



ANALYST GUIDE FY2016

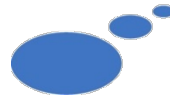
October 2016



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

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I About "NAGAILEBEN"



① 100th year in business

Establish competitive position in medical clothing market

- Approximately **60%** market share in domestic medical clothing
- The number of shipments is over 6 million clothing a year.

- Wide field, planning, manufacturing and marketing
- Competitive product such as extensive products, custom-made program

② Strong growing market

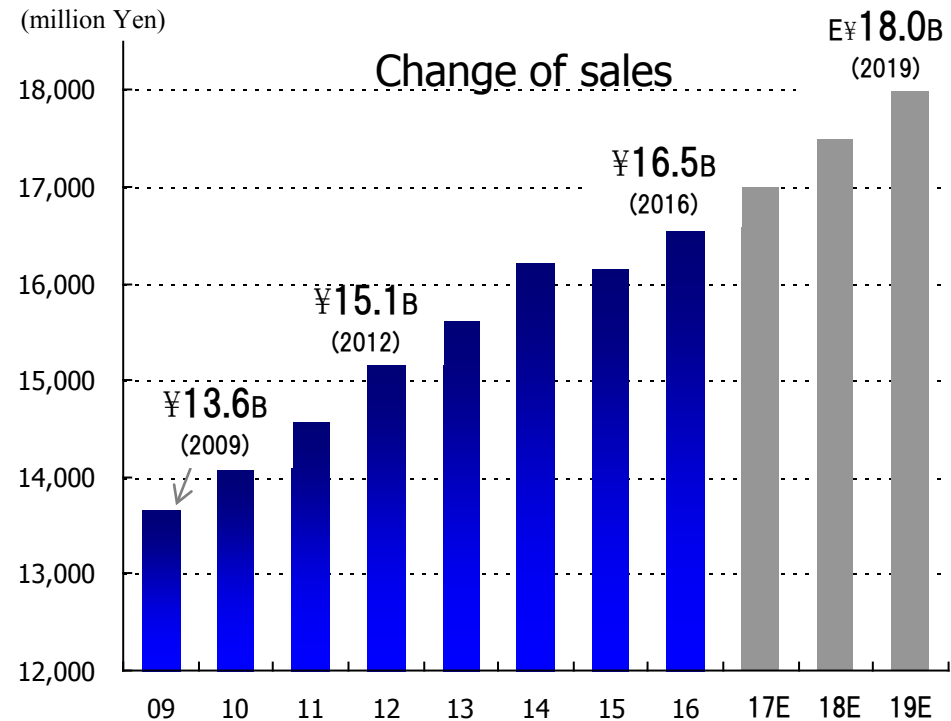
- The number of Nursing Staff and Care workers is increasing gently.

| Doctor, Dentist, Pharmacist*1 (2014) | Nursing Staff*2 (2014) | Care workers*3 (2013) |
|---|------------------------------------|------------------------------------|
| 700,000 People | 1,600,000 people | 1,770,000 people |
| compare with 2012 +17,000people | compare with 2013 +31,000people | compare with 2012 +79,000people |

*1 Research of doctor, dentist and pharmacist.2014, MHLW

*2 Japanese Nursing Associations' statistical data

*3 MHLW, document "secure human resources in the care field"

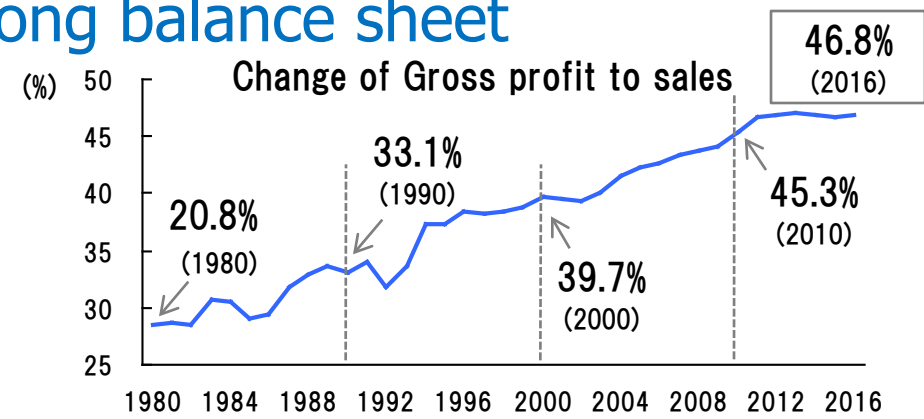




3

Highly profitability and strong balance sheet

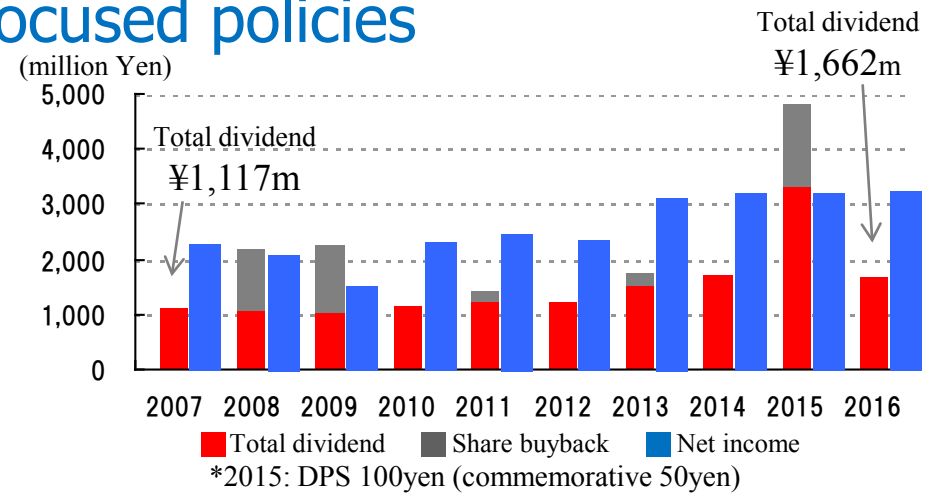
- Realization of high profitability with radical pursuit of efficiency
- Gross profit to sales 46.8% (as of FY2016)
- Capital-to-asset ratio 88.8%
- ROE 9.4%



4

Rewarding shareholder-focused policies

- BPS **1,037.8**Yen (as of FY2016)
- EPS **98.1**Yen
- Continue stable dividend payment with payout ratio of 50%
- Acquisition of treasury stock



5

Social Responsibility

Job creation at Regional Community

- Domestic: Akita
- Overseas: China, Indonesia, and Vietnam

Support for women

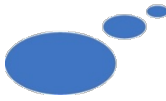
- Products for nursing staff or a care worker
- Work for women sewing staff

Environmental Management

- Acquired ISO14001 certification
- “COMPELPACK” the surgical wear which enables hospital to reduce waste

Support for Children

- Admired occupation for medical**
- Miffy's visits to children's hospitals
- Lending hospital medical clothing for child



I About “NAGAILEBEN”

II Financial Review FY2016

III Market Environment

IV Forecast for FY2017

V Management Goals

VI Rewarding shareholder-focused policies



1

Sales & Income

Net Sales and Operating income recorded highest.

Sales: ¥16.5 b Operating income: ¥4.9 b

2

The Change of Business Environment

- Market Condition: The impact of Medical treatment fees revision was negligible
- Production Condition: Escalating material prices, rising sewing costs

3

Unusual Event in this term

- Exchange-rate profit:

| | |
|--------|-------|
| FY2014 | ¥87m |
| FY2015 | ¥226m |
| FY2016 | -¥70m |

II Financial Review FY2016

Financial Highlights <Statements of Income>



| (millions of yen,%) | FY2016 | % Change | To Forecast % | Composition % | Composition % Change |
|--|--------|----------|---------------|---------------|----------------------|
| Net sales | 16,537 | +2.4 | +0.2 | 100.0 | - |
| Gross profit | 7,735 | +2.7 | +1.9 | 46.8 | +0.2 |
| Sales, general, and administrative expenses | 2,784 | +2.4 | +0.3 | 16.8 | +0.0 |
| Operating income | 4,950 | +2.9 | +2.9 | 29.9 | +0.1 |
| Recurring income | 4,937 | -3.0 | +1.4 | 29.9 | -1.6 |
| Net income | 3,262 | +1.1 | +0.8 | 19.7 | -0.3 |

[Overview]

- Sales in major business for healthcare and doctors grew steadily. Sales of products for patients continued to grow greatly. Sales in West Japan expanded due to sales promotion. Sales in FY2016 surpassed forecast and became highest ever.

[Gross profit] Gross profit to sales FY2015 46.6% → FY2016 46.8 %
y/y +¥ 202m
(Factor of Net sales / price revision: +¥233m, Factor of production -¥ 31 m)

Boost of material cost and sewing cost (-¥22m)

→ Foreign Exchange rate: FY2015 ¥93.5yen/dollar → FY2016 ¥99.8yen/dollar (-¥115m)

→ Overseas production ratio FY2015 45.6% → FY2016 47.4% (+¥ 97m)

[Sales, general, and administrative expenses]

- The cost of 100th anniversaries:¥34m, Dual corporate tax system: ¥50m

[Non-operating income]

- FY2015 Exchange-rate profit:¥226m, FY2016 Exchange-rate loss:¥70m

[Capital Expenditure]

-Capital Expenditure: ¥190m (Manufacturing equipment:¥71m, Building:¥50m, Distribution equipment:¥32m, IT system:¥19m)

-Depreciation: ¥ 331m

Financial Highlights <Balance Sheet>



Major assets

(¥ million %)

| Title | Result | Change Result | Change % |
|-------------------------------|--------|---------------|----------|
| Cash on hand at banks | 19,504 | +830 | +4.4 |
| Notes and accounts receivable | 4,866 | +177 | +3.8 |
| Securities | - | -1,518 | -100.0 |
| Inventories | 4,348 | +148 | +3.5 |
| Current assets | 29,083 | -628 | -2.1 |
| Buildings and structures | 2,371 | -79 | -3.2 |
| Land | 4,447 | - | - |
| Investments and other assets | 2,240 | +620 | +38.3 |
| Fixed assets | 9,774 | +477 | +5.1 |
| Total assets | 38,857 | -151 | -0.4 |

Major liabilities and shareholders' equity

(¥ million %)

| Title | Result | Change Result | Change% |
|----------------------------------|--------|---------------|---------|
| Notes and accounts payable | 1,561 | +162 | +11.6 |
| Accrued income taxes | 1,149 | -1 | -0.1 |
| Current liabilities | 4,355 | +142 | +3.4 |
| Capital reserves | 34,978 | -62 | -0.2 |
| Treasury stock | -4,902 | -0 | -0.0 |
| Net assets | 34,501 | -293 | -0.8 |
| Total liabilities and net assets | 38,857 | -151 | -0.4 |

[Major changes from the previous fiscal year]

Cash and cash equivalents

up ¥830million

-Cash flows from operating activities

up ¥3,565million

-Acquisition tangible and intangible

down ¥169million

-Dividend payout

down ¥3,324million

-Redemption of securities

up ¥1,518million

- Long-term deposit

down ¥900million

Fixed assets

up ¥477million

-Buildings and structures(depreciation)

down ¥79million

- Long-term deposit

up ¥900million

-Exchange contract

down ¥158million

Net assets

down ¥293million

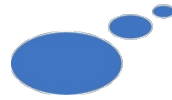
-Net profit

up ¥3,262million

-Dividend payout

down ¥3,324million

Segments by item



Healthcare wear



Patient wear



Shoes



Doctors' wear



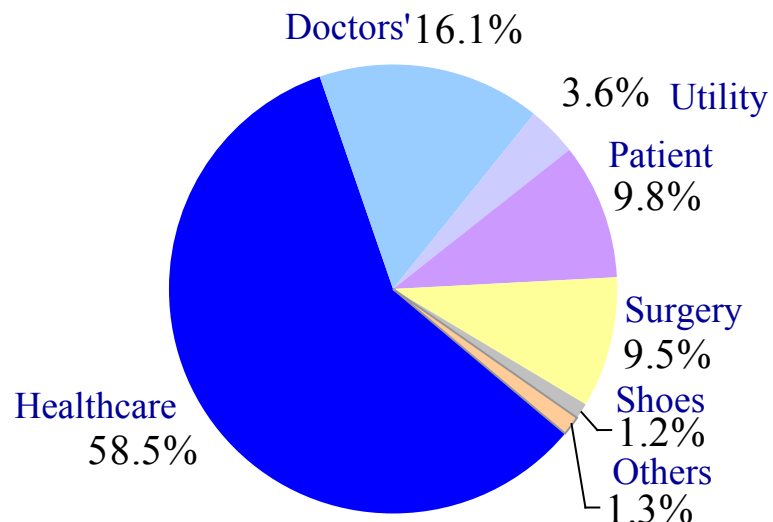
Utility wear



Surgery wear



Sales by Item



| Year-on-year change | FY2015 | FY2016 |
|---------------------|--------|--------|
| Overall | -0.4% | +2.4% |
| Healthcare wear | -0.1% | +2.6% |
| Doctors' wear | -2.6% | +2.0% |
| Utility wear | -9.8% | -10.3% |
| Patient wear | +7.2% | +11.1% |
| Surgery wear | +2.3% | +0.9% |
| Shoes | -10.9% | -3.1% |
| Others | -7.0% | -3.9% |

[Healthcare wear]

-Though y/y change of sales in first-half was +0.2%, that of second-half was +4.3%. New products and new contracts contributed to the sales.

[Doctors' wear]

-Sales of high functional products was steadily. The sales of this segment changed to increase.

