

Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2006

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

January 30, 2006

Mediceo Paltac Holdings Co., Ltd.

(URL <http://www.mediceo-paltac.co.jp>)

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Contact: Kikuo Miki, Senior Managing Executive Officer
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Phone: +81-3-3517-5171

Stock exchange listing: Tokyo (First Section)

Code number: 7459

1. Preparation of Quarterly Financial Information

(1) Use of simplified accounting method: Yes

a. Accounting standard for inventories

Inventories are stated as the amount of inventories on the company's books, based on inventories in the interim period. Actual inventories are not stated.

b. Accounting standard for income taxes

Income taxes are stated according to the estimated tax rate for the fiscal year based on the effective statutory tax rate.

c. Simplified procedures are used for certain other amounts that have an insignificant effect on consolidated results.

(2) Differences with accounting methods used in most recent consolidated fiscal year: Yes

“Accounting Standards for Loss on Impairment of Fixed Assets” are applied from this period.

(3) Changes in scope of consolidation and application of equity method: Yes

Consolidation: (New) 1 company (Eliminated) 1 company

Equity method: (New) None (Eliminated) None

2. Results for Third Quarter of the Fiscal Year Ending March 31, 2006 (April 1, 2005 - December 31, 2005)

(1) Progress of Business Results (Consolidated)

(Rounded down to the nearest million yen)

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on- year change (%)	Ordinary income (¥ million)	Year-on- year change (%)
Nine months ended 12/31/05	1,429,164	13.5	13,722	49.1	22,894	23.9
Nine months ended 12/31/04	1,259,273	28.1	9,205	(17.7)	18,471	31.7
(Ref.) Year ended 3/31/05	1,665,815		10,986		23,185	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Nine months ended 12/31/05	16,162	43.2	79.85	76.63
Nine months ended 12/31/04	11,289	102.7	60.99	57.53
(Ref.) Year ended 3/31/05	8,729		45.90	43.52

Note: Year-on-year change for net sales, operating income, etc. is based on the same period of previous fiscal year.

Qualitative Information on Progress of Business Results (Consolidated)

During the first three quarters of the current fiscal year, the overall Japanese economy recovered moderately, driven by factors including increased personal consumption and capital investment, and apparent improvement in employment conditions.

On October 1, 2005, the Company integrated its management with PALTAC CORPORATION (Chuo-ku, Osaka), a wholesaler of cosmetics and daily necessities, through a share exchange and began business as a next-generation wholesaler that responds accurately to the needs of customers. Currently, the Company is promoting efforts aimed at reducing costs and manifesting synergy from the management integration.

For the first three quarters, consolidated net sales were ¥1,429,164 million (a 13.5 percent increase compared with the same period in the previous year), consolidated ordinary income was ¥22,894 million (a 23.9 percent increase compared with the same period in the previous year) and consolidated net income was ¥16,162 million (a 43.2 percent increase compared with the same period in the previous year).

An overview of main business segment results is as follows.

Wholesale Distribution of Pharmaceutical and Other Products Business

The market for prescription pharmaceuticals, the Company's core business, showed strong growth due to an increase in demand for drugs for lifestyle-related diseases. In response to this market environment, the Company carried out integrated Group measures while continuing to work to secure a reasonable profit. As a result, net sales of the pharmaceutical, etc., wholesale business were ¥1,314,809 million (for reference: a 5.1 percent increase compared with the same period in the previous year).

Wholesale Distribution of Cosmetics and Daily Necessities Business

Cosmetics and daily necessities sold well, primarily in drugstores. Because this wholesale business requires more enhanced, high-quality intermediate distribution functions than the Company's conventional business, it has been working to strengthen its sales and distribution network and its merchandising capability. As a result, net sales of the cosmetics and daily necessities wholesale business from October 1, 2005 were ¥105,915 million.

