

June 30, 2003
Kuraya Sanseido Inc.
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Results of Early Retirement Program

June 30, 2003 – Kuraya Sanseido Inc. (the “Company”) announced an offer of voluntary early retirement to its employees on May 13. The results are as follows.

1. Number of Applicants

The Company offered early retirement for up to 120 employees, and 102 had applied by the end of the application period. The total amount of additional retirement benefits to be paid in association with these results is expected to be approximately ¥1.3 billion.

For reference:

- (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.

2. Future Initiatives

In addition to this early retirement offering, the Company will take other measures to reduce costs and create a stronger corporate infrastructure. Such measures will include limiting new hiring, reducing the number of outside employees, and reducing personnel expenses through the use of a system of job transfers to affiliated companies.

The Company’s projection of results will not be revised in connection with the early retirement offering.