

# CORPORATE PROFILE 2015

**Matsumoto KiYoshi Holdings Co.,Ltd.**



**Matsumoto KiYoshi**  
Holdings

Working together towards tomorrow

# Top Message

*1st for You.*

There is no rank higher than No.1

Striving to be the “Number 1” for everyone.

**Matsumoto KiYoshi Holdings Co., Ltd.**

**Management Philosophy of the Group**

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.

Japan's current total population is 127,082,000, a decrease of approximately 220,000 from last year. The shrinking working-age population (15 to 64 years old) together with a progressive aging population is expected to have a major effect on the future economic growth, one that will result in national health care cost increase of up to 40 trillion Yen, and have a large impact on the state of Japan's tax system.

Under such circumstances, the Ministry of Economy, Trade and Industry (METI) is holding meetings regarding how drugstores should exist in consideration of a self-medication promotion, one of the Japan Revitalization Strategy. METI has made 10 proposals to the drugstore industry which has direct interaction with the consumers.

Our corporate group strives to play a role in medical care and maintains a high level of expertise by adopting the proposals brought forward by METI. They include: promoting the health of consumers; aiming to cultivate professionals and specialists such as pharmacists, OTC-Medicine Counselors, and dieticians from the standpoint of disease prevention; establishment of an environment in which consumers can easily consult with our professionals; sharing vital information; and, through cooperation with community healthcare, promoting self-medication which involves the concept of “protecting one's own health.”

Through these efforts, we would like to contribute to extending people's health and life expectancy and to the development of a regional society as “your personal drugstore, one that is trusted and closely connected to the community.”

Note: Population estimate released by the Ministry of Internal Affairs and Communications, October 2014.

**Our business objectives**

- 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.” is the management philosophy of Matsumotokiyoshi Holdings, which has inspired our vision for sustained growth and enhanced corporate value since our inception. The group is comprised of 19 companies, operating a wholesale and management support business centered on core chain retail businesses, such as drugstores and health insurance prescription pharmacies. As of March 2015, our company owns 1,528 retail stores spread among 45 prefectures in Japan.

With today's uncertainties in the economy, we foresee difficulties in the business climate going forward into the future. Nonetheless, we strive for a company with 1 trillion Yen in sales, which is our management goal. We also proactively promote the seven-area dominant strategy and respond in a detailed manner to various needs and lifestyles through enhanced collection, use, and application of big data - our company's fortes - as well as enhancement of marketing techniques. In addition, we aim to capitalize on inbound demand and from market expansion developed on a global scale by advancing overseas. By doing so, we aim to be an essential corporate group in the beauty and health industry.

**Namio Matsumoto**

Chairman  
Matsumotokiyoshi Holdings Co., Ltd.

**Kiyoo Matsumoto**

President  
Matsumotokiyoshi Holdings Co., Ltd.

# Matsumotokiyoshi Holdings harnesses the power created by individuals for tomorrow's growth

*1st for You.*

## » What is the *1st* for me?

**Shinsuke Nagaishi**  
Store Manager and Pharmacist



### Through encounter with others.

At this company, one has opportunities to meet with many people who encourage one to make discoveries and learn. This means that in addition to the staff, seniors, subordinates, and leaders, we work together with our customers and business partners who also provide assurances in many ways. Thanks to the people I have met, I believe I am who I am today, because of all the things I learned from them. Of course, I meet other staff that I work with more than anyone else. The staff at my work place are colleagues whom I share long hours with striving for the same work goals, and whom I consider to be company assets that help raise customer satisfaction to the highest level through direct contact with customers. As a store manager, I aim to improve employee satisfaction on a daily basis so that staff members always have smiles on their faces and provide the best service they can to the customers. Although various difficulties are also present, I am continuously grateful for my staff that works with me to overcome such hurdles. This is my 10th year working for the company, and I am thankful for all the encounters I have had so far. I also want to cherish my future encounters here as well.

### My belief is to make customers as beautiful as they can be.

I am always searching for products that will make our customers beautiful. Makeup is magic for women, and I believe that introducing great cosmetics can suddenly change the daily lives of customers. I currently serve as a buyer in the company's Cosmetics Division where I select products by first imagining the situations in which customers will use the products that I am looking at. Women become very happy if they are able to become even slightly more beautiful than they are at the present moment. Therefore, nothing makes me happier than being able to select products that will make customers happy. Even today, customers are searching for new cosmetics at Matsumotokiyoshi. I want our customers to select and sample cosmetics to discover new products that make them beautiful and happy. I also become happy if I can feel that the products make my customers happy. I wish to continue providing customers with many products that bring them happiness.

**Kumi Wada**  
Buyer and Pharmacist



**Ryuji Ikeda**  
Supervisor and Pharmacist



### It is the trust I gain from customers, store staff, and business partners.

I feel that a supervisor plays a very important role as a bridge between company headquarters and stores. This is because I think that the implementation of company strategies and various types of policies together with store staff are connected in making a store number one for customers. In implementing such policies, there are many issues and problems that cannot be seen only through verification or analysis at stores themselves. I want to be a leader who is most trusted by store staff by delivering this information to company headquarters for consideration in future strategy planning. The establishment of a positive working environment for the store staff will allow them to work efficiently and achieve successful results. As a drugstore with many locations throughout Japan, we create product displays at our best stores where we use our acquired specialized knowledge to serve customers while giving full attention to detail. We will work with the idea that achieving good results will always bring trust to our business partners.

### It's the gratitude.

In carrying out my daily work, I always maintain a feeling of gratitude towards each and every customer. As a cosmetics staff member, I provide customers with health and beauty advice while providing makeup services and skin care advice in my role to help customers become more beautiful. When customers leave the store, I always want them to genuinely feel like my assistance helped make them more beautiful. When customers show their appreciation when they leave the store by saying "thank you" after I have provided them with beauty advice, I really feel happy about my job. In addition to my customers, I also maintain this feeling of gratitude towards the other staff I work with in the store, and to other companies I deal with. I maintain this honest feeling of gratitude to our customers and want them to become major fans of the Matsumotokiyoshi Group.

**Mai Sasaki**  
Cosmetic Counselor and OTC-Medicine Counselor



### It is about me becoming an "information resource."

The information I disperse is very wide-ranging. This includes specific information on trends which put smiles on people's faces or make them happy. My information also helps them achieve their goals. My words motivate the cosmetics staff, and express support for improving their individual skills. Training of cosmetics staff is an important task which is connected with building trust with customers and business partners. In my work as Beauty Selection Manager, I have many opportunities to connect with people both inside and outside the company which allows me to gain a lot of information and knowledge. I think about not only how I can internalize the valuable experiences that I have gained but also share them in my work. Cosmetic sales is a job really worth doing. It provides infinite added value through product quality and information to customers in the best possible way. As a leader of the cosmetics staff, I always strive to exist as an information resource so that they can demonstrate their abilities to the fullest.

