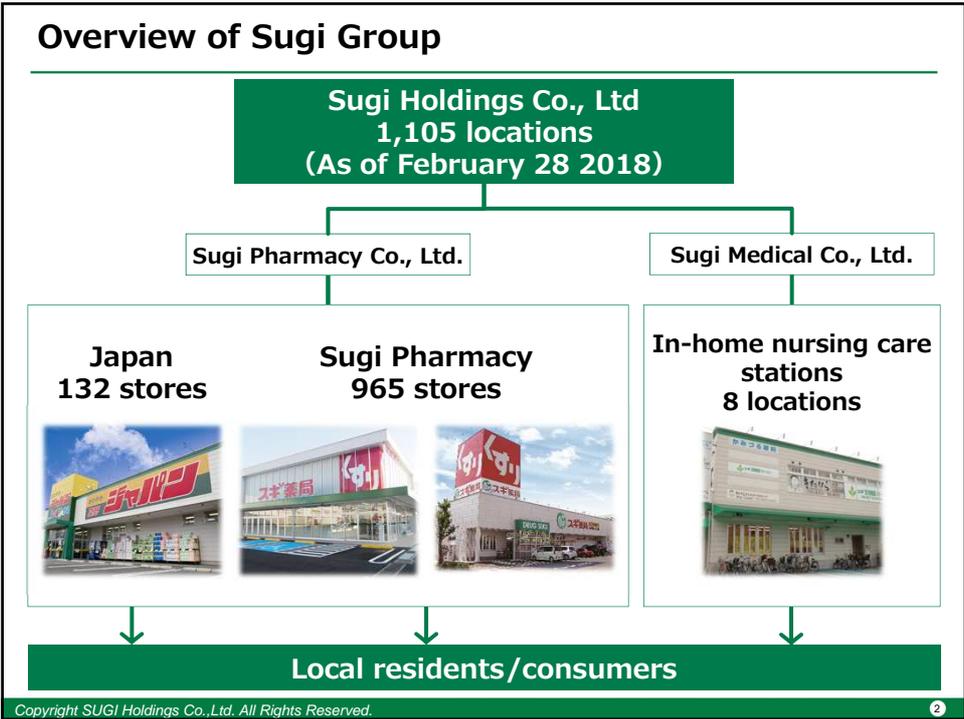


Copyright SUGI Holdings Co., Ltd. All Rights Reserved.



Store Openings and Closings Full Year – FY Ended February 28, 2018

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved. 3

Summary of Fiscal Year Results for Ended February 28, 2018

Store Openings and Closings

* Please note that "FY2017/2" and "FY 2018/2" in this presentation refers to the fiscal year ended in February 2017, and the fiscal year ended February 2018, respectively. The same notation is used in other pages.

Full Year : Opened 80 stores, closed 23 stores, increased 57 stores

Nos. of stores by region	FY2017/2 Full Year	FY2018/2 1H			FY 2018/2 2H			FY 2018/2 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	265	7	8	8	1	15	9	+6	271	
Chubu Region	419	15	5	19	7	34	12	+22	441	
Kansai Region	364	14	0	17	2	31	2	+29	393	
Total	1,048	36	13	44	10	80	23	+57	1,105	

Nos. of stores by company	FY2017/2 Full Year	FY2018/2 1H			FY 2018/2 2H			FY 2018/2 Full Year				
	As of the Term-End	Store Openings	Store Closings	Store format conversion	Store Openings	Store Closings	Store format conversion	Store Openings	Store Closings	Store format conversion	Change	As of the Term-End
Sugi Pharmacy	882	36	7	+8	43	10	+13	79	17	+21	+83	965
Japan	158	0	6	-8	1	0	-13	1	6	-21	-26	132
Visit Nursing Care ST	8	0	0	0	0	0	0	0	0	0	0	8
Total	1,048	36	13	0	44	10	0	80	23	0	+57	1,105

Copyright SUGI Holdings Co., Ltd. All Rights Reserved.

4

Financial Highlights Full Year - FY Ended February 28, 2018 - Consolidated -

Copyright SUGI Holdings Co., Ltd. All Rights Reserved.

