

# Financial Results

## 1st Quarter - FY Ending February 29, 2020

### Supplementary Information

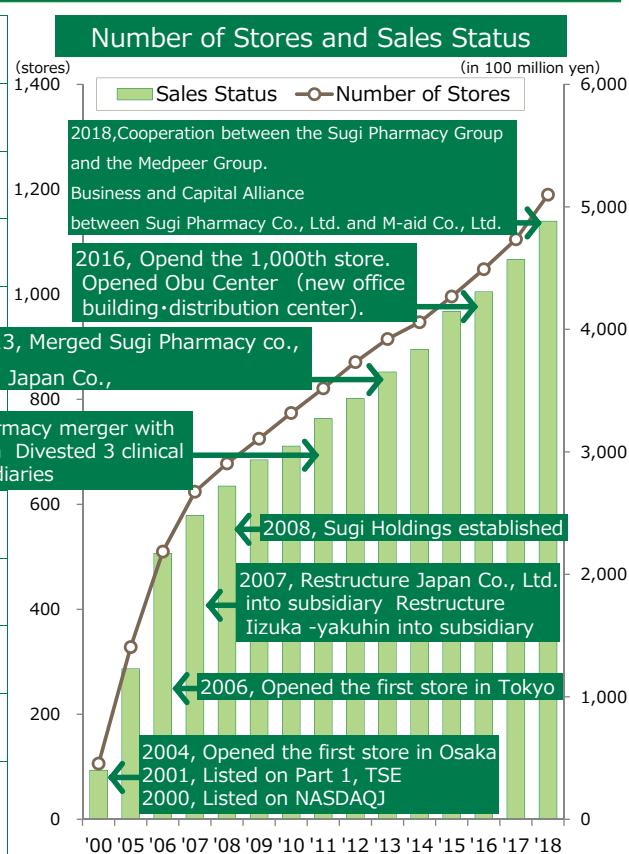
Securities ID Code: 7649, Part 1 of TSE and NSE

