

Corporate Profile



Aspiring to be a “omotenashi”-centered healthcare group that makes people’s minds and bodies healthier.



Atsushi Tsukamoto

President

Over the past two decades Japan has faced its share of major challenges, whether natural or manmade. In 1995 it was the Great Hanshin-Awaji Earthquake. In 2008 it was the collapse of Lehman Brothers and financial crisis. In 2011 it was the Great East Japan Earthquake. Today, with the population of those 65 and older surpassing 30 million in Japan, we need to escape from our conventional focus that puts the economy above all else and develop a new vision for society that is sustainable, considerate and inviting. Japan has also seen major shifts in its healthcare policies and programs. These shifts mark the beginning of the self-medication era where people will focus on preventing illness, undergoing less intensive or invasive treatments, and maintaining their health.

With this in mind, in April 2013 we integrated our six sales subsidiaries engaged in drugstore or pharmacy operations into a single entity and name it cocokarafine Healthcare Inc. These subsidiaries were Seijo Co., Ltd., Segami Medics Co., Ltd., Zip Drug Co., Ltd., Lifort Co., Ltd., Suzuran Co., Ltd., and Medical Index Co., Ltd. This new company will pursue even greater “omotenashi,” enhance our presence as a new hub of medicine fulfilling an important role in our customers’ lives, and help us offer “lifestyle solution stores” that make people’s minds and bodies healthier.

Under our management principle that states “To pursue healthy mind and body, and to contribute to the community,” our social mission going forward will be to build a community-based healthcare network that seamlessly integrates our drugstore, pharmacy, nursing care services and e-commerce operations, and to foster competent human resources that can satisfy society’s needs.

“Omotenashi” is Japanese for customer-oriented hospitality. By using the word “Omotenashi,” we mean first-class, personal service in the area of healthcare. In addition, we define “Omotenashi” in the following two ways:

- (1) “Basic Omotenashi,” where we aim to enhance value, site location, product line-up and service
 - (2) “Omotenashi Presentation,” where we make proposals that leverage our expertise.
- We aim to make both of these elements pillars of our operations and will make efforts to further strengthen each area going forward.

Management Principle

**To pursue healthy mind and body,
and to contribute to the community.**

Corporate Slogan

Realizing the “Omotenashi No. 1”

Management Policy (Social Responsibility)

**Establish a community-based healthcare network
Foster competent human resources that can satisfy society’s needs**



Brand Origin

The cocokara fine brand was born from the belief that we want to improve the health of our customers’ minds and bodies. The word Coco combines the word “co-work,” which refers to the relationship we maintain with our many different stakeholders, and the phrase “koko kara hajimaru” in Japanese which means everything starts from here.

Corporate Logo

Cocokara fine’s corporate logo was designed based on the keywords: “Active,” “Friendly,” and “Comfortable.”

The color coral was chosen for our corporate logo because of the comfort and peace of mind it affords. The “C” shape stands for cocokara fine, while the colon at right is used to articulate the fact that we play many roles for our customers.

The white cross formed between the “C” and colon represents our steadfast commitment as a pharmaceuticals dispenser to ensure safety, security and reliability for every customer.



To pursue healthy mind and body, and to contribute to the community.

As a company in pursuit of a healthy mind and body, cocokara fine is making contributions to the local community through its efforts to establish a community-based healthcare network and to foster competent human resources that can satisfy society's needs.

Mission

Establish a
healthcare

Drugstore Operations



We carry an extensive lineup of products essential to the health and daily living of consumers. These include products we have selected based on consumer needs and products we have planned and developed in-house. In addition to expert counseling services and product recommendations, we also set up health consultancy booths to help consumers with health issues and handout healthy recipes developed by managerial dieticians, as part of our broad commitment to health outreach.

Mission

Foster compe
that can satis

Nursing Care Services



To accommodate diversifying needs of nursing care today, we provide unique services that combine the strengths of our drugstore and pharmacy operations, operate assisted living homes to meet rising demand in society, and are expanding into other business domains in the segment.

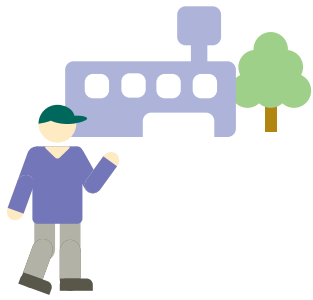


We will foster competent
satisfy society's needs by
generalists in each of our

E-Commerce



Linked with our drugstore operations, E-commerce seeks to enhance the shopping experience by offering the same extensive product line-up available in our stores and by offering loyalty reward points for online purchases that can also be used in our stores.

