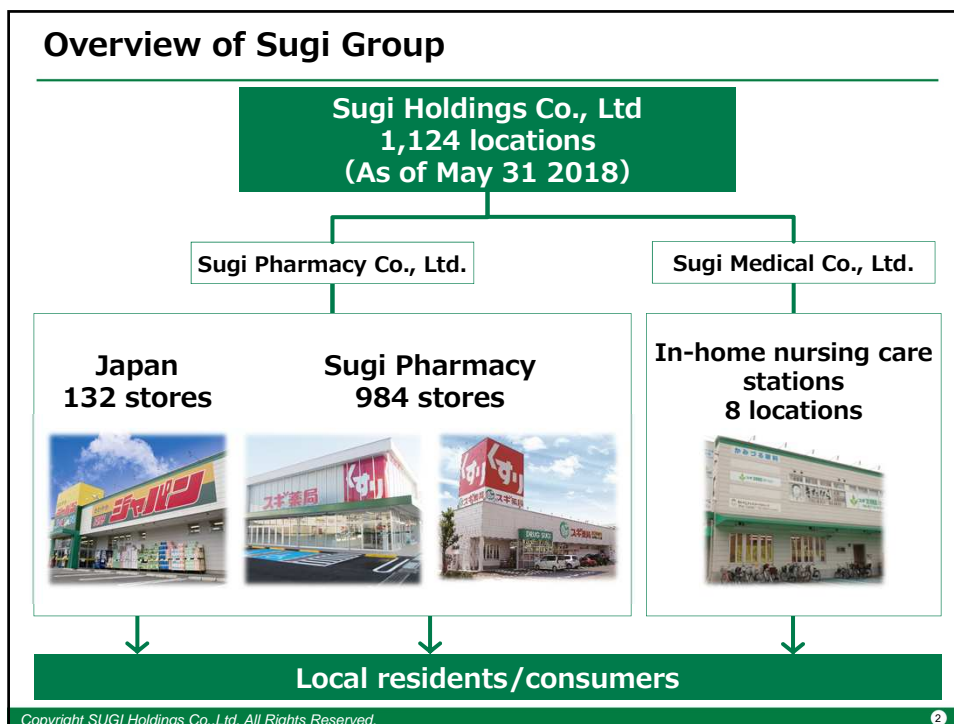


# Summary of First Quarter Results for Ending February 28, 2019



## Store Openings and Closings

\* Please note that "FY2018/2" and "FY 2019/2" in this presentation refers to the fiscal year ended in February 2018, and the fiscal year ended February 2019, respectively. The same notation is used in other pages.

**1st Quarter : Opened 23 stores, closed 4 stores, increased 19 stores**

Nos. of stores by region	FY2018/2 Full Year		FY2019/2 1st Quarter			Forecast after June 2018			FY 2019/2 Full Year forecast			
	As of the Term-End	Store Openings	Store Closings	As of the Term-End	Store Openings	Store Closings	Store Openings	Store Closings	Change	As of the Term-End		
Kanto Region	271	7	1	277	23	6	30	7	+23	294		
Chubu Region	441	6	2	445	32	6	38	8	+30	471		
Kansai Region	393	10	1	402	22	4	32	5	+27	420		
<b>Total</b>	<b>1,105</b>	<b>23</b>	<b>4</b>	<b>1,124</b>	<b>77</b>	<b>16</b>	<b>100</b>	<b>20</b>	<b>+80</b>	<b>1,185</b>		

Nos. of stores by company	FY2018/2 Full Year		FY2019/2 1st Quarter			Forecast after June 2018			FY 2019/2 Full Year forecast				
	As of the Term-End	Store Openings	Store Closings	Store format conversion	As of the Term-End	Store Openings	Store Closings	Store format conversion	Store Openings	Store Closings	Store format conversion	Change	As of the Term-End
Sugi Pharmacy	965	23	4	0	984	72	10	+10	95	14	+10	91	1,056
Japan	132	0	0	0	132	3	6	-10	3	6	-10	-13	119
Visit Nursing Care ST	8	0	0	0	8	2	0	0	2	0	0	+2	10
<b>Total</b>	<b>1,105</b>	<b>23</b>	<b>4</b>	<b>0</b>	<b>1,124</b>	<b>77</b>	<b>16</b>	<b>-</b>	<b>100</b>	<b>20</b>	<b>-</b>	<b>+80</b>	<b>1,185</b>

