

Financial Results

1st Quarter - FY Ending February 29, 2012

Supplementary Information

Securities ID Code: 7649, Part 1 of TSE and NSE

Sugi Holdings Co., Ltd.

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

1

PROFILE

Company name	Sugi Holdings Co., Ltd.
Head office	1-8-4, Mikawaanjo-cho, Anjo-City, Aichi Pref.
Establishment	Sugi Pharmacy was established in December 1976 to sell prescription drugs and OTC drugs.
Founded	March 1982
Paid-in capital	JPY15,434,588,000
Fiscal year-end	End of February
Number of shares outstanding	63,330,838 shares
Number of stores	781 (as of May 31, 2011)
Number of employees	3,735(full-time) (as of may 31, 2011)
Net sales	JPY304,730 m (FY ended Feb. 28, 2011 - consolidated))
Operating Profit	JPY12,777 m(FY ended Feb. 28, 2011 - consolidated))
Description of business	Management of subsidiaries engaging in businesses including pharmacy business, drug store business, and in-home nursing care business

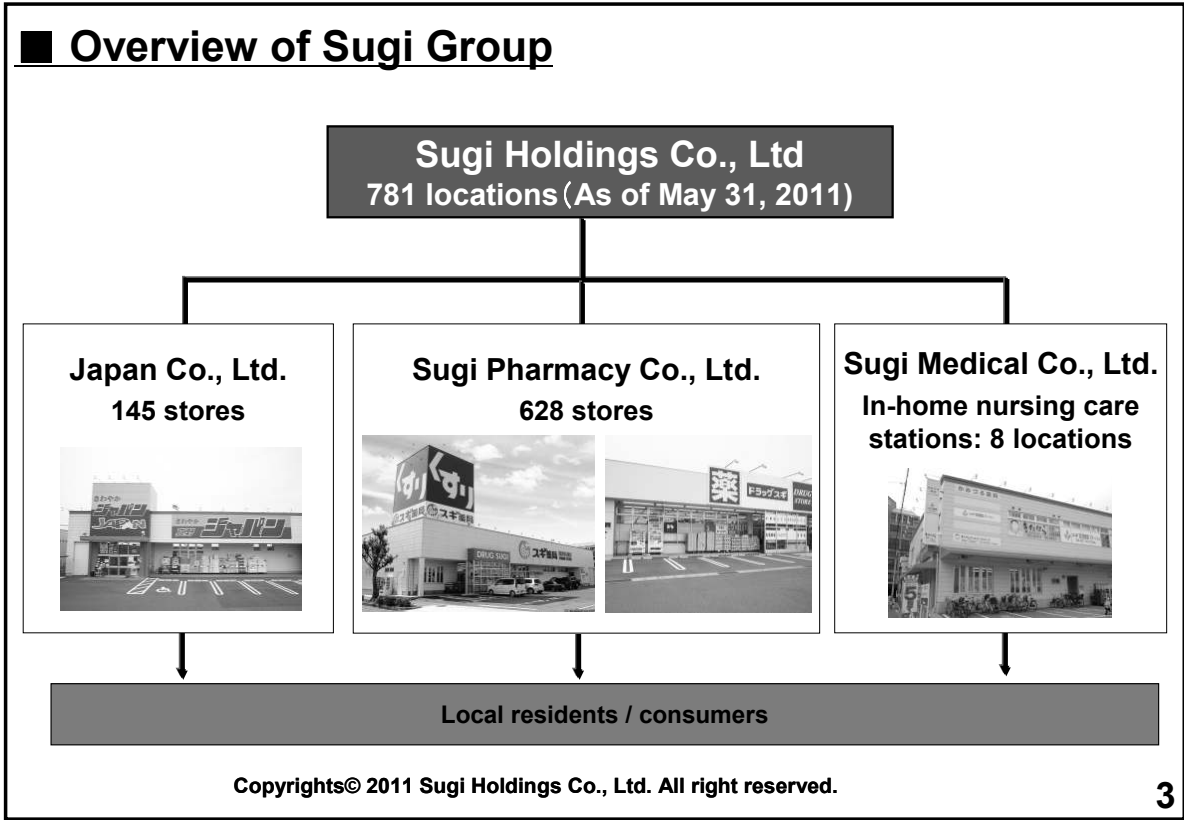
Number of Stores and Sales Status

Year	No. of Stores	Consolidated net sales (100 million yen)
'95	~10	~10
'96	~20	~20
'97	~30	~30
'98	~40	~40
'99	~50	~50
'00	~60	~60
'01	~70	~70
'02	~80	~80
'03	~100	~100
'04	~120	~120
'05	~150	~150
'06	~200	~200
'07	~300	~250
'08	~400	~280
'09	~500	~300
'10	~600	~320