5

Summary of Fiscal Year Results for Ended February 28, 2018

Full Year Financial Highlight - Consolidated -

Full Year : Net sales (JPY457.0 billion) and Operating profit (JPY24.7 billion)

	FY Ended 2017/2 Full Year		FY Ended 2018/2 Full Year				Y o Y
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	vs. Budget (in %)	vs. Budget (in million yen)	
Net Sales	430,795	100.0	457,047	100.0	100.4	+2,047	106.1
Sugi Pharmacy business	353,942	82.2	383,280	83.9	101.8	+6,708	108.3
Japan business	74,963	17.4	71,313	15.6	93.6	-4,866	95.1
Others	1,889	0.4	2,454	0.5	109.1	+205	129.9
Gross Profit	120,008	27.9	131,565	28.8	102.8	+3,565	109.6
Sugi Pharmacy business	104,396	29.5	115,802	30.2	103.6	+4,039	110.9
Japan business	14,692	19.6	14,053	19.7	95.7	-625	95.7
Others	921	48.8	1,710	69.7	109.7	+151	185.7
SG&A Expenses	97,176	22.6	106,804	23.4	102.7	+2,804	109.9
Operating Income	22,832	5.3	24,760	5.4	103.2	+760	108.4
Non-operating Income	2,321	0.5	2,536	0.6	115.3	+336	109.3
Non-Operating Expenses	1,278	0.3	1,397	0.3	116.4	+197	109.3
Ordinary Income	23,875	5.5	25,900	5.7	103.6	+900	108.5
Extraordinary Income	0	-	0	-	-	-	-
Extraordinary Losses	1,353	0.3	1,341	0.3	89.4	-159	99.1
Net Income before Income Taxes	22,521	5.2	24,559	5.4	104.5	+1,059	109.0
Income Taxes	7,574	1.8	8,147	1.8	104.4	+347	107.6
Net Income	14,947	3.5	16,411	3.6	104.5	+711	109.8

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

Copyright SUGI Holdings Co., Ltd. All Rights Reserved.

6

Full Year SG&A Expenses Status - Consolidated -

Full Year : Total SG&A expenses increased up 9.9% year on year.

	FY Ended 2017/2 Full Year		FY Ended 2018/2 Full Year		Y o Y
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	
Net Sales	430,795	100.0	457,047	100.0	106.1
Total Selling Expenses	8,182	1.9	8,336	1.8	101.9
Advertising Expenses	4,504	1.0	5,015	1.1	111.3
Premium Expenses	3,677	0.9	3,320	0.7	90.3
Personnel Expenses	48,645	11.3	53,665	11.7	110.3
Total Administrative Expenses	40,349	9.4	44,802	9.8	111.0
Rent Expenses	18,210	4.2	19,595	4.3	107.6
Depreciation Expenses	5,591	1.3	6,436	1.4	115.1
Utilities Expenses	3,986	0.9	4,096	0.9	102.8
Supplies Expenses	2,528	0.6	3,054	0.7	120.8
Tax and Public Charges	2,416	0.6	2,775	0.6	128.1
Commission Paid	3,079	0.7	3,640	0.8	144.5
Others	4,536	1.1	5,203	1.1	114.7
Total SG&A Expenses	97,176	22.6	106,804	23.4	109.9

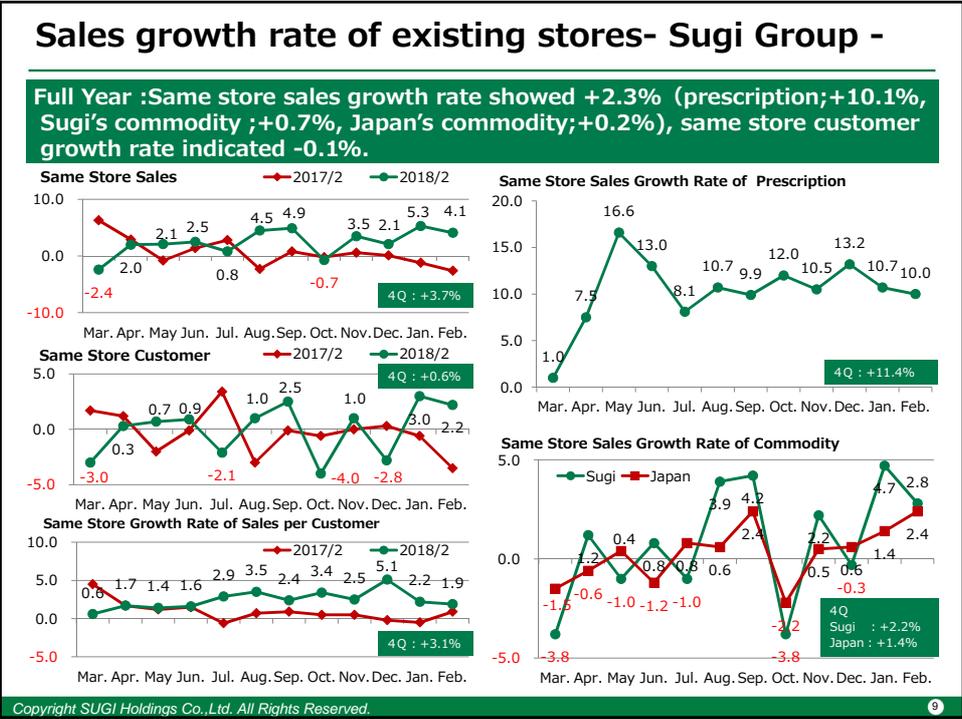
Copyright SUGI Holdings Co., Ltd. All Rights Reserved.

