

Financial Results

1st Half - FY Ending February 29, 2016

Supplementary Information

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

October 6, 2015

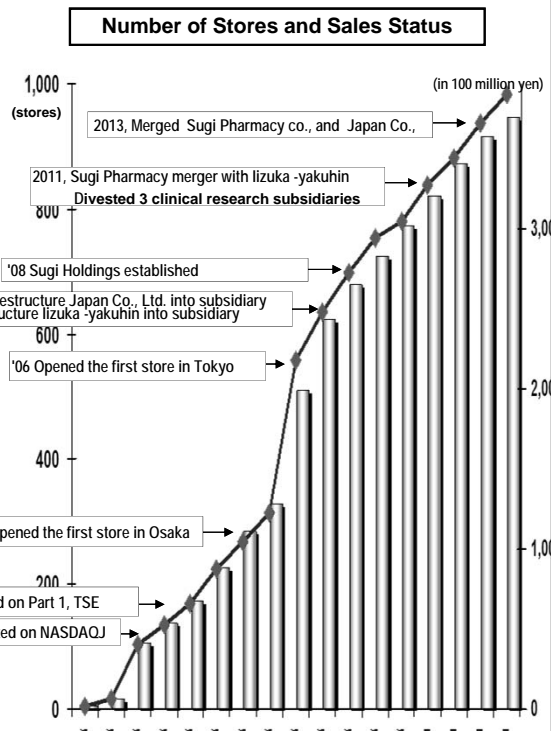
Sugi Holdings Co., Ltd.

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

1

PROFILE

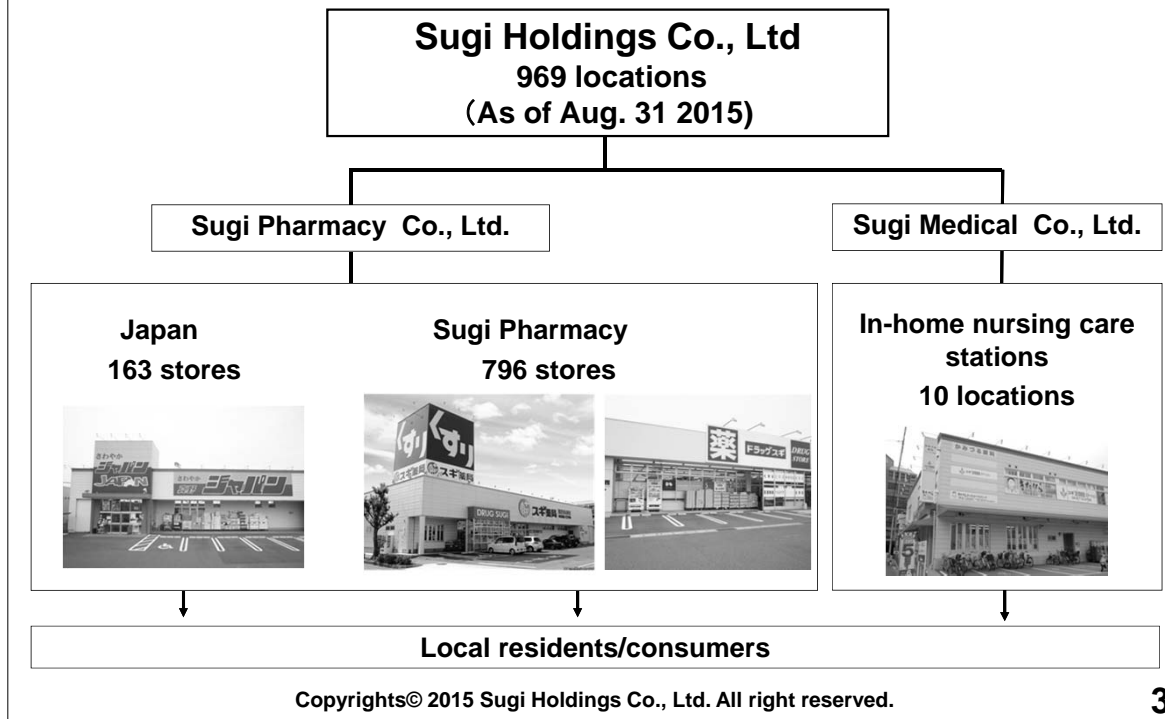
Company name	Sugi Holdings Co., Ltd.
Head office	1-8-4, Mikawaanjo-cho, Anjo-City, Aichi Pref.
Establishment	Sugi Pharmacy was established in December 1976 to sell prescription drugs and OTC drugs.
Founded	March 1982
Paid-in capital	JPY15,434,588,000
Fiscal year-end	End of February
Number of shares outstanding	63,330,838 shares
Number of stores	969 (as of Aug, 2015)
Number of employees	4,568(full-time) (as of Aug, 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



