

April 21, 2008

FOR IMMEDIATE RELEASE

Company name	Sugi Pharmacy Co., Ltd.
Representative	Hirokazu Sugiura
	Representative Director & President
Stock code	7649; 1st section, Tokyo Stock Exchange and Nagoya Stock Exchange
Inquiries	Hirohisa Yamaguchi
	Director and Head of General Administration
Telephone	+81 566-73-6300

### **(Revised Announcement) Sugi Pharmacy Splits its Business to take on a Holding Company Structure and Changes its Company Name**

Sugi Pharmacy Co., Ltd., (the “Company”) announced that at the Board of Directors Meeting held today, the Board approved changes to the company split plan initially approved at the Board Meeting on April 11, 2008. The plan involves the Company splitting all of its business activities off into two new companies: Sugi Pharmacy Co., Ltd., and Sugi Medical Co., Ltd. These changes necessitate partial changes to the details disclosed on April 11, 2008, in a press release titled “Sugi Pharmacy Splits its Business to take on a Holding Company Structure and Changes its Company Name”. Details appear below.

#### 1. Reason for changes

Partial revisions were made to the rights and obligations to be transferred, as detailed in the plan for the split of business activities into the newly established Sugi Pharmacy Co., Ltd., and Sugi Medical Co., Ltd. The resulting changes required to the plan are detailed below in section 2, “Details of changes”.

#### 2. Details of changes (changes are underlined)

##### 2.1. Changes to “2. 1) Schedule for the Company Split”

###### *Before changes*

Reference date for General Shareholders’ Meeting: February 29, 2008

Meeting of the Board of Directors to approve the Company Split plan: April 11, 2008

Annual Shareholders' Meeting to approve the Company Split plan: May 29, 2008 (scheduled)

Registration date for incorporation (effective date): September 1, 2008 (scheduled)

< below omitted >

*After changes*

Reference date for General Shareholders' Meeting: February 29, 2008

Meeting of the Board of Directors to approve the Company Split plan: April 11, 2008

Meeting of the Board of Directors to approve changes to the Company Split plan: April 21, 2008

Annual Shareholders' Meeting to approve the Company Split plan: May 29, 2008 (scheduled)

Registration date for incorporation (effective date): September 1, 2008 (scheduled)

< below omitted >

2.2. Changes to "3. Outline of the splitting and newly incorporated companies"

*Before changes*

	Splitting company (as of Feb. 29, 2008)	Newly incorporated company (scheduled for Sept. 1, 2008)	Newly incorporated company (scheduled for Sept. 1, 2008)
1) Name	Sugi Pharmacy Co., Ltd. (scheduled to be renamed Sugi Holdings Co., Ltd., Sept. 1, 2008)	Sugi Pharmacy Co., Ltd.	Sugi Medical Co., Ltd.
< omitted >	< omitted >	< omitted >	< omitted >
8) Net assets	66,091 million yen (consolidated)	<u>26,044</u> million yen	<u>281</u> million yen
9) Total assets	112,629 million (consolidated)	<u>56,852</u> million yen	<u>496</u> million yen
< below omitted >	< below omitted >	< below omitted >	< below omitted >

*After changes*

	Splitting company (as of Feb. 29, 2008)	Newly incorporated company (scheduled for Sept. 1, 2008)	Newly incorporated company (scheduled for Sept. 1, 2008)
1) Name	Sugi Pharmacy Co., Ltd. (scheduled to be renamed Sugi Holdings Co., Ltd., Sept. 1, 2008)	Sugi Pharmacy Co., Ltd.	Sugi Medical Co., Ltd.
< omitted >	< omitted >	< omitted >	< omitted >
8) Net assets	66,091 million yen (consolidated)	<u>6,322</u> million yen	<u>189</u> million yen
9) Total assets	112,629 million yen (consolidated)	<u>36,782</u> million yen	<u>404</u> million yen
< below omitted >	< below omitted >	< below omitted >	< below omitted >

2.3. Changes to “4. 2) Financial results for segments subject to the Split”

*Before changes*

a) Financial results of the segments to be split into Sugi Pharmacy Co., Ltd.

