

August 11, 2008  
FOR IMMEDIATE RELEASE

Company name	Sugi Pharmacy Co., Ltd.
Representative	Hirokazu Sugiura Representative Director & President. Chief Executive Officer.
Stock code	7649; 1st section, Tokyo Stock Exchange and Nagoya Stock Exchange
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## **Sugi Pharmacy Announces Organizational and Personnel Changes**

Sugi Pharmacy Co., Ltd., announced today that it will implement certain organizational and personnel changes that were approved at a Board of Directors Meeting held on August 11, 2008. Details appear below.

### **Objectives**

In the environment in which Sugi Pharmacy operates, the need for speed, transparency, and soundness of management is increasing every year.

Faced with such conditions, in addition to changing the company name to Sugi Holdings Co., Ltd., and switching to a holding company structure on September 1, 2008, the company will implement the following organizational changes, effective the same date, with the aim of increasing overall corporate value.

1. An executive officer system will be adopted to expedite decision making and clarify management responsibilities.
2. A Nomination and Compensation Committee will be established to enhance the transparency and objectivity of the deliberation process for personnel issues related to officers and auditors.
3. The Compliance Committee will be comprehensively reviewed with the objective of establishing a compliance system from an objective standpoint and ensuring that compliance requirements are fully met.

### **Organizational change (1): Introduction of the executive officer system**

#### 1. Objectives

Sugi Pharmacy has decided to introduce the executive officer system to expedite decision making and clarify management responsibilities. Business execution will be separated from management's supervisory and decision-making functions by appointing capable personnel as executive officers with overall responsibility for business execution in an area of operations in which they possess expertise.

#### 2. Overview of the system

- 1) The term of office for executive officers is one year.
- 2) Matters related to appointment and dismissal of executive officers will be deliberated by the Nomination and Compensation Committee, with decisions made by the Board of Directors.
- 3) The duties and operational responsibilities of each executive officer will be determined by the Board of Directors.

#### 3. Date of introduction

September 1, 2008

## Organizational change (2):

### Establishment of Nomination and Compensation Committee

#### 1. Objectives

Sugi Pharmacy decided to establish a Nomination and Compensation Committee to enhance the transparency and objectivity of the deliberation process for personnel issues related to officers and auditors and the compensation system.

#### 2. Overview of the system

- 1) The Nomination and Compensation Committee is an advisory committee to the Board of Directors established on a discretionary basis and differs from the legally defined committees specified in the Companies Act.
- 2) The Nomination and Compensation Committee will deliberate on matters related to the appointment and dismissal of directors, executive officers, and corporate auditors as well as compensation-related matters, and make proposals to the Board of Directors and Board of Corporate Auditors.
- 3) A majority of the members of the Nomination and Compensation Committee will be outside directors and outside auditors.

#### 3. Date of introduction

September 1, 2008

#### 4. Members of the Nomination and Compensation Committee

Chairman	Noriyuki Watanabe	Outside Director, Sugi Holdings Co., Ltd.
Member	Hirokazu Sugiura	Representative Director & President and Chief Executive Officer, Sugi Holdings Co., Ltd.
Member	Shigeo Asano	Corporate Auditor, Sugi Holdings Co., Ltd.
(Committee Secretariat)	Hidehiko Tsukada	General Manager, Group Personnel Strategies Division, Sugi Holdings Co., Ltd.

## Organizational change (3): Review of the Compliance Committee

#### 1. Objectives

Sugi Pharmacy will comprehensively review the Compliance Committee, which to date has only comprised members from within the company. A majority of the committee members will be invited from outside the company and a compliance system established from a more objective standpoint with the aim of ensuring that compliance matters are fully met and further enhancing risk management systems.

