

Financial Results

3rd Quarter - FY Ending February 28, 2019

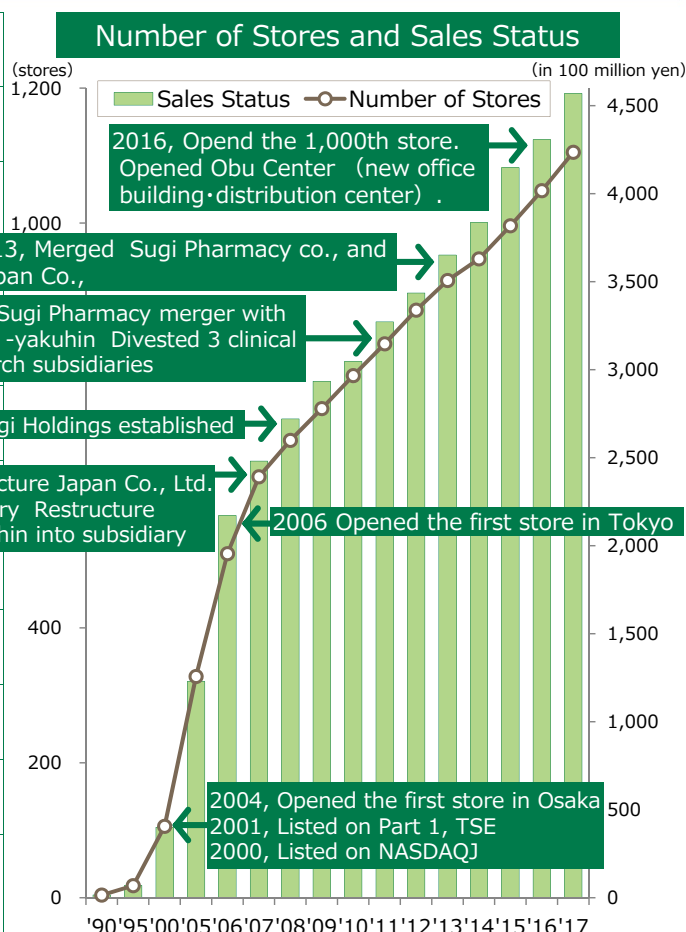
Supplementary Information

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

SUGI Holdings
December 2018

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	1,181 (as of Nov, 2018)
Number of employees	5,612 (full-time) (as of Nov, 2018)
Net sales	JPY4,57,047m (FY ended Feb. 28, 2018- consolidated)
Operating Profit	JPY24,760m (FY ended Feb. 28, 2018- consolidated)
Description of business	Management of subsidiaries engaging in businesses including pharmacy business, drug store business, and in-home nursing care business



Overview of Sugi Pharmacy Group

Sugi Holdings Co., Ltd
1,181 locations
(As of Nov. 30, 2018)

Sugi Pharmacy Co., Ltd.

Sugi Medical Co., Ltd.

Japan
122 stores

Sugi Pharmacy
1,050 stores

In-home nursing care
stations
9 locations



Local residents/consumers

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

2

Store Openings and Closings

* Please note that "FY2018/2" and "FY 2019/2" in this presentation refers to the fiscal year ended in February 2018, and the fiscal year ending February 2019, respectively. The same notation is used in other pages.

3rd Quarter : Opened 89 stores, closed 13 stores, increased 76 stores

Nos. of stores by region	FY2018/2 Full Year	FY2019/2 3rd Quarter			Forecast after December 2018		FY 2019/2 Full Year forecast			
	As of the Term-End	Store Openings	Store Closings	As of the Term-End	Store Openings	Store Closings	Store Openings	Store Closings	Change	As of the Term-End
Kanto Region	271	26	4	293	5	0	31	4	+27	298
Chubu Region	441	28	7	462	3	2	31	9	+22	463
Kansai Region	393	35	2	426	5	2	40	4	+36	429
Total	1,105	89	13	1,181	13	4	102	17	+85	1,190