7

Sales Trend

Full Year - FY Ended February 28, 2018

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved. 8



Summary of Fiscal Year Results for Ended February 28, 2018

Sales Trend by Product Group - Sugi -

	Composition Ratio					Gross Margin Rate			Gross Margin % vs. Budget		
	FY 2017/2 Full Year		FY 2018/2 Full Year		Sales % vs. Budget	Sales % Y o Y	FY 2017/2 Full Year			FY 2018/2 Full Year	
	Results	Budget	Results	Budget			Results	Budget		Results	Budget
Prescription	21.3	21.9	21.9	102.2	111.4	35.6	36.7	38.2	+1.5		
Healthcare	19.1	19.0	18.6	99.3	105.2	—	39.3	40.1	+0.8		
Wellness support	2.6	2.6	2.6	102.1	107.2	—	32.4	35.4	+3.0		
Wellness foods	2.9	2.5	2.7	108.7	120.1	—	19.0	16.1	-2.9		
General Foods	11.6	11.6	12.5	109.4	111.6	—	16.7	16.0	-0.7		
Beauty	22.5	22.7	22.0	98.5	105.4	—	29.1	29.5	+0.4		
Life support	18.3	18.1	18.2	102.2	107.9	—	21.4	22.4	+1.0		
Senior Support	1.5	1.5	1.5	101.6	108.7	—	28.3	29.2	+0.9		
Other	0.2	0.2	0.1	92.2	101.3	—	28.1	29.1	+1.0		
Total	100.0	100.0	100.0	101.8	103.1	29.5	29.7	30.2	+0.5		

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

10

Sales Trend by Product Group - Japan -

	Composition Ratio					Gross Margin Rate			Gross Margin % vs. Budget		
	FY 2017/2 Full Year		FY 2018/2 Full Year		Sales % vs. Budget	Sales % Y o Y	FY 2017/2 Full Year			FY 2018/2 Full Year	
	Results	Budget	Results	Budget			Results	Budget		Results	Budget
Healthcare	7.6	7.6	7.6	93.7	95.1	—	34.0	35.4	+1.4		
Wellness support	0.8	0.8	0.8	88.9	90.5	—	26.9	30.8	+3.9		
Wellness foods	8.1	7.8	7.5	89.9	99.4	—	15.0	12.9	-2.1		
General Foods	53.8	54.1	55.1	95.4	95.7	—	15.9	16.1	+0.2		
Beauty	7.6	7.7	7.7	93.6	95.3	—	24.8	26.2	+1.4		
Life support	19.6	19.7	19.0	90.6	92.3	—	22.6	24.0	+1.4		
Senior Support	0.7	0.7	0.7	94.8	97.2	—	25.0	26.4	+1.4		
Other	1.7	1.7	1.6	89.4	90.5	—	11.2	11.0	-0.2		
Total	100.0	100.0	100.0	93.6	95.1	19.6	19.3	19.7	+0.4		

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

11

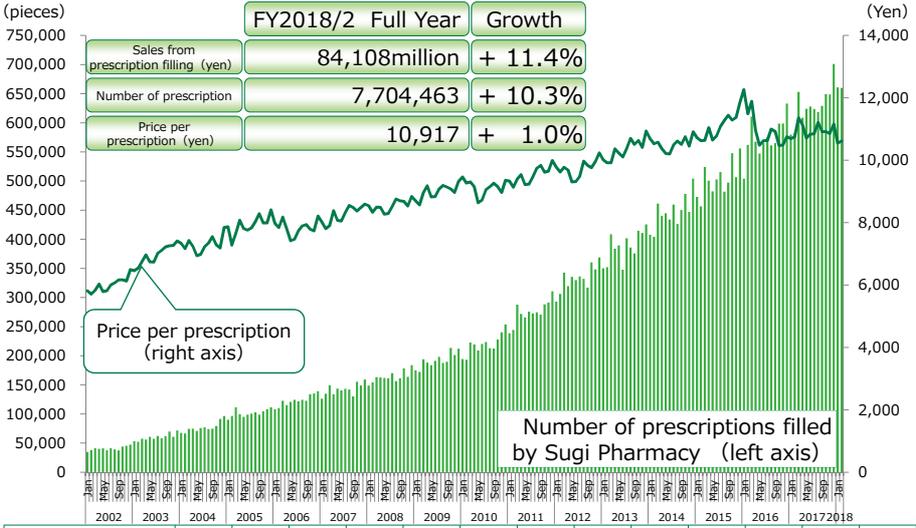
Sales Trend at Existing Stores- Sugi Pharmacy business -

