

Financial Results

1st Quarter - FY Ending February 29, 2016

Supplementary Information

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

July 8, 2015

Sugi Holdings Co., Ltd.

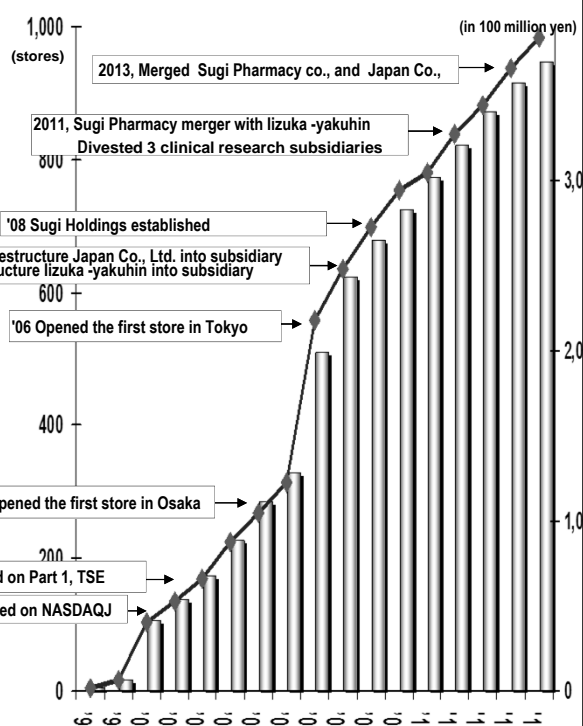
Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

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	954 (as of May, 2015)
Number of employees	4,629(full-time) (as of May, 2015)
Net sales	JPY383,644m (FY ended Feb. 28, 2015-consolidated)
Operating Profit	JPY20,861m (FY ended Feb. 28, 2015-consolidated)
Description of business	Management of subsidiaries engaging in businesses including pharmacy business, drug store business, and in-home nursing care business

