

December 26, 2023

To Whom It May Concern:

Company name: SUGI Holdings Co., Ltd.

Representative: Katsunori Sugiura, Representative Director and President
(Code number: 7649, TSE Prime / NSE Premier)

Inquiries: Makoto Kasai, General Manager, Business Planning Department
(TEL: +81-562-45-2744)

Notice Regarding the Conversion of NIHONDO Co., Ltd. into a Subsidiary

SUGI Holdings Co., Ltd. hereby announces that it has decided to convert NIHONDO Co., Ltd. (hereinafter, “NIHONDO”) into a wholly owned subsidiary of SUGI Holdings Co., Ltd. as of December 27, 2023.

■ Reasons for Conversion into a Subsidiary

Operating more than 1,600 stores in the Kanto, Chubu, Kansai and Hokuriku areas, the SUGI Pharmacy Group (hereinafter, the “Group”) boasts approximately 4,000 pharmacists and approximately 500 nationally certified dietitians. Taking advantage of its position as an operator of prescription-dispensing drugstores featuring such staff, the Group is proceeding with its Total Healthcare Strategy, which is designed to support local residents’ lifetime efforts in disease prevention and health management and to contribute to their good health. In its dispensing business, the Group annually fills approximately 13 million prescriptions issued by a wide variety of medical institutions to treat lifestyle-related diseases and other conditions. In recent years, the Group has also been focusing on developing its business operations in the primary and secondary prevention fields through integration of the physical and digital realms. In addition, based on its management philosophy of “contributing to the local community,” which it has advocated since its founding, the Group is focusing on the area of medication, including Kampo medicine, from the perspective of maintaining the health of local residents.

NIHONDO is a leading Kampo counseling pharmacy with 16 stores nationwide. Based on its basic philosophy of “Yojo First, Kampo Second,” it proposes the optimal regimen and Kampo medicine tailored to each individual and handles a total of 100,000 physical and health-related consultations each year.

With a Kampo counseling pharmacy with the three business formats of “Kagae Kampo Boutique,” “Nihondo Kampo Boutique,” and “Kusuri Nihondo” at the core, it conducts a wide range of businesses centered on Kampo medicine, including a Kampo school, product development, supervision of books, commodity distribution, web media, and a museum. Based on its knowledge and experience regarding Kampo medicine, which it has gained from handling the highest number of cases in Japan, it has earned the trust and reputation of local residents.

Through the conversion of NIHONDO into a subsidiary, the Group will develop highly unique products, develop new business formats at its Group stores, and strengthen sales of over-the-counter Kampo medicines, using NIHONDO's knowledge in the field of Kampo medicine. The Group will also promote responses to prescriptions containing ethical Kampo medicines, promote Kampo medicine education for the Group's employees to increase their awareness of Kampo medicine, and disseminate information through various media. Through these initiatives, the Group will strive to create synergies with NIHONDO.

■ Outline of the Companies Concerned

[Outline of NIHONDO]

Company name: NIHONDO Co., Ltd.

Date of establishment: April 1971

Location: Gotenyama Trust Tower 11F, 4-7-35 Kitashinagawa, Shinagawa-ku, Tokyo

Representative : Toshihiro Kawabata, Chairman and Representative Director

URL: <https://www.nihondo.co.jp/>

Description of business: Operation of Kampo counseling pharmacy, etc.

[Outline of SUGI Holdings Co., Ltd.]

Company name: SUGI Holdings Co., Ltd.

Date of establishment: March 1982

Location: 62-1 Shin'e, Yokone-machi, Obu-shi, Aichi

Representative: Katsunori Sugiura, Representative Director and President

U R L: <https://w.ww.sugi-hd.co.jp/>

Description of business: Business management and operation of the entire SUGI Pharmacy Group