Corporate Overview / Business Strategy in Jun. 2018
Who is cocokara fine Inc.?
cocokara fine Inc.

≪origin of the company name≫
We hope everyone’s “Cocoro” (mind) and “Karada” (body) are fine.

Group Overview

Scale of operation
JPY 390.9 bn.

Drugstore Operations
cocokara fine Healthcare Inc.
IWASAKI KOHKENDO Co., Ltd.

JPY 295.8 bn.

Pharmacy Operations
cocokara fine Healthcare Inc.

JPY 54.7 bn.

Nursing care services
FINECARE Inc.
Aianju Co., Ltd.

JPY 2.4 bn.

E-Commerce
cocokara fine Healthcare Inc.

International Business
cocokara fine Healthcare Inc.

Human resources
cocokara fine Associe Co., Ltd.
cocokara fine soleil Co., Ltd.

JPY 37.8 bn.

※FY03/18 Results

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cocokara fine Inc.

Drugstore and Pharmacy operations, Wholesale

cocokarafine Healthcare Inc.
Drugstore and Pharmacy operations, Wholesale

Became subsidiary in November 2013
IWASAKI KOHKENDO Co., Ltd.
Drugstore operations

Nursing care services
FINECARE Inc.
Nursing care services
Became subsidiary in September 2017
Aianju Co., Ltd.
Sell and lease nursing care equipment

Others
cocokarafine Associe Co., Ltd.
Operations involving the deployment of a diverse range of human resources

SHANGHAI COCOKARA FINE INC.
Retail operations for health and beauty care products in China

cocokarafine soleil Co., Ltd.
Special subsidiary dedicated to employment of people with disabilities
Management Principle

To pursue the health of mind and body, and to contribute to the community.

Corporate Slogan

Becoming “Omotenashi No.1”

Management Policy

- Establish a community-based healthcare network.
- Foster competent human resources that can satisfy society’s needs.
## Industry Ranking in Japan

### Sales No. 7

<table>
<thead>
<tr>
<th>Rank</th>
<th>Drugstore</th>
<th>FY</th>
<th>bn. JPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WELCIA</td>
<td>2017/02</td>
<td>623.1</td>
</tr>
<tr>
<td>2</td>
<td>TSURUHA</td>
<td>2017/05</td>
<td>577.0</td>
</tr>
<tr>
<td>3</td>
<td>MatsumotoKiyoshi</td>
<td>2017/03</td>
<td>535.1</td>
</tr>
<tr>
<td>4</td>
<td>SUNDRUG</td>
<td>2017/03</td>
<td>528.3</td>
</tr>
<tr>
<td>5</td>
<td>COSMOS</td>
<td>2017/05</td>
<td>502.7</td>
</tr>
<tr>
<td>6</td>
<td>SUGI</td>
<td>2017/02</td>
<td>430.7</td>
</tr>
<tr>
<td>7</td>
<td>cocokara fine</td>
<td>2017/03</td>
<td>377.2</td>
</tr>
<tr>
<td>8</td>
<td>CAWACHI</td>
<td>2017/03</td>
<td>266.4</td>
</tr>
<tr>
<td>9</td>
<td>CREATE SD</td>
<td>2017/05</td>
<td>247.3</td>
</tr>
<tr>
<td>10</td>
<td>Kusuri no Aoki</td>
<td>2017/05</td>
<td>188.7</td>
</tr>
</tbody>
</table>

### Number of stores No. 4

<table>
<thead>
<tr>
<th>Rank</th>
<th>Drugstore</th>
<th>Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TSURUHA</td>
<td>1,755</td>
</tr>
<tr>
<td>2</td>
<td>MatsumotoKiyoshi</td>
<td>1,555</td>
</tr>
<tr>
<td>3</td>
<td>WELCIA</td>
<td>1,535</td>
</tr>
<tr>
<td>4</td>
<td>cocokara fine</td>
<td>1,304</td>
</tr>
<tr>
<td>5</td>
<td>SUNDRUG</td>
<td>1,070</td>
</tr>
</tbody>
</table>

