



April 30, 2009

Summary of Financial Results for the Fiscal Year Ended March 31, 2009

Company name: NIHOON CHOUZAI Co., Ltd. Listing: Tokyo Stock Exchange, First Section
 Stock code: 3341 URL: <http://www.nicho.co.jp/>
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 Scheduled date of Annual General Meeting of Shareholders: June 23, 2009
 Scheduled date of filing of Annual Securities Report: June 24, 2009
 Scheduled date of payment of dividend: June 24, 2009

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(1) Consolidated results of operations

(Percentages shown for net sales, operating income, ordinary income and net income represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 2009	85,891	7.6	2,218	(21.4)	1,802	(29.9)	420	5.2
Fiscal year ended Mar. 2008	79,801	21.3	2,823	48.1	2,568	45.9	399	22.2

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 2009	56.95	-	3.6	3.5	2.6
Fiscal year ended Mar. 2008	50.66	50.66	3.2	6.0	3.5

Reference: Equity in income (losses) of affiliates (million yen) Mar. 31, 2009: - Mar. 31, 2008: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2009	57,077	10,725	18.8	1,465.87
As of Mar. 31, 2008	46,445	12,431	26.8	1,601.37

Reference: Shareholders' equity (million yen): Mar. 31, 2009: 10,725 Mar. 31, 2008: 12,431

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 2009	852	(10,124)	9,233	5,706
Fiscal year ended Mar. 2008	2,943	(5,803)	5,010	5,745

2. Dividends

(Record date)	Dividend per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 2008	-	20.00	-	20.00	40.00	313	79.0	2.5
Fiscal year ended Mar. 2009	-	20.00	-	20.00	40.00	301	70.2	2.6
Fiscal year ending Mar. 2010 (forecasts)	-	20.00	-	20.00	40.00		23.0	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
First half	43,921	6.6	1,004	46.2	738	51.2	334	212.8	45.76
Full year	91,740	6.8	2,851	28.5	2,320	28.7	1,273	202.6	174.05

1. Business Results

(1) Analysis of business results

In the current fiscal year under review, turmoil in financial and capital markets sparked by the U.S. subprime mortgage crisis produced a global economic recession. In Japan as well, there was a sharp economic downturn as corporate earnings plummeted, mainly in export-dependent industries.

In the pharmaceutical and dispensing pharmacy industries, the operating environment continued to be challenging. Earnings at companies in these industries have been declining due to the impact of the April 2008 revisions in National Health Insurance (NHI) drug prices and prescription dispensing fees in order to hold down health care costs in Japan. At the same time, as companies take actions needed to survive, competition is heating up and the realignment of the pharmaceutical and pharmacy industries is progressing quickly.

In response, the Nihon Chouzai Group is conducting business while constantly looking ahead to anticipate how markets will evolve during this period of tumultuous change in Japan's health care system. For instance, the Group is positioning the health care business as a source of stable earnings while moving quickly to increase the use of generic drugs, which help hold down health care costs.

There was a temporary decline in earnings caused by the revisions in the NHI drug price and prescription dispensing fee in the fiscal year's first half. However, the Group achieved a recovery in earnings in the second half by drawing on its expertise involving measures to improve profitability and cut costs. There was also an improvement in the performance of the strategic generic drug manufacturing and sales business. Although still not profitable, this business made rapid progress with regard to both sales and profitability.

The Group was able to sustain growth in sales as consolidated net sales increased 6,090 million yen, or 7.6% to 85,891 million yen. The growth was attributable to an increase in the number of pharmacies and steady sales growth at existing ones in the core dispensing pharmacy business. On the other hand, earnings were lower despite the contribution to earnings from higher sales as the core dispensing pharmacy business expanded, mainly because the April 2008 NHI drug price and prescription fee revisions held down earnings. Another negative factor was the loss in the pharmaceutical manufacturing and sales business. As a result, operating income was down 605 million yen, or 21.4%, to 2,218 million yen.

Ordinary income, which was impacted by an increase in interest expenses and other financial expenses, also declined 766 million yen, or 29.9%, to 1,802 million yen. Net income increased slightly by 20 million yen, or 5.2%, to 420 million yen.

Results by business segment

a. Dispensing Pharmacy Business

During the fiscal year under review, Nihon Chouzai opened 21 directly operated pharmacies and acquired two companies that have three pharmacies. This resulted in the addition of 24 pharmacies during the fiscal year on a consolidated basis. Four pharmacies were closed during the fiscal year, mainly because nearby medical institutions were shut down. Furthermore, in February 2009 eight dispensing pharmacies of subsidiaries were transferred to Nihon Chouzai through a divestiture and absorption. The net result of these actions was a total of 264 pharmacies at the end of March 2009, the sum of 257 pharmacies operated directly by Nihon Chouzai and seven pharmacies operated by subsidiaries. Due to the contributions of newly opened pharmacies in the past two fiscal years and higher sales at existing ones, consolidated sales in the dispensing pharmacy business increased 4,934 million yen, or 6.3%, to 82,655 million yen. Operating income was down 336 million yen, or 6.1%, to 5,191 million yen.

b. Pharmaceutical Manufacturing and Sales Business

Nihon Generic Co., Ltd. specializes in the manufacture and sale of generic drugs. This company started selling generic drugs in April 2006 in anticipation of growth in Japan's generic drug market as the national government takes actions to hold down the cost of health care. The company uses major Japanese drug wholesalers to distribute its drugs to all areas of Japan, serving a large number of medical institutions and dispensing pharmacies. In the fiscal year under review,

there was a large increase in sales of generic drugs because of a change in April 2008 in the format for prescriptions. However, the generic drug market was flat in the fiscal year's second half due to a lack in progress in government measures to increase the use of these drugs. Nevertheless, Japan's generic drug market is certain to grow as a key means of holding down the cost of health care. To establish a competitive edge in this market, Nihon Generic is making up-front investments for many initiatives. The company is increasing its product lineup, moving faster to develop its own new products to be approved, and preparing to start operating a drug production facility. Due to these actions, sales in this business increased sharply by 2,188 million yen, or 136.0%, to 3,796 million yen. However, since the growth in sales did not offset the cost of investments for growth in the future, there was an operating loss of 973 million yen (a loss of 1,032 million yen one year earlier.)

c. Staffing Services Business

Subsidiaries JP Pharma Staff Co., Ltd. and Medical Resources Co., Ltd. merged in July 2008 to form the new Medical Resources Co., Ltd. This company provides human resource services for healthcare professionals and has a dominant share of the pharmacist staffing services market in Japan. Medical Resources is Japan's only company in this field with a nationwide network, which currently has eight branches. This company is expanding its activities in the Tokyo metropolitan and Kansai areas, which account for a large share of Japan's population, to become even more profitable. Performance was strong in the fiscal year under review, with sales up 562 million yen, or 33.6%, to 2,237 million yen and operating income up 126 million yen, or 47.0%, to 396 million yen.

d. Other Businesses

Nihon Chouzai established Medical Resources Co., Ltd. in October 2006 to provide medical representative (MR) training services to pharmaceutical manufacturers and to serve as a CSO (contract sales organization). As was explained in the previous section, the operations of this company have been combined with those of JP Pharma Staff Co., Ltd. Other businesses sales were 55 million yen and there was an operating loss of 61 million yen.

Outlook for the new fiscal year

In Japan, there is an urgent need for effective measures to hold down the growth in health care costs, which is becoming a major burden for the national government as the country's population ages. The government continues to enact a variety of reforms to bring down the cost of health care, including initiatives targeting health care for the elderly. Due to these actions, the operating environment is expected to remain challenging for the pharmaceutical and dispensing pharmacy industries. Further challenges are posed by the increasing reluctance of individuals to seek medical care because of the economic recession that began in the second half of the current fiscal year ended March 31, 2009. These events indicate that even greater changes are likely to occur in Japan's health care market.

The Nihon Chouzai Group is determined to continue growing and improving profitability. One objective is to minimize the negative impact of the April 2008 NHI drug price and prescription dispensing fee revisions by improving efficiency and cutting costs at established businesses, just as in the current fiscal year. Another goal is building an operating framework that can adapt to changes in the operating environment.

In the dispensing pharmacy business, the Group will continue to open new pharmacies. To capitalize on opportunities created by upcoming changes in the pharmaceuticals market, the Group plans to start creative businesses that can effectively utilize its resources. Additionally, knowledge gained from the dispensing pharmacy business along with other resources will be fully utilized in order to expand the pharmaceutical manufacturing and sales business, the staffing services business and other operations. Through these measures, the Group is determined to achieve growth in sales and earnings.

In the new fiscal year ending on March 31, 2010, the Group forecasts consolidated net sales of 91,740 million yen, up 6.8%, operating income of 2,851 million yen, up 28.5%, ordinary income of 2,320 million yen, up 28.7%, and net income of 1,273 million yen, up 202.6%.

(2) Analysis of financial position

1) Assets, liabilities and net assets

Total assets increased 10,632 million yen, or 22.9%, from 46,445 million yen at the end of March 2008 to 57,077 million yen at the end of March 2009. Total liabilities increased 12,337 million yen, or 36.3%, from 34,014 million yen to 46,351 million yen.

