

Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2007

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan. January 30, 2007

Mediceo Paltac Holdings Co., Ltd.

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

Representative: Sadatake Kumakura, President and CEO

Contact: Kikuo Miki, Senior Managing Executive Officer
and Manager of Corporate Communication Office

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

- Business segment information has been reclassified.
- Change in grouping of assets related to impairment of fixed assets: (Extraordinary loss ¥841 million)

(3) Changes in scope of consolidation and application of equity method: No

Consolidation: (New) None (Eliminated) None

Equity method: (New) None (Eliminated) None

2. Results for Third Quarter of the Fiscal Year Ending March 31, 2007 (April 1, 2006 - December 31, 2006)

(1) Progress of Operating Results (Consolidated)

(Note: All amounts are 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 12/31/06	1,658,343	16.0	24,605	79.3	35,807	56.4
Nine months ended 12/31/05	1,429,164	13.5	13,722	49.1	22,894	23.9
(Ref.) Year ended 3/31/06	1,921,713		20,608		32,736	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Nine months ended 12/31/06	17,164	6.2	74.53	73.99
Nine months ended 12/31/05	16,162	43.2	79.85	76.63
(Ref.) Year ended 3/31/06	20,842		97.64	94.22

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

Qualitative Information on Progress of Business Results (Consolidated)

During the first three quarters of the fiscal year ending March 31, 2007, although consumer spending was generally flat, the Japanese economy expanded moderately as a result of factors including increased capital investment and broadening improvement in employment conditions.

The Mediceo Paltac Group launched the Business Innovation Committee (BIC) on April 1, 2006, with the primary aim of building a new business model for the prescription pharmaceutical business in order to realize stable long-term growth.

For the first three quarters, consolidated net sales were ¥1,658,343 million (a 16.0 percent increase compared with the same period of the previous year), consolidated ordinary income was ¥35,807 million (a 56.4 percent increase) and consolidated net income was ¥17,164 million (a 6.2 percent increase).

A summary of results by principal business segments follows below.

Prescription Pharmaceutical Wholesale Business

The prescription pharmaceutical market was weak due to the effects of an average 6.7 percent reduction in National Health Insurance (NHI) drug price standards on April 1, 2006. The Mediceo Paltac Group adjusted its selling prices with the reduction in NHI drug price standards, and conducted selling price negotiations with a focus on securing reasonable profits, although delays occurred in concluding price negotiations with some medical institutions and pharmacies. In addition, the Group continued to conduct precise, community-based sales activities. As a result, sales of the Prescription Pharmaceutical Wholesale Business totaled ¥1,258,370 million.

Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business

Sales of cosmetics and daily necessities continued to increase steadily, primarily at drugstores. Sales of OTC pharmaceuticals were lackluster due to weak demand resulting from slumping sales of seasonal products and other factors. As a result, sales of the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business were ¥396,385 million.

On October 1, 2006, the OTC pharmaceutical wholesale business operations of consolidated subsidiaries KURAYA SANSEIDO Inc. and EVERLTH Co., Ltd. were transferred to consolidated subsidiary PALTAC CORPORATION. Through this measure, the Group will work to reduce costs by strengthening its sales operations and improving efficiency.

In addition, on December 4, 2006, the Group began construction of a large, high-tech distribution center (RDC Chugoku) in the city of Hiroshima, Hiroshima Prefecture, with the aim of providing efficient, high-quality distribution functions.

On December 20, 2006, four companies—Mediceo Paltac Holdings and its wholly owned consolidated subsidiary PALTAC CORPORATION, and Kobayashi Pharmaceutical Co., Ltd. (Chuo-ku, Osaka) and its consolidated subsidiary Kobashou Co., Ltd. (Chuo-ku, Tokyo)—agreed to begin discussions on a management integration between PALTAC CORPORATION and Kobashou Co., Ltd.

Note: Business segment sales include intersegment sales.