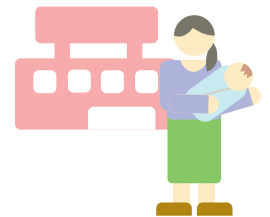


community-based network



Pharmacy Operations

We were among the first in the drugstore industry to move into pharmacy operations, and today we are actively promoting combined drugstore and pharmacy outlets as well as at-home dispensing services in order to deliver our industry-leading services to as many consumers as possible.



tent human resources
fy society's needs



Product Planning and Development



We are planning and developing products that satisfy customer needs more than ever, such as VIVCO cosmetics, which were born from customer feedback received at our drugstores.

human resources that can
developing specialists and
respective businesses



International Business



We are expanding our international operations mainly in key growth markets found in East Asia through wholly-owned local subsidiaries that directly operate stores and through partnerships with local companies. The ultimate goal is to deliver Japanese "omotenashi" to consumers around the world through our drugstores.



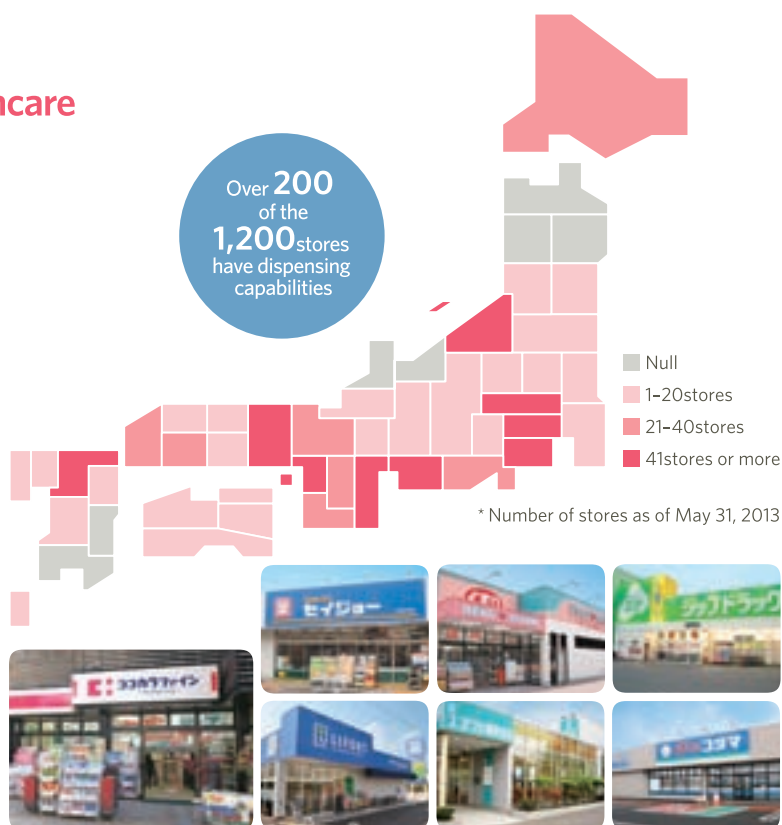
Drugstore and Pharmacy Operations

This company provides services that aim to ensure a healthy mind and body by maximizing customer-centric sales and leveraging our expertise and our dispensing capabilities.

Drugstore Operations provide healthcare services nationwide with an industry-leading number of stores

Cocokarafine Healthcare was established in April 2013 following the integration of six drugstore chains with long histories and extensive results that are rooted in regional communities. It provides community-based healthcare services through drugstores and pharmacy operations, the core business of the Group.

In Drugstore Operations, we have over 1,200 stores throughout Japan with a feature being that there are various formats and each store has a style that fits the branch area, location and customer base. We clearly demarcate ourselves from typical price-oriented drugstores by offering high-value-added service with a focus on customer-centric sales based on the wealth of specialized knowledge and consultation capabilities of our staff.