Current assets were 22,097 million yen, an increase of 2,607 million yen, or 13.4%, from 19,490 million yen one year earlier. This was attributable mainly to increases of 1,144 million yen in inventories and 1,078 million yen in accounts receivable-trade associated with the growth in sales.

Noncurrent assets increased 8,024 million yen, or 29.8%, from 26,955 million yen to 34,980 million yen. There was an increase of 8,216 million yen, or 53.1%, in property, plant and equipment from 15,488 million yen to 23,704 million yen. Investments in production equipment and other activities to prepare for the start of production in the pharmaceutical manufacturing and sales business and the opening of new pharmacies in the dispensing pharmacy business were mainly responsible for this increase. Intangible assets increased 440 million yen, or 13.5%, from 3,254 million yen to 3,695 million yen. Investments and other assets decreased 632 million yen, or 7.7%, from 8,212 million yen to 7,579 million yen mainly because of a decline in valuations of investment securities.

Current liabilities increased 2,177 million yen, or 10.6%, from 20,620 million yen to 22,797 million yen. This was attributable mainly to a 1,340 million yen increase in the current portion of long-term loans payable and a 1,233 million yen increase in accounts payable-trade because of growth in procurement activities.

Noncurrent liabilities increased 10,160 million yen, or 75.9%, from 13,394 million yen to 23,554 million yen. Most of this increase was due to an 11,501 million yen increase in long-term loans payable.

2) Cash flows

There was a net decrease of 39 million yen in cash and cash equivalents to 5,706 million yen at the end of March 2009. There were positive cash flows of 852 million yen from operating activities and 9,233 million yen from financing activities and negative cash flows of 10,124 million yen in investing activities.

(Operating activities)

Major sources of cash were income before income taxes and minority interests and minority interests of 1,940 million yen and depreciation and amortization of 1,394 million yen. The primary use of cash was a 1,101 million yen increase in inventories resulting from higher sales in the dispensing pharmacy business and pharmaceutical manufacturing and sales business.

(Investing activities)

The primary use of cash was payments of 8,965 million yen for the purchase of property, plant and equipment. These investments were primarily for a research facility and the purchase of land for a factory in the pharmaceutical manufacturing and sales business and for new pharmacies in the dispensing pharmacy business.

(Financing activities)

The primary source of cash was proceeds from long-term loans payable of 15,000 million yen. Cash was used mainly for repayment of long-term loans payable of 3,797 million yen and for the purchase of 1,499 million yen of treasury stock.

Trends in cash flow indicators

	FY3/05	FY3/06	FY3/07	FY3/08	FY3/09
Shareholders' equity ratio (%)	32.8	30.7	32.8	26.8	18.8
Shareholders' equity ratio based on market prices (%)	110.8	88.5	54.3	24.6	15.8
Cash flows to debt ratio (years)	2.3	3.6	6.3	5.7	32.7
Interest coverage ratio (times)	17.7	20.8	14.7	14.7	2.5

Note: The above figures are calculated as follows.

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Market capitalization / Total assets

Cash flows to debt ratio: Interest-bearing debts / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

1. All indices are calculated based on consolidated figures.
2. Market capitalization is calculated by multiplying the listed share price at the end of period by the number of shares outstanding (net of treasury stock) at the end of period.
3. Operating cash flows and interest payments are calculated using the figures for "Net cash provided by operating activities" and "Interest expenses paid" in the consolidated statements of cash flows.

(3) Basic policy for earnings distributions and dividends in the current and next fiscal years

The distribution of earnings to shareholders is one of the highest management priorities of the Nihon Chouzai Group. The fundamental policy is to distribute the greatest possible amount of earnings to shareholders in relation to earnings in each fiscal year while taking into account the need for retained earnings to support growth. The target dividend payout ratio is 20%. The fundamental policy is also to make two dividend payments each year: an interim payment and year-end payment. The shareholders' meeting determines the year-end dividend and the Board of Directors determines the interim dividend. The Nihon Chouzai Articles of Incorporation states that "the Board of Directors can decide to pay an interim dividend with a record date of September 30 in each fiscal year." In addition, retained earnings are used for the purpose of conducting business operations with the aim of achieving medium-term and long-term growth.

Earnings decreased in the fiscal year that ended on March 31, 2009. However, this was caused primarily by up-front investments in the pharmaceutical manufacturing and sales business, which is a one-time factor. We ensure a stable profitability of the Group's core business. Consequently, to maintain the consistent distribution of earnings to shareholders, Nihon Chouzai plans to pay an annual dividend of 40 yen per share, the sum of a 20 yen interim dividend already paid and a planned year-end dividend of 20 yen.

For the fiscal year ending on March 31, 2010, Nihon Chouzai plans to pay interim and year-end dividends of 20 yen per share (annual dividend of 40 yen).

(4) Business risk

Below we discuss potential risk factors for the Group, as well as items we think investors should be made aware of before making investment decisions. Note that because we recognize these are potential risks, we will work to prevent their occurrence, and will prepare an appropriate response in the event that they do occur. All investment decisions should be made after carefully considering the following risk factors and other relevant items. Forward-looking statements in the following section represent judgments of the Nihon Chouzai Group as of the end of March 2009. Actual results may differ from these statements for a number of reasons.

I. Dispensing Pharmacy Business

1. Legal regulations, etc. for the dispensing pharmacy business

(1) Opening, etc. of dispensing pharmacies

With regard to the opening and operation of dispensing pharmacies, there may be an effect on our pharmacy opening plans, results of operations and other aspects of operations if we are unable to receive permission, designation, licenses and other required documents from prefectural and other governments, fail to complete renewal procedures, violate laws or regulations, or applicable laws or regulations are revised. The primary legal restrictions affecting our operations are the need to receive permission to open a pharmacy and receipt of designation as an insurance pharmacy. We have received permits and other documents as required for all our pharmacies. There were no events that could cause the cancelation of licenses and other permits as of the end of March 2009.

(2) Recruitment of pharmacists

Dispensing pharmacies are prohibited from using individuals other than pharmacists as prescribed in Article 19 of the Pharmacists Law for medicine. Furthermore in the number of stationing pharmacists, Article 6, Paragraph 1, Item1-2 of

the Pharmaceutical Affairs Law and ordinances of the Ministry of Health, Labour and Welfare (MHLW) require the use of one pharmacist for every 40 prescriptions filled each day. As a result, the inability to recruit a sufficient number of pharmacists may have an effect on the Company's pharmacy opening plans and results of operations.

(3) The prescription drug dispensing business

We have numerous measures in place to prevent mistakes when dispensing drugs. For example, we have an automatic checking system for drugs that is designed to prevent the mistaken dispensing of drugs, which could cause a serious problem. In addition, our pharmacists place priority on checking dispensing of drugs to identify potential problems. To be prepared for a problem, all our pharmacies are covered by pharmacist liability insurance in order to reduce the impact of a problem on results of operations. However, if there is a mistake involving the dispensing of drugs that results in the payment of substantial damages and the loss of trust among current customers and the public, there may be an effect on results of operations.

2. Operating environment for the dispensing pharmacy business

(1) Separation of drug dispensing and prescribing

The Japanese government has a policy having medical institutions concentrate solely on the provision of health care services with dispensing pharmacies responsible for drugs, including the oversight of patients' drug histories, provision of information about taking drugs and other matters. The objective is to improve the quality of health care. If there is a decline in the speed at which the separation of these roles increases, there may be an effect on the Group's results of operations.

(2) Reforms to Japan's health care system

a. Revisions to National Health Insurance (NHI) drug prices and prescription dispensing fees

There are two components of prescription dispensing sales in the Group's core dispensing pharmacy business. The first is sales of drugs based on standard drug prices determined by the Health Insurance Law. The second is a technical fee based on dispensing fee points prescribed by the Health Insurance Law. Consequently, if NHI drug prices are reduced but the actual cost of purchasing these drugs is not lowered by the same amount, or if dispensing fee points are lowered or other items involving service fees are revised, there may be an effect on the Group's results of operations.

b. Reforms to other programs

In recent years, there have been reforms to all aspects of Japan's health care system due mainly to the rising awareness of the Japanese public concerning their right to receive health care and to increasingly limited public-sector financial resources for health care. Reforms to the health care programs are likely to continue. These reforms may have an effect on the Group's results of operations by reducing the number of patients and having other effects. In particular, if there is a rapid increase in the use of generic drugs to help achieve the government's goal of cutting health care costs, difficulty in providing patients with a consistent supply of generic drugs, or problems involving the recruitment of well-trained pharmacists who can recommend generic drugs to patients, there may be an effect on the Group's results of operations.

(3) Differences in basic service fee for dispensing drugs

The basic service fee for dispensing drugs, which is included in the technical fee, is determined by dispensing fee points. Since April 1, 1996, there have been differences in these points depending on the number of prescriptions filled each month by dispensing pharmacies and the percentage of these prescriptions that came from a particular medical institution. The points are lower when there is a large number of prescriptions and a high percentage of prescriptions from a particular medical institution. As a result, pharmacies located near a hospital tend to receive fewer basic service fee points than smaller pharmacies which are not located near a hospital. If there are revisions to the basic service fee that continue to place pharmacies near hospitals at a disadvantage, there may be an effect on the Group's results of operations.