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

2

■ Overview of Sugi Group



New Store Openings

1st Half – 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 Half : Opened 30 stores, closed 8 stores

Nos. of stores by region	FY2015/2	FY2016/2 1st Half			Forecast after September 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	10	3	232	15	2	245	25	5	+20
Chubu Region	391	12	4	399	18	6	411	30	10	+20
Kansai Region	331	8	1	338	17	4	351	25	5	+20
Total	947	30	8	969	50	12	1,007	80	20	+60

Nos. of stores by company	FY2015/2	FY2016/2 1st Half			Forecast after September 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	28	7	796	47	12	831	75	19	+56
Japan	162	2	1	163	3	0	166	5	1	+4
Visit Nursing Care ST	10	0	0	10	0	0	10	0	0	-
Total	947	30	8	969	50	12	1,007	80	20	+60

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

5

Financial Highlights

1st Half - FY Ending February 29, 2016

- Consolidated -

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

6

■ 1st Half Financial Highlight - Consolidated -

■ 1st Half :Largest ever net sales (JPY208.1billion) and operating profit (JPY12.9billion) achieved

	FY Ended 2015/2 1H (March to August)		FY Ending 2016/2 1H (March to August)				
	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	193,598	100.0	208,156	100.0	102.1	+4,356	107.5
Sugi Pharmacy business	153,992	79.5	166,984	80.2	101.8	+2,914	108.4
Japan business	37,833	19.5	39,268	18.9	103.8	+1,438	103.8
Others	1,773	1.0	1,904	0.9	100.2	+4	107.4
Gross Profit	53,045	27.4	57,889	27.8	102.3	+1,289	109.1
Sugi Pharmacy business	44,543	28.9	48,787	29.2	101.4	+687	109.5
Japan business	6,999	18.5	7,372	18.8	106.5	+452	105.3
Others	1,565	88.3	1,729	90.8	109.5	+149	115.1
SG&A Expenses	41,421	21.4	44,904	21.6	100.9	+404	108.4
Operating Income	11,623	6.0	12,985	6.2	107.3	+885	111.7
Non-operating Income	1,751	0.9	1,053	0.5	105.4	+53	60.2
Non-Operating Expenses	667	0.3	632	0.3	126.5	+132	94.8
Ordinary Income	12,708	6.6	13,406	6.4	106.4	+806	105.5
Extraordinary Income	0	0.0	0	0.0	-	-	-
Extraordinary Losses	198	0.1	224	0.1	44.9	-275	113.5
Net Income before Income Taxes	12,509	6.5	13,181	6.3	108.9	+1,081	105.4
Income Taxes	4,858	2.5	5,120	2.5	113.8	+620	105.4
Net Income	7,650	4.0	8,061	3.9	106.1	+461	105.4

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

7

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

■ 1st Half :Total SG&A expenses increased up 8.4 because Net Sales increased up 7.5 % year on year.

	FY Ended 2015/2 1H (March to August)		FY Ending 2016/2 1H (March to August)		
	Results (in million yen)	Ratio to Sales(%)	Results (in million yen)	Ratio to Sales (%)	Y o Y (%)
Net Sales	193,598	100.0	208,156	100.0	107.5
Total Selling Expenses	3,627	1.9	3,608	1.7	99.5
Advertising Expenses	1,901	1.0	1,860	0.9	97.8
Premium Expenses	1,726	0.9	1,747	0.8	101.2
Personnel Expenses	20,045	10.4	22,062	10.6	110.1
Total Administrative Expenses	17,748	9.2	19,233	9.2	108.4
Rent Expenses	8,005	4.1	8,315	4.0	103.9
Depreciation Expenses	2,368	1.2	2,468	1.2	104.2
Utilities Expenses	2,047	1.1	2,104	1.0	102.8
Supplies Expenses	1,053	0.5	1,553	0.7	147.5
Tax and Public Charges	835	0.4	957	0.5	114.6
Commission Paid	1,388	0.7	1,428	0.7	102.9
Others	2,049	1.1	2,405	1.2	117.4
Total SG&A Expenses	41,421	21.4	44,904	21.6	108.4

