

Financial Results

3rd Quarter - FY Ending February 28, 2025

Supplementary Information

Securities ID Code: 7649, TSE PRIME , NSE PREMIER

SUGI Holdings

January 9. 2025

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3rd Quarter results summary

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Financial results highlight

Upward revision of earnings forecast for the fiscal year ending February 2025

(million yen/%)	FY Ending 2024/2		FY Ending 2025/2						
	Results	Ratio to Sales	Previously announced forecast (A)	Ratio to Sales	Revised forecast (B)	Ratio to Sales	Change (B-A)	Change (%)	Y o Y
Net sales	744,477	100.0	810,000	100.0	875,000	100.0	65,000	8.0	117.5
E B I T D A	50,800	6.8	—	—	59,000	6.7	—	—	116.1
Operating income	36,622	4.9	40,000	4.9	41,000	4.7	1,000	2.0	112.0
Ordinary income	38,039	5.1	41,500	5.1	43,000	4.9	1,500	4.0	113.0
Net income attributable to owners of parent company	21,979	3.0	25,000	3.1	25,500	2.9	500	2.0	116.0

In the current fiscal year, our sales of health and beauty care products, daily necessities, food, etc., increased due to the recovery in personal consumption and inbound demand. As a result, our sales and profits exceeded the previously announced forecasts. In addition, we expect I&H Co., Ltd., which became a consolidated subsidiary in September 2024, to contribute to our business results. Based on the above, we have revised upward our consolidated performance forecast for the full year.

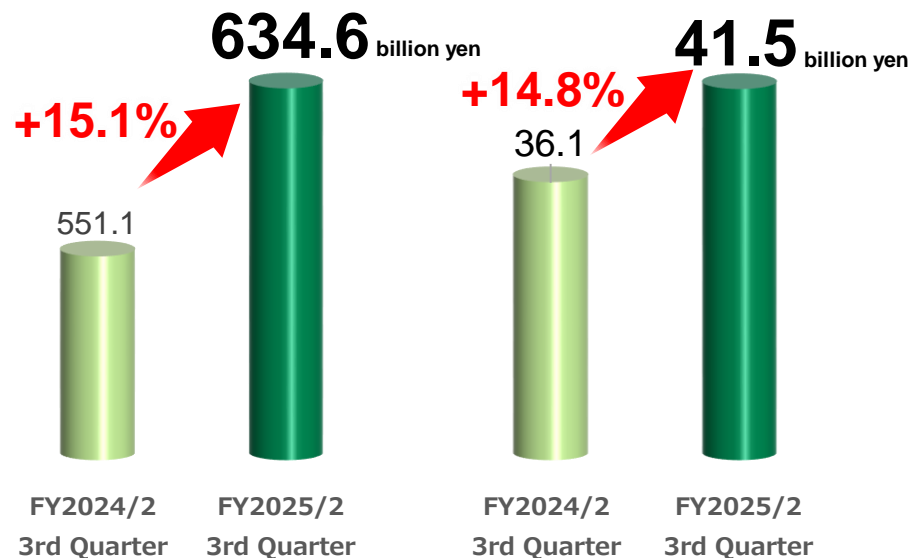
Please also note that there is no revision to the dividend forecast.

Financial results highlight

In addition to the strong performance of existing stores, the consolidation of I&H has further accelerated growth

Net sales

EBITDA



Summary of businesses

(product sales)

- Sales remained strong due to enhanced member acquisition of Sugi Pharmacy app, segment sales promotion, capturing inbound demand, and renovation effects.

(dispensing)

- Education of pharmacists and promotion of compliance with medical DX, such as My Number Health Insurance Certificate, have led to higher average unit prices as more high-cost prescriptions and additional prescriptions have been obtained.

(Note)

EBITDA: Operating income + Depreciation and amortization + Amortization of goodwill

Summary of financial results (3rd Quarter)

	FY Ending 2024/2 Q3 (March to November)		FY Ending 2025/2 Q3 (March to November)		
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y (%)
Net Sales	551,132	100.0	634,619	100.0	115.1
Prescription	117,423	21.3	130,075	20.5	110.8
Prescription (I&H)	-	-	18,861	3.0	-
Product Sales	429,636	78.0	481,923	75.9	122.2
Others	4,072	0.7	3,759	0.6	92.3
Gross Profit	166,741	30.3	195,440	30.8	117.2
Prescription	44,412	37.8	48,442	37.2	109.1
Prescription (I&H)	-	-	6,113	32.4	-
Product Sales	119,851	27.9	137,480	28.5	114.7
Others	2,476	60.8	3,404	90.6	137.4
SG&A Expenses	140,846	25.6	166,691	26.3	118.3
Operating Income	25,894	4.7	28,749	4.5	111.0
Non-Operating Income	2,825	0.5	3,948	0.6	139.7
Non-Operating Expenses	1,673	0.3	2,347	0.4	140.3
Ordinary Income	27,046	4.9	30,350	4.8	112.2
Extraordinary Income	0	0.0	305	0.0	-
Extraordinary Losses	2,903	0.5	2,218	0.3	76.4
Net Income before Income Taxes	24,143	4.4	28,437	4.5	117.8
Income Taxes	7,897	1.4	9,380	1.5	118.8
Net Income	16,245	2.9	19,057	3.0	117.3
EBITDA	36,180	6.6	41,534	6.5	114.8

