

## Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2009

Corporate Name: Alfresa Holdings Corporation

Listing: 1st sections of Tokyo Stock Exchange and Osaka Securities Exchange

Code: 2784

URL: <http://www.alfresa.com/>

Representative: Arata Watanabe, Representative Director & President

Inquiries: Shunichi Miyake, Vice President & Executive Officer, General Manager of Financial Planning Department

Tel: +81-3-5219-5102

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### 1. Consolidated performance for the third quarter of the fiscal year ending March 31, 2009 (April 1, 2008 – December 31, 2008)

(1) Consolidated operating results (cumulative total) (Rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary profit		Net income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Nine months ended December 31, 2008	1,473,893	–	10,913	–	16,520	–	7,105	–
Nine months ended December 31, 2007	1,334,809	9.3	21,217	5.6	26,193	7.2	13,630	11.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2008	170.14	–
Nine months ended December 31, 2007	336.70	–

(Percentages indicate changes over the same period of the previous fiscal year)

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
Nine months ended December 31, 2008	943,741	189,408	19.4	4,394.73
Year ended March 31, 2008	848,259	186,136	21.3	4,324.57

(Reference) Shareholders' equity: Third quarter of year ending March 31, 2009 ¥183,525 million Year ended March 31, 2008 ¥180,615 million

### 2. Cash dividends

Record date	Cash dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2008	–	41.00	–	42.00	83.00
Year ending March 31, 2009	–	45.00	–	–	–
Year ending March 31, 2009 (Forecast)	–	–	–	45.00	90.00

Note: Revision of dividend forecast for this quarter: None

**3. Consolidated performance forecast for the fiscal year ending March 31, 2009  
(April 1, 2008 - March 31, 2009)**

(Percentages indicate changes from previous fiscal year)

	Net sales		Operating income		Ordinary profit		Net income		Earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	Yen
Year ending March 31, 2009	1,934,000	9.3	19,000	(25.1)	26,100	(18.4)	11,800	(27.1)	282.56

Note: Revision of consolidated performance forecast for this quarter: None

**4. Others**

(1) Changes in principal subsidiaries during the period (those changes accompanying change in scope of consolidation): No

New: – (Company name: ) Excluded: – (Company name: )

(2) Adoption of simplified accounting method and special accounting policy for quarterly consolidated financial statements: Yes

Note: For details, please refer to “Qualitative Information and Financial Statements, 4. Others” on page 5.

(3) Changes in accounting policy, procedure, and method of presentation for preparing quarterly consolidated financial statements:

i. Change due to amendment of accounting standard: Yes.

ii. Change due to reasons other than i.: Yes

Note: For details, please refer to “Qualitative Information and Financial Statements, 4. Others” on page 5.

(4) Number of outstanding shares (common stock):

i. Number of shares outstanding (including treasury stock):

As of December 31, 2008: 42,326,223 shares

As of March 31, 2008: 42,326,223 shares

ii. Number of treasury stock:

As of December 31, 2008: 565,891 shares

As of March 31, 2008: 561,155 shares

iii. Average number of outstanding shares for the quarter:

Third quarter ended December 31, 2008: 41,761,930 shares

Third quarter ended December 31, 2007: 40,482,017 shares

**Disclaimer regarding the Appropriate Use of Performance Forecasts and Other Notes**

1. The forward-looking statements, including performance forecasts, contained herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual performance may differ substantially from these forecasts due to various factors.

2. Effective from the current fiscal year, the “Accounting Standard for Quarterly Financial Statements (ASBJ Statement No.12) and “Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No.14) have been applied. Quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

## Qualitative Information and Financial Statements

### 1. Qualitative information on consolidated operating results

In the third quarter of the fiscal year under review (April 1, 2008 – December 31, 2008), Japan's economy was adversely affected by a worldwide deterioration in business conditions due to the financial crisis stemming from the subprime mortgage collapse of the United States. This downturn led to a contraction in overseas sales owing to a sharp appreciation of the yen, an employment squeeze, and a credit crunch. As a result, the equity market slackened and consumer spending slowed down precipitously from September.