(2) Changes in Financial Position (Consolidated)

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ total assets (%)	Shareholders' equity per share (¥)
Nine months ended 12/31/05	1,088,198	242,401	22.3	1,051.72
Nine months ended 12/31/04	891,652	170,129	19.1	917.38
(Ref.) Year ended 3/31/05	848,416	168,104	19.8	904.59

(3) Consolidated Cash Flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Cash and cash equivalents at end of period (¥ million)
Nine months ended 12/31/05	24,164	6,138	(10,525)	138,898
Nine months ended 12/31/04	17,648	31,061	(4,512)	114,253
(Ref.) Year ended 3/31/05	26,301	31,279	(8,516)	119,121

Qualitative Information on Changes in Financial Position (Consolidated)

During the first three quarters, net cash provided by operating activities was ¥24,164 million, net cash provided by investing activities was ¥6,138 million, and net cash used in financing activities was ¥10,525 million. As a result, cash and cash equivalents (hereinafter referred to as "funds") increased ¥19,777 million (16.6 percent) from the end of the previous fiscal year to ¥138,898 million.

Cash Flows from Operating Activities

The increase in funds from operating activities was ¥24,164 million. As for the main components, income before income taxes and minority interests was ¥22,108 million and increase in notes and accounts payable was ¥89,186 million, but amortization of consolidation difference was ¥4,309 million, total decrease in allowances was ¥6,293 million, increase in notes and accounts receivable – trade was ¥49,946 million, increase in inventories was ¥22,266 million and cash paid for income taxes was ¥3,670 million.

Cash Flows from Investing Activities

The increase in funds from investing activities was ¥6,138 million. As for the main components, although payments for purchase of the SAITAMA DISTRIBUTION CENTER and other property, plant and equipment totaled ¥6,503 million, proceeds from the sale of property, plant and equipment were ¥2,826 million and proceeds from acquisition of shares of subsidiaries in connection with changes in the scope of consolidation totaled ¥10,628 million.

Cash Flows from Financial Activities

The decrease in funds from financing activities was ¥10,525 million. The main components were expenditure of ¥7,629 million for purchase of treasury stock and ¥2,854 million in cash dividends paid.

3. Projected Consolidated Results for Fiscal 2006 (April 1, 2005 - March 31, 2006)

	Net sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)
Fiscal 2006	1,908,000	27,700	18,700

Reference: Estimated net income per share (fiscal 2006): ¥81.77

Note: Projections of results are prepared on the basis of information available to management on the date of announcement. Various factors could cause actual results to differ from the projected figures.

Qualitative Information in Projected Results

The forecast of consolidated results is unchanged from the figured announced on November 11, 2005.

Net income per share is revised because the number of shares issued and outstanding decreased in connection with the purchase of treasury stock during the third quarter.

(Attachment)

Summary of Quarterly Consolidated Financial Statements

1. Quarterly Consolidated Balance Sheets (Summary)

(Millions of yen, rounded down to the nearest million; %)