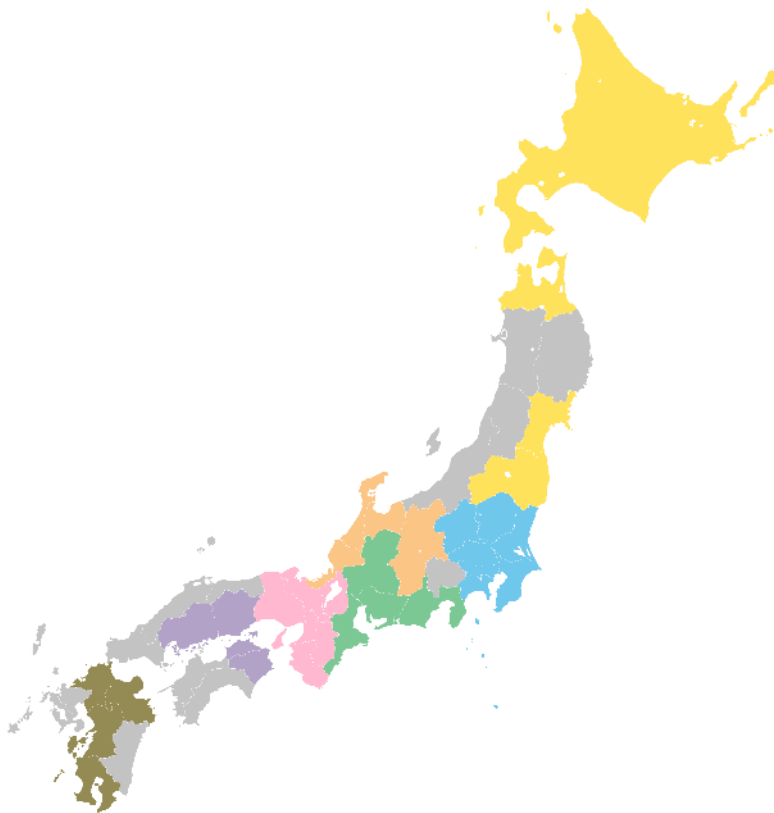
(Note) Performance forecasts have been revised from the 3rd quarter, and budget ratio/difference is omitted (as actual results = budget)

Summary of financial results (September to November)

	FY Ending 2024/2 September to November		FY Ending 2025/2 September to November		
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y (%)
Net Sales	184,568	100.0	220,810	100.0	119.6
Prescription	39,614	21.5	44,141	20.0	111.4
Prescription (I&H)	-	-	18,861	8.5	-
Product Sales	143,274	77.6	157,618	71.4	110.0
Others	1,679	0.9	189	0.1	11.3
Gross Profit	56,880	30.8	69,710	31.6	122.6
Prescription	15,274	38.6	16,808	38.1	110.0
Prescription (I&H)	-	-	6,113	32.4	-
Product Sales	40,362	28.2	45,080	28.6	111.7
Others	1,243	74.1	1,708	903.7	137.4
SG&A Expenses	48,273	26.2	61,247	27.7	126.9
Operating Income	8,607	4.7	8,463	3.8	98.3
Non-Operating Income	863	0.5	1,413	0.6	163.7
Non-Operating Expenses	548	0.3	995	0.5	181.3
Ordinary Income	8,921	4.8	8,881	4.0	99.6
Extraordinary Income	0	0.0	0	0.0	-
Extraordinary Losses	39	0.0	31	0.0	80.9
Net Income before Income Taxes	8,882	4.8	8,850	4.0	99.6
Income Taxes	2,902	1.6	2,852	1.3	98.3
Net Income	5,980	3.2	5,997	2.7	100.3
EBITDA	12,253	6.6	13,367	6.1	109.1

(Note) Performance forecasts have been revised from the 3rd quarter, and budget ratio/difference is omitted (as actual results = budget)

New store openings



	Store openings	Store closings	Increase/decrease due to acquisition of subsidiaries	Number of stores
Hokkaido ・ Tohoku	0	0	39	42
K a n t o	40	4	45	564
C h u b u	27	5	12	616
Hokuriku ・ Shinshu	5	1	5	92
K a n s a i	29	7	228	817
Chugoku ・ Shikoku	0	0	7	7
K y u s y u	0	0	40	40
T o t a l	101	17	376	2,178

Note) The number of stores is limited to drug stores, pharmacies, and visiting nursing stations.

