

Corporate Profile 2012



***Matsumoto KiYoshi
Holdings***

Matsumoto KiYoshi Holdings Co., Ltd.

1st for You.

There is no rank higher than No. 1

We will always...

Treat all of our customers with respect,
Provide them with the help and advice
they need to maintain and improve
their health and beauty,
Strive to be the friendliest drugstore.



Matsumoto KiYoshi
Holdings

● The logo of Matsumotokiyoshi Holdings shows three fully grown birds in dynamic flight.

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

Corporate Data

(as of June 30, 2012)

Corporate name	Matsumotokiyoshi Holdings Co., Ltd.
Address	9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba 270-8511 Japan
Phone	+81-47-344-5110
Incorporated	October 1, 2007
Common Stock	21.086 billion yen
Book Closing	March 31
Lines of Business	Management and supervision of subsidiaries, purchase and sale of products
Issued Shares	53,579,014

Chairman and President	Namio Matsumoto
Senior Managing Director	Kazuo Narita
Senior Managing Director	Kiyoo Matsumoto
Advisor	Tetsuo Matsumoto
Director	Koichi Nezu
Director	Masahiro Oya
Director	Ryoichi Kobayashi
Director	Kenichi Oyama
Standing Corporate Auditor	Tetsuo Omori
Corporate Auditor	Satoru Suzuki
Corporate Auditor	Minoru Hino
Executive Officer	Takao Watanabe
Executive Officer	Kunio Yamazaki
Executive Officer	Takashi Matsumoto
Executive Officer	Keiichi Okano
Executive Officer	Toshio Hayata
Executive Officer	Yukio Koyama
Executive Officer	Hidesato Hiramatsu
Executive Officer	Shingo Obe
Executive Officer	Akio Ishibashi



1st for You.

Message from the Top Executive



Matsumotokiyoshi Group Aims for More Than 2,000 Stores by March 2016, To Achieve a 10% Share in Japan

“1st for You” is the management philosophy of Matsumotokiyoshi Holdings Co., Ltd., and it has inspired our drive for sustained growth and enhanced corporate value since our incorporation on October 1, 2007.

In this, our sixth fiscal year in operation, the group continues to expand its business network, and is now composed of 17 companies (including 12 retail operating companies), plus 13 licensed franchise companies and 5 business partners, all centered around the core company Matsumotokiyoshi Co., Ltd.

At the end of June 2012 the retail operating companies had drugstores in 44 prefectures in Japan — a total of 1,330 stores spread throughout the country. These companies’ various management structures demonstrate different levels of profitability, and their profit structures face challenges that differ by location and store type. Judging from that, a solid driving force would be needed to respond to and resolve these issues quickly, I assumed the office of president of Matsumotokiyoshi Holdings in April 2011, again with a concurrent role as chairman. Since then, I have promoted two types of reform: “Reform of our business structure” and “Reform of the mindsets and behavior patterns of our

staff.” This period, we have added “Reform of our marketing process” and are exerting our best efforts through these three management reforms to strengthen group cooperation and create a structure that enables us to utilize fully our overall capabilities.

We anticipate that the business environment surrounding the group will continue to be severe, and present an unclear future. However, this is exactly the time for us to get back to the basics and increase the company’s efforts to gain the trust of our customers and become the company that they will choose.

In addition, as we reach the milestone of our 80th anniversary this fiscal year, we would like to return to our roots in the company’s founding philosophy and mindset and respond to the diversifying needs of our customers, as described in founder Kiyoshi Matsumoto’s slogan “Innovation Free from Conventional Thinking.”

In the fiscal year ending March 31, 2013 as well, we will aim for further expansion of business as the “true leader” in the industry, and strive to establish a more stable business infrastructure.

松本南海雄

Group Management Strategy Policies

1 Fundamental Management Policies of Matsumotokiyoshi Holdings

"1st for You" is the management philosophy of our group. We base our efforts on this philosophy, creating new value and offering conscientious services for good health and enjoyable living in two sectors important to our customers — their health and beauty.

Our group of companies also responds to the needs of the aging population of Japan, helping customers promote their own well-being, and contributing to local healthcare needs as family drugstore.

2 Matsumotokiyoshi Holdings: Management Growth Benchmarks

Our group's long-term goal is to have a 10% share of the Japanese drugstore market by the fiscal year ending March 2016, with 2,000 stores under our group's umbrella.

To achieve this goal, our mid-term business objectives are group sales of 600 billion yen by the fiscal year ending March 2015 and a return on equity (ROE) exceeding 10%,

in order to enhance corporate value and ensure sustainable growth.

The ROE for the fiscal year ended March 31, 2012 was 8.9%, a 2.0 percentage point year-on-year increase. To continue increasing our ROE, we will proactively work to improve profitability and efficiency.

3 Mid- to Long-term Group Strategies

The group has been implementing the two management reforms "Reform of our business structure" and "Reform of the mindsets and behavior patterns of our staff" in order to create a revenue base to generate stable profit even in the current difficult business environment. To respond accurately to changes in the business environment, as well as new issues, we reviewed and revised our plan using the rolling method and newly added "Reform of our marketing process" in 2011.

①Reform of our business structure

We will shift to a new revenue model for the group's core drugstore business, further enhancing our potential for further revenues and thoroughly streamlining operations.

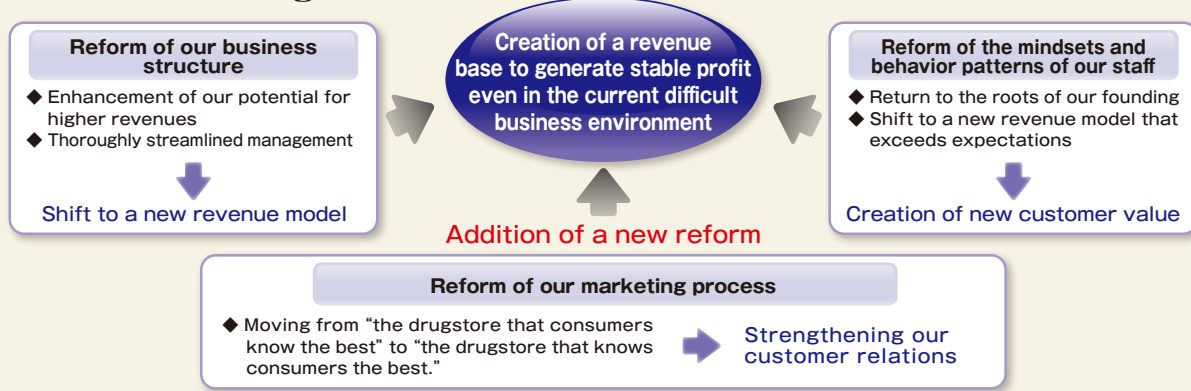
②Reform of the mindsets and behavior patterns of our staff

In the midst of a severe business environment in recent years, we will return to the roots of our founding that have been made the company the driving force in the industry, and aim to create new customer value that exceeds customer expectations.

③Reform of our marketing process

Under the new marketing concept of "Moving from 'the drugstore that consumers know the best' to 'the drugstore that knows consumers the best,'" we will strengthen our customer relations rather than merely providing marketing support.

Mid-term Management Plan



4 Challenges the Group Must Tackle

We anticipate that the business environment of the group will continue to be severe and present an unclear future.

In such circumstances, the group will return to the basics, strengthen our trustworthiness, and become the customers' company of choice.

In addition, as we welcome the milestone of the 80th anniversary of our founding in December 2012, the group will unite to address the following five priority issues, using this milestone year as the first step toward new growth.

①Promotion of area dominance strategy

We will achieve the top market share in each area which we divide Japan into seven areas, then promoting dominance in each area units, and optimize the group store network.

②Thorough efforts to be customer oriented

We will gain an understanding of each customer's true needs through dialogue (two-way communication) with them, then create favorable long-term relationships by responding to those needs.

③Streamlining and efficient use of management resources

We will shift to management that emphasizes capital efficiency and cash flow in order to utilize our management resources as effectively as possible, improve profitability, and strengthen our financial soundness.

