

# ANALYST GUIDE

## First-half FY2017



April 2017



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

<Contact for information on this material: Mr. Tokue,  
Administration Headquarters (+81-3-5289-8200)>

# 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

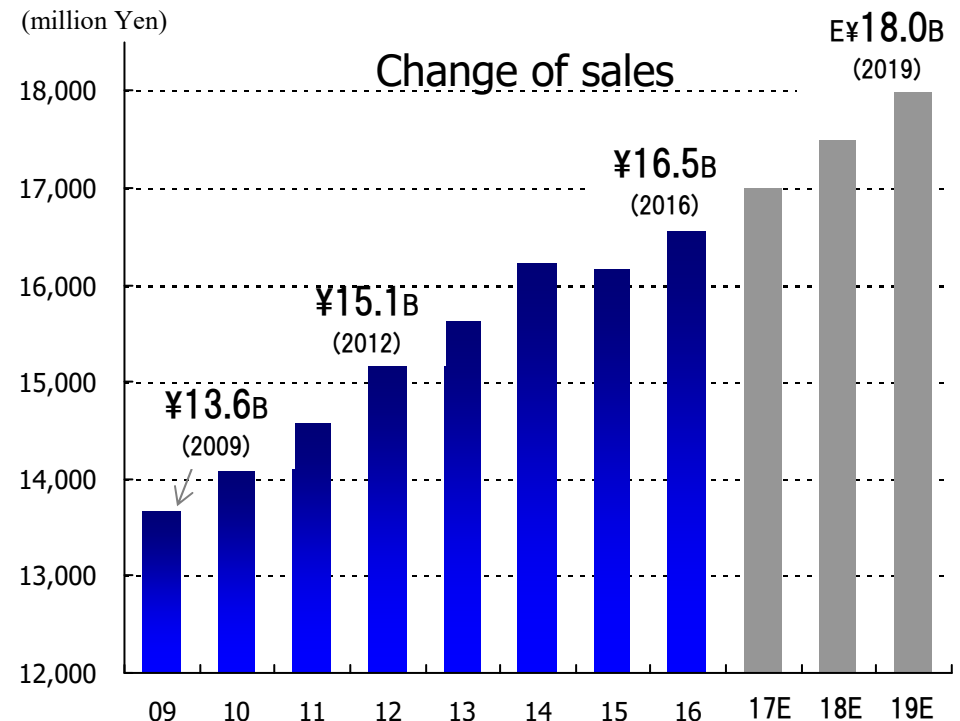
## 2

### 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"

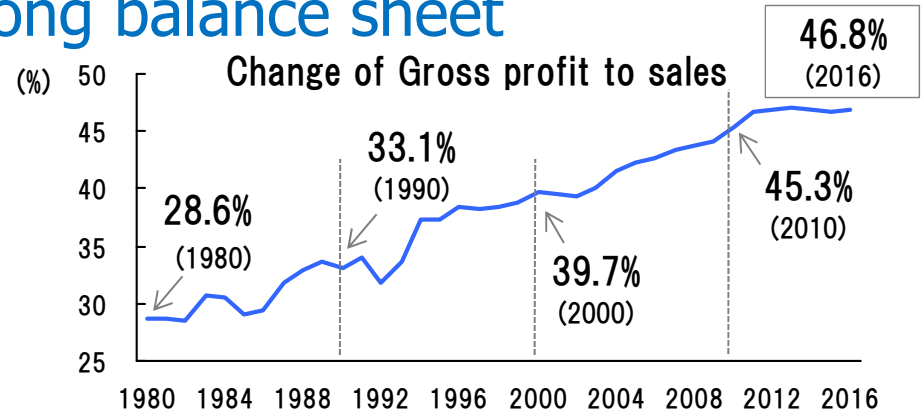




# 3

## Highly profitability and strong balance sheet

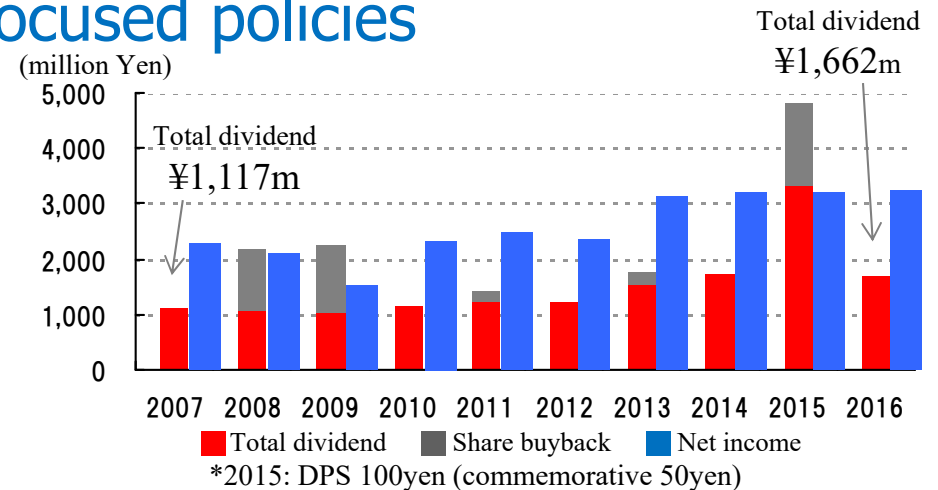
- Realization of high profitability with radical pursuit of efficiency
- Gross profit to sales 46.8% (as of FY2016)
- Capital-to-asset ratio 88.8%
- ROE 9.4%



# 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

We think that well-balanced growth with human, profit and philanthropy become the responsible corporate, on the basis of our company spirit "**Nagaism**".

# CSR/ESG

## Support for Women

### Women principal domains: Medical and Sewing



Products of Nagaileben are mainly for women, who work as a nursing staff or a care worker. At production sites of Nagaileben, many women staff has been engaged in sewing. Activities of Nagaileben are linked to support for women.

## Regional Contribution

### Medical Kids Project

#### Miffy's Visits to Hospitals

For interchange between hospitals and local communities, we have continued Medical Kids Project and Miffy's visits to hospitals. This activities started from our wish that children in hospital will be at ease.



## Regional Contribution

### Regional Contribution through Production



We have manufactured medical clothing by itself. Nowadays, factories are in Akita pref. Japan, China, Indonesia and Vietnam. Also we have contributed to the development of regional community such as job creation, ability development and life circle improvement.

## Respect for Customers

### communication space for nurse "ITONA" gallery

Commemorating our 100th anniversary year, we opened Japan's First communication space for nurse, "ITONA" gallery.



## Social Responsibility

- We received recognition from the Minister for Health, Labour and Welfare, as one of the best contributed companies in employment of people with disabilities.



- We have donated subscription, medical wear and wheelchairs when natural disasters occurred such as SARS, great earthquake at Indonesia, Han-Shin Awaji Earthquake disaster, Great East Japan earthquake and Kumamoto earthquake.

- We have published anthology for nurse regularly and made gifts for hospitals or nurses free of charge.

## Environmental Efforts

-We acquired ISO14001 certification in 2005. Production factories of Nagaileben use a management system based on ISO 14001. We strive to improve management structures and reduce environmental impacts, such as re-use of shredded waste cloth material.

-Considering not only ourselves but hospitals, we developed new product "COMPELPACK", which shifts "Re-use" from "Disposable", and has sold it. "COMPELPACK" is the surgical wear which enables hospital to reduce waste and be more economical.





- I About “NAGAILEBEN”
- II Financial Review First-half FY2017
- III Market Environment
- IV Forecast for FY2017
- V Management Goals
- VI Rewarding shareholder-focused policies

**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.



1

## Sales & Income

Net Sales and Operating income recorded highest.

Sales: **¥7,149** m      Operating income: **¥1,932** m

2

## The Change of Business Environment

- Market Condition

The impact of Medical treatment fees revision was negligible.

- Production Condition:

(In Japan) The sewing costs increased.

(Overseas) The cost of production increased  
due to appreciation of the dollar against the yen.

3

## Unusual Event in this term

- Exchange-rate profit:	First-half FY2015	¥220m
	First-half FY2016	-¥33m
	First-half FY2017	¥46m

## II Financial Review First-half FY2017



# Financial Highlights <Statements of Income>



(millions of yen,%)	First-half FY2017	% Change	To Forecast %	Composition %	Composition % Change
<b>Net sales</b>	7,149	+3.0	+0.1	100.0	—
<b>Gross profit</b>	3,405	+7.3	+1.7	47.6	+1.8
<b>Sales, general, and administrative expenses</b>	1,473	+0.6	-2.1	20.6	-0.6
<b>Operating income</b>	1,932	+13.0	+4.8	27.0	+2.4
<b>Recurring income</b>	2,007	+17.9	+7.5	28.1	+3.6
<b>Net income</b>	1,380	+22.8	+8.0	19.3	+3.1

## [Overview]

- Sales in major business for healthcare grew steadily. Sales of products for patients continued to grow greatly. Sales in first half of FY2017 surpassed forecast and became highest ever.

[Gross profit] ] Gross profit to sales      FY2016 45.8%      → FY2017 47.6 %  
 (Factor of Sales: +¥244m,      Factor of production -¥13 m)

→ Boost of material cost and sewing cost (-¥16m)  
 → Foreign Exchange rate:      FY2016 ¥99.7yen/dollar      → FY2017 ¥102.5yen/dollar (-¥25m)  
 Overseas production ratio      FY2016 46.5%      → FY2017 47.0% (+¥18m)

## [Sales, general, and administrative expenses]

- FY2016 The cost of 100th anniversaries:¥34m(-¥34m)      FY2017 Dual corporate tax system: ¥36m (+¥17m)

## [Non-operating income]

- Exchange-rate profit and loss: FY2016 -¥33m      FY2017 ¥46m (+¥79m)

## [Capital Expenditure]

-Capital Expenditure: ¥60m (IT system:¥18m, Buildings:¥8m, Distribution equipment:¥8m, Manufacturing equipment:¥3m)

-Depreciation: ¥156m

# Financial Highlights <Balance Sheet>



Major assets (¥ million %)

Title	Result	Change Result	Change %
Cash on hand at banks	18,868	+3,468	+22.5
Notes and accounts receivable	4,897	+136	+2.9
Securities	—	-1,518	-100.0
Inventories	5,112	+234	+4.8
Current assets	29,234	+2,246	+8.3
Buildings and structures	2,308	-103	-4.3
Land	4,447	—	—
Investments and other assets	1,319	-77	-5.6
Fixed assets	8,756	-229	-2.6
Total assets	37,991	+2,017	+5.6

Major liabilities and shareholders' equity (¥ million %)

