

# **Financial Results**

## **1st Quarter - FY Ending February 28, 2025**

### **Supplementary Information**

**Securities ID Code: 7649, TSE PRIME , NSE PREMIER**

**SUGI Holdings**

**June 25. 2024**

# Contents

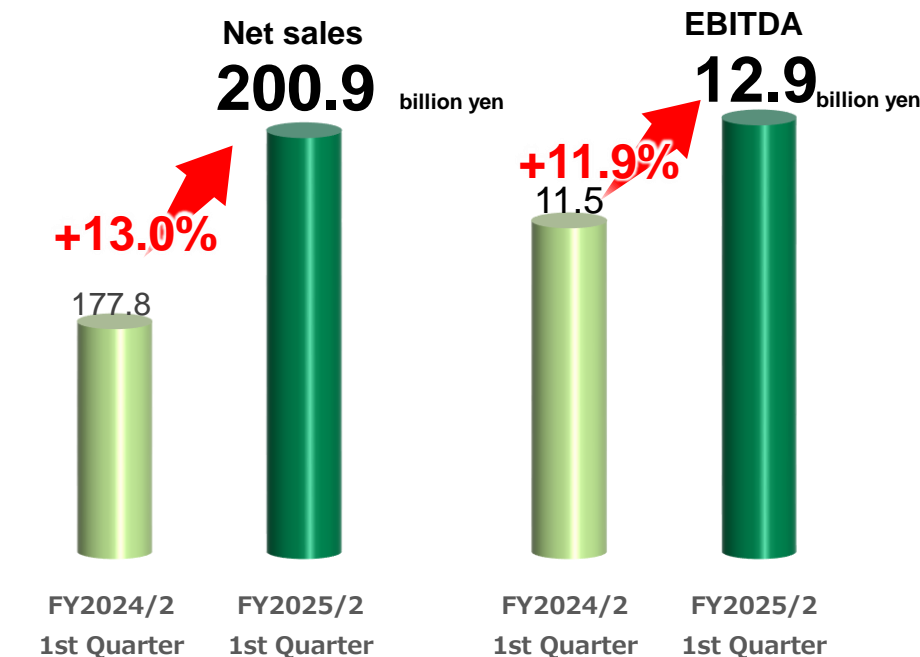
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# **Financial Highlights 1st Quarter - FY Ending February 28, 2025 - Consolidated -**

# Financial results highlight

Maintaining strong performance at existing stores,  
We started the fiscal year ending February 2025 with an increase in both sales and profit.



(Note)

EBITDA: Ordinary income + Depreciation and amortization + Amortization of goodwill  
+ Interest expense - Interest income

## Summary of businesses

- Sales of goods: The business remains strong due to increased demand for related products in line with increased opportunities to go out and inbound demand.
- Prescription: Drug price revisions implemented in April.(drug cost base conversion - 4.67%)  
Although there was a decrease in pollen count, sales remained strong due to the cold epidemic, etc..

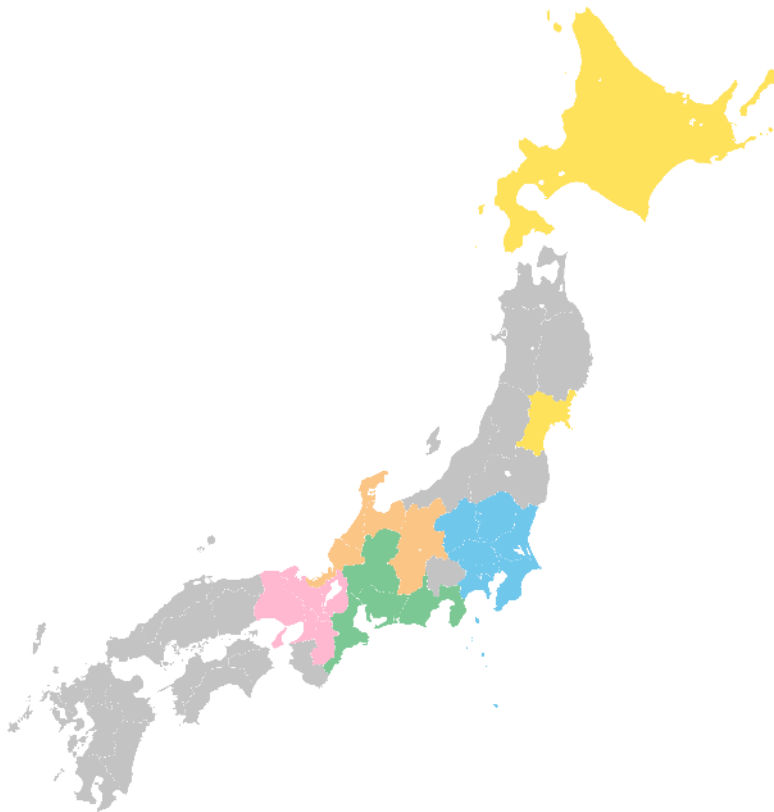
## Topics

- Strengthen renovations of existing stores to suit regional characteristics and store type.
- Actively hire qualified personnel in line with expansion.
- Develop stores to capture inbound demand.