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

2

Note: On February 1, 2011, Iizuka Yakuhin merged with Sugi Pharmacy. The figures for Sugi Pharmacy presented in the financial report for the year ended February 28, 2011 include only non-consolidated figures for Sugi Pharmacy and do not include non-consolidated figures for Sugi Holdings Co., Ltd. and Sugi Medical Co., Ltd. For your reference, past results for Sugi Pharmacy calculated by simply adding the non-consolidated results for Sugi Pharmacy and Iizuka Yakuhin are also presented. Since we sold our clinical research business, no data related to that business is presented in this report because the importance is small and it has been excluded from the consolidation.



New Store Openings

1st Quarter – FY Ending February 29, 2012

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved. **4**

Note: On February 1, 2011, Iizuka Yakuhin merged with Sugi Pharmacy. The figures for Sugi Pharmacy presented in the financial report for the year ended February 28, 2011 include only non-consolidated figures for Sugi Pharmacy and do not include non-consolidated figures for Sugi Holdings Co., Ltd. and Sugi Medical Co., Ltd. For your reference, past results for Sugi Pharmacy calculated by simply adding the non-consolidated results for Sugi Pharmacy and Iizuka Yakuhin are also presented. Since we sold our clinical research business, no data related to that business is presented in this report because the importance is small and it has been excluded from the consolidation.

■ Store Openings and Closings in 1st Quarter

* Please note that "FY2011/2" and "FY 2012/2" in this presentation refers to the fiscal year ended in February 2011, and the fiscal year ending February 2012, respectively. The same notation is used in other pages.

■ 1st Quarter : 16 new stores opened, 9 stores closed

Nos. of stores by region	FY2011/2	FY2012/2 1st Quarter			Contracts in and after June 2011			Openings and closings full-year forecast		
	As of the Term-End	Store Openings	Store Closings	As of the Term-End	Store Openings	Store Closings	As of the Term-End	Store Openings	Store Closings	Change
Kanto Region	188	8	6	190	8	3	195	16	9	7
Chubu Region	335	2	2	335	17	1	351	19	3	16
Kansai Region	251	6	1	256	15	0	271	21	1	20
Total	774	16	9	781	40	4	817	56	13	43

Nos. of stores by company	FY2011/2	FY2012/2 1st Quarter			Contracts in and after June 2011			Openings and closings full-year forecast		
	As of the Term-End	Store Openings	Store Closings	As of the Term-End	Store Openings	Store Closings	As of the Term-End	Store Openings	Store Closings	Change
Sugi Pharmacy	622	15	9	628	32	4	656	47	13	34
Japan	144	1	0	145	4	0	149	5	0	5
Visit Nursing Care ST	8	0	0	8	4	0	12	4	0	4
Total	774	16	9	781	40	4	817	56	13	43

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

5

Financial Highlights

1st Quarter – FY Ending Feb. 29, 2012

- Consolidated -

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

6

1st Quarter Financial Highlight - Consolidated -

1st Quarter : Sugi pharmacy and Japan Co., achieved a significant net sales in both revenue and operating income

	FY Ended 2011/2 Q1 (March to May)		FY Ending 2012/2 Q1 (March to May)				Major Factors	
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)		
Net Sales	72,661	100.0	79,370	100.0	109.2	104.7	+3,570	Strong sales of prescription, healthcare, and household wares
Gross Profit	19,168	26.4	21,625	27.2	112.8	106.0	+1,225	
SG&A Expenses	16,449	22.6	16,761	21.1	101.9	96.9	-539	Reduction in advertising expenses and general administrative expenses
Operating Income	2,719	3.7	4,864	6.1	178.9	156.9	+1,764	
Non-operating Income	833	1.1	887	1.1	106.5	110.9	+87	
Non-Operating Expenses	267	0.4	543	0.7	202.9	155.1	+193	
Ordinary Income	3,284	4.5	5,207	6.6	158.6	146.7	+1,657	
Extraordinary Income	0	0.0	2,463	3.1	-	-	+2,463	
Extraordinary Losses	473	0.7	1,545	1.9	326.4	81.3	-355	
Net Income before Income Taxes	2,810	3.9	6,125	7.7	218.0	371.2	+4,475	
Income Taxes	1,392	1.9	1,780	2.2	127.9	323.6	+1,230	
Net Income	1,418	2.0	4,345	5.5	306.3	395.0	+3,245	

