

DATA FILE

1st Half Results

For the Fiscal Year ending February 2009

(March 1, 2008 ~ Feb 28, 2009)

Sugi Pharmacy Co., Ltd. split all of its business activities off into two new companies—**Sugi Pharmacy Co., Ltd.** and **Sugi Medical Co., Ltd.**—and switched to a holding company structure from September 1, 2008.

The parent company is **Sugi Holdings Co., Ltd.** Sugi Pharmacy Co., Ltd., Sugi Medical Co., Ltd., Japan Co., Ltd. and Iizuka Yakuhin Co., Ltd. are subsidiaries at the holding company.

【Note】 In terms of the data regarding Sugi Pharmacy on this data file, the number of 2H and full-term are not the data of new subsidiary (Sugi Pharmacy). For the purpose of comparison, only the number of Sugi Holdings, Sugi Medical and Sugi Pharmacy are listed.

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1. 2010 Vision and Indicators Used as Management Goals

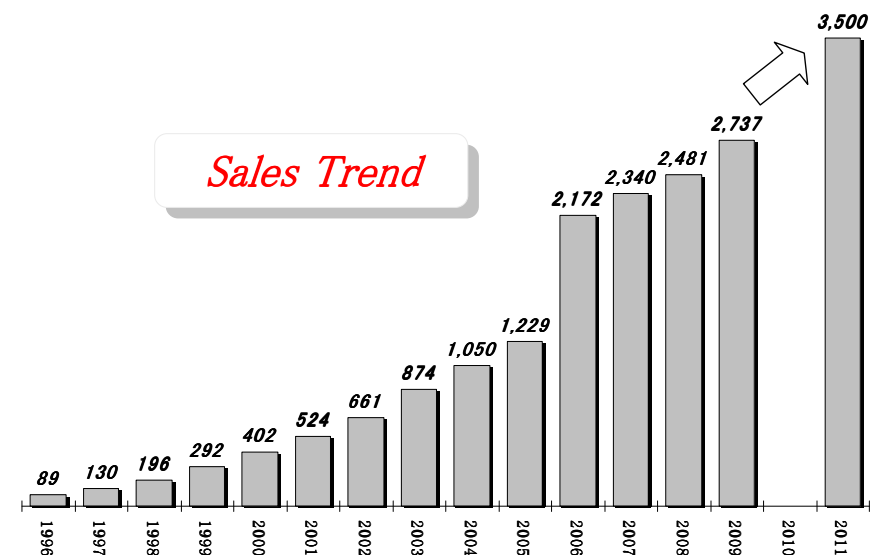
SUGI Pharmacy Co., Ltd. (“the Company”) created a medium- and long-term Vision for 2010 when it was first listed in June 2000.

The 2010 Vision’s targets include 1,000 outlets and total sales of ¥350 billion by FY2010. In order to achieve this vision, the Company will rapidly respond to growth opportunities including M&A as it works to maintain growth momentum.

In addition to expanding the scale of the business and enhanced shareholder value supported by high profitability, the Company is targeting a consolidated ROE (return on equity) of over 10%.

This target is a management indicator for the Group, while the Company’s target is to achieve even higher profitability as a core business of the Group.

	Management Indicator	2/2002	2/2003	2/2004	2/2005	2/2006	2/2007	2/2008
Group	Total No. of Stores (Number)	—	—	—	—	—	510	624
	Consolidated Net Sales (¥m)	—	—	—	—	—	217,229	248,134
	Consolidated ROE (%)	—	—	—	—	—	7.8	11.5



2. Consolidated Balance Sheet Summary

(Unit:¥Million)