[Utility wear]

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

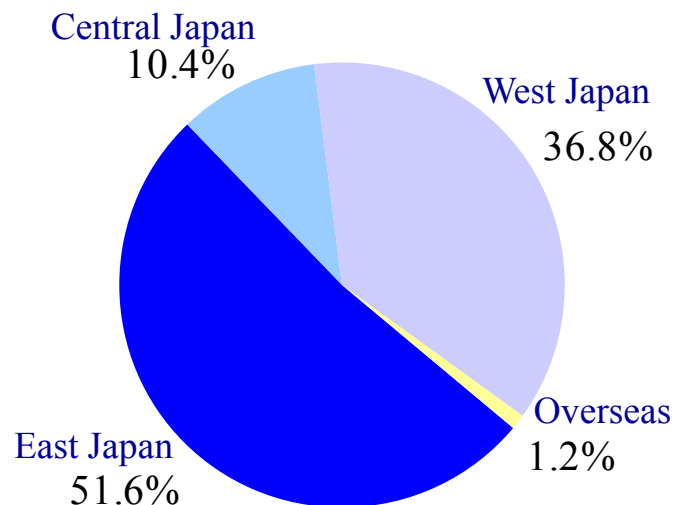
[Patient wear]

-As the sales of new products in recent years grew, high-growth sales was achieved.

[Surgery wear]

- The capacity of sterilization factory for COMPELPACK reached limit. Sales kept the previous year.

Sales by Region



| Year-on-year change | FY2015 | FY2016 |
|---------------------|--------|--------|
| Total sales | -0.4% | +2.4% |
| East Japan | -1.2% | +2.2% |
| Central Japan | +1.7% | -3.2% |
| West Japan | +0.0% | +4.1% |
| Overseas | +5.4% | +14.1% |

[East Japan]

- Sales reached highest record. Though sales in first-half FY2016 declined slightly, y/y change of sales in second-half FY2016 was +4.2%. Sales in 3Q, which is demand season, contributed to growth.

[Central Japan]

-Market size was not large and there was the influence by the size of contracts. In this term, sales declined.

[West Japan]

-Share of the market grew, by catching renewal and new contracts steadily. Highest ever sales continued.

[Overseas]

- Though sales size was not large, our reputation about product quality and functionality expanded . Renewal contracts increased. Firm-growth sales continued.

III Business Environment



Stable market condition continues

- The impact of revising medical treatment fees is negligible.
- The number of Nursing Staff and Care workers is increasing gently.

Rising sewing costs

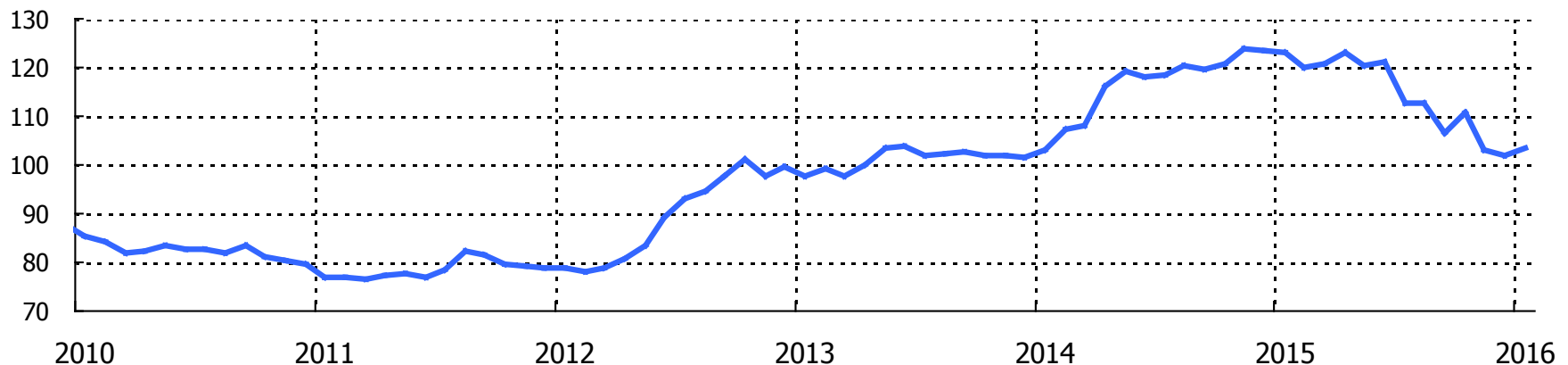
Overseas: The cost of labor charge around China and Southeast Asia is rising.
In Japan: Labor costs are Increasing due to labor shortage.

Stirring exchange rate

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

2011:¥77/dollar, 2012:¥77/dollar, 2013:¥98/dollar, 2014:¥102/dollar, 2015:¥123/dollar, 2016:¥103/dollar,

As of Aug. 2016
¥103/dollar

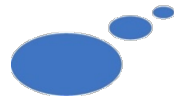




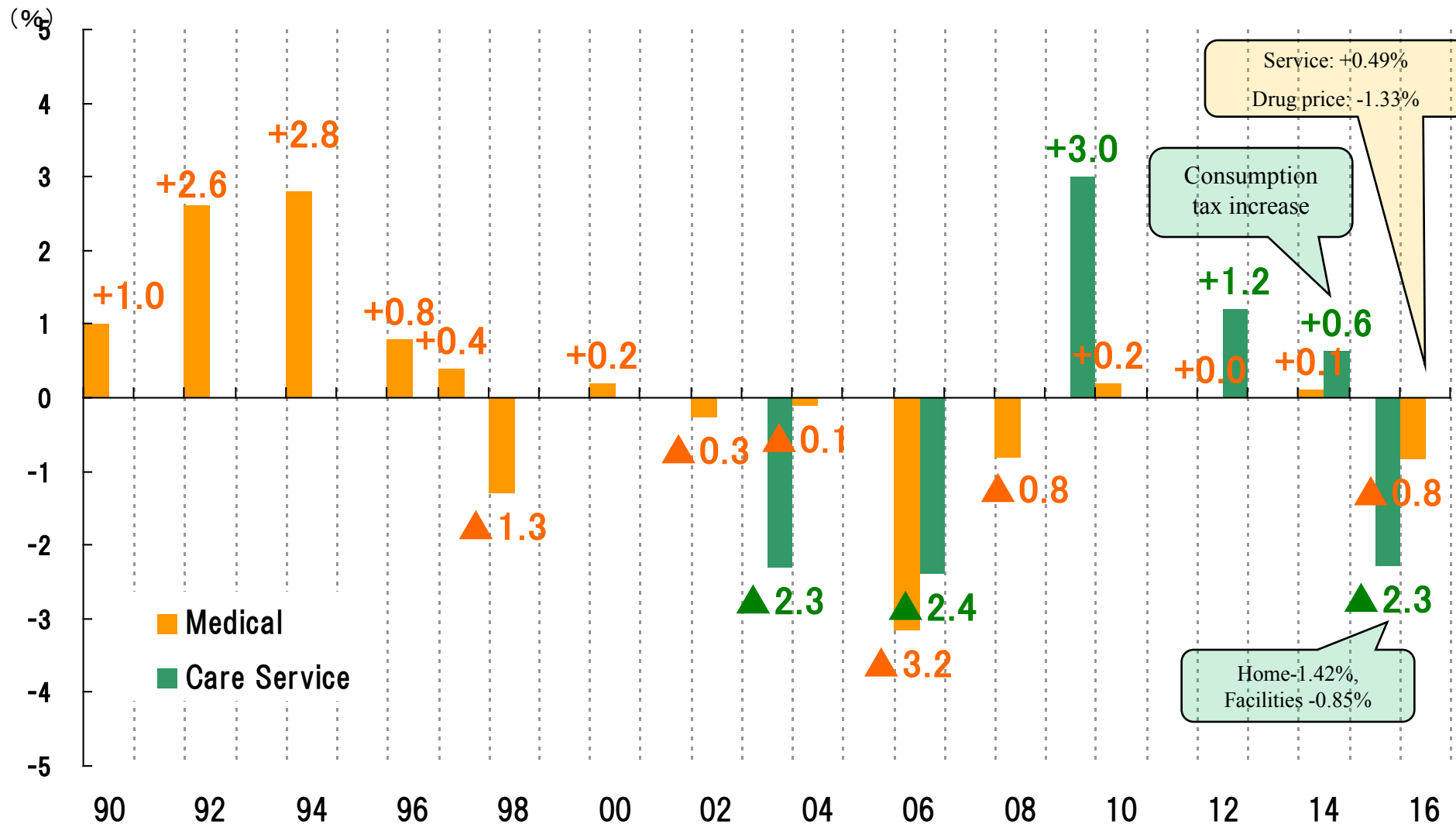
Changes and prospects for medical and care service systems

| | 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 |
| '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% |
| '13 | 2nd plan of the medical expenses Plan of strategic market creation | | Revising of measures against reduction of incidence for nursing care | |
| '14 | Medical Service Act Enforcement of Amended Pharmaceutical Affairs Law | Total market: +0.10% Service: +0.73% Drug price: -0.63% | The law for Medical care synthesis total promotion | +0.63% Consumption tax increase |
| '15 | System for promotion of community medical corporation Expansive financial support of national health insurance | | System for promotion of community medical corporation 6 th plan of care insurance system (2015-2017) | Total market: -2.27% Home: -1.42% Facilities: -0.85% |
| '16 | Formulation of Local medical program Enforcement of Medical treatment with patients' offer | Total market: -0.84% Service: +0.49% Drug price: -1.33% | Enforcement of Amended Nursing Care Insurance Law for Community day care | |