Nos. of stores by company	FY2018/2 Full Year	FY2019/2 3rd Quarter				Forecast after December 2018			FY 2019/2 Full Year forecast				
	As of the Term-End	Store Openings	Store Closings	Store format conversion	As of the Term-End	Store Openings	Store Closings	Store format conversion	Store Openings	Store Closings	Store format conversion	Change	As of the Term-End
Sugi Pharmacy	965	88	11	+8	1,050	13	4	+4	101	15	+12	+98	1,063
Japan	132	0	2	-8	122	0	0	-4	0	2	-12	-14	118
Visit Nursing Care ST	8	1	0	0	9	0	0	0	1	0	0	+1	9
Total	1,105	89	13	0	1,181	13	4	0	102	17	0	+85	1,190

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

3

Financial Highlights

3rd Quarter - FY Ending February 28, 2019

- Consolidated -

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

4

3rd Quarter Financial Highlight - Consolidated -

3rd Quarter :Net sales (JPY363.3 billion) and Operating profit (JPY17.8 billion)

	FY Ended 2018/2 3Q (March to November)		FY Ending 2019/2 3Q (March to November)				
	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	341,129	100.0	363,313	100.0	101.3	+4,813	106.5
Sugi Pharmacy business	284,354	83.4	311,531	85.7	101.9	+5,931	109.6
Japan business	54,902	16.1	49,978	13.8	98.6	-722	91.0
Others	1,873	0.5	1,804	0.5	82.0	-396	96.3
Gross Profit	96,942	28.4	104,422	28.7	99.8	-178	107.7
Sugi Pharmacy business	84,848	29.8	93,282	29.9	100.5	+482	109.9
Japan business	10,715	19.5	9,865	19.7	98.7	-135	92.1
Others	1,379	73.6	1,275	70.7	70.8	-525	92.5
SG&A Expenses	79,087	23.2	86,545	23.8	100.8	+645	109.4
Operating Income	17,855	5.2	17,877	4.9	95.6	-823	100.1
Non-operating Income	1,784	0.5	2,202	0.6	133.5	+552	123.5
Non-Operating Expenses	985	0.3	1,206	0.3	134.0	+306	122.5
Ordinary Income	18,654	5.5	18,873	5.2	97.0	-577	101.2
Extraordinary Income	0	-	0	-	-	-	-
Extraordinary Losses	133	0.0	134	0.0	29.8	-316	101.3
Net Income before Income Taxes	18,521	5.4	18,738	5.2	98.6	-262	101.2
Income Taxes	6,101	1.8	6,250	1.7	99.2	-50	102.4
Net Income	12,419	3.6	12,488	3.4	98.3	-212	100.6

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.

5

3rd Quarter SG&A Expenses Status - Consolidated -

3rd Quarter : Total SG&A expenses increased up 9.4% year on year

	FY Ended 2018/2 3Q (March to November)		FY Ending 2019/2 3Q (March to November)			
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	vs. Budget (in %)	Y o Y
Net Sales	341,129	100.0	363,313	100.0	101.3	106.5
Total Selling Expenses	6,145	1.8	5,664	1.6	87.1	92.2
Advertising Expenses	3,751	1.1	3,524	1.0	88.1	93.9
Premium Expenses	2,394	0.7	2,139	0.6	85.6	89.3
Personnel Expenses	39,741	11.6	43,989	12.1	103.3	110.7
Total Administrative Expenses	33,200	9.7	36,890	10.2	100.2	111.1
Rent Expenses	14,554	4.3	16,140	4.4	101.6	110.9
Depreciation Expenses	4,712	1.4	5,342	1.5	104.7	113.4
Utilities Expenses	3,172	0.9	2,978	0.8	91.9	93.9
Supplies Expenses	2,020	0.6	2,837	0.8	115.3	140.4
Tax and Public Charges	2,081	0.6	2,306	0.6	95.7	110.8
Commission Paid	2,582	0.8	3,027	0.8	98.0	117.2
Others	4,077	1.2	4,258	1.2	92.2	104.4
Total SG&A Expenses	79,087	23.2	86,545	23.8	100.8	109.4

