

Financial Results

3rd Quarter - FY Ending February 28, 2013

Supplementary Information

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

January 16, 2013

Sugi Holdings Co., Ltd.

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PROFILE

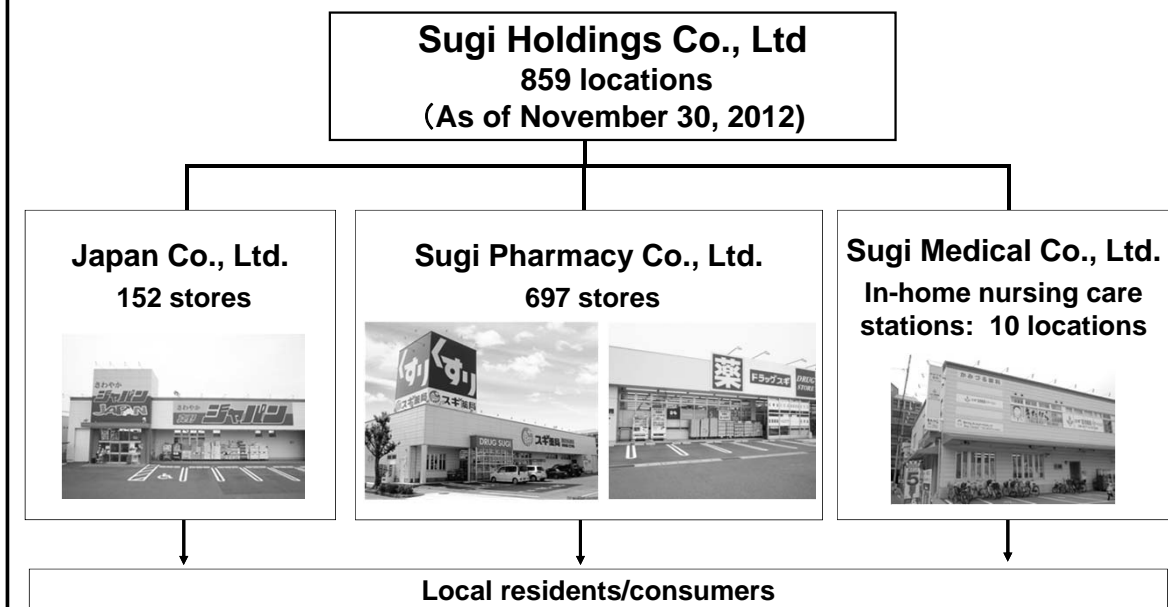
Company name	Sugi Holdings Co., Ltd.
Head office	1-8-4, Mikawaanjo-cho, Anjo-City, Aichi Pref.
Establishment	Sugi Pharmacy was established in December 1976 to sell prescription drugs and OTC drugs.
Founded	March 1982
Paid-in capital	JPY15,434,588,000
Fiscal year-end	End of February
Number of shares outstanding	63,330,838 shares
Number of stores	859 (as of November 30, 2012)
Number of employees	3,916(full-time) (as of November 30, 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

Year	No. of Stores	Consolidated net sales (100 million yen)
'90	0	0
'95	0	0
'00	10	100
'01	20	150
'02	30	200
'03	40	250
'04	50	300
'05	60	350
'06	100	400
'07	150	450
'08	200	500
'09	250	550
'10	300	600
'11	350	650

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■ Overview of Sugi Group



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New Store Openings

3rd Quarter – FY Ending February 28, 2013

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■ Store Openings and Closings in 3rd 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.

■ 3rd Quarter : opening / 45 stores, closing / 7 stores Full year forecast : opening/64 stores, closing/15 stores

Nos. of stores by region	FY2012/2	FY2013/2 3rd Quarter			Contracts in after December 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	14	5	204	8	3	209	22	8	+14
Chubu Region	349	17	1	365	2	2	365	19	3	+16
Kansai Region	277	14	1	290	9	3	296	23	4	+19
Total	821	45	7	859	19	8	870	64	15	+49

Nos. of stores by company	FY2012/2	FY2013/2 3rd Quarter			Contracts in after December 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	42	6	697	16	7	706	58	13	+45
Japan	150	3	1	152	2	1	153	5	2	+3
Visit Nursing Care ST	10	0	0	10	1	0	11	1	0	+1
Total	821	45	7	859	19	8	870	64	15	+49

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Financial Highlights

3rd Quarter - FY Ending February 28, 2013

- Consolidated -

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■ 3rd Quarter Financial Highlight - Consolidated -

■ 3rd 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 and heat wave in the last fiscal year.