(2) Changes in Financial Position (Consolidated)

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
Nine months ended 12/31/06	1,091,179	257,311	23.6	1,116.15
Nine months ended 12/31/05	1,088,198	242,401	22.3	1,051.72
(Ref.) Year ended 3/31/06	993,491	242,413	24.4	1,051.97

(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 12/31/06	(14,644)	(11,915)	505	118,376
Nine months ended 12/31/05	24,164	6,138	(10,525)	138,898
(Ref.) Year ended 3/31/06	41,795	4,366	(22,375)	142,908

Qualitative Information on Changes in Financial Position (Consolidated)

On a consolidated basis, cash and cash equivalents (hereafter, “net cash”) at the end of the third quarter decreased ¥24,531 million (17.2 percent) from the end of the previous fiscal year, to ¥118,376 million. Net cash used in operating activities was ¥14,644 million, net cash used in investing activities was ¥11,915 million, and net cash provided by financing activities was ¥505 million. The increase in net cash related to the merger of consolidated subsidiaries was ¥1,522 million.

Cash Flows from Operating Activities

The decrease in net cash from operating activities was ¥14,644 million (in the same period of the previous year the increase was ¥24,164 million). Despite income before income taxes of ¥27,365 million (an increase of 23.8 percent) and an increase in notes and accounts payable – trade of ¥68,762 million, the decrease resulted mainly from a decrease in reserves of ¥7,552 million, an increase in notes and accounts receivable – trade of ¥47,176 million, an increase in inventories of ¥37,974 million, and cash paid for income taxes of ¥13,319 million.

Cash Flows from Investing Activities

The decrease in net cash from investing activities was ¥11,915 million (in the same period of the previous year the increase was ¥6,138 million). The decrease mainly resulted from ¥8,767 million in payments for purchase of property, plant and equipment, including RDC Chugoku.

Cash Flows from Financing Activities

The increase in net cash from financing activities was ¥505 million (in the same period of the previous year the decrease was ¥10,525 million). The main components were a ¥4,328 million net increase in short-term bank loans and ¥3,798 million in cash dividends paid.

3. Projected Consolidated Results for Fiscal 2007 (April 1, 2006 – March 31, 2007)

(Millions of yen; %)

	Net sales	Ordinary income	Net income
Previous forecast (A)	2,162,000	38,800	17,700
Revised forecast (B)	2,159,000	39,800	18,500
Amount of change (B-A)	(3,000)	1,000	800
Percentage change (%)	(0.1)	2.6	4.5
Results for the fiscal year ended March 31, 2006	1,921,713	32,736	20,842

Reference: Estimated net income per share (fiscal 2007): ¥79.95

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

Based on the progress of consolidated results for the first three quarters, Mediceo Paltac revises its projected results for the fiscal year announced on November 13, 2006. No change will be made to the figures released on November 13, 2006 for non-consolidated projected results.

(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, 2006		As of March 31, 2006		Increase (Decrease)		(Ref.) As of December 31, 2005	
ASSETS	1,091,179	100.0%	993,491	100.0%	97,688	9.8%	1,088,198	100.0%
Current assets	854,685	78.3	774,082	77.9	80,602	10.4	865,853	79.6
Cash on hand and in banks	119,611		144,268		(24,656)		140,456	
Notes and accounts receivable – trade	541,978		489,442		52,535		550,020	
Inventories	135,422		96,675		38,746		122,379	
Accounts receivable	47,125		37,791		9,333		44,200	
Other current assets	16,185		11,363		4,821		14,260	
Allowance for doubtful accounts	(5,637)		(5,459)		(178)		(5,463)	
Fixed assets	236,494	21.7	219,409	22.1	17,085	7.8	222,339	20.4
Tangible fixed assets:	151,649	13.9	151,267	15.2	382	0.3	154,282	14.2
Buildings and structures	63,109		63,558		(449)		65,548	
Land	70,996		72,196		(1,199)		74,083	
Other tangible fixed assets	17,544		15,512		2,031		14,651	
Intangible fixed assets	14,329	1.3	6,139	0.6	8,190	133.4	6,424	0.6
Goodwill	9,221		—		9,221		—	
Other	5,108		6,139		(1,031)		6,424	
Investments and other assets	70,515	6.5	62,001	6.3	8,513	13.7	61,632	5.6
Investment securities	54,772		47,950		6,821		47,682	
Other	19,810		18,447		1,363		18,917	
Allowance for doubtful accounts	(4,067)		(4,396)		328		(4,968)	
Deferred assets	—	—	—	—	—	—	4	0.0
Total assets	1,091,179	100.0	993,491	100.0	97,688	9.8	1,088,198	100.0