Full Year :Existing store sales growth ratio indicated +2.7% for the reason of continuous and strong sales growth of prescription by +10.1%



Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

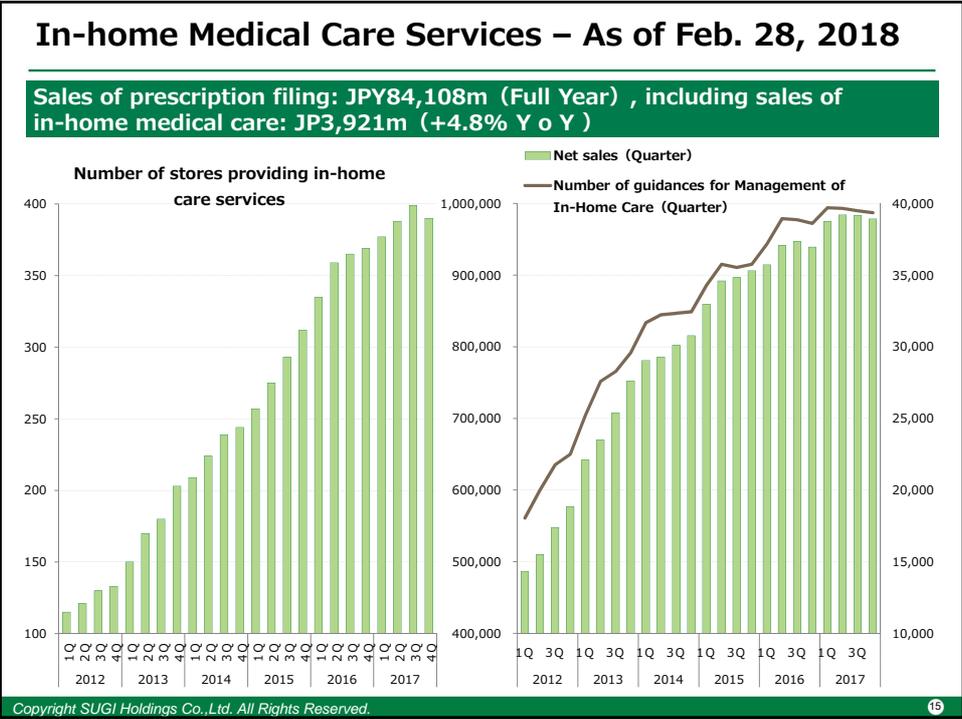
Trends in the Number of Prescriptions and Price per Prescription



