

ANALYST GUIDE

First-half FY2012

April 2012



(Listed on the 1st Section of the Tokyo Stock Exchange; Code 7447)

<Contact for information on this material: Mr. Ohno, Administration Headquarters (03-3863-0371)>



Outline

- I Financial Review First-half FY2012
- II Market Environment
- III Forecast for FY2012
- IV Management Goals
- V Rewarding shareholder-focused policies



Establish competitive position in medical clothing market

- Approximately 60% market share in domestic medical clothing
- Wide field, planning, manufacturing and marketing
- Competitive product such as extensive products, custom-made program

Strong growing market

Doctor, Dentist, Pharmacist*1	Nursing Staff*1	Care workers*2 fulltime-worker-based count
650,000 people	1,400,000 people	840,000 people
compare with 2006 +26,200people	compare with 2006 +64,300people	compare with 2006 +29,300people

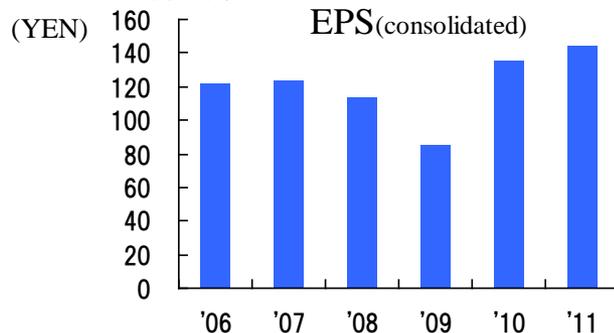
*1 Annual Report on Health, Labour and Welfare 2008, MHLW

*2 Survey of care service facilities and business 2008, MHLW

MHLW: Ministry of Health, Labour and Welfare of Japan

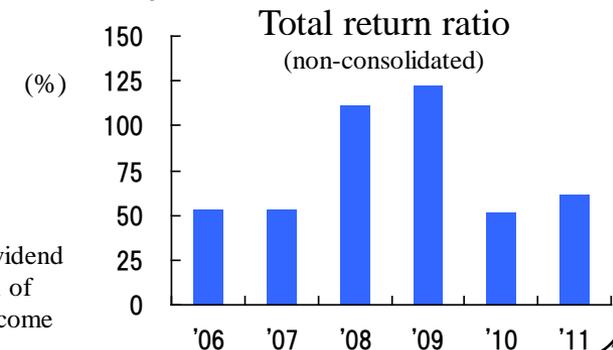
Highly profitability and strong balance sheet

- Gross profit to sales 46.6% (as of FY2011)
- Improve profitability due to overseas production shift
- Capital-to-asset ratio 89.0%



Rewarding shareholder-focused policies

- Continue stable dividend payment with payout ratio of 50%
- Acquisition of treasury stock



I Financial Review First-half FY2012

Financial Highlights <Statements of Income>



(millions of yen,%)	First-half FY2012	% Change	To Forecast %	Composition %	Composition % Change
Net sales	6,186	7.0	6.3	100.0	-
Gross profit	2,902	8.4	7.1	46.9	0.6
Sales, general, and administrative expenses	1,332	4.9	1.1	21.5	-0.4
Operating income	1,569	11.5	12.8	25.4	1.0
Recurring income	1,696	21.3	20.2	27.4	3.2
Net income	954	15.5	15.4	15.4	1.1

[Overview]

-Sales in healthcare wear grew strongly, in addition, sales in patient wear and surgery wear increased slightly. Net sales in 2nd quarter reached record.

[Gross profit] y/y +¥224m(Factor of increase of Net sales:+¥188m, Factor of increase of profit ratio:¥36m)

Gross profit to sales	FY2011 46.3%	→	FY2012 46.9%
Foreign Exchange rate:	FY2011 ¥93/dollar	→	FY2012 ¥83.6/dollar (+¥57m)
Overseas production ratio	FY2011 36.4%	→	FY2012 39.6% (+¥45m)
Boost of material cost and sewing cost			(-¥67m)

[Sales, general, and administrative expenses]

-Though SG&A cost increased with sales flowing, composition decreased.

[Extraordinary profit]

- Exchange-rate profit ¥101m

[Income, inhabitant and enterprise taxes]

-As deferred income tax asset decreased because of rollback of corporate tax rate,¥38m was add-recorded as accounting for income taxes.

[Capital Expenditure]

-Capital Expenditure: ¥176m (West Japan logistic system ¥48m, Software ¥10m, Renovation of Sendai bldg. ¥62m, Machinery ¥19m)

-Depreciation: ¥136m

Financial Highlights <Balance Sheet>



Major assets (¥ million %)

Title	Result	Change Result	Change %
Cash on hand at banks	14,523	1,484	11.4
Notes and accounts receivable	3,780	103	2.8
Inventories	4,023	448	12.5
Current assets	22,747	1,968	9.5
Tangible and intangible fixed assets	8,004	-38	-0.5
Investment securities	1,646	-47	-2.8
Other	559	-35	-5.9
Fixed assets	10,210	-121	-1.2
Total assets	32,957	1,847	5.9

Major liabilities and shareholders' equity (¥ million %)

Title	Result	Change Result	Change%
Notes and accounts payable	1,651	88	5.7
Accrued income taxes	669	170	34.3
Current liabilities	3,285	363	12.4
Capital reserves	28,555	1,416	5.2
Treasury stock	-3,172	0	0.0
Net assets	29,671	1,483	5.3
Total liabilities and net assets	32,957	1,847	5.9

[Major changes from the previous fiscal year]

-Cash and cash equivalents	¥1,484 million
-Cash flows from operating activities	¥2,870 million
-Dividend payout	down ¥1,205 million
-Acquisition tangible and intangible fixed assets	down ¥197 million
- Inventories	¥448 million
-Increased inventories to prepare for sales growth	
Net assets	¥1,483 million
-Net profit	¥2,621 million
- Dividend payout	down ¥1,205 million

Segments by item



Healthcare
wear

Doctors'
wear

Utility
wear

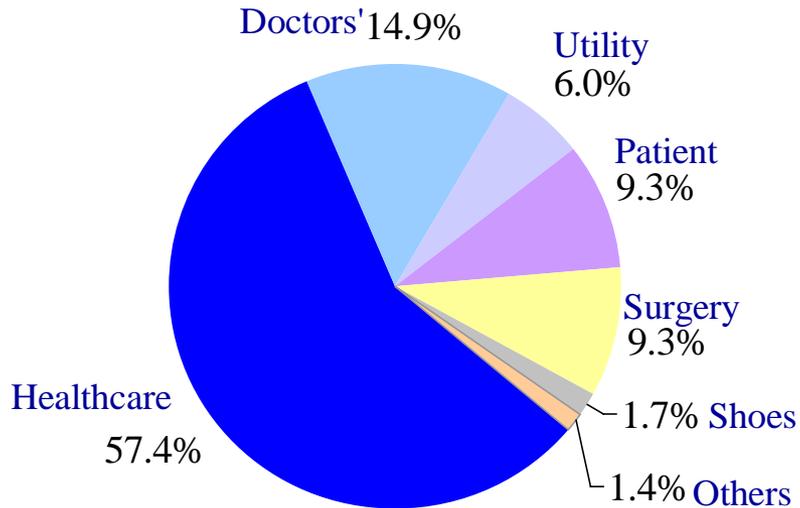
Patient
wear

Surgery
wear

Shoes

Segments by item

Sales by Item



Year-on-year change	First-half FY2011	First-half FY2012
Overall	+ 6.3%	+7.0%
Healthcare wear	+ 9.4%	+3.4%
Doctors' wear	+ 4.5%	+ 9.6%
Utility wear	- 5.1%	+ 1.3%
Patient wear	+ 2.3%	+ 28.4%
Surgery wear	+ 3.3%	+ 14.4%
Shoes	- 2.3%	- 0.8%
Others	+ 4.5%	+ 5.2%

[Healthcare wear]

-Catching new contracts in stable market, spreading new products in the market, sales grew steady

[Doctors' wear]

-Continuing from the previous year, as new products were well-received in the market, sales in first-half reached record.

[Utility wear]

-Sales stopped to fall because institutions changed unit of supply from individual to section and tighten the allocation standard.

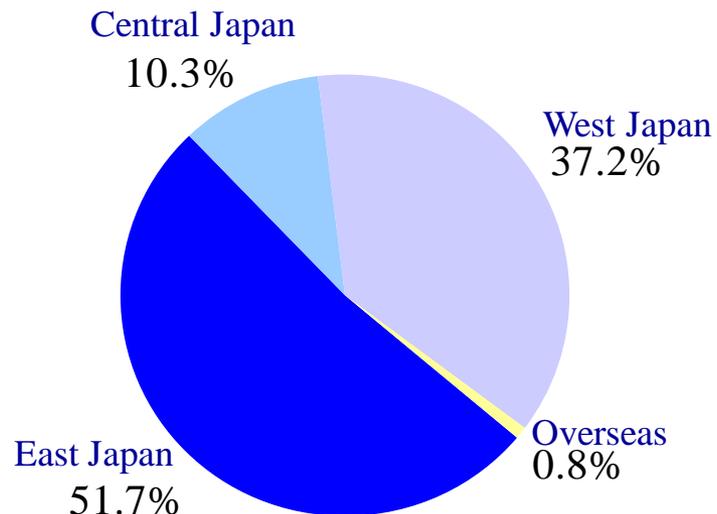
[Patient wear]

-As the demand of health check market expanding, catching new big contracts, sales was steadily increasing.

[Surgery wear]

-New laundry factories contributed to the sales of COMPELPAK, sale was going strong as well as second-FY2011, which the year-on-year change was (+10.3%).

Sales by Region



Year-on-year change	First-half FY2011	First-half FY2012
Total sales	+6.3%	+7.0%
East Japan	+4.9%	+2.9%
Central Japan	+ 8.1%	+1.7%
West Japan	+ 8.0%	+15.5%
Overseas	+0.7%	-6.7%

[East Japan]

-Catching renewal orders in Tohoku district, which postponed renewal orders last second-half year due to the impact of the Tohoku-Pacific Ocean Earthquake, the sales grew steady.

[Central Japan]

-Though there was large-lot orders in previous year, sales exceeded the previous year with gaining new orders.

[West Japan]

-As the market being on a track to recovery and our share expanded by catching new contracts, sales achieved robust growth.

[Overseas]

-Due to the impact of appreciating yen, the growth of sales was low.

II Market Environment



Medical treatment fees and Nursing care fees will revise.(effective Apr. 2012)

- Medical treatment fees revise every 2 years, Nursing care fees revise every 3 years.
Both fees will revise at the same time.
- Medical treatment fees revised:+0.004%(Previous +0.19%), Nursing care fees revised:+1.2%(Previous +3.0%).

