



MatsukiyoCocokara & Co.

**MatsukiyoCocokara & Co.**

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# **Medium-Term Management Plan**

**Fiscal year ending March 31, 2026 (FY2025)  
to fiscal year ending March 31, 2031 (FY2030)**

**May 9, 2025**

*This document is a translation of the original Japanese document for reference purposes only. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.*



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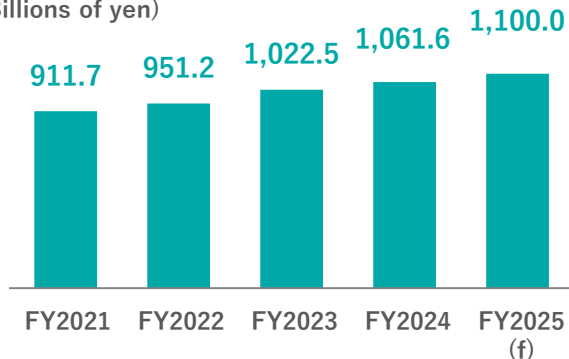
# Review of Results & Consolidated Earnings Forecasts (FY2025)

- Of the previous Group management targets to be achieved by FY2025, the final fiscal year of our plan, we **achieved our key targets for profitability, etc. ahead of schedule**
- Results for the fiscal year ended March 31, 2025 (FY2024) include **operating profit margin of 7.7% and ROE of 10.6%**

## Consolidated net sales

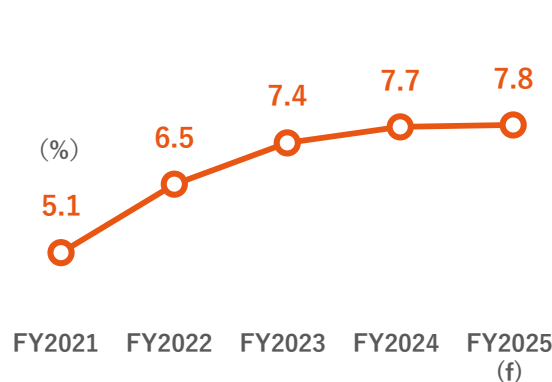
Net sales have grown to 1 trillion yen-level since merger

(Billions of yen)



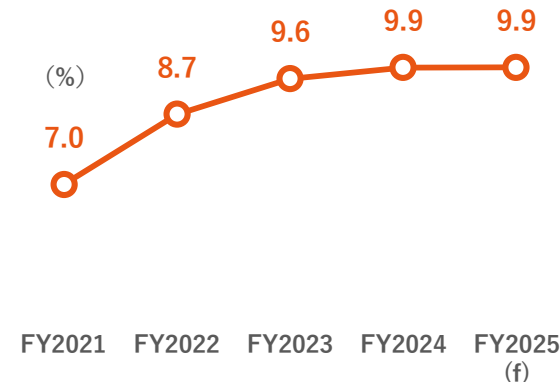
## Consolidated operating profit margin

Surpassed 7%; trending at high level



## EBITDA margin

Like consolidated operating profit margin, trending at high level over 9%



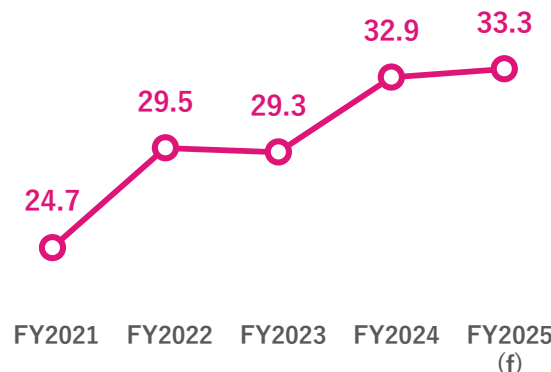
## ROE

High profitability helped ROE to surpass 10%



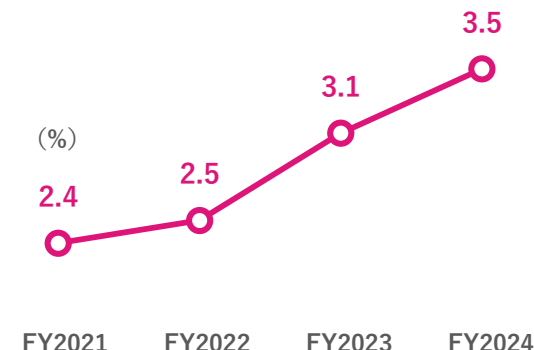
## Dividend payout ratio

Trending above the previous target of 30%



## DOE

Achieved the previous target of 3% due to high profitability and dividend payout ratio



### Notes:

- Results for FY2021 are simple aggregations of results for former Matsumotokiyoshi Holdings and former cocokara fine
- EBITDA = Operating profit + Depreciation and Amortization of goodwill
- EBITDA margin (%) = EBITDA ÷ Net sales

- We regard our philosophy, vision, and slogan set during the merger in 2021 as **goals to be pursued and put into practice**; we will retain these unchanged

## Management Philosophy

### Creating the future “normal” and innovating lifestyles

Foreseeing the future of health and beauty, and contributing to the realization of enhanced lives and livelier communities through the creation of new customer experiences.

