

FY2012 Financial Results

 **SOGO MEDICAL**

(Securities code : 4775)



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I . FY2012 Financial Results

FY2012 Financial highlights



(¥millions)

	FY2011	FY2012 Plan	FY2012 Actual	Year-on-Year		Actual vs Plan Change
				Change	Change	
Sales	80,222	87,480	86,658	6,436	8.0%	▲ 0.9%
Medical practice support	20,201	22,124	22,062	1,861	9.2%	▲ 0.2%
Consulting	1,289	1,252	1,334	45	3.5%	6.5%
Rental	7,333	5,973	5,795	▲ 1,537	▲ 21.0%	▲ 2.9%
Leasing/Installment	9,104	12,978	12,979	3,875	42.6%	0.0%
Others	2,473	1,921	1,952	▲ 521	▲ 21.1%	1.6%
Pharmacies	59,062	64,176	63,420	4,358	7.4%	▲ 1.1%
Others	959	1,180	1,175	216	22.5%	▲ 0.4%
Operating income	4,848	4,275	4,324	▲ 524	▲ 10.8%	1.1%
Medical practice support	481	—	333	▲ 147	▲ 30.7%	—
Pharmacies	4,673	—	4,409	▲ 264	▲ 5.7%	—
Others	168	—	92	▲ 75	▲ 44.9%	—
Elimination and Corporate	▲ 474	—	▲ 511	▲ 37	—	—
Ordinary income	4,881	4,306	4,343	▲ 537	▲ 11.0%	0.8%
Net income	2,504	2,533	2,532	28	1.1%	0.0%
Net income per share	¥346.93	¥350.87	¥350.81	—	—	—

※EBITDA=Ordinary Income+Interest Expense+Discount Expense+Depreciation

Sales ¥86,658 million (year-on-year 8.0% up)

Operating Income ¥4,343 million (year-on-year 11.0% down)

- ✓ Practice start-up support had a ripple effect on leasing contracts.
- ✓ Rental sales decreased by 21% compared to FY2012 due to a reactionary drop after high TV replacement demand accompanying the shift to all-digital terrestrial broadcasting
- ✓ Leasing sales increased by 42% compared to FY2012, to over ¥10,000 million.
- ✓ Pharmacy sales increased by 7.4% compared to FY2012 due primarily to new openings and M&A activities.
- ✓ 53 new pharmacies opened, an increase of 13 pharmacies compared to FY2011.
- ✓ The number of new pharmacies and health care malls and amount of facility leasing increased.

Total Assets ¥57,138 million (year-on-year 7.5%up)

Net Assets ¥21,636 million (year-on-year 10.9%up)

- ✓ Capital adequacy ratio 37.8% (year-on-year 1.1 % up)
- ✓ Net DE ratio 0.4Times (year-on-year 0.1times down)

Cash Flows from Operating Activities ¥7,269million (year-on-year 62.1%up)

Cash and Deposits at end of FY2012 ¥5,095million (year-on-year 27.9%up)

Medical practice support (Consulting)

Consulting sales (¥Millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Total	1,439	1,419	1,234	1,289	1,334	3.5%
Consulting sales	705	719	641	733	806	9.9%
Practice transfer/start-up support sales	733	700	593	556	528	▲ 4.9%

Practice transfer/start-up support sales (¥Millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Total	733	700	593	556	528	▲ 4.9%
Doctor practice transfer support	522	518	452	401	348	▲ 13.2%
Doctor practice start-up support	106	90	60	78	110	41.3%
DtoD-concierge advertising	105	90	81	76	70	▲ 8.6%

Succeed members

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Total	1,396	1,368	1,366	1,376	1,434	58
Hospital	565	564	569	576	591	15
Clinic	726	705	698	695	726	31
Doctors in public practice, others	105	99	99	105	117	12

Doctors wishing to transfer or start-up practice

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Doctors wishing to transfer or start-up practice	14,270	16,842	26,174	32,054	40,778	8,724

Key point

- ✓ As the number of registered doctors in public practice increased, practice start-up sales and leasing sales increased.

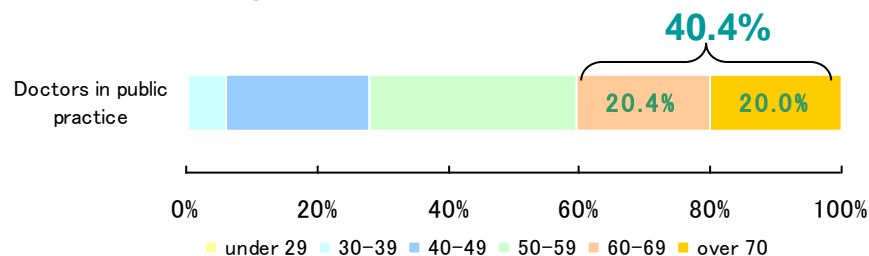
Practice transfer/start-up support (Projects)

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Doctor practice transfer support total	1,287	1,703	2,585	3,001	4,279	1,278
Full time	140	121	115	98	74	▲ 24
Part time	1,147	1,582	2,470	2,903	4,205	1,302
Doctor practice start-up support total	157	120	147	160	215	55
Consulting	64	56	47	36	52	16
No consulting	93	64	100	124	163	39

Leasing sales through practice start-up support

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Leasing sales through practice start-up support (¥millions)	1,416	1,033	1,349	1,486	1,910	28.5%
Leasing sales through practice start-up support to total Leasing sales	13.3%	11.0%	17.2%	15.9%	17.6%	

[Reference] The aged and number of doctors in public practice (FY2010)



※ Source: Overview of doctors/dentists/pharmacists in 2010 (Ministry of Health, Labor and Welfare)

Medical practice support (Rental, leasing/installment)

Rental

Rental sales (¥millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Total	5,606	6,608	7,851	7,333	5,795	▲ 21.0%
Sales (Sub Rental)	828	1,951	3,609	2,864	1,373	▲ 52.1%
Rental	4,778	4,657	4,241	4,468	4,422	▲ 1.0%

Rental Assets

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Rental Assets (¥ millions)	788	1,954	5,722	8,723	7,985	▲ 8.4%
Number of rental TVs (in thousands)	174	161	140	137	134	▲ 2.1%

Key points

- ✓ Rental sales decreased by 21% compared to FY2011 due to a reactionary drop after high TV replacement demand accompanying the shift to all-digital terrestrial broadcasting
- ✓ Leasing sales increased by 42% compared to FY2011, to over ¥10,000 million for the first time in 4 years.

Leasing/Installment

Leasing sales (¥millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Total	10,406	10,024	7,623	9,104	12,979	42.6%
Sales (Sub lease)	9,011	7,704	6,273	7,414	9,458	27.6%
Lease	1,132	2,025	986	1,305	3,075	135.5%
Installment	261	294	363	383	445	16.1%

Lease Assets (¥millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Total	1,967	2,301	2,643	3,580	3,498	▲ 2.3%
Lease receivables and investment assets	1,131	1,254	1,527	2,175	2,120	▲ 2.5%
Accounts receivable-installment sales	836	1,046	1,116	1,404	1,377	▲ 1.9%

Lease contracts

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
The company's leasing sales (¥millions)	10,632	9,361	7,856	9,347	10,871	16.3%
Medical equipment leasing sales in Japan (¥100millions)	3,037	2,641	2,557	2,606	2,736	4.9%

※ Source: Lease Statistics, February 2013. (Japan Leasing Association)

The company estimated leasing sales of March, 2013.