Market Environment

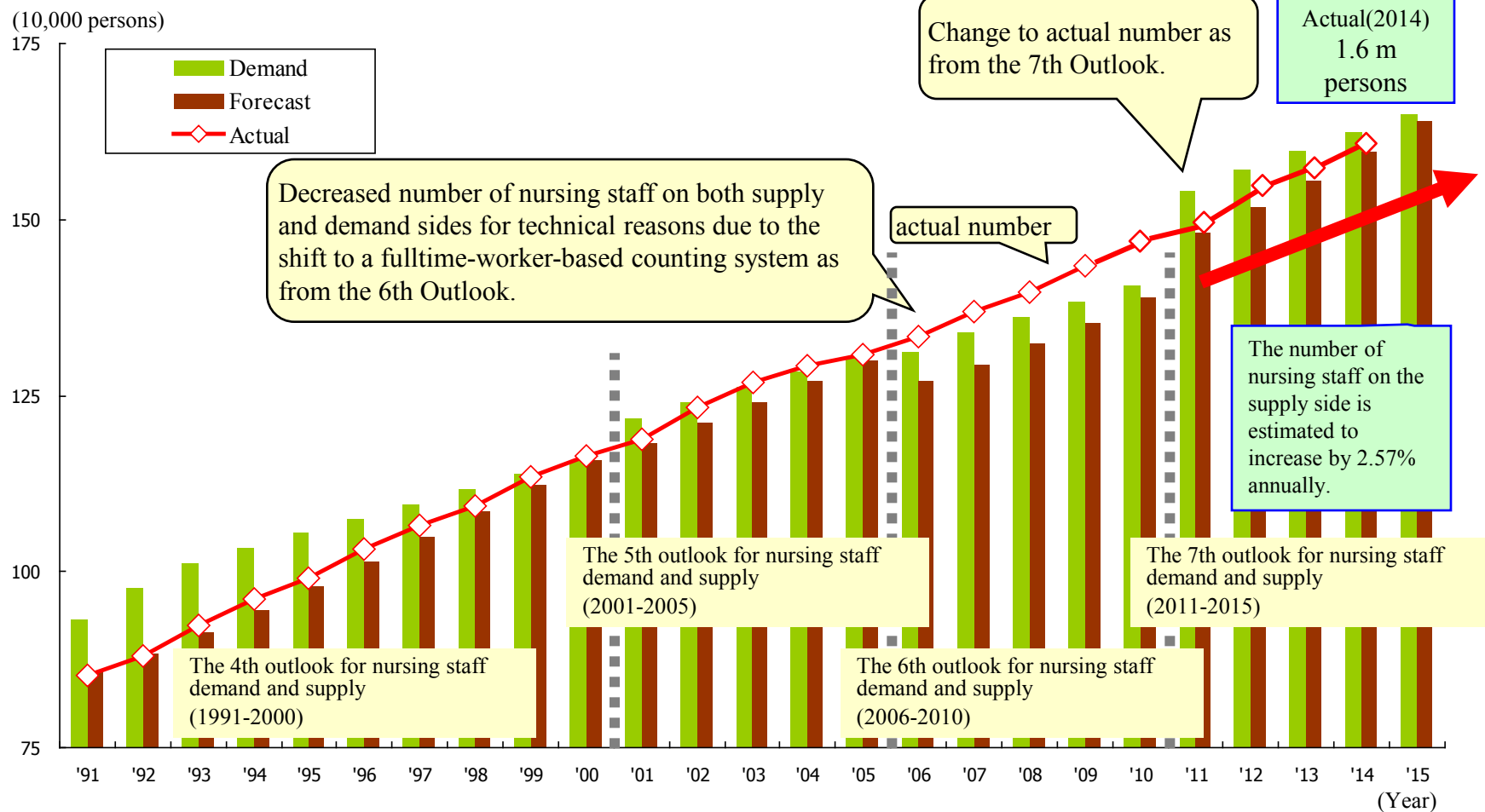


Revisions to medical treatment and care Service fees



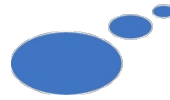
Supply and Demand of Nursing Staff

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

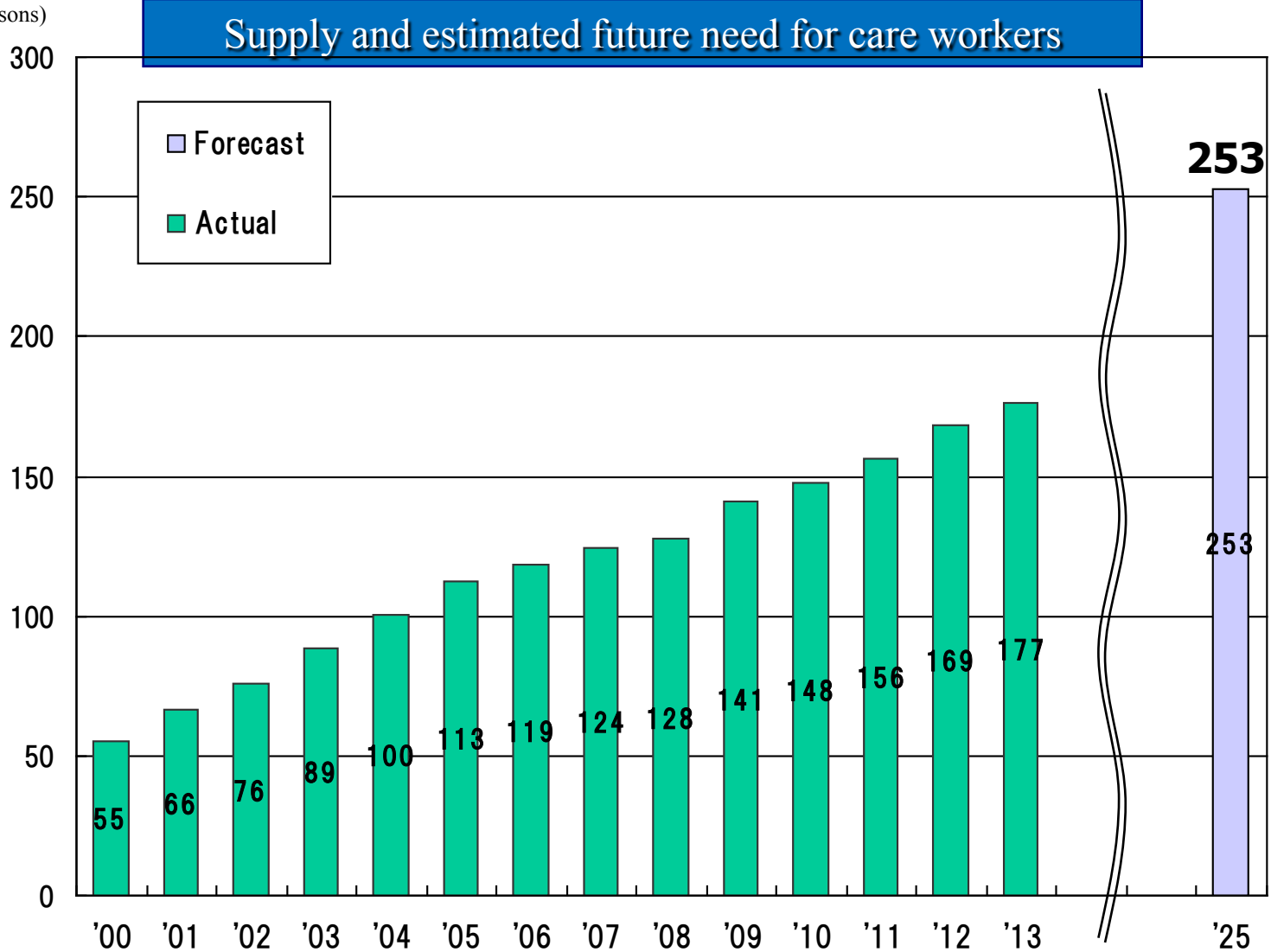


- The 7th outlook for nursing staff demand and supply (five-year plan from 2011 through 2015)
- Outlook for nursing staff supply and demand for all medical and nursing fields
- Next outlook for nursing staff supply and demand will be announced in 2016

Market Environment



(10,000 persons)

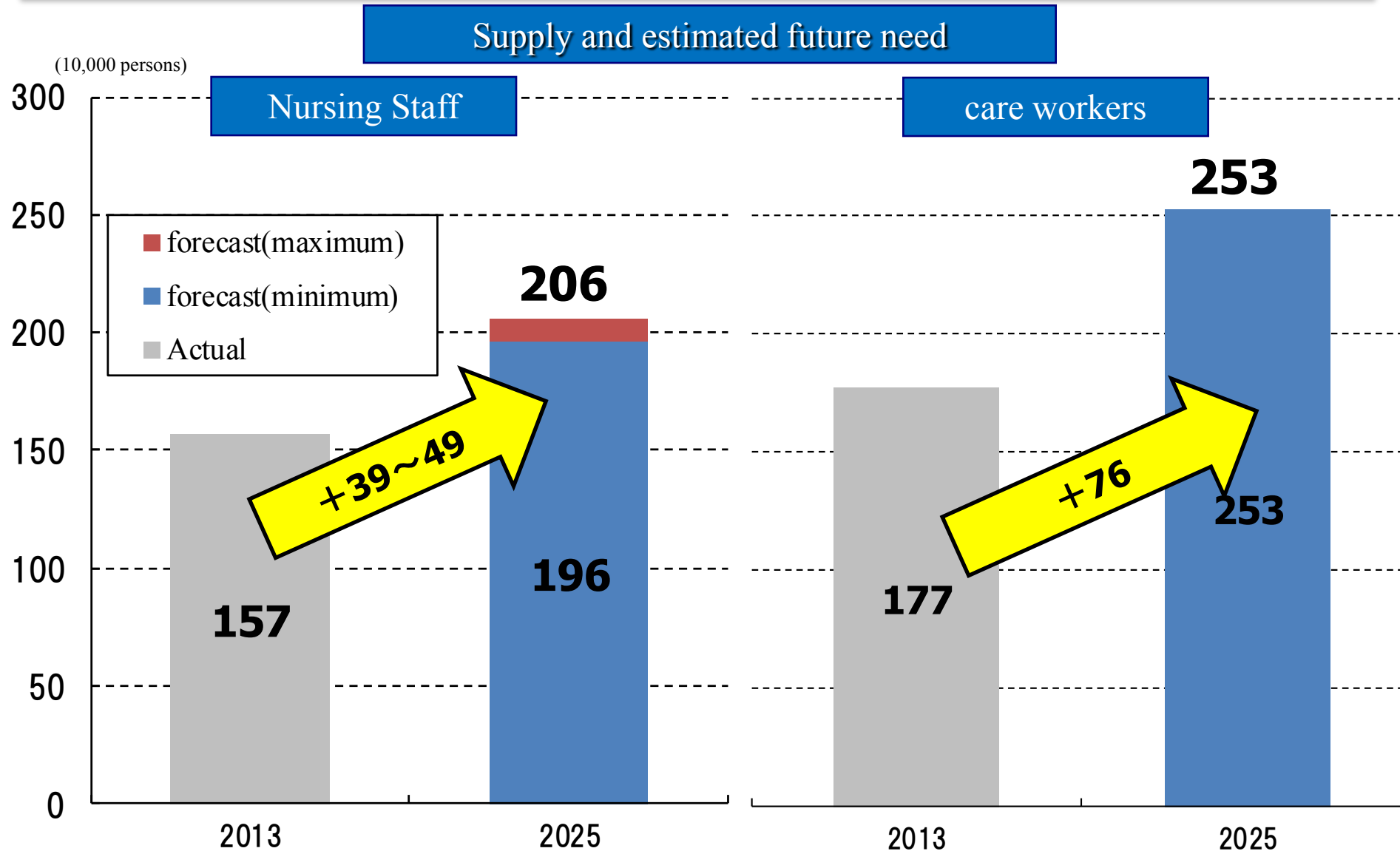
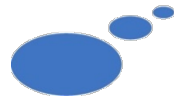


Since the number of track records are subject to the influence of change of an examination method, Ministry of Health, Labor and Welfare adjusted the number after 2009.

Actual record: Ministry of Health' statistical data

Forecast: Ministry of Health, Labor and Welfare: Estimation of care workers' demand toward 2025

Market Environment



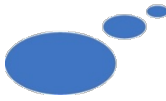
Actual record: Japanese Nursing Associations' statistical data

Forecast: The committee about supply and estimated future need of Nursing Ministry of Health, Labor and Welfare

Actual record: Ministry of Health' statistical data

Forecast: Ministry of Health, Labor and Welfare: Estimation of care workers' demand toward 2025

IV Forecast for FY2017



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 domestic production (wage increase)
- Strengthen ties with material makers and trade firms
- Strengthen ability to respond Quick Response and small-lot multi-product

Strategy to stabilize profitability

- Shift to overseas from domestic production
- Apply special tax measures for EPA and FTA
- Improvement of profitability by price revision

Forecast Statements of Income



| (millions of yen,%) | FY2017E | % Change (FY2015) | Composition % Change |
|--|---------|-------------------|----------------------|
| Net sales | 17,000 | +2.8 | — |
| Gross profit | 7,945 | +2.7 | -0.1 |
| Sales, general, and administrative expenses | 2,839 | +2.0 | -0.1 |
| Operating income | 5,106 | +3.1 | +0.1 |
| Recurring income | 5,150 | +4.3 | +0.4 |
| Net income | 3,528 | +8.2 | +1.0 |

[Overview]

- Net sales and Operating income are expected highest record. Income will continue to rise steadily. Gross profit to sales will be improved. These will be achieved by putting higher quality, higher sensitivity and value-added products in markets.

[Gross profit] Gross profit to sales FY2016 46.8% → FY2017E 46.7%
y/y +¥210m
(Factor of Net sales / price revision: +¥321m, Factor of production: -¥111 m)

Boost of material cost and sewing cost (-¥70m)
→ Foreign Exchange rate: FY2016 ¥99.8yen/dollar → FY2017E ¥103.8yen/dollar (-¥71m)
Overseas production ratio FY2016 47.4% → FY2017E 48.1 % (+¥52m)

[Sales, general, and administrative expenses]

- Dual corporate tax system: ¥83m

[Non-operating income]

- FY2016 Exchange-rate loss: ¥70m

[Capital Expenditure]

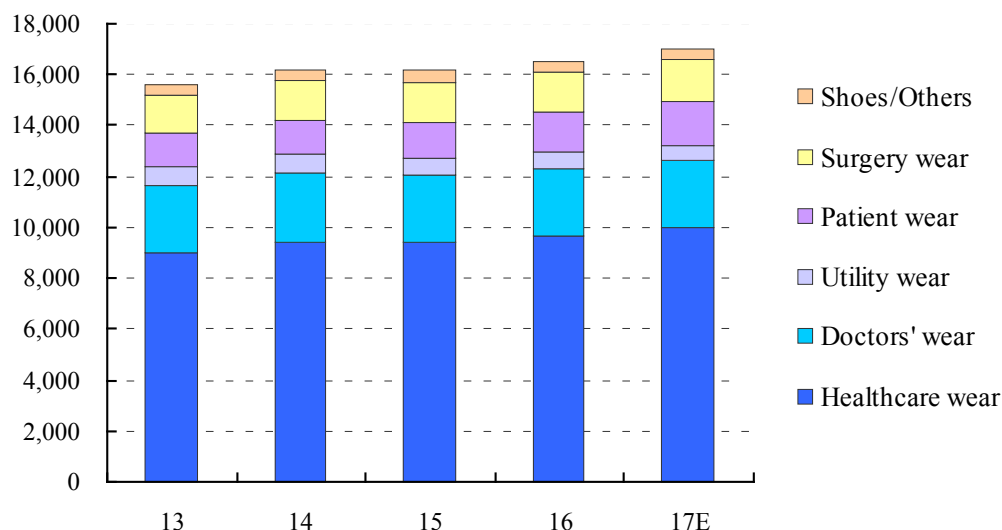
- Capital Expenditure: ¥155m (Buildings: ¥44m, IT system: ¥41m, Manufacturing equipment: ¥33m, Distribution equipment: ¥12m)
- Depreciation: ¥318m

Forecast of Sales by Item



Sales by Item

(¥ million)



| Year-on-year change | FY2016 | FY2017E |
|---------------------|--------|---------|
| Sales | +2.4% | +2.8% |
| Healthcare wear | +2.6% | +2.8% |
| Doctors' wear | +2.0% | +2.1% |
| Utility wear | -10.3% | -8.6% |
| Patient wear | +11.1% | +7.9% |
| Surgery wear | +0.9% | +4.8% |
| Shoes/Others | -3.5% | -7.8% |

[Healthcare wear/ Doctors' wear] Activating market by higher quality and value-added products, sales of healthcare wear and doctor's wear are expected to increase steadily.

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

[Patient wear] The increase in sales of patient wear is expected to continue with demand in the health check market.

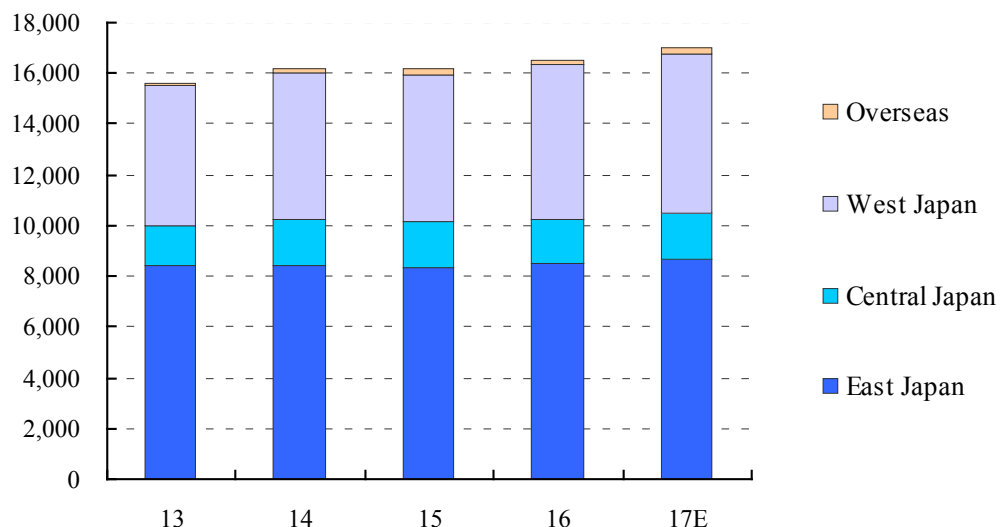
[Surgery wear] As COMPELPACK and surgical underwear(scrub) being steadily permeated, the increase in sales of surgery wear is expected to continue.

Forecast of Sales by Region



Sales by Region

(¥ million)



| Year-on-year change | FY2016 | FY2017E |
|---------------------|--------|---------|
| Total sales | +2.4% | +2.8% |
| East Japan | +2.2% | +1.7% |
| Central Japan | -3.2% | +4.8% |
| West Japan | +4.1% | +3.6% |
| Overseas | +14.1% | +9.5% |

Each area are expected to increase of sales and continue of the highest ever sales.

[East Japan] Catching renewal orders steadily with higher quality and value-added products, the sales in East Japan is expected to increase consistently.