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## Financial Highlights 1st Quarter - FY Ending February 28, 2019 - Consolidated -

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## 1st Quarter Financial Highlight - Consolidated -

**1st Quarter : Net sales (JPY119.6 billion) and Operating profit (JPY6.2 billion)**

	FY Ended 2018/2 1Q (March to May)		FY Ending 2019/2 1Q (March to May)				
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	vs. Budget (in %)	vs. Budget (in million yen)	Y o Y
<b>Net Sales</b>	<b>112,502</b>	<b>100.0</b>	<b>119,645</b>	<b>100.0</b>	<b>101.4</b>	<b>+1,645</b>	<b>106.3</b>
Sugi Pharmacy business	93,121	82.8	102,475	85.6	101.9	+1,875	110.0
Japan business	18,766	16.7	16,553	13.8	99.1	-147	88.2
Others	615	0.5	617	0.5	88.1	-83	100.0
<b>Gross Profit</b>	<b>32,004</b>	<b>28.4</b>	<b>34,200</b>	<b>28.6</b>	<b>99.7</b>	<b>-100</b>	<b>106.9</b>
Sugi Pharmacy business	27,910	30.0	30,494	29.8	100.0	-6	109.3
Japan business	3,617	19.3	3,253	19.7	98.6	-47	89.9
Others	476	77.4	453	73.4	90.6	-47	94.8
<b>SG&amp;A Expenses</b>	<b>25,476</b>	<b>22.6</b>	<b>27,944</b>	<b>23.4</b>	<b>101.1</b>	<b>+294</b>	<b>109.7</b>
<b>Operating Income</b>	<b>6,528</b>	<b>5.8</b>	<b>6,255</b>	<b>5.2</b>	<b>94.1</b>	<b>-395</b>	<b>95.8</b>
Non-operating Income	601	0.5	670	0.6	121.8	+120	111.4
Non-Operating Expenses	339	0.3	316	0.3	105.3	+16	93.2
<b>Ordinary Income</b>	<b>6,789</b>	<b>6.0</b>	<b>6,609</b>	<b>5.5</b>	<b>95.8</b>	<b>-291</b>	<b>97.3</b>
Extraordinary Income	0	-	0	-	-	-	-
Extraordinary Losses	84	0.1	48	0.0	96.0	-2	57.5
<b>Net Income before Income Taxes</b>	<b>6,705</b>	<b>6.0</b>	<b>6,560</b>	<b>5.5</b>	<b>95.8</b>	<b>-290</b>	<b>97.8</b>
Income Taxes	2,207	2.0	2,189	1.8	95.2	-111	99.2
<b>Net Income</b>	<b>4,497</b>	<b>4.0</b>	<b>4,371</b>	<b>3.7</b>	<b>96.1</b>	<b>-179</b>	<b>97.2</b>

Note: The number of "others" shows the number of "Sugi Medical", and the sum of "Sugi Pharmacy business headquarters" and "Sugi Holdings".

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# Summary of First Quarter Results for Ending February 28, 2019

