

CORPORATE PROFILE 2016

Matsumoto KiYoshi Holdings Co., Ltd.



Matsumoto KiYoshi
Holdings

Developing a New Business Model that Creates Demand
First of the next-generation healthcare format
matsukiyo LAB Shin-Matsudo Eki-mae Store (Matsumotokiyoshi Co., Ltd.)
“SUPPLEMENT Bar” “BEAUTYCARE Studio” “HEALTHCARE Lounge”

1st for You.

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.



Matsumotokiyoshi Holdings Co., Ltd. promotes the following next-generation healthcare businesses in order to become a company essential to the health and beauty sector (H&B).

On September 30, 2015, we opened our Shin-Matsudo Eki-mae Store, which also includes and features our next-generation healthcare services (matsukiyo LAB lifestyle healthcare store). The primary goal of this store is to improve the quality of life for health and beauty by offering new H&B solutions to customers and providing them with the experience consisting of new values they have not envisioned before.

We are developing an environment which will allow us to support the health and beauty of each and every customer through the promotion of next-generation healthcare services.

Birth of a New Private Brand



Development of New Private Brand Products

As our customers' needs and lifestyles become increasingly diverse, we are modifying our existing private brand product strategy into something even more appealing to them. Matsumotokiyoshi will roll out attractive products that remain a step ahead of our customers' expectations through a line-up of private brand products called "matsukiyo" which is themed around a new concept based on considering potential customer needs, the creation of new value, and how customers use our products.

Omni-channel Strategy



New Shopping Experiences for Our Customers

With the increasing diversity in and complexity of communication and contacts between companies and customers, the retail business is facing a time of great change. For us, too, we have had to integrate our various business channels and renovate our official site and online store, among other areas, to match our customers' ever-changing purchasing behavior and tastes. With our omni-channel approach, we can offer a high-level of customer service that provides new values to our customers through the convenience of our existing stores and on-line web store.

Business Expansion Overseas



Expanding Business to Overseas Markets in Search of New Business Opportunities

As one of our mid to long-term strategies, we are moving forward with the construction of a new business model in overseas markets. After the incorporation of Central & Matsumotokiyoshi, Ltd., through a joint investment between Central Food Retail and us, we opened our first overseas store in October 2015 under the name of Matsumotokiyoshi in Central Plaza Ladprao, a key commercial complex owned by the Central Group in Bangkok, Thailand. As of the end of March 2016, we opened our second branch in Thailand, with a desire to establish a drugstore business, vital for customers' health and beauty in Thailand.

Initiatives for Inbound Tourism



Contributing to Japan's Ambition to Become a Tourist Nation from a Retail Business Standpoint

With the expansion for additional tax-free stores, the 20 or so tax-free stores we had as of October 2014 have increased to 310 stores as of the end of March 2016. In order for our customers to enjoy hassle-free shopping, we have opened new stores that cater to foreign customers in Yurakucho, Ginza, Ueno, Asakusa, and other areas. Furthermore, we have branches in outlet malls in places popular with tourists such as Makuhari, Sapporo, and Osaka. We are striving to open branches in regional cities and expanding the number of tax-free stores to allow us to contribute, from the perspective of a retail business, to Japan's ambitions to become a tourist nation.

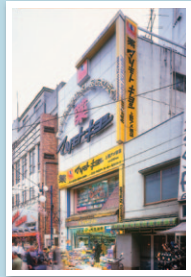
The 84-year Trajectory of Matsumotokiyoshi Holdings

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.



■ 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.



The Ueno Ameyoko Store, opened in 1987

■ 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

Initiatives to Show Our Sincerity to Our Customers

1994 Opens first suburban-type drugstore

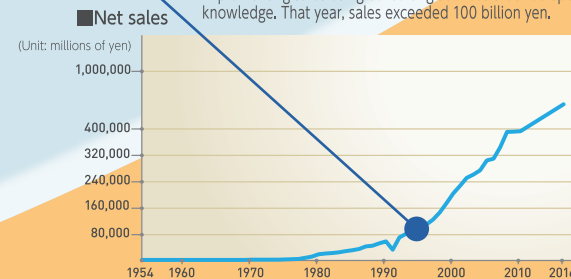
First roadside-type drugstore opens in Kaga, Kashiwa City. (March)

1995 Company achieves largest sales in the Japanese drugstore market

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

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.



1996 TV commercials start

(April)

■ Garnering Attention through TV Commercials



1999 Company listed on the First Section of the Tokyo Stock Exchange

(August)

■ Listing on the First Section of the Tokyo Stock Exchange



Initiatives for Our Customers' Health and Beauty

2001 Group expansion strategy starts

Company commences business partnership with leading regional companies.

Number of drugstores reaches 500

(March)

■ Accelerating on the path of expansion



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

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.

2002 Point card services start

(April)

Introduction of the point system



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

(December)

To offer the polites service anywhere

2005 New type of franchise package starts

Keikyu Hautsu Store opens (August)

2007 Holding company Matsumotokiyoshi Holdings Co., Ltd. established

(October)



2012 Celebrates 80th year since establishment

(December)

1st for You.

2014 Kiyoo Matsumoto assumed as President

(April)

Tax-free sales start

(October)



2015 Expanding into tax-free specialized stores Yurakucho ITOCIA Plaza Store

(March)



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

(April)

Chairman Namio Matsumoto was recognized for his major role in society as Founding Chairman of the Japan Association of Chain Drugstores (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.



Our first store in an outlet mall Mitsui Outlet Park Makuhari Store

(July)



Expanding into next-generation healthcare stores Lifestyle Healthcare Store matsukiyo LAB Shin-Matsudo Eki-mae Store

(September)



Support for cross-border EC Started sales in Alibaba's Tmall Global

(September)



Opens our first store in an airport facility Keikyu Haneda Airport International Terminal Station (franchise chain operated by Keikyu Hautsu Co., Ltd.)

(October)



Opens first store overseas, in Thailand

(October)



2016 Ranked No.38 in domestic brand assessment rankings

(March)

First drugstore listing in Interbrand's "Japan's Best Domestic Brands 2016," ranking of brand assessments, ranked as number 38.



2020 Target: Group sales of 800 billion yen

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)

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.



Founder Kiyoshi Matsumoto



First Pharmacy

Top Message

Striving to be the “Number 1” for everyone.

1st for You.



Namio Matsumoto

Chairman
MatsumotokiYoshi Holdings Co., Ltd.

MatsumotokiYoshi Holdings has set its goals to be the achiever of sustained growth and the improvement of its corporate value, under the banner of our corporate motto, “1st for you.” Our corporate group includes 16 consolidated subsidiaries and 1 affiliate company, and its core business areas are mainly retail sales of chain stores, such as drugstores and health insurance prescription pharmacies, as well as wholesale and management support. As of the end of March 2016, our network of 1,545 stores covers 45 prefectures nationwide. We expect that our business environment will continue to be challenging; nevertheless, we aim to become “the company with a trillion Yen in sales in the health and beauty field” as our management vision describes and implement a priority plan established in line with our mid-term business strategy. We will utilize the database we have on our customers to provide detailed support through a diverse range of store arrangements that suit today’s every-changing lifestyles and personal needs. In addition, we will enhance the development and sales of private brand products based on customer-focused marketing and ensure our competitive edge by providing high level of specialization and convenience, with a goal to become a corporate group trusted and supported by all our stakeholders. With this corporate vision in mind, we will continue to work unceasingly by constantly tackling new challenges and endeavor to grow as a corporation.