# 1st Quarter Financial Highlight - Consolidated -

	FY Ending 2024/2 1Q(March to May)		FY Ending 2025/2 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>177,851</b>	<b>100.0</b>	<b>200,959</b>	<b>100.0</b>	<b>103.1</b>	<b>5,959</b>	<b>113.0</b>
Prescription	38,901	21.9	43,044	21.4	102.8	1,156	110.7
Product Sales	137,460	77.3	156,037	77.6	104.7	7,065	113.5
Others	1,489	0.8	1,876	0.9	45.3	▲ 2,264	126.0
<b>Gross Profit</b>	<b>52,992</b>	<b>29.8</b>	<b>59,986</b>	<b>29.9</b>	<b>102.5</b>	<b>1,486</b>	<b>113.2</b>
Prescription	14,613	37.6	15,723	36.5	102.2	341	107.6
Product Sales	37,340	27.2	43,265	27.7	103.8	1,587	115.9
Others	1,038	69.7	998	53.2	69.3	▲ 442	96.1
<b>SG&amp;A Expenses</b>	<b>45,214</b>	<b>25.4</b>	<b>51,380</b>	<b>25.6</b>	<b>102.8</b>	<b>1,380</b>	<b>113.6</b>
<b>Operating Income</b>	<b>7,778</b>	<b>4.4</b>	<b>8,606</b>	<b>4.3</b>	<b>101.2</b>	<b>106</b>	<b>110.6</b>
Non-Operating Income	1,080	0.6	1,198	0.6	108.9	98	110.9
Non-Operating Expenses	555	0.3	638	0.3	91.3	▲ 62	115.0
<b>Ordinary Income</b>	<b>8,303</b>	<b>4.7</b>	<b>9,165</b>	<b>4.6</b>	<b>103.0</b>	<b>265</b>	<b>110.4</b>
Extraordinary Income	0	0.0	282	0.1	—	282	—
Extraordinary Losses	130	0.1	196	0.1	—	196	151.0
<b>Net Income before Income Taxes</b>	<b>8,173</b>	<b>4.6</b>	<b>9,250</b>	<b>4.6</b>	<b>103.9</b>	<b>350</b>	<b>113.2</b>
Income Taxes	2,609	1.5	3,127	1.6	105.3	157	119.8
<b>Net Income</b>	<b>5,563</b>	<b>3.1</b>	<b>6,123</b>	<b>3.0</b>	<b>103.3</b>	<b>193</b>	<b>110.1</b>
<b>EBITDA</b>	<b>11,548</b>	<b>6.5</b>	<b>12,910</b>	<b>6.4</b>	<b>105.7</b>	<b>695</b>	<b>111.9</b>

# New store openings



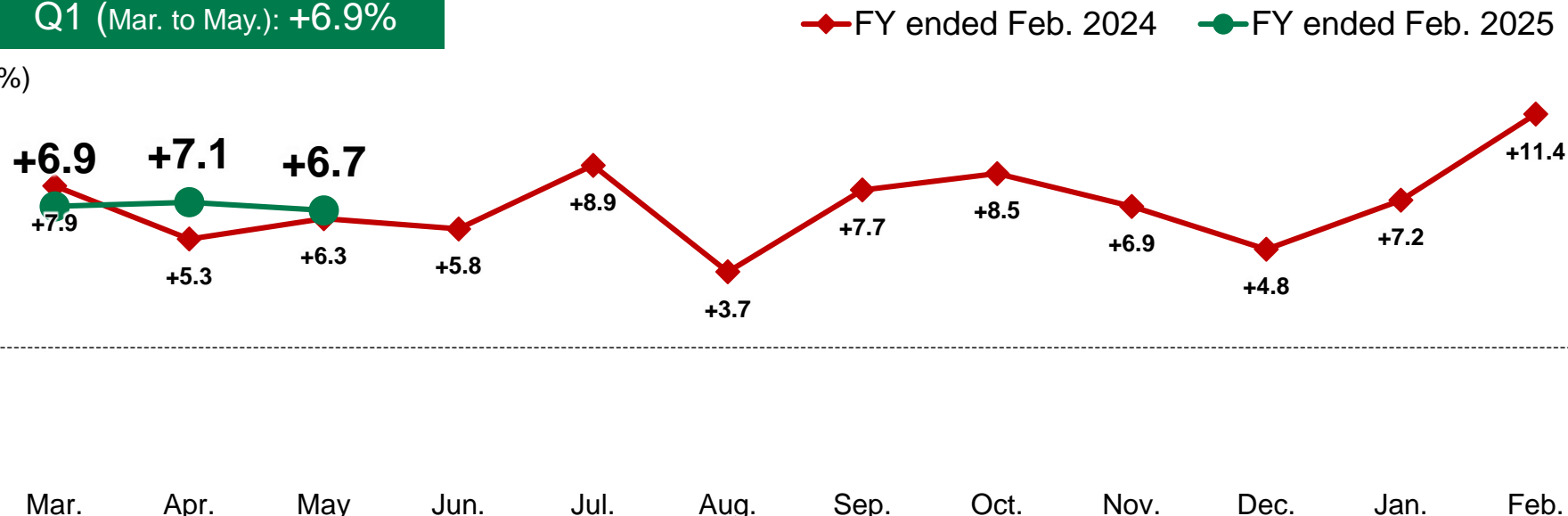
	Store openings	Store closings	Number of stores	Rate of dispensing facilities
Hokkaido	0	0	3	—
To h o k u				
K a n t o	11	0	494	80.5
C h u b u	6	1	587	81.0
K a n s a i	11	1	577	83.4
Hokuriku	1	0	84	81.4
S h i n s h u				
T o t a l	29	2	1,745	81.6

※The ratio of dispensing facilities is only for the Sugi Pharmacy Business.

