

Financial Results

Full Year Results FY Ended February 28, 2013

Supplementary Information

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

April 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	871 (as of February 28, 2013)
Number of employees	3,898(full-time) (as of February 28, 2013)
Net sales	JPY343,613m (FY ended Feb. 28, 2013 - consolidated)
Operating Profit	JPY184,21m (FY ended Feb. 28, 2013 - 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

(stores)

(in 100 million yen)

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■ Overview of Sugi Group



New Store Openings

Full Year Results FY Ended February 28, 2013

■ Store Openings and Closings in FY 2013/2

* 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.

■FY2013/2: opening / 64 stores, closing/ 14 stores Total : increased 50 stores

Nos. of stores by region	FY2012/2 Full Year	FY2013/2 1H		FY 2013/2 2H		FY 2013/2 Full Year			
	As of the Term-End	Store Openings	Store Closings	Store Openings	Store Closings	Store Openings	Store Closings	As of the Term-End	As of the Term-End
Kanto Region	195	9	4	14	3	23	7	+16	211
Chubu Region	349	12	1	8	2	20	3	+17	366
Kansai Region	277	9	0	12	4	21	4	+17	294
Total	821	30	5	34	9	64	14	+50	871

Nos. of stores by company	FY2012/2 Full Year	FY2013/2 1H		FY 2013/2 2H		FY 2013/2 Full Year			
	As of the Term-End	Store Openings	Store Closings	Store Openings	Store Closings	Store Openings	Store Closings	As of the Term-End	As of the Term-End
Sugi Pharmacy	661	28	4	30	8	58	12	+46	707
Japan	150	2	1	3	1	5	2	+3	153
Visit Nursing Care ST	10	0	0	1	0	1	0	+1	11
Total	821	30	5	34	9	64	14	+50	871

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Financial Highlights

Full Year Results FY Ended February 28, 2013

- Consolidated -

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Financial Highlight for Year Ended Feb.28, 2013 - Consolidated -

■FY 2013/2 :Largest ever net sales (JPY343billion) and operating profit (JPY18billion) achieved

	FY 2012/2 Full Year		FY 2013/2 Full Year				
	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	327,267	100.0	343,613	100.0	105.0	101.1	+3,613
Gross Profit	87,771	26.8	93,749	27.3	106.8	102.8	+2,549
SG&A Expenses	70,556	21.6	75,327	21.9	106.8	102.9	+2,127
Operating Income	17,215	5.3	18,421	5.4	107.0	102.3	+421
Non-operating Income	3,304	1.0	5,538	1.6	167.6	162.9	+2,138
Non-Operating Expenses	1,358	0.4	1,263	0.4	93.0	90.2	-137
Ordinary Income	19,160	5.9	22,696	6.6	118.5	113.5	+2,696
Extraordinary Income	2,463	0.8	0	-	-	-	0
Extraordinary Losses	2,227	0.7	619	0.2	27.8	123.9	+119
Net Income before Income Taxes	19,396	5.9	22,077	6.4	113.8	113.2	+2,577
Income Taxes	7,970	2.4	9,447	2.7	118.5	118.1	+1,447
Net Income	11,426	3.5	12,630	3.7	110.5	109.8	+1,130

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FY 2012/2 SG&A Expenses Status – Consolidated -

■FY 2012/2 : Total SG&A cost was controlled in +6.8%(YOY), cause of increase in depreciation expenses and supplies expenses

	FY 2012/2 Full Year		FY 2013/2 Full Year		
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y
Net Sales	327,267	100.0	343,613	100.0	105.0
Total Selling Expenses	6,622	2.0	7,032	2.0	106.2
Advertising Expenses	4,353	1.3	4,252	1.2	97.7
Premium Expenses	2,268	0.7	2,779	0.8	122.6
Personnel Expenses	33,793	10.3	35,466	10.3	106.2
Total Administrative Expenses	30,140	9.2	32,829	9.6	107.5
Rent Expenses	13,953	4.3	14,699	4.3	105.3
Depreciation Expenses	3,817	1.2	4,655	1.4	121.9
Utilities Expenses	3,233	1.0	3,609	1.1	111.6
Supplies Expenses	2,181	0.7	2,048	0.6	93.9
Tax and Public Charges	1,064	0.3	1,217	0.4	114.4
Commission Paid	2,153	0.7	2,316	0.7	107.6
Others	3,736	1.1	4,281	1.2	114.6
Total SG&A Expenses	70,556	21.6	75,327	21.9	106.8

