

Financial Results

1st Quarter - FY Ending February 28, 2014

Supplementary Information

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

July 11, 2013

Sugi Holdings Co., Ltd.

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved. 1

■ PROFILE

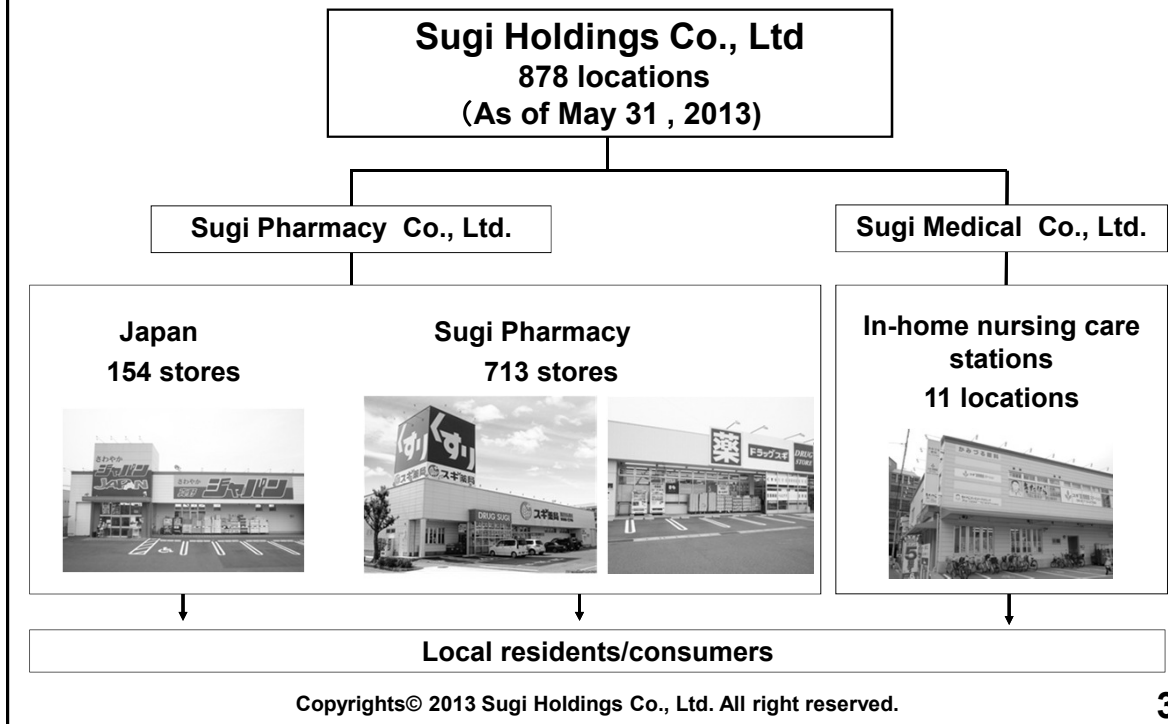
Company name	Sugi Holdings Co., Ltd.
Head office	1-8-4, Mikawaanjo-cho, Anjo-City, Aichi Pref.
Establishment	Sugi Pharmacy was established in December 1976 to sell prescription drugs and OTC drugs.
Founded	March 1982
Paid-in capital	JPY15,434,588,000
Fiscal year-end	End of February
Number of shares outstanding	63,330,838 shares
Number of stores	878 (as of May 31, 2013)
Number of employees	4,335(full-time) (as of May 31, 2013)
Net sales	JPY343,613m (FY ended Feb. 28, 2013-consolidated)
Operating Profit	JPY18,421m (FY ended Feb. 28, 2013-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	Number of Stores	Sales (100 million yen)
'90	0	0
'95	0	0
'00	~50	~100
'01	~100	~200
'02	~150	~300
'03	~200	~400
'04	~250	~500
'05	~300	~600
'06	~350	~700
'07	~400	~800
'08	~450	~900
'09	~500	~1,000
'10	~550	~1,100
'11	~600	~1,200
'12	~650	~1,300

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved. 2

■ Overview of Sugi Group



New Store Openings

1st Quarter – FY Ending February 28, 2014

■ Store Openings and Closings

* Please note that "FY2013/2" and "FY 2014/2" in this presentation refers to the fiscal year ended in February 2013, and the fiscal year ending February 201, respectively. The same notation is used in other pages.