# The Group's existing stores sales growth rate

Q1 (Mar. to May.): +6.9%

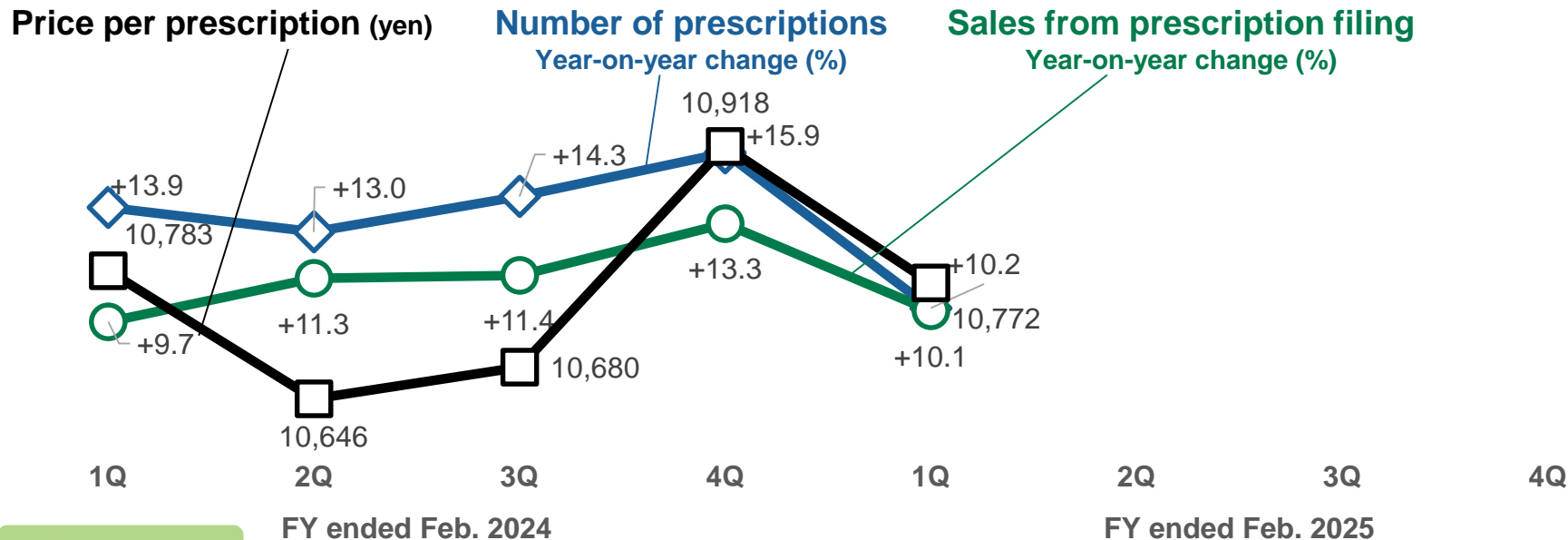
(%)



## Summary

- Net sales (up 6.9% year on year) : Both product sales and dispensing contributed positively due to the capture of out-of-home and inbound demand, as well as the cold epidemic.
- Number of customers (up 1.8% year on year) : Increased due to app promotion and point promotion measures.
- Sales per customer (up 5.0% year on year) : Effective promotional measures have led to an increase in the number of items purchased, while inflation has led to an increase in the unit price of each item.