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Financial Highlights

Full Year Results FY Ended February 28, 2013

- Subsidiaries -

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■ Financial Highlight for FY 2013/2– Sugi Pharmacy Co., Ltd. –

■FY 2013/2: It was good in net sales thanks to the prescription business. The gross profit margin ratio improved +0.4 pt vs. budget, we were able to achieve the budget for operating income as a result.

	FY 2012/2 Full Year		FY 2013/2 Full Year				
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	253,721	100.0	269,192	100.0	106.1	101.8	+4,792
Gross Profit	72,434	28.5	78,197	29.0	108.0	103.4	+2,597
SG&A	59,496	23.4	64,732	24.0	108.8	104.1	+2,532
Operating Profit	12,937	5.1	13,465	5.0	104.1	100.5	+65

Full Year Overview

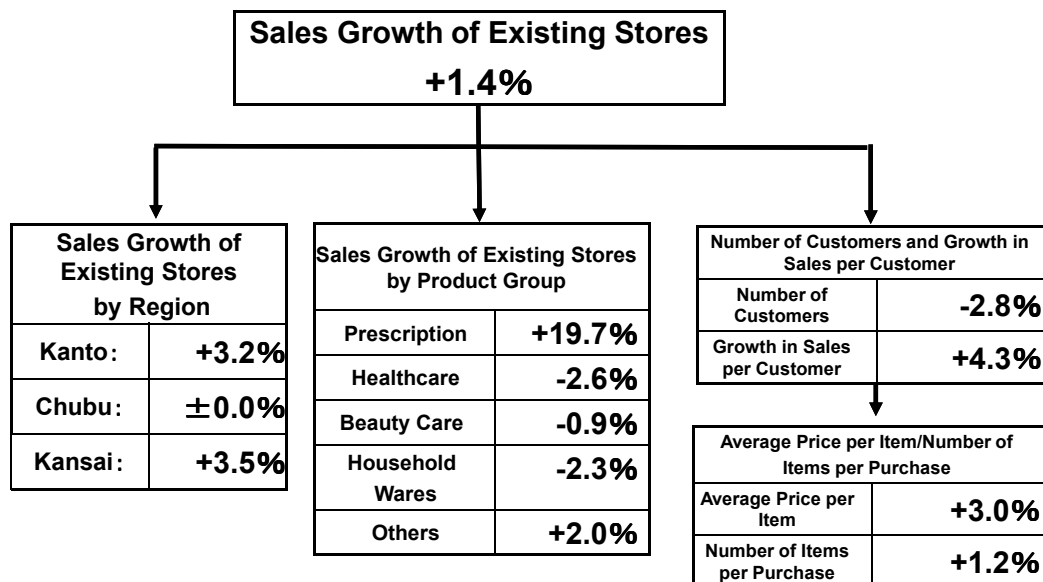
- ◆Net Sales: Existing store sales growth Budget +1.7% ⇒ Result +1.4%
(Customer count -2.8%, Purchase per customer +4.3%)
- ◆Gross margin ratio: Budget 28.6% ⇒Result 29.0%
- ◆SG&A: vs. Budget +4.1%
(Selling expenses +3.5%, Personnel +3.8%, Admin. expenses +4.4%)

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

■ FY 2013/2 :Existing store sales growth ratio indicated +1.4% for the reason of continuous and strong sales growth of prescription



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

■ FY 2013/2: The composition ratio of the preparation has increased up to 14.9%. As a result, the gross margin rate was able to be up +0.4pt vs. budget.