## Group Vision

### Making health and beauty more delightful and accessible

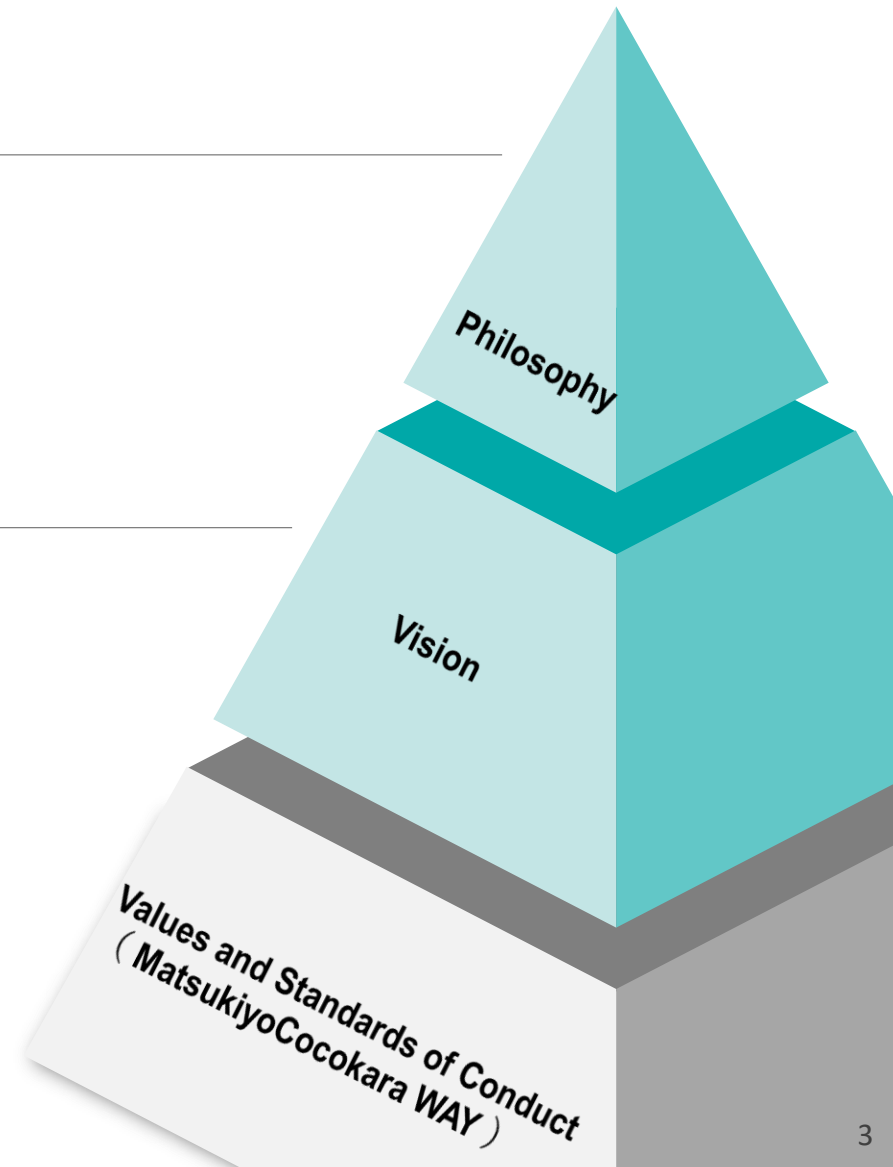
MatsukiyoCocokara & Co. will actively incorporate new technologies and ideas in the fields of health and beauty, aiming to make people's daily lives more fun and enjoyable.

MatsukiyoCocokara & Co. will continue to strive in its efforts to remain close and sensitive to the wishes and desires of consumers, and strive to deliver greater peace of mind and joy to the daily lives of people and their communities.

## Group Slogan

### Find your “!” wow

The “!” is pronounced “Wow”.  
Directly translated, it means “Find ‘! (surprise and joy)’”.  
It expresses our desire to have customers exclaim “Wow!” each time they visit, excited to see what new things we have to offer.