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

7

Trend of SG&A Expenses Status – Consolidated -

1st Quarter : Budget attainment 96.9% (Selling expenses 90.1%, Personnel 99.8%, Admin. expenses 95.0%)

	FY Ended 2011/2 Q1 (March to May)		FY Ending 2012/2 Q1 (March to May)			Major Factors
	Results (in million yen)	%	Results (in million yen)	%	Y o Y Change	
Advertising Expenses	1,006	1.4	907	1.1	90.1	Reduction in flier advertising after earthquake
Premium Expenses	539	0.7	543	0.7	100.7	
Total Selling Expenses	1,546	2.1	1,450	1.8	93.8	
Personnel Expenses	7,949	10.9	8,307	10.5	104.7	Increase of reserve for bonus payment
Rent Expenses	3,358	4.6	3,456	4.4	102.9	
Depreciation Expenses	803	1.1	833	1.1	103.8	
Utilities Expenses	671	0.9	667	0.8	99.3	
Supplies Expenses	356	0.5	440	0.6	123.6	
Tax and Public Charges	445	0.6	254	0.3	57.1	
Commission Paid	413	0.6	465	0.6	112.6	
Others	903	1.2	885	1.1	96.3	
Total Administrative Expenses	6,953	9.6	7,003	8.8	100.5	
Total SG&A Expenses	16,449	22.6	16,761	21.1	101.9	

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

8

Note: On February 1, 2011, Iizuka Yakuhin merged with Sugi Pharmacy. The figures for Sugi Pharmacy presented in the financial report for the year ended February 28, 2011 include only non-consolidated figures for Sugi Pharmacy and do not include non-consolidated figures for Sugi Holdings Co., Ltd. and Sugi Medical Co., Ltd. For your reference, past results for Sugi Pharmacy calculated by simply adding the non-consolidated results for Sugi Pharmacy and Iizuka Yakuhin are also presented. Since we sold our clinical research business, no data related to that business is presented in this report because the importance is small and it has been excluded from the consolidation.

Financial Highlights

1st Quarter – FY Ending Feb. 29, 2012

- Subsidiaries -

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

9

■ 1st Quarter Financial Highlights – Sugi Pharmacy Co., Ltd. –

■ 1st Quarter :Both net sales and gross profit were good, and operating profit ratio became 5.6%.

	FY Ended 2011/2 Q1 (March to May)		FY Ending 2012/2 Q1 (March to May)				
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	54,619	100.0	61,313	100.0	112.3	105.2	+3,013
Gross Profit	15,445	28.3	17,623	28.7	114.1	105.6	+933
SG&A	13,340	24.4	14,196	23.2	106.4	101.8	+245
Operating Profit	2,105	3.9	3,427	5.6	162.8	125.1	+687

1st Quarter overview

◆ Net Sales: Existing store sales growth Budget :+2.3% ⇒ Result +6.7%

(Customer count +6.6%, Purchase per customer +0.1%)

◆ Gross margin ratio: Budget 28.6% ⇒ Result 28.7%

◆ SG&A: Budget overrun 101.8% (Selling expenses 92.0%, Personnel 103.3%, Admin. expenses 102.6%)

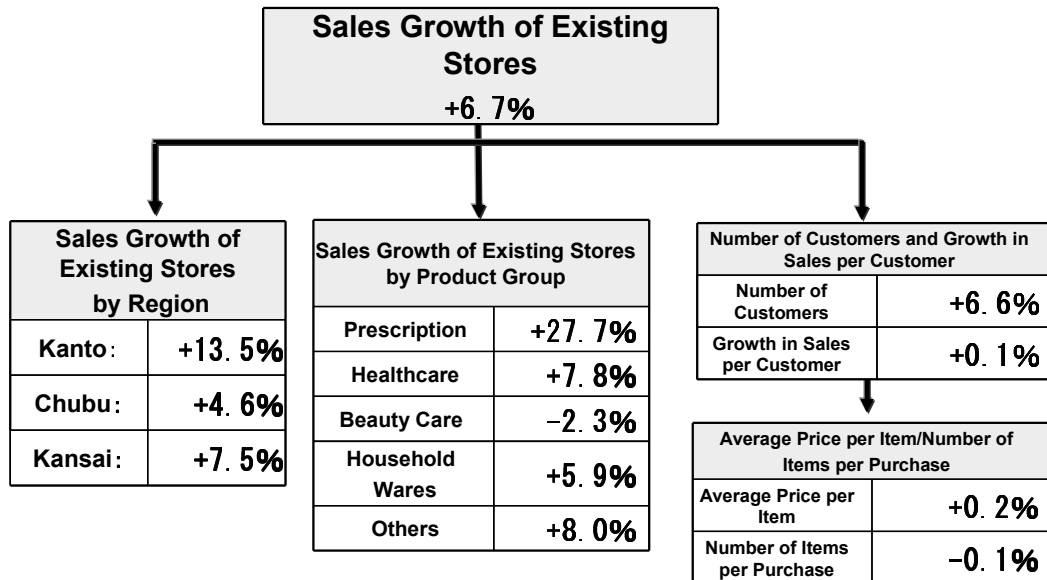
Note) Figures for Sugi Pharmacy for previous years above are different from those presented in previous reports. Figures for Sugi Pharmacy presented in the financial report for the year ended February 28, 2011 include only non-consolidated figures of Sugi Pharmacy and do not include non-consolidated figures for Sugi Holdings Co., Ltd. and Sugi Medical Co., Ltd. For your reference, past results for Sugi Pharmacy calculated simply adding non-consolidated results of Sugi Pharmacy and Iizuka Yakuhin are also presented.