3. Expansion of business operations

(1) Opening new pharmacies

Competition among dispensing pharmacy companies in Japan has become even more heated because of the increasing separation of drug prescribing and dispensing services. The nationwide dispensing pharmacy business of the Nihon Chouzai Group extends from Hokkaido in the north to Kagoshima in the south. The majority of these pharmacies are located near a general hospital. We plan to continue opening pharmacies primarily near general hospitals that are expected to separate the roles of drug prescribing and dispensing. At the same time, we will quickly identify and close unprofitable locations caused by changes in the operating environment. Through these actions, we aim to generate profits and grow. We plan to continue increasing the number of pharmacies, including through the acquisition of existing pharmacies, in order to expand our operations. However, there may be an effect on the Group's results of operations if (a) we are unable to open pharmacies as planned due to the inability to acquire sites that fulfill our conditions for new ones; (b) sales at new pharmacies are not in line with our initial plans due to competition, progress in the separation of drug prescribing and dispensing, or other items; (c) sales decrease because of the relocation or closing of the nearby hospital, or (d) problems involving the operations of the lessor of pharmacies make it difficult to continue operations or to have the lease security deposit returned.

(2) Reliance on debt

The Nihon Chouzai Group uses primarily loans in order to procure the funds needed to open dispensing pharmacies and invest in new businesses. We plan to continue rely primarily on loans for opening new pharmacies, which may cause an increase in interest expenses. Furthermore, there may be an effect on the Group's business plans and results of operations if we have difficulty obtaining additional loans due to insufficient cash flows from pharmacy operations or other causes. In addition, although the majority of loans currently have fixed interest rates, there may be an effect on the Group's results of operations if an increase in interest rates causes interest expenses to climb.

4. Seasonal fluctuations

The dispensing pharmacy business accounted for the majority of total consolidated sales of the Nihon Chouzai Group in the fiscal year under review. Consequently, changes in performance of this business have a significant impact on the performance of the entire group. The dispensing pharmacy business may benefit from influenza and other diseases that occur frequently during the winter and from the spring hay fever season. Furthermore, pharmacies opened in the first half of a fiscal year start contributing to results in the second half. For these reasons, the second half tends to account for more than half of consolidated sales and earnings in each fiscal year.

5. Management of drug histories and other personal information

Group companies handle personal information that includes data about diseases and drugs in the dispensing pharmacy business and the resumes of workers in the staffing services business. Customer data and other personal information are managed in accordance with strict standards. Leaks of this information may result in larger damage payments than leaks of ordinary information like names and addresses. In addition, there is a risk that the Company, its consolidated subsidiaries or other group companies, which collectively use more than 5,000 personal information files, may receive an administrative penalty or even a criminal penalty under the provisions of the Personal Information Protection Law for passing personal information to a third party without prior consent or for some other violation. Almost all employees who handle personal information at dispensing pharmacies are pharmacists who are subject to a strict legal obligation of confidentiality (Article 134 of the Penal Code). Therefore, in the unlikely event of an information leak at a group company, there may be an effect on the Group's results of operations due to the payment of substantial damages, administrative penalties, and the associated loss of trust among customers and the public.

6. Effect of consumption tax

In the dispensing pharmacy business, sales of drugs dispensed using prescriptions covered by insurance are not taxed in accordance with provisions of the Consumption Tax Law. However, this law does impose a tax on drugs and other items that we procure. As a result, in this business, we are the last payers of the consumption tax. We record the consumption taxes paid to suppliers as an expense within selling, general and administrative expenses. In the past, NHI drug prices were revised to incorporate the initial establishment of the consumption tax and subsequent increases in the tax rate. However, if the consumption tax rate is revised in the future without an associated revision in NHI drug prices, there may be an effect on the Group's results of operations.

II. Pharmaceutical Manufacturing and Sales Business

1. Legal regulations, etc. for the pharmaceutical manufacturing and sales business

Enactment of the amended Pharmaceutical Affairs Law in April 2005 created an approval system in Japan for the sale of drugs. Since this system made it possible to completely outsource the production of drugs, Nihon Chouzai consolidated subsidiary Nihon Generic Co., Ltd. received permission in April 2005 to manufacture and sell drugs. In July 2007, this company started selling generic drugs for which it had newly received production and sales approval based on its own applications. In April 2006, Nihon Generic started selling generic drugs made by other companies and in July 2007 started selling generic drugs for which it had received approval. The Nihon Chouzai Group's pharmaceutical manufacturing and sales business commercializes and sells generic drugs, which have smaller development expenses than new drugs. Currently, all production of generic drugs is outsourced to companies outside the Group. If the pharmaceutical manufacturing and sales business grows, there will be business risk factors that could have a significant impact on the Group's results of operations. This includes but is not limited to the risk of lawsuits associated with product liability and compliance of prescription drugs such as those listed below with legal requirements involving the manufacture and sale of pharmaceuticals. The manufacture and sale of pharmaceuticals is governed primarily by laws and regulations associated with the Pharmaceutical Affairs law. Permission, designations, registrations, licenses and notices must be obtained or filed with the governors of each Japanese prefecture and other authorities. Major requirements include licenses as a Class 1 Manufacturer and Seller of Pharmaceuticals, a Class 2 Manufacturer and Seller of Pharmaceuticals and a Wholesaler and Retailer of pharmaceuticals. In the event of a violation of one of these laws or regulations, there may be an effect on the Group's results of operations if a government agency orders a group company to suspend operations, revokes its permission to conduct business operations, or takes some other action. In addition, for each drug that it has developed, the pharmaceutical manufacturing and sales business must apply for and receive approval of the Minister of MHLW. If this approval cannot be received as planned, there may be a negative effect on the Group's results of operations.

2. Operating environment for the pharmaceutical manufacturing and sales business

For prescription drugs, NHI drug prices established by the MHLW determine the basis for calculating the cost of drugs for the drug dispensing compensation received by medical institutions and dispensing pharmacies. The Japanese government has been taking measures to hold down health care costs as part of its fiscal reforms. As a result, NHI drug prices have been reduced with each regular revision of these prices, which occurs every two years. There is a possibility that these reductions will become larger with each revision. This downward trend in drug prices may have an effect on the product pricing policies of group companies. Furthermore, demand is likely to increase in the market for manufacturing and selling generic drugs, which is where the Company's pharmaceutical manufacturing and sales business is active. However, there may be even more heated competition across the entire pharmaceuticals industry. Changes such as these in the operating environment may have an effect on the Group's results of operations.

3. Outsourcing of drug manufacturing

Due to the creation in Japan of an approval system for the sale of drugs resulting from the April 2006 enactment of the amended Pharmaceutical Affairs Law, the pharmaceutical manufacturing and sales business has been supplying drugs by using two methods. The first is the sale of generic drugs approved by the Japanese government where the manufacturing has been outsourced. The second is distribution of generic drugs that are manufactured and sold by other companies through our channels. We have contracts for the continuous supply of drugs with several producers of generic drugs. However, we may become unable to receive products from a manufacturer due to the termination of a contract for a particular product, revisions to contract terms or other events associated with circumstances at the manufacturer. These events may have an effect on the Group's results of operations.

III. Staffing Services Business

1. Legal regulations, etc. for the staffing services business

(1) Overview of pharmacist staffing services

Staffing services for pharmacists has been allowed in Japan since the December 1999 enactment of the amended Temporary Staffing Services Law. In February 2000, consolidated subsidiary JP Pharma Staff Co., Ltd. (currently Medical Resources Co., Ltd.) started a staffing business exclusively for pharmacists, including the provision of pharmacists to Nihon Chouzai itself. On June 1, 2002, this company started a pharmacist placement service. These businesses require a number of approvals from the MHLW, including a General Staffing Services Business License and a Placement Services Business License. The cancelation of these licenses due to a violation of a law or regulation may have an effect on the Group's results of operations. The staffing and placement services of the Group are governed by the "guidance concerning measures that must be taken by operators of staffing service businesses" and the "guidance for appropriate measures concerning equal treatment of individuals, disclosure of employment terms, handling of personal information of applicants and others, obligations of employment placement business operators, and the proper disclosure of available jobs for operators of employment placement businesses, businesses that recruit workers, businesses that recruit workers on an outsourcing basis, and businesses that provide workers, etc."

(2) Membership of staffing services workers in Social Insurance

In accordance with the spirit of Japan's Social Insurance system, we have all individuals who are registered for staffing services join the Social Insurance system. However, if there are individuals who have been overlooked and do not belong to this program, we will have these individuals join the program and premiums for past service will need to be paid. In this case, the Group may have to pay both its own share of these premiums as well as the premiums owed by these workers if there are workers from which premiums cannot be collected. Social Insurance can be applied retroactively for a period of up to two years (Employees' Pension Insurance Law, Article 92; Health Insurance Law, Article 193). In addition, the amount of insurance premiums paid is the sum of amounts due under the employees' pension insurance and health insurance (including nursing care insurance). Staffing service workers are excluded from provisions of the Social Insurance Law if they (a) have an employment contract of not more than two months or (b) have designated working hours per day or week or working days per month are less than three-fourths of the designated working hours or days at the company to which the staffing service workers have been assigned (Employees' Pension Insurance Law, Article 12; Health Insurance Law, Article 3, etc.). For these reasons, revisions to the above laws and regulations may alter the Group's Social Insurance premium payments.

