

October 6, 2009

FOR IMMEDIATE RELEASE

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Sugi Holdings Revises Earnings Forecasts

In light of recent trends in operating performance, Sugi Holdings has revised the earnings forecasts it issued when it announced earnings on April 14, 2009. Details follow.

1. Revision of consolidated earnings forecast for the fiscal first half ended August 31, 2009

(March 1 – August 31, 2009)

(millions of yen)

	Net sales	Operating profit	Recurring profit	Net profit	Earning per share	
Previous forecast (A)	145,800	6,600	7,290	3,670	JP¥57.96	
Revised forecast (B)	148,900	6,200	7,100	2,600	JP¥41.06	
Increase (decrease) (B – A)	3,100	(400)	(190)	(1,070)		
Percent increase (decrease)	2.1%	(6.0)%	(2.6)%	(29.2)%		
For reference:	Year-ago results	137,236	6,252	7,060	2,401	JP¥37.92

2. Revision of full-year consolidated earnings forecast for the fiscal year ending February 28, 2010

(March 1, 2009 – February 28, 2010)

(millions of yen)

	Net sales	Operating profit	Recurring profit	Net income	Earning per share	
Previous forecast (A)	292,000	12,550	14,000	7,000	JP¥110.55	
Revised forecast (B)	295,100	10,800	12,900	6,300	JP¥99.50	
Increase (decrease) (B – A)	3,100	(1,750)	(1,100)	(700)		
Percent increase (decrease)	1.1%	(13.9)%	(7.9)%	(10.0)%		
For reference:	Year-ago results	272,197	11,845	13,601	5,374	JP¥84.88

Reason for revision (fiscal first half)

Since the previous earnings forecast was issued on April 14, 2009, four companies have newly become consolidated subsidiaries: Sugi Medical, Sugi Medical Research, Sugi Medical Support, and Sugi Institute of Biological Science.

Additionally, Sugi Holdings' subsidiaries Japan Co., Ltd., and Izuka Yakuhin have begun using the lower-of-cost-or-market method for valuation of inventory assets. As a result, on a consolidated basis Sugi Holdings expects to book a one-time merchandise write-down of 364 million yen.

Sugi Holdings also expects to incur impairment charges of 193 million yen and fixed-asset disposal losses of 117 million yen due to weeding out and consolidation of unprofitable stores.

As a result, Sugi Holdings expects to incur extraordinary losses totaling 899 million yen for the fiscal first half ended August 31, 2009, and revised its earnings forecast for that period as detailed above.

Reason for revision (full year)

Since the previous earnings forecast were issued on April 14, 2009, four companies have newly become consolidated subsidiaries: Sugi Medical, Sugi Medical Research, Sugi Medical Support, and Sugi Institute of Biological Science.

About the prospect of number of new stores and store closings, Sugi Holdings expects to open 80 new stores and to close 18 stores. So the number of stores to close increase 13 than the previous forecast on April 14, 2009. As a result Sugi Holdings revised its full-year earnings forecast as detailed above.