SUGI Holdings

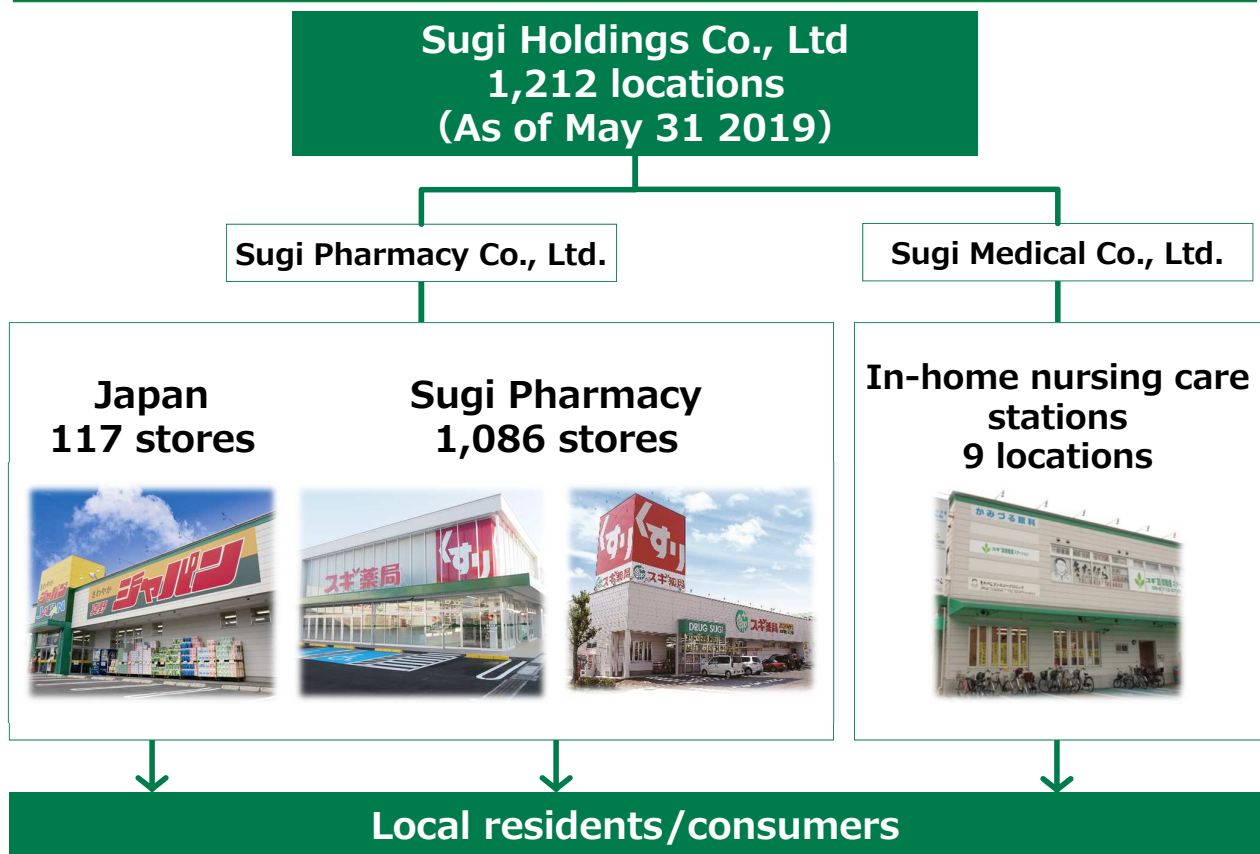
June 2019

## 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	1,212 (as of May, 2019)
Number of employees	6,178 (full-time) (as of May, 2019)
Net sales	JPY488,464m (FY ended Feb. 28, 2019- consolidated)
Operating Profit	JPY25,817m (FY ended Feb. 28, 2019- 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 Group



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

2

## Store Openings and Closings 1st Quarter - FY Ending February 29, 2020

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

3

# Store Openings and Closings

\* Please note that "FY2019/2" and "FY 2020/2" in this presentation refers to the fiscal year ended in February 2019, and the fiscal year ended February 2020, respectively. The same notation is used in other pages.

## 1st Quarter : Opened 24 stores, closed 2 stores, increased 22 stores

Nos. of stores by region	FY2019/2 Full Year	FY2020/2 1st Quarter			Forecast after June 2019		FY 2020/2 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	298	13	0	311	30	6	43	6	+37	335
Chubu Region	463	6	1	468	33	6	39	7	+32	495
Kansai Region	429	5	1	433	23	6	28	7	+21	450
<b>Total</b>	<b>1,190</b>	<b>24</b>	<b>2</b>	<b>1,212</b>	<b>86</b>	<b>18</b>	<b>110</b>	<b>20</b>	<b>+90</b>	<b>1,280</b>

Nos. of stores by company	FY2019/2 Full Year	FY2020/2 1st Quarter			Forecast after June 2019		FY 2020/2 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
Sugi Pharmacy	1,063	24	1	1,086	86	18	110	19	+91	1,154
Japan	118	0	1	117	0	0	0	1	-1	117
Visit Nursing Care ST	9	0	0	9	0	0	0	0	±0	9
<b>Total</b>	<b>1,190</b>	<b>24</b>	<b>2</b>	<b>1,212</b>	<b>86</b>	<b>18</b>	<b>110</b>	<b>20</b>	<b>+90</b>	<b>1,280</b>

