



# **ANALYST GUIDE**

## **First-half FY2018**

April 2018



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

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## 1 Sales & Income

-Net Sales and Operating Income recorded highest.

Net Sales: **¥7,419** m

Operating Income: **¥2,006** m

## 2 The Change of Business Environment

- Market Condition

Simultaneous revision of medical treatment fees and nursing care fees  
(effective Apr. 2018)

The impact of revision will be negligible.

- Production Condition:

(In Japan) The sewing costs increased.

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



- I About “NAGAILEBEN”
- II Financial Review First-half of FY2018
- III Market Environment
- IV Forecast for FY2018
- V Management Goals
- VI Rewarding shareholder-focused policies



## I About “NAGAILEBEN”

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## 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

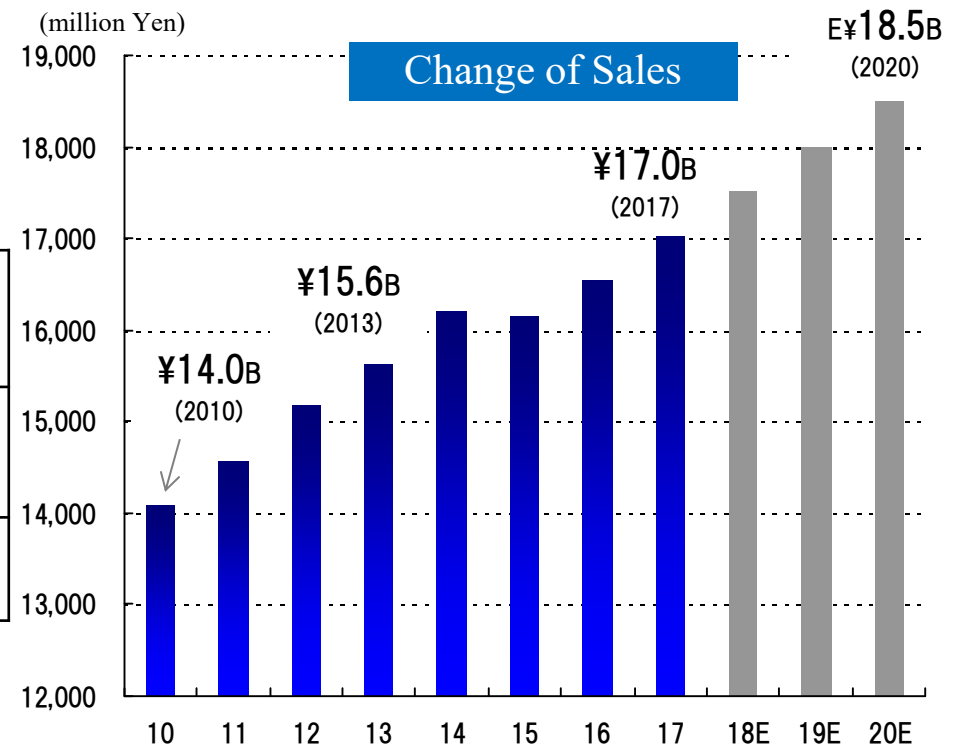
▪ The number of Nursing Staff and Care workers is increasing gently.

Doctor, Dentist, Pharmacist*1 (2016)	Nursing Staff*2 (2015)	Care workers*3 (2015)
730,000 People	1,630,000 people	1,830,000 people
compare with 2014 +22,000people	compare with 2014 +31,000people	compare with 2014 +66,000people

\*1 Research of doctor, dentist and pharmacist 2016, MHLW

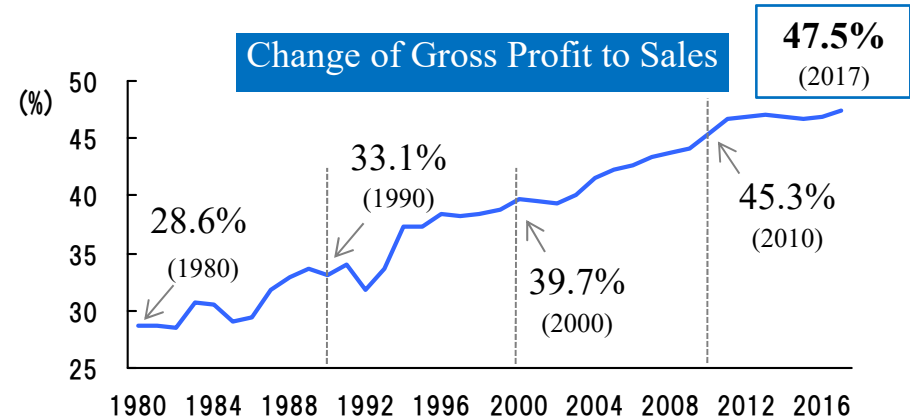
\*2 Japanese Nursing Associations' statistical data

