



Matsumoto Kiyoshi
Holdings

2009

CORPORATE PROFILE





Matsumoto Kiyoshi Holdings

Matsumoto Kiyoshi Holdings, Co., Ltd.

Management Philosophy of the Group

1st for You.

Treat all of our customers with respect.

Provide all of our customers with the help and advice
they need to maintain and improve
their health and beauty.

Strive to be the friendliest drugstore.

The three birds in our logo represent our three-fold commitment to further growth: listening attentively to our customers, helping them to tune their health and beauty, while achieving the further growth of our group.

Top Message Matsumoto Kiyoshi Holdings

To Achieve Our Goal of Increasing the Group's Total Sales to One Trillion Yen and the Number of Stores to 2,000 by Fiscal 2016

Matsumotokiyoshi Holdings Co., Ltd. was established on October 1, 2007 with the aim of achieving sustainable growth and enhanced corporate value under the slogan "1st for you."

Now at the beginning of our third term, the Matsumotokiyoshi Group, which currently consists of 12 operating companies including Matsumotokiyoshi Co., Ltd., 15 franchising companies, and 5 affiliated companies, is striving for the further expansion of its business network. Matsumotokiyoshi Holdings is responsible for formulating management strategies and supervising their implementation for the entire group to ensure that each operating company can focus on its own sales and service activities. This system enables each operating company to conduct itself as a community-oriented, customer-friendly business that meets the individual needs of local customers promptly.

Although the drugstore industry is expected to undergo significant changes this year, such as increased competition from new businesses entering the market from other industries following the implementation of the amended Pharmaceutical Affairs Law, we have been steadily preparing to adjust to the new system smoothly.

We are proud of being a specialized drugstore that can provide medicines with increased safety and efficacy. With Japan's declining birthrate and aging population, the public's growing concern over increased medical expenses for the nation's healthcare system has increased their awareness of the concept of self-medication supported by a family drugstore, especially for preventing and treating minor diseases. As such a family drugstore, we are continually striving to make ourselves an indispensable part of local communities. With their dispensing facilities and extended business hours that meet the practical needs of customers and face-to-face counseling services provided by expert sales personnel, such as pharmacists and OTC-Medicine Counselors, our group companies will continue to work together to gain the trust of our customers by making ourselves a friendlier drugstore in the local communities.



President and COO
Masashi Yoshida

Chairman and CEO
Namio Matsumoto

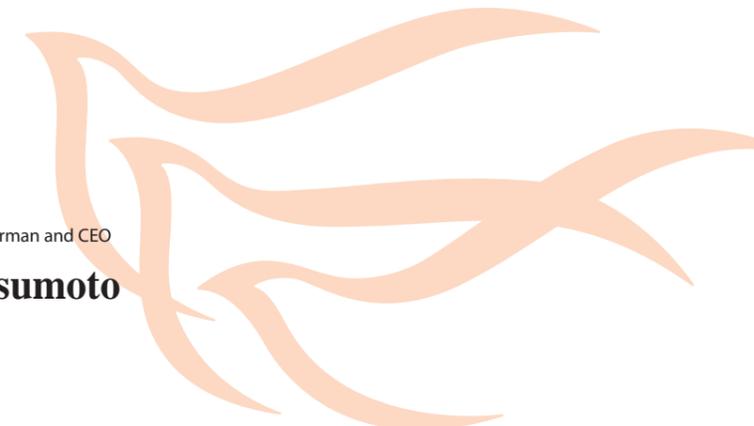
Matsumoto Kiyoshi Holdings Group Strategy

Aiming to Achieve Enhanced Corporate Value

President and COO
Masashi Yoshida



Chairman and CEO
Namio Matsumoto



Q. What will the structure of Matsumotokiyoshi Holdings Co., Ltd. be like for this term?

A. Matsumotokiyoshi Holdings Co., Ltd. is a nationwide group of companies currently consisting of 12 main companies including 7 that operate our drugstore business, with Matsumotokiyoshi Co., Ltd. as our flagship company. We are maintaining good performance in our wholesale business of medicines and miscellaneous daily goods as well as our drugstore business, and we provide our affiliate companies with our MK Customer private-brand products. In addition to the ongoing severe economic conditions that have continued since our last term, we are expecting more intense competition with new businesses entering the market from other industries following the implementation of the amended Pharmaceutical Affairs Law. To adjust ourselves to this challenging environment, we will continue to expand our

group network with new affiliates and increase the performance of each division. Our focus, however, will be not only on pursuing expansion of our business in terms of size, but also on improving our profitability and efficiency, with the aim of bolstering ties between group companies. To this end, we changed our management system in April 2009 from a structure with one representative director to a structure with two representative directors, aiming for more robust group management. As the chairman and CEO, I steer the entire group, and Mr. Masashi Yoshida, our president and COO, has responsibility for implementing various corporate measures based on our medium-term management plan, for which he is making good use of his years of experience as a supervisor of our overall business operations. (Matsumoto)

Q. How do you evaluate the results of the measures taken for the term ended March 2009 and what challenges do you expect to face in the future?

A. For the term that ended in March 2009, we strived to meet the following four challenges: enhancing the holding company system, increasing profitability while ensuring sustainable growth, attracting as well as developing high-quality personnel, and responding quickly to changing needs. To enhance the holding company system, we transferred the purchasing functions to the holding company in July 1, 2008. Furthermore, we have started restructuring the core system used by the group and held various meetings to focus on different functions. To increase our profitability and ensure sustainable growth, we have reformed our corporate structure by, for instance, closing some stores of Matsumotokiyoshi Co., Ltd. expanding the array of products by renovating stores to meet the needs of customers, and increasing the efficiency of our operations through improved personal management. For product development, we have developed and started selling our added-value MK Customer private-brand products, such as our LUNG TA luxury hair-care product. In sales promotion, we have implemented measures focusing on loyal customers who come back again and again. Furthermore, to strengthen our

expertise. We have achieved horizontal expansion by franchise agreements with five new companies as well as vertical expansion by acquiring shares of Mogi Pharmaceutical Co., Ltd., a wholesale distributor of medicines. Following the implementing of qualification exam systems by prefectural and city governments, employees with at least one year of experience took the exam and, beyond our expectations, 3,000 out of the entire group passed, certifying OTC-Medicine Counselors to sell Category 2 and 3 medicines that have been newly classified in the amended Pharmaceutical Affairs Law. In order to attract and develop the personnel we desire, we have established a training center at PAPASU Co., Ltd., an operating company of the group, to provide trainees with more practical skills. As a measure to respond quickly to changing needs, we have started to develop a new type of drugstore, which we aim to achieve in this term. We have taken the above results seriously, re-examined them, and made good use of them in implementing measures for this term to flexibly adjust to changes yet to come. (Yoshida)