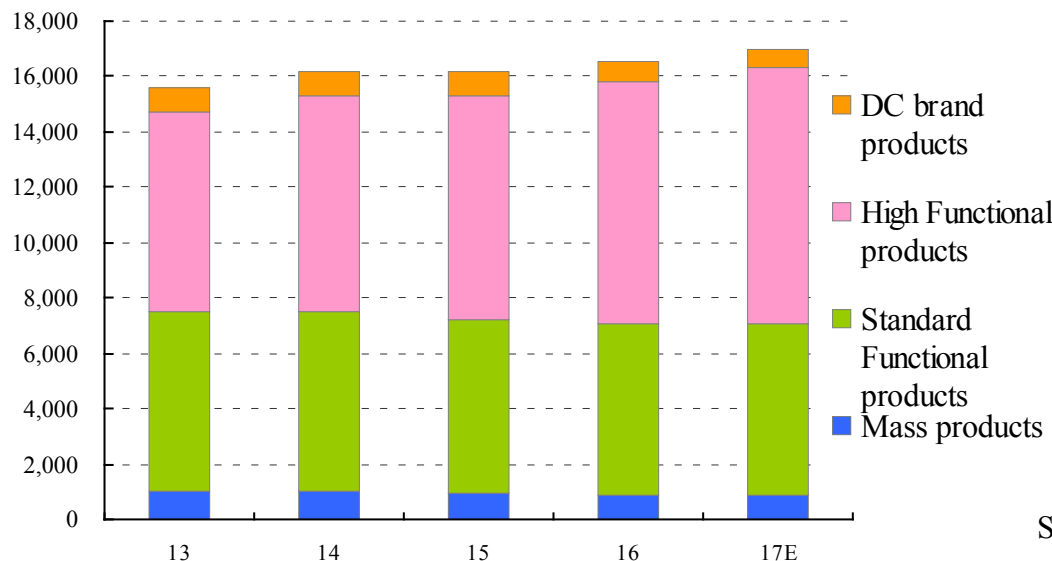
[Central and West Japan] As gaining share by sales promotion, the increase of sales is planned.

[Overseas] Sales is expected to increase as the impact of foreign exchange rate and expanding our reputation.

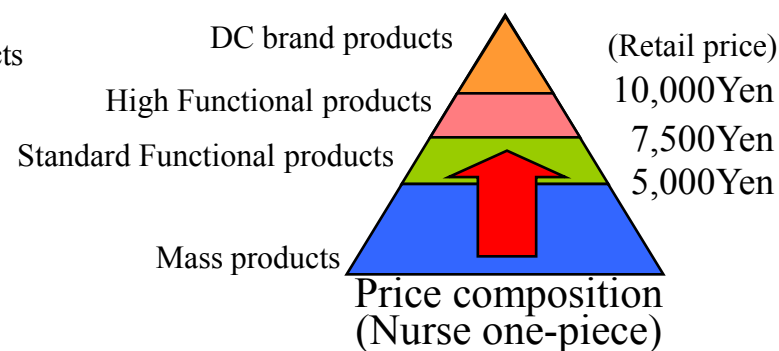


Sales by Product

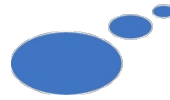
(¥ million)



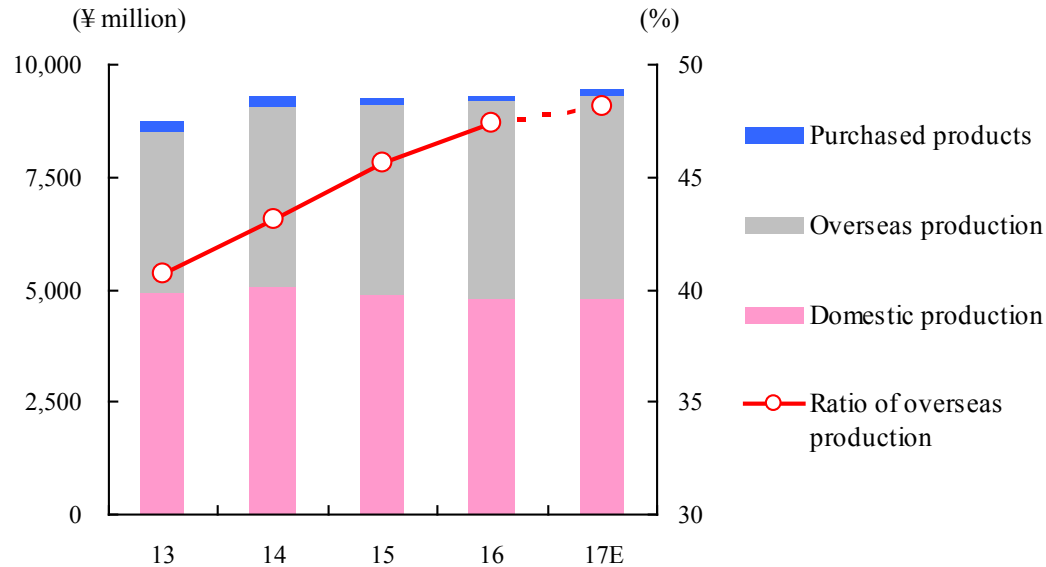
| Year-on-year change | FY2016 | FY2017E |
|------------------------------|--------|---------|
| Sales | 2.4% | +2.8% |
| DC brand products | -14.8% | -5.7% |
| High Functional products | +7.8% | +6.2% |
| Standard Functional products | -0.9% | 0.0% |
| Mass products | -6.6% | -4.1% |



- [DC brands] "Miffy" and "Liberty" will contribute to the sale, other DC brand products are on the decrease.
- [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)

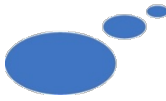


| Composition | FY2016 | FY2017E |
|---------------------|--------|---------|
| Domestic production | 51.2% | 50.5% |
| Overseas production | 47.4% | 48.1% |
| Purchased products | 1.4% | 1.4% |

Japan: Strengthen ability to respond Quick Response and small-lot multi-product by increasing wage and securing human resources

Overseas: Strengthen productivity and quality in new factory in Java, Indonesia

V Management Goals



Sales Strategy

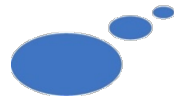
- Increase peripheral business in products for patients and surgery.
- Gain share In West Japan.
- Develop and sale of high functional products.

Profit Strategy

- Driving the strategy of higher quality and value-added products.
- The shift to overseas production.
- The minimization of exchange risk

Equalization of the fluctuations in foreign exchange rates by reservation of exchange contracts

Sales Strategy



FY2013

(3 terms ago)

FY2016

(Previous term)

FY2019E

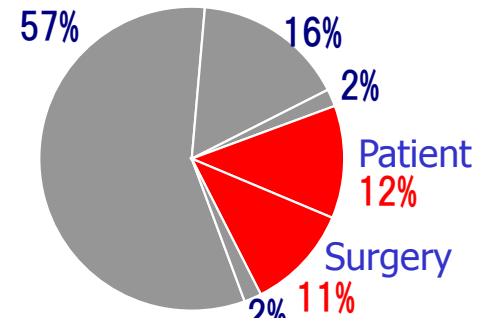
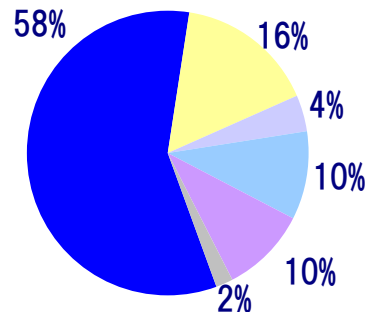
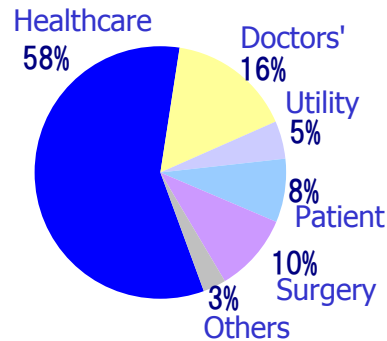
(3 terms later)

net sales ¥15,625 million

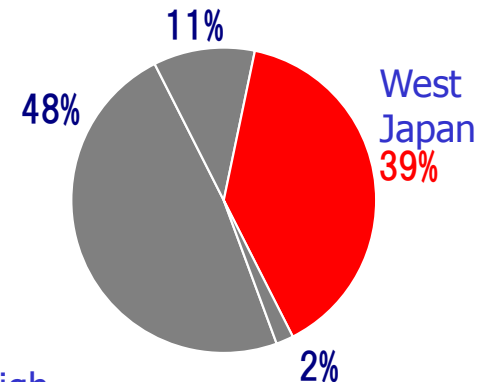
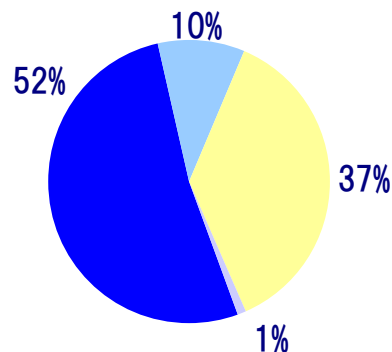
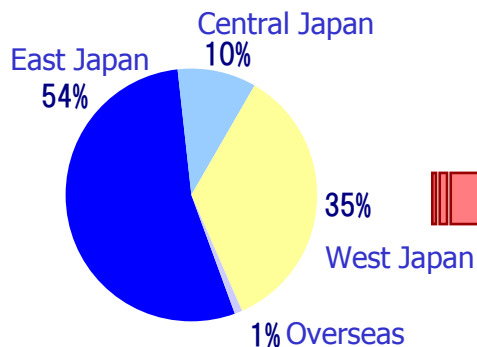
¥16,537 million

¥18,000 million

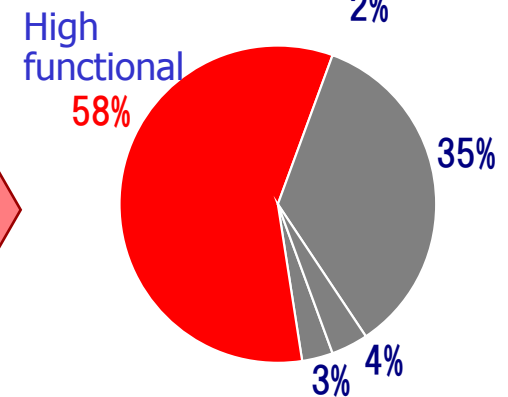
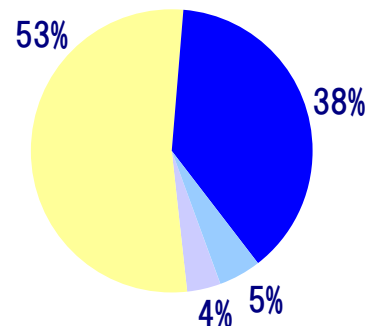
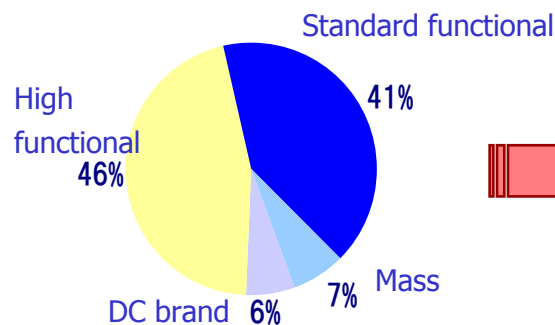
Sales by Item



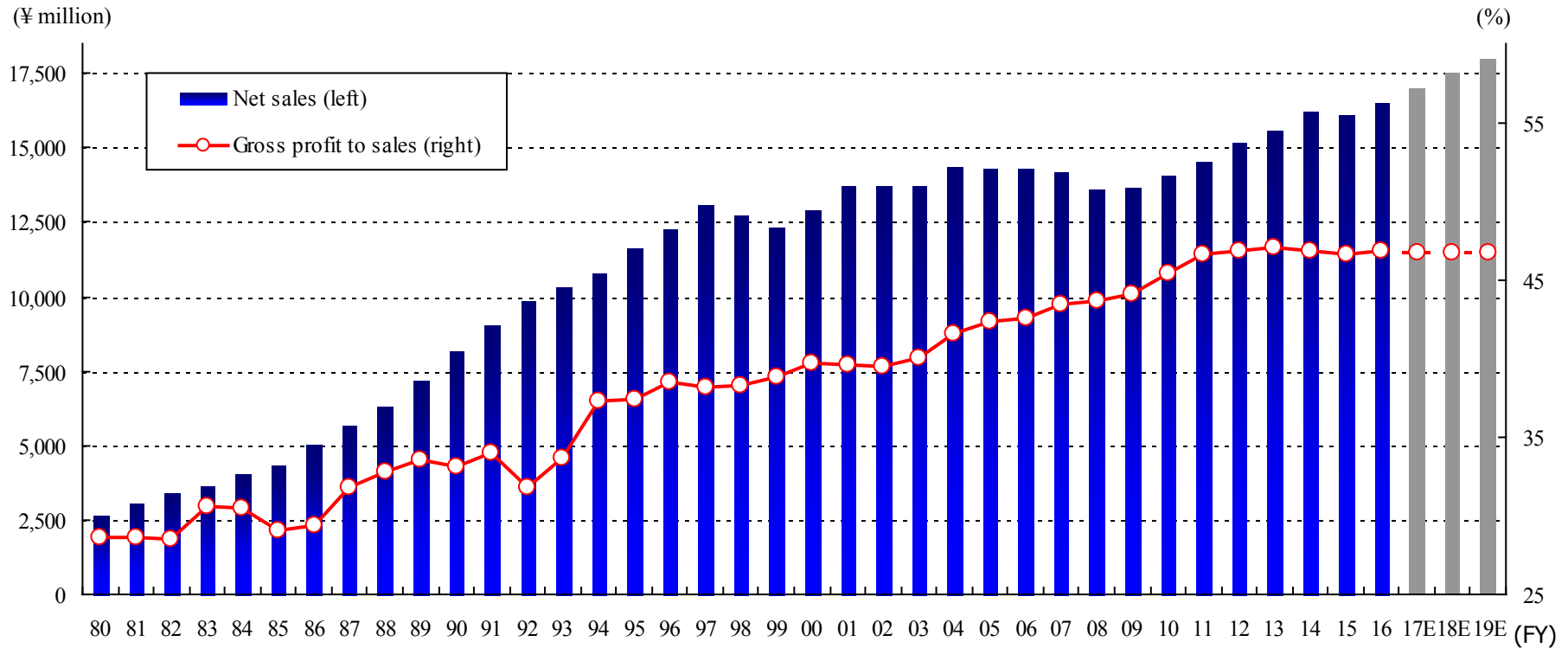
Sales by Region



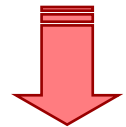
Sales by Products



Net Sales and Gross Profit to Sales Ratio



(¥ million)