Supply and demand of nursing staff:'15 165,000,000 people (Dec.2010)

- The 7th outlook for nursing staff demand and supply (five-year plan from 2011 through 2015)
- The number of nursing staff on the supply side is estimated to increase by 2.57% annually.

Escalating material prices, rising sewing costs

- The productization with high price of cotton will be progressed.
- There is fear that the price of polyester will increase because of increasing oil price.
- The cost of labor charge around China and Southeast Asia raised due to price escalation.

Effect to the cost of overseas production due to appreciation of the yen against the dollar

- monthly average exchange rate in NY market(as of February)

2006:¥117/dollar, 2007:¥120/dollar, 2008:¥107/dollar, 2009:¥92/dollar, 2010:¥90/dollar,
2011: ¥82/dollar, 2012:¥77/dollar

Market Environment

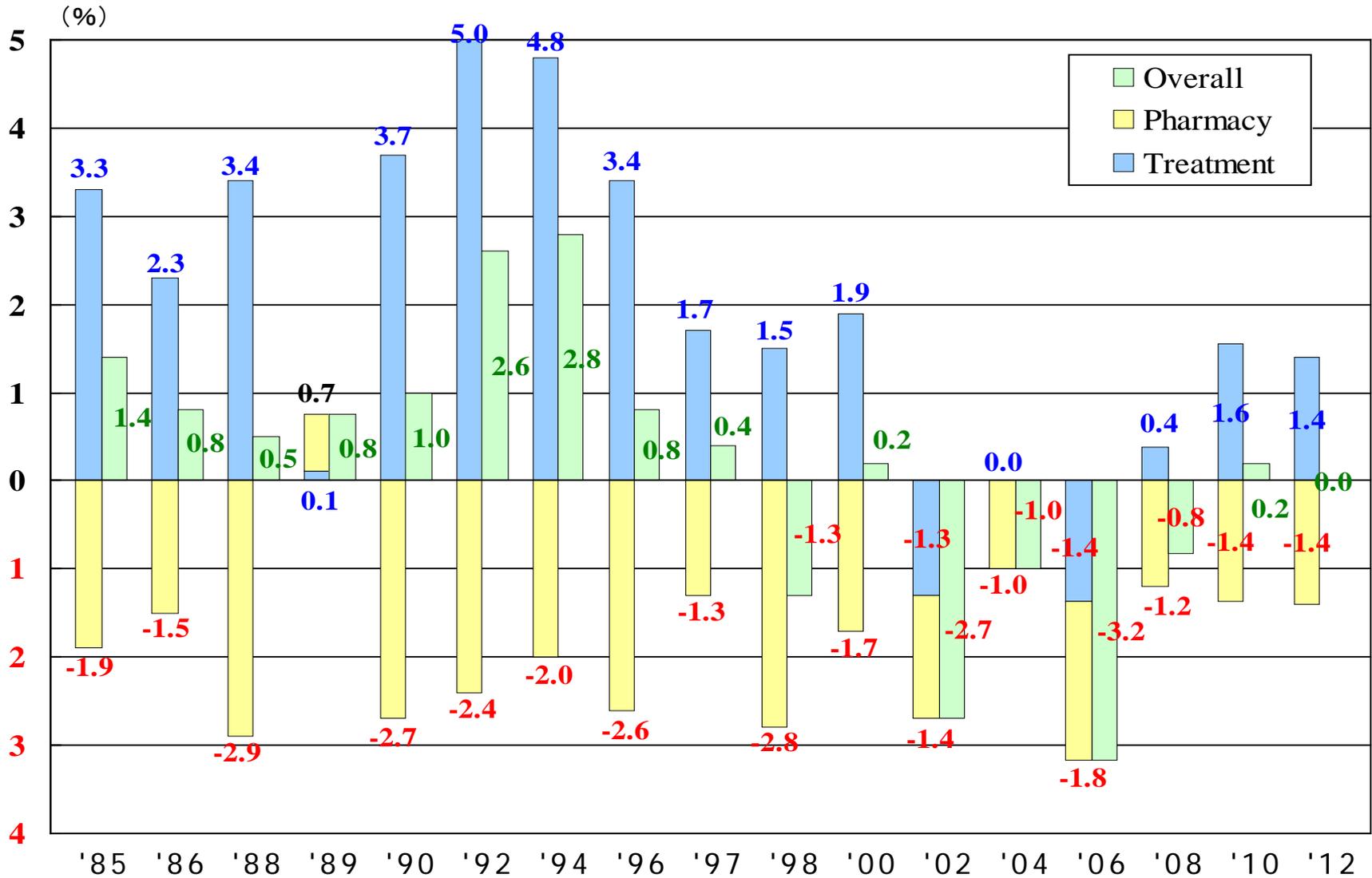


Changes and prospects for medical and care service systems

	Medical System		Care Service System	
	Medical Service Law, Health and Medical Service Law for the Aged, Medical Insurance, etc	Medical treatment fees	Care Service Law, Nursing Care Insurance, etc.	Nursing care fees
'02	Amendment to the Health and Medical Service Law for the Aged Change of qualified age from 70 to 75 (burden: 10%)	Total market: -2.7% Service: -1.3%, Drug price: -1.4%	Entry into special nursing home business defined under the Structural Reform Region Law (by PFI method and Public-fund Private-run method)	
'03	Amendment to Medical Insurance (burden: 30%) Introduction of DPC to Special Function Hospital		2 nd plan of care insurance system (2003-2007)	Total market: -2.3% Home: +0.1% Facilities: -4.0%
'04	Legal transformation of national hospitals into independent administrative corporations	Total market: -1.0% Service: 0.0% Drug price: -1.0%		
'05	Enforcement of Amended Pharmaceutical Affairs Law Release of the 6th prospect for supply and demand of nursing staff			
'06	Proposed draft of reform of medical insurance system submitted. Expansion of DPC to general hospitals.	Total market: -3.16% Service: -1.3% Drug price: -1.8%	Enforcement of Amended Nursing Care Insurance Law 3 rd plan of care insurance system (2006-2008)	Total market: -2.4% Home: -1.0% Facilities: -4.0%
'07	New Health Frontier Strategy announced Social medical corporations instituted by law		Ban lifted on medical corporations from operating private commercial nursing homes. Nursing care type medical facilities to be abolished in 2012	
'08	Medical program for very elderly instituted by law “Metabolic” diagnosis and health guidance specified as mandatory	Total market: -0.83% Service: +0.38% Drug price: -1.2%	Nursing care type elderly health facilities instituted	
'09	Enforcement of Amended Pharmaceutical Affairs Law Local healthcare revival plan		4 th plan of care insurance system (2009-2011)	Total market: +3.0% Home: +1.7% Facilities: +1.3%
'10	Release of the 7th prospect for supply and demand of nursing staff. Legal transformation of national medical highly-advanced center into independent administrative corporations	Total market: +0.19% Service: +1.55% Drug price: -1.36%		
'11	Postponed time limit of abolishing nursing care type medical facilities for 6 year. The interim appraisal of the medical expenses		Disapproval of setting up specialty nursing homes for social medical organization.	
'12	Postponed abolishing of Medical Care System for People Aged 75 and over	Total market: +0.004% Service: +1.38% Drug price: -1.38%	Enforcement of Amended Nursing Care Insurance Law 5 th plan of care insurance system (2012-2014)	Total market: +1.2% Home: +1.0% Facilities: +0.2%



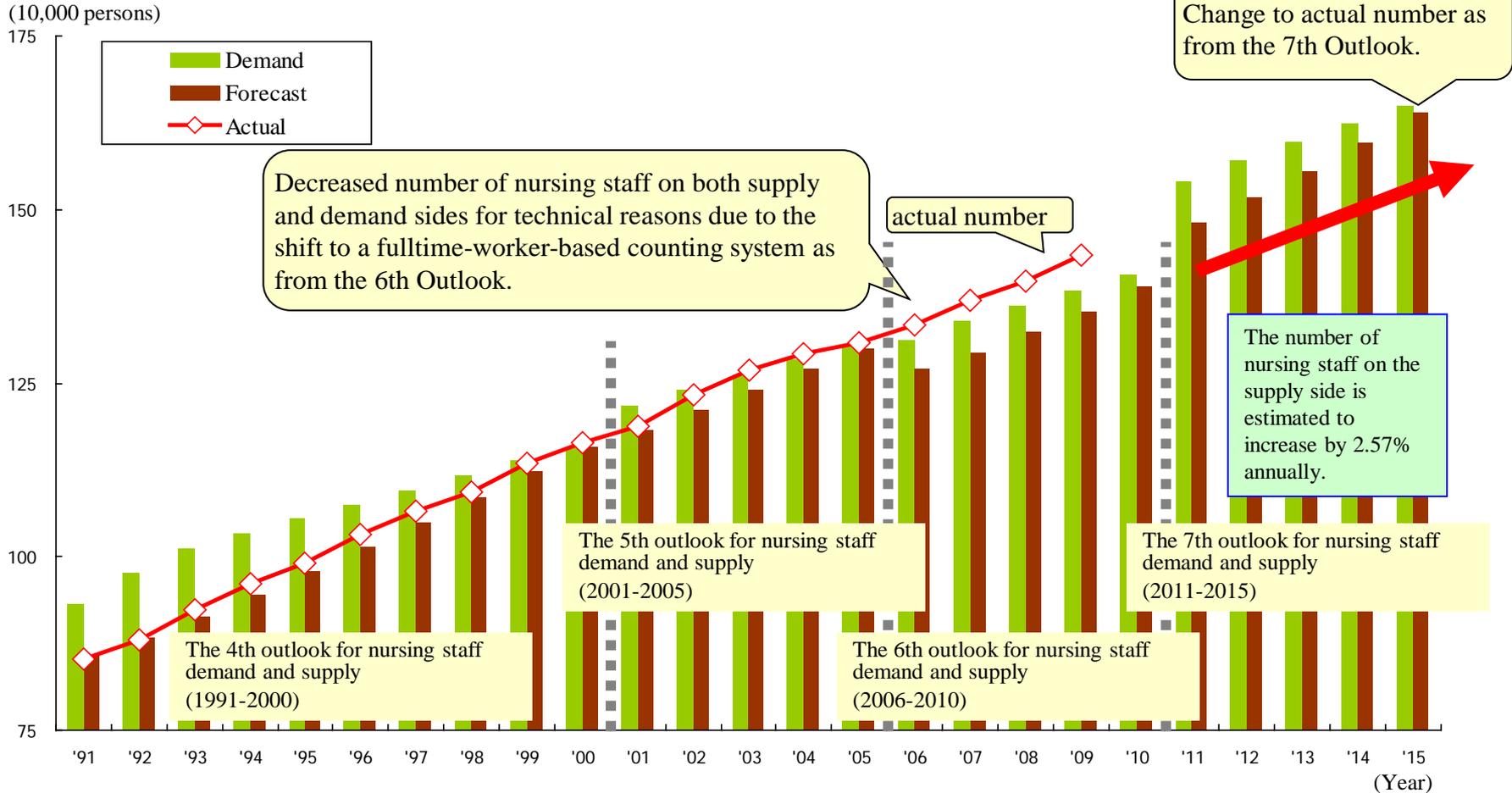
Revisions to medical treatment fees





Supply and Demand of Nursing Staff

(Source: the Ministry of Health, Labor and Welfare (December 2010))

