

April 5, 2005

MEDICEO Holdings Co., Ltd.
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Notice of Revisions to Full-Year Forecasts

April 5, 2005 – MEDICEO Holdings Co., Ltd. (“MEDICEO Holdings”) has revised the consolidated forecast of results for the fiscal year ending March 31, 2005, which was announced on November 12, 2004 with the release of the interim financial statements for the period ended September 30, 2004. MEDICEO Holdings has also revised the nonconsolidated forecast announced on March 15, 2005. Details follow below.

1. Revisions to the Forecasts for the Fiscal Year Ending March 31, 2005

(1) Consolidated (Millions of Yen; %)

	Net Sales	Ordinary Income	Net Income
Previous forecast (A)	1,656,000	21,100	5,300
Revised forecast (B)	1,658,000	21,900	8,000
Amount of change (B-A)	2,000	800	2,700
Percentage change (%)	0.1	3.8	50.9
Actual results for year ended March 31, 2004	1,283,925	19,312	7,878

(2) Nonconsolidated (Millions of Yen; %)

	Net Sales	Ordinary Income	Net Income
Initial forecast (A)	1,331,000	8,000	1,334
Revised forecast (B)	1,345,000	8,700	2,200
Amount of change (B-A)	14,000	700	866
Percentage change (%)	1.1	8.8	64.9
Actual results for year ended March 31, 2004	1,218,355	13,819	6,359

2. Reasons for the Revisions (Consolidated: Announced November 12, 2004; Nonconsolidated: Announced March 15, 2005)

On October 1, 2004, MEDICEO Holdings used the corporate separation system to change its company name from KURAYA SANSEIDO Inc. to MEDICEO Holdings Co., Ltd., an operating holding company. The newly established KURAYA SANSEIDO Inc. inherited the wholesale distribution of pharmaceutical products business.

Market trends in pharmaceutical wholesale distribution, the primary business of the MEDICEO Group, have taken a positive turn, reflecting the influenza epidemic after mid-January this year and increased demand for allergy medications due to high pollen counts. Furthermore, the pronounced downward trend in selling prices that began directly after the April 2004 revision of National Health Insurance (NHI) standard drug prices, eased during the fourth quarter.

Under these conditions, in regard to consolidated and nonconsolidated results, MEDICEO Holdings worked to lower the cost of sales to net sales ratio by expanding bulk purchasing, and to reduce costs through business improvements. In addition, MEDICEO Holdings has reviewed the possibility of recovering deferred tax assets.

As a result of including all these factors, MEDICEO Holdings today revised its previously announced consolidated and nonconsolidated forecasts of results for the fiscal year ending March 31, 2005.

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