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

4

## Financial Highlights 1st Quarter - FY Ending February 29, 2020 - Consolidated -

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

5

# 1st Quarter Financial Highlight - Consolidated -

## 1st Quarter : Net sales (JPY128.9 billion) and Operating profit (JPY7.4 billion)

	FY Ended 2019/2 1Q (March to May)		FY Ending 2020/2 1Q (March to May)				
	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
<b>Net Sales</b>	<b>119,645</b>	<b>100.0</b>	<b>128,919</b>	<b>100.0</b>	<b>102.8</b>	<b>+3,516</b>	<b>107.8</b>
Sugi Pharmacy business	102,475	85.6	113,492	88.0	103.1	+3,377	110.8
Japan business	16,553	13.8	14,632	11.3	100.4	+57	88.4
Others	617	0.5	795	0.6	111.5	+82	128.8
<b>Gross Profit</b>	<b>34,200</b>	<b>28.6</b>	<b>37,998</b>	<b>29.5</b>	<b>104.4</b>	<b>+1,590</b>	<b>111.1</b>
Sugi Pharmacy business	30,494	29.8	34,441	30.3	104.4	+1,443	112.9
Japan business	3,253	19.7	2,916	19.9	102.1	+60	89.6
Others	453	73.4	641	80.6	115.7	+87	141.5
<b>SG&amp;A Expenses</b>	<b>27,944</b>	<b>23.4</b>	<b>30,579</b>	<b>23.7</b>	<b>102.4</b>	<b>+712</b>	<b>109.4</b>
<b>Operating Income</b>	<b>6,255</b>	<b>5.2</b>	<b>7,419</b>	<b>5.8</b>	<b>113.4</b>	<b>+878</b>	<b>118.6</b>
Non-operating Income	670	0.6	881	0.7	146.8	+281	131.6
Non-Operating Expenses	316	0.3	392	0.3	112.0	+42	124.0
<b>Ordinary Income</b>	<b>6,609</b>	<b>5.5</b>	<b>7,908</b>	<b>6.1</b>	<b>116.4</b>	<b>+1,117</b>	<b>119.7</b>
Extraordinary Income	0	-	0	-	-	-	-
Extraordinary Losses	48	0.0	7	0.0	14.0	-43	14.7
<b>Net Income before Income Taxes</b>	<b>6,560</b>	<b>5.5</b>	<b>7,901</b>	<b>6.1</b>	<b>117.2</b>	<b>+1,160</b>	<b>120.4</b>
<b>Income Taxes</b>	<b>2,189</b>	<b>1.8</b>	<b>2,626</b>	<b>2.0</b>	<b>117.3</b>	<b>+388</b>	<b>119.9</b>
<b>Net Income</b>	<b>4,371</b>	<b>3.7</b>	<b>5,275</b>	<b>4.1</b>	<b>117.1</b>	<b>+772</b>	<b>120.7</b>

