

Financial Results Full Year Results FY Ended February 28, 2017 Supplementary Information

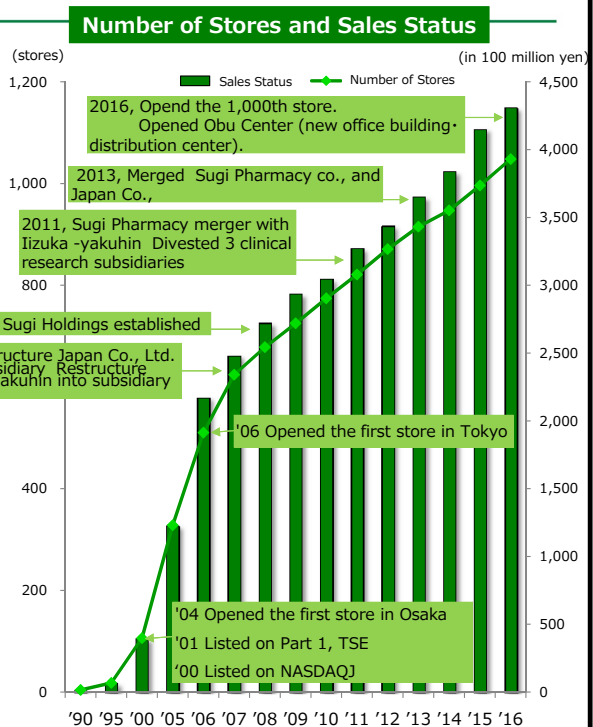
Securities ID Code: 7649, Part 1 of TSE and NSE