	'08/2 1H	'08/2 Full-term	'09/2 1H	Factors
Current assets	73,218	69,039	73,928	
Cash and cash equivalents	38,143	31,468	34,743	
Accounts receivable	3,253	3,357	3,882	Increase in sale from prescription
Inventories	26,333	29,171	30,234	Increase in inventories due to new store opening
Fixed assets	37,979	43,801	43,582	
Tangible fixed assets	22,203	24,580	24,371	Increase in store assets due to new store opening & Loss due to impairment
Land	6,060	6,672	6,641	Loss due to impairment
Intangible fixed assets	3,213	4,229	3,075	Loss due to impairment & normal depreciation
Goodwill	1,380	2,082	985	Loss due to impairment & normal depreciation
Investments and other assets	12,561	14,991	16,135	Increase in guarantee money deposited due to new store opening & Increase in deferred tax assets due to extraordinary loss
Guaranty money deposited	9,713	11,933	12,227	Increase in guarantee money deposited due to new store opening
Total assets	111,197	112,840	117,511	
Current liabilities	44,877	42,756	498,254	
Accounts payable	29,095	27,121	33,254	Increase in accounts payable due to new store opening & Increase in purchase due to seasonal factor
Accrued income tax	3,122	3,915	3,158	Pay back
Short-term borrowings	—	-	-	
Current portion of long-term borrowings	5,000	3,000	-	Pay back
Fixed liabilities	2,962	3,781	3,835	
Long-term borrowings	-	-	-	
Negative Goodwill	736	656	573	Normal depreciation
Total liabilities	47,840	46,538	49,824	
Common stock	15,434	15,434	15,434	
Additional paid-in capital	24,632	24,632	24,632	
Retained earnings	23,289	26,245	27,634	
Treasury stock	-20	-27	-30	
Total shareholder's capital	63,336	66,285	67,671	
Total valuation and translation adjustments	21	16	15	
Minority interests	—	-	-	
Total net assets	63,357	66,091	67,687	
Total liabilities and net assets	111,197	112,840	117,511	

3. Consolidated Income Statement Summary (Fiscal Year ending Feb 2009)

	FY Feb 2008 Consolidated 1H '07/3/1~'07/8/31		FY Feb 2008 Consolidated Full-term '07/3/1~'08/2/28		FY Feb 2009 Consolidated 1H 2008/3/1~2008/8/31		
	¥m	Share %	¥m	Share %	¥m	Share %	YoY Change %
Net sales	119,192	100.0	248,134	100.0	137,236	100.0	115.1
Gross margin	30,237	25.4	62,987	25.4	35,300	25.7	116.7
Selling, General and Administrative expenses	24,104	20.3	52,108	21.0	29,056	21.2	120.5
Operating profit	6,133	5.1	10,879	4.4	6,244	4.6	101.8
Non-operating income	991	0.8	2,360	1.0	1,421	1.0	143.4
Non-operating expenses	393	0.3	1,171	0.5	615	0.4	156.3
Recurring profit	6,730	5.6	12,067	4.9	7,050	5.1	104.7
Extraordinary income	89	0.1	1,477	0.6	11	0.0	12.7
Extraordinary losses	259	0.2	1,153	0.5	2,387	1.7	919.0
Income before income taxes and minority interests	6,560	5.5	12,391	5.0	4,673	3.4	71.2
Income taxes	2,914	2.4	5,535	2.2	2,778	2.0	95.3
Net income	3,646	3.1	6,856	2.8	1,895	1.4	52.0

* Rate is rounding off it.

4. Forecast(Consolidated/Full term) (million)

	FY Feb 2009 Full-term			
	Last announcement		This correction	
		%		%
Sales	273,700	100.0	273,700	100.0
Operating profit	11,800	4.3	11,300	4.1
Recurring profit	13,400	4.9	13,000	4.7
Net income	7,400	2.7	4,600	1.7

5. Number of Stores by City and Region

	FY ended 2/2008				As the end of August 2008			
	Sugi Pharmacy	Japan	Iizuka	Total	Sugi Pharmacy	Japan	Iizuka	Total
Tochigi	—	—	—	—	1	—	—	1 (+ 1)
Gunma	1	1	39	41	2	1	39	42 (+ 1)
Saitama	17	20	47	84	23	20	47	90 (+ 6)
Chiba	3	—	1	4	3	—	1	4 (+ 1) 4 (- 1)
Tokyo	2	4	1	7	3	4	1	8 (+ 1)
Kanagawa	2	—	—	2	4	—	—	4 (+ 2)
Kanto region Sub Total	25	25	88	138	36	25	88	149 (+ 1 2) 149 (- 1)
Gifu	34	—	—	34	34	—	—	34 (—)
Shizuoka	3	—	—	3	6	—	—	6 (+ 3)
Aichi	213	—	—	213	219	—	—	219 (+ 6)
Mie	42	—	—	42	42	—	—	42 (—)
Chubu region Sub Total	292	—	—	292	301	—	—	301 (+ 9)
Shiga	15	3	—	18	18	3	—	21 (+ 3)
Kyoto	10	14	—	24	9	14	—	23 (- 1)
Osaka	29	55	—	84	31	55	—	86 (+ 2)
Hyogo	19	38	—	57	20	37	—	57 (+ 1) 57 (- 1)
Nara	5	6	—	11	5	6	—	11 (—)
Kansai region Sub Total	78	116	—	194	83	115	—	198 (+ 6) 198 (- 2)
Total Stores	395	141	88	624	420	140	88	648 (+ 2 7) 648 (- 3)