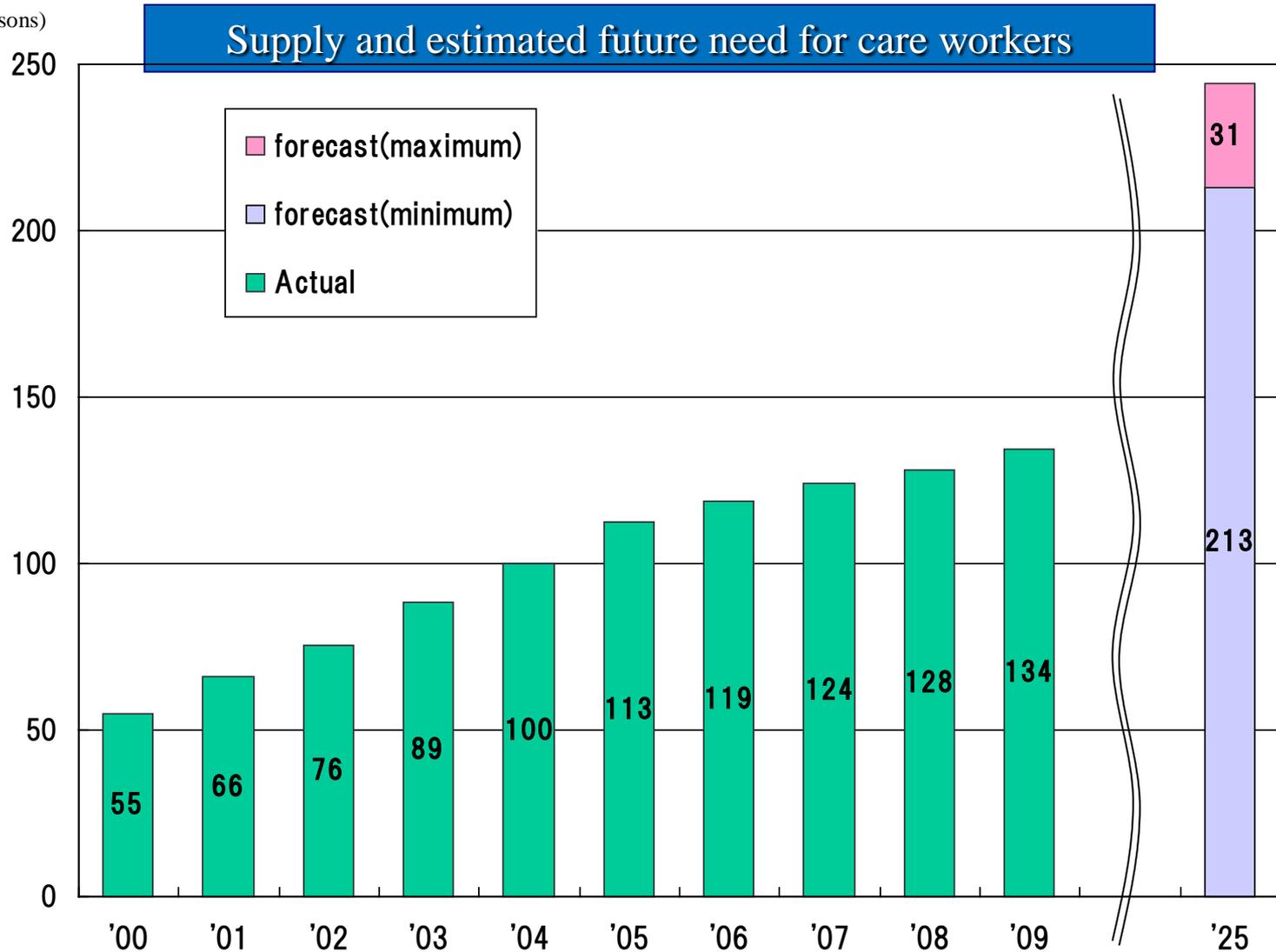


- The 7th outlook for nursing staff demand and supply (five-year plan from 2011 through 2015)
- Change to actual number as from the 7th Outlook.(The 6th is fulltime-worker-based counting system.)
- Outlook for nursing staff supply and demand for all medical and nursing fields

Market Environment



(10,000 persons)



"Minimum" was estimated on the basis of actual condition.

Actual record :survey of care service facilities and business, Ministry of Health, Labour and Welfare

"Maximun" was estimated on the basis of at-home care and In-Home Long-Term Care improvement.

Forecast:Based on materials compiled by the Care Insurance Working Group of the Social Security Council, Ministry of Health, Labour and Welfare

Ⅲ Forecast for FY2012



Marketing strategy
to boost sales

- Capture clusters of needs in the healthcare wear market
- Increase peripheral business in products for patients and surgery
- Develop new markets

Production strategy
to ensure a steady supply

- Strengthen ties with material makers and trade firms.
- Improve Quick Response production system.
- Develop new production overseas base.

Forecast Statements of Income



(millions of yen,%)	FY2012 E	% Change (FY2011)	Composition % Change
Net sales	14,800	+ 1.5	-
Gross profit	6,884	+ 1.2	-0.1
Sales, general, and administrative expenses	2,505	+ 2.9	0.2
Operating income	4,379	+ 0.5	-0.3
Recurring income	4,425	+ 3.5	0.6
Net income	2,606	+ 4.5	0.5

[Overview]

-Net sales and income are expected record-setting and consecutive performance by growing sales steadily in healthcare wear, expanding sales healthy in patient/surgery wear and gaining share in Central and West Japan.

[Gross profit] y/y +¥91m(Factor of increase of Net sales +¥102m, Factor of increase of profit ratio -¥11m)

Gross profit to sales	FY2011 46.6%	→ FY2012E 46.5%
Foreign Exchange rate:	FY2011 ¥91.3/dollar	→ FY2012E ¥84.1/dollar (+¥96m)
Overseas production ratio	FY2011 37.9%	→ FY2012E 39.6% (+¥60m)
Boost of material cost and sewing cost		(-¥168m)

[Sales, general, and administrative expenses]

-Expenses for develop new market.

[Non-operating expenses]

-FY2011: Exchange-rate loss ¥101m. Exchange-rate profit ¥101m in first-half FY2012 was not factored into above forecast.

[Extraordinary loss]

-FY2011: Loss on valuation of investment securities ¥60m

[Capital Expenditure]

-Capital Expenditure: ¥246m (West Japan logistic system¥48m, Software¥64m, Renovation of Sendai bldg.¥62m, Machinery ¥19m)

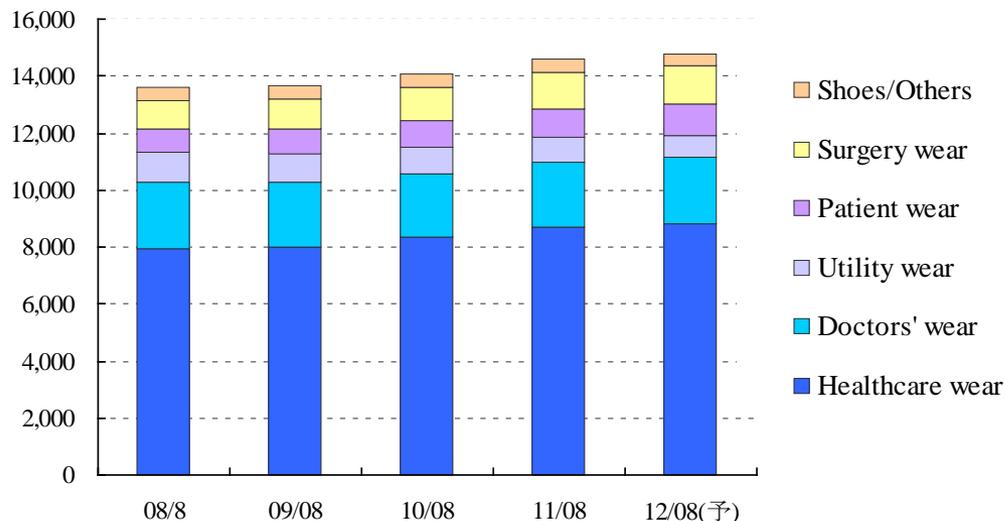
-Depreciation: ¥287m

Forecast of Sales by Item



Sales by Item

(¥ million)



Year-on-year change	FY2011	FY2012E
Sales	+3.6%	+1.5%
Healthcare wear	+4.2%	+1.2%
Doctors' wear	+3.6%	+1.5%
Utility wear	-7.5%	-5.2%
Patient wear	+6.6%	+7.3%
Surgery wear	+7.4%	+7.3%
Shoes/Others	-1.1%	-7.9%

[Healthcare wear] Though new products effects remain, sales of healthcare wear is expected to exceed the previous slightly, because the trend of gaining new contracts stabilizes.

[Utility wear] As the demand being down, the decline in sales of utility wear is expected to continue.

[Patient wear] As the health check market expanding and the demand of patient wear on admission growing, the increase in sales of patient wear is expected to continue.

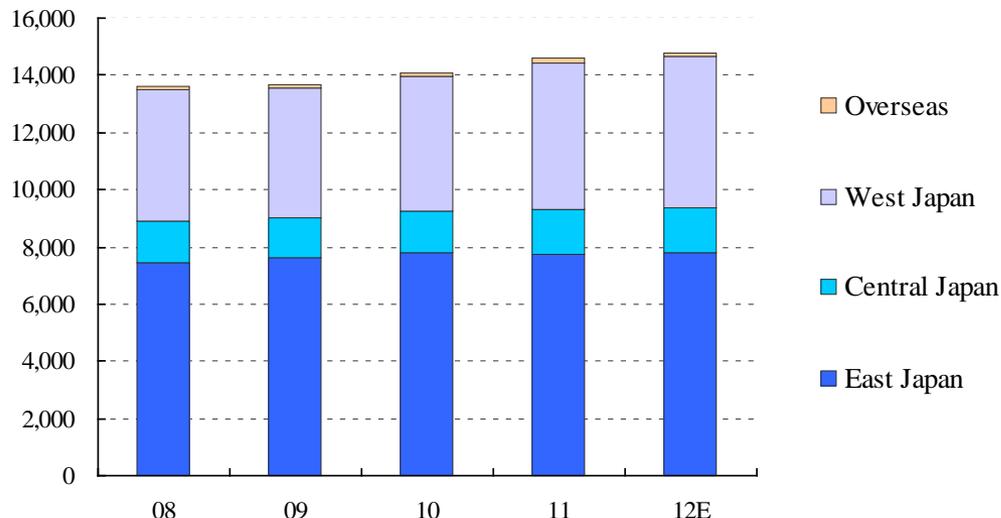
[Surgery wear] As COMPELPACK and surgical underwear(scrub) being steadily permeated, the increase in sales of surgery wear is expected to continue.

