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FOR IMMEDIATE RELEASE

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Sugi Holdings to Book Extraordinary Loss due to Restructuring of Group Asset Holdings

Sugi Holdings announced that it will book an extraordinary loss (details below) due to the restructuring of asset holdings within the Sugi Group during the fiscal fourth quarter (December 1, 2009 – February 28, 2010).

1. Details of extraordinary loss

To more efficiently manage its assets, the Sugi Group is currently consolidating its holdings of land, buildings and other assets within parent company Sugi Holdings Co., Ltd.

Sugi Holdings' subsidiary Japan Co., Ltd., recently decided to sell its holdings of land, buildings and other assets to Sugi Holdings.

As a result, Japan Co. will book an extraordinary loss of 5,432 million yen on the sale of fixed assets.

The assets were valued at fair value when Sugi Holdings gained a controlling interest in Japan Co. Consequently, for the fiscal year ending February 28, 2010, Sugi Holdings expects to book a consolidated extraordinary loss of 1,580 million yen on the sale of fixed assets.

2. Impact of earnings forecast

No changes have been made to earnings forecasts due to the above-mentioned extraordinary losses.

For reference: Sugi Holdings' earnings forecasts for the fiscal year ending February 28, 2010 (issued October 6, 2009) and results for the fiscal year ended February 28, 2009 (millions of yen)

	Net sales	Operating profit	Recurring profit	Net profit
Current forecast (fiscal year ending Feb. 28, 2010)	295,100	10,800	12,900	6,300
Year-ago results (fiscal year ended Feb. 28, 2009)	272,197	11,845	13,601	5,374