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.

● 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.



Kiyoo Matsumoto

President
MatsumotokiYoshi Holdings Co., Ltd.

At MatsumotokiYoshi Holdings, all employees make a shared promise called the “MatsumotokiYoshi WAY.” The “WAY” contains our philosophy of continuing to be “an upbeat organization with an ever fresh approach.” We are able to acutely sense new changes that happen day to day, such as increases in the number of foreign tourists or which products are being chosen based on word-of-mouth information in smartphones). We are a company that has been able to grow by steady, honest repetition of effort in the face of the changes since our founding. We have widened our storefronts to deal with the reluctance to enter that customers have traditionally felt regarding pharmacists, and been one of the first companies to expand into prime areas of the capital to breathe new life into them. Today, as consumer behavior changes dramatically, we feel that it is more important than ever to be sensitive to small changes, change to suit the corresponding climate, and be able to repeatedly apply creative ingenuity and analysis. MatsumotokiYoshi Holdings shall continue to expand while remaining an upbeat organization with an ever fresh approach.

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.

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

What is the *1st* for me?

1st for You.



Michiyoshi Mukai
Store Manager and Pharmacist

It is about family.

My desire to take care of my family, remain healthy, and be happy remains as a powerful driving force behind my daily work. During my work every day, not everything is full of good things. There are times I want to flee from work. At such times, I try to feel that I am working for my family and for my children, who will be disappointed if I escape from the hardships of my workplace. Changing my mindset allows to overcome any difficulties during work. I also think of my staff and colleagues as something like my family. I want my staff to be healthy and happy, care for themselves, and further enhance a relationship based on trust and the cooperative spirit of "working hard for the team." I would like to least by example my staff can be proud of, so that we can overcome any difficulties in the workplace together. This is the sort of team I wish to build.

It is about connecting people with other people..

The Employment Section acts as the initial contact for many jobseekers. The Personnel Department provides a warm welcome for those people who aspire to strengthen the Matsumotokiyoshi Group, by considering them like new family members. I have no direct contact with customers or patients like other company departments, but I am proud of everyone I recruited who will support the Matsumotokiyoshi Group. My work is about uniting people, as well as letting many different people to understand how good the company is. That's how I feel in my work as a human resource specialist. The most important thing for me is that our new employees feel happy they have joined the Matsumotokiyoshi Group—not just for themselves but for their family as well. As the face of the company, I value my encounter with new people and at the same time, imagine the smiling faces of our customers and patients.

Azusa Yano
Pharmacist
Employment Section,
Personnel Department



Mayumi Ban
Beauty Selection Manager and
OTC-Medicine Counselor

It is about a hope to always be in a position to give new awareness.

Going shopping at a drugstore is something customers do on a regular basis. To ensure that our customers find this regular activity as satisfying as possible, I always keep in my mind that cosmetic staff should advise customers from the customers' perspective, and provide guidance for the staff, proposing more appealing layouts to make customers more inclined to buy. By doing this, we provide opportunities for customers to realize anew that different products exist, allowing them to encounter new products. The Cosmetic staff of my team is also able to offer proposals that suit each individual customer, increasing their expectations for the products and trust in the staff. As a Beauty Cosmetics Section Manager, I will continue to work to provide this new "awareness," so that cosmetic staff can increase their own skills and motivations, flex their strengths on the store, and be ever more trusted by customers.

It is about creative ingenuity.

I carry out my work with the goal of managing a store where customers feel happy that they came to Matsumotokiyoshi, and will want to come again. I make sure that I never forget that our customers have chosen Matsumotokiyoshi from among the many other drugstores available. I do my best to ensure the sales floor, customer service, and attentiveness are as perfect as possible. I take into account the customer's perspective, not just to make them happy of course, but also to figure out what would make them even happier by coming up with new ways to accomplish this. At the moment, I am an assistant manager, but I will continue to tackle challenges and work hard every day so that I can eventually become a manager, who can make customers and the staff working under me big fans of Matsumotokiyoshi.

Yoshihito Yamauchi
Medicine Product Staff and
OTC-Medicine Counselor



Toshiyuki Watanabe
Buyer and Pharmacist

It is about providing Health & Beauty as an information hub.

At the moment, as a buyer for the Medicine Department, I line up products from our Group to ensure we can provide health and beauty to our customers. The work of a buyer is to discover, use, and reliably supply the products we offer in Group stores. I also work with suppliers by negotiating conditions to provide good products at better prices and providing proposals for product lineups in stores that meet the needs of the time. To ensure that we can maximize product proposals so that we provide health and beauty to customers in stores where we directly interact with them, I forecast and verify performance figures for items I am responsible for, detect problem areas, propose strategies, and share this information with the stores. In addition, I search for new products that meet the needs of the time from business discussions with suppliers and clients, and work to ensure that the sales floor can always be an information hub. I hope to keep providing health and beauty products that match our customers' needs, working to create new Matsumotokiyoshi fans.

It is about consideration.

I aim to create a store where customers hope to return to. I feel that the most important thing in interacting with customers is consideration, so I do my best to deal with people who want to enjoy shopping, or who feel unwell and come to buy medicine, as politely as I can and in a way that suits their needs. When customers notice that I am dealing with them with sincerity, they respond with compliments. I then feel the enjoyment of interacting with customers. It is important to also treat the staff with consideration as well as the customers, as it creates an atmosphere where they find it fun to work, which in turn helps develop a sense of warm welcome they sore may offer. As manager, I will never forget the importance of consideration towards customers, and hope to continue working on a daily basis to ensure that my staff also deals with customers with this in mind.

Maya Hiruma
Store Manager and
OTC-Medicine Counselor



Eri Hirano
Registered Dietitian and
OTC-Medicine Counselor

It is about staying a step ahead of what the customers want.

At present, my work as a registered dietitian is to propose the necessary and appropriate supplements for customers based on their lifestyles and diets, after talking with them about nutrition and health. Even when dealing with customers for OTC medicine, as an OTC Medicine Counselor, I try to add some advice about the diet. These days, customers are often very interested in improving their health, and very sensitive to information from the media. They often want knowledge on a wide range of nutrients and products, so I would like to feel I can show my value as a dietitian with my specialized knowledge. What I like to keep in mind when dealing with customers is to avoid specialized jargon as much as possible, so that my customers can understand easily. I try to provide them with information they will be able to easily act on, incorporating specific topics, especially for diet, exercise, or sleep. I offer specific proposals for improvements, and always try to ensure that I am a step ahead of what my customers want.

It is about never forgetting the feeling of gratitude.