Q. How will you respond to the amended Pharmaceutical Affairs Law that was implemented in June 2009?

A. The implementation of the amended Pharmaceutical Affairs Law can increase business opportunities by expanding the market, but it can also create more intense competition due to an increase in

new businesses entering the market from other industries. We aim to gain a competitive edge through two approaches: reinforcing our expertise and enhancing convenience for customers.

We must reinforce our expertise to ensure the safety of the medicines we sell. Consumers have to buy medicines in a manner different from before the implementation of the amended law, and pharmacists and OTC-Medicine Counselors are held accountable for their actions under the amended Pharmaceutical Affairs Law. Because the mandatory educational requirement is now six years at a college of pharmacy, there will be no new graduate pharmacists in 2010 and 2011. The pharmacists currently employed in our group mainly dispense medicines and provide counseling about Category 1 medicines, while our OTC-Medicine Counselors provide counseling to customer about more general medicine-related issues. The combined efforts of our pharmacists and OTC-Medicine Counselors are devoted to maintaining and improving the health of the local communities. We plan to continue to open more stores with dispensing facilities to encourage customers to use them as their family drugstores, so that their medication data can be centrally managed, enabling pharmacists to advise customers whether they can consume certain foods, drinks or other

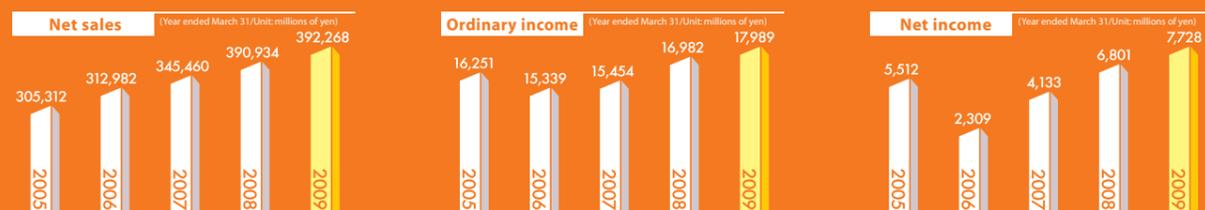
medicines in combination, or to suggest that the prescribing physician consider changing the prescription if necessary. Furthermore, this kind of customer will also benefit from the preventive approach of such support. To enhance convenience for our customers, we plan to increase the number of stores with dispensing facilities to provide community-oriented, customer-friendly services. The emergence of OTC-Medicine Counselors will lead to extended hours of business and diversified services that meet the needs of individual customers in local communities. To respond and smoothly adjust to the amended Pharmaceutical Affairs Law, we have organized a project team to review and revise our price tags, advertising materials and display standards on a group-wide basis. We will continue to train our OTC-Medicine Counselors after the implementation of the amended Pharmaceutical Affairs Law. Our pharmacists and OTC-Medicine Counselors are key personnel in our group. We hope that our specialized drugstores will contribute to local communities by making best use of their accumulated knowledge. (Yoshida)

Q. What strategies are you planning to implement for 2010?

A. Since last fiscal year we have advocated that, to enhance our corporate value, we should focus not only on pursuing expansion of our business in terms of size but also on improving our profitability and efficiency. We will continue to follow this policy for this year and implement various measures to achieve it. Furthermore, in addition to the ongoing economic downturn, we are expecting more severe competition due to the increase in new businesses entering the market from other industries following the implementation of the amended Pharmaceutical Affairs Law. Despite these challenging conditions, we will still continue to pursue our corporate values in counseling services to help customers maintain and improve their beauty and health. Our key strategies for 2010 are making use of our expertise as a specialized drugstore and differentiating ourselves from competitors' stores or other industries by featuring our MK Customer private-brand products. The implementation of the amended Pharmaceutical Affairs Law has increased public awareness of the concept of self-medication—looking after your own physical health. Regular use of family drugstores to prevent or treat minor diseases can ease outpatient congestion at hospitals and reduce medical expenses. To be an indispensable part of the local community under the current system where dispensing is separated from medical practice, it is our mission as a specialized drugstore to provide our custom-

ers with effective medicines and appropriate counseling services by knowledgeable specialists. Our private-brand products, which have been created to differentiate them from competitor's products, will continue to be developed to help customers maintain and improve their beauty and health. We are focusing on products with high value and performance, as well as on products that are competitively priced. We are committed to providing customers with such value, and we will continue to review our business operation processes to make our corporate structure more robust against the ongoing economic downturn. Furthermore, under a philosophy that emphasizes that our people are the business resource that makes our differentiation possible, we will focus on acquiring professional expertise and improving the core capabilities essential for being a conscientious corporate member of society such as critical thinking and communication skills. Our corporate philosophy originates from our customers' perspective. We will continue to foster human resources to gain unquestionable trust from our customers as a community-oriented drugstore that plays an essential role in their lives. (Matsumoto)

Target for the Group's Total Sales of One Trillion Yen for Fiscal 2016 (Year ending March 31, 2016)



Target for the Year Ending March 2016: 2,000 Stores



Business Introduction

Response to Pharmaceutical Affairs Law Amendments

~Pursuing high professionalism and improving the training system~

Role of Community Healthcare



Type	Assigned Expert	Medicine
Pharmacies	Pharmacists	All medicines (Prescriptions and OTC drugs)
OTC Drugstores	Pharmacists or OTC-Medicine Counselors	Pharmacists: All OTC drugs OTC-Medicine Counselors: Category 2 and Category 3 OTC drugs

Japan is facing a declining birthrate and an aging population, and both issues are generating concerns over increasing healthcare costs. "Each individual is responsible for their own health, for handling minor health problems, and for treating minor illnesses." Each individual must make an effort to prevent serious illnesses such as life-style diseases. Once self-medication becomes more common, it is estimated that medical costs in Japan, which were once expected to reach 55 trillion yen by the year 2025, can be reduced 10 to 15 trillion yen. We will promote our role in this solution so that local communities can maintain and improve their health.