(%)	Composition Ratio			Sales % Y o Y	Sales % vs. Budget	Gross Margin Rate			Gross Margin % vs. Budget	
	FY 2012/2 Full Year		FY 2013/2 Full Year			FY 2012/2 Full Year		FY 2013/2 Full Year		
	Results	Budget	Results			Budget	Results	Budget		Results
Prescription	12.8	14.1	14.9	123.4	107.6	33.8	31.5	32.8	+1.4	
Healthcare	24.9	24.4	24.0	102.1	100.0	38.1	38.6	39.3	+0.7	
Beauty Care	26.8	26.7	26.2	103.5	99.8	28.0	28.4	28.8	+0.4	
Subtotal	64.5	65.2	65.0	106.9	101.6	33.1	32.9	33.6	+0.7	
Household Wares	22.8	22.5	22.0	102.5	99.4	22.0	22.1	22.6	+0.5	
Others	12.7	12.3	13.0	108.8	107.2	17.2	18.0	17.3	-0.7	
Total	100.0	100.0	100.0	106.1	101.8	28.5	28.6	29.0	+0.4	

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

■ FY 2013/2: Net sales were up against the budget of +1.8 pt. However, SG&A expenses increased against the budget up of 4.1 pt.

	FY 2012/2 Full Year		FY 2013/2 Full Year				
	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	253,721	100.0	269,192	100.0	106.1	101.8	+4,792
Total Selling Expenses	5,944	2.3	6,316	2.3	106.2	103.5	+216
Advertising Expenses	3,676	1.4	3,536	1.3	96.2	103.1	+107
Premium Expenses	2,268	0.9	2,779	1.0	122.6	104.2	+112
Personnel Expenses	25,395	10.0	27,774	10.3	109.4	103.8	+1,024
Total Administrative Expenses	28,156	11.1	30,642	11.4	108.8	104.4	+1,292
Rent Expenses	13,682	5.4	14,603	5.4	106.7	101.4	+200
Depreciation Expenses	1,054	0.4	1,550	0.6	147.1	89.7	-178
Utilities Expenses	2,482	1.0	2,818	1.0	113.5	114.4	+355
Supplies Expenses	1,553	0.6	1,626	0.6	104.7	154.6	+574
Tax and Public Charges	530	0.2	658	0.2	124.1	128.1	+144
Commission Paid	6,137	2.4	6,460	2.4	105.3	101.9	+118
Others	2,715	1.1	2,923	1.1	107.7	102.9	+82
Total SG&A Expenses	59,496	23.4	64,732	24.0	108.8	104.1	+2,532

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■ Financial Highlight for FY 2012/2 - Japan Co., Ltd. -

■ FY 2013/2: Achieved the budget of operating profit by reducing SG&A expense, although it was not able to achieve the sales budget have special demand rebound after the earthquake in the previous fiscal year.

	FY 2012/2 Full Year		FY 2013/2 Full Year				
	Results (in million yen)	%	Results (in million yen)	%	Y o Y	vs. Budget (in %)	vs. Budget (in million yen)
Net Sales	72,932	100.0	73,958	100.0	101.4	98.6	-1,041
Gross Margin	15,187	20.8	15,468	20.9	101.8	99.8	-31
SG&A	12,202	16.7	12,138	16.4	99.5	99.1	-111
Operating Profit	2,984	4.1	3,330	4.5	111.6	102.5	+80