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

# 1st Quarter SG&A Expenses Status - Consolidated -

## 1st Quarter : Total SG&A expenses increased up 9.4% year on year

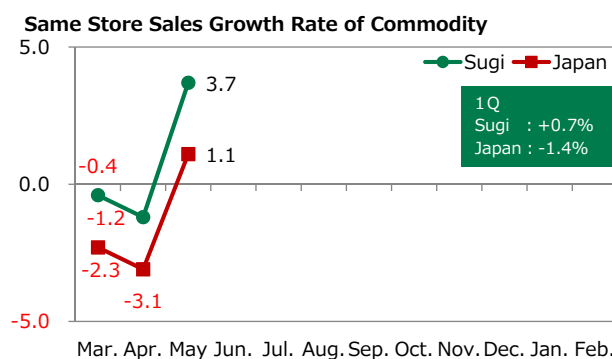
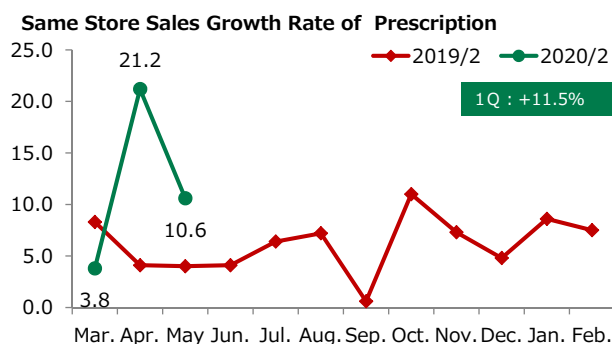
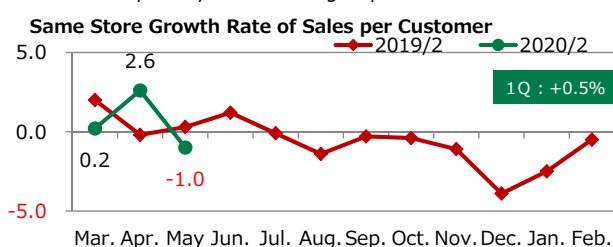
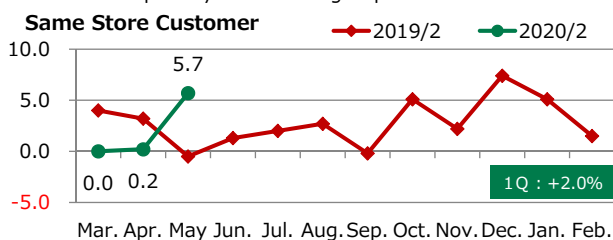
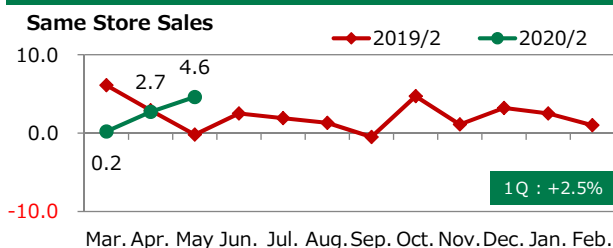
	FY Ended 2019/2 1Q (March to May)		FY Ending 2020/2 1Q (March to May)		Y o Y
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	
<b>Net Sales</b>	<b>119,645</b>	<b>100.0</b>	<b>128,919</b>	<b>100.0</b>	<b>107.8</b>
<b>Total Selling Expenses</b>	<b>1,927</b>	<b>1.6</b>	<b>1,656</b>	<b>1.3</b>	<b>85.9</b>
Advertising Expenses	1,209	1.0	1,071	0.8	88.6
Premium Expenses	718	0.6	584	0.5	81.4
<b>Personnel Expenses</b>	<b>14,311</b>	<b>12.0</b>	<b>15,753</b>	<b>12.2</b>	<b>110.1</b>
<b>Total Administrative Expenses</b>	<b>11,704</b>	<b>9.8</b>	<b>13,169</b>	<b>10.2</b>	<b>112.5</b>
Rent Expenses	5,172	4.3	5,906	4.6	114.2
Depreciation Expenses	1,660	1.4	1,868	1.4	112.5
Utilities Expenses	878	0.7	951	0.7	108.3
Supplies Expenses	851	0.7	955	0.7	112.3
Tax and Public Charges	758	0.6	867	0.7	114.4
Commission Paid	922	0.8	1,096	0.9	118.9
Others	1,462	1.2	1,523	1.2	104.2
<b>Total SG&amp;A Expenses</b>	<b>27,944</b>	<b>23.4</b>	<b>30,579</b>	<b>23.7</b>	<b>109.4</b>

# Sales Trend

## 1st Quarter - FY Ended February 29, 2020

### Sales growth rate of existing stores- Sugi Group -

**1st Quarter :Same store sales growth rate showed +2.5% (prescription;+11.5%, Sugi's commodity ;+0.7%, Japan's commodity;-1.4%), same store customer growth rate indicated +2.0%.**