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

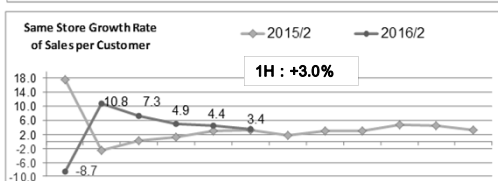
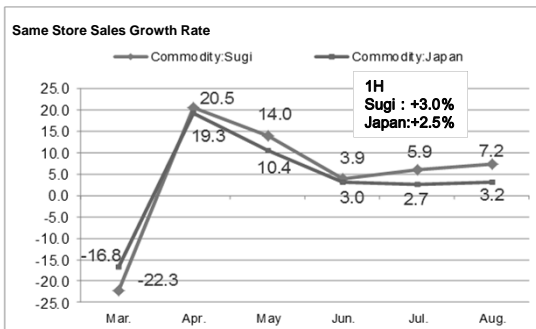
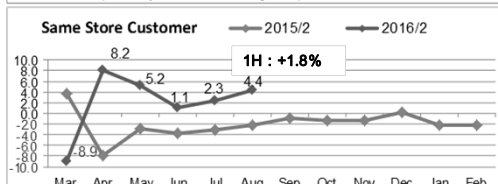
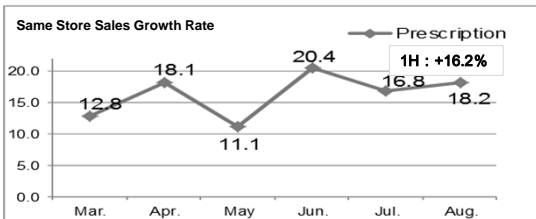
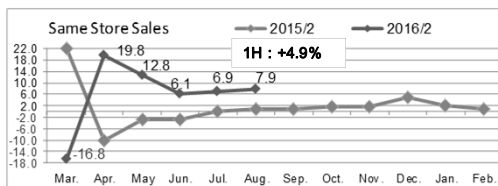
8

Sales Trend

1st Half - FY Ending February 29, 2016

■ Sales growth rate of existing stores- Sugi Group -

1st Half: Same store sales growth rate showed +4.9% (prescription;+16.2%,Sugi's commodity;+3.0%, Japan's commodity;+2.5%), same store customer growth rate indicated +1.8%.



■ 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 1H	FY 2016/2 1H				FY 2015/2 1H	FY 2016/2 1H		
	Results	Budget	Results			Results	Budget	Results	
Prescription	18.0	20.1	19.6	99.3	118.1	33.9	36.2	36.5	+0.3
Healthcare	21.9	21.2	21.1	101.3	104.7	39.2	39.3	39.0	-0.2
Beauty Care	25.1	24.4	24.2	100.9	104.5	29.1	29.0	28.8	-0.2
Household Wares	22.2	21.8	22.1	103.3	108.3	22.4	21.8	21.5	-0.3
Foods	12.8	12.4	12.9	105.7	109.1	15.4	15.0	16.0	+1.0
Total	100.0	100.0	100.0	101.8	108.4	28.9	29.3	29.2	-0.1