Aiming to be "Omotenashi No. 1"

1

Establishment of Omotenashi Strategy Department

■ Making Further Use of Customer Opinion

In our stores in each region of Japan, we gather the opinions of many customers and have received high marks for the ingenuity shown by store staff in the service provision. We set up the Omotenashi Strategy Department to make improvements at each store based on this feedback as well as accumulate success stories aimed at further strengthening initiatives to reflect these in services at other stores.

More and more cases born from customer opinion are being rolled out in different regions, including the introduction of a "water dispenser" that enables medicine to be taken immediately. By implementing initiatives such as these, we aim to be "Omotenashi No. 1" nationwide.



Water dispenser introduced following feedback from customers

■ In Order to Understand Customers Better

Member cards issued by each sales company were consolidated as the "cocokara club card" in April 2013 and a member's site was set up called "cocokara club." Health-related information and services are regularly released on the member's site to support customers. In addition, the consolidated of the cards has resulted in over 7.5 million members, and the huge amount of purchasing data will be analyzed and reflected in product development, store operations and sales promotion.



Newly consolidated "cocokara club card"

cocokarafine Healthcare Inc.



Pharmacy Operations aim to become the Pharmacy of Choice through dispensing capabilities proudly boasting top results in the drugstore industry

The cocokara fine Group started Pharmacy Operations ahead of others in the drugstore industry and has provided safe and secure dispensing services over the years. Through an accumulation of these results, we have secured No. 1 position in the drugstore industry, including dispensing fees, dispensing sales ratio and pharmacies that dispense over 1,000 prescriptions per month.

We are aggressively expanding our pharmacy network through stores with a drugstore and pharmacy under the same roof and outlets in medical malls while seeking synergies between Drugstore Operations and Pharmacy Operations. We are developing business with the aim of being the pharmacy of choice for regional customers that can provide high-value-added services to more and more customers.



Ranking in Drugstore Industry*

Dispensing Fees

No. 1
in the drugstore
industry

Pharmacies that
Dispense over 1,000
Prescriptions per Month

No. 1
in the drugstore
industry

Dispensing Sales
Ratio

No. 1
in the drugstore
industry

* Source : Drug Magazine July 2012

Aiming to be "Omotenashi No. 1"

2

Bolstering the Opening of Drugstore and Pharmacy Under the Same Roof

■ Aiming to be Used by More People

In order to boost the number of customers, we are bolstering the opening of drugstore and pharmacy under the same roof in locations that are easy for customers to visit.

We pursue convenience so that customers feel free to use other services while shopping in the drugstore. Our pharmacists provide customer services at drugstores and use their expert knowledge to help customers select over-the-counter drugs in line with their symptoms and physical characteristics as well as provide consultation on health related matters.



A drugstore and pharmacy under the same roof

Aiming to be "Omotenashi No. 1"

3

Promoting At-home Dispensing

■ In Order to Realize High-Quality At-Home Treatment

Dispensing needs are growing for customers that are being treated at home or in a care facility along with increasing demand for home care and facility care. In response, we are providing at-home dispensing services in which we team up with local hospitals and clinics to deliver medication to customers at home or in a care facility.

In addition to merely supplying medication, we work hard to provide "omotenashi" that leads to better quality of life for our customers who desire home care by leveraging the unique supervised medication and guidance capabilities of our pharmacists.



At-home dispensing service provides suitable drug administration management and guidance for customers being treated at home



Nursing Care Services

FINECARE Inc.

We provide an extensive service menu to meet diversifying nursing care needs.

FINECARE carries out the cocokara fine Group's nursing care services, which it began providing in 2006, and promotes the life support business for local communities. The company is expanding its service menu in the nursing care field, beginning with at-home care services, in light of rising social needs. In March 2013, it started the operation of assisted living homes.

By promoting collaboration with the cocokara fine Group's core drugstore and pharmacy operations, pharmacists can visit the nursing care facilities it operates and provide supervised administration of medication and it can expand its services such as with the provision of health food by managerial dietitians to ensure balanced nutrition.



E-Commerce

cocokara fine OEC Co., Ltd.



We provide online shopping with an extensive product selection and a focus on convenience.

Cocokara fine OEC operates "cocokara fine net," an online shop that responds to the diversifying purchasing needs of customers, supplements the product line-up in stores that are lacking space and caters for people that find it difficult to visit one of our pharmacies so that they have an enjoyable shopping experience. The online product line-up boasts approximately 20,000 items aimed at meeting the needs of customers built up in the actual stores that we operate.