## Sales Trend by Product Group - Sugi -

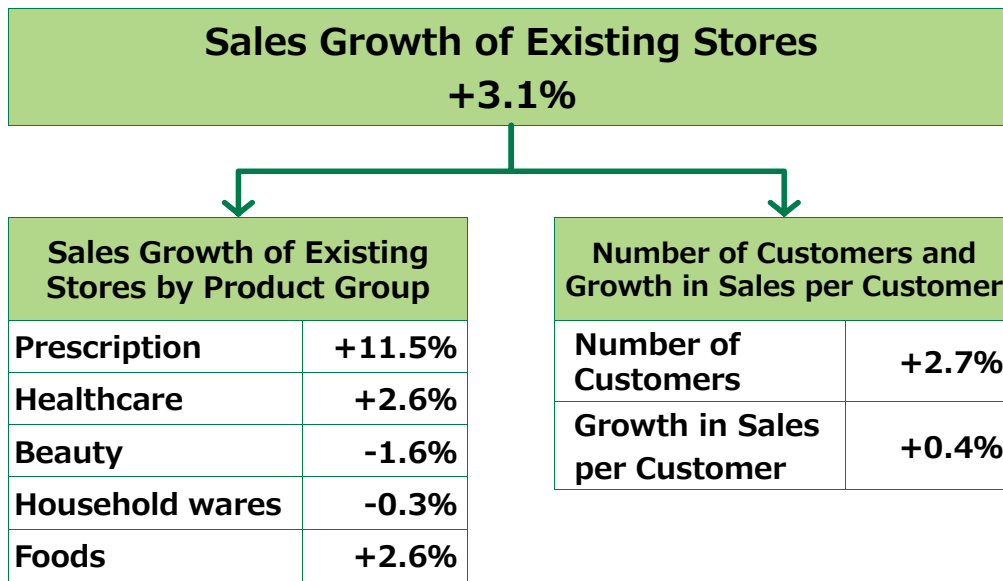
	Composition Ratio			Sales % vs. Budget	Sales % Y o Y	Gross Margin Rate			Gross Margin % vs. Budget	Gross Margin % vs. Y o Y
	FY 2019/2 1Q	FY 2020/2 1Q				FY 2019/2 1Q	FY 2020/2 1Q			
	Results	Budget	Results			Results	Budget	Results		
Prescription	21.8	21.8	22.5	106.3	114.2	37.0	38.8	38.9	+0.1	+1.9
Healthcare	-	21.5	21.5	103.1	-	-	39.4	39.5	+0.1	-
Beauty	-	21.5	20.9	100.5	-	-	29.5	29.9	+0.4	-
Household wares	-	18.6	18.3	101.1	-	-	21.5	22.5	+1.0	-
Foods	-	16.5	16.7	104.3	-	-	16.2	16.2	±0.0	-
Other	-	0.1	0.1	92.4	-	-	28.0	30.8	+2.8	-
Total	100.0	100.0	100.0	103.1	110.8	29.8	30.0	30.3	+0.3	+0.5

## 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 2019/2 1Q	FY 2020/2 1Q				FY 2019/2 1Q	FY 2020/2 1Q			
	Results	Budget	Results			Results	Budget	Results		
Healthcare	-	8.9	9.0	102.4	-	-	35.9	36.9	+1.0	-
Beauty	-	7.4	7.3	99.1	-	-	25.6	27.7	+2.1	-
Household wares	-	18.2	18.5	102.0	-	-	23.4	23.8	+0.4	-
Foods	-	63.6	63.2	99.7	-	-	15.8	15.7	-0.1	-
Other	-	1.9	1.9	104.8	-	-	11.5	11.7	+0.2	-
Total	100.0	100.0	100.0	100.4	88.4	19.7	19.6	19.9	+0.3	+0.2

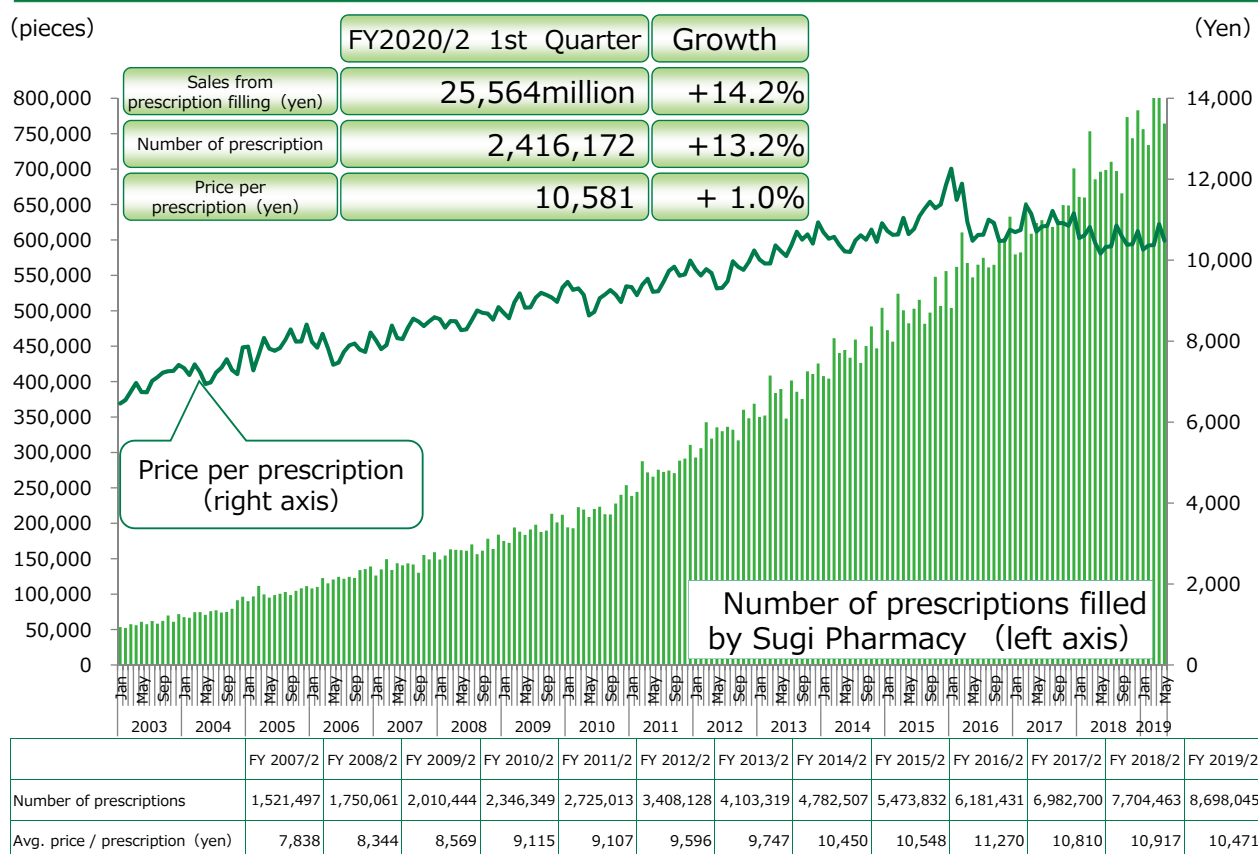
## Sales Trend at Existing Stores- Sugi Pharmacy business -