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

10

■ Sales Trend at Existing Stores- Sugi Pharmacy Co., Ltd. -

■1st Quarter :Existing store sales growth ratio indicated +6.7% for the reason of strong sales of prescription, OTC and pollen relative product, and commodity for earthquake



Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

11

■ Sales Trend by Product Group - Sugi Pharmacy Co., Ltd. -

■1st Quarter :Good sales in prescription and healthcare. Good gross profit rate in household wares and others

(%)	Composition Ratio			Sales % Y o Y	Sales % vs. Budget	Gross Margin Rate			Gross Margin % vs. Budget	
	Q1 FY 2011/2		Q1 FY 2012/2			Q1 FY 2011/2		Q1 FY 2012/2		
	Results	Budget	Results			Budget	Results	Budget		Results
Prescription	10.1	10.7	12.2	134.8	120.2	29.3	30.1	30.3	+0.1	
Healthcare	25.9	26.5	25.9	112.3	102.9	38.7	39.3	38.8	-0.6	
Beauty Care	28.6	28.5	26.3	103.0	96.9	28.1	28.4	28.5	+0.1	
Subtotal	64.7	65.6	64.4	111.7	103.1	32.5	33.1	33.0	-0.1	
Household Wares	23.0	22.4	22.9	111.6	107.1	21.2	21.1	22.3	+1.2	
Others	12.4	11.9	12.8	116.2	112.7	19.1	18.1	18.9	+0.7	
Total	100.0	100.0	100.0	112.3	105.2	28.3	28.6	28.7	+0.1	

Note) Figures for Sugi Pharmacy for previous years above are different from those presented in previous reports. Figures for Sugi Pharmacy presented in the financial report for the year ended February 28, 2011 include only non-consolidated figures of Sugi Pharmacy and do not include non-consolidated figures for Sugi Holdings Co., Ltd. and Sugi Medical Co., Ltd. For your reference, past results for Sugi Pharmacy calculated simply adding non-consolidated results of Sugi Pharmacy and Iizuka Yakuhin are also presented.

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

12

■ Trend of SG&A Expenses - Sugi Pharmacy Co., Ltd. -

■1st Quarter :Total SG&A expenses was controlled with 6.4%, though net sales were +12.3% compared with the previous year.

	FY Ended 2011/2 Q1 (March to May)		FY Ending 2012/2 Q1 (March to May)						Major Factors
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Change from Last Year	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)	
Advertising Expenses	839	1.5	791	1.3	-47	94.3	87.8	-109	Reduction in flier advertising after earthquake
Premium Expenses	540	1.0	543	0.9	+3	100.7	98.7	-7	
Total Selling Expenses	1,379	2.5	1,334	2.2	-43	96.8	92.0	-116	
Personnel Expenses	5,722	10.5	6,238	10.2	+517	109.0	103.3	+196	Increase of reserve for bonus payment, and mid-career employment
Rent Expenses	3,134	5.7	3,378	5.5	+244	107.8	98.9	-38	
Depreciation Expenses	290	0.5	210	0.3	-79	72.6	74.8	-70	
Utilities Expenses	509	0.9	509	0.8	-	100.0	96.9	-16	
Supplies Expenses	273	0.5	341	0.6	+68	125.2	93.9	-22	
Tax and Public Charges	280	0.5	117	0.2	-162	42.0	111.5	+12	
Commission Paid	1,212	2.2	1,437	2.3	+225	118.6	127.1	+306	Increase of management fee
Others	542	1.0	627	1.0	+85	115.8	99.2	-4	
Total Administrative Expenses	6,240	11.4	6,622	10.8	+382	106.1	102.6	+166	
Total SG&A Expenses	13,340	24.4	14,196	23.2	+855	106.4	101.8	+245	

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

13

■ 1st Quarter Financial Highlights - Japan Co., Ltd. -

■1st Quarter :Operating profit ratio became 6.3%, because special demand of commodities for earthquake and strong growth of sales in the healthcare.