Full Year Overview

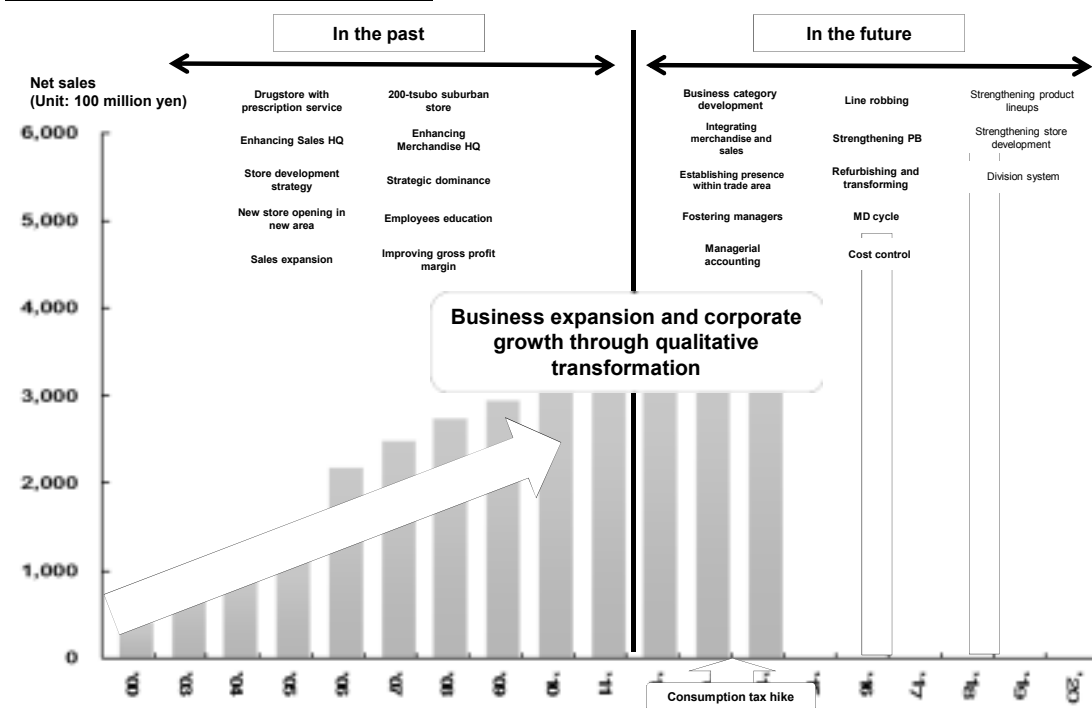
- ◆ Net Sales: Existing store sales growth Budget : -0.3% ⇒ Result -0.3%
(Customer count -1.4%, Purchase per customer +1.2%)
- ◆ Gross margin ratio: Budget 20.9% ⇒ Result 20.9%
- ◆ SG&A: vs. Budget -0.9%
(Selling expenses +11.7%, Personnel -2.6%, Admin. expenses -0.6%)

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Forecast for the Year Ending Feb.28, 2014

■ For Future Growth



■ P/L Forecast for the Year Ending Feb. 28, 2014 - Consolidated -

■ FY 2014/2 : Net sales JPY366 billion, Operating profit JPY19 billion

(in million yen)	1st Half Year			2ed Half Year			Full Year				
	2013/2 Results	2014/2 Forecast	Y o Y %	2013/2 Results	2014/2 Forecast	Y o Y %	2013/2 Results	Ratio	2014/2 Forecast	Ratio	Y o Y %
Net Sales	173,481	183,400	105.7	170,131	182,600	107.3	343,613	100.0	366,000	100.0	106.5
Sugi Pharmacy	134,985	143,552	106.3	134,206	143,886	107.2	269,192	78.3	287,438	78.5	106.8
Japan	38,270	39,557	103.4	35,688	38,443	107.7	73,958	21.5	78,000	21.3	105.5
Others	226	291	129.3	237	271	114.3	463	0.1	562	0.2	121.6
Gross Margin	46,915	49,480	105.5	46,834	49,170	105.0	93,749	27.3	98,650	27.0	105.2
Sugi Pharmacy	38,874	41,395	106.5	39,323	41,276	105.0	78,197	29.0	82,671	28.8	105.7
Japan	7,996	8,001	100.1	7,472	7,809	104.5	15,468	20.9	15,810	20.3	102.2
Others	45	84	186.7	39	85	217.9	84	18.1	169	30.1	201.2
SG&A	36,813	39,110	106.2	38,513	40,540	105.3	75,327	21.9	79,650	21.8	105.7
Selling Expenses	3,376	3,450	102.2	3,656	3,650	99.8	7,032	2.0	7,100	1.9	101.0
Personnel Expenses	17,779	18,470	103.9	17,686	18,780	106.2	35,466	10.3	37,250	10.2	105.0
SG&A Expenses	15,658	17,190	109.8	17,170	18,110	105.5	32,829	9.6	35,300	9.6	107.5
Operating Profit	10,101	10,370	102.7	8,320	8,630	103.7	18,421	5.4	19,000	5.2	103.1
Recurring Profit	11,948	11,420	95.6	10,748	9,680	90.1	22,696	6.6	21,100	5.8	93.0
Net Income	6,724	6,055	90.1	5,906	5,245	88.8	12,630	3.7	11,300	3.1	89.5