6. Store Expansion Plan

Group total		2/2005	2/2006	2/2007	2/2008	2/2009 1H	2/2009 Plan
	No. stores	286	328	510	624	648	692
New stores	+60	43	+54	+40	+27	70	
M & A	—	—	+144	97	—	—	
Closed stores	-1	-1	-16	-23	-3	-10	

7. Capital Expenditures

(Unit:¥Million)

Group total		2005/2	2006/2	2007/2	2008/2	2/2009 1H	2/2009 Plan
	Capital Expenditures	—	—	4,778	3,912	2,609	6,000
Depreciation	—	—	1,899	1,972	1,007	2,075	
Goodwill or Amortization	—	—	395	613	197	574	
Negative Amortization	—	—	—	163	81	163	

Sugi Pharmacy		2005/2	2006/2	2007/2	2008/2	2/2009 1H	2/2009 Plan
Capital Expenditures	4,962	4,128	4,381	4,857	2,414	5,000	
Depreciation	1,057	1,281	1,429	1,551	802	1,695	

<Note> The reason why the number of CAPEX of group total for FY Feb 2008 was smaller than Sugi Pharmacy is that CAPEX of group total was offset due to intra-group transaction.

Amortization of goodwill on consolidated basis from FY Feb 2010 will be decreased 180 million yen per year, due to the one-time depreciation regarding the goodwill produced at Iizuka's acquisition.

Additionally, depreciation on consolidated basis from FY Feb 2010 will be decreased 87 million yen per year, because of the loss due to impairment from fixed assets.

8. Sales Growth

8-1. Annual Sales Growth

(Unit:%)

Group Total		2005/2	2006/2	2007/2	2008/2	2/2009		
						1H result	2H plan	Full-year plan
		All Stores	—	—	+10.6	+14.3	+15.2	+6.8
Existing Stores	—	—	+3.5	+5.8	+4.3	+2.3	+3.0	

S u g i Pharmacy		2005/2	2006/2	2007/2	2008/2	2/2009		
						1H result	2H plan	Full-year plan
		All Stores	+20.2	+17.0	+17.9	+15.9	+12.3	+9.6
Existing Stores	+2.3	+4.5	+6.9	+8.2	+6.1	+2.9	+3.8	

* Existing Stores: Stores that have been open for 13 months or longer

8-2. Semiannual Sales Growth (Unit:%)

Group Total		2005/2	2006/2	2007/2	2008/2	2009/2
		1H	1H	1H	1H	1H
		All Stores	—	—	+9.2	+9.8
Existing Stores	—	—	+2.1	+4.3	+4.3	
Sugi Pharmacy	All Stores	+21.5	+19.6	+16.1	+15.9	+15.2
Existing Stores	+3.2	+5.3	+5.7	+6.6	+6.1	

* Existing Stores: Stores that have been open for 13 months or longer

9. Monthly Sales Growth

9-1. Sales Growth of All Stores

(Unit:%)

Group Total		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total	
		2/08	12.1	10.1	11.1	9.1	7.5	9.2	20.2	17.6	19.8	17.0	19.3	19.0	14.3
		2/09	16.9	13.9	16.6	14.0	16.4	13.6							15.2
Sugi Pharmacy	2/08	18.3	17.0	18.4	15.1	12.9	14.7	15.0	15.2	17.8	15.1	17.4	14.5	15.9	
2/09	15.0	11.4	13.0	11.7	12.3	10.5							12.3		

9-2. Sales Growth of Existing Stores

(Unit:%)

Group Total		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total	
		2/08	5.9	4.3	5.3	3.9	2.3	4.4	8.5	7.2	8.2	5.3	7.3	7.1	5.8
		2/09	7.0	3.3	4.8	2.7	5.2	2.9							4.3
Sugi Pharmacy	2/08	8.0	7.1	8.2	6.0	4.1	6.5	9.8	10.5	11.5	8.6	10.6	7.9	8.2	
2/09	9.5	5.4	6.2	5.4	5.9	4.2							6.1		

