

Financial Results

1st Quarter - FY Ending February 28, 2013

Supplementary Information

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

July 11, 2012

Sugi Holdings Co., Ltd.

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved. 1

■ PROFILE

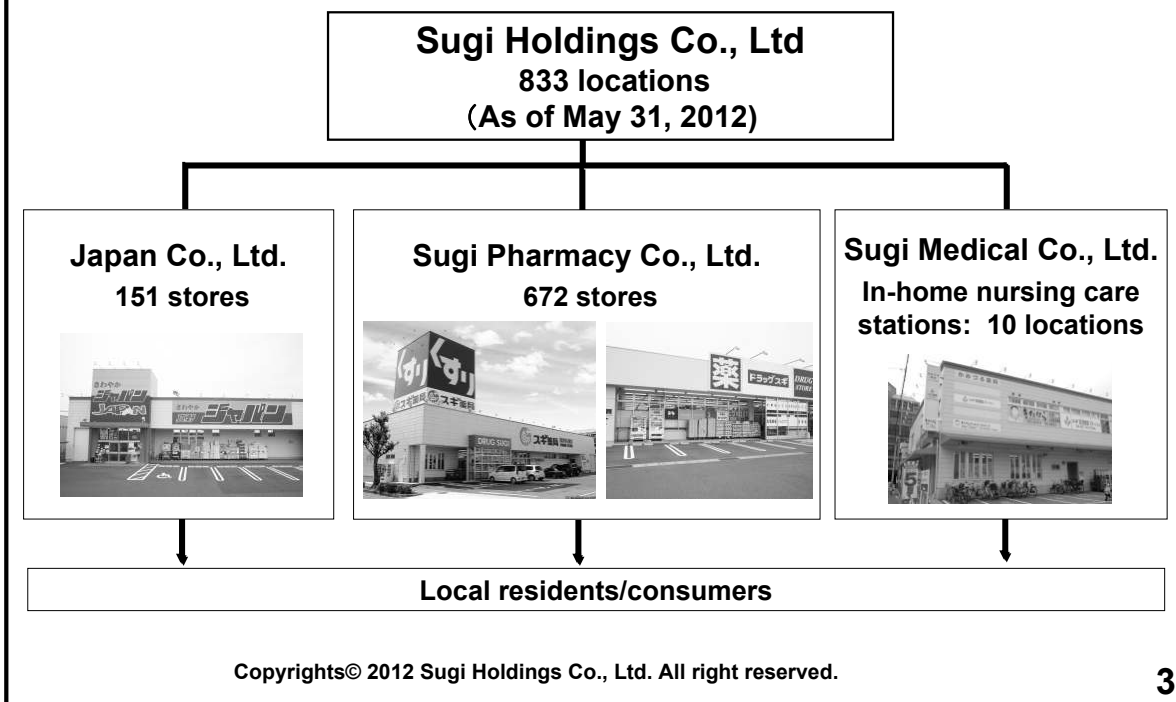
Company name	Sugi Holdings Co., Ltd.
Head office	1-8-4, Mikawaanjo-cho, Anjo-City, Aichi Pref.
Establishment	Sugi Pharmacy was established in December 1976 to sell prescription drugs and OTC drugs.
Founded	March 1982
Paid-in capital	JPY15,434,588,000
Fiscal year-end	End of February
Number of shares outstanding	63,330,838 shares
Number of stores	833 (as of May 31, 2012)
Number of employees	3,952(full-time) (as of May 31, 2012)
Net sales	JPY327,267m (FY ended Feb. 29, 2012 - consolidated)
Operating Profit	JPY17,215 m (FY ended Feb. 29, 2012 - 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

Fiscal Year	No. of Stores	Consolidated net sales (100 million yen)
'90	0	0
'95	0	0
'00	100	100
'01	120	120
'02	150	150
'03	200	200
'04	250	250
'05	300	300
'06	400	400
'07	500	500
'08	600	600
'09	700	700
'10	750	750
'11	833	833

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved. 2

■ Overview of Sugi Group



New Store Openings

1st Quarter – FY Ending February 28, 2013

■ Store Openings and Closings in 1st Quarter

* Please note that "FY2012/2" and "FY 2013/2" in this presentation refers to the fiscal year ended in February 2012, and the fiscal year ending February 2013, respectively. The same notation is used in other pages.

