

Sugi Holdings Co., Ltd.

Jan.18, 2011

Sugi Holdings Co., Ltd.
Financial Results for the 9 Months Ended Nov. 30, 2010
Supplementary Information







Stock code 7649:TSE1,NSE1

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.

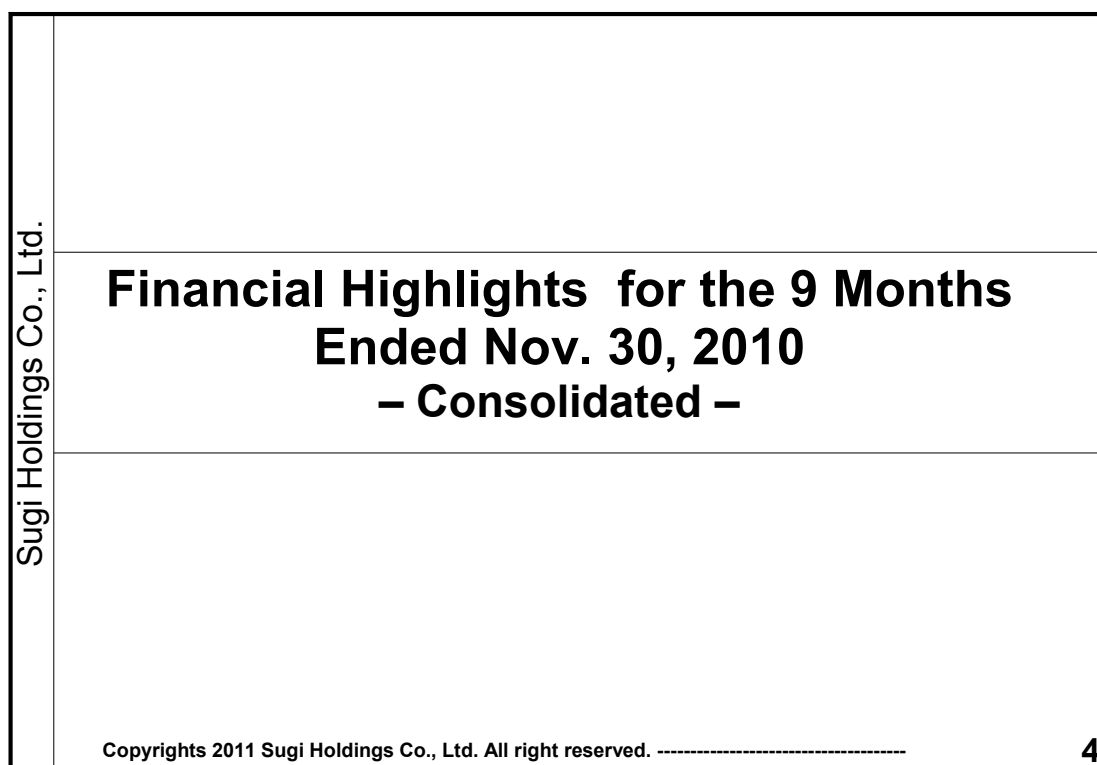
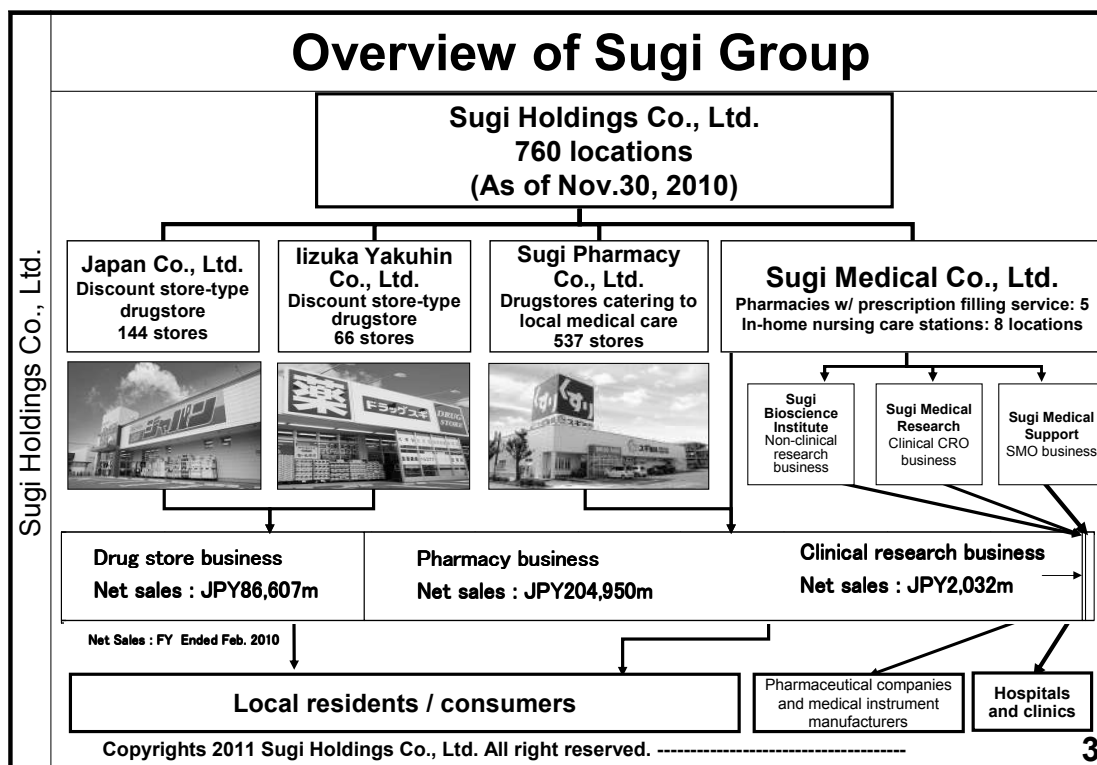
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PROFILE