* Existing Stores: Stores that have been open for 13 months or longer

10. Growth in Number of Customers per Month

10-1. Growth in Number of Customers -All Stores

(Unit:%)

Group Total		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total	
		2/08	12.6	9.0	9.2	7.8	5.7	7.6	22.4	20.0	21.3	21.0	21.3	20.3	14.7
		2/09	18.3	16.0	18.5	15.0	18.9	12.9							16.6
Sugi Pharmacy	2/08	20.9	16.8	17.2	14.7	12.0	14.0	14.6	13.8	15.5	15.6	16.9	13.7	15.4	
2/09	13.4	9.8	12.2	9.4	11.4	7.0							10.5		

10-2. Growth in Number of Customers -Existing Stores

(Unit:%)

Group Total		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total	
		2/08	5.1	2.3	2.6	1.3	-0.5	1.6	6.0	4.4	4.9	4.1	5.1	4.7	3.4
		2/09	4.2	1.1	2.7	0.1	3.9	-0.9							1.8
Sugi Pharmacy	2/08	7.4	4.4	4.8	2.6	0.7	3.1	7.1	7.0	7.2	6.8	8.1	5.1	5.3	
2/09	6.0	2.4	3.5	1.8	3.6	-0.4							2.8		

* Existing Stores: Stores that have been open for 13 months or longer

11. Growth in Unit Sales per Customer

11-1. Growth in Unit Sales per Customer-All Stores

(Unit:%)

Group Total		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total	
		2/08	-0.4	1.0	1.7	1.3	1.7	1.5	-1.8	-2.0	-1.2	-3.3	-1.7	-1.0	-0.4
		2/09	-1.2	-1.8	-1.6	-0.9	-2.1	0.6							-1.1
Sugi Pharmacy	2/08	-2.2	0.1	1.0	0.4	0.8	0.6	0.4	1.3	2.0	-0.5	0.5	0.8	0.4	
2/09	1.4	1.4	0.7	2.1	0.8	3.3							1.6		

11-2. Growth in Unit Sales per Customer-Existing Stores

(Unit:%)

Group Total		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total	
		2/08	0.8	2.0	2.6	2.6	2.8	2.8	2.4	2.7	3.2	1.1	2.1	2.3	2.3
		2/09	2.8	2.1	2.1	2.6	1.3	3.9							2.4
Sugi Pharmacy	2/08	0.6	2.7	3.2	3.3	3.3	3.2	2.5	3.3	4.1	1.6	2.3	2.6	2.7	
2/09	3.3	2.9	2.5	3.5	2.3	4.6							3.2		

* Existing Stores: Stores that have been open for 13 months or longer

12. Overview of Financial Results

12-1. Overview of Annual Results (Sugi Pharmacy, Non-Consolidated)

	2/2006		2/2007		2/2008		2/2009 (1H result + 2H plan)		
	¥m	Share %	¥m	Share %	¥m	Share %	¥m	Share %	YoY Change %
Sales	122,928	100.0	144,999	100.0	167,976	100.0	186,164	100.0	110.8
Gross margin	35,020	28.5	40,116	27.7	46,518	27.7	52,304	28.1	112.4
Operating profit	5,941	4.8	7,193	5.0	8,951	5.3	9,942	5.3	111.1
Recurring profit	6,549	5.3	7,946	5.5	10,239	6.1	11,768	6.3	114.9
Net Income	3,744	3.0	3,752	2.6	5,813	3.5	5,991	3.2	103.1

* Rate is rounding off it.

12-2. Overview of Semi-Annual Results (Sugi Pharmacy, Non-Consolidated)

	8/2005		8/2006		8/2007		8/2008		
	¥m	Share %	¥m	Share %	¥m	Share %	¥m	Share %	YoY Change %
Sales	61,152	100.0	70,996	100.0	82,281	100.0	92,364	100.0	112.3
Gross margin	17,018	27.8	19,431	27.4	22,782	27.7	26,004	28.2	114.1
Operating profit	3,141	5.1	3,411	4.8	4,721	5.7	5,142	5.6	108.9
Recurring profit	3,524	5.8	3,728	5.2	5,198	6.3	6,068	6.6	116.7
Net Income	2,023	3.3	1,857	2.6	2,933	3.6	2,951	3.2	100.6

* Rate is rounding off it.