■ 1st Quarter : Opened 15 stores, closed 8 stores, increased 7 stores
Refurbished stores: Sugi Pharmacy 31 stores, Japan 8 stores

Nos. of stores by region	FY2013/2	FY2014/2 1st Quarter			Forecast after June 2013			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	211	5	4	212	23	1	234	28	5	+23
Chubu Region	366	5	3	368	25	1	392	30	4	+26
Kansai Region	294	5	1	298	20	4	314	25	5	+20
Total	871	15	8	878	68	6	940	83	14	+69

Nos. of stores by company	FY2013/2	FY2014/2 1st Quarter			Forecast after June 2013			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	707	15	8	-1	713	57	5	-11	754	72
Japan	153	0	0	+1	154	8	1	+11	172	8
Visit Nursing Care ST	11	0	0	-	11	3	0	-	14	3
Total	871	15	8	-	878	68	6	-	940	83

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

5

Financial Highlights

1st Quarter - FY Ending February 28, 2014

- Consolidated -

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

6

1st Quarter Financial Highlight - Consolidated -

1st Quarter :Largest ever net sales (JPY90.4billion) and operating profit (JPY5.8billion) achieved

	FY Ended 2013/2 1Q (March to May)		FY Ending 2014/2 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)
Sugi Pharmacy business	65,828	78.1	71,681	79.3	108.9	102.9	+2,041
Japan business	18,317	21.7	18,626	20.6	101.7	99.5	-101
Others	109	0.1	134	0.1	122.9	100.8	+1
Net Sales	84,254	100.0	90,441	100.0	107.3	102.2	+1,941
Sugi Pharmacy business	18,883	28.7	21,465	29.9	113.7	107.0	+1,402
Japan business	3,779	20.6	3,775	20.3	99.9	100.8	+29
Others	21	19.2	21	15.7	100.0	51.2	-20
Gross Profit	22,683	26.9	25,260	27.9	111.4	105.9	+1,410
SG&A Expenses	18,056	21.4	19,470	21.5	107.8	101.5	+285
Operating Income	4,627	5.5	5,790	6.4	125.1	124.1	+1,125
Non-operating Income	1,314	1.6	1,964	2.2	149.5	218.2	+1,064
Non-Operating Expenses	293	0.3	286	0.3	97.6	73.3	-104
Ordinary Income	5,648	6.7	7,468	8.3	132.2	144.3	+2,293
Extraordinary Income	0	0.0	0	0.0	-	-	0
Extraordinary Losses	0	0.0	16	0.0	-	2.3	-684
Net Income before Income Taxes	5,648	6.7	7,452	8.2	131.9	166.5	+2,977
Income Taxes	2,398	2.8	2,982	3.3	124.4	150.3	+998
Net Income	3,250	3.9	4,470	4.9	137.5	179.4	+1,979

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

7

1st Quarter SG&A Expenses Status – Consolidated -

1st Quarter :Total SG&A expenses increased up 7.8% because Net Sales increased up 7.3 % year on year.