1st Quarter :Existing store sales growth ratio indicated +3.1% for the reason of continuous and strong sales growth of prescription by +11.5%



## Medical Business of Sugi Group

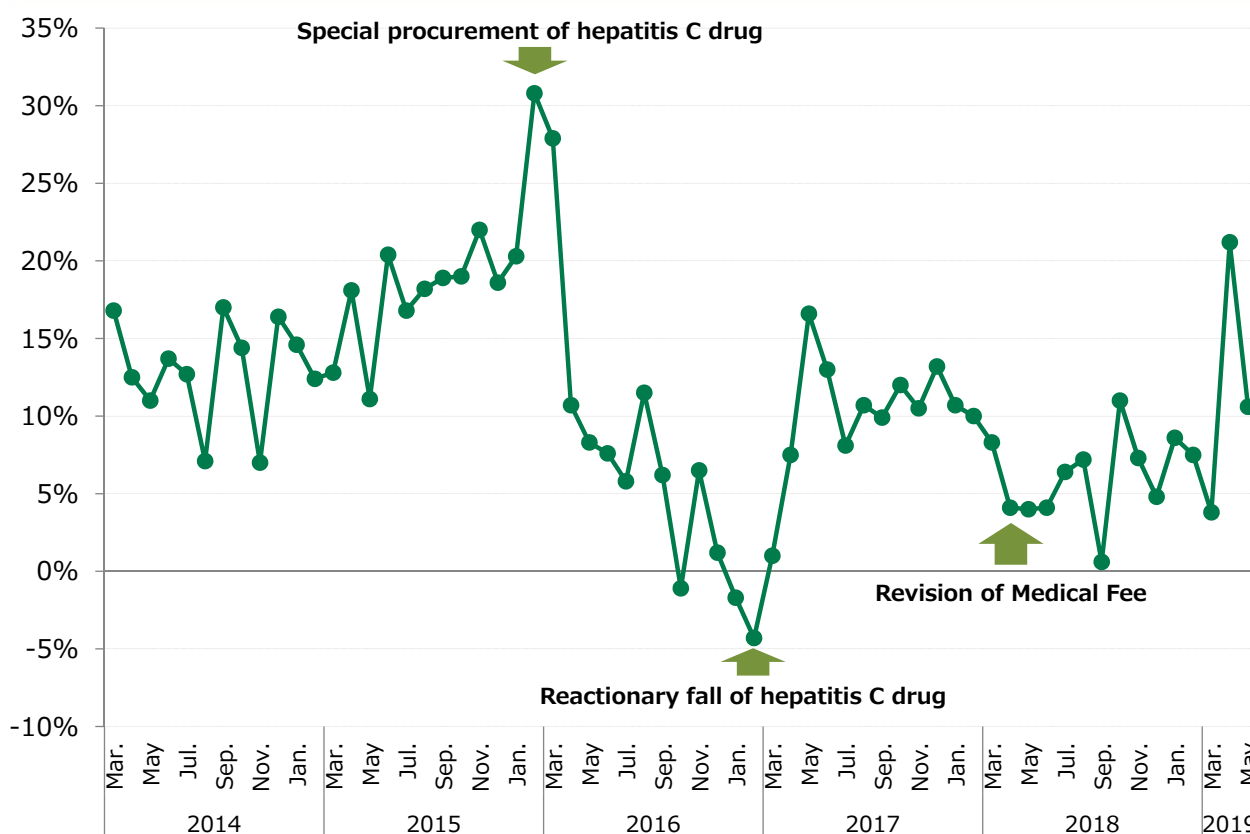
## Trends in the Number of Prescriptions and Price per Prescription