Forecast of Sales by Region



Sales by Region

(¥ million)



Year-on-year change	FY2011	FY2012E
Total sales	+3.6%	+1.5%
East Japan	-0.5%	+0.9%
Central Japan	+7.1%	+1.3%
West Japan	+9.2%	+2.5%
Overseas	+1.7%	+0.1%

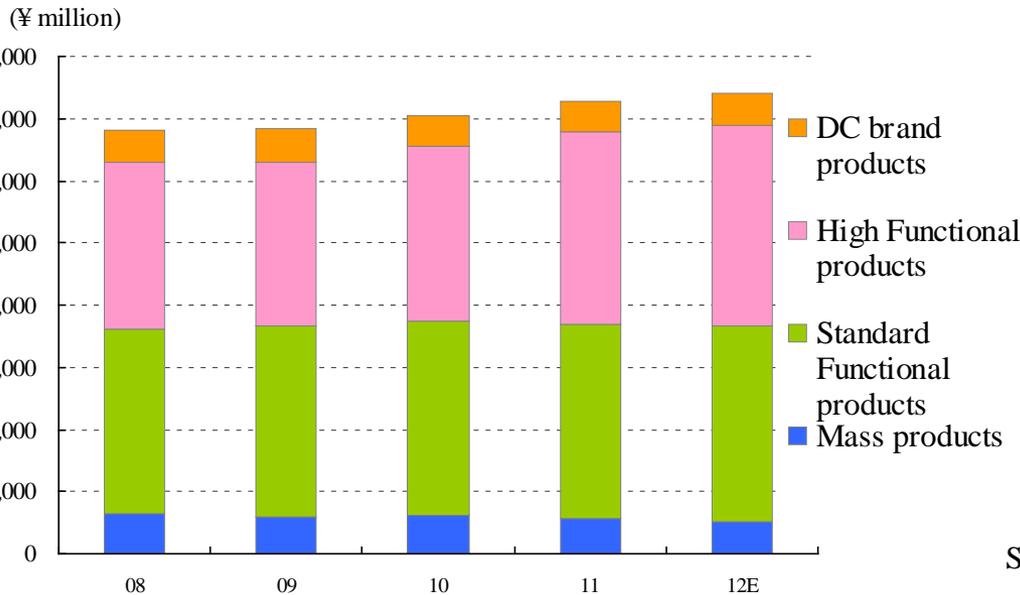
[East Japan] Though there is need of redevelopment needs from the Tohoku - Pacific Ocean Earthquake, the sales is expected to remain same as the previous year.

[Central and West Japan] Though the trend of gaining large-scale contracts stabilizes, sales is expected to grow and record-setting performance, as gaining share by sales promotion.

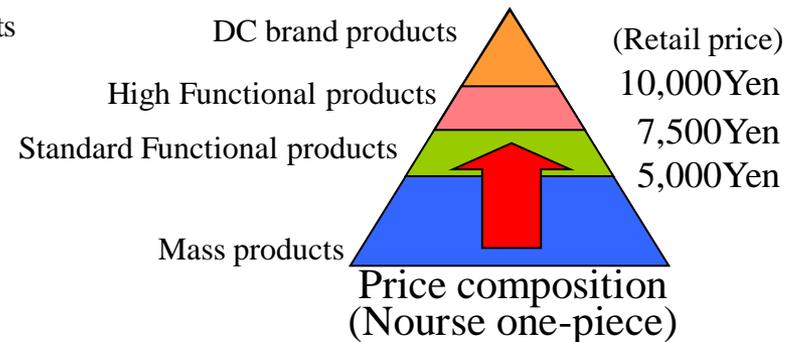
[Overseas] The impact of appreciating yen on our products is problem.



Sales by Product



Year-on-year change	FY2011	FY2012E
Sales	+3.6%	+1.5%
DC brand products	+2.5%	+5.2%
High Functional products	+10.8%	+3.0%
Standard Functional products	-0.4%	+1.1%
Mass products	-8.0%	-7.2%



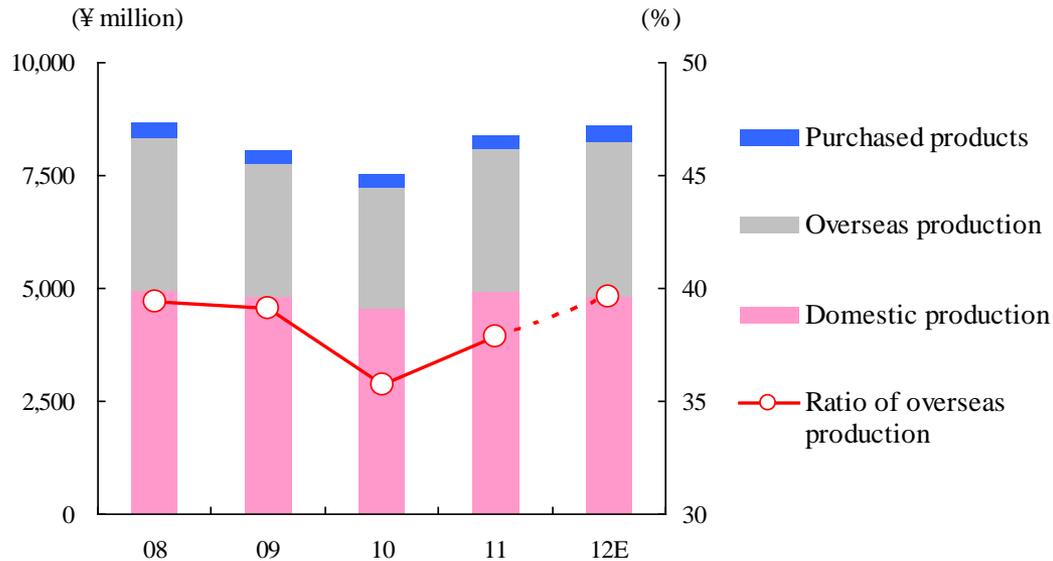
[DC brands] Sales of DC brands is expected to remain same as the previous year. Though reversing downward trend over several years, the market does not fully recovery yet.

[High functional products] As these products being received well from the market, the increase in sales of high functional products is expected to continue by driving the strategy of higher quality and value-added products.

[Mass products] As being on downward trend, the shift from mass products, include other company products, to functional products is expected to continue.



Production(Non-Consolidated)



*Changed to a non-consolidated basis.

Composition	FY2011	FY2012E
Domestic production	58.8%	56.0%
Overseas production	37.9%	39.6%
Purchased products	3.3%	4.4%

- After the term of production adjustment, improvement of system targeting steady increased production by sales growth.
- Continuous acceleration of cost reduction through production shift to overseas.

IV Management Goals

Sales Strategy

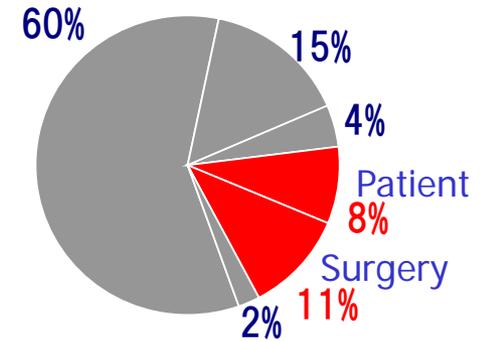
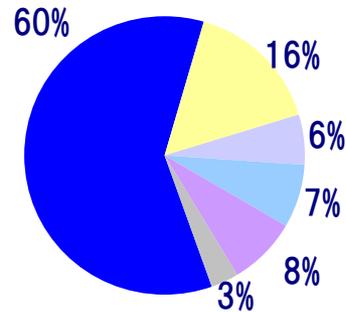
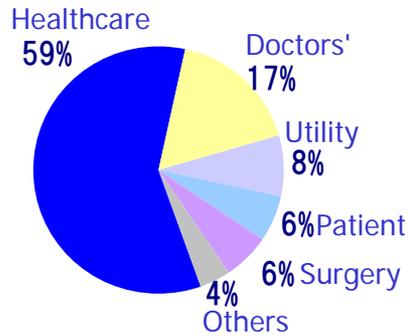


FY2008
(3 terms ago)

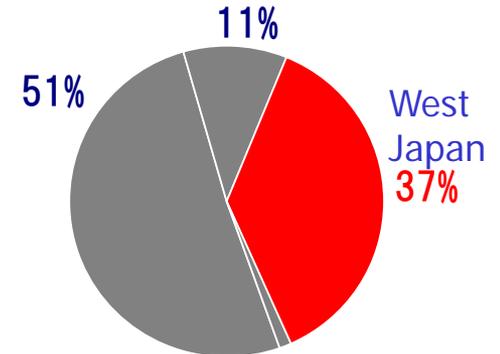
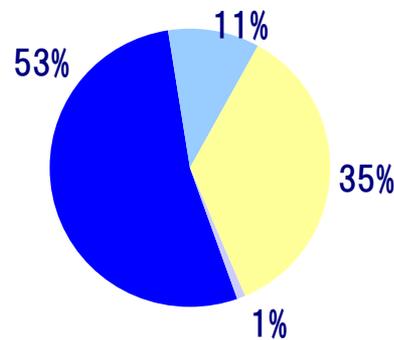
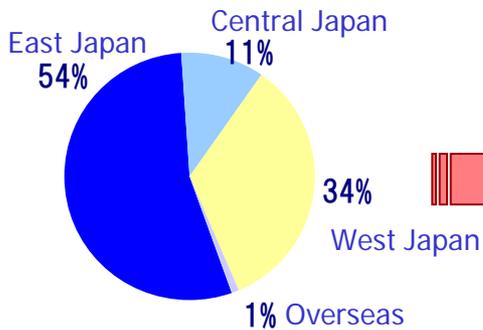
FY2011
(Previous term)

FY2014E
(3 terms later)