Title	Result	Change Result	Change%
Notes and accounts payable	1,567	-19	-1.2
Accrued income taxes	621	+78	+14.5
Current liabilities	3,710	+135	+3.8
Capital reserves	34,696	+1,856	+5.7
Treasury stock	-4,902	-0	-0.0
Net assets	34,281	+1,881	+5.8
Total liabilities and net assets	37,991	+2,017	+5.6

[Major changes from the previous fiscal year]

## Cash and cash equivalents

**up ¥3,468million**

- Cash flows from operating activities up ¥3,640million
- Redemption of securities(FFF) up ¥1,518million
- Acquisition tangible and intangible down ¥172million
- Dividend payout down ¥1,656million

## Fixed assets

**down ¥229million**

- Buildings and structures(depreciation) down ¥147million

## Net assets

**up ¥1,881million**

- Net profit up ¥3,518million
- Dividend payout down ¥1,662million

# Segments by item



Healthcare wear



Patient wear



Shoes



Doctors' wear



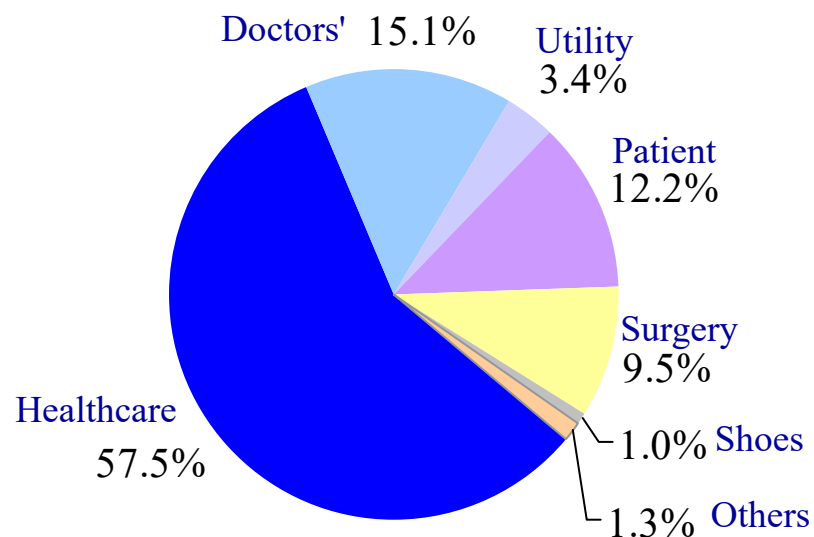
Utility wear



Surgery wear



# Sales by Item



Year-on-year change	First-half FY2016	First-half FY2017
Overall	+1.4%	+3.0%
Healthcare wear	+0.2%	+2.2%
Doctors' wear	+2.0%	+0.7%
Utility wear	-5.4%	-14.3%
Patient wear	+13.2%	+20.9%
Surgery wear	+1.3%	+2.1%
Shoes	-6.2%	+1.3%
Others	-4.0%	-10.1%

## [Healthcare wear]

-Sales was doing well. Catching renewal and new contracts are steadily, by the market vitalization with new products in recent years.

## [Doctors' wear]

-Sales exceeded the previous year. High-functional and high-end products contributed to the sales.

## [Utility wear]

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

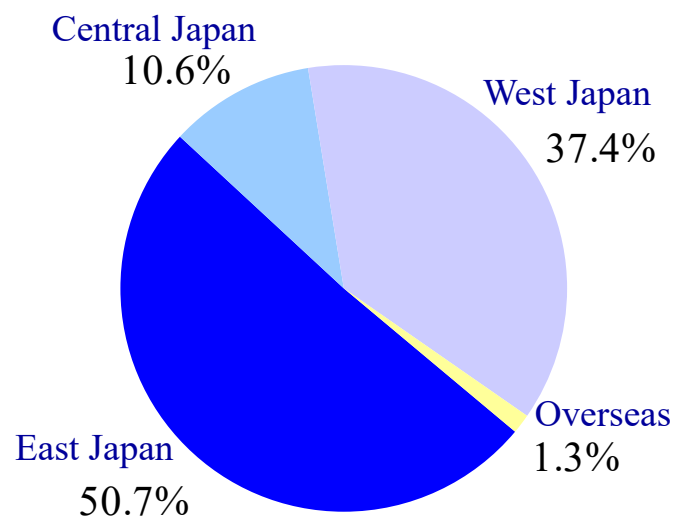
## [Patient wear]

-High-growth continued. Not only conventional products but new products contributed to the growth of sales.

## [Surgery wear]

- The capacity of sterilization factory for COMPELPACK reached limit. Sales staid 2% growth.

# Sales by Region



Year-on-year change	First-half FY2016	First-half FY2017
Total sales	+1.4%	+3.0%
East Japan	-0.7%	+6.4%
Central Japan	-8.9%	+5.5%
West Japan	+6.5%	-0.8%
Overseas	+29.3%	-21.4%

## [East Japan]

- Sales reached highest record. by catching renewal and new contracts steadily.

## [Central Japan]

-Market size was not large and there was the influence by the size of contracts.

## [West Japan]

-In FY2016, there was high-growth sales due to catching large scale contract. Sales kept previous year, as focusing on catching new contracts.

## [Overseas]

- Though sales was not large and there were sales for large scale hospitals in FY2016, sales declined at this stage.

## III Market Environment

# Market Environment Topics



## 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

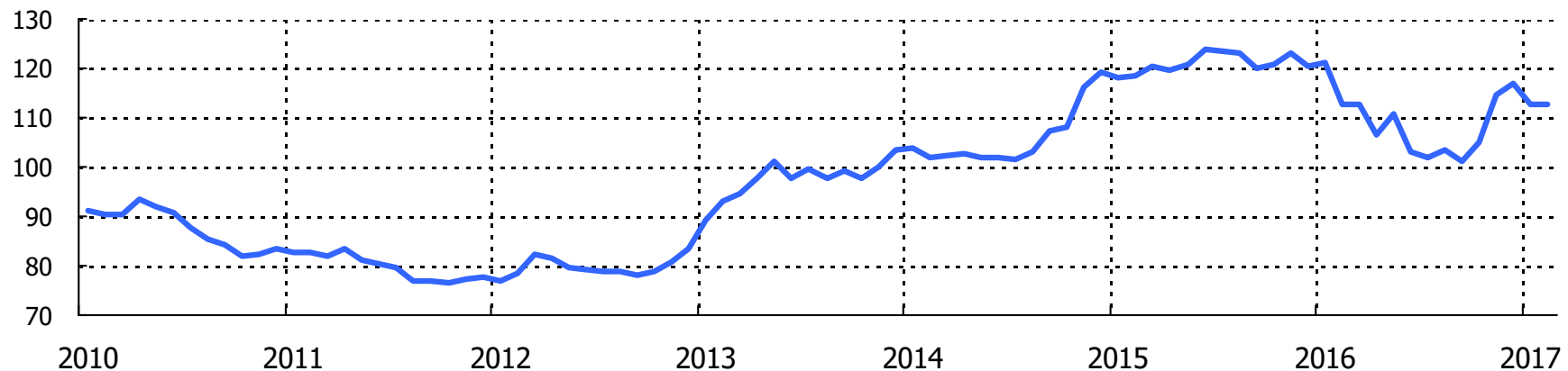
Overseas: The cost of labor charge around China and Southeast Asia raised.  
In Japan: Labor costs are Increasing due to labor shortage.

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

-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 Feb. 2017  
¥112/dollar



# Market Environment



## Changes and prospects for medical and care service systems

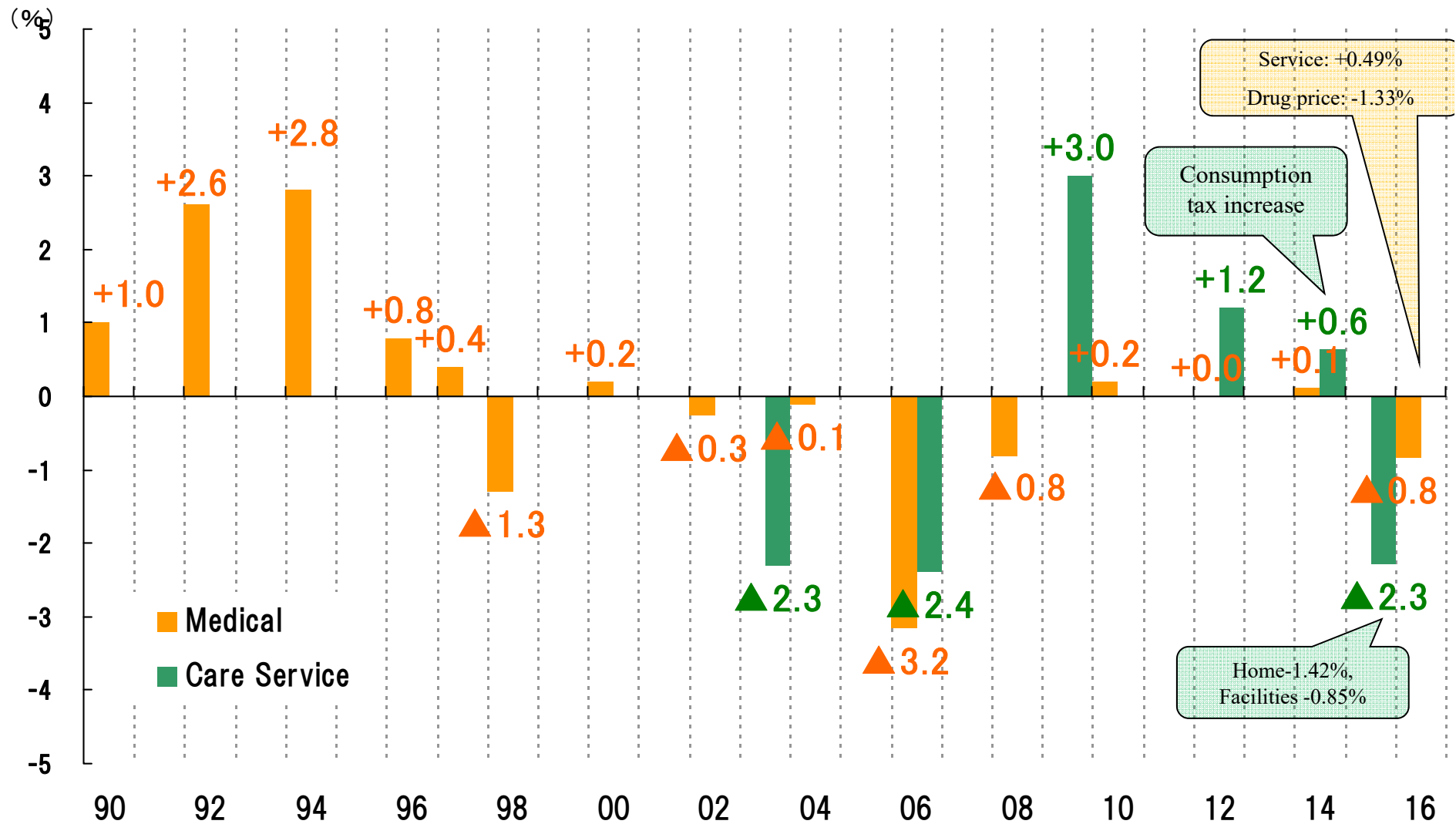
	Medical System		Care Service System	
	Medical Service Law, Health and Medical Service Law for the Aged, Medical Insurance, etc	Medical treatment fees	Care Service Law, Nursing Care Insurance, etc.	Nursing care fees
'07	New Health Frontier Strategy announced Social medical corporations instituted by law		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 <sup>th</sup> 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 <sup>th</sup> 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 <sup>th</sup> 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	
'17	Revision of the high-cost medical care benefit system The foundation of promotion organization for community medical corporation		The temporary revision of nursing care compensation The partial revision of Nursing Care Insurance Law	