12-3. Overview of Quarter Results (Sugi Pharmacy, Non-Consolidated)

	2008/2 1Q '07/3~'07/5		2008/2 2Q '07/6~'07/8		2009/2 1Q 2008/3~2008/5			2009/2 2Q 2008/6~2008/8		
	¥m	Share %	¥m	Share %	¥m	Share %	YoY Change %	¥m	Share %	YoY Change %
Sales	39,723	100.0	42,557	100.0	44,907	100.0%	113.0%	47,457	100.0	111.5
Gross margin	11,128	28.0	11,653	27.4	12,762	28.4%	114.7%	13,241	27.9	113.6
Operating profit	2,180	5.5	2,541	6.0	2,403	5.4%	110.3%	2,737	5.8	107.8
Recurring profit	2,426	6.1	2,772	6.5	3,038	6.8%	125.2%	3,030	6.4	109.3
Net Income	1,379	3.5	1,553	3.7	1,809	4.0%	131.2%	1,141	2.4	73.5

* Rate is rounding off it.

13. Sales by Segment (Sugi Pharmacy, Non-Consolidated)

13-1. Annual Sales by Segment (Sugi Pharmacy, Non-Consolidated)

	2/2006		2/2007		2/2008			2/2007 Gross Margin %	2/2008 Gross Margin %
	¥m	Share %	¥m	Share %	¥m	Share %	YoY Change %		
Prescription	9,974	8.1	11,925	8.2	14,602	8.7	122.4	30.2	31.2
Healthcare	37,802	30.8	42,098	29.1	47,291	28.2	112.3	36.6	36.8
Beauty Care	32,278	26.3	42,799	29.5	49,850	29.7	116.5	26.5	26.8
H&BC Sub total	80,054	65.1	96,823	66.8	111,744	66.5	115.4	31.3	31.6
Home Care	24,246	19.7	26,285	18.1	31,203	18.6	118.7	23.9	23.4
Baby Care	6,363	5.2	7,106	4.9	7,971	4.7	112.2	10.7	10.0
Others	12,264	10.0	14,782	10.2	17,056	10.2	115.4	18.5	18.2
Total	122,928	100.0	144,999	100.0	167,976	100.0	115.8	27.7	27.7

* Rate is rounding off it.

13-2. Semi-Annual Sales by Segment (Sugi Pharmacy, Non-Consolidated)

	8/2006		8/2007		8/2008			8/2007 Gross Margin %	8/2008 Gross Margin %
	¥m	Share %	¥m	Share %	¥m	Share %	YoY Change %		
Prescription	5,652	8.0	7,003	8.5	8,281	9.0	118.2	30.7%	31.0%
Healthcare	20,337	28.6	22,948	27.9	25,073	27.1	109.3	36.5%	37.7%
Beauty Care	20,994	29.6	24,604	29.9	27,729	30.0	112.7	27.1%	27.4%
H&BC Sub total	46,983	66.2	54,556	66.3	61,084	66.1	112.0	31.5%	32.1%
Home Care	13,114	18.5	15,443	18.8	17,284	18.7	111.9	23.8%	23.1%
Baby Care	3,478	4.9	3,868	4.7	4,260	4.6	110.1	10.2%	10.3%
Others	7,418	10.4	8,412	10.2	9,735	10.5	115.7	17.9%	20.0%
Total	70,996	100.0	82,281	100.0	92,364	100.0	112.3	27.7%	28.2%

* Rate is rounding off it.

14. Sales, General and Administrative Expenses (SUGI Pharmacy, Non-Consolidated)

	082007 1H		2/2008 Full-term		05/2008 1 H		
	¥m	Share %	¥m	Share %	¥m	Share %	YoY Change %
Personnel expense	8,881	10.8%	18,177	10.8%	10,501	11.4%	118.3%
Advertising expense	1,394	1.7%	2,888	1.7%	1,529	1.7%	109.7%
Selling expenses	1,572	1.9%	3,780	2.3%	2,028	2.2%	129.0%
Rent expenses	3,538	4.3%	7,286	4.3%	3,782	4.1%	106.9%
Depreciation and amortization	730	0.9%	1,551	0.9%	802	0.9%	109.8%
Public utility charges	733	0.9%	1,491	0.9%	859	0.9%	117.2%
Supplies expenses	425	0.5%	874	0.5%	471	0.5%	110.8%
Income taxes	549	0.7%	1,127	0.7%	609	0.7%	111.1%
Commission paid	493	0.6%	1,027	0.6%	590	0.6%	119.6%
Other administrative expenses	7,607	9.2%	15,607	9.3%	8,331	9.0%	109.5%
Total selling, general and administrative expenses	18,061	22.0%	37,566	22.4%	20,861	22.6%	115.5%

* Rate is rounding off it.