Sugi Holdings Co., Ltd.	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	760(as of Nov. 30, 2010)			
Number of employees	4,025 (full-time) (as of Nov.30, 2010)			
Net sales	JPY293,511m (FY ended Feb. 28, 2010 - consolidated)			
Ordinary income	JPY12,277m (FY ended Feb. 28, 2010 - consolidated)			
Description of business	Operation of subsidiaries engaging in businesses including pharmacy business, drug store business, clinical research business, and in-home nursing care business			

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Financial Highlights for the 9 Months Ended Nov. 30, 2010 FY Ending Feb. 28, 2011 – Consolidated –							
	2010/2 3Q (Mar.1 2009 – Nov.30 2009)		2011/2 3Q (Mar.1 2010 – Nov.30 2010)				
	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	221,488	100.0	227,514	100.0	102.7	98.5	- 3,486
Gross Margin	57,649	26.0	59,702	26.2	103.6	98.9	- 678
SG&A	49,301	22.3	50,349	22.1	102.1	97.0	- 1,531
Operating Profit	8,348	3.8	9,353	4.1	112.0	110.0	+853
Non-operating Income	2,456	1.1	2,671	1.2	108.9	146.0	+841
Non-Operating Expenses	944	0.4	1,459	0.6	154.6	275.3	+929
Recurring Profit	9,861	4.5	10,565	4.6	107.1	107.8	+765
Extraordinary Profit	0	0.0	0	-	-	-	-
Extraordinary Losses	1,000	0.5	595	0.3	59.8	39.7	- 905
Net Income before Income Tax	8,860	4.0	9,970	4.4	112.5	120.1	+1,670
Income Taxes	5,078	2.3	3,791	1.7	74.7	118.5	+591
Net Income	3,782	1.7	6,178	2.7	163.4	121.1	+1,078

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New Store Openings										
◆ New Store Openings by Region										
	2010/2	2011/2 1st Half		Q3(Sep.1 2010 – Nov.30 2010)			Full Term Estimate			
	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	As of the Term-End
Kanto Region	168	15	3	180	7	2	185	26	5	189
Chubu Region	319	12	3	328	5	3	330	22	6	335
Kansai Region	238	8	4	242	3	0	245	19	4	253
Total	725	35	10	750	15	5	760	67	15	777

◆ New Store Openings by Company										
	2010/2	2011/2 1st Half		Q3(Sep.1 2010 – Nov.30 2010)			Full Term Estimate			
	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	As of the Term-End
Sugi Pharmacy	505	31	5	531	15	4	542	63	9	559
Japan	145	1	2	144	0	0	144	1	2	144
Iizuka Yakuhin	70	0	3	67	0	1	66	0	4	66
Visit Nursing Care ST	5	3	0	8	0	0	8	3	0	8
Total Store Number	725	35	10	750	15	5	760	67	15	777

