

December 12, 2003

KURAYA SANSEIDO Inc.

President and Representative Director: Sadatake Kumakura
Code number: 7459 (First Section, Tokyo Stock Exchange
and First Section, Osaka Securities Exchange)
Contact: Kikuo Miki, Senior Executive Officer
and General Manager of Public Relations Division
Phone: +81-3-3517-5171

ATOL CO., Ltd.

President and Representative Director: Osamu Watanabe
Code number: 9894 (Second Section, Tokyo Stock Exchange
and Second Section, Osaka Securities Exchange, and Fukuoka Stock Exchange)
Contact: Hiromitsu Fukumar, General Manager, Administration Dept.
Phone: +81-92-451-8771

EVERLTH CO., Ltd.

Headquarters: 3-1 Kanayamacho, Naka-ku, Hiroshima
President and Representative Director: Takashi Saito
Contact: Ikuta Mizumori, Managing Director
Phone: +81-82-544-8341

Notice of Management Integration through Shift to Holding Company System

December 12, 2003 – KURAYA SANSEIDO Inc., (“Kuraya Sanseido”), ATOL CO., Ltd. (“Atol”) and EVERLTH CO., Ltd. (“Everlth”) (collectively, “the three companies”) resolved at their respective Board of Directors’ meetings today to integrate their operations by shifting to a holding company system. On the same day, the three companies also signed a basic agreement on the management integration and a share exchange agreement. Details are as follows.

I. About the Management Integration

1. Management integration scheme

- (1) Using a share exchange scheme, Atol and Everlth will become wholly owned subsidiaries of Kuraya Sanseido as of April 1, 2004.
- (2) Using a corporate separation scheme, Kuraya Sanseido, after changing its name to MEDICEO Holdings Co., Ltd. (“MEDICEO Holdings”) will be separated into a pharmaceutical wholesale distribution business, which will then be established as a new company, Kuraya Sanseido Inc. (hereinafter referred to as “the new Kuraya Sanseido”), effective October 1, 2004.

(3) Through this corporate separation on October 1, 2004, the new Kuraya Sanseido, Atol and Everlth will all become wholly owned subsidiaries of MEDICEO Holdings.

2. Purpose of the Management Integration

In November 2000, the three companies signed a comprehensive business tie-up agreement. They have since worked to develop and reinforce the functions expected of them by society as pharmaceutical distributors, through initiatives such as sharing of research and development and results related to management objectives, with the aim of fortifying their management foundation for growth and development in the 21st century.

During this time, the pharmaceutical wholesale industry environment has changed significantly. The three companies have therefore decided to integrate their management in a spirit of equality in order to improve operating efficiency and increase corporate value by leveraging their combined capabilities to maintain the region-oriented sales activities they have built up in their respective sales areas, conduct business on a nationwide scale, and consolidate their management resources.

3. Benefits Expected from the Management Integration

The Management Integration Committee will hold detailed discussions on strategies and concrete policies to realize the benefits from the management integration under a business holding company.

At the present stage, the benefits expected from the integration are as follows:

- (1) Strengthening of the ethical drug business foundation
- (2) Further reinforcement of the business foundation through restructuring of the over-the-counter drug, medical equipment, diagnostic reagent and animal health businesses.
- (3) Improved management efficiency through consolidation of management resources
- (4) Expansion and invigoration of the business domain by taking advantage of the characteristics of a holding company

4. System for Promoting Management Integration

A Management Integration Committee will be organized, with the presidents of the three companies as co-chairmen, to ensure that work related to the management integration of the three companies through a corporate separation, via an exchange of shares is carried out smoothly and swiftly. Function-based meetings will be set up under the committee to begin preparations.

II. About the Share Exchange

1. Terms and Conditions of the Share Exchange

(1) Share exchange schedule

Dec. 12, 2003: Approval of the management integration basic agreement and share exchange agreement by the respective boards of directors of the three companies.

Dec. 12, 2003: Signing of the management integration basic agreement and share exchange agreement by the three companies.

Feb. 20, 2004: Extraordinary shareholders' meeting for approval of the share exchange agreement by each of the three companies (planned)

April 1, 2004: Share exchange date (planned)

(2) Share exchange method

On April 1, 2004, Kuraya Sanseido will exchange shares of stock with Atol and Everlth, and Atol and Everlth will become wholly owned subsidiaries of Kuraya Sanseido

(3) Share exchange ratio

	Kuraya Sanseido	Atol	Everlth
Exchange ratio	1	0.93	0.93

Notes:

1. Share allocation ratio

Shareholders and substantial shareholders listed in the final register of shareholders and register of substantial shareholders of Atol and Everlth on the day of the share exchange will be allocated 0.93 shares of Kuraya Sanseido's common stock for each share of Atol's common stock, and 0.93 shares of Kuraya Sanseido's common stock for each share of Everlth's common stock. However, no shares will be allocated for the 193,000 shares of Atol's common stock and 140,000 shares of Everlth's common stock owned by Kuraya Sanseido.