	FY Ended 2011/2 Q1 (March to May)		FY Ending 2012/2 Q1 (March to May)				
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	17,033	100.0	17,712	100.0	104.0	101.6	+272
Gross Margin	3,502	20.6	3,905	22.0	111.5	109.7	+345
SG&A	2,951	17.3	2,786	15.7	94.4	93.2	-203
Operating Profit	551	3.2	1,118	6.3	202.7	196.3	+548

1st Quarter overview

- ◆Net Sales: Existing store sales growth Budget : ±0.0% ⇒ Result +3.8%
(Customer count +3.4%, Purchase per customer +0.4%)
- ◆Gross margin ratio: Budget 20.4% ⇒Result 22.0%
- ◆SG&A: Budget attainment 93.2%

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

14

Medical Business - Sugi Pharmacy Group

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

15

■ OTC Sales Trends – Sugi Pharmacy

■After Revision in Japan's Pharmaceutical Affairs Act (June 2009)

< Growth Rate of All Stores Sales >

(%)	FY 2010/2			FY 2011/2				FY 2012/2
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Category 1	+18.8	+25.4	+14.5	+26.4	+16.5	+20.9	+19.7	+2.1
Category Specified 2	+9.7	+1.9	-1.5	-1.4	+6.4	+11.7	+14.8	+31.5
Category 2	+6.9	+4.4	-8.0	-9.7	-1.1	+9.0	+12.0	+31.0
Category 3	+9.1	+2.5	-6.9	-13.3	-14.8	+0.5	+14.6	+19.2
OTC Total	+8.7	+4.3	-4.7	-6.5	-2.1	+8.2	+13.4	+26.3