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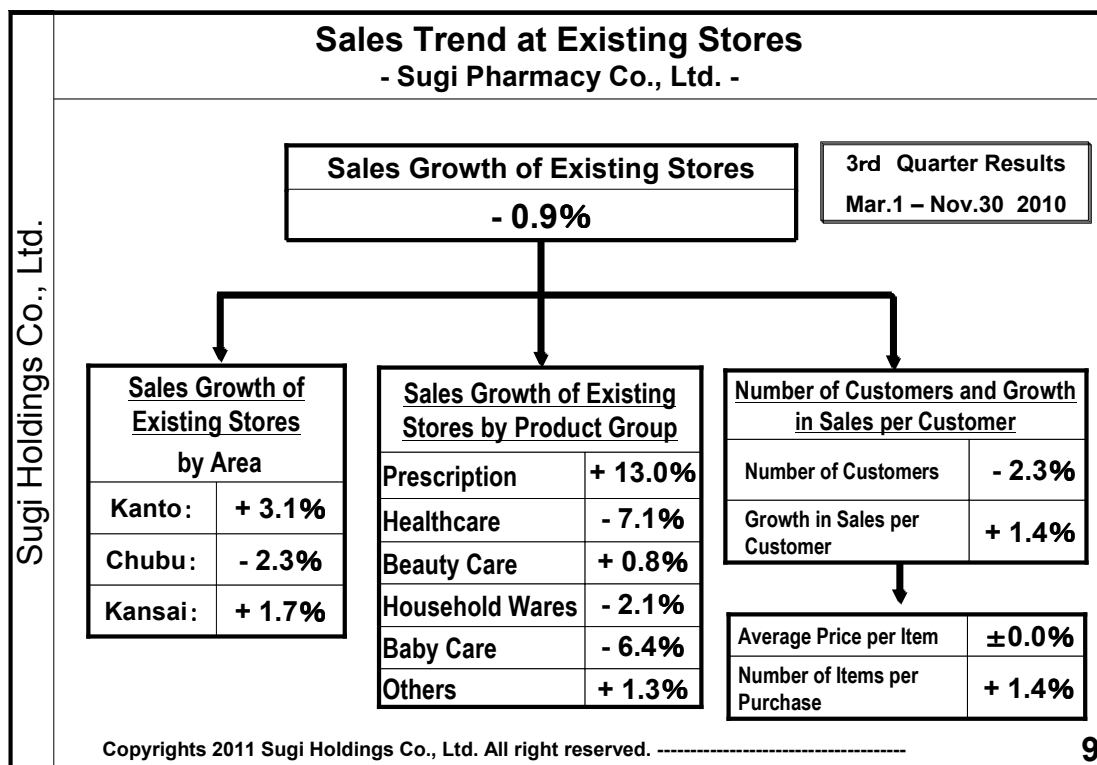
Sugi Holdings Co., Ltd.	<h2>Financial Highlights for the 9 Months Ended Nov. 30, 2010</h2> <h3>- Subsidiaries -</h3>
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Sugi Holdings Co., Ltd.	<h2>Financial Highlights for the 9 Months Ended Nov. 30, 2010</h2> <h3>- Sugi Pharmacy Co., Ltd. -</h3>						
	(Note) For convenience of comparison with figures of the former Sugi Pharmacy, combined figures of Sugi Holdings, Sugi Pharmacy, and Sugi Medical (non-consolidated and excluding clinical research subsidiaries), are presented after elimination of inter-company transactions.						
	2010/2 3Q (Mar.1 2009 – Nov.30 2009)		2011/2 3Q (Mar.1 2010 – Nov.30 2010)				
	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	154,196	100.0	162,070	100.0	105.1	99.1	- 1,529
Gross Margin	44,409	28.3	46,547	28.7	104.8	99.7	- 152
SG&A	36,635	23.8	38,659	23.9	105.5	99.6	- 140
Operating Profit	7,774	5.0	7,887	4.9	101.5	99.8	- 12
<Factors affecting operational results of 3Q FY2011> ◆Net sales : Same stores sales growth was - 0.9% (Original plan:+0.5%), Number of customers growth was -2.3%, unit price growth was +1.4%) ◆GPM : 28.7% (Original plan 28.5%) ◆SG&A expenses: Vs Budget 99.6% (Total Selling Expenses 99.7%, Personnel Expenses 102.6%, Total Administrative Expenses 96.4%)							
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Sales Trend by Product Group
 - Sugi Pharmacy Co., Ltd. -

Sugi Holdings Co., Ltd.