2. Basis of calculation of share exchange ratios

The three companies retained a third party institution, Chuo Aoyama Audit Corporation, to calculate the share exchange ratios. After carefully reviewing the method and results of the share exchange ratio calculation performed by this audit corporation, the three companies arrived at the share exchange ratios above.

3. Method, results and basis of calculation by third party institution

Chuo Aoyama Audit Corporation analyzed the valuation of Kuraya Sanseido and Atol using the market price method, net assets based on market value, and discounted cash flow (DCF), and analyzed the valuation of Everlth using comparisons with similar listed companies, net assets based on market value and DCF. The audit corporation considered the results of each analysis in calculating the share exchange ratios of the three companies.

(4) Number of new shares Kuraya Sanseido will issue due to the share exchange

35,681,868 shares of common stock

(5) Amount of increase in Kuraya Sanseido's capital and capital reserve

1. Capital: No increase in capital will result from the share exchange.

However, capital may increase due to conversion requests for the second series of Kuraya Sanseido's first issue of unsecured convertible bonds from December 1, 2003 to March 31, 2004.

2. Capital reserve: The capital reserve will increase by the total amount obtained by multiplying the net outstanding assets of Atol and Everlth on the share exchange date by the ratio of the respective number of shares of the two companies to be transferred to Kuraya Sanseido by the share exchange to the respective total number of issued shares of the two companies.

(6) Dividends

Kuraya Sanseido plans to pay dividends to its shareholders and registered pledgees as of March 31, 2004, up to ¥6 per share, or ¥854,556,222 in total.

Note that the total amount above may increase with any increase in the number of new shares issued by the company due to conversion requests for the second series of the company's first issue of unsecured convertible bonds from December 1, 2003 to March 31, 2004.

Atol plans to pay dividends to its shareholders and registered pledgees as of March 31, 2004, up to ¥7.50 yen per share, or ¥159,754,500 in total.

Everlth plans to pay dividends to its shareholders and registered pledgees as of March 31, 2004, up to 12.50 yen per share, or 217,500,000 yen in total.

(7) Subsidy for exchange of shares

No subsidy will be paid for the exchange of shares to shareholders and registered pledgees of Atol and Everlth on the day before the share exchange date.

(8) Terms of Kuraya Sanseido's directors and auditors appointed prior to the share exchange date

The terms of office of persons appointed as directors or auditors of Kuraya Sanseido prior to the date of the share exchange shall be the terms that would have applied if the share exchange according to the share exchange agreement had not taken place.

- (9) Kuraya Sanseido directors to be newly appointed on the share exchange date Directors:
Osamu Watanabe (currently President and Representative Director, ATOL CO., LTD.)
Takashi Saito (currently President and Representative Director, EVERLTH Co., Ltd.)

The terms of office of persons newly appointed as directors of Kuraya Sanseido on the share exchange date shall be the terms that would have applied if the share exchange according to the share exchange agreement had not taken place.

- (10) Delisting of Atol's shares

As a result of the exchange of shares on April 1, 2004, Atol, which will become a wholly owned subsidiary of Kuraya Sanseido, plans to delist its common stock listed on stock exchanges from the Tokyo Stock Exchange ("TSE") the Osaka Securities Exchange ("OSE") and the Fukuoka Stock Exchange, effective March 21, 2004. Details will be reported later, after the decision is finalized in accordance with the regulations of each stock exchange.

2. Situation of the Three Companies after the Exchange of Shares (April 1, 2004)

- (1) Kuraya Sanseido

- | | |
|------------------------|---|
| 1) Corporate name: | KURAYA SANSEIDO Inc. |
| 2) Principal business: | Wholesale distribution of pharmaceutical products |
| 3) Head office: | 7-15, Yaesu 2-chome, Chuo-ku, Tokyo |
| 4) Representative: | Sadatake Kumakura, President and Representative Director |
| 5) Paid-in capital: | ¥12,751 million (¥ – million) |
| 6) Total assets: | ¥667,643 million (¥68,350 million) |
| | (Note: figures in parentheses are the projected effect from the share exchange) |
| 7) Fiscal year end: | March 31 |

- (2) ATOL

- | | |
|------------------------|---|
| 1) Corporate name: | ATOL CO., LTD. |
| 2) Principal business: | Wholesale distribution of pharmaceutical products |
| 3) Head office: | 2-51 Hanmichibashi 2-chome, Hakata-ku, Fukuoka |

- 4) Representative: Osamu Watanabe, President and Representative Director
- 5) Paid-in capital: ¥3,965 million

(3) EVERLTH

- 1) Corporate name: EVERLTH Co., Ltd.
- 2) Principal business: Wholesale distribution of pharmaceutical products
- 3) Head office: 3-1 Kanayamacho, Naka-ku, Hiroshima
- 4) Representative: Takashi Saito, President and Representative Director
- 5) Paid-in capital: ¥1,510 million

3. Kuraya Sanseido's Projected Consolidated and Non-consolidated Results after the Exchange of Shares

Projected consolidated results are described below in "III. About the Corporate Separation, 2. Profile of the Holding Company, (9) Projected Results of the Holding Company."