**Maki Senoo**  
Beauty Selection Manager and OTC-Medicine Counselor



**Teruhisa Shikano**  
Medicine Product Staff and OTC-Medicine Counselor



### It is hearing our customers say "Thank you."

In addition to providing guidance and information as a medicine product staff about products, which are best suited to handle the various symptoms and problems that customers experience, I give my utmost attention so that all customers visiting the store can have a pleasant shopping experience. There are times when I hear words of praise from customers, such as "This product that you had recommended was really great!" and "Thank you for your kind customer service." Acting in a way that considers the feelings of the customer who is standing before me each time makes me feel that my job is worth doing and provides me with a sense of responsibility, giving me something back immediately for my efforts. In order to create the number one drug store in the community which receives even more words of praise, I will personally continue to take the initiative and support the beauty and health of our customers. I also strive to be an attractive resource that will make the customers say, "I chose this store because you work here."

### It is the sense of trust I feel with customers and colleagues.

I focus on whether or not I was able to offer solutions that customers are happy with by listening to what they have to say in a sympathetic manner. I speak with them and treat our conversations with great importance, and I maintain the presence of being easily approachable for consultations as a "familiar partner" who supports customers in the areas of health and beauty. Through my continued daily work, I am thanked by customers who sometimes also tell me their impressions later. This really encourages me in my work efforts. As a store manager, I never forget to have a feeling of appreciation for my colleagues that I work with. Communicating with someone while being aware of the importance of saying "thank you," in order to understand each other and enhance our relationship, brings about teamwork. I would like to aim at creating a trusted store where both customers and colleagues that I work together with feel comfortable in order to provide customers with a pleasant shopping experience.

**Eriko Suzuki**  
Store Manager and OTC-Medicine Counselor



**Shogo Izutsu**  
Pharmacist



### It is health.

Just as the words "Health is number one" express, health is the 1st for me. Whether it is work, pleasure activities, dining, or similar pursuits, there are many things which make life more enriching. I believe that having good health further expands such activities that one can select to make life more enriching. Based on this idea, I aspired to become a pharmacist with the desire to become involved with the health of many people. Although I currently work as a pharmacist who specializes in prescription work, I try to maintain a relationship with drug recipients who always focuses on whether or not they can take their medicines with a peace of mind by having eliminated their worries and concerns. In order to support the health of drug recipients, I strive to improve my knowledge every day. Although I am still a novice pharmacist, by adopting the "1st for you" spirit, I would like to grow together with others in order to support the health of many people.

# Aiming to become a corporation with 1 trillion Yen in sales

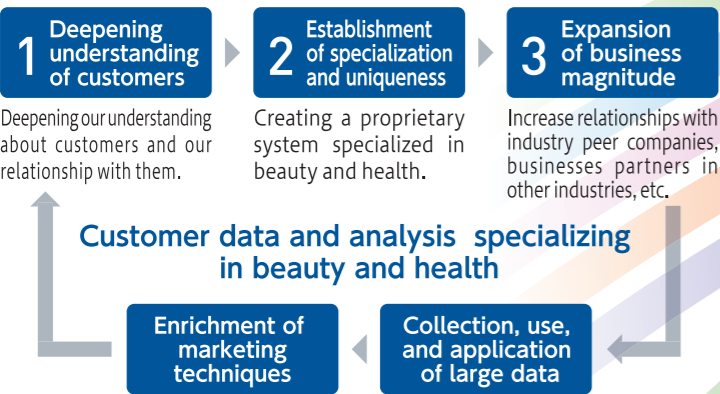
1st for You.

## Mid to Long-term Management Strategy

The group has been implementing a new management strategy under a new system started in April 2014. Specifically, we continuously engage the expanding business scale on the axis of “collection, use and application of big data” and “improvement of marketing methods” specialized for beauty and health fields (H&B business), which we excel at. By doing so, we aim to be a necessary corporate group in the beauty and health fields.

Main initiatives for that are as follows;

Mid-term Management Goals	Long-term Management Goals	Management Vision
600 billion yen in group sales Return on equity (ROE) exceeding 10%	10% share of the Japanese drugstore market 2,000 stores under our group's umbrella	Aiming to become a corporation with 1 trillion Yen in sales



Mid-term Management Goals

Group Sales

600 billion yen

Return on equity (ROE) exceeding 10%

## Challenges the Group Must Address

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 enhance our potential for higher revenues and aim for sustainable growth. The group will unite to address the following priority issues.

Long-term Management Goals

share of the Japanese drugstore market

10%

The number of stores under our group's umbrella

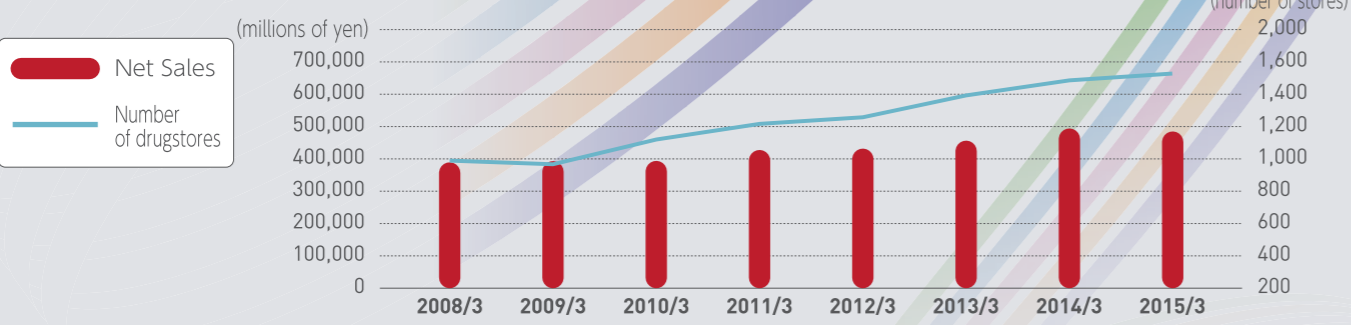
2,000 stores

	1 Deepening understanding of customers	2 Establishment of specialization and uniqueness	3 Expansion of business magnitude
Focus Strategy	Creation of new markets and enhancement of one-to-one marketing	Expansion of the medicine dispensing business and creation of the next-generation health care business	Revitalization of our group corporations
Growth Strategy	Promotion of omni-channel	Creation of a vertical partnership structure	Promotion of operation and M&A

### [Glossary of Terms]

- One-to-one marketing**  
Individually developed marketing activities designed to match factors including the preferences, needs, and purchase history of each customer.
- Omni-channel**  
Denotes the integration of all sales and distribution channels, including brick-and-mortar stores and online stores. In addition, through the creation of such integrated sales network, an environment exists where products can be purchased in the same manner regardless of the sales channel used.
- Vertical partner structure**  
Through the cooperation of upstream manufacturers to downstream retailers, this structure maintains variable functions by artificially integrating distribution level functions.