# Changes in the number of prescriptions and price per prescription



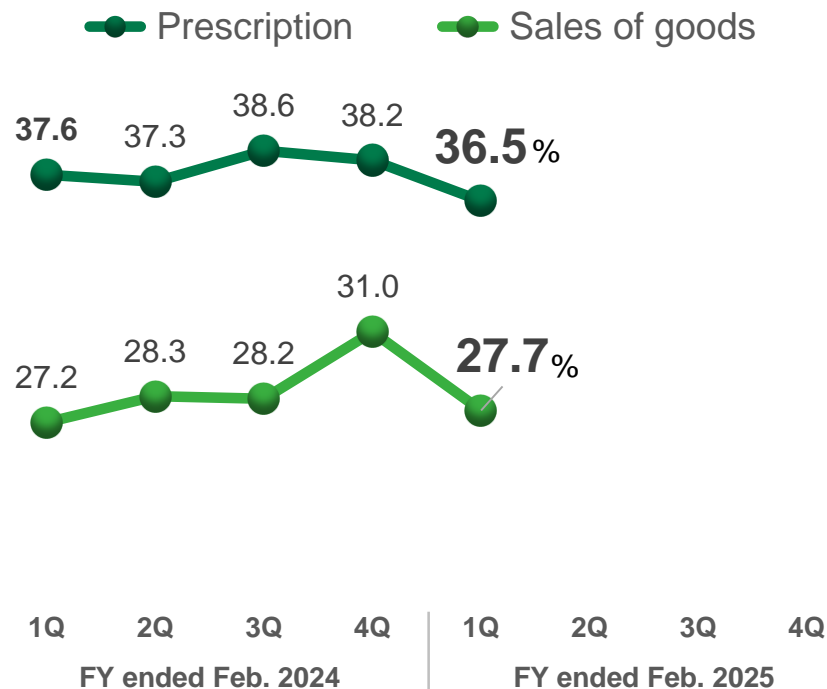
## Summary

- Dispensing Sales : Despite the impact of drug price revisions, sales continue to grow by double digits due to an increase in the number of prescriptions.
- Number of prescriptions received : Although there has been a decrease in the amount of pollen in the air, the number of sales has continued to increase by double digits due to the spread of colds and the increase in prescription use by retail customers.
- Prescription unit price : Unit prices have slightly decreased due to a decrease caused by drug price revisions and an increase in prescriptions with low unit prices .



# Changes in gross profit margin

Although dispensing profit margins will decline,  
Profit margin increased year-on-year due to higher profit margin on product sales



## Prescription

- Profit margin decreased due to the impact of drug price revisions

## Sales of goods

- Overall gross profit margins increased due to increased duty-free sales and seasonal merchandise sales.
- Profit margins increased year-on-year in all four major segments thanks to effective use of app promotions, etc.

# Sales Trend by Product Group

(%)	Composition Ratio			Sales vs. Budget	Sales Y o Y	Gross Profit Margin			Gross Profit vs. Budget	Gross Profit vs. Y o Y
	FY 2024/2 1Q	FY 2025/2 1Q				FY 2024/2 1Q	FY 2025/2 1Q			
	Results	Budget	Results			Results	Budget	Results		
Prescription	22.1	21.9	21.6	102.8	110.7	37.6	36.7	36.5	▲0.2	▲1.1
Product sales	77.9	78.1	78.4	104.7	113.5	27.2	28.0	27.7	▲0.3	+0.5
Healthcare	19.4	19.2	18.7	101.7	108.8	39.2	40.2	40.6	+0.4	+1.4
Beauty	17.3	17.4	17.6	105.5	115.2	31.5	32.5	32.5	±0.0	+1.0
Household wares	18.4	18.4	18.4	104.8	112.8	23.5	24.2	23.7	▲0.5	+0.2
Foods	22.7	22.9	23.4	106.6	116.8	16.6	17.3	17.1	▲0.2	+0.5
Other	0.2	0.1	0.2	131.8	115.3	18.7	31.7	18.6	▲13.1	▲0.1

# Selling and general administrative expenses

## SG&A expenses exceeded plan mainly due to increase in personnel expenses

(in million yen, %)	FY ended Feb. 2024 1Q		FY ended Feb. 2025 1Q			
	Results	% of sales	Results	% of sales	% of budget	% of previous year
Net sales	177,851	100.0	200,959	100.0	103.1	113.0
Total selling expenses	961	0.5	875	0.4	97.3	91.1
Personnel expenses	22,041	12.4	25,379	12.6	105.3	115.1
General administrative expense	22,212	12.5	25,125	12.5	100.5	113.1
Selling and administrative expenses	45,214	25.4	51,380	25.6	102.8	113.6

### Selling expense

- Continuing efficient sales promotion measures centered on app sales promotion.
- Deliver optimal information and coupons tailored to each customer's purchasing behavior.

### Personnel expenses

- Increased wages and increased hiring drive up labor costs.
- Overtime for store employees increased due to sales increase exceeding plan.

### General administrative expense

- Increase in costs related to store openings and renovations due to soaring construction costs, etc..
- Increase in payment of cashless payment fees due to increase in sales.

# Appendix

# Store Openings and Closings

Nos. of stores by region	FY2024/2 Full Year	FY2024/2 1st Quarter			Forecast after June 2024		FY 2025/2 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	483	11	0	494	36	5	47	6	+41	530
Chubu Region	582	6	1	587	22	6	28	7	+21	609
Hokuriku/Shinshu Region	83	1	0	84	5	1	6	1	+5	89
Kansai Region	567	11	1	577	28	6	39	6	+33	605
Hokkaido/Tohoku Region	3	0	0	3	0	0	0	0	0	3
<b>Total</b>	<b>1,718</b>	<b>29</b>	<b>2</b>	<b>1,745</b>	<b>91</b>	<b>18</b>	<b>120</b>	<b>20</b>	<b>+100</b>	<b>1,818</b>

Nos. of stores by company	FY2024/2 Full Year	FY2024/2 1st Quarter			Forecast after June 2024		FY 2025/2 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	1,569	29	2	1,596	91	18	120	20	+100	1669
Japan	104	0	0	104	0	0	0	0	0	104
Visit Nursing Care ST	45	0	0	45	0	0	0	0	0	45
<b>Total</b>	<b>1,718</b>	<b>29</b>	<b>2</b>	<b>1,745</b>	<b>91</b>	<b>18</b>	<b>120</b>	<b>20</b>	<b>+100</b>	<b>1,818</b>

