

To Investors

Company name : **Sugi Pharmacy Co., Ltd.**  
 Representative : Hirokazu Sugiura, President  
 (Stock code : 7649, TSE 1, NSE 1)  
 Contact e-mail : ir-info@drug-sugi.co.jp  
 Contact phone : +81 566 73 6308

### July. 2008 Monthly Business News Flash

| Group               | FY 2/2009       |                     | Mar.         | Apr.         | May.         | Jun.         | Jul.         | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Total |  |
|---------------------|-----------------|---------------------|--------------|--------------|--------------|--------------|--------------|------|------|------|------|------|------|------|-------|--|
|                     | All Stores      | Sales               | <b>116.9</b> | <b>113.9</b> | <b>116.6</b> | <b>114.0</b> | <b>116.4</b> |      |      |      |      |      |      |      |       |  |
|                     |                 | Number of Customers | 118.3        | 116.0        | 118.5        | 115.0        | 118.9        |      |      |      |      |      |      |      |       |  |
|                     |                 | Sales per Customers | 98.8         | 98.2         | 98.4         | 99.1         | 97.9         |      |      |      |      |      |      |      |       |  |
|                     | Existing Stores | Sales               | <b>107.0</b> | <b>103.3</b> | <b>104.8</b> | <b>102.7</b> | <b>105.2</b> |      |      |      |      |      |      |      |       |  |
|                     |                 | Number of Customers | 104.2        | 101.1        | 102.7        | 100.1        | 103.9        |      |      |      |      |      |      |      |       |  |
| Sales per Customers |                 | 102.8               | 102.1        | 102.1        | 102.6        | 101.3        |              |      |      |      |      |      |      |      |       |  |

| Sugi Pharmacy       | FY 2/2009       |                     | Mar.         | Apr.         | May.         | Jun.         | Jul.         | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Total |  |
|---------------------|-----------------|---------------------|--------------|--------------|--------------|--------------|--------------|------|------|------|------|------|------|------|-------|--|
|                     | All Stores      | Sales               | <b>115.0</b> | <b>111.4</b> | <b>113.0</b> | <b>111.7</b> | <b>112.3</b> |      |      |      |      |      |      |      |       |  |
|                     |                 | Number of Customers | 113.4        | 109.8        | 112.2        | 109.4        | 111.4        |      |      |      |      |      |      |      |       |  |
|                     |                 | Sales per Customers | 101.4        | 101.4        | 100.7        | 102.1        | 100.8        |      |      |      |      |      |      |      |       |  |
|                     | Existing Stores | Sales               | <b>109.5</b> | <b>105.4</b> | <b>106.2</b> | <b>105.4</b> | <b>105.9</b> |      |      |      |      |      |      |      |       |  |
|                     |                 | Number of Customers | 106.0        | 102.4        | 103.5        | 101.8        | 103.6        |      |      |      |      |      |      |      |       |  |
| Sales per Customers |                 | 103.3               | 102.9        | 102.5        | 103.5        | 102.3        |              |      |      |      |      |      |      |      |       |  |

| Group               | FY 2/2008       |                     | 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> | <b>119.0</b> | <b>114.3</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       | FY 2/2008       |                     | 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> | <b>114.5</b> | <b>115.9</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.

### <Guidance on July>

The existing store sales of Sugi Pharmacy was +5.9%, due to early end of rainy season as well as according steady sales of summer season products, such as antiperspirant, sunscreen and dermatologic agent (Insect bite reliever, Heat rash), although the number of Sunday was one day less than the last year.

#### Existing store sales

|                           |               |
|---------------------------|---------------|
| <b>Antiperspirant</b>     | <b>+37.3%</b> |
| <b>Sunscreen</b>          | <b>+65.2%</b> |
| <b>Dermatologic agent</b> | <b>+20.2%</b> |

Japan Co, surrounded by the same environment, recorded +3.6% of existing store sales growth.

As a result, existing store sales of the group total were +5.2%.

#### • New Stores

| Date    | Store Name                        | Location           | Sales Area            |
|---------|-----------------------------------|--------------------|-----------------------|
| July 03 | Sugi Pharmacy Tokorozawa Ushinuma | Tokorozawa Saitama | 601.45 m <sup>2</sup> |
| July 11 | Sugi Pharmacy Kamiokada           | Iwata Shizuoka     | 482.36 m <sup>2</sup> |
| July 17 | Sugi Pharmacy Kawagoe Arajyuku    | Kawagoe Saitama    | 537.03 m <sup>2</sup> |
| July 24 | Sugi Pharmacy Seto Nishiyama      | Seto Aichi         | 830.87 m <sup>2</sup> |
| July 24 | Sugi Pharmacy Motoyama Minami     | Kobe Hyogo         | 590.07 m <sup>2</sup> |
| July 31 | Sugi Pharmacy Imaike Higashi      | Nagoya Aichi       | 530.69 m <sup>2</sup> |
| July 31 | Sugi Pharmacy Ajiyoshi            | Kasugai Aichi      | 662.49 m <sup>2</sup> |

#### • Closed Stores

| Date    | Store Name             | Location    | Sales Area            |
|---------|------------------------|-------------|-----------------------|
| July 13 | Sugi Pharmacy Kamatori | Chiba Chiba | 628.45 m <sup>2</sup> |

【Number of Stores by City and Region】

|                         |          | FY ended Feb 2008 |       |                |       | End of July 2008 |       |                |                         |
|-------------------------|----------|-------------------|-------|----------------|-------|------------------|-------|----------------|-------------------------|
|                         |          | Sugi Pharmacy     | Japan | Iizuka Yakuhin | Total | Sugi Pharmacy    | Japan | Iizuka Yakuhin | Total                   |
| Kanto region            | Tochigi  | —                 | —     | —              | —     | 1                | —     | —              | 1 ( + 1 )               |
|                         | Gunma    | 1                 | 1     | 39             | 41    | 1                | 1     | 39             | 41                      |
|                         | Saitama  | 17                | 20    | 47             | 84    | 21               | 20    | 47             | 88 ( + 4 )              |
|                         | Chiba    | 3                 | —     | 1              | 4     | 3                | —     | 1              | 4 ( + 1 )<br>( - 1 )    |
|                         | Tokyo    | 2                 | 4     | 1              | 7     | 3                | 4     | 1              | 8 ( + 1 )               |
|                         | Kanagawa | 2                 | —     | —              | 2     | 3                | —     | —              | 3 ( + 1 )               |
| Kanto region Sub Total  |          | 25                | 25    | 88             | 138   | 32               | 25    | 88             | 145 ( + 8 )<br>( - 1 )  |
| Chubu region            | 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 )             |
| Kansai region           | Shiga    | 15                | 3     | —              | 18    | 18               | 3     | —              | 21 ( + 3 )              |
|                         | Kyoto    | 10                | 14    | —              | 24    | 10               | 14    | —              | 24                      |
|                         | Osaka    | 29                | 55    | —              | 84    | 31               | 55    | —              | 86 ( + 2 )              |
|                         | Hyogo    | 19                | 38    | —              | 57    | 20               | 37    | —              | 57 ( + 1 )<br>( - 1 )   |
|                         | Nara     | 5                 | 6     | —              | 11    | 5                | 6     | —              | 11                      |
| Kansai region Sub Total |          | 78                | 116   | —              | 194   | 84               | 115   | —              | 199 ( + 6 )<br>( - 1 )  |
| Total Stores            |          | 395               | 141   | 88             | 624   | 417              | 140   | 88             | 645 ( + 23 )<br>( - 2 ) |

( ) shows number of stores opened / closed in period on Feb 2009.