	FY Ended 2013/2 1Q (March to May)		FY Ending 2014/2 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	84,254	100.0	90,441	100.0	107.3	102.2	+1,941
Total Selling Expenses	1,775	2.1	1,740	1.9	98.0	97.5	-45
Advertising Expenses	1,107	1.3	1,002	1.1	90.5	87.2	-147
Premium Expenses	668	0.8	738	0.8	110.5	116.0	+102
Personnel Expenses	8,701	10.3	9,683	10.7	111.3	106.1	+559
Total Administrative Expenses	7,579	9.0	8,045	8.9	106.1	97.2	-231
Rent Expenses	3,608	4.3	3,826	4.2	106.0	100.4	+15
Depreciation Expenses	1,061	1.3	1,090	1.2	102.7	92.5	-88
Utilities Expenses	775	0.9	850	0.9	109.7	106.3	+50
Supplies Expenses	449	0.5	472	0.5	105.1	74.7	-160
Tax and Public Charges	300	0.4	342	0.4	114.0	92.4	-28
Commission Paid	499	0.6	530	0.6	106.2	101.0	+5
Others	885	1.1	916	1.0	103.5	95.4	-44
Total SG&A Expenses	18,056	21.4	19,470	21.5	107.8	101.5	+285

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

8

Sales Trend

1st Quarter - FY Ending February 28, 2014

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved. 9

■ Sales growth rate of existing stores- Sugi Group -

■ 1st Quarter :Same store sales growth rate showed +3.2%(prescription;+22.8%, Sugi's commodity; +1.1%, Japan's commodity;-0.6%), same store customer growth rate indicated -0.1%.

Month	2013/2	2014/2
Mar.	-0.9	6.7
Apr.	-0.3	3.1
May	3.3	3.3
Jun.	0.7	0.7
Jul.	0.1	0.1
Aug.	2.4	2.4
Sep.	3.0	3.0
Oct.	0.6	0.6
Nov.	0.4	0.4
Dec.	1.6	1.6
Jan.	-0.1	-0.1
Feb.	-1.7	-1.7

Month	Value
Mar.	18.3
Apr.	24.6
May	22.8

Month	2013/2	2014/2
Mar.	-5.1	3.2
Apr.	-3.0	-0.6
May	0.6	0.6
Jun.	-0.7	-0.7
Jul.	-2.1	-2.1
Aug.	-1.9	-1.9
Sep.	0.1	0.1
Oct.	-2.7	-2.7
Nov.	-4.0	-4.0
Dec.	-3.4	-3.4
Jan.	-2.7	-2.7
Feb.	-5.2	-5.2

Month	Commodity:Sugi	Commodity:Japan
Mar.	6.7	0.2
Apr.	-4.3	-1.7
May	0.9	-0.2

Month	2013/2	2014/2
Mar.	4.4	3.4
Apr.	3.8	2.7
May	4.0	2.7
Jun.	2.9	2.9
Jul.	2.0	2.0
Aug.	4.4	4.4
Sep.	2.9	2.9
Oct.	3.3	3.3
Nov.	4.6	4.6
Dec.	5.2	5.2
Jan.	2.6	2.6
Feb.	3.7	3.7