(%)	Composition Ratio			Sales % Y o Y	Sales % vs. Budget	Gross Margin Rate			Gross Margin % vs. Budget		
	2010/2 3Q Mar.1 - Nov.30		2011/2 3Q Mar.1 - Nov.30			2010/2 3Q Mar.1 - Nov.30		2011/2 3Q Mar.1 - Nov.30			
	Results	Budget	Results			Results	Budget	Results		Results	
Prescription	10.2	10.3	11.2	114.7	108.0	32.8	32.1	31.4	105.6		
Healthcare	27.5	26.7	25.9	98.9	95.8	38.6	38.6	37.6	93.4		
Beauty Care	28.4	28.7	28.9	106.8	100.0	28.5	28.2	28.0	99.3		
H&BC	66.2	65.7	65.9	104.8	99.5	33.4	33.0	32.4	97.5		
Household Wares	18.9	19.0	18.8	104.6	98.2	22.0	22.7	23.8	102.9		
Baby Care	4.5	4.6	4.2	99.5	91.8	11.3	11.7	12.6	99.3		
Others	10.4	10.8	11.0	110.6	101.0	19.7	18.6	21.5	116.9		
Total	100.0	100.0	100.0	105.1	99.1	28.8	28.5	28.7	99.7		

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SG&A Expenses Ratio Trend						
- Sugi Pharmacy Co., Ltd. -						
(%)	2010/2 3Q Mar.1—Nov.30		2011/2 3Q Mar.1—Nov.30			
	Ratio to Sales	Ratio to Sales	Change from Last 3Q	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Advertising Expenses	1.6	1.5	- 0.1	98.5	90.3	- 256
Premium Expenses	0.8	1.0	+0.2	126.1	118.1	+242
Total Selling Expenses	2.4	2.4	-	107.9	99.7	-13
Personnel Expenses	11.8	11.4	- 0.4	101.4	102.6	+476
Rent Expenses	4.4	4.5	+0.1	107.4	94.1	- 458
Depreciation Expenses	1.2	1.3	+0.1	119.3	102.1	+45
Utilities Expenses	1.0	1.0	-	111.2	106.8	+104
Supplies Expenses	0.6	0.6	-	107.9	84.7	- 168
Tax and Public Charges	0.7	0.7	-	111.3	89.7	- 133
Commission Paid	0.6	0.7	+0.1	127.2	96.2	-43
Others	1.2	1.2	-	101.7	102.5	+46
Total Administrative Expenses	9.6	10.0	+0.4	110.0	96.4	- 605
Total SG&A Expenses	23.8	23.9	+0.1	105.5	99.6	- 141

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Financial Highlights for the 9 Months Ended Nov. 30, 2010							
- Japan Co., Ltd. -							
	2010/2 3Q (Mar.1 2009 – Nov.30 2009)		2011/2 3Q (Mar.1 2010 – Nov.30 2010)				
	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	53,677	100.0	53,243	100.0	99.2	96.3	- 2,056
Gross Margin	10,761	20.0	10,820	20.3	100.5	97.5	- 279
SG&A	8,780	16.4	8,931	16.8	101.7	96.0	- 368
Operating Profit	1,981	3.7	1,889	3.5	95.3	105.0	+89

<Factors affecting operational results of 3Q FY2011>

- ◆Net sales : Same stores sales growth was -1.7% (Original plan:±0.0%), Number of customers growth was -0.7%, unit price growth was -1.0%)
- ◆GPM : 20.3% (Original plan 20.1%)
- ◆SG&A expenses : Vs Budget 96.0%

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Financial Highlights for the 9 Months Ended Nov. 30, 2010 - Iizuka Yakuhin Co., Ltd. -							
	2010/2 3Q (Mar.1 2009 – Nov.30 2009)		2011/2 3Q (Mar.1 2010 – Nov.30 2010)				
	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	12,256	100.0	11,025	100.0	90.0	95.3	- 544
Gross Margin	2,784	22.7	2,542	23.1	91.3	95.2	- 127
SG&A	3,075	25.1	2,562	23.2	83.3	100.9	+22
Operating Profit	- 291	- 2.4	- 19	- 0.2	-	-	- 149

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<Factors affecting operational results of Q3 FY2011>
 ◆Net sales : Same stores sales growth was +2.3% (Original plan:+4.5%), Number of customers growth was -0.5%, unit price growth was +2.8%)
 ◆GPM : 23.1% (Original plan 23.1%)
 ◆SG&A expenses : Vs Budget 100.9% (Y on Y 83.3%)

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Financial Highlights for the 9 Months Ended Nov. 30, 2010 - Clinical Research Business -							
(million yen, %)	FY 2010/2 3Q (Mar.1 2009 – Nov.30 2009)		FY 2011/2 3Q (Mar.1 2010 – Nov.30 2010)				
	Results	Ratio to Sales	Results	Ratio to Sales	Y o Y	vs. Budget	vs. Budget
Net Sales	1,636	100.0	1,903	100.0	116.3	98.6	- 33
Gross Margin	- 137	- 8.4	436	22.6	-	111.8	+37
SG&A	749	45.8	579	30.5	77.4	86.6	- 82
Operating Profit	- 886	- 54.2	- 143	- 7.6	-	-	+119

