



FUND FACTS

| | |
|-----------------------------|----------------|
| Ticker | MJFOX |
| CUSIP | 577-130-800 |
| Inception Date | 12/31/98 |
| Assets | \$59.6 million |
| NAV | \$10.41 |
| Total # of Positions | 51 |
| Weighted Average Market Cap | \$11.3 billion |

Portfolio Turnover Ratio

Fiscal Year 2009 126.75%¹

Gross Expense Ratios²

Fiscal Year 2009 1.29%

Benchmarks

MSCI Japan Index³
Tokyo Stock Price Index (TOPIX)⁴

Redemption Fee

2% within first 90 calendar days of purchase

INVESTMENT APPROACH

Matthews International Capital Management, LLC, the advisor to Matthews Asia Funds, believes in the long-term growth of Asia, one of the world's fastest-growing regions. Since 1991, we have focused our efforts and expertise exclusively in these countries, investing through a variety of market environments. Matthews is the largest dedicated Asia-only investment specialist in the United States. With \$12.9 billion in assets under management as of June 30, 2010, Matthews employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

Matthews Japan Fund

June 30, 2010

Fund Objective

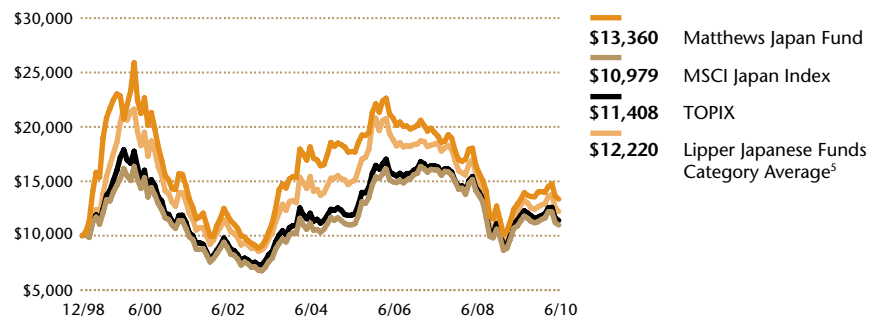
Under normal market conditions, the Matthews Japan Fund seeks to achieve its investment objective by investing at least 80% of its total net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Japan.

Investing in international markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. In addition, single-country and sector funds may be subject to a higher degree of market risk than diversified funds because of concentration in a specific industry, sector or geographic region.

PERFORMANCE AS OF JUNE 30, 2010

| | Average Annual Total Returns | | | | | Inception 12/31/98 |
|-------------------------|------------------------------|--------|---------|---------|----------|--------------------|
| | 3 Months | 1 Year | 3 Years | 5 Years | 10 Years | |
| Matthews Japan Fund | -8.04% | 3.70% | -11.82% | -5.51% | -5.15% | 2.55% |
| MSCI Japan Index | -10.07% | 0.89% | -11.89% | -0.04% | -3.28% | 0.82% |
| Tokyo Stock Price Index | -9.28% | 0.00% | -11.45% | -0.82% | -3.34% | 1.15% |

GROWTH OF A \$10,000 INVESTMENT SINCE INCEPTION



The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gain distributions or redemption of fund shares. Values are in US\$. All data calculated from 12/31/98.

- 1 The lesser of fiscal year 2009 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- 2 The Matthews Asia Funds do not charge 12b-1 fees.
- 3 The MSCI Japan Index is a free float-adjusted market capitalization-weighted index of Japanese equities listed in Japan. Source: Index data from Morgan Stanley Capital Management; total return calculations performed by BNY Mellon Investment Servicing Inc. It is not possible to invest directly in an index.
- 4 The Tokyo Stock Price Index (TOPIX) is a market capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange. It is not possible to invest directly in an index. Source: Index data from Bloomberg; total return calculations performed by BNY Mellon Investment Servicing Inc.
- 5 The Lipper Category Average does not reflect sales charges and is based on total return, including reinvestment of dividends and capital gains for the stated periods.

Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance visit matthewsasia.com.