	As of December 31, 2005		As of March 31, 2005		Increase (Decrease)		(Ref.) As of December 31, 2004	
ASSETS	1,088,198	100.0%	848,416	100.0%	239,781	28.3%	891,652	100.0%
Current assets	865,853	79.6	673,317	79.4	192,536	28.6	710,875	79.7
Cash on hand and in bank	140,456		120,635		19,820		116,075	
Notes and accounts receivable – trade	550,020		437,654		112,366		459,510	
Inventories	122,379		78,294		44,084		94,496	
Accounts receivable	44,200		33,028		11,171		36,819	
Other current assets	14,260		7,420		6,839		7,987	
Allowance for doubtful accounts	(5,463)		(3,716)		(1,746)		(4,015)	
Fixed assets	222,339	20.4	175,099	20.6	47,239	27.0	180,776	20.3
Tangible fixed assets:	154,282	14.2	122,616	14.5	31,666	25.8	123,324	13.9
Buildings and structures	65,548		48,645		16,902		49,133	
Land	74,083		62,721		11,361		62,815	
Other tangible fixed assets	14,651		11,249		3,402		11,375	
Intangible fixed assets	6,424	0.6	6,380	0.7	44	0.7	6,399	0.7
Investments and other assets	61,632	5.6	46,102	5.4	15,529	33.7	51,052	5.7
Investment securities	47,682		31,366		16,316		30,097	
Other	18,917		19,557		(639)		26,785	
Allowance for doubtful accounts	(4,968)		(4,820)		(147)		(5,830)	
Deferred asset	4	0.0	—	—	4	—	—	—
Total assets	1,088,198	100.0	848,416	100.0	239,781	28.3	891,652	100.0
LIABILITIES	845,796	77.7	679,571	80.1	166,225	24.5	720,757	80.8
Current liabilities:	788,708	72.5	613,939	72.4	174,768	28.5	654,607	73.4
Notes and accounts payable – trade	723,362		584,267		139,095		625,372	
Short-term bank loans	32,794		5,750		27,043		9,984	
Reserve for bonuses	3,915		6,860		(2,945)		3,574	
Allowance for losses on sales returns	955		710		245		778	
Other current liabilities	27,679		16,350		11,329		14,896	
Long-term liabilities:	57,088	5.2	65,632	7.7	(8,543)	(13.0)	66,150	7.4
Convertible bonds	6,083		9,254		(3,171)		9,370	
Long-term debt	6,830		656		6,173		422	
Employees' retirement benefits	17,551		15,975		1,575		14,808	
Allowance for losses on debt guarantees	424		—		424		—	
Consolidation difference	13,007		28,583		(15,575)		30,342	
Other long-term liabilities	13,191		11,163		2,028		11,207	
MINORITY INTERESTS	—	—	741	0.1	(741)	—	764	0.1
Minority interests	—	—	741	0.1	(741)	—	764	0.1
SHAREHOLDERS' EQUITY	242,401	22.3	168,104	19.8	74,297	44.2	170,129	19.1
Common stock	19,371	1.8	17,786	2.1	1,585	8.9	17,728	2.0
Capital surplus	129,220	11.9	67,618	8.0	61,602	91.1	67,560	7.5
Retained earnings	111,251	10.2	98,910	11.6	12,340	12.5	101,524	11.4
Revaluation surplus	(18,657)	(1.7)	(19,660)	(2.3)	1,003	—	(19,462)	(2.1)
Unrealized gain on certain investment securities	10,882	1.0	6,123	0.7	4,759	77.7	5,448	0.6
Treasury stock, at cost	(9,666)	(0.9)	(2,673)	(0.3)	(6,992)	—	(2,669)	(0.3)
Total liabilities, minority interests and shareholders' equity	1,088,198	100.0	848,416	100.0	239,781	28.3	891,652	100.0

2. Quarterly Consolidated Statements of Operations (Summary)

(Millions of yen, rounded down to the nearest million; %)