Sales (¥millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Pharmacies	45,185	48,983	52,916	59,062	63,420	7.4%
Dispensing sales	44,415	48,148	52,081	58,198	62,337	7.1%
Prescription drug sales	33,229	36,504	38,725	43,688	46,212	5.8%
Dispensing technical fees	11,186	11,644	13,355	14,509	16,125	11.1%
Non-prescription drug sales	769	835	835	864	1,082	25.3%

Dispensing sales (¥millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Total	44,415	48,148	52,081	58,198	62,337	7.1%
Existing pharmacies	43,425	47,414	51,761	55,623	54,954	▲ 1.2%
Open in FY2011	-	-	-	2,376	5,562	134.0%
Open in FY2012	-	-	-	-	1,766	-
Closed pharmacies	990	734	319	197	55	-

Key points

- ✓ Pharmacy sales increase was due primarily to sales of 40 new pharmacies in FY2011 (including M&A with 10 pharmacies)
- ✓ The company will open 53 new pharmacies in FY2013. (including M&A with 16 pharmacies)

Pharmacies (Number of Prescriptions and Pharmacies)

Pharmacies

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Total (excluding 2 Over-the-counter)	258	287	328	366	417	51
Hokkaido	3	3	13	21	21	0
Tohoku	12	14	14	15	16	1
Kanto	31	43	55	65	80	15
Chubu	43	46	48	51	56	5
Kinki	12	15	20	23	36	13
Chugoku/Shikoku	40	45	48	52	59	7
Kyushu	117	121	130	139	149	10

Newly open pharmacies

	FY2008	FY2009	FY2010	FY2011	FY2012	
						change
Newly open	8	31	46	40	53	13
including, M&A	0	8	10	10	16	6

The latest M&A with pharmacies

FY2011

10 Pharmacies

Maeda Co, Ltd
Shinkugenuma Co, Ltd
Hibari Co, Ltd

FY2012

16 Pharmacies

Soutai Co, Ltd Hikari Co, Ltd
Obata Co, Ltd Sumiredo Co, Ltd
Azabu Co, Ltd Irie Co, Ltd
Yataya Co, Ltd Mori Co, Ltd

Key points

- ✓ The number of pharmacies increased in Kanto, Kinki and Kyushu areas.

FY2012 Financial positions

(¥millions)

	FY2011	FY2012		Main factors
			Change	
Total Assets	53,160	57,138	3,977	
Current assets	28,592	30,184	1,592	
(Cash and deposits)	4,004	5,115	1,111	
(Notes and accounts receivable-trade)	14,823	14,327	▲ 495	
(Inventories)	3,928	4,973	1,044	
Noncurrent assets	24,568	26,953	2,385	
(Property, plant and equipment)	17,315	18,799	1,483	Buildings and structures + 1,805 Acquisition of serviced housing for elderly
Total Liabilities	33,648	35,501	1,853	
Current liabilities	21,709	23,437	1,728	
(Notes and accounts payable-trade)	13,414	15,065	1,651	
Noncurrent liabilities	11,939	12,063	124	
(Interest-bearing debt)	14,579	14,330	▲ 249	
Total net assets	19,511	21,636	2,124	Net income + 2,532 Dividend payments △541
Total liabilities and net assets	53,160	57,138	3,977	
Net assets per share	¥2702.78	¥2993.28	—	

FY2012 Cash flows

(¥millions)

	FY2011	FY2012		Main factors
			Change	
Net cash provided by operating activities	4,484	7,269	2,785	
(Income before income taxes and minority interests)	4,762	4,460	▲ 302	
(Depreciation and amortization)	2,821	3,267	446	
(Decrease (increase) in notes and accounts receivable-trade)	▲ 3,408	622	4,031	
(Income taxes paid)	▲ 1,850	▲ 1,807	43	
Net cash used in investing activities	▲ 4,086	▲ 3,380	706	
(Purchase of own-used assets)	▲ 1,476	▲ 3,032	▲ 1,556	
(Purchase of investments in subsidiaries resulting in change in scope of consolidation)	▲ 1,971	▲ 455	1,516	
Net cash used in financing activities	▲ 170	▲ 2,777	▲ 2,607	
(Proceeds from long-term loans payable)	3,150	1,500	▲ 1,650	
(Repayment of long-term loans payable)	▲ 950	▲ 1,376	▲ 426	
(Repayments of lease obligations)	▲ 517	▲ 593	▲ 76	
(Repayments of installment payables)	▲ 1,372	▲ 1,755	▲ 383	
(Cash dividends paid)	▲ 469	▲ 541	▲ 72	
Net increase in cash and cash equivalents	227	1,111	884	
Cash and cash equivalents at end of period	3,984	5,095	1,111	
Investment in plant and equipment	▲ 1,702	▲ 3,107	▲ 1,404	

Financial indicators

		FY2008	FY2009	FY2010	FY2011	FY2012
Profitability	Net income per share	¥168.08	¥210.70	¥299.33	¥346.93	¥350.81
	ROA	8.3%	9.9%	10.5%	10.1%	7.9%
	Net income to shareholders' equity ratio (ROE)	8.6%	10.0%	13.1%	13.6%	12.3%
	EBITDA margin	5.1%	6.4%	8.2%	9.7%	5.3%
	ROI	14.6%	15.8%	16.5%	14.5%	12.3%
Investment	PBR	1.0	0.9	0.9	1.1	1.1
	PER	12.0	9.8	7.3	8.6	9.5
Safety	Capital adequacy ratio (Shareholder's equity ratio)	50.1%	43.3%	40.5%	36.7%	37.8%
	Net D/E	0.0	0.1	0.3	0.5	0.4
Dividend	Dividend per share	¥50	¥50	¥60	¥70	¥80
	Dividend payout ratio	29.7%	23.7%	20.0%	20.2%	22.8%

※ROA=Operating income ÷ Average of total assets Average of total assets=(Total assets at the beginning of FY+Total assets at the end of FY)/2

※EBITDA Margin=EBITDA ÷ Sales

※ROI=(Ordinary income + Interest expense/Discount expense) ÷ (Interest-bearing debts + Shareholders' equity)

※PBR=The market capitalization ÷ Net assets at the end of FY

The market capitalization=(Number of shares issued at the end of FY—Number of treasury stocks at the end of FY) × Stock price at the end of FY

※PER= The market capitalization ÷ Net income

The company has calculated PER by using actual net income for before FY2011, and FY2013 net income forecast for FY2012.

※Net D/E= Net interest-bearing debts (Interest-bearing debts—Cash and deposits —negotiable deposits) ÷ Shareholders' equity

Interest-bearing debts include lease obligations and long-term accounts payable-installment purchase.

Ⅱ . FY2013 Financial Result Forecasts and Medium-Term Management Plans

FY2013 Financial result forecasts

(¥millions)

	FY2012		FY2013 forecast		Change			
	Interim	Full Year	Interim	Full Year	Interim Change	Interim Change	Full Year Change	Full Year Change
Sales	40,003	86,658	45,466	100,044	5,463	13.7%	13,386	15.4%
Medical practice support	9,285	22,062	10,863	25,734	1,578	17.0%	3,672	16.6%
Consulting	575	1,334	777	1,901	202	35.1%	567	42.5%
Rental	2,742	5,795	2,888	6,128	146	5.3%	333	5.7%
Leasing/Installment	5,012	12,979	6,133	14,596	1,121	22.4%	1,617	12.5%
Others	955	1,952	1,064	3,107	109	11.4%	1,155	59.2%
Pharmacies	30,184	63,420	33,877	72,726	3,693	12.2%	9,306	14.7%
Others	533	1,175	725	1,584	192	36.0%	409	34.8%
Gross margin	5,943	13,155	6,516	14,770	573	9.6%	1,615	12.3%
SG&A	4,407	8,831	4,851	9,714	444	10.0%	883	10.0%
Operating income	1,535	4,324	1,665	5,055	130	8.4%	731	16.9%
Ordinary income	1,565	4,343	1,653	5,042	88	5.7%	699	16.1%
Net income	945	2,532	864	2,853	▲ 81	▲ 8.6%	321	12.7%
Net income per share	¥130.92	¥350.81	¥119.70	¥395.28	—	—	—	—

Topics

- ✓ There will be 384 practice start-up support projects. (An increase of 169 projects compared to FY2012).
- ✓ There will be 83 new pharmacies. (An increase of 30 pharmacies compared to FY2012)
- ✓ Leasing sales and design/construction sales will increase through composite transactions from practice start-up support.