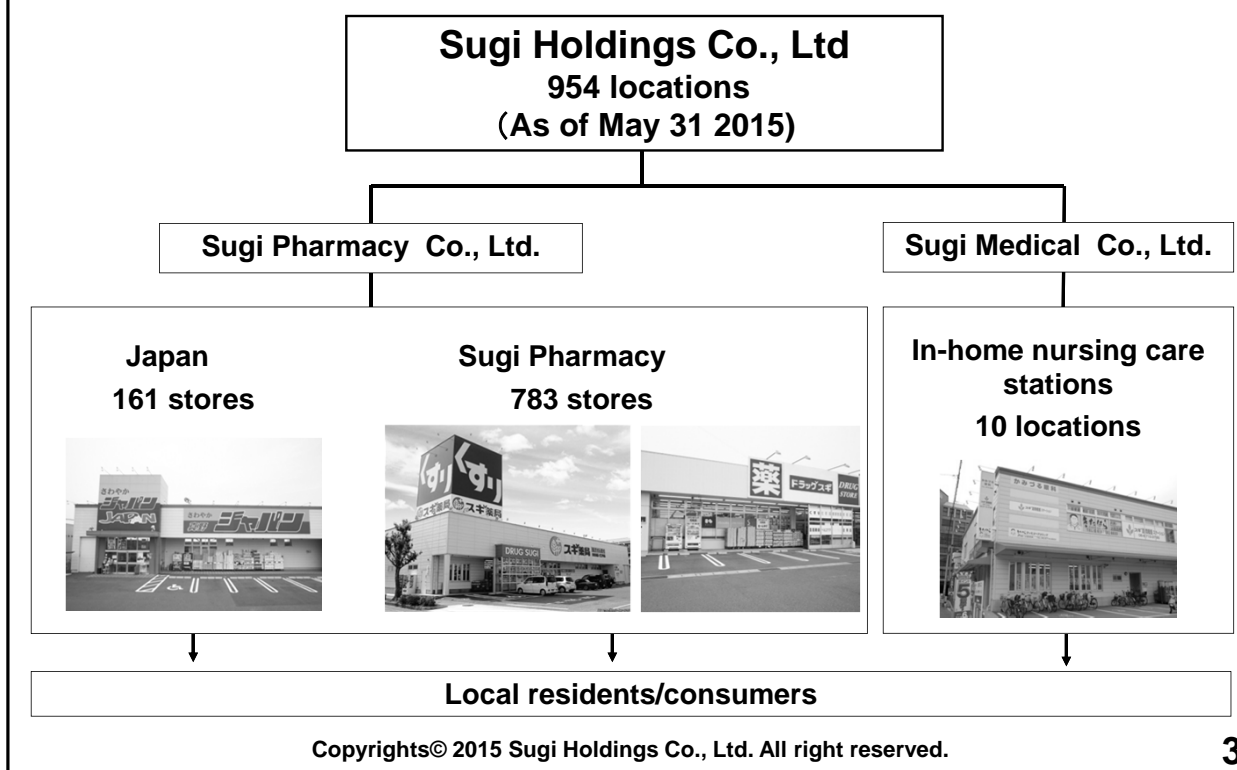
Number of Stores and Sales Status



Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

2

■ Overview of Sugi Group



New Store Openings

1st Quarter – FY Ending February 29, 2016

■ Store Openings and Closings

* Please note that "FY2015/2" and "FY 2016/2" in this presentation refers to the fiscal year ended in February 2015, and the fiscal year ending February 2016, respectively. The same notation is used in other pages.

■ 1st Quarter : Opened 9 stores, closed 2 stores

Nos. of stores by region	FY2015/2	FY2016/2 1st Quarter			Forecast after June 2015			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	225	2	0	227	23	5	245	25	5	+20
Chubu Region	391	4	1	394	26	9	411	30	10	+20
Kansai Region	331	3	1	333	22	4	351	25	5	+20
Total	947	9	2	954	71	18	1,007	80	20	+60

Nos. of stores by company	FY2015/2	FY2016/2 1st Quarter			Forecast after June 2015			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	775	9	1	783	66	18	831	75	19	+56
Japan	162	0	1	161	5	0	166	5	1	+4
Visit Nursing Care ST	10	0	0	10	0	0	10	0	0	-
Total	947	9	2	954	71	18	1,007	80	20	+60

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

5

Financial Highlights

1st Quarter - FY Ending February 29, 2016
- Consolidated -

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

6

■ 1st Quarter Financial Highlight - Consolidated -

■ 1st Quarter :Largest ever net sales (JPY102.1billion) and operating profit (JPY6.9billion) achieved

	FY Ended 2015/2 1Q (March to May)		FY Ending 2016/2 1Q (March to May)				
	Results (in million yen)	Ratio to Sales(%)	Results (in million yen)	Ratio to Sales(%)	vs. Budget (%)	vs. Budget (in million yen)	Y o Y (%)
Net Sales	96,926	100.0	102,176	100.0	102.2	+2,176	105.4
Sugi Pharmacy business	77,536	80.0	82,148	80.4	101.7	+1,382	105.9
Japan business	18,475	19.1	18,979	18.6	103.9	+718	102.7
Others	915	0.9	1,048	1.0	107.8	+75	114.6
Gross Profit	26,537	27.4	28,659	28.0	102.0	+559	108.0
Sugi Pharmacy business	22,298	28.8	24,108	29.3	100.6	+148	108.1
Japan business	3,480	18.8	3,563	18.8	107.1	+237	102.4
Others	758	82.8	987	94.2	121.3	+173	130.3
SG&A Expenses	20,575	21.2	21,750	21.3	98.4	-349	105.7
Operating Income	5,962	6.2	6,908	6.8	115.1	+908	115.9
Non-operating Income	525	0.5	524	0.5	104.9	+24	99.8
Non-Operating Expenses	351	0.4	355	0.3	142.4	+105	101.3
Ordinary Income	6,136	6.3	7,077	6.9	113.2	+827	115.3
Extraordinary Income	0	0.0	0	0.0	-	0	-
Extraordinary Losses	51	0.1	3	0.0	7.6	-46	7.4
Net Income before Income Taxes	6,085	6.3	7,073	6.9	114.1	+873	116.2
Income Taxes	2,333	2.4	2,826	2.8	122.9	+526	121.1
Net Income	3,751	3.9	4,247	4.2	108.9	+347	113.2

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

7

■ 1st Quarter SG&A Expenses Status – Consolidated -

■1st Quarter :Total SG&A expenses increased up 5.7% because Net Sales increased up 5.4 % year on year.