The Group's Existing store sales trends

3Q cumulative total

(Mar. to Nov.): +6.0%

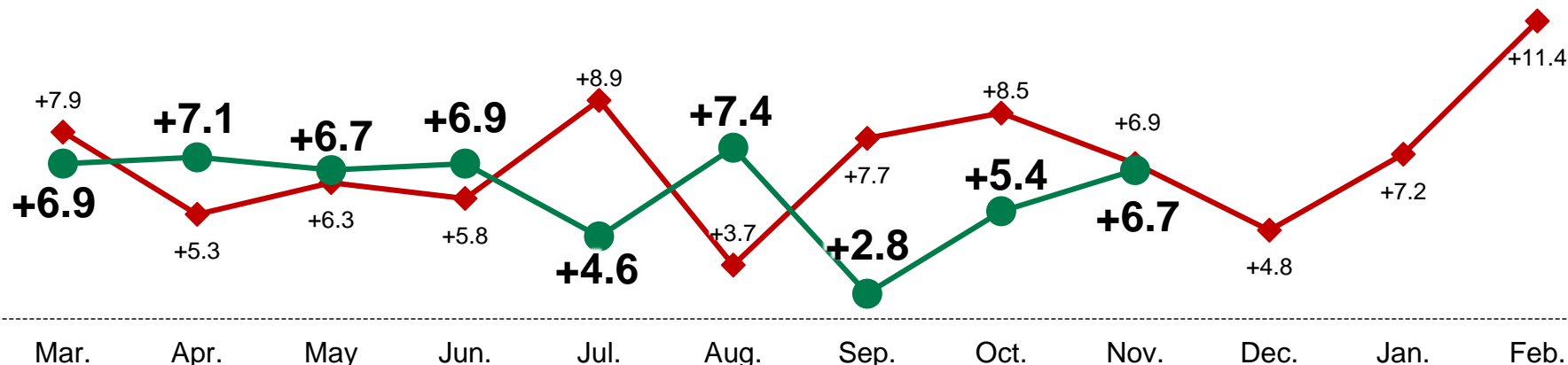
◆ FY ended Feb. 2024 ● FY ended Feb. 2025

1Q (Mar. to May.): +6.9%

2Q (Jun. to Aug.): +6.3%

3Q (Sep. to Nov.): +5.0%

(%)



breakdown

Number of customers

(Mar. to Nov.) : +1.2%

Price per customer

(Mar. to Nov.) : +4.8%

Note) Sugi Pharmacy's performance (I&H is treated as a new store, so it is not included in existing store sales)