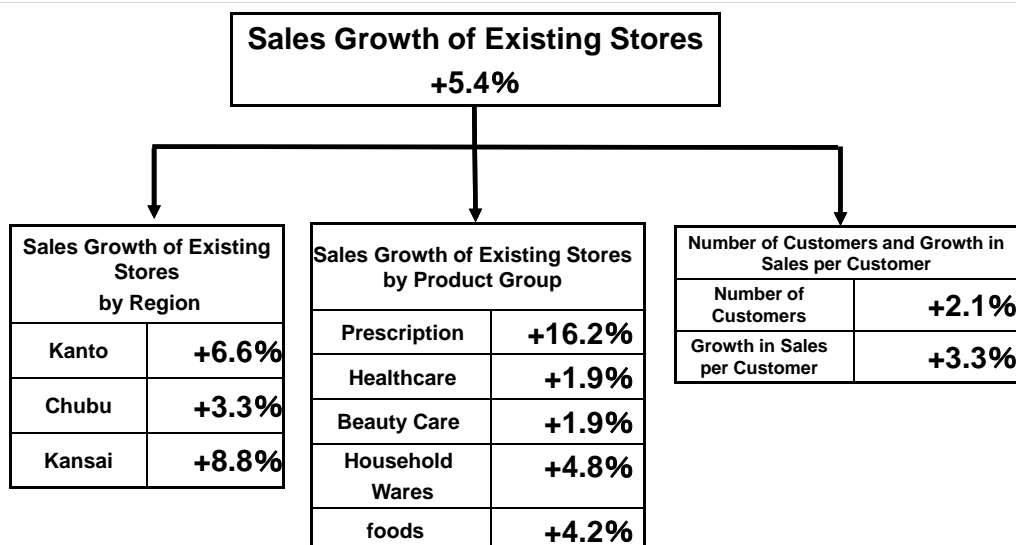
Japan	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2015/2 1H	FY 2016/2 1H				FY 2015/2 1H	FY 2016/2 1H		
	Results	Budget	Results			Results	Budget	Results	
Healthcare	8.1	8.1	7.8	100.1	100.7	29.5	28.9	30.3	+1.4
Beauty Care	8.3	8.2	7.7	98.1	96.6	24.2	23.9	24.4	+0.5
Household Wares	23.8	23.7	24.7	107.9	107.8	21.6	21.4	21.0	-0.4
Foods	59.9	60.0	59.8	103.5	103.6	15.0	14.9	15.6	+0.8
Total	100.0	100.0	100.0	103.8	103.8	18.5	18.3	18.8	+0.5

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

11

■ Sales Trend at Existing Stores- Sugi Pharmacy business -

■1st Half: Existing store sales growth ratio indicated +5.4% for the reason of strong sales growth of prescription drug.