Projected nonconsolidated results will be reported after the details of the corporate separation between MEDICEO Holdings and the new Kuraya Sanseido are finalized.

III. About the Corporate Separation

1. Schedule and Methods of Corporate Separation

(1) Corporate separation schedule

- Dec. 12, 2003: Approval of management integration basic agreement by the three companies' respective boards of directors.
- Dec. 12, 2003: Signing of management integration basic agreement by the three companies
- Mid-May 2004: Approval of corporate separation plan by Kuraya Sanseido's board of directors (planned)
- Late June 2004: Approval of corporate separation plan by Kuraya Sanseido's ordinary general meeting of shareholders (planned)
- Oct. 1, 2004: Date of corporate separation, change of name to MEDICEO Holdings, a holding company, and establishment of the new Kuraya Sanseido, a pharmaceutical wholesale distribution business (planned)

(2) Corporate separation method

On October 1, 2004, Kuraya Sanseido will change its name to MEDICEO Holdings as a holding company, and will separate the new Kuraya Sanseido, which will be responsible for the pharmaceutical wholesale distribution business. The new Kuraya Sanseido, Atol and Everlth will all become wholly owned subsidiaries of MEDICEO Holdings.

2. Profile of the Holding Company (October 1, 2004)

(1) Corporate name: MEDICEO Holdings Co., Ltd.

MEDICEO is derived from the Latin words “medico” (to use medicine, to cure), “medi-” (central), “Dice” (the goddess of Justice) and “eo” (to move, to proceed).

In addition, the letters “CEO” symbolize Challenge, Energy and Originality, expressing the Group’s corporate stance of continuing to move toward the future.

(2) Principal business: Will hold the stock of subsidiaries engaged in medical-related businesses and in the business of wholesale distribution of ethical pharmaceuticals, over-the-counter pharmaceuticals, medical equipment, diagnostic reagents, and related products, and will thus control and oversee the management activities of these companies.

(3) Head office: 7-15, Yaesu 2-chome, Chuo-ku, Tokyo

(4) Representatives: Sadatake Kumakura, President and Representative Director
(President and Representative Director, Kuraya Sanseido)
Osamu Watanabe, Vice President and Representative Director
(President and Representative Director, Atol)
Takashi Saito, Vice President and Representative Director
(President and Representative Director, Everlth)
Genichiro Tanabe, Vice President and Representative Director
(Vice President and Director, Kuraya Sanseido)

(5) Paid-in capital: ¥12,751 million (planned)

(6) Number of shares outstanding: 178,107,905 (planned) (100 shares per unit)

(7) Fiscal year-end: March 31

(8) Major shareholders: (Calculated from register of shareholders as of September 30, 2003)

1. Takeda Chemical Industries, Ltd. (11.9%)
2. Employees Shareholders' Association (6.7%)
3. Japan Trustee Services Bank, Ltd. (trust account) (4.3%)
4. Yamanouchi Pharmaceutical Co., Ltd. (2.2%)
5. The Master Trust Bank of Japan (trust account) (2.0%)

(9) Projected results of the holding company encompassed in the share exchange, MEDICEO Holdings

Projected Consolidated Results (Billions of yen)

	Year ending March 31, 2005	Year ending March 31, 2006
Net sales	1,680.0	1,740.0
Operating income	23.2	28.2
Ordinary income	27.9	32.8
Net income	13.8	17.3

Note 1: Consolidated results are aggregate projected figures for the three companies at present.

Note 2: Projected non-consolidated results will be reported after the details of the corporate separation between MEDICEO Holdings and the new Kuraya Sanseido are finalized.

(10) Dividend Policy: A yearly dividend of ¥12 yen per share, consisting of interim and year-end dividends of ¥6 per share each, is planned. The amount of the dividend may change due to trends in results after the corporate separation.

3. Other Items

The items above are all those that have been decided at present. Other items will be announced as they are decided.