④Expansion of a stable revenue base

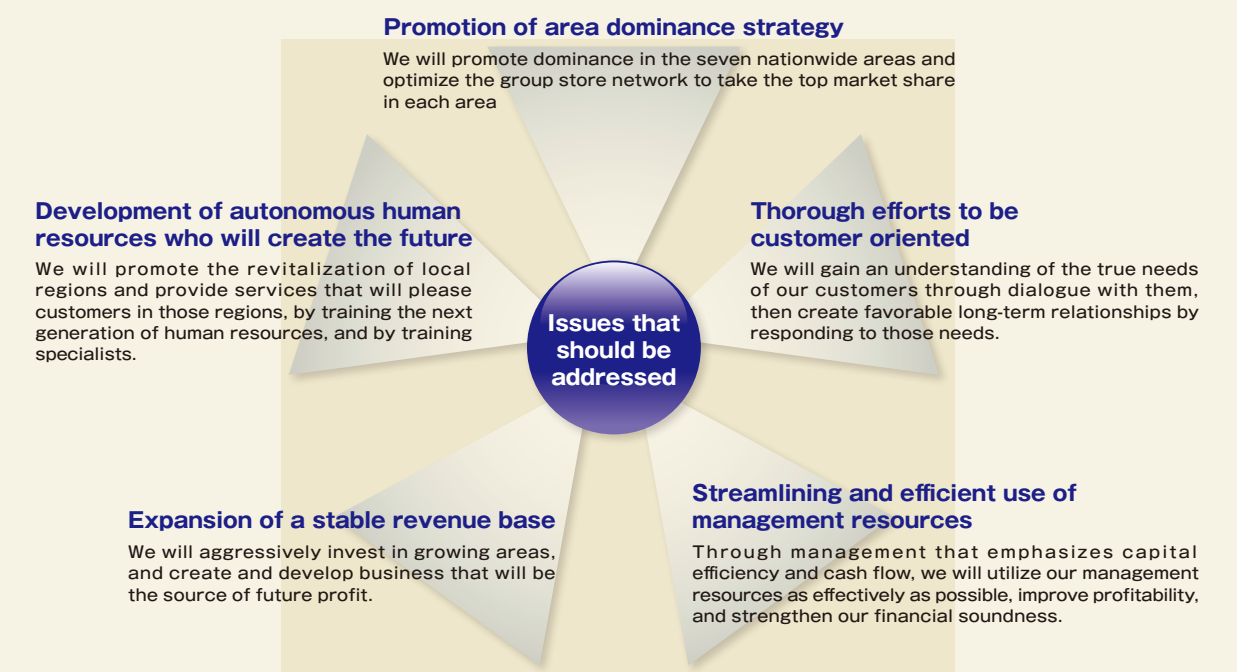
In addition to efforts to increase the profitability for existing business, we will aggressively invest in growth areas (development of new business models, online sales, overseas markets, etc.) in order to create and develop business that will be the source of future profit.

⑤Development of autonomous human resources who will create the future

We will promote the revitalization of local regions and provide services that will please customers in those regions, by training the human resources which will lead the next generation, as well as by training specialists who will play a role in promoting health.

We will strive to further expand revenues and streamline operations, by working steadily on these five priority issues.

Priority Issues 2012



Matsumotokiyoshi Holdings : Corporate Social Responsibility in Action

Matsumotokiyoshi Holdings extends its condolences to the many victims of disasters caused by the Great East Japan Earthquake that struck on March 11, 2011.

To support in their efforts to rebuild their devastated communities, our group of companies donated relief funds and supplies, and collected donations from the general public in our drugstores. In response to the ongoing electric energy shortage, we are continuing to conserve energy in our operations. We are also doing what we can to assist people in the stricken areas, so that they can return to their regular lives as quickly as possible.

1 Donation of relief funds

The Matsumotokiyoshi Holdings group has donated a total of 120 million yen to the five prefectures most severely affected by the disasters (Iwate, Miyagi, Fukushima, Ibaraki and Chiba Prefectures).

3 Dispatch of pharmacists

The group represents working pharmacists as member of the Japan Association of Chain Drug Stores (JACDS). In that role, the group dispatched pharmacists to an evacuation site in Fukushima Prefecture in March 2011, and to Miyagi Prefecture in May. As support for the affected areas, the pharmacists provided prescription and over-the-counter drugs, as well as health consultation and mental healthcare.



A temporary pharmacy at an evacuation site in Fukushima Prefecture (Paruse Iizaka)



A temporary office for the Ishinomaki Pharmacists Association in Miyagi Prefecture (VITAL-NET Ishinomaki Branch)

5 Employment support measures

Our group expanded its employment criteria to hire graduates who were not hired at other companies due to the disasters, and to hire other graduates unable to find work elsewhere.

"Hang In There Japan" Reconstruction Support Plan

Matsumotokiyoshi implemented a plan to donate 1% of all sales of products listed in the March 27, 2011 advertising circular. We donated 6,779,835 yen to Ashinaga (NPO), to be used for lump-sum payments, scholarship loans, conducting mental healthcare programs, and other activities for children orphaned by the Great East Japan Earthquake.



2 Collection of donations

Group stores have encouraged the general public to make cash donations in boxes and donations of their Cash Points. A total of 87,734,270 yen raised this way was donated through the Japan Association of Chain Drug Stores (JACDS) to the Japanese Red Cross Society, to be given to afflicted areas.

4 Donation of relief supplies

In response to requests for aid from the stricken areas, our group has donated supplies valued at a total of 30 million yen, primarily products required for daily life and sanitation.



On Monday, April 18, 2011, relief supplies were loaded onto this truck at Matsumotokiyoshi Holdings HQ and delivered directly as a donation to the emergency supply center at Ishinomaki City Hall.



6 Energy conservation

In response to electricity shortages, during our daily operations we are lowering energy consumption as much as our customers find acceptable, and are reducing electricity use at group offices as much as possible without jeopardizing business continuity.

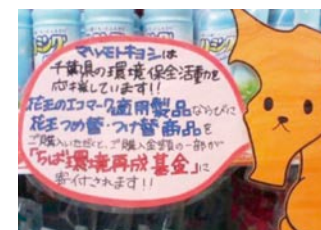


Less illumination at Ginza 5th Store

Storefront fundraising and support activities

ECO Together (power and water conservation, garbage reduction) campaign

Matsumotokiyoshi stores in Chiba Prefecture have partnered with the Kao Group to donate a portion of sales of environmentally friendly Kao products (power and water conservation, garbage reduction) to the Chiba Environment Restoration Fund. Donations in 2011 totaled 1,512,250 yen, and have helped support environmental activities. We will continue this campaign in the future.



Proactive transmission of information from the sales site



Matsumotokiyoshi President Kiyoo Matsumoto (left) receives a certificate of appreciation from Chiba Prefecture Governor Kensaku Morita (right).

Relief funds for flooded Amami district in southern Japan

In response to serious flooding in the Amami district of Kagoshima Prefecture in October 2010, the retail outlets of Matsumotokiyoshi Co., Ltd., MIDORIYAKUHUIN Co., Ltd. (now Matsumotokiyoshi Kyusyu Co., Ltd.) and about 1,200 other outlets of the group's operating companies throughout Japan collected emergency relief funds.

Other corporate social responsibility (CSR) activities

Participation in the Kodomo 110-ban child protection program

Kodomo 110-ban* is a program established with the cooperation of the police to protect children from becoming victims of crime by providing emergency safe havens where they can go to seek help. Our group's CSR activities include support for this program, and in this way too we contribute to the safety and security of communities, helping them protect children, who are our future. (*Dialing "110" connects the caller to the police.)



Donation of portion of sales revenues for Pink Ribbon Campaign

Part of the revenues from sales of Lung Ta shampoo, an MK Customer brand product celebrating its second year on the market, was donated by our group to the Pink Ribbon Campaign, which is working to reduce the incidence of breast cancer.



Collection of donations for Solaputi Kids' Camp

The Solaputi Kids' Camp in Japan offer outdoor experiences and clinical facilities for approximately 200,000 children fighting incurable diseases in Japan. Our group, a member of the Japan Association of Chain Drug Stores (JACDS), is collecting donations for the camp construction to support the efforts of the association.



Donation of type N95 particulate respirators for Foot-and-Mouth Disease Task Force in Miyazaki Prefecture

In July 2010, our group donated type N95 particulate respirators to the Foot-and-Mouth Disease Task Force in Miyazaki Prefecture, to be used by people doing on-site work there and others working in that sector.