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■ Preconditions of Forecasts for FY 2014/2

<Store Opening & Closing>

(Store)	Openings	Closings	Conversion	Total
Sugi Pharmacy	72	-13	-12	+47
Japan	8	-1	+12	+19
Visit Nursing Care ST	3	0	-	+3
Group Total	83	-14	±0	+69

<Investment>

(in million yen)	Amount
New stores	9,500
Existing store refurbishment	1,500
Investment in systems and others	2,000
Group Total	13,000

<Existing Stores Sales Growth>

(%)	Q1	Q2	Q3	Q4	1H	H2	Full Year
Sugi Pharmacy	+0.7	+1.9	+1.7	+2.4	+1.3	+2.0	+1.7
Japan	-0.1	+0.5	+0.4	+0.9	+0.2	+0.7	+0.4
Group Total	+0.5	+1.6	+1.4	+2.1	+1.1	+1.7	+1.4

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Medical Business

Full Year Results FY Ended February 28, 2013

- Sugi Group

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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	1Q	2Q	3Q	4Q
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	+10.1
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	-1.9
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	-0.9
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	+3.8
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	+0.6

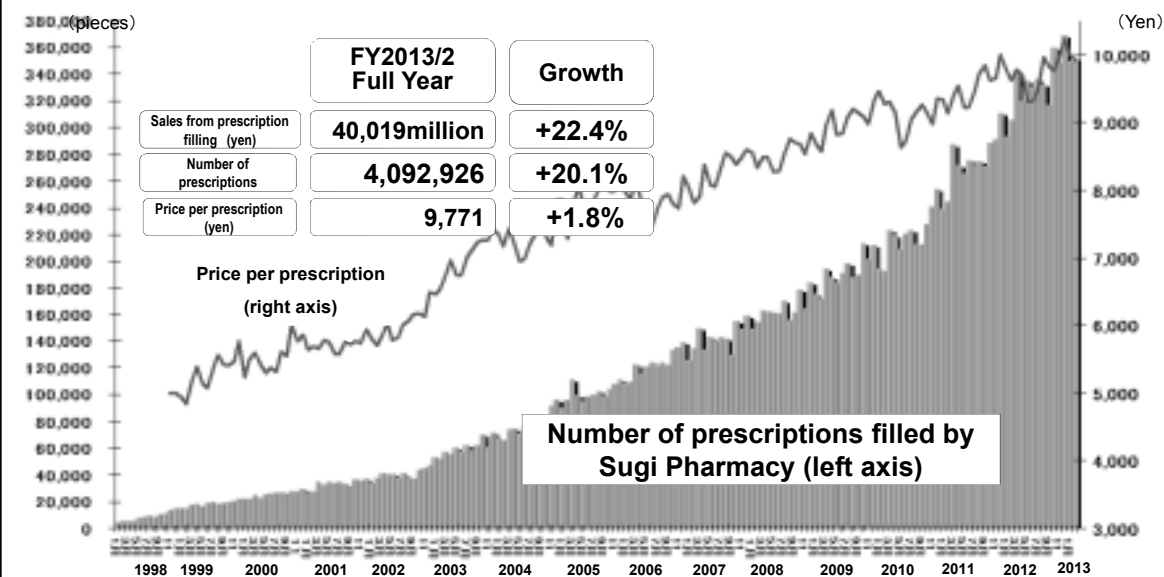
< OTC Sales by Category (All Stores) >

(%)	FY 2010/2			FY 2011/2				FY 2012/2				FY 2013/2			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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	5.8
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	30.8
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	37.2
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	26.1