Pharmacies

Pharmacies are able to handle all pharmaceuticals including prescription and OTC drugs. These establishments play a role in community healthcare through self-medication using OTC drugs and medications issued by medical institutions. Family pharmacies also help customers to maintain their health.

OTC Drugstores

OTC drugstores handle OTC drugs and play a central role in self-medication as a healthcare location for nearby customers. Depending on the type of experts assigned, some stores can handle all OTC drugs, while others only handle Category 2 and Category 3 OTC drugs.

Pharmacists and OTC-Medicine Counselors

According to the amendments to the Pharmaceutical Affairs Law, OTC drugs are sorted into three classes: Category 1, Category 2 and Category 3. Experts' qualifications must correspond to these classes to handle sales.

Our company group has been working to improve the level of expertise of its pharmacists and OTC-Medicine Counselors, and to establish a proper sales environment. Through these efforts, we aim to create community-based family Drugstores.

Risk Category	Expert	Information provided even when not requested	Handling when advice is requested
Category 1 Medicines	Pharmacists	Written information must be provided	Obligation
Category 2 Medicines	Pharmacists, OTC-Medicine Counselors	Must make an effort to inform	
Category 3 Medicines	OTC-Medicine Counselors	No requirement (No regulation in the Pharmaceutical Affairs Law Amendment)	

OTC-Medicine Counselors

OTC-Medicine Counselors provide information and give advice as needed regarding Category 2 and Category 3 OTC drugs.

Pharmacists

Pharmacists can handle all pharmaceutical products. Only pharmacists can handle Category 1 OTC drugs, which have a stronger effect, and they are legally required to provide written information and advice.

Opening Stores in Compliance with the Amended Pharmaceutical Affairs Law

We will be opening stores that are in compliance with the amended Pharmaceutical Affairs Law based on the needs and convenience of our customers. We will also open more prescription pharmacies, stores with dispensing facilities, and stores with longer business hours.



Prescription Pharmacy (Mall)



Stores with Longer Business Hours



Stores with dispensing facilities



Prescription Counter

Training System

Education of Pharmacists / OTC-Medicine Counselors, Training System in Collaboration with the Personnel System

With amendments to the Pharmaceutical Affairs Law, the role of professionals at drugstores (pharmacists and OTC-Medicine Counselors) has become more important. It is necessary for these professionals to improve their knowledge and communication skills for counseling customers. In addition to existing classroom training, training using in-house communication and e-learning will also be implemented to enhance the learning environment.



Training for Pharmacists

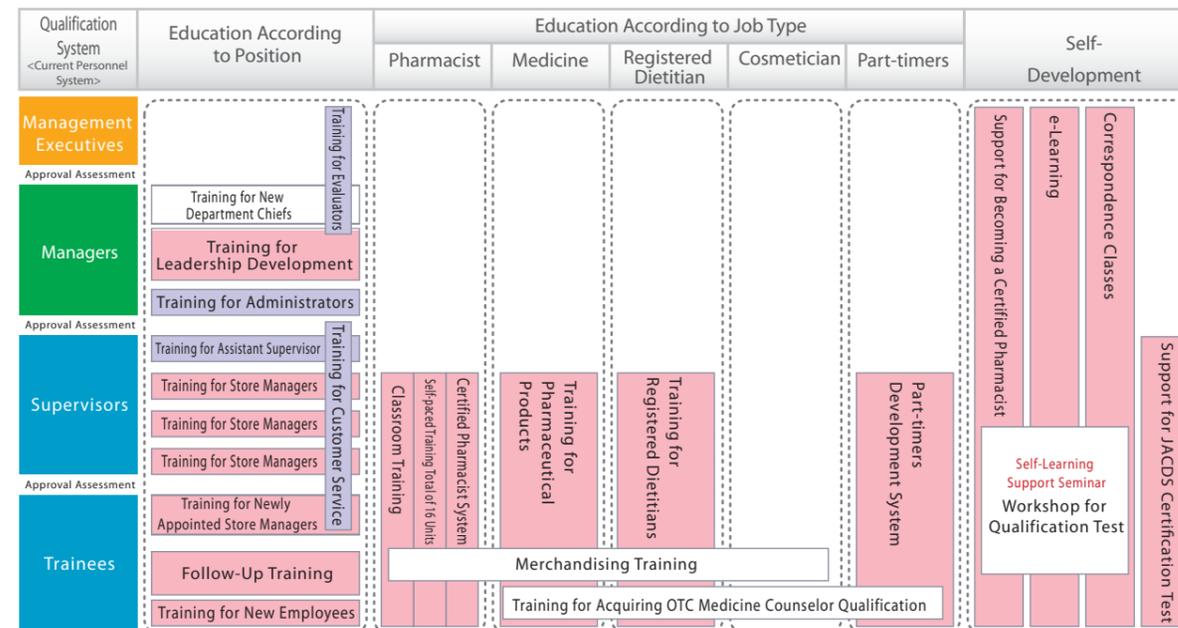
Pharmacists will serve as mentors for self-medication. They will be provided, knowledge of pharmaceuticals, especially Category 1 medicines, and the latest medical findings will be provided through training. In addition, expert training will be given to pharmacists in charge of prescriptions. We are training pharmacists that will be able to contribute to community healthcare as part of our family drugstores.

Training for OTC Medicine Counselors

Practical training will be provided using case studies so that the knowledge acquired in the preparation for the OTC Medicine Counselor test will be more useful in the field. We will provide classroom training and correspondence-based support to candidates for the OTC Medicine Counselor test so that there will be more staffs who qualify.



