

# The Company

Ever since its establishment in 1932, Suzuken's growth and development have been guided by the spirit of "learning from customers." In line with this philosophy, the company has supplied healthcare professionals in Japan with pharmaceuticals, diagnostic reagents and medical equipment. Pharmaceutical wholesaling is the core business, a field where Suzuken is constantly advancing by refining sales and information skills while entering new markets. Complementing this business are research and development, contract based manufacturing, pharmaceutical marketing outsourcing and other activities. Through these activities, Suzuken is solidifying its distinctive position as a source of valuable products and services for healthcare providers, pharmaceutical companies and individuals.

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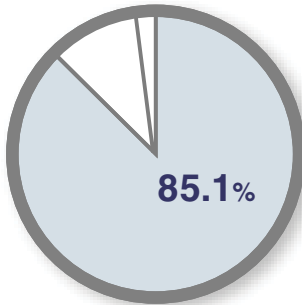
### Cautionary Statement with Respect to Forward-looking Statements

This annual report contains forward-looking statements concerning Suzuken Co., Ltd. and its Group companies' current plans, projections, strategies and performance. These forward-looking statements are not historical facts. Rather, they represent the assumptions and beliefs of Suzuken management based on information currently available. Actual results may differ materially from these expectations.

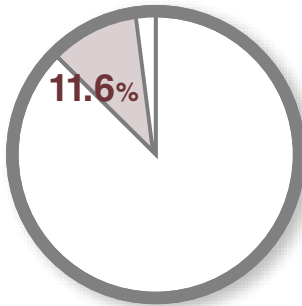
# Overview of Suzuken's Business

## FY03 Operating income by segment

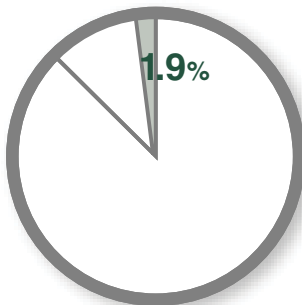
¥16,117M



¥2,190M



¥352M



## Pharmaceutical distribution **Net sales ¥1,035,901M**

Suzuken provides a full line of pharmaceuticals, diagnostic reagents, medical equipment and supplies and other healthcare-related products to more than 100,000 healthcare institutions and dispensing pharmacies in Japan.

- Merged with Ohmori Co., Ltd. to increase market share in the Tokyo and Osaka regions.
- Formed an alliance with ASTIS Co., Ltd., a pharmaceutical wholesaler active in Shikoku.
- Announced a merger with pharmaceutical wholesaler Ando Chemical Works Co., Ltd. to increase market share in Nagoya regions of central Honshu.
- Signed agreement to acquire pharmaceutical wholesaler Sanki Corporation to increase market share in western Honshu.
- Achieved record earnings by establishing clear standards for selling prices.

## Pharmaceutical manufacturing **Net sales ¥15,456M**

Suzuken manufactures and provides a variety of pharmaceuticals, diagnostic reagents and health foods.

- Blood glucose monitoring systems and nutritional and medical foods continued to post strong sales.
- Expanded our pharmaceutical manufacturing outsourcing business by upgrading a production line at the Kumamoto plant of Sanwa Kagaku Kenkyusho Co., Ltd. The Kumamoto and Fukushima plants now have an annual output capacity of two billion pills.
- Working to begin sales of two new drugs as quickly as possible: Miglitol, a postprandial hyperglycemia agent and Fidarestat, a treatment agent for diabetic neuropathy
- Obtaining higher revenues from overseas licensing of the development and sale of Fidarestat.

## Other healthcare-related services **Net sales ¥8,854M**

This segment is divided into three categories: publishing medical and healthcare materials; manufacturing medical devices, such as electrocardiographs and blood pressure monitors; and operating dispensing pharmacies.

- Sales at dispensing pharmacies were strong.