	As of December 31, 2006		As of March 31, 2006		Increase (Decrease)		(Ref.) As of December 31, 2005	
LIABILITIES	833,867	76.4	751,077	75.6	82,789	11.0	845,796	77.7
Current liabilities:	778,030	71.3	701,270	70.6	76,760	10.9	788,708	72.5
Notes and accounts payable – trade	706,436		631,285		75,150		723,362	
Short-term bank loans	37,217		30,896		6,321		32,794	
Reserve for bonuses	3,850		8,020		(4,169)		3,915	
Allowance for losses on sales returns	971		961		9		955	
Other current liabilities	29,554		30,106		(551)		27,679	
Long-term liabilities:	55,837	5.1	49,807	5.0	6,029	12.1	57,088	5.2
Convertible bonds	1,388		1,867		(479)		6,083	
Long-term debt	5,583		5,636		(53)		6,830	
Reserve for employees' retirement benefits	17,810		17,068		742		17,551	
Reserve for directors' and corporate auditors' retirement benefits	—		492		(492)		424	
Consolidated adjustment account	—		11,749		(11,749)		13,007	
Negative goodwill	16,203		—		16,203		—	
Other long-term liabilities	14,852		12,994		1,858		13,191	
SHAREHOLDERS' EQUITY	—	—	242,413	24.4	—	—	242,401	22.3
Common stock	—	—	21,479	2.2	—	—	19,371	1.8
Capital surplus	—	—	131,328	13.2	—	—	129,220	11.9
Retained earnings	—	—	115,948	11.7	—	—	111,251	10.2
Land revaluation surplus	—	—	(18,750)	(1.9)	—	—	(18,657)	(1.7)
Unrealized gain on available-for-sale securities	—	—	11,317	1.1	—	—	10,882	1.0
Treasury stock, at cost	—	—	(18,909)	(1.9)	—	—	(9,666)	(0.9)
Total liabilities and shareholders' equity	—	—	993,491	100.0	—	—	1,088,198	100.0
NET ASSETS	257,311	23.6	—	—	—	—	—	—
Shareholders' equity	262,161	24.0	—	—	—	—	—	—
Common stock	21,719	2.0	—	—	—	—	—	—
Capital surplus	131,567	12.0	—	—	—	—	—	—
Retained earnings	127,808	11.7	—	—	—	—	—	—
Treasury stock, at cost	(18,933)	(1.7)	—	—	—	—	—	—
Valuation, foreign currency and other adjustments	(4,849)	(0.4)	—	—	—	—	—	—
Unrealized gain on available-for-sale securities	13,089	1.2	—	—	—	—	—	—
Land revaluation surplus	(17,939)	(1.6)	—	—	—	—	—	—
Total liabilities and total net assets	1,091,179	100.0	—	—	—	—	—	—

2. Quarterly Consolidated Statements of Operations (Summary)

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

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Increase (Decrease)		(Ref.) Year ended March 31, 2006	
Net sales	1,658,343	100.0%	1,429,164	100.0%	229,178	16.0%	1,921,713	100.0%
Cost of sales	1,513,147	91.2	1,313,651	91.9	199,496	15.2	1,760,112	91.6
Difference on provision for allowance for losses on sales returns	(22)	(0.0)	(7)	(0.0)	(14)	—	(1)	(0.0)
Gross profit	145,217	8.8	115,521	8.1	29,696	25.7	161,603	8.4
Selling, general and administrative expenses	120,612	7.3	101,798	7.1	18,813	18.5	140,995	7.3
Operating income	24,605	1.5	13,722	1.0	10,882	79.3	20,608	1.1
Non-operating income:	12,519	0.8	10,012	0.7	2,507	25.0	13,535	0.7
Interest and dividend income	1,144		607		537		737	
Research fee income	3,796		3,393		402		4,472	
Amortization of consolidation difference	—		4,309		(4,309)		5,567	
Amortization of negative goodwill	4,898		—		4,898		—	
Other non-operating income	2,680		1,702		978		2,757	
Non-operating expenses:	1,318	0.1	841	0.1	476	56.7	1,407	0.1
Interest expense	298		150		147		234	
Other non-operating expenses	1,019		690		329		1,172	
Ordinary income	35,807	2.2	22,894	1.6	12,912	56.4	32,736	1.7
Extraordinary gains:	487	0.0	2,096	0.1	(1,609)	(76.8)	2,709	0.2
Gain on sale of fixed assets	279		913		(634)		1,105	
Gain on sale of equity in affiliates	21		409		(388)		409	
Reversal of allowance for doubtful accounts	—		253		(253)		525	
Gain on revision of employees' retirement benefit system	—		363		(363)		363	
Other extraordinary gains	187		156		30		304	
Extraordinary losses:	8,929	0.5	2,882	0.2	6,046	209.8	5,337	0.3
Loss on sale and disposal of fixed assets	433		1,310		(877)		1,543	
Loss on impairment of fixed assets	2,391		935		1,456		2,109	
Additional retirement benefits for employees	5,181		—		5,181		35	
Restructuring costs of business establishments	300		321		(20)		431	
Other extraordinary losses	622		315		307		1,217	
Income before income taxes and minority interests	27,365	1.7	22,108	1.5	5,257	23.8	30,108	1.6
Income taxes	10,200	0.7	5,945	0.4	4,254	71.6	9,265	0.5
Gain in minority interests	—	—	0	0.0	(0)	—	0	0.0
Net income	17,164	1.0	16,162	1.1	1,002	6.2	20,842	1.1