	FY Ended 2015/2 1Q (March to May)		FY Ending 2016/2 1Q (March to May)		
	Results (in million yen)	Ratio to Sales(%)	Results (in million yen)	Ratio to Sales (%)	Y o Y (%)
Net Sales	96,926	100.0	102,176	100.0	105.4
Total Selling Expenses	1,938	2.0	1,803	1.8	93.0
Advertising Expenses	998	1.0	913	0.9	91.5
Premium Expenses	939	1.0	890	0.9	94.7
Personnel Expenses	10,043	10.4	10,736	10.5	106.9
Total Administrative Expenses	8,592	8.9	9,210	9.0	107.2
Rent Expenses	3,986	4.1	4,135	4.0	103.7
Depreciation Expenses	1,109	1.1	1,216	1.2	109.6
Utilities Expenses	908	0.9	975	1.0	107.4
Supplies Expenses	571	0.6	628	0.6	110.0
Tax and Public Charges	413	0.4	476	0.5	115.2
Commission Paid	616	0.6	618	0.6	100.4
Others	987	1.0	1,160	1.1	117.5
Total SG&A Expenses	20,575	21.2	21,750	21.3	105.7

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

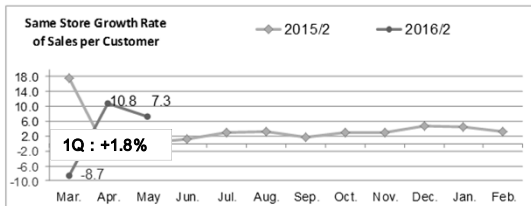
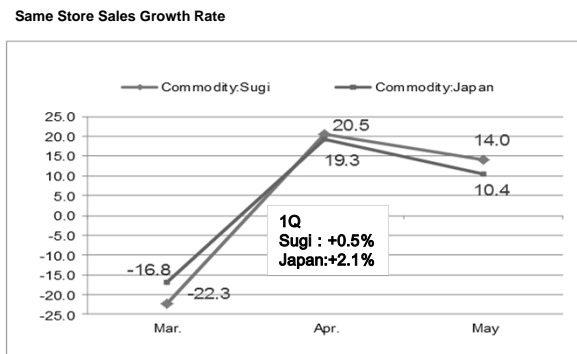
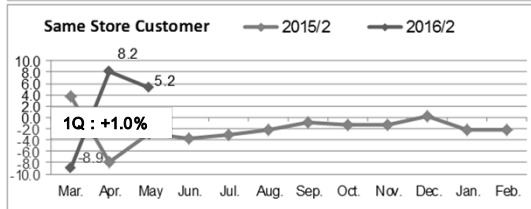
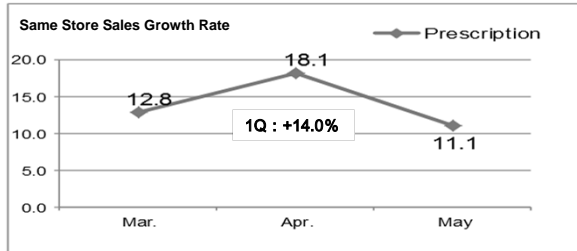
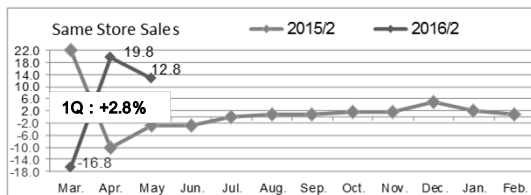
8

Sales Trend

1st Quarter - FY Ending February 29, 2016

■ Sales growth rate of existing stores- Sugi Group -

1st Quarter: Same store sales growth rate showed +2.8% (prescription;+14.0%,Sugi's commodity;+0.5%, Japan's commodity;+2.1%), same store customer growth rate indicated +1.0%.



■ Sales Trend by Product Group - Sugi Group -

Sugi Pharmacy	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2015/2 1Q	FY 2016/2 1Q				FY 2015/2 1Q	FY 2016/2 1Q		
	Results	Budget	Results			Results	Budget	Results	
Prescription	18.1	19.9	19.8	100.8	115.9	33.4	36.2	36.3	+0.1
Healthcare	22.7	22.4	21.7	98.4	101.2	39.3	40.0	39.8	-0.2
Beauty Care	25.0	24.1	24.0	101.4	101.6	28.9	29.1	28.9	-0.2
Household Wares	21.6	21.2	21.7	104.1	106.7	21.6	21.8	21.2	-0.6
Foods	12.6	12.3	12.8	105.8	107.5	15.1	14.9	15.7	+0.7
Total	100.0	100.0	100.0	101.7	105.9	28.8	29.7	29.3	-0.3

