

# NEARING THE GOAL OF BECOMING A NATIONAL WHOLESALER



By the year 2010, the Suzuken Group intends to become the undisputed leader in Japan's pharmaceutical wholesaling industry. Suzuken's goal is to build a nationwide presence with at least a 25% market share by 2010.

Economies of scale will be just one of many advantages. Relationships with more healthcare facilities and dispensing pharmacies throughout the nation will allow Suzuken to gather and add further value to even larger volumes of data on pharmaceuticals. This value-added information will lead to better treatment protocols for the benefit of patients and healthcare providers.

We took two big steps toward these goals in the past fiscal year. The first step was the opening of a sales office in Yamagata Prefecture in the Tohoku region, a new market for us. In the region, we presently lack a presence in only one market, Akita Prefecture. Including alliances, we are now active in 38 of Japan's 47 prefectures, covering 92% of the total population. The second step was the signing of a merger agreement on May 20, 2002 with Omori Co.,

Ltd., a company formed on October 1, 2001 by spinning off the Tokyo and Osaka regional sales operations of Omori. The merger will become effective October 1, 2002.

The Omori merger is expected to raise Suzuken's market share to approximately 24% in the Tokyo region and 18% in the Osaka region. This additional market share will give us valuable momentum toward becoming number one in both markets, the two largest in Japan. Adding customers through the merger will further serve to aid Suzuken in the drive to build a nationwide presence with deep roots in every regional market. Suzuken will continue to use mergers and acquisitions when necessary to build a nationwide network while increasing market share in areas where the company is already active.