■ 1st Quarter : 16 shops were opened, and four stores were closed in the first quarter.

Nos. of stores by region	FY2012/2	FY2013/2 1st Quarter			Forecast after June 2012			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	195	6	3	198	19	1	216	25	4	21
Chubu Region	349	6	1	354	19	4	369	25	5	20
Kansai Region	277	4	0	281	21	1	301	25	1	24
Total	821	16	4	833	59	6	886	75	10	65

Nos. of stores by company	FY2012/2	FY2013/2 1st Quarter			Forecast after June 2012			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	661	15	4	672	53	4	721	68	8	60
Japan	150	1	0	151	4	2	153	5	2	3
Visit Nursing Care ST	10	0	0	10	2	0	12	2	0	2
Total	821	16	4	833	59	6	886	75	10	65

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

5

Financial Highlights

1st Quarter - FY Ending February 28, 2013

- Consolidated -

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

6

1st Quarter Financial Highlight - Consolidated -

■ **1st Quarter** :Both sales and the operating profit budgets were achieved, even though Sugi Holdings was surrounded by the high hurdles of the special demand from the Great East Japan Earthquake as well as the special demand from pollen allergy in the last fiscal year.

	FY Ended 2012/2 1Q (March to May)		FY Ending 2013/2 1Q (March to May)				
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	79,370	100.0	84,254	100.0	106.2	103.5	+2,864
Gross Profit	21,625	27.2	22,683	26.9	104.9	103.3	+727
SG&A Expenses	16,761	21.1	18,056	21.4	107.7	102.8	+483
Operating Income	4,864	6.1	4,627	5.5	95.1	105.6	+243
Non-operating Income	887	1.1	1,314	1.6	148.1	154.8	+465
Non-Operating Expenses	543	0.7	293	0.3	53.9	73.6	-104
Ordinary Income	5,207	6.6	5,648	6.7	108.5	116.8	+814
Extraordinary Income	2,463	3.1	0	0.0	0.0	0.0	0
Extraordinary Losses	1,545	1.9	0	0.0	0.0	0.0	0
Net Income before Income Taxes	6,125	7.7	5,648	6.7	92.2	117.8	+854
Income Taxes	1,780	2.2	2,398	2.8	134.7	120.8	+413
Net Income	4,345	5.5	3,250	3.9	74.8	115.7	+440

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

7

1st Quarter SG&A Expenses Status – Consolidated -

■ **1st Quarter** :Total SG&A expenses increased up 7.7% because Net Sales increased up 6.2 % year on year.

	FY Ended 2012/2 1Q (March to May)		FY Ending 2013/2 1Q (March to May)		
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y
Net Sales	79,370	100.0	84,254	100.0	106.2
Total Selling Expenses	1,450	1.8	1,775	2.1	122.4
Advertising Expenses	907	1.1	1,107	1.3	122.0
Premium Expenses	543	0.7	668	0.8	123.0
Personnel Expenses	8,307	10.5	8,701	10.3	104.8
Total Administrative Expenses	7,003	8.8	7,579	9.0	108.2
Rent Expenses	3,456	4.4	3,608	4.3	104.1
Depreciation Expenses	833	1.1	1,061	1.3	127.3
Utilities Expenses	667	0.8	775	0.9	116.2
Supplies Expenses	440	0.6	449	0.5	101.9
Tax and Public Charges	254	0.3	300	0.4	117.9
Commission Paid	465	0.6	499	0.6	107.3
Others	885	1.1	885	1.1	101.2
Total SG&A Expenses	16,761	21.1	18,056	21.4	107.7

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

8

Financial Highlights

1st Quarter - FY Ending February 28, 2013 - Subsidiaries -

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

9

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

■ 1st Quarter : Both net sales and the operating profit budgets were achieved, even though Sugi Holdings was surrounded by the high hurdles of the special demand from the Great East Japan Earthquake as well as the special demand from pollen allergy in the last fiscal year.