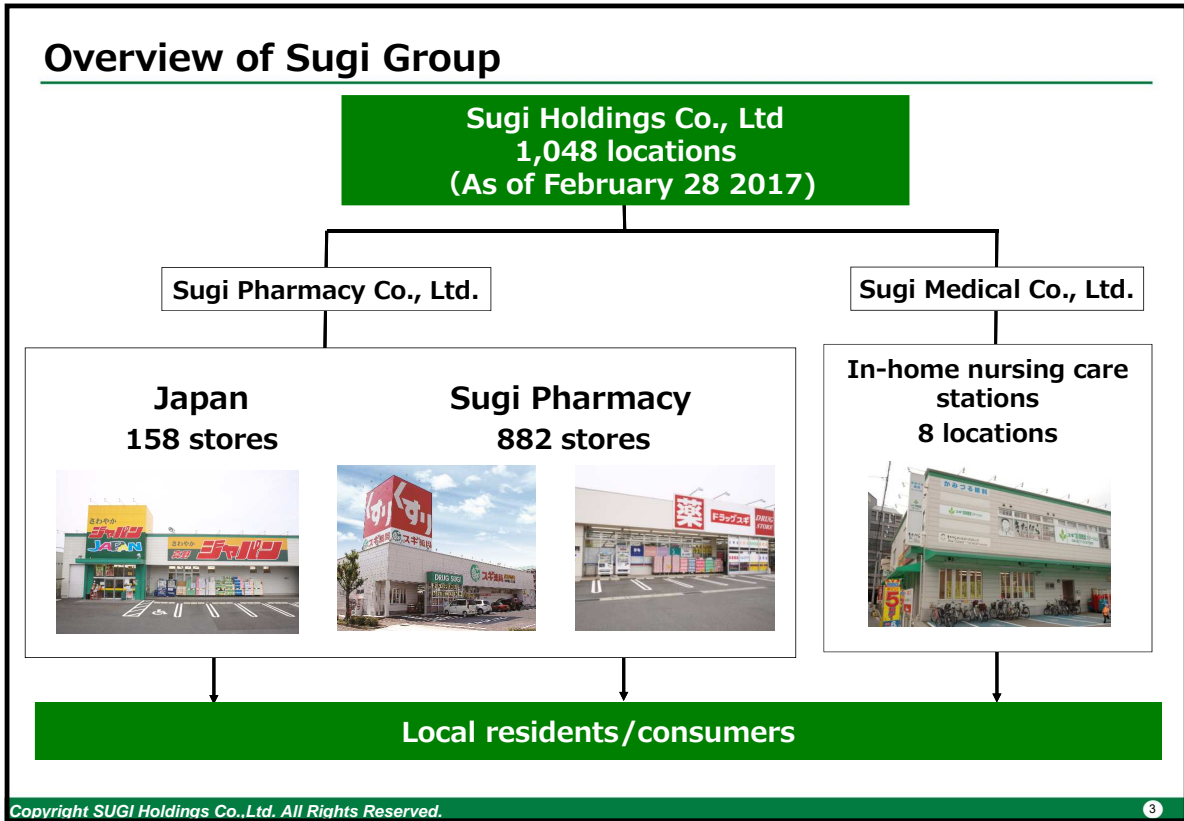
SUGI Holdings

April 19, 2017

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	1,048 (as of February, 2017)
Number of employees	4,927 (full-time) (as of February, 2017)
Net sales	JPY430,795m (FY ended Feb. 28, 2017- consolidated)
Operating Profit	JPY22,832m (FY ended Feb. 28, 2017- consolidated)
Description of business	Management of subsidiaries engaging in businesses including pharmacy business, drug store business, and in-home nursing care business





Store Openings and Closings

Full Year – FY Ended February 28, 2017

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Summary of Fiscal Year Results for Ended February 28, 2017

Store Openings and Closings

* Please note that "FY2016/2" and "FY 2017/2" in this presentation refers to the fiscal year ended in February 2016, and the fiscal year ended February 2017, respectively. The same notation is used in other pages.

Full Year : Opened 75 stores, closed 23 stores, increased 52 stores

Nos. of stores by region	FY2016/2 Full Year	FY2017/2 1H		FY 2017/2 2H		FY 2017/2 Full Year			
	As of the Term-End	Store Openings	Store Closings	Store Openings	Store Closings	Store Openings	Store Closings	Change	As of the Term-End
Kanto Region	245	14	3	12	3	26	6	+20	265
Chubu Region	403	6	3	20	7	26	10	+16	419
Kansai Region	348	11	4	12	3	23	7	+16	364
Total	996	31	10	44	13	75	23	+52	1,048

Nos. of stores by company	FY2016/2 Full Year	FY2017/2 1H		FY 2017/2 2H		FY 2017/2 Full Year			
	As of the Term-End	Store Openings	Store Closings	Store Openings	Store Closings	Store Openings	Store Closings	Change	As of the Term-End
Sugi Pharmacy	828	30	6	42	12	72	18	+54	882
Japan	159	0	2	2	1	2	3	-1	158
Visit Nursing Care ST	9	1	2	0	0	1	2	-1	8
Total	996	31	10	44	13	75	23	+52	1,048

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Financial Highlights

Full Year - FY Ended February 28, 2017

- Consolidated -

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Summary of Fiscal Year Results for Ended February 28, 2017

Full Year Financial Highlight - Consolidated -

Full Year : Net sales (JPY430.7 billion) and Operating profit (JPY22.8 billion)