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

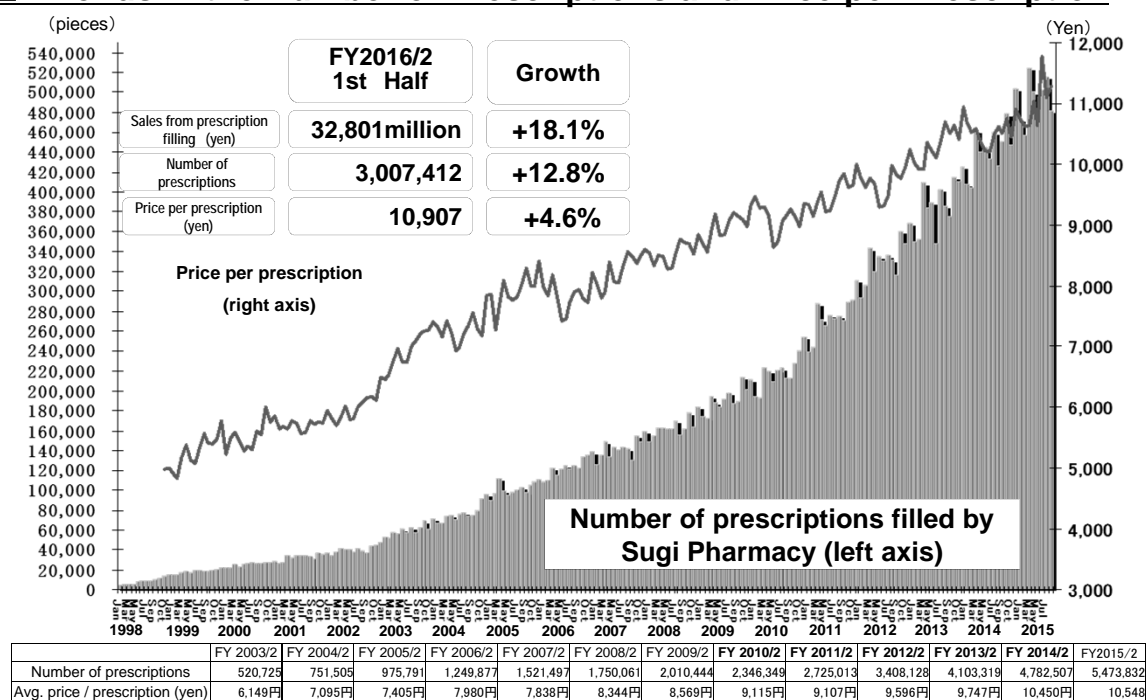
12

Medical Business of Sugi Group

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

13

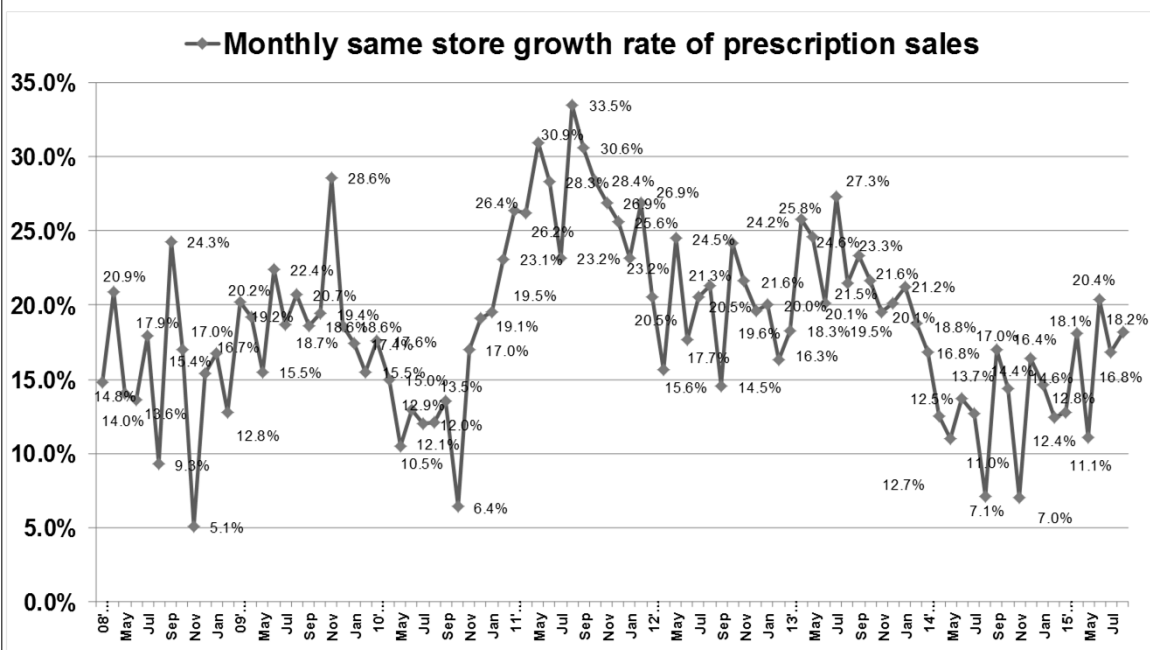
■ Trends in the Number of Prescriptions and Price per Prescription



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

14

Same store growth rate of prescription sales

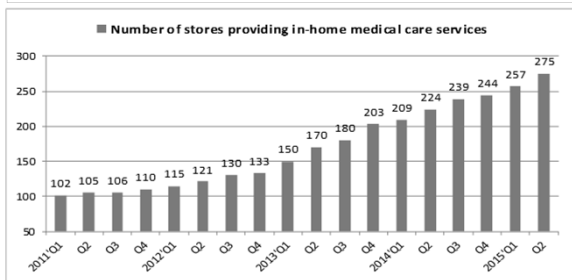


Copyrights© 2015 Sugi Holdings Co., Ltd. All right reserved.