Skill Development System Chart



Matsumotokiyoshi Co., Ltd.

We aspire to operate community-based drugstores that are trusted by our customers.



President, Toshio Hayata

Matsumotokiyoshi was established in 1932 by Kiyoshi Matsumoto, who was the father of the current chairman of Matsumotokiyoshi Holdings. This year marks our 77th anniversary. Today, our Matsumotokiyoshi drugstores continue our unwavering spirit of sincerity and satisfying service, which are essential to be a family drugstore for our customers. We will continue to open stores that are as convenient as possible for our customers to help promote self-medication. Our expert pharmacists and OTC-Medicine Counselors will also provide counseling to our customers by. Our main types of stores are urban stores and suburban stores. We have also been studying the development of new types of stores and established a project last year to analyze the development of new stores. It is our goal to achieve this project during the current year.

Store Models Matsumotokiyoshi Store Models

Matsumotokiyoshi has been developing various types of stores based on the location and customers.

Stores for Downtown Areas

Our company's flagship store, the Ginza 5th Store, is located in downtown Tokyo, and similar multilevel stores are located near large department stores such as our Shinjuku 3-Chome Store. These stores target working women in urban areas. They have an elegant and sophisticated appearance, which enables customers to enjoy shopping.



■ Ginza 5th Store

Stores for Shopping Areas Near Stations

This type of store is located inside shops in shopping areas close to stations. The design is simple and clean, and fits in well with other apparel shops on the same floor. These stores are popular due to their wide range of health and beauty products.



■ Beans, Musashirawa Store

Stores for Station Areas

This type of store is a tenant shop inside station buildings or other buildings near stations. The store interiors are modern and use the corporate colors.



■ Lalaport, Iwata Store

* CG image

Stores for High-end Shopping Areas

This type of store is a tenant shop inside commercial complexes in urban areas and high-end shopping malls. These compact drugstores have a sophisticated atmosphere and feature products targeted at office workers who live in cities.



■ Akasaka Biz Tower Store

Regular Stores

This type of store has the basic Matsumotokiyoshi store design and is usually located in front of stations and on local shopping streets. The interior uses our company colors, which gives the store a friendly atmosphere. The target of these stores is housewives who live in the local area.



■ Warabi Store

Suburban Drugstores

These large single-building stores are located in suburban areas and have large parking areas. The range of products in these stores covers the lifestyle needs of customers and includes daily-use items and foods.



■ Toda Store

In-Shop Drugstores

These are large-scale drugstores located inside shopping malls. They feature a wide range of products including medicine, cosmetics, health foods, daily-use items, and foods.



■ Laza Walk, Kaifutaba Store

Prescription Pharmacy Near Hospitals

This type of store is a prescription pharmacy located near hospitals. The pharmacists have expert knowledge and advise patients as specialists. These stores are designed to acquire trust as a medical facility.



■ Prescription Pharmacy at Hamamatsu Chuo Store

Pharmacies inside Medical Facilities

This type of store is located in the same building as a clinic. These stores include dispensing facilities, so customers are able to shop for cosmetics, health foods, and OTC drugs while waiting for their prescriptions to be filled.



■ Prescription Pharmacy at Shirakawa 3-chome Store

Drugstores in Neighborhood Shopping Centers

These stores are located in shopping center areas with supermarkets and home improvement stores. Other specialized stores are usually in the same area, and there is a large shared parking area.



■ Satte Kita Store

Our Business

New Shops that Opened Last Year



Our first group store in Yamaguchi Prefecture opened on April 17, 2008.
Kofu Eclan Store



Our first group store in Nagasaki City opened on Oct. 1, 2008.
Mirai Nagasaki COCOWALK Store



Our first group store in Yamagata Prefecture opened on April 25, 2008.
S-PAL Yamagata Store



Our first group store in Shiga Prefecture opened on Nov. 14, 2008.
Kusatsu A SQUARE Store

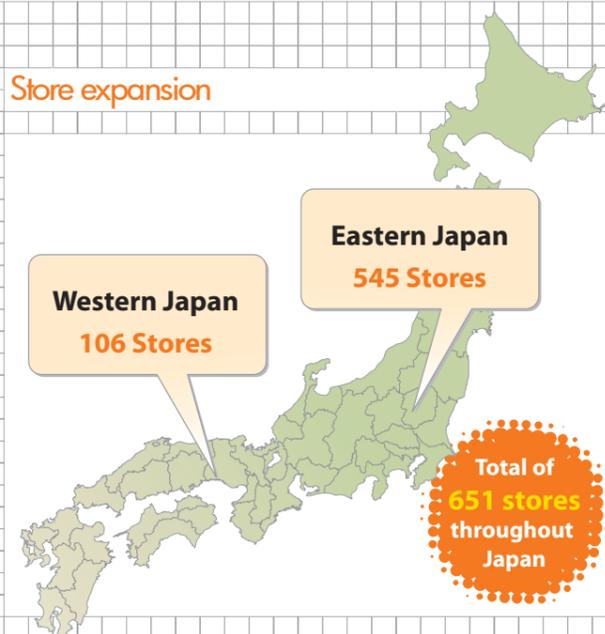


Our first group store in Nagasaki Prefecture opened on June 27, 2008.
Cross Garden Hirota Store

These new stores have expanded our business area.

The Matsumotokiyoshi Group now has stores in 40 prefectures.

Store expansion



Types of Business

Diversified Business Challenges

New Types of Stores

Compact Specialized Pharmacies



We opened new compact specialized pharmacies that effectively utilize small spaces. These mini Matsumotokiyoshi stores are designed for convenience and target people commuting to jobs or schools – anyone on the go.

Medi plus Matsukiyo Toei Gotanda Store

Beauty Pharmacy Shops



We will be opening specialized stores for beauty and health products to provide select cosmetics, health foods, and other products that are popular among female customers. These are convenient beauty pharmacies where business women can easily visit and shop. Our beauty advisers and registered dietitians provide counseling related to both internal and external beauty needs.