*Source: gekkan-md, Oct. 2016*

### Dispensing fees (Drugstore industry rankings) No. 4

<table>
<thead>
<tr>
<th>Rank</th>
<th>Drugstore</th>
<th>bn. JPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WELCIA</td>
<td>97.4</td>
</tr>
<tr>
<td>2</td>
<td>SUGI</td>
<td>75.4</td>
</tr>
<tr>
<td>3</td>
<td>TSURUHA</td>
<td>54.7</td>
</tr>
<tr>
<td>4</td>
<td>cocokara fine</td>
<td>48.9</td>
</tr>
<tr>
<td>5</td>
<td>MatsumotoKiyoshi</td>
<td>41.4</td>
</tr>
</tbody>
</table>

### Dispensing fees per store

**Stores that dispense over 1,000 prescriptions per month**

No. 1

**Dispensing fee-to-sales ratio (excl. nursing care and wholesale)** 15.6%

**Dispensing fees per store** JPY 211mn

*Source: Drug Store Magazine, July 2016*
Over 1,300 stores in The Higher Populated Area in Japan

4th Largest Network in the Industry

1,322 stores
Number of dispensing stores: 271

(as of Mar. 31, 2017)

Chugoku
132 stores

Kyushu & Okinawa
95 stores

Shikoku
21 stores

Tohoku
8 stores

Kansai
385 stores

Tokai & Hokuriku
212 stores

Kantou & Koushinetsu
441 stores

Hokkaido
28 stores

Cluster

Urban drugstores
162 stores

Drugstores in shopping streets
316 stores

Drugstores in residential areas
401 stores

Community Drugstores
212 stores

Many of our stores are located in major metropolitan areas

Osaka
Nagoya
Tokyo

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### Corporate History

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr.2008</td>
<td>Seijo and Segami merged and established cocokara fine Holdings, listed on TSE1</td>
</tr>
<tr>
<td>Oct.2010</td>
<td>Cocokara fine Holdings and Allied Hearts Holdings merged. Changed the trade name to cocokara fine Inc.</td>
</tr>
<tr>
<td>Nov.2012</td>
<td>Acquires all outstanding shares in KODAMA Co., Ltd., an operator of drugstores and pharmacies with a focus on Niigata Prefecture, and makes it a subsidiary.</td>
</tr>
<tr>
<td>Apr.2013</td>
<td>Integrated sales subsidiaries*. Unified store operation systems, backbone systems, and promotional measures, thus eliminating differences among the sales subsidiaries.</td>
</tr>
<tr>
<td>Nov.2013</td>
<td>Acquires all outstanding shares in IWASAKI KOHKENDO Co., Ltd., an operator of drugstores in Yamaguchi Prefecture, and makes it a subsidiary.</td>
</tr>
<tr>
<td>Feb.2017</td>
<td>Acquires all outstanding shares in Toho Chozai Y.K., an provider of dispensing pharmacy business, and makes it a subsidiary.</td>
</tr>
<tr>
<td>Apr.2017</td>
<td>Acquires all outstanding shares in Koshi Pharmacy Y.K., an operator of drugstores and pharmacy in Shimane Prefecture, and makes it a subsidiary.</td>
</tr>
<tr>
<td>Jul.2017</td>
<td>Acquires all outstanding shares in Senior Cosmos Co., Ltd., an operator of dispensing pharmacy business and nursing care service in Tokyo prefecture, and makes it a subsidiary.</td>
</tr>
<tr>
<td>Sep.2017</td>
<td>Acquires all outstanding shares in Aianju Co., Ltd., an operator of selling and leasing nursing care equipment and remodeling homes in Mie prefecture, and makes it a subsidiary.</td>
</tr>
<tr>
<td>Oct.2017</td>
<td>Acquires a pharmacy of Izumiya Co., Ltd., which runs 6 store.</td>
</tr>
<tr>
<td>Dec.2017</td>
<td>Acquires a pharmacy of Tatsuoka Y.K., which runs 2 store.</td>
</tr>
<tr>
<td>Dec.2017</td>
<td>Enter a capital alliance with Y's, Inc., which operates rehabilitation centers for stroke patients.</td>
</tr>
<tr>
<td>Jan.2018</td>
<td>Enter into a business alliance with Valor Holdings (expertises in foods).</td>
</tr>
<tr>
<td>Apr.2018</td>
<td>Capital alliance with Medcare, Inc., which develops and operates of the MEDICALLY preventive medicine platform.</td>
</tr>
</tbody>
</table>

