

March 30, 2023

To Whom It May Concern:

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 of a Business Partnership between the SUGI Pharmacy Group and the Sakura Pharmacy Group**

The SUGI Pharmacy Group has agreed to enter into a business partnership with the Sakura Pharmacy Group as outlined below. For the outline of the companies that are parties to this partnership, please refer to “Outline of the companies that are parties to the partnership” below.

### **■ Background and purpose of the business partnership**

Operating more than 1,500 stores in the Kanto, Chubu, Kansai and Hokuriku areas, the SUGI Pharmacy Group (hereinafter, the “Group”) boasts approximately 3,500 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 prescription-dispensing business, the corporate 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 corporate 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. Through its wholly owned subsidiary Sugi Medical Co., Ltd. that provides support services to doctors intending to open their own practices, employment agency services, and home-visit long-term and nursing care services, the Group is also working to establish a network to create synergy with regional medical institutions and various business operators.

The Sakura Pharmacy Group operates more than 850 pharmacies nationwide, aiming to provide support for the extension of healthy life expectancy through activities to maintain and promote health as a community-based infrastructure for regional health. The Sakura Pharmacy Group also puts effort into home medical care by providing medication instructions and checking left over medicine at patients’ homes in coordination with doctors,

nurses, and other healthcare professionals.

In particular, the Sakura Pharmacy Group is actively working to improve convenience by introducing its proprietary prescription dispensing system “SPITS” and to support quality and work efficiency improvements in pharmacist services by introducing a prescription review system, which is designed to prevent dispensing errors. In recent years, the Sakura Pharmacy Group has started the full-scale operation of its specialist and accredited pharmacist development project, aiming to provide more advanced pharmacotherapy. Moreover, the Sakura Pharmacy Group has vigorously promoted digital transformation. For example, it has released its official application called “Kenko Okusuri Techo (Health and Drug Handbook)” this year to become the first pharmacy group in Japan to accept electronic prescriptions nationwide and to provide safe and painstaking medical services that are considerate to patients.

This business partnership is designed to further evolve the current initiatives of both groups mentioned above and promote the business development of both groups by establishing networks of pharmacies, expert human resources, and information in the medical and healthcare field through the sharing of the business models and management know-how of both groups. Through this business partnership, the Group and the Sakura Pharmacy Group will endeavor to realize new value creation that not only creates economic values, but also helps the creation of social values in local community.

#### ■ Outline of the companies that are parties to the partnership

[Outline of KRAFT Inc.]

Company: KRAFT Inc.

Date of establishment: April 2010

Location: 1-1-1 Marunouchi, Chiyoda-ku, Tokyo

Representative: Masaru Arai, Representative Director

U R L : <https://www.kraft-net.co.jp/>

Description of business: Operation of dispensing pharmacies that also provide home medical care services

[Outline of SAKURA PHARMACY Inc.]

Company: SAKURA PHARMACY Inc.

Date of establishment: April 2020

Location: 1-1-1 Marunouchi, Chiyoda-ku, Tokyo

Representative: Masaru Arai, Representative Director

Description of business: Operation of dispensing pharmacies that also provide home medical care services

[Outline of Sugi Pharmacy Co., Ltd.]

Company: Sugi Pharmacy Co., Ltd.

Date of establishment: September 2008

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

Representative: Katsunori Sugiura, Representative Director & President

U R L : <https://www.drug-sugi.co.jp>

Business description: Operation of prescription-dispensing drugstores

[Outline of Sugi Medical Co., Ltd.]

Company: Sugi Medical Co., Ltd.

Date of establishment: September 2008

Location: 2-6-1 Kajicho, Chiyoda-ku, Tokyo

Representative: Shinya Sugiura, Representative Director & President

U R L : <https://www.sugi-hd.co.jp/med/>

Business description: Business management and operation of the entire Sugi Medical Group  
(home-visit long-term and nursing care services, supporting doctors intending to  
open their own practices, etc.)