- We announced our basic approach of “**Co-creating and sharing value**” and **set 3 new key strategies**
- We set new Group management targets. The net sales target is for organic growth, with a separate target for revenue from our federation initiatives

**Aiming to become Asia’s No.1 drugstore and establish a leading position in the health and beauty fields**

## 3 key strategies

Basic approach **Co-creating and sharing value**

### (1) Differentiation strategy

Strengthen our unique platform business

### (2) Investment strategy

Invest in business infrastructure for co-creating value

### (3) Social contribution & returning profit to society

Practice sustainable management that contributes to the enhancement of corporate value

## Group management targets

(Fiscal year ending March 31, 2031 [FY2030])

Net sales (from organic growth) **¥1.3T** + Net sales (from federation initiatives) **α**

EBITDA margin **13% or more**

ROE **12% or more** × Dividend payout ratio **50%**

||

DOE (Dividends on equity) **6%**

## Notes

1. Net sales targets: Previous target included revenue from federation initiatives; this time targets are presented separately (organic growth + federation initiatives)
2. EBITDA = Operating profit + Depreciation and Amortization of goodwill
3. EBITDA margin (%) = EBITDA ÷ Net sales

- DNA cultivated since founding of pre-merger entities enabled us to grow continually and **achieve high profitability as a result of our merger**
- We achieved our key targets set at the merger ahead of schedule, and **have now created a new medium-term management plan targeting further growth**

Matsumotokiyoshi Group

- DNA since founding -  
Ingenuity & A new “normal”

Cocokarafine Group

- DNA since founding -  
Healthcare network

Achievement of key targets in the medium-term plan at the merger

- Done** ✓ **¥30.0B** in integration synergies
- Done** ✓ Consolidated operating profit margin of **7% or more**
- Done** ✓ ROE of **10% or more**

**Merger**  
(Oct. 2021)

Created new medium-term  
management plan for further growth

**Shift to high profitability**  
(FY2011)

New medium-term management plan

Consolidated  
operating profit margin  
**3.6%**

Consolidated net sales  
**¥562.3B**

**5.1%**

**¥1061.6B**

**7.7%**

1932 1937/1951 FY2008

FY2021

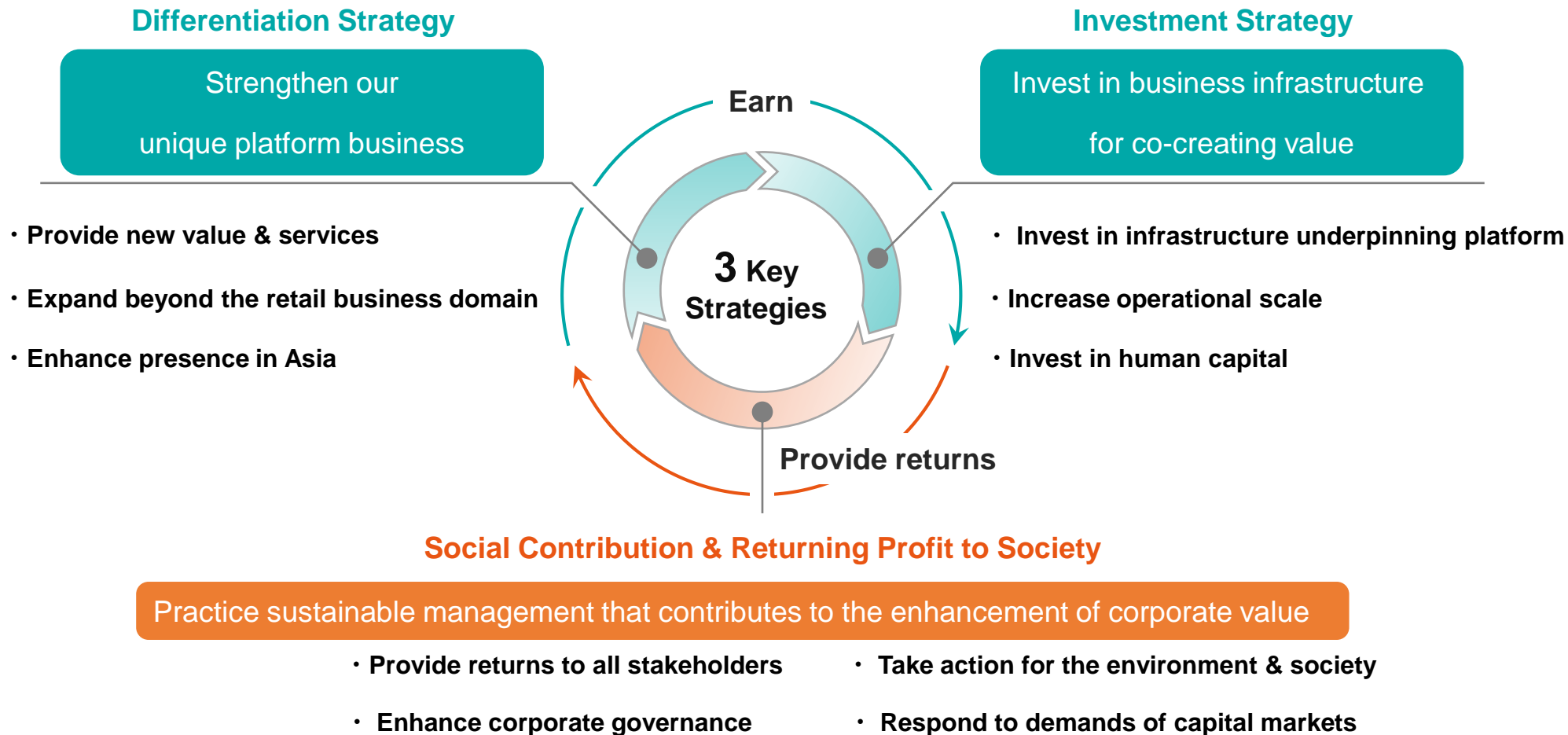
FY2024

FY2030

Note: Results prior to the merger in Oct. 2021 are simple aggregations of results for former Matsumotokiyoshi Holdings and former cocokara fine