Beauty Salon Management Helping customers become as beautiful as they can.

VACANCES – Deep Cleansing Beauty Salons



Our VACANCES beauty salons are based on our concept that Clean Skin is Beautiful Skin. Our skincare professionals remove dirt from deep inside the skin pores to restore the skin's original clear condition. They also help customers resolve skin-related problems and maintain healthy skin.

Sweetie Nail – Nail Salons



These nail salons use a soak-off gel to treat nails. This is good for customers who want to maintain their own nails, strengthen weak nails, or have longer nails. Our nail-care products have long-lasting color and beautiful gloss and shine while maintaining a natural look. Customers also receive Matsumotokiyoshi cash points for all services.

MK East Japan Co., Ltd.

We try to imagine our customers' smiles and try to contribute to their health.



President, Takao Watanabe

Hearing the words “Thank you” gives us satisfaction.

To accomplish our Customer First policy, we provide services based on the perspective of our customers, and provide expert advice related to health and beauty. All MK East Japan employees get a sense of fulfillment when they are able to help customers and hear the words “Thank you.”

As professionals, we all try to improve our services every day to help our customers be healthy and beautiful.

Our MK Customer Private Brand



What is MK Customer?

MK Customer is our original product line developed from the customer's perspective to promote self-medication.



LUNG TA [ルンタ]

LUNG-TA is a basic hair care product for damaged hair and scalp.



Do you have confidence in your skin for tomorrow? Our new Retinotime skincare product



YAWARAKA Japanese Skincare is designed to be a mature Japanese woman's first skincare product.



People might be lacking the nutritional balance of Japanese foods. Select the right food and color for you.



Our Business

Drugstore

These stores sell a wide range of products based on the needs of customers and by providing advice we improve our standing as a trusted store in the community.



Pharmacy

Our motto is Better Products at Better Prices. Our store management style places priority on a range of products that satisfy the daily needs of our customers and on their convenience. We aspire to be the most popular and trusted store in the community.



Store expansion

Hokkaido and Tohoku Regions

Hokkaido: 2 stores
Aomori Prefecture: 2 stores
Iwate Prefecture: 2 stores
Akita Prefecture: 1 store
Miyagi Prefecture: 4 stores
Yamagata Prefecture: 1 store
Fukushima Prefecture: 13 stores
Total: 25 stores

Hokuriku and Koshinetsu Regions

Fukui Prefecture: 1 store
Ishikawa Prefecture: 2 stores
Nagano Prefecture: 2 stores
Niigata Prefecture: 5 stores
Total: 10 stores

A total of 108 stores in eastern Japan

Kitakanto and Kanto Regions

Tochigi Prefecture: 33 stores
Gunma Prefecture: 32 stores
Chiba Prefecture: 8 stores
Total: 73 stores



PAPASU Co., Ltd.

Our drugstores have the top share of the market in Tokyo.

Our community roots go back 20 years. As an urban convenience store, we aspire to be a community-based drugstore that is trusted by our customers.



President, Koichi Nezu

Our goal is to expand our group share throughout Tokyo.

Our motto is "Developing trusted stores by maintaining our customers' perspective." Our ultimate goal is to be the Best Company of the 21st Century for customer satisfaction.

Customer satisfaction is a never-ending pursuit. In addition to achieving continuous improvement, we will also make efforts to become a unique company where employees feel satisfaction from their work. It is our desire to contribute to local communities as advisors for self-medication.

Tobu Drug Co., Ltd.

We desire to be a drugstore that is trusted by our customers and patients.



President, Masami Kato

Our goal is to expand our group share in the area serviced by Tobu Railway.

Our motto is "Customer First." As healthcare advisors, we are always considering the health and beauty of the people in our community. Since our company was established in 1967, we have been opening stores in the area serviced by Tobu Railway. We provide various advice to customers regarding their health and beauty needs. We will continue to make efforts to provide positive and effective advice to our customers.

In addition to medicines, we also have a wide range of products including daily-use goods, which makes us a convenient store that is always involved in the lives of our customers. Our goal is to satisfy our customers and patients through our cheerful assistance.

Our Business

Drugstore

Drugstores are the core business of PAPASU and provide a wide variety of products at reasonable prices based on the various lifestyle needs of our customers. In this way, we contribute to the betterment of society.



Store expansion



Pharmacy

Our prescription pharmacies contribute to the health of society through our abundant expertise, careful handling of prescriptions, professional advice, and kind service as family drugstores.



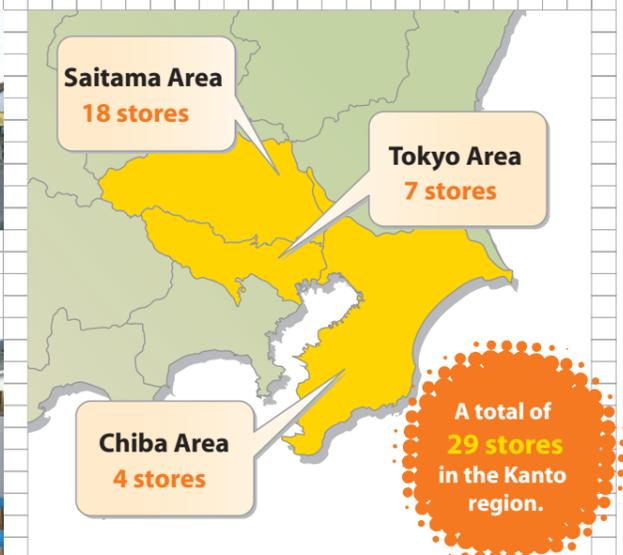
Our Business

Drugstore

Our chain drugstores have opened in station buildings, commercial facilities, and residential areas in the area serviced by Tobu Railway in Tokyo, Saitama, and Chiba. After becoming a part of the Matsumoto-kiyoshi Group in 2004, our stores inside Tobu Railway stations began using the Matsumotokiyoshi name.



Store expansion



Pharmacy

We have been opening prescription pharmacies so that we will be able to respond when medical treatment and pharmacies are completely divided in the future. Our prescription pharmacies, which are the largest in the industry, are equipped with state-of-the-art equipment.