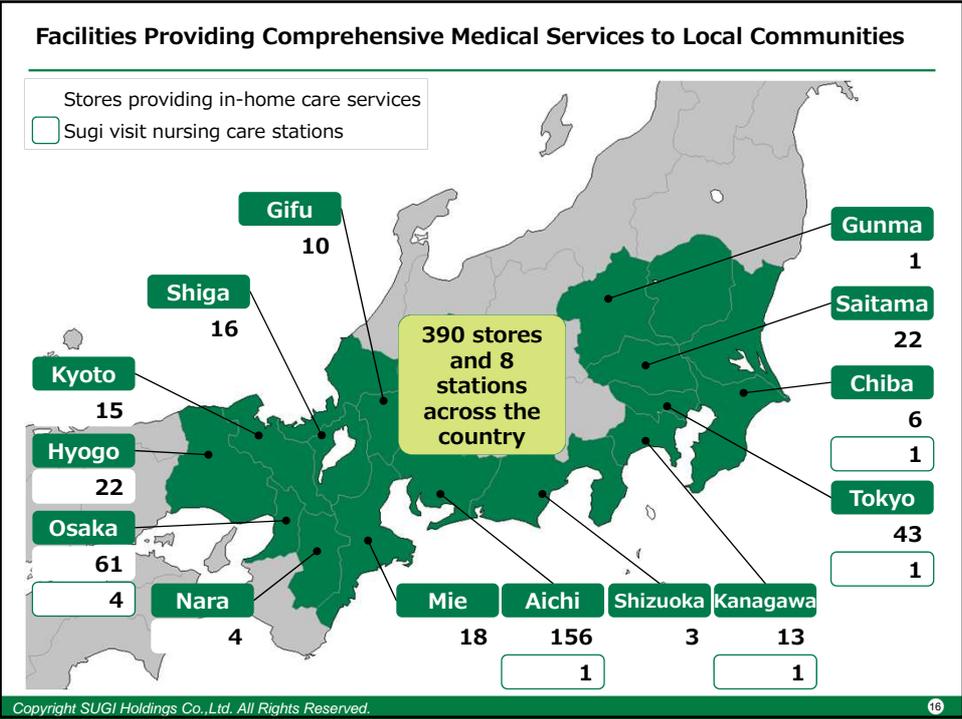
	FY 2006/2	FY 2007/2	FY 2008/2	FY 2009/2	FY 2010/2	FY 2011/2	FY 2012/2	FY 2013/2	FY 2014/2	FY 2015/2	FY 2016/2	FY 2017/2	FY 2018/2
Number of prescriptions	1,249,877	1,521,497	1,750,061	2,010,444	2,346,349	2,725,013	3,408,128	4,103,319	4,782,507	5,473,832	6,181,431	6,982,700	7,704,463
Avg. price / prescription (yen)	7,980	7,838	8,344	8,569	9,115	9,107	9,596	9,747	10,450	10,548	11,270	10,810	10,917

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

Summary of Fiscal Year Results for Ended February 28, 2018



Summary of Fiscal Year Results for Ended February 28, 2018



**Forecast for the Year Ending
Feb.28, 2019**

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved. 17

Summary of Fiscal Year Results for Ended February 28, 2018

P/L Forecast for the Year Ending Feb. 28, 2019 - Consolidated -

FY 2019/2 : Net sales JPY480.0 billion, Operating profit JPY25.5 billion

(in million yen)	1st Half Year					2ed Half Year					Full Year				
	2018/2 Results	Ratio	2019/2 Forecast	Ratio	Y o Y %	2018/2 Results	Ratio	2019/2 Forecast	Ratio	Y o Y %	2018/2 Results	Ratio	2019/2 Forecast	Ratio	Y o Y %
Net Sales	229,499	100.0	241,000	100.0	105.0	227,548	100.0	239,000	100.0	105.0	457,047	100.0	480,000	100.0	105.0
Sugi Pharmacy	189,997	82.8	205,100	85.1	107.9	193,283	84.9	205,200	85.9	106.2	383,280	83.9	410,300	85.5	107.0
Japan	38,285	16.7	34,400	14.3	89.9	33,028	14.5	32,500	13.6	98.4	71,313	15.6	66,900	13.9	93.8
Others	1,217	0.5	1,500	0.6	123.3	1,237	0.5	1,300	0.5	105.1	2,454	0.5	2,800	0.6	114.1
Gross Margin	65,151	28.4	70,500	29.3	108.2	66,414	29.2	70,500	29.5	106.2	131,565	28.8	141,000	29.4	107.2
Sugi Pharmacy	56,780	29.9	62,500	30.5	110.1	59,022	30.5	62,900	30.7	106.6	115,802	30.2	125,400	30.6	108.3
Japan	7,458	19.5	6,800	19.8	91.2	6,595	20.0	6,500	20.0	98.6	14,053	19.7	13,300	19.9	94.6
Others	913	75.0	1,200	80.0	131.4	797	64.4	1,100	84.6	138.0	1,710	69.7	2,300	82.1	134.5
SG&A	52,586	22.9	57,500	23.9	109.3	54,218	23.8	58,000	24.3	107.0	106,804	23.4	115,500	24.1	108.1
Selling Expenses	4,118	1.8	4,400	1.8	106.8	4,218	1.9	4,500	1.9	106.7	8,336	1.8	8,900	1.9	106.8
Personnel Expenses	26,308	11.5	28,200	11.7	107.2	27,357	12.0	29,000	12.1	106.0	53,665	11.7	57,200	11.9	106.6
SG&A Expenses	22,160	9.7	24,900	10.3	112.4	22,642	10.0	24,500	10.3	108.2	44,802	9.8	49,400	10.3	110.0
Operating Profit	12,565	5.5	13,000	5.4	103.5	12,195	5.4	12,500	5.2	102.5	24,760	5.4	25,500	5.3	103.0
Recurring Profit	13,078	5.7	13,500	5.6	103.2	12,822	5.6	13,000	5.4	101.4	25,900	5.7	26,500	5.5	102.3
Net Income	8,679	3.8	8,800	3.7	101.4	7,732	3.4	7,900	3.3	102.2	16,411	3.6	16,700	3.5	101.8