Medium-term management policies

Grow as an attractive company through leveraging our 'DtoD' system & 'High-Value Pharmacies'

Main priority initiatives

1. Be a leader in the community through our DtoD system and high-value pharmacy offerings.
2. Take on new business involving regional health care network infrastructure
3. Grow with our employees, foster a corporate atmosphere that allows the free expression of opinions, and be a company that meets the needs of regional communities.



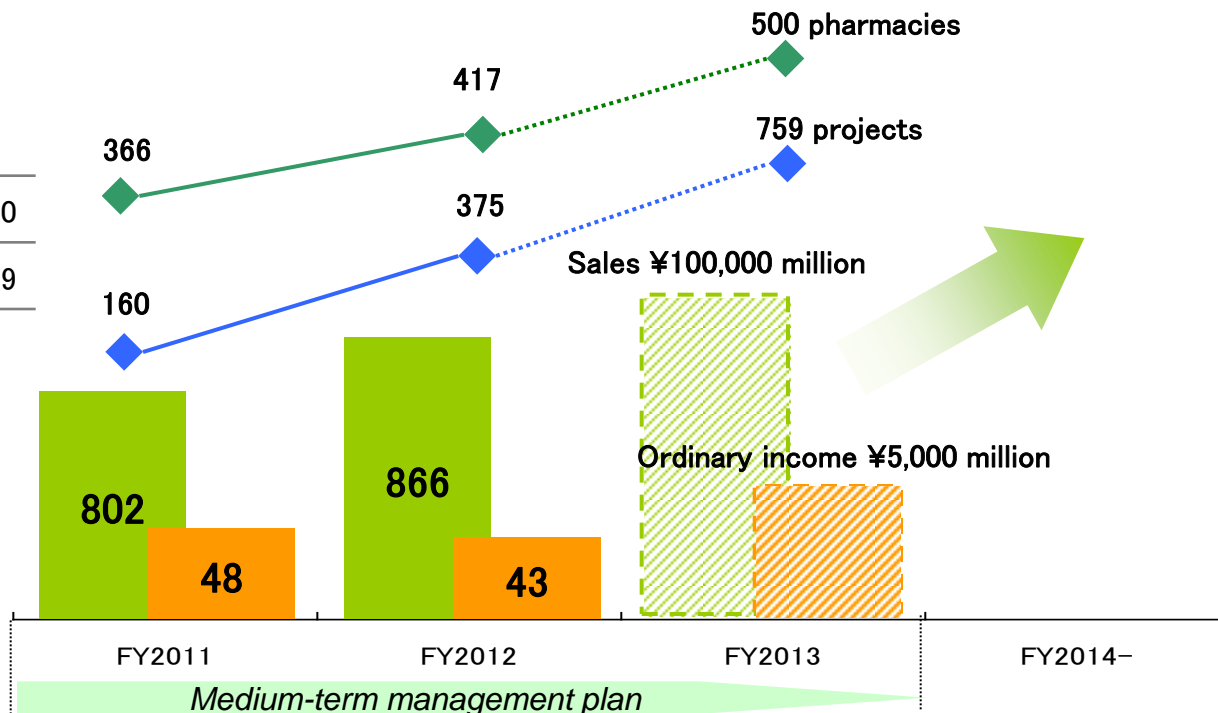
Creating the foundation to 'become No.1 in all areas'

- ✓ Strengthen qualitative and quantitative support for practice starts
- ✓ Expand the number of high-value pharmacies (increase number of openings, acquire prescriptions through DtoD operations, and enhance quality)
- ✓ Promote health care malls, management contracting, and facility leasing and other projects

Medium-term management plan Tracking (FY2011-FY2013)

Final (FY2013) Targets

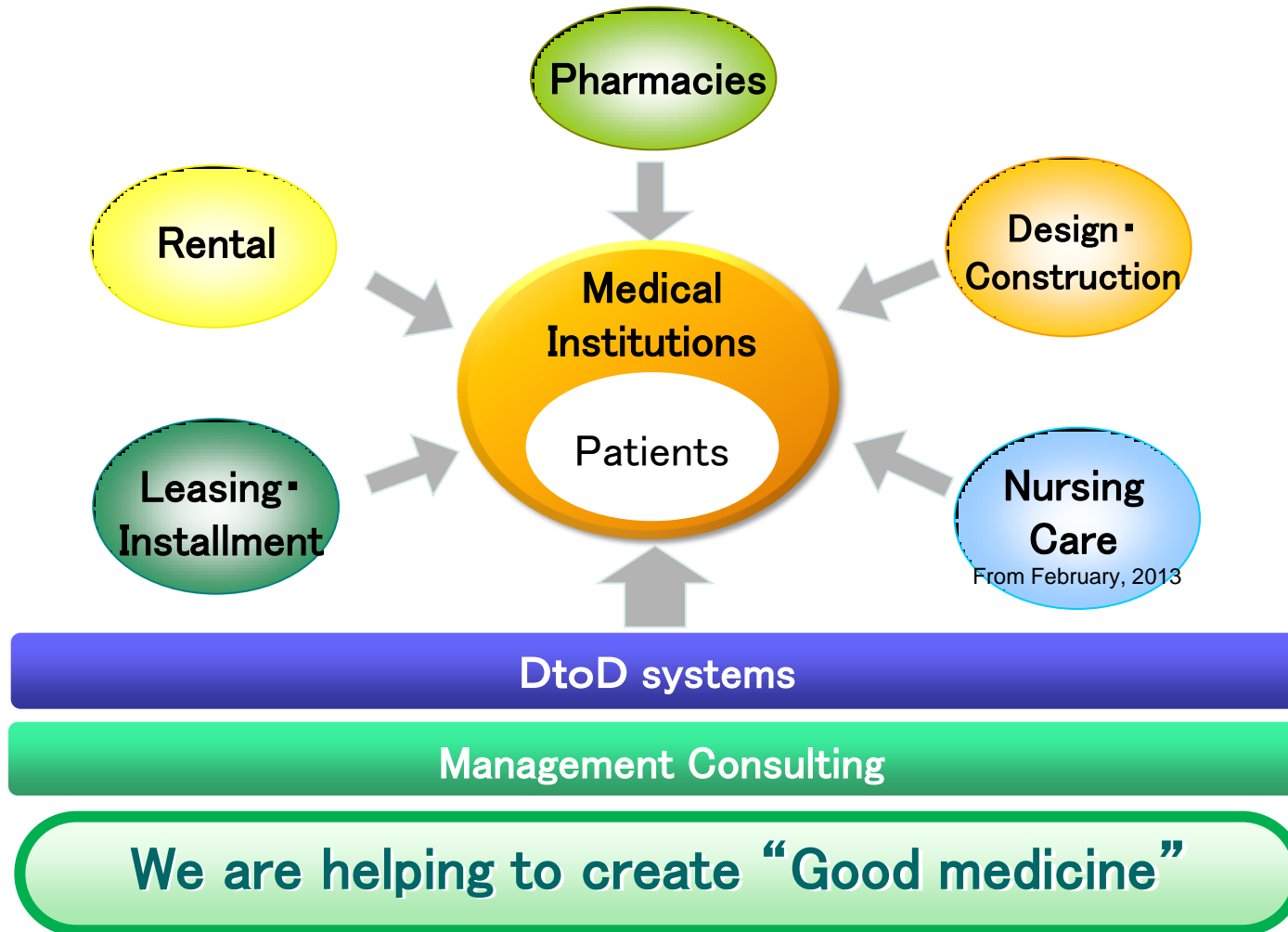
◆ Pharmacies	500
◆ Start-up support (projects)	759