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

6

Sales Trend

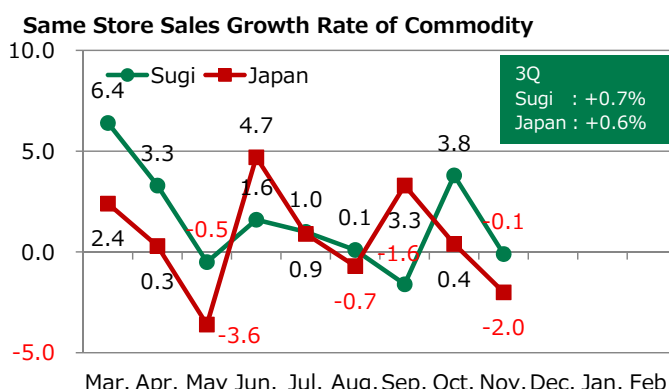
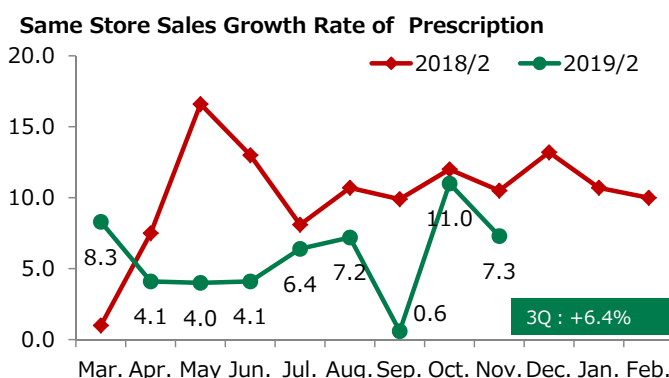
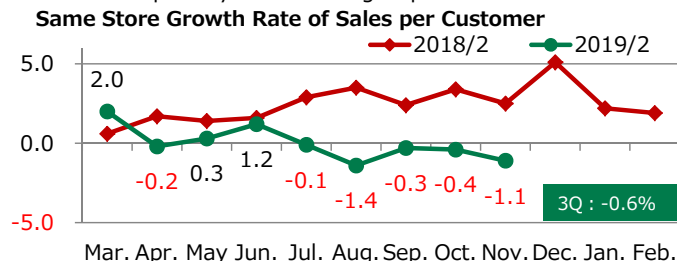
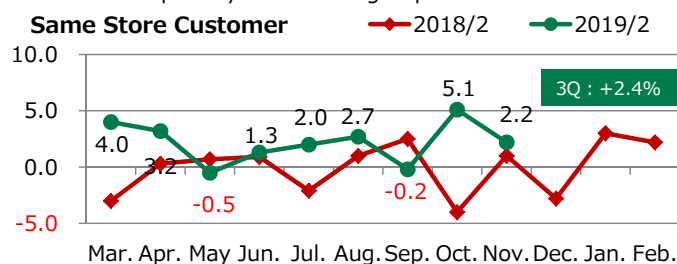
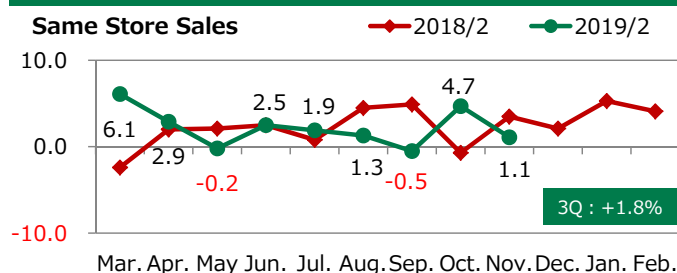
3rd Quarter - FY Ended February 28, 2019

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

7

Sales growth rate of existing stores - Sugi Pharmacy Group -

3rd Quarter :Same store sales growth rate showed +2.2% (prescription;+5.9%, Sugi's commodity ;+1.5%, Japan's commodity;+0.6%), same store customer growth rate indicated +2.2%.