	FY Ended 2012/2 3Q (March to November)		FY Ending 2013/2 3Q (March to November)				
	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	244,550	100.0	257,815	100.0	105.4	101.4	+3,675
Gross Profit	65,657	26.8	70,039	27.2	106.7	103.0	+2,017
SG&A Expenses	52,088	21.3	56,057	21.7	107.6	102.7	+1,449
Operating Income	13,568	5.5	13,982	5.4	103.1	104.2	+568
Non-operating Income	2,542	1.0	3,066	1.2	120.6	119.6	+503
Non-Operating Expenses	1,692	0.7	881	0.3	52.1	80.2	-218
Ordinary Income	14,418	5.9	16,166	6.3	112.1	108.7	+1,290
Extraordinary Income	2,463	1.0	0	0.0	-	-	0
Extraordinary Losses	1,836	0.8	255	0.1	13.9	55.2	-207
Net Income before Income Taxes	15,045	6.2	15,911	6.2	105.8	110.4	+1,497
Income Taxes	5,631	2.3	6,844	2.7	121.5	115.4	+913
Net Income	9,414	3.8	9,067	3.5	96.3	106.9	+584

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■ 3rd Quarter SG&A Expenses Status – Consolidated -

■ 3rd Quarter : Total SG&A expenses increased by +7.6pt although Net Sales increased by +5.4pt on year on year.

	FY Ended 2012/2 3Q (March to November)		FY Ending 2013/2 3Q (March to November)		
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y
Net Sales	244,550	100.0	257,815	100.0	105.4
Total Selling Expenses	4,773	2.0	5,271	2.0	110.4
Advertising Expenses	3,291	1.3	3,278	1.3	99.6
Premium Expenses	1,481	0.6	1,993	0.8	134.5
Personnel Expenses	25,304	10.3	26,845	10.4	106.1
Total Administrative Expenses	22,011	9.0	23,940	9.3	108.8
Rent Expenses	10,407	4.3	10,926	4.2	105.0
Depreciation Expenses	2,716	1.1	3,382	1.3	124.5
Utilities Expenses	2,429	1.0	2,732	1.1	112.5
Supplies Expenses	1,426	0.6	1,467	0.6	102.9
Tax and Public Charges	789	0.3	905	0.4	114.7
Commission Paid	1,541	0.6	1,664	0.6	108.0
Others	2,700	1.1	2,823	1.1	105.0
Total SG&A Expenses	52,088	21.3	56,057	21.7	107.6

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Financial Highlights

3rd Quarter - FY Ending February 28, 2013 - Subsidiaries -

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■ 3rd Quarter Financial Highlight– Sugi Pharmacy Co., Ltd. –

■ 3rd Quarter : Both net sales and the operating profit budgets were achieved, even though Sugi Pharmacy 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 and heat wave in the last fiscal year.

	FY Ended 2012/2 3Q (March to November)		FY Ending 2013/2 3Q (March to November)				
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	188,847	100.0	201,316	100.0	106.6	102.3	+4,535
Gross Profit	54,017	28.6	58,264	28.9	107.9	103.5	+1,956
SG&A	43,966	23.3	48,096	23.9	109.4	103.5	+1,629
Operating Profit	10,051	5.3	10,168	5.1	101.2	103.3	+327

3rd Quarter Overview

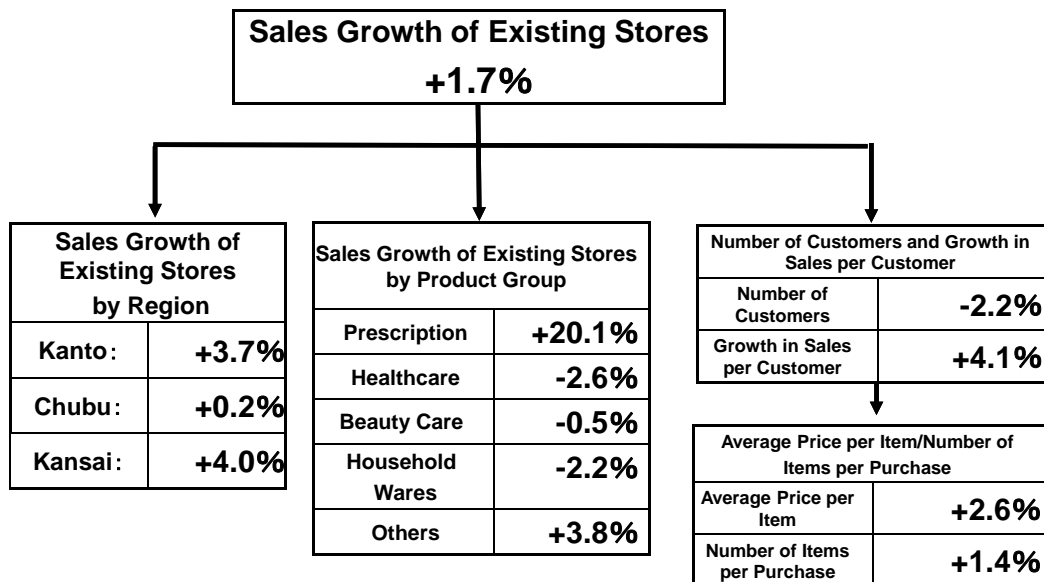
- ◆ Net Sales: Existing store sales growth Budget +1.4% ⇒ Result +1.7%
(Customer count -2.2%, Purchase per customer +4.1%)
- ◆ Gross margin ratio: Budget 28.6% ⇒ Result 28.9%
- ◆ SG&A: vs. Budget +3.5%
(Selling expenses +3.5%, Personnel +2.6%, Admin. expenses +4.3%)