(Product sales) Existing store sales trends

3Q cumulative total

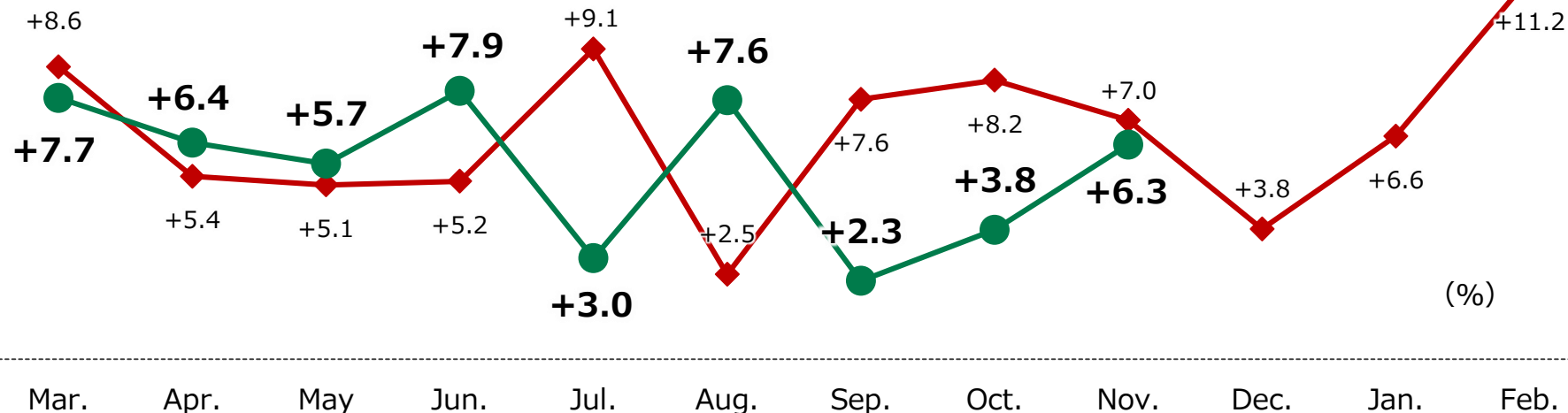
(Mar. to Nov.): +5.6%

◆ FY ended Feb. 2024 ● FY ended Feb. 2025

1Q (Mar. to May.): +6.6%

2Q (Jun. to Aug.): +6.0%

3Q (Sep. to Nov.): +4.2%



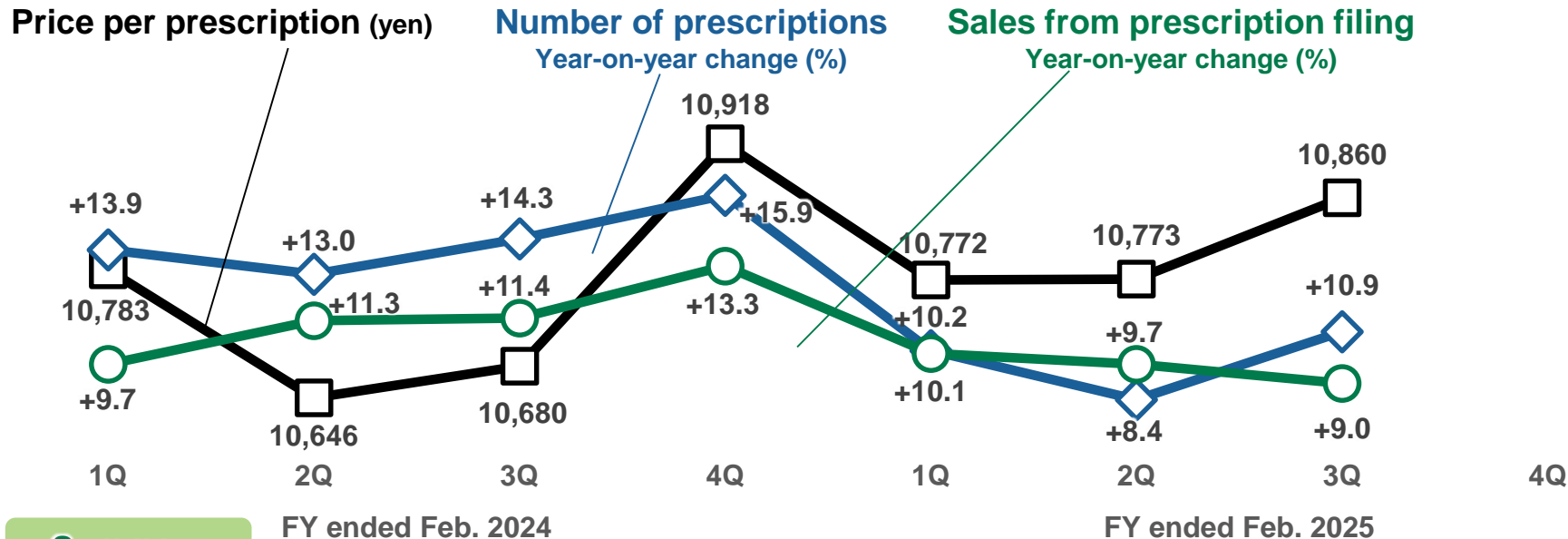
Overview

- Implemented renovations such as strengthening sales of private brand products and expanding the food section.
- Strengthen inbound support by expanding product lineup for foreign visitors to Japan

Note) Sugi Pharmacy's performance (I&H is treated as a new store, so it is not included in existing store sales)

(Dispensing)

Trends in the number of prescriptions and prescription unit price

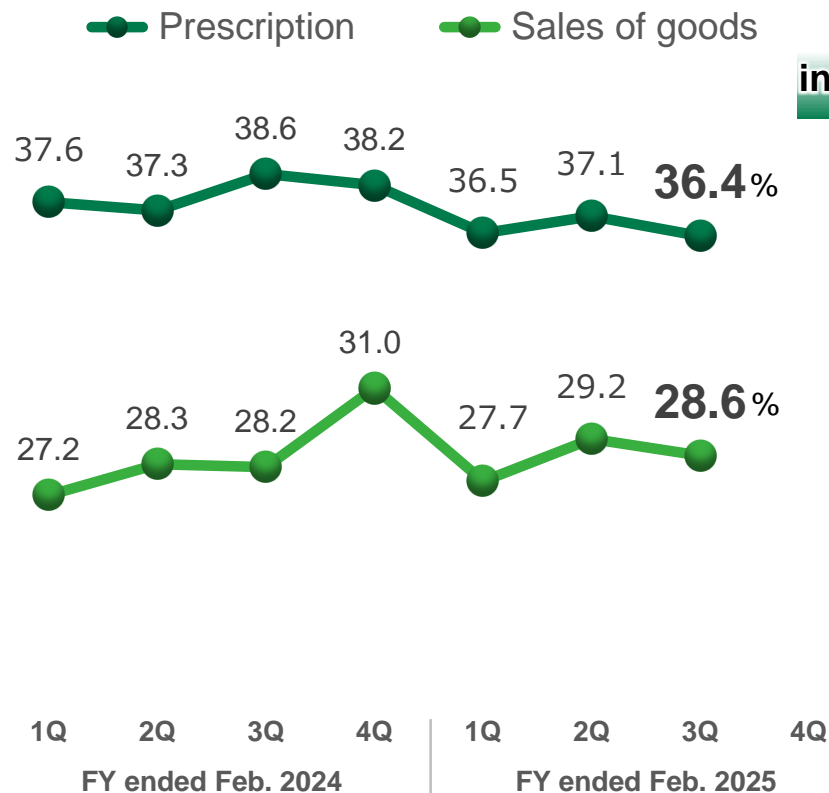


Summary

- Number of prescriptions:
Raise the number of demanded prescriptions by reinforcing visiting dispensing to cope with an aging society, etc.
- Unit price:
Enhanced pharmacist education and support for medical DX, including My Number Health Insurance Certificate, to enhance calculation of high-cost prescriptions and various additional charges

Note) Sugi Pharmacy's performance (I&H is treated as a new store, so it is not included in existing store sales)

Trends in gross profit margin



Progress in both dispensing and product sales was in line with expectations despite a decline in dispensing profit margin due to the consolidation of I&H.