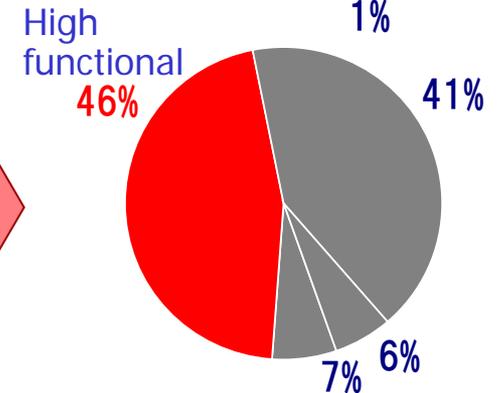
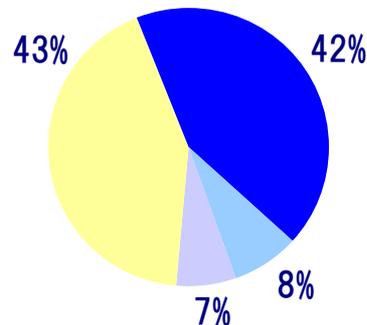
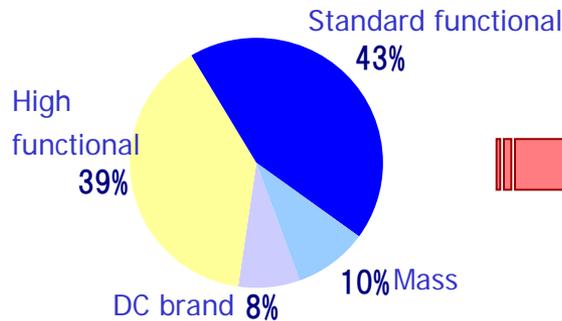
Sales by Item



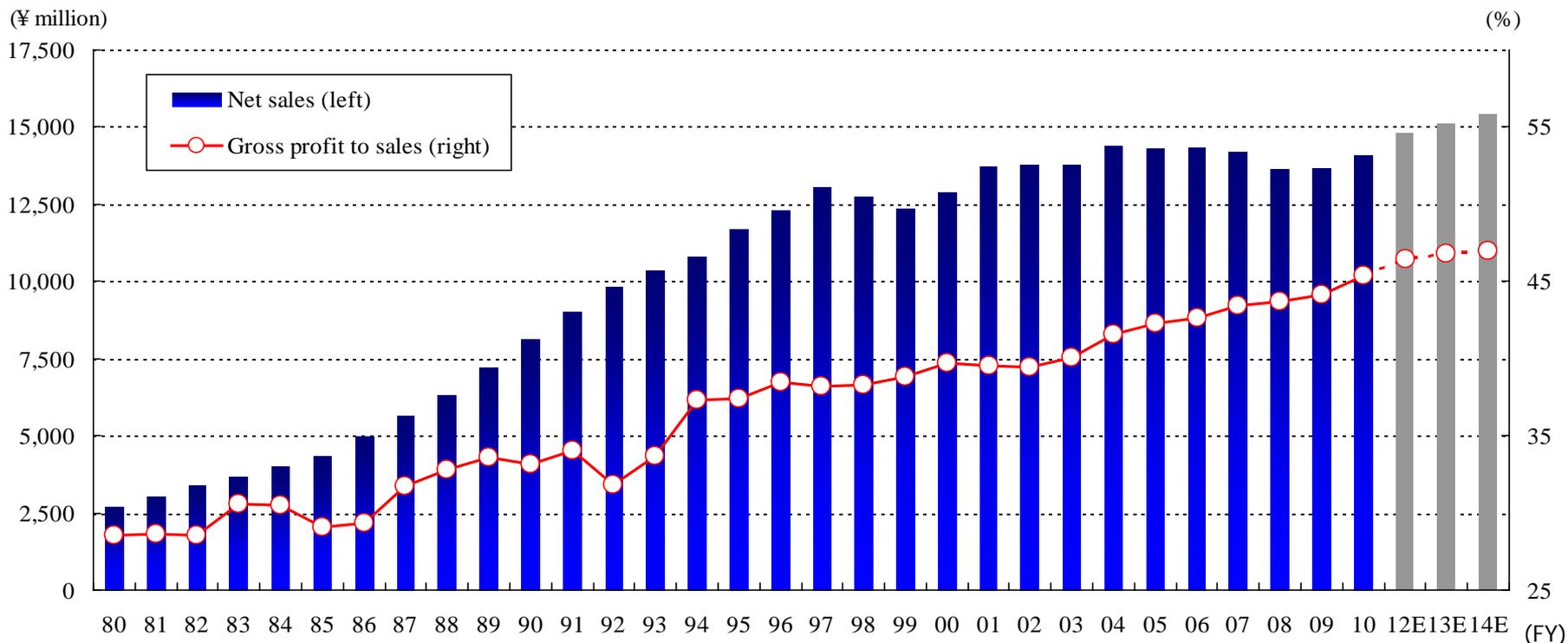
Sales by Region



Sales by Products



Net Sales and Gross Profit to Sales Ratio



(¥ million)



FY2014E	
Net Sales	15,400
Operating Income	4,600

V Rewarding shareholder-focused policies



Shareholder-focused policies

- Improvement of transparency by proactive disclosure
- Interactive communication with investors
- Profit reimbursement by high dividends



Dividend policy

- Basic policy is to continue stable dividend payment with payout ratio of 50%

Share buyback

- Acquire expeditiously when our share is undervalued



Dividend payment

DPS in FY2011 was 70 yen.

Payout ratio(non-c)was 51.9%.

*This DPS is the number before adjusted of the share split.

Share split

Improve to buy our shares for investors and
increase circulation of shares.

Two-for-one share split

for shareholders as of August 31, 2011.

Actual Dividends Paid



	DPS (yen)	Adjusted DPS (yen)*	Total dividend (Million yen)	Share buyback (Million yen)	Payout ratio (non-c, %)	Total payout ratio (non-c, %)
FY2001	25	12.5	475	0	27.6	27.6
FY2002	25	12.5	475	0	29.3	29.3
FY2003	30	15.0	530	1,697	29.7	124.6
FY2004	40	20.0	744	0	36.5	36.5
FY2005	60	30.0	1,117	0	56.9	56.9
FY2006	60	30.0	1,117	0	53.4	53.4
FY2007	60	30.0	1,117	0	53.1	53.1
FY2008	60	30.0	1,083	1,077	56.6	111.2
FY2009	60	30.0	1,040	1,220	57.3	122.2
FY2010	65 (commemorative 5)	32.5	1,127	0	51.4	51.4
FY2011	70	35.0	1,205	As of 1 Feb. Finished. 226	51.9	61.7
FY2012	(E)35	(E)35.0	-	-	-	-

*Two-for-one share split on September 1th, 2011.

Management Philosophy

We will provide medical products and services of the highest quality, as the leading company to link "medical services" and "clothing."

- Consistently challenging spirit to lead the industry
- Achievement of contribution to society
- "Respect for Harmony among People" people are our asset



Data File

First-half FY2012



(Listed on the 1st Section of the Tokyo Stock Exchange;Code 7447)

<Contact for information on this material: Mr. Ohno, Administration Headquarters (03-3863-0371)>

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1. Sales by Item

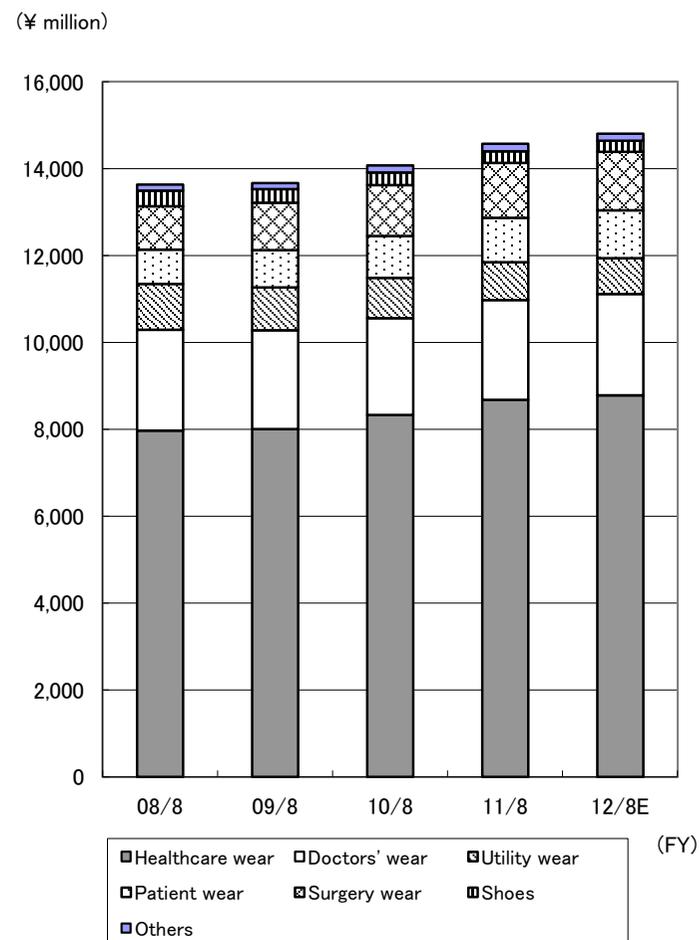
FY	08/8	09/8	10/8	11/8	12/8E	(¥ million)	
						First-half 11/8	First-half 12/8
Sales	13,632	13,669	14,076	14,578	14,800	5,779	6,186
Healthcare wear	7,966	8,002	8,328	8,675	8,780	3,434	3,552
Doctors' wear	2,324	2,280	2,226	2,306	2,340	838	919
Utility wear	1,058	987	935	865	820	364	368
Patient wear	784	859	961	1,025	1,100	447	574
Surgery wear	1,004	1,082	1,171	1,258	1,350	501	574
Shoes	357	324	286	271	250	108	107
Others	136	131	166	176	160	85	89

Change over previous year

Sales	-4.1	0.3	3.0	3.6	1.5	(%)	
						6.3	7.0
Healthcare wear	-5.4	0.5	4.1	4.2	1.2	9.4	3.4
Doctors' wear	-2.2	-1.9	-2.4	3.6	1.5	4.5	9.6
Utility wear	-13.0	-6.6	-5.3	-7.5	-5.2	-5.1	1.3
Patient wear	11.3	9.6	11.8	6.6	7.3	2.3	28.4
Surgery wear	10.1	7.7	8.3	7.4	7.3	3.3	14.4
Shoes	-8.6	-9.2	-11.8	-5.4	-7.9	-2.3	-0.8
Others	-29.8	-4.0	26.8	6.3	-9.6	4.5	5.2

Composition

Sales	100.0	100.0	100.0	100.0	100.0	(%)	
						100.0	100.0
Healthcare wear	58.4	58.5	59.2	59.5	59.3	59.4	57.4
Doctors' wear	17.1	16.7	15.8	15.8	15.8	14.5	14.9
Utility wear	7.8	7.2	6.6	5.9	5.6	6.3	6.0
Patient wear	5.8	6.3	6.8	7.0	7.4	7.7	9.3
Surgery wear	7.4	7.9	8.3	8.6	9.1	8.7	9.3
Shoes	2.6	2.4	2.0	1.9	1.7	1.9	1.7
Others	1.0	1.0	1.2	1.2	1.1	1.5	1.4



