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FOR IMMEDIATE RELEASE

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**Notice Regarding the Results of Talks for
Business Integration with Cocokara fine Co., Ltd.**

As announced on June 1, 2019 in “Notice Regarding Commencement of Talks for Business Integration with Cocokara fine Co., Ltd.,” Sugi Holdings Co., Ltd. (hereinafter, “Sugi HD”) concluded a Letter of Consent with Cocokara fine Co., Ltd. (hereinafter, “Cocokara fine”) to the effect that consideration and talks regarding a business integration (hereinafter, “Business Integration”) would be commenced by both companies, and worked to enter into the Basic Letter of Consent (hereinafter, “Basic Letter of Consent”) which provides for basic matters concerning the Business Integration by July 31, 2019. However, we hereby announce that both companies failed to enter into the Basic Letter of Consent, and that we have decided to terminate the talk.

The Sugi HD Group will continue its efforts to further reinforce its strength in the over-the-counter customer services centering on counselling, and focus on realizing the “Total healthcare strategy” including the dominant strategy by intensively opening stores in the Kanto, Chubu and Kansai areas, and various measures for providing a wide variety of supports ranging from healthcare services and disease prevention to nursing care and care for terminally ill patients. Going forward, we will proactively consider to realize the improvement of corporate value and shareholder value whenever we find business opportunities such as M&A and strategic alliances that contribute thereto.