The company is working to enhance convenience by enabling people to shop online not only on their computers but also using smartphones and tablets in response to changing terminal equipment. It is also aiming to create synergies with Drugstore Operations such as by standardizing points with actual stores for member cards and rolling out complementary sales promotions.



"cocokara fine net" online shop enables customers to have an enjoyable shopping experience from their smartphone or tablet



Product Planning and Development

CocokaraFine Next Co., Ltd.

We plan and develop high-value-added products to meet customer needs.

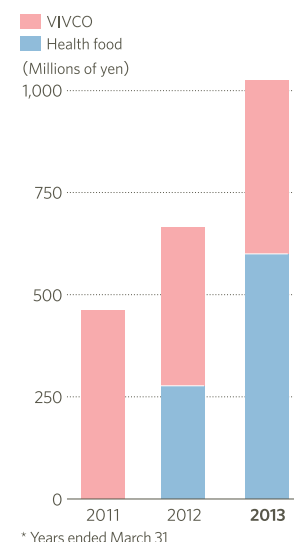
CocokaraFine Next develops products that it plans itself by making use of customer opinion and daily purchasing data gathered in stores. The products it develops can be sold at cocokara fine's drugstores boasting excellent sales capabilities as well as through other store networks.

The company has come up with a number of hit products that have been developed based on the concerns customers have as heard in store. Such products include VIVCO cosmetics, the technology developed through industry-academia cooperation between Kyushu University, which has proprietary technology to enhance osmotic strength on the skin, and the Company's Kobe Research Institute, before commercialization. Strengthening the development of products that are directly connected to customers' problems and needs in this way helps us differentiate ourselves from other drugstores.



VIVCO gives skin vitality and elasticity through super advanced osmotic treatment

Sales of products that it plan itself



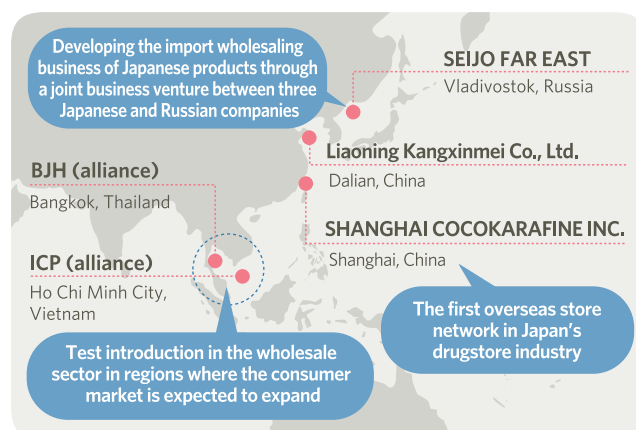
International Business

SHANGHAI COCOKARAFINE INC.

We introduce the concept of “omotenashi” built up in Japan at drugstores around the world.

Overseas, the drugstore market is expanding on the back of increasing population and economic growth in East Asia, particularly China. Already in China, we have started developing stores through a 100% owned local subsidiary, which is a first in Japan's drugstore industry. We have also built up experience and know-how through wholesale business in Russia and Thailand and store operation in a local company in Vietnam. We are making a strategic move to develop business overseas going forward.

We aim to be “Omotenashi No. 1” in the drugstore industry by providing the same level of “omotenashi” as Japan in Asia as well.



Under our management principle that states “To pursue healthy mind and body, and to contribute to the community,” we are implementing initiatives in various scenes that contribute to the healthy mind and body of people in order to gain trust from local communities through our activities.

Social Contribution

Dispatched Pharmacists to Areas Affected by the Great East Japan Earthquake Due to a Lack of Medical Staff

Following the Great East Japan Earthquake that struck in March 2011, many people that were fortunate enough to avoid the disaster were forced to evacuate without their daily medication while there was a lack of medical staff to follow up on their symptoms. Cocokara fine immediately sent pharmacists to disaster-affected areas, but without prescriptions they were forced to rely on people's memory and the information gained from asking questions. There was also a limit to the medication they could take. Amid these circumstances, cocokara fine pharmacists used their accumulated knowledge and liaised with doctors and nurses on the scene to provide the best care possible for people.