Prescription

- The number of stores calculating the addition to the regional support system, the addition to the medical DX promotion system, etc. increased.
- Gross profit margin excluding I&H was 38.1%, which was the same as previous years despite the impact of drug price revisions.

Sales of goods

- Although the sales composition of healthcare decreased due to coronavirus-related issues and a drop in inbound demand, overall sales increased by 0.4% from the previous year due to measures using apps.

3rd quarter results by product segment

(Sales composition ratio / Gross profit margin)

(%)	Composition Ratio		Sales Y o Y	Gross Profit Margin		Gross Profit vs. Y o Y
	FY 2024/2 3Q	FY 2025/2 3Q		FY 2024/2 3Q	FY 2025/2 3Q	
	Results	Results		Results	Results	
Prescription	21.5	23.6	126.8	37.8	36.6	▲1.2
Product sales	78.5	76.4	112.2	27.9	28.5	+0.6
Healthcare	19.1	17.9	107.8	39.9	41.1	+1.2
Beauty	17.7	17.4	113.7	32.2	32.8	+0.6
Household wares	18.8	18.2	111.8	24.5	25.1	+0.6
Foods	22.8	22.7	115.0	17.4	18.2	+0.8
Other	0.2	0.2	119.6	20.2	19.5	▲0.7

Status of selling, general and administrative expenses

Despite deterioration due to temporary sales decline,
continued to build a muscular store operating structure

(in million yen, %)	FY Ending 2024/2			FY Ending 2025/2				
	3Q		distribution rate	3Q			distribution rate	
	Results	Ratio to Sales	3Q Cumulative total	Results	Ratio to Sales	Y o Y	3Q Cumulative total	difference from previous period
Net sales	551,132	100.0	–	634,619	100.0	115.1	–	–
gross profit	166,741	30.3	–	195,440	30.8	117.2	–	–
Total selling expenses	3,084	0.6	1.8	2,879	0.5	93.3	1.5	▲0.4
Personnel expenses	68,258	12.4	40.9	81,413	12.8	119.3	41.7	+0.7
General administrative expense	69,502	12.6	41.7	82,398	13.0	118.6	42.2	+0.5
Selling and administrative expenses	140,846	25.6	84.5	166,691	26.3	118.3	85.3	+0.8

Appendix

Summary of financial results

	FY Ending 2024/2 3Q (March to November)		FY Ending 2025/2 3Q (March to November)		
	Results (in million yen)	Ratio to Sales(%)	Results (in million yen)	Ratio to Sales(%)	Y o Y (%)
Net Sales	551,132	100.0	634,619	100.0	115.1
Sugi Pharmacy business	509,051	92.4	572,848	90.3	112.5
Japan business	38,008	6.9	38,498	6.1	101.3
I&H business	-	-	19,103	3.0	-
Others	4,072	0.7	23,273	3.7	165.9
Gross Profit	166,741	30.3	195,440	30.8	117.2
Sugi Pharmacy business	156,017	28.3	176,965	27.9	113.4
Japan business	8,246	1.5	8,662	1.4	105.0
I&H business	-	-	6,292	32.9	-
Others	2,476	0.4	9,813	1.5	335.6
SG&A Expenses	140,846	25.6	166,691	26.3	118.3
Operating Income	25,894	4.7	28,749	4.5	111.0
Non-Operating Income	2,825	0.5	3,948	0.6	139.7
Non-Operating Expenses	1,673	0.3	2,347	0.4	140.3
Ordinary Income	27,046	4.9	30,350	4.8	112.2
Extraordinary Income	0	0.0	305	0.0	-
Extraordinary Losses	2,903	0.5	2,218	0.3	76.4
Net Income before Income Taxes	24,143	4.4	28,437	4.5	117.8
Income Taxes	7,897	1.4	9,380	1.5	118.8
Net Income	16,245	2.9	19,057	3.0	117.3
EBITDA	36,180	6.6	41,534	6.5	114.8