# Market Environment



## Revisions to medical treatment and care Service fees

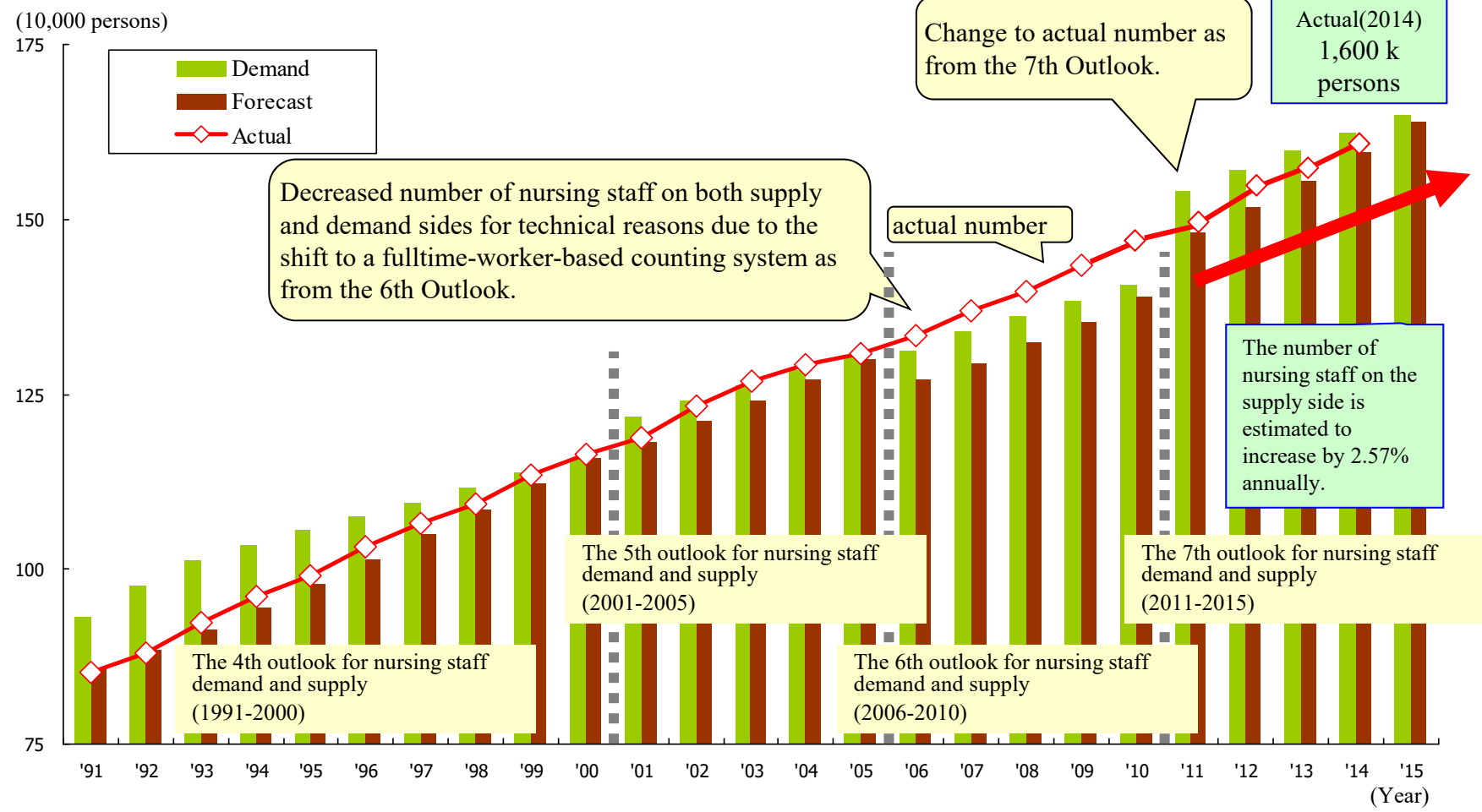


# Market Environment



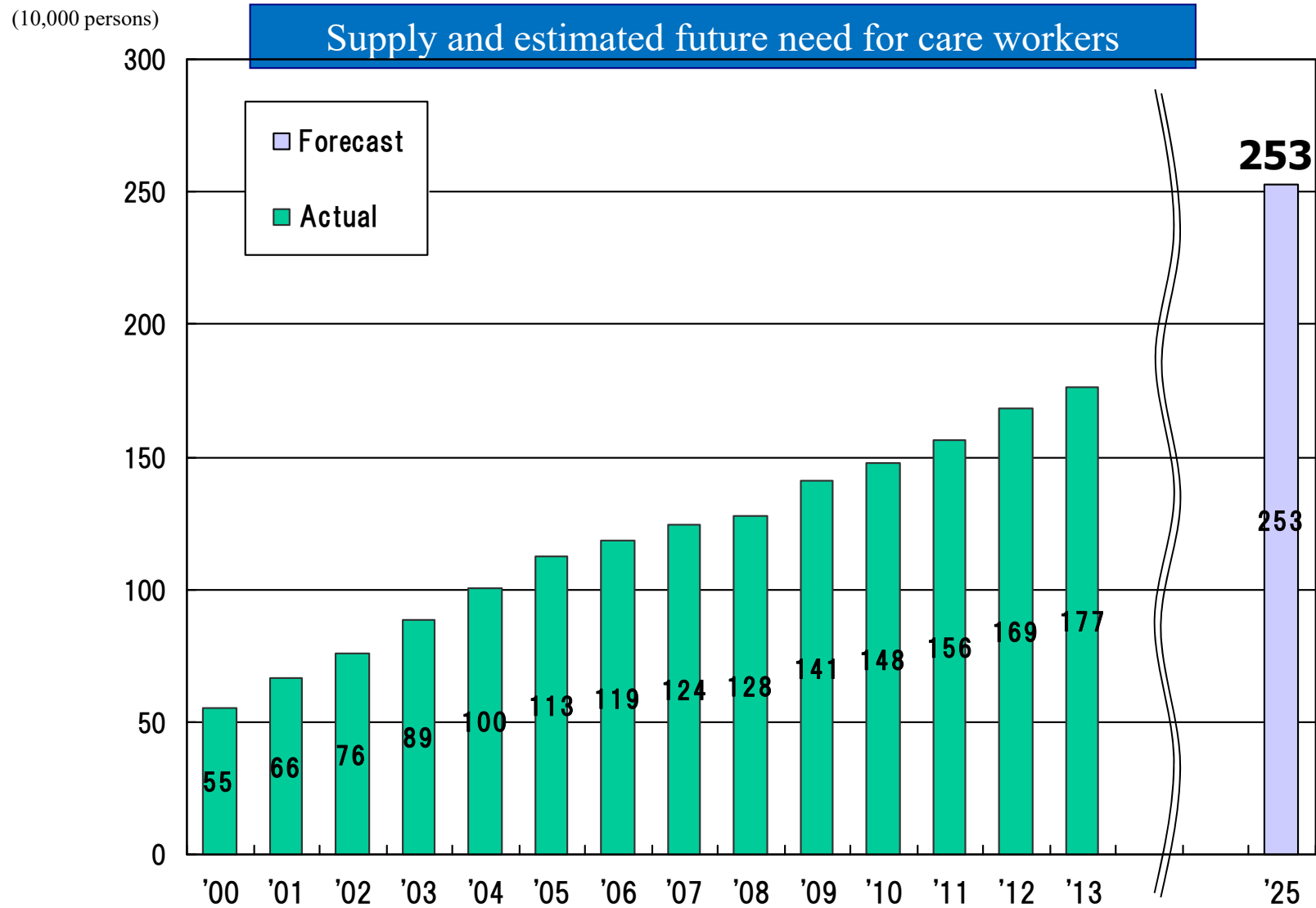
## Supply and Demand of Nursing Staff

(Source: the Ministry of Health, Labour 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 is under formulation.