The ethical pharmaceuticals market was affected by a downward revision of the NHI drug prices by an average of 5.2% on April 1, 2008 and by the emerging effects of restraints on receiving medical consultations due to weakened economy. Nevertheless, the Group significantly expanded consolidated net sales over the same period of the previous year as a result of making CS YAKUHIN CO., LTD. and RYUYAKU CO., LTD. consolidated subsidiaries effective October 1, 2007.

In such an environment, the Group continued pursuing the strategic themes of "Expansion of the wholesaling business of pharmaceuticals, etc. and pursuit of group synergy effects," "Solidifying the business base of the manufacturing of pharmaceuticals, etc.," "Realization of Healthcare Consortium," and "Enhancement of the group management base and strengthening of the administration system" in the second year of the "07-09 Medium-term Management Plan – Advancement and Expansion," a three-year medium-term management plan covering the period from April 2007 through March 2010. We therefore were able to promote steady growth and the establishment of a firm administration system on a group-wide basis.

In the third quarter of the fiscal year under review, net sales amounted to ¥1,473,893 million (up 10.4% from the same period of the previous year), operating income came to ¥10,913 million (down 48.6%), ordinary profit was ¥16,520 million (down 36.9%), and net income amounted to ¥7,105 million (down 47.9%).

The Company and Mediceo Paltac Holdings Co., Ltd. (head office: Chuo-ku, Tokyo) reached a basic agreement to merge on an equal footing on April 1, 2009 (scheduled) and concluded a basic agreement concerning this merger on October 10, 2008. However, amid the deterioration in the economic and social environment, the review period of the Japan Fair Trade Commission would be expected to extend beyond the merger date planned by the two companies. For this reason, the two companies decided to dissolve the basic agreement following the adoption of resolutions to that effect at their respective board of directors meetings held on January 9, 2009 based on their judgment that it would be difficult to realize the merger effects at an early date and that they would conceivably bear a huge profit risk.

An outline of performance by business segment is as follows.

In the Wholesaling Business, net sales expanded substantially due to an increase in the number of consolidated subsidiaries, as well as our efforts to strengthen marketing by focusing on the development of new accounts and handling new products. Meanwhile on the profit front, amid changes in the purchase price structure, we were unable to adequately improve the selling price level to medical institutions and dispensing pharmacies, thus causing gross profit margin to fall. As a result of these, net sales amounted to ¥1,461,350 million (an increase of 10.6% from the same period of the previous year) and operating income came to ¥9,976 million (down 51.7%). Net sales included inter-segment sales of ¥2 million (down 83.0%).

In the Manufacturing Business, new ethical pharmaceutical products contributed to net sales but diagnostic reagents showed lackluster growth. As a result, net sales fell slightly below the figure for the same period of the previous year. Under these circumstances, our efforts to reduce SG&A (selling, general and administrative) expenses resulted in net sales of ¥18,424 million (down 2.3% from the same period of the previous year) and operating income of ¥775 million (up 71.0%). Net sales included inter-segment sales of ¥5,879 million (up 0.5%).

Note: Changes from the same period of the previous year are provided as reference.

## **2. Qualitative information on consolidated financial position**

### **(1) Changes in consolidated financial position**

Compared with the end of the previous consolidated fiscal year, the consolidated financial position at the end of the third quarter of the fiscal year under review is as described below.

#### **Assets**

Assets expanded by ¥95,481 million to ¥943,741 million (up 11.3%). This mainly owed to an increase of ¥59,762 million in trade notes and accounts receivable by expansion of net sales and an increase of ¥24,295 million in inventories.

#### **Liabilities**

Liabilities grew by ¥92,209 million to ¥754,332 million (up 13.9%). This was mainly attributed to an increase of ¥94,027 million in trade notes and accounts payable.

#### **Net assets**

Net assets rose by ¥3,272 million to ¥189,408 million (up 1.8%). This was mainly due to an increase of ¥3,462 million in retained earnings.