Kenkou Kazoku Drug Corporation and MAX CO., LTD. merged on July 1, 2009 to establish a firm business foundation and expand their group share in the Koushinetsu Region. Soaring Higher as a Group Company

Matsumotokiyoshi Kou-Shin-Etsu Japan Co., Ltd.
 (The former company Kenkou Kazoku Drug Corporation)

“Health and beauty” is the core of our business, and everything begins with our customers’ satisfaction.



President, **Masayoshi Asada**

We desire to expand our group share in suburban and residential areas in Nagano.

Since our company was established in 1993, our home has been Nagano Prefecture, where we have established our community-based network. Currently, we are developing our chain stores in Nagano to be one of the best drugstores in the region. Our foundation is “Health and Beauty.” Therefore, we sell health and beauty related products and information that provides something new and safe to our customers. Our drugstores also have prescription counters that can fill prescriptions from outside medical facilities. Our pharmaceutical expertise will continue to contribute to our customers’ healthy lives.

We cherish harmony and trust among people, desire to be a company that can always provide new value, and continue to create future drugstore business.

Matsumotokiyoshi Kou-Shin-Etsu Japan Co., Ltd.
 (The former company Max CO., LTD.)

We try to imagine our customers’ smiles and try to contribute to their health.



President, **Yasuharu Iura**

Our goal is to expand our group share in Niigata Prefecture.

Our foundation is, “Creating Health, Joy, and Satisfaction.” We contribute to society by becoming a cheerful and energetic company that is always looking forward. We open stores that act as a Community Life Base that is trusted by our customers. We will continue to make efforts to improve our services through counseling and establishing trust with our customers to help promote their health and beauty.

In addition to medicines and cosmetics, our range of products includes food and daily-use items that cover all aspects of our customers’ lives. All of our employees keep in mind the importance of maintaining a cheerful and welcoming attitude and serve our customers with a smile.

Our Business

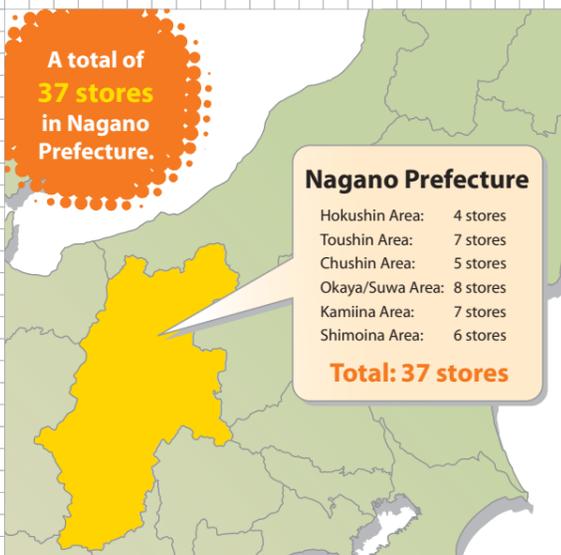
Drugstore

We are promoting our drugstore business according to our company’s keywords, “Everyday” and “New Discovery.” We provide a wide range of products at reasonable prices based on the daily needs of our customers. We will continue to bring new discoveries to our customers through our products and services.



Store expansion

A total of 37 stores in Nagano Prefecture.



Pharmacy

The division of medical-related services has been accelerated due to the restructuring of the medical insurance system. The number of prescriptions issued by hospitals has been increasing, so the role of drugstores that fill prescriptions has become more important. We combine our expertise in handling prescription medications with the convenience of a drugstore to contribute to the healthy lives of our customers.



(As of March 31, 2009)

Our Business

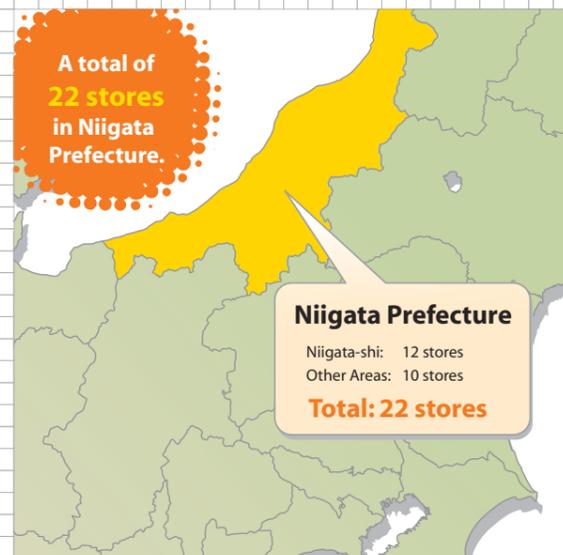
Drugstore

These stores sell a range of products based on the needs of our customers while providing advice by expertise counselors to improve our standing as a trusted store in the community.



Store expansion

A total of 22 stores in Niigata Prefecture.



Pharmacy

Our motto is “Better Products at Better Prices.” Our store management style places priority on a range of products that satisfy the daily needs of our customers and on their convenience. We aspire to be the most popular and trusted store in the community.