# Market Environment

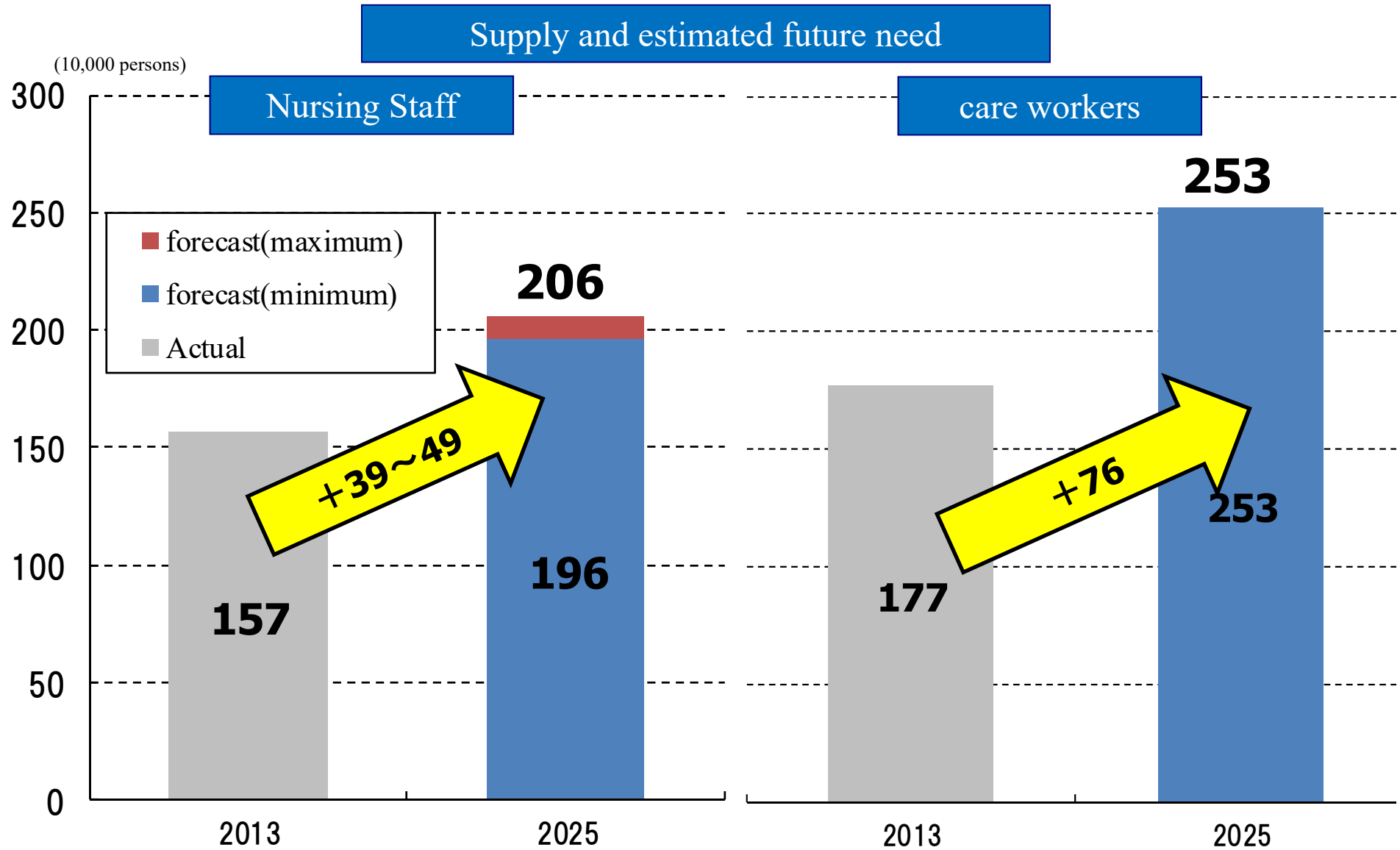


Since the number of track records are subject to the influence of change of an examination method, Ministry of Health, Labour and Welfare adjusted the number after 2009.

Actual record: Ministry of Health' statistical data

Forecast: Ministry of Health, Labour and Welfare: Estimation of care workers' demand

# Market Environment



Actual record: Japanese Nursing Associations' statistical data

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

Actual record: Ministry of Health' statistical data

Forecast: Ministry of Health, Labour and Welfare: Estimation of care workers' demand

## IV Forecast for FY2017

# Management Tasks and Status

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## 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 driving the strategy of higher quality and value-added products

# Forecast Statements of Income



(millions of yen,%)	FY2017E	% Change (FY2015)	Composition % Change
<b>Net sales</b>	17,000	+2.8	—
<b>Gross profit</b>	7,945	+2.7	-0.1
<b>Sales, general, and administrative expenses</b>	2,839	+2.0	-0.1
<b>Operating income</b>	5,106	+3.1	+0.1
<b>Recurring income</b>	5,150	+4.3	+0.4
<b>Net income</b>	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 maintained. 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 Sales: +¥321m, Factor of production: -¥111 m)

→ Boost of material cost and sewing cost (-¥70m)  
 Foreign Exchange rate: FY2016 ¥99.8yen/dollar → FY2017E ¥104.5yen/dollar (-¥86m)  
 Overseas production ratio FY2016 47.4% → FY2017E 47.9% (+¥40m)

## [Sales, general, and administrative expenses]

- FY2016 The cost of 100th anniversaries:¥34m(-¥34m) FY2017 Dual corporate tax system: ¥87m (+¥37m)

## [Non-operating income]

- Exchange-rate profit and loss: FY2016 -¥70m \*Exchange-rate profit and loss was not factored into above forecast.

## [Capital Expenditure]

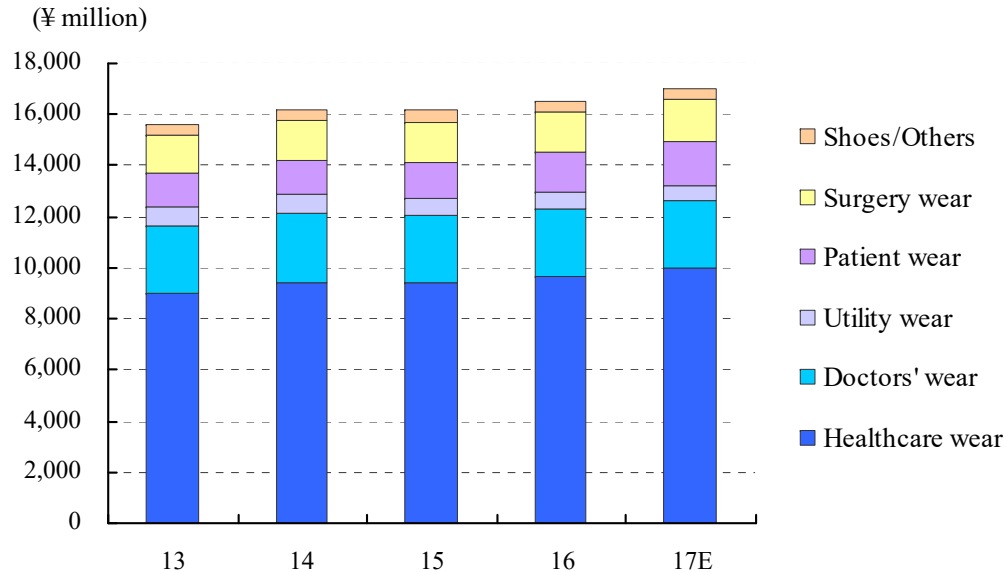
-Capital Expenditure: ¥155m (Buildings:¥44m, IT system:¥41m, Manufacturing equipment:¥33m, Distribution equipment:¥12m)

-Depreciation: ¥318m

# Forecast of Sales by Item



## Sales by Item



Year-on-year change	FY2016	FY2017E
Sales	+2.4%	+2.8%
Healthcare wear	+2.6%	+2.5%
Doctors' wear	+2.0%	+1.7%
Utility wear	-10.3%	-15.2%
Patient wear	+11.1%	+14.7%
Surgery wear	+0.9%	+3.5%
Shoes/Others	-3.5%	-6.5%

**[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.

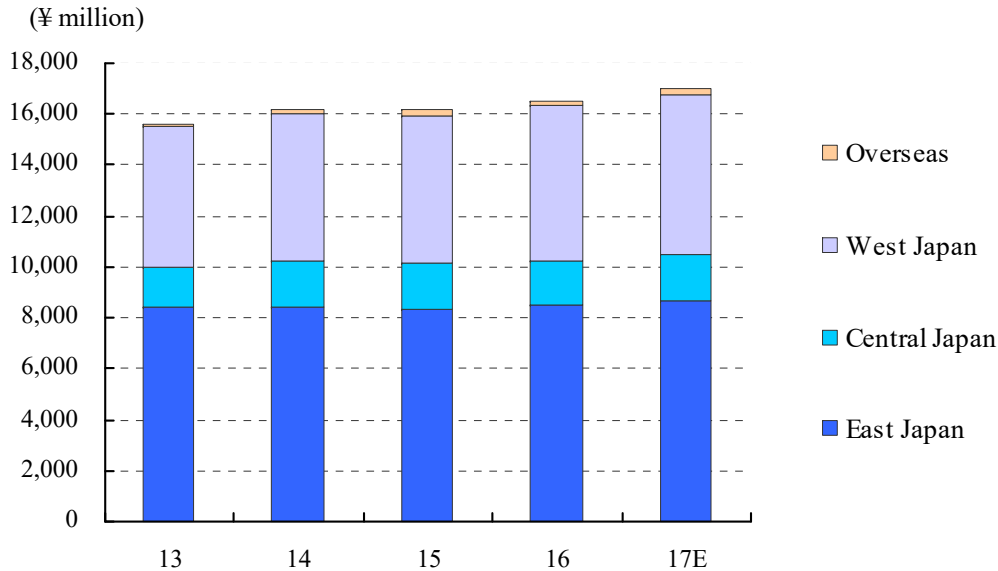
**[Surgery wear]** As COMPELPACK and surgical underwear (scrub) being steadily permeated, the increase in sales of surgery wear is expected to continue.



# Forecast of Sales by Region



## Sales by Region



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.

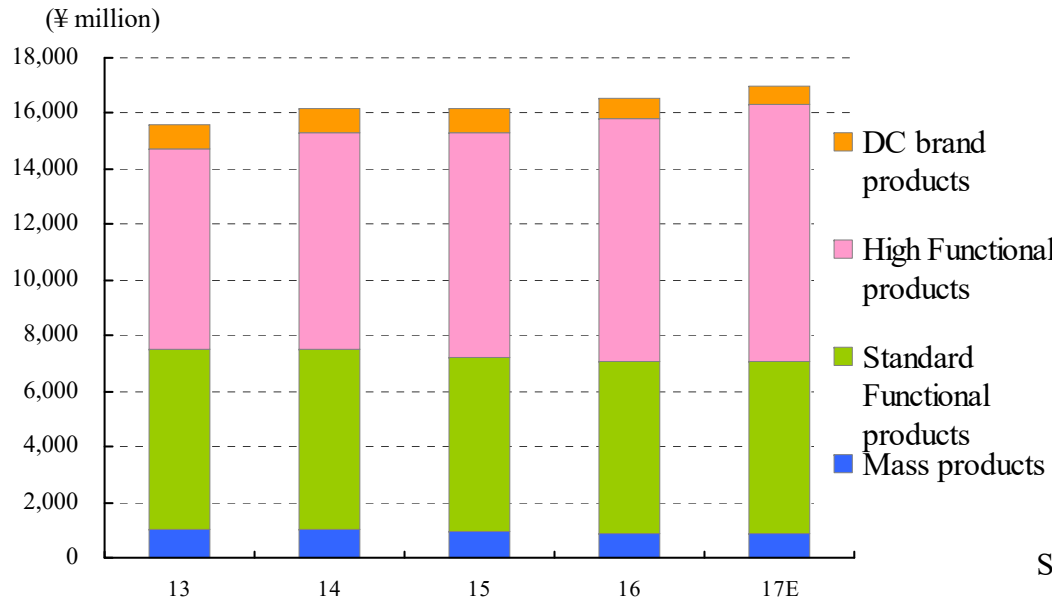
**[Central and West Japan]** As gaining share by sales promotion, the increase of sales is planned.