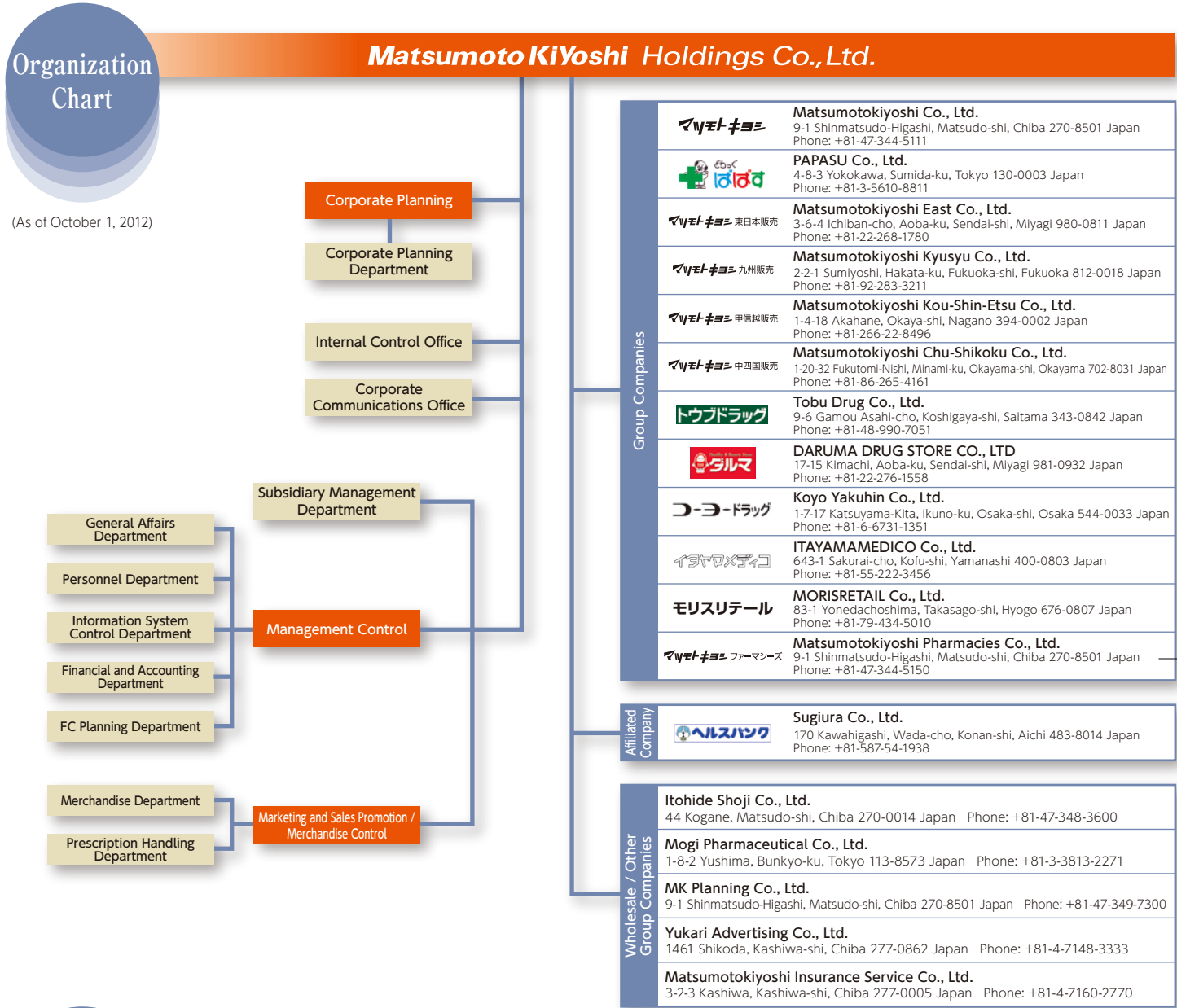
Seminars in taking responsibility for one's own health

Our group is conducting promotional activities to educate the public in ways to maintain their own health, acting in a responsible advisory capacity to suggest how to improve their health and beauty. The program includes always-popular seminars facilitated by reputable experts.



1st for You.

The Mastumotokiyoshi Group's family drugstores



Franchise Stores and Business Partners



1st for You.

Our network of stores covers 44 prefectures in Japan.



The 80-year Trajectory of Matsumotokiyoshi Holdings

From Founding to Growth

Matsumotokiyoshi Holdings Co., Ltd. has roots going back to the company Matsumotokiyoshi, which was founded in 1932 in the Kogane district of the city of Matsudo, Chiba Prefecture (not far from Tokyo). The founder's name was Matsumoto Kiyoshi (it is from him we get our corporate name). The store he opened as an independent business was called Matsumoto Pharmacy.

His philosophy did not follow the business concepts current at the time — the ideals he embraced for his business were sincerity and empathy, and from these ideals came two slogans, Consideration for Customers, and Good Products at Better Prices. Customer satisfaction was the base he built on, and when he went to the United States and learned about chain store practices, he had the ingredients he needed to grow his business.

The phenomenal growth was triggered by the opening of a drugstore geared for a truly urban environment. That was in July 1987, and the place was the trendy Ameyoko district of Ueno, Tokyo. Matsumotokiyoshi drugstores always aim to attract customers by supporting them in their pursuit of good health and beauty, offering a tremendously wide range of products in retail outlets where shopping is a pleasure. Our goal has been to have our stores in every part of Japan.



1932: Founding

The aim of Kiyoshi Matsumoto

At the age of 23, Kiyoshi Matsumoto opened the Matsumoto Pharmacy in the Kogane district of the city of Matsudo (currently the Matsumotokiyoshi Kogane Store). In addition to selecting a strategic location along the Joban railway line, in a town without a pharmacy, Kiyoshi displayed empty boxes to show the appeal of the store's broad product lineup, and even went to other stores to buy a product if he did not have it in stock, to ensure a prompt response to orders. These and other such aspects of the pharmacy garnered it a reputation as a friendly and diligent store. There are many stories of Kiyoshi the "idea man," including the use of a monkey show to attract customers. Kiyoshi used the Japanese katakana syllabary when he named the store "Matsumotokiyoshi," to ensure that everyone would be able to read it. That name continues to be used as the company name.

Founder
Kiyoshi Matsumoto

1994

Arrival of the era of suburban stores

Matsumotokiyoshi continued to change its type of business according to customer needs, while at the same time moving ahead with the operation of large drugstores with parking lots, located along suburban thoroughfares. As young customers of urban-type Matsumotokiyoshi stores moved to the suburbs, the company responded to the needs of customers in each region with large drugstores that handled not only the drugs and cosmetics available at urban-type stores, but also a broad range of products that included items such as household and baby products.



The first suburban-type drugstore: the Kashiwa Kaga Store

1st for You.

Major Events

1932
Establishment of Matsumotokiyoshi
Kiyoshi Matsumoto founds Matsumoto Pharmacy as a privately-run enterprise at 44 Kogane, Matsudo City (December 26).

1954
From private enterprise to incorporated body
Drugstore Matsumotokiyoshi incorporated (January), with a view to future growth.

1987
Pioneer urban drugstore
Innovative Ueno Ameyoko Store opens (July). It was a "friendly and accessible drugstore that offered consultations," which "aimed to make customers cheerful and bring them greater health and beauty."

1990
Public offering of over-the-counter shares
The Company receives approval from the Japan Securities Dealers Association to register its shares on the over-the-counter market (August).

1994
Opens first suburban-type Drugstore
First roadside-type Drugstore opens in Kaga, Kashiwa City (March).

1987

Establishment of Ueno Ameyoko Store revolutionizes the industry

At the time, people tended not to visit pharmacies unless they had ill health or other such reason. Learning from American drugstores, the company moved away from the dark and intimidating image of Japanese pharmacies, toward a bright interior and an inviting storefront, transforming the store into a place with new products and a wide range of other items, a place where customers could test cosmetics, and a place where shopping was enjoyable. The Ueno Ameyoko Store became the foundation for urban stores, and Matsumotokiyoshi expanded throughout the Tokyo metropolitan area.



The Ueno Ameyoko Store, opened in 1987

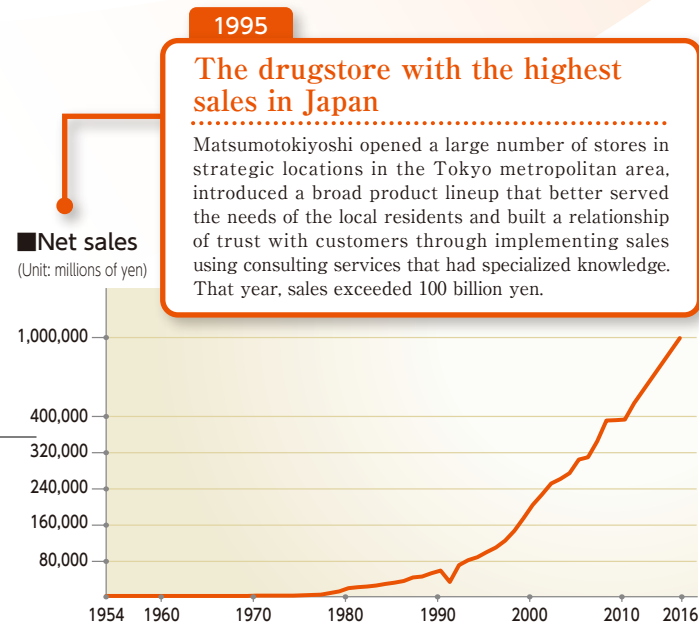
The 80-year Trajectory of Matsumotokiyoshi Holdings

From Expansion to a Leap Forward

In August 1990, the company began the public offering of over-the-counter shares. Then in August 1999 the company was listed in the First Section of the Tokyo Stock Exchange. Today, the company maintains its number-one ranking in drugstore sales in Japan.

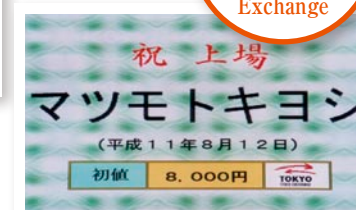
Meanwhile, the Matsumotokiyoshi Group began expanding in 2001 through a business tie-up with top community-based business enterprises. Since then, by pursuing business partnerships and capital alliances, and by establishing new companies, our group has grown to 16 companies, including 11 retail operating companies. As of June 2012, our network of drugstores extends into 44 prefectures in Japan.

Matsumotokiyoshi Holdings Co., Ltd. was established as a holding company in October 2007 through a share transfer. We will ensure that our company continues to grow.



