



November 20, 2008

Company name	Sugi Holdings Co., Ltd.
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## **Sugi Holdings' Subsidiaries to Acquire Business Units**

Sugi Holdings Co., Ltd., announced today that its subsidiary Sugi Medical Co., Ltd., resolved to establish three subsidiaries to engage in non-clinical testing services, CRO services, and SMO services, respectively. Sugi Medical will also purchase the non-clinical testing services and CRO services business units of Fuji Biomedix Co., Ltd., which has filed for bankruptcy protection under the Civil Rehabilitation Act, and the SMO services business unit of Fuji Clinical Support Co., Ltd., a wholly owned subsidiary of Fuji Biomedix. Sugi Medical will integrate these business units into the newly subsidiaries. Sugi Medical entered into a basic agreement on the deal on November 20, 2008.

### 1. Reason for purchase of business units

Effective September 1, 2008, the Sugi Group took on a holding company structure with Sugi Holdings as parent company. Subsidiary Sugi Medical was established to expand the group's medical business.

Sugi Medical has worked to build corporate value through three key strategies: (1) instituting community-oriented medical care, (2) expanding into new medical businesses, and (3) expanding the scope of pharmacists' roles.

Fuji Biomedix's business has centered on non-clinical testing services, CRO services, and SMO services. On December 1, 2006, it spun off its SMO service unit into a new subsidiary, Fuji Clinical Support, to expand its drug development-related support services. Although Fuji Biomedix has successfully expanded by proactively acquiring business interests, including an anti-aging business unit, solvency problems prompted it to file for bankruptcy protection on October 14, 2008.

Sugi Medical's Board of Directors has resolved to establish three subsidiaries for non-clinical testing services, CRO services, and SMO services, respectively. Sugi Medical will also acquire the

non-clinical testing services and CRO services business units of Fuji Biomedix, which recently filed for bankruptcy protection, and the SMO service unit of Fuji Clinical Support, a wholly owned subsidiary of Fuji Biomedix. Sugi Medical entered into a basic agreement on the deal on November 20, 2008.

The entire Sugi Group will work to support the non-clinical testing services, CRO services, and CMO services businesses while strengthening collaboration with other clinical trial companies and organizations to contribute to drug development in Japan.

## 2. Details of the transactions

### (1) Business units to be purchased

Non-clinical testing services and CRO services business units of Fuji Biomedix and SMO services business unit of Fuji Clinical Support

### (2) Financial results of business units to be purchased (year ended May 31, 2008; in million yen)

	Non-clinical testing services	CRO services	SMO services	Total
Net sales	1,238	1,357	691	3,287
Operating profit	(92)	257	4	169

Note: Business results given above are the results of operations of the business units that Sugi Holdings will purchase that it recognizes as of the date of this press release. The figures correspond to each of the business units as allocated to the three new subsidiaries to be established. The figures are therefore different from the segment results and business results appearing in the annual securities report, financial statements, and other documents issued by Fuji Biomedix.

### (3) Assets and liabilities to be purchased

Sugi Holdings is currently working to accurately ascertain what specific assets and liabilities it will acquire through the transactions and the value of those assets and liabilities.

## 3. Sugi Medical corporate profile

(1) Name	Sugi Medical Co., Ltd.
(2) Business activities	Sales of NHI-covered prescription drugs, home care services, home-visit nursing care services
(3) Established	September 1, 2008
(4) Head office	5-24-10 Higashi Gotanda, Shinagawa-ku, Tokyo
(5) Representative	<b>Keiji Arai, Representative Director &amp; President</b>
(6) Paid-in capital	50 million yen
(7) Major shareholders and percentage holdings	Sugi Holdings Co., Ltd. (100%)

#### 4. Fuji Biomedix and Fuji Clinical Support corporate profiles

Name	Fuji Biomedix Co., Ltd.,	Fuji Clinical Support Co., Ltd.,
(2) Business activities	Non-clinical testing services and CRO services	SMO services
(3) Established	December 20, 1984	December 1, 2006
(4) Head office	2-5-23, Surugadai, Kanda, Chiyoda-ku, Tokyo	2-5-23, Surugadai, Kanda, Chiyoda-ku, Tokyo
(5) Representative	Minoru Iwasaki, Representative Director & President	Takashi Sone, Representative Director & President
(6) Paid-in capital	5,186,030,601 yen	50 million yen
(7) Number of employees	1,557	79
(8) Major shareholders and percentage holdings	Toho Pharmaceutical Co., Ltd. 32.58% MedcJapan Co., Ltd. 8.45% Kato Service 4.36% Vital-Net Inc. 3.14% Kyorin Co., Ltd. 2.31%	Fuji Biomedix 100%
(9) Relationships with Sugi Holdings	Sugi Holdings has no capital, personnel, or business relationships with Fuji Biomedix.	Sugi Holdings has no capital, personnel, or business relationships with Fuji Clinical Support.

#### 5. Timetable

November 20, 2008: Enter into basic agreement

November 28, 2008: Enter into business transfer agreement (date subject to change)

December 16, 2008: Scheduled date of business transfer (date subject to change)

#### 6. Accounting treatment

The purchase of business operations in this transaction will be categorized as an acquisition under the *Accounting Standards for Business Combinations*. Sugi Holdings has not yet determined whether goodwill will arise nor the potential value of such goodwill. This matter will be resolved through discussion with Sugi Holding's accounting auditor.

#### 7. Future outlook

Sugi Holdings is currently examining the impact of the purchase on its full-year business results for the fiscal year ending February 28, 2009. Details will be disclosed as soon as they are finalized.

#### Definition of terms:

##### 1. CRO (Contract Research Organization) services

CRO services refers to the contracting of research organizations by pharmaceutical firms for the development of pharmaceutical products.

Services include consulting on the development of pharmaceutical products, the drafting of clinical

trial plans, monitoring, quality control and assurance, data management, and statistical analysis.

## 2. SMO (Site Management Organization) services

SMO services refers to the contracting of a site-management organization by a specific medical institution. The site-management organization supports clinical trial work at the medical institution by providing support for the duties carried out by doctors and nurses.

## 3. Non-clinical testing services

Non-clinical testing services are used in the research and development of pharmaceutical products and equipment, animal feed additives, pesticides, chemicals, and pharmaceutical products for animal use. A contracted organization conducts animal testing on monkeys, dogs, rabbits, and/or mice to determine the effects and toxicity of compounds, and provides scientific data to evaluate and verify efficacy and safety.