### **(2) Consolidated cash flows**

Cash and cash equivalents (hereinafter “Net Cash”) as of the end of the third quarter of the fiscal year under review (April 1, 2008 – December 31, 2008) amounted to ¥86,862 million. This was due to an increase of ¥6,667 million over the beginning balance due to an increase of ¥19,380 million in Net Cash provided by operating activities, a decrease of ¥11,088 million in Net Cash used in investing activities, and a decrease of ¥1,623 million in Net Cash used in financing activities. The status of cash flows and the factors behind are as follows.

#### **Cash flow from operating activities**

Net Cash provided by operating activities came to ¥19,380 million (¥21,292 million was used in the same period of the previous year). Although income before income taxes came to ¥13,016 million and trade notes and accounts payable increased ¥94,027 million, trade notes and accounts receivable increased ¥60,784 million due to an expansion of net sales and inventories grew ¥26,449 million.

#### **Cash flows from investing activities**

Net cash used in investing activities amounted to ¥11,088 million (¥5,623 million was used in the same period of the previous year). This amount was mainly used for payments of ¥ 6,354 million for the purchase of tangible fixed assets, including sites for distribution centers, and expenses for the land and construction of new branches, etc., and for payments of ¥ 2,539 million for the purchase of investment securities.

#### **Cash flows from financing activities**

Net Cash used in financing activities was ¥1,623 million (¥3,690 million was used in the same period of the previous year). This amount was mainly used for payments of ¥3,633 million in cash dividends.

Note: The amounts for the same period of the previous year are provided as reference.

## **3. Qualitative information on consolidated performance forecast**

With regard to the performance forecast, there are no changes to the previous forecast (announced on November 5, 2008).

#### 4. Others

(1) Changes in principal subsidiaries during the period (those changes accompanying change in scope of consolidation)

Not applicable.

(2) Adoption of simplified accounting method and special accounting method for preparation of quarterly consolidated financial statements

1. With regard to the method of computing the estimated loss for general claims (claims to debtors who are not facing serious financial problems), when it is deemed that the ratio of actual losses has not changed significantly from the ratio computed at the end of the previous consolidated fiscal year, the estimated loss for general claims is computed using a reasonable standard such as the ratio of actual losses computed at the end of the previous consolidated fiscal year.

2. The process of counting inventory is eliminated at the end of the third quarter of the fiscal year under review, and a rational computation method is used based on inventories counted at the end of the previous consolidated fiscal year.

3. Some consolidated subsidiaries which adopt the declining balance method for computing the depreciation cost for fixed assets distribute the depreciation cost for the consolidated fiscal year proportionally over a period.

4. As for determining the collectability of deferred tax assets, it has been deemed that there are no significant changes in the business environment and the generation of temporary differences since the end of the previous consolidated fiscal year. For this reason, the method using future performance forecasts and tax planning applied at the end of the previous consolidated fiscal year is utilized.

(3) Changes in accounting policy, procedure, and method of presentation for preparing quarterly consolidated financial statements

• Changes in items concerning accounting standard

1. Effective from the current fiscal year, the “Accounting Standard for Quarterly Financial Statements (ASBJ Standard No.12) and “Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No.14) have been applied. Quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

Also, pursuant to the proviso of Article 7, paragraph 1, item 5 of the Supplementary Provision of the “Cabinet Office Ordinance on Partial Amendment of the Regulations Concerning Terminology, Format and Preparation of Financial Statements” (Cabinet Office Ordinance No.50 issued on August 7, 2008), the revised Regulations on Consolidated Quarterly Financial Statements for the third quarter of the fiscal year under review (April 1, 2008 – December 31, 2008) have been promptly applied.

2. Changes in standard and method of valuation of inventories

Inventories held for the purpose of ordinary sales were previously evaluated at cost mainly by means of the total average method. However, inventories have been evaluated at cost mainly by the total average method (the book value is devalued in accordance with the deterioration of profitability for the balance sheet) following the application of the “Accounting Standards on the Valuation of Inventory Assets” (ASBJ Standard No.9 issued on July 5, 2006) from the first quarter of the fiscal year under review.