### Trends in Net Sales and Number of Stores



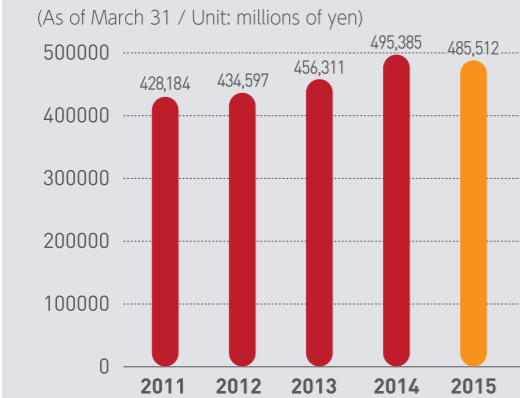
## TOPICS Business development in Thailand

On May 1, 2014, we began full-fledged test marketing for our company's private brand products in Thailand. Combining our business experiences with that of Central Food Retail, we are providing product corners inside the high-quality supermarkets of Central Food Retail for test marketing of our company's private brand products. The purpose is to analyze and verify the Thai market and customer needs in order to develop an ideal health and beauty business in Thailand. We will carry out the development of an ideal health and beauty business in Thailand based on the purchasing trends and customer needs which we hope to learn about.

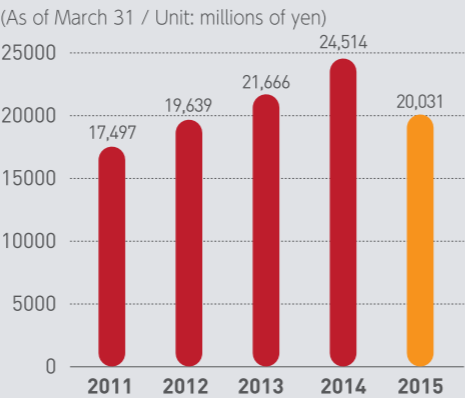


> Financial data

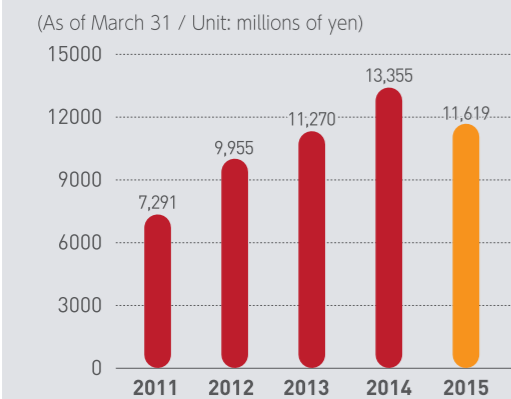
■ Net Sales



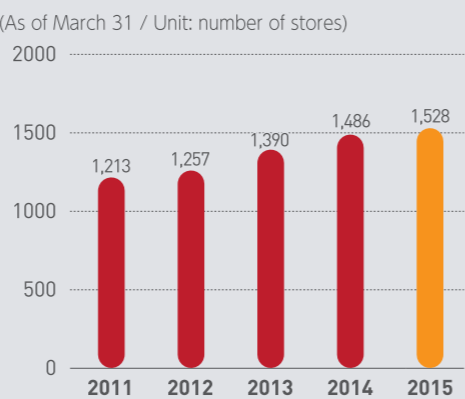
■ Ordinary Income



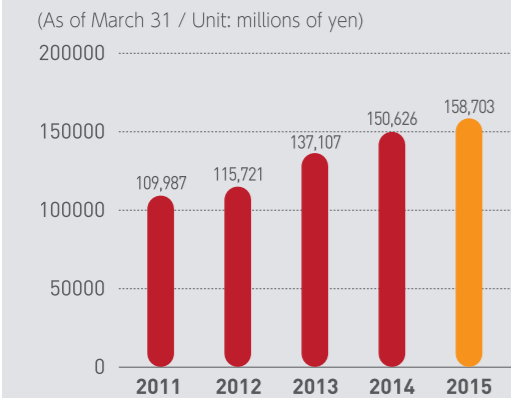
■ Net Income



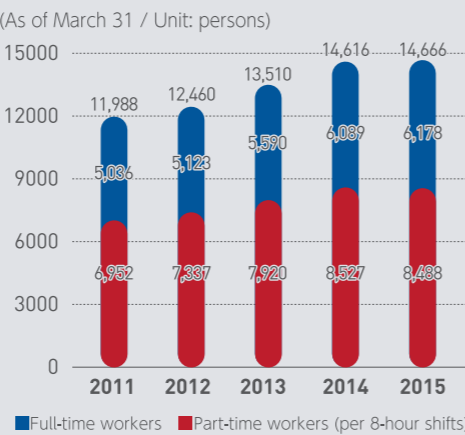
■ Number of drugstores



■ Net Assets



■ Number of group employees

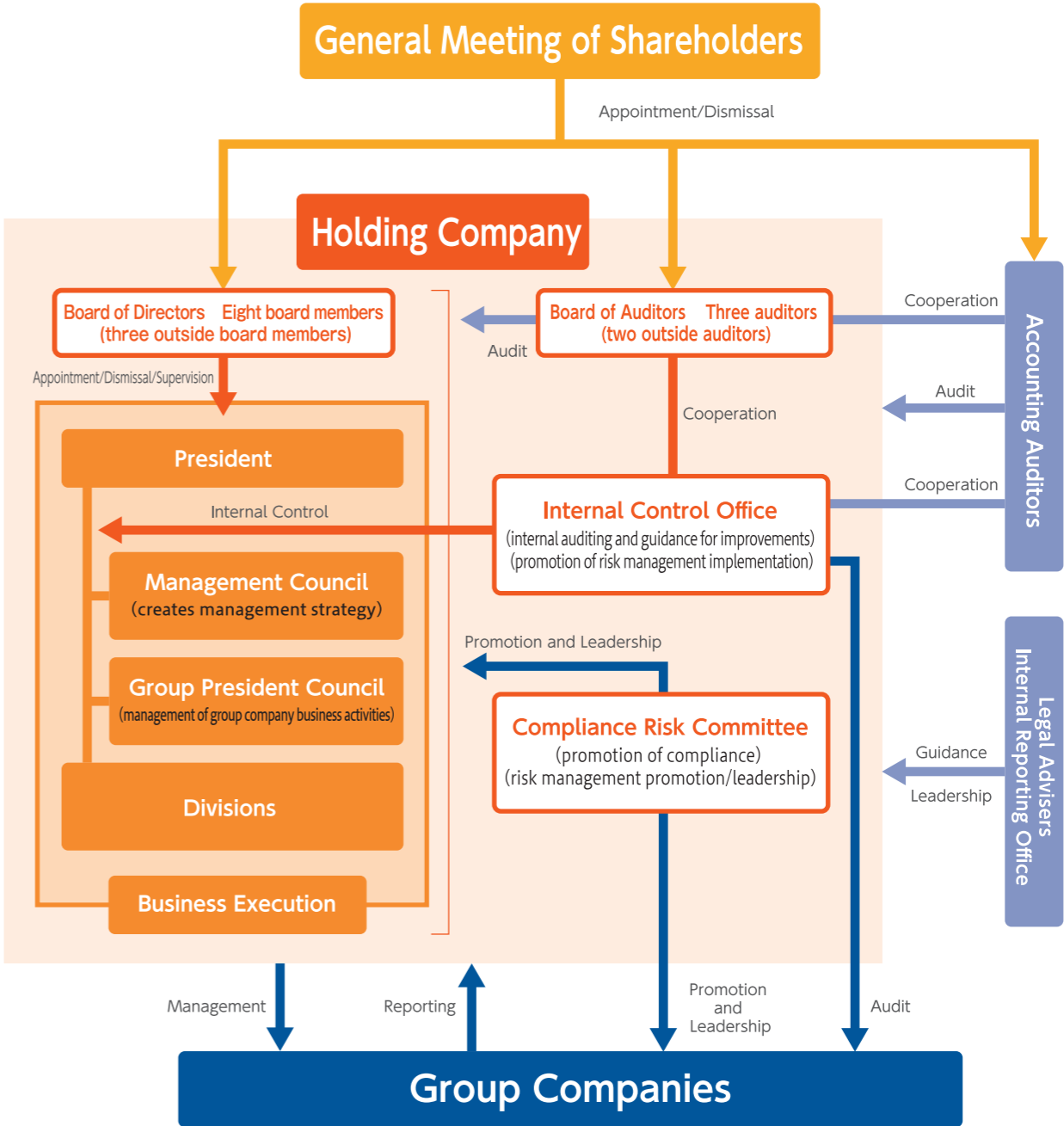


> Corporate Governance System

■ Our basic philosophy regarding corporate governance  
“1st for you” is the management philosophy of the group. Based on this management philosophy, this group will aim to be a “company indispensable to the beauty and health field,” and strive for an enriched form of corporate governance, which serves as the foundation and live up to the expectations of all our stakeholders (customers, employees, client enterprises, local communities, and shareholders) and continue to earn their trust.

■ Overview of the corporate governance system  
As a company with a board of company auditors, we have established a general meeting of shareholders, board of directors, and board of auditors. Among the eight directors on the board, three are outside board members, and among the three auditors, two are outside auditors. These five people serve as independent officers in accordance with Tokyo Stock Exchange regulations. Maintaining a high degree of independence from the company, the independent officers cooperate and bring an outside perspective to the board of directors while increasing supervisory function and diversity. Our board of directors serves a term of one year, which makes the mission and

responsibility of each board member clear. Also, by adopting an executive officer system, the execution and supervision of duties in business management are separated, and the functions and responsibilities of board members and executive officers are clarified.  