1996

Garnering attention through TV commercials



1999

Listing on the First Section of the Tokyo Stock Exchange

2001

Accelerating on the path of expansion

In addition to aggressive opening of new stores, Matsumotokiyoshi launched its group expansion strategy through business partnerships/capital alliances with leading regional companies and entering into franchise agreements. The number of stores reached 500 in the fiscal year ended March 2001. The company partnered with other companies for the mutual supply of products to take advantage of economies of scale, development of private brand products, etc., in an aim to achieve its new target of forming the Matsumotokiyoshi Group on a national scale in order to resolve issues such as a decreased profit ratio caused by an intensified race to open stores, new entry by companies from outside the market, and price competition.



A storefront that still displays the character logo from the time of the company's founding



Ginza 15th Store

1st for You.

Major Events

1995
Company achieves largest sales in the Japanese drugstore market (March)
Sales: 101,778 millions of yen / 216 stores

1996
TV commercials start (April)

1999
Company listed on the First Section of the Tokyo Stock Exchange (August)

2001
Group expansion strategy starts
Company commences business partnership with leading regional companies.

Number of drugstores reaches 500
(March)

2002
Celebrates 70th year since establishment (January)

Point card services start
(April)

2003
Business partnership/capital alliance established with Tobu Drug Co., Ltd. (December)

2005
New type of franchise package starts
Keikyu Hautsu Store opens (August)

2007
Holding company Matsumotokiyoshi Holdings Co., Ltd. established (October)

2016
Target of achieving 10% share in the drugstore market, with 2,000 stores by the fiscal year ending March 31, 2016.

2016: Goal

Toward achieving the vision of 2,000 stores

In accordance with the founder's conviction to "first create the framework then work to fill in the framework," Matsumotokiyoshi will begin work on transformation into a chain, and expand the number of its stores along with the changing times. In 1981 the company exceeded 100 stores, then building on the success of the new urban-type Ueno Ameyoko Store, opened the Shibuya Sore in 1995, establishing it as the information transmission base. The expression "do Matsukiyo" was born, and the store became a popular spot for female students and students on pre-graduation school excursions. At the end of March 2001, the number of drugstores reached 500. At the end of March 2010 as the formation of the group proceeded, the number of group stores reached 1,000. There are now only three prefectures in which Matsumotokiyoshi has not yet opened a store. In addition to the management target of achieving a 10% share of the drugstore market during the fiscal year ending March 31, 2016, Matsumotokiyoshi is pushing ahead toward the goal of 2,000 group stores.

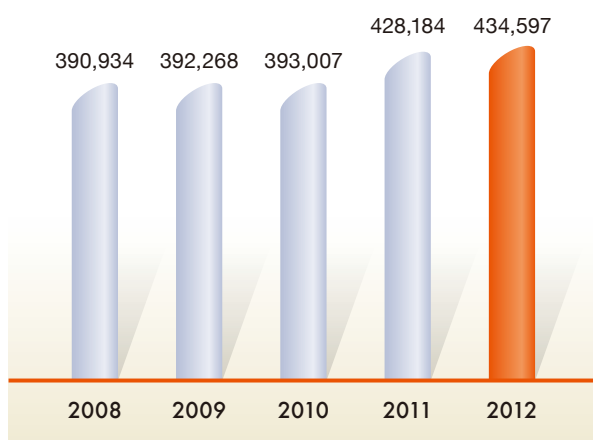
■ Number of drugstores

1954 1960 1970 1980 1990 2000 2010 2016

2000

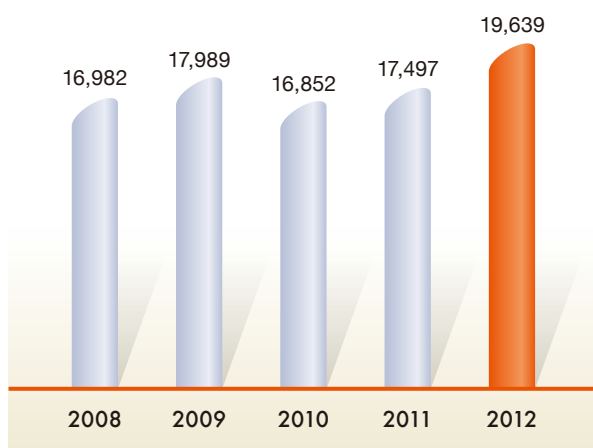
■ Net Sales

(As of March 31 / Unit: millions of yen)



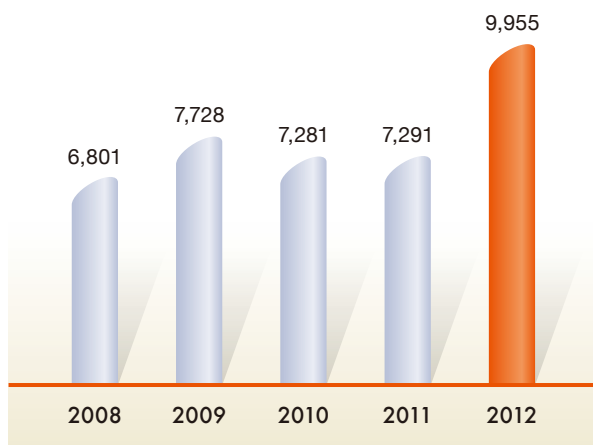
■ Ordinary Income

(As of March 31 / Unit: millions of yen)



■ Net Income

(As of March 31 / Unit: millions of yen)



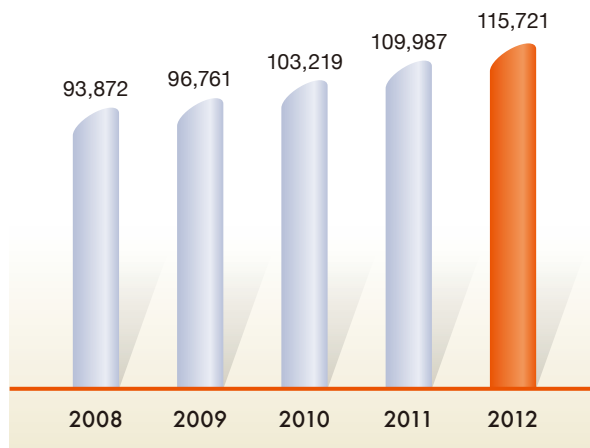
■ Number of drugstores

(As of March 31 / Unit: number of stores)



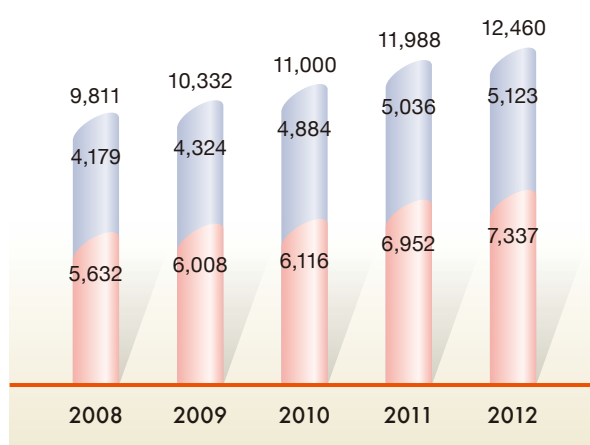
■ Net Assets

(As of March 31 / Unit: millions of yen)



■ Number of group employees

(As of March 31 / Unit: persons)



■ Full-time workers ■ Part-time workers (per 8-hour shifts)



Ginza 5th Store

The next-generation Matsumotokiyoshi: A leading company in every sense of the word

The original company Matsumotokiyoshi was founded in 1932 by a man called Matsumoto Kiyoshi (family name: Matsumoto). Today it is the core enterprise within the Matsumotokiyoshi Group, leading the way with the greatest sales in the Japanese drugstore market. This growth is due partly to the speed with which the group has opened new drugstores as the market grew. We are moving forward with two other policy measures in rectifying our position as a leading company — we are returning to our roots by aiming to achieve things no-one has attempted before, and we are considering deeply what it means to be better than the competition, and are acting accordingly. The management philosophy of Matsumotokiyoshi Holdings is “1st for You,” and the “You” now means all stakeholders, including customers, employees and shareholders. We are always considering what we should do for our stakeholders, and will continue to take them as our point of reference when making decisions and moving forward.

What it takes to be a leading company in every sense of the word

We have adopted the following three management policies to help us meet every challenge, with all employees sharing common goals as we work for further corporate growth.

- 1 We intend to keep our position as a leading company by maintaining our Number One ranking in sales volume in Japan, and by aiming for Number One ranking in ordinary profit ratios as well.
- 2 We are developing a new corporate culture and fostering a spirit of uninhibited innovation among corporate units. In this way we will regain the spirit that guided our predecessors when our company was first established.
- 3 Drawing strength from our position as the core company of the Matsumotokiyoshi Group, we will work hard to acquire a 10% share of the Japanese drugstore market.

Our business objectives

As one member of Matsumotokiyoshi Holdings, our company Matsumotokiyoshi interprets the basic management philosophy of the group as follows:

We have expanded the meaning of “You” of the management philosophy, “*1st for You.*”
In this case, “You” means all stakeholders who are directly or indirectly involved in our business.