# 1st Quarter Financial Highlight - Consolidated -

	FY Ending 2024/2 1Q(March to May)		FY Ending 2025/2 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>177,851</b>	<b>100</b>	<b>200,959</b>	<b>100.0</b>	<b>103.1</b>	<b>5,959</b>	<b>113.0</b>
Sugi Pharmacy business	164,075	92.3	186,364	92.7	104.6	8,128	113.6
Japan business	12,287	6.9	12,500	6.2	100.7	85	101.7
Others	1,489	0.8	2,093	1.0	48.1	▲ 2,256	140.5
<b>Gross Profit</b>	<b>52,992</b>	<b>29.8</b>	<b>59,986</b>	<b>29.9</b>	<b>102.5</b>	<b>1,486</b>	<b>113.2</b>
Sugi Pharmacy business	49,389	30.1	56,167	30.1	103.5	1,903	113.7
Japan business	2,565	20.9	2,731	21.9	101.1	29	106.5
Others	1,038	69.7	1,088	52.0	70.3	▲ 446	104.8
<b>SG&amp;A Expenses</b>	<b>45,214</b>	<b>25.4</b>	<b>51,380</b>	<b>25.6</b>	<b>102.8</b>	<b>1,380</b>	<b>113.6</b>
<b>Operating Income</b>	<b>7,778</b>	<b>4.4</b>	<b>8,606</b>	<b>4.3</b>	<b>101.2</b>	<b>106</b>	<b>110.6</b>
Non-Operating Income	1,080	0.6	1,198	0.6	108.9	98	110.9
Non-Operating Expenses	555	0.3	638	0.3	91.3	▲ 62	115.0
<b>Ordinary Income</b>	<b>8,303</b>	<b>4.7</b>	<b>9,165</b>	<b>4.6</b>	<b>103.0</b>	<b>265</b>	<b>110.4</b>
Extraordinary Income	0	0	282	0.1	—	282	—
Extraordinary Losses	130	0.1	196	0.1	—	196	151.0
<b>Net Income before Income Taxes</b>	<b>8,173</b>	<b>4.6</b>	<b>9,250</b>	<b>4.6</b>	<b>103.9</b>	<b>350</b>	<b>113.2</b>
Income Taxes	2,609	1.5	3,127	1.6	105.3	157	119.8
<b>Net Income</b>	<b>5,563</b>	<b>3.1</b>	<b>6,123</b>	<b>3.0</b>	<b>103.3</b>	<b>193</b>	<b>110.1</b>
<b>EBITDA</b>	<b>11,548</b>	<b>6.5</b>	<b>12,910</b>	<b>6.4</b>	<b>105.7</b>	<b>694</b>	<b>111.9</b>

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

	FY Ending 2024/2 1Q (March to May)		FY Ending 2025/2 1Q(March to May)			
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y (%)	Results (in million yen)
<b>Net Sales</b>	<b>177,851</b>	<b>100.0</b>	<b>200,959</b>	<b>100.0</b>	<b>103.1</b>	<b>113.0</b>
<b>Total Selling Expenses</b>	<b>961</b>	<b>0.5</b>	<b>875</b>	<b>0.4</b>	<b>97.3</b>	<b>▲25.0</b>
Advertising Expenses	963	0.5	887	0.4	104.4	92.1
Premium Expenses	▲1	0.0	▲11	0.0	—	—
<b>Personnel Expenses</b>	<b>22,041</b>	<b>12.4</b>	<b>25,379</b>	<b>12.6</b>	<b>105.3</b>	<b>115.1</b>
<b>Total Administrative Expenses</b>	<b>22,212</b>	<b>12.5</b>	<b>25,125</b>	<b>12.5</b>	<b>100.5</b>	<b>113.1</b>
Rent Expenses	9,071	5.1	10,200	5.1	100.0	112.5
Depreciation Expenses	3,242	1.8	3,760	1.9	109.0	116.0
Utilities Expenses	1,887	1.1	1,860	0.9	88.6	98.6
Supplies Expenses	1,110	0.6	1,304	0.6	108.7	117.5
Tax and Public Charges	1,653	0.9	1,885	0.9	99.2	114.0
Commission Paid	2,279	1.3	2,806	1.4	108.0	123.2
Others	2,967	1.7	3,305	1.6	93.1	111.4
<b>Total SG&amp;A Expenses</b>	<b>45,214</b>	<b>25.4</b>	<b>51,380</b>	<b>25.6</b>	<b>102.8</b>	<b>113.6</b>