2. Sales by Product

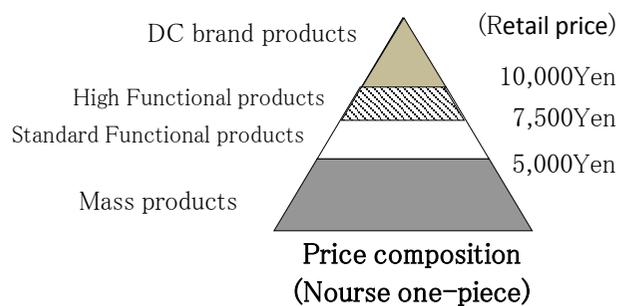
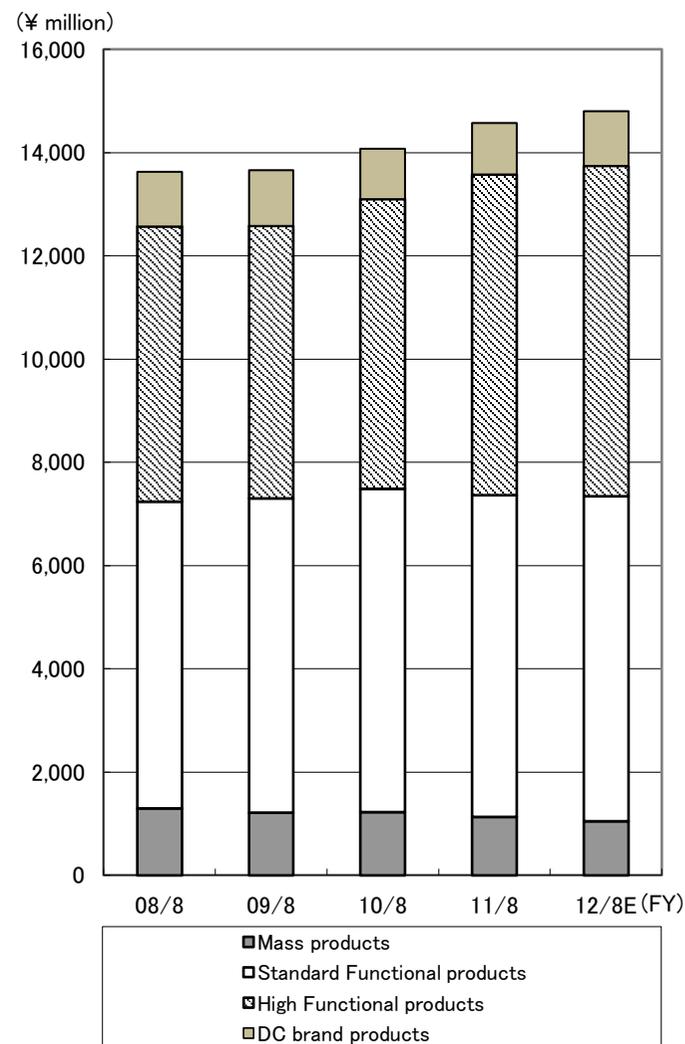
FY	08/8	09/8	10/8	11/8	12/8E	(¥ million)	
						First-half 11/8	First-half 12/8
Sales	13,632	13,669	14,076	14,578	14,800	5,779	6,186
DC brand products	1,060	1,086	974	998	1,050	400	426
High Functional products	5,327	5,273	5,612	6,216	6,400	2,514	2,620
Standard Functional products	5,949	6,097	6,260	6,232	6,300	2,405	2,700
Mass products	1,295	1,211	1,229	1,130	1,050	458	440

Change over previous year

						(%)	
Sales	-4.1	0.3	3.0	3.6	1.5	6.3	7.0
DC brand products	-3.7	2.5	-10.4	2.5	5.2	9.2	6.3
High Functional products	-0.4	-1.0	6.4	10.8	3.0	20.0	4.2
Standard Functional products	-6.5	2.5	2.7	-0.4	1.1	-4.1	12.2
Mass products	-7.8	-6.5	1.5	-8.0	-7.2	-2.1	-4.0

Composition

						(%)	
Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DC brand products	7.8	7.9	6.9	6.8	7.1	6.9	6.9
High Functional products	39.1	38.6	39.9	42.6	43.2	43.5	42.4
Standard Functional products	43.6	44.6	44.5	42.7	42.6	41.6	43.6
Mass products	9.5	8.9	8.7	7.8	7.1	7.9	7.1



3. Sales by Region

FY	08/8	09/8	10/8	11/8	12/8E
Sales	13,632	13,669	14,076	14,578	14,800
East Japan	7,421	7,602	7,776	7,739	7,810
Central Japan	1,484	1,437	1,447	1,550	1,570
West Japan	4,614	4,519	4,735	5,168	5,300
Overseas	112	111	117	119	120

(¥ million)

First-half 11/8	First-half 12/8
5,779	6,186
3,107	3,198
627	638
1,992	2,301
51	47

Change over previous year

Sales	-4.1	0.3	3.0	3.6	1.5
East Japan	-6.5	2.4	2.3	-0.5	0.9
Central Japan	-0.3	-3.2	0.7	7.1	1.3
West Japan	-1.3	-2.1	4.8	9.2	2.5
Overseas	-6.5	-1.5	6.1	1.7	0.1

(%)

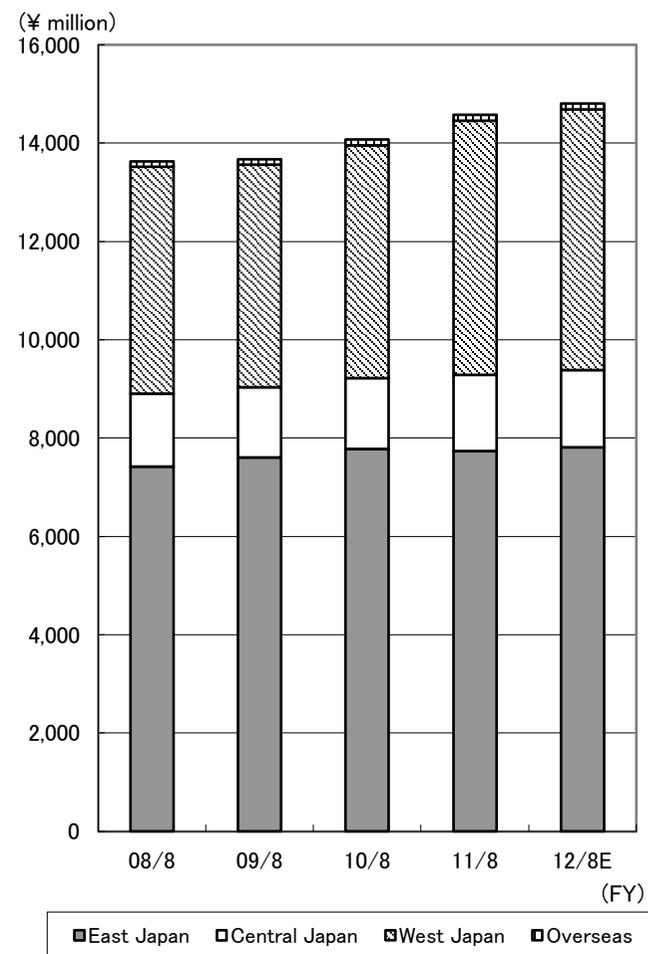
6.3	7.0
4.9	2.9
8.1	1.7
8.0	15.5
0.7	-6.7

Composition

Sales	100.0	100.0	100.0	100.0	100.0
East Japan	54.4	55.6	55.2	53.1	52.8
Central Japan	10.9	10.5	10.3	10.6	10.6
West Japan	33.8	33.1	33.6	35.5	35.8
Overseas	0.8	0.8	0.8	0.8	0.8

(%)

100.0	100.0
53.8	51.7
10.8	10.3
34.5	37.2
0.9	0.8



4. Rationalization of the Production System and Our Purchasing Strategy(Non-Consolidated)

FY	08/8	09/8	10/8	11/8	12/8E
Domestic production	4,821	4,248	4,561	4,921	4,820
Overseas production	3,356	2,921	2,698	3,174	3,408
Purchased products	341	300	282	274	385
Total	8,518	7,469	7,541	8,369	8,613

(¥ million)

	First-half 11/8	First-half 12/8
Domestic production	2,418	2,527
Overseas production	1,475	1,740
Purchased products	154	129
Total	4,047	4,396

Change over previous year

Domestic production	-3.1	-11.9	7.4	7.9	-2.1
Overseas production	2.8	-13.0	-7.6	17.6	7.4
Purchased products	-21.0	-12.1	-6.0	-2.8	40.5
Total	-1.8	-12.3	1.0	11.0	2.9

(%)

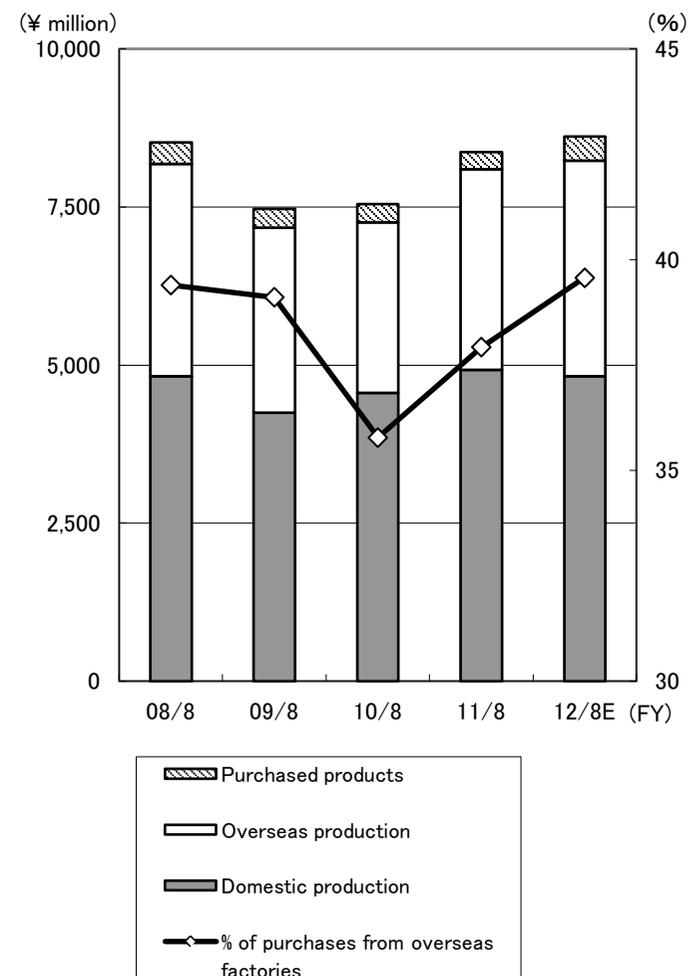
Domestic production	9.4	4.5
Overseas production	14.0	18.0
Purchased products	14.1	-16.2
Total	11.2	8.6