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Increase (Decrease)		(Ref.) Year ended March 31, 2005	
Net sales	1,429,164	100.0%	1,259,273	100.0%	169,891	13.5%	1,665,815	100.0%
Cost of sales	1,313,651	91.9	1,154,285	91.7	159,365	13.8	1,528,097	91.7
Provision for losses on sales returns	(7)	(0.0)	(18)	0.0	11	—	(87)	(0.0)
Gross profit	115,521	8.1	105,006	8.3	10,514	10.0	137,805	8.3
Selling, general and administrative expenses	101,798	7.1	95,801	7.6	5,997	6.3	126,818	7.6
Operating income	13,722	1.0	9,205	0.7	4,517	49.1	10,986	0.7
Non-operating income:	10,012	0.7	10,351	0.9	(338)	(3.3)	13,339	0.8
Interest and dividend income	607		419		187		551	
Research fee income	3,393		3,243		150		4,251	
Amortization of consolidation difference	4,309		4,990		(681)		6,628	
Other non-operating income	1,702		1,698		4		1,907	
Non-operating expenses:	841	0.1	1,085	0.1	(244)	(22.5)	1,140	0.1
Interest expense	150		167		(16)		235	
Other non-operating expenses	690		918		(227)		905	
Ordinary income	22,894	1.6	18,471	1.5	4,422	23.9	23,185	1.4
Extraordinary gains:	2,096	0.1	1,830	0.1	266	14.6	2,131	0.1
Gain on sales of fixed assets	913		1,669		(755)		1,669	
Gain on sale of equity in affiliate	409		—		409		—	
Gain on revision of retirement benefit system	363		—		363		—	
Other extraordinary gains	409		161		248		462	
Extraordinary losses:	2,882	0.2	3,527	0.3	(645)	(18.3)	6,012	0.3
Loss on sale and disposal of fixed assets	1,310		687		623		974	
Special retirement benefits	—		753		(753)		753	
Sales office consolidation expenses	321		1,040		(719)		1,064	
Loss on revision of retirement benefit system	—		591		(591)		853	
Loss on termination of retirement pension fund	—		—		—		1,190	
Loss on termination of retirement plan	119		—		119		—	
Loss on impairment of fixed assets	935		—		935		—	
Other extraordinary losses	195		455		(259)		1,175	
Income before income taxes and minority interests	22,108	1.5	16,774	1.3	5,334	31.8	19,304	1.2
Income taxes	5,945	0.4	5,388	0.4	557	10.3	10,503	0.7
Gain in minority interests	0	0.0	96	0.0	(95)	(99.8)	72	0.0
Net income	16,162	1.1	11,289	0.9	4,872	43.2	8,729	0.5

3. Quarterly Consolidated Statements of Retained Earnings

(Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2005	Nine months ended December 31, 2004	(Ref.) Year ended March 31, 2005
CAPITAL SURPLUS			
Capital surplus, beginning of period	67,618	30,064	30,064
Increase in capital surplus	61,602	37,495	37,553
Increase due to share exchange	59,916	34,151	34,151
Increase due to conversion of convertible bonds	1,585	2,544	2,602
Gain on retirement of treasury stock	100	800	800
Capital surplus, end of period	129,220	67,560	67,618
RETAINED EARNINGS			
Retained earnings, beginning of period	98,910	93,308	93,308
Increase in retained earnings	16,162	11,289	8,729
Net income	16,162	11,289	8,729
Decrease in retained earnings	3,821	3,073	3,126
Cash dividends paid	2,850	2,380	2,380
Bonuses to directors and statutory auditors	311	357	357
[Bonuses to statutory auditors]	[25]	[22]	[22]
Decrease in retained earnings due to exclusion from consolidation	46	0	0
Disposition of land revaluation surplus	613	335	388
Retained earnings, end of period	111,251	101,524	98,910