Matthews Japan Fund

June 30, 2010

TOP TEN HOLDINGS⁶

| | Sector | % of Net Assets |
|--|------------------------|-----------------|
| ITOCHU Corp. | Industrials | 3.6% |
| Pigeon Corp. | Consumer Staples | 3.6% |
| ORIX Corp. | Financials | 3.3% |
| So-net Entertainment Corp. | Information Technology | 3.2% |
| Advance Residence Investment Corp., REIT | Financials | 2.9% |
| Hoshizaki Electric Co., Ltd. | Industrials | 2.9% |
| Nissan Motor Co., Ltd. | Consumer Discretionary | 2.8% |
| Kakaku.com, Inc. | Information Technology | 2.7% |
| Toshiba Corp. | Information Technology | 2.7% |
| Fanuc, Ltd. | Industrials | 2.7% |
| % OF ASSETS IN TOP TEN | | 30.4% |

SECTOR ALLOCATION (%)⁷

| | Fund | Benchmark | Difference |
|--|------|-----------|------------|
| Industrials | 24.7 | 19.6 | 5.1 |
| Financials | 22.7 | 17.3 | 5.4 |
| Information Technology | 16.2 | 13.6 | 2.6 |
| Consumer Discretionary | 15.3 | 19.0 | -3.7 |
| Consumer Staples | 6.2 | 5.5 | 0.7 |
| Health Care | 5.6 | 5.8 | -0.2 |
| Materials | 5.1 | 7.8 | -2.7 |
| Telecom Services | 3.9 | 3.9 | 0.0 |
| Energy | 0.0 | 1.2 | -1.2 |
| Utilities | 0.0 | 6.3 | -6.3 |
| Cash and Other Assets, Less Liabilities | 0.3 | 0.0 | 0.3 |

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit www.msci.com.

Source: FactSet Research Systems

MARKET CAP EXPOSURE (%)^{7,8}

| | Fund | Benchmark | Difference |
|--|------|-----------|------------|
| Large Cap (over \$5B) | 43.3 | 81.1 | -37.8 |
| Mid Cap (\$1B-\$5B) | 34.2 | 18.9 | 15.3 |
| Small Cap (under \$1B) | 22.2 | 0.0 | 22.2 |
| Cash and Other Assets, Less Liabilities | 0.3 | 0.0 | 0.3 |

Source: FactSet Research Systems

P/E RATIOS⁹

| | |
|-------------------------|-------|
| P/E Using FY1 Estimates | 13.0x |
| P/E Using FY2 Estimates | 12.4x |

Source: FactSet Research Systems

⁶ Holdings may combine more than one security from same issuer and related depositary receipts.

⁷ Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.

⁸ Equity market cap of issuer.

⁹ The P/E figures represent the Harmonic Average P/E—which measures the price/earnings ratio of the Fund's entire portfolio, excluding negative earners—weighted by the size of the company's position within the portfolio.

PORTFOLIO MANAGEMENT

Taizo Ishida
Lead Manager

Kenichi Amaki
Co-Manager

STRATEGIES FOR INVESTING IN ASIA

ASIA GROWTH AND INCOME

- ✿ Matthews Asian Growth and Income Fund
- ✿ Matthews Asia Dividend Fund
- ✿ Matthews China Dividend Fund

ASIA GROWTH

- ✿ Matthews Asia Pacific Fund
- ✿ Matthews Pacific Tiger Fund
- ✿ Matthews China Fund
- ✿ Matthews India Fund
- ✿ Matthews Japan Fund
- ✿ Matthews Korea Fund

ASIA SMALL COMPANY

- ✿ Matthews Asia Small Companies Fund

ASIA SPECIALTY

- ✿ Matthews Asia Science and Technology Fund

✿ *Regional fund designed for use as a core portfolio holding*

✿ *Asian fund designed to complement core portfolio holdings*

You should carefully consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds before making an investment decision. A prospectus with this and other information about the Funds may be obtained by visiting matthewsasiasia.com. Please read the prospectus carefully before investing as it explains the risks associated with investing in international markets.

The information provided in this fact sheet is current as of the date of publication and is subject to change. This fact sheet does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell any particular security.

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