Customers	We are proud to bring satisfaction to customers by supporting their pursuit of good health and beauty.
Employees	We want our employees to find satisfaction in their work, and to achieve personal growth as contributing members of society.
Client enterprises	We are promoting the development of the company together with client enterprises and all people and organizations we have business relations with.
Local communities	Through our activities as a corporate entity we contribute to the well-being of local communities.
Shareholders	We share profits with shareholders. These are the ways we work for our many stakeholders.

1st for You.



Top
Message

President
Kiyoo Matsumoto

Always ready to meet the next challenge, all employees sharing common goals, working for further growth within a new corporate culture

[Corporate name] Matsumotokiyoshi Co., Ltd.
[Address] 9-1 Shinmatsudo-Higashi,
Matsudo-shi, Chiba 270-8501 Japan
[Phone] +81-47-344-5111
[Incorporated] December, 1932
<http://www.matsukiyo.co.jp/>

Promoting area domination
focused on the Kanto, Tokai,
and Kansai regions



Business Contents

Matsumotokiyoshi Store Model

Matsumotokiyoshi opens stores in various locations, in different forms and according to specific customer bases.



Suburban-type drugstores
Example: Yao Store



Prescription pharmacies
Example: Shinmatsudo Dispensary



Sweetie Nail
Operates 17 of Matsumotokiyoshi's
nail salons



Matsumotokiyoshi mail
order website
(nickname: “e! Matsumotokiyoshi”)
Offers a wide-ranging lineup of
products, including some only
available on the website.
<http://www.e-matsukiyo.com/>



Stores with long opening hours
9 urban-style stores currently
operate around the clock.

New Shops

Now expanding the area for new shops



Tokyo Skytree Town Soramachi Store



Diversity Tokyo Plaza Store



Aoyama Store



Akiba Store



Kashiwa Nibangai Store



Noda Hanai Store



Inside Noda Miyazaki Store



Dispensing prescriptions
at the Noda Miyazaki Store

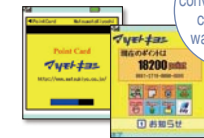
1st for You.

Providing the latest information

Matsumotokiyoshi caters to customers' needs with various information tools.



Matsumotokiyoshi
mobile site



Point Application
(can be used on cell phones
and smartphones)



Mobile membership



Participate through a public account on the
much-talked-about communication site “LINE”
Now providing product information and coupons

Unique approaches

The point system changed on May 1, 2012

お買物金額
によって、翌月 ポイント倍増!

月間累計	ロイヤルステージ
スペシャルステージ 当月のお買上合計金額 1万円以上	当月のお買上合計金額 2万円以上
翌月 ポイント 2倍	翌月 ポイント 3倍
年間累計 1年間(3/31まで)のお買上合計金額 10万円以上 翌年4/1〜 ポイント 2倍	1年間(3/31まで)のお買上合計金額 20万円以上 翌年4/1〜 ポイント 3倍

You receive double or triple points during the following month or year according to the amount purchased.

Special stage

When you make purchases that total at least ¥10,000 for a certain month, you receive double points during the following month.

Royal stage

When you make purchases that total at least ¥20,000 for a certain month, you receive triple points during the following month.

In addition, when you make purchases that total at least ¥100,000 for the year, you receive double points during the following year, or triple points if your purchases total at least ¥200,000!

Matsumotokiyoshi
Members Card
Membership:
16.6million



Credit cards



Cash point card



1st for You.

Top Message



Our goal is to expand our group share throughout Tokyo

Our motto is "to stand in the shoes of our customers when conducting business and to create stores loved by them." Our ultimate goal is to be the company with the No.1 rate of customer satisfaction in the 21st century.

To accomplish this goal, we will of course develop products that meet the needs of our customers, but also give our maximum effort to securing excellent personnel and enhance the training of our employees. In addition, youth is a time to grow, and our company is filled to overflowing with the power of growth.

Customer satisfaction is a never-ending pursuit.

In addition to 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.



Chairman
Koichi Nezu

President
Teruo Fujikawa

Under the motto "Your town's life convenience store," our aim is to become a community-based drugstore that is loved by its customers.

[Corporate name] PAPASU Co., Ltd.
[Address] 4-8-3 Yokokawa, Sumida-ku,
Tokyo 130-0003 Japan
[Phone] +81-3-5610-8811
[Incorporated] November, 1989
<http://www.papasu.co.jp/>

Working toward area
dominance in Tokyo
and Chiba Prefecture



Business Contents

Drugstores



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

Pharmacies



Aiming to become "family pharmacies" for our customers, our businesses contribute to society through our abundant expertise, careful handling of prescriptions, professional advice, and sincere, heartfelt service.

Unique approaches



Along with donating masks as support following the Mt. Kirishima-Mt. Shinmoedake disaster, we donated masks to each ward in Tokyo as a countermeasure against influenza.

In February 2011, we donated masks as support for victims of the Mt. Kirishima-Mt. Shinmoedake volcanic eruptions, and to residents of the Tokyo wards as a countermeasure against influenza and to help maintain health. We received certificates of gratitude from Tokyo's Kita and Bunkyo Wards.

Store introduction



PAPASU Doshida Store

We will aim to become the exclusive customer-focused and community-based store by raising the point card acquisition ratio and increasing the number of repeat customers, as well as by adhering to our corporate philosophy of always standing in the customer's shoes and creating a store that is loved by our customers, considering that a high percentage of our customers are senior citizens.

1st for You.

マツモトキヨシ 東日本販売



Retail outlets rooted in communities in Hokkaido and 12 prefectures in eastern Japan

Hearing the words "Thank you" makes us happy.

In order to truly put the customer first, we know we must provide services that take the perspective of each individual customer into account and offer consulting services that are based on our professional knowledge of health and beauty. These are the ways we will continue to raise customer satisfaction. The many "Thank you"s we hear make employees feel their work is even more meaningful. This prompts all of us employees to strive every day for an even higher level of professional services, as we assist customers in their pursuit of health and beauty.



Top Message

President
Keiichi Okano

Always bearing in mind the smiles of our customers, we do our best to provide people in the community with health and more abundant lifestyles.

[Corporate name] Matsumotokiyoshi East Co., Ltd.

[Address] 3-6-4 Ichiban-cho, Aoba-ku, Sendai-shi, Miyagi 980-0811 Japan

[Phone] +81-22-268-1780

[Incorporated] October, 2006

<http://mk-east.co.jp/>

Working toward area dominance in Hokkaido, Tohoku, Northern Kanto, and other areas of eastern Japan



Business Contents

Drugstores



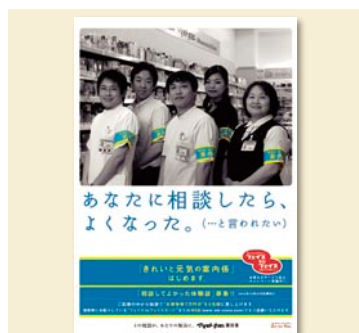
Our stores sell a wide range of products and offer advice based on the needs of customers. Through our consulting sales service we are improving our standing as trusted stores in our communities.

Pharmacies



Deploying pharmacy/drugstores in mainly station buildings, we are aiming to become the best in the community, providing customers with everything from preventive medicine to prescription drugs.

Unique approaches



Each year, we conduct a campaign to improve customer service as part of our efforts to become "1st for you."

We listen to our customers and help them with their problems.

Store introduction



Matsumotokiyoshi Fukushima-minami Store

Although the opening was delayed by the effects of the Great East Japan Earthquake, the store now boasts the largest sales floor (1,197 square meters) of any store in the company. Customers, perhaps tired after shopping, can relax in the pharmacy café (the Excelsior Café), located next to a rest area.

1st for You.

マツモトキヨシ 九州販売



Aiming to expand the group's market share in the Kyushu Region

Matsumotokiyoshi Kyusyu Co., Ltd. was newly established on April 1, 2012 through a company name change from MIDORIYAKUHIN Co., Ltd., for the purpose of taking over the handling of drugstore business in the Kyushu Region (wholly owned outlets in the Kyushu region and Shimonoseki City in Yamaguchi Prefecture) of Matsumotokiyoshi Co., Ltd., and consolidating administration in that region and market, thereby increasing the efficiency of management and establishing a solid structure in the Kyushu Region.

Japan is facing a low birthrate and an aging population, the markets are shrinking, and the needs of the customer are becoming more diverse. In the Kyushu Region as well, differences are emerging between business/entertainment districts and areas immediately around train stations, and residential areas, suburbs, and other residential areas, in the product lineups and services expected by customers in those areas. Our strength is our ability to provide detailed support for those needs and become the trusted and community-based family drugstore for our customers.



Top
Message

President
Takao Watanabe

Aiming to be a company that contributes to the community as a specialist in beauty and health.

[Corporate name] Matsumotokiyoshi Kyusyu Co., Ltd.