	FY Ended 2016/2 Full Year		FY Ended 2017/2 Full Year				
	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
Net Sales	414,885	100.0	430,795	100.0	100.2	+795	103.8
Sugi Pharmacy business	334,551	80.6	353,942	82.2	100.5	+1,842	105.8
Japan business	76,893	18.5	74,963	17.4	100.4	+263	97.5
Others	3,441	0.9	1,889	0.4	59.0	-1,311	54.9
Gross Profit	115,710	27.9	120,008	27.9	100.5	+608	103.7
Sugi Pharmacy business	98,264	29.4	104,396	29.5	101.9	+1,896	106.2
Japan business	14,581	19.0	14,692	19.6	103.5	+492	100.8
Others	2,865	83.3	921	48.8	34.1	-1,779	32.2
SG&A Expenses	92,597	22.3	97,176	22.6	99.8	-2,24	104.9
Operating Income	23,112	5.6	22,832	5.3	103.8	+832	98.8
Non-operating Income	2,152	0.5	2,321	0.5	111.1	+231	107.9
Non-Operating Expenses	1,455	0.4	1,278	0.3	117.2	+188	87.8
Ordinary Income	23,810	5.7	23,875	5.5	103.8	+875	100.3
Extraordinary Income	0	-	0	-	-	-	-
Extraordinary Losses	983	0.2	1,353	0.3	79.6	-347	137.6
Net Income before Income Taxes	22,826	5.5	22,521	5.2	105.7	+1,221	98.7
Income Taxes	8,221	2.0	7,574	1.8	101.7	+124	92.1
Net Income	14,605	3.5	14,947	3.5	107.9	+1,097	102.3

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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Full Year SG&A Expenses Status – Consolidated -

Full Year : Total SG&A expenses increased up 4.9% because Net Sales increased up 3.8% year on year.

	FY Ended 2016/2 Full Year		FY Ended 2017/2 Full Year		Y o Y
	Results (in million yen)	Ratio to Sales(%)	Results (in million yen)	Ratio to Sales(%)	
Net Sales	414,885	100.0	430,795	100.0	103.8
Total Selling Expenses	7,453	1.8	8,182	1.9	109.8
Advertising Expenses	3,789	0.9	4,504	1.0	118.9
Premium Expenses	3,663	0.9	3,677	0.9	100.4
Personnel Expenses	45,945	11.1	48,645	11.3	105.9
Total Administrative Expenses	39,198	9.4	40,349	9.4	102.9
Rent Expenses	16,879	4.1	18,210	4.2	107.9
Depreciation Expenses	5,256	1.3	5,591	1.3	106.4
Utilities Expenses	4,134	1.0	3,986	0.9	96.4
Supplies Expenses	3,265	0.8	2,528	0.6	77.4
Tax and Public Charges	2,035	0.5	2,416	0.6	118.7
Commission Paid	2,880	0.7	3,079	0.7	106.9
Others	4,746	1.1	4,536	1.1	95.6
Total SG&A Expenses	92,597	22.3	97,176	22.6	104.9

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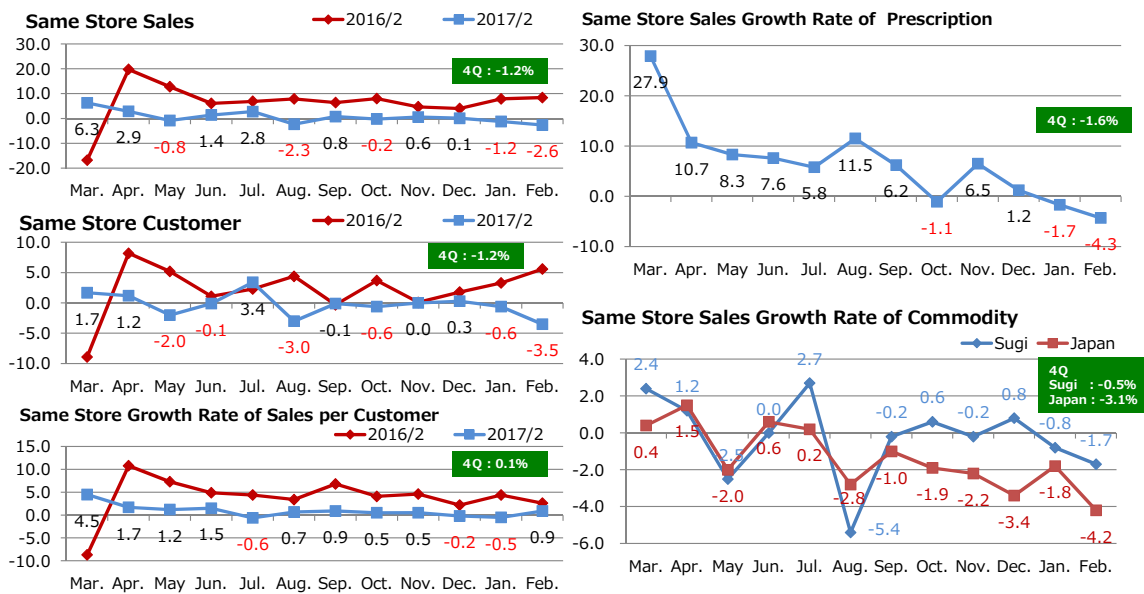
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Sales Trend