### Other M&A activity

<table>
<thead>
<tr>
<th>Date</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep.2010</td>
<td>Iwai Co., Ltd.</td>
</tr>
<tr>
<td>Jan.2011</td>
<td>SO Pharmaceutical Corporation</td>
</tr>
<tr>
<td>Aug.2011</td>
<td>Medical Index Co., Ltd.</td>
</tr>
<tr>
<td>Oct.2011</td>
<td>Suzuran Co., Ltd.</td>
</tr>
<tr>
<td>Dec.2011</td>
<td>Riha Works Ltd.</td>
</tr>
<tr>
<td>Dec.2011</td>
<td>Genki Co., Ltd.</td>
</tr>
<tr>
<td>Sep.2012</td>
<td>ABC Drug Co., Ltd.</td>
</tr>
<tr>
<td>Aug.2013</td>
<td>Kojido Co., Ltd.</td>
</tr>
<tr>
<td>Apr.2016</td>
<td>Yamamoto Service Co., Ltd.</td>
</tr>
<tr>
<td>Jun.2016</td>
<td>Kobe maruzen Co., Ltd.</td>
</tr>
<tr>
<td>Sep.2016</td>
<td>Toyoyakuhin Co., Ltd.</td>
</tr>
</tbody>
</table>

* Integration of our sales subsidiaries in Apr. 2013
Drugstore Industry in Japan
### Drugstore Industry in Japan

**1961**
- Universal care

**1974**
- Start separation of pharmacy and clinic

**1975**
- Distance restrictions on pharmacies were abolished

**1990**
- Drugstores appeared

**2002**
- Government statistical document adds a “Drugstore” category

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**Pharmacies**
- Business conditioned
- Dispensing pharmacies
- General sales stores

**Hospitals**
- Openings accelerated

**Drugstores**
- Expand range of goods
- Discount sales of cosmetics, etc.

**Number of Drugstores**
- 19,534

**Drugstores & Dispensing market size**
- approx 14 trillion JPY

**Rate at which dispensing separated from prescribing**
- 1990: 12.0%
- 2016: 71.7%

**Number of Dispensing Pharmacies**
- 58,678

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Environments - Super aging society -

Rapidly aging population in Japan

Population aged 65 or over

22.5% in 2010, expected 30.2% in 2025
(Statistics Bureau)

Growth in national medical spending in Japan

Outlook for national medical expenses and elderly medical expenses

The national medical expenses are expected to reach JPY 52.3 trillion by Fiscal 2025
(Ministry of Health, Labour and Welfare, Japan)

Note: Elderly medical expenses for Fiscal 1985 to Fiscal 2000 start at age 70; in Fiscal 2005, elderly medical expenses start at age 79 through September and start at age 74 for the remainder of the year; for all subsequent years, elderly medical expenses start at age 75.
Environments - Healthcare Reforms -

(Former Japanese healthcare system) Hospital-Oriented

“Go to the hospital as soon as you become sick!”

Health care reforms by Japanese government over the recent years

**Reduced Medical Treatment Expenses**

- Self-pay ratio of medical expenses are increasing.
  → It costs more to go to the hospital.
- The geriatric health care system was revised.
  → From “hospitalization” to “in-home/facility nursing care” due to a reduction in beds in hospitals
  → An increasing need for community healthcare

**Reduction in Prescription drug coverage costs**

- “Switched OTC Drug”
  → Drugs that were available only by prescriptions can be purchased at pharmacies.
- Generic drugs came into wide use
  → Costs of drugs became lower.

Self-Medicated Healthcare

“ I protect my health by myself.”