2. Corporate Group

The Nihon Chouzai Group is made up of Nihon Chouzai and its seven subsidiaries. The primary activities of the Group are the dispensing pharmacy business, the pharmaceutical manufacturing and sales business, the staffing services business, and the training and CSO (contract sales organization) business.

Dispensing Pharmacy Business

This is the core business of the Group, which targets opportunities created by the increasingly frequent practice in Japan of separating the roles of drug prescribing and dispensing services. The separation ratio is currently at almost 60%. Nihon Chouzai and five of its subsidiaries are engaged in this business. Most dispensing pharmacies are located adjacent to large general hospitals. Nihon Chouzai operates Japan's largest network of dispensing pharmacies, covering all areas of Japan.

Pharmaceutical Manufacturing and Sales Business

This business specializes in the manufacture of generic drugs, a sector with excellent growth prospects as the Japanese government takes actions aimed at lowering health care costs. Subsidiary Nihon Generic Co., Ltd. was established in January 2005 and received approval as a drug manufacturer and seller in April 2006 in accordance with the April 2005 enactment of the amended Pharmaceutical Affairs Law. This company started nationwide sales of generic drugs in April 2006. In 2007, Nihon Generic started selling products for which it applied directly for approval. This company established a drug research center and acquired a factory in Tsukuba City of Ibaraki Prefecture in 2007, and began preparing to start manufacturing. Through these activities, Nihon Generic is building a foundation for growth in preparation of the full-scale emergence of a generic drug market in Japan.

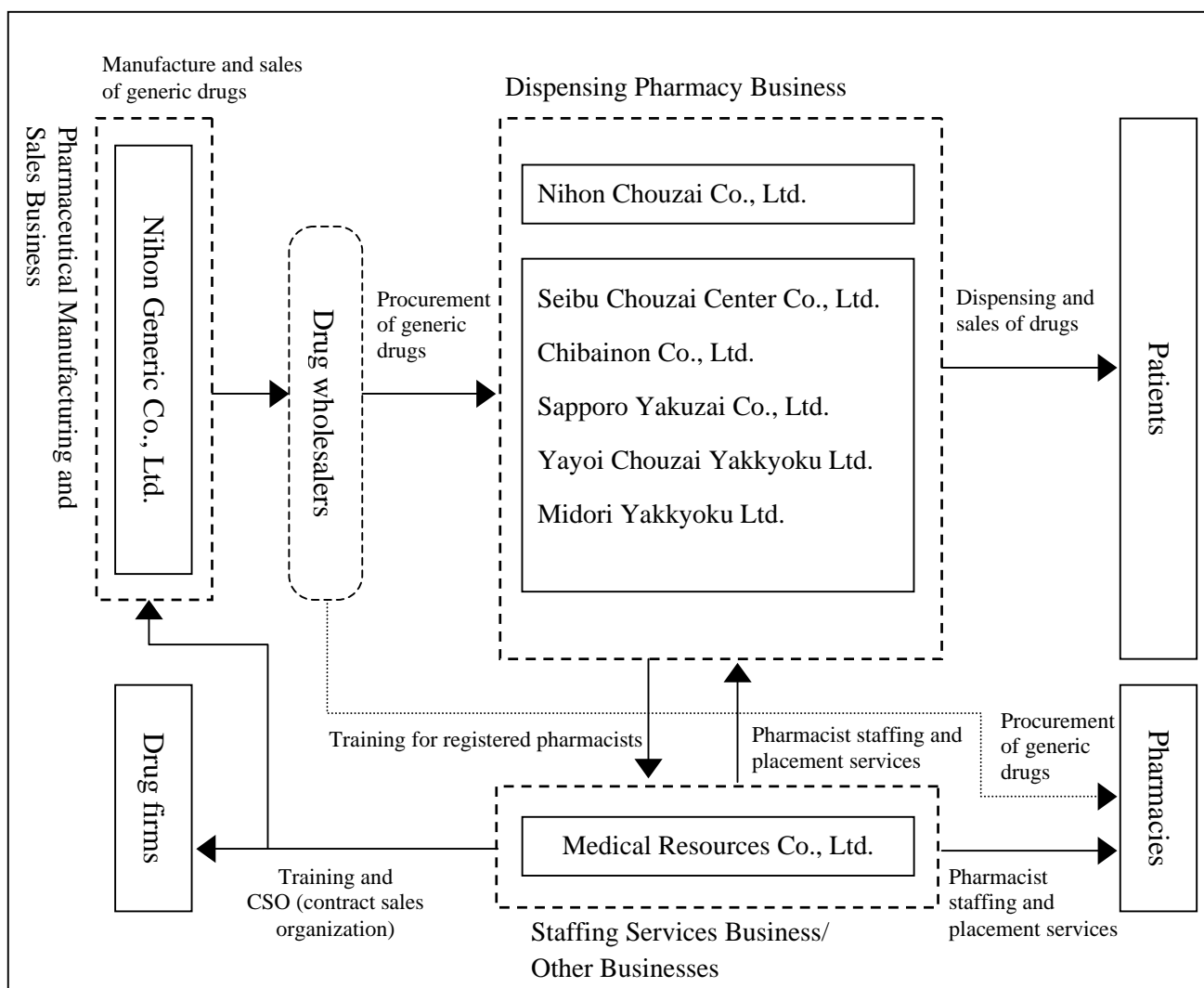
Staffing Services Business

Leveraging human resources expertise gained from its dispensing pharmacy business, Nihon Chouzai manages Medical Resources Co., Ltd. to conduct a nationwide staffing services business that specializes in pharmacists. This company provides pharmacists to Nihon Chouzai Group companies. It also provides staffing services as well as placement services to other operators of dispensing pharmacies.

Other Businesses

Nihon Chouzai established Medical Resources Co., Ltd. in October 2006 as a wholly owned subsidiary to provide training for MR (medical representatives) and to serve as a CSO (contract sales organization). In July 2008, the operations of this company were combined with those of JP Pharma Staff Co., Ltd. through a merger for the purpose of strengthening the Group's staffing services business. (Name of the new company: Medical Resources Co., Ltd.)

A flowchart showing the businesses of the Nihon Chouzai Group as of March 31, 2009 is shown below.



* Yayoi Chouzai Yakkyoku Ltd. became a wholly owned consolidated subsidiary of Nihon Chouzai on January 1, 2009 and Midori Yakkyoku Co., Ltd. became a wholly owned consolidated subsidiary of Nihon Chouzai on February 1, 2009. Consolidated subsidiaries Fuji Apoteko Co., Ltd., Kiyose Chouzai Center Co., Ltd., Fuji Medical Support Co., Ltd., and Medical System Research Co., Ltd. are not shown in the above chart because their dispensing pharmacy operations, which were the primary activities of these companies, were transferred to Nihon Chouzai through an absorption and divestiture on February 1, 2009.

3. Management Policy

(1) Fundamental Management Policy

“Separation of the roles of drug prescribing and dispensing services” has been the fundamental philosophy guiding the operations of Nihon Chouzai since its inception in 1980. As the name Nihon Chouzai (“chouzai” means drug preparation and dispensing in Japanese) implies, our mission is to operate a nationwide network of dispensing pharmacies for the purpose of helping provide quality medical care to the people of Japan. There has been rapid progress in the separation in the roles of drug prescribing and dispensing in Japan in recent years. The separation ratio, an indicator of this progress, is currently at almost 60%. This demonstrates the growing acceptance in Japan of the separation of these functions. At the same time, there is a shift in Japan’s health care system and how the public perceive health care. These events are causing people to take a closer look at the system of separating drug prescribing and dispensing.

Nihon Chouzai is dedicated to doing much more than merely filling prescriptions, which is the superficial role of dispensing pharmacies in this separation of functions. Our goal is to enhance the quality of this separation by constantly seeking to maximize the benefits of the separation of drug dispensing and prescribing in order to contribute to improving health care.

(2) Target Performance Indicators

Nihon Chouzai places emphasis on improving numerical indicators like the return on equity and return on assets from the standpoint of providing benefits to shareholders and other investors. However, earnings in the core dispensing pharmacy business are highly vulnerable to changes in national health care systems and other public-sector actions. Consequently, there are currently no specific targets for performance indicators at this time. We are currently working on establishing a more stable base of operations through the growth of health care businesses other than dispensing pharmacies. As progress is made, we plan to establish performance indicators to target that reflect the characteristics of our business portfolio. For the time being, the primary goal is maximizing corporate value by prioritizing cash flows and the productive use of equity in order to sustain growth and maintain a stable dividend.

(3) Medium to Long-term Management Strategies

The separation of drug prescribing and dispensing is now at the 60% level and more growth foreseen in Japan’s market for drug dispensing services. The Nihon Chouzai Group has two medium-term goals to benefit from this growth. First is to maintain a dominant share of drug dispensing sales in Japan by continuing to expand operations nationwide. Second is to establish a sound financial position that can withstand challenges created by reforms in Japan’s system for providing health care. In addition, the Group is committed to helping provide the highest possible level of medical services by meeting the qualitative needs of the public regarding dispensing pharmacies.