Work is not something you can do alone. It is my belief that you need to work with those around you, supporting each other, and only then you can achieve your goals. It is not just the people working with you, but everyone in other parts of the company, who are your colleagues. At present, I work in a store as a pharmacist, while also visiting the other stores I am in charge of as the area manager. This means that I have many opportunities to interact not just with patients or customers, but also store staff and our suppliers. I get to hear a lot of opinions from people actually out there in the field. My role is to lend an ear to these valuable opinions and consider how to provide feedback to the people out there, which will result in better services for patients and customers. I also try to provide support for creating a comfortable working environment where store staff can exercise their skills to the fullest and create a relationship with our suppliers where we are able to thank each other with sincerity. As a result, I strive to achieve each day with the belief that I can contribute to the happiness and health of patients and customers.

Masayuki Saito
Pharmacy Section Manager and
Pharmacist



For Ever-greater Customer Satisfaction

The Matsumotokiyoshi Group is actively planning

New arrival
and developing private brand products.

The new and original brand of the Matsumotokiyoshi Group: “matsukiyo”

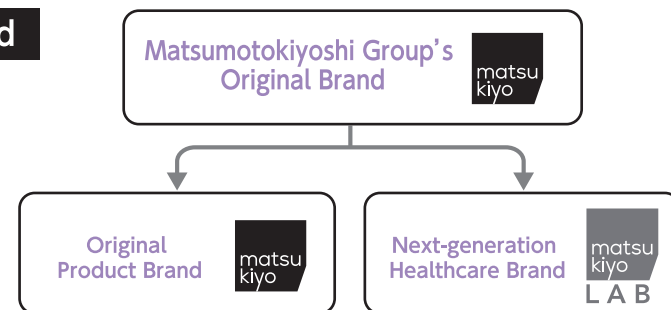
In 2015, “matsukiyo” was created as the new and original brand of the Matsumotokiyoshi Group.

With the diversification in lifestyles through changes in how modern people work, including more and more women having careers, our brand is aimed at helping our customer’s daily lifestyles as well as the lifestyles of Japanese society as a whole to be more beautiful and healthy than ever. This goal is illustrated in the design of the “matsukiyo” logo mark. The logo mark was

created with a focus on the 19 degree-angle of our *katakana* logo and the symbol of our high quality and continuous advancement. It also shows the desire of Matsumotokiyoshi to progress strongly ahead, rising up to the right to better serve our customers and emphasizing “Matsukiyo-ness” to the front to support a comfortable lifestyle for our customers through next-generation healthcare services and products.

Overall Future Vision of the matsukiyo Brand

matsu kiyo Making living in Japan more fun.



The Concept of Our Original Product Brand “matsukiyo”

matsu kiyo matsukiyo is an original brand product that is all about ideas for making daily life more beautiful, healthy, and full of fun.

1. An emphasis on Creating Products

Reflecting the voices of customers from our stores, we place an even greater emphasis on quality and safety, by carefully selecting only the finest materials and ingredients and ensuring thorough quality control. We also carry out routine tests during final trial after initial production, and depending on the type of product, we continue to monitor internal tests at the pre-production stage, so that we only sell the very finest and carefully selected products. We also pursue quality and functionality that allow us to respond to the needs of customers who wish to be beautiful and healthy.

2. An emphasis on ideas with fun and enjoyment

We develop products from the idea of staying a step ahead of our customers’ expectations. We provide additional values as well, such as fun, surprise, joy, and excitement in line with matsukiyo-ness.

3. An Emphasis on Design

To incorporate the uplifting feeling of Matsumotokiyoshi, the design is about expressing matsukiyo-ness in the new brand logo and package design. For example, the fact that our *katakana* logo, our symbol, is bent 19 degree creates a design that will increase awareness of our new private brand with its increased emphasis on customers. In addition, we use a stylish, innovative package design that considers our customers’ lifestyles and is easy to select. The design allows the product’s features to be seen at a glance, resulting in its usage with ease.



The concept of our next-generation healthcare brand “matsukiyo LAB”

matsu kiyo LAB matsukiyo LAB is our original health brand product that provides total support for health and beauty by specialists such as pharmacists, registered dietitians, and beauty specialists, who help maintain the healthy lifestyles of our local customers in each region.



*matsukiyo LAB is a next-generation healthcare brand for products that provide total health and beauty support, recommended by specialists.

Original Brand with High Quality and Added Value

Among our various products, those that have been planned and developed on the basis of high quality and added value have been sold in the past as “MK Customer” and enjoyed wide support. Interviews with users have shown that there are high expectations for

our products, and each individual brand has been highly recognized. In the future, we will make each of these brand products independent, strengthening our ability to respond to our customers’ needs.



Argelan is developed according to strict organic standards so that it is gentle on your skin.



LUNG TA

The best hair I have ever had with hair architecture concept.



Retinotime

Lively firmness, deep resilience
A skincare series that defies aging.



INSTREAM

By focusing on the changes of lifestyles of modern-day women, we offer solutions for skin disorders resulting from busy lifestyles through scents and cosmetic ingredients.



Leun Plus

An outstanding cosmetics line that combines the effects of brilliant makeup that lasts a long time combined with a skin care product.



MK Customer



MK Customer was developed in 2006 and supported by customers for how it brought out products in advance of the needs of the times. The twin principles of MK Customer products are that they are easy to purchase, and provide high

quality and high added value. The MK Customer brand, under which so many popular products have been launched, will now gradually come under the umbrella of the “matsukiyo” brand and be eventually renewed as a non-brand focused on price.

In the beauty and health business fields, Aiming to become a corporation with 1 trillion Yen in sales

