

November 12, 2004

MEDICEO Holdings Co., Ltd.

President: Sadatake Kumakura

Code number: 7459 (First Section, Tokyo Stock Exchange)

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Transfer of Business of Yurisanyakukan Co., Ltd.

November 12, 2004 – MEDICEO Holdings Co., Ltd. (“MEDICEO Holdings”) and its wholly owned subsidiary KURAYA SANSEIDO Inc. (“Kuraya Sanseido”) resolved today at respective meetings of their Boards of Directors to transfer the pharmaceutical wholesale businesses of Yurisanyakukan Co., Ltd. to Kuraya Sanseido on February 1, 2005. Kuraya Sanseido and Yurisanyakukan Co., Ltd. signed a transfer of business agreement on this date. Details are as follows.

1. Reasons for the Business Transfer

Yurisanyakukan Co., Ltd. conducts sales of pharmaceuticals and other products mainly in Toyooka City, Hyogo Prefecture. MEDICEO Holdings’ wholly owned subsidiary Kuraya Sanseido has established a Toyooka Branch in the Tajima Second Health Care Area in Hyogo Prefecture, which includes Toyooka City, and conducts similar operations.

Aiming to conduct more efficient operations by raising the percentage of business within this area and responding more accurately to diversifying customer needs, Kuraya Sanseido will take over the pharmaceutical wholesale business of Yurisanyakukan Co., Ltd. on February 1, 2005.

Through this business transfer, Kuraya Sanseido will work to further expand its distribution network in the Tajima Second Health Care Area and to strengthen its sales capability.

2. Details of the Business Transfer

(1) Divisions being transferred

Pharmaceutical wholesale business

(2) Business results of divisions of Yurisanyakukan Co., Ltd. being transferred

Net sales (Year ended December 31, 2003) ¥1,540 million

3. Overview of Yurisanyakukan Co., Ltd. (as of November 12, 2004)

(1) Corporate name: Yurisanyakukan Co., Ltd.

(2) Lines of business: Sale of pharmaceuticals and other products

(3) Established: September 1, 1948

- (4) Head office: 7-25, Chuo-machi, Toyooka City, Hyogo Prefecture
- (5) Representative: Toshiro Yuri, President and Representative Director
- (6) Paid-in capital: ¥10 million
- (7) Number of employees: 14
- (8) Major shareholders and percentage of holdings

Shareholder Name	Number of Shares	Percentage of Total
Toshiro Yuri	46,000	23.0%
Norio Yuri	25,000	12.5%
Etsuko Yuri	21,000	10.5%
Takae Yuri	17,000	8.5%
Keiko Yuri	16,000	8.0%

4. Overview of KURAYA SANSEIDO Inc. (as of November 12, 2004)

- (1) Corporate name: KURAYA SANSEIDO Inc.
- (2) Lines of business: Wholesale distribution of pharmaceuticals, etc.
- (3) Established: April 1, 2004
- (4) Head office: 7-15, Yaesu 2-chome, Chuo-ku, Tokyo
- (5) Representative: Shuichi Watanabe, President & Chief Executive Officer
- (6) Paid-in capital: ¥100 million
- (7) Number of employees: 4,508 (as of October 1, 2004)
- (8) Major shareholders and percentage of holdings

Shareholder Name	Number of Shares	Percentage of Total
MEDICEO Holdings Co., Ltd.	1	100.0%

5. Schedule

- November 12, 2004: Board of Directors meetings of MEDICEO Holdings and Kuraya Sanseido to sign the business transfer agreement
- November 12, 2004: Signing of business transfer agreement by Kuraya Sanseido and Yurisanyakukan Co., Ltd.
- February 1, 2005: Date of transfer (planned)

6. Effect of Transfer on MEDICEO Holdings Co., Ltd. Consolidated and Nonconsolidated Performance

The effect on consolidated and nonconsolidated performance for the fiscal year ending March 31, 2005 and after will be negligible.

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