#### 2. Overview of the system

- 1) A majority of the Compliance Committee members will be invited from outside the company.
- 2) The Compliance Committee will deliberate on the following matters and report to the Board of Directors:
  - a) Matters related to decisions regarding compliance
  - b) Matters related to formulation, renewal, and implementation of action policies to promote compliance
  - c) Matters related to action to address compliance breaches
  - d) Matters related to formulation of measures to prevent recurrence of compliance breaches
  - e) Other matters related to compliance activities

3. Date of introduction  
September 1, 2008

4. Compliance Committee

Chairman	Hirokazu Sugiura	Representative Director & President and Chief Executive Officer, Sugi Holdings Co., Ltd.
Member	Tetsuji Kanai	Managing Executive Officer responsible for Group Accounting and General Affairs Unit., Sugi Holdings Co., Ltd.
Member	Shigeo Asano	Corporate Auditor, Sugi Holdings Co., Ltd.
Member	Yosiyuki Tsujimura	Corporate Auditor, Sugi Holdings Co., Ltd., and attorney at law
Member	Masao Sumida	Attorney at law
Member	Kunitatsu Kaga	Certified public accountant and licensed tax accountant
(Committee Secretariat)	Katsunori Sugiura	Executive Officer responsible for Group Internal Control Division, Sugi Holdings Co., Ltd.

## Personnel appointments (as of September 1, 2008)

### 1. Sugi Holdings Co., Ltd.

(company name to be changed and business activities to be split into other companies on September 1, 2008)

#### *Officers and Auditors*

Representative Director & President

Chief Executive Officer.

Chairman of the Compliance Committee.

Hirokazu Sugiura

Representative Director & Senior Vice President.

Senior Managing Executive Officer and Head of CSR Unit.

Akiko Sugiura

Managing Director.

Managing Executive Officer responsible for Group Sales Strategies and Sugi Pharmacy Co., Ltd. Unit.

Eiichi Sakakibara

Outside Director.

Chairman of the Nomination and Compensation Committee.

Noriyuki Watanabe

Outside Director

Chihiro Okada

Corporate Auditor

Shigeo Asano

Corporate Auditor

Osamu Nishikawa

Corporate Auditor

Fujihiro Okumura

Corporate Auditor

Yosiyuki Tsujimura

Managing Executive Officer responsible for Group Accounting and General Affairs Unit.	Tetsuji Kanai
Executive Officer responsible for Group Store Development Unit.	Yutaka Satou
Executive Officer responsible for Medical Care Business Strategies Unit.	Keiji Arai
Executive Officer responsible for Kanto Area Sales Unit.	Kyouzou Koyama
Executive Officer responsible for Group Finance and Information Systems Unit.	Hirohisa Yamaguchi
Executive Officer responsible for Group Product Strategies Unit.	Takao Ohta
Executive Officer responsible for Japan Co. Unit.	Hiroyuki Ikeda
Executive Officer responsible for Group Internal Control Division.	Katsunori Sugiura

***Other personnel***

General Manager, Medical Care Business Sales Div.	Masashi Shibata	General Manager, Store Development 1 <sup>st</sup> Div.	Tadashige Nishizawa
General Manager, Medical Care Business Administration Div.	Toshiki Ishihara	General Manager, Store Development 2 <sup>nd</sup> Div.	Yoshinori Horishita
General Manager, Customer Service Div.	Toshio Nomura	General Manager, Store Development 3 <sup>rd</sup> Div.	Mikio Irihama
General Manager, Kanto Area Support Div.	Hiroshi Imakawa	General Manager, Group Finance Division. and Deputy General Manager of IR Section, Office of the President.	Makoto Kasai
General Manager, Logistics Div.	Hiroshi Tsurumaki	General Manager, Group Accounting Div.	Kazuhiro Aoyama
General Manager, The 1 <sup>st</sup> Merchandise Div.	Sadakazu Urakawa	General Manager, Group General Affairs Div.	Masaaki Hasegawa
General Manager, The 2 <sup>nd</sup> Merchandise Div.	Kenjirou Tani	General Manager, Group Legal Affairs Div.	Hiroyuki Teranishi
General Manager, The 3 <sup>rd</sup> Merchandise Div.	Shin Itou	General Manager, Group Personnel Strategies Div.	Hidehiko Tsukada
General Manager, The 4 <sup>th</sup> Merchandise Div.	Hideyasu Sawamura	General Manager, Group Corporate Planning Div.	Jyunichi Sasa
General Manager, Sales Promotion Div.	Hiroyasu Ishikawa	General Manager, Office of the president.	Atsushi Niwa
General Manager, Sales Planning Div.	Tsuyoshi Thuchie		
General Manager, Development Control Div.	Tomihiko Makino		