Japan is taking actions to increase the use of generic drugs when filling prescriptions in response to the aging of the population and accompanying growth in health care costs. In response, Nihon Chouzai plans to rapidly expand its recently established pharmaceutical manufacturing and sales business, which specializes in generic drugs. The goal is to establish a distinctive business model that incorporates know-how from dispensing pharmacy operations and is like no other business model in the pharmaceutical market.

Nihon Chouzai announced its second medium-term management plan, which covers the three-year period ending on March 31, 2012, on April 30, 2009, the same day that this summary was announced. Please refer to this announcement for more information about the new management plan.

Fundamental policies for business units in line with corporate policies are as follows.

Dispensing Pharmacy Business

This is the core business of the Nihon Chouzai Group. The Group will continue expanding and strengthening its nationwide network of dispensing pharmacies. Another goal is to generate earnings by cutting costs. This mainly involves improving operating efficiency by leveraging purchasing power as one of Japan's largest dispensing pharmacy to buy drugs at lower prices and taking advantage of the latest advances in information technology. To make qualitative improvements involving pharmacies and pharmacists, the Group will also constantly invest in employee training programs, computer systems and other areas.

Pharmaceutical Manufacturing and Sales Business

The Nihon Chouzai Group plans to rapidly expand the production and sales of generic drugs, which have a significant effect on the dispensing pharmacy business. Japan's generic drug market is expected to grow quickly. As this growth occurs, we will maintain a stable supply of generic drugs for our dispensing pharmacy business while expanding operations in the pharmaceutical market. Through these activities, we intend to develop the pharmaceutical manufacturing and sales business into a core business that is highly profitable and can drive growth.

Pharmacist Staffing Services Business

The pharmacist staffing services business, which includes temporary staffing and placement services, is based on pharmacist recruiting and training skills gained from the dispensing pharmacy business. We plan to conduct this business on a nationwide scale to meet the rising needs in Japan for filling pharmacist posts.

(4) Challenges

Major changes are taking place in operating environment for pharmaceutical and dispensing pharmacy companies as the separation of drug prescribing and dispensing advances. Profit structures for dispensing pharmacies and management behaviors of medical institutions are shifting because of reforms to Japan's health care system. Most significant are reductions in NHI drug prices and prescription dispensing fees and prescriptions that cover longer periods of time. The Nihon Chouzai Group is closely monitoring developments involving medical system reform. We are responding quickly to all types of changes in this system. In particular, we have started a generic drug business that can reduce expenses for patients and Japan's national health insurance system. By taking these actions, we intend to become an even better and more competitive provider of medical services.

In the dispensing pharmacy business, we are building a base of operations that is resilient to shifts in market conditions. We will continue to work on opening pharmacies and strengthening pharmacy operations, which is one of our greatest strengths. This will include acquisitions that match our strategy and profitability standards along with other actions as we maintain the high quality of our medical services. The objective is to sustain profitability and improve earnings from a long-term perspective.

In the pharmaceutical manufacturing and sales business, subsidiary Nihon Generic operates as a generic drug producer and marketer that can adapt quickly to initiatives associated with Japan's medical system reforms. This company plans to expand drug sales to a nationwide scale, serving Nihon Chouzai dispensing pharmacies as well as the pharmacies of other companies and medical institutions. Nihon Generic has established the ambitious goal of becoming Japan's leading generic drug producer, supplying a full line of these drugs. Contributing to consolidated earnings as soon as possible is another goal of this subsidiary as it grows along with the use of generic drugs in Japan.

In the staffing services business, subsidiary Medical Resources will continue to provide its services in all areas of Japan through its network of eight branches. To continue growing, this company seeks to maximize synergies with the dispensing pharmacy business, Nihon Chouzai's core business, and provide temporary staffing and placement services that precisely match the requirements of each region of Japan. Another goal of Medical Resources is to start new businesses that can benefit from synergies with other businesses in the Nihon Chouzai Group.

(5) Other Important Management Matters

Not applicable.

4. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Thousands of yen)

	FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits	5,745,908	5,706,857
Accounts receivable-trade	8,368,362	9,447,128
Inventories	4,006,105	-
Merchandise and finished goods	-	5,150,769
Deferred tax assets	508,514	524,359
Other	870,745	1,278,923
Allowance for doubtful accounts	(9,485)	(10,509)
Total current assets	19,490,151	22,097,528
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	9,650,269	10,543,123
Accumulated depreciation	(3,782,743)	(4,395,177)
Buildings and structures, net	5,867,525	6,147,946
Machinery, equipment and vehicles	56,045	27,889
Accumulated depreciation	(43,713)	(15,708)
Machinery, equipment and vehicles, net	12,331	12,181
Land	7,805,078	9,559,933
Lease assets	-	145,986
Accumulated depreciation	-	(5,363)
Lease assets, net	-	140,622
Construction in progress	1,189,466	6,890,550
Other	1,872,354	2,690,781
Accumulated depreciation	(1,258,539)	(1,737,080)
Other, net	613,814	953,700
Total property, plant and equipment	15,488,216	23,704,935
Intangible assets		
Goodwill	2,333,875	2,512,677
Other	920,654	1,182,817
Total intangible assets	3,254,530	3,695,494
Investments and other assets		
Investment securities	1,169,850	612,102
Long-term loans receivable	20,439	926,497
Lease and guarantee deposits	5,769,673	4,961,677
Prepaid pension cost	266,415	254,154
Deferred tax assets	171,883	104,203
Other	820,619	720,998
Allowance for doubtful accounts	(6,540)	-
Total investments and other assets	8,212,342	7,579,633
Total noncurrent assets	26,955,090	34,980,063
Total assets	46,445,241	57,077,592

	(Thousands of yen)	
	FY3/08	FY3/09
	(As of Mar. 31, 2008)	(As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Accounts payable-trade	13,416,165	14,650,064
Short-term loans payable	-	4,431
Current portion of bonds	160,000	1,500,000
Current portion of long-term loans payable	3,732,518	3,464,652
Lease obligations	-	10,857
Income taxes payable	1,282,167	403,052
Provision for bonuses	836,998	920,702
Provision for directors' bonuses	52,500	70,000
Provision for sales rebates	91,553	182,652
Other	1,048,303	1,590,871
Total current liabilities	<u>20,620,207</u>	<u>22,797,285</u>
Noncurrent liabilities		
Bonds payable	8,500,000	7,000,000
Long-term loans payable	4,364,000	15,865,239
Lease obligations	-	136,796
Provision for retirement benefits	170,491	163,837
Provision for directors' retirement benefits	355,450	383,840
Other	4,064	4,848
Total noncurrent liabilities	<u>13,394,006</u>	<u>23,554,562</u>
Total liabilities	<u>34,014,213</u>	<u>46,351,848</u>
Net assets		
Shareholders' equity		
Capital stock	3,953,025	3,953,025
Capital surplus	4,754,265	4,754,265
Retained earnings	3,990,914	4,110,135
Treasury stock	(540,429)	(2,040,170)
Total shareholders' equity	<u>12,157,775</u>	<u>10,777,254</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	273,252	(51,511)
Total valuation and translation adjustments	<u>273,252</u>	<u>(51,511)</u>
Total net assets	<u>12,431,027</u>	<u>10,725,743</u>
Total liabilities and net assets	<u>46,445,241</u>	<u>57,077,592</u>

(2) Consolidated Statements of Income

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Net sales	79,801,180	85,891,964
Cost of sales	66,674,892	72,189,847
Gross profit	13,126,288	13,702,116
Selling, general and administrative expenses	10,302,823	11,483,740
Operating income	2,823,464	2,218,376
Non-operating income		
Interest income	5,805	7,054
Commission income	15,199	13,573
Rent income	91,391	105,000
Other	51,699	66,764
Total non-operating income	164,096	192,392
Non-operating expenses		
Interest expenses	212,949	360,364
Commission expenses	84,141	139,613
Other	121,635	108,769
Total non-operating expenses	418,725	608,747
Ordinary income	2,568,834	1,802,021
Extraordinary income		
Gain on sales of noncurrent assets	3,890	11,071
Gain on insurance adjustment	-	18,623
Surrender value of insurance	-	8,908
Compensation for transfer	-	164,340
Total extraordinary income	3,890	202,943
Extraordinary loss		
Loss on sales of noncurrent assets	26,178	496
Loss on retirement of noncurrent assets	124,806	35,982
Loss on cancellation of leasehold contracts	3,538	14,062
Loss on valuation of investment securities	105,000	10,503
Loss on valuation of membership	-	461
Impairment loss	255,065	2,961
Loss on cancellation of commitment-line agreement	2,098	-
Total extraordinary losses	516,687	64,468
Income before income taxes and minority interests	2,056,038	1,940,496
Income taxes-current	1,833,789	1,219,849
Income taxes-deferred	(177,679)	299,830
Total income taxes	1,656,109	1,519,680
Net income	399,928	420,815