4. Quarterly Consolidated Statements of Cash Flows (Summary)

(Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2005	Nine months ended December 31, 2004	(Ref.) Year ended March 31, 2005
Cash flows from operating activities			
Income before income taxes and minority interests	22,108	16,774	19,304
Depreciation and amortization	6,395	5,639	7,625
Loss on impairment of fixed assets	935	—	—
Amortization of consolidation difference	(4,309)	(4,990)	(6,628)
Increase (decrease) in employees' retirement benefits – net	(1,383)	1,085	2,207
Increase (decrease) in officers' retirement benefits	16	(2,397)	(2,397)
Decrease in accrued employees' bonuses	(4,205)	(3,934)	(648)
Decrease in allowance for doubtful accounts	(713)	(1,069)	(2,378)
Decrease in allowance for returns	(7)	(18)	(87)
Reversal of allowance for losses on debt guarantees	—	(74)	(74)
Decrease in notes and accounts receivable – trade	(49,946)	(34,439)	(11,373)
Increase in inventories	(22,266)	(25,959)	(9,717)
Increase in notes and accounts payable	89,186	83,252	42,147
Others	(8,463)	(8,234)	(3,713)
Subtotal	27,345	25,632	34,266
Cash paid for income taxes	(3,670)	(7,491)	(7,530)
Others	490	(493)	(435)
Net cash provided by operating activities	24,164	17,648	26,301
Cash flows from investing activities			
Payments for purchase of property, plant and equipment	(6,503)	(6,805)	(7,812)
Proceeds from sale of property, plant and equipment	2,826	4,203	4,197
Proceeds from acquisition of shares of subsidiaries in connection with changes in the scope of consolidation	10,628	35,258	35,258
Proceeds from sale of shares of a subsidiary	370	—	—
Other, net	(1,184)	(1,594)	(362)
Net cash provided by investing activities	6,138	31,061	31,279
Cash flows from financing activities			
Increase (decrease) in short-term bank loans – net	342	(530)	(4,714)
Proceeds from long-term debt	1,300	90	430
Repayment of long-term debt	(1,683)	(577)	(735)
Repayment of convertible bonds	(0)	(0)	(0)
Purchase of treasury stock	(7,629)	(1,102)	(1,106)
Cash dividends paid	(2,246)	(1,981)	(1,981)
Cash dividends paid by subsidiaries paid due to stock swaps	(604)	—	—
Cash dividends paid to minority shareholders	(3)	(408)	(408)
Net cash used in financing activities	(10,525)	(4,512)	(8,516)
Net increase in cash and cash equivalents	19,777	44,196	49,064
Cash and cash equivalents at beginning of period	119,121	70,112	70,112
Decrease in cash and cash equivalents due to change in scope of consolidation	—	(55)	(55)
Cash and cash equivalents at end of period	138,898	114,253	119,121

5. Segment Information

(1) Business Segment Information

Third Quarter of the Fiscal Year Ending March 31, 2006 (April 1, 2005 – December 31, 2005)

Previously, business segment information was not disclosed, as the consolidated net sales and operating income of the wholesale distribution of pharmaceutical and other products business constituted more than 90 percent of the respective totals for all segments. As of October 1, 2005, the Company conducted a share exchange with PALTAC CORPORATION, which operates a wholesale distribution of cosmetics and daily necessities business, making it a wholly owned subsidiary. As a result, business segment information is disclosed from the third quarter of the fiscal year ending March 31, 2006 because consolidated net sales and operating income of the wholesale distribution of pharmaceutical and other products business is expected to constitute less than 90 percent of the respective totals for all segments.

(Millions of yen)

	Wholesale Distribution of Pharmaceutical and Other Products Business	Wholesale Distribution of Cosmetics and Daily Necessities Business	Medical-Related Business	Total	Eliminations and Corporate	Consolidation
Net sales:						
(1) Sales to outside customers	1,314,577	105,915	8,672	1,429,164	—	1,429,164
(2) Inter-segment sales and transfer	232	—	632	864	(864)	—
Total	1,314,809	105,915	9,305	1,430,029	(864)	1,429,164
Operating expenses	1,305,015	103,893	8,948	1,417,857	(2,414)	1,415,442
Operating income	9,793	2,022	356	12,172	1,550	13,722

Notes: 1. Business Classification Method

Businesses are classified with regard to similarities in product type and grouping, and markets.

2. Details of Business Classifications

Business Classification	Details
Wholesale Distribution of Pharmaceutical and Other Products Business	Wholesale distribution of prescription pharmaceuticals, over-the-counter drugs, medical equipment and other products
Wholesale Distribution of Cosmetics and Daily Necessities Business	Wholesale distribution of cosmetics, daily necessities, soaps, detergents and other products
Medical-Related Business	Sales of over-the-counter drugs, health foods, industrial chemicals, food additives and other products

Previous third quarter (April 1, 2004 – December 31, 2004) and previous fiscal year (April 1, 2004 – March 31, 2005)

Business segment information is not disclosed because the net sales, operating income and assets of the wholesale distribution of pharmaceutical and other products business account for more than 90 percent of the total net sales, operating income and assets of all segments.