Sales Trend by Product Group - Sugi -

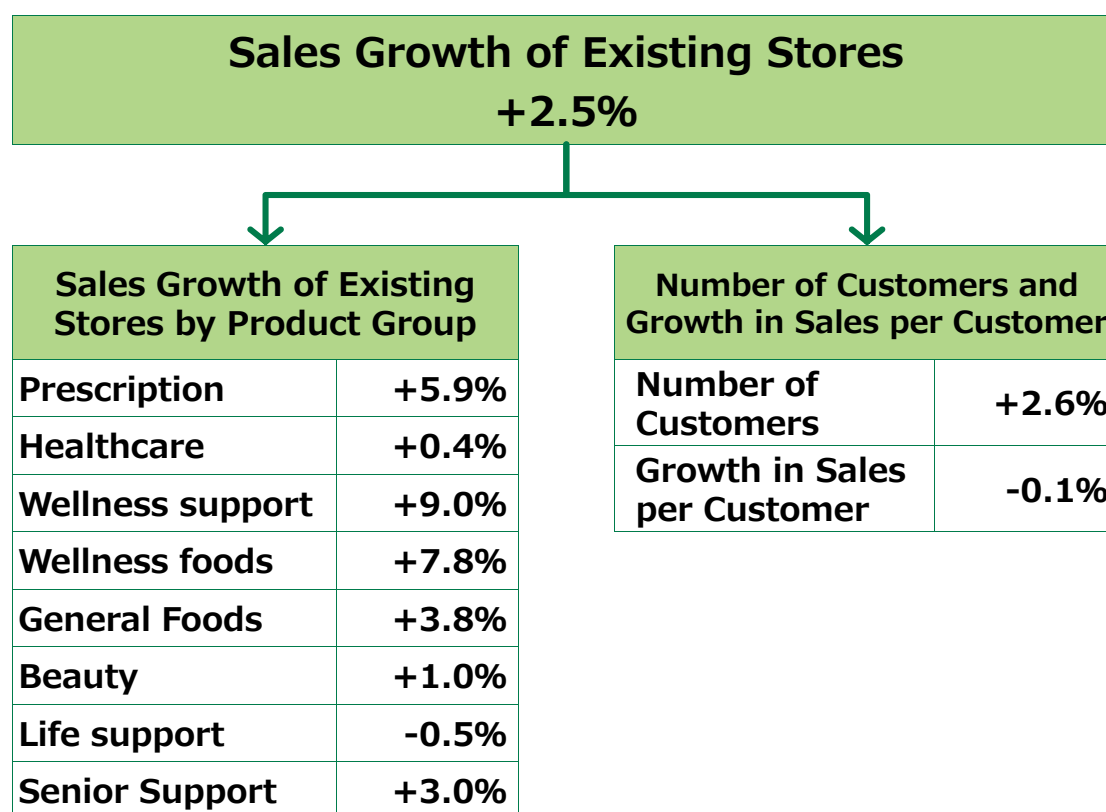
	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget	Gross Margin % vs. Y o Y
	FY 2018/2 3Q	FY 2019/2 3Q				FY 2018/2 3Q	FY 2019/2 3Q			
	Results	Budget	Results			Results	Budget	Results		
Prescription	21.9	21.9	21.6	100.5	108.0	38.0	38.3	37.7	-0.6	-0.3
Healthcare	18.2	18.3	17.9	99.3	107.6	39.6	40.0	39.8	-0.2	+0.2
Wellness support	2.6	2.6	2.8	108.2	119.0	35.0	35.8	36.8	+1.0	+1.8
Wellness foods	2.7	3.1	3.6	116.5	146.3	16.0	16.5	17.1	+0.6	+1.1
General Foods	12.4	12.2	12.8	107.7	113.5	15.9	16.2	15.7	-0.5	-0.2
Beauty	22.1	21.9	21.7	100.9	107.3	29.3	30.1	30.0	-0.1	+0.7
Life support	18.5	18.4	18.1	100.3	107.0	22.0	22.7	22.5	-0.2	+0.5
Senior Support	1.5	1.5	1.5	101.8	110.0	29.0	29.3	29.2	-0.1	+0.2
Other	0.1	0.1	0.1	111.1	91.6	29.4	22.5	30.3	+0.8	+0.9
Total	100.0	100.0	100.0	101.9	109.6	29.8	30.4	29.9	-0.5	+0.1