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

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

18

Preconditions of Forecasts for FY 2019/2

<Store Opening & Closing>

(Store)	Openings	Closings	Total
Sugi Pharmacy	95	20	+78
Japan	3		
Visit Nursing Care ST	2	0	+2
Group Total	100	20	+80

<Investment>

(in million yen)	Amount
New stores	10,500
Existing store refurbishment	1,500
Investment in systems and others	1,500
Group Total	13,500

<Existing Stores Sales Growth>

(%)	Q1	Q2	Q3	Q4	1H	H2	Full Year
Sugi Pharmacy	102.3	101.6	102.0	101.5	101.9	101.7	101.8
Japan	100.3	100.0	101.0	99.0	100.1	100.0	100.1
Group Total	102.0	101.3	101.9	101.1	101.7	101.5	101.6

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

19

Progress of the medium-term target

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved. 20

Medium-term target (FY2018 to FY2020)

FY2015 to FY2017

Creation of a foundation and an infrastructure

- Build a business infrastructure, such as a main (MD) system and a managerial accounting system
- Build a self-operated NDC and a distribution network of DC and TC at 12 places
- Strengthen employee training and education at our internal college and employment of pharmacists

FY2018 to FY2020

Alliance - M&A strategy

1) Aggressively promote a wide range of alliances and M&A from medical care to nursing care

Sales strategy

1) Expand prescription filling sales: More frequently approach to medical-related institutions
 2) Expand home dispensing sales: More frequently approach to medical and nursing-related institutions
 3) Expand a line of goods and services in the wellness area: Differentiate ourselves from competitors by focusing on specific categories of goods

Improvement of productivity

1) Reduce purchase costs: Use our own distribution network
 2) Raise the efficiency of store operations: Promote autonomous order placement and utilize senior persons
 (Note) Prescription filling. Mechanize the operation and utilize medical clerks

Today: Explanation of health care strategy

800.0 billion yen

Growth in Alliance & M&A

540.0 billion yen

Organic growth

2015 2016 2017 2018 2019 2020

Strengthen the foundations for sustainable growth Business with aggressive mind

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved. 21

Changes in the external environment

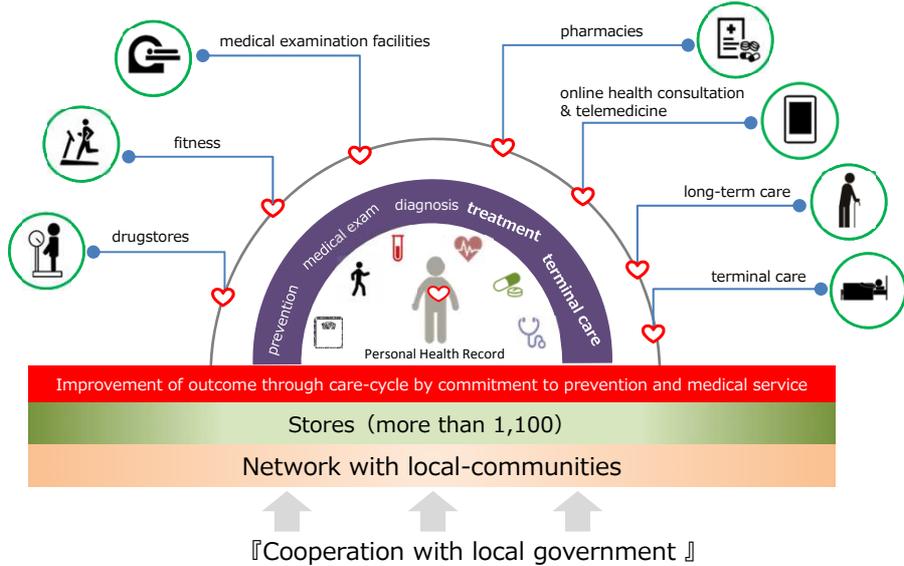
Changes in the customers

- 1. Changes in the age structure due to declining birth rates and the aging population**
Increase in the elderly (especially in one person households) , increase in women's social advancement
- 2. Changes in living through technological evolution**
Progress of gathering information, shopping, becoming cash less using the smart phone
- 3. Changes in shopping with the increase in time saving and health needs**
Successful time saving products (ex. meal kit), health related products (ex. Locabo)