[Address] 2-2-1 Sumiyoshi, Hakata-ku, Fukuoka-shi, Fukuoka 812-0018 Japan

[Phone] +81-92-283-3211

[Incorporated] August, 1984

<http://www.mkq.matsukiyo.co.jp/>

Working toward area
dominance centered
on the Kyushu Region



▶ Business Contents

■ Drugstores



Eager to maintain personal contact with our customers, we do our best to sell medical and cosmetic products after consultation. Our goal is to contribute to the beauty and health of everyone in our communities. We place cash registers at our pharmacy counters to give customers every opportunity to discuss their needs and get advice in our face-to-face sales.

■ Pharmacies



As doctors and pharmacies become separate operations, we have begun operating pharmacies in our drugstores. This allows us to become further specialized and contribute to local medical services as a family drugstore.

▶ Unique approaches



To respond to the diversifying and detailed needs of our customers, we aim to expand our share of the market in the area while utilizing the characteristics both the Matsumotokiyoshi and the MIDORIYAKUHIN type stores. The population of Kyushu is aging particularly fast compared to the rest of Japan, so we operate stores on the three pillars of "convenience," "expertise," and "hospitality," with the "customer-first mindset" firmly in place.

▶ Store introduction



Matsumotokiyoshi Canal City Hakata Store

The store is located 10 minutes on foot from Hakata Station, on the Basement Floor in the Business Center Building of Canal City. The Tenjin area, Kyushu's largest business and entertainment district, is also nearby, making the area around the store a gathering place for many people. We have many female customers, and with a full-scale cosmetics corner near the store's entrance, beauty products are big sellers. Because Canal City is a commercial complex, it is visited by many foreign tourists, and the area is bustling each day with customers who have come to Canal City.

1st for You.

マツモトキヨシ 甲信越販売



Aiming to expand the group's market share in the Koshinetsu Region

In July 2009, Kenko Kazoku Drug Corporation merged with MAX Co., Ltd. to become Matsumotokiyoshi Kou-Shin-Etsu Co., Ltd. The former had a strong base in Nagano Prefecture, while the latter had most of its stores in Niigata Prefecture. By combining the two we have been able to utilize the strengths each had in their respective areas to offer our customers even better services. In January 2012, we merged with Nakajima Family Pharmacy Co., Ltd. which had spread throughout northern Nagano Prefecture, to form the new "Matsumotokiyoshi Kou-Shin-Etsu Co., Ltd.," thereby continuing to expand the scale of our business. In addition to a diverse product lineup built on a foundation of health and beauty products, we provide expertise through a dispensing pharmacy in order to accommodate external prescriptions in Nagano Prefecture, and in Niigata Prefecture, we have opened full-scale stores that sell food, daily goods, and other items that make it possible to cover every aspect of the customer's life. This gives us strength in the development of community-based business.



Top
Message

President
Yasuharu Iura

Our goals for our customers:
Better health and beauty
Everything begins with our customers.

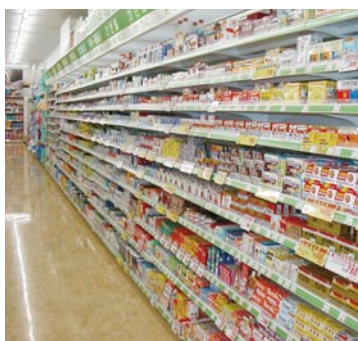
【Corporate name】Matsumotokiyoshi
Kou-Shin-Etsu Co., Ltd.
【Address】1-4-18 Akahane, Okaya-shi,
Nagano 394-0002 Japan
【Phone】+81-266-22-8496
【Incorporated】March, 1993
<http://www.familydrug.co.jp/>

Stores open in Nagano,
Niigata, and Fukushima
Prefectures



▶ Business Contents

■ Drugstores



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.

■ Pharmacies



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 in our communities. We combine our expertise in handling prescription medications with the convenience of a drugstore to contribute to the healthy lives of our customers.

▶ Store introduction



Family Drug Fujimi Store

The Family Drug Fujimi Store is located in Nagano Prefecture along the border with Yamanashi Prefecture, and was opened as a community-based store, one of our strengths. In addition to a full lineup of our core products, medications and cosmetics, we have increased the height of the standard shelves for food and daily goods higher than that of existing stores, making it possible to utilize a small sales floor of only 727 square meters to provide a product lineup equivalent to that of a 992-square-meter sales floor. The store strives for the customer's convenience in a small market.



Family Drug Sado Store

The Family Drug Sado Store is located on Sado Island, which lies off the coast of Honshu in the Sea of Japan. It is the first pharmacy that we established after the merger that formed our company. The strength of Kenko Kazoku Drug Corporation lay in medications and cosmetics, while the strength of Max Co., Ltd. lay in food products and miscellaneous goods. We are working at combining the strengths of both former companies. The pharmacy on Sado has many strong competitors, but it is taking advantage of its somewhat spacious size (about 1,150 square meters) to welcome customers with a wide range of products.

1st for You.

マツモトキヨシ 中四国販売



Expanding group market share in the Chugoku and Shikoku regions

Matsumotokiyoshi Chu-Shikoku Co., Ltd. was founded on October 1, 2012, to take over the drugstore business of Matsumotokiyoshi Co., Ltd. in the Chugoku and Shikoku regions as well as the Himeji City area in Hyogo Prefecture. At the same time, LOVEDRUGS Co., Ltd. was made a consolidated subsidiary for the purpose of optimizing the group store network in the region and further increasing the group's market share in the Chugoku and Shikoku regions.

In addition to opening urban-type stores, in which Matsumotokiyoshi excels, we will strive to provide stores that are always designed from the standpoint of the customer, increase convenience and expertise, and work to become a drugstore that is loved by local residents, in an aim to be the "family drugstore" that can provide customers with consultation regarding health and beauty, something that LOVEDRUGS has continued to engage in up to this point.

We strive hard for even higher levels of customer satisfaction and for employee satisfaction as well—we want our workers to be proud they belong to our company, and to find their work meaningful.



Top Message

President
Kunio Yamazaki

Earning the trust of customers and patients with professional community-based drugstores

【Corporate name】Matsumotokiyoshi Chu-Shikoku Co., Ltd.

【Address】1-20-32 Fukutomi-Nishi, Minami-ku, Okayama-shi, Okayama 702-8031 Japan

【Phone】+81-86-265-4161

【Incorporated】October, 2012

<http://www.mkc.matsukiyo.co.jp/>

Working toward area dominance centered on the Chugoku and Shikoku regions



Business Contents

Drugstores



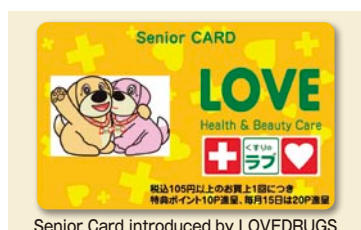
Our company has developed a suburban-style chain of drugstores located mainly in commercial complexes and residential districts in Okayama, Fukuyama (Hiroshima Prefecture) and Himeji (Hyogo Prefecture). We value good communication with our customers, and always aim to give them the personalized service they appreciate.

Pharmacies



In the Okayama area, we empathize with patients, taking their point of view into account. Through close, friendly relations with our customers, we can be sure they will continue to choose us.

Unique approaches



LOVEDRUGS has introduced the "Love Senior Card," a point card for customers aged 65 or older, and is attracting senior citizens, a customer base with a high level of consumer confidence. In addition to regular points, Senior Card holders receive points at the time they make purchases at the store, as well as additional points on the monthly "Senior Day." In addition to the Senior Card, measures to attract elderly customers include providing a full lineup of traditional Chinese herbal medicines, establishing business hours that start earlier in the day, and a variety of other services.

Store introduction



Love Drugstore: Okakita Store

With a number of universities in the neighborhood, including Okayama University and Okayama University of Science, this drugstore is located in a community that is home to many students. We renovated the store by revising the line of customer flow and changing the layout inside the store, in order to increase convenience for customers by introducing alcoholic beverages, rice, bread, and other food items as new categories, and to increase the frequency of visits and browsing around the store. Since the renovations there has been a significant increase in sales, customer numbers and items purchased, and this drugstore currently has the largest sales in our network.

1st for You.

トウブドラッグ



Expanding group market share, especially near Tobu Railway stations in Greater Tokyo

Since our company was established in 1967, our main sphere of operations has been near stations on Tobu Railway lines serving Greater Tokyo. Guided by our motto Customers First, we serve as full-fledged healthcare advisors focusing on customers' good health and beauty. Our multi-faceted consulting services are designed to be proactive and effective. In addition to pharmaceuticals we offer a wide range of products, even everyday items, assisting customers in their pursuit of convenience in daily living. Always friendly and positive in outlook, our staff aim for the satisfaction of the customers and patients we meet at our stores.



Top
Message

President
Masami Kato

Drugstores fully trusted by customers and patients

[Corporate name] Tobu Drug Co., Ltd.
[Address] 9-6 Gamou Asahi-cho,
Koshigaya-shi, Saitama 343-0842 Japan
[Phone] +81-48-990-7051
[Incorporated] April, 1967
<http://www.tobudrug.co.jp/>

Stores open in Saitama
Prefecture, the Tokyo
Metropolitan area, and
Chiba Prefecture



Business Contents

Drugstores



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

Pharmacies



We have been opening prescription pharmacies to be able to respond to the complete division of medical treatment and pharmacies. Our prescription pharmacies, which are the largest in the industry, are equipped with state-of-the-art equipment.