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

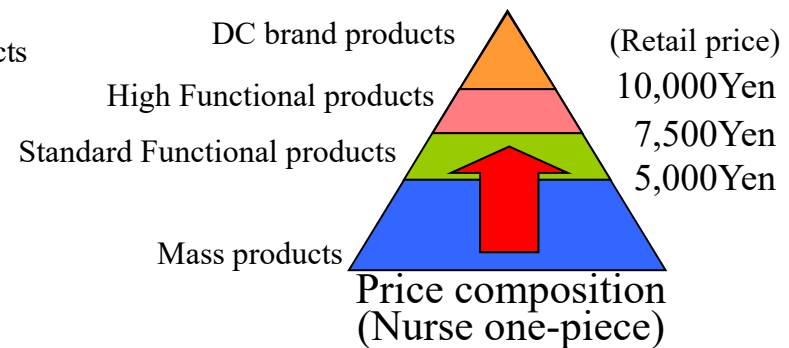
# Product Strategy



## Sales by Product



Year-on-year change	FY2016	FY2017E
Sales	2.4%	+2.8%
DC brand products	-14.8%	-8.4%
High Functional products	+7.8%	+4.5%
Standard Functional products	-0.9%	+3.2%
Mass products	-6.6%	-7.4%



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

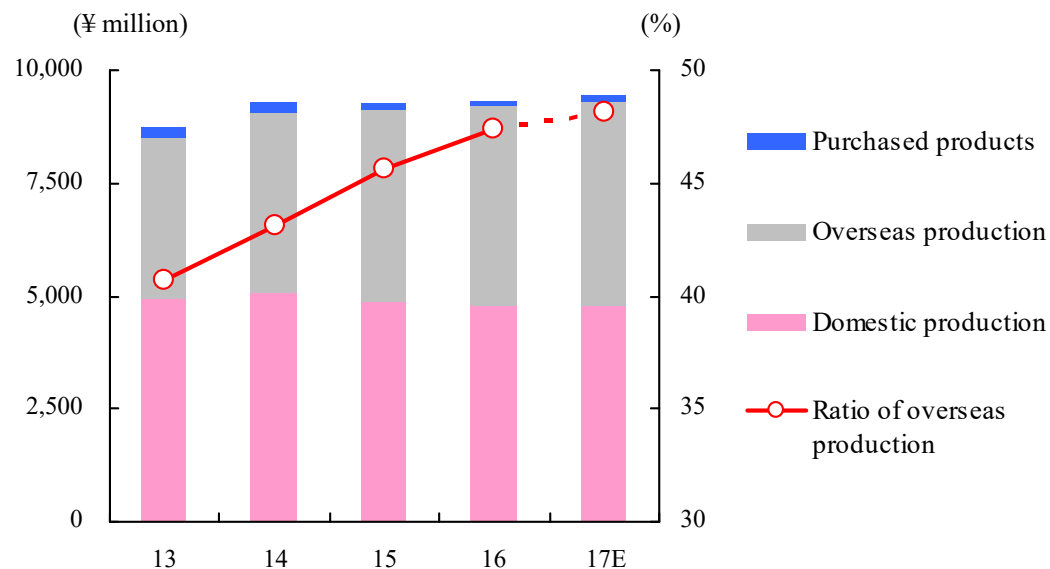
[High functional products ] As these products being received well from the market, the increase in sales of high functional products is expected to continue by driving the strategy of higher quality and value-added products.

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

# Production Strategy



## Production(Non-Consolidated)



Composition	FY2016	FY2017E
Domestic production	51.2%	50.7%
Overseas production	47.4%	47.9%
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)

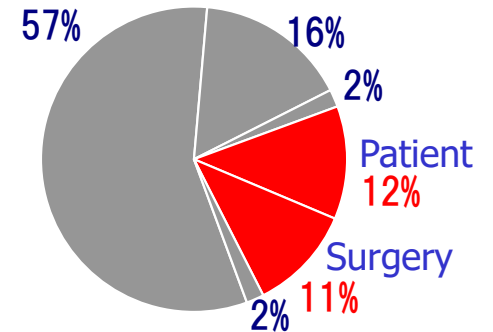
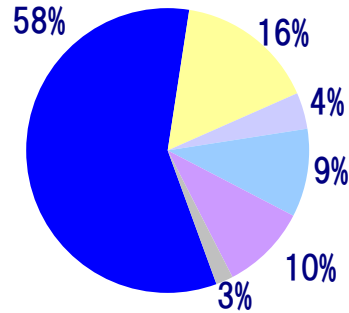
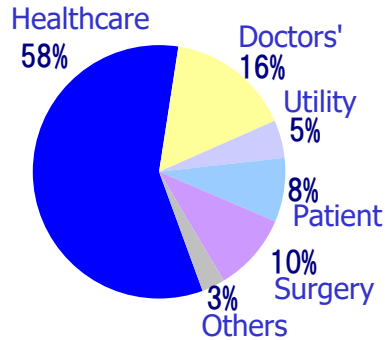
FY2019E  
(3 terms later)

net sales ¥15,625 million

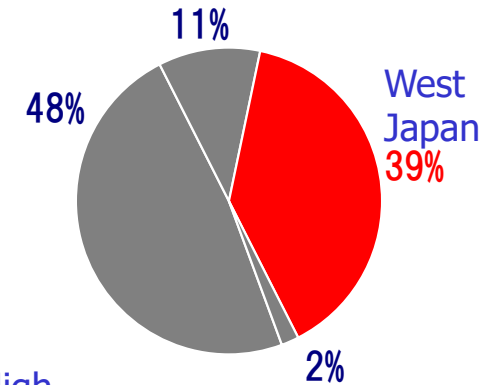
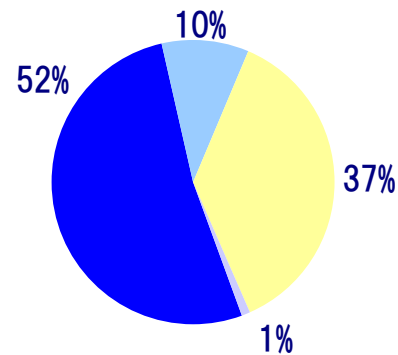
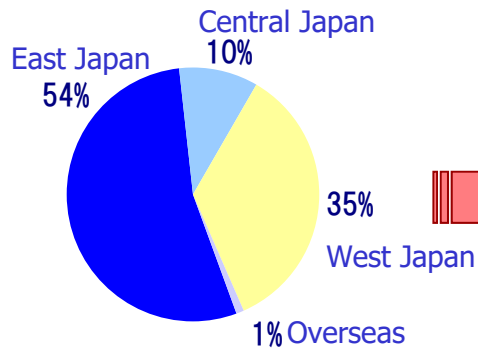
¥16,537 million

¥18,000 million

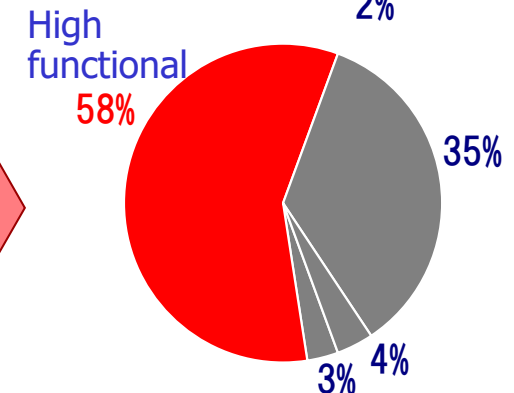
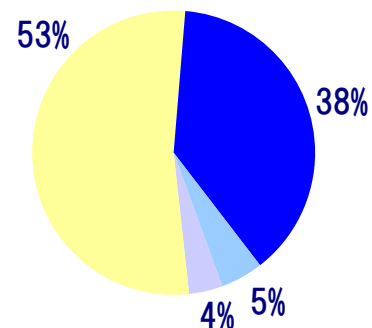
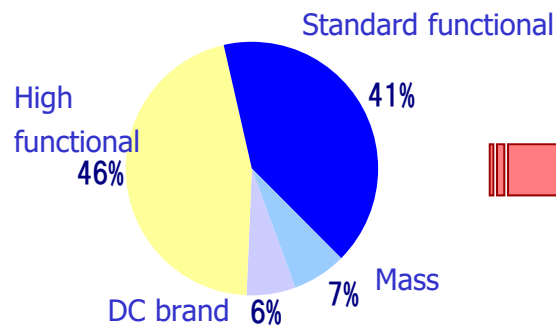
Sales by Item



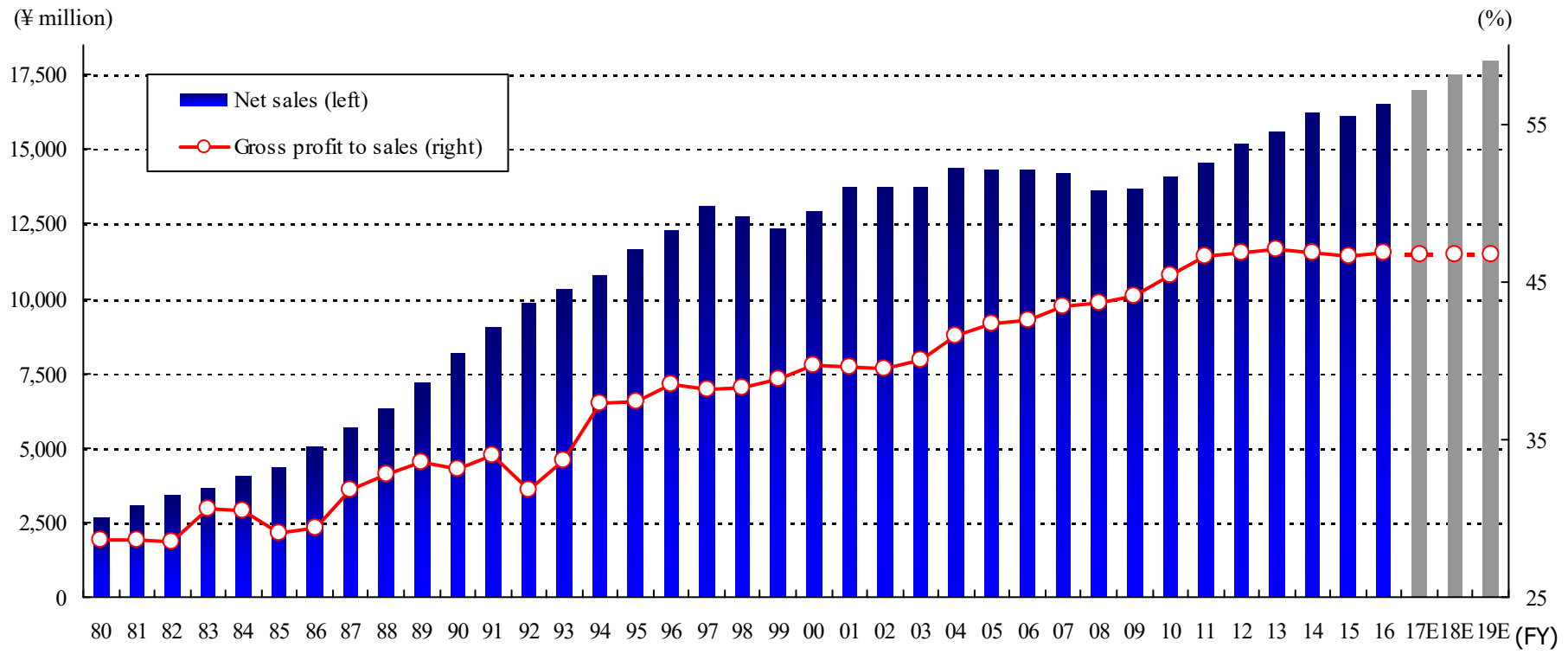
Sales by Region



Sales by Products



# Net Sales and Gross Profit to Sales Ratio



Note: Consolidated data since FY1994 are shown. Preceding years represent non-consolidated data.