Sales Trend by Product Group - Japan -

	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget	Gross Margin % vs. Y o Y
	FY 2018/2 3Q	FY 2019/2 3Q				FY 2018/2 3Q	FY 2019/2 3Q			
	Results	Budget	Results			Results	Budget	Results		
Healthcare	7.4	7.4	7.5	100.7	92.8	35.2	35.9	35.9	±0.0	+0.7
Wellness support	0.8	0.8	0.9	103.1	98.2	30.9	32.2	33.8	+1.6	+2.9
Wellness foods	7.7	8.3	8.8	103.4	103.6	13.0	13.3	13.2	-0.1	+0.2
General Foods	55.0	54.3	54.0	98.0	89.3	15.9	16.0	15.8	-0.2	-0.1
Beauty	7.7	8.0	7.7	94.9	90.6	25.9	25.8	27.1	+1.3	+1.2
Life support	19.1	18.9	18.6	97.1	88.7	23.9	24.3	24.3	±0.0	+0.4
Senior Support	0.7	0.7	0.7	101.4	93.1	26.5	26.9	26.8	-0.1	+0.3
Other	1.6	1.6	1.8	114.9	105.0	11.0	11.9	12.7	+0.8	+1.7
Total	100.0	100.0	100.0	98.6	91.0	19.5	19.7	19.7	±0.0	+0.2