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■ Trends in the Number of Prescriptions and Price per Prescription



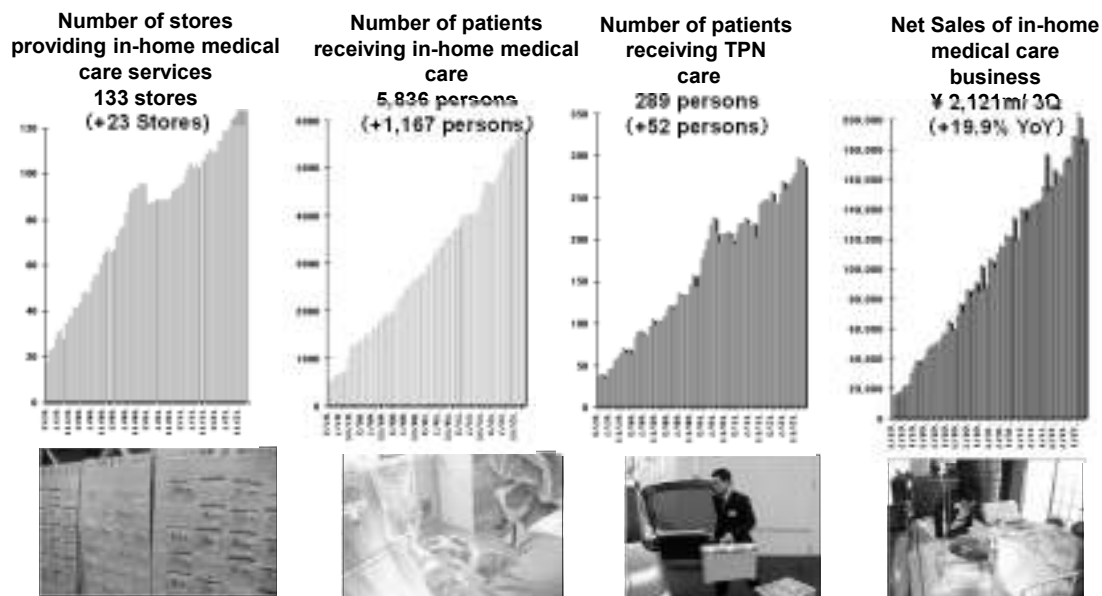
	FY 2004/2	FY 2005/2	FY 2006/2	FY 2007/2	FY 2008/2	FY 2009/2	FY 2010/2	FY 2011/2	FY 2012/2	FY 2013/2
Number of prescriptions	751,505	975,791	1,249,877	1,521,497	1,750,061	2,010,444	2,346,349	2,725,013	3,408,128	4,092,926
Avg. price / prescription (yen)	7,095	7,405	7,980	7,838	8,344	8,569	9,115	9,107	9,596	9,771