## 1st Quarter SG&A Expenses Status - Consolidated -

**1st Quarter : Total SG&A expenses increased up 9.7% year on year**

	FY Ended 2018/2 1Q (March to May)		FY Ending 2019/2 1Q (March to May)		Y o Y
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	
Net Sales	112,502	100.0	119,645	100.0	106.3
Total Selling Expenses	1,887	1.7	1,927	1.6	102.1
Advertising Expenses	1,104	1.0	1,209	1.0	109.5
Premium Expenses	783	0.7	718	0.6	91.7
Personnel Expenses	13,074	11.6	14,311	12.0	109.5
Total Administrative Expenses	10,514	9.3	11,704	9.8	111.3
Rent Expenses	4,764	4.2	5,172	4.3	108.6
Depreciation Expenses	1,444	1.3	1,660	1.4	115.0
Utilities Expenses	949	0.8	878	0.7	92.5
Supplies Expenses	644	0.6	851	0.7	132.1
Tax and Public Charges	692	0.6	758	0.6	109.5
Commission Paid	749	0.7	922	0.8	123.1
Others	1,268	1.1	1,462	1.2	115.3
<b>Total SG&amp;A Expenses</b>	<b>25,476</b>	<b>22.6</b>	<b>27,944</b>	<b>23.4</b>	<b>109.7</b>

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## Sales Trend 1st Quarter - FY Ended February 28, 2019

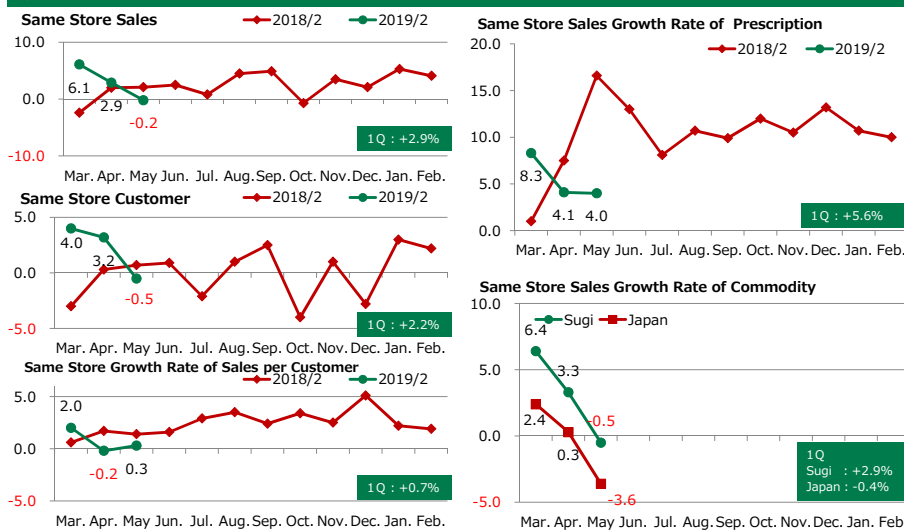
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# Summary of First Quarter Results for Ending February 28, 2019

## Sales growth rate of existing stores- Sugi Group -

1st Quarter :Same store sales growth rate showed +2.9% (prescription;+5.6%, Sugi's commodity ;+2.9%, Japan's commodity;-0.4%), same store customer growth rate indicated +2.2%.



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## Sales Trend by Product Group - Sugi -

	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2018/2 1Q	FY 2019/2 1Q				FY 2018/2 1Q	FY 2019/2 1Q		
	Results	Budget	Results			Results	Budget	Results	
Prescription	22.4	22.1	21.8	100.8	107.2	38.1	37.4	37.0	-0.4
Healthcare	18.6	18.7	18.5	100.9	109.4	40.1	40.5	40.6	+0.1
Wellness support	2.5	2.6	2.7	104.7	116.2	34.5	36.5	36.7	+0.2
Wellness foods	2.5	2.9	3.4	119.6	152.2	16.2	16.9	18.3	+1.4
General Foods	12.1	12.3	12.5	103.6	114.0	16.3	17.0	15.2	-1.8
Beauty	22.1	21.8	21.7	101.3	108.1	29.1	29.8	29.4	-0.4
Life support	18.1	18.0	17.7	100.1	107.4	21.1	22.2	21.5	-0.7
Senior Support	1.5	1.5	1.5	102.1	110.3	28.0	28.9	28.5	-0.4
Other	0.1	0.1	0.1	120.0	90.6	30.2	31.4	27.8	-3.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>101.9</b>	<b>110.0</b>	<b>30.0</b>	<b>30.3</b>	<b>29.8</b>	<b>-0.5</b>