- We are **pursuing 3 key strategies** to achieve our Group management targets for FY2030
- In line with our basic approach of “Co-creating and sharing value,” we are aiming to **enhance corporate value through a virtuous cycle of earning profits and providing returns to stakeholders**

### Basic Approach Co-creating and Sharing Value



# Story of Growth to Achieve Our Group Management Targets

- We are aiming to **achieve our FY2030 Group management targets** by steadily executing individual strategy promotion plans

## Key Strategies

## Main Initiatives & KPIs

## Group Management Targets

### Differentiation Strategy

Strengthen our  
unique platform business

### Investment Strategy

Invest in business infrastructure  
for co-creating value

### Social Contribution & Returning Profit to Society

Practice sustainable management  
that contributes to the enhancement  
of corporate value

(KPIs: Key performance indicators to be achieved by FY2030)

**KPI: Number of Registered customers 45 million**

- Boost customer lifetime value (LTV) by creating customer experiences

**KPI: Health & beauty to be 75.0% of total sales**

**KPI: PB products to be 15.0% or more of total sales**

- Increase PB & collaborative products in health & beauty fields

**KPI: Open 130–150 more stores/year in priority areas**

- Select & focus on areas mainly in major metropolitan regions

**KPI: Reduction of CO<sub>2</sub> emissions 40% (compared to FY2021)**

**KPI: Environmentally conscious PB product ratio 60%**

- Pursue carbon neutrality

**KPI: Employee awareness survey 3.94P**

**KPI: Percentage of female managers 30.0%**

**KPI: Percentage of independent outside directors 50% or more**

- Deploy measures to address issues identified in employee awareness survey

etc...

Net sales  
(from organic growth)

¥**1.3T**

+

Net sales  
(from federation initiatives)