IV. Overview, Etc. of Companies Involved

1. Overview of Companies Involved

(As of September 30, 2003)

Corporate name	KURAYA SANSEIDO Inc.	ATOL CO., LTD.	EVERLTH Co., Ltd.
Principal business	Wholesale distribution of pharmaceutical products	Wholesale distribution of pharmaceutical products	Wholesale distribution of pharmaceutical products
Date of establishment	May 6, 1923	January 29, 1947	April 14, 1950
Head office	7-15, Yaesu 2-chome, Chuo-ku, Tokyo	2-51, Hanmichibashi 2-chome, Hakata-ku, Fukuoka	3-1 Kanayamacho, Naka-ku, Hiroshima
Representative	Sadatake Kumakura, President and Representative Director	Osamu Watanabe, President and Representative Director	Takashi Saito, President and Representative Director
Paid-in capital	¥12,751 million (Note 1)	¥3,965 million	¥1,510 million
Number of outstanding shares	142,426,037 shares (Note 1)	21,300,600 shares	17,400,000 shares
Shareholders' equity	¥118,827 million	¥35,088 million	¥33,852 million
Total assets	¥599,292 million	¥93,691 million	¥81,733 million
Fiscal year end	March 31	March 31	March 31
Number of employees	5,452	1,405	847
Major suppliers and customers	<p>Suppliers: Takeda Chemical Industries, Ltd., Yamanouchi Pharmaceutical Co., Ltd., Chugai Pharmaceutical Co., Ltd., Pfizer Pharmaceutical Co., Ltd., Otsuka Pharmaceutical Co., Ltd., Eisai Co., Ltd., Novartis Pharma K.K., Daiichi Pharmaceutical Co., Ltd., Mitsubishi Pharma Corp., AstraZeneca K.K.</p> <p>Customers: Hospitals, clinics, pharmacies, subsidiaries, etc.</p> <p>Sales Regions: Tokyo, Hyogo, Hokkaido, Miyagi, Yamagata, Fukushima, Saitama, Chiba, Kanagawa, Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Nagano, Gifu, Shizuoka, Aichi, Mie, Shiga, Kyoto, Osaka, Nara, Wakayama, Okayama, Hiroshima</p>	<p>Suppliers: Takeda Chemical Industries, Ltd., Yamanouchi Pharmaceutical Co., Ltd., Mitsubishi Pharma Corp., Pfizer Pharmaceutical Co., Ltd., Otsuka Pharmaceutical Co., Ltd., Daiichi Pharmaceutical Co., Ltd., AstraZeneca K.K., Tanabe Seiyaku Co., Ltd Eisai Co., Ltd., Banyu Pharmaceutical Co., Ltd.</p> <p>Customers: Hospitals, clinics, pharmacies, etc.</p> <p>Sales Regions: Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima</p>	<p>Suppliers: Takeda Chemical Industries, Ltd., Daiichi Pharmaceutical Co., Ltd., Yamanouchi Pharmaceutical Co., Ltd., Pfizer Pharmaceutical Co., Ltd., Otsuka Pharmaceutical Co., Ltd., Fujisawa Pharmaceutical Co., Ltd. Eisai Co., Ltd., Dainippon Pharmaceutical Co., Ltd. Kyowa Hakko Kogyo Co., Ltd. Novartis Pharma K.K.</p> <p>Customers: Hospitals, clinics, pharmacies, etc.</p> <p>Sales Regions: Hiroshima, Tottori, Shimane, Okayama, Yamaguchi</p>

Major shareholders and percentage of shares held (Note 2)	1. Takeda Chemical Industries, Ltd. 13.2% 2. Employees' Shareholders Association 8.4% 3. Japan Trustee Services Bank, Ltd. (trust account) 5.4% 4. The Master Trust Bank of Japan (trust account) 2.4% 5. Sadatake Kamakura 2.4%	1. Katsumi Kise 7.1% 2. Employees' Shareholders Association 6.3% 3. Takeda Chemical Industries, Ltd. 4.7% 4. Yamanouchi Pharmaceutical Co., Ltd. 4.3% 5. The Bank of Fukuoka, Ltd. 2.4%	1. Takeda Chemical Industries, Ltd. 8.9% 2. Employees' Shareholders Association 5.5% 3. Daiichi Pharmaceutical Co., Ltd. 2.6% 4. Eisai Co., Ltd. 2.5% 5. Fujisawa Pharmaceutical Co., Ltd. 2.2%
Main banks	Mizuho Bank, Ltd. Resona Bank, Ltd. The Bank of Tokyo-Mitsubishi, Ltd. Sumitomo Mitsui Banking Corporation UFJ Bank Ltd.	The Bank of Fukuoka, Ltd. Fukuoka City Bank The Nishi-Nippon Bank, Ltd. UFJ Bank Ltd.	Mizuho Bank, Ltd. The Hiroshima Bank, Ltd. San-in Godo Bank The Chugoku Bank, Ltd. The Yamaguchi Bank, Ltd.
Inter-company relations	Capital relationship	Kuraya Sanseido owns 0.9% of Atol's stock and 0.8% of Everlth's stock. Atol owns 0.1% of Kuraya Sanseido's stock and 0.8% of Everlth's stock. Everlth owns 0.1% of Kuraya Sanseido's stock and 0.8% of Atol's stock.	
	Personnel relationship	Each of Sadatake Kumakura, President and Representative Director of Kuraya Sanseido, Osamu Watanabe, President and Representative Director of Atol, and Takashi Saito, President and Representative Director of Everlth, hold the position of advisor to the other two companies.	
	Business relationship	There are no relationships of supply or other transactions among the three companies.	