Sales Trend at Existing Stores- Sugi Pharmacy business -

3rd Quarter :Existing store sales growth ratio indicated +2.5%

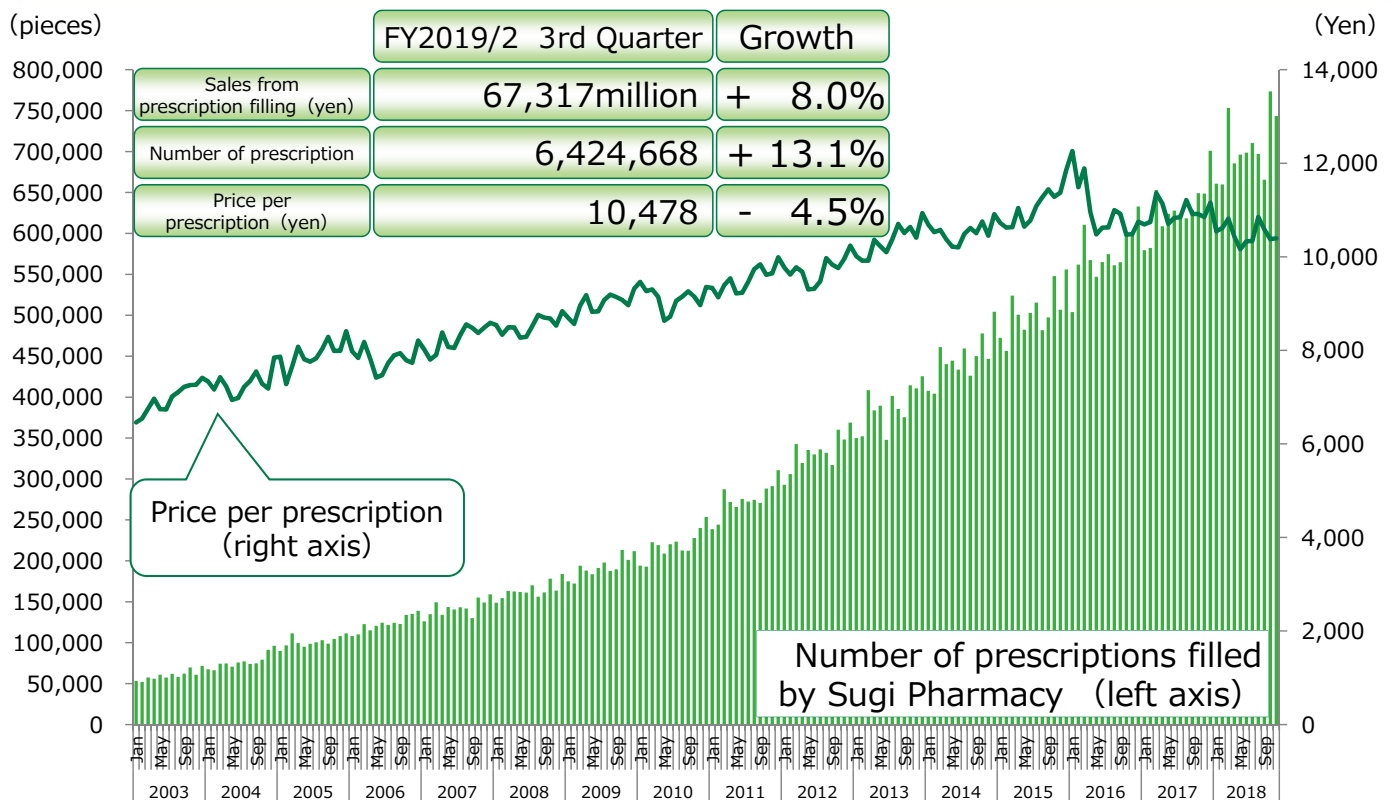


Medical Business of Sugi Pharmacy Group

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

12

Trends in the Number of Prescriptions and Price per Prescription

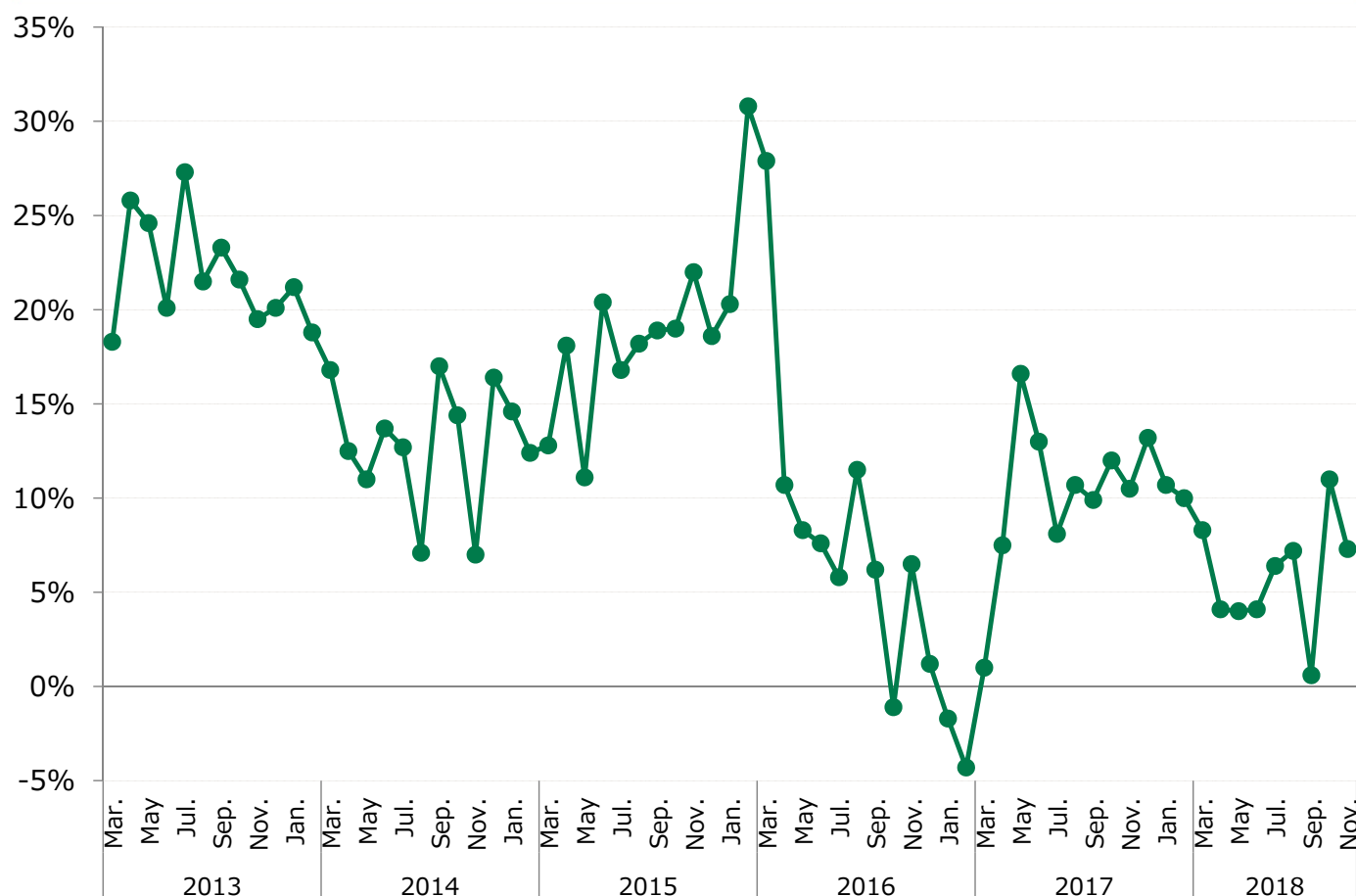


	FY 2006/2	FY 2007/2	FY 2008/2	FY 2009/2	FY 2010/2	FY 2011/2	FY 2012/2	FY 2013/2	FY 2014/2	FY 2015/2	FY 2016/2	FY 2017/2	FY 2018/2
Number of prescriptions	1,249,877	1,521,497	1,750,061	2,010,444	2,346,349	2,725,013	3,408,128	4,103,319	4,782,507	5,473,832	6,181,431	6,982,700	7,704,463
Avg. price / prescription (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.