(3) Consolidated Statements of Changes in Net Assets

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	3,948,075	3,953,025
Changes of items during the period		
Issuance of new shares	4,950	-
Total changes of items during the period	4,950	-
Balance at the end of current period	3,953,025	3,953,025
Capital surplus		
Balance at the end of previous period	4,749,315	4,754,265
Changes of items during the period		
Issuance of new shares	4,950	-
Total changes of items during the period	4,950	-
Balance at the end of current period	4,754,265	4,754,265
Retained earnings		
Balance at the end of previous period	3,907,510	3,990,914
Changes of items during the period		
Dividends from surplus	(316,525)	(301,595)
Net income	399,928	420,815
Total changes of items during the period	83,403	119,220
Balance at the end of current period	3,990,914	4,110,135
Treasury stock		
Balance at the end of previous period	(307,213)	(540,429)
Changes of items during the period		
Purchase of treasury stock	(233,215)	(1,499,741)
Total changes of items during the period	(233,215)	(1,499,741)
Balance at the end of current period	(540,429)	(2,040,170)
Total shareholders' equity		
Balance at the end of previous period	12,297,687	12,157,775
Changes of items during the period		
Issuance of new shares	9,900	-
Dividends from surplus	(316,525)	(301,595)
Net income	399,928	420,815
Purchase of treasury stock	(233,215)	(1,499,741)
Total changes of items during the period	(139,911)	(1,380,520)
Balance at the end of current period	12,157,775	10,777,254

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	356,910	273,252
Changes of items during the period		
Net changes of items other than shareholders' equity	(83,657)	(324,763)
Total changes of items during the period	(83,657)	(324,763)
Balance at the end of current period	273,252	(51,511)
Total net assets		
Balance at the end of previous period	12,654,597	12,431,027
Changes of items during the period		
Issuance of new shares	9,900	-
Dividends from surplus	(316,525)	(301,595)
Net income	399,928	420,815
Purchase of treasury stock	(233,215)	(1,499,741)
Net changes of items other than shareholders' equity	(83,657)	(324,763)
Total changes of items during the period	(223,569)	(1,705,284)
Balance at the end of current period	12,431,027	10,725,743

(4) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,056,038	1,940,496
Depreciation and amortization	1,052,252	1,394,501
Amortization of long-term prepaid expenses	300,650	310,721
Impairment loss	255,065	2,961
Amortization of goodwill	357,845	297,202
Increase (decrease) in allowance for doubtful accounts	225	(5,516)
Increase (decrease) in provision for bonuses	74,439	83,704
Increase in provision for sales rebates	41,135	91,099
Increase (decrease) in provision for directors' bonuses	12,500	17,500
Increase/decrease in provision for retirement benefits and prepaid pension costs	(35,058)	5,098
Increase (decrease) in provision for directors' retirement benefits	50,816	28,389
Interest and dividends income	(11,615)	(14,336)
Interest expenses	212,949	360,364
Loss (gain) on valuation of investment securities	105,000	10,503
Loss on cancellation of rental contract	3,538	14,062
Loss on retirement of noncurrent assets	124,806	35,982
Gain on sales of noncurrent assets	(3,890)	(11,071)
Loss on sales of noncurrent assets	26,178	496
Decrease (increase) in notes and accounts receivable-trade	(1,625,722)	(954,973)
Decrease (increase) in inventories	(38,819)	(1,101,635)
Increase (decrease) in notes and accounts payable-trade	1,600,377	994,636
Decrease (increase) in prepaid expenses	(45,965)	(55,327)
Increase (decrease) in accrued expenses	4,967	53,085
Other, net	(178,289)	(188,112)
Subtotal	4,339,425	3,309,834
Interest and dividends income received	11,615	14,336
Interest expenses paid	(200,048)	(339,554)
Income taxes paid	(1,207,873)	(2,132,340)
Net cash provided by (used in) operating activities	2,943,119	852,276

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(4,004,373)	(8,965,314)
Proceeds from sales of property, plant and equipment	83,574	20,850
Purchase of intangible assets	(288,559)	(475,812)
Payments for transfer of business	(247,413)	(194,649)
Purchase of long-term prepaid expenses	(169,699)	(130,216)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(265,321)	(69,510)
Payments of loans receivable	(24,334)	(90,696)
Collection of loans receivable	15,773	112,568
Payments for lease and guarantee deposits	(1,270,101)	(447,817)
Proceeds from collection of lease and guarantee deposits	350,266	123,975
Other, net	16,863	(8,130)
Net cash provided by (used in) investing activities	<u>(5,803,323)</u>	<u>(10,124,753)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,400,000)	(2,000)
Proceeds from long-term loans payable	800,000	15,000,000
Repayment of long-term loans payable	(1,751,888)	(3,797,605)
Proceeds from issuance of bonds	8,500,000	-
Redemption of bonds	(600,000)	(160,000)
Repayments of lease obligations	-	(5,631)
Proceeds from issuance of common stock	9,900	-
Purchase of treasury stock	(233,215)	(1,499,741)
Cash dividends paid	(313,901)	(301,595)
Net cash provided by (used in) financing activities	<u>5,010,894</u>	<u>9,233,426</u>
Net increase (decrease) in cash and cash equivalents	<u>2,150,691</u>	<u>(39,051)</u>
Cash and cash equivalents at beginning of period	<u>3,595,217</u>	<u>5,745,908</u>
Cash and cash equivalents at end of period	<u>5,745,908</u>	<u>5,706,857</u>

Conditions and Events that Might Raise Critical Questions about the Validity of the Going-concern Assumption

Not applicable.

Change in Significant Accounting Policies in the Preparation of Consolidated Financial Statements

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
<p>(Changes in accounting policy)</p> <p>Depreciation method of property, plant and equipment The Company and its consolidated subsidiaries depreciate property, plant and equipment acquired on or after April 1, 2007 according to the revised depreciation method, stipulated in the revised standard in line with revisions to the Corporation Tax Law. The effect of this change on operating income, ordinary income, and income before income taxes and minority interests are insignificant. The effect of this change on segment operations is insignificant.</p> <p>(Supplementary information)</p> <p>The Company has adopted the revised Corporation Tax Law and changed the method of depreciation of property, plant and equipment acquired on or before March 31, 2007. Accordingly, the difference between the residual value of such an asset and the value equivalent to 5% of its acquisition cost, as computed by the previous Corporation Tax Law, is depreciated over a period of five years starting from the year following the year in which the value of an asset falls to 5% of its acquisition cost. The difference is depreciated by the straight-line method and included in the depreciation expense. The effect of this change on operating income, ordinary income, and income before income taxes and minority interests are insignificant. The effect of this change on segment operations is insignificant.</p>	<p>(Accounting standards for lease transactions)</p> <p>In prior years, the Company accounted for finance leases where there is no transfer of ownership primarily as ordinary lease transactions for accounting purposes. However, the Company has adopted “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13: originally issued on June 17, 1993 by Section 1 of the Business Accounting Deliberation Counsel, and revised on March 30, 2007 by Accounting Standards Board of Japan); and “Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16: originally issued on January 18, 1994 by Accounting Standards Committee of the Japanese Institute of Certified Public Accountants, and revised on March 30, 2007 by Accounting Standards Board of Japan) from the current fiscal year, using an accounting method for leases that is based on the method used for ordinary purchases and sales. For finance leases where there is no transfer of ownership beginning prior to the fiscal year when these standards are first applied, the Company continues to use an accounting method that is based on the method used for ordinary lease transactions.</p> <p>The effect of this change on earnings is insignificant. The effect of this change on segment operations is insignificant.</p> <p>(Valuation criteria and methods for significant assets)</p> <p>Inventories</p> <p>In prior years, inventory for regular sales purposes was computed by the periodic-average cost method. With the adoption of “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) from the current fiscal year, inventory is computed by the periodic-average cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).</p> <p>The effect of this change on operating income, ordinary income, and income before income taxes and minority interests are insignificant. The effect of this change on segment operations is insignificant.</p>

Reclassifications

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
	<p>(Consolidated balance sheet)</p> <p>Construction assistance fund receivables, included in “Lease and guarantee deposits” in the previous fiscal year, is reclassified and included in “Short-term loans receivable” and “Long-term loans receivable” in the current fiscal year.</p> <p>At the end of the previous fiscal year, construction assistance fund receivables included in “Lease and guarantee deposits” amounted 1,482,802 thousand yen.</p> <p>(Consolidated statements of cash flows)</p> <p>Payments of construction assistance fund receivables and collection of construction assistance fund receivables, included in “Payments for lease and guarantee deposits” and “Proceeds from collection of lease and guarantee deposits” in the previous fiscal year, are reclassified and included in “Payments of loans receivable” and “Collection of loans receivable” in the current fiscal year.</p> <p>In the previous fiscal year, payments of construction assistance fund receivables included in “Payments for lease and guarantee deposits” and collection of construction assistance fund receivables included in “Proceeds from collection of lease and guarantee deposits” amounted 345,940 thousand yen and 167,218 thousand yen, respectively.</p>

Segment Information

a. Operating segment information

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)

(Thousands of yen)

	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Staffing services business	Other businesses	Total	Elimination or corporate	Consolidated
I Net sales							
(1) External sales	77,721,524	691,310	1,379,636	8,709	79,801,180	-	79,801,180
(2) Inter-segment sales and transfers	-	917,425	295,322	6,150	1,218,898	(1,218,898)	-
Total	77,721,524	1,608,736	1,674,958	14,859	81,020,078	(1,218,898)	79,801,180
Operating expenses	72,193,362	2,641,441	1,405,037	240,086	76,479,928	497,787	76,977,715
Operating income (loss)	5,528,161	(1,032,704)	269,920	(225,226)	4,540,150	(1,716,685)	2,823,464
II Assets, depreciation, impairment loss, capital expenditures							
Assets							
Depreciation	1,505,888	125,351	13,178	3,340	1,647,758	140,668	1,788,426
Impairment loss	255,065	-	-	-	255,065	-	255,065
Capital expenditures	2,666,269	2,477,999	28,223	2,827	5,175,319	825,133	6,000,453

Notes: 1. Reclassification of operating segments

Operating segments are determined based on similarities of services provided to customers of group companies.