Store introduction



Tobu Drug, Iwatsuki-Honcho Store

We chose a location about 300 meters from Iwatsuki Station on the Tobu Noda railway line to take advantage of its convenience for people living within walking distance from the station. The store offers such a wide array of

products that customers are sure to find what they need in everyday living— everything from over-the-counter medicine, medical supplies and nutritional supplements to cosmetics, everyday items and some food products. We are regularly expanding our lineup even more.



Tobu Drug, Tsuruse Station Building Store

We opened a store next to Tobu Store on the second floor of the Tobu-Tojo Line Tsuruse Station Building. The location inside the station building makes the store highly convenient, and beginning first thing in the morning it is visited

by a large number of customers using the station and from the surrounding area. Although it is inside the station, it has a large sales floor of approximately 475 square meters and a broad product lineup that attracts customers. The store has the possibility of growing into the company's flagship store in the future.



1st for You.



Aiming to expand the group's market share focused on the Tohoku Region

Since our founding in July 1946, we have continued to open drugstores and prescription pharmacies in the Tohoku region, focused on Miyagi Prefecture. In Miyagi Prefecture in particular, we have gained a top-class position with both our track record and the content of our business. In addition, "DARUMA DRUG STORE" and its image character "Darumako" has spread the name of the store throughout the region, increasing our name recognition. The approach taken by Matsumotokiyoshi Holdings to adopt countermeasures against the competition and to promote an area domination strategy to gain a competitive advantage in each region resonated with us, and in May 2012, we became a member of the group in order to respond to the market in shrinking trade areas. Although customer needs are becoming more diverse, we, as a company that opens stores in areas affected by the Great East Japan Earthquake, desire to contribute to the region as our customers' family drugstore that is even more community oriented.



Top Message

President
Keiichi Okano

Under our motto "Bringing health and an abundant life to local residents," we will strive to be an accessible and familiar drugstore where you can consult with us with peace of mind.

[Corporate name] DARUMA DRUG STORE CO., LTD

[Address] 7-15 Kimachi, Aoba-ku, Sendai-shi, Miyagi 981-0932 Japan

[Phone] +81-22-276-1558

[Incorporated] July, 1946

<http://darumadrug.co.jp/>

Working toward area dominance centered on the Tohoku Region



▶ Business Contents

■ Drugstores



We have engaged in drugstore business focused on Miyagi Prefecture.

Our stores range in size from small-scale 33-square-meter stores to large-scale 1,300-square-meter stores, and include terminal stores, roadside stores, and other stores that are suited to the location.

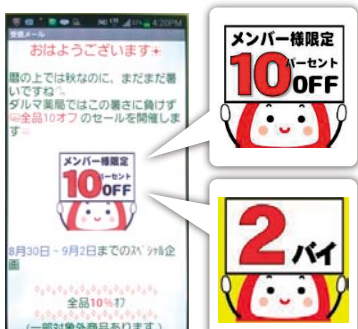
We will continue striving to be a drugstore that can contribute to our customers in the region.

■ Pharmacies



While the separation of prescribing and dispensing continues in Japan, we currently have six pharmacies and stores with dispensing facilities in operation. Our dispensing division is small in scale, but we would like to contribute to healthcare in the region as an accessible health advisors with which our customers can consult comfortably.

▶ Unique approaches



Daruma Club (e-mail communication)

It has been difficult to provide customers with fresh information in a timely manner using conventional advertising media such as television and radio commercials, newspaper advertisements, and inserts. Daruma Club has excellent immediacy, and specific dates can be set to send e-mail. We have been able to draw many customers to the store by transmitting information at the right time in a variety of cases.

▶ Store introduction



DARUMA DRUGSTORE Izumichuo Store

The store is located at the entrance to Izumi-chuo Station, the starting station on the Sendai City Subway Nanboku Line.

With a sales floor of approximately 660 square meters, we not only offer health

and beauty products, but food and daily goods as well. The store is open until 11:00 PM, and is visited by many customers including office workers.

We will continue to offer a better product lineup and enhance our services, in an aim to be a convenient and trustworthy store.

コ-エ-ドラッグ

We play a role in expanding the group's share of the market centered on Osaka Prefecture

Our mission is to aid our customers in their health management. To accomplish this, we have opened drugstores and prescription pharmacies mainly in Osaka, and provide product and services related to health and beauty. In the future, we will further expand the group's market share by implementing a variety of measures suited to the regional characteristics and environment in a context of markets in shrinking trade areas.

▶ Business Contents

■ Drugstores



Under the basic philosophy of "administering the appropriate medicine for the illness," we aim to provide a product lineup that will not disappoint the customer's expectations, by courteously interacting with our customers and establishing "the most appropriate rather than the biggest convenience to the customer."

In addition, we will strive to be a community-based family drugstore for our customers, as well as to contribute to our customers with an even stronger commitment to hospitality than in the past.

■ Pharmacies



In the midst of the recent dramatic increase of the separation of prescribing and dispensing, we, as a company that aims to be trusted by local residents, believe that this is a business that should be strengthened. We strive to be a store that meets the expectations of the patient, and works in close partnership with regional healthcare institutions. At our pharmacies, we focus a large amount of effort on training our employees to enable them to fulfill their duties leaders in local healthcare. In addition, we are putting effort into the creation of a system in which we are the "family drugstore" that is trusted by local residents.

▶ Store introduction

Matsumotokiyoshi Kishiwada Bayside Mall Store



The Kishiwada Bayside Mall Store is located on the first floor of Kishiwada CanCan Bayside Mall. It is a suburban-type store, crowded with housewives from nearby neighborhoods on weekdays and couples on weekends. The store is situated on a site toward southern Osaka. The area is famous for the Kishiwada Danjiri Festival, held annually in mid-September.

1st for You.



Top
Message

President
Masaru Morikawa

Our motto is to create a workplace in which employees are motivated in their jobs, are able to contribute to the community, and can be proud of where they work.

[Corporate name] Koyo Yakuhin Co., Ltd.
[Address] 1-7-17 Katsuyama-Kita, Ikuno-ku, Osaka-shi, Osaka 544-0033 Japan
[Phone] +81-6-6731-1351
[Incorporated] February, 1959

Working toward area
dominance centered on
Osaka Prefecture



イヤマメディコ

We play a role in expanding the group's share of the market centered on Yamanashi Prefecture

We operate drugstores mainly in Yamanashi Prefecture. Our goal is to be a community-based "family drugstore" that supports health and beauty needs. We base these efforts on service that will satisfy all customers and offer them an abundant life. In the future as well, we will support the varied and changing needs of our customers and work to expand the group's market share further.

▶ Business Contents

■ Drugstores



As a community-based drugstore, we pursue convenience for our customers and focus our efforts on our product lineup and consultation.

▶ Unique approaches

Picture contest



Under our company policy of "giving dreams to children," we host a picture contest twice each year. We see many delighted smiles on the faces of children who come with their families to see the pictures.

▶ Store introduction

Matsumotokiyoshi Uenohara Store



We opened a store using the "Matsumotokiyoshi" name. Our 653-square-meter sales floor makes us the largest store in the company. We have also introduced daily goods, frozen food, and other products into our lineup. This has helped us to build a reputation among local residents as a highly convenient store.



Top
Message

President
Kazumasa Itayama

We strive each day to be a store where customers can stop casually and consult with us comfortably.

[Corporate name] ITAYAMAMEDICO Co., Ltd.
[Address] 643-1 Sakurai-cho, Kofu-shi, Yamanashi 400-0803 Japan
[Phone] +81-55-222-3456
[Incorporated] April, 1988
<http://www.itayamamedico.com/>

Working toward area
dominance centered on
Yamanashi Prefecture



1st for You.

マツモトキヨシ ファーマシーズ



We will play a role in the healthcare field by operating prescription pharmacies and entering new business domains

We were established for the purpose of anticipating changes in the social environment, entering a variety of healthcare fields in partnership with healthcare institutions based on a higher level of expertise, and further expanding our pharmaceutical dispensing business.

In the contest of a rapidly aging society, we believe that the role of Matsumotokiyoshi Pharmacies in the healthcare field will grow in importance in the future.



Top Message

President
Tomiharu Otake

We aim to contribute to the local community through healthcare, and be "the family pharmacy" that is the most trusted" by patients.

[Corporate name] Matsumotokiyoshi Pharmacies Co., Ltd.

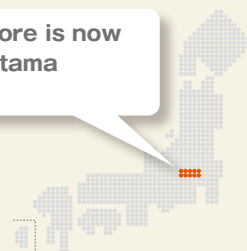
[Address] 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba 270-8501 Japan

[Phone] +81-47-344-5150

[Incorporated] April, 2012

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

Our first store is now open in Saitama Prefecture



Business Contents

Prescription pharmacy



Matsumotokiyoshi Pharmacies' first prescription pharmacy Koshigaya Station West Store

Prescription laboratory



By introducing the latest devices, we provide patients with safety and reassurance.