■ Basic Management Policy of the Group

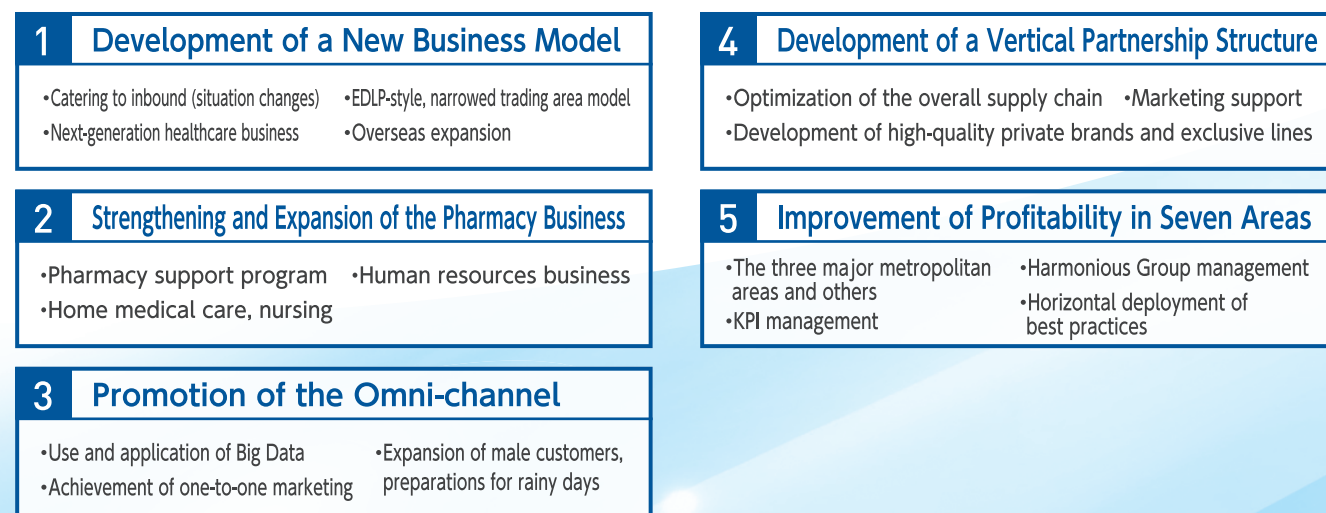
- Our company strives to ensure that everyone connected with our Group can enjoy beauty, health, and abundant lifestyles for as long as they like.
- Our company promotes self-medication to support the coming ageing society, and intends to serve as the local “family pharmacy” to help guard the health of our customers and their loved ones.
- Our company aims to become a corporate group essential in the fields of health and beauty through always creating new values and providing sincere services in these fields.
- Our company aims to become a corporate group trusted and supported by all its stakeholders, so shall continue to work unceasingly, constantly tackle challenges, and grow to achieve this.

■ Mid to Long-term Management Strategy



■ Priority Plan for FY2016

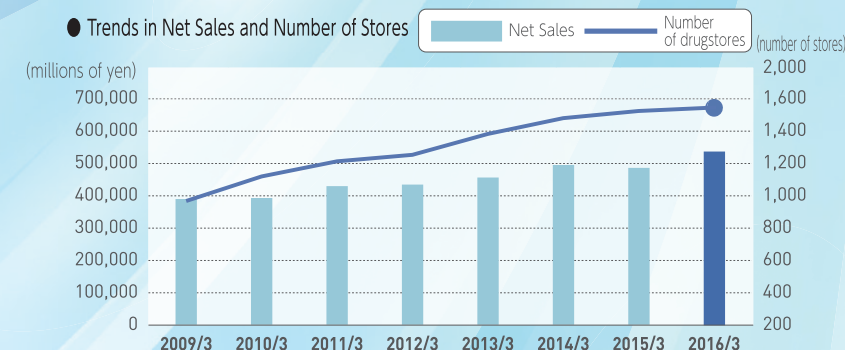
The priority plans to achieve our management vision and targets has been established as follows.



1st for You.



**Mid-term
Management Goals
Group Sales**
800 billion yen
Return on equity (ROE)
exceeding **10%**



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

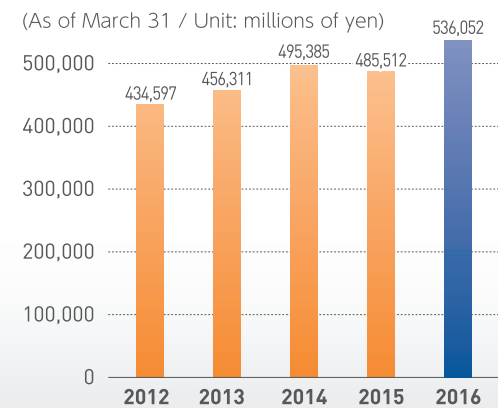
Denotes the integration of all sales and distribution channels, including brick-and-mortar stores and online stores. In addition, through the creation of such integrated sales network, an environment exists where products can be purchased in the same manner regardless of the sales channel used.

Vertical partner structure

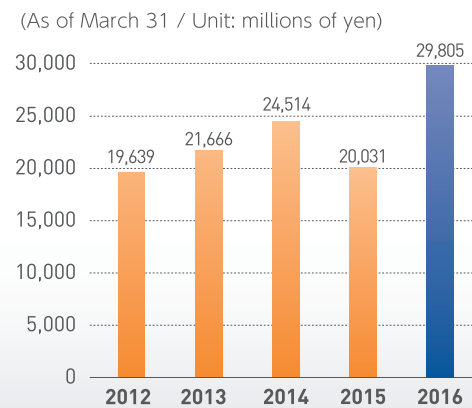
Through the cooperation of upstream manufacturers to downstream retailers, this structure maintains variable functions by artificially integrating distribution level functions.

