

To Investors

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### **Feb. 2008 Monthly Business News Flash**

Group		Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total
		All Stores	Sales	<b>112.1</b>	<b>110.1</b>	<b>111.1</b>	<b>109.1</b>	<b>107.5</b>	<b>109.2</b>	<b>120.2</b>	<b>117.6</b>	<b>119.8</b>	<b>117.0</b>	<b>119.3</b>
Number of Customers	112.6		109.0	109.2	107.8	105.7	107.6	122.4	120.0	121.3	121.0	121.3	120.3	114.7
Sales per Customers	99.6		101.0	101.7	101.3	101.7	101.5	98.2	98.0	98.8	96.7	98.3	99.0	99.6
Existing Stores	Sales	<b>105.9</b>	<b>104.3</b>	<b>105.3</b>	<b>103.9</b>	<b>102.3</b>	<b>104.4</b>	<b>108.5</b>	<b>107.2</b>	<b>108.2</b>	<b>105.3</b>	<b>107.3</b>	<b>107.1</b>	<b>105.8</b>
	Number of Customers	105.1	102.3	102.6	101.3	99.5	101.6	106.0	104.4	104.9	104.1	105.1	104.7	103.4
	Sales per Customers	100.8	102.0	102.6	102.6	102.8	102.8	102.4	102.7	103.2	101.1	102.1	102.3	102.3

Sugi Pharmacy		Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total
		All Stores	Sales	<b>118.3</b>	<b>117.0</b>	<b>118.4</b>	<b>115.1</b>	<b>112.9</b>	<b>114.7</b>	<b>115.0</b>	<b>115.2</b>	<b>117.8</b>	<b>115.1</b>	<b>117.4</b>
Number of Customers	120.9		116.8	117.2	114.7	112.0	114.0	114.6	113.8	115.5	115.6	116.9	113.7	115.4
Sales per Customers	97.8		100.1	101.0	100.4	100.8	100.6	100.4	101.3	102.0	99.5	100.5	100.8	100.4
Existing Stores	Sales	<b>108.0</b>	<b>107.1</b>	<b>108.2</b>	<b>106.0</b>	<b>104.1</b>	<b>106.5</b>	<b>109.8</b>	<b>110.5</b>	<b>111.5</b>	<b>108.6</b>	<b>110.6</b>	<b>107.9</b>	<b>108.2</b>
	Number of Customers	107.4	104.4	104.8	102.6	100.7	103.1	107.1	107.0	107.2	106.8	108.1	105.1	105.3
	Sales per Customers	100.6	102.7	103.2	103.3	103.3	103.2	102.5	103.3	104.1	101.6	102.3	102.6	102.7

Notes:

- The above figures are based on the Sugi Pharmacy Group ' s sales reports. Actually realized results may differ from sales report figures.
- “ Existing stores ” refers to those stores for which 13 months or more have passed since they were first opened.
- Figures from monthly sales reports for Iizuka Yakuhin Co., Ltd. which became a subsidiary on September 3, 2007, are included in group totals for all stores from September 2007. Figures for Iizuka Yakuhin will, therefore, be included in group totals for existing stores from October 2008.

<Summary; February 2008>

Existing-store sales in Sugi pharmacy (Non-consolidated) increased +7.9 % for the month, due to solid growth in prescription fillings. Existing store sales in group total increased +7.1% because Japan Co. exhibited the existing store sales of 100% and over.

<Summary; Full-term, FY ending Feb 2008>

The number of stores at the end of February 2008 was 624, which increased 114 stores compared with at the end of February 2007. The number of stores opened was 137, including 97 stores acquired by M&A. The number of stores closed was 23, including 9 stores that belonged to Iizuka Yakuhin. Aggressive M&A contributed to the increased number of stores, although the revised Building Standards Act led to the delay of the schedule and decreased the number of stores opened.

In terms of existing-store sales, Sugi pharmacy (Non-consolidated) exhibited +8.2% growth, supported by the growth in sales from prescription fillings and cosmetics. The planned existing-store sales at the beginning of FY was +2.3% and revised existing-store sales in January was +6.9%. Additionally, existing-store sales in Japan Co. exhibited greater than 100%.

As a result, existing-store sales in group total increased +5.8%, compared with the initial plan of +1.8% and the revised plan of +4.9%

• **New Stores**

Date	Store Name		Location	Sales Area
Feb 14	Sugi Pharmacy	Toyota-Takasaki	Toyota-city, Aichi	560.01 m <sup>2</sup>
Feb 21	Sugi Pharmacy	Suidosuji	Kobe-city, Hyogo	310.77 m <sup>2</sup>

• **Closed Stores**

Date	Store Name		Location	Sales Area
Feb 24	Sugi Pharmacy	Ryugasaki	Ryugasaki-city, Ibaragi	560.21 m <sup>2</sup>

【Number of Stores by City and Region】

		FY ended Feb 2007			End of Feb 2008			
		Sugi Pharmacy	Japan	Total	Sugi Pharmacy	Japan	Iizuka Yakuhin	Total
	Ibaragi	-	-	-	-	-	-	- ( + 1 ) - ( - 1 )
	Gunma	-	1	1	1	1	39	41 ( + 4 5 ) - ( - 5 )
	Saitama	11	21	32	17	20	47	84 ( + 5 7 ) - ( - 5 )
	Chiba	2	-	2	3	-	1	4 ( + 2 )
	Tokyo	1	4	5	2	4	1	7 ( + 2 )
	Kanagawa	-	-	-	2	-	-	2 ( + 2 )
	Kanto region Sub Total	14	26	40	25	25	88	138 ( + 1 0 9 ) - ( - 1 1 )
	Gifu	35	-	35	34	-	-	34 ( + 1 ) - ( - 2 )
	Shizuoka	1	-	1	3	-	-	3 ( + 2 )
	Aichi	214	-	214	213	-	-	213 ( + 6 ) - ( - 7 )
	Mie	40	-	40	42	-	-	42 ( + 3 ) - ( - 1 )
	Chubu region Sub Total	290	-	290	292	-	-	292 ( + 1 2 ) - ( - 1 0 )
	Shiga	16	2	18	15	3	-	18 ( + 1 ) - ( - 1 )
	Kyoto	9	14	23	10	14	-	24 ( + 1 )
	Osaka	25	56	81	29	55	-	84 ( + 4 ) - ( - 1 )
	Hyogo	10	38	48	19	38	-	57 ( + 9 )
	Nara	4	6	10	5	6	-	11 ( + 1 )
	Kansai region Sub Total	64	116	180	78	116	-	194 ( + 1 6 ) - ( - 2 )
	Total Stores	368	142	510	395	141	88	624 ( + 1 3 7 ) - ( - 2 3 )

( ) shows number of stores opened / closed in period on Feb 2008.