In addition, our corporate governance system is a Management Council established under the board of directors comprised of board members, executive officers, and full-time auditors who work together for efficiency in the execution of duties. The Group President Council was established for the steady and effective implementation of group company management, leadership, and guidance.  
The Internal Control Supervision Office was established as an internal auditing division. Aiming for full cooperation with auditors, the office supervises internal auditing and the internal control system related to duties of each division and group companies, and creates an effective auditing system by maintaining the suitability and efficiency of business activities.  
In the areas of compliance and risk management, it is our belief that all activities are thoroughly linked. Therefore, in order to maintain compliance and risk management in the company and our group, the Compliance Risk Committee was established.



1st for You.

# The Mastumotokiyoshi Group's family drugstores

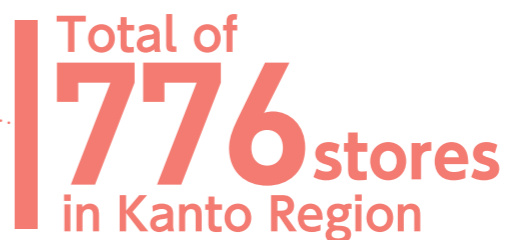
## Matsumoto KiYoshi Holdings Co., Ltd.

### Group Companies

 Matsumotokiyoshi Co., Ltd.	 Matsumotokiyoshi East Co., Ltd.
 Tobu Drug Co., Ltd.	 DARUMA DRUG STORE CO., LTD
 PAPASU Co., Ltd.	 Matsumotokiyoshi Kyusyu Co., Ltd.
 SIMENO Co., Ltd.	 Matsumotokiyoshi Kou-Shin-Etsu Co., Ltd.
 Sugiura Co., Ltd.	 ITAYAMAMEDICO Co., Ltd.
 Koyo Yakuhin Co., Ltd.	 Matsumotokiyoshi Chu-Shikoku Co., Ltd.
 Matsumotokiyoshi Pharmacies Co., Ltd.	

### Wholesale / Other Group Companies

Matsumotokiyoshi Wholesale Co., Ltd.
Itohide Shoji Co., Ltd.
Matsumotokiyoshi Asset Management Co., Ltd.
MK Planning Co., Ltd.
Matsumotokiyoshi Insurance Service Co., Ltd.



Our network of stores covers 45 prefectures in Japan.

## Franchise Stores

KEIKYU HAUTSU Co., Ltd. (HQ) Yokohama-shi, Kanagawa Pref.
Kohnan Shoji Co., Ltd. (HQ) Sakai-shi, Osaka Pref.
SAN-A Co., Ltd. (HQ) Ginowan-shi, Okinawa Pref.
Izumi Co., Ltd. (HQ) Hiroshima-shi, Hiroshima Pref.
BEST DENKI Co., Ltd. (HQ) Fukuoka-shi, Fukuoka Pref.
Kyoei Co., Ltd. (HQ) Tokushima-shi, Tokushima Pref.
JA-Shimane (HQ) Izumo-shi, Shimane Pref.
Meijido-Yakuhin Co., Ltd. (HQ) Ama-gun, Aichi Pref.
SUPER VALUE CO., Ltd. (HQ) Ageo-shi, Saitama Pref.
Yasui Co., Ltd. (HQ) Ichikawa-shi, Chiba Pref.
OKUWA Co., Ltd. (HQ) Wakayama-shi, Wakayama Pref.
Entetsu Store Co., Ltd. (HQ) Hamamatsu-shi, Shizuoka Pref.
Food Mikuni Co., Ltd. (HQ) Sakai-shi, Fuku Pref.
Inai Co., Ltd. (HQ) Kurayoshi-shi, Tottori Pref.