Changes in competition

- 1. Fierce competition beyond the boundaries of industry and business**
Reinforcement of CVS daily necessities, health related SM, expanded EC through the internet
- 2. Oligopolization and polarization of major drug stores**
Type that pursues specialty vs type that pursues convenience
- 3. Restructuring / selection in dispensing pharmacy industry**
Strict revision in drug price / medical fees centered on medium and small pharmacies near clinics
Further progress in restructuring / selection in the industry

We own the last mile of healthcare services through our patients touch-points



Our groups health care strategy

Accelerate implementation through the business alliance (Medpeer&M-aid)

1. Area of health maintenance, prevention / presymptomatic state

- ※capture future customers in dispensing area
- By strengthening collaboration with other occupations (Drs, registered dieticians, sports club trainers etc)
- ①Reinforce the ability to provide health improvement programs (improve outcome)

2. Area of treatment

- By strengthening collaboration with medical institutions
- ①Reinforce the function to acquire patients
- ②Reinforce the function to develop medical malls and stores with a medical institution

3. Area of nursing / terminal period

- By strengthening collaboration with medical institutions, collaboration between Sugi Pharmacy / Sugi Medical
- ①Reinforce response to hospital discharge support conference
- ②Prevent increase in severity, reinforce care prevention function

Support

1. Reinforce the hiring of pharmacists

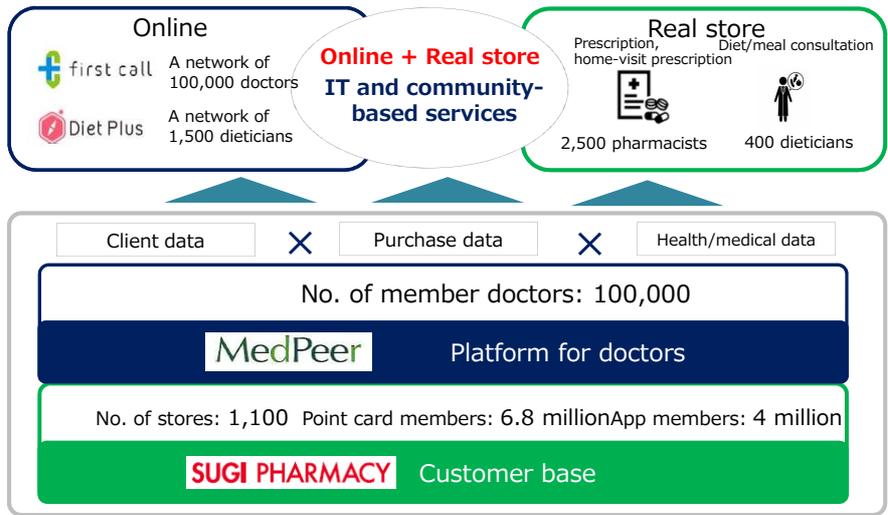
- Strengthen recruiter system
- ※Past recruitment results (new graduates) : 281 (Apr 2017) , 263 (Apr 2018)

2. Streamline pharmacists work

- Introduce equipment that support dispensing work (Ex, inspection equipment, electronic drug history, automated prescription reading, electronic drug diary etc)
- Clarify role and actively utilize medical office

Business alliance with MedPeer

■ With "IT and Community-base healthcare" as the core value, create a new healthcare eco system by using health, medical and nursing care data.



Business alliance with MedPeer

Joint business

1) Self-care support platform business

Self-care service for customer visiting to Sugi Pharmacy stores, such as medical and nutrition counseling using application and stores as well as the improvement of one's diet

2) Marketing support business for pharmaceutical companies

Marketing support business for pharmaceutical companies by using both companies resource

3) Support of commencement of practice of doctors platform business

Online platform for doctors who plan to go into practice by using MedPeer's 1.0 billion member doctors and Sugi pharmacies' sites