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■ Sales Trend at Existing Stores- Sugi Pharmacy Co., Ltd. -

■ 3rd Quarter :Existing store sales growth ratio indicated +1.7% for the reason of continuous and strong sales growth of prescription



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

■ 3rd Quarter : The composition ratio of the preparation has increased up to 14.5%. As a result, the gross margin rate was able to be up +0.3pt vs. budget.

(%)	Composition Ratio			Sales % Y o Y	Sales % vs. Budget	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2012/2 3rd Quarter	FY 2013/2 3rd Quarter				FY 2012/2 3rd Quarter	FY 2013/2 3rd Quarter		
	Results	Budget	Results			Results	Budget	Results	
Prescription	12.5	13.8	14.5	124.4	107.9	33.5	31.3	32.4	+1.1
Healthcare	24.8	24.4	23.8	102.1	99.8	38.1	38.3	38.9	+0.6
Beauty Care	26.9	26.8	26.2	104.0	100.1	28.2	28.5	28.9	+0.4
Subtotal	64.2	64.9	64.9	107.2	101.6	33.0	32.8	33.4	+0.6
Household Wares	23.1	22.8	22.3	102.7	109.7	22.3	22.6	22.9	+0.4
Others	12.7	12.3	13.2	111.0	102.3	17.7	18.6	17.4	-0.7
Total	100.0	100.0	100.0	107.2	101.6	28.6	28.6	28.9	+0.3

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

■ 3rd Quarter : Total SG&A expenses increased by +3.5pt although Net Sales increased by +2.3pt vs. budget.

	FY Ended 2012/2 3Q (March to Nov.)		FY Ending 2013/2 3Q (March to November)				
	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	188,847	100.0	201,316	100.0	106.6	102.3	+4,535
Total Selling Expenses	4,255	2.3	4,705	2.3	110.6	103.5	+160
Advertising Expenses	2,773	1.5	2,712	1.3	97.8	104.5	+116
Premium Expenses	1,481	0.8	1,993	1.0	134.5	102.4	+47
Personnel Expenses	18,994	10.1	20,678	10.3	108.9	102.6	+533
Total Administrative Expenses	20,715	11.0	22,711	11.3	109.6	104.3	+934
Rent Expenses	10,192	5.4	10,832	5.4	106.3	101.3	+142
Depreciation Expenses	723	0.4	1,106	0.5	153.0	88.0	-150
Utilities Expenses	1,860	1.0	2,137	1.1	114.9	113.2	+248
Supplies Expenses	1,049	0.6	1,181	0.6	112.6	148.4	+385
Tax and Public Charges	388	0.2	486	0.2	125.3	127.7	+105
Commission Paid	4,543	2.4	4,814	2.4	106.0	104.0	+184
Others	1,957	1.0	2,152	1.1	110.0	101.1	+24
Total SG&A Expenses	43,966	23.3	48,096	23.9	109.4	103.5	+1,629

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■ 3rd Quarter Financial Highlight - Japan Co., Ltd. -

■ 3rd Quarter :Both gross margin and the operating profit budgets were achieved, even though Japan Co., was surrounded by the high hurdles of the special demand from the Great East Japan Earthquake as well as the special demand from heat wave in the last fiscal ear.