13

Same store growth rate of prescription sales

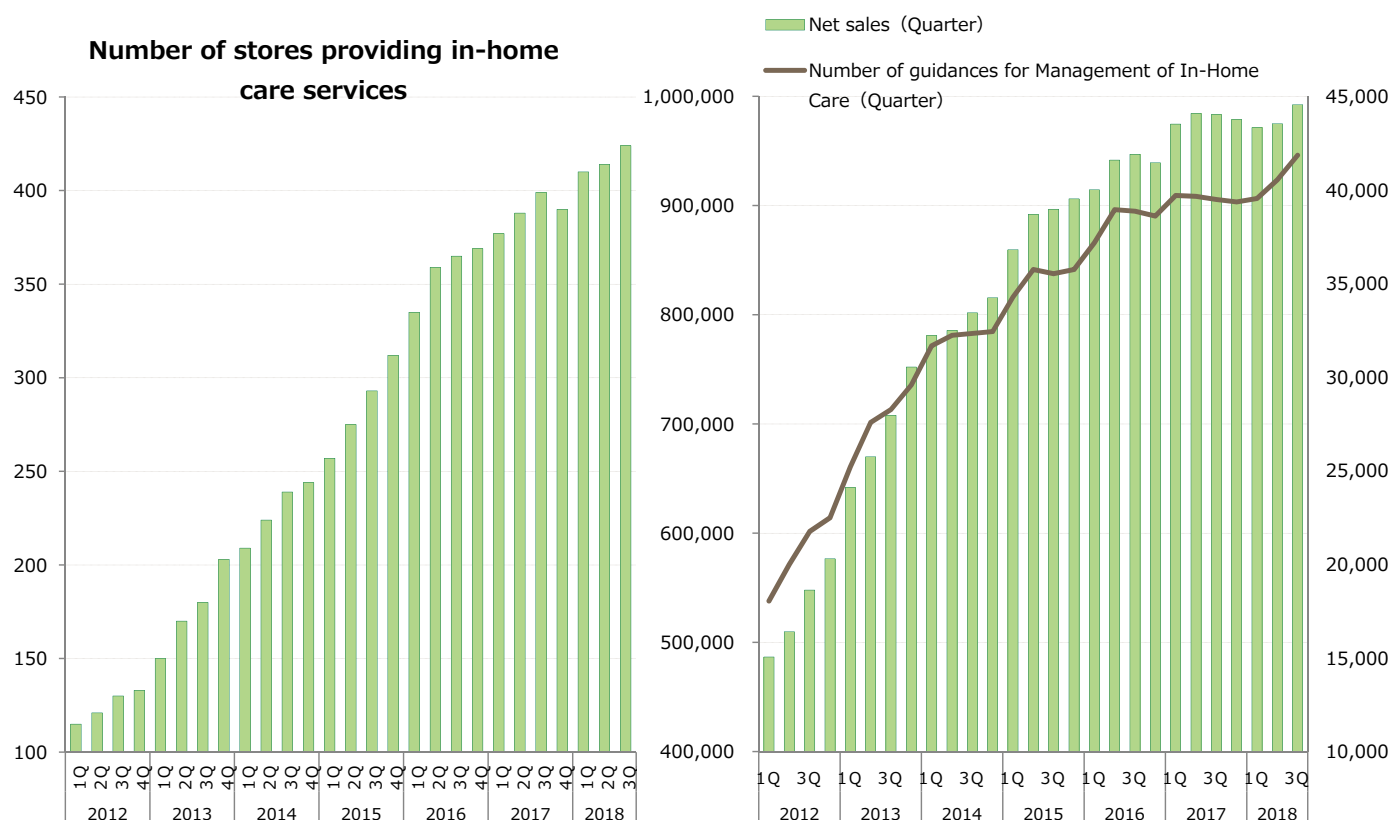


Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

14

In-home Medical Care Services – As of Nov. 30, 2018

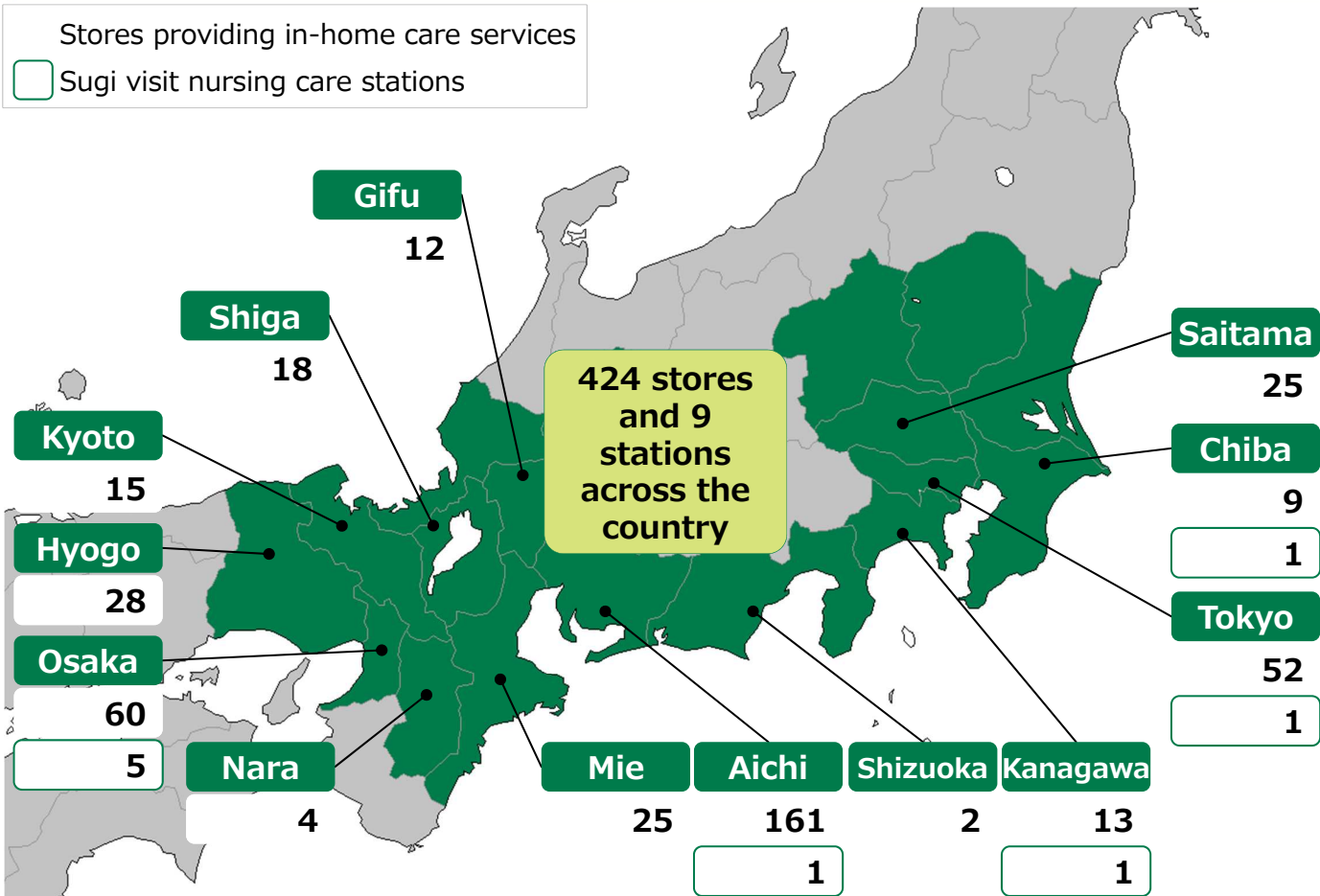
Sales of in-home medical care: JPY 2,938m (-0.1% Y o Y)



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

15

Facilities Providing Comprehensive Medical Services to Local Communities



SUGI PHARMACY Group

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.