3. Quarterly Consolidated Statements of Changes in Shareholders' Equity, Etc. (Summary)

Nine months ended December 31, 2006

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

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at March 31, 2006	21,479	131,328	115,948	(18,909)	249,846
Changes during the nine months ended December 31, 2006					
Issuance of new stock	239	239			478
Dividends from retained earnings*			(2,070)		(2,070)
Dividends from retained earnings			(1,728)		(1,728)
Bonuses to directors and corporate auditors*			(434)		(434)
Merger/separation of consolidated subsidiaries			(606)		(606)
Net income			17,164		17,164
Acquisition of treasury stock				(24)	(24)
Reverse of land revaluation surplus			(465)		(465)
Net third quarter change in items other than shareholders' equity (net)					
Total changes during the nine months ended December 31, 2006	239	239	11,860	(24)	12,315
Balance at December 31, 2006	21,719	131,567	127,808	(18,933)	262,161

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

	Valuation, Foreign Currency and Other Adjustments			Total Net Assets
	Unrealized Gain on Certain Investment Securities	Revaluation Surplus	Total Valuation, Foreign Currency and Other Adjustments	
Balance at March 31, 2006	11,317	(18,750)	(7,432)	242,413
Changes during the nine months ended December 31, 2006				
Issuance of new stock				478
Dividends from retained earnings*				(2,070)
Dividends from retained earnings				(1,728)
Bonuses to directors and corporate auditors*				(434)
Merger/separation of consolidated subsidiaries				(606)
Net income				17,164
Acquisition of treasury stock				(24)
Reverse of land revaluation surplus				(465)
Net third quarter change in items other than shareholders' equity (net)	1,771	811	2,583	2,583
Total changes during the nine months ended December 31, 2006	1,771	811	2,583	14,898
Balance at December 31, 2006	13,089	(17,939)	(4,849)	257,311

* Item for appropriation of retained earnings at June 2006 ordinary general meeting of shareholders.