15. Number of Employees (SUGI Pharmacy, Non-Consolidated)

	2/2004	2/2005	2/2006	2/2007	2/2008	8/2008
Regular Employees (End of Period)	1,103	1,418	1,673	1,777	2,112	2,507
Part-Timers (Eight Hour Equivalent)	1,735	1,936	2,213	2,239	2,772	2,726
Part-Timer Ratio (%)	61.1	57.7	59.6	55.8	56.8	52.1

16. Number of Stores and Sales Area (SUGI Pharmacy, Non-Consolidated)

	2/2004	2/2005	2/2006	2/2007	2/2008	8/2008
Number of stores	227	286	328	368	395	420
End of period sales area (m ²)	127,050	161,332	183,933	207,155	223,466	238,435
Average sales area during the period (m ²)	108,512	142,087	172,138	196,010	214,761	230,515

* Sales ratio is rounded off.

17. Overview of Financial Results (Japan, Non-Consolidated)

	2/2007		2/2008		2/2009 (1H result + 2H plan)		8/2007 1H		8/2008 1H		
	¥m	Share %	¥m	Share %	¥m	Share %	¥m	Share %	¥m	Share %	YoY Change %
Sales	72,143	100	71,657	100	71,479	100	36,851	100	36,797	100	99.9
Gross margin	14,548	20.2	14,554	20.3	14,794	20.7	7,383	20.0	7,581	20.6	102.7
Operating profit	2,312	3.2	2,720	3.8	2,920	4.1	1,491	4.0	1,714	4.7	115.0
Recurring profit	2,675	3.8	3,158	4.4	3,247	4.5	1,719	4.7	1,891	5.1	110.0

*Rate is rounding off it.

18. Sales Value by Segment (Japan, Non-Consolidated)

	8/2007 1H		2/2008		8/2008 1H	
	¥m	Share%	¥m	Share%	¥m	Share%
Food	20,619	56.0	40,321	56.3	21,449	58.3
Daily Necessities	9,819	26.6	19,290	26.9	9,944	27.0
Sports, Leisure Products	3,609	9.8	6,515	9.1	3,155	8.6
Electric Home Appliances	1,475	4.0	2,950	4.1	1,066	2.9
DIY Goods	528	1.4	1,044	1.5	508	1.4
Tickets	—	—	—	—	—	—
Others	800	2.2	1,534	2.1	672	1.8
Total	36,851	100.0	71,657	100.0	36,797	100.0

* Rate is rounding off it.

19. Number of Employees (Japan, Non-Consolidated)

	8/2005	2/2007	2/2008	8/2008
Regular Employees (End of Period)	667	686	658	652
Part-Timers (Eight Hour Equivalent)	1,172	1,113	1,124	1,218
Part-Timer Ratio (%)	63.7	61.9	63.1	65.1

* Figures with asterisk are adjusted.

20. Number of Stores and Sales Area (Japan, Non-Consolidated)

	8/2005	2/2006	2/2007	2/2008	8/2008 1H
Number of stores	141	144	142	141	140
End of period sales area (m ²)	84,847	87,308	86,259	85,689	85,101
Average sales area during the period (m ²)	84,842	86,077	86,784	85,974	85,395
Capital Expenditures(¥m)	179	306	397	430	164
Depreciation(¥m)	528	463	469	482	189

21. Overview of Financial Results (Iizuka Yakuhin, Non-Consolidated)

(Millions)	2/2008 (6 months)		2/2009 1H		2009/2 Plan 1H results + 2H plan	
	¥m	Share %	¥m	Share %	¥m	Share %
Sales	8,422	100.0	8,091	100.0	16,034	100.0
Gross margin	1,801	21.4	1,712	21.2	3,393	21.2
Operating profit	-408	-4.8	-429	-5.3	-856	-5.3
Recurring profit	-559	-6.6	-403	-5.0	-827	-5.2

*Rate is rounding off it.