	FY2011	FY2012	FY2013 targets
Pharmacies	366 pharmacies	417 pharmacies	500 pharmacies
Practice start-up support (3 Years total)	160 projects	375 (215) projects	759 (384) projects
Management contracting (including, visitation-type)	9 projects	12 projects	33 projects

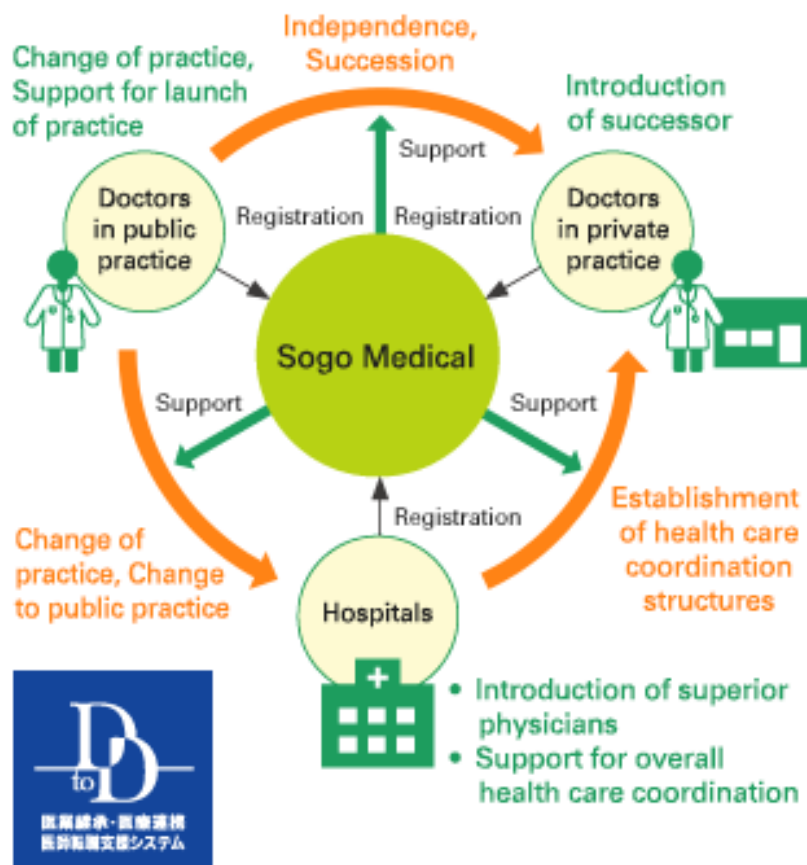
() : this year

The company will provide comprehensive medical management support based on our fundamental consulting services.



The company will continuously support regional health care services both actively and efficiently through establishing health care networks.

< D to D system >



The company will expand the opening of “High-value Pharmacies” through “D to D” systems.



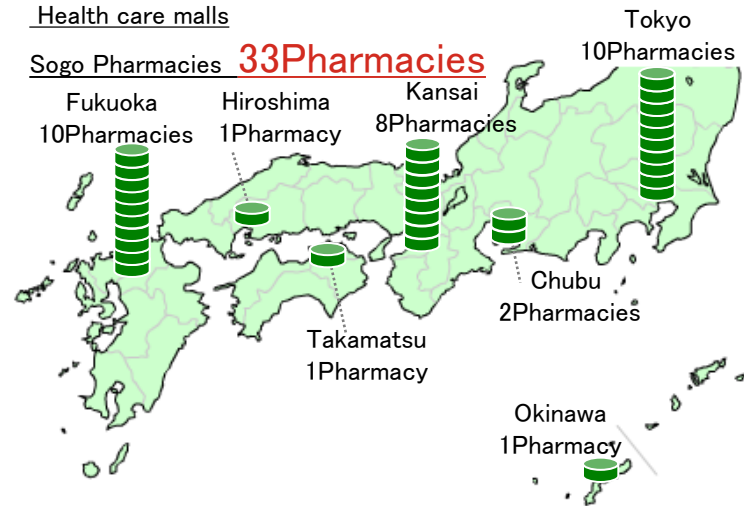
Strengthen qualitative and quantitative support for practice start-up

Strengthen practice start-up support

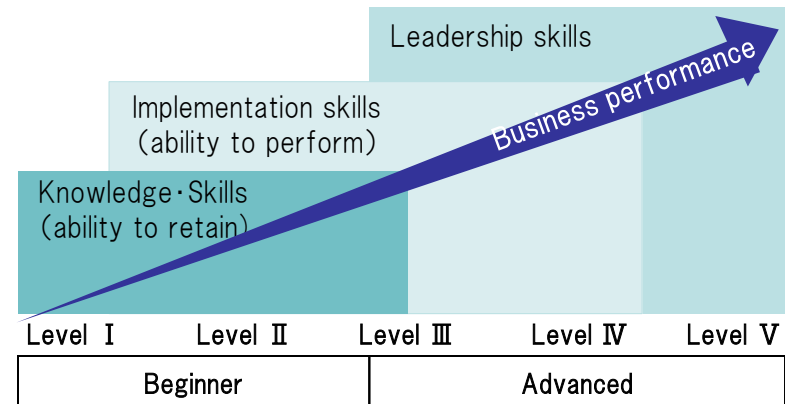
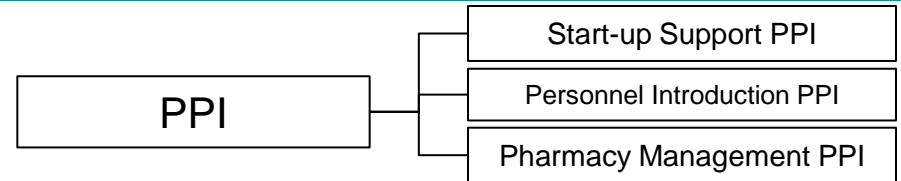
- Renew practice start-up support training program (PPI) for sales managers
- Hold clinic-opening seminars (Hold 16times in FY2012)
- Increase registrations (Doctors wishing to transfer or start-up practices)
- Strengthen office functions
- Strengthen development expertise (Promote health care malls and other projects)

Example

Practice start-up support seminar in Osaka (52 Participants)



PPI Internal Certifications for management-Level Employees



Increase the number of 'high-value pharmacies'

The company will increase high-quality pharmacies through new openings, meeting both doctors, and regional health care needs.

Increase the number of newly open pharmacies

FY2013 targets **83** Pharmacies

Practice start-up support + Newly open pharmacies

The company will open new pharmacies efficiently, linking with practice start-up support based on regional needs.

Health care malls + Newly open pharmacies

The company will attract doctors to start-up private practices by developing health care malls, and practice start-up support. The company will provide regional health care services and manage efficient medical facilities with many patients.

Acquired prescriptions through 'D to D' operations

Practice start-up support nearby existing pharmacies

The company will support practice start-up near existing pharmacies, fostering smooth relations between pharmacies and practices, and encouraging new demand for prescriptions.

Introduction of successors nearby existing pharmacies

The company will support the introduction of successors near existing pharmacies. As a result, the company will help to sustain the provision of regional health care actively and continuously acquire prescriptions.