	FY Ended 2012/2 3Q (March to November)		FY Ending 2013/2 3Q (March to November)				
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	55,185	100.0	56,158	100.0	101.8	99.1	-501
Gross Margin	11,504	20.8	11,714	20.9	101.8	100.6	+70
SG&A	9,027	16.4	9,162	16.3	101.5	100.1	+7
Operating Profit	2,477	4.5	2,552	4.5	103.0	102.5	+63

3rd Quarter Overview

- ◆ Net Sales: Existing store sales growth Budget : -0.2% ⇒ Result +0.1%
(Customer count -1.3%, Purchase per customer +1.3%)
- ◆ Gross margin ratio: Budget 20.6% ⇒ Result 20.9%
- ◆ SG&A: vs. Budget 100.1%

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Medical Business

3rd Quarter - FY Ending February 28, 2013

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■ 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	Q2	Q3
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
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
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
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
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

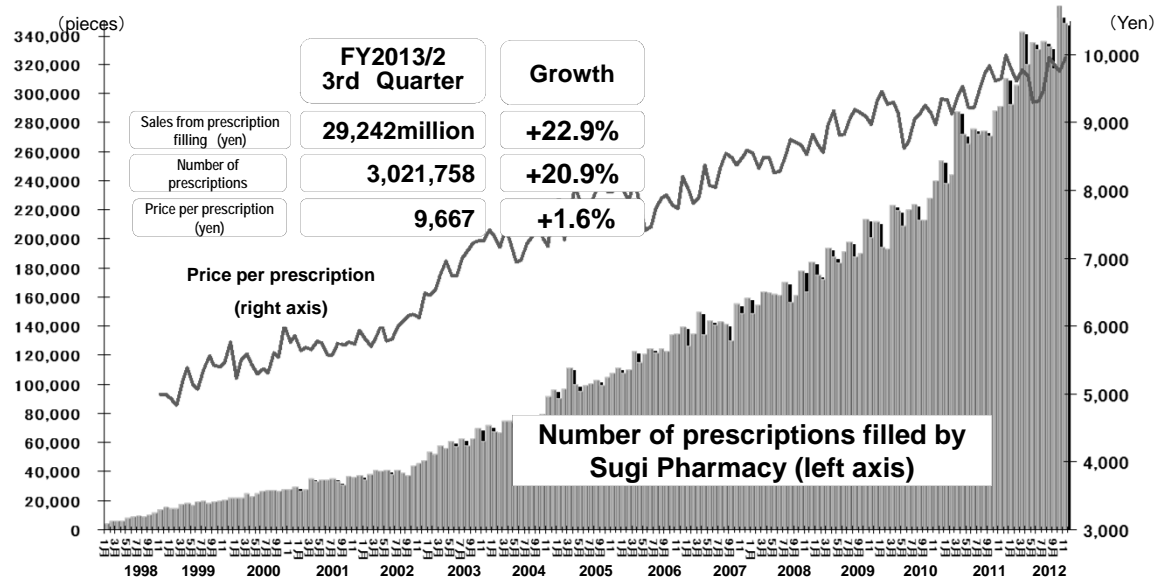
< OTC Sales by Category (All Stores) >

(%)	FY 2010/2			FY 2011/2				FY 2012/2				FY 2013/2		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
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
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
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
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

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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

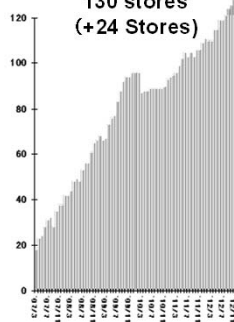
Note) The above-mentioned past number of prescriptions added up the number of Sugi Pharmacy and Sugi Medical.

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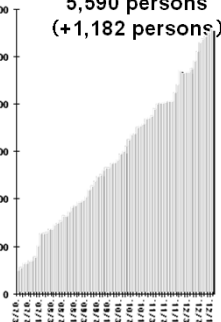
In-home Medical Care Services – As of Nov. 31. 2012

Sales of prescription filing: JPY29,242m (3rd Quarter), including sales of in-home medical care: JPY1,544m (+20.2% YoY)

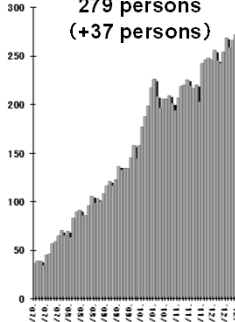
Number of stores providing in-home medical care services
130 stores (+24 Stores)



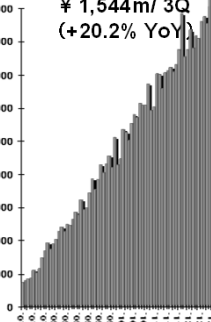
Number of patients receiving in-home medical care
5,590 persons (+1,182 persons)



Number of patients receiving TPN care
279 persons (+37 persons)