(2) Geographic Segment Information

Current third quarter (April 1, 2005 – December 31, 2005), previous third quarter (April 1, 2004 – December 31, 2004) and previous fiscal year (April 1, 2004 – March 31, 2005)

Geographic segment information is not disclosed because the company has no consolidated subsidiaries or offices in countries or regions outside Japan.

(3) Overseas Sales

Current third quarter (April 1, 2005 - December 31, 2005)

Overseas sales information is not disclosed because overseas sales account for less than 10 percent of total net sales.

Previous third quarter (April 1, 2004 – December 31, 2004) and previous fiscal year (April 1, 2004 – March 31, 2005)

Not applicable.

6. Production, Orders and Sales

(1) Sales (Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Year ended March 31, 2005	
Prescription pharmaceuticals	1,139,578	79.7%	1,083,874	86.1%	1,431,988	86.0%
OTC pharmaceuticals	41,785	2.9	43,537	3.4	55,320	3.3
Medical equipment, tools and clinical materials	74,059	5.2	75,057	6.0	101,582	6.1
Diagnostic reagents	26,962	1.9	23,300	1.8	32,543	2.0
Others	32,191	2.3	24,852	2.0	33,887	2.0
Wholesale Distribution of Pharmaceutical and Other Products Business	1,314,577	92.0	1,250,623	99.3	1,655,323	99.4
Wholesale Distribution of Cosmetics and Daily Necessities Business	105,915	7.4	—	—	—	—
Medical-Related Business	8,672	0.6	8,650	0.7	10,492	0.6
Total	1,429,164	100.0	1,259,273	100.0	1,665,815	100.0

Notes: 1. The above amounts do not include consumption tax.

2. Amounts for the nine months ended December 31, 2004 and the year ended March 31, 2005 have been restated to conform to the business segments newly presented from the nine months ended December 31, 2005.

(2) Purchases (Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Year ended March 31, 2005	
Prescription pharmaceuticals	1,068,105	80.0%	1,019,465	86.4%	1,328,606	86.4%
OTC pharmaceuticals	37,940	2.8	41,465	3.5	50,664	3.3
Medical equipment, tools and clinical materials	67,837	5.1	68,094	5.8	92,501	6.0
Diagnostic reagents	26,641	2.0	21,820	1.9	29,287	1.9
Others	28,126	2.1	21,717	1.8	28,891	1.9
Wholesale Distribution of Pharmaceutical and Other Products Business	1,228,652	92.0	1,172,562	99.4	1,529,952	99.5
Wholesale Distribution of Cosmetics and Daily Necessities Business	99,759	7.5	—	—	—	—
Medical-Related Business	6,979	0.5	6,806	0.6	8,431	0.5
Total	1,335,391	100.0	1,179,368	100.0	1,538,384	100.0

Notes: 1. The above amounts do not include consumption tax.

2. Amounts for the nine months ended December 31, 2004 and the year ended March 31, 2005 have been restated to conform to the business segments newly presented from the nine months ended December 31, 2005.

7. Other

None

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Income taxes are stated according to the estimated tax rate for the fiscal year based on the effective statutory tax rate.

c. Simplified procedures are used for certain other amounts that have an insignificant effect on unconsolidated results.

(2) Differences with accounting methods used in most recent consolidated fiscal year: Yes

“Accounting Standards for Loss on Impairment of Fixed Assets” are applied from this period.

2. Results for Third Quarter of the Fiscal Year Ending March 31, 2006 (April 1, 2005 – December 31, 2005)

(1) Progress of Operating Results (Unconsolidated)

(Rounded down to the nearest million yen)

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on- year change (%)	Ordinary income (¥ million)	Year-on- year change (%)
Nine months ended 12/31/05	1,166,735	15.8	2,166	(46.5)	6,515	(16.4)
Nine months ended 12/31/04	1,007,248	7.5	4,047	(48.2)	7,790	(23.5)
(Ref.) Year ended 3/31/05	1,336,544		4,325		8,759	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Nine months ended 12/31/05	4,522	(2.5)	22.34	21.51
Nine months ended 12/3/04	4,641	2.1	25.07	23.73
(Ref.) Year ended 3/31/05	2,526		13.17	12.67

Note: Year-on-year change for net sales, operating income etc. is based on the same period of the previous fiscal year.