4) Home healthcare support platform business

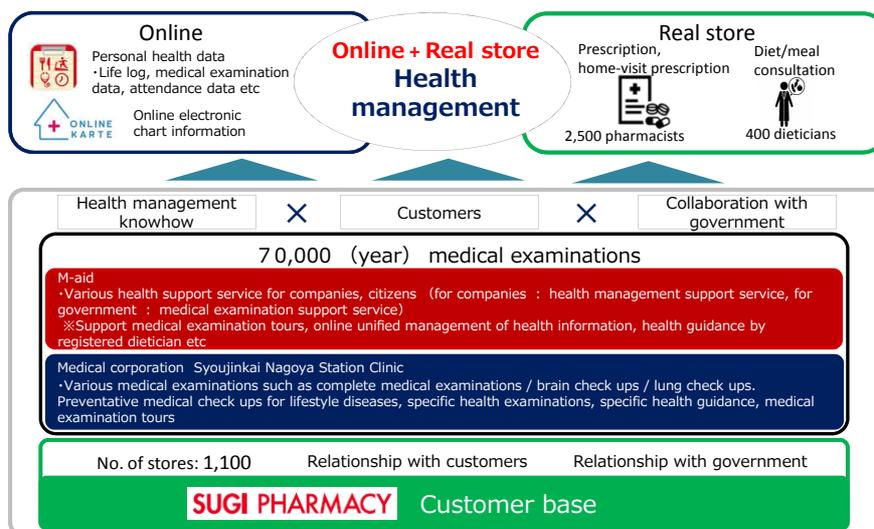
Communities for home health care workers, support for commencement of practice of home medical care doctors

5) Others

Job offering service for medical specialist, such as pharmacists
Other medical related service is under consideration

Business alliance with M-aid

■ Companies are considering health management of employees from a management perspective and are pursuing "health management", that strategically engages in the health investment of employees. Local governments are also pursuing early detection and prevention of increase in severity of diseases.



Business alliance with M-aid

Joint business

1) Health management support service

Unified online management of employees' health information (medical examination data, attendance data) for businesses. Health consultation by Drs / pharmacists / registered dietitians to employees, and provide health improvement programs utilizing apps, stores.

2) Medical examination tour service at local communities

Support the implementation of medical examination tours utilizing store parking lots for local communities, sided with health consultation and specific health guidance by pharmacists / registered dietitians to medical examinees.

3) Medical examination facilities support service

Implement a service that provides a system that supports online reservations for medical examination / management of Dr visits, management of medical examination data, and health support service for medical examination facilities

4) Health support service

In accordance to the medical examination results, implement a health improvement program that utilizes specific health guidance for people in the community sided with apps and shops

5) Others

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

28

Medium-term target figure

FY 2020 target: Net sales JPY540.0 billion, Operating profit JPY32.5 billion

(million yen・%)	FY Ended 2018/2			FY Ended 2019/2			FY Ended 2020/2			FY Ended 2021/2		
	Results	Ratio	Y o Y	Forecasts	Ratio	Y o Y	targets	Ratio	Y o Y	targets	Ratio	Y o Y
Net Sales	457,047	100.0	106.1	480,000	100.0	105.0	510,000	100.0	106.3	540,000	100.0	105.9
Gross Margin	131,565	28.8	109.6	141,000	29.4	107.2	151,000	29.6	107.1	160,500	29.7	106.3
SG&A	106,804	23.4	109.9	115,500	24.1	108.1	122,500	24.0	106.1	128,000	23.7	104.5
Operating Profit	24,760	5.4	108.4	25,500	5.3	103.0	28,500	5.6	111.8	32,500	6.0	114.0
Recurring Profit	25,900	5.7	108.5	26,500	5.5	102.3	29,500	5.8	111.3	33,500	6.2	113.6
Net Income	16,411	3.6	109.8	16,700	3.5	101.8	18,800	3.7	112.6	21,400	4.0	113.8

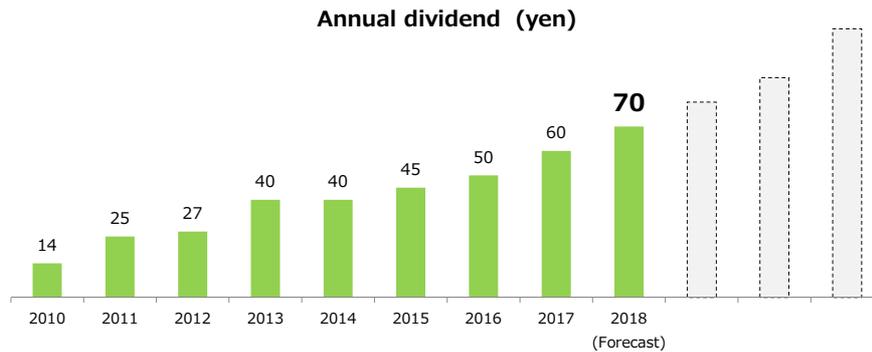
Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

29

Medium-term target return to stockholders

With the aim of improving shareholder return and capital efficiency,

1. Payout ratio will be gradually raised to 30.0%.
2. Acquisition of treasury stocks was decided
1,500,000 shares & 10,000,000,000 yen (upper limit) .



Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

30

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.

Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

31