22. Sales Value by Segment (Iizuka Yakuhin, Non-Consolidated)

(Millions)	2/2008 (6 months)		2/2009 1H	
	¥m	Share %	¥m	Share %
Healthcare	2,217	26.3	2,198	27.2
Beauty Care	1,280	15.2	1,342	16.6
In-home Care	1,161	13.8	1,200	14.8
Foods etc	3,762	44.7	3,352	41.4
Total	8,422	100.0	8,091	100.0

*Rate is rounding off it.

23. Number of Employees (Iizuka Yakuhin, Non-Consolidated)

	2/2008	8/2008
Regular Employees (End of Period)	190	174
Part-Timers (Eight Hour Equivalent)	293	444
Part-Timer Ratio (%)	60.0	71.8

*Rate is rounding off it.

24. Number of Stores and Sales Area (Iizuka Yakuhin, Non-Consolidated)

	2/2008	1H 8/2008
Number of stores	88	88
New Stores	0	0
Closed	-9	0
End of period sales area (m ²)	49,174	49,174
Average sales area during the period (m ²)	49,174	49,174
Capital Expenditures	40	29
Depreciation	89	-31

25. History

December	1976	SUGI Pharmacy is founded in Shimomachi, Nishio City, Aichi Prefecture to sell pharmaceutical, health-care, cosmetics and daily necessity products as well as provide prescription drug preparation.
March	1982	SUGI Pharmacy Co., Ltd. is established.
July	1991	POS (computerized point-of-sale information management systems) are introduced in all stores to rationalize sales operations.
December	1996	A "Multi-store Concentrated Customer Management System" (the current TV conference system) is introduced.
January	1997	Headquarters offices are moved to 33-5 Futatsuike, Nihongi-cho, Anjo City, Aichi Prefecture.
July	1998	The Nisshin Distribution Center starts operations in Nisshin City, Aichi Prefecture.
September		The 74th store (Nagashima Store) is opened as the first store in Mie Prefecture.
January	2000	Business and capital alliances are signed with JUSCO Co., Ltd. (current AEON Co., Ltd.) and TSURUHA Co., Ltd.
June		Listed on the NASDAQ JAPAN market (subsequently delisted in March 2003)
July		The 93rd store (the Kakamigahara store) is opened as the first store in Gifu Prefecture.
September		SUGI Point Cards (customer management system) are introduced in all stores.
October		The 100th store (the Suzuka store) is opened.
August	2001	Listed on the first section of the Tokyo Stock Exchange (TSE) and the first section of the Nagoya Stock Exchange (NSE)
October		The Pharmacy Training Center-Pharmacy Information Center is established (currently Pharmacy Training Center, Nagoya School)
January	2002	Home medical care activities are initiated, such as home medical treatment management guidance under nursing insurance.
September		The 155th store (the Seta store) is opened as the first store in Shiga Prefecture.
October		The 156th store (the Shijokawara-cho store) is opened as the first store in Kyoto Prefecture.
July	2003	The 200th store (the Bisai Sanjo store) is opened.
November		Clean rooms are installed in stores in order to respond to medical practice regarding terminal care, such as TPN (Total Parenteral Nutrition). Medical practice regarding terminal care is started.
November		The 219th store (the Tenri store) is opened as the first store in Nara Prefecture.
February	2004	The pharmacy Training Center, Kyoto School is opened.
February		The 234th store (the BELLFA store) is opened as the first store in Osaka Prefecture.
June		The 248th store (the Hanshin Amagasaki store) is opened as the first store in Hyogo Prefecture.
October		Comprehensive business alliance agreement is signed with Japan Co., Ltd.
January	2005	Received the FY2004 (the Third) Expansion of Individual Investors award.
April		The 300th store (the Hayashiji store) is opened.
July		The SUGI Pharmacy Logistics Center (SLC Chubu) start full-scale operations in Kasugai City, Aichi Prefecture.
September		Fee-based nursing home services are initiated, with an emphasis on home medical care such as bedside medication assistance for patients.
October		Headquarters is moved to 30-10 Futatsuike, Nihongi-cho, Anjo City, Aichi Prefecture in order to expand headquarters functionality.
October		Credit functionality is added to the SUGI Point Card, and the SUGI Card is born.
December		50.1% of the outstanding shares of Japan Co., Ltd. are acquired and the company is converted to a consolidated subsidiary.
March	2006	A new "S-PLUS" store with strengthened cosmetics merchandising is opened in 3-33-8 Osu, Naka-ku, Nagoya City.
March		Business and capital alliance with AEON Co., Ltd. is dissolved.
April		In-house development is completed for the SIPS (SIPS: SUGI Infinity Possibility System), an