Financial Data

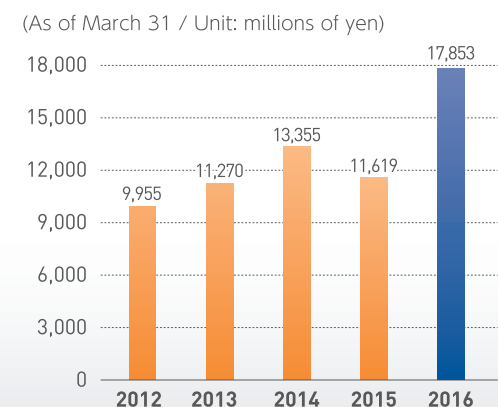
Net Sales



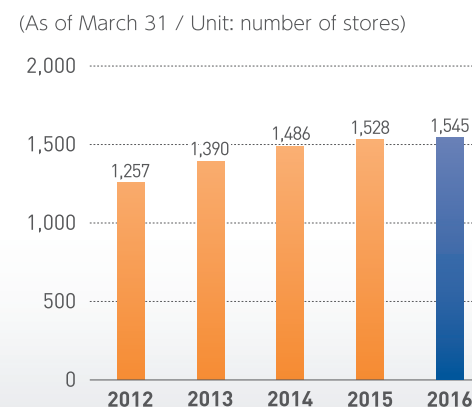
Ordinary Income



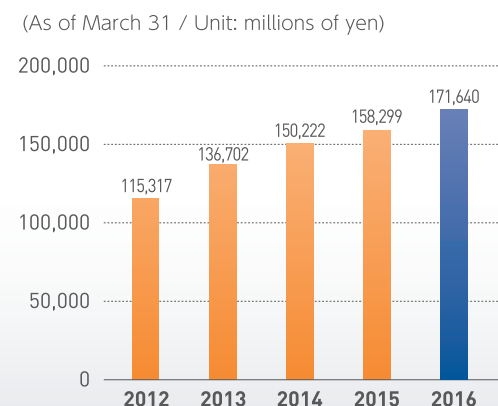
Net Income



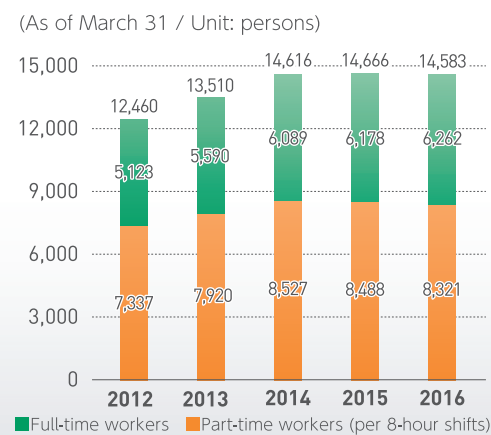
Number of drugstores



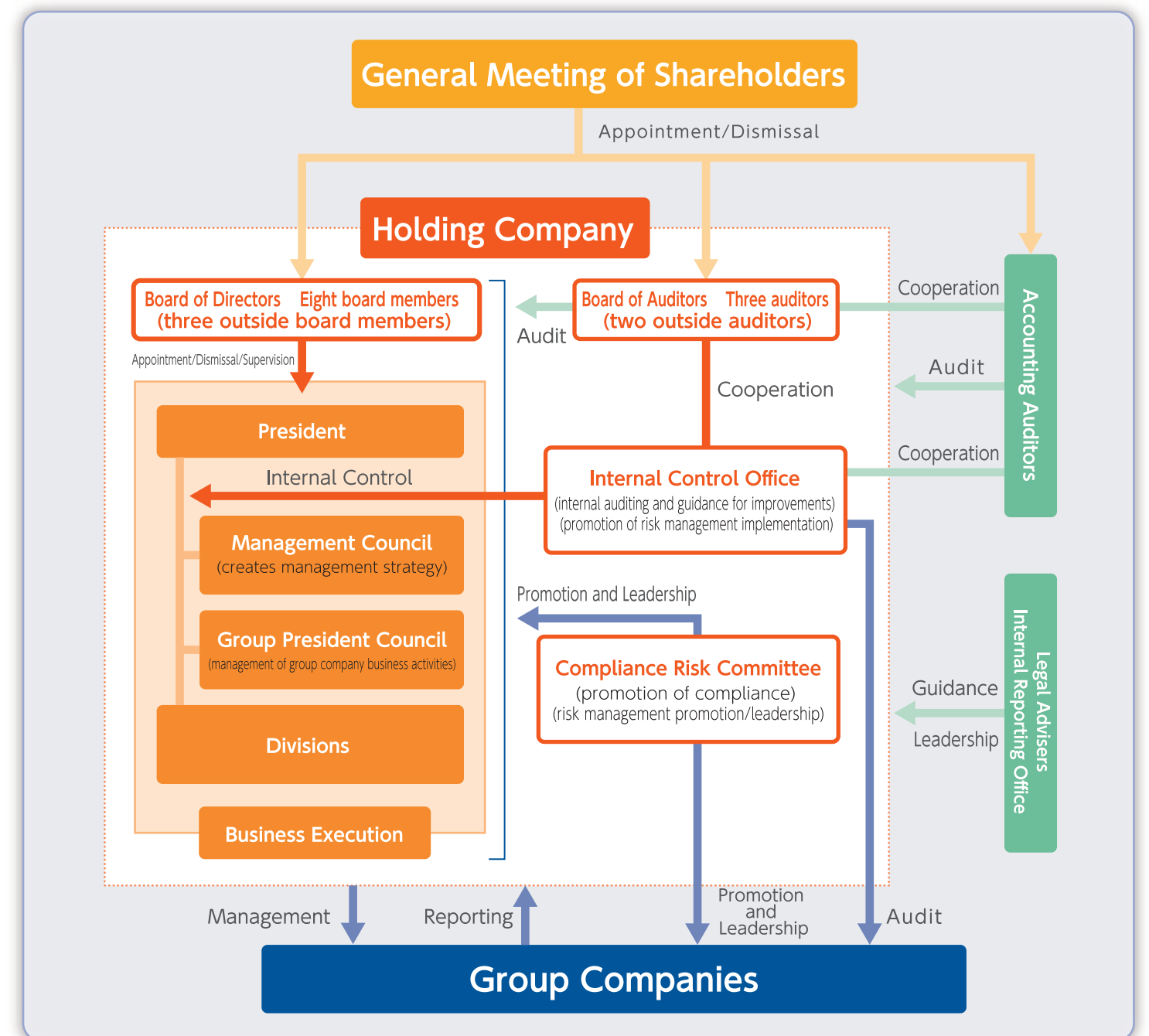
Net Assets



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

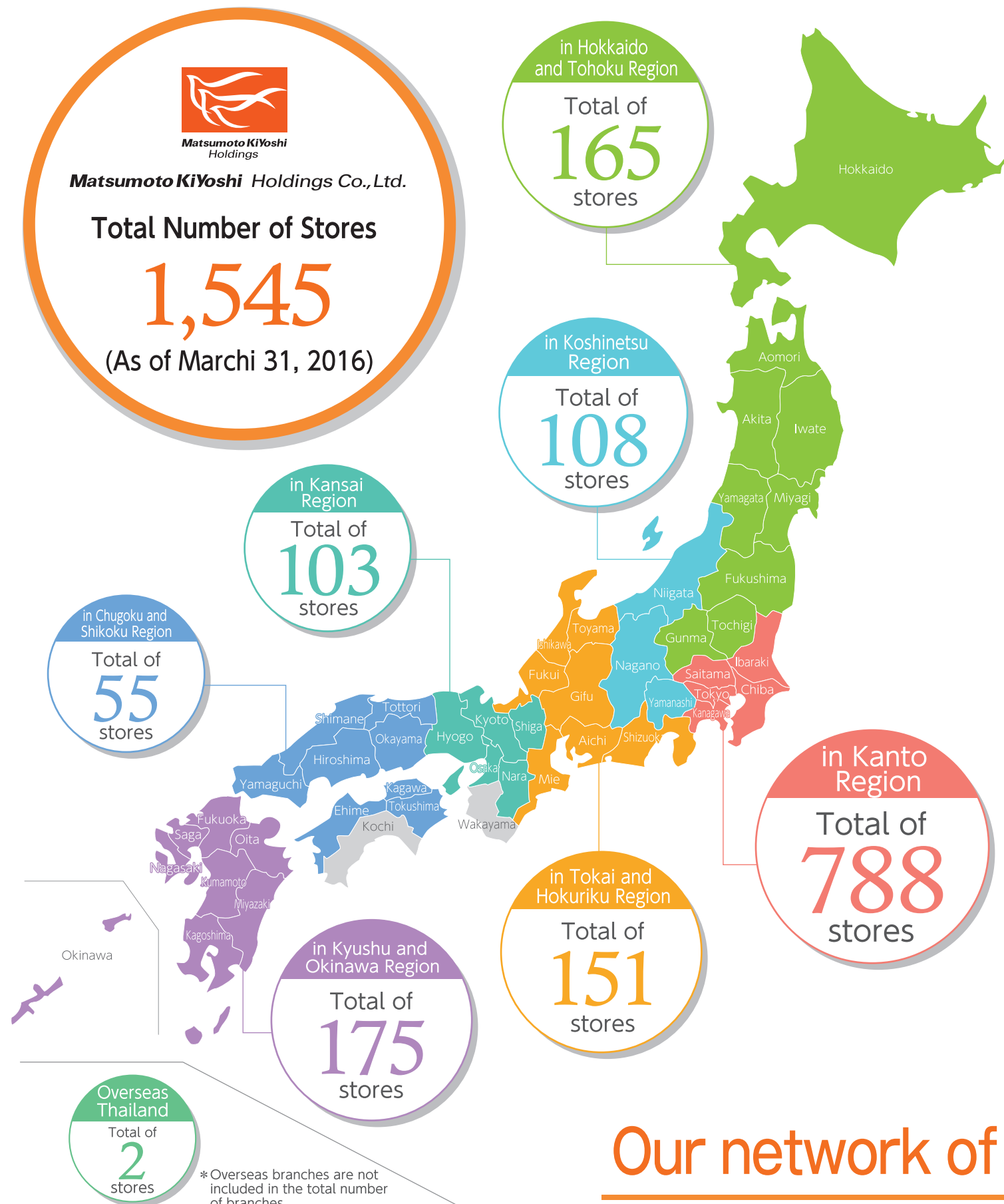
and responsibility of each board member clear. Also, by adopting an executive officer system, the execution and supervision of duties in business management are separated, and the functions and responsibilities of board members and executive officers are clarified.