2. Summary of operating segments

Operating segments	Major products/merchandise and services
Dispensing pharmacy business	Prescription drugs, nonprescription drugs, etc.
Pharmaceutical manufacturing and sales business	Manufacture and sale of generic drugs
Staffing services business	Temporary staffing and placement services
Other businesses	Contract sales organization (CSO) business

3. Unallocated operating expenses included in "Elimination or corporate" was 1,695,425 thousand yen, and it consists primarily of expenses related to the administration division of the Company.

4. Corporate assets (2,503,418 thousand yen) included in 'Elimination or corporate' consist primarily of investment securities.

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

(Thousands of yen)

	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Staffing services business	Other businesses	Total	Elimination or corporate	Consolidated
I Net sales							
(1) External sales	82,655,881	1,230,366	1,955,651	50,064	85,891,964	-	85,891,964
(2) Inter-segment sales and transfers	-	2,566,400	282,115	5,508	2,854,025	(2,854,025)	-
Total	82,655,881	3,796,767	2,237,767	55,573	88,745,989	(2,854,025)	85,891,964
Operating expenses	77,464,314	4,770,759	1,841,018	117,263	84,193,356	(519,768)	83,673,587
Operating income (loss)	5,191,566	(973,991)	396,748	(61,690)	4,552,633	(2,334,256)	2,218,376
II Assets, depreciation, impairment loss, capital expenditures							
Assets	42,111,156	13,338,407	559,700	5,230	56,014,495	1,063,097	57,077,592
Depreciation	1,632,120	229,236	17,272	1,979	1,880,610	208,282	2,088,892
Impairment loss	2,961	-	-	-	2,961	-	2,961
Capital expenditures	2,967,351	7,001,983	55,312	893	10,025,540	257,779	10,283,320

Notes: 1. Reclassification of operating segments

Operating segments are determined based on similarities of services provided to customers of group companies.

2. Summary of operating segments

Operating segments	Major products/merchandise and services
Dispensing pharmacy business	Prescription drugs, nonprescription drugs, etc.
Pharmaceutical manufacturing and sales business	Manufacture and sale of generic drugs
Staffing services business	Temporary staffing and placement services
Other businesses	Contract sales organization (CSO) business

3. Unallocated operating expenses included in "Elimination or corporate" was 2,273,301 thousand yen, and it consists primarily of expenses related to the administration division of the Company.

4. Corporate assets (1,980,300 thousand yen) included in 'Elimination or corporate' consist primarily of investment securities and lease and guarantee deposits.

b. Geographical segment information

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008), FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

Geographic segment information is not presented since the Company did not have consolidated subsidiaries or branch offices in countries and regions other than Japan.

c. Overseas sales

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008), FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

Information on overseas sales is not presented since there are no overseas sales.

Per Share Information

(Yen)

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)		FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)	
Net assets per share	1,601.37	Net assets per share	1,465.87
Net income per share	50.66	Net income per share	56.95
Diluted net income per share	50.66	Diluted net income per share is not presented since the Company has no outstanding dilutive securities.	

Notes: 1. The following is a reconciliation of net income per share and diluted net income per share.

	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
Net income per share		
Net income (Thousands of yen)	399,928	420,815
Amounts not available to common shareholders (Thousands of yen)	-	-
Net income available to common shares (Thousands of yen)	399,928	420,815
Average number of common shares outstanding during the period (Shares)	7,894,299	7,389,545
Diluted net income per share		
Increase in the number of common shares (Shares) (Of which stock subscription rights)	814 (814)	- -
Summary of dilutive securities not included in the calculation of “Diluted net income per share” since there was no dilutive effect.	_____	_____

2. Basis for calculation of net assets per share is as follows.

	FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
Net assets per share (Thousands of yen)	12,431,027	10,725,743
Deduction on total net assets (Thousands of yen)	-	-
Net assets applicable to common shares (Thousands of yen)	12,431,027	10,725,743
Number of common shares used in calculation of net assets per share (Shares)	7,762,746	7,316,996

Subsequent Events

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)

(1) On April 30, 2008, the Company's Board of Directors approved a resolution to repurchase treasury stock as follows pursuant to Article 156 of the Corporation Law, which is applicable in lieu of Article 165, Paragraph 3 of this law, and the Company has implemented the stock repurchase program.

1) Reason for stock repurchase:

To adopt timely and flexible financial strategies in response to changes in the operating environment.

2) Type of shares repurchased: Common shares of the Company

3) Total number of shares repurchased: 445,730 shares (5.56% of total number of shares outstanding)

4) Total value of shares repurchased: 1,499,699,000 yen

5) Repurchase schedule: From May 1, 2008 to June 6, 2008

6) Method of repurchase: Purchase on the Tokyo Stock Exchange

(2) The Board of Directors of Nihon Generic Co., Ltd., a consolidated subsidiary of the Company, approved a resolution on May 19, 2008 to make the following capital expenditures.

1) Purpose:

Nihon Generic Co., Ltd. operates a manufacturing and sales business that specializes in generic drugs. Capital expenditures were made for the purpose of starting production at this company's own factory with the aim of establishing a leading position in Japan's generic drug market, which is expected to grow rapidly.

2) Location: 23, Wadai, Tsukuba City, Ibaraki (Tsukuba North Industrial Park)

3) Description of investment: Renovation of factory building and purchase of generic drug manufacturing equipment

4) Total cost: 5,850 million yen (schedule)

5) Construction schedule: Started in May 2008
Completion in December 2008

(3) The Company's Board of Directors approved a resolution on May 28, 2008 to sign a syndicated loan agreement as follows. The loan agreement was signed on June 24, 2008.

1) Format: Syndicated loan with commitment period

2) Use of funds: Renovations and purchase of generic drug manufacturing equipment at the Tsukuba Plant of consolidated subsidiary Nihon Generic Co., Ltd.

3) Banks: Mitsubishi UFJ Trust and Banking Corporation
Mizuho Bank, Ltd.
Sumitomo Mitsui Banking Corporation
Aozora Bank, Ltd.
The Resona Bank, Ltd.
North Pacific Bank, Ltd.
The Hokuriku Bank, Ltd.

4) Amount borrowed: 8 billion yen (maximum)

5) Interest rate: Zenginkyo 6-month TIBOR + 0.65%

6) Repayment method: Equal semiannually payment

7) Commitment period: From June 30, 2008 to December 30, 2009

8) Repayment period: From the end of December 2010 to the end of June 2015

9) Collateral: The Tsukuba Plant land and building of Nihon Generic Co., Ltd. have been pledged as collateral

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

Not applicable.

5. Non-consolidated Financial Statements**(1) Non-consolidated Balance Sheets**

(Thousands of yen)

	FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits	4,720,028	5,109,738
Accounts receivable-trade	7,480,670	8,394,375
Merchandise	399,730	-
Prescription drugs	1,682,949	-
Merchandise and finished goods	-	2,995,090
Short-term loans receivable to subsidiaries and affiliates	5,775,287	8,007,188
Prepaid expenses	405,600	465,976
Deferred tax assets	463,792	461,432
Other	291,052	422,052
Allowance for doubtful accounts	(7,692)	(8,376)
Total current assets	21,211,420	25,847,477
Noncurrent assets		
Property, plant and equipment		
Buildings	8,295,882	9,000,506
Accumulated depreciation	(3,284,685)	(3,842,854)
Buildings, net	5,011,197	5,157,652
Structures	670,287	730,310
Accumulated depreciation	(321,712)	(376,733)
Structures, net	348,575	353,577
Vessels	30,757	30,757
Accumulated depreciation	(29,526)	(29,834)
Vessels, net	1,230	922
Vehicles	19,026	22,137
Accumulated depreciation	(8,673)	(15,708)
Vehicles, net	10,353	6,429
Tools, furniture and fixtures	1,278,370	2,025,226
Accumulated depreciation	(974,827)	(1,312,934)
Tools, furniture and fixtures, net	303,543	712,291
Land	6,005,786	6,842,273
Lease assets	-	145,986
Accumulated depreciation	-	(5,363)
Lease assets, net	-	140,622
Construction in progress	1,189,466	1,282,703
Total property, plant and equipment	12,870,151	14,496,473
Intangible assets		
Goodwill	656,669	1,824,931
Leasehold right	403,571	476,487
Software	335,760	418,943
Telephone subscription right	36,343	38,762
Total intangible assets	1,432,344	2,759,125