Composition

Domestic production	56.6	56.9	60.5	58.8	56.0
Overseas production	39.4	39.1	35.8	37.9	39.6
Purchased products	4.0	4.0	3.7	3.3	4.5
Total	100.0	100.0	100.0	100.0	100.0

(%)

Domestic production	59.7	57.5
Overseas production	36.4	39.6
Purchased products	3.8	2.9
Total	100.0	100.0



5. Statements of Income (Consolidated)

(¥ million)

FY	08/8	09/8	10/8	11/8	12/8E	First-half 11/8	First-half 12/8
Net Sales	13,632	13,669	14,076	14,578	14,800	5,779	6,186
Gross profit	5,960	6,029	6,388	6,793	6,884	2,677	2,902
Sales, general, and administrative expense	2,463	2,391	2,383	2,434	2,505	1,270	1,332
Operating income	3,496	3,638	4,005	4,358	4,379	1,406	1,569
Recurring income	3,660	3,653	3,983	4,277	4,425	1,399	1,696
Net income	2,094	1,516	2,344	2,493	2,606	826	954

Change over previous year

(%)

Net Sales	-4.1	0.3	3.0	3.6	1.5	6.3	7.0
Gross profit	-3.5	1.2	6.0	6.3	1.2	9.0	8.4
Sales, general, and administrative expense	2.6	-2.9	-0.4	2.2	2.9	4.1	4.9
Operating income	-7.4	4.0	10.1	8.8	0.5	13.7	11.5
Recurring income	-6.4	-0.2	9.0	7.4	3.5	7.4	21.2
Net income	-9.2	-27.6	54.6	6.4	4.5	9.0	15.5

Composition

(%)

Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	43.7	44.1	45.4	46.6	46.5	46.3	46.9
Sales, general, and administrative expense	18.1	17.5	16.9	16.7	16.9	22.0	21.5
Operating income	25.6	26.6	28.5	29.9	29.6	24.3	25.4
Recurring income	26.9	26.7	28.3	29.3	29.9	24.2	27.4
Net income	15.4	11.1	16.7	17.1	17.6	14.3	15.4

6. Statements of Income (Non-Consolidated)

(¥ million)

FY	08/8	09/8	10/8	11/8	12/8E	First-half 11/8	First-half 12/8
Net Sales	13,631	13,668	14,072	14,574	14,800	5,777	6,183
Gross profit	5,625	5,789	6,134	6,464	6,553	2,557	2,750
Sales, general, and administrative expenses	2,493	2,375	2,369	2,413	2,492	1,245	1,319
Operating income	3,132	3,414	3,764	4,051	4,061	1,311	1,431
Recurring income	3,370	3,503	3,721	3,987	4,125	1,314	1,564
Net income	1,942	1,849	2,193	2,322	2,433	773	884

Change over previous year

(%)

Net Sales	-4.1	0.3	3.0	3.6	1.6	6.2	7.0
Gross profit	-2.7	2.9	6.0	5.4	1.4	8.2	7.6
Sales, general, and administrative expenses	2.4	-4.7	-0.2	1.8	3.3	3.1	5.9
Operating income	-6.5	9.0	10.3	7.6	0.3	13.4	9.1
Recurring income	-5.3	4.0	6.2	7.2	3.5	9.2	19.0
Net income	-7.8	-4.8	18.6	5.9	4.8	10.3	14.3

Composition

(%)

Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	41.3	42.4	43.6	44.4	44.3	44.3	44.5
Sales, general, and administrative expenses	18.3	17.4	16.8	16.6	16.8	21.6	21.3
Operating income	23.0	25.0	26.8	27.8	27.4	22.7	23.2
Recurring income	24.7	25.6	26.4	27.4	27.9	22.8	25.3
Net income	14.2	13.5	15.6	15.9	16.4	13.4	14.3

7. Indices (Consolidated)

		(Unit)	07/8	08/8	09/8	10/8	11/8	First-half 11/8	First-half 12/8
Profitability	ROE	(%)	8.3	7.4	5.4	8.4	8.5	-	-
	ROA	(%)	12.3	11.4	11.5	12.5	13.0	-	-
ROE resolution	Return on sales Net income	(%)	16.2	15.4	11.1	16.7	17.1	-	-
	Total Assets Turnover	(Times)	0.4	0.4	0.4	0.4	0.4	-	-
	Leverage	(Times)	1.1	1.1	1.1	1.1	1.1	-	-
Financial stability	Current Ratio	(%)	725.2	740.6	691.7	743.3	799.9	-	-
	Fixed Assets Ratio	(%)	22.4	24.2	27.2	27.1	30.4	-	-
	Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities	(%)	22.1	23.8	26.7	26.6	29.8	-	-
	Account Receivable Turnover	(Times)	3.1	3.0	3.1	3.3	3.4	-	-
	Inventory Turnover	(Times)	4.4	3.9	3.9	4.7	5.0	-	-
Per share data	BPS	(¥)	1,528.6	1,567.7	1,582.1	1,653.9	1,732.2	1,636.6	861.4
	EPS	(¥)	123.8	114.3	85.8	135.2	144.6	47.9	27.7
	DPS	(¥)	-	-	-	-	-	-	-
	Payout ratio	(%)	48.5	52.5	69.9	48.1	48.4	-	-
Adjusted Per share data	Free issue/Stock split								2011/9/1 2-for-1
	Adjusted BPS	(¥)	764.3	783.9	791.0	827.0	866.1	818.3	861.4
	Adjusted EPS	(¥)	61.9	57.1	42.9	67.6	72.3	23.9	27.7
	Adjusted DPS	(¥)	-	-	-	-	-	-	-
Others	Capital expenditure	(¥ million)	108	206	437	209	2,949	2,879	176
	Depreciation	(¥ million)	259	258	266	278	280	137	136
	Number of employees	(Persons)	532	484	486	488	490	478	492
	Personnel expense	(¥ million)	2,225	2,299	2,173	2,147	2,190	1,089	1,124

(Note1) Ratio of Fixed Assets to Total of Shareholders' Equity and Long-term Liabilities = Fixed Assets / (Total shareholders' equity + Long-term Liabilities)

(Note2) Each of the balance sheet items used in the turnover figures is the average of the balances at the beginning and the end of the financial year.

8. Indices (Non-Consolidated)

		(Unit)	07/8	08/8	09/8	10/8	11/8	First-half 11/8	First-half 12/8
Profitability	ROE	(%)	8.2	7.4	7.2	8.4	8.6	-	-
	ROA	(%)	12.1	11.3	12.0	12.7	13.1	-	-
ROE resolution	Return on sales Net income	(%)	14.8	14.2	13.5	15.6	15.9	-	-
	Total Assets Turnover	(Times)	0.5	0.5	0.5	0.5	0.5	-	-
	Leverage	(Times)	1.1	1.1	1.1	1.1	1.1	-	-
Financial stability	Current Ratio	(%)	668.5	670.6	677.1	743.5	716.3	-	-
	Fixed Assets Ratio	(%)	23.6	25.7	28.9	28.7	32.4	-	-
	Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities	(%)	23.4	25.4	28.6	28.3	31.9	-	-
	Account Receivable Turnover	(Times)	3.1	3.0	3.1	3.3	3.4	-	-
	Inventory Turnover	(Times)	5.3	4.5	4.6	5.6	6.1	-	-
Per share data	BPS	(¥)	1,409.4	1,436.0	1,464.9	1,528.7	1,597.0	1,506.9	790.6
	EPS	(¥)	113.1	106.0	104.7	126.5	134.6	44.8	25.7
	DPS	(¥)	60.0	60.0	60.0	65.0	70.0	-	-
	Payout ratio	(%)	53.1	56.6	57.3	51.4	52.0	-	-
Adjusted Per share data	Free issue/Stock split								2011/9/1 2-for-1
	Adjusted BPS	(¥)	704.7	718.0	732.4	764.3	798.5	753.4	790.6
	Adjusted EPS	(¥)	56.6	53.0	52.4	63.2	67.3	22.4	25.7
	Adjusted DPS	(¥)	30.0	30.0	30.0	32.5	35.0	-	-
Others	Capital expenditure	(¥ million)	67	164	399	175	2,913	2,844	160
	Depreciation	(¥ million)	212	210	217	234	233	113	118
	Number of employees	(Persons)	104	107	107	109	108	107	108
	Personnel expense	(¥ million)	941	988	985	980	996	504	509

(Note1) Ratio of Fixed Assets to Total of Shareholders' Equity and Long-term Liabilities = Fixed Assets/ (Total shareholders' equity + Long-term Liabilities)

(Note2) Each of the balance sheet items used in the turnover figures is the average of the balances at the beginning and the end of the financial year.

9. Statements of Income (Consolidated)

(¥ million,%)

FY	10/8		11/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Net Sales	14,076	100.0	14,578	100.0	502	3.6
Cost of sales	7,687	54.6	7,785	53.4	97	1.3
Gross profit	6,388	45.4	6,793	46.6	404	6.3
Sales, general, and administrative expenses	2,383	16.9	2,434	16.7	51	2.2
Packing and freight expenses	218		234			
Advertising expenses	244		246			
Personnel expenses	1,147		1,176			
Management commission expense	111		116			
Depreciation expenses	158		158			
Operating income	4,005	28.5	4,358	29.9	352	8.8
Non-operating income	154	1.1	101	0.7	-52	-34.1
Interest income	52		28			
Rent income	64		57			
Others	38		16			
Non-operating expense	176	1.3	183	1.3	6	3.6
Fixed assets rent expense	60		56			
Others	8		126			
Recurring income	3,983	28.3	4,277	29.3	293	7.4
Extraordinary profit	1	0.0	3	0.0	1	87.0
Extraordinary loss	11	0.1	63	0.4	51	439.9
Income before income taxes	3,973	28.2	4,217	28.9	243	6.1
Income, inhabitant and enterprise taxes	1,358		1,635			
Tax adjustments	271		88			
Net income	2,344	16.7	2,493	17.1	149	6.4

(¥ million,%)

First-half 11/8		First-half 12/8		Change(the previous year)	
Result	Composition	Result	Composition	Result	Change %
5,779	100.0	6,186	100.0	406	7.0
3,101	53.7	3,284	53.1	182	5.9
2,677	46.3	2,902	46.9	224	8.4
1,270	22.0	1,332	21.5	62	4.9
95		124			
195		193			
592		597			
61		57			
76		82			
1,406	24.3	1,569	25.4	162	11.5
49	0.9	153	2.4	104	212.1
16		8			
23		33			
8		110			
56	1.0	26	0.4	-30	-53.8
28		26			
28		0			
1,399	24.2	1,696	27.4	297	21.2
-	-	-	-	-	-
2	0.0	9	0.1	7	348.9
1,396	24.2	1,686	27.3	289	20.7
491		659			
78		72			
826	14.3	954	15.4	127	15.5