4. Quarterly Consolidated Statements of Cash Flows (Summary)

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

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	(Ref.) Year ended March 31, 2006
Cash flows from operating activities			
Income before income taxes and minority interests	27,365	22,108	30,108
Depreciation and amortization	7,109	6,395	9,125
Loss on impairment of fixed assets	2,391	935	2,109
Amortization of consolidation difference	—	(4,309)	(5,567)
Amortization of goodwill (negative goodwill)	(2,936)	—	—
Decrease in reserve for employees' retirement benefits – net	(2,340)	(1,383)	(1,921)
Increase (decrease) in reserve for directors' and corporate auditors' retirement benefits	(492)	16	84
Decrease in reserve for employees' bonuses	(4,228)	(4,205)	(68)
Decrease in allowance for doubtful accounts	(468)	(713)	(1,283)
Decrease in allowance for losses on sales returns	(22)	(7)	(1)
Decrease (increase) in notes and accounts receivable – trade	(47,176)	(49,946)	10,799
Decrease (increase) in inventories	(37,974)	(22,266)	3,355
Increase (decrease) in notes and accounts payable	68,762	89,186	(2,286)
Other	(7,054)	(8,463)	539
Subtotal	2,935	27,345	44,993
Special retirement benefits paid	(5,181)	—	(35)
Cash paid for income taxes	(13,319)	(3,670)	(3,699)
Others	920	490	537
Net cash (used in) provided by operating activities	(14,644)	24,164	41,795
Cash flows from investing activities			
Payments for purchase of property, plant and equipment	(8,767)	(6,503)	(9,063)
Proceeds from sale of property, plant and equipment	2,177	2,826	3,862
Payments for acquisition of subsidiary stock	(4,089)	—	—
Proceeds from acquisition of subsidiary stock due to change in scope of consolidation	—	10,628	10,628
Other, net	(1,237)	(814)	(1,061)
Net cash (used in) provided by investing activities	(11,915)	6,138	4,366
Cash flows from financing activities			
Increase (decrease) in short-term bank loans – net	4,364	342	(1,033)
Proceeds from long-term debt	5,000	1,300	1,500
Repayment of long-term debt	(5,036)	(1,683)	(3,113)
Redemption of convertible bonds	(0)	(0)	(0)
Purchase of treasury stock	(24)	(7,629)	(16,873)
Cash dividends paid	(3,798)	(2,246)	(2,246)
Cash dividends paid by subsidiaries paid due to stock swaps	—	(604)	(604)
Cash dividends paid to minority shareholders	—	(3)	(3)
Net cash provided by (used in) financing activities	505	(10,525)	(22,375)
Net increase (decrease) in cash and cash equivalents	(26,054)	19,777	23,786
Cash and cash equivalents at beginning of period	142,908	119,121	119,121
Decrease in cash and cash equivalents due to merger of consolidated subsidiaries	1,522	—	—
Cash and cash equivalents at end of period	118,376	138,898	142,908

5. Segment Information

(1) Business Segment Information

Third Quarter of the Fiscal Year Ending March 31, 2007 (April 1, 2006 – December 31, 2006)

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

	Prescription Pharmaceutical Wholesale Business	Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business	Related Business	Total	Eliminations and Corporate	Consolidation
Net sales:						
(1) Sales to outside customers	1,257,701	396,176	4,465	1,658,343	—	1,658,343
(2) Inter-segment sales and transfer	669	208	1	879	(879)	—
Total	1,258,370	396,385	4,467	1,659,222	(879)	1,658,343
Operating expenses	1,237,449	393,004	4,423	1,634,876	(1,138)	1,633,737
Operating income	20,920	3,381	44	24,346	258	24,605

Notes: 1. Business Classification Method

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

2. Changes in Business Classification

Previously, the healthcare business was included in the “Wholesale Distribution of Pharmaceutical and Other Products Business.” In consideration of the successive integration of the healthcare business into PALTAC CORPORATION, the former “Wholesale Distribution of Pharmaceutical and Other Products Business,” “Wholesale Distribution of Cosmetics and Daily Necessities Business” and “Medical-related Business” have been reclassified into the “Prescription Pharmaceutical Wholesale Business,” “Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business” and “Related Business,” and the healthcare business is included in the “Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business.”

As a result of the change, in the “Prescription Pharmaceutical Wholesale Business,” net sales decreased ¥35,283 million, operating expenses decreased ¥36,556 million and operating income increased ¥1,273 million. In addition, the “Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business” changed by the same amount, with a ¥35,283 million increase in net sales, a ¥36,556 million increase in operating expenses and a ¥1,273 million decrease in operating income.

3. Details of Business Classifications

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

4. With the application from the fiscal year ending March 31, 2007 of “Accounting Standards for Business Combinations” (Business Accounting Council, October 31, 2003), “Accounting Standards for Business Separations, Etc.” (Corporate Accounting Standard No. 7, December 27, 2005) and “Application Guidelines for Accounting Standards for Business Combinations and Accounting Standards for Business Separations, Etc.” (Corporate Accounting Application Guideline No. 10, December 27, 2005), the entire amount of amortization of goodwill is reported in selling, general and administrative expenses. As a result, operating expenses under “Consolidation” increased by ¥1,822 million and operating income under “Consolidation” decreased by the same amount.

There is no effect on information for the various business segments.

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

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

	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

3. Operating income in eliminations and corporate includes ¥1,342 million in transfers of the consolidated adjustment account.