Note 1. As of November 30, 2003.

Note 2. Does not include treasury stock holdings.

2. Results from the Latest Three Fiscal Terms for the Three Companies

KURAYA SANSEIDO Inc.

(Millions of yen)

Fiscal year ended	Consolidated			Non-consolidated		
	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2001	March 31, 2002	March 31, 2003
Net sales	1,073,015	1,222,221	1,274,502	965,348	1,116,754	1,200,543
Operating income	1,949	5,780	10,159	1,946	5,917	8,286
Ordinary income	5,403	9,130	13,644	5,026	9,060	11,572
Net income	1,337	2,950	5,015	1,176	3,581	4,957
Net income per share (¥)	9.80	21.67	36.48	8.62	26.30	36.24
Cash dividends per share (¥)				12.00	12.00	12.00
Shareholders' equity per share (¥)	899.68	823.75	828.14	889.67	823.65	829.40

ATOL CO., LTD.

(Millions of yen)

Fiscal year ended	Consolidated			Non-consolidated		
	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2001	March 31, 2002	March 31, 2003
Net sales	173,267	178,425	177,913	171,178	176,502	177,476
Operating income	2,723	3,042	2,669	2,604	2,916	2,577
Ordinary income	3,277	3,589	3,087	3,159	3,443	3,167
Net income	1,601	1,805	1,580	1,511	1,797	1,701
Net income per share (¥)	75.22	84.78	71.94	70.95	84.42	77.68
Cash dividends per share (¥)				12.00	18.00	15.00
Shareholders' equity per share (¥)	1,542.23	1,604.47	1,648.49	1,515.17	1,577.92	1,627.70

EVERLTH Co., Ltd.

(Millions of yen)

Fiscal year ended	Consolidated			Non-consolidated		
	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2001	March 31, 2002	March 31, 2003
Net sales	136,000	139,945	143,219	133,950	134,488	136,628
Operating income	1,868	1,260	1,133	1,802	1,078	964
Ordinary income	2,395	1,634	1,785	2,395	1,825	1,694
Net income	1,186	2,611	774	1,309	2,729	734
Net income per share (¥)	78.08	160.26	42.55	86.14	167.51	40.26
Cash dividends per share (¥)				12.50	12.50	12.50
Shareholders' equity per share (¥)	1,932.39	1,893.54	1,896.12	1,940.45	1,907.38	1,907.14

. Representative Directors of MEDICEO Holdings

At a meeting held today, the Board of Directors of KURAYA SANSEIDO Inc. approve the following resignation of a current representative director following the completion of his term of office, and the appointment as of this date of the following new representative directors upon the transfer to MEDICEO Holdings on October 1, 2004.

1. Resignation of a Representative Director

Person scheduled to resign as representative director at the close of the 95th General Meeting of Shareholders of KURAYA SANSEIDO Inc., scheduled to be held in late June 2004

Name	Takashi Yamada	
Date of birth	November 10, 1933	
Place of birth	Higashinada-ku, Kobe	
Current address	Higashinada-ku, Kobe	
Education	March 1956	Graduated from Doshisha University, Faculty of Law, Department of Political Science

Employment history	March 1957	Entered Sanseido Co., Ltd. (now KURAYA SANSEIDO Inc.)
	March 1981	Director
	March 1984	Director and Vice President
	March 1986	President and Representative Director
	June 2002	Chairman and Representative Director (current)
	June 2004	Resignation as Director and Representative Director (scheduled)

Upon the transfer to MEDICEO Holdings on October 1, 2004, Mr. Yamada is scheduled to be appointed as a member of the Corporate Administration Audit Committee, scheduled to be newly set up within the company and made up of selected members from outside the company, which will offer recommendations on company-wide management.