FY2019E

Net Sales

18,000

Operating
Income

5,400

VI 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%

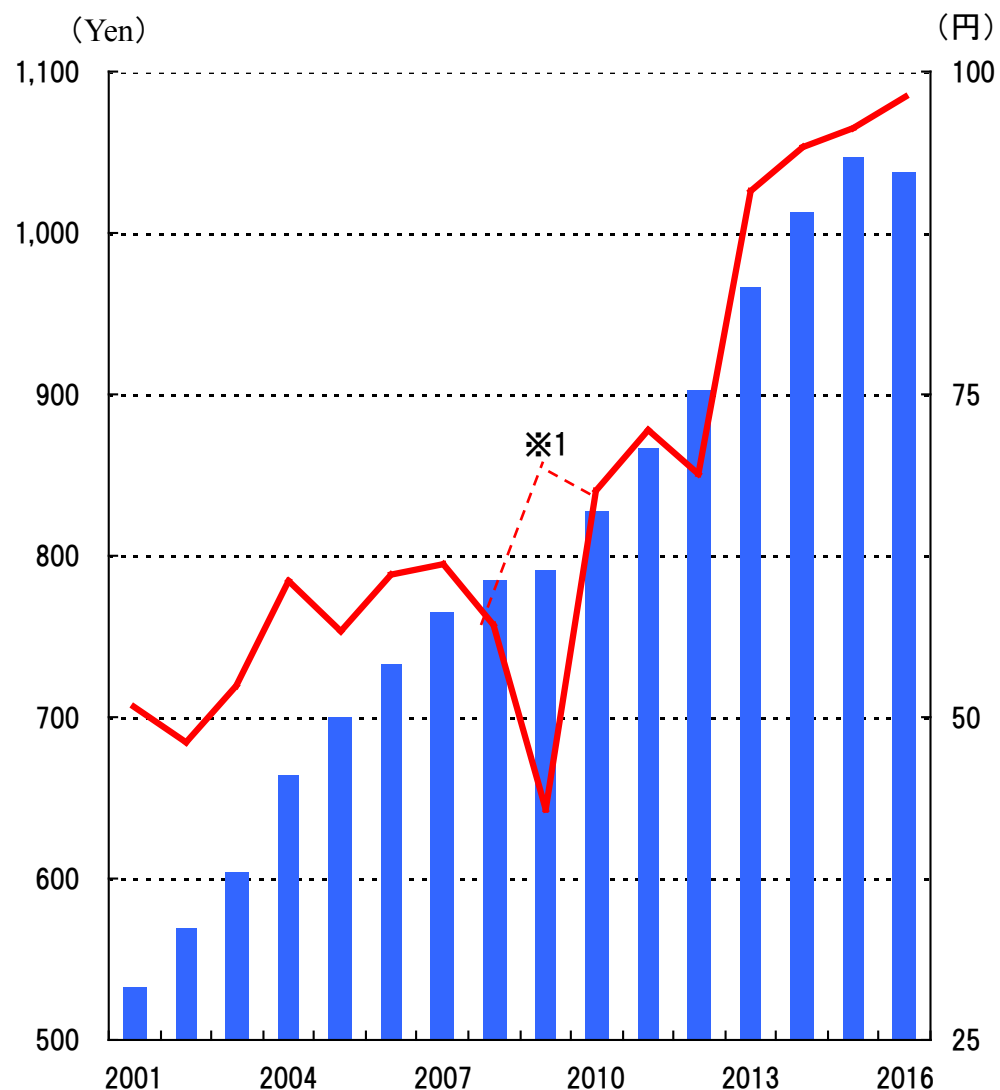
Share buyback

- Acquire expeditiously when our share is undervalued

The History of Stock Value



| | BPS (yen) | EPS (yen) | DPS (yen) |
|--------|--------------|--------------|--------------|
| FY2001 | 532.5 | 50.8 | 12.5 |
| FY2002 | 568.3 | 48.0 | 12.5 |
| FY2003 | 604.0 | 52.4 | 15.0 |
| FY2004 | 663.0 | 60.5 | 30.0 |
| FY2005 | 700.0 | 56.7 | 30.0 |
| FY2006 | 732.4 | 61.0 | 30.0 |
| FY2007 | 764.3 | 61.9 | 30.0 |
| FY2008 | 783.9 | 57.1 | 30.0 |
| FY2009 | 791.0 | 42.9 | 30.0 |
| FY2010 | 827.0 | 67.6 | 32.5 |
| FY2011 | 866.1 | 72.3 | 35.0 |
| FY2012 | 902.3 | 68.9 | 35.0 |
| FY2013 | 966.2 | 90.8 | 45.0 |
| FY2014 | 1,012.7 | 94.1 | 50.0 |
| FY2015 | 1,046.6 | 95.6 | * 100.0 |
| FY2016 | 1,037.8 | 98.1 | 50.0 |



※1 FY2009: Accrued pension fund withdrawal payment loss ¥1.04b
A dotted line is when there was not outbreak.

*2015: DPS 100yen (commemorative 50yen)

■ Book Value Per Share (BPS)(left)
■ Earnings Per Share(EPS)(right)

Actual Dividends Paid

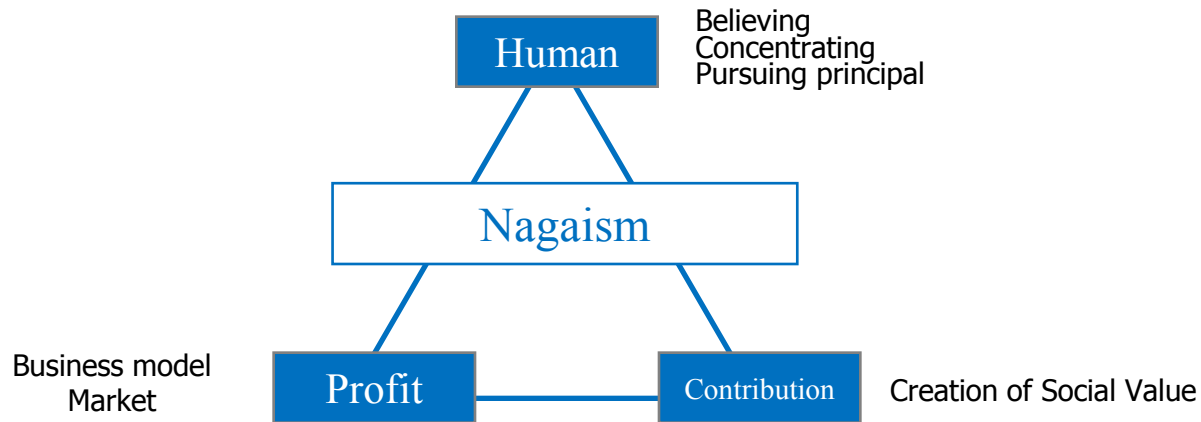


| | Total dividend (Million yen) | Share buyback (Million yen) | Payout ratio (non-c, %) | Total return ratio (non-c, %) |
|--------|---------------------------------|--------------------------------|----------------------------|----------------------------------|
| FY2001 | 475 | 0 | 27.6 | 27.6 |
| FY2002 | 475 | 0 | 29.3 | 29.3 |
| FY2003 | 530 | 1,697 | 29.7 | 124.6 |
| FY2004 | 744 | 0 | 36.5 | 36.5 |
| FY2005 | 1,117 | 0 | 56.9 | 56.9 |
| FY2006 | 1,117 | 0 | 53.4 | 53.4 |
| FY2007 | 1,117 | 0 | 53.1 | 53.1 |
| FY2008 | 1,083 | 1,077 | 56.6 | 111.2 |
| FY2009 | 1,040 | 1,220 | 57.3 | 122.2 |
| FY2010 | 1,127 | 0 | 51.4 | 51.4 |
| FY2011 | 1,205 | 226 | 52.0 | 61.7 |
| FY2012 | 1,205 | 0 | 55.1 | 55.1 |
| FY2013 | 1,541 | 229 | 51.3 | 58.7 |
| FY2014 | 1,712 | 0 | 54.4 | E54.4 |
| FY2015 | *3,324 | 1,500 | 107.5 | 153.8 |
| FY2016 | E 1,662 | 0 | 52.5 | 52.5 |

*2015: DPS 100yen (commemorative 50yen)

Management Philosophy

Our management philosophy are “Let us help the human life” and “Harmony”. We think that well-balanced growth with human, profit and philanthropy become the responsible corporate. Furthermore, we have our company spirit, “Nagaism”. We continue to specialize in medical / nurse / care business area, expanding its market and developing best products for our customers.



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.

Data File

FY2016



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

<Contact for information on this material: Mr. Ohno, Administration Headquarters (03-5289-8200)>

Index

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1. Sales by Item

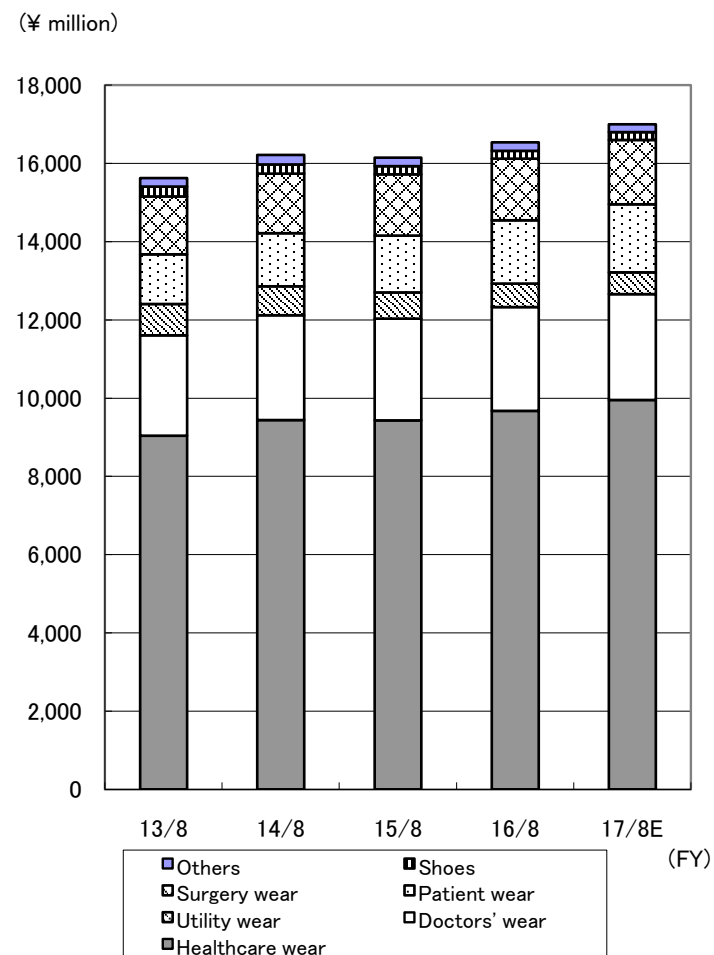
| FY | 13/8 | 14/8 | 15/8 | 16/8 | 17/8E | (¥ million) | |
|-----------------|--------|--------|--------|--------|--------|--------------------|--------------------|
| | | | | | | First-half 15/8 | First-half 16/8 |
| Sales | 15,625 | 16,214 | 16,150 | 16,537 | 17,000 | 6,840 | 6,938 |
| Healthcare wear | 9,039 | 9,440 | 9,429 | 9,674 | 9,950 | 4,011 | 4,021 |
| Doctors' wear | 2,566 | 2,674 | 2,604 | 2,654 | 2,710 | 1,046 | 1,067 |
| Utility wear | 796 | 743 | 670 | 601 | 550 | 298 | 282 |
| Patient wear | 1,273 | 1,353 | 1,451 | 1,613 | 1,740 | 635 | 719 |
| Surgery wear | 1,479 | 1,525 | 1,560 | 1,574 | 1,650 | 659 | 667 |
| Shoes | 249 | 237 | 211 | 204 | 200 | 77 | 73 |
| Others | 219 | 239 | 222 | 213 | 200 | 110 | 106 |

Change over previous year

| Sales | 3.0 | 3.8 | -0.4 | 2.4 | 2.8 | (%) | |
|-----------------|------|------|-------|-------|------|-------|------|
| | | | | | | 1.0 | 1.4 |
| Healthcare wear | 3.1 | 4.4 | -0.1 | 2.6 | 2.8 | 2.5 | 0.2 |
| Doctors' wear | 3.3 | 4.2 | -2.6 | 2.0 | 2.1 | -1.7 | 2.0 |
| Utility wear | -7.9 | -6.6 | -9.8 | -10.3 | -8.6 | -10.9 | -5.4 |
| Patient wear | 4.1 | 6.3 | 7.2 | 11.1 | 7.9 | 2.9 | 13.2 |
| Surgery wear | 7.7 | 3.2 | 2.3 | 0.9 | 4.8 | 2.7 | 1.3 |
| Shoes | -7.0 | -5.1 | -10.9 | -3.1 | -2.3 | -10.6 | -6.2 |
| Others | 14.5 | 9.0 | -7.0 | -3.9 | -6.4 | -3.5 | -4.0 |

Composition

| Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | (%) | |
|-----------------|-------|-------|-------|-------|-------|-------|-------|
| | | | | | | 100.0 | 100.0 |
| Healthcare wear | 57.9 | 58.2 | 58.4 | 58.5 | 58.5 | 58.7 | 58.0 |
| Doctors' wear | 16.4 | 16.5 | 16.1 | 16.1 | 16.0 | 15.3 | 15.4 |
| Utility wear | 5.1 | 4.6 | 4.1 | 3.6 | 3.2 | 4.4 | 4.1 |
| Patient wear | 8.2 | 8.3 | 9.0 | 9.8 | 10.2 | 9.3 | 10.4 |
| Surgery wear | 9.5 | 9.4 | 9.7 | 9.5 | 9.7 | 9.6 | 9.6 |
| Shoes | 1.6 | 1.5 | 1.3 | 1.2 | 1.2 | 1.1 | 1.0 |
| Others | 1.4 | 1.5 | 1.4 | 1.3 | 1.2 | 1.6 | 1.5 |