Fiscal Year Ended March 31, 2006 (April 1, 2005 – March 31, 2006)

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

	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	1,714,493	196,422	10,797	1,921,713	—	1,921,713
(2) Inter-segment sales and transfer	274	—	659	933	(933)	—
Total	1,714,767	196,422	11,456	1,922,646	(933)	1,921,713
Operating expenses	1,699,795	193,454	11,199	1,904,449	(3,343)	1,901,105
Operating income	14,972	2,967	257	18,197	2,410	20,608

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 health foods, industrial chemicals, food additives and other products

(2) Geographic Segment Information

Current third quarter (April 1, 2006 – December 31, 2006), previous third quarter (April 1, 2005 – December 31, 2005) and previous fiscal year (April 1, 2005 – March 31, 2006)

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, 2006 – December 31, 2006), previous third quarter (April 1, 2005 – December 31, 2005) and previous fiscal year (April 1, 2005 – March 31, 2006)

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

6. Production, Orders and Sales

(1) Sales

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

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Year ended March 31, 2006	
Prescription pharmaceuticals	1,138,091	68.6%	1,138,998	79.7%	1,482,185	77.1%
Medical equipment	74,842	4.5	73,716	5.1	100,224	5.2
Reagents	25,095	1.5	26,804	1.9	35,578	1.8
Others	19,671	1.2	18,179	1.3	24,120	1.3
Prescription Pharmaceutical Wholesale Business	1,257,701	75.8	1,257,699	88.0	1,642,108	85.4
Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business	396,176	23.9	162,792	11.4	268,806	14.0
Related Business	4,465	0.3	8,672	0.6	10,797	0.6
Total	1,658,343	100.0	1,429,164	100.0	1,921,713	100.0

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

2. The Company has changed its business classification as of the fiscal year ending March 31, 2007. Amounts for the nine months ended December 31, 2005 and the year ended March 31, 2006 have been restated to conform to the business segments newly presented from the fiscal year ending March 31, 2007.

3. Intersegment transactions have been eliminated.

(2) Purchases

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

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Year ended March 31, 2006	
Prescription pharmaceuticals	1,074,969	69.3%	1,067,593	79.9%	1,359,095	77.4%
Medical equipment	68,034	4.4	67,532	5.1	92,233	5.2
Reagents	23,501	1.5	26,485	2.0	34,985	2.0
Others	12,232	0.8	13,244	1.0	16,874	1.0
Prescription Pharmaceutical Wholesale Business	1,178,738	76.0	1,174,855	88.0	1,503,188	85.6
Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business	368,088	23.7	153,556	11.5	244,274	13.9
Related Business	4,191	0.3	6,979	0.5	8,734	0.5
Total	1,551,018	100.0	1,335,391	100.0	1,756,197	100.0

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

2. The Company has changed its business classification as of the fiscal year ending March 31, 2007. Amounts for the nine months ended December 31, 2005 and the year ended March 31, 2006 have been restated to conform to the business segments newly presented from the fiscal year ending March 31, 2007.

3. Intersegment transactions have been eliminated.

7. Other

None

Summary of Unconsolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2007

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

January 30, 2007

Mediceo Paltac Holdings Co., Ltd.

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

Representative: Sadatake Kumakura, President and CEO

Contact: Kikuo Miki, Senior Managing Executive Officer
and Manager of Corporate Communication Office

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 unconsolidated results.

(2) Differences with accounting methods used in most recent consolidated fiscal year: No

2. Unconsolidated Results for Third Quarter of the Fiscal Year Ending March 31, 2007 (April 1, 2006 – December 31, 2006)

(1) Progress of Operating Results (Unconsolidated)

(Note: All amounts are 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 12/31/06	1,153,384	(1.1)	1,918	(11.4)	9,955	52.8
Three months ended 12/31/05	1,166,735	15.8	2,166	(46.5)	6,515	(16.4)
(Ref.) Year ended 3/31/06	1,512,189		2,555		8,083	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Nine months ended 12/31/06	7,201	59.2	31.27	31.05
Nine months ended 12/31/05	4,522	(2.5)	22.34	21.51
(Ref.) Year ended 3/31/06	4,917		22.87	22.15

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

3. Projected Unconsolidated Results for Fiscal 2007 (April 1, 2006 - March 31, 2007)

	Net sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)	
				Year-end	
Fiscal 2007	1,505,000	10,800	7,600	7.50	15.00

Reference: Estimated net income per share (fiscal 2007): ¥32.84

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 13, 2006.