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 Feb.28 2013

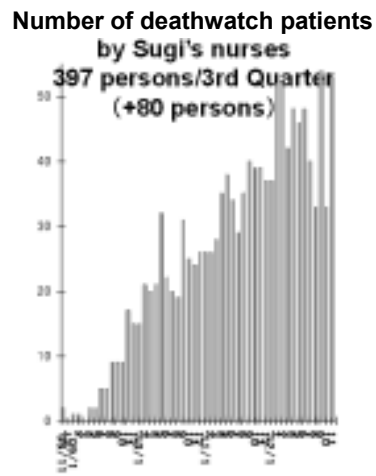
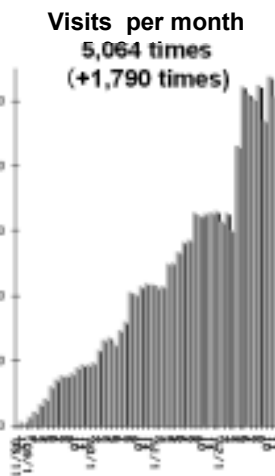
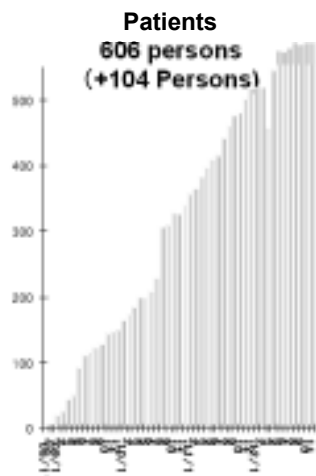
Sales of prescription filing: JPY40,019m (Full Year), including sales of in-home medical care: JP2,121m (+19.9% Y o Y)



Note: Comparison with previous year

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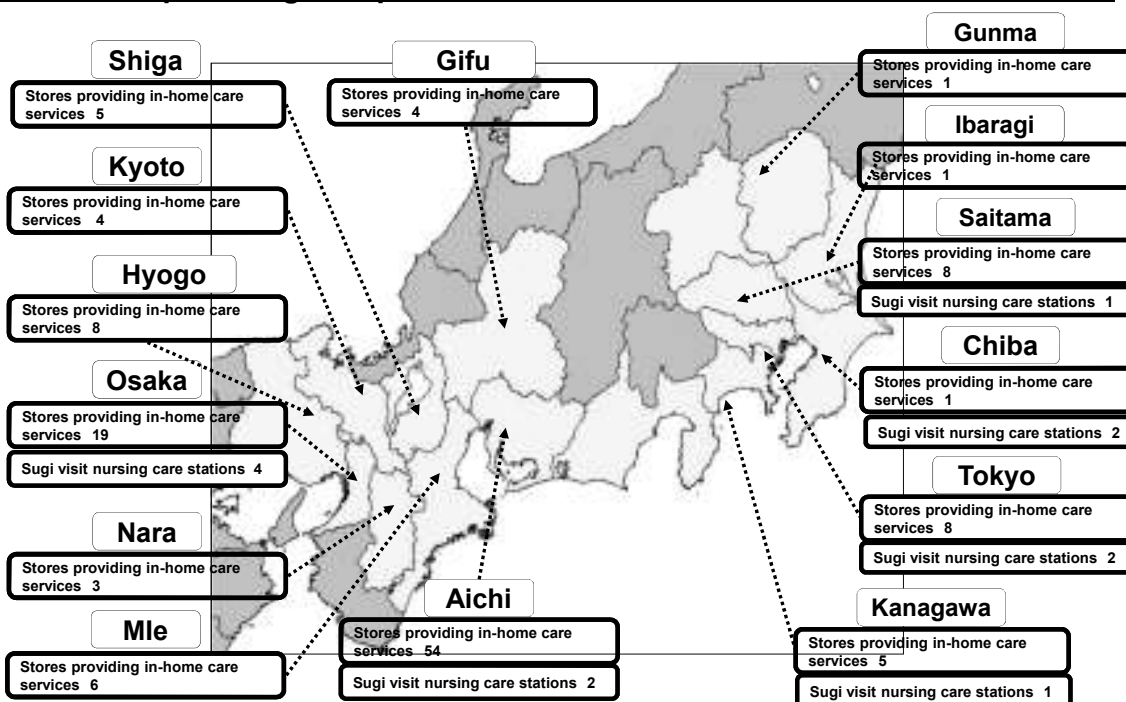
■ Visit Nursing Care Services : 11 locations (As of Feb. 2013)



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.