**α**

EBITDA margin

**13%** or more

ROE

**12%** or more

Dividend payout ratio

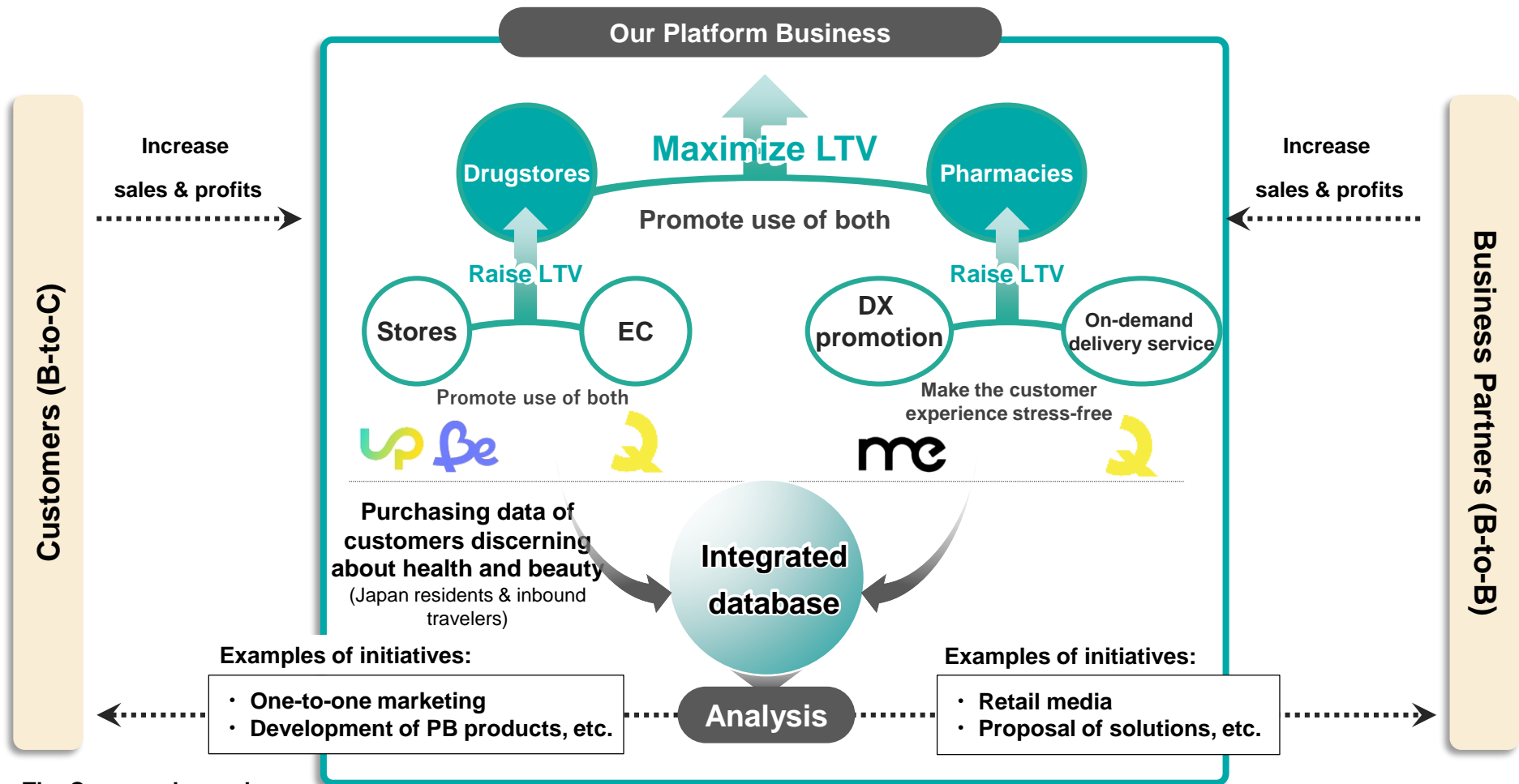
**50%**



# Overview of Key Strategies (Differentiation Strategy: Strengthen the Platform Business)

- We will seek to **maximize customer LTV\*** by improving convenience in our drugstore, pharmacy, and e-commerce (EC) operations to offer a seamless user experience
- We will **analyze our unique data** obtained from customers who are discerning about health and beauty **to expand our business domains including B-to-B**

\*LTV stands for lifetime value



## The Company's services

- |   |   |  |   |
|---|---|--|---|
|  MatsukiyoCocokara Q<br>► Store-to-home delivery service |  MatsukiyoCocokara Be<br>► EC beauty service |  MatsukiyoCocokara Me<br>► Digital pharmacy service |  MatsukiyoCocokara Up<br>► EC supplement service |
|---|---|--|---|

- We are maximizing LTV by offering more **services that enable unimpeded and seamless use of our EC sites, drugstores, and prescription pharmacies**

### MatsukiyoCocokara Q

Home delivery service's fastest option is same-day delivery for certain products. We are currently making use of the Group's resources to increase delivery areas. Service is eco-friendly, using minimal packaging & delivering by EV.



No. of delivery areas: **143**

High returning customer rate:  
**Approx. 50%**  
(As of March 31, 2025)

### MatsukiyoCocokara Be

A personal service using digital tech to closely match customers' beauty needs. Enables easy smartphone-based makeup simulation & skin/hair assessment; in addition to shopping at EC site, also offers online customer records used in-store.



**Be Makeup +**

⇒ Makeup simulator

**Be Skincare +**

⇒ Skin assessment & recommendations

**Be Haircare +**

⇒ Hair assessment & recommendations

**Be 360 +**

⇒ Personal account for checking online records

### MatsukiyoCocokara Me

Enhances convenience, cuts waiting times, and provides a seamless experience by using an app to digitize pharmacy services.  
(Further enhancement of functionality is planned)



**Sending prescriptions in advance**

⇒ Customers can use app to photograph their prescriptions and send them to pharmacies in advance.

**Pickup notifications**

⇒ When customers' medications are ready, pharmacies notify them via push notifications on their smartphones.

**Electronic prescription records**

⇒ App automatically records information about prescribed medications received (requires setup in app).

### MatsukiyoCocokara Up

Our branded service for over-the-counter drug & supplements. Customers will be able to enjoy our SUPPLEMENT bar seamlessly via EC.  
(Service not yet released)



When customers use the app to input their physical concerns and goals, a program supervised by registered nutritionists recommends supplements.

Customers can add nutrients they want or change delivery volumes according to their own lifestyles to have supplements tailored to their individual needs delivered to their homes.

# Overview of Key Strategies (Investment Strategy: Investment in Growth)

- During 6 years (from FY2025 to FY2030) of investment in growth, we are planning to invest **¥100.0B in opening and renovating stores and ¥60.0B in IT, including investment in systems**
- Other investments will include investing to implement our federation initiatives, alongside investing in human capital, overseas operations, and addressing climate change

## Investment in Growth

### Store-opening strategy

Investment amount (6 years)

Approx. **¥100.0B**

- **Select & focus on strategic areas for opening stores**
  - ✓ Acquire relative market share in major metropolitan regions
  - ✓ Shift resources to priority areas
- **Undertake branding that supports store-opening strategy**
  - ✓ Rebranding that raises store value (e.g., beauty flagship stores)
  - ✓ Open more dispensing pharmacies next to drugstores