Plastic surgery (start-up in April, 2012)

Before

Before

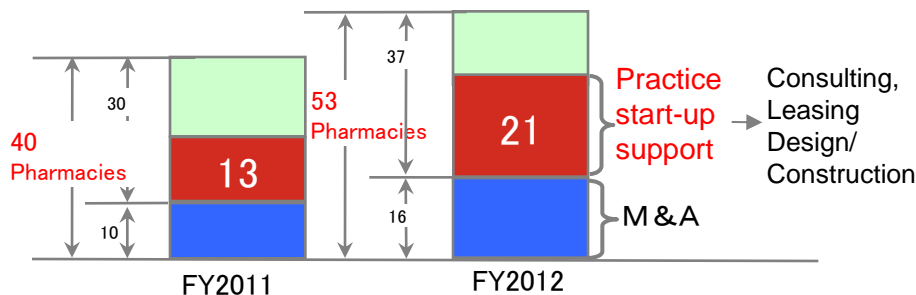


After

After



[Reference] Ripple effect on DtoD (newly open pharmacies)

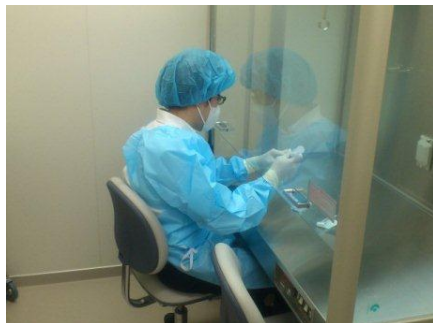


Enhance the quality of 'high-value pharmacies'

The company has an OJT system to maximize pharmacists' occupational functions.

Develop home-delivery pharmacy service

- Strengthen home-delivery pharmacy service based around residential dispensing center
- Promote connections with residentially focused medical institutions
- Get involved with palliative care and nutritional support
- Connect with Sogo Care Network Co, Ltd. (Nursing care)



▲ Sogo pharmacy Yukuhashi residential dispensing center

▲ Sogo pharmacy, Aoto residential dispensing center, clean room

OJT training system for different levels of pharmacist

GOES: Gradable OJT Educational System

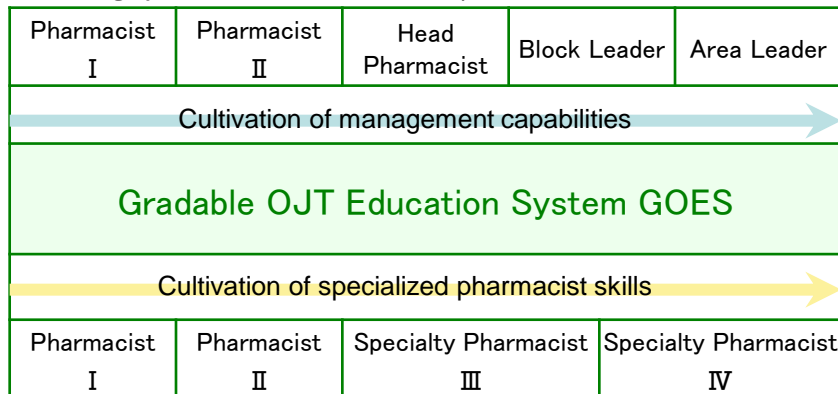
A step-by-step approach to help pharmacists acquire skills, techniques, and attitudes.

- Knowledge of medical care (pharmaceuticals, clinical state)
- Communication Skills (SP training)
- pharmaceuticals (medication history, changing to generic drugs)

Assessment of pharmacists' ability at individual level.

Instilling confidence and ensuring safety regarding the appropriate use of pharmaceuticals through team medical care.

▼ Training system for different levels of pharmacist



Enhance the quality of 'high-value pharmacies'

The company has an OJT system to maximize pharmacists' occupational abilities.

Generate new added value through 'high-value' pharmacies

- Cultivation of management capability
- Training program for pharmacist specialization
- Internal academic conference
- Generic drugs
- Risk management (dispensing errors)
- Sports pharmacist
 - support for athletes together with doctors–
- Pharmacist in charge of cancer or diabetes
- Senior nutritionist support for nutritional consulting
- Develop concierge function
- Support for self health care
- Support for school health
- Pharmacies cooperating with hospitals and other pharmacies
- Support for drug treatment through physical assessment



▲ Pharmacist in charge of cancer or diabetes



▲ Guidance by a concierge



▲ Senior nutritionist support for diet consulting



▲ Physical assessment training

Health care malls

Shiboguchi clinic mall (Start-up in June, 2012)



Clinical department

Internal medicine
Pediatrics

Practice support

Start-up consulting
Leasing
Design • Construction
Pharmacy

Itami Gyoukimachi clinic mall (Start-up in November, 2012)



Clinical department

Internal medicine
Pediatrics

Practice support

Start-up consulting
Leasing
Design • Construction
Pharmacy

Management contracting

Spine clinic (Start up in February, 2013)



Practice support

Start-up consulting
Leasing
Design • construction
Pharmacy



Ebetsu suzuran hospital (Start up in April, 2012)



Practice support

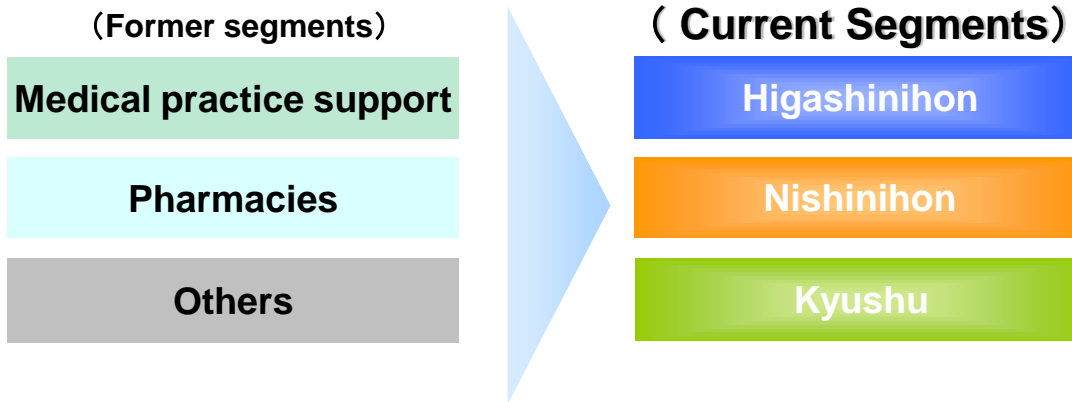
Consulting
Doctor introduction
Lease
Guarantee of obligation
Rental



Ⅲ. Segments by region

Regional segments (From April, 2012)

The company has changed its segments to provide health care services based on regional community needs.