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved. 10

■ Sales Trend by Product Group - Sugi Group -

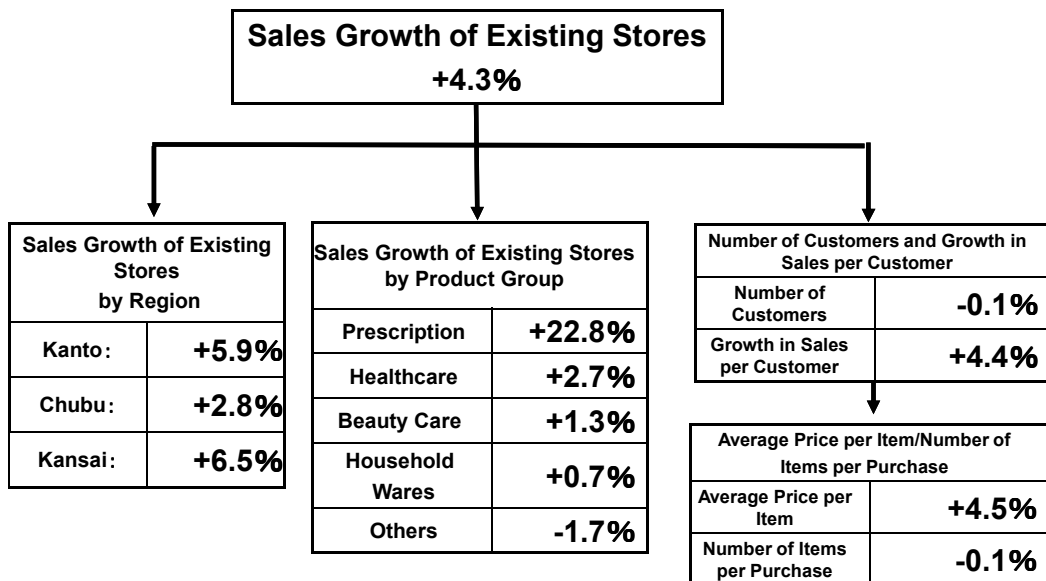
(%)	Composition Ratio			Sales % Y o Y	Sales % vs. Budget	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2013/2 1Q	FY 2014/2 1Q				FY 2013/2 1Q	FY 2014/2 1Q		
	Results	Budget	Results			Results	Budget	Results	
Prescription	14.5	15.9	16.8	125.6	108.5	31.8	33.5	34.8	+1.3
Healthcare	24.4	24.0	23.8	106.5	102.2	38.9	39.0	40.3	+1.3
Beauty Care	25.8	25.5	25.0	105.4	101.0	28.6	28.4	29.1	+0.7
Household Wares	21.8	21.3	21.0	105.3	101.9	22.1	21.9	21.9	±0.0
Others	13.5	13.4	13.4	107.8	102.8	17.8	16.7	19.9	+3.1
Total	100.0	100.0	100.0	108.9	102.9	28.7	28.8	29.9	+1.1

(%)	Composition Ratio			Sales % Y o Y	Sales % vs. Budget	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2013/2 1Q	FY 2014/2 1Q				FY 2013/2 1Q	FY 2014/2 1Q		
	Results	Budget	Results			Results	Budget	Results	
Healthcare	7.4	7.7	8.0	109.8	103.1	32.1	32.3	32.5	+0.2
Beauty Care	8.1	8.0	8.0	101.5	100.3	24.3	23.7	24.5	+0.8
Household Wares	24.1	23.9	23.6	99.6	98.2	22.0	21.4	21.4	±0.0
Others	60.5	60.4	60.4	101.6	99.4	18.2	17.4	17.7	+0.3
Total	100.0	100.0	100.0	101.7	99.5	20.6	20.0	20.3	+0.3

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

■ Sales Trend at Existing Stores- Sugi Pharmacy business -

■ 1st Quarter :Existing store sales growth ratio indicated +4.3% for the reason of continuous and strong sales growth of prescription



Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

Medical Business

1st Quarter - FY Ending February 28, 2014

■ OTC Sales Trends – Sugi Pharmacy

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

<Growth Rate of All Stores Sales>

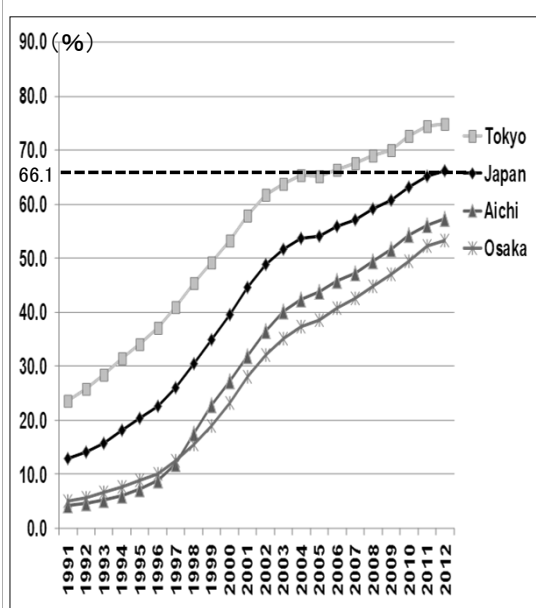
(%)	FY 2010/2			FY 2011/2				FY 2012/2				FY 2013/2				FY '14/2
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1Q	2Q	3Q	4Q	1Q
Category 1	+18.8	+25.4	+14.5	+26.4	+16.5	+20.9	+19.7	+2.1	+15.8	+1.4	+5.6	+25.5	+1.0	+6.7	+10.1	+49.5
Category Specified 2	+9.7	+1.9	-1.5	-1.4	+6.4	+11.7	+14.8	+31.5	+5.1	+5.0	+11.8	+3.3	+5.2	+6.9	-1.9	+1.8
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	-0.1	+0.7	-0.9	+3.4
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	+4.2	+4.6	+3.8	+7.4
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	+2.5	+3.9	+0.6	+6.8

< OTC Sales by Category (All Stores)>

(%)	FY 2010/2			FY 2011/2				FY 2012/2				FY 2013/2				FY '14/2
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1Q	2Q	3Q	4Q	1Q
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	5.7	5.7	5.8	9.0
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	26.7	30.1	30.8	28.6
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	41.0	37.8	37.2	38.9
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	26.5	26.3	26.1	23.5

■ Separation rate

Separation rate trend of Sugi's dominant areas



%	2005	2006	2007	2008	2009	2010	2011	2012
	H17	H18	H19	H20	H21	H22	H23	H24
Ibaragi	57.6	60.1	61.8	63.9	65.3	67.5	69.6	69.9
Saitama	58.2	60.4	61.8	63.5	65.1	67.0	69.1	70.0
Chiba	61.2	62.9	63.9	65.5	66.3	68.5	70.5	71.4
Tokyo	65.2	66.4	67.7	69.0	70.1	72.6	74.5	74.9
Kanagawa	70.3	71.2	72.1	73.9	74.7	77.1	78.6	78.8
Gifu	48.8	50.2	51.5	53.6	55.3	57.5	59.6	61.1
Shizuoka	56.6	58.0	59.7	61.8	63.0	65.6	69.0	67.4
Aichi	43.7	45.7	47.3	49.4	51.6	54.3	56.0	57.3
Mie	44.0	45.1	46.4	48.1	49.2	51.6	53.8	55.1
Shiga	46.6	49.6	51.9	55.5	57.2	59.8	62.0	63.4
Kyoto	32.3	34.1	35.4	37.9	40.0	42.8	45.0	46.7
Osaka	38.6	40.7	42.5	44.7	47.0	49.5	52.2	53.3
Hyogo	52.3	53.8	55.6	57.5	59.5	61.5	63.3	64.5
Nara	39.6	41.2	42.5	45.0	48.2	50.1	52.2	53.3
Japan	54.1	55.8	57.2	59.1	60.7	63.1	65.1	66.1

Source: Japan Pharmaceutical Association Data

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

■ Aging progresses faster in urban areas

<Elderly population trend in Japan>

Unit:1000persons	2012 elderly population (ratio)	2015 elderly population (ratio)	2025 elderly population (ration)	2055 elderly population (ratio)
Over 65 years old	30,580 (24.0%)	33,950 (26.8%)	36,570 (30.3%)	36,260 (39.4%)
Over 75 years old	15,110 (11.8%)	16,460 (13.0%)	21,790 (18.1%)	24,010 (26.1%)