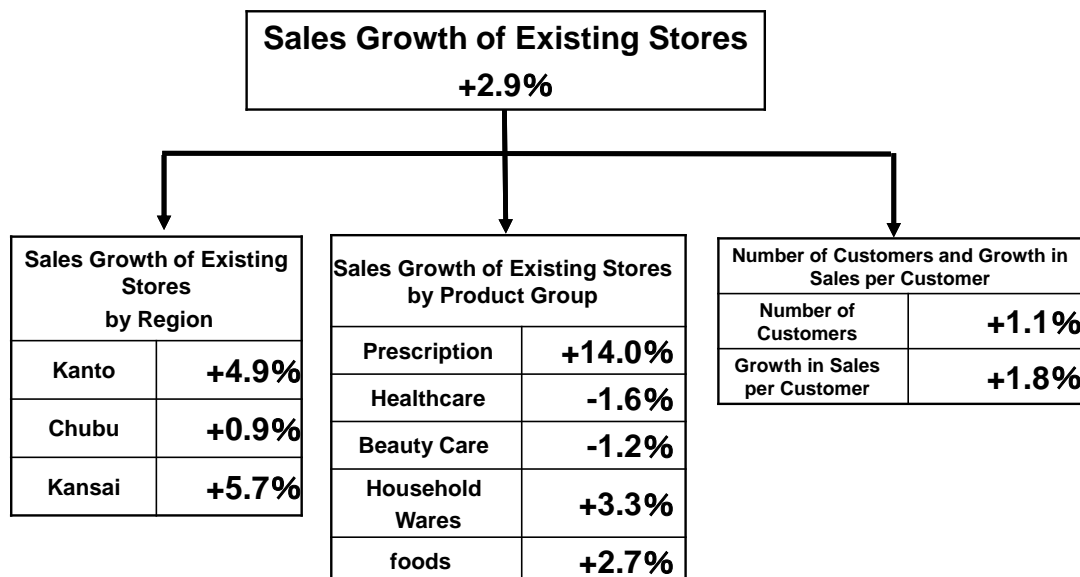
Japan	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2015/2 1Q	FY 2016/2 1Q				FY 2015/2 1Q	FY 2016/2 1Q		
	Results	Budget	Results			Results	Budget	Results	
Healthcare	8.4	8.3	7.8	97.6	95.4	31.5	30.0	31.2	+1.2
Beauty Care	8.3	8.0	7.6	99.0	93.7	25.0	23.9	24.7	+0.8
Household Wares	23.5	23.5	24.7	109.6	108.4	21.9	21.4	20.9	-0.5
Foods	59.8	60.2	59.9	103.3	102.8	15.0	14.6	15.5	+0.9
Total	100.0	100.0	100.0	103.9	102.7	18.8	18.2	18.8	+0.6

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

11

■ Sales Trend at Existing Stores- Sugi Pharmacy business -

■1st Quarter: Existing store sales growth ratio indicated +2.9% for the reason of strong sales growth of prescription drug.



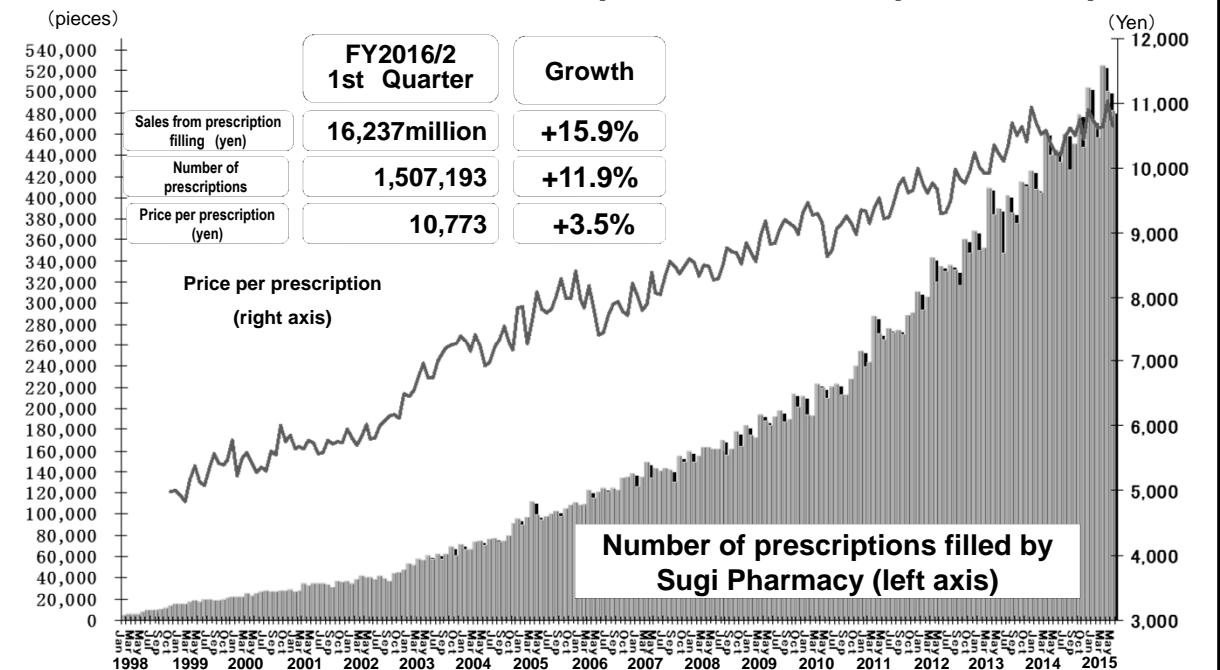
Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