### Federation initiatives

- **Conduct M&As to implement the federation initiatives**
- **Undertake collaborations and business alliances**

### Investment in human capital

- **Enhance health management & health investment; improve workplace environment**
- **Develop employees continuously & systematically to enable diverse human resources to play an active role**

### IT investment in systems, etc.

Investment amount (6 years)

Approx. **¥60.0B**

- **Respond to changing customer values**
  - ✓ Expand the platform business & improve functionality (e.g., enhance apps & store-based features)
- **Improve convenience and operational efficiency through DX**
  - ✓ Invest in the infrastructure underpinning the platform (For more sophisticated, efficient analysis)
  - ✓ Use IT technology for operational reform and advancement

### Overseas business strategy

- **Expand operations in the ASEAN region**
- **Achieve efficiency & contribution to earnings based on expansion of store network**

### Addressing climate change

- **Pursue carbon neutrality**  
(Contribute to decarbonized societies & circular economies)

- We are aiming for **¥100.0B in overseas net sales** by seeking to expand our operations in the ASEAN region and achieve efficiency & contribution to earnings

## Strategic theme

### Establishing the Matsukiyo brand in Asia

- ✓ Expand operations in the ASEAN region
- ✓ Achieve efficiency & contribution to earnings based on expansion of store network

Goals for  
FY2030

Overseas net sales  
**¥100.0B**

Consider as future target markets

Singapore

Macao

FY2028

New target market (planned)

Malaysia

FY2026

FY2024

Number of stores: 79

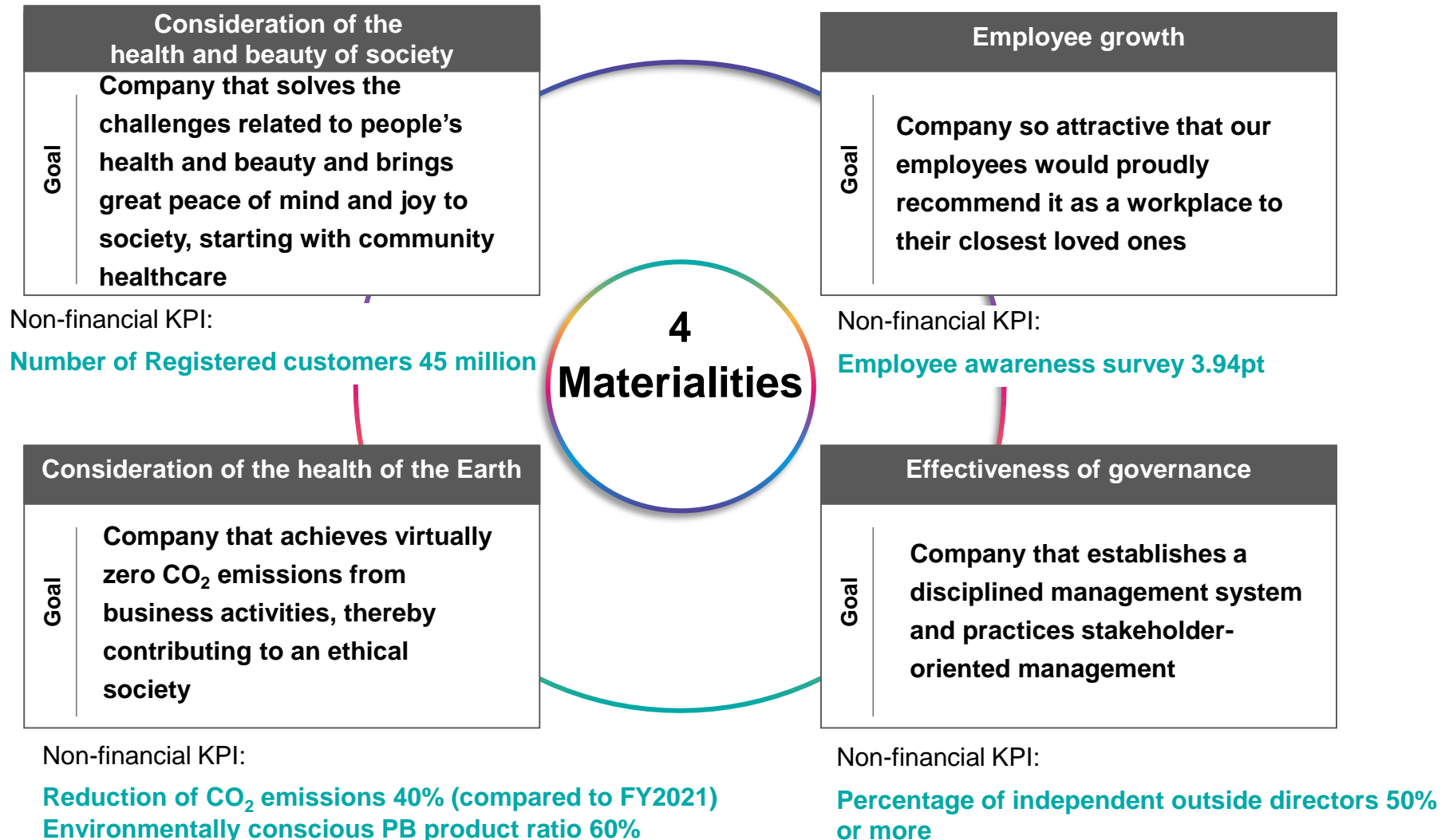
(As of March 31, 2025)

