

April 27, 2004  
 KURAYA SANSEIDO Inc.  
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## Notice of Revisions to Performance Forecasts

April 27, 2004 - KURAYA SANSEIDO Inc. (“Kuraya Sanseido”) has revised its performance forecasts for the fiscal year ended March 31, 2004, which were disclosed at the time of its announcement of interim business results on November 13, 2003, as follows.

### 1. Revision of performance forecasts for the fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)

(1) Consolidated (Millions of yen; %)

	Net sales	Ordinary income	Net income
Previous forecast (A)	1,288,000	16,400	5,800
<b>Revised forecast (B)</b>	<b>1,283,000</b>	<b>19,300</b>	<b>7,800</b>
Amount of change (B-A)	(5,000)	2,900	2,000
Percentage change (%)	(0.4)	17.7	34.5
Results for the year ended March 31, 2003	1,274,502	13,644	5,015

(2) Non-consolidated (Millions of yen; %)

	Net sales	Ordinary income	Net income
Previous forecast (A)	1,212,000	12,700	5,000
<b>Revised forecast (B)</b>	<b>1,218,000</b>	<b>13,800</b>	<b>6,300</b>
Amount of change (B-A)	6,000	1,100	1,300
Percentage change (%)	0.5	8.7	26.0
Results for the year ended March 31, 2003	1,200,543	11,572	4,957

## **2. Reasons for the Revision of the Forecasts (Announced November 13, 2003)**

In comparison with plans and with growth rates for the same period of the previous fiscal year in markets nationwide, although non-consolidated net sales were somewhat higher, consolidated net sales decreased slightly.

Regarding profits, the cost of sales ratio decreased as a result of the effect of the Company's supply and distribution system with mega-distribution centers at its core, the deployment of joint marketing promotion functions with wholesale companies and the further expansion of lump-sum purchasing. In addition, there was an upturn in investment returns on tax-qualified pension assets.

As a result of the inclusion of these factors, the current consolidated and non-consolidated forecasts for both ordinary income and net income are expected to be higher than the previous forecasts.

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