(¥ 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%

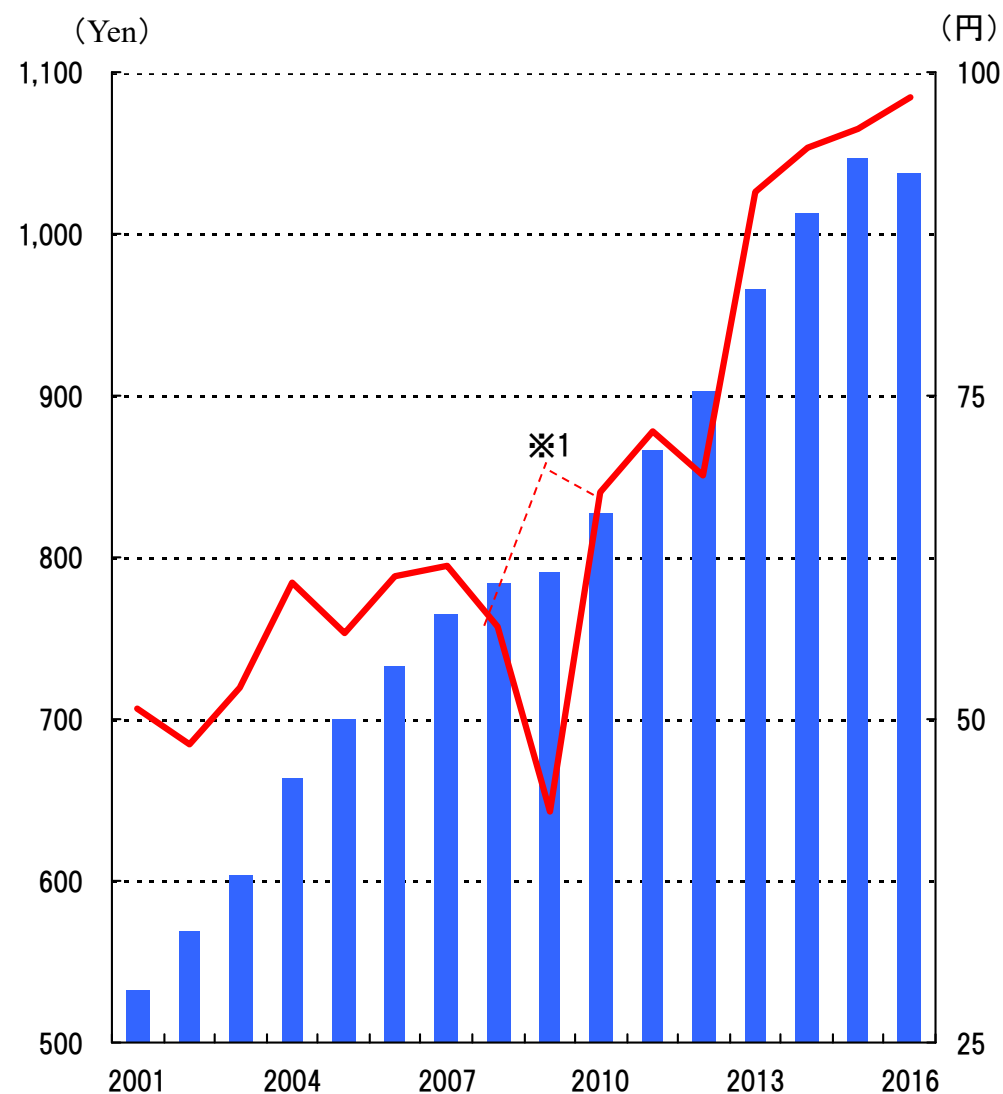
## Share buyback

- 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)

# Actual Dividends Paid

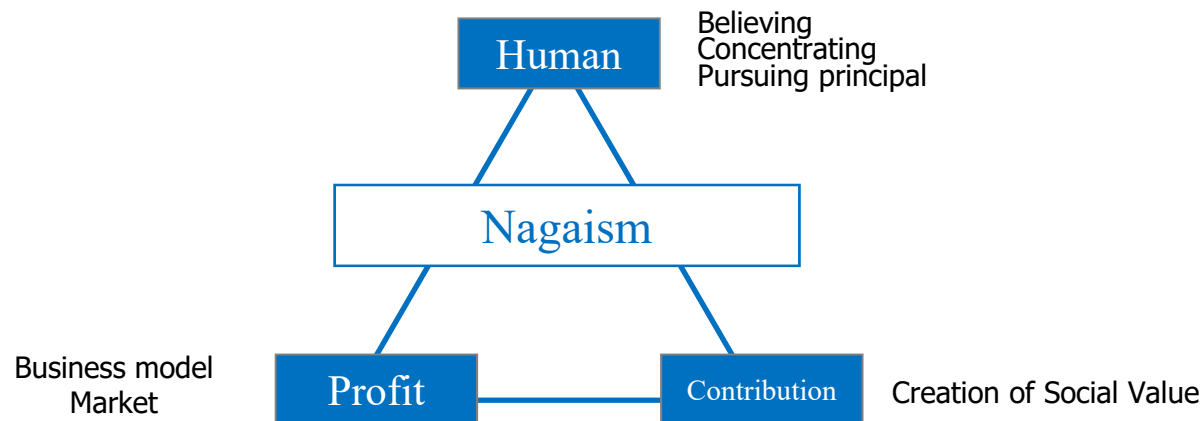


	Total dividend (Million yen)	Share buyback (Million yen)	Payout ratio (non-c, %)	Total return ratio (non-c, %)
FY2001	475	0	27.6	27.6
FY2002	475	0	29.3	29.3
FY2003	530	1,697	29.7	124.6
FY2004	744	0	36.5	36.5
FY2005	1,117	0	56.9	56.9
FY2006	1,117	0	53.4	53.4
FY2007	1,117	0	53.1	53.1
FY2008	1,083	1,077	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	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.



# Data File

## First-half FY2017



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

**◁Contact for information on this material: Mr. Tokue, Administration Headquarters (+81-3-5289-8200)▷**

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# 1. Sales by Item

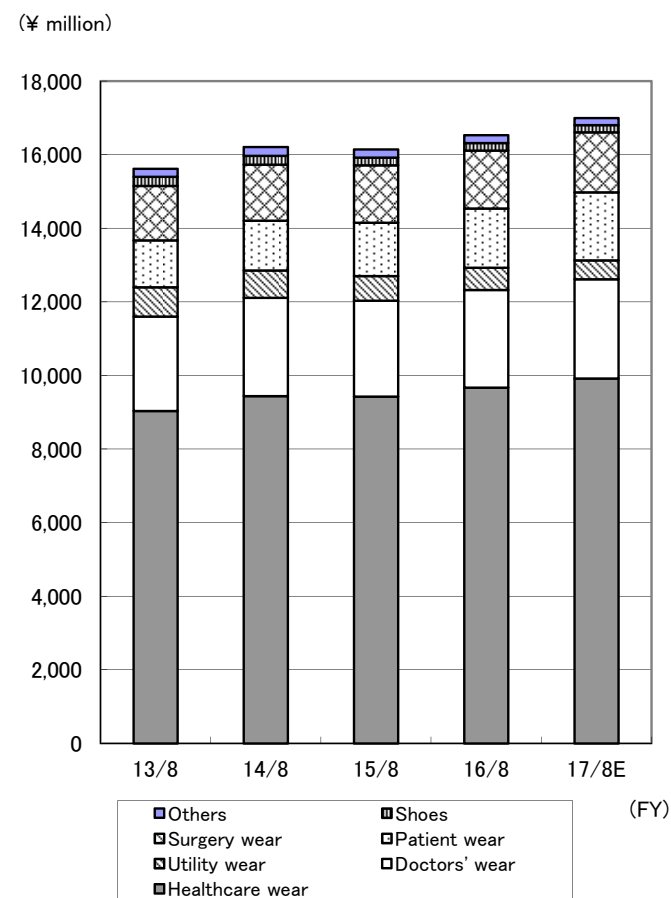
FY	13/8	14/8	15/8	16/8	17/8E	¥ million	
						First-half 16/8	First-half 17/8
Sales	15,625	16,214	16,150	16,537	17,000	6,938	7,149
Healthcare wear	9,039	9,440	9,429	9,674	9,920	4,021	4,110
Doctors' wear	2,566	2,674	2,604	2,654	2,700	1,067	1,075
Utility wear	796	743	670	601	510	282	241
Patient wear	1,273	1,353	1,451	1,613	1,850	719	870
Surgery wear	1,479	1,525	1,560	1,574	1,630	667	681
Shoes	249	237	211	204	200	73	74
Others	219	239	222	213	190	106	95

## Change over previous year

Sales	3.0	3.8	-0.4	2.4	2.8	%	
						1.4	1.4
Healthcare wear	3.1	4.4	-0.1	2.6	2.5	0.2	2.2
Doctors' wear	3.3	4.2	-2.6	2.0	1.7	2.0	0.7
Utility wear	-7.9	-6.6	-9.8	-10.3	-15.2	-5.4	-14.3
Patient wear	4.1	6.3	7.2	11.1	14.7	13.2	20.9
Surgery wear	7.7	3.2	2.3	0.9	3.5	1.3	2.1
Shoes	-7.0	-5.1	-10.9	-3.1	-2.3	-6.2	1.3
Others	14.5	9.0	-7.0	-3.9	-11.1	-4.0	-10.1