	FY 2012/2 1Q(March to May)		FY 2013/2 1Q(March to May)				
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	61,313	100.0	65,828	100.0	107.4	104.4	+2,761
Gross Profit	17,623	28.7	18,883	28.7	107.2	104.0	+723
SG&A	14,196	23.2	15,509	23.6	109.3	102.7	+406
Operating Profit	3,427	5.6	3,373	5.1	98.4	110.4	+316

1st Quarter Overview

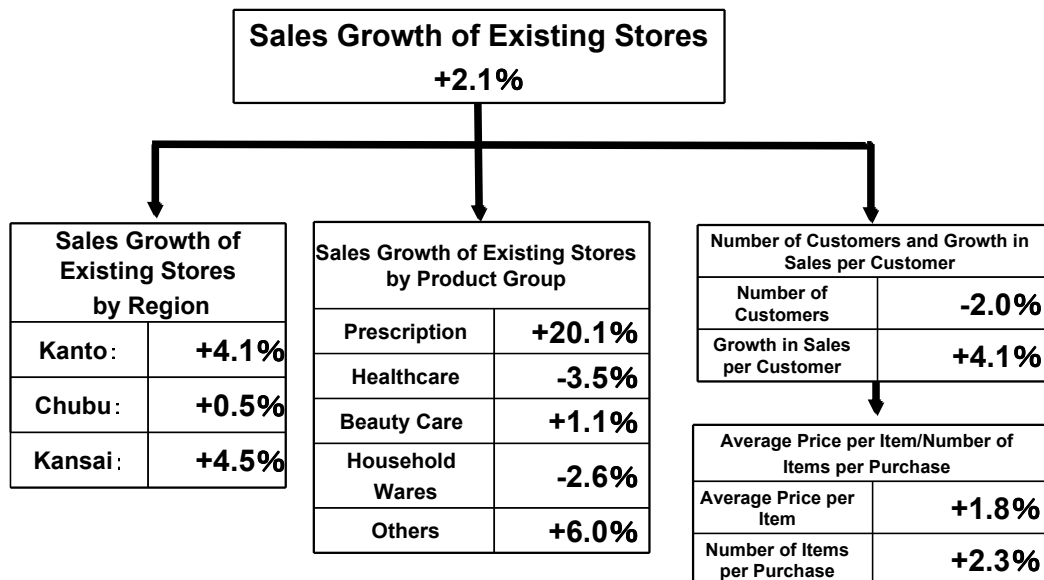
- ◆ Net Sales: Existing store sales growth Budget : -0.4% ⇒ Result +2.1%
(Customer count -2.0%, Purchase per customer +4.1%)
- ◆ Gross margin ratio: Budget 28.8% ⇒ Result 28.7%
- ◆ SG&A: vs. Budget 102.7%
(Selling expenses 109.0%, Personnel 98.6%, Admin. expenses 105.3%)

Copyrights© 2012 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 +2.1% for the reason of continuous and strong sales growth of prescription



Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

11

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

■ 1st Quarter : The composition ratio of the preparation has increased up to 14.5%. As a result, the gross margin rate was able to secure the same level as last year.

(%)	Composition Ratio			Sales % Y o Y	Sales % vs. Budget	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2012/2 1Q		FY 2013/2 1Q			FY 2012/2 1Q		FY 2013/2 1Q	
	Results	Budget	Results			Results	Budget	Results	
Prescription	12.2	14.0	14.5	128.1	108.7	30.3	30.8	31.8	+1.0
Healthcare	25.9	24.9	24.4	100.9	102.2	38.8	39.0	38.9	-0.1
Beauty Care	26.3	26.7	25.8	105.6	100.9	28.5	28.9	28.6	-0.3
Subtotal	64.4	65.6	64.7	107.9	103.0	33.0	33.1	33.2	+0.1
Household Wares	22.9	22.3	21.8	102.2	101.9	22.3	22.3	22.0	-0.2
Others	12.8	12.2	13.5	113.7	116.1	18.9	17.4	17.8	+0.4
Total	100.0	100.0	100.0	107.4	104.4	28.7	28.8	28.7	-0.1

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

12

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

■1st Quarter : Total SG&A expenses increased up 2.7% because Net Sales increased up 4.4 % year on year.