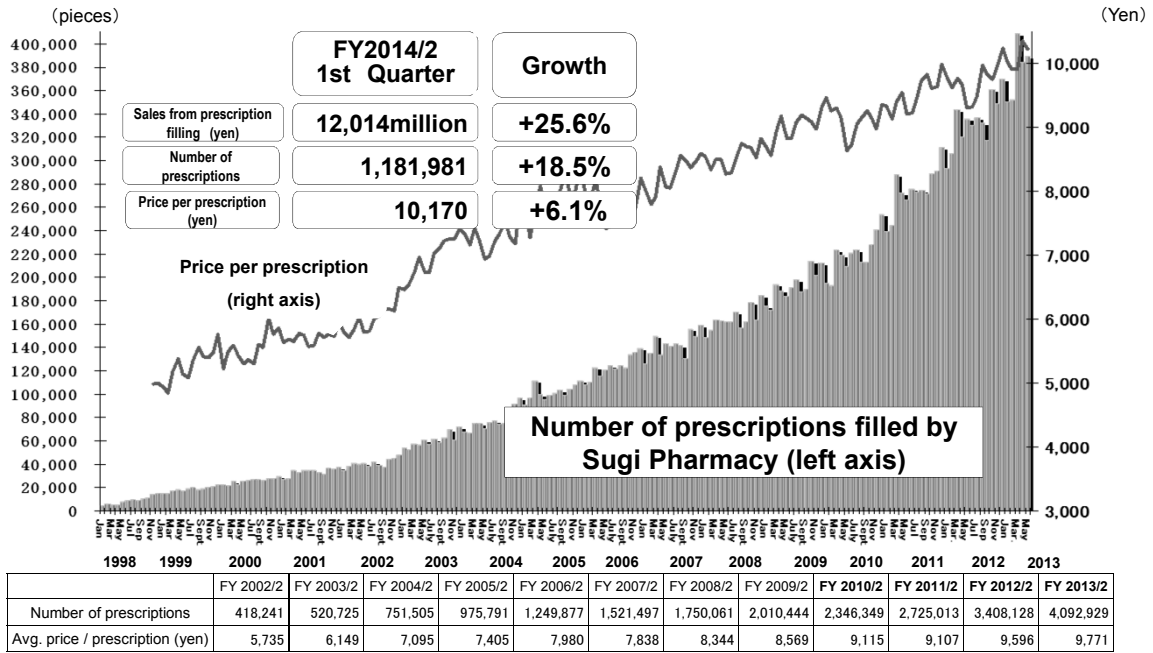
< Elderly population (over 75 years) trend by prefecture >

Unit:1000persons	2010 elderly population	2025 elderly population	Increase population	Increase %	Ranking
Saitama	589	1,177	588	+100%	1
Chiba	563	1,082	520	+92%	2
Kanagawa	794	1,485	692	+87%	3
Osaka	843	1,528	685	+81%	4
Aichi	660	1,166	506	+77%	5
(Tokyo)	1,234	1,977	743	+60%	(8)
Japan	14,194	21,786	7592	+53%	