2. Reappointment of a Representative Director

Person scheduled to be reappointed as president and representative director at the Board of Directors meeting following the 95th General Meeting of Shareholders of KURAYA SANSEIDO Inc., scheduled to be held in late June 2004

Name	Sadatake Kumakura	
Date of birth	January 18, 1944	
Place of birth	Chiyoda-ku, Tokyo	
Current address	Meguro-ku, Tokyo	
Education	March 1967	Graduated from Keio University, Faculty of Law, Department of Law
Employment history	April 1967	Entered Yamanouchi Pharmaceutical Co., Ltd.
	October 1971	Entered Kuraya Corporation (now KURAYA SANSEIDO Inc.)
	October 1975	Director
	December 1978	Managing Director
	December 1980	Vice President and Representative Director
	April 1989	President and Representative Director

April 2000	Following merger, Vice President and Representative Director of KURAYA SANSEIDO Inc.
June 2002	President and Representative Director (current)
October 2004	President and Representative Director of MEDICEO Holdings (scheduled)

3. Appointment of New Representative Directors

Persons scheduled to be appointed to the position of vice president and representative director by resolution of the Board of Directors of MEDICEO Holdings at a meeting scheduled to be on October 1, 2004

(1) Name	Osamu Watanabe	
Date of birth	October 4, 1940	
Place of birth	Hakata-ku, Fukuoka-shi, Fukuoka	
Current address	Minami-ku, Fukuoka-shi, Fukuoka	
Education	March 1963	Graduated from Keio University, Faculty of Economics
Employment history	April 1963	Entered Takeda Chemical Industries Ltd.
	February 1980	Entered Kawaguchiya Co., Ltd. (now ATOL CO., LTD.)
	February 1980	Representative Senior Managing Director
	April 1986	Following amalgamation, Representative Senior Managing Director of UNIK CO., LTD. (now ATOL CO., LTD.)
	June 1990	Vice President and Representative Director
	October 1991	President and Representative Director
	October 1999	Following merger, President and Representative Director of ATOL CO., LTD. (current)
	April 2004	Director of KURAYA SANSEIDO Inc. (scheduled)
	October 2004	Vice President and Representative Director of MEDICEO Holdings (scheduled)

- (2) Name Takashi Saito
- Date of birth December 20, 1940
- Place of birth Kurashiki-shi, Okayama
- Current address Okayama-shi, Okayama
- Education March 1963 Graduated from Kyoto Pharmaceutical University, Faculty of Pharmaceutical Science, Department of Pharmaceutical Science
- Employment history April 1963 Entered Takeda Chemical Industries Ltd.
- July 1989 Entered HAYASHIYAKUHIN Co., Ltd. (now EVERLTH Co., Ltd.)
- February 1990 Director
- February 1991 Managing Director
- June 1994 Senior Managing Director
- June 1996 President and Representative Director
- October 1997 Following merger, President and Representative Director of EVERLTH Co., Ltd. (current)
- April 2004 Director of KURAYA SANSEIDO Inc. (scheduled)
- October 2004 Vice President and Representative Director of MEDICEO Holdings (scheduled)
- (3) Name Genichiro Tanabe
- Date of birth January 11, 1941
- Place of birth Chuo-ku, Osaka
- Current address Takarazuka-shi, Hyogo
- Education March 1963 Graduated from Waseda University, Faculty of Politics and Economics, First Section, Department of Politics and Economics
- Employment history April 1963 Entered office of Kazuo Hanma, C.P.A.
- March 1965 Entered Tanabe Pharmaceutical Co., Ltd. (now KURAYA SANSEIDO Inc.)
- June 1965 Director
- August 1966 President and Representative Director
- April 1971 Following merger, Director of Sanseido Co., Ltd. (now KURAYA SANSEIDO Inc.)

March 1982	Managing Director
April 2000	Vice President and Director (current)
April 2000	In charge of Management Reform, Management Planning Office
April 2001	In charge of Management Reform (current)
October 2004	Vice President and Representative Director of MEDICEO Holdings (scheduled)

Notes:

1. Since submitting an application for delisting of shares to the Osaka Securities Exchange in October 29, 2003, Kuraya Sanseido has been promoting the consolidation of listings on the Tokyo Stock Exchange. The application has been accepted by the Osaka Securities Exchange, and at present, Kuraya Sanseido's common stock and convertible bonds have been moved to the exchange's pre-delisting section. On December 13, 2003, Kuraya Sanseido will be delisted from the Osaka Securities Exchange.
2. Projections of results in this release are made based on information available at present. Various factors may cause actual results to differ materially from projections.