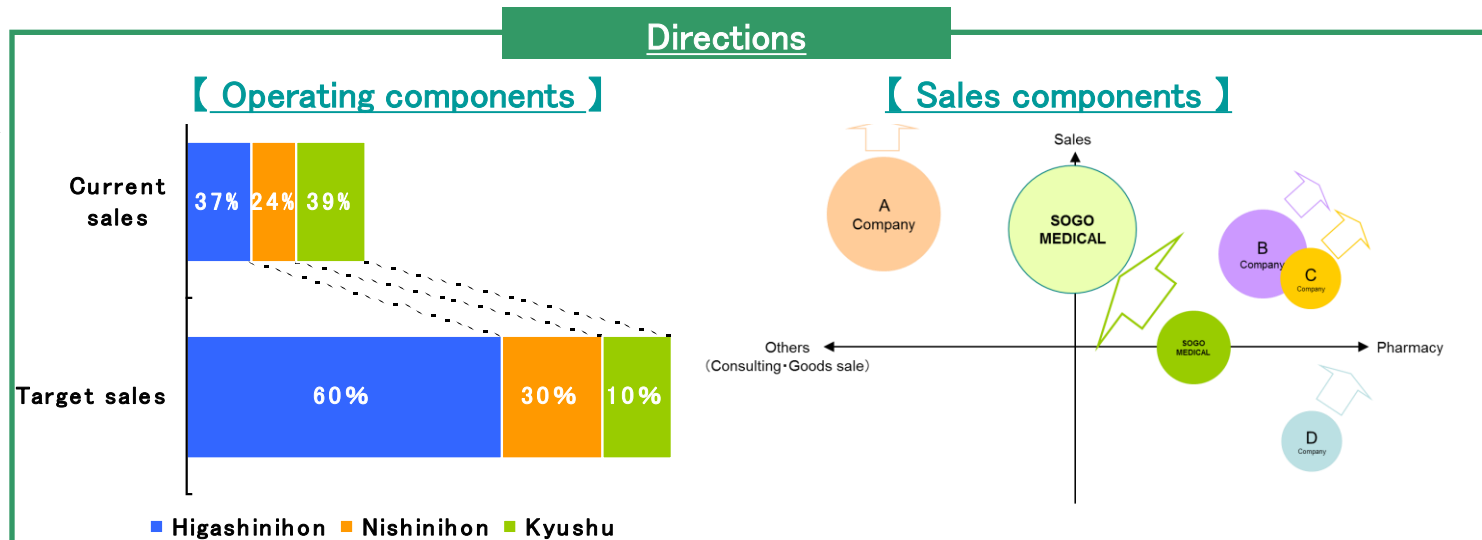
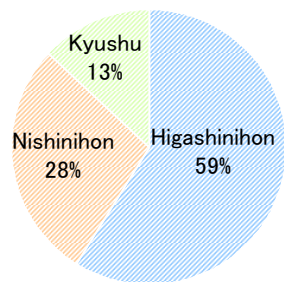


- 1 Segments the authority to meet regional needs
- 2 Develop health care services needed by a regional community
- 3 Build operating structures corresponding to the market scale

The company has built a operating structure corresponding to the market scale.

Market scale

< National health expenditure >



※Resource:

Overview of Japanese medical care expenditure in FY 2008 (Ministry of Health, Labor and Welfare)

※A circle indicates the market capitalization.

FY2012 Segment sales/ Operating income

【Sales】

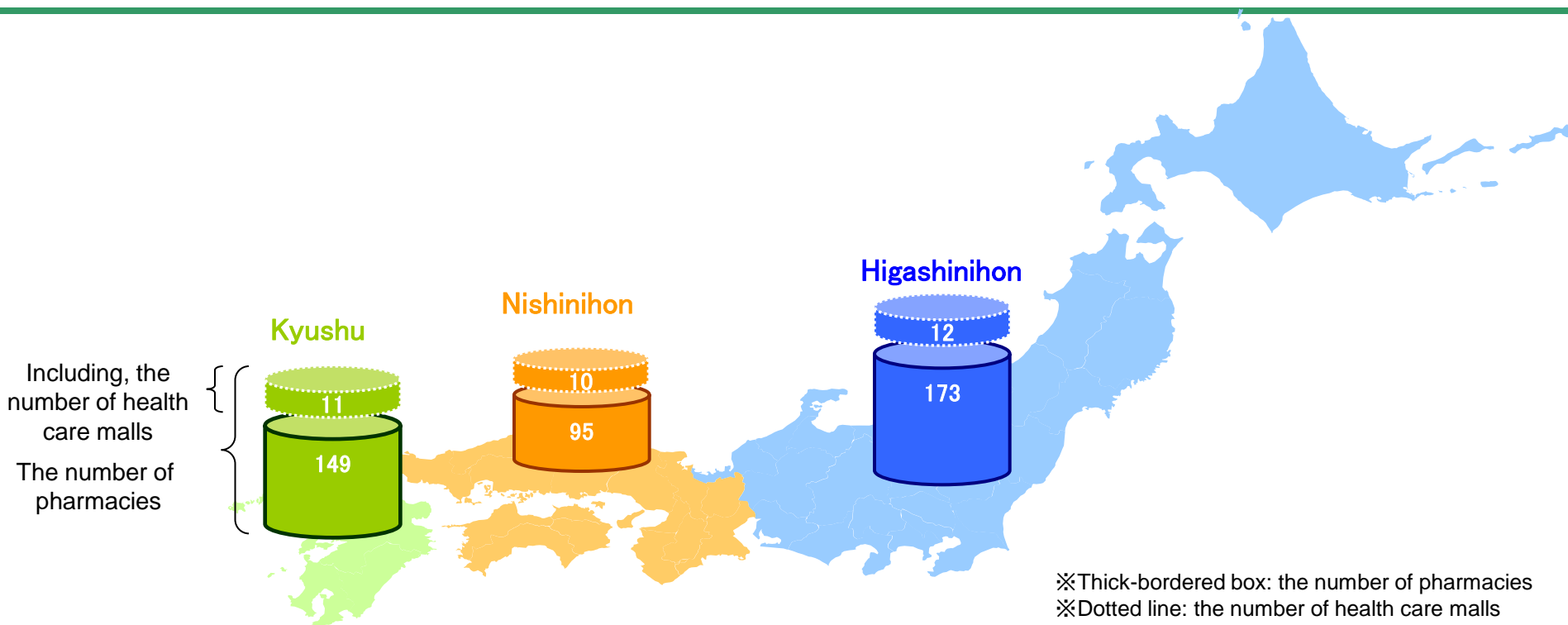
(¥millions)

	FY2011	FY2012	Change	Change	Main factors
Sales	80,222	86,658	6,436	8.0%	
Higashinohon	28,223	31,747	3,523	12.5%	Sales increased, despite reactionary drop after high TV replacement demand.
Medical practice support	7,621	8,145	523	6.9%	Leasing/Installment sales increased
Pharmacies	20,601	23,601	3,000	14.6%	New pharmacies and M&A increased pharmacy sales.
Nishinohon	18,664	20,067	1,402	7.5%	
Medical practice support	6,038	6,341	302	5.0%	Leasing/Installment sales increased.
Pharmacies	12,625	13,725	1,099	8.7%	New pharmacies increased pharmacy sales.
Kyushu	32,010	33,249	1,238	3.9%	
Medical practice support	6,243	7,184	940	15.1%	Leasing/Installment sales and consulting sales increased.
Pharmacies	25,766	26,065	298	1.2%	
Others	1,324	1,595	271	20.5%	

【Operating income】

(¥millions)

	FY2011	FY2012	Change	Change	Main factors
Operating income	4,848	4,324	▲ 524	▲ 10.8%	
Higashinohon	1,282	1,282	0	0.1%	Operating income increased, despite amortization increases.
Nishinohon	1,246	989	▲ 256	▲ 20.5%	Salaries increased.
Kyushu	2,390	2,256	▲ 133	▲ 5.5%	
Others	353	247	▲ 105	▲ 29.7%	



	Practice transfer support (projects)	Practice start-up support (projects)	Doctors wishing to transfer or start-up practice ※	Pharmacies		Leasing sales through practice start-up support	Succeed Members	
				open in FY2012	in health care malls			
Total	4,279	215	39,479	417	53	33	1,910	1,434
Higashinihon	2,078	97	23,841	173	21	12	1,235	278
Nishinihon	1,632	63	10,229	95	20	10	377	378
Kyushu	569	55	5,409	149	12	11	297	778

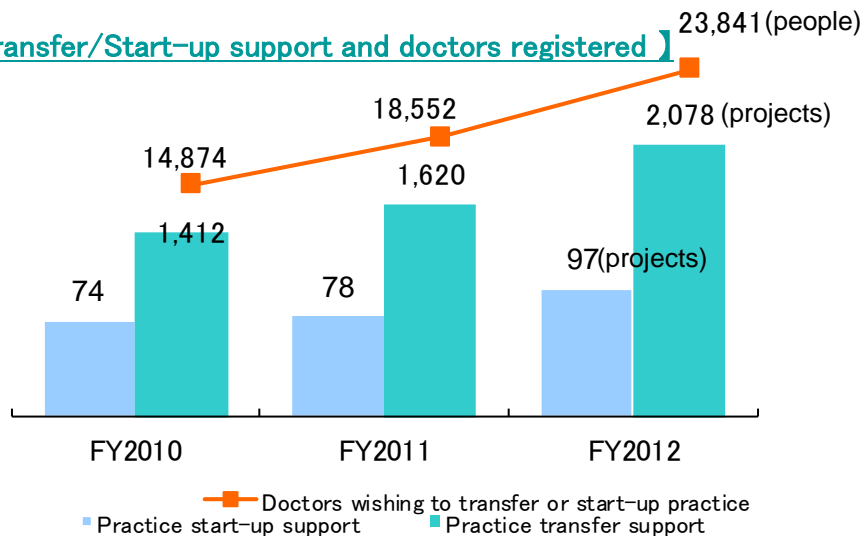
※In total 40,778 doctors were registered, including 1,299 doctors were not registered in a specific region.