	FY Ended 2012/2 1Q (March to May)		FY Ending 2013/2 1Q (March to May)				
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	61,313	100.0	65,828	100.0	107.4	104.4	+2,761
Total Selling Expenses	1,334	2.2	1,618	2.5	121.2	109.0	+133
Advertising Expenses	791	1.3	949	1.4	120.0	105.8	+51
Premium Expenses	543	0.9	668	1.0	123.0	114.1	+82
Personnel Expenses	6,238	10.2	6,602	10.0	105.8	98.6	-92
Total Administrative Expenses	6,622	10.8	7,288	11.1	110.1	105.3	+365
Rent Expenses	3,378	5.5	3,548	5.4	105.0	101.7	+60
Depreciation Expenses	210	0.3	339	0.5	161.3	87.6	-47
Utilities Expenses	509	0.8	606	0.9	119.1	120.5	+103
Supplies Expenses	341	0.6	353	0.5	103.3	142.4	+105
Tax and Public Charges	117	0.2	158	0.2	134.9	124.1	+30
Commission Paid	1,437	2.3	1,584	2.4	110.2	109.3	+134
Others	627	1.0	698	1.1	111.4	97.5	-17
Total SG&A Expenses	14,196	23.2	15,509	23.6	109.3	102.7	+406

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

13

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

■1st Quarter :Both net sales and the operating profit budgets were achieved, even though Sugi Holdings was surrounded by the high hurdles of the special demand from the Great East Japan Earthquake as well as the special demand from pollen allergy in the last fiscal ear.

	FY 2012/2 1Q(March to May)		FY 2013/2 1Q(March to May)				
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	17,712	100.0	18,317	100.0	103.4	102.4	+437
Gross Margin	3,905	22.0	3,779	20.6	96.8	101.3	+48
SG&A	2,786	15.7	2,917	15.9	104.7	98.7	-37
Operating Profit	1,118	6.3	861	4.7	77.0	111.0	+85

Full Year Overview

- ◆Net Sales: Existing store sales growth Budget : -2.3% ⇒ Result +0.8%
(Customer count -1.2%, Purchase per customer +2.0%)
- ◆Gross margin ratio: Budget 20.9% ⇒Result 20.6%
- ◆SG&A: vs. Budget 98.7%

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

14

Medical Business

1st Quarter - FY Ending February 28, 2013

- Sugi Group

Copyrights© 2012 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				FY 2013/2
	Q2	Q3	Q4	Q1	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	+15.8	+1.4	+5.6	+25.5
Category Specified 2	+9.7	+1.9	-1.5	-1.4	+6.4	+11.7	+14.8	+31.5	+5.1	+5.0	+11.8	+3.3
Category 2	+6.9	+4.4	-8.0	-9.7	-1.1	+9.0	+12.0	+31.0	-1.5	+3.1	+4.8	-3.8
Category 3	+9.1	+2.5	-6.9	-13.3	-14.8	+0.5	+14.6	+19.2	-0.3	+2.0	+3.0	+1.7
OTC Total	+8.7	+4.3	-4.7	-6.5	-2.1	+8.2	+13.4	+26.3	+1.4	+5.0	+6.4	+1.1