Status of selling, general and administrative expenses-

	FY Ending 2024/2 3Q (March to November)		FY Ending 2025/2 3Q (March to November)		
	Results (in million yen)	Ratio to Sales (%)	Results (in million yen)	Ratio to Sales (%)	Y o Y (%)
Net Sales	551,132	100.0	634,619	100.0	115.1
Total Selling Expenses	3,084	0.6	2,879	0.5	93.3
Advertising Expenses	2,967	0.5	2,753	0.4	92.8
Premium Expenses	117	0.0	125	0.0	106.7
Personnel Expenses	68,258	12.4	81,413	12.8	119.3
Total Administrative Expenses	69,502	12.6	82,398	13.0	118.6
Rent Expenses	27,921	5.1	32,187	5.1	115.3
Depreciation Expenses	10,230	1.9	12,099	1.9	118.3
Utilities Expenses	6,136	1.1	7,224	1.1	117.7
Supplies Expenses	4,015	0.7	4,493	0.7	111.9
Tax and Public Charges	4,968	0.9	6,124	1.0	123.3
Commission Paid	7,372	1.3	9,183	1.4	124.6
Others	8,857	1.6	11,085	1.7	125.1
Total SG&A Expenses	140,846	25.6	166,691	26.3	118.3

Sugi Pharmacy Business Results by Product Segment

(Sales Composition Ratio / Gross Profit Margin)

(%)	Composition Ratio		Sales Y o Y	Gross Profit Margin		Gross Profit vs. Y o Y
	FY 2024/2 3Q	FY 2025/2 3Q		FY 2024/2 3Q	FY 2025/2 3Q	
	Results	Results		Results	Results	
Prescription	23.1	22.6	110.2	37.8	37.2	▲0.6
Healthcare	19.8	19.0	108.1	39.8	41.0	+1.2
Beauty	18.4	18.6	114.0	32.2	32.8	+0.6
Household wares	18.7	18.7	112.7	24.4	25.0	+0.6
Foods	19.9	20.9	118.1	17.7	18.5	+0.8
Other	0.1	0.1	112.1	30.9	30.4	▲0.5
Total	100.0	100.0	112.5	30.6	30.9	+0.3

Japan business results by product segment (sales composition ratio / gross profit margin)

(%)	Composition Ratio		Sales Y o Y	Gross Profit Margin		Gross Profit vs. Y o Y
	FY 2024/2 3Q	FY 2025/2 3Q		FY 2024/2 3Q	FY 2025/2 3Q	
	Results	Results		Results	Results	
Healthcare	10.0	9.8	99.6	41.2	43.3	+ 2.1
Beauty	8.0	8.2	104.1	32.2	33.4	+ 1.2
Household wares	19.8	19.5	100.0	25.6	26.2	+ 0.6
Foods	61.0	60.9	101.1	16.0	16.8	+ 0.8
Other	1.2	1.5	125.5	12.0	12.0	0.0
Total	100.0	100.0	101.3	21.7	22.5	+ 0.8

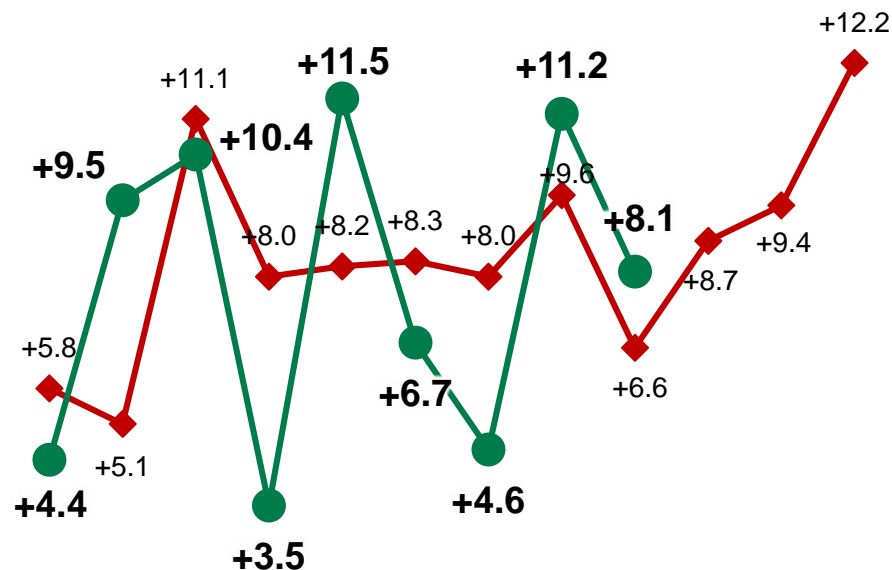
Existing store sales trends

Note) Sugi Pharmacy's performance
(I&H is treated as a new store, so it is not included in existing store sales)

■ Prescription

—●— FY ended Feb. 2024

—●— FY ended Feb. 2025



Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb.