Higashinihon Office

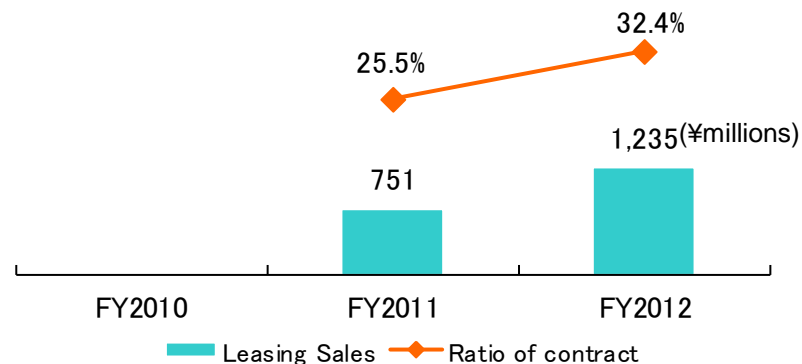
-Pursuing new added value

The scale of the market in this region of the country is large, Higashinihon Office leads the company through pursuing new added value.

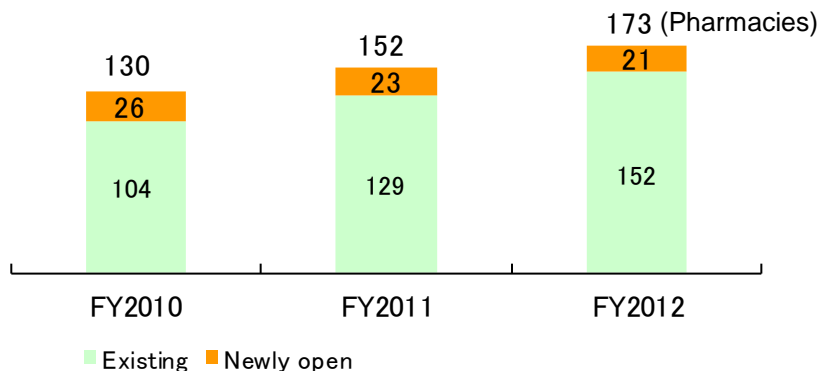
【 Transfer/Start-up support and doctors registered 】



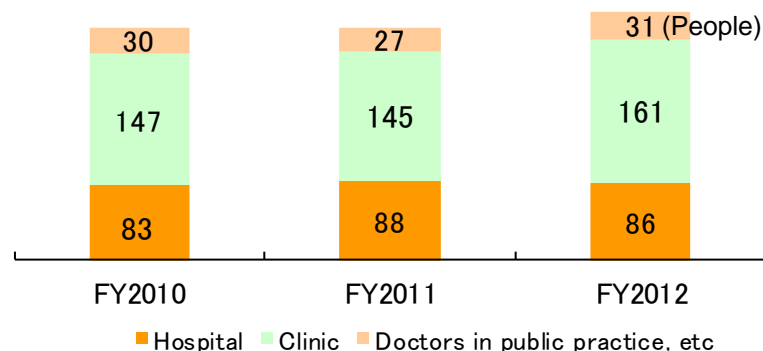
【 Leasing sale through practice start-up support 】



【 Pharmacies 】



【 Succeed Members 】



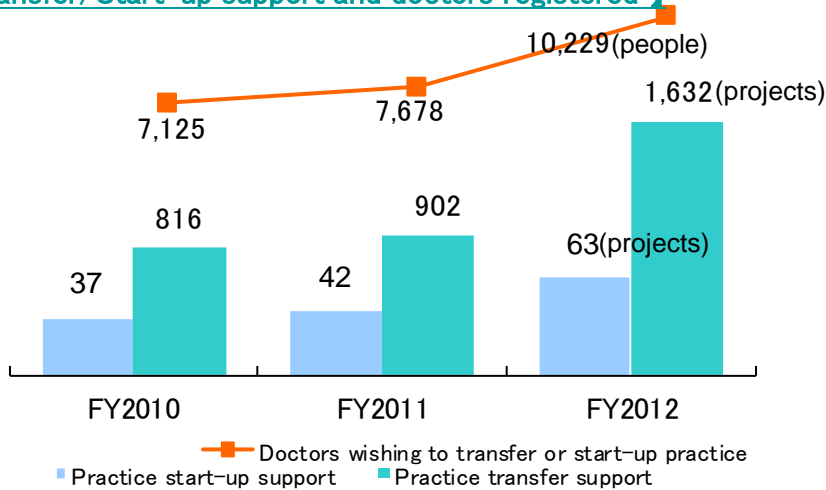
※including M&A

Nishinihon Office-Establishing the brand

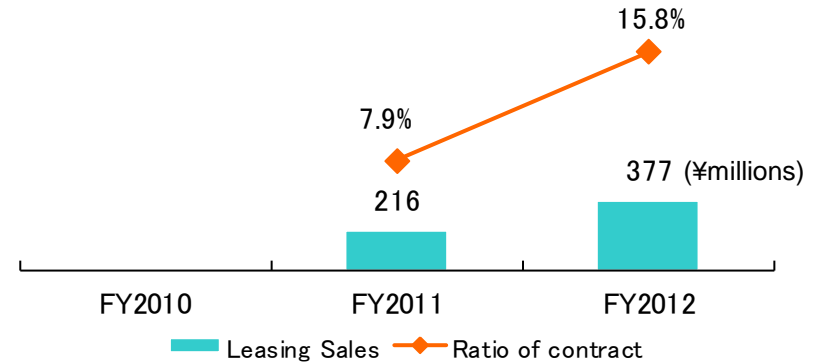


Nishinihon office aims for an overwhelming the company's establishment of brand through practice start-up support and opening health care malls.