(百万円)	FY 2010/2				FY 2011/2		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
New Orders	711	1,102	557	453	697	600	1,082
Balance of Orders	1,258	1,827	2,253	2,280	2,346	2,175	2,705

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Forecast for the Year Ending Feb.28, 2011

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Precondition of forecast for the Year Ending Feb. 28, 2011

<Existing Stores Sales Growth Ratio>

◆ Original Plan

Original Budget	2010/3-8	2010/9-2011/2	Full Year
Sugi Pharmacy	+0.6%	+1.1%	+0.8%
Japan	-0.6%	+2.0%	+0.7%
Iizuka Yakuhin	+3.1%	+7.3%	+5.2%
Group Total	+0.7%	+1.5%	+1.1%

◆ Forecast

Results + Budget	2010/3-8	2010/9-2011/2	Full Year Forecast
Sugi Pharmacy	-1.5%	+1.1%	-0.2%
Japan	-2.3%	+2.0%	-0.3%
Iizuka Yakuhin	+1.8%	+7.3%	+4.5%
Group Total	-1.6%	+1.5%	+0.0%

<Store Opening & Closing>

◆ Original Plan

Original Plan	Openings	Closings	Difference
Sugi Pharmacy	85	8	+77
Japan	3	2	+1
Iizuka Yakuhin	0	5	-5
Nursing Care ST	2	0	+2
Group Total	90	15	+75

◆ Forecast

Forecasts	Openings	Closings	Difference
Sugi Pharmacy	63	9	+54
Japan	1	2	-1
Iizuka Yakuhin	0	4	-4
Nursing Care ST	3	0	+3
Group Total	67	15	+52

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Forecast for the Year Ending Feb. 28, 2011 - Consolidated -					
	2010/2 Full Term		Forecast for the Year Ending Feb. 28, 2011		
	Results (in million yen)	Ratio to Sales	Forecast (in million yen)	Ratio to Sales	Y o Y
Net Sales	293,511	100.0	308,500	100.0	105.1
Gross Margin	76,289	26.0	80,800	26.2	105.9
SG&A	66,143	22.5	69,600	22.6	105.2
Operating Profit	10,145	3.5	11,200	3.6	110.4
Recurring Profit	12,277	4.2	13,000	4.2	105.9
Net Income	5,180	1.8	6,750	2.2	130.3

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	<p>Medical Business - Sugi Pharmacy Group</p>
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OTC Sales Trends
 –After Revision in Japan’s Pharmaceutical Affairs Act (June 2009) –

◆OTC sales by Category Mar. to Nov. 2010 —Sugi Pharmacy Co.