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# Summary of First Quarter Results for Ending February 28, 2019

## Sales Trend by Product Group - Japan -

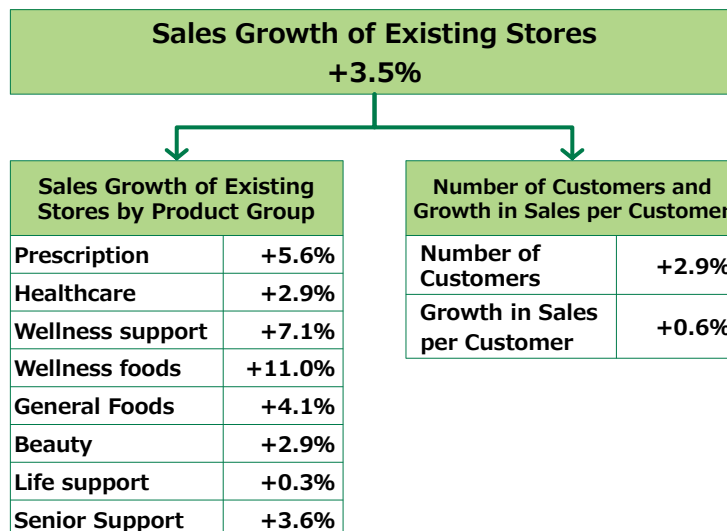
	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2018/2 1Q		FY 2019/2 1Q			FY 2018/2 1Q		FY 2019/2 1Q	
	Results	Budget	Results			Results	Budget	Results	
Healthcare	7.5	7.5	7.5	100.0	88.7	35.7	36.9	36.9	±0.0
Wellness support	0.8	0.9	0.8	92.3	92.3	29.6	31.7	34.4	+2.7
Wellness foods	7.4	7.9	8.5	107.1	101.7	13.1	14.3	14.8	+0.5
General Foods	55.6	55.0	54.6	98.5	86.7	15.7	15.9	15.5	-0.4
Beauty	7.5	7.7	7.8	100.3	91.2	25.7	25.7	25.8	+0.1
Life support	18.9	18.7	18.2	96.6	84.9	23.2	23.9	24.4	+0.5
Senior Support	0.7	0.8	0.7	94.4	92.2	25.6	29.4	26.9	-2.5
Other	1.6	1.7	1.8	106.7	97.7	11.7	13.1	11.6	-1.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>99.1</b>	<b>88.2</b>	<b>19.3</b>	<b>19.8</b>	<b>19.7</b>	<b>-0.1</b>

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## Sales Trend at Existing Stores- Sugi Pharmacy business -

1st Quarter :Existing store sales growth ratio indicated +3.5% for the reason of continuous and strong sales growth of prescription by +5.6%