## Business Partners

SAPPORO DRUG STORE Co., Ltd. (HQ) Sapporo-shi, Hokkaido
Komeya Drugstore Co., Ltd. (HQ) Hakusan-shi, Ishikawa Pref.
CHUBU YAKUHN Co., Ltd. (HQ) Tajimi-shi, Gifu Pref.
LAWSON, INC. (HQ) Shinagawa-ku, Tokyo



【Corporate name】 Matsumotokiyo 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/>



Aiming for further progress  
fully using strategies.

**Kazuo Narita**  
President

## ➤ Aiming to be an advanced marketing company in the fields of health & beauty

The company, Matsumotokiyo was founded in 1932 in the Kogane of Matsudo City, Chiba Prefecture as a private-run enterprise, "Matsumoto Pharmacy," and has now celebrated its 83nd anniversary of founding. In 1995, the company achieved the highest sales in the industry, and still actively promoting area domination in Kanto, Tokai and Kansai regions as the core company of Matsumotokiyo Holdings Co., Ltd. The company has started issuing the "Matsumotokiyo Point Card" since 2002 and has 21.23 million card members as of March 2015.

With Japan's population estimated to be approximately 127 million, our company have acquired more than 16% of the population in terms of customer baseline. In addition, our friends on LINE, which was started in July 2012, surpassed 8.77 million after about one and a half year and reached 13.4 million at the end of March 2015. In August 2014, we launched the Matsumotokiyo Official App which as of the end of March 2015 was downloaded 1.6 million times. Through such efforts, we strive to be an advanced marketing company in the health and beauty field by carefully cultivating points of contact with many customers.

### ■ Business Contents

**Matsumotokiyo Store Model** Matsumotokiyo opens stores in various locations, in different forms and according to specific customer bases.



Yurakucho Itocia Plaza Store



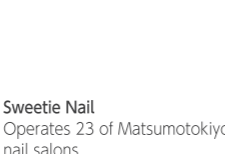
Urban-type drugstores  
Ikebukuro Higashiguchi Annex Store



Suburban-type drugstores  
Koshigaya Nishikata Store



Prescription pharmacies  
Shinmatsudo Dispensary



Sweetie Nail  
Operates 23 of Matsumotokiyo's nail salons



Ginza 5th Store



Matsumotokiyo mail order website  
Offers a wide-ranging lineup of products, including some only available on the website.  
<http://www.e-matsukiyo.com/>

### ■ Providing the latest information



The number of friends  
**About 13.4million**  
(As of March 2015)

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



**Matsumotokiyo Official App**  
**Downloaded 1.6million times!**  
(as of March 2015)

### ■ Unique approaches

Matsumotokiyo Members Card

**Membership:**  
**21.23 million members**  
(as of March 2015)



Credit cards

Cash point card



【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/>



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

**Koichi Nezu**  
Chairman(left)



**Hitoshi Takagi**  
President(right)

## ➤ 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.

### ■ 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.

### ■ Unique approaches



#### Drug Papasu Asakusa Kaminarimon Store

Promotes area products and store visits by foreign customers who are visiting Japan.

### ■ 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.



【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/>



Drugstores fully trusted  
by customers and patients.

**Masami Kato**  
President

## ➤ 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.

### ■ Business Contents



## 【 Hokkaido and Tohoku Region 】

**マツモトキヨシ 東日本販売**

【Corporate name】 Matsumotokiyoshi East Co., Ltd.  
【Address】 Sendai MKD Building 3rd floor, 2-2-24 Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021 Japan  
【Phone】 +81-22-268-1780 【Incorporated】 October, 2006  
<http://mk-east.co.jp/>



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.

**Masashi Takano**  
President



### ➤ Retail outlets rooted in communities 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 yous” 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.

#### ■ 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.



【Corporate name】 DARUMA DRUG STORE CO., LTD  
【Address】 Sendai MKD Building 3rd floor, 2-2-24 Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021 Japan  
【Phone】 +81-22-722-2574 【Incorporated】 July, 1946  
<http://darumadrug.co.jp/>



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.

**Keiichi Okano**  
President



### ➤ 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.

#### ■ 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.



##### Pharmacies

While the separation of prescription and dispensing continues in Japan, we currently have pharmacies and stores with dispensing facilities in operation.

#### ■ Unique approaches



**Daruma Club (e-mail communication)**  
Daruma Club has excellent immediacy, and specific dates can be set to send e-mails. We have been able to draw many customers to the store by transmitting information at the right time in a variety of cases.

## 【 Koshinetsu Region 】

**マツモトキヨシ 甲信越販売**

【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.mk-koshinetsu.co.jp/>



We are proud of our community-based support through responding to an aging society and parallel establishment of dispensing corners!

**Toshiaki Nishino**  
President



### ➤ 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.

#### ■ 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



##### Matsumotokiyoshi MIDORI Nagano Store

This store is located in the “MIDORI Nagano Station Building” which is adjacent to Nagano Station. The Hokuriku Shinkansen was recently extended from Nagano to Kanazawa, meaning the area will bring in tourists and customers of all ages. In order to win the support of such customers, we aim to create a sales location that customers will enjoy, provide product arrangements and customer service with a high level of attention, and develop a large number of sales activities.

#### ■ Unique approaches



##### Responding to an Aging Society

The aging rate in our area is higher than the national average. As a measure for the aging society, we are trying to handle our customers in a highly specialized way. For example, we display product samples using mannequins at the nursing care diapers corner and train nursing care diaper counselors at our courses. In addition, we proactively participate in the Dementia Supporter System where we have dementia care providers at each store. We promote efforts aimed at correct understanding and support for the illness.

**イタヤメディコ**

【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/>



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

**Kazumasa Itayama**  
President



### ➤ 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/Pharmacies

## 【 Tokai and Hokuriku Region 】



【Corporate name】 SIMENO Co.,Ltd  
 【Address】 e-town Kanazawa, 1-48-1 Takayanagi-cho, Kanazawa-shi, Ishikawa 920-0005 Japan  
 【Phone】 +81-076-253-9595 【Incorporated】 May, 1962  
<http://www.simeno.co.jp/>



We maintain a spirit of challenge and unity to grow further and keep refining the company culture.

**Hisanori Seki**  
President

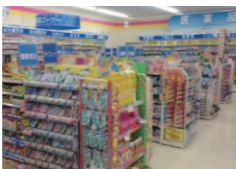


### ➤ Aiming to expand the group market share in the Hokuriku region

The opening of the Hokuriku Shinkansen extension on March 14, 2015 to Ishikawa and Toyama Prefectures, regions where SIMENO has located many of its store locations. This business development means that the region is bustling with people from both Japan and abroad. As a tourist location and a new business center along the Sea of Japan, the region has witnessed major changes and development.

Regarding such changes as business opportunities, the company has four responsibilities in order to provide service and stores that anticipate the rapidly changing needs of the region. These responsibilities are: 1) To provide sincere customer service, 2) To create an environment where all employees have a common awareness and can participate in management, 3) To proactively participate in regional health and education activities, 4) To create a system which continues to produce sound benefits in order to continue to be helpful to customers. By carrying out these responsibilities, we take on the challenge of becoming the number one drug store in the Hokuriku region.