## 2. Sugi Pharmacy Co., Ltd. (to be established on September 1, 2008)

Representative Director & President	Hirokazu Sugiura	(Representative Director & President and Chief Executive Officer, Sugi Holdings Co., Ltd.)
Representative Director & Senior Vice President	Akiko Sugiura	(Representative Director & Senior Vice President and Senior Managing Executive Officer and Head of CSR Unit., Sugi Holdings Co., Ltd.)
Managing Director	Eiichi Sakakibara	(Managing Director and Managing Executive Officer responsible for Group Sales Strategies and Sugi Pharmacy Unit., Sugi Holdings Co., Ltd.)
Managing Director	Tetsuji Kanai	(Managing Executive Officer responsible for Group Accounting and General Affairs Unit., Sugi Holdings Co., Ltd.)
Director	Yutaka Satou	(Executive Officer responsible for Group Store Development Division, Sugi Holdings Co., Ltd.)
Director	Keiji Arai	(Executive Officer responsible for Medical Care Business Strategies Unit, Sugi Holdings Co., Ltd.)
Director	Kyouzou Koyama	(Executive Officer responsible for Kanto Area Sales Unit, Sugi Holdings Co., Ltd.)
Director	Hirohisa Yamaguchi	(Executive Officer responsible for Group Finance and Information Systems Unit., Sugi Holdings Co., Ltd.)
Director	Takao Ohta	(Executive Officer responsible for Group Product Strategies Division, Sugi Holdings Co., Ltd.)
Director	Katsunori Sugiura	(Executive Officer responsible for Group Internal Control Division, Sugi Holdings Co., Ltd.)
Corporate Auditor	Shigeo Asano	(Corporate Auditor, Sugi Holdings Co., Ltd.)

## 3. Sugi Medical Co., Ltd. (to be established on September 1, 2008)

President & Representative Director	Keiji Arai	(Executive Officer responsible for Medical Care Business Strategies Unit, Sugi Holdings Co., Ltd., and Director, Sugi Pharmacy Co., Ltd.)
Senior Vice President	Eiji Yoshida	
Director	Akiko Sugiura	(Representative Director & Senior Vice President and Senior Managing Executive Officer and Head of CSR unit., Sugi Holdings Co., Ltd.)
Director	Atsushi Niwa	(General Manager, Office of the president, Sugi Holdings Co., Ltd.)
Director	Masashi Hirao	
Corporate Auditor	Itsuo Nakane	

#### 4. Japan Co. (as of September 30, 2008)

Representative Director & President	Hiroyuki Ikeda	(Executive Officer responsible for Japan Co. Unit., Sugi Holdings Co., Ltd.)
Senior Vice President	Nobuyuki Takeda	
Director	Hirokazu Sugiura	(Representative Director & President and Chief Executive Officer, Sugi Holdings Co., Ltd.)
Director	Sakuhiro Niimi	
Director	Hirohisa Yamaguchi	(Executive Officer responsible for Group Finance and Information Systems Unit., Sugi Holdings Co., Ltd.)
Director	Eihei Warabe	
Director	Masao Nakanishi	
Corporate Auditor	Kouichi Kamatsu	
Corporate Auditor	Kenji Ikeda	
Corporate Auditor	Sadao Takashina	

#### 5. Iizuka Yakuhin Co., Ltd. (as of September 1, 2008)

Representative Director & President	Yuuichi Sunaga	
Director	Setsuko Koike	
Director	Eiichi Sakakibara	(Managing Director and Managing Executive Officer responsible for Group Sales Strategies and Sugi Pharmacy Unit., Sugi Holdings Co., Ltd.)
Director	Kyouzou Koyama	(Executive Officer responsible for Kanto Area Sales Unit, Sugi Holdings Co., Ltd., and Director, Sugi Pharmacy Co., Ltd.)
Director	Hiroshi Imakawa	(General Manager, Kanto Area Support Div., Sugi Holdings Co., Ltd.)
Director	Hisatsugu Teramura	
Corporate Auditor	Kenichi Akasi	

**Sugi Holdings Co., Ltd. Organizational Chart (as of September 1, 2008)**