Source: Ministry of Health, Labour and Welfare

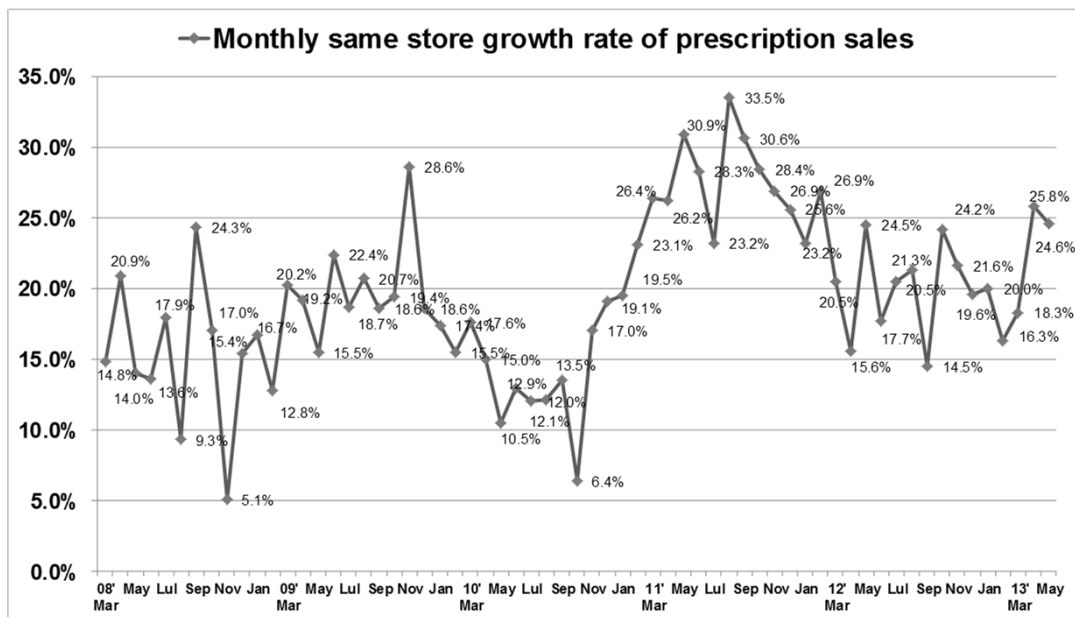
Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

Trends in the Number of Prescriptions and Price per Prescription



Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

Same store growth rate of prescription sales

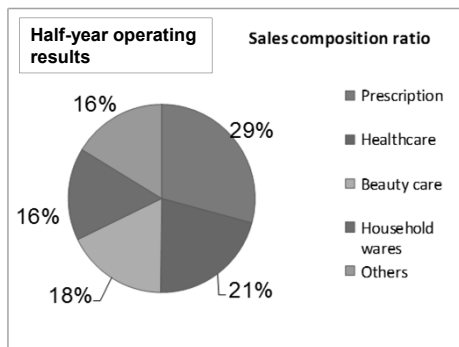
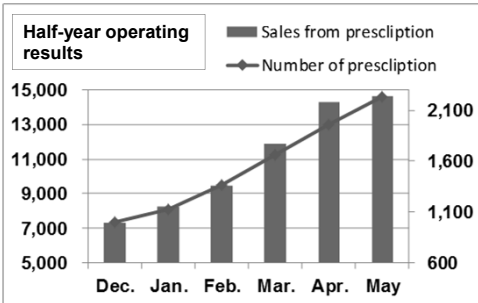


Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

■ New store which has a clinic on the same building

<Sugi Pharmacy>
 Store name: Uchidabashi (Opened on November 2012)
 Address : Nagoya city Aichi prefecture
 Store space: general product sales 730㎡、
 prescription 60㎡
 Opening Hours: 9:00 to 22:00

<Clinic>
 Name: Ohtani Orthopedics & Dermatology



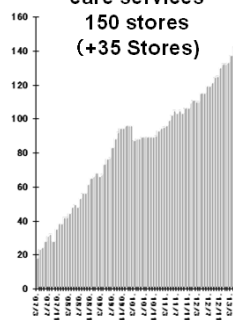
Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

19

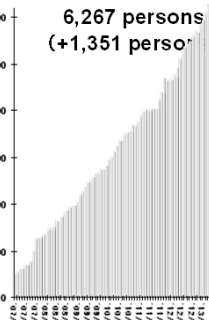
■ In-home Medical Care Services – As of May 31, 2013

Sales of prescription filing: JPY12,014m (1st Quarter), including sales of in-home medical care: JPY642m (+31.9% YoY)

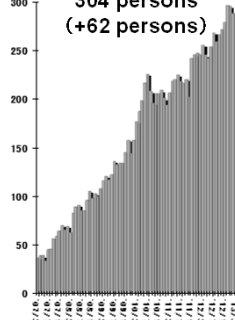
Number of stores providing in-home medical care services
 150 stores (+35 Stores)