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.

The Mastumotokiyoshi Group's family drugstores



Matsumoto KiYoshi Holdings Co., Ltd.

Group Companies



Matsumotokiyoshi Co., Ltd.



Tobu Drug Co., Ltd.



PAPASU Co., Ltd.



SIMENO Co., Ltd.



Sugiura Co., Ltd.



Koyo Yakuhin Co., Ltd.

Wholesale / Other Business Companies

Matsumotokiyoshi Wholesale Co., Ltd.

Matsumotokiyoshi Asset Management Co., Ltd.

Affiliated Company

Central and Matsumotokiyoshi Ltd.
(Kingdom of Thailand)

マツモトキヨシ 東日本販売

Matsumotokiyoshi East Co., Ltd.

マツモトキヨシ 九州販売

Matsumotokiyoshi Kyusyu Co., Ltd.

マツモトキヨシ 甲信越販売

Matsumotokiyoshi Kou-Shin-Etsu Co., Ltd.

マツモトキヨシ 中四国販売

Matsumotokiyoshi Chu-Shikoku Co., Ltd.

マツモトキヨシ ファーマシーズ

Matsumotokiyoshi Pharmacies Co., Ltd.

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-Yakuin 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

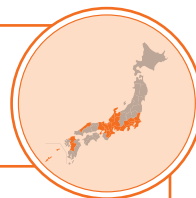
CHUBU YAKUHIN Co., Ltd.
(HQ) Tajimi-shi, Gifu Pref.

LAWSON, INC.
(HQ) Shinagawa-ku, Tokyo

Our network of stores covers 45 prefectures in Japan.



【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



Ginza 5th Store(Urban-type drugstore)

■ 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 84th 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 22.7 million card members as of March 2016.

With Japan's population estimated to be approximately 127 million, our company have acquired about 18% of the population in terms of customer baseline. In addition, our friends on LINE, which was started in July 2012, reached 13.7 million at the end of March 2016. In August 2014, we launched the Matsumotokiyo Official App which as of the end of March 2016 was downloaded 3.6 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

We are opening up a range of stores to match sites and customers.



Yurakucho Itocia Plaza Store
(Tax-free specialty store)



Prescription pharmacies
Shinmatsudo Dispensary



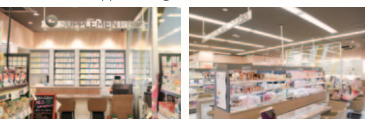
Koshigaya Nishikata Store
(Suburban-type drugstore)



Petit madoca Noda Mizuki Store



matsukiyo LAB
Shin-Matsudo Eki-mae Store



SUPPLEMENT Bar



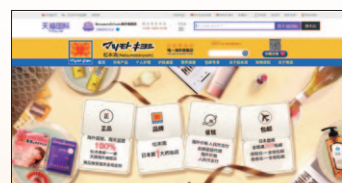
BEAUTYCARE Studio



HEALTHCARE Lounge



Matsumotokiyo online store
<http://www.matsukiyo.co.jp/store/online>



Cross-border EC: Tmall Global

■ Providing the latest information



Matsumotokiyo
Official App
Downloaded
3.6million times!
(as of March 2016)

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

■ Unique Approaches

Matsumotokiyo Members Card

Membership:
22.7million members
(as of March 2016)



Credit cards



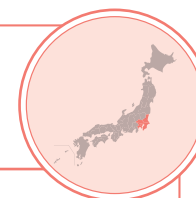
Cash point card

The number of friends **About 13.7million**
(As of March 2016)

Kanto Region



【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.matsukiyo.co.jp/map/papasu>



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.

■ 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.

■ Store Introduction



Drug Papasu Nerima Tagara 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

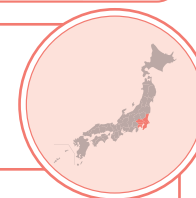


Drug Papasu Asakusa Kaminarimon Store

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



【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.matsukiyo.co.jp/map/tobudrug>



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 Drugstores/Pharmacies



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://www.matsukiyo.co.jp/map/mk-east>



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

In October 2015, we merged with DARUMA DRUG STORE CO., LTD. which has been one of the top performers in terms of both business history and scope, opening up drugstores and pharmacies in the Tohoku region, Miyagi Prefecture in particular, ever since it's founding in 1946. Our mission is to expand our Group's share in the East Japan area.

Our basic idea is "Thanks—that single word makes us happy," and to truly place the customer first, we provide customer interaction services based on the stance of each individual customer, as well as consultations that make use of our specializations in health and beauty, to increase customer satisfaction. Being offered that single word, "Thanks," as often as possible is what gives us, the staff of Matsumotokiyoshi East Co. Ltd., our job satisfaction. 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.

Unique Approaches



CSR Activities

In order to solve the worries our regional customers have regarding health and beauty, and to provide them with information, we hold H&B-related consumer seminars in addition to providing goods.

Store Introduction



Pharmacy stores Akita Station Building ALS Store

We are opening stores in station buildings and shopping centers throughout the East Japan area. We are serving local customers to maintain their beauty and health, developing our specialty mainly in medicines and cosmetics.



Drugstore Iwanuma Tamaura-Nishi Store

We are opening suburban-type drugstores that carry not just H&B products but also daily goods and foods to serve as lifestyle stores in the East Japan area. We have also opened a store in the Special Reconstruction Urban Planning Zone of Tamaura-Nishi in the city of Iwanuma, which was affected in the Great East Japan Earthquake, serving as a lifestyle store for local customers.



Stores in Outlet malls Mitsui Outlet Park Sapporo Kitahiroshima Store

As a new business line, we are also opening up stores in outlet malls for the increasing number of overseas visitors and customers who use outlets.