Full Year - FY Ended February 28, 2017

Sales growth rate of existing stores- Sugi Group -

Full Year :Same store sales growth rate showed +0.6% (prescription;+6.2%, Sugi's commodity ; -0.3%, Japan's commodity;-1.4%), same store customer growth rate indicated +0.3%.



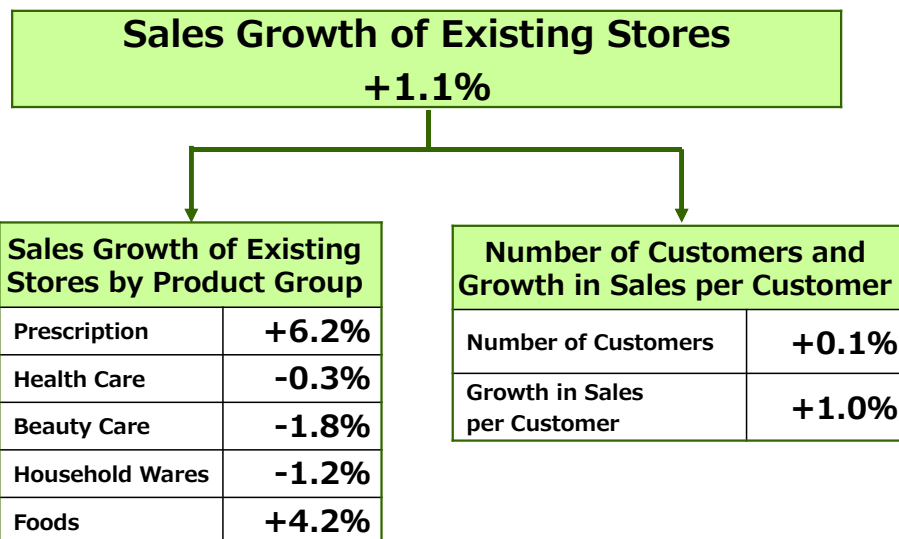
Sales Trend by Product Group - Sugi Group -

Sugi Pharmacy	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2016/2 Full Year		FY 2017/2 Full Year			FY 2016/2 Full Year		FY 2017/2 Full Year	
	Results	Budget	Results			Results	Budget	Results	
Prescription	20.8	22.2	21.3	96.7	108.4	35.8	34.1	35.6	+1.5
Healthcare	21.2	20.7	21.0	101.8	104.6	39.3	39.6	39.3	-0.3
Beauty Care	23.4	23.1	22.7	99.1	102.8	29.1	29.2	29.4	+0.2
Household Wares	21.6	21.2	21.2	100.4	104.0	21.6	21.5	22.5	+1.0
Food	12.9	12.8	13.7	107.9	112.3	16.2	16.0	16.0	±0.0
Total	100.0	100.0	100.0	100.5	105.8	29.4	29.1	29.5	+0.4