3Q cumulative total

(Mar. to Nov.): +7.7%

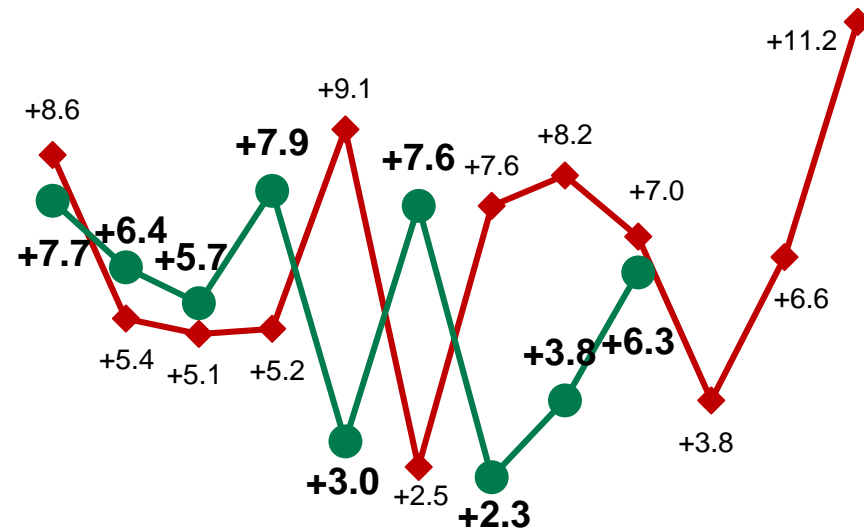
3Q

(Sep. to Nov.): +8.0%

■ Product Sales

—●— FY ended Feb. 2024

—●— FY ended Feb. 2025



Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb.