	Sales of NHI-covered prescription drugs,* pharmaceutical products, health food, cosmetics, and household goods FYE February 29, 2008 (a)	Splitting company (before the Split) FYE February 29, 2008 (b)	Ratio (a / b)
Net sales	166,753 million yen	248,134 million yen	67.2%
Gross profit	46,147 million yen	62,987 million yen	73.3%
Operating income	<u>8,883</u> million yen	10,858 million yen	<u>81.8%</u>
Ordinary income	<u>9,735</u> million yen	12,047 million yen	<u>80.8%</u>

\* Excluding business activities related to the four specialized dispensing pharmacies (the Aodaki, Ida, Gamagori, and Nishio branches) and activities related to the Sugi Infinity Possibility System (SIPS).

b) Business results of the segments to be split into Sugi Medical Co., Ltd.

	Business related to the four specialized dispensing pharmacies* and business related to the SIPS <sup>†</sup> FYE February 29, 2008 (a)	Splitting company (before the Split) FYE February 29, 2008 (b)	Ratio (a / b)
Net sales	1,222 million yen	248,134 million yen	0.5%
Gross profit	370 million yen	62,987 million yen	0.6%
Operating income	<u>169</u> million yen	10858 million yen	<u>1.6%</u>
Ordinary income	<u>170</u> million yen	12,047 million yen	<u>1.4%</u>

\* The four specialized dispensing pharmacies are the Aodaki, Ida, Gamagori, and Nishio branches.

<sup>†</sup> Sugi Infinity Possibility System

*After changes*

a) Financial results of the segments to be split into Sugi Pharmacy Co., Ltd.

	Sales of NHI-covered prescription drugs,* pharmaceutical products, health food, cosmetics, and household goods FYE February 29, 2008 (a)	Splitting company (before the Split) FYE February 29, 2008 (b)	Ratio (a / b)
Net sales	166,753 million yen	248,134 million yen	67.2%
Gross profit	46,147 million yen	62,987 million yen	73.3%
Operating income	<u>8,628</u> million yen	10,858 million yen	<u>79.5%</u>
Ordinary income	<u>9,517</u> million yen	12,047 million yen	<u>79.0%</u>

\* Excluding business activities related to the four specialized dispensing pharmacies (the Aodaki, Ida, Gamagori, and Nishio branches) and activities related to the Sugi Infinity Possibility System (SIPS).

b) Business results of the segments to be split into Sugi Medical Co., Ltd.

	Business related to the four specialized dispensing pharmacies* and business related to the SIPS <sup>†</sup> FYE February 29, 2008 (a)	Splitting company (before the Split) FYE February 29, 2008 (b)	Ratio (a / b)
Net sales	1,222 million yen	248,134 million yen	0.5%
Gross profit	370 million yen	62,987 million yen	0.6%
Operating income	(4) million yen	10,858 million yen	-
Ordinary income	(4) million yen	12,047 million yen	-

\* The four specialized dispensing pharmacies are the Aodaki, Ida, Gamagori, and Nishio branches.

<sup>†</sup> Sugi Infinity Possibility System

2.4. Changes to “4. 3) Assets and liabilities to be transferred (as of February 29, 2008)”

*Before changes*

a) Assets and liabilities to be transferred to by Sugi Pharmacy Co., Ltd.

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	33,392 million yen	Current liabilities	28,992 million
Fixed assets	<u>23,460</u> million yen	Fixed liabilities	<u>1,816</u> million
Total	<u>56,852</u> million yen	Total	<u>30,808</u> million

b) Assets and liabilities to be transferred to Sugi Medical Co., Ltd.

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	332 million	Current liabilities	207 million
Fixed assets	<u>163</u> million	Fixed liabilities	7 million
Total	<u>496</u> million	Total	214 million

*After changes*

a) Assets and liabilities to be transferred to by Sugi Pharmacy Co., Ltd.

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	33,392 million yen	Current liabilities	28,992 million
Fixed assets	<u>3,390</u> million yen	Fixed liabilities	<u>1,467</u> million
Total	<u>36,782</u> million yen	Total	<u>30,460</u> million

b) Assets and liabilities to be transferred to Sugi Medical Co., Ltd.

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	332 million	Current liabilities	207 million
Fixed assets	<u>71</u> million	Fixed liabilities	7 million
Total	<u>404</u> million	Total	214 million