Japan	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget
	FY 2016/2 Full Year		FY 2017/2 Full Year			FY 2016/2 Full Year		FY 2017/2 Full Year	
	Results	Budget	Results			Results	Budget	Results	
Healthcare	8.0	7.9	8.3	105.7	101.1	31.6	32.2	33.8	+1.6
Beauty Care	7.6	7.6	7.7	101.1	98.5	24.7	24.6	25.1	+0.6
Household Wares	24.3	24.4	22.7	93.5	91.1	21.0	20.9	22.5	+1.6
Food	60.1	60.1	61.3	102.3	99.5	15.7	15.8	15.9	+0.1
Total	100.0	100.0	100.0	100.4	97.5	19.0	19.0	19.6	+0.6

Sales Trend at Existing Stores- Sugi Pharmacy business -

Full Year :Existing store sales growth ratio indicated +1.1% for the reason of continuous and strong sales growth of prescription by +6.2%



Forecast for the Year Ending Feb.28, 2017

P/L Forecast for the Year Ending Feb. 28, 2018 - Consolidated -

FY 2018/2 : Net sales JPY455 billion, Operating profit JPY24 billion

(in million yen)	1st Half Year			2ed Half Year			Full Year				
	2017/2 Results	2018/2 Forecast	Y o Y %	2017/2 Results	2018/2 Forecast	Y o Y %	2017/2 Results	Ratio	2018/2 Forecast	Ratio	Y o Y %
Net Sales	217,810	228,000	104.7	212,985	227,000	106.6	430,795	100.0	455,000	100.0	105.6
Sugi Pharmacy	178,254	187,690	105.3	175,688	188,881	107.5	353,942	82.2	376,571	82.8	106.4
Japan	38,688	39,193	101.3	36,275	36,984	102.0	74,963	17.4	76,177	16.7	101.6
Others	868	1,117	128.7	1,021	1,135	111.2	1,889	0.4	2,252	0.5	119.2
Gross Margin	59,386	63,000	106.1	60,622	65,000	107.2	120,008	27.9	128,000	28.1	105.6
Sugi Pharmacy	51,353	54,766	106.6	53,043	56,998	107.5	104,396	29.5	111,764	29.7	107.1
Japan	7,459	7,459	100.0	7,233	7,218	99.8	14,692	19.6	14,677	19.3	99.9
Others	574	775	135.0	347	784	226.0	921	48.8	1,559	69.2	169.3
SG&A	47,692	50,500	105.9	49,484	53,500	108.1	97,176	22.6	104,000	22.9	107.0
Selling Expenses	4,105	4,230	103.1	4,077	4,303	105.5	8,182	1.9	8,533	1.9	104.3
Personnel Expenses	23,932	25,653	107.2	24,713	26,527	107.3	48,645	11.3	52,180	11.5	107.3
SG&A Expenses	19,654	20,617	104.9	20,695	22,670	109.5	40,349	9.4	43,287	9.5	107.3
Operating Profit	11,694	12,500	106.9	11,138	11,500	103.3	22,832	5.3	24,000	5.3	105.1
Recurring Profit	12,166	13,000	106.9	11,709	12,000	102.5	23,875	5.5	25,000	5.5	104.7
Net Income	7,406	8,400	113.4	7,541	7,300	96.8	14,947	3.5	15,700	3.5	105.0

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

Preconditions of Forecasts for FY 2018/2

<Store Opening & Closing>

(Store)	Openings	Closings	Total
Sugi Pharmacy	95	20	+80
Japan	5		
Visit Nursing Care ST	0	0	-
Group Total	100	20	+80