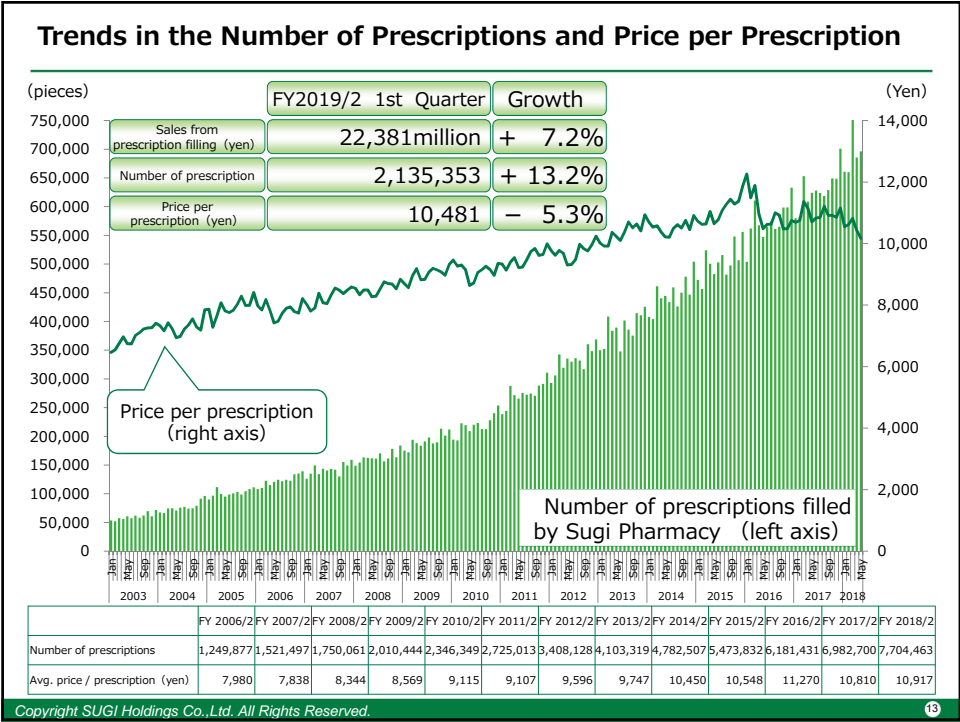


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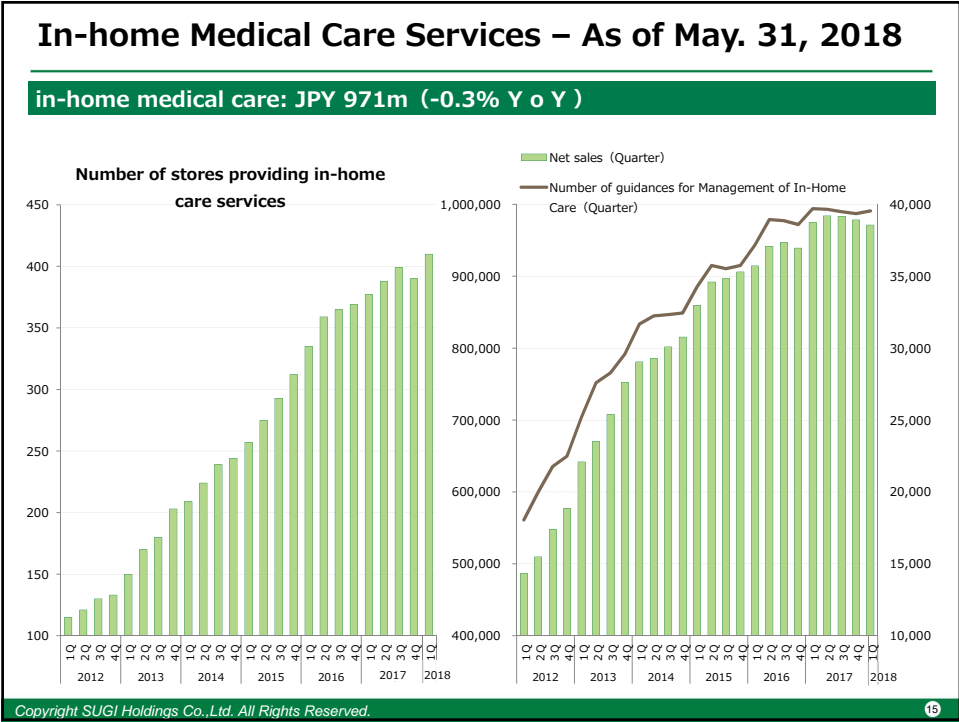
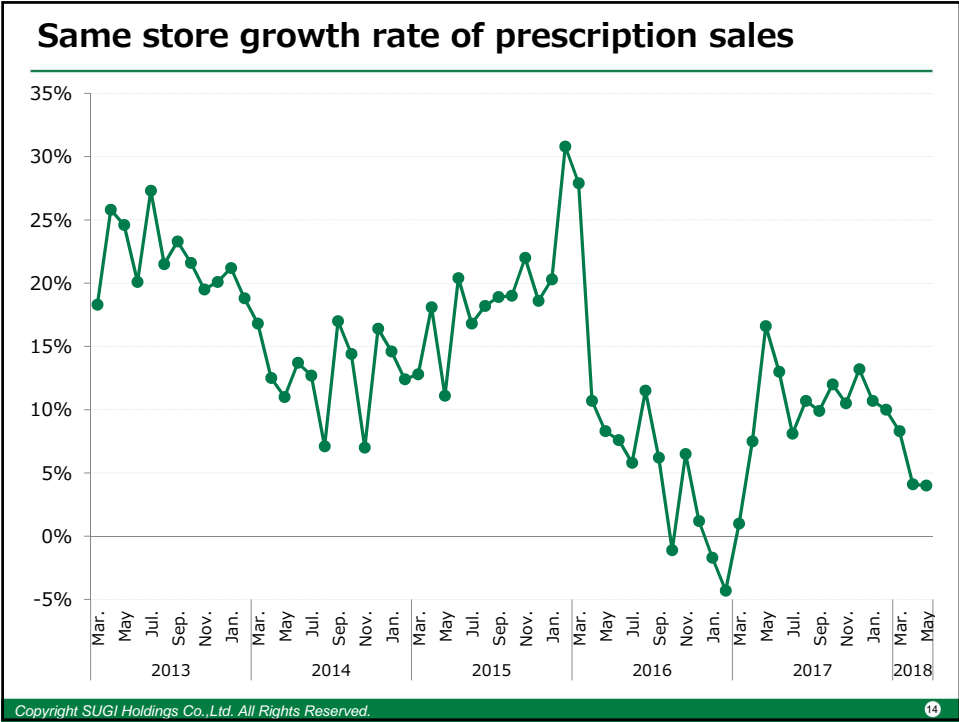
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# Medical Business of Sugi Group