Drugstores and dispensing pharmacies became receptacles for society needs

Expand markets related to Prevention & Self-healthcare
Direction of cocokara fine
Three Functions Desired of Drugstores

Drugstore Industry

Specialization
- Counseling-oriented Drugstore
  - Communication between store staff and customers
  - Cooperation with medicine, centered on dispensing pharmacies

Low-Price
- Discount Drugstore
  - Refined product selection
  - Reducing personnel expenses

Accessibility
- Convenient Drugstore
  - Expanding product selection and store size
  - Providing new services

Institutional Change makes new entry to drug business
- CS*: convenient stores
- SM*: supermarkets
- HC*: home centers

E-commerce
- Internet retailer
- Major distributors

To be the “community healthcare Infrastructure” promoting an intimate relationship to the community by pursuing convenience & high expertise.

* CS: convenient stores
* SM: supermarkets
* HC: home centers
We expand fields by enhancing, expanding dispensing and nursing care businesses

<table>
<thead>
<tr>
<th>Business Fields</th>
<th>Drugstore Operations</th>
<th>Pharmacy Operations</th>
<th>Nursing Care services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>• Sales of health food &amp; drugs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevention</td>
<td>• Health advice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potential Illness</td>
<td>• Nutrition consultation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illness</td>
<td>• Introduction of cancer screening</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nursing Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal Care</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We will meet people’s overall health related needs
Business Strategy
Mechanisms to Utilize Customer Opinions in Management

Customer consultation center

A call center for customers staffed by some 20 people

<table>
<thead>
<tr>
<th>Method of collecting opinions</th>
<th>Annual (March 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-mails</td>
<td>3,541</td>
</tr>
<tr>
<td>Telephone calls</td>
<td>20,884</td>
</tr>
<tr>
<td>Other</td>
<td>33</td>
</tr>
<tr>
<td>Postcards</td>
<td>618</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,076</strong></td>
</tr>
</tbody>
</table>

Flow to utilize customer opinions

Customer opinions → Information aggregation → Sharing issues and finding solutions → Horizontal dissemination

- Coordinated by Management Strategy Headquarters, issues are shared and solutions deliberated with relevant departments
  - Employee education
  - Store manual updates
  - Operation improvement
  - Providing new services
  - New product development
  - Cooperation with other companies

Horizontal dissemination

Horizontal dissemination to stores nationwide through *omotenashi* (customer care) realization groups / store guidance

*Omotenashi* realization groups
- Analyze customer feedback, propose improvements, implement these and verify effects
Customer strategy

Active members* 700mn
Member sales composition 75% over
Prepaid payment sales composition 21% over
Share of cashless transactions 40%

(Data as of FY03/18)

*Active members: The number of card members who made purchases within the previous year
Promote IT: 1) Customer Strategy Leveraging IT

Initiatives to date in establishing one-to-one marketing

Apr.2013
Integrated sales subsidiaries

Apr.2013
Cocokara club card

Added prepaid functions

Attracted new members

Promoted prepaid use

Oct.2017
Revised design

Active members
about 700mn

Member sales composition 75.3%
Prepaid payment sales composition 21.6%
Share of cashless transactions 40%

Official Cocokara app

Club card tie-ups

coupons

“My Store” registrations
Sales promotions and product information at registered stores
Send campaign information
Inventories and pricing on designated products

Cumulative downloads 400,000
“My Store” registrations 300,000

WEB

E-commerce
App tie-up

OKWAVE

Received OKWAVE AWARD 2017

Facebook
twitter

Mar.2018

Site sessions 300mn/month
### Promote IT: 2) Improve In-Store Productivity with IT

#### Improve efficiency of tasks performed by store staff

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduce tablets for performing in-store tasks</strong></td>
<td><strong>Unified equipment in all stores by switching to generic Android devices</strong></td>
<td><strong>Function to address counter losses</strong></td>
<td><strong>Function to address inventory shortages</strong></td>
<td><strong>Enable product ordering</strong></td>
</tr>
<tr>
<td><strong>Established wireless LAN environment in all stores</strong></td>
<td><strong>Analyze products to counter losses for each store</strong></td>
<td><strong>Launch of Aoi app</strong></td>
<td><strong>(Apr.2018) Analyze and alert about out-of-stock products</strong></td>
<td><strong>Merchandising support using AI</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Increased in-store work efficiency</strong></td>
<td><strong>Price adjustment</strong></td>
<td><strong>Simplify handling of customer information</strong></td>
<td><strong>Automate shelf space management, etc.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Viewing sale histories</strong></td>
<td><strong>Ordering</strong></td>
<td><strong>(Jul.2018) Immediately process membership applications digitally</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Daily work reduction of 20 minutes per store</strong></td>
<td></td>
<td><strong>(2H) Introduce on test basis (15 stores)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Annual efficiency gain of about 150,000 hours</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Reduction in opportunity losses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>10% decrease in inventory shortages</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Expand store services**

