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FOR IMMEDIATE RELEASE

Company name Sugi Holdings Co., Ltd.

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Notification on posting of extraordinary income (gain on extinguishment of tie-in shares) on a non-consolidated basis

As announced in “Notification on the decision of organizational restructuring in Sugi group” on September 18, 2012, the Company merged with Japan Co., Ltd., a consolidated subsidiary of the Company, with effective on March 1, 2013.

Consequently, the Company will post extraordinary income (gain on extinguishment of tie-in shares) on a non-consolidated basis. The details are as follows:

1. Background

The Company will post the difference between the amount of net assets received from Japan Co., Ltd. in the merger and book value of the shares in Japan Co., Ltd. owned by the Company as gain on extinguishment of tie-in shares in extraordinary income.

2. Impact on the Company’s consolidated earnings

The Company will post gain on extinguishment of tie-in shares of 5,534 million yen as extraordinary income for the fiscal year ending February 28, 2014 on a non-consolidated basis. Since Japan Co., Ltd. was a wholly owned subsidiary of the Company, there will be no impact on the Company’s consolidated earnings.