12

Medical Business of Sugi Group

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

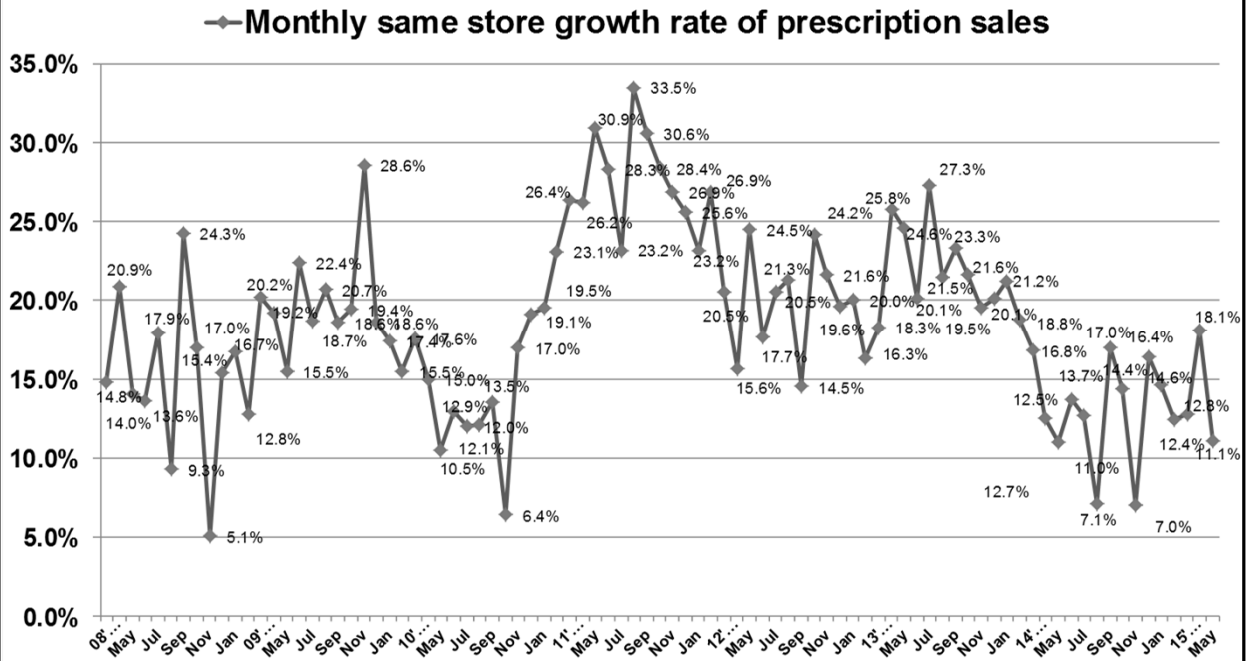
■ Trends in the Number of Prescriptions and Price per Prescription



	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	FY 2013/2	FY 2014/2	FY2015/2
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	4,103,319	4,782,507	5,473,832
Avg. price / prescription (yen)	6,149円	7,095円	7,405円	7,980円	7,838円	8,344円	8,569円	9,115円	9,107円	9,596円	9,747円	10,450円	10,548円