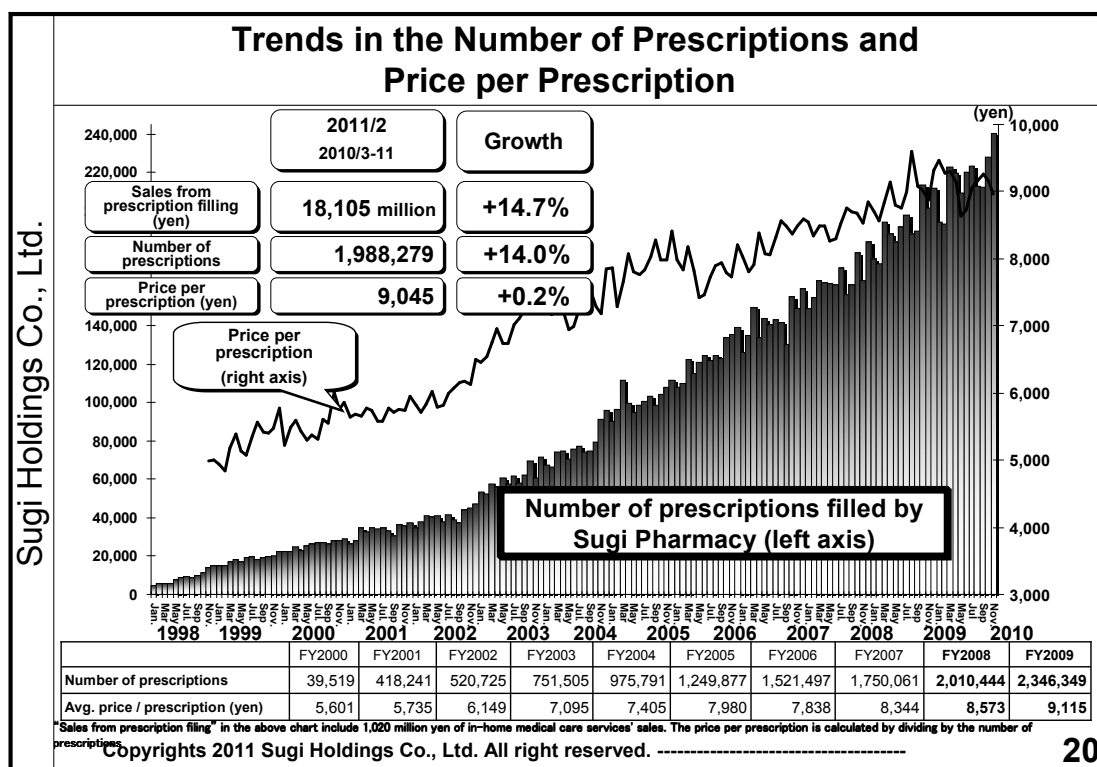
◆ Growth Rate of All Stores Sales

(%)	FY 2010/2			FY 2011/2		
	Q2	Q3	Q4	Q1	Q2	Q3
Category 1	+18.8	+25.4	+14.5	+26.4	+16.5	+20.9
Category Specified 2	+9.7	+1.9	- 1.5	- 1.4	+6.4	+11.7
Category 2	+6.9	+4.4	- 8.0	- 9.7	- 1.1	+9.0
Category 3	+9.1	+2.5	- 6.9	- 13.3	- 14.8	+0.5
OTC Total	+8.7	+4.3	- 4.7	- 6.5	- 2.1	+8.2