### Specific Initiatives

1. Open more of our stores in markets where we already have a presence
2. Build a global membership base
3. Strengthen marketing & collaborate on inbound travelers
4. Use PB products to differentiate ourselves and create markets
5. Build a distribution platform including an IT system, logistics, etc.

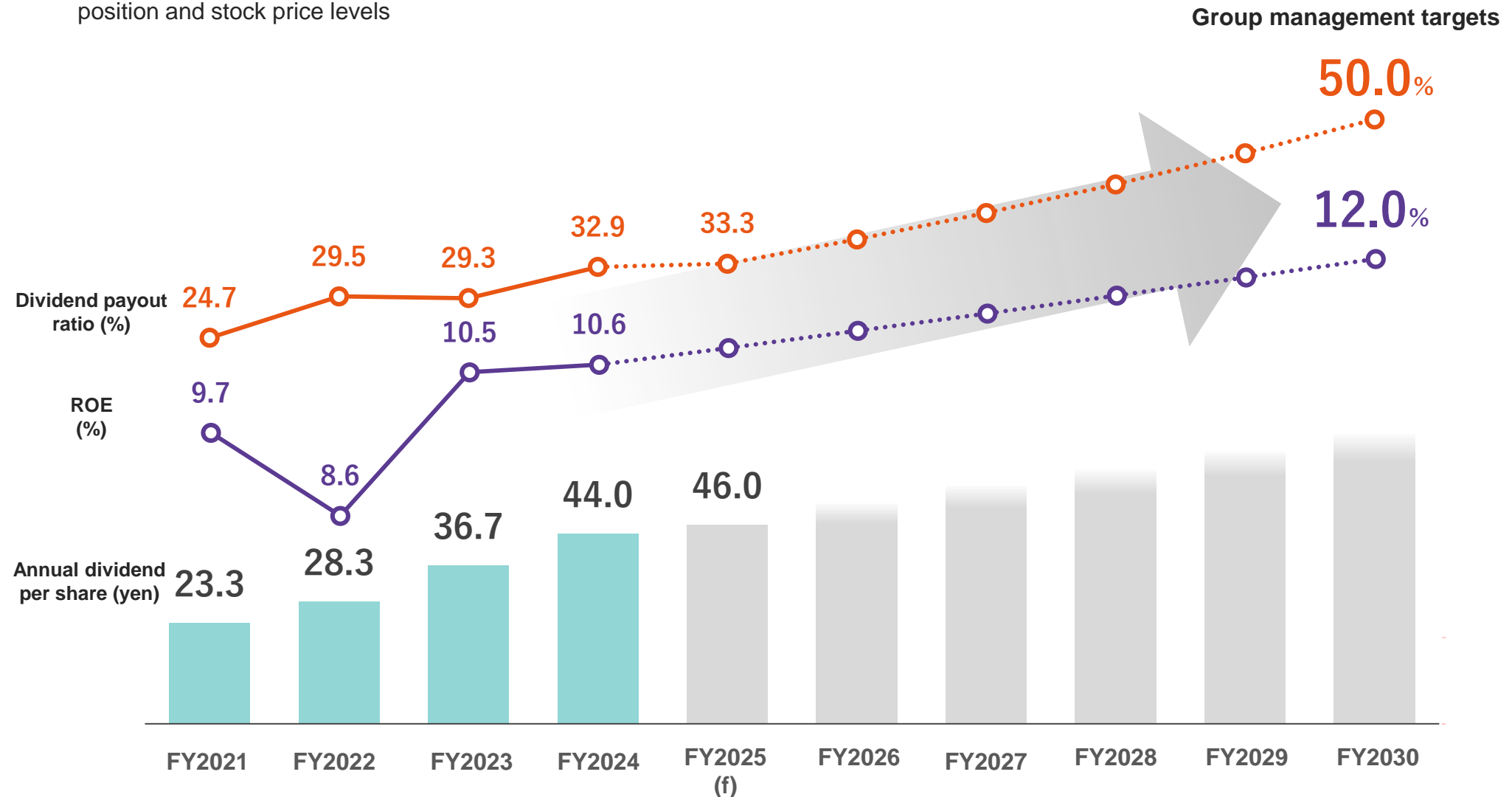
Note: The net sales figures presented above were converted into yen at the exchange rate effective on March 31, 2025

- We analyzed our business environment anew and **redefined 4 materialities**
- We will seek to **achieve the Group management targets and enhance corporate value** by achieving the associated non-financial KPIs