		integrated pharmaceutical dispensation system to cope with a horizontal division of labor and electronic prescriptions, and is put into operation in all stores.
June		The Pharmacy Training Center, Tokyo School is opened (in Shinagawa-ku, Tokyo).
August		The 359th store (the Wako store) is opened as the first store in Saitama Prefecture.
September		11 stores of Nihon Apoch in the type of preparation establishing as an annex drugstore are inherited.
September		The 362th store (the Pare Marche Hamamatsu store) is opened as the first store in Shizuoka Prefecture.
September		The 371th store (the Noda Tsutsumino store) is opened as the first store in Chiba Prefecture.
October		The 378th store (the Machiya store) is opened as the first store in Tokyo Prefecture
March	2007	Acquired Japan Co., Ltd., by the way of a share exchange (wholly owned subsidiary).
March		The 394th store (the Ryugasaki store) is opened as the first store in Ibaragi Prefecture.
April		The 396th store (the Ota Komaki store) is opened as the first store in Gunma Prefecture.
May		The 400th store (the Kamiaoki store) is opened.
September		Acquired Iizuka Yakuhin Co., Ltd.
November		The 422nd store (the Taira store) is opened as the first store in Kanagawa Prefecture.
March	2008	The store brand "Iizuka Yakuhin" is changed into "Drug Sugi".
March		The 431th store (the Oyama-nishijonan store) is opened as the first store in Tochigi Prefecture.
September		Sugi Pharmacy splits its business to take on a holding company structure and changes its company name to Sugi Holdings. Sugi Pharmacy was split all of its business activities off into two new companies: Sugi Pharmacy and Sugi Medical

26.Profile : SUGI Pharmacy

Corporate Name :	SUGI Pharmacy Co., Ltd.
Headquarters :	1-8-4 Mikawaanjo-cho, Anjo City, Aichi, 446-0054, Japan
Founded :	December, 1976
Established :	March, 1982
Paid-in Capital :	¥15,434.588 million (As of the end of February, 2008)
Shares Outstanding :	63,330,838 shares (As of the end of February, 2008)
Securities Code :	7649 TSE 1, NSE 1

27.Board of Directors

Representative Director & President	Hirokazu Sugiura
Representative Director & Senior Vice President..	Akiko Sugiura
Managing Director.	Eiichi Sakakibara
Outside Director.	Noriyuki Watanabe
Outside Director	Chihiro Okada
Corporate Auditor	Shigeo Asano
Corporate Auditor	Osamu Nishikawa
Corporate Auditor	Fujihiro Okumura
Corporate Auditor	Yosiyuki Tsujimura

Managing Executive Officer responsible for Group Accounting and General Affairs Unit.	Tetsuji Kanai
Executive Officer responsible for Group Store Development Unit.	Yutaka Satou
Executive Officer responsible for Medical Care Business Strategies Unit.	Keiji Arai
Executive Officer responsible for Kanto Area Sales Unit.	Kyouzou Koyama
Executive Officer responsible for Group Finance and Information Systems Unit.	Hirohisa Yamaguchi
Executive Officer responsible for Group Product Strategies Unit.	Takao Ohta
Executive Officer responsible for Japan Co. Unit.	Hiroyuki Ikeda
Executive Officer responsible for Group Internal Control Division.	Katsunori Sugiura

28.notice

The forward-looking statements regarding business and other forecasts are SUGI Pharmacy management's decisions based on information currently available at the time the report was created, and contain risks and uncertainties. We recommend that readers do not base their decisions solely on these forecasts, and readers are reminded that actual results may differ materially from these forecasts due to various circumstances beyond management's control.

29.IR Contacts

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We're releasing a Monthly Business News Flash on every 10th of the month and financial statements as well as Data Files on every quarter. We're pleased if you could ask us any inquiries regarding above mentioned releases in English by using telephone.

Additional we recommend investors to utilize e-mail, when you have urgent inquiries, because of the time differences.