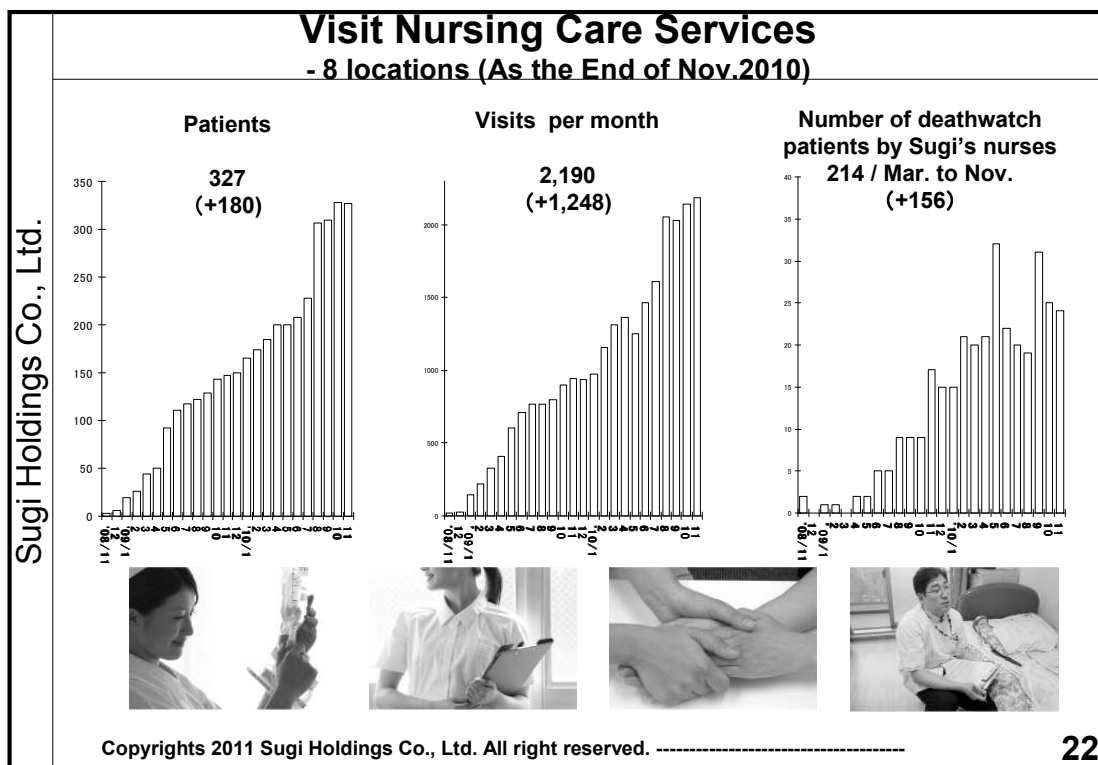
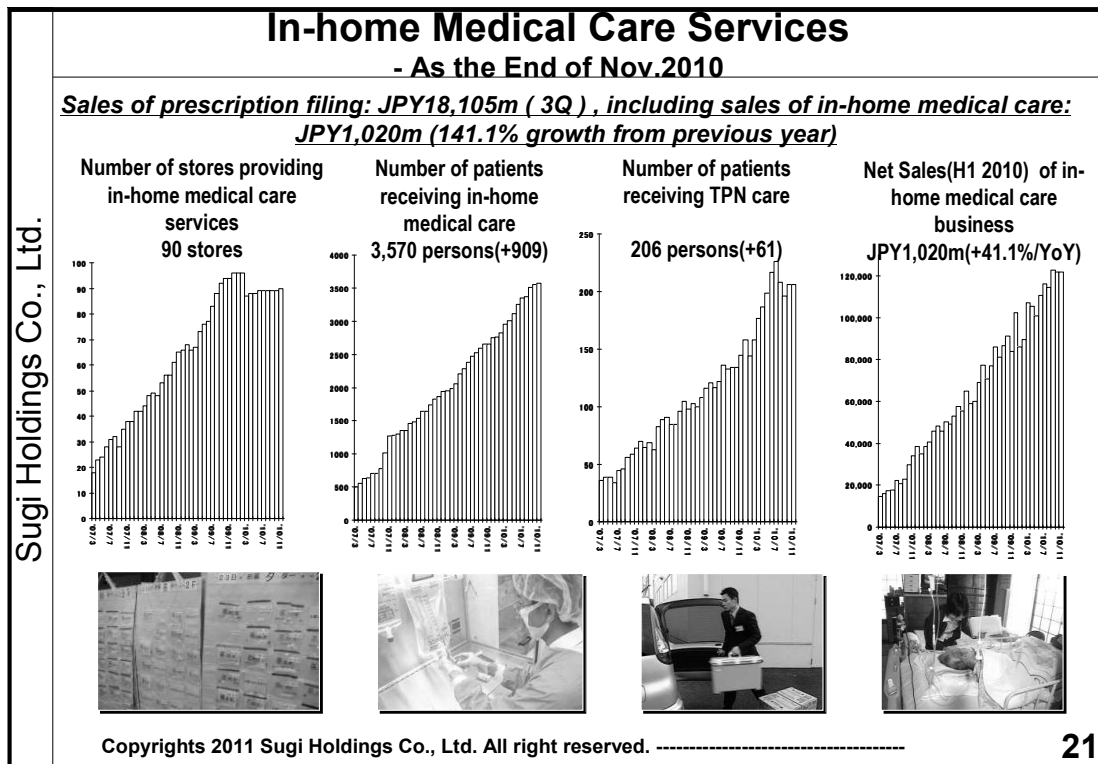
◆ Share of OTC Sales by Category (All Stores)

(%)	FY 2010/2			FY 2011/2		
	Q2	Q3	Q4	Q1	Q2	Q3
Category 1	5.5	6.0	6.6	7.3	6.5	6.7
Category Specified 2	23.0	26.6	27.8	27.2	25.0	27.5
Category 2	44.4	40.5	41.3	42.1	44.9	40.8
Category 3	27.1	26.9	24.3	23.4	23.6	25.0