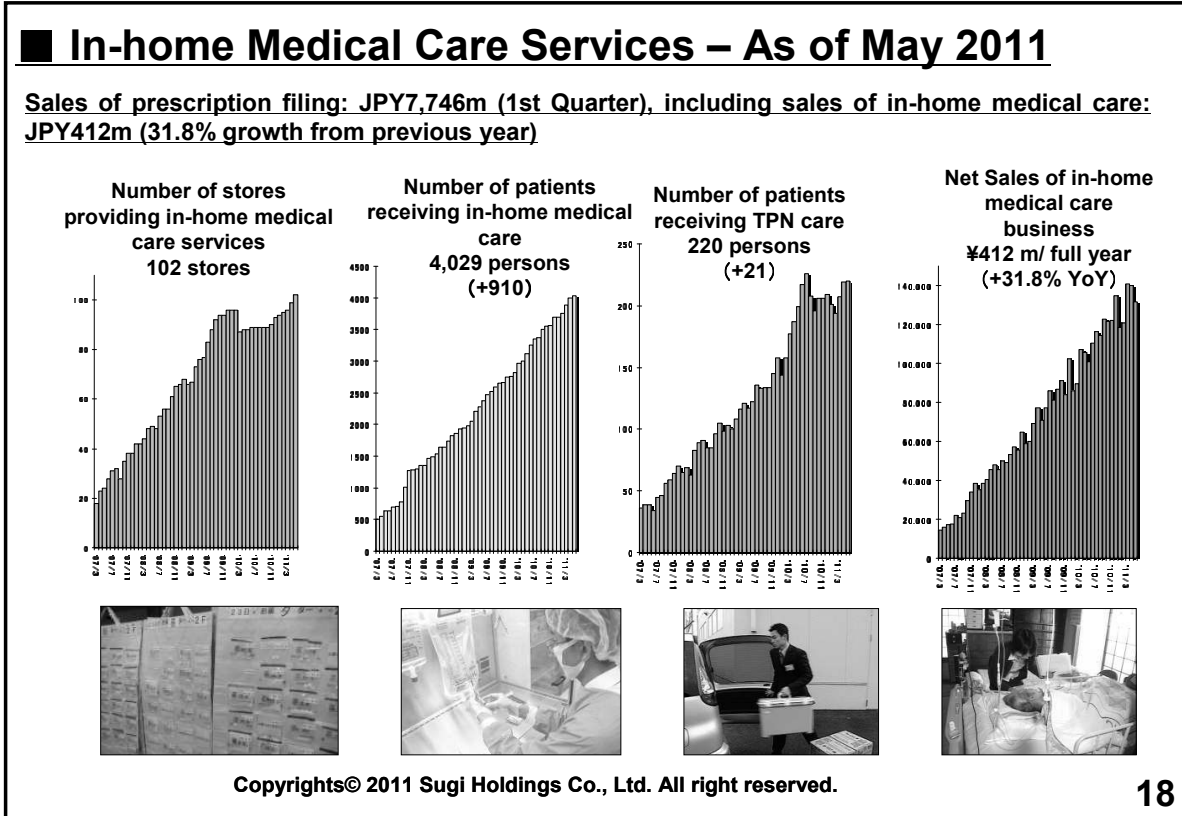
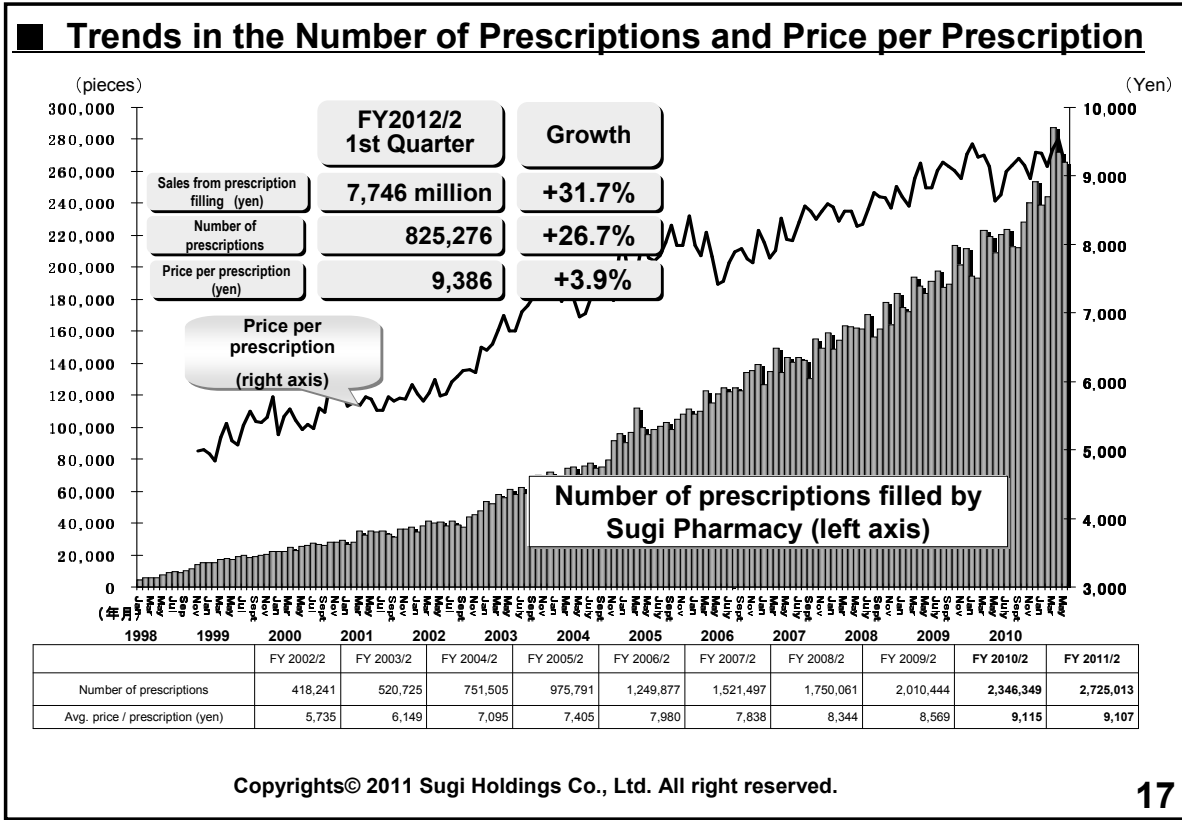
< OTC Sales by Category (All Stores) >