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

14

## Same store growth rate of prescription sales



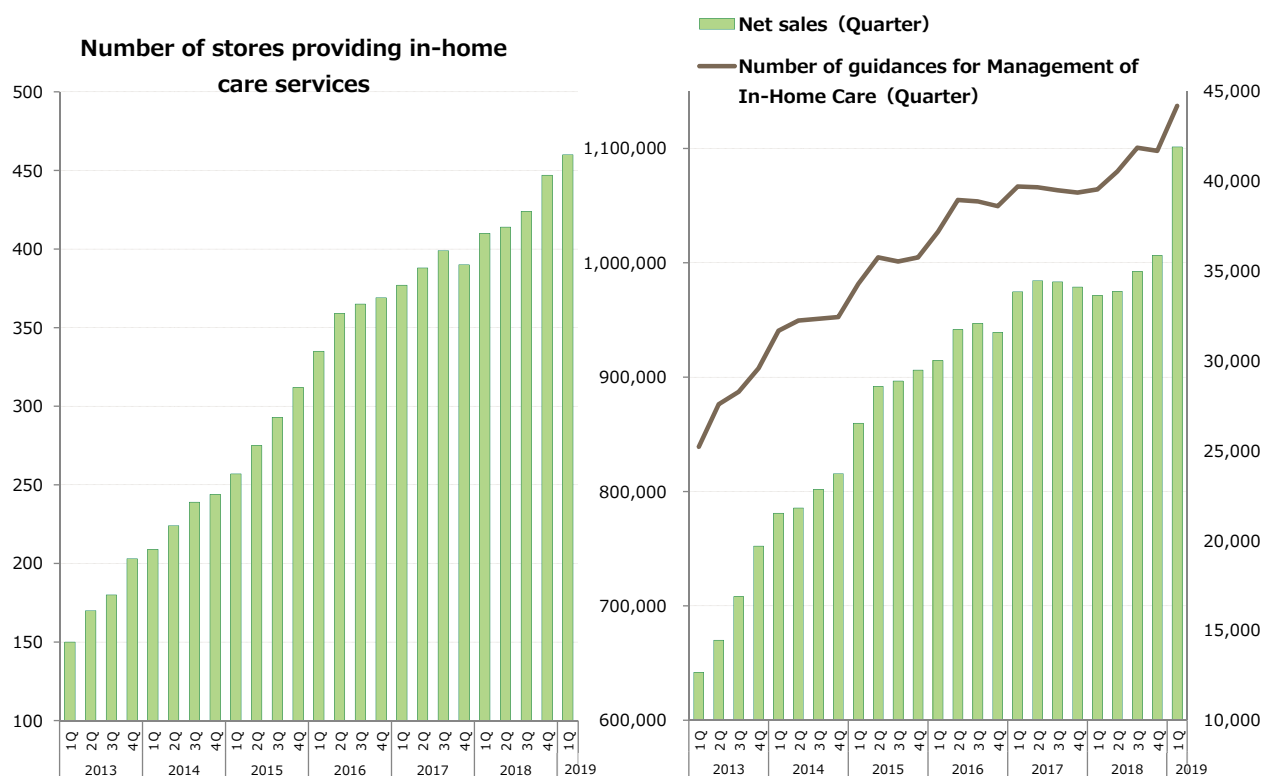
Copyright SUGI Holdings Co.,Ltd. All Rights Reserved.