	(Thousands of yen)	
	FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
Investments and other assets		
Investment securities	1,169,850	611,832
Stocks of subsidiaries and affiliates	2,314,558	1,206,559
Long-term loans receivable	20,439	925,867
Long-term loans receivable from subsidiaries and affiliates	1,600,000	6,660,000
Claims provable in bankruptcy, claims provable in rehabilitation and other	6,687	147
Long-term prepaid expenses	678,994	577,428
Lease and guarantee deposits	5,687,392	4,871,259
Prepaid pension cost	266,415	254,154
Deferred tax assets	164,053	90,407
Other	94,513	109,441
Allowance for doubtful accounts	(6,540)	-
Total investments and other assets	11,996,366	15,307,096
Total noncurrent assets	26,298,862	32,562,695
Total assets	47,510,283	58,410,172
Liabilities		
Current liabilities		
Accounts payable-trade	12,494,569	14,265,338
Short-term loans payable to subsidiaries and affiliates	450,000	350,000
Current portion of bonds	160,000	1,500,000
Current portion of long-term loans payable	3,732,518	3,464,652
Lease obligations	-	10,857
Accounts payable-other	407,713	331,130
Accrued expenses	285,613	313,226
Income taxes payable	1,117,163	369,726
Deposits received	58,611	64,004
Unearned revenue	37,303	45,074
Provision for bonuses	754,902	830,975
Provision for directors' bonuses	36,000	35,000
Other	23,680	20,580
Total current liabilities	19,558,074	21,600,567
Noncurrent liabilities		
Bonds payable	8,500,000	7,000,000
Long-term loans payable	4,364,000	15,865,239
Lease obligations	-	136,796
Provision for retirement benefits	147,287	139,283
Provision for directors' retirement benefits	334,994	357,941
Other	4,064	4,848
Total noncurrent liabilities	13,350,346	23,504,111
Total liabilities	32,908,420	45,104,678

	(Thousands of yen)	
	FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
Net assets		
Shareholders' equity		
Capital stock	3,953,025	3,953,025
Capital surplus		
Legal capital surplus	4,754,265	4,754,265
Total capital surpluses	4,754,265	4,754,265
Retained earnings		
Legal retained earnings	20,000	20,000
Other retained earnings		
General reserve	130,000	130,000
Retained earnings brought forward	6,011,749	6,539,885
Total earned surpluses	6,161,749	6,689,885
Treasury stock	(540,429)	(2,040,170)
Total shareholders' equity	14,328,610	13,357,004
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	273,252	(51,511)
Total valuation and translation adjustments	273,252	(51,511)
Total net assets	14,601,863	13,305,493
Total liabilities and net assets	47,510,283	58,410,172

(2) Non-consolidated Statements of Income

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Net sales		
Net sales of drug dispensing	73,078,790	77,825,267
Net sales of goods	1,228,033	1,282,035
Total net sales	74,306,823	79,107,302
Cost of sales		
Cost of sales on drug dispensing	62,462,246	67,394,625
Cost of goods sold		
Beginning goods	355,775	399,730
Cost of purchased goods	864,195	823,503
Total	1,219,970	1,223,234
Ending goods	399,730	407,801
Cost of goods sold	820,239	815,433
Total cost of sales	63,282,485	68,210,059
Gross profit	11,024,337	10,897,243
Selling, general and administrative expenses	7,465,968	8,382,765
Operating income	3,558,369	2,514,478
Non-operating income		
Interest income	78,595	57,649
Commission fee	14,799	12,883
Rent income	91,391	105,000
Business consignment income	27,607	19,190
Other	38,902	52,199
Total non-operating income	251,296	246,922
Non-operating expenses		
Interest expenses	131,245	204,882
Interest on bonds	81,874	158,111
Commission fee	84,141	139,613
Other	115,972	103,189
Total non-operating expenses	413,233	605,797
Ordinary income	3,396,432	2,155,603
Extraordinary income		
Gain on extinguishment of tie-in shares	-	249,251
Gain on sales of noncurrent assets	3,890	11,071
Gain on insurance adjustment	-	18,623
Compensation for transfer	-	164,340
Total extraordinary income	3,890	443,286

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Extraordinary loss		
Loss on sales of noncurrent assets	26,178	496
Loss on retirement of noncurrent assets	95,883	32,755
Loss on valuation of investment securities	105,000	10,503
Loss on valuation of membership	-	461
Impairment loss	255,065	2,961
Loss on support to subsidiaries and affiliates	-	342,613
Loss on cancellation of leasehold contracts	-	14,062
Loss on cancellation of commitment-line agreement	2,098	-
Total extraordinary losses	487,764	403,855
Income before income taxes	2,912,558	2,195,034
Income taxes-current	1,601,803	1,066,546
Income taxes-deferred	(198,156)	298,757
Total income taxes	1,403,647	1,365,304
Net income	1,508,911	829,730

(3) Non-consolidated Statements of Changes in Net Assets

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	3,948,075	3,953,025
Changes of items during the period		
Issuance of new shares	4,950	-
Total changes of items during the period	4,950	-
Balance at the end of current period	3,953,025	3,953,025
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	4,749,315	4,754,265
Changes of items during the period		
Issuance of new shares	4,950	-
Total changes of items during the period	4,950	-
Balance at the end of current period	4,754,265	4,754,265
Total capital surplus		
Balance at the end of previous period	4,749,315	4,754,265
Changes of items during the period		
Issuance of new shares	4,950	-
Total changes of items during the period	4,950	-
Balance at the end of current period	4,754,265	4,754,265
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	20,000	20,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	20,000	20,000
Other retained earnings		
General reserve		
Balance at the end of previous period	130,000	130,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	130,000	130,000
Retained earnings brought forward		
Balance at the end of previous period	4,819,363	6,011,749
Changes of items during the period		
Dividends from surplus	(316,525)	(301,595)
Net income	1,508,911	829,730
Total changes of items during the period	1,192,386	528,135
Balance at the end of current period	6,011,749	6,539,885

	(Thousands of yen)	
	FY3/08	FY3/09
	(Apr. 1, 2007 – Mar. 31, 2008)	(Apr. 1, 2008 – Mar. 31, 2009)
Total retained earnings		
Balance at the end of previous period	4,969,363	6,161,749
Changes of items during the period		
Dividends from surplus	(316,525)	(301,595)
Net income	1,508,911	829,730
Total changes of items during the period	1,192,386	528,135
Balance at the end of current period	6,161,749	6,689,885
Treasury stock		
Balance at the end of previous period	(307,213)	(540,429)
Changes of items during the period		
Purchase of treasury stock	(233,215)	(1,499,741)
Total changes of items during the period	(233,215)	(1,499,741)
Balance at the end of current period	(540,429)	(2,040,170)
Total shareholders' equity		
Balance at the end of previous period	13,359,539	14,328,610
Changes of items during the period		
Issuance of new shares	9,900	-
Dividends from surplus	(316,525)	(301,595)
Net income	1,508,911	829,730
Purchase of treasury stock	(233,215)	(1,499,741)
Total changes of items during the period	969,071	(971,606)
Balance at the end of current period	14,328,610	13,357,004
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	356,910	273,252
Changes of items during the period		
Net changes of items other than shareholders' equity	(83,657)	(324,763)
Total changes of items during the period	(83,657)	(324,763)
Balance at the end of current period	273,252	(51,511)
Total net assets		
Balance at the end of previous period	13,716,449	14,601,863
Changes of items during the period		
Issuance of new shares	9,900	-
Dividends from surplus	(316,525)	(301,595)
Net income	1,508,911	829,730
Purchase of treasury stock	(233,215)	(1,499,741)
Net changes of items other than shareholders' equity	(83,657)	(324,763)
Total changes of items during the period	885,413	(1,296,369)
Balance at the end of current period	14,601,863	13,305,493

Conditions and Events that Might Raise Critical Questions about the Validity of the Going-concern Assumption

Not applicable.

6. Other

The number of prescriptions in the dispensing pharmacy business (consolidated) in the past two fiscal years was as follows.

Areas	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)	YoY change (%)
	No. of prescriptions (thousands) (Composition %)	No. of prescriptions (thousands) (Composition %)	
Hokkaido	947 (13.2%)	947 (12.3%)	100.0
Tohoku	883 (12.3%)	954 (12.4%)	108.0
Kanto/Koshinetsu	3,233 (44.9%)	3,505 (45.4%)	108.4
Tokai	502 (7.0%)	532 (6.9%)	106.0
Kansai/Hokuriku	824 (11.4%)	906 (11.8%)	109.9
Chugoku	382 (5.3%)	406 (5.3%)	106.3
Shikoku	131 (1.8%)	156 (2.0%)	118.9
Kyushu	294 (4.1%)	304 (3.9%)	103.4
Total	7,199 (100.0%)	7,712 (100.0%)	107.1

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.