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.matsukiyo.co.jp/map/mk-koshinetsu>



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

Keiichi Okano
Chairman (left)

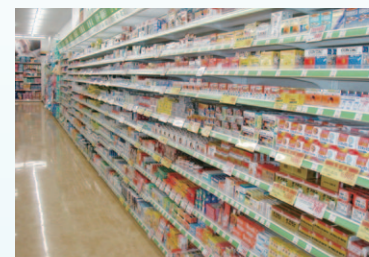
Toshiaki Nishino
President (right)

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 addition, in January 2012, we merged with Nakajima Family Pharmacy Co., Ltd., which has a strong base in northern Nagano Prefecture, and in October 2015, ITAYAMAMEDICO Co., Ltd. from Yamanashi Prefecture to expand the scale of our business as Matsumotokiyoshi Kou-Shin-Etsu Co., Ltd. We cover all lifestyle needs of our customers by enhancing our lineup of food and daily goods, in addition to our core of health and beauty products. We also provide specialist services with a dispensing pharmacy located inside our stores which can fill prescriptions issued by hospitals, giving us a strength in the development of community-based businesses.



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.

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.matsukiyo.co.jp/map/simeno>



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 prefectures of Ishikawa and Toyama, where SIMENO was responsible for major store expansions, have seen a big increase in visitors from Japan and overseas since the Hokuriku Shinkansen was opened in March 2015, boosting the region's economy by some 20 billion yen. Thanks to this, they are seeing considerable growth as tourist cities and as centers of business on the Sea of Japan coast. We saw this change as a business chance, and aim to construct stores and services that anticipate the needs of this rapidly-changing region. In addition, we are working on reforming the corporate culture to one that rewards work and creating an environment where any challenge can be tackled, so that we can become a company that can provide the best quality products, attractive prices, and truly sincere customer service to local customers.

Business Contents



Drugstores

We are expanding our stores throughout the prefectures of Ishikawa, Toyama, Fukui and Gifu. Through our customer-first ideology, we pursue ever-greater convenience, place the highest priority on acting from the viewpoint of our customers, and aim to become the top store in the region.



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.

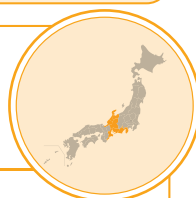
Unique Approaches



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.matsukiyo.co.jp/map/healthbank>



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

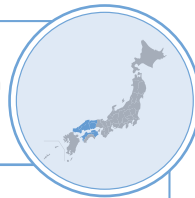


The Tokai Region has a food culture centering on Nagoya and Gifu. We are working on integrating our special local items and group merchandising.

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.matsukiyo.co.jp/map/mk-chugoku>



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 established on October 1, 2012, to take over the drugstore business of Matsumotokiyoshi Co., Ltd. in the Chugoku and Shikoku regions, as well as the Harima region in Hyogo Prefecture.

In October 2015, with the aim of strengthening our commitment to the region and expanding our share still further, we absorbed and merged with LOVEDRUGS Co., Ltd., which had been our consolidated subsidiary, to extend our area domination.

In addition to the urban-type stores which Matsumotokiyoshi excels at, 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 same sort of "family drugstore" available for consultations for our customers' health and beauty issues that LOVEDRUGS had been. 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 Chugoku and Shikoku Region, 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.

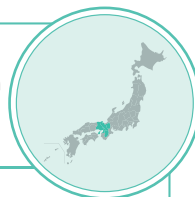
Senior Card



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
<http://www.matsukiyo.co.jp/map/koyo>



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.

Takao Ohta
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 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.

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

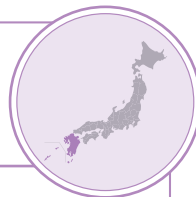
Our mission is to aid our customers in their health management. To accomplish this, we have opened drugstores and prescription pharmacies mainly in Osaka, and provide product and services related to health and

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】 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.matsukiyo.co.jp/map/mk-kyushu>



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

Kunio Yamazaki
Chairman (left)

Ryoji Miyata
President (right)

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.



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.

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.

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.



マツモトキヨシ ファーマシーズ

【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.mk-pharmacies.co.jp/>



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 Matsumotokiyoshi 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, pharmacy supervisor (PSV), etc., we support the advancement of their careers in accordance with their individual life plans.

Special Dispatch Business

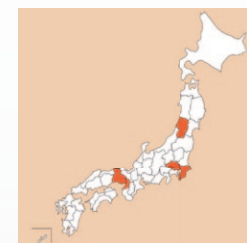
With the expansion of the group's pharmacy business, we have a Special Dispatch Business where employees can experience working at different pharmacies other than Matsumotokiyoshi Pharmacies in line with their career plans, aptitude, commuting situation, etc. in order to acquire a broad range of knowledge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



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.

Business Contents



Prescription Laboratory

We are proactively expanding our prescription pharmacies mainly in the Kanto and Kansai areas (as of March 2016, there are a total of 20 prescription pharmacy locations in Tokyo, Chiba, Saitama, Osaka, Hyogo, and Yamagata Prefectures).



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.

With the community

Establishment of disaster-time agreements with local governments

Matsumotokiyoshi Holdings provides as much material support as possible at times of disaster by supplying goods in response to requests made by local governments. We are therefore proceeding with the creation of disaster-time agreements with local governments for the purpose of helping those affected. Matsumotokiyoshi concluded such agreements with the cities of Yachiyo and Matsudo in Chiba Prefecture as of February, and with Tachikawa City in Tokyo in March 2016. Further agreements are underway.

A disaster-time agreement was signed with the city of Tomisato in Chiba Prefecture on April 1, 2016.

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 Kashiwa Sakaine Store made local crime prevention location

On November 13, 2015, a Crime Prevention Box was established in the parking lot of the Matsumotokiyoshi Kashiwa Sakaine Store, which has been selected as a local crime prevention center by Chiba Prefecture. An inauguration ceremony held that day was attended by the Governor of Chiba Prefecture Kensaku Morita and Company President Kiyoo Matsumoto. The Box is staffed by Safety Advisors who are former members of the Chiba Prefectural Police, who work to improve safety and security in the district.



Crime Prevention Box



Safety Advisors



Chiba Prefecture Governor Morita exchanging a firm handshake with President Matsumoto

The Great East Japan Earthquake Reconstruction Support

To help support recovery following the Great East Japan Earthquake, our Group donates money and materials, holds donation drives, dispatches pharmacists in cooperation with the Japan Association of Chain Drug Stores, expands employment opportunities for both new and mid-career hires, and works to contribute to the recovery of affected regions in many other ways from our position as one of the companies that helps maintain medical treatment in the region.

1. School of Pharmacy of Iwate Medical University continues with last year's scholarship system, now in its second year

Reconstruction of the affected areas is still underway. The economic impact of the disaster on families and individuals means that there are those who find it difficult to continue their studies. This scholarship is to support strongly driven students and thus help develop human resources who can contribute to reconstruction and medical care in disaster-struck areas. In consideration of this, the scholarship has been offered since 2014. Students granted the first scholarship reported that the funds received had helped greatly in lightening their financial burden, and that the awareness of being in receipt of a scholarship had further motivated them educationally, making them better able to deal with the basic practicum. This support will be continued in order to encourage students who can play an active role as pharmacists in the future.