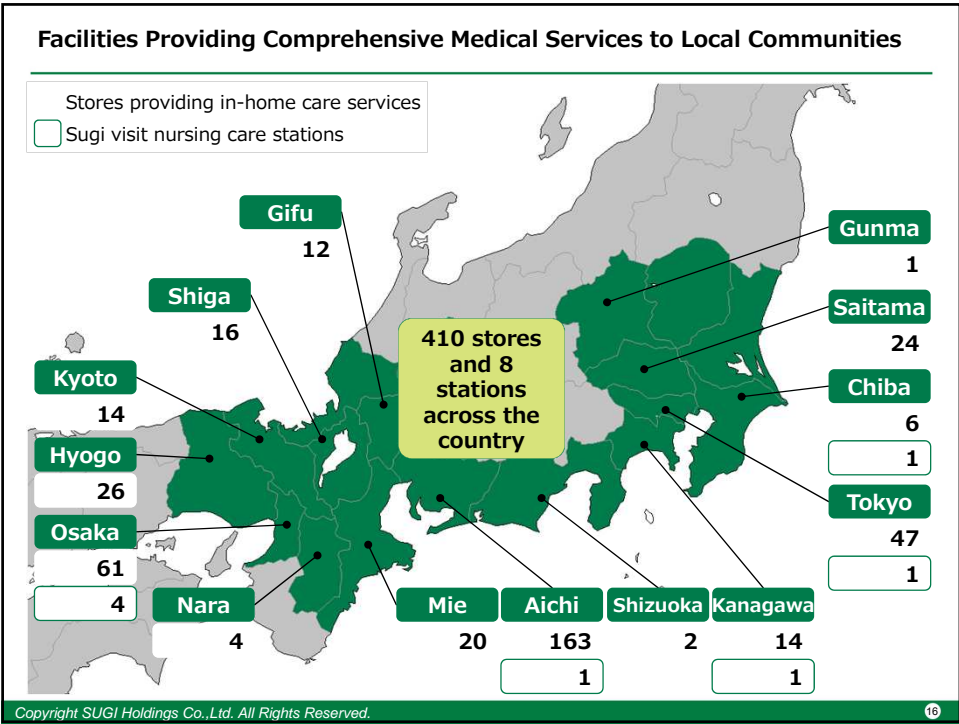
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# Summary of First Quarter Results for Ending February 28, 2019







# SUGI Holdings

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.

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