

Company name     **Sugi Holdings Co., Ltd.**  
Representative    Tadashi Masuda, President and Representative Director  
Stock code        7649 1st Section, Tokyo Stock Exchange and Nagoya Stock Exchange  
Contact            Makoto Kasai, General Manager of IR Department  
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### **Notification on Basic Agreement to Be Concluded for Transfer of Subsidiary Shares**

Sugi Holdings Co., Ltd. announced today that it decided to conclude with CMIC Co., Ltd. a basic agreement regarding transferring to CMIC shares of Sugi Institute of Biological Science Co., Ltd., Sugi Medical Research Co., Ltd. and Sugi Medical Support Co., Ltd. (all of these companies are fully owned by Sugi Medical Co., Ltd., a consolidated subsidiary of Sugi Holdings). Sugi Holdings and CMIC also started discussions regarding business collaboration.

#### **1 . Basic Agreement on Share Transfer**

Sugi Holdings Co., Ltd. and its subsidiaries have endeavor to contribute to the well-being of local communities and play a part in community medicine as a family pharmacy, by expanding the business scope to home medical care to home-visit nursing care station businesses. In December 2008, Sugi Institute of Biological Science Co., Ltd., Sugi Medical Research Co., Ltd. and Sugi Medical Support Co., Ltd. were established to enter the field of clinical research business. These subsidiaries have focused on collecting information on drug development and education of pharmacists who play an important part in community medicine.

However, in the recent global movement for restructuring in the pharmaceutical industry, globalization of business and complexity of medical care are accelerating.

Under these circumstances, Sugi Holdings decided today at its board meeting to sell shares of its clinical research subsidiaries to CMIC considering that collaboration with CMIC, the largest clinical research company in Japan, would better serve for the development of the community medicine than pursuing independent business development.

#### **2 .Overview of Subsidiary to Be Transferred (as of April 30, 2011)**

Sugi Institute of Biological Science

- ( 1 ) Name:                         Sugi Institute of Biological Science Co., Ltd.
- ( 2 ) Head office:                 3-7-14 Higashi-Nihonbashi Chuo-ku Tokyo
- ( 3 ) Representative:             Akemi Saito, Representative Director, President
- ( 4 ) Business line:               Non-clinical research
- ( 5 ) Capital:                     100 Million Yen
- ( 6 ) Establishment date:         December 1, 2008
- ( 7 ) Major shareholder and     100% investment, Sugi Medical Co., Ltd.  
shareholding ratio:

#### Sugi Medical Research

- ( 1 ) Name: Sugi Medical Research Co., Ltd.  
( 2 ) Head office: 3-7-14 Higashi-Nihonbashi Chuo-ku Tokyo  
( 3 ) Representative: Tsuyoshi Ikeda, Representative Director, President  
( 4 ) Business line: CRO business  
( 5 ) Capital: 100 Million Yen  
( 6 ) Establishment date: December 1, 2008  
( 7 ) Major shareholder and shareholding ratio: 100% investment, Sugi Medical Co., Ltd.

#### Sugi Medical Support

- ( 1 ) Name: Sugi Medical Support Co., Ltd..  
( 2 ) Head office: 3-7-14 Higashi-Nihonbashi Chuo-ku Tokyo  
( 3 ) Representative: Manabi Ohyama, Representative Director, President  
( 4 ) Business line: SMO business  
( 5 ) Capital: 100 Million Yen  
( 6 ) Establishment date: December 1, 2008  
( 7 ) Major shareholder and shareholding ratio: 100% investment, Sugi Medical Co., Ltd.

### 3 . Overview of Share Transferee ( as of September 30, 2010 )

- ( 1 ) Name: CMIC Co., Ltd.  
( 2 ) Head office: 7-10-4, Nishi-Gotanda, Shinagawa-ku, Tokyo  
( 3 ) Representative: Kazuo Nakamura, Chairman & CEO  
( 4 ) Business line: CRO business, CMO business, CSO business, Health Care Business, Other business  
( 5 ) Capital: 3,087 Million Yen  
( 6 ) Establishment date: March 14, 1985
- |                         |                             |        |
|-------------------------|-----------------------------|--------|
| ( 7 ) Major shareholder | Artemis                     | 35.57% |
| and shareholding        | Kazuo Nakamura              | 10.66% |
| ratio:                  | Japan Trustee Services Bank | 6.08%  |
|                         | Taiyo Pearl Fund LP         | 4.89%  |
|                         | Keith Japan                 | 4.01%  |

### 4 . Number of Shares Scheduled for Transfer; Pre- and Post-Transfer Shareholdings of Sugi Medical

#### Sugi Institute of Biological Science

- ( 1 ) Number of shares held prior to transfer 4,000 shares (100%)  
( 2 ) Number of shares scheduled for transfer 4,000 shares  
( 3 ) Number of shares held after transfer 0 share (0%)

#### Sugi Medical Research

- ( 1 ) Number of shares held prior to transfer 4,000 shares (100%)  
( 2 ) Number of shares scheduled for transfer 4,000 shares  
( 3 ) Number of shares held after transfer 0 share (0%)

Sugi Medical Support

( 1 ) Number of shares held prior to transfer	4,000 shares (100%)
( 2 ) Number of shares scheduled for transfer	4,000 shares
( 3 ) Number of shares held after transfer	0 share (0%)

**5 . Schedule for Share Transfer**

(1) May 31, 2011 (Estimate)	Conclude a share transfer agreement
(2) May 31 , 2011 (Estimate)	Execute the share transfer

**6 . Future Prospect**

We will publish the details of specific impacts on consolidated operational results for the year ending February 2012 promptly as they become definite.