# Sales Trend by Product Group - Sugi -

(%)	Composition Ratio			Sales vs. Budget	Sales Y o Y	Gross Profit Margin			Gross Profit vs. Budget	Gross Profit vs. Y o Y
	FY 2024/2 1Q	FY 2025/2 1Q				FY 2024/2 1Q	FY 2025/2 1Q			
	Results	Budget	Results			Results	Budget	Results		
Prescription	23.7	23.4	23.0	102.8	110.1	37.6	36.7	36.5	▲0.2	▲1.1
Healthcare	20.1	19.9	19.3	101.6	109.2	39.1	40.3	40.5	0.2	1.4
Beauty	18.0	18.1	18.3	105.5	115.6	31.5	32.5	32.5	0.0	1.0
Household wares	18.4	18.3	18.4	105.0	113.8	23.4	24.1	23.6	▲0.5	0.2
Foods	19.8	20.2	20.9	108.3	120.2	16.9	17.5	17.3	▲0.2	0.4
Other	0.1	0.1	0.1	109.6	107.7	26.9	28.9	28.3	▲0.6	1.4
Total	100.0	100.0	100.0	104.6	113.6	30.1	30.4	30.1	▲0.3	0.0

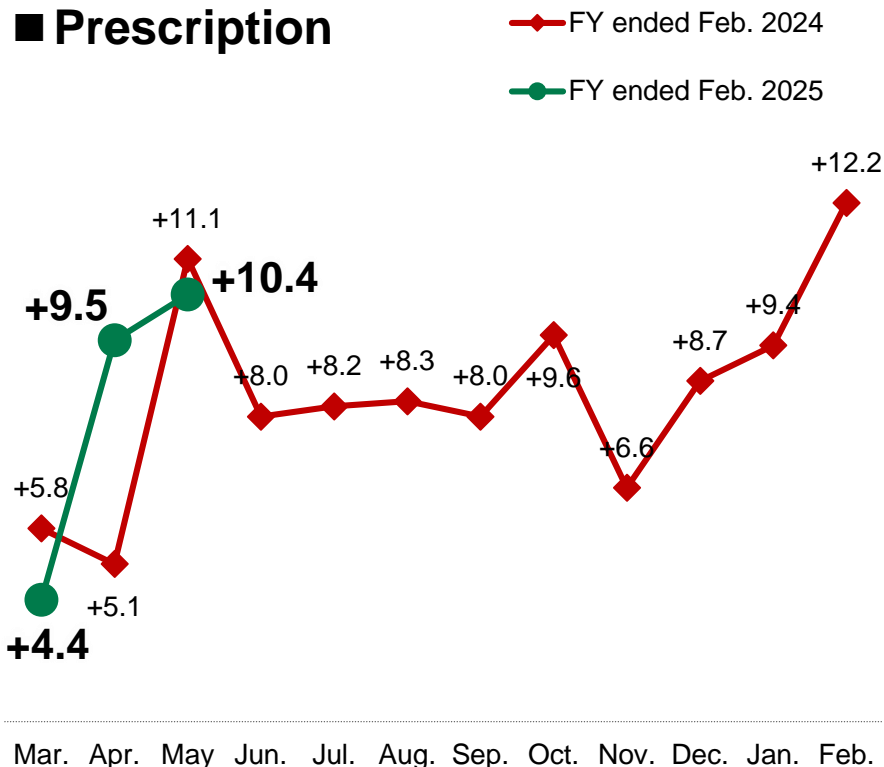


# Sales Trend by Product Group - Japan -

(%)	Composition Ratio			Sales vs. Budget	Sales Y o Y	Gross Profit Margin			Gross Profit vs. Budget	Gross Profit vs. Y o Y
	FY 2024/2 1Q	FY 2025/2 1Q				FY 2024/2 1Q	FY 2025/2 1Q			
	Results	Budget	Results			Results	Budget	Results		
Healthcare	10.3	9.4	9.9	106.2	97.8	40.4	39.4	42.9	3.5	2.5
Beauty	7.8	7.8	8.0	103.0	104.3	31.0	31.4	33.2	1.8	2.2
Household wares	19.4	19.0	19.3	101.9	100.9	24.4	25.5	25.0	▲0.5	0.6
Foods	61.2	62.7	61.3	98.4	102.0	15.4	16.6	16.2	▲0.4	0.8
Other	1.2	1.0	1.5	154.4	121.5	12.1	34.5	11.6	▲22.9	▲0.5
Total	100.0	100.0	100.0	100.7	101.7	20.9	21.8	21.9	0.1	1.0