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Reference (1)

Projected Results for the Year ending March 31, 2004 (as Published in the Announcement of Interim Results)

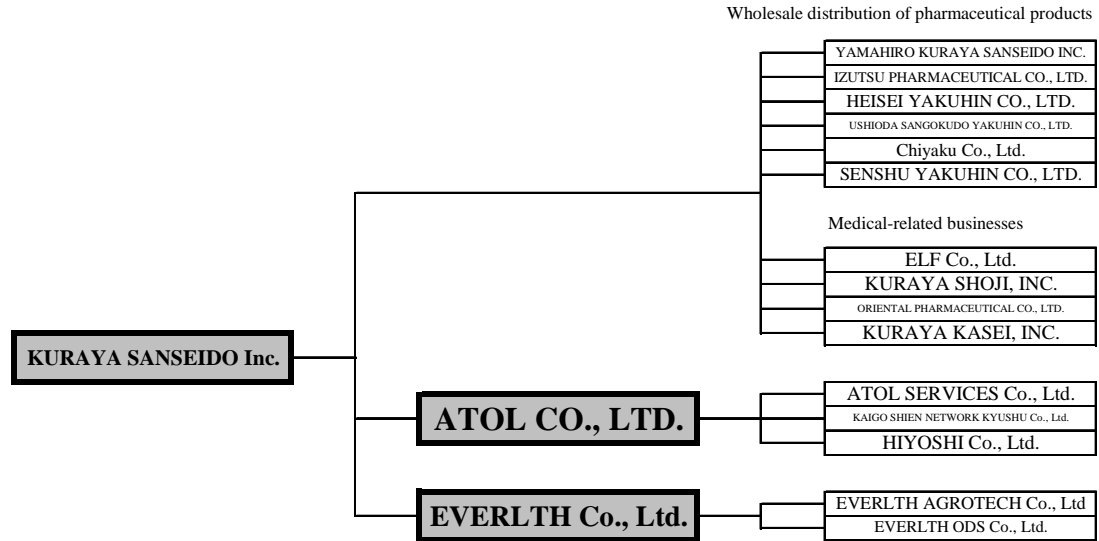
(Millions of yen)						
	Consolidated			Non-consolidated		
	Kuraya Sanseido	Atol	Everlth	Kuraya Sanseido	Atol	Everlth
Net sales	1,288,000	176,070	147,000	1,212,000	175,510	138,900
Operating income	16,400	2,162	1,230	12,700	2,104	1,480
Net income	5,800	923	800	5,000	904	1,050
Net income per share (¥)	41.81	41.08	45.97	36.05	40.21	60.35
Cash dividends per share (¥)				12.00	15.00	12.50

Figures for Everlth are taken from internal company materials because the company's stock is not listed on an exchange and accordingly does not disclose projections of full-year results.

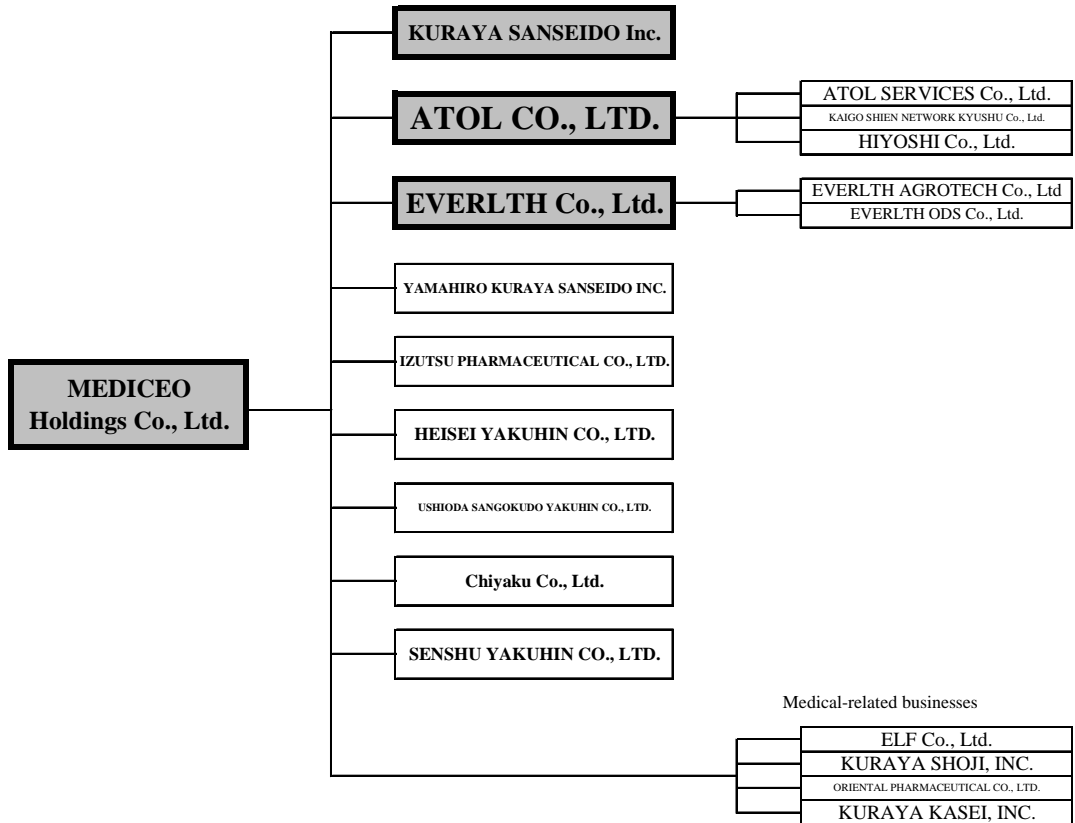
Reference (2)