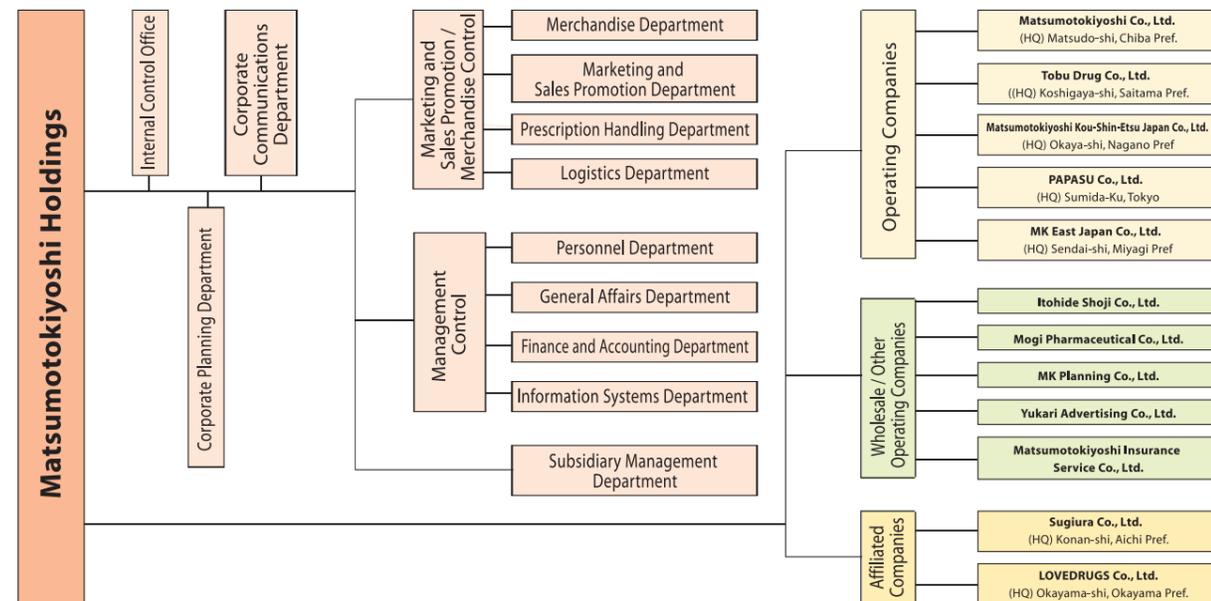


(As of March 31, 2009)

Matsumotokiyoshi Holdings aspires to be a Family Drugstore

Organization Chart

(As of April 1, 2009)



Franchise Stores and Business Partners

(As of April 1, 2009)

Franchise Stores



Business Partners

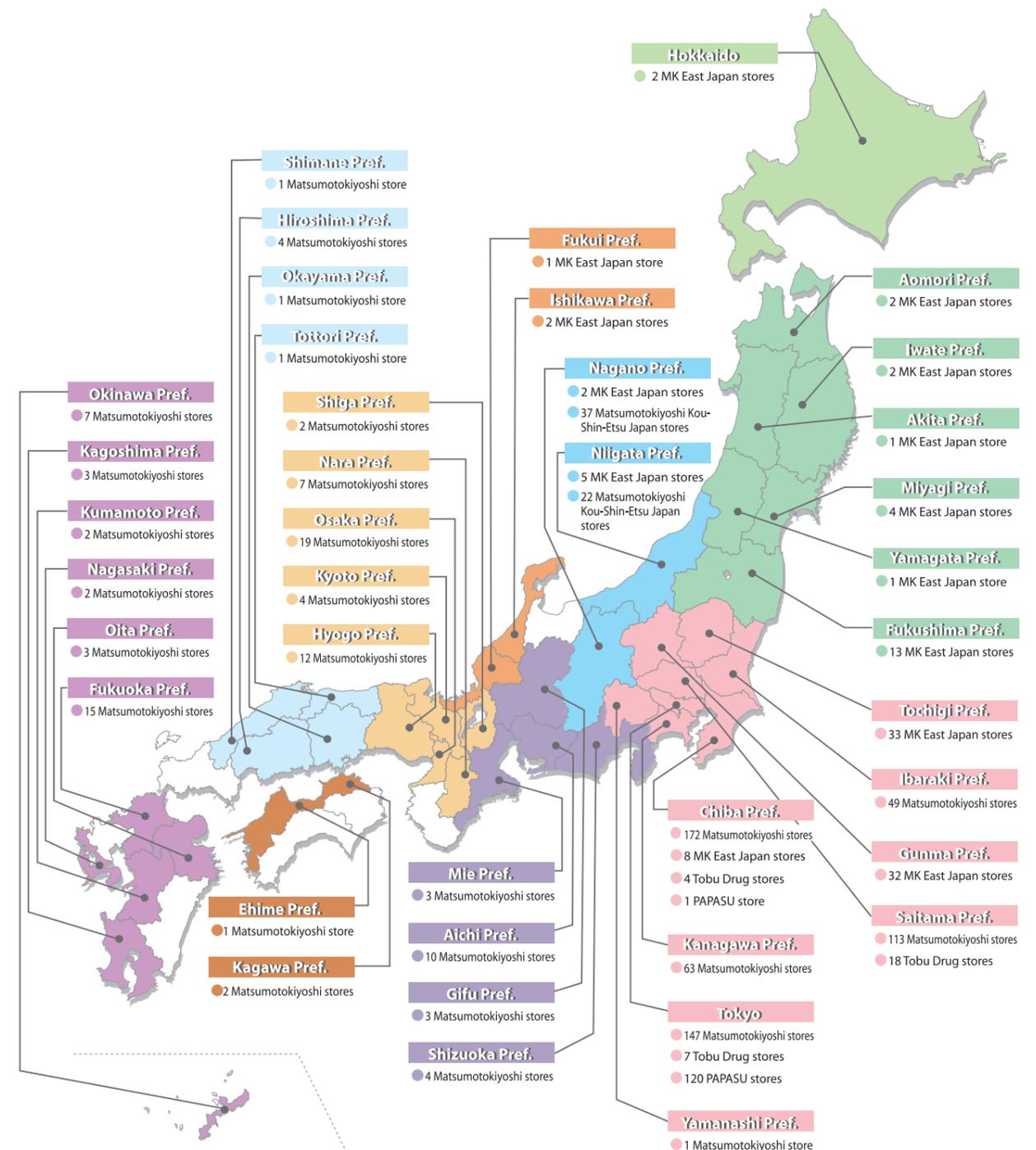
Yokohama Pharmacy Co., Ltd. (HQ) Kitatsugaru-Gun, Aomori Pref. | Komeya Drugstore Co., Ltd. (HQ) Hakusan-shi, Ishikawa Pref. | OKUWA Co., Ltd. (HQ) Wakayama-shi, Wakayama Pref.
 SAPPORO DRUG STORE Co., Ltd. (HQ) Sapporo-shi, Hokkaido | CHUBU YAKUHIN Co., Ltd. (HQ) Tajimi-shi, Gifu Pref.