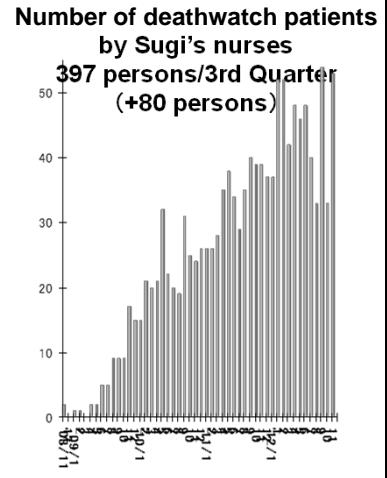
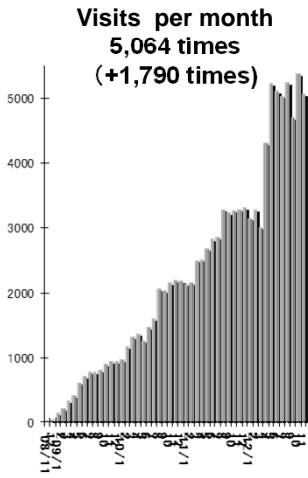
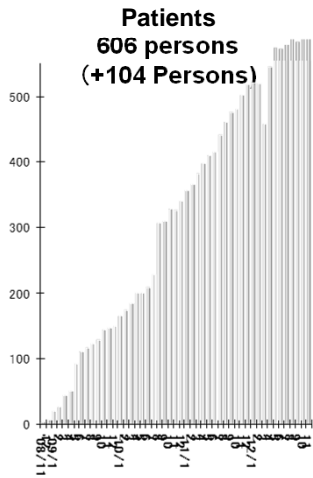
Net Sales of in-home medical care business
¥ 1,544m/ 3Q (+20.2% YoY)



Note: Comparison with previous year

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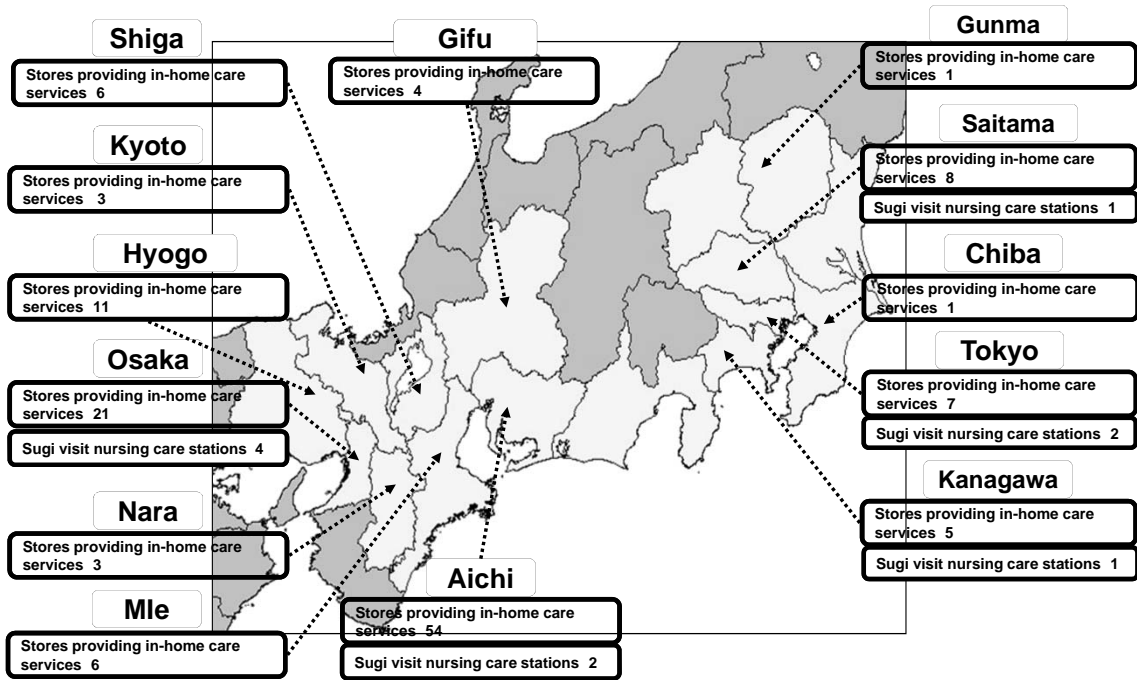
■ Visit Nursing Care Services : 10 locations (As of Nov. 2012)



Note: Comparison with previous year

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■ Facilities providing Comprehensive Medical Services to Local Communities



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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.