2. Sales by Product

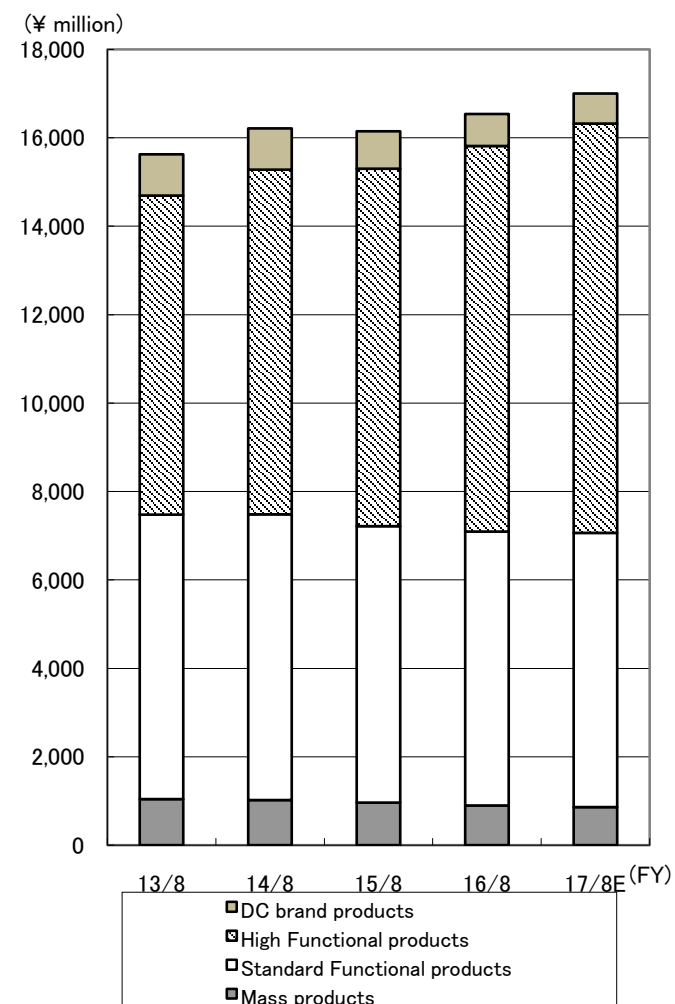
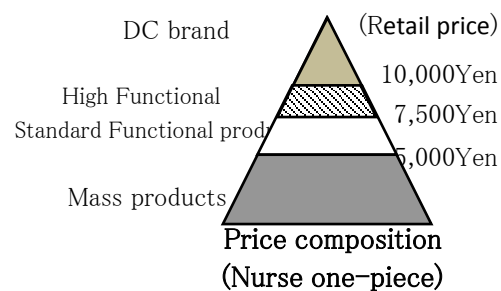
| FY | 13/8 | 14/8 | 15/8 | 16/8 | 17/8E | (¥ million) | |
|------------------------------|--------|--------|--------|--------|--------|--------------------|--------------------|
| | | | | | | First-half 15/8 | First-half 16/8 |
| Sales | 15,625 | 16,214 | 16,150 | 16,537 | 17,000 | 6,840 | 6,938 |
| DC brand products | 933 | 938 | 846 | 720 | 680 | 366 | 305 |
| High Functional products | 7,212 | 7,795 | 8,090 | 8,720 | 9,260 | 3,457 | 3,716 |
| Standard Functional products | 6,433 | 6,462 | 6,252 | 6,199 | 6,200 | 2,617 | 2,545 |
| Mass products | 1,045 | 1,017 | 960 | 896 | 860 | 398 | 370 |

Change over previous year

| Sales | 3.0 | 3.8 | -0.4 | 2.4 | 2.8 | 1.0 | 1.4 |
|------------------------------|------|------|------|-------|------|------|-------|
| DC brand products | -8.9 | 0.6 | -9.9 | -14.8 | -5.7 | -7.2 | -16.7 |
| High Functional products | 10.1 | 8.1 | 3.8 | 7.8 | 6.2 | 5.8 | 7.5 |
| Standard Functional products | -1.0 | 0.4 | -3.2 | -0.9 | 0.0 | -3.5 | -2.7 |
| Mass products | -5.1 | -2.7 | -5.6 | -6.6 | -4.1 | -0.6 | -7.1 |

Composition

| Sales by Product Type | | | | | | Sales by Region | |
|------------------------------|-------|-------|-------|-------|-------|-----------------|-------|
| Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| DC brand products | 6.0 | 5.8 | 5.2 | 4.4 | 4.0 | 5.4 | 4.4 |
| High Functional products | 46.2 | 48.1 | 50.1 | 52.7 | 54.5 | 50.5 | 53.6 |
| Standard Functional products | 41.2 | 39.9 | 38.7 | 37.5 | 36.5 | 38.3 | 36.7 |
| Mass products | 6.7 | 6.3 | 6.0 | 5.4 | 5.0 | 5.8 | 5.3 |



3. Sales by Region

| FY | 13/8 | 14/8 | 15/8 | 16/8 | 17/8E |
|---------------|--------|--------|--------|--------|--------|
| Sales | 15,625 | 16,214 | 16,150 | 16,537 | 17,000 |
| East Japan | 8,390 | 8,461 | 8,357 | 8,539 | 8,680 |
| Central Japan | 1,591 | 1,745 | 1,774 | 1,717 | 1,800 |
| West Japan | 5,508 | 5,839 | 5,842 | 6,080 | 6,300 |
| Overseas | 134 | 167 | 176 | 200 | 220 |

(¥ million)

| First-half 15/8 | First-half 16/8 |
|--------------------|--------------------|
| 6,840 | 6,938 |
| 3,430 | 3,406 |
| 787 | 717 |
| 2,529 | 2,694 |
| 92 | 119 |

Change over previous year

| | 3.0 | 3.8 | -0.4 | 2.4 | 2.8 |
|---------------|------|------|------|------|-----|
| Sales | | | | | |
| East Japan | 3.5 | 0.8 | -1.2 | 2.2 | 1.7 |
| Central Japan | 1.7 | 9.7 | 1.7 | -3.2 | 4.8 |
| West Japan | 2.3 | 6.0 | 0.0 | 4.1 | 3.6 |
| Overseas | 13.6 | 24.3 | 5.4 | 14.1 | 9.5 |

(%)

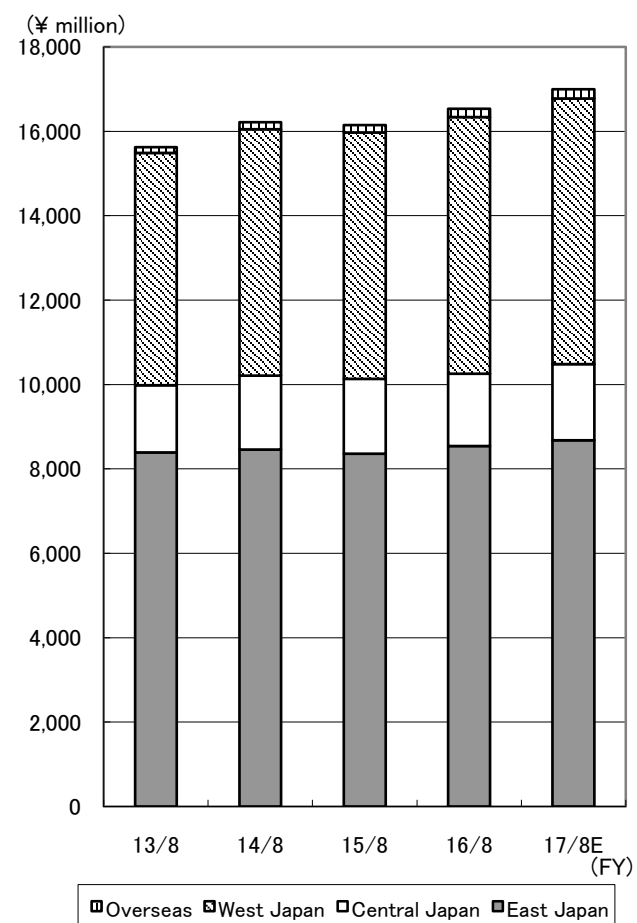
| 1.0 | 1.4 |
|------|------|
| 0.3 | -0.7 |
| 1.0 | -8.9 |
| 1.0 | 6.5 |
| 31.5 | 29.3 |

Composition

| | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
|---------------|-------|-------|-------|-------|-------|
| Sales | | | | | |
| East Japan | 53.7 | 52.2 | 51.7 | 51.6 | 51.1 |
| Central Japan | 10.2 | 10.8 | 11.0 | 10.4 | 10.6 |
| West Japan | 35.3 | 36.0 | 36.2 | 36.8 | 37.0 |
| Overseas | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 |

(%)

| 100.0 | 100.0 |
|-------|-------|
| 50.2 | 49.1 |
| 11.5 | 10.4 |
| 37.0 | 38.8 |
| 1.3 | 1.7 |



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

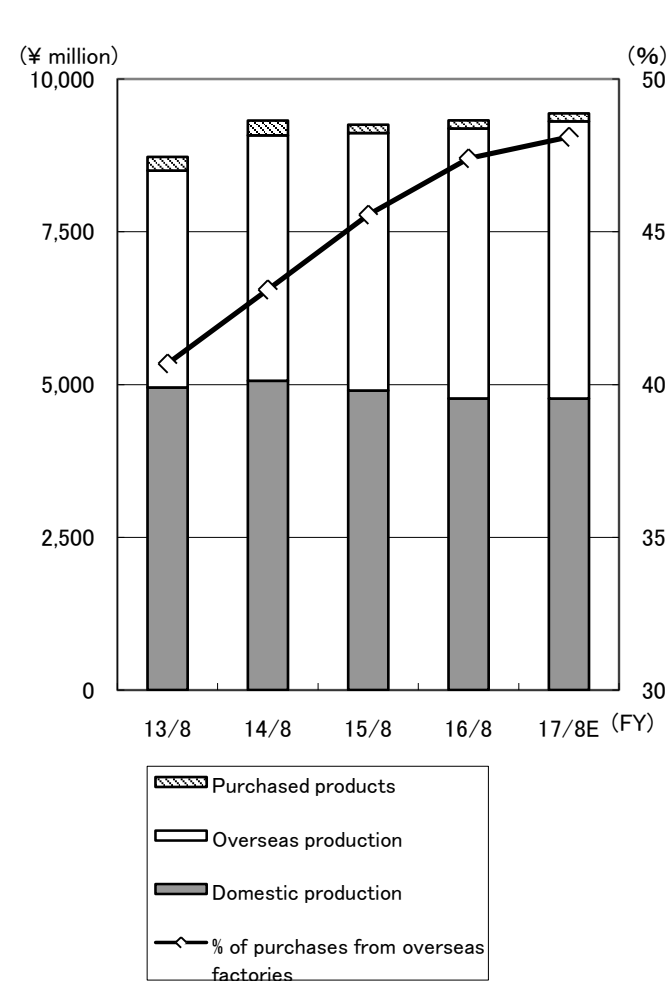
| FY | 13/8 | 14/8 | 15/8 | 16/8 | 17/8E | (¥ million) | |
|---------------------|-------|-------|-------|-------|-------|--------------------|--------------------|
| | | | | | | First-half 15/8 | First-half 16/8 |
| Domestic production | 4,951 | 5,061 | 4,901 | 4,771 | 4,770 | 2,495 | 2,430 |
| Overseas production | 3,550 | 4,017 | 4,215 | 4,419 | 4,537 | 2,112 | 2,164 |
| Purchased products | 224 | 242 | 136 | 133 | 130 | 66 | 55 |
| Total | 8,725 | 9,320 | 9,252 | 9,323 | 9,437 | 4,673 | 4,649 |

Change over previous year

| | | | | | | | |
|---------------------|------|------|-------|------|------|------|-------|
| Domestic production | -2.1 | 2.2 | -3.2 | -2.7 | 0.0 | 1.7 | -1.0 |
| Overseas production | 3.2 | 13.2 | 4.9 | 4.8 | 2.7 | 12.3 | 15.1 |
| Purchased products | -6.5 | 8.0 | -43.8 | -2.2 | -2.3 | -7.0 | -22.5 |
| Total | -0.1 | 6.8 | -0.7 | 0.8 | 1.2 | 6.1 | 5.5 |

Composition

| | | | | | | | |
|---------------------|-------|-------|-------|-------|-------|-------|-------|
| Domestic production | 56.7 | 54.3 | 53.0 | 51.2 | 50.5 | 53.4 | 52.3 |
| Overseas production | 40.7 | 43.1 | 45.6 | 47.4 | 48.1 | 45.2 | 46.5 |
| Purchased products | 2.6 | 2.6 | 1.5 | 1.4 | 1.4 | 1.4 | 1.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |



5. Statements of Income (Consolidated)

(¥ million)

| FY | 13/8 | 14/8 | 15/8 | 16/8 | 17/8E |
|--|--------|--------|--------|--------|--------|
| Net Sales | 15,625 | 16,214 | 16,150 | 16,537 | 17,000 |
| Gross profit | 7,346 | 7,585 | 7,532 | 7,735 | 7,945 |
| Sales, general, and administrative expense | 2,473 | 2,662 | 2,719 | 2,784 | 2,839 |
| Operating income | 4,873 | 4,923 | 4,813 | 4,950 | 5,106 |
| Recurring income | 5,418 | 5,142 | 5,088 | 4,937 | 5,150 |
| Net income | 3,119 | 3,224 | 3,225 | 3,262 | 3,528 |

| First-half 15/8 | First-half 16/8 |
|--------------------|--------------------|
| 6,840 | 6,938 |
| 3,187 | 3,174 |
| 1,390 | 1,464 |
| 1,797 | 1,709 |
| 2,033 | 1,702 |
| 1,302 | 1,123 |