(%)	FY 2010/2			FY 2011/2				FY 2012/2
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Category 1	5.5	6.0	6.6	7.3	6.5	6.7	7.0	5.9
Category Specified 2	23.0	26.6	27.8	27.2	25.0	27.5	28.2	28.3
Category 2	44.4	40.5	41.3	42.1	44.9	40.8	40.8	43.7
Category 3	27.1	26.9	24.3	23.4	23.6	25.0	24.5	22.1

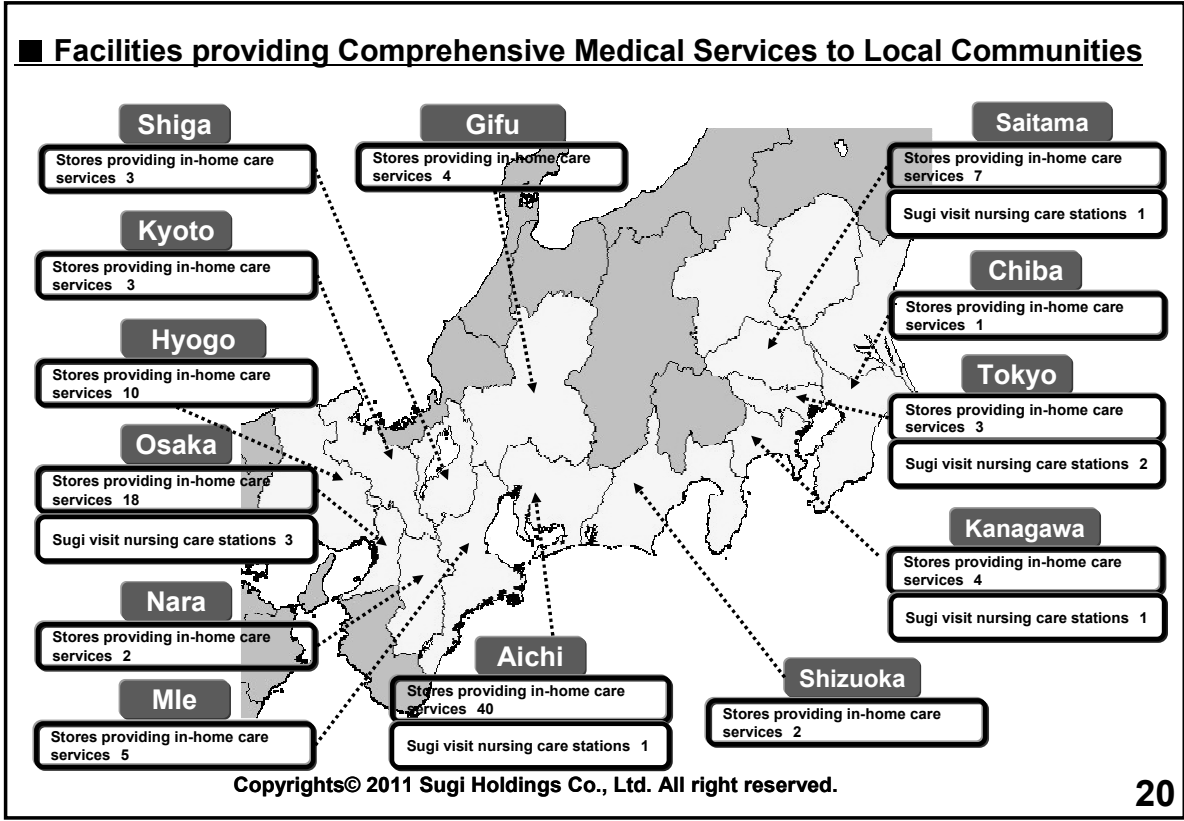
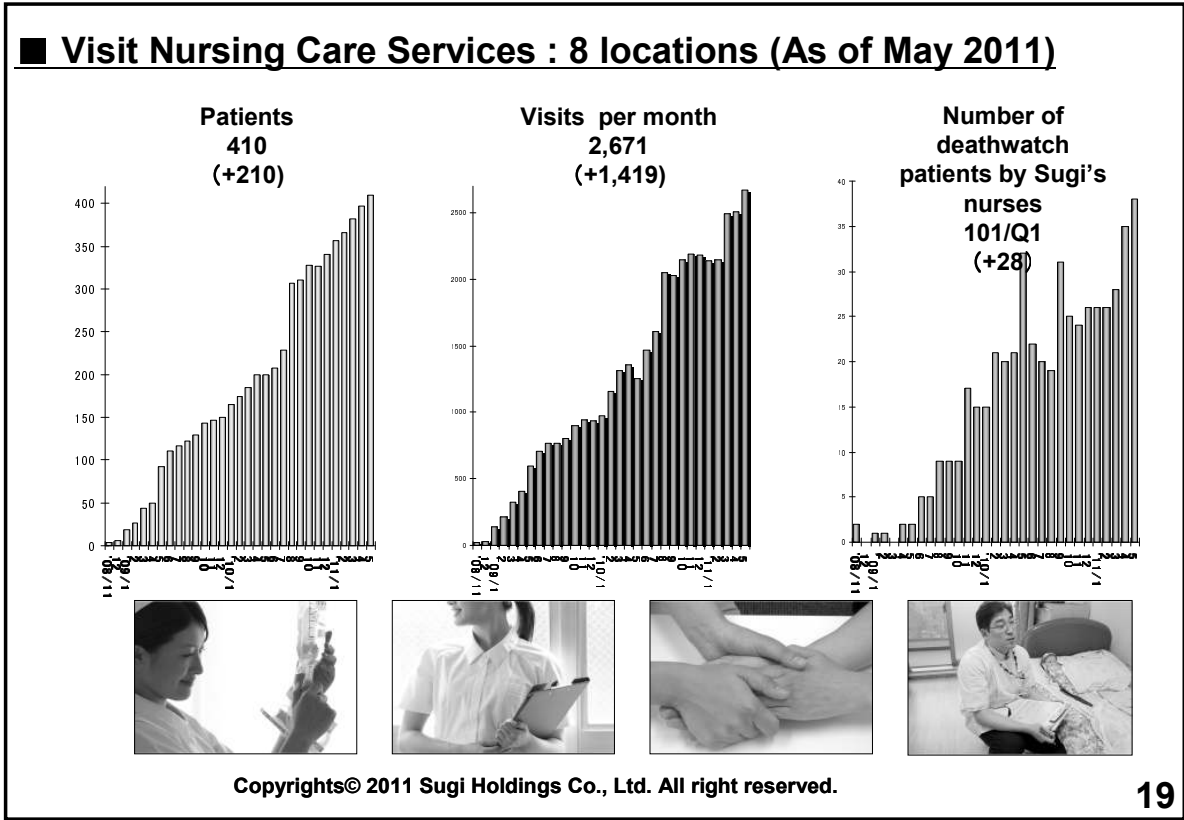
Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