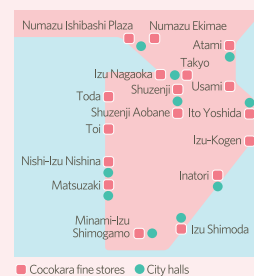
Pharmacists that went to the disaster-affected areas say they felt that their function and field as a pharmacist grew through the experience and that they like members of the medical team. Cocokara fine will actively participate when there is the opportunity to utilize the know-how of our pharmacists and conduct activities that benefit everyone in the local community.



Social Contribution

Concluded an Agreement with Municipality for Regional Partnership in Preparation for Disaster

Cocokara fine concluded an agreement related to provision of daily commodities and other support in a disaster with Atami City in Shizuoka Prefecture in December 2012. Under the agreement, cocokara fine will supply emergency goods from stores inside the city as a local lifeline with additional support provided by headquarters in whatever capacity possible in line with requests from the disaster countermeasures office set up by Atami City. We have concluded similar agreements with other municipalities too, such as in Izu Peninsula, including Izu City in Shizuoka Prefecture, as well as Nagayo, Nishisonogi District, Nagasaki Prefecture. We plan to expand this activity to other areas going forward.



Social Contribution

Exhibited at a Work Experience Based Facility at KidZania Koshien to Get Kids Thinking About the Future and Society

In July 2013, cocokara fine held a display at the drugstore pavilion as an official sponsor of KidZania, a facility that provides work and social experience and a place for children to think about their role for the future and in society. The display offered two kinds of experience: Work as a pharmacist in a pharmacy inside a drugstore and designing and making original products in the pursuit of daily health.

Through this work experience, children get to see that drugstores are medical care centers that ensure the health of people's mind and body. At the same time, we hope that they familiarize themselves with medical care and learn the importance of self-medication.



Social Contribution

Pharmacists and Managerial Dieticians Provide Health Consultancy for Many People Participating in Setagaya Road Race

Cocokara fine set up a health consultancy booth at the Setagaya 246 Half-Marathon that we support as part of our regional contribution efforts.

Managerial dieticians in addition to pharmacists took part to provide consultancy and counselling to race participants as well as to people that came to support the runners or spectate.

The number of visitors increased this time with a line forming in front of the booth. Cocokara fine will work to provide even better “omotenashi” by reflecting the information gained from asking questions and providing consultancy at local events such as this in actual stores.



Environment

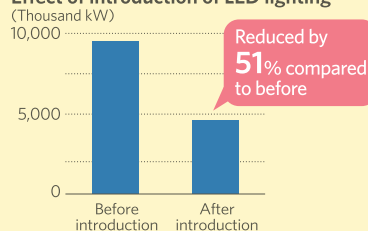
Decision to Shift to LED for Lighting Fixtures in All Stores to Reduce Environmental Burden

Cocokara fine has been working to introduce energy-saving equipment in stores as an initiative to reduce environmental burden and conserve electricity. As part of these efforts, we pushed ahead with the introduction of LED lighting in newly opened stores and stores being refurbished, but decided to roll out the initiative to all Group stores in March 2012.