#### ■ Business Contents



##### Drugstores

We have stores in Ishikawa, Toyama and Gifu prefectures. "Cheerful, enjoyable and lively" are our motto. Our priority is to maintain our customer first attitude and seek further convenience from our customers viewpoints. We are aiming to be the No. 1 store in the area.



##### Pharmacies

We aim to be a gateway to regionally based medicine and a society based on preventive medicine. We offer medical advice and counseling as prevention of illnesses, as well as nutrition and child care counseling. We also aim to be the number one family pharmacy in the region.

#### ■ Unique approaches



Our company provides the Clover Passport to customers 60 years old or above who receive a 5% discount on certain products if they present their passport on Senior Appreciation Days which are the 15th, 16th, and 17th of each month. On those days, we flourish with many senior customers as well as their family members.



【Corporate name】 Sugiura Co., Ltd.  
 【Address】 170 Kawahigashi, Wada-cho, Konan-shi, Aichi 483-8014 Japan  
 【Phone】 +81-5-8754-1938 【Incorporated】 April, 1967  
<http://www.s-healthbank.jp/>



Aiming to be a company and stores trusted by our customers and staff.

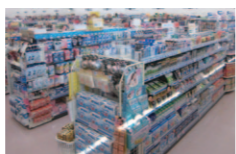
**Hiromasa Nomura**  
President



### ➤ Playing a role in the expansion of the group market share in the Tokai region

Since our establishment in May 1957, we have had drugstores and pharmacies mainly in the Owari area of Aichi Prefecture and the Mino region of Gifu Prefecture under the theme "solutions for health and beauty." Improving our specialized knowledge regarding health and beauty, while aiming to be a drug store that is trusted by local customers, we also try to be a convenient store by supporting daily through expansion of our lines of daily goods and food products. In the future, we will listen very closely to the needs and desires of the aging society and establish our stores into even more convenient locations. We aim to create locations which make customers say, "I am happy to have my health bank" or "The store is my health bank." Within the company, we strive to be a bright, fun, and energetic company by managing the business with an emphasis on real work-life balance.

#### ■ Business Contents



##### Drugstores

As an urban-type drugstore, we aim to be a store for a convenient life and offer community based select items and prices and carefully maintain communications and relations with our customers through our kind support and services.



##### Pharmacies

While separation of prescribing and dispensing functions is promoted, we develop a business style, such as store with dispensing facility and Prescription pharmacy located near a hospital. We aim to be the area's family pharmacy through giving clear and kind advice considering customers' circumstances using our highly specialized knowledge.

#### ■ Unique approaches



The Tokai Region has a food culture centering on Nagoya and Gifu. We are working on integrating our special local items and group merchandising.

## 【 Chugoku and Shikoku Region 】



【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/>



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

**Hiroshi Kamimura**  
President



### ➤ 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. We are extending area domination and merged with the Morris Co., Ltd. on March 1st, 2014.

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.

#### ■ Business Contents



##### Drugstores

We have suburban-type drugstores in commercial and residential areas, as well as urban-type stores around train stations and bus terminals. We value good communication with our customers, and always aim to give them the personalized service they appreciate.



##### Pharmacies

In the Okayama and Harima areas, 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

We have introduced the "Senior Card" a point card for customers aged 60 or older, and is attracting senior citizen 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." Senior Card Service is available at all Matsumotokiyoshi Stores (all locations in Okayama, Hiroshima, Tottori, Tokushima, Ehime Prefectures and some locations in Hyogo) and Love Drug Stores.

##### Senior Card



## 【 Kansai Region 】



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



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.

**Takashi Mori**  
President

#### ■ 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 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.

### ➤ 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.

【 Kyushu Region 】

**マツモトキヨシ 九州販売**

【Corporate name】 Matsumotokiyoishi 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/>



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

**Kunio Yamazaki**  
President

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

Matsumotokiyoishi 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 Matsumotokiyoishi 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.



■ 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 a person in charge at each section, such as the medicine sales section and cosmetic sales section, 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 Matsumotokiyoishi 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



**Matsumotokiyoishi 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.

**マツモトキヨシ ファーマシーズ**

【Corporate name】 Matsumotokiyoishi Pharmacies Co., Ltd.  
【Address】 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba 270-8501 Japan  
【Phone】 +81-47-344-5150 【Incorporated】 April, 2012  
<http://www.matsumotokiyoishi-hd.co.jp/company/pharmacies/>



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

**Tomiharu Otake**  
President

➤ 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 context of a rapidly aging society, we believe that the role of Matsumotokiyoishi Pharmacies in the healthcare field will grow in importance in the future.

■ Unique approaches



**Fully enhanced training system**

In addition to training at company headquarters, our pharmacists can improve their skills in many ways including hospital training, home healthcare training, and store study groups. Whether they want to become managers, chief pharmacists, supervisors, etc., we support the advancement of their careers in accordance with their individual life plans.



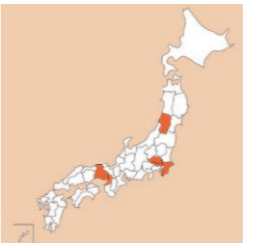
**We emphasize a good balance between work and life**

We provide a support system for working pharmacists who are mothers, which includes maternity and childcare leave as well as shortened working hours for childcare, consecutive leaves, anniversary leaves, etc., working hard to create a perfect work-life balance.

**Special Dispatch Business**

With the expansion of the group's pharmacy business, we have a Special Dispatch Business where employees can experience working at different pharmacies other than Matsumotokiyoishi Pharmacies in line with their career plans, aptitude, commuting situation, etc. in order to acquire a broad range of knowledge and skills.

■ Business Contents



**Prescription laboratory**

We are proactively expanding our prescription pharmacies mainly in the Kanto and Kansai areas (as of March 2015, there are a total of 14 prescription pharmacy locations in Tokyo, Chiba, Saitama, Osaka, Hyogo, and Yamagata Prefectures). In the current period, we will open the fifth Kansai area store at Q's Mall in Morinomiya (Osaka).



We are also actively engaged in specialized medicine, home healthcare, and similar fields.

**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 ... Pursue expertise by proactively hiring and training pharmacists.
- 3 ... Promote contract management and opening of prescription pharmacies within the group.
- 4 ... Provide at-home dispensing and other services in partnership with local healthcare institutions and facilities.
- 5 ... In addition, strengthen each type of development related to prescription pharmacies and pharmacists.

# Matsumotokiyoshi Holdings

## Concept of Corporate Social Responsibility



### ➤ CSR through business activities (Positive CSR)

We regard "Management philosophy" and "Company ethics" as the basis of CSR. The basic policy of CSR is being the "1st for you." for every stakeholder through each employee's acts with awareness of society in everyday duties.