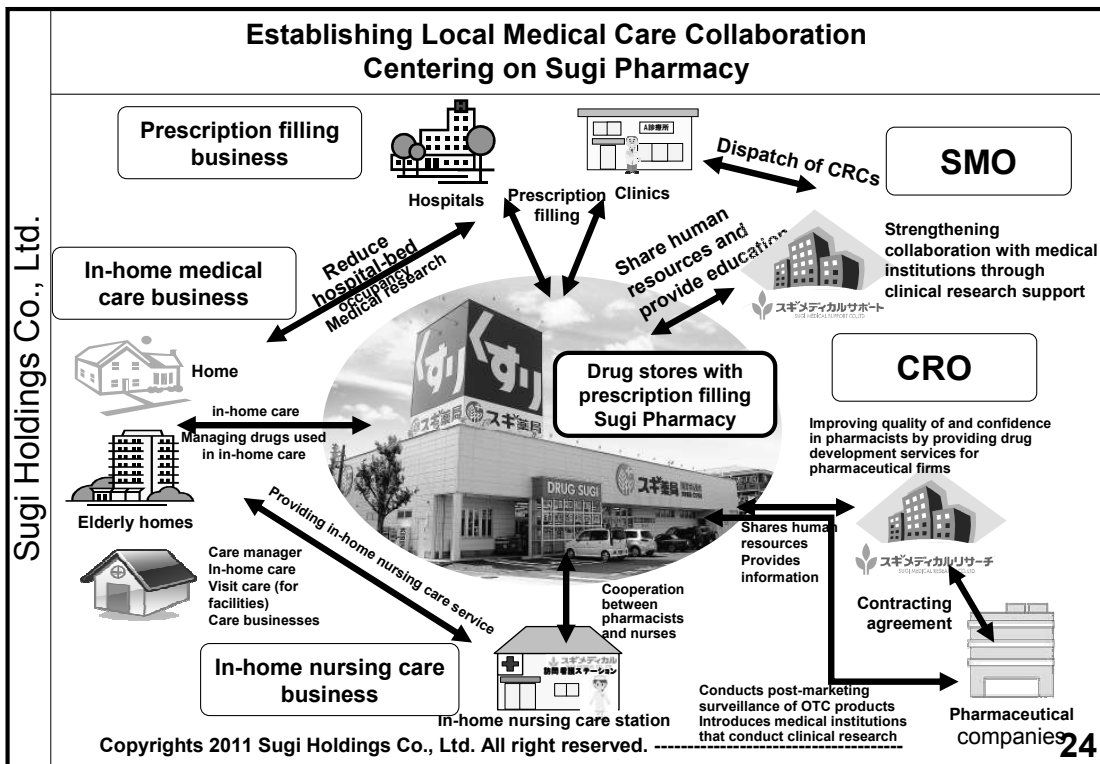
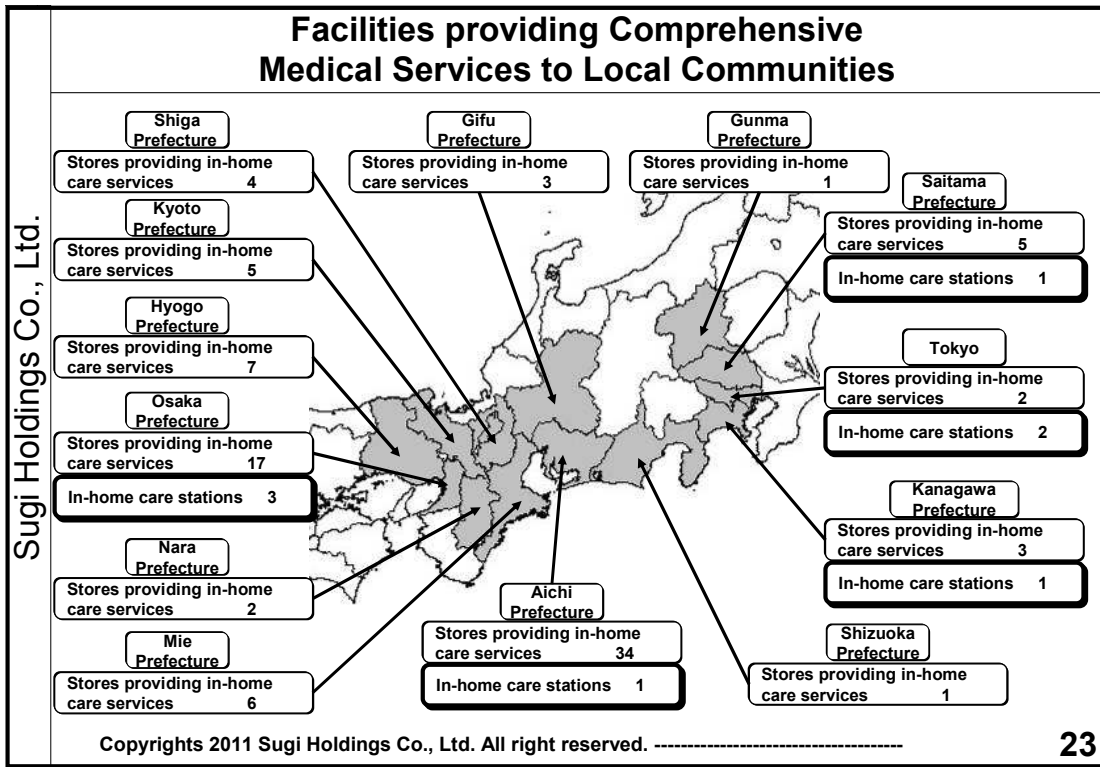
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