3. Projected Unconsolidated Results for Fiscal 2006 (April 1, 2005 - March 31, 2006)

	Net sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)	
				Year-end	
Fiscal 2006	1,500,000	6,900	4,400	6.00	12.00

Reference: Estimated net income per share (fiscal 2006): ¥19.24

Note: Projections of results are prepared on the basis of information available to management on the date of announcement. Various factors could cause actual results to differ from the projected figures.

Qualitative Information on Projected Results

There is no change from the projected unconsolidated results announced on November 11, 2005.

Net income per share is revised because the number of shares issued and outstanding increased in connection with the conversion of convertible bonds during the third quarter.

(Attachment)

Summary of Quarterly Unconsolidated Financial Statements

1. Quarterly Unconsolidated Balance Sheets (Summary)

(Millions of yen, rounded down to the nearest million; %)

	As of December 31, 2005		As of March 31, 2005		Increase (Decrease)		(Ref.) As of December 31, 2004	
ASSETS	922,692	100.0%	771,838	100.0%	150,853	19.5%	708,917	100.0%
Current assets:	683,981	74.1	593,290	76.9	90,691	15.3	528,277	74.5
Cash on hand and in bank	53,953		38,332		15,621		18,889	
Trade notes receivable	76		191		(114)		208	
Trade accounts receivable	543,032		489,289		53,743		430,891	
Inventories	56,018		41,999		14,019		52,228	
Accounts receivable	26,804		22,477		4,327		24,999	
Other current assets	4,094		1,000		3,094		1,063	
Allowance for doubtful accounts	—		—		—		(3)	
Fixed assets	238,711	25.9	178,548	23.1	60,162	33.7	180,639	25.5
Tangible fixed assets:	47,817	5.2	50,516	6.5	(2,699)	(5.3)	50,968	7.2
Buildings	23,393		23,112		280		23,439	
Land	17,422		18,545		(1,122)		18,545	
Other tangible fixed assets	7,001		8,858		(1,857)		8,984	
Intangible fixed assets	4,555	0.5	5,097	0.7	(541)	(10.6)	5,064	0.7
Investments and other assets:	186,338	20.2	122,935	15.9	63,403	51.6	124,606	17.6
Equity in subsidiaries and affiliates	166,880		108,468		58,411		106,949	
Other	19,553		14,573		4,980		17,746	
Allowance for doubtful accounts	(94)		(107)		12		(89)	
Total assets	922,692	100.0	771,838	100.0	150,853	19.5	708,917	100.0
LIABILITIES	668,439	72.4	576,359	74.7	92,079	16.0	511,676	72.2
Current liabilities:	657,147	71.2	563,118	73.0	94,029	16.7	498,061	70.3
Trade notes payable	12,799		11,435		1,363		11,363	
Trade accounts payable	618,653		526,532		92,121		482,557	
Short-term bank loans	5,000		—		5,000		—	
Reserve for bonuses	327		676		(348)		334	
Allowance for losses on sales returns	—		—		—		43	
Other current liabilities	20,366		24,473		(4,107)		3,761	
Long-term liabilities:	11,292	1.2	13,241	1.7	(1,949)	(14.7)	13,615	1.9
Convertible bonds	6,083		9,254		(3,171)		9,370	
Other long-term liabilities	5,209		3,987		1,221		4,245	
SHAREHOLDERS' EQUITY	254,253	27.6	195,479	25.3	58,774	30.1	197,240	27.8
Common stock	19,371	2.1	17,786	2.3	1,585	8.9	17,728	2.5
Capital surplus:	162,957	17.7	103,492	13.4	59,465	57.5	103,434	14.6
Additional paid-in capital	160,345		100,979		59,365		100,921	
Other capital surplus	2,612		2,512		100		2,512	
Retained earnings:	93,464	10.1	91,799	11.9	1,664	1.8	93,914	13.2
Legal reserve	1,795		1,795		—		1,795	
Voluntary reserves	86,150		86,394		(243)		86,394	
Unallocated profit for the period	5,518		3,610		1,908		5,724	
Revaluation surplus	(17,867)	(1.9)	(18,780)	(2.5)	913	—	(18,780)	(2.6)
Unrealized gain on securities	6,551	0.7	4,413	0.6	2,137	48.4	4,171	0.6
Treasury stock	(10,223)	(1.1)	(3,231)	(0.4)	(6,992)	—	(3,227)	(0.5)
Total liabilities and shareholders' equity	922,692	100.0	771,838	100.0	150,853	19.5	708,917	100.0