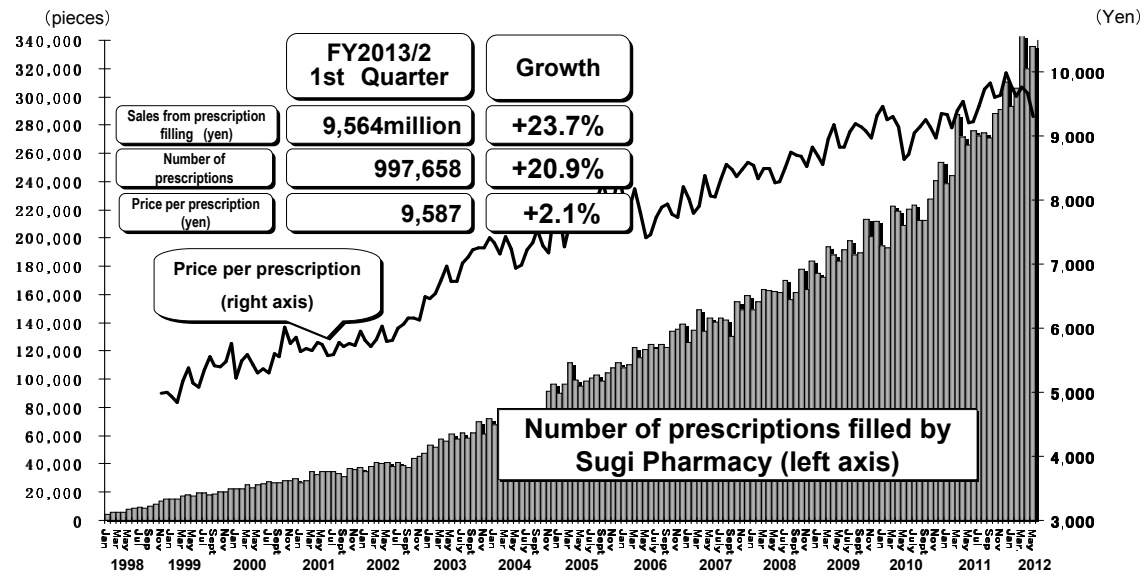
< OTC Sales by Category (All Stores) >

(%)	FY 2010/2			FY 2011/2				FY 2012/2				FY 2013/2
	Q2	Q3	Q4	Q1	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	6.2	6.1	5.6	6.7
Category Specified 2	23.0	26.6	27.8	27.2	25.0	27.5	28.2	28.3	25.7	28.1	30.3	29.6
Category 2	44.4	40.5	41.3	42.1	44.9	40.8	40.8	43.7	43.7	41.1	40.3	40.4
Category 3	27.1	26.9	24.3	23.4	23.6	25.0	24.5	22.1	24.4	24.7	23.8	23.3
OTC Total	5.5	6.0	6.6	7.3	6.5	6.7	7.0	5.9	6.2	6.1	5.6	6.7

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

16

Trends in the Number of Prescriptions and Price per Prescription



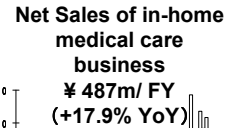
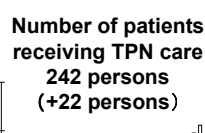
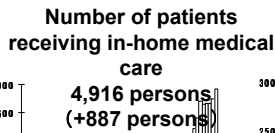
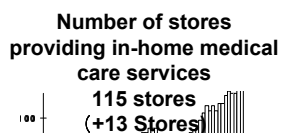
	FY 2003/2	FY 2004/2	FY 2005/2	FY 2006/2	FY 2007/2	FY 2008/2	FY 2009/2	FY 2010/2	FY 2011/2	FY 2012/2
Number of prescriptions	520,725	751,505	975,791	1,249,877	1,521,497	1,750,061	2,010,444	2,346,349	2,725,013	3,408,128
Avg. price / prescription (yen)	6,149	7,095	7,405	7,980	7,838	8,344	8,569	9,115	9,107	9,596

Note) The above-mentioned past number of prescriptions added up the number of Sugi Pharmacy and Sugi Medical.