Our network of stores covers 40 prefectures in JAPAN

Total Number of Stores: 968

(As of March 31, 2009)

Matsumotokiyoshi: 651 Stores
 (Including franchise stores, home improvement stores, and online stores)
 MK East Japan: 108 Stores
 PAPASU: 121 Stores
 Tobu Drug: 29 Stores
 Matsumotokiyoshi Kou-Shin-Etsu Japan: 59 Stores

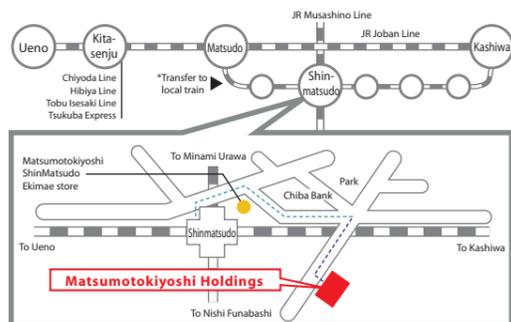


Corporate Data

(As of July 1, 2009)



Corporate Name Matsumotokiyo Holdings Co., Ltd.
 Address 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba 270-8511
 Phone (81) 47-344-5110
 Incorporate October 1, 2007
 Common Stock 21.086 Billion Yen
 Book Closing March 31st
 Lines of Business Management of subsidiaries, purchase and sale of products
 Issued Shares 53,579,014



Chairman and CEO	Namio Matsumoto
President and COO	Masashi Yoshida
Senior Managing Director and CFO	Kazuo Narita
Senior Managing Director	Kiyoo Matsumoto
Advisor	Tetsuo Matsumoto
Director	Koichi Nezu
Director	Masahiro Oya
Director	Ryoichi Kobayashi
Director	Norio Yuasa
Standing Corporate Auditor	Tetsuo Omori
Corporate Auditor	Satoru Suzuki
Corporate Auditor	Kenji Morohoshi
Corporate Auditor	Masato Taimura
Executive Officer	Toshio Hayata
Executive Officer	Takao Watanabe
Executive Officer	Hajime Yabe
Executive Officer	Eiji Komatsu
Executive Officer	Yukio Koyama
Executive Officer	Kunio Yamazaki
Executive Officer	Eiichi Kitajima
Executive Officer	Takashi Matsumoto
Executive Officer	Soichiro Okushima
Executive Officer	Hidesato Hiramatsu

Group Companies

(As of July 1, 2009)

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 Phone: (81) 22-268-1780

Itohide Shoji Co., Ltd.
 44 Kogane, Matsudo-shi, Chiba 270-0014
 Phone: (81) 47-348-3600

Tobu Drug Co., Ltd.
 9-6 Gamouasahi-cho, Koshigaya-shi, Saitama 343-0842
 Phone: (81) 48-990-7051

Sugiura Co., Ltd.
 170 Kawahigashi, Wada-cho, Konan-shi, Aichi 483-8014
 Phone: (81) 587-54-1938

Mogi Pharmaceutical Co., Ltd.
 1-8-2 Yushima, Bunkyo-ku, Tokyo 113-8573
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Matsumotokiyo Kou-Shin-Etsu Japan Co., Ltd.
 1-4-18 Akahane, Okaya-shi, Nagano 394-0002
 Phone: (81) 266-22-8496

LOVEDRUGS Co., Ltd.
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 Phone: (81) 4-7160-2770

PAPASU Co., Ltd.
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 Phone: (81) 3-5610-8811

MK Planning Co., Ltd.
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 Phone: (81) 47-349-7300

Yukari Advertising Co., Ltd.
 1461 Shikoda, Kashiwa-shi, Chiba 277-0862
 Phone: (81) 4-7148-3333

Internet and Mobile Shopping



We have our own online shopping site, e! Matsumotokiyo that can be accessed via PC or mobile phone. This site offers around 10,000 products including health foods, cosmetics, and daily-use goods, which are available at our stores, plus additional products that are only available online. Currently we are beginning to offer new services. More products will be available online after the related regulations are relaxed. Mobile access to the e! Matsumotokiyo site is expanding to include au and Softbank customers in addition to NTT DoCoMo users. We are also beginning to offer our products on other leading online shopping sites. As Internet users mature and their numbers increase, the demand for online services is expected to continue to grow. Therefore, we will continue to promote our online business on our website and also use our online shop as a way of providing our customers with better information and services.



MatsumotoKiyoshi online shopping site "e! Matsumotokiyo" <http://www.e-matsukiyo.com>

Do you already have a Matsumotokiyo Members Credit Card?

Matsumotokiyo Members Credit Card

- No application fee or annual membership fee.
- When members use their Matsumotokiyo Members Credit Card anywhere, they receive 1 point for every ¥100 they spend (excluding consumption tax), and when they use the card to purchase products at a Matsumotokiyo store, they receive an additional 1 point for every ¥100 of Matsumotokiyo cash points (excluding consumption tax) (some products excluded).
- Members can also take advantage of our 24-hour telephone counseling service to get advice about their health, medical treatments, and nursing care 365-days a year. When traveling overseas, members are also covered by travel insurance for up to ¥20 million.



Matsumotokiyo Cash Point Card

- No application fee or annual membership fee.
- Members receive 1 point for every ¥100 they spend (excluding consumption tax) (some products excluded).
- Once members have collected 300 points, they can receive a discount of ¥300 from their total purchase.



"Just Eye Information" Now on Sky Perfect! e2 Digital Broadcast



Useful Matsumotokiyo information and entertainment is now available on Sky Perfect! e2 Digital Broadcast. This channel can also be seen at Matsumotokiyo stores. It is broadcast on Sky Perfect! e2 Channel 361.



Useful Information Provided by our Free News Magazine

"Digimaga" is our free monthly news magazine that provides useful information about Matsumotokiyo.



Matsumoto KiYoshi Holdings, Co., Ltd.

<http://www.matsumotokiyoshi-hd.co.jp/>

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