Estimated 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 period.

(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, 2006		As of March 31, 2006		Increase (Decrease)		(Ref.) As of December 31, 2005	
ASSETS	896,401	100.0%	848,569	100.0%	47,832	5.6%	922,692	100.0%
Current assets	657,237	73.3	610,859	72.0	46,378	7.6	683,981	74.1
Cash on hand and in banks	23,074		41,095		(18,021)		53,953	
Trade notes receivable	75		95		(19)		76	
Trade accounts receivable	529,650		508,755		20,894		543,032	
Inventories	74,234		38,474		35,759		56,018	
Accounts receivable	29,126		21,189		7,936		26,804	
Other current assets	1,076		1,248		(172)		4,094	
Fixed assets	239,164	26.7	237,709	28.0	1,454	0.6	238,711	25.9
Tangible fixed assets:	44,182	4.9	46,688	5.5	(2,506)	(5.4)	47,817	5.2
Buildings	21,329		22,618		(1,288)		23,393	
Land	16,743		16,999		(256)		17,422	
Other tangible fixed assets	6,109		7,070		(961)		7,001	
Intangible fixed assets	4,125	0.5	4,437	0.5	(311)	(7.0)	4,555	0.5
Investments and other assets	190,856	21.3	186,583	22.0	4,272	2.3	186,338	20.2
Equity in subsidiaries and affiliates	168,436		166,487		1,948		166,880	
Other	22,552		20,189		2,363		19,553	
Allowance for doubtful accounts	(132)		(93)		(39)		(94)	
Total assets	896,401	100.0	848,569	100.0	47,832	5.6	922,692	100.0

	As of December 31, 2006		As of March 31, 2006		Increase (Decrease)		(Ref.) As of December 31, 2005	
LIABILITIES	641,742	71.6	598,884	70.6	42,858	7.2	668,439	72.4
Current liabilities:	634,082	70.7	591,922	69.8	42,159	7.1	657,147	71.2
Trade notes payable	8,950		11,698		(2,748)		12,799	
Trade accounts payable	596,048		541,798		54,250		618,653	
Deposits from affiliates	12,000		5,000		7,000		5,000	
Reserve for bonuses	345		649		(303)		327	
Other current liabilities	16,737		32,776		(16,039)		20,366	
Long-term liabilities:	7,660	0.9	6,962	0.8	698	10.0	11,292	1.2
Convertible bonds	1,388		1,867		(479)		6,083	
Other long-term liabilities	6,272		5,095		1,177		5,209	
SHAREHOLDERS' EQUITY	—	—	249,684	29.4	—	—	254,253	27.6
Common stock	—	—	21,479	2.5	—	—	19,371	2.1
Capital surplus	—	—	165,065	19.4	—	—	162,957	17.7
Additional paid-in capital	—		162,453		—		160,345	
Other capital surplus	—		2,612		—		2,612	
Retained earnings	—	—	93,929	11.1	—	—	93,464	10.1
Legal reserve	—		1,795		—		1,795	
Voluntary reserves	—		86,150		—		86,150	
Unallocated profit for the period	—		5,983		—		5,518	
Land revaluation surplus	—	—	(17,927)	(2.1)	—	—	(17,867)	(1.9)
Unrealized gain on available-for-sale securities	—	—	6,647	0.8	—	—	6,551	0.7
Treasury stock	—	—	(19,510)	(2.3)	—	—	(10,223)	(1.1)
Total liabilities and shareholders' equity	—	—	848,569	100.0	—	—	922,692	100.0
NET ASSETS	254,658	28.4	—	—	—	—	—	—
Shareholders' equity	264,203	29.5	—	—	—	—	—	—
Common stock	21,719	2.4	—	—	—	—	—	—
Capital surplus	165,305	18.5	—	—	—	—	—	—
Retained earnings	96,713	10.8	—	—	—	—	—	—
Treasury stock	(19,534)	(2.2)	—	—	—	—	—	—
Valuation, foreign currency and other adjustments	(9,544)	(1.1)	—	—	—	—	—	—
Unrealized gain on available-for-sale securities	7,555	0.8	—	—	—	—	—	—
Land revaluation surplus	(17,099)	(1.9)	—	—	—	—	—	—
Total liabilities and total net assets	896,401	100.0	—	—	—	—	—	—

