

To Our Readers

Suzuken made steady progress in executing its strategies during fiscal 2005, which ended in March 2005. We used mergers and acquisitions (M&A) to continue growing; realigned our business portfolio, raising our focus on the core pharmaceutical wholesaling business in order to strengthen operations; expanded our pipeline of potential drugs for the treatment of diabetes; and developed new businesses associated with healthcare.

Past M&A activities made a significant contribution to higher sales in fiscal 2005. This is proof that our strategy of using M&As to become number one in every region of Japan is the right course of action. At the end of March 2005, we had a presence in every part of Japan except four prefectures in Kyushu. We plan to continue our aggressive growth strategy to achieve nationwide coverage as soon as possible. In our core pharmaceutical wholesaling business, we are reinforcing our information and logistics capabilities. In addition, we sold our over-the-counter drug wholesaling business so that we can concentrate on ethical pharmaceutical wholesaling business. Regarding diabetes drugs, our development activities are advancing as we aim for the start of sales of new pharmaceuticals as quickly as possible. I can also report that we are making headway in building a base for the provision of services that will underpin new businesses.

In last year's annual report, I stated that fiscal 2004 was a period when we prepared for greater accomplishments in the years ahead. In this context, fiscal 2005 was a year that added momentum to this drive. While building on this impetus, Suzuken will put in place an even more powerful framework for progress in fiscal 2006.

The Suzuken Group is engaged in the provision of “value” in the form of products and services that contribute to good health. We participate in clinical trials and manufacture and distribute pharmaceuticals. We assist in managing medical institutions. We help patients regain their health. We even have products and services that make people healthier. Please refer to this year’s feature section that begins on page 21 for more information on the diversity of the Suzuken Group’s value.

Through the years, the people of Suzuken have always been dedicated to “learning from our customers.” By executing clear strategies while remaining faithful to this spirit, I believe that we can achieve our goals and become the leader in the pharmaceutical wholesaling industry, with a market presence that is well above our peers.

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Yoshiki Bessho

President and Chief Executive Officer