## 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	58.3	58.0	57.5
Doctors' wear	16.4	16.5	16.1	16.1	15.9	15.4	15.1
Utility wear	5.1	4.6	4.1	3.6	3.0	4.1	3.4
Patient wear	8.2	8.3	9.0	9.8	10.9	10.4	12.2
Surgery wear	9.5	9.4	9.7	9.5	9.6	9.6	9.5
Shoes	1.6	1.5	1.3	1.2	1.2	1.0	1.0
Others	1.4	1.5	1.4	1.3	1.1	1.5	1.3



## 2. Sales by Product

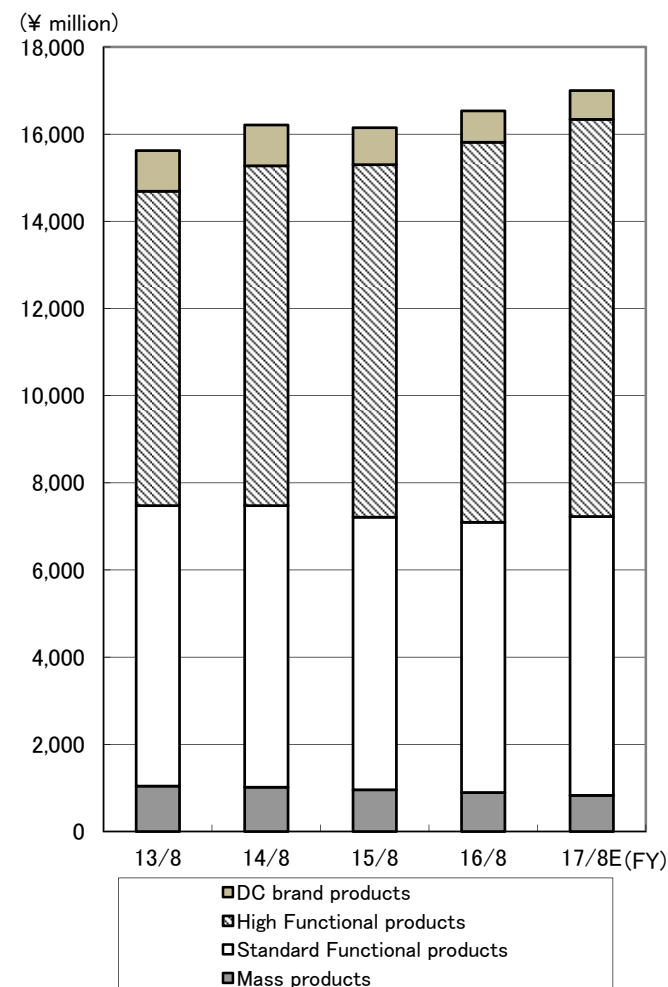
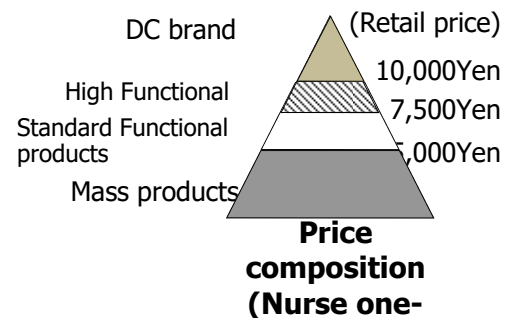
FY						( $\text{¥ million}$ )	
	13/8	14/8	15/8	16/8	17/8E	First-half 16/8	First-half 17/8
Sales	15,625	16,214	16,150	16,537	17,000	6,938	7,149
DC brand products	933	938	846	720	660	305	264
High Functional products	7,212	7,795	8,090	8,720	9,110	3,716	3,831
Standard Functional products	6,433	6,462	6,252	6,199	6,400	2,545	2,714
Mass products	1,045	1,017	960	896	830	370	338

### Change over previous year

						( $\%$ )	
	13/8	14/8	15/8	16/8	17/8E	16/8	17/8
Sales	3.0	3.8	-0.4	2.4	2.8	1.4	3.0
DC brand products	-8.9	0.6	-9.9	-14.8	-8.4	-16.7	-13.4
High Functional products	10.1	8.1	3.8	7.8	4.5	7.5	3.1
Standard Functional products	-1.0	0.4	-3.2	-0.9	3.2	-2.7	6.6
Mass products	-5.1	-2.7	-5.6	-6.6	-7.4	-7.1	-8.5

### Composition

						( $\%$ )	
	13/8	14/8	15/8	16/8	17/8E	16/8	17/8
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	3.9	4.4	3.7
High Functional products	46.2	48.1	50.1	52.7	53.6	53.6	53.6
Standard Functional products	41.2	39.9	38.7	37.5	37.6	36.7	38.0
Mass products	6.7	6.3	6.0	5.4	4.9	5.3	4.7





### 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 16/8	First-half 17/8
6,938	7,149
3,406	3,625
717	757
2,694	2,672
119	94

#### Change over previous year

Sales	3.0	3.8	-0.4	2.4	2.8
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

(%)

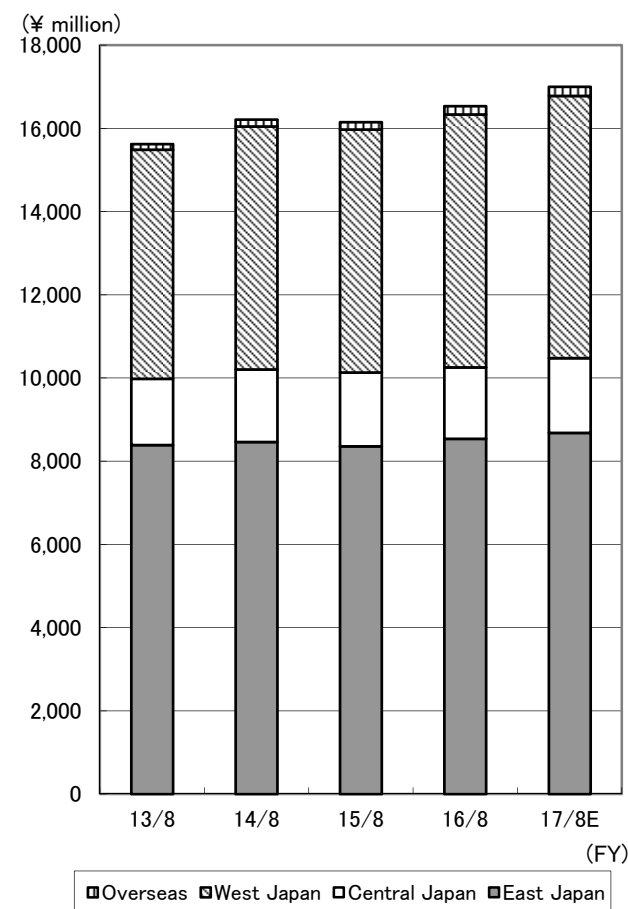
1.4	3.0
-0.7	6.4
-8.9	5.5
6.5	-0.8
29.3	-21.4

#### Composition

Sales	100.0	100.0	100.0	100.0	100.0
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
49.1	50.7
10.4	10.6
38.8	37.4
1.7	1.3



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

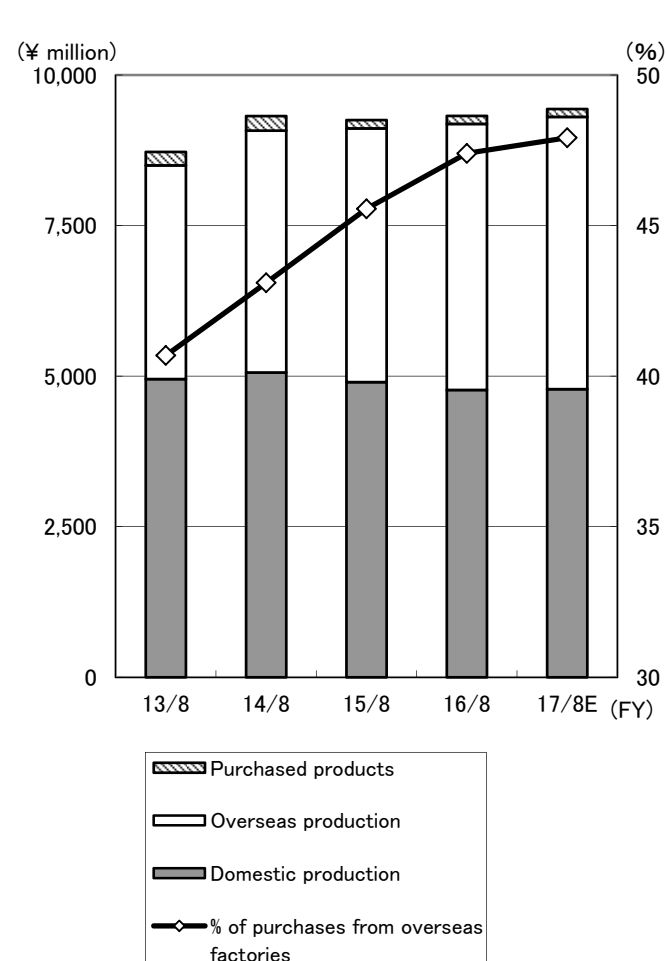
FY	13/8	14/8	15/8	16/8	17/8E	(¥ million)	
						First-half 16/8	First-half 17/8
Domestic production	4,951	5,061	4,901	4,771	4,785	2,430	2,380
Overseas production	3,550	4,017	4,215	4,419	4,522	2,164	2,166
Purchased products	224	242	136	133	130	55	63
<b>Total</b>	<b>8,725</b>	<b>9,320</b>	<b>9,252</b>	<b>9,323</b>	<b>9,437</b>	<b>4,649</b>	<b>4,609</b>

Change over previous year					
Domestic production	-2.1	2.2	-3.2	-2.7	0.3
Overseas production	3.2	13.2	4.9	4.8	2.3
Purchased products	-6.5	8.0	-43.8	-2.2	-2.3
<b>Total</b>	<b>-0.1</b>	<b>6.8</b>	<b>-0.7</b>	<b>0.8</b>	<b>1.2</b>

Composition					
Domestic production	56.7	54.3	53.0	51.2	50.7
Overseas production	40.7	43.1	45.6	47.4	47.9
Purchased products	2.6	2.6	1.5	1.4	1.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Change over previous year (%)	
Domestic production	-2.6
Overseas production	2.5
Purchased products	-16.7
<b>Total</b>	<b>-0.5</b>

Composition (%)	
Domestic production	52.3
Overseas production	46.5
Purchased products	1.2
<b>Total</b>	<b>100.0</b>