As a result of the application of this method, both operating income and ordinary profit decreased ¥1,454 million, and income before income taxes declined ¥3,608 million in the third quarter of the fiscal year under review.

The impact on segment information is noted in the relevant sections.

3. Application of “Temporary Solution on Accounting Policies Applied to Foreign Subsidiaries for Preparing Consolidated Financial Statements”

From the first quarter of the fiscal year under review, the “Temporary Solution on Accounting Policies Applied to Foreign Subsidiaries for Preparing Consolidated Financial Statements” (ASBJ Practical Issues

Task Force No.18 issued on May 17, 2006) has been applied. The application of this policy has no impact on income.

#### 4. Application of Accounting Standard for Lease Transactions

Financial lease transactions that do not transfer ownership had previously been accounted for by the accounting method in accordance with the method for lease transactions. However, after the “Accounting Standard for Lease Transactions” (ASBJ Standard No.13 [Business Accounting Council, the 1<sup>st</sup> Committee, first implemented June 17, 1993, last amended March 30, 2007]) and the “Guidance on the Accounting Standard for Lease Transactions” (ASBJ Guidance No.16 [The Japanese Institute of Certified Public Accountants, Accounting Practice Committee, first implemented January 18, 1994, last amended March 30, 2007]) became applicable from the fiscal year starting from April 1, 2008, these standards and guidance have been applied from the first quarter of the fiscal year under review. Accordingly, financial lease transactions that do not transfer ownership are accounted for by the accounting procedure for ordinary sales/purchase transactions.

As for financial lease transactions that do not transfer ownership for which the start date of lease transaction comes before the start of application of the Accounting Standard for Lease Transactions (on or before March 31, 2008), such transactions continue to be accounted for by the ordinary accounting method in accordance with the method for lease transactions.

As for the method of depreciation of the leased assets regarding financial lease transactions that do not transfer ownership, the straight-line method is adopted using the lease term as useful life with residual value of zero.

The application of this standard has an immaterial impact on income.

#### 5. Application of “amendment of ‘Practical Guidance on Tax Effect Accounting for Non-consolidated Financial Statements’”

From the first quarter of the fiscal year under review, “amendment of ‘Practical Guidance on Tax Effect Accounting for Non-consolidated Financial Statements’” (Accounting Practice Committee Report No.10 issued on March 25, 2008) has been applied.

Following the application of the aforesaid practical guidance, deferred tax liabilities recorded upon acquiring subsidiary stock through stock exchange is reversed in the first quarter of the fiscal year under review.

As a result of this, net income increased ¥1,506 million in the current third quarter.

(Additional information)

#### **Revision of useful life of tangible fixed assets**

In line with the amendment of the Corporate Tax Law of fiscal 2008, domestic consolidated subsidiaries revised the useful life of some machinery and equipment from the first quarter of the fiscal year under review. This revision has an immaterial impact on income.

#### **Revision of retirement benefit plan**

Alfresa Corporation, a consolidated subsidiary of the Company, had defined benefit plans consisting of an employees’ pension fund plan (Multi-employer EPF), a tax qualified retirement pension plan, and a lump-sum payment plan. However, as of October 1, 2008, Alfresa Corporation terminated part of the lump-sum payment plan and transferred to the defined contribution pension plan.

As for the accounting method on this transfer, “Accounting for Transfer between Retirement Benefit Plans” (ASBJ Guidance No.1) was applied and part of the retirement benefit plan was terminated with respect to the portion to be transferred to the defined contribution pension plan. As a result of this transfer, extraordinary income of ¥760 million was recorded.