Change over previous year

(%)

| | | | | | |
|--|------|------|------|------|-----|
| Net Sales | 3.0 | 3.8 | -0.4 | 2.4 | 2.8 |
| Gross profit | 3.4 | 3.3 | -0.7 | 2.7 | 2.7 |
| Sales, general, and administrative expense | 0.5 | 7.7 | 2.1 | 2.4 | 2.0 |
| Operating income | 5.0 | 1.0 | -2.2 | 2.9 | 3.1 |
| Recurring income | 13.2 | -5.1 | -1.0 | -3.0 | 4.3 |
| Net income | 31.5 | 3.4 | 0.1 | 1.1 | 8.2 |

| | |
|------|-------|
| 1.0 | 1.4 |
| 0.6 | -0.4 |
| 3.9 | 5.4 |
| -1.9 | -4.9 |
| 5.6 | -16.3 |
| 3.0 | -13.7 |

Composition

(%)

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Net Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Gross profit | 47.0 | 46.8 | 46.6 | 46.8 | 46.7 |
| Sales, general, and administrative expense | 15.8 | 16.4 | 16.8 | 16.9 | 16.7 |
| Operating income | 31.2 | 30.4 | 29.8 | 29.9 | 30.0 |
| Recurring income | 34.7 | 31.7 | 31.5 | 29.9 | 30.3 |
| Net income | 20.0 | 19.9 | 20.0 | 19.7 | 20.8 |

| | |
|-------|-------|
| 100.0 | 100.0 |
| 46.6 | 45.8 |
| 20.3 | 21.2 |
| 26.3 | 24.6 |
| 29.7 | 24.5 |
| 19.0 | 16.2 |

6. Statements of Income (Non-Consolidated)

(¥ million)

| FY | 13/8 | 14/8 | 15/8 | 16/8 | 17/8E |
|---|--------|--------|--------|--------|--------|
| Net Sales | 15,616 | 16,199 | 16,141 | 16,535 | 17,000 |
| Gross profit | 7,031 | 7,270 | 7,218 | 7,416 | 7,615 |
| Sales, general, and administrative expenses | 2,482 | 2,662 | 2,718 | 2,775 | 2,827 |
| Operating income | 4,549 | 4,608 | 4,500 | 4,641 | 4,787 |
| Recurring income | 5,177 | 4,938 | 4,883 | 4,734 | 4,944 |
| Net income | 3,014 | 3,145 | 3,137 | 3,167 | 3,427 |

| First-half 15/8 | First-half 16/8 |
|--------------------|--------------------|
| 6,831 | 6,937 |
| 3,053 | 3,034 |
| 1,383 | 1,454 |
| 1,669 | 1,579 |
| 2,005 | 1,674 |
| 1,318 | 1,139 |

Change over previous year

(%)

| | | | | | |
|---|------|------|------|------|-----|
| Net Sales | 3.0 | 3.7 | -0.4 | 2.4 | 2.8 |
| Gross profit | 3.5 | 3.4 | -0.7 | 2.7 | 2.7 |
| Sales, general, and administrative expenses | -0.4 | 7.2 | 2.1 | 2.1 | 1.9 |
| Operating income | 5.8 | 1.3 | -2.3 | 3.1 | 3.2 |
| Recurring income | 16.1 | -4.6 | -1.1 | -3.1 | 4.4 |
| Net income | 37.7 | 4.4 | -0.3 | 0.9 | 8.2 |

| | |
|------|-------|
| 0.9 | 1.5 |
| 0.7 | -0.6 |
| 4.0 | 5.1 |
| -1.9 | -5.4 |
| 5.4 | -16.5 |
| 2.2 | -13.5 |

Composition

(%)

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Net Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Gross profit | 45.0 | 44.9 | 44.7 | 44.9 | 44.8 |
| Sales, general, and administrative expenses | 15.9 | 16.4 | 16.8 | 16.8 | 16.6 |
| Operating income | 29.1 | 28.5 | 27.9 | 28.1 | 28.2 |
| Recurring income | 33.2 | 30.5 | 30.3 | 28.6 | 29.1 |
| Net income | 19.3 | 19.4 | 19.4 | 19.2 | 20.2 |

| | |
|-------|-------|
| 100.0 | 100.0 |
| 44.7 | 43.8 |
| 20.3 | 21.0 |
| 24.4 | 22.8 |
| 29.4 | 24.1 |
| 19.3 | 16.4 |

7. Indices (Consolidated)

| | | (Unit) | 12/8 | 13/8 | 14/8 | 15/8 | 16/8 | First-half 15/8 | First-half 16/8 |
|----------------------------|---|-------------|---------------------|-------|---------|---------|---------|--------------------|--------------------|
| Profitability | ROE | (%) | 7.8 | 9.7 | 9.5 | 9.3 | 9.4 | - | - |
| | ROA | (%) | 14.3 | 15.0 | 13.5 | 13.0 | 12.7 | - | - |
| ROE resolution | Return on sales Net income | (%) | 15.6 | 20.0 | 19.9 | 20.0 | 19.7 | - | - |
| | 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 | (%) | 749.1 | 768.1 | 802.1 | 863.6 | 886.3 | - | - |
| | Fixed Assets Ratio | (%) | 32.8 | 32.1 | 30.1 | 27.1 | 27.5 | - | - |
| | Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities | (%) | 32.2 | 31.5 | 29.4 | 26.5 | 26.8 | - | - |
| | Account Receivable Turnover | (Times) | 3.6 | 3.5 | 3.5 | 3.4 | 3.4 | - | - |
| | Inventory Turnover | (Times) | 4.7 | 4.5 | 4.4 | 4.0 | 3.9 | - | - |
| Per share data | BPS | (¥) | 902.3 | 966.2 | 1,012.7 | 1,046.6 | 1,037.8 | 990.0 | 974.5 |
| | EPS | (¥) | 68.9 | 90.8 | 94.1 | 95.6 | 98.1 | 38.1 | 33.8 |
| | DPS | (¥) | - | - | - | - | - | - | - |
| | Payout ratio | (%) | 50.8 | 49.5 | 53.1 | 104.6 | 51.0 | - | - |
| Adjusted Per share data | Free issue/Stock split | | 2011/9/1 2-for-1 | | | | | - | - |
| | Adjusted BPS | (¥) | - | - | - | - | - | - | - |
| | Adjusted EPS | (¥) | - | - | - | - | - | - | - |
| | Adjusted DPS | (¥) | - | - | - | - | - | - | - |
| Others | Capital expenditure | (¥ million) | 285 | 925 | 801 | 161 | 190 | 48 | 76 |
| | Depreciation | (¥ million) | 270 | 256 | 335 | 360 | 331 | 176 | 163 |
| | Number of employees | (Persons) | 501 | 499 | 501 | 497 | 499 | 497 | 499 |
| | Personnel expense | (¥ million) | 2,235 | 2,245 | 2,305 | 2,305 | 2,328 | 1,158 | 1,168 |

(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) | 12/8 | 13/8 | 14/8 | 15/8 | 16/8 | First-half 15/8 | First-half 16/8 |
|----------------------------|---|-------------|---------------------|-------|-------|-------|-------|--------------------|--------------------|
| Profitability | ROE | (%) | 7.8 | 10.3 | 10.1 | 9.8 | 10.0 | - | - |
| | ROA | (%) | 14.1 | 15.7 | 14.2 | 13.7 | 13.4 | - | - |
| ROE resolution | Return on sales Net income | (%) | 14.4 | 19.3 | 19.4 | 19.4 | 19.2 | - | - |
| | Total AssetsTurnover | (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 | (%) | 671.0 | 706.1 | 735.8 | 793.7 | 821.7 | - | - |
| | Fixed Assets Ratio | (%) | 35.2 | 34.4 | 31.9 | 28.6 | 29.1 | - | - |
| | Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities | (%) | 34.8 | 34.0 | 31.5 | 28.3 | 28.7 | - | - |
| | Account Receivable Turnover | (Times) | 3.6 | 3.5 | 3.5 | 3.4 | 3.4 | - | - |
| | Inventory Turnover | (Times) | 5.8 | 5.6 | 5.4 | 4.9 | 4.7 | - | - |
| Per share data | BPS | (¥) | 828.6 | 883.7 | 931.9 | 960.3 | 954.4 | 904.9 | 892.5 |
| | EPS | (¥) | 63.6 | 87.8 | 91.9 | 93.0 | 95.3 | 38.5 | 34.3 |
| | DPS | (¥) | 35.0 | 45.0 | 50.0 | 100.0 | 50.0 | - | - |
| | Payout ratio | (%) | 55.1 | 51.3 | 54.4 | 107.5 | 52.5 | - | - |
| Adjusted Per share data | Free issue/Stock split | | 2011/9/1 2-for-1 | | | | | - | - |
| | Adjusted BPS | (¥) | - | - | - | - | - | - | - |
| | Adjusted EPS | (¥) | - | - | - | - | - | - | - |
| | Adjusted DPS | (¥) | - | - | - | - | - | - | - |
| Others | Capital expenditure | (¥ million) | 261 | 846 | 772 | 132 | 117 | 38 | 52 |
| | Depreciation | (¥ million) | 233 | 214 | 295 | 327 | 293 | 160 | 145 |
| | Number of employees | (Persons) | 106 | 110 | 112 | 113 | 115 | 111 | 114 |
| | Personnel expense | (¥ million) | 999 | 1,007 | 1,051 | 1,101 | 1,141 | 555 | 576 |

(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 | 15/8 | | 16/8 | | Change(the previous year) | |
|---|--------|-------------|--------|-------------|---------------------------|----------|
| | Result | Composition | Result | Composition | Result | Change % |
| Net Sales | 16,150 | 100.0 | 16,537 | 100.0 | 387 | 2.4 |
| Cost of sales | 8,617 | 53.4 | 8,802 | 53.2 | 184 | 2.1 |
| Gross profit | 7,532 | 46.6 | 7,735 | 46.8 | 202 | 2.7 |
| Sales, general, and administrative expenses | 2,719 | 16.8 | 2,784 | 16.9 | 65 | 2.4 |
| Packing and freight expenses | 222 | | 222 | | | |
| Advertising expenses | 279 | | 311 | | | |
| Personnel expenses | 1,280 | | 1,326 | | | |
| Management commission expenses | 127 | | 133 | | | |
| Depreciation expenses | 272 | | 241 | | | |
| Operating income | 4,813 | 29.8 | 4,950 | 29.9 | 137 | 2.9 |
| Non-operating income | 331 | 2.0 | 94 | 0.6 | -236 | -71.4 |
| Interest income | 16 | | 12 | | | |
| Rent income | 57 | | 57 | | | |
| Others | 258 | | 24 | | | |
| Non-operating expense | 56 | 0.3 | 108 | 0.6 | 51 | 92.1 |
| Fixed assets rent expense | 36 | | 33 | | | |
| Others | 20 | | 74 | | | |
| Recurring income | 5,088 | 31.5 | 4,937 | 29.9 | -151 | -3.0 |
| Extraordinary profit | 30 | 0.2 | 1 | 0.0 | -29 | -96.6 |
| Extraordinary loss | 3 | 0.0 | 3 | 0.1 | 0 | -2.7 |
| Income before income taxes | 5,115 | 31.7 | 4,934 | 29.8 | -180 | -3.5 |
| Income, inhabitant and enterprise taxes | 1,839 | | 1,649 | | | |
| Tax adjustments | 49 | | 23 | | | |
| Net income attributable to shareholders | 3,225 | 20.0 | 3,262 | 19.7 | 36 | 1.1 |

(¥ million,%)

| First-half 15/8 | | First-half 16/8 | | Change(the previous year) | |
|-----------------|-------------|-----------------|-------------|---------------------------|----------|
| Result | Composition | Result | Composition | Result | Change % |
| 6,840 | 100.0 | 6,938 | 100.0 | 97 | 1.4 |
| 3,652 | 53.4 | 3,763 | 54.2 | 111 | 3.0 |
| 3,187 | 46.6 | 3,174 | 45.8 | -13 | -0.4 |
| 1,390 | 20.3 | 1,464 | 21.2 | 74 | 5.4 |
| 101 | | 103 | | | |
| 202 | | 229 | | | |
| 644 | | 668 | | | |
| 64 | | 65 | | | |
| 133 | | 120 | | | |
| 1,797 | 26.3 | 1,709 | 24.6 | -87 | -4.9 |
| 273 | 4.0 | 47 | 0.7 | -226 | -82.7 |
| 8 | | 7 | | | |
| 28 | | 28 | | | |
| 236 | | 11 | | | |
| 38 | 0.6 | 54 | 0.8 | 16 | 43.5 |
| 18 | | 16 | | | |
| 19 | | 38 | | | |
| 2,033 | 29.7 | 1,702 | 24.5 | -330 | -16.3 |
| 0 | 0.0 | 0 | 0.0 | 0 | 198.7 |
| 1 | 0.0 | 1 | 0.0 | 0 | -38.6 |
| 2,031 | 29.7 | 1,701 | 24.5 | -329 | -16.2 |
| 703 | | 545 | | | |
| 25 | | 32 | | | |
| 1,302 | 19.0 | 1,123 | 16.2 | -178 | -13.7 |