Our mission as a member of the group

- 1 ... Expand the market share of the group's pharmaceutical dispensing business by opening new prescription pharmacies.
- 2 ... Secure personnel by proactively hiring pharmacists and pursue expertise.
- 3 ... Promote contract management and opening of specialist pharmacies within the group.
- 4 ... Provide at-home dispensing and other services in partnership with local healthcare institutions.
- 5 ... In addition, strengthen each type of development related to pharmaceutical dispensing, pharmacists, and specialized fields.

Unique approaches



Fully enhanced training system

We ensure that our pharmacists are solidly trained in the fundamentals, and support the advancement of their careers in accordance with their individual life plans, whatever their specific goals may be.



We emphasize a good balance between work and life

We provide employee benefits for working mothers, such as maternity and childcare leave.

Matsumotokiyoshi Group's True professionalism, bolstered further by thorough training programs

1st for You.

Because we are specialists... The professional role of our specialist pharmacies

► Pharmacists and OTC Medicine Counselors

Pharmaceutical Affairs Law amendments, which came into force in June 2009, divided Over-The-Counter medicines into three categories (Categories 1, 2 and 3), and established a per-category system designating the specialists qualified to sell them. The amendments were introduced to encourage people to take responsibility for their own health by coping with slight physical ailments on their own, treating minor illnesses on their own, and taking steps to prevent a condition from becoming a lifestyle disease or other serious illness. Promotion of these measures is expected to cut down on the cost of medical care in Japan, which is predicted to rise to 1.4 times the 2010 level by 2025.* When the new system becomes more entrenched, it is predicted that more OTC medicines will be marketed to prevent or at least ameliorate lifestyle diseases and other illnesses, making it possible to switch from prescription medicines to effective OTC ones available at local pharmacies. Our group continues to promote the development of a highly professional, responsive sales environment where our specialists, both pharmacists and OTC Medicine Counselors working at drugstores with local roots, help customers maintain and improve their health.

*Estimates from the Japanese Ministry of Health, Labour and Welfare

Pharmacists

Pharmacists handle all medications, including prescription pharmaceuticals. Category 1 non-prescription medicines (those that have a strong effect) can only be handled by a pharmacist. Pharmacists also provide written information and advice on medications.



OTC Medicine Counselors

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



► Responding to diverse customer needs

Our group will continue to open new drugstores that put customer needs and convenience first. We are always keen to offer even more comprehensive services in our prescription pharmacies and dispensing business and are increasing the number of pharmacies with extended business hours.



Prescription pharmacy located near a hospital



Prescription pharmacy (mall location)

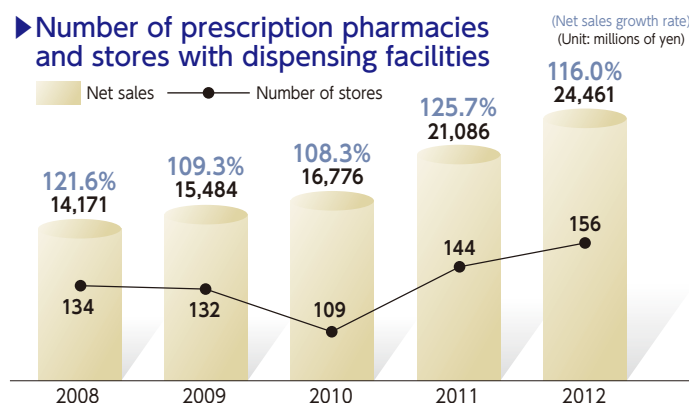


Drugstore with dispensing facility



Prescription reception counter

► Number of prescription pharmacies and stores with dispensing facilities



*Net sales figures are the simple aggregate of sales of retail operating companies. *Group companies include Matsumotokiyoshi, PAPASU, MK East Japan (MKE), MIDORIYAKUHIN, Matsumotokiyoshi Kou-Shin-Etsu Japan, Tobu Drug, LOVEDRUGS, and Nakajima Family Pharmacy. *For MKE, sales figures begin from October 2006; for MIDORIYAKUHIN, LOVEDRUGS and Nakajima Family Pharmacy, they begin from April 2010.

► Far-reaching training programs

We provide personalized customer services and conduct training programs for sales staff, to ensure customer loyalty in our local Family Drugstores.



Matsumotokiyoshi's human resource training programs:

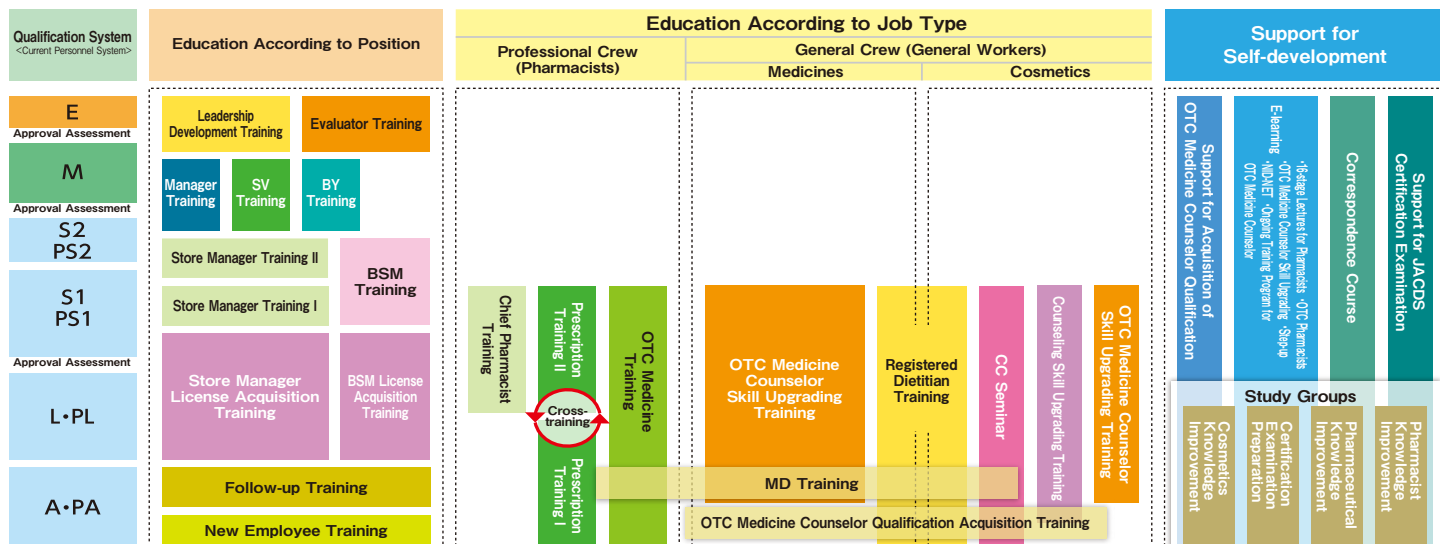
Produce specialists with a high degree of professionalism

Instill responsibility for the Matsumotokiyoshi pharmacies of tomorrow

Help us keep improving our business performance

► Training to develop even higher levels of professionalism

Our training programs develop employee capacity through profession-specific training, rank-specific training, e-learning, and long-distance lectures. They are all designed to develop the talents of our employees.



The MK Customer Private Brand

MK Customer is the name for products Matsumotokiyoshi has developed from the viewpoint of the customer to help them take responsibility for their own health.



RESORT SPA
ARGELAN

Created with strictness. Gentle on you.
Developed according to strict organic standards to be gentle on your skin.



Retinotime
レチノタイム

Lively firmness, deep resilience
A skincare series that defies aging



MELANO SCIENCE
メラノサイエンス

Each product contains an effective skin-whitening arbutin formulation
A melanin-enclosing focused skin-whitening series



Wa Sapuri
和 サプリ
日本人のための
サプリメント

Supplements for the Japanese,
developed with the physical constitution and genetic makeup of the Japanese in mind



PaKiRa パキラ

Reduces sweat for pleasant body care
Enjoyably scented deodorant series



**Five benchmarks
guiding our operations**
QUALITY GUIDE LINE



PREDIENT DEEP CARE ESSENCE EX

- 1 Safety and security**
We always strive for safety and security, carefully selecting medicinal ingredients, rigorously checking manufacturing processes, and conducting strict final trials.
- 2 The customer perspective**
We monitor the development of new products, making sure that quality and function are in full concordance with customer perspective.
- 3 Reasonable pricing**
While ensuring high quality, we also keep prices as low as possible. We believe that reasonable pricing is an important business criterion.
- 4 Products for health and beauty**
We develop and recommend the type of products a pharmacy should carry for customers taking responsibility for their own health, especially products conducive to healthy living, and products that respond to customers' needs for an attractive outer appearance and a more healthy inner condition.
- 5 Eco-friendly product development**
We emphasize eco-friendly manufacturing methods and packaging, and the use of ingredients that keep in mind the health of the planet.



Matsumoto KiYoshi
Holdings

Matsumoto KiYoshi Holdings Co.,Ltd.

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

9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba 270-8511 Japan

Phone: +81-47-344-5110