## 5. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of the end of current 3rd quarter (December 31, 2008)	As of the end of previous fiscal year (March 31, 2008)
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	81,538	73,299
Trade notes and accounts receivable	527,972	468,210
Securities	8,155	10,048
Merchandise and finished goods	117,659	92,423
Work in process	72	71
Raw materials and supplies	1,268	2,210
Purchase rebates receivable	50,688	50,821
Others	7,208	6,194
Allowance for doubtful accounts	(1,156)	(1,068)
<b>Total current assets</b>	<b>793,407</b>	<b>702,211</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures (net)	27,977	26,668
Land	42,611	41,242
Others (net)	6,499	4,619
<b>Total tangible fixed assets</b>	<b>77,088</b>	<b>72,529</b>
<b>Intangible fixed assets</b>		
Goodwill	5,659	7,326
Others	2,073	1,775
<b>Total intangible fixed assets</b>	<b>7,732</b>	<b>9,102</b>
<b>Investments and other assets</b>		
Investment in securities	34,536	33,929
Others	36,788	35,984
Allowance for doubtful accounts	(5,811)	(5,497)
<b>Total investments and other assets</b>	<b>65,513</b>	<b>64,416</b>
<b>Total fixed assets</b>	<b>150,334</b>	<b>146,048</b>
<b>Total assets</b>	<b>943,741</b>	<b>848,259</b>

(Millions of yen)

	As of the end of current 3rd quarter (December 31, 2008)	As of the end of previous fiscal year (March 31, 2008)
<b>(Liabilities)</b>		
Current liabilities		
Trade notes and accounts payable	704,131	610,103
Short-term debt	3,287	2,536
Income taxes payable	2,120	3,182
Reserve for bonuses	3,089	6,143
Others	12,152	9,563
Total current liabilities	724,790	631,530
Non-current liabilities		
Long-term debt	2,375	900
Allowance for employees' retirement benefits	16,520	23,262
Others	10,646	6,431
Total non-current liabilities	29,541	30,593
Total liabilities	754,332	662,123
<b>(Net assets)</b>		
Shareholders' equity		
Paid-in capital	4,230	4,230
Capital surplus	65,913	65,912
Retained earnings	115,465	112,002
Treasury stock, at cost	(2,193)	(2,159)
Total shareholders' equity	183,415	179,985
Valuation and translation adjustments		
Unrealized gain on securities	5,762	6,289
Gain or loss on deferred hedge	–	1
Unrealized gain or loss on revaluation of land	(5,720)	(5,730)
Foreign currency translation adjustments	68	70
Total valuation and translation adjustments	110	630
Minority interests	5,883	5,520
Total net assets	189,408	186,136
Total liabilities and net assets	943,741	848,259

## (2) Quarterly Consolidated Income Statements

(Millions of yen)

	Current 3rd quarter (April 1, 2008 - December 31, 2008)
Net sales	1,473,893
Cost of sales	1,363,949
Reversal of allowance for returned unsold goods	927
Allowance for returned unsold goods	995
Gross profit	109,876
Selling, general and administrative expenses	98,962
Operating income	10,913
Non-operating income	
Interest income and dividend income	1,116
Information fees received	3,373
Others	1,288
Total non-operating income	5,778
Non-operating expenses	
Interest expenses	78
Others	92
Total non-operating expenses	171
Ordinary profit	16,520
Extraordinary income	
Gain on sale of investment securities	133
Gain on sale of shares of affiliates	26
Gain on revision of retirement benefit system	760
Total extraordinary income	920
Extraordinary loss	
Loss on sale of fixed assets	6
Loss on retirement of fixed assets	138
Loss on impairment of fixed assets	280
Loss on valuation of investment securities	814
Loss on valuation of inventories	2,154
Allowance for loss on debt guarantee	28
Amortization of goodwill	190
Special retirement benefits	385
Expenses related to merger	425
Total extraordinary loss	4,424
Income before income taxes	13,016
Income, residential and enterprise taxes	6,905
Income tax adjustments	(1,448)
Total income taxes	5,457
Minority interests in net income	453
Net income	7,105