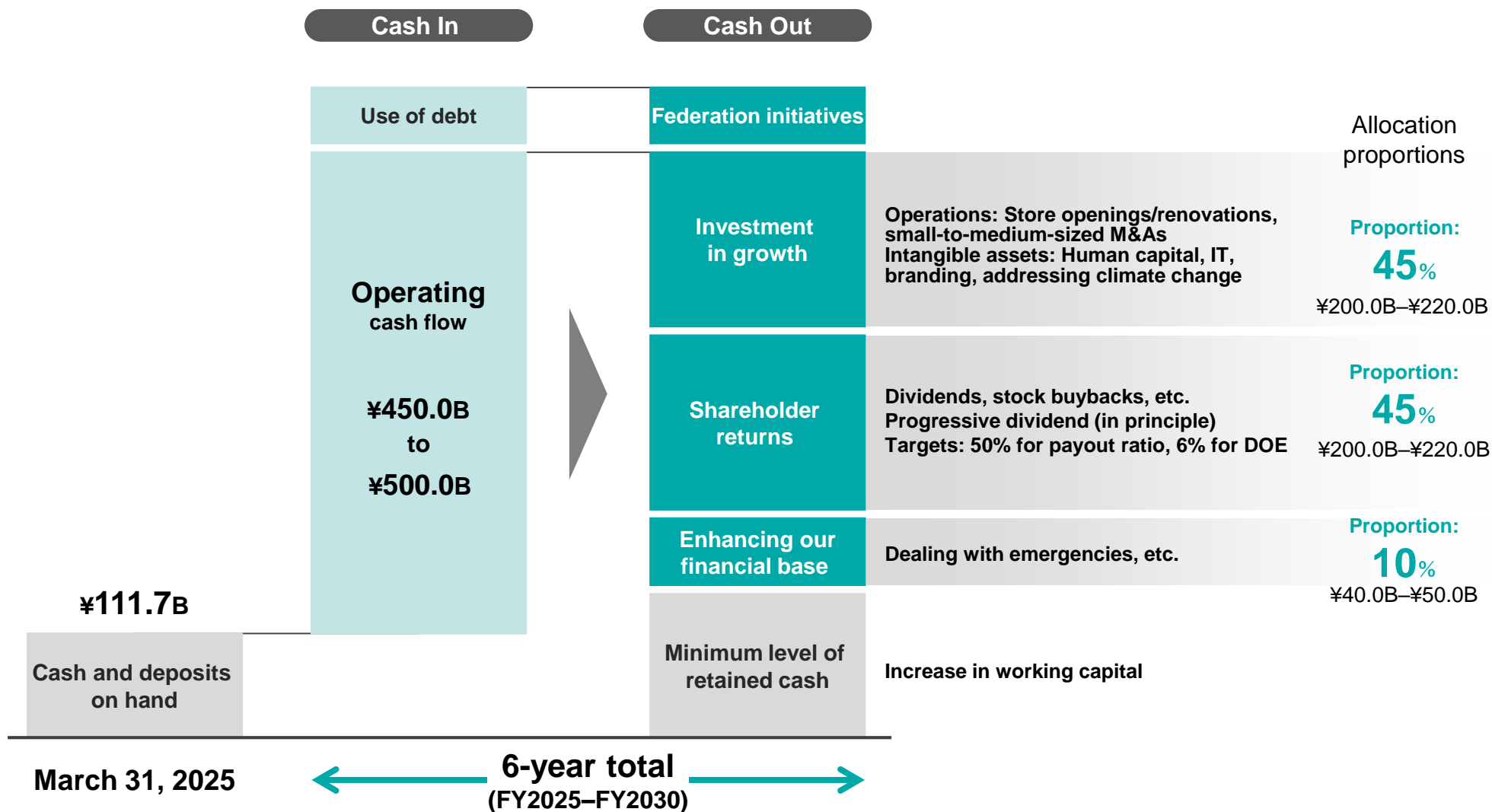
# Overview of Key Strategies (Social Contribution & Returning Profit to Society: Dividend Policy)

- We set targets of **6% for DOE (dividends on equity)** and **50% for the dividend payout ratio** in line with our **general principle of a progressive dividend**, whereby dividends are maintained or increased
- **We will aim to achieve ROE of 12% or more** by taking a flexible approach to stock buybacks, considering our financial position and stock price levels



# Approach to Cash Allocation (FY2025–FY2030)

- We will allocate operating cash flows, excluding retained cash, as follows:  
**45% for investment in growth, 45% for shareholder returns, and 10% for enhancing our financial base**
- For large-scale federation initiatives, we will also **consider the possibility of using debt**





# **MatsukiyoCocokara & Co.**

## **Cautionary Statement**

This document contains future outlooks such as plans, forecasts, strategies, and others which are not historical fact and these are made by the management's judgement based on the obtainable information at the time of the disclosure. Actual results may significantly differ from those future outlooks due to various factors.