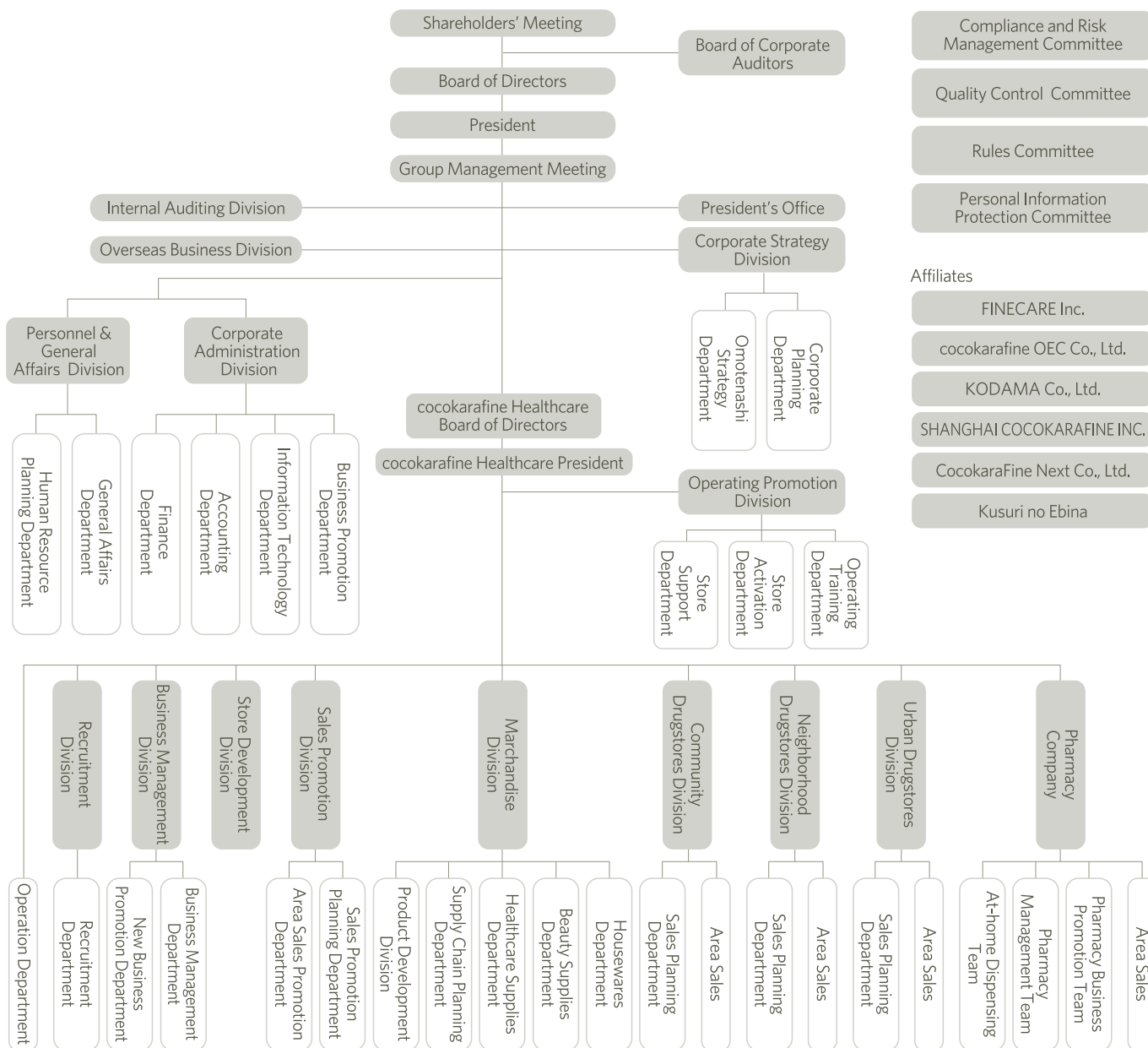
Switching to LED lighting can enable a reduction in lighting power consumption by approximately 51% relative to conventional lighting. Going forward, we will develop stores with even less environmental burden.

* Comparison made with stores that have introduced LED lighting as of October 2010

Effect of introduction of LED lighting

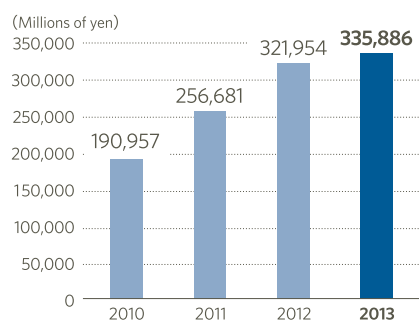


Organizational Chart (As of June 27, 2013)



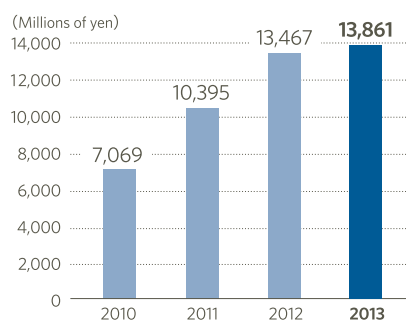
Financial Highlights

Net sales



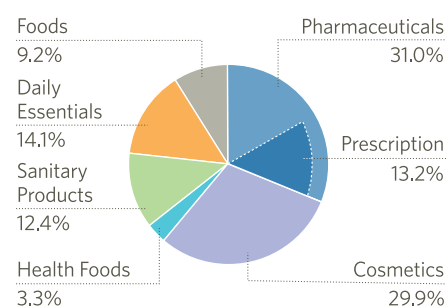
* Years ended March 31

Ordinary income



* Years ended March 31

Share of Sales by Product Category



* Years ended March 31, 2013

(Note) Due to rounding, the percentage sum does not amount to 100%

Corporate Profile (As of June 27, 2013)