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Current 3rd quarter (April 1, 2008 - December 31, 2008)
Cash flows from operating activities	
Income before income taxes	13,016
Depreciation	3,827
Loss on impairment of fixed assets	280
Amortization of goodwill	1,667
Increase (decrease) in allowance for doubtful accounts	402
Increase (decrease) in reserve for bonuses	(3,044)
Increase (decrease) in reserve for bonuses to directors and auditors	(90)
Increase (decrease) in allowance for directors' retirement benefits	(44)
Increase (decrease) in allowance for employees' retirement benefits	(6,742)
Interest and dividend income	(1,116)
Interest expenses	78
Gain on revision of retirement benefit system	(760)
Loss (gain) on sale of fixed assets	6
Loss on retirement of fixed assets	138
Loss on valuation of inventories	2,154
Loss (gain) on valuation of investment securities	814
Expenses related to merger	425
Decrease (increase) in trade notes and accounts receivable	(60,784)
Decrease (increase) in inventories	(26,449)
Decrease (increase) in purchase rebates receivable	445
Increase (decrease) in trade notes and accounts payable	94,027
Others	8,188
Subtotal	26,440
Interest and dividends received	1,108
Interest paid	(71)
Expenses related to merger paid	(396)
Income taxes paid	(7,700)
Net cash provided by operating activities	19,380
Cash flows from investing activities	
Payments into time deposits	(1,238)
Proceeds from maturity of time deposits	1,109
Payments for purchase of tangible fixed assets	(6,354)
Proceeds from sale of tangible fixed assets	287
Payments for purchase of intangible fixed assets	(220)
Payments for acquisition of long-term prepaid expenses	(1,909)
Payments for purchase of investment securities	(2,539)
Proceeds from sale of investment securities	382
Payments for loans provided	(1,007)
Proceeds from collection of loans	496
Others	(95)
Net cash used in investing activities	(11,088)

(Millions of yen)

	Current 3rd quarter (April 1, 2008 - December 31, 2008)
Cash flows from financing activities	
Net increase (decrease) in short-term debt	1,142
Proceeds from long-term loans	1,700
Repayments of long-term debt	(617)
Repayments of finance lease obligations	(117)
Payments for purchase of treasury stock	(44)
Proceeds from sale of treasury stock	11
Cash dividends paid	(3,633)
Cash dividends paid to minority shareholders	(65)
Net cash used in financing activities	(1,623)
Translation difference of cash and cash equivalents	(0)
Increase (decrease) in cash and cash equivalents	6,667
Beginning balance of cash and cash equivalents	80,195
Ending balance of cash and cash equivalents	86,862

Effective from the current fiscal year, the “Accounting Standard for Quarterly Financial Statements (ASBJ Statement No.12) and “Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No.14) have been applied. Quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

(4) Note concerning Assumption on Going Concerns

None

(5) Segment Information

a. Business segment information

Current third quarter (April 1, 2008 – December 31, 2008)

(Millions of yen)

	Wholesaling of pharmaceuticals, etc.	Manufacturing of pharmaceuticals, etc.	Total	Elimination	Consolidated
Net sales					
(1) Net sales to outside customers	1,461,347	12,545	1,473,893	-	1,473,893
(2) Inter-segment sales or transfers	2	5,879	5,882	(5,882)	-
Total	1,461,350	18,424	1,479,775	(5,882)	1,473,893
Operating income	9,976	775	10,751	161	10,913

Notes:

1. Method of classification

Business segments are classified taking into consideration the form of business based on internal segmentation and the Japan Standard Industrial Classification.

2. Principal products by business segment

Business segment	Principal products
Wholesaling of pharmaceuticals, etc.	Pharmaceuticals, diagnostic reagents, medical devices/equipment/materials, and other products
Manufacturing of pharmaceuticals, etc.	Pharmaceuticals, diagnostic reagents, medical devices/equipment, and other products

3. Changes in accounting method

(Accounting Standards for Valuation of Inventories)

From the first quarter of the fiscal year under review, the “Accounting Standards for Valuation of Inventories” (ASBJ Standard No.9 issued on July 5, 2006) have been applied. As a result of the application of these standards, operating income decreased ¥1,449 million for the wholesaling business and decreased ¥4 million for the manufacturing business.

b. Geographical segment information

Current third quarter (April 1, 2008 – December 31, 2008)

Since the business the Company conducts in Japan accounts for more than 90% of total net sales for all segments in the current third quarter, geographical segment information is not presented.

c. Overseas net sales

Current third quarter (April 1, 2008 – December 31, 2008)

Since overseas net sales account for less than 10% of consolidated net sales in the current third quarter, overseas net sales figures are not presented.