- Replace POS registers at all stores and introduce tablet POS registers at all stores that can be used as work PCs.
- POS (payment)
- Customer service app
- Electronic customer register

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Product Strategy

value-added private brands

VIVCO

Through cooperation with Kyushu University, a research team led by Professor Masahiro Goto developed the added-value beauty care product “VIVCO” that utilizes “S/O technology,” the latest patented technology that increases permeability.

- S/O technology
  Derived from medical technology research to deliver antidiabetic drugs and other active pharmaceutical ingredients (typically administered through injections) via the skin, thus reducing the burden on patients.

VIVCO is a hit product with cumulative sales for the series exceeding 1mn units.
Private-brand products

value-added private brands

Discover latent needs through customer relations, and develops new products

Contact with customers through service and presentation abilities of staff trained by the Company, leading to realization of sales

Not only sales at company stores, but also wholesale to overseas and other companies

Product Strategy

- Quality NB = PB (same)
- Price NB > PB (low price)

NB = National brand  PB = Private brand

Targeting PB sales ratio of 10%

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Internet Sales Measures

Feature: For safety and peace of mind of customers

- Creating a framework that will allow customers to choose medication with a peace of mind
- Pharmacists are available on Saturdays, Sundays, and holidays to consult with each customer
- Points are linked with club cards used at stores

TOPICS①: Initiatives with Japan Post (Announced February 2015)

Mail order business for medical products and household goods, etc., with Japan Post Co., Ltd., in order to improve the local life infrastructure.

(Number of bases)

- 24,000
- 1,300

TOPICS②: Initiatives with Amazon (started in April 2017)

Offering products to Amazon Prime members via Amazon’s Prime Now service (products delivery within an hour at the earliest) to enhance convenience for local customers
Pharmacy Strategy

Dispensing Fees

JPY 489bn

No. 4

Dispensing fees per store

JPY 204mn

No. 1

Stores that dispense over 1,000 prescriptions per month

195 stores

No. 1

Source: Drug Store Magazine, July 2017

Total number of facilities: 271
(Specialized in dispensing: 166  Drugstore with dispensing: 105)
※ as of Mar. 31, 2018

Dispensing fee-to-sales ratio
(Excluding nursing care and wholesale)
15.6%
※ FY03/18
Promotion of the “Health Support Pharmacy”

Focus on training of family pharmacists, advance standardization and streamlining of operations

1) Enriching self-health management functions via implementation of health monitoring stations and health consultation meetings, etc., including advice on self-medication and improving overall quality of life.

2) Expansion of house call dispensing and cooperation with nursing.

   - House call dispensing stores: FY03/16 137 stores, FY03/18 204 stores.

3) Fostering specialized pharmacists and dedicated staff that can support dementia, diabetes, and cancer patients.

4) Expanding product sale functions in dispensing pharmacies.

   - FY03/18 Product sales: 107% YoY.

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### Developing broad nursing care operations

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assisted living senior housing</td>
<td>Operates one facility in Sayama City, Saitama</td>
</tr>
<tr>
<td>Assisted-living nursing home</td>
<td>Operates one facility in Kiyose City, Tokyo</td>
</tr>
<tr>
<td>Short stay</td>
<td>Operates one facility in Saitama</td>
</tr>
<tr>
<td>Day service</td>
<td>Operates three day-service facilities in Tokyo and Saitama, four rehabilitation-type facilities in Tokyo</td>
</tr>
<tr>
<td>At-home nursing base</td>
<td>Operates six facilities in Tokyo and Saitama</td>
</tr>
<tr>
<td>Home-visit nursing care</td>
<td>Operates nine facilities in Tokyo and Saitama</td>
</tr>
<tr>
<td>In-home long-term care support</td>
<td>Operates eight facilities in Tokyo and Saitama</td>
</tr>
<tr>
<td>Nursing care equipment sales and rentals, house renovations</td>
<td>Operated by Aianju Co., Ltd. (made a subsidiary in Sep. 2017) centered in the Tokai region</td>
</tr>
</tbody>
</table>