10. Statements of Income (Non-Consolidated)

(¥ million,%)

FY	10/8		11/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Net Sales	14,072	100.0	14,574	100.0	501	3.6
Cost of sales	7,937	56.4	8,109	55.6	171	2.2
Gross profit	6,134	43.6	6,464	44.4	329	5.4
Sales, general, and administrative expenses	2,369	16.8	2,413	16.6	43	1.8
Packing and freight expenses	402		431			
Advertising expenses	244		246			
Personnel expenses	980		996			
Management commission expenses	110		117			
Depreciation expenses	155		155			
Operating income	3,764	26.8	4,051	27.8	286	7.6
Non-operating income	190	1.3	160	1.1	-29	-15.5
Interest income	48		25			
Dividend income	5		7			
Rent income	132		125			
Others	3		2			
Non-operating expense	233	1.7	224	1.5	-9	-4.2
Fixed assets rent expense	101		96			
Others	24		127			
Recurring income	3,721	26.4	3,987	27.4	266	7.2
Extraordinary profit	1	0.0	3	0.0	1	87.0
Extraordinary loss	10	0.1	62	0.4	51	466.7
Income before income taxes	3,712	26.4	3,928	27.0	216	5.8
Income, inhabitant and enterprise taxes	1,357		1,634			
Tax adjustments	161		-28			
Net income	2,193	15.6	2,322	15.9	128	5.9

(¥ million,%)

First-half 11/8		First-half 12/8		Change(the previous year)	
Result	Composition	Result	Composition	Result	Change %
5,777	100.0	6,183	100.0	405	7.0
3,219	55.7	3,432	55.5	212	6.6
2,557	44.3	2,750	44.5	193	7.6
1,245	21.6	1,319	21.3	73	5.9
183		216			
194		193			
504		509			
62		58			
75		81			
1,311	22.7	1,431	23.2	119	9.1
78	1.4	182	2.9	104	133.7
15		7			
3		3			
58		68			
1		103			
75	1.3	49	0.8	-26	-34.5
48		45			
27		3			
1,314	22.8	1,564	25.3	250	19.0
—	—	—	—	—	—
1	0.1	9	0.1	8	628.6
1,313	22.7	1,555	25.2	242	18.4
491		600			
48		70			
773	13.4	884	14.3	110	14.3

11. Balance Sheet (Consolidated)

FY	(¥ million,%)					
	10/8		11/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	24,498	76.3	23,349	69.6	-1,148	-4.7
Cash on hand and at banks	16,634		15,584			
Trade notes and accounts receivable	4,240		4,272			
Securities	516		216			
Inventories	2,778		3,014			
Others	335		264			
Reserve bad debt	-5		-2			
Fixed assets	7,591	23.7	10,188	30.4	2,597	34.2
Tangible fixed assets	5,244	16.4	7,875	23.5	2,631	50.2
Buildings and structures	2,147		2,023			
Machinery and equipment	523		476			
Land	2,524		5,325			
Construction in progress	7		7			
Others	41		42			
Intangible fixed asset	58	0.2	94	0.3	35	59.7
Investments and other assets	2,287	7.1	2,218	6.6	-68	-3.0
Investment securities	1,669		1,619			
Others	618		599			
Reserve bad debt	-0		-0			
Total assets	32,089	100.0	33,538	100.0	1,448	4.5

Current liabilities	2,841	8.8	3,139	9.3	297	10.5
Trade notes and accounts payable	1,253		1,448			
Accrued income taxes	1,093		1,154			
Accrued bonus	80		79			
Others	414		457			
Long-term liabilities	564	1.8	563	1.7	-1	-0.3
Accrued pension and severance costs	266		289			
Directors' retirement allowances	158		141			
Others	140		132			
Total liabilities	3,406	10.6	3,703	11.0	296	8.7
Total shareholders' equity	28,778	89.7	29,917	89.2	1,139	4.0
Capital stock	1,925		1,925			
Capital reserves	2,358		2,358			
Retained earnings	27,439		28,806			
Treasury stock	-2,945		-3,172			
Valuation and translation adjustments	-95	-0.3	-82	-0.2	12	-13.1
Net unrealized gains on investment securities	-41		-24			
Deferred hedging gains and losses	-54		-58			
Total net assets	28,682	89.4	29,835	89.0	1,152	4.0
Total liabilities and total net assets	32,089	100.0	33,538	100.0	1,448	4.5

	(¥ million,%)					
	First-half 11/8		First-half 12/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	20,778	66.8	22,747	69.0	1,968	9.5
Cash on hand and at banks	13,039		14,523			
Trade notes and accounts receivable	3,677		3,780			
Securities	216		216			
Inventories	3,574		4,023			
Others	276		205			
Reserve bad debt	-5		-2			
Fixed assets	10,331	33.2	10,210	31.0	-121	-1.2
Tangible fixed assets	7,985	25.7	7,912	24.0	-72	-0.9
Buildings and structures	2,085		2,039			
Machinery and equipment	524		487			
Land	5,325		5,325			
Construction in progress	-		20			
Others	49		40			
Intangible fixed asset	57	0.2	91	0.3	34	59.1
Investments and other assets	2,287	7.3	2,205	6.7	-82	-3.6
Investment securities	1,693		1,646			
Others	594		559			
Reserve bad debt	0		0			
Total assets	31,110	100.0	32,957	100.0	1,847	5.9

Current liabilities	2,390	7.7	2,735	8.3	344	14.4
Trade notes and accounts payable	1,563		1,651			
Accrued income taxes	498		669			
Accrued bonus	74		76			
Others	254		337			
Long-term liabilities	532	1.7	550	1.7	18	3.6
Accrued pension and severance costs	270		311			
Directors' retirement allowances	133		147			
Others	127		91			
Total liabilities	2,922	9.4	3,285	10.0	363	12.4
Total shareholders' equity	28,250	90.8	29,666	90.0	1,415	5.0
Capital stock	1,925		1,925			
Capital reserves	2,358		2,358			
Retained earnings	27,139		28,555			
Treasury stock	-3,172		-3,172			
Valuation and translation adjustments	-63	-0.2	4	0.0	67	-107.8
Net unrealized gains on investment securities	-26		-9			
Deferred hedging gains and losses	-36		14			
Total net assets	28,187	90.6	29,671	90.0	1,483	5.3
Total liabilities and total net assets	31,110	100.0	32,957	100.0	1,847	5.9

12. Balance Sheet(Non-Consolidated)

FY	(¥ million,%)					
	10/8		11/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	22,278	75.0	21,030	67.6	-1,248	-5.6
Cash on hand and at banks	15,083		13,890			
Trade notes	2,586		2,566			
Accounts receivable	1,653		1,705			
Securities	516		216			
Inventories	2,255		2,443			
Others	189		211			
Reserve bad debt	-5		-2			
Fixed assets	7,427	25.0	10,061	32.4	2,634	35.5
Tangible fixed assets	5,148	17.3	7,789	25.1	2,640	51.3
Buildings and structures	2,087		1,973			
Machinery and equipment	432		382			
Land	2,524		5,325			
Construction in progress	—		7			
Others	103		99			
Intangible fixed asset	51	0.2	88	0.3	36	71.1
Investments and other assets	2,226	7.5	2,183	7.0	-43	-1.9
Investment securities	1,668		1,619			
Others	557		564			
Reserve bad debt	0		-0			
Total assets	29,705	100.0	31,092	100.0	1,386	4.7

FY	(¥ million,%)					
	First-half 11/8		First-half 12/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	18,637	64.7	20,308	66.8	1,670	9.0
Cash on hand and at banks	11,520		12,762			
Trade notes	1,721		1,672			
Accounts receivable	1,954		2,107			
Securities	216		216			
Inventories	3,050		3,376			
Others	178		175			
Reserve bad debt	-5		-2			
Fixed assets	10,173	35.3	10,089	33.2	-83	-0.8
Tangible fixed assets	7,877	27.3	7,829	25.8	-48	-0.6
Buildings and structures	2,030		1,990			
Machinery and equipment	411		396			
Land	5,325		5,325			
Construction in progress	—		20			
Others	110		95			
Intangible fixed asset	51	0.2	86	0.3	34	67.2
Investments and other assets	2,243	7.8	2,174	7.1	-69	-3.1
Investment securities	1,693		1,645			
Others	550		528			
Reserve bad debt	0		0			
Total assets	28,810	100.0	30,398	100.0	1,587	5.5

Current liabilities	2,804	9.4	3,241	10.4	437	15.6
Trade notes	749		900			
Accounts payable	596		784			
Accrued income taxes	1,093		1,154			
Others	364		402			
Long-term liabilities	391	1.3	343	1.1	-47	-12.1
Accrued pension and severance costs	121		126			
Directors' retirement allowances	129		122			
Others	140		95			
Total liabilities	3,195	10.8	3,585	11.5	390	12.2
Total shareholders' equity	26,589	89.5	27,557	88.6	968	3.6
Capital stock	1,925		1,925			
Capital reserves	2,637		2,637			
Retained earnings	24,972		26,167			
Treasury stock	-2,945		-3,172			
Valuation and translation adjustments	-79	-0.3	-51	-0.1	28	-35.6
Net unrealized gains on investment securities	-41		-24			
Deferred hedging gains and losses	-38		-26			
Total net assets	26,510	89.2	27,506	88.5	996	3.8
Total liabilities and total net assets	29,705	100.0	31,092	100.0	1,386	4.7

Current liabilities	2,489	8.6	2,818	9.3	329	13.2
Trade notes	1,002		1,024			
Accounts payable	775		892			
Accrued income taxes	498		610			
Others	213		292			
Long-term liabilities	367	1.3	347	1.1	-20	-5.5
Accrued pension and severance costs	123		128			
Directors' retirement allowances	116		126			
Others	127		91			
Total liabilities	2,857	9.9	3,166	10.4	308	10.8
Total shareholders' equity	26,009	90.3	27,236	89.6	1,226	4.7
Capital stock	1,925		1,925			
Capital reserves	2,637		2,637			
Retained earnings	24,618		25,845			
Treasury stock	-3,172		-3,172			
Valuation and translation adjustments	-56	-0.2	-4	0.0	52	-92.5
Net unrealized gains on investment securities	-26		-9			
Deferred hedging gains and losses	-29		5			
Total net assets	25,953	90.1	27,231	89.6	1,278	4.9
Total liabilities and total net assets	28,810	100.0	30,398	100.0	1,587	5.5

Notes on this material

This material includes forecasts for the future.

These forecasts are based on the judgment of the Company's management concerning currently available information.

These future projections include assumptions or views based on assumptions, and therefore may be different from the actual outcome, depending upon future circumstances.

The expectations for future results stated by the Company or its management in this material do not represent any warranty that these expectations or particular results will be realized.

The Company is not liable to update any of its forecasts, or projections, unless otherwise provided for by law or under the relevant regulations.