16

Note: On February 1, 2011, Iizuka Yakuhin merged with Sugi Pharmacy. The figures for Sugi Pharmacy presented in the financial report for the year ended February 28, 2011 include only non-consolidated figures for Sugi Pharmacy and do not include non-consolidated figures for Sugi Holdings Co., Ltd. and Sugi Medical Co., Ltd. For your reference, past results for Sugi Pharmacy calculated by simply adding the non-consolidated results for Sugi Pharmacy and Iizuka Yakuhin are also presented. Since we sold our clinical research business, no data related to that business is presented in this report because the importance is small and it has been excluded from the consolidation.



Note: On February 1, 2011, Iizuka Yakuhin merged with Sugi Pharmacy. The figures for Sugi Pharmacy presented in the financial report for the year ended February 28, 2011 include only non-consolidated figures for Sugi Pharmacy and do not include non-consolidated figures for Sugi Holdings Co., Ltd. and Sugi Medical Co., Ltd. For your reference, past results for Sugi Pharmacy calculated by simply adding the non-consolidated results for Sugi Pharmacy and Iizuka Yakuhin are also presented. Since we sold our clinical research business, no data related to that business is presented in this report because the importance is small and it has been excluded from the consolidation.



Note: On February 1, 2011, Iizuka Yakuhin merged with Sugi Pharmacy. The figures for Sugi Pharmacy presented in the financial report for the year ended February 28, 2011 include only non-consolidated figures for Sugi Pharmacy and do not include non-consolidated figures for Sugi Holdings Co., Ltd. and Sugi Medical Co., Ltd. For your reference, past results for Sugi Pharmacy calculated by simply adding the non-consolidated results for Sugi Pharmacy and Iizuka Yakuhin are also presented. Since we sold our clinical research business, no data related to that business is presented in this report because the importance is small and it has been excluded from the consolidation.

- Sugi Pharmacy Group -

The forward-looking statements regarding business and other forecasts are Sugi Holdings management's decisions based on information currently available at the time the report was created, and contain risks and uncertainties.

We recommend that readers do not make their decisions solely relying on these forecasts, and readers are reminded that actual results may differ materially from these forecasts due to various circumstances beyond management's control.

Copyrights© 2011 Sugi Holdings Co., Ltd. All right reserved.

21