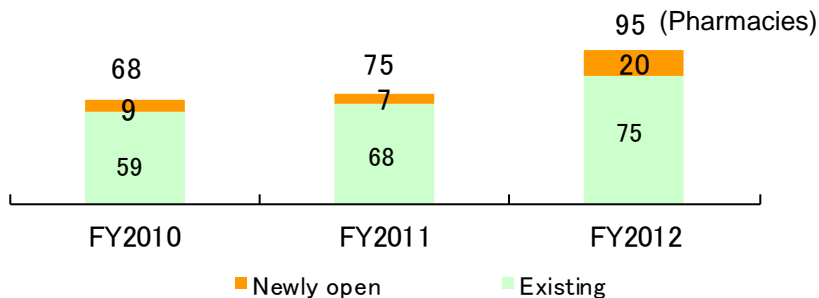
【 Transfer/Start-up support and doctors registered 】



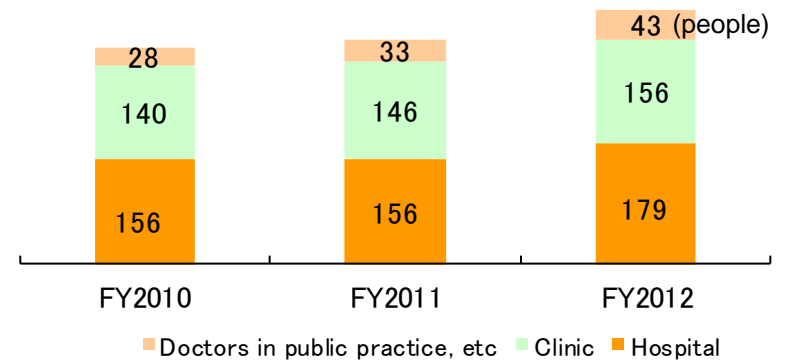
【 Leasing sale through practice start-up support 】



【 Pharmacies 】



【 Succeed Members 】



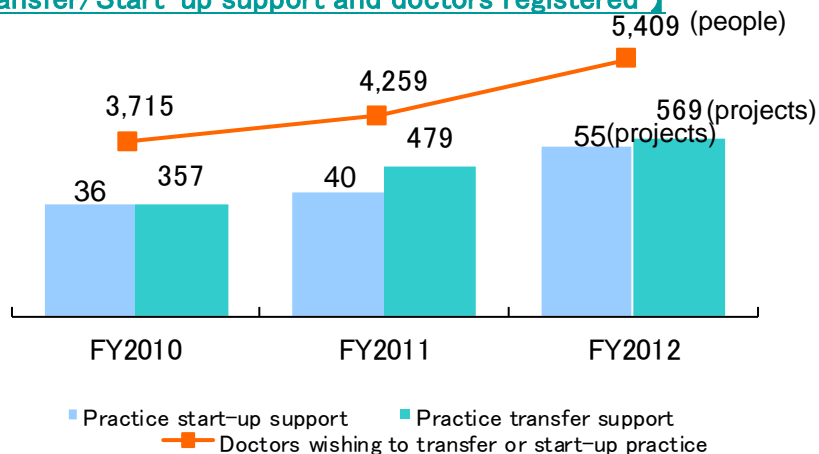
※including M&A

Kyushu Office

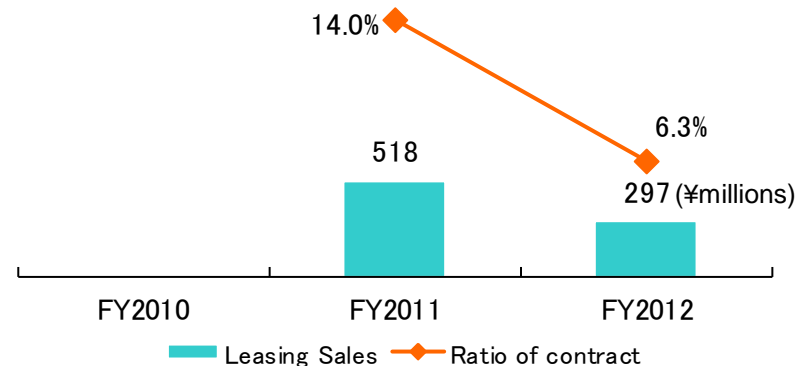
-Leveraging abundant assets

By leveraging the abundant assets that the company has built up in our place of origin, Kyushu office aims to springboard the company to the next stage of growth.

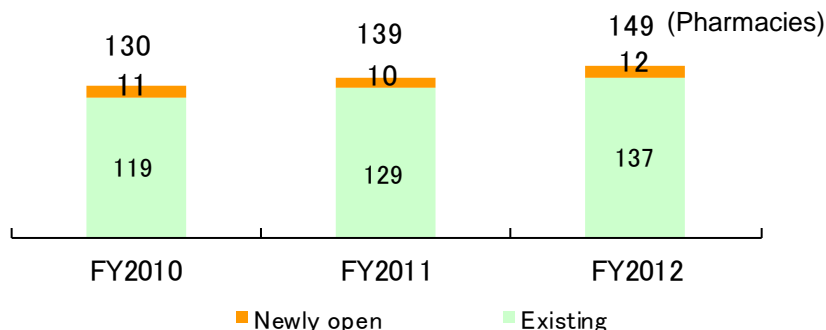
【 Transfer/Start-up support and doctors registered 】



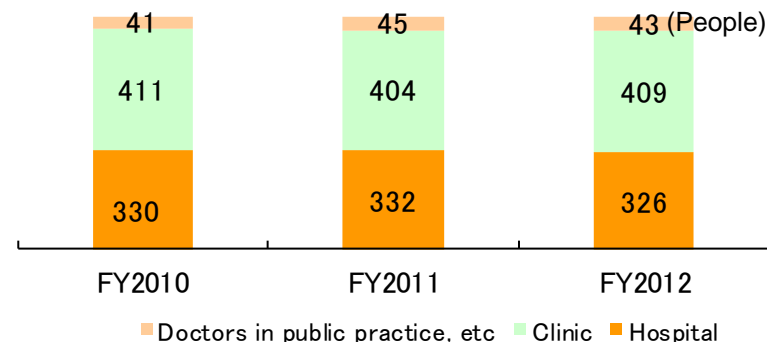
【 Leasing sale through practice start-up support 】



【 Pharmacies 】



【 Succeed Members 】



※including M&A

(projects)

	FY2011	FY2012	FY2013 targets	Change
Practice start-up support	160	215	384	169
Higashinohon	78	97	205	108
Nishinohon	42	63	123	60
Kyushu	40	55	56	1
Newly open pharmacies	40	53	65	12
Higashinohon	23	21	31	10
Nishinohon	7	20	19	▲ 1
Kyushu	10	12	15	3

※ The company's targets for newly open pharmacies in FY2013 includes 18 pharmacies through M&A activities.

Our Pledge

We shall, in our own lives, highly value the irreplaceable lives of others.

We shall strive always to be right-thinking, grateful, diligent, modest, honest, refined, straight and fair independent people.

We believe that our work contributes to the advancement of society and benefits many people, and shall therefore conduct our work responsibly and efficiently.

We shall not hesitate to do good nor prevent harm.

Mission Statement

We shall work to build a better society through good medicine.

Corporate Credo

1. We shall be a company that values each life as irreplaceable.
2. We shall be a good partner to our suppliers and earn their trust.
3. We shall encourage our employees to live full lives, and grow together with them as a company.
4. We shall seek to cultivate the character, skills, and insight of each employee, to meet our responsibilities both as a company as a whole and as individual citizens.

A good company has principles that everyone can agree with. SOGO MEDICAL's pledge dedicates our lives to valuing human life through our vocation and putting our hearts into our work. The Mission Statement, on the other hand, declares the Company's purpose, while our Corporate Credo outlines the assurances and promises we make to society.

“Good Medicine through Good Management”

Medical institutions like hospitals and clinics need good management to practice good medicine. Practicing good medicine from the outset, however, also results in good management. Therefore, good medicine and good management are both essential to the provision of efficient, high-quality health care. When treating patients, doctors have pride and a sense of mission that cause them to do everything in their power for the patient they are treating. Consequently, SOGO MEDICAL'S mission is to provide the institutional support that enables doctors to focus on the provision of this good medicine.

What is “Good Medicine”?

Medical care is based on patients. Health care is recognized by society and provides peace of mind to regional communities. Medical care is high-quality and efficient meeting people's needs at the time. Medical care is ongoing. Health care includes related areas such as preventive medicine and nursing care.



Explanation of the appropriate use of financial result forecasts.

These financial result forecasts are based on currently available information.
Actual financial results could differ from these forecasts due to various factors.

(The amounts are rounded down.)

Contact

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These presentation materials have been released on the following web page:

URL : <http://www.sogo-medical.co.jp/english/>