## 5. Statements of Income (Consolidated)

(¥ million)

FY	13/8	14/8	15/8	16/8	17/8E	First-half 16/8	First-half 17/8
Net Sales	15,625	16,214	16,150	16,537	17,000	6,938	7,149
Gross profit	7,346	7,585	7,532	7,735	7,945	3,174	3,405
Sales, general, and administrative expense	2,473	2,662	2,719	2,784	2,839	1,464	1,473
Operating income	4,873	4,923	4,813	4,950	5,106	1,709	1,932
Recurring income	5,418	5,142	5,088	4,937	5,150	1,702	2,007
Net income	3,119	3,224	3,225	3,262	3,528	1,123	1,380

### Change over previous year

(%)

Net Sales	3.0	3.8	-0.4	2.4	2.8	1.4	3.0
Gross profit	3.4	3.3	-0.7	2.7	2.7	-0.4	7.3
Sales, general, and administrative expense	0.5	7.7	2.1	2.4	2.0	5.4	0.6
Operating income	5.0	1.0	-2.2	2.9	3.1	-4.9	13.0
Recurring income	13.2	-5.1	-1.0	-3.0	4.3	-16.3	17.9
Net income	31.5	3.4	0.1	1.1	8.2	-13.7	22.8

### Composition

(%)

Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	47.0	46.8	46.6	46.8	46.7	45.8	47.6
Sales, general, and administrative expense	15.8	16.4	16.8	16.9	16.7	21.2	20.6
Operating income	31.2	30.4	29.8	29.9	30.0	24.6	27.0
Recurring income	34.7	31.7	31.5	29.9	30.3	24.5	28.1
Net income	20.0	19.9	20.0	19.7	20.8	16.2	19.3

## 6. Statements of Income (Non-Consolidated)

FY						(¥ million)	
	13/8	14/8	15/8	16/8	17/8E	First-half 16/8	First-half 17/8
Net Sales	15,616	16,199	16,141	16,535	17,000	6,937	7,148
Gross profit	7,031	7,270	7,218	7,416	7,615	3,034	3,272
Sales, general, and administrative expense	2,482	2,662	2,718	2,775	2,827	1,454	1,455
Operating income	4,549	4,608	4,500	4,641	4,787	1,579	1,816
Recurring income	5,177	4,938	4,883	4,734	4,944	1,674	1,995
Net income	3,014	3,145	3,137	3,167	3,427	1,139	1,404

### Change over previous year

						(% )	
Net Sales	3.0	3.7	-0.4	2.4	2.8	1.5	3.0
Gross profit	3.5	3.4	-0.7	2.7	2.7	-0.6	7.8
Sales, general, and administrative expense	-0.4	7.2	2.1	2.1	1.9	5.1	0.1
Operating income	5.8	1.3	-2.3	3.1	3.2	-5.4	15.0
Recurring income	16.1	-4.6	-1.1	-3.1	4.4	-16.5	19.2
Net income	37.7	4.4	-0.3	0.9	8.2	-13.5	23.2

### Composition

						(% )	
Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	45.0	44.9	44.7	44.9	44.8	43.8	45.8
Sales, general, and administrative expense	15.9	16.4	16.8	16.8	16.6	21.0	20.4
Operating income	29.1	28.5	27.9	28.1	28.2	22.8	25.4
Recurring income	33.2	30.5	30.3	28.6	29.1	24.1	27.9
Net income	19.3	19.4	19.4	19.2	20.2	16.4	19.7

## 7. Indices (Consolidated)

		(Unit)	12/8	13/8	14/8	15/8	16/8	First-half 16/8	First-half 17/8
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	974.5	1,031.1
	EPS	(¥)	68.9	90.8	94.1	95.6	98.1	33.8	41.5
	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	76	60
	Depreciation	(¥ million)	270	256	335	360	331	163	156
	Number of employees	(Persons)	501	499	501	497	499	499	501
	Personnel expense	(¥ million)	2,235	2,245	2,305	2,305	2,328	1,168	1,183

(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 16/8	First-half 17/8
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 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	(%)	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	892.5	947.4
	EPS	(¥)	63.6	87.8	91.9	93.0	95.3	34.3	42.2
	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	52	32
	Depreciation	(¥ million)	233	214	295	327	293	145	133
	Number of employees	(Persons)	106	110	112	113	115	114	112
	Personnel expense	(¥ million)	999	1,007	1,051	1,101	1,141	576	585

(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 16/8		First-half 17/8		Change(the previous year)	
Result	Composition	Result	Composition	Result	Change %
6,938	100.0	7,149	100.0	211	3.0
3,763	54.2	3,744	52.4	-19	-0.5
3,174	45.8	3,405	47.6	230	7.3
1,464	21.2	1,473	20.6	8	0.6
103		102			
229		227			
668		681			
65		60			
120		107			
1,709	24.6	1,932	27.0	222	13.0
47	0.7	93	1.3	46	97.9
7		3			
28		30			
11		60			
54	0.8	17	0.2	-36	-67.5
16		17			
38		0			
1,702	24.5	2,007	28.1	305	17.9
0	0.0	3	0.0	3	502.2
1	0.0	0	0.0	0	-77.0
1,701	24.5	2,011	28.1	309	18.2
545		605			
32		24			
1,123	16.2	1,380	19.3	256	22.8

## 10. Statements of Income (Non-Consolidated)

FY	(¥ million, %)					
	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 16/8		First-half 17/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
	6,937	100.0	7,148	100.0	211	3.0
	3,902	56.2	3,875	54.2	-26	-0.7
	3,034	43.8	3,272	45.8	237	7.8
	1,454	21.0	1,455	20.4	0	0.1
	202		199			
	229		227			
	576		585			
	64		60			
	119		105			
	1,579	22.8	1,816	25.4	236	15.0
	168	2.4	216	3.0	48	28.6
	6		2			
	97		100			
	62		64			
	1		48			
	73	1.1	37	0.5	-36	-49.7
	35		36			
	38		0			
	1,674	24.1	1,995	27.9	321	19.2
	0	0.0	0	0.0	0	-71.9
	1	0.0	0	0.0	0	-72.9
	1,673	24.1	1,995	27.9	322	19.2
	491		563			
	42		27			
	1,139	16.4	1,404	19.7	264	23.2



## 11. Balance Sheet (Consolidated)

FY	(¥ million,%)					
	15/8		16/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	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			
<b>Total assets</b>	<b>39,008</b>	<b>100.0</b>	<b>38,857</b>	<b>100.0</b>	<b>-151</b>	<b>-0.4</b>

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			
<b>Total liabilities</b>	<b>4,213</b>	<b>10.8</b>	<b>4,355</b>	<b>11.2</b>	<b>142</b>	<b>3.4</b>
<b>Total shareholders' equity</b>	<b>34,422</b>	<b>88.2</b>	<b>34,359</b>	<b>88.4</b>	<b>-62</b>	<b>-0.2</b>
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			
<b>Total net assets</b>	<b>34,795</b>	<b>89.2</b>	<b>34,501</b>	<b>88.8</b>	<b>-293</b>	<b>-0.8</b>
<b>Total liabilities and total net assets</b>	<b>39,008</b>	<b>100.0</b>	<b>38,857</b>	<b>100.0</b>	<b>-151</b>	<b>0.4</b>

	(¥ million,%)					
	First-half 16/8		First-half 17/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
	26,987	75.0	29,234	77.0	2,246	8.3
	15,399		18,868			
	4,819		4,940			
	1,518		-			
	4,878		5,112			
	373		313			
	0		-1			
	8,986	25.0	8,756	23.0	-229	-2.6
	7,526	20.9	7,375	19.4	-151	-2.0
	2,411		2,308			
	469		458			
	4,447		4,447			
	4		-			
	194		161			
	62	0.2	61	0.1	0	-0.4
	1,397	3.9	1,319	3.5	-77	-5.6
	592		689			
	806		631			
	-1		-1			
	35,974	100.0	37,991	100.0	2,017	5.6

	2,609	7.2	2,735	7.2	125	4.8
	1,587		1,567			
	542		621			
	77		78			
	401		467			
	965	2.7	975	2.6	9	1.0
	655		660			
	206		198			
	102		115			
	3,574	9.9	3,710	9.8	135	3.8
	32,221	89.6	34,078	89.7	1,856	5.8
	1,925		1,925			
	2,358		2,358			
	32,840		34,696			
	-4,902		-4,902			
	177	0.5	203	0.5	25	14.3
	180		253			
	94		36			
	-97		-86			
	32,399	90.1	34,281	90.2	1,881	5.8
	35,974	100.0	37,991	100.0	2,017	5.6

## 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			
<b>Total assets</b>	<b>35,494</b>	<b>100.0</b>	<b>35,397</b>	<b>100.0</b>	<b>-97</b>	<b>-0.3</b>

(¥ million,%)

	First-half 16/8		First-half 17/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
	23,940	73.3	26,173	75.5	2,233	9.3
	13,229		16,766			
	1,912		1,866			
	2,906		3,074			
	1,518		-			
	4,074		4,177			
	300		290			
	0		-1			
	8,739	26.7	8,498	24.5	-240	-2.8
	7,432	22.7	7,252	20.9	-179	-2.4
	2,367		2,270			
	361		320			
	4,447		4,447			
	4		-			
	250		213			
	52	0.2	47	0.1	-4	-8.5
	1,254	3.8	1,198	3.5	-56	-4.5
	592		689			
	664		510			
	-1		-1			
	32,679	100.0	34,672	100.0	1,992	6.1

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			
<b>Total liabilities</b>	<b>3,567</b>	<b>10.1</b>	<b>3,665</b>	<b>10.4</b>	<b>97</b>	<b>2.7</b>
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			
<b>Total net assets</b>	<b>31,926</b>	<b>89.9</b>	<b>31,731</b>	<b>89.6</b>	<b>-194</b>	<b>-0.6</b>
<b>Total liabilities and total net assets</b>	<b>35,494</b>	<b>100.0</b>	<b>35,397</b>	<b>100.0</b>	<b>-97</b>	<b>-0.3</b>

	2,584	7.9	2,744	7.9	160	6.2
	900		936			
	852		806			
	488		579			
	341		421			
	424	1.3	431	1.3	6	1.6
	146		152			
	174		163			
	102		115			
	3,008	9.2	3,175	9.2	167	5.6
	29,469	90.2	31,239	90.1	1,769	6.0
	1,925		1,925			
	2,637		2,637			
	29,808		31,578			
	-4,902		-4,902			
	201	0.6	257	0.7	55	27.6
	180		253			
	21		4			
	29,671	90.8	31,496	90.8	1,825	6.2
	32,679	100.0	34,672	100.0	1,992	6.1