15



# In-home Medical Care Services – As of May. 31, 2019

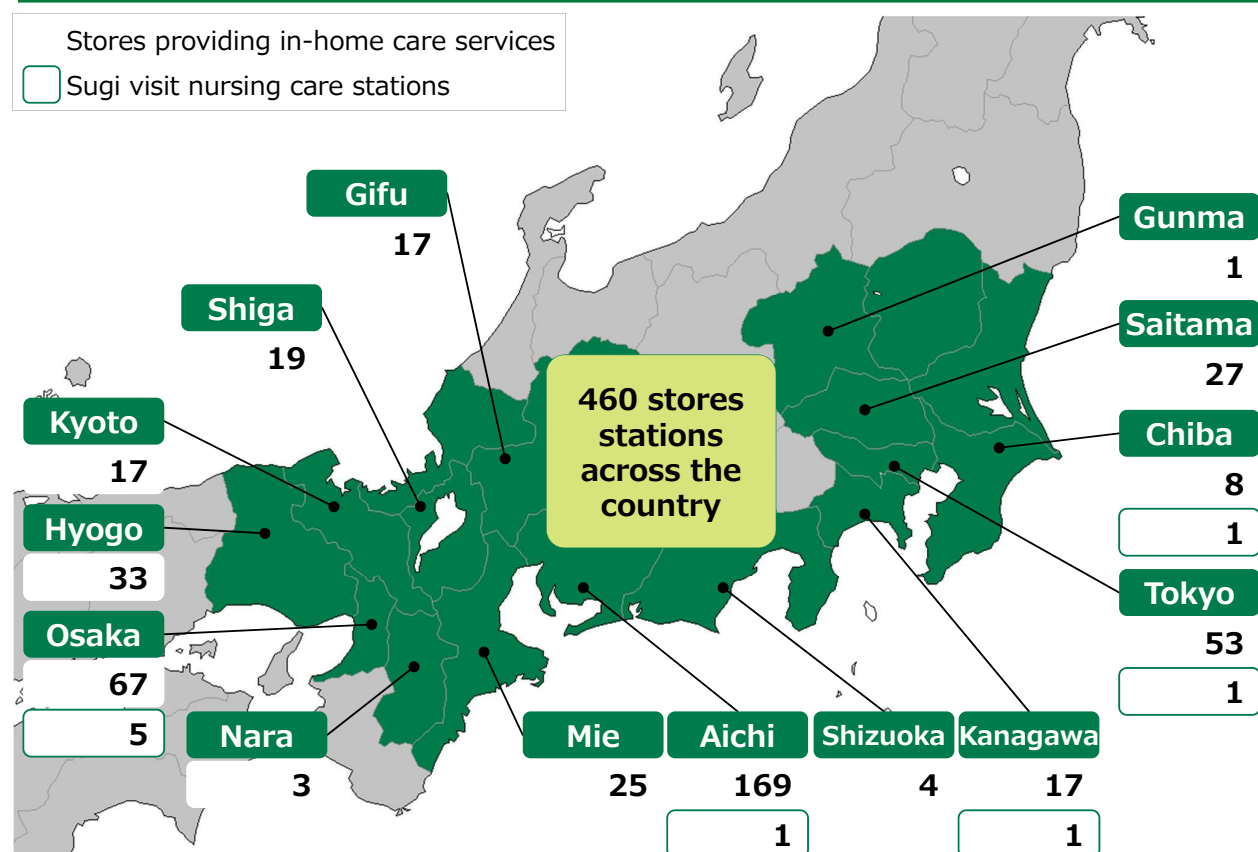
in-home medical care: JPY 1,101m (+13.4% Y o Y)



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

16

## Facilities Providing Comprehensive Medical Services to Local Communities



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

17

# 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.