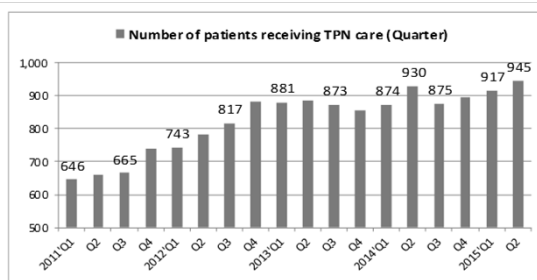
15

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

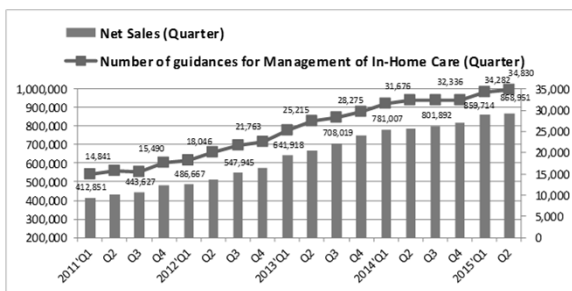
Sales of prescription filling: JPY32,801m (1H), including sales of in-home medical care JPY1,783m (+13.9% YoY)



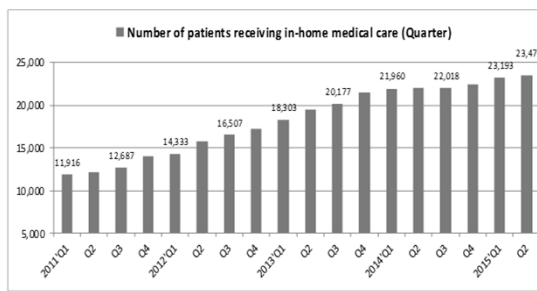
As of August 275stores +51stores (YoY)



As of August TPN patients : 308 persons +11 persons



1st Half Net Sales : JPY1,783m (+13.9% YoY)
Number of guidance : 71,363 (+11.7% YoY)

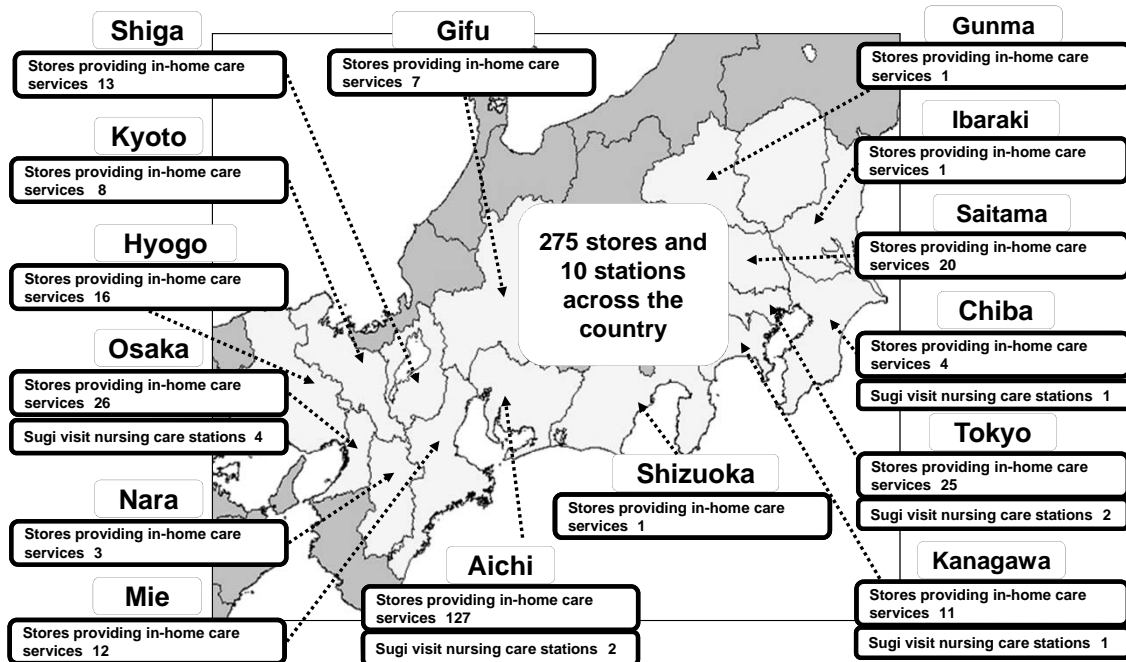


As of August Total Patients : 8,735persons (+1,367persons)

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

16

■ 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.