2. Quarterly Unconsolidated Statements of Operations (Summary)

(Millions of yen, rounded down to the nearest million; %)

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Increase (Decrease)		(Ref.) Year ended March 31, 2005	
Net sales	1,166,735	100.0%	1,007,248	100.0%	159,486	15.8%	1,336,544	100.0%
Cost of sales	1,145,423	98.2	958,255	95.1	187,168	19.5	1,281,189	95.9
Provision for losses on sales returns	—	—	(3)	(0.0)	3	—	(47)	(0.0)
Gross profit	21,311	1.8	48,996	4.9	(27,685)	(56.5)	55,403	4.1
Selling, general and administrative expenses	19,145	1.6	44,949	4.5	(25,803)	(57.4)	51,077	3.8
Operating income	2,166	0.2	4,047	0.4	(1,881)	(46.5)	4,325	0.3
Non-operating income:	4,901	0.4	4,369	0.4	532	12.2	5,330	0.4
Interest and dividend income	852		539		312		575	
Research fee income	2,777		2,263		513		2,979	
Other non-operating income	1,272		1,566		(294)		1,774	
Non-operating expenses:	552	0.0	626	0.0	(73)	(11.8)	896	0.0
Interest expense	2		34		(32)		42	
Bond interest expenses	31		42		(11)		83	
Other non-operating expenses	518		549		(30)		769	
Ordinary income	6,515	0.6	7,790	0.8	(1,275)	(16.4)	8,759	0.7
Extraordinary gains:	1,444	0.1	2,178	0.2	(734)	(33.7)	2,183	0.1
Gain on sale of fixed assets	882		1,573		(690)		1,573	
Gain on sale of equity in affiliates	517		—		517		—	
Gain on transfer of business	—		350		(350)		350	
Reversal of allowance for doubtful accounts	0		242		(242)		246	
Other extraordinary gains	43		12		30		13	
Extraordinary losses:	945	0.1	2,084	0.2	(1,139)	(54.7)	5,035	0.4
Loss on sale and disposal of fixed assets	192		232		(39)		249	
Loss on valuation of equity in affiliates	—		—		—		2,367	
Special retirement benefits	—		595		(595)		595	
Office consolidation expenses	140		963		(823)		964	
Loss on business withdrawal of affiliates	—		—		—		503	
Corporate separation expenses	—		271		(271)		310	
Management integration expenses	101		—		101		—	
Loss on impairment of fixed assets	498		—		498		—	
Other extraordinary losses	12		21		(9)		43	
Income before income taxes	7,014	0.6	7,884	0.8	(870)	(11.0)	5,907	0.4
Income taxes	2,491	0.2	3,243	0.3	(752)	(23.2)	3,381	0.2
Net income	4,522	0.4	4,641	0.5	(118)	(2.5)	2,526	0.2
Profit brought forward from the previous term	2,652		2,562		90		2,562	
Disposition of land revaluation surplus	(523)		(359)		(164)		(359)	
Interim dividends	1,132		1,119		13		1,119	
Unappropriated retained earnings at the end of the period	5,518		5,724		(206)		3,610	