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

Same store growth rate of prescription sales

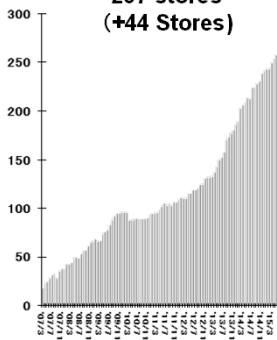


Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

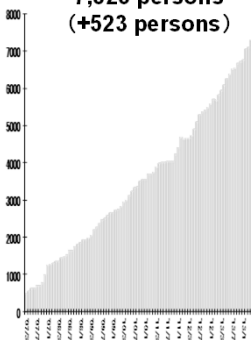
In-home Medical Care Services – As of May 31, 2015

Sales of prescription filing: JPY16,237m (1st Quarter), including sales of in-home medical care: JP859m (+10.1% YoY)

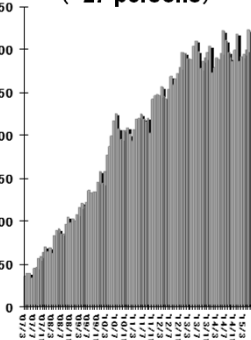
Number of stores providing in-home medical care services
257 stores (+44 Stores)



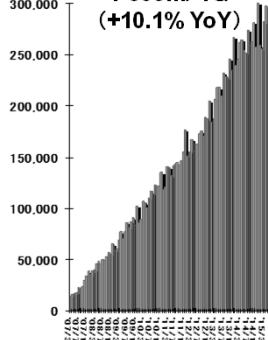
Number of patients receiving in-home medical care
7,823 persons (+523 persons)



Number of patients receiving TPN care
323 persons (+27 persons)



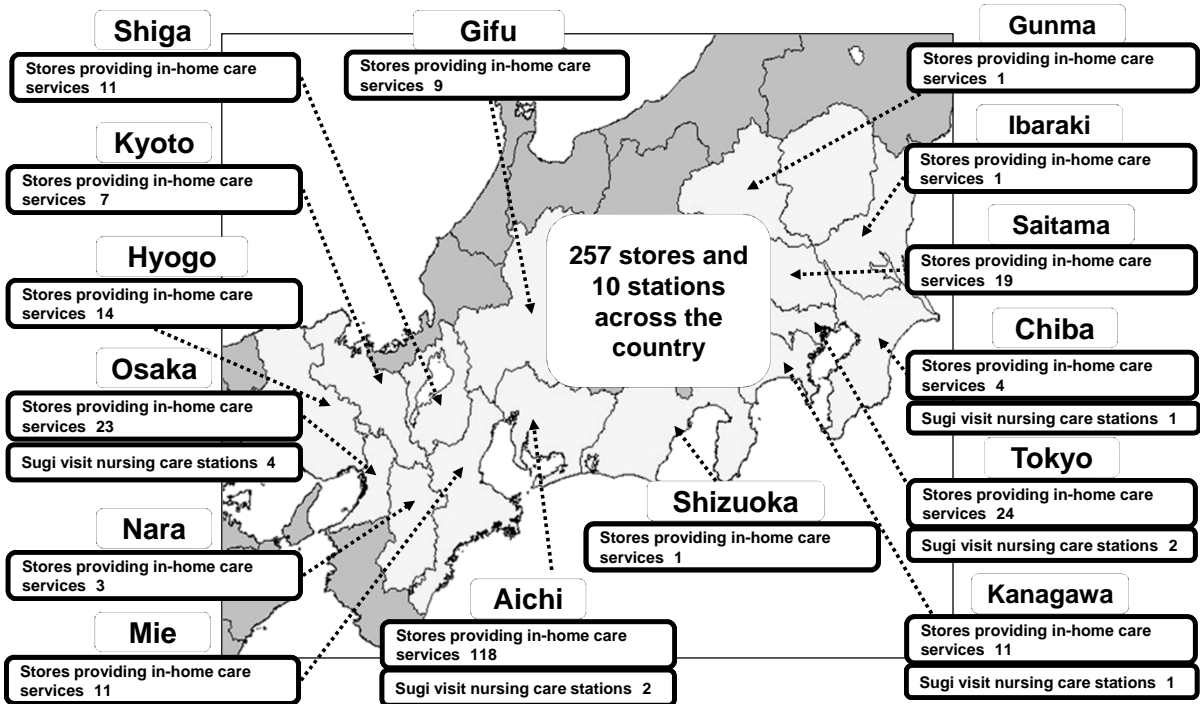
Net Sales of in-home medical care business
¥ 859m/ 1Q (+10.1% YoY)



Note: Comparison with previous year

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

Facilities Providing Comprehensive Medical Services to Local Communities



Copyrights© 2015 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.

Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.