	1,772	7,967	71
Payment of officers' bonuses	176	19	21	163	163
Subtotal	25,174	15,897	18,896	23,569	1,983
Interest and dividends received	300	308	261	217	131
Cash paid for interest	480	521	386	303	165
Special retirement benefits paid	-	2,435	1,079	1,362	-
Cash paid for income taxes	2,610	706	6,182	8,873	5,176
Net cash (used in) provided by operating activities	22,384	12,542	11,509	13,247	3,226
Cash flows from investing activities					
Payments for time deposits	1,718	6,280	1,658	265	181
Maturity of time deposits	2,005	7,317	1,990	1,509	116
Payments for purchase of marketable securities	-	7	2	2	-
Proceeds from sale of marketable securities	-	13	39	2	-
Payments for purchase of property, plant and equipment	4,287	5,663	6,205	4,974	2,001
Proceeds from sale of property, plant and equipment	650	539	1,251	1,294	302
Payments for purchase of investment	625	639	452	117	51
Proceeds from sale of investment securities	973	10	169	12	4
Proceeds from acquisition of subsidiary stock due to change in scope of consolidation	4,412	-	-	-	12
Payments for purchase of investment in subsidiary	-	-	229	12	-
Payments for issuance of loans	3,825	301	257	418	337
Proceeds from recovery of loans	140	544	246	200	142
Proceeds from transfer of business	-	-	-	397	317
Other, net	616	545	1,429	1,865	916
Net cash (used in) investing activities	2,890	5,012	6,540	4,240	2,617
Cash flows from financing activities					
Increase (decrease) in short-term bank loans - net	7,083	609	3,641	4,960	280
Proceeds from long-term debt	1,470	1,811	800	400	300
Repayment of long-term debt	1,602	3,624	1,405	1,029	557
Repayment of bonds	500	300	-	-	-
Repayment of convertible bonds	0	-	4	0	0
Proceeds from issuance of common stock	-	-	4	-	-
Purchase of treasury stocks	12	1,196	4,250	14	2
Proceeds from sale of treasury stock	66	1	-	-	-
Cash dividends paid	1,150	1,640	1,610	1,644	812
Payment of cash-out subsidiary mergers	426	-	-	-	-
Cash dividends paid to minority shareholders	8	15	15	21	21
Net cash provided by (used in) financing activities	9,247	4,355	10,123	7,270	1,373
Effect of exchange rate change on cash and cash equivalents	18	0	2	0	0
Net increase (decrease) in cash and cash equivalents	10,264	3,175	5,151	1,736	7,218
Cash and cash equivalents, beginning of period	28,152	70,758	73,933	68,375	68,375
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	-	-
Cash and cash equivalents, end of period	70,758	73,933	68,375	70,112	61,156

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

(Millions of Yen)

	01/3	02/3	03/3	04/3
Appropriation of earnings at end of term	1,252	3,844	5,877	6,927
Reversal of reserve for accelerated depreciation	31	30	38	37
Reversal of special appropriation to the reserve for accelerated depreciation	-	50	-	-
Reversal of special reserve	600	-	-	-
Total	1,883	3,925	5,916	6,964
Total Appropriations	910	2,006	3,857	4,402
General reserve	83	-	-	-
Dividends	820	805	812	864
Bonuses to directors	-	-	120	180
Bonuses to auditors	-	-	5	8
Reserve for accelerated depreciation	-	200	219	5
Special appropriation to the reserve for accelerated depreciation	6	-	-	144
Special reserve	-	1,000	2,700	3,200
Retained earnings carried forward to the next term	973	1,918	2,059	2,562

8. Stock Information (As of March 31, 2004) (Unconsolidated)

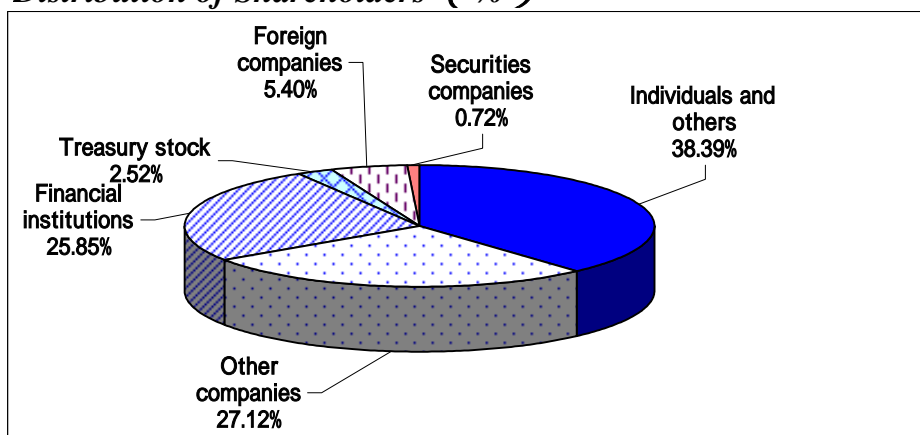
Number of shares authorized	500,000,000 shares
Number of outstanding shares	147,736,054 shares
Trading unit	100 shares
Number of stockholders	13,486
[trading unit holders incl. in above]	[12,566]

Major Shareholders

<i>Shareholders</i>	<i>Shares Held (Thousands)</i>	<i>Voting Trust (%)</i>
Takeda Chemical Industries, Ltd.	18,816	12.74
Japan Trustee Services Bank, Ltd. (Trust Account)	11,576	7.84
Employees Shareholders' Association	11,488	7.78
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,660	3.83
Sadatake Kumakura	3,421	2.32
Yamanouchi Pharmaceutical Co., Ltd.	2,861	1.94
Osamu Takumiya	2,371	1.61
Trust and Custody Services Bank, Ltd. (Pension Account)	2,120	1.44
Shizue Kumakura	1,924	1.30
Fujisawa Pharmaceutical Co., Ltd.	1,869	1.27

Note: The Company holds 3,721 thousand shares of treasury stock, but is excluded from the major shareholders listed above.

Distribution of Shareholders (%)



<i>Shareholders</i>	<i>Number of Shareholders</i>	<i>Shares Held (Thousands)</i>	<i>% of Total Shares</i>
Individuals and others	13,071	56,704	38.39
Other companies	205	40,068	27.12
Financial institutions	84	38,194	25.85
Treasury stock	1	3,721	2.52
Foreign companies	100	7,982	5.40
Securities companies	25	1,063	0.72
Total	13,486	147,736	100.0