

February 16, 2010

FOR IMMEDIATE RELEASE

Company name Sugi Holdings Co., Ltd.

Representative Yukimasa Yoneda
President

Stock code 7649; 1st section, Tokyo Stock Exchange and Nagoya Stock Exchange

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Sugi Holdings Announces Organizational and Personnel Changes

Sugi Holdings Co., Ltd.'s board of directors approved the following organizational and personnel changes when it met on February 15, 2010.

• Objectives

The Sugi Group, with Sugi Pharmacy Co., Ltd. as its core operating company, aims to grow its operations to 1,500 store locations and sales of 500 billion yen in fiscal 2015. Toward this goal, the Sugi Group has decided to make changes to Group companies' management and organizational structures to centralize administration functions at Sugi Holdings. The changes are aimed at achieving the following objectives.

- (1) Strengthen the sales capabilities and clarify the responsibility systems of Group companies, of which Sugi Pharmacy is the core.
- (2) Strengthen Group companies' corporate governance and control functions.
- (3) Reduce Group companies' administrative costs.
- (4) Smooth the Group management process and speed up decision-making.
- (5) Share the Group philosophy through exchanges of personnel and develop candidates for the Group management team.
- (6) Develop and strengthen the Group's human resources and establish a proactive Group culture.

Sugi Holdings will continue striving to ensure that the Sugi Group retains its trusted reputation and lives up to local customers' and patients' expectations as a company that contributes to local medical care.

• Organizational changes (effective March 1, 2010)

1. The Group Internal Audit Unit and Group Internal Control Unit are to be abolished and their functions transferred to the newly established Management Audit Unit.
2. Functions of the Group Management Unit are to be transferred to a newly established Management Unit.
3. A Control Division is to be set up in the Administration Headquarters.
4. The Medical Care Business Development Unit is to be abolished and a Medical Care Business Strategies Headquarters is to be newly established.
5. The Kanto Area Management Headquarters and Group Personnel Strategies Division are to be abolished.
6. A Personnel & General Affairs Headquarters is to be established to oversee the Personnel, General Affairs, and Legal Affairs Divisions.
7. The Group Management & Administration Division is to be abolished and the Accounting Division, Finance Division, and Information Systems Division, which currently report to that Division, will report directly to the President.

8. The Public and Investor Relations Unit is to be split into a Public Relations Unit and an Investor Relations Unit.

9. The word “Group” is to be deleted from department names.

• **Establishment of new councils (effective March 1, 2010)**

1. Group Policy Council

Group Policy Council will set, align and deliberate Group subsidiaries’ policies to improve management efficiency by centralizing Group subsidiaries’ administration functions and Group resources.

2. Group Management Council

Group Management Council will oversee Group subsidiaries’ policies and business performance with the aim of realizing Group visions.

• **Personnel changes (effective March 1, 2010)**

New title	Old title	Name
Director General Manager, Merchandise Headquarters	Director General Manager, Group Merchandise Headquarters	Takao Ohta
Executive Officer General Manager, Store Development Headquarters	Executive Officer General Manager, Group Store Development Headquarters	Yutaka Sato
Executive Officer General Manager, Medical Business Strategies Headquarters	Executive Officer General Manager, Group Medical Care Business Development Division	Keiji Arai
Executive Officer General Manager, Administration Headquarters, Corporate Planning Unit, and Operations Reform Unit	Executive Officer General Manager, Group Administration Headquarters, Internal Control Unit, Corporate Planning Unit, and Operations Reform Unit	Katsunori Sugiura
Executive Officer General Manager, Personnel & General Affairs Division	Executive Officer General Manager, Group Personnel Strategies Division	Hidehiko Tsukada
Executive Officer General Manager, General Affairs Division	Executive Officer General Manager, Group General Affairs Division	Masaaki Hasegawa
Executive Officer in Charge of Sales	Group Sales Planning Division	Naoto Mochizuki
Executive Officer General Manager, Control Division	General Manager Group Management Unit	Junichi Sasa
Executive Officer General Manager, Accounting Division	General Manager, Group Accounting Division	Hiroyuki Okamoto
Executive Officer Deputy General Manager, Medical Care Strategies Headquarters	—	Shinya Sugiura
In Charge of the Information Systems, Accounting, and Finance Divisions	Advisor	Tadashi Masuda

New title	Old title	Name
Deputy General Manager, Merchandise Headquarters	General Manager, Homecare Division	Masao Nakanishi
Deputy General Manager, Store Development Division	Deputy General Manager, Group Development Headquarters	Shigeru Yamagishi
General Manager, Management Unit	Advisor	Tetsuji Kanai
General Manager, Management Audit Unit	Group Internal Audit Unit	Kazuo Ohsugi
General Manager, Investor Relations Unit	General Manager, Public & Investor Relations Unit and Office of the President	Atsushi Niwa
General Manager, Business Strategies Unit Deputy General Manager, Investor Relations Unit	General Manager, Business Strategies Unit Deputy General Manager, Public & Investor Relations Unit	Makoto Kasai
General Manager, Public Relations Unit and Secretaries Unit	Manager, Public Relations Section Secretary, Office of the President	Takuya Nakajima
General Manager, Product Management Division	Deputy General Manager, Operations Reform Unit	Shoutaro Shibata
General Manager, Product Strategies Division	Deputy General Manager, Product Strategies Unit	Yuuji Sakuma
General Manager, Homecare Division	Manager, Homecare Section	Iwao Maeda
General Manager, Personnel Division	—	Tadafumi Iwatsuki
General Manager, Legal Affairs Division	General Manager, Group Legal Affairs Division	Hiroyuki Teranishi
General Manager, Finance Division	General Manager, Group Finance Division	Kazuhiro Aoyama
General Manager, Information Systems Division	General Manager, Group Information Systems Division	Tadashi Kawasaki
General Manager, Customer Service Division	General Manager, Group Customer Service Division	Toshio Nomura