### Strengthening support for at-home healthcare

**Strengthening rehabilitation-centric daytime care services**
- Day Service “Genki Kurabu Kokubunji “
- Day Service “Genki Kurabu Higashifuchu “
- Rehabilitation “ Riha Day Bonnar Tama Center”
- Rehabilitation “ Riha Day Bonnar Fuchumiyoshicho”

### At-home Nursing / Home-Visit Nursing Operations

- Upfront investment to secure nurses, etc.
- Yamamoto Service Co. Ltd. (operates an home-visit nursing care business in Tokyo’s Setagaya Ward) converted into a subsidiary (merged with Finecare Inc. in Apr. 2018)

Assisted-living nursing home
Finecaregarden Kiyose
Establish healthcare network

“Model of SAYAMA”

E-commerce
(cocokara club)

Drugstore of our group
(Sayamadai store)

Pharmacy of our group
(Sayamagaoka pharmacy)

Nursing care
(FINECARE Inc.)

Hospitals and Clinics at the area

At-home nursing care
(FINECARE Inc.)

“Aozora”
The operation of assisted living senior housing at Sayama-shi Saitama prefecture that has 95 rooms and Promote creating model of healthcare network
Establish healthcare network

**Healthcare services**
- Invest in Healthcare New Frontier Fund
- New products and services

**Dietary care**
- Business alliance with Valor Holdings
- Food and convenience

**Cocokara Fine**
- Drugstore Operations
- Pharmacy Operations
- Nursing Care services

**Regional community, customers, patients**

**Medical care**
- Capital alliance with Medca
- Uninsured services
- Online services for prevention and treatment on lifestyle-related diseases

**Exercise and rehabilitation**
- Business and capital alliance with Y’s
- Uninsured services
- Centers for post-stroke rehabilitation
### Five-year plan ending in FY03/20

#### FY03/15 Results
- **Net sales**: JPY349.1bn
- **Ordinary income (Ratio to net sales)**: JPY6.5bn (1.9%)
- **ROA (Ordinary income)**: 2.2%
- **ROE (Net income)**: 4.8%

#### FY03/18 Results
- **Net sales**: JPY390.9bn
- **Ordinary income (Ratio to net sales)**: JPY16.0bn (4.1%)
- **ROA (Ordinary income)**: 10.5%
- **ROE (Net income)**: 10.6%

#### FY03/20 (Plan)
- **Net sales**: JPY420bn
- **Ordinary income (Ratio to net sales)**: JPY22bn (5.2%)

#### Numerical management targets
- **ROA (Ordinary income)**: 10% or higher
- **ROE (Net income)**: 10% or higher
Shareholder returns

• Concept of shareholder returns

We will continue to return profits to shareholders in line with business performance, and to consider the total payout ratio and DOE, with the goal of maintaining steady dividends. We will also consider share buybacks based on market conditions, capital efficiency, and our capital ratio.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Dividend per share (JPY)</th>
<th>Net assets (JPY mn)</th>
<th>Net income (JPY mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY03/13</td>
<td>60</td>
<td>73,417</td>
<td>7,855</td>
</tr>
<tr>
<td>FY03/14</td>
<td>60</td>
<td>75,320</td>
<td>3,598</td>
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<tr>
<td>FY03/15</td>
<td>60</td>
<td>75,235</td>
<td>1,658</td>
</tr>
<tr>
<td>FY03/16</td>
<td>70</td>
<td>77,955</td>
<td>6,927</td>
</tr>
<tr>
<td>FY03/17</td>
<td>70</td>
<td>83,237</td>
<td>7,037</td>
</tr>
<tr>
<td>FY03/18</td>
<td>73</td>
<td>87,810</td>
<td>9,067</td>
</tr>
</tbody>
</table>
Cocokara Fine Inc.

http://corp.cocokarafine.co.jp/english/

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