(6) Notes Concerning Significant Changes in Shareholders’ Equity

None

[Reference]

Financial Statements for the Previous Third Quarter

(1) (Summary) Quarterly Consolidated Income Statements

(Millions of yen)

Item	Same period in the previous FY (3rd quarter ended Dec. 31, 2007)
	Amount
I Net sales	1,334,809
II Cost of sales	1,224,567
Total deduction	110,241
Reversal of allowance for returned unsold goods	857
Allowance for returned unsold goods	977
Gross profit	110,121
III Selling, general and administrative expenses	88,904
Operating income	21,217
IV Non-operating income	
Interest and dividend income	878
Information fees received	3,024
Others	1,246
Total non-operating income	5,149
V Non-operating expenses	
Interest expenses	33
Others	139
Total non-operating expenses	173
Ordinary profit	26,193
VI Extraordinary income	
Gain on sale of fixed assets	187
Others	312
Total extraordinary income	499
VII Extraordinary loss	
Loss on sale of fixed assets	42
Loss on retirement of fixed assets	118
Others	663
Total extraordinary loss	824
Income before income taxes	25,868
Tax expense	11,618
Minority interests in net income	620
Net income	13,630

## (2) (Summary) Quarterly Consolidated Statements of Cash Flows

Item	(Millions of yen)
	Same period in the previous FY (3rd quarter ended Dec. 31, 2007)
	Amount
I Cash flows from operating activities	
Income before income taxes	25,868
Depreciation	3,916
Increase in trade notes and accounts receivable	(72,566)
Increase in inventories	(32,260)
Increase in purchase rebates receivable	(13,153)
Increase in trade notes and accounts payable	86,609
Income taxes paid	(17,902)
Others	(1,805)
Net cash used in operating activities	(21,292)
II Cash flows from investing activities	
Payments for purchase of tangible fixed assets	(2,973)
Proceeds from sale of tangible fixed assets	944
Payments for purchase of investment securities	(1,439)
Others	(2,155)
Net cash used in investing activities	(5,623)
III Cash flows from financing activities	
Net increase (decrease) in short-term debt	111
Repayments of long-term debt	(602)
Cash dividends paid	(3,224)
Others	24
Net cash used in financing activities	(3,690)
IV Translation difference of cash and cash equivalents	1
V Decrease in cash and cash equivalents	(30,604)
VI Beginning balance of cash and cash equivalents	96,769
VII Increase in cash and cash equivalents due to stock exchange	3,633
VIII Ending balance of cash and cash equivalents	69,797

(3) Segment Information

a. Business segment information

Third quarter of the previous fiscal year (April 1, 2007 - December 31, 2007)

(Millions of yen)

	Wholesaling of pharmaceuticals, etc.	Manufacturing of pharmaceuticals, etc.	Total	Elimination	Consolidated
Net sales					
(1) Net sales to outside customers	1,321,798	13,010	1,334,809	-	1,334,809
(2) Inter-segment sales or transfers	16	5,847	5,864	(5,864)	-
Total	1,321,815	18,857	1,340,673	(5,864)	1,334,809
Operating expenses	1,301,172	18,404	1,319,576	(5,984)	1,313,592
Operating income	20,643	453	21,096	120	21,217

b. Geographical segment information

Third quarter of the previous fiscal year (April 1, 2007 - December 31, 2007)

Since the business the Company conducts in Japan accounts for more than 90% of total net sales for all segments in the third quarter of the previous fiscal year, geographical segment information is not presented.

c. Overseas net sales

Third quarter of the previous fiscal year (April 1, 2007 - December 31, 2007)

Since overseas net sales account for less than 10% of consolidated net sales in the third quarter of the previous fiscal year, overseas net sales figures are not presented.