Under such a policy, we, as a corporate group playing a role in the healthcare fields, engage in various activities with the themes, "Self medication" and "Community based family pharmacies" as our corporate social responsibility .

### > AED(Automatic External Defibrillator) was installed in the stores



Inner training for the operation and life saving treatment

Fibrillation treatment (applying electric shock to the heart) used to be handled only by people with medical qualifications, such as physicians and emergency life-saving technicians. However, now it is allowed to be handled by unqualified people using AED. Since that, the number of AED installations has been increasing at stations, airports, local governmental facilities and public facilities. We are installed AED from May 2014. As a company playing a role in community healthcare, we keep contributing to the communities life saving 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.)



### > 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 Introduction of a scholarship system at the School of Pharmacy, Iwate Medical University

Although more than three years have passed since the occurrence of the Great East Japan Earthquake, recovery efforts are still underway in the disaster region and there are people who have difficulties in continuing studies due to financial reasons, since them or their family members were impacted by the disaster. For students of the six-year pharmacy school, practical work/training and other activities become core parts of the fifth year which makes it all the more difficult to continue studies. The introduction of this scholarship system is for assisting with training human resources that are capable of contributing to the recovery of the disaster region and to local healthcare by supporting highly motivated students.

#### 2 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 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 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 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 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.

#### 7 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.



### "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.

> 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.

難病の子どものための 診療所付自然体験施設  
**そらぶちキッズキャンプ**  
in 北海道 滝川市 丸加高原



**Solaputi Kids' Camp**  
<http://www.solaputi.jp/>

> 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.



> Relief funds for the torrential rain disaster in Hiroshima City

Collection boxes were provided at stores operated by Matsumotokiyoshi Chu-Shikoku Co., Ltd. and emergency fundraising was conducted from August 21 to September 5 as a response to the torrential rain disaster in Hiroshima City, which occurred in August 2014. On September 26, we donated relief funds to Hiroshima City which were made possible by the generosity of customers and store staff as well as by funds donated by Matsumotokiyoshi Holdings and Matsumotokiyoshi Chu-Shikoku headquarters.

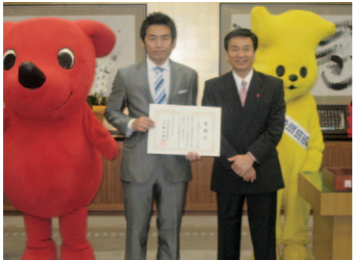
> ECO Together (power and water conservation, garbage reduction) campaign

Some of the proceeds from certain products (Eco together products: household products from Kao) were donated to the Chiba Prefecture Environment Foundation. Since the company implemented activities which helped environmental conservation efforts in Chiba Prefecture, Matsumotokiyoshi Chairman Kiyoo Matsumoto and Senior Managing Director Takashi Matsumoto were awarded with a Certificate of Appreciation for the second consecutive year by Kensaku Morita, Governor of Chiba Prefecture.

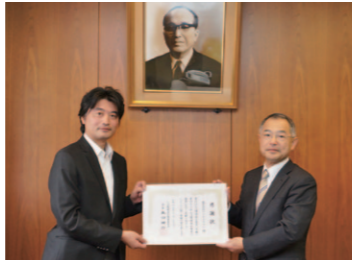
The certificate of appreciation was presented at the main office of Matsumotokiyoshi.



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



Chiba Prefecture Governor Kensaku Morita gives a certificate of appreciation to Senior Managing Director Takashi Matsumoto. We honor to receive that for two consecutive years.



The chairman Kiyoo Matsumoto (left) and the chairman of Chiba Prefecture Environment Foundation, Masaaki Saito (right).



The certificate of appreciation given for two consecutive years

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.



Endowed Course Established at Chiba University

As part of our social contribution activities, we subsidized educational research at Chiba University and established the Drug Informatics (Matsumotokiyoshi Holdings) Endowed Course at the university's Graduate School of Pharmaceutical Sciences. A commemorative lecture meeting was held at Chiba University, and experts active in various industries spoke on such topics as the importance of the proper usage of pharmaceutical products in home health-care settings and in responsible self-medication as well as related issues, and the research themes of this endowed course.



Chiba University President Yasushi Saito (center left) and Matsumotokiyoshi Holdings Chairman Namio Matsumoto (center right) shake hands firmly towards making a contribution to community medicine.



Lecture meeting scenes (July 4, 2013)

For the growth of employees who feel happy about their work and help society



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

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.



Produce specialists with a high degree of professionalism

Matsumotokiyoshi's human resource training programs:

Instill responsibility for the Matsumotokiyoshi pharmacies of tomorrow

Help us keep improving our business performance

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. 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.



Pharmacists

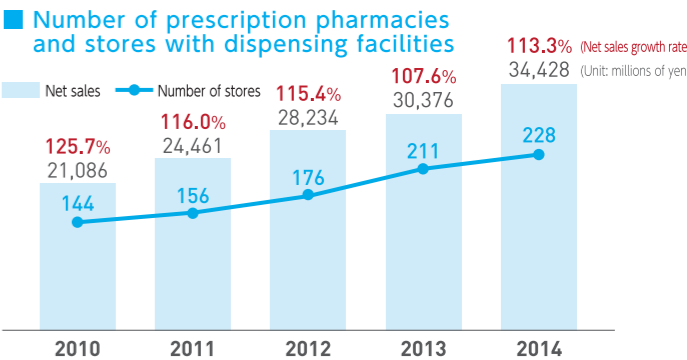


OTC Medicine Counselors

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.



\*Net sales figures are the simple aggregate of sales of retail operating companies.  
\*For MIDORIYAKUHIN, LOVEDRUGS and Nakajima Family Pharmacy, sales figures begin from April 2010. For SIMENO, they begin from January 2014.

# Special Talk

Hear directly from our private brand developers

## Passion toward Private Brand

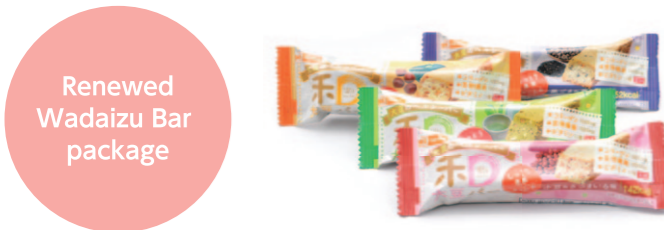


**Hitomi Kaneshima**  
OTC-Medicine Counselor  
Matsumotokiyoshi

**Sayumi Oikawa**  
Buyer  
Matsumotokiyoshi Holdings

**Miho Sueshige**  
Buyer  
Matsumotokiyoshi Holdings

### Have color consciousness for display



### Easy to imagine, easy to be understood

**Oikawa:** The previous packages were black and white and had a masculine image. However, we redesigned them for female customers, who are actually the majority, to be easier to imagine and handle. I drew cute illustrations...(laughing)

**Kaneshima:** Yes, the taste is carefully controlled for female customers to enjoy more. Two kinds of taste in one package ... , for example, "Green Tea & Milk" or "Sweet Chestnut & Pumpkin," they are more delicious than before. The photos are used for the packages to stimulate people's curiosity and give a satisfying answers to their question "how is the taste...?"