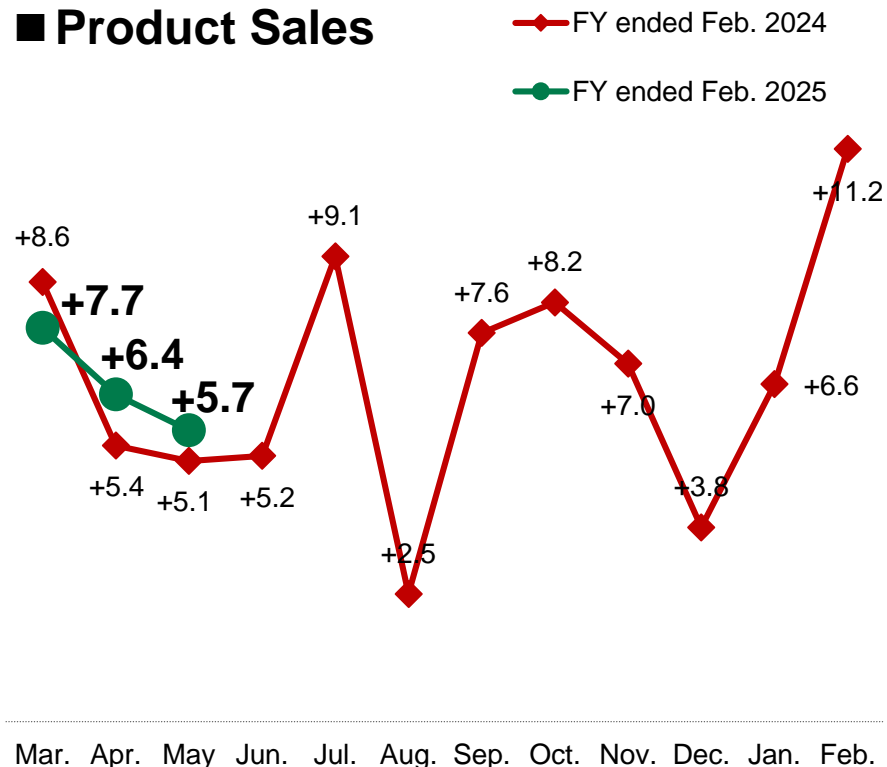
# Existing Stores Sales Growth Rate

## ■ Prescription



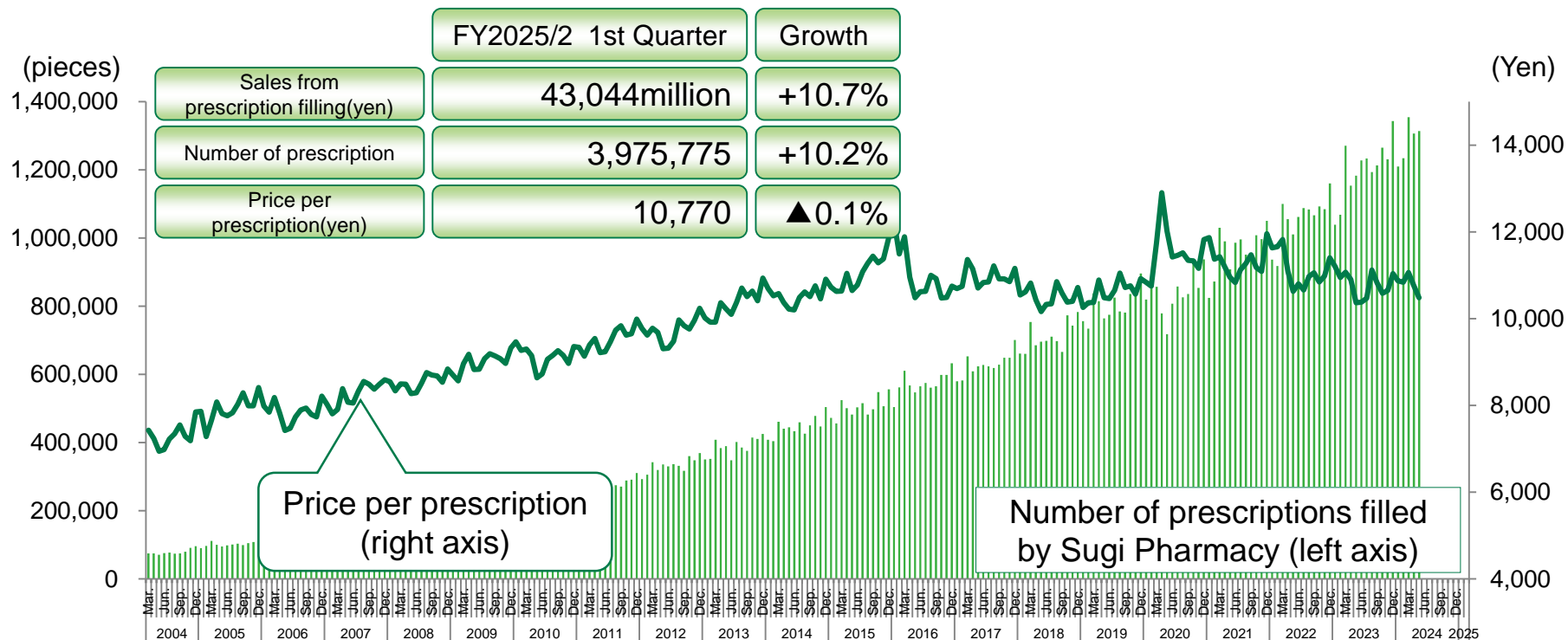
Q1 (Mar. to May.): +7.9%

## ■ Product Sales



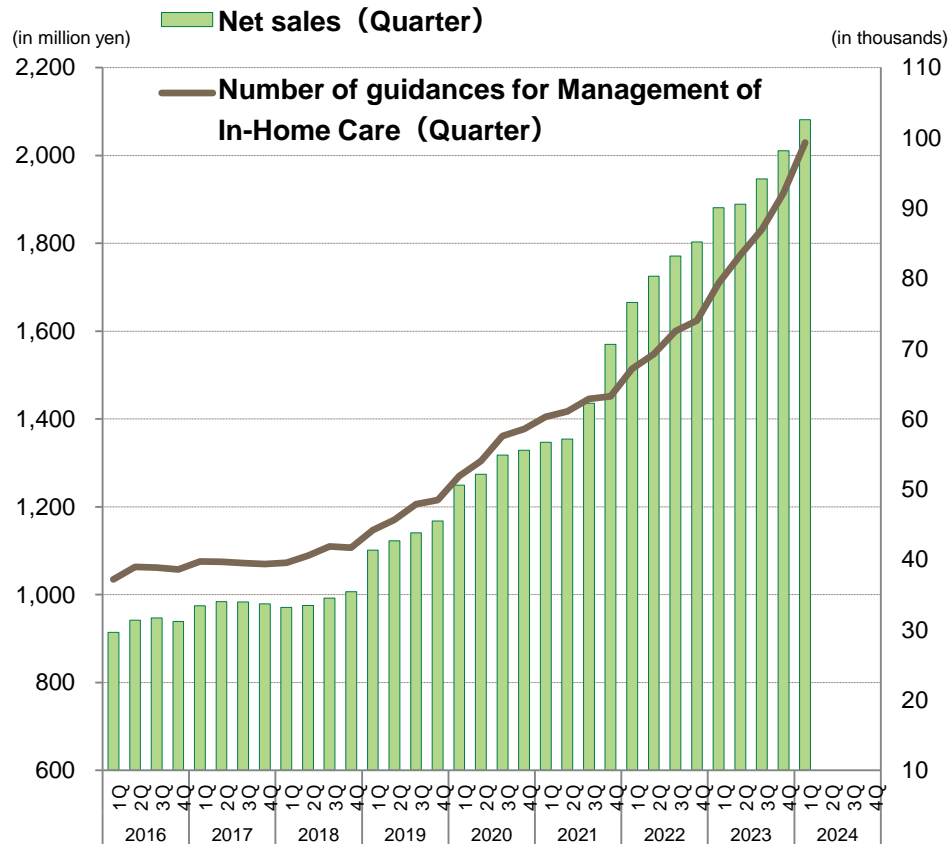
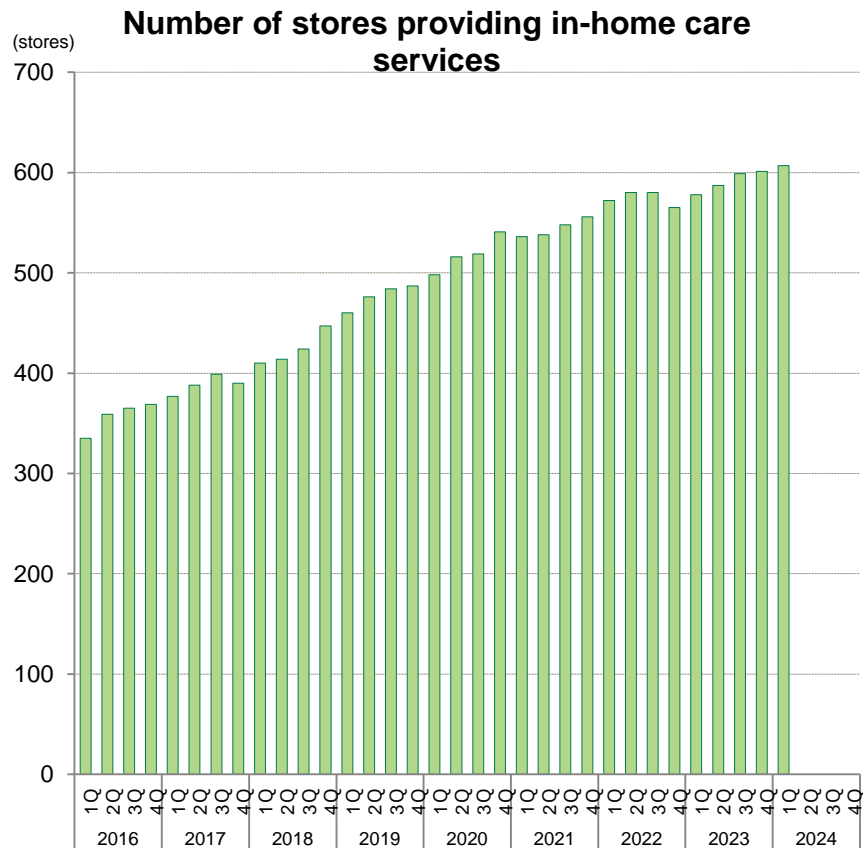
Q1 (Mar. to May.): +6.6%

# Trends in the Number of Prescriptions and Price per Prescription



	FY 2014/2	FY 2015/2	FY 2016/2	FY 2017/2	FY 2018/2	FY 2019/2	FY 2020/2	FY 2021/2	FY 2022/2	FY 2023/2	FY 2024/2
Number of prescriptions	4,782,507	5,473,832	6,181,431	6,982,700	7,704,463	8,698,045	9,833,178	10,101,138	11,729,823	12,912,512	14,759,448
Avg. price / prescription(yen)	10,450	10,548	11,270	10,810	10,917	10,471	10,707	11,642	11,317	11,033	10,758

# In-home Medical Care Services – As of May. 31, 2024



# 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.**