Name	cocokara fine Inc.
Head Office	Innotech Bldg., 3-17-6 Shin-Yokohama, Kohoku-ku, Yokohama-City, Kanagawa-Prefecture 222-0033 Japan Tel. +81-45-548-5929
Representative	Atsushi Tsukamoto, President
Established	April 1, 2008
Paid-in Capital	1,000 million yen
End of Fiscal Year	March 31
Business Description	Corporate planning, management and other ancillary operations for group companies and subsidiaries engaged in drugstore chain operations.

Directors and Auditors

Masashi Hisamatsu	<i>Chairman</i>
Atsushi Tsukamoto	<i>President</i>
Ichiro Ishibashi	<i>Vice President and General Manager of the Corporate Strategy Division</i>
Kaoru Hashizume	<i>Director and Managing Officer</i>
Shunji Uehara	<i>Director and Managing Officer in charge of Group Management Strategy</i>
Kazuo Hamano	<i>Director and Managing Officer in charge of the Overseas Business Division</i>
Makoto Kitayama	<i>Outside Director</i>
Taizo Furumatsu	<i>Company Auditor</i>
Masato Saito	<i>Company Auditor</i>
Masanori Kameoki	<i>Outside Company Auditor</i>
Yasuhiro Otani	<i>Outside Company Auditor</i>

Group Companies

- **cocokarafine Healthcare Inc.**
Innotech Bldg., 3-17-6 Shin-Yokohama, Kohoku-ku, Yokohama-City, Kanagawa-Prefecture 222-0033 Japan
Tel. +81-45-548-5996
- **FINECARE Inc.**
2F, Daily Care Seijo Minami Urawa Nishiguchi Store, 2-2-1 Bunzo, Minami-ku, Saitama-City, Saitama-Prefecture 336-0025 Japan
Tel. +81-48-710-6750
- **cocokarafine OEC Co., Ltd.**
Innotech Bldg., 3-17-6 Shin-Yokohama, Kohoku-ku, Yokohama-City, Kanagawa-Prefecture 222-0033 Japan
Tel. +81-45-548-5437
- **KODAMA Co., Ltd.**
3269 Ono-cho, Nishi-ku, Niigata-City, Niigata-Prefecture 950-1111 Japan
Tel. +81-25-377-2724
- **SHANGHAI COCOKARAFINE INC.**
Room 203, Huizhi Mansion, No. 398 Caoxi Road (North), Xuhui District, Shanghai, China
Tel. +86-21-3363-4789
- **CocokaraFine Next Co., Ltd.**
Innotech Bldg., 3-17-6 Shin-Yokohama, Kohoku-ku, Yokohama-City, Kanagawa-Prefecture 222-0033 Japan
Tel. +81-45-548-5921
- **Kusuri no Ebina Ltd.**
2-116 Chuo, Kuriyama-Cho, Yubari-County, Hokkaido 069-1511 Japan

History

April 2008	Segami Medics Co., Ltd. and Seijo Co., Ltd. undergo a management merger and establish Cocokara Fine Holdings Inc. through the transfer of shares.
October 2010	Merges with Allied Hearts Holdings Co., Ltd. and changes its trade name to cocokara fine Inc. Relocates head office to Yokohama City, Kanagawa Prefecture.
October 2011	Acquires shares in Suzuran Co., Ltd., an operator of drugstores and pharmacies in Hokkaido Prefecture, and makes it a subsidiary.
April 2012	Changes trade name of sub-subsidiary Takara Care Co., Ltd. engaged in nursing care services to FINECARE Inc. and consolidates the group's nursing care services into this entity as a subsidiary of cocokara fine.
November 2012	Acquires all outstanding shares in KODAMA Co., Ltd., an operator of drugstores and pharmacies in the Koshinetsu and Tohoku areas, with a focus on Niigata Prefecture, and makes it a subsidiary.
April 2013	Integrates six subsidiaries Seijo Co., Ltd., Segami Medics Co., Ltd., Zip Drug Co., Ltd., Lifort Co., Ltd., Suzuran Co., Ltd., and Medical Index Co., Ltd. to form cocokarafine Healthcare Inc.

Base map (As of May 31, 2013)