From left: Mr. Maeda, Dean of School of Pharmacy, Iwate Medical Univ., Mr. Wayama, Mr. Sawaguchi, and Mr. Obe, an executive of Matsumotokiyoshi Holdings Group. (August 22, 2015)

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.



"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.

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.

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.



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(2010) on the market, was donated by our group to the Pink Ribbon Campaign, which is working to reduce the incidence of breast cancer.



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, we have been awarded with a Certificate of Appreciation for three years running by Kensaku Morita, the Governor of Chiba Prefecture.



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.



(Center Left) Chiba Prefecture Governor Kensaku Morita
(Center Right) Matsumotokiyoshi President Kazuo Narita

Forums 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 forums facilitated by reputable experts.



Latest self-medication

Endowed Course Established at Chiba University

From a shared awareness of the importance of being able to deal with the ever-diversifying work of insurance pharmacies due to the rapidly ageing society and the development of the separation of prescribing from dispensing, we have joined with Chiba University to establish the Drug Informatics (Matsumotokiyoshi Holdings) Endowed Course at the university's Graduate School of Pharmaceutical Sciences, with the goals of spreading the proper usage of pharmaceutical products, contributing to local medical treatment, and enhancing medical-related services.



In March 5 2013, 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.

Scholarship System for School of Pharmacy, Nihon University

Matsumotokiyoshi aspires to become the local family pharmacy, an essential part of the community; as part of our overall drive to educate and support people in medical care. We provide support to pharmaceutical colleges, the pharmaceutical departments of universities, and students who wish to study in these fields. The Matsumotokiyoshi (Holdings) Scholarship system was subsequently established for students studying at the School of Pharmacy, Nihon University, which is located close to our headquarters in Matsudo City, Chiba prefecture, and many of whose graduates, both men and women, now work with us. Our aim is to support students in becoming the regional medical care personnel of the future.



Matsumotokiyoshi (Holdings) Scholarship Award Ceremony, 2015

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

Enhanced specialist education

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

Career-based specialist education



Sterile formulation training



Next-generation healthcare blood test practicum



Home-based physical assessment training



For students: Training pharmacists and instruction for pharmacy practicums



Training to improve the quality of OTC Medicine Counselors



Registered dietitian consultations (OJT)

Responding to diverse customer needs



Prescription pharmacy located near a hospital



Prescription pharmacy (mall location)

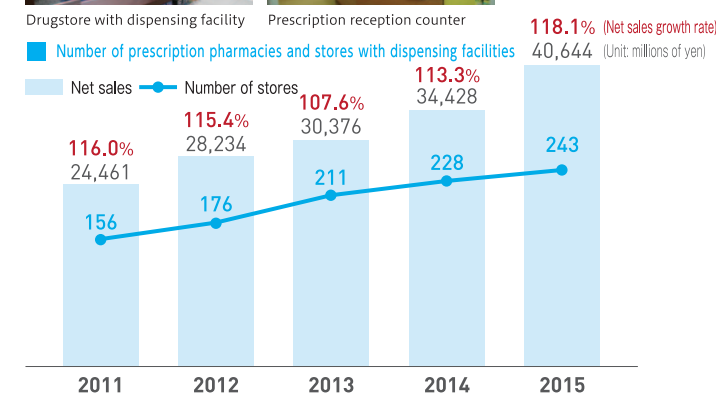


Drugstore with dispensing facility



Prescription reception counter

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.

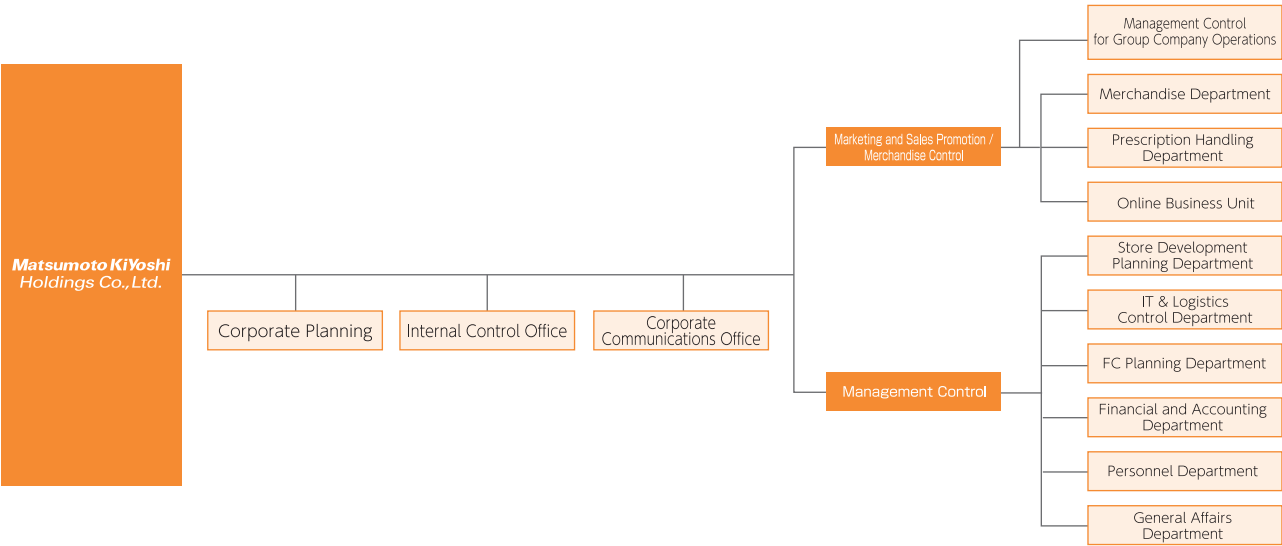


Corporate Data (as of July 1, 2016)



Corporate name	Matsumotokiyo Holdings Co., Ltd.	Chairman	Namio Matsumoto	Executive Officer	Takao Watanabe
Address	9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba 270-8511 Japan	President	Kiyoo Matsumoto	Executive Officer	Keiichi Okano
Phone	+81-47-344-5110	Senior Managing Director	Kazuo Narita	Executive Officer	Takao Ohta
Incorporated	October 1, 2007	Managing Director	Takashi Matsumoto	Executive Officer	Hidesato Hiramatsu
Common Stock	22.051 billion yen	Director and Advisor	Tetsuo Matsumoto	Executive Officer	Shingo Obe
Book Closing	March 31	Director	Masahiro Oya	Executive Officer	Akio Ishibashi
Lines of Business	Management and supervision of subsidiaries, purchase and sale of products	Director	Ryoichi Kobayashi	Executive Officer	Kazunori Sugito
Issued Shares	54,636,107	Director	Isao Matsushita		
		Standing Corporate Auditor	Yukio Koyama		
		Corporate Auditor	Satoru Suzuki		
		Corporate Auditor	Akemi Sunaga		

Organization chart



1st for You.



Matsumoto KiYoshi
Holdings

Matsumoto KiYoshi Holdings Co., Ltd.

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

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