<Investment>

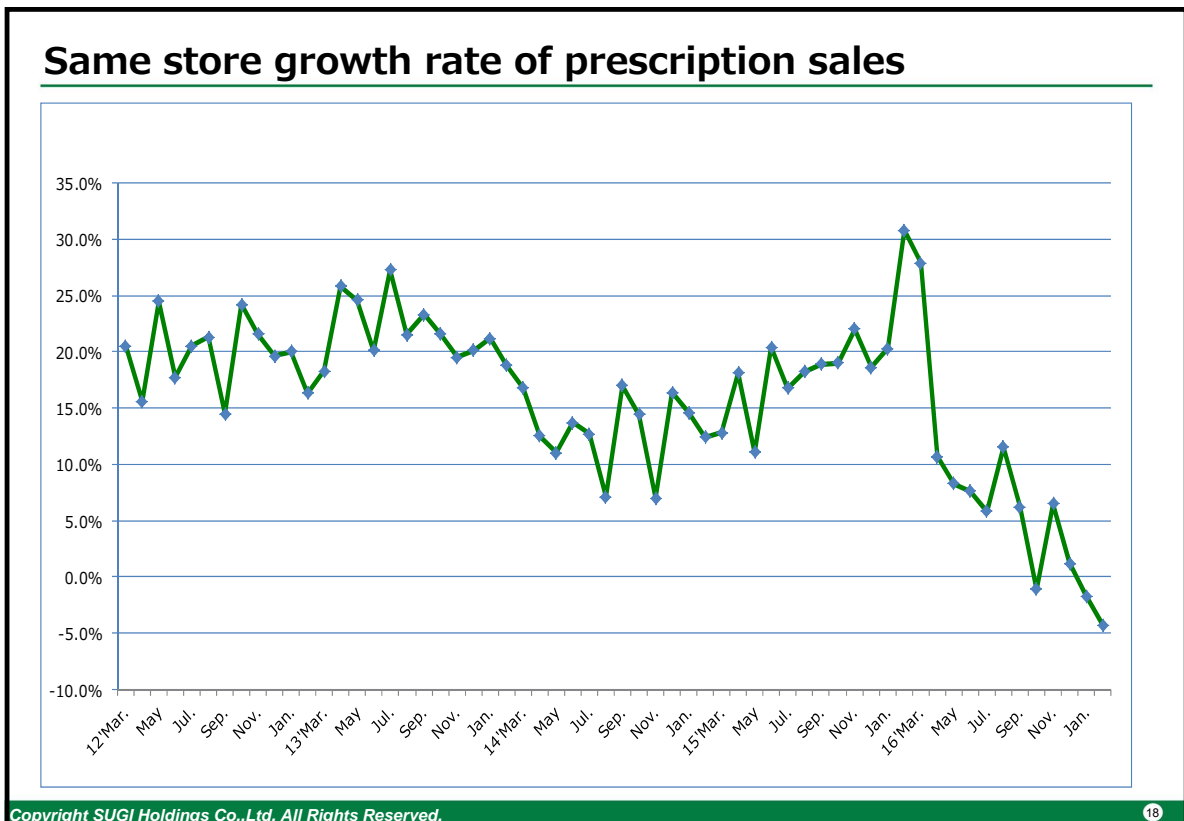
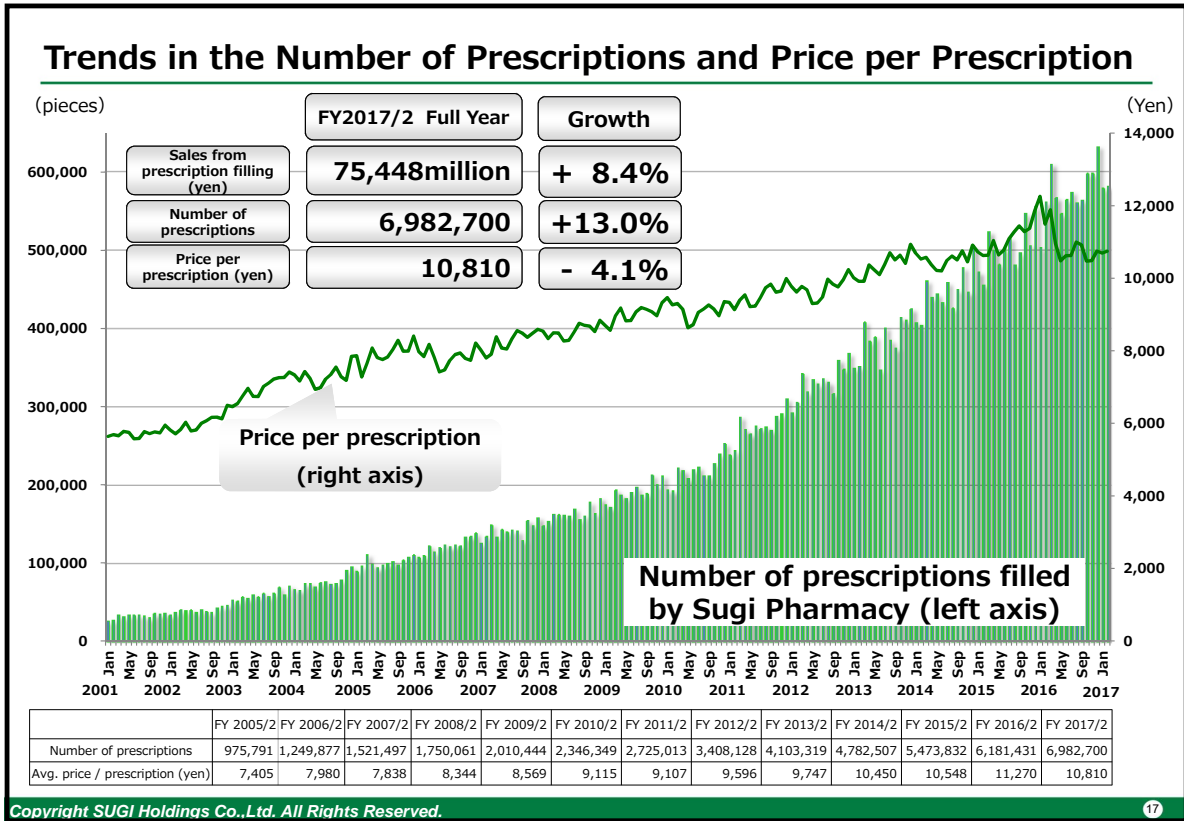
(in million yen)	Amount
New stores	11,500
Existing store refurbishment	1,600
Investment in systems and others	2,100
Group Total	15,200