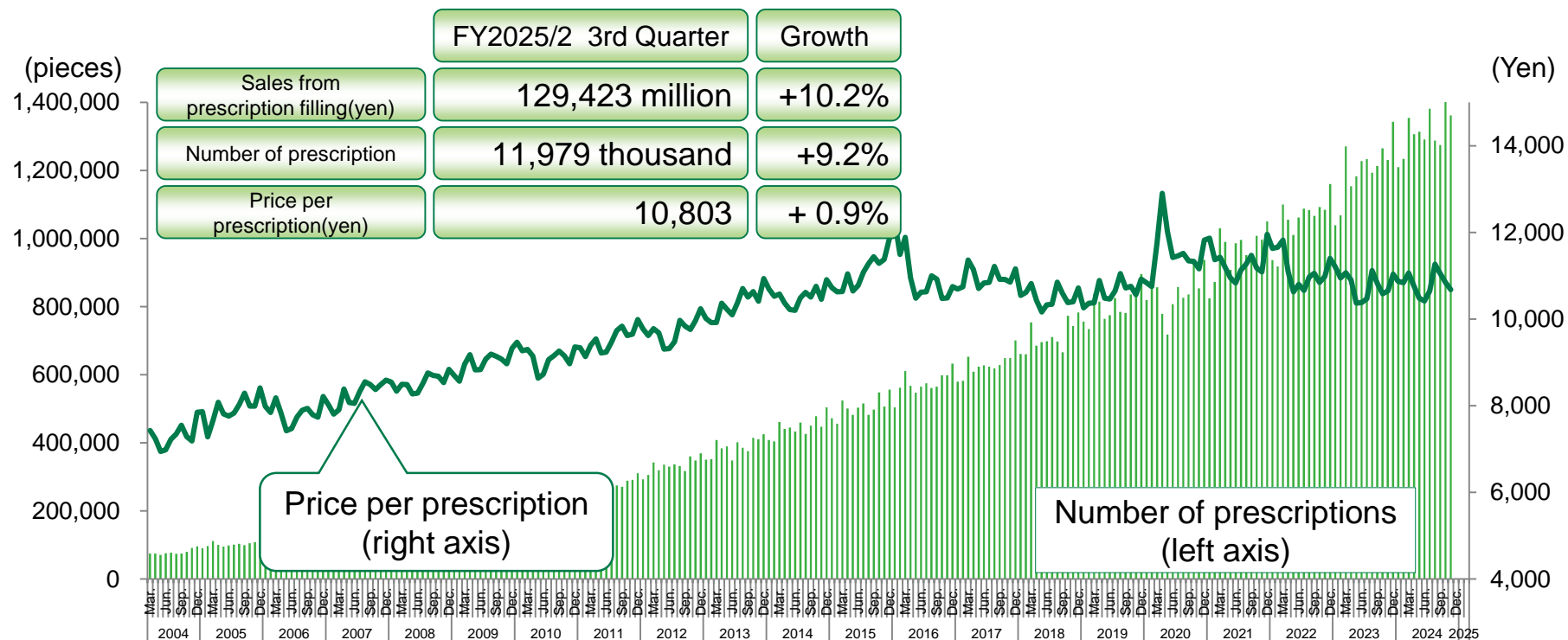
3Q cumulative total

(Mar. to Nov.): +5.6%

3Q

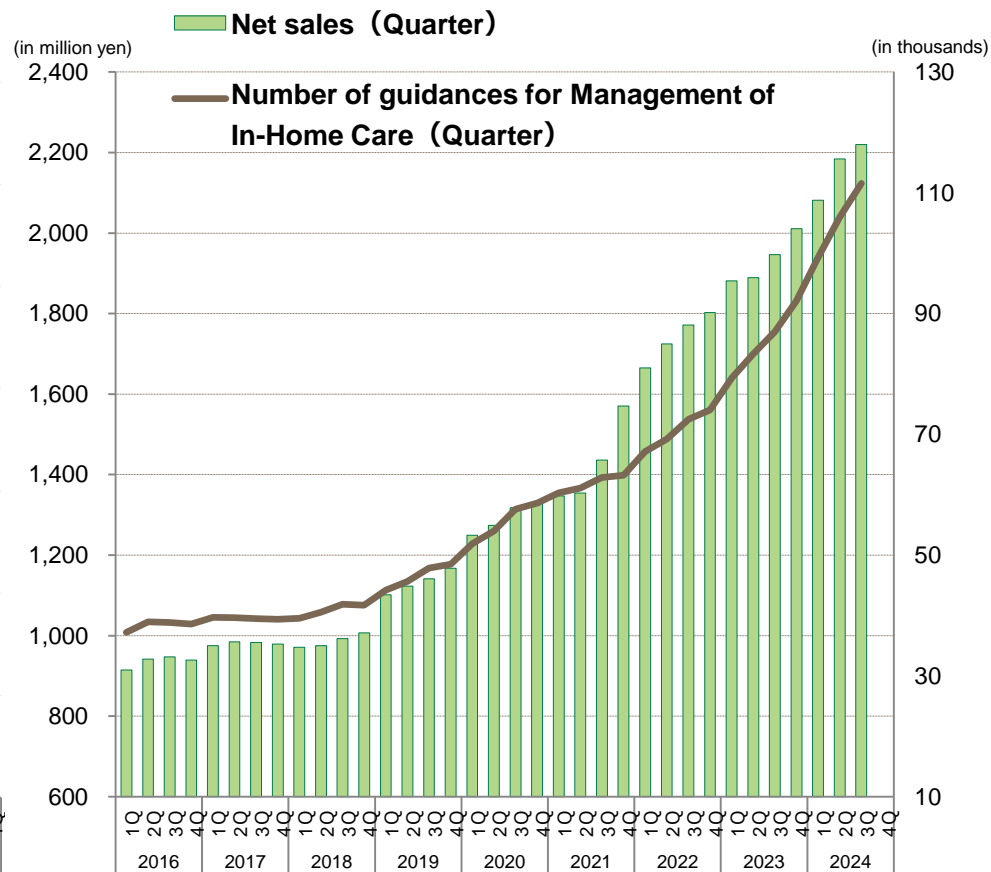
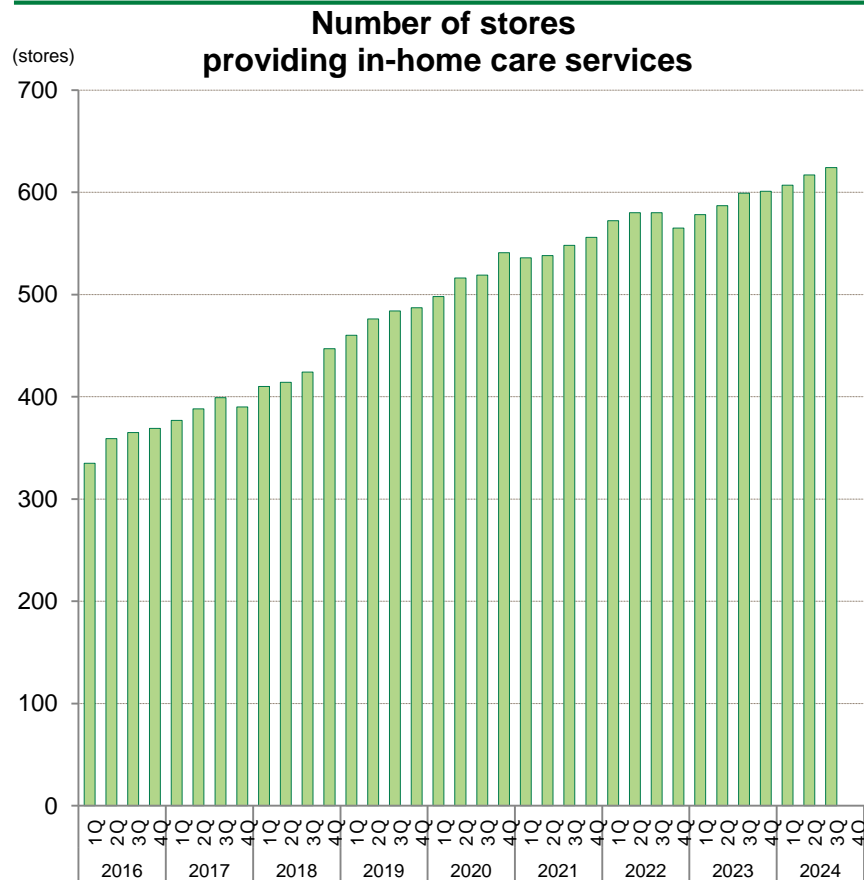
(Sep. to Nov.): +4.2%

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

Initiatives for home medical care



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.