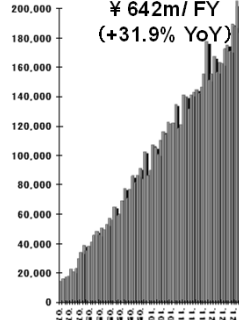
Number of patients receiving in-home medical care
 6,267 persons (+1,351 persons)



Number of patients receiving TPN care
 304 persons (+62 persons)



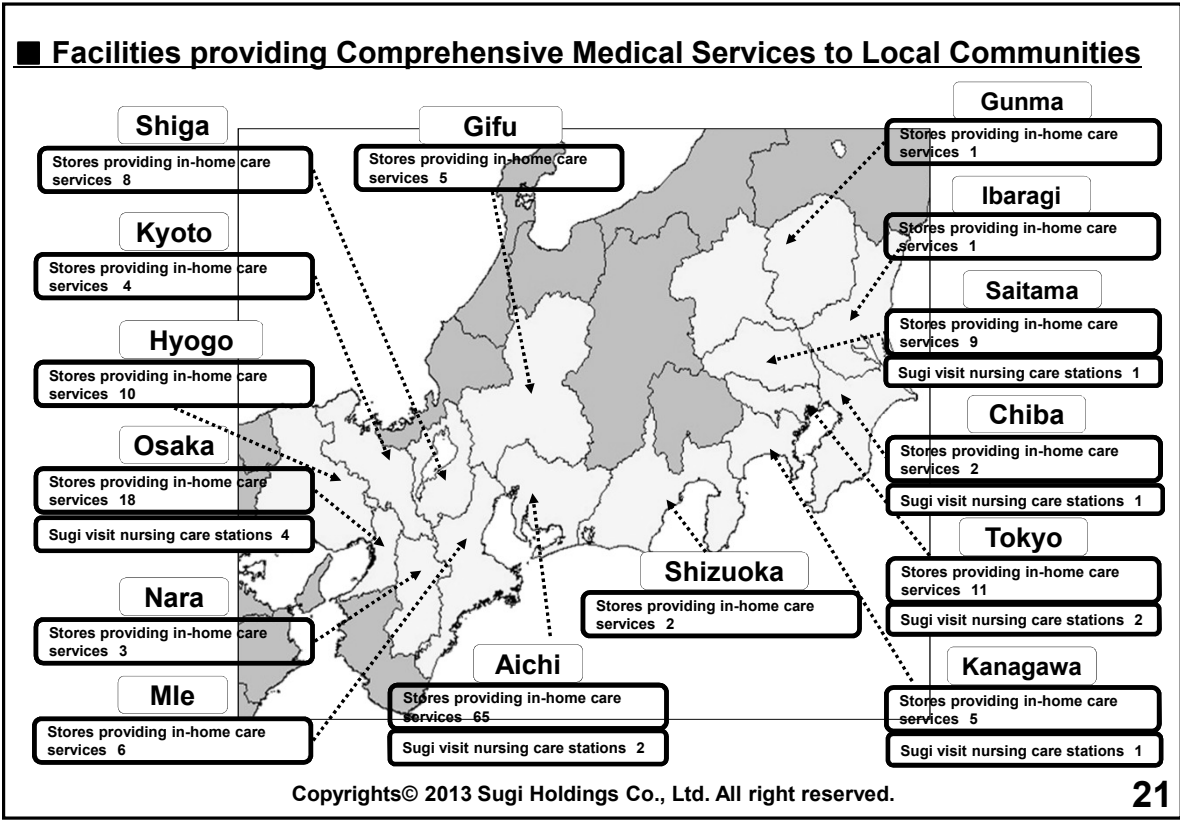
Net Sales of in-home medical care business
 ¥ 642m/ FY (+31.9% YoY)



Note: Comparison with previous year

Copyrights© 2013 Sugi Holdings Co., Ltd. All right reserved.

20



- 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.