**Sueshige:** We designed the packages from the female customers' viewpoints, off course, I also considered the balance for male customers, such as business men, who can buy the products without any hesitation.

### Understanding comes through putting ourselves in the position of users



### Emphasizing easy to understand, because of healthcare products.

**Oikawa:** It is important for healthcare product packages to be easy to understand. We discuss from what viewpoints our customers select products and apply this to the design. For example, if we use the phrase "drinkable from 7 years old," people think that the product is for children, we changed the phrase to "from 7 to adult." About tablets for children, using images showing their actual size in the packages.

**Kaneshima:** Many people carry around pain relief medicine, but not so many people carry around with the boxes. We describe how much they can take not only on the boxes, but also on the sheets.

**Sueshige:** Package design is the most effective tool to give product information to the customers, before they consult us. Packages which are easy to understand can help the customers selection of more suitable products. We can offer more suitable products through listening to the voices of actual users and product development sites, and apply the collected information to packages.

### Five benchmarks guiding our operations QUALITY GUIDE LINE

- 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.



### Supplements



### Pharmaceutical Products



### Private Brand The MK Customer

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.

### Cosmetics



# The 80-year Trajectory of Matsumotokiyoshi Holdings

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 tools he needed to grow his business.



## 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.

## 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)

## 1995 Company achieves largest sales in the Japanese drugstore market

(March)  
Sales: 101,778 millions of yen / 216 stores

## 1996 TV commercials start

(April)

## 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 reasons. 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.



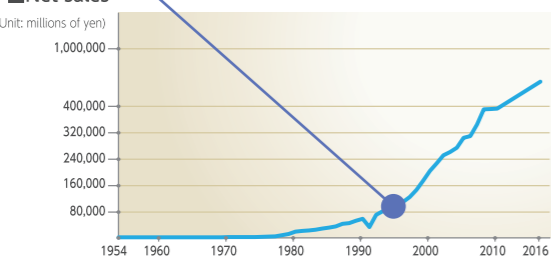
## Arrival of the Era of Suburban Stores

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.



## 1995 The drugstore with the highest sales in Japan

Matsumotokiyoshi opened a large number of stores in strategic locations in the Tokyo metropolitan area, introduced a broad product lineup that better served the needs of the local residents and built a relationship of trust with customers through implementing sales using consulting services that had specialized knowledge. That year, sales exceeded 100 billion yen.



## Garnering Attention through TV Commercials



## Listing on the First Section of the Tokyo Stock Exchange



## 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)

## Chairman Namio Matsumoto receives the Order of the Rising Sun, Gold Rays with Rosette during the Emperor's Awards Presentation, spring of 2015.



Chairman Namio Matsumoto was recognized for his major role in society as Founding Chairman of the Japan Association of Chain Drug Stores (JACDS) for promoting understanding about drug stores in Japan, promoting the concept of self-medication where people protect their own health, and moving beyond his position involved in the business development of a single company.

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

March 31, 2016

## 2015 Chairman Namio Matsumoto receives the Order of the Rising Sun, Gold Rays with Rosette during the Emperor's Awards Presentation, spring of 2015. (April)

## 2014 Kiyoo Matsumoto assumed as President (April)

Business cooperation with Central Food Retail Company Ltd. (May)  
Started the test marketing for our private label products in Thailand.

## 2012 Celebrates 80th year since establishment (December)

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

## 2005 New type of franchise package starts (August)

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

## 2002 Point card services start (April)



## Introduction of the point system



## 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.

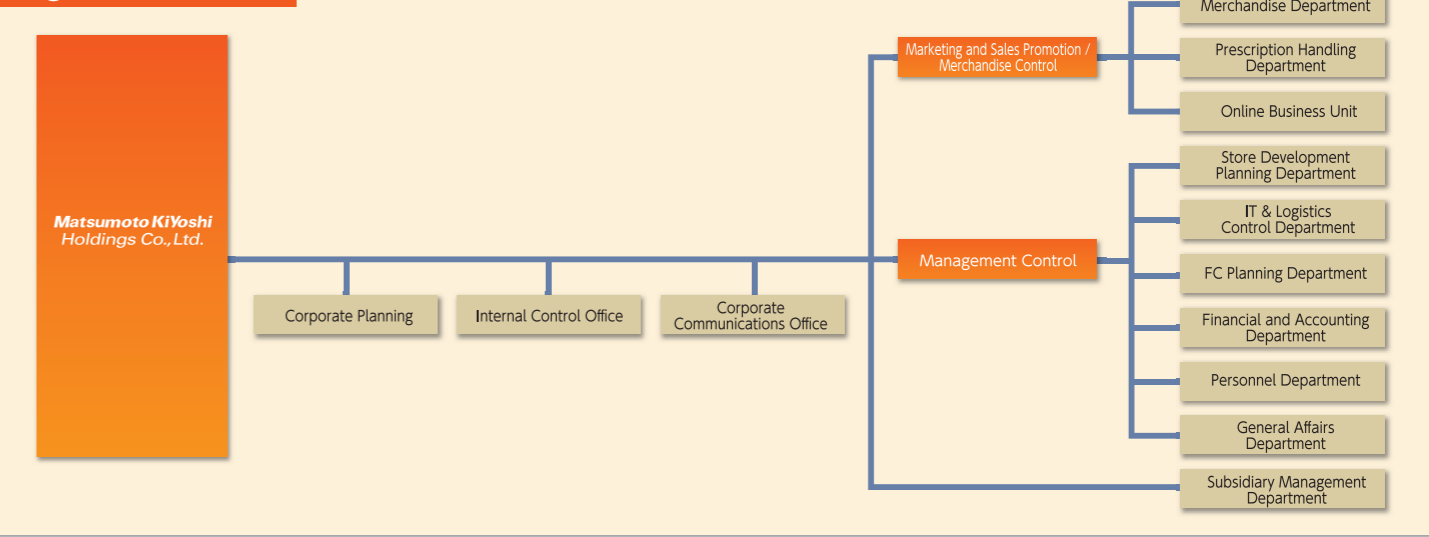
# Corporate Data (as of June 26, 2015)



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	22.051 billion yen
Book Closing	March 31
Lines of Business	Management and supervision of subsidiaries, purchase and sale of products
Issued Shares	54,636,107

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

## Organization chart



# 1st for You.



**Matsumoto KiYoshi**  
*Holdings*

***Matsumoto KiYoshi Holdings Co., Ltd.***

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

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