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

In-home Medical Care Services – As of May 31, 2012

Sales of prescription filing: JPY9,564m (1st Quarter), including sales of in-home medical care: JPY487m (+17.9% YoY)

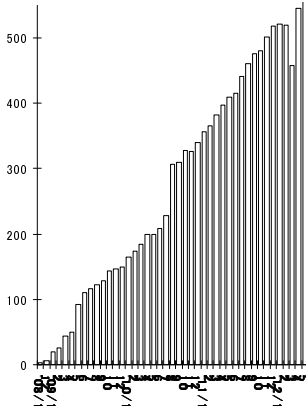


Note: Comparison with previous year

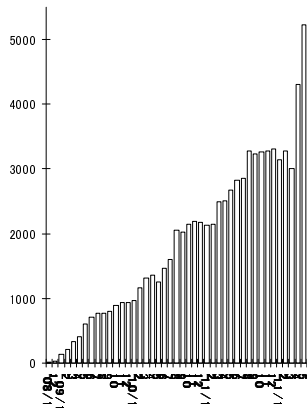
Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

■ Visit Nursing Care Services : 10 locations (As of May 2012)

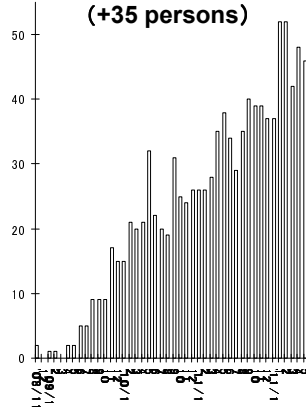
Patients
574 persons
(+164 Person)



Visits per month
5,230 times
(+2,559 times)



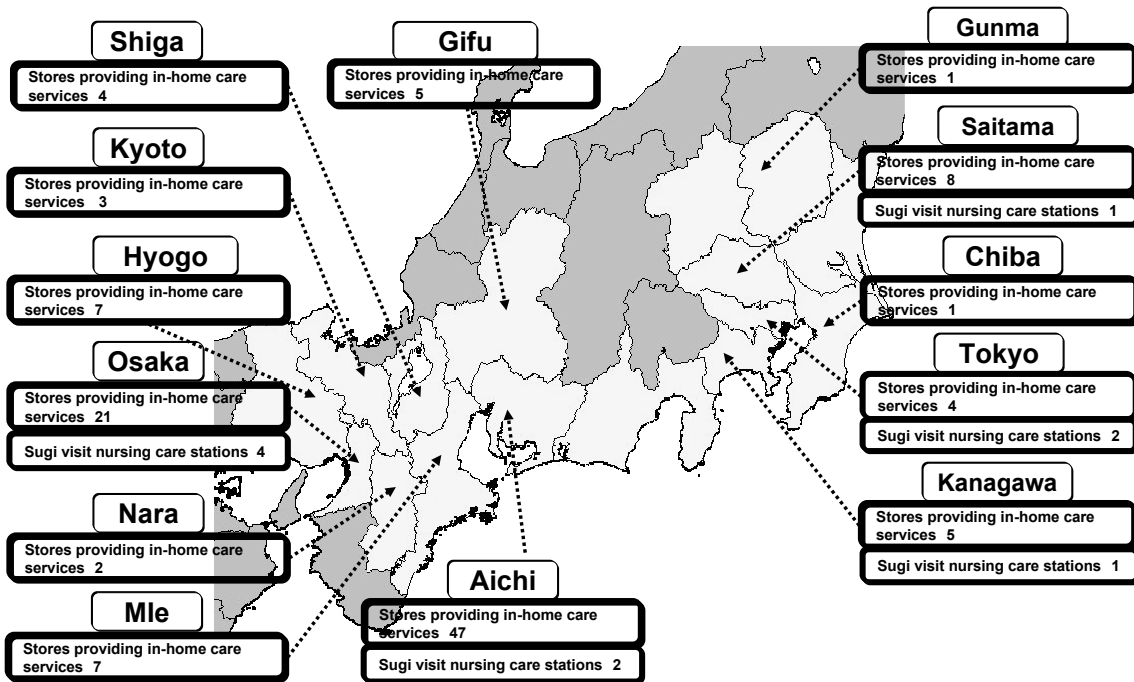
Number of deathwatch patients by Sugi's nurses
136 persons/1st Quarter
(+35 persons)



Note: Comparison with as of May of previous year

Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

■ Facilities providing Comprehensive Medical Services to Local Communities



Copyrights© 2012 Sugi Holdings Co., Ltd. All right reserved.

- Sugi 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.