10. Statements of Income (Non-Consolidated)

(¥ million,%)

| FY | 15/8 | | 16/8 | | Change(the previous year) | |
|---|--------|-------------|--------|-------------|---------------------------|----------|
| | Result | Composition | Result | Composition | Result | Change % |
| Net Sales | 16,141 | 100.0 | 16,535 | 100.0 | 394 | 2.4 |
| Cost of sales | 8,922 | 55.3 | 9,118 | 55.1 | 195 | 2.2 |
| Gross profit | 7,218 | 44.7 | 7,416 | 44.9 | 198 | 2.7 |
| Sales, general, and administrative expenses | 2,718 | 16.8 | 2,775 | 16.8 | 57 | 2.1 |
| Packing and freight expenses | 428 | | 428 | | | |
| Advertising expenses | 279 | | 311 | | | |
| Personnel expenses | 1,101 | | 1,141 | | | |
| Management commission expenses | 130 | | 131 | | | |
| Depreciation expenses | 270 | | 239 | | | |
| Operating income | 4,500 | 27.9 | 4,641 | 28.1 | 140 | 3.1 |
| Non-operating income | 478 | 3.0 | 242 | 1.4 | -236 | -49.4 |
| Interest income | 14 | | 11 | | | |
| Dividend income | 99 | | 102 | | | |
| Rent income | 125 | | 125 | | | |
| Others | 239 | | 2 | | | |
| Non-operating expense | 95 | 0.6 | 148 | 0.9 | 53 | 56.2 |
| Fixed assets rent expense | 73 | | 71 | | | |
| Others | 21 | | 77 | | | |
| Recurring income | 4,883 | 30.3 | 4,734 | 28.6 | -149 | -3.1 |
| Extraordinary profit | 30 | 0.2 | 0 | 0.0 | -29 | -97.7 |
| Extraordinary loss | 3 | 0.1 | 2 | 0.0 | -1 | -39.2 |
| Income before income taxes | 4,910 | 30.4 | 4,733 | 28.6 | -177 | -3.6 |
| Income, inhabitant and enterprise taxes | 1,720 | | 1,537 | | | |
| Tax adjustments | 52 | | 27 | | | |
| Net income | 3,137 | 19.4 | 3,167 | 19.2 | 29 | 0.9 |

(¥ million,%)

| First-half 15/8 | | First-half 16/8 | | Change(the previous year) | |
|-----------------|-------------|-----------------|-------------|---------------------------|----------|
| Result | Composition | Result | Composition | Result | Change % |
| 6,831 | 100.0 | 6,937 | 100.0 | 105 | 1.5 |
| 3,778 | 55.3 | 3,902 | 56.2 | 123 | 3.3 |
| 3,053 | 44.7 | 3,034 | 43.8 | -18 | -0.6 |
| 1,383 | 20.3 | 1,454 | 21.0 | 71 | 5.1 |
| 200 | | 202 | | | |
| 202 | | 229 | | | |
| 555 | | 576 | | | |
| 66 | | 64 | | | |
| 132 | | 119 | | | |
| 1,669 | 24.4 | 1,579 | 22.8 | -89 | -5.4 |
| 392 | 5.8 | 168 | 2.4 | -224 | -57.2 |
| 6 | | 6 | | | |
| 94 | | 97 | | | |
| 62 | | 62 | | | |
| 229 | | 1 | | | |
| 57 | 0.8 | 73 | 1.1 | 16 | 28.9 |
| 36 | | 35 | | | |
| 20 | | 38 | | | |
| 2,005 | 29.4 | 1,674 | 24.1 | -330 | -16.5 |
| 0 | 0.0 | 0 | 0.0 | 0 | 40.3 |
| 1 | 0.1 | 1 | 0.0 | 0 | -48.1 |
| 2,003 | 29.3 | 1,673 | 24.1 | -329 | -16.5 |
| 647 | | 491 | | | |
| 37 | | 42 | | | |
| 1,318 | 19.3 | 1,139 | 16.4 | -178 | -13.5 |

11. Balance Sheet (Consolidated)

| FY | 15/8 | | 16/8 | | (¥ million,%) | |
|---|--------|-------------|--------|-------------|---------------------------|----------|
| | Result | Composition | Result | Composition | Change(the previous year) | Change % |
| Current assets | 29,711 | 76.2 | 29,083 | 74.8 | -628 | -2.1 |
| Cash on hand and at banks | 18,673 | | 19,504 | | | |
| Trade notes and accounts receivable (including electronically recorded claims) | 4,759 | | 4,928 | | | |
| Securities | 1,518 | | - | | | |
| Inventories | 4,199 | | 4,348 | | | |
| Others | 562 | | 303 | | | |
| Reserve bad debt | -1 | | -1 | | | |
| Fixed assets | 9,296 | 23.8 | 9,774 | 25.2 | 477 | 5.1 |
| Tangible fixed assets | 7,605 | 19.5 | 7,476 | 19.2 | -128 | -1.7 |
| Buildings and structures | 2,450 | | 2,371 | | | |
| Machinery and equipment | 491 | | 485 | | | |
| Land | 4,447 | | 4,447 | | | |
| Construction in progress | 6 | | - | | | |
| Others | 208 | | 171 | | | |
| Intangible fixed asset | 71 | 0.2 | 57 | 0.2 | -14 | -20.3 |
| Investments and other assets | 1,619 | 4.1 | 2,240 | 5.8 | 620 | 38.3 |
| Investment securities | 623 | | 664 | | | |
| Others | 998 | | 1,577 | | | |
| Reserve bad debt | -1 | | -1 | | | |
| Total assets | 39,008 | 100.0 | 38,857 | 100.0 | -151 | -0.4 |

| | | | | | | |
|---|--------|-------|--------|-------|------|-------|
| Current liabilities | 3,261 | 8.4 | 3,371 | 8.7 | 110 | 3.4 |
| Trade notes and accounts payable | 1,399 | | 1,561 | | | |
| Accrued income taxes | 1,151 | | 1,149 | | | |
| Accrued bonus | 82 | | 83 | | | |
| Others | 629 | | 577 | | | |
| Long-term liabilities | 951 | 2.4 | 983 | 2.5 | 32 | 3.4 |
| Accrued pension and severance costs | 650 | | 662 | | | |
| Directors' retirement allowances | 199 | | 213 | | | |
| Others | 102 | | 107 | | | |
| Total liabilities | 4,213 | 10.8 | 4,355 | 11.2 | 142 | 3.4 |
| Total shareholders' equity | 34,422 | 88.2 | 34,359 | 88.4 | -62 | -0.2 |
| Capital stock | 1,925 | | 1,925 | | | |
| Capital reserves | 2,358 | | 2,358 | | | |
| Retained earnings | 35,040 | | 34,978 | | | |
| Treasury stock | -4,902 | | -4,902 | | | |
| Accumulated other comprehensive income | 372 | 1.0 | 142 | 0.4 | -230 | -61.9 |
| Net unrealized gains on investment securities | 201 | | 236 | | | |
| Deferred hedging gains and losses | 276 | | 0 | | | |
| Accumulated pension and severance costs | -105 | | -94 | | | |
| Total net assets | 34,795 | 89.2 | 34,501 | 88.8 | -293 | -0.8 |
| Total liabilities and total net assets | 39,008 | 100.0 | 38,857 | 100.0 | -151 | 0.4 |

| First-half 15/8 | First-half 16/8 | | (¥ million,%) | |
|-----------------|-----------------|-------------|---------------|---------------------------|
| | Result | Composition | Result | Change(the previous year) |
| 27,177 | 74.0 | 26,987 | 75.0 | -190 |
| 15,510 | | 15,399 | | |
| 4,710 | | 4,819 | | |
| 1,517 | | 1,518 | | |
| 4,860 | | 4,878 | | |
| 579 | | 373 | | |
| -1 | | 0 | | |
| 9,537 | 26.0 | 8,986 | 25.0 | -551 |
| 7,709 | 21.0 | 7,526 | 20.9 | -182 |
| 2,502 | | 2,411 | | |
| 543 | | 469 | | |
| 4,480 | | 4,447 | | |
| 6 | | 4 | | |
| 176 | | 194 | | |
| 70 | 0.2 | 62 | 0.2 | -8 |
| 1,757 | 4.8 | 1,397 | 3.9 | -360 |
| 573 | | 592 | | |
| 1,187 | | 806 | | |
| -3 | | -1 | | |
| 36,715 | 100.0 | 35,974 | 100.0 | -741 |

| | | | | |
|--------|-------|--------|-------|------|
| 2,875 | 7.9 | 2,609 | 7.2 | -266 |
| 1,658 | | 1,587 | | |
| 694 | | 542 | | |
| 76 | | 77 | | |
| 446 | | 401 | | |
| 924 | 2.5 | 965 | 2.7 | 40 |
| 631 | | 655 | | |
| 189 | | 206 | | |
| 102 | | 102 | | |
| 3,800 | 10.4 | 3,574 | 9.9 | -225 |
| 32,498 | 88.5 | 32,221 | 89.6 | -276 |
| 1,925 | | 1,925 | | |
| 2,358 | | 2,358 | | |
| 33,117 | | 32,840 | | |
| -4,902 | | -4,902 | | |
| 416 | 1.1 | 177 | 0.5 | -239 |
| 160 | | 180 | | |
| 363 | | 94 | | |
| -106 | | -97 | | |
| 32,915 | 89.6 | 32,399 | 90.1 | -516 |
| 36,715 | 100.0 | 35,974 | 100.0 | -741 |

12. Balance Sheet(Non-Consolidated)

(¥ million,%)

| FY | 15/8 | | 16/8 | | Change(the previous year) | |
|--|--------|-------------|--------|-------------|---------------------------|----------|
| | Result | Composition | Result | Composition | Result | Change % |
| Current assets | 26,494 | 74.6 | 25,875 | 73.1 | -618 | -2.3 |
| Cash on hand and at banks | 16,456 | | 17,165 | | | |
| Trade notes | 2,783 | | 2,820 | | | |
| (including electronically recorded claims) | | | | | | |
| Accounts receivable | 1,975 | | 2,106 | | | |
| Securities | 1,518 | | - | | | |
| Inventories | 3,370 | | 3,493 | | | |
| Others | 391 | | 289 | | | |
| Reserve bad debt | -1 | | -1 | | | |
| Fixed assets | 8,999 | 25.4 | 9,521 | 26.9 | 521 | 5.8 |
| Tangible fixed assets | 7,517 | 21.2 | 7,352 | 20.8 | -165 | -2.2 |
| Buildings and structures | 2,405 | | 2,330 | | | |
| Machinery and equipment | 394 | | 345 | | | |
| Land | 4,447 | | 4,447 | | | |
| Construction in progress | 6 | | - | | | |
| Others | 264 | | 228 | | | |
| Intangible fixed asset | 60 | 0.2 | 48 | 0.1 | -12 | -20.5 |
| Investments and other assets | 1,421 | 4.0 | 2,120 | 6.0 | 699 | 49.2 |
| Investment securities | 623 | | 664 | | | |
| Others | 799 | | 1,457 | | | |
| Reserve bad debt | -1 | | -1 | | | |
| Total assets | 35,494 | 100.0 | 35,397 | 100.0 | -97 | -0.3 |

(¥ million,%)

| First-half 15/8 | | First-half 16/8 | | Change(the previous year) | |
|-----------------|-------------|-----------------|-------------|---------------------------|----------|
| Result | Composition | Result | Composition | Result | Change % |
| 24,115 | 72.4 | 23,940 | 73.3 | -175 | -0.7 |
| 13,550 | | 13,229 | | | |
| 1,928 | | 1,912 | | | |
| 2,781 | | 2,906 | | | |
| 1,517 | | 1,518 | | | |
| 3,978 | | 4,074 | | | |
| 360 | | 300 | | | |
| -1 | | 0 | | | |
| 9,184 | 27.6 | 8,739 | 26.7 | -444 | -4.8 |
| 7,618 | 22.9 | 7,432 | 22.7 | -186 | -2.4 |
| 2,452 | | 2,367 | | | |
| 439 | | 361 | | | |
| 4,480 | | 4,447 | | | |
| 6 | | 4 | | | |
| 240 | | 250 | | | |
| 66 | 0.2 | 52 | 0.2 | -14 | -21.5 |
| 1,499 | 4.5 | 1,254 | 3.8 | -244 | -16.3 |
| 573 | | 592 | | | |
| 928 | | 664 | | | |
| -3 | | -1 | | | |
| 33,299 | 100.0 | 32,679 | 100.0 | -620 | -1.9 |

| | | | | | | |
|---|--------|-------|--------|-------|------|-------|
| Current liabilities | 3,149 | 8.9 | 3,223 | 9.1 | 74 | 2.4 |
| Trade notes | 830 | | 865 | | | |
| Accounts payable | 713 | | 745 | | | |
| Accrued income taxes | 1,088 | | 1,090 | | | |
| Others | 516 | | 522 | | | |
| Long-term liabilities | 418 | 1.2 | 441 | 1.3 | 23 | 5.5 |
| Accrued pension and severance costs | 146 | | 153 | | | |
| Directors' retirement allowances | 169 | | 180 | | | |
| Others | 102 | | 107 | | | |
| Total liabilities | 3,567 | 10.1 | 3,665 | 10.4 | 97 | 2.7 |
| Total shareholders' equity | 31,654 | 89.2 | 31,497 | 89.0 | -157 | -0.5 |
| Capital stock | 1,925 | | 1,925 | | | |
| Capital reserves | 2,637 | | 2,637 | | | |
| Retained earnings | 31,993 | | 31,836 | | | |
| Treasury stock | -4,902 | | -4,902 | | | |
| Valuation and translation adjustments | 272 | 0.7 | 234 | 0.6 | -37 | -13.8 |
| Net unrealized gains on investment securities | 201 | | 236 | | | |
| Deferred hedging gains and losses | 70 | | -1 | | | |
| Total net assets | 31,926 | 89.9 | 31,731 | 89.6 | -194 | -0.6 |
| Total liabilities and total net assets | 35,494 | 100.0 | 35,397 | 100.0 | -97 | -0.3 |

| | | | | | |
|--------|-------|--------|-------|------|-------|
| 2,809 | 8.4 | 2,584 | 7.9 | -225 | -8.0 |
| 1,014 | | 900 | | | |
| 864 | | 852 | | | |
| 637 | | 488 | | | |
| 293 | | 341 | | | |
| 403 | 1.2 | 424 | 1.3 | 20 | 5.1 |
| 139 | | 146 | | | |
| 161 | | 174 | | | |
| 102 | | 102 | | | |
| 3,213 | 9.6 | 3,008 | 9.2 | -204 | -6.4 |
| 29,835 | 89.6 | 29,469 | 90.2 | -365 | -1.2 |
| 1,925 | | 1,925 | | | |
| 2,637 | | 2,637 | | | |
| 30,174 | | 29,808 | | | |
| -4,902 | | -4,902 | | | |
| 251 | 0.8 | 201 | 0.6 | -49 | -19.7 |
| 160 | | 180 | | | |
| 90 | | 21 | | | |
| 30,086 | 90.4 | 29,671 | 90.8 | -415 | -1.4 |
| 33,299 | 100.0 | 32,679 | 100.0 | -620 | -1.9 |