This page reflects the scope of consolidation during the year ending March 31, 2004.

I. Management Integration through Share Exchange (April 1, 2004)



II. Organization following Corporate Separation



Reference (3)

Overview of consolidated pharmaceutical wholesale companies, excluding the 3 subject companies
(as of December 12, 2003)

1. YAMAHIRO Inc.

- (1) Corporate name: YAMAHIRO Inc.
- (2) Principal business: Wholesale distribution of pharmaceutical products
- (3) Head office: 1-23, Iida 1-chome, Kofu-shi, Yamanashi
- (4) Representative: Yasumasa Hirose, President and Representative Director
- (5) Paid-in capital: ¥57 million
- (6) Sales area: Yamanashi (1 prefecture)

In connection with the transfer of the pharmaceutical wholesale business in Nagano Prefecture of Kuraya Sanseido to YAMAHIRO Inc. on April 1, 2004, the corporate name will be changed to YAMAHIRO KURAYA SANSEIDO Inc. and the head office will be changed to 2, Ryutsudanchi-kita, Tatomi-cho, Nakakoma-gun, Yamanashi.

2. IZUTSU PHARMACEUTICAL CO., LTD.

- (1) Corporate name: IZUTSU PHAMACEUTICAL CO., LTD.
- (2) Principal business: Wholesale distribution of pharmaceutical products
- (3) Head office: 5, Nioumon-cho, Karasuma Higashi Iru, Nijyodori, Nakagyo-ku, Kyoto
- (4) Representative: Hiroaki Shimaji, President and Representative Director
- (5) Paid-in capital: ¥118 million
- (6) Sales area: Kyoto, Shiga (2 prefectures in Kinki region)

3. HEISEI YAKUHIN CO., LTD.

- (1) Corporate name: HEISEI YAKUHIN CO., LTD.
- (2) Principal business: Wholesale distribution of pharmaceutical products
- (3) Head office: 1-1, Motomachi, Gifu-shi, Gifu
- (4) Representative: Yuichi Shinoda, President and Representative Director
- (5) Paid-in capital: ¥809 million
- (6) Sales area: Gifu, Mie (2 prefectures in Tokai region)

4. USHIODA SANGOKUDO YAKUHIN CO., LTD.

- (1) Corporate name: USHIODA SANGOKUDO YAKUHIN CO., LTD.
- (2) Principal business: Wholesale distribution of pharmaceutical products
- (3) Head office: 1700, Motoyoshida-cho, Mito-shi, Ibaraki
- (4) Representative: Takashi Yamamoto, President and Representative Director
- (5) Paid-in capital: ¥98 million
- (6) Sales area: Ibaraki, Tochigi, Gunma (3 prefectures in the Kita-Kanto region)

On July 1, 2004, USHIODA SANGOKUDO YAKUHIN CO., LTD. will transfer its OTC pharmaceutical wholesale business in Ibaraki and Tochigi prefectures to Kuraya Sanseido.

5. Chiyaku Co., Ltd.

- (1) Corporate name: Chiyaku Co., Ltd.
- (2) Principal business: Wholesale distribution of pharmaceutical products
- (3) Head office: 3-2, Tonya-cho, Chuo-ku, Chiba-shi
- (4) Representative: Keiji Koike, President and Representative Director
- (5) Paid-in capital: ¥133 million
- (6) Sales area: Chiba (1 prefecture)

6. SENSHU YAKUHIN CO., LTD.

- (1) Corporate name: SENSHU YAKUHIN CO., LTD.
- (2) Principal business: Wholesale distribution of pharmaceutical products
- (3) Head office: 4-9-5, Oroshi-cho, Akita-shi, Akita
- (4) Representative: Yuzuru Sato, President and Representative Director
- (5) Paid-in capital: ¥400 million
- (6) Sales area: Akita, Aomori, Iwate (3 prefectures in the Kita-Tohoku region)

On July 1, 2004, SENSHU YAKUHIN CO., LTD. will transfer its OTC pharmaceutical wholesale business in Akita and Aomori prefectures to Kuraya Sanseido.