

May 13, 2003
Kuraya Sanseido Inc.
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Kuraya Sanseido to Offer Early Retirement

May 13, 2003 – The Board of Directors of Kuraya Sanseido Inc. (the “Company”) resolved today to implement an offer of early retirement. Details are as follows.

1. Reasons for the Early Retirement Offer

In view of the rapid changes taking place in the environment surrounding healthcare, the Kuraya Sanseido Group formulated a medium-term management plan covering the three years from April 1, 2002 to March 31, 2005. The fundamental thrust of this plan is boosting competitiveness by restructuring resources, operations and functions.

As part of this effort, increasing productivity through personnel reduction is essential to establishing a business foundation that generates steady earnings. The Company therefore has decided to offer early retirement on a voluntary basis.

The Company expects this measure to reinforce its competitiveness by further advancing the business restructuring currently under way.

2. Summary of the Early Retirement Offer

- (1) Maximum number of applicants: 120
- (2) Eligibility: Employees (including employees on loan) age 40-58 with at least 10 years of continuous service as of September 30, 2003 (about 2,550 employees are eligible)
- (3) Application period: June 16, 2003 – June 27, 2003
- (4) Retirement date: September 30, 2003
- (5) Other: In addition to paying special additional retirement benefits to these retiring employees, the Company will provide re-employment support such as outplacement and career counseling.

3. Outlook

With the implementation of the early retirement plan, the Company expects to pay special additional retirement benefits totaling about ¥1.5 billion. This amount is already factored in as an extraordinary loss in the forecast of results for the year ending March 31, 2004, announced today.