2. Quarterly Unconsolidated Statements of Operations (Summary)

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

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Increase (Decrease)		(Ref.) Year ended March 31, 2006	
Net sales	1,153,384	100.0%	1,166,735	100.0%	(13,350)	(1.1)%	1,512,189	100.0%
Cost of sales	1,130,646	98.0	1,145,423	98.2	(14,776)	(1.3)	1,484,021	98.1
Gross profit	22,738	2.0	21,311	1.8	1,426	6.7	28,167	1.9
Selling, general and administrative expenses	20,819	1.8	19,145	1.6	1,674	8.7	25,611	1.7
Operating income	1,918	0.2	2,166	0.2	(247)	(11.4)	2,555	0.2
Non-operating income:	8,640	0.8	4,901	0.4	3,739	76.3	6,293	0.4
Interest and dividend income	4,215		852		3,363		872	
Research fee income	3,188		2,777		411		3,655	
Other non-operating income	1,236		1,272		(35)		1,765	
Non-operating expenses:	602	0.1	552	0.0	50	9.1	765	0.1
Interest expense	26		2		24		5	
Bond interest expenses	6		31		(24)		39	
Other non-operating expenses	569		518		50		720	
Ordinary income	9,955	0.9	6,515	0.6	3,440	52.8	8,083	0.5
Extraordinary gains:	31	0.0	1,444	0.1	(1,413)	(97.8)	1,632	0.1
Gain on sale of fixed assets	20		882		(862)		1,070	
Gain on sale of equity in affiliates	—		517		(517)		517	
Other extraordinary gains	10		43		(32)		43	
Extraordinary losses:	585	0.1	945	0.1	(359)	(38.0)	1,988	0.1
Loss on sale and disposal of fixed assets	109		192		(83)		178	
Loss on impairment of fixed assets	475		498		(23)		1,182	
Restructuring costs of business establishments	—		140		(140)		187	
Management integration expenses	—		101		(101)		209	
Other extraordinary losses	1		12		(10)		230	
Income before income taxes and minority interests	9,401	0.8	7,014	0.6	2,387	34.0	7,727	0.5
Income taxes	2,200	0.2	2,491	0.2	(291)	(11.7)	2,809	0.2
Net income	7,201	0.6	4,522	0.4	2,678	59.2	4,917	0.3
Unappropriated retained earnings carried forward	—		2,652		—		2,652	
Disposition of land revaluation surplus	—		(523)		—		(453)	
Interim dividends	—		1,132		—		1,132	
Unappropriated retained earnings at the end of the period	—		5,518		—		5,983	

3. Quarterly Unconsolidated Statements of Changes in Shareholders' Equity, Etc. (Summary)

Nine months ended December 31, 2006

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

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at March 31, 2006	21,479	165,065	93,929	(19,510)	260,964
Changes during the nine months ended December 31, 2006					
Issuance of new stock	239	239			478
Dividends from retained earnings*			(2,070)		(2,070)
Dividends from retained earnings			(1,728)		(1,728)
Bonuses to directors and corporate auditors*			(137)		(137)
Net income			7,201		7,201
Acquisition of treasury stock				(24)	(24)
Reverse of land revaluation surplus			(481)		(481)
Net third quarter change in items other than shareholders' equity (net)					
Total changes during the nine months ended December 31, 2006	239	239	2,784	(24)	3,238
Balance at December 31, 2006	21,719	165,305	96,713	(19,534)	264,203

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

	Valuation, Foreign Currency and Other Adjustments			Total Net Assets
	Unrealized Gain on Certain Investment Securities	Revaluation Surplus	Total Valuation, Foreign Currency and Other Adjustments	
Balance at March 31, 2006	6,647	(17,927)	(11,280)	249,684
Changes during the nine months ended December 31, 2006				
Issuance of new stock				478
Dividends from retained earnings*				(2,070)
Dividends from retained earnings				(1,728)
Bonuses to directors and corporate auditors*				(137)
Net income				7,201
Acquisition of treasury stock				(24)
Reverse of land revaluation surplus				(481)
Net third quarter change in items other than shareholders' equity (net)	908	827	1,735	1,735
Total changes during the nine months ended December 31, 2006	908	827	1,735	4,974
Balance at December 31, 2006	7,555	(17,099)	(9,544)	254,658

* Item for appropriation of retained earnings at June 2006 ordinary general meeting of shareholders.