<Existing Stores Sales Growth>

(%)	Q1	Q2	Q3	Q4	1H	H2	Full Year
Sugi Pharmacy	102.5	104.2	104.1	103.0	103.4	103.6	103.5
Japan	100.2	101.0	100.6	100.6	100.6	100.6	100.6
Group Total	102.0	103.6	103.5	102.6	102.8	103.1	102.9

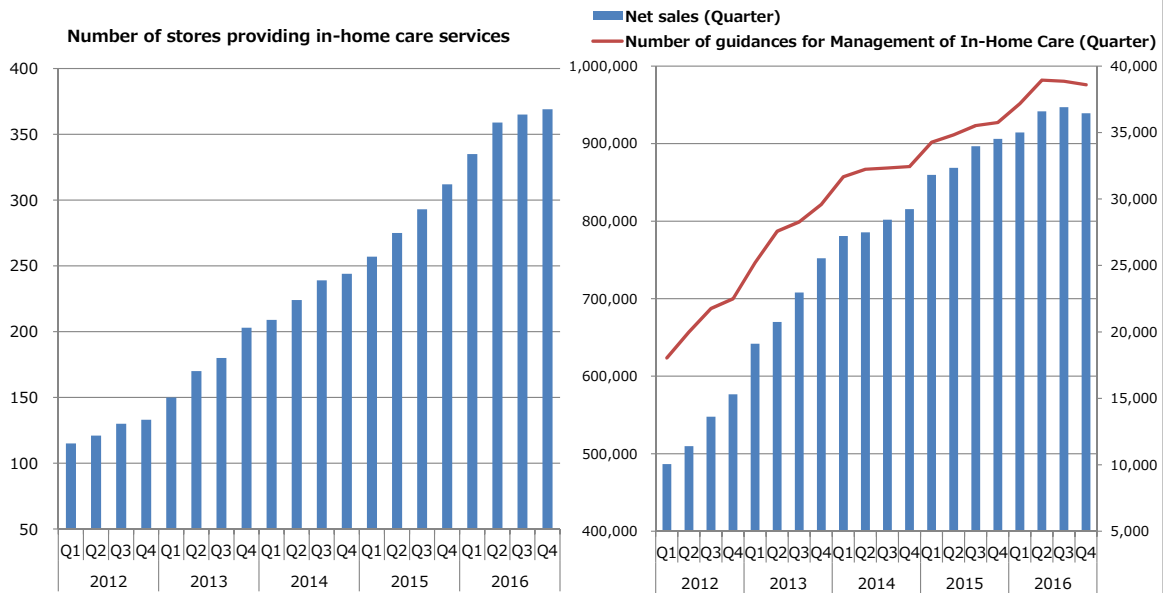
Medical Business of Sugi Group

Summary of Fiscal Year Results for Ended February 28, 2017

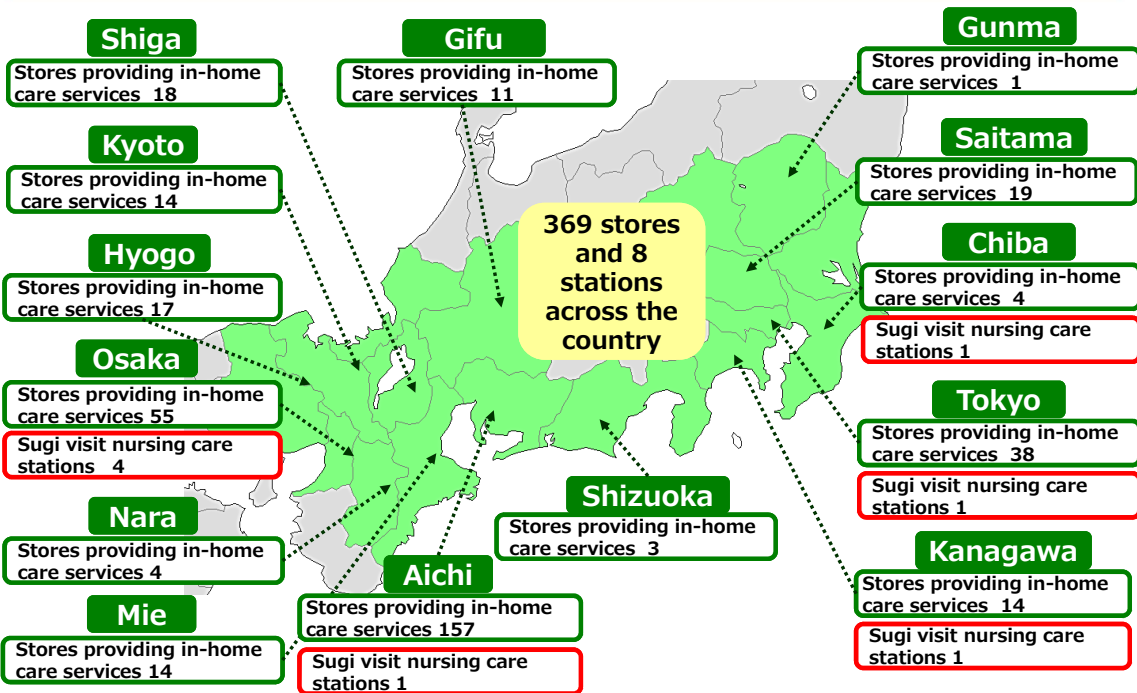


In-home Medical Care Services – As of Feb. 28, 2017

Sales of prescription filing: JPY75,448m (Full Year), including sales of in-home medical care: JP3,742m (+5.3% Y o Y)



Facilities Providing Comprehensive Medical Services to Local Communities



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.