\*3 Research of Long-Term Care Service , MHLW



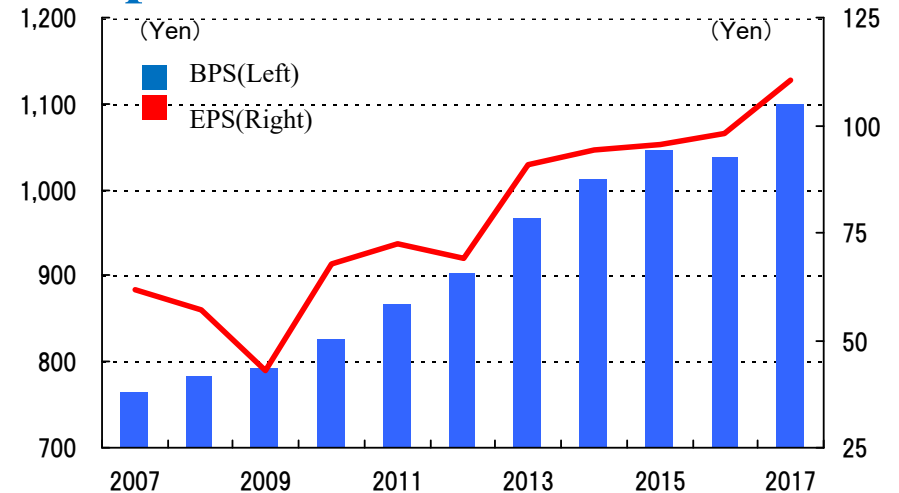
## 3 Highly profitability Strong balance sheet

- Realization of high profitability with radical pursuit of efficiency
- Gross profit to sales **47.5%** (as of FY2017)
- Capital-to-asset ratio **89.2%**
- ROE **10.3%**



## 4 Rewarding shareholder-focused policies

- BPS **1,099.2Yen** (as of FY2017)
- EPS **110.5Yen**
- Continue stable dividend payment with payout ratio of 50%
- DPS 50Yen → **60Yen**
- 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”.



## 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

### Regional Contribution through Production Base



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.

## Social Responsibility

- 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.
- Support United Nations World Food Programme(WFP).
- We received recognition from the Minister for Health, Labour and Welfare, as one of the best contributed companies in employment of people with disabilities.

## 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.



## 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.



## 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 "Reuseable" from "Disposable", and has sold it. "COMPELPACK" is the surgical wear which enables hospital to reduce waste and be more economical.





## II Financial Review

### First-half of FY2018

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# Financial Highlights <Statements of Income>



(millions of yen,%)	First-half of FY2018	% Change	To Forecast %	Composition %	Composition % Change
Net sales	<b>7,419</b>	+3.8	+0.9	100.0	—
Gross profit	<b>3,469</b>	+1.9	+0.0	46.8	-0.9
Sales, general, and administrative expenses	<b>1,463</b>	-0.6	-1.1	19.8	-0.9
Operating income	<b>2,006</b>	+3.8	+0.9	27.0	+0.0
Recurring income	<b>2,042</b>	+1.7	+0.9	27.5	-0.5
Net income	<b>1,411</b>	+2.2	+1.5	19.0	-0.3

## [Overview]

- Sales in major business for healthcare grew steadily. Sales of products for patients continued to grow greatly. Sales in first-half of FY2018 surpassed forecast and became highest ever for the 9th straight year.

[Gross profit] Gross profit to sales FY2017 47.6% → FY2018 46.8%  
 (Factor of Sales: +¥126m, Factor of production -¥61 m)

→ Boost of sewing cost (-¥16m)  
 Foreign Exchange rate: FY2017 ¥102.5yen/dollar → FY2018 ¥109.5yen/dollar (-¥64m)  
 Overseas production ratio FY2017 47.0% → FY2018 48.5% (+¥28m)

## [Sales, general, and administrative expenses]

- There were some expense which were postponed to second-half of FY2018. Total expense in full-year will shift as forecast.

## [Non-operating income]

- Exchange-rate profit and loss: FY2017 ¥46m FY2018 -¥1m (-¥47m)

## [Capital Expenditure]

- Capital Expenditure: ¥348m (Buildings:¥307m, Manufacturing equipment:¥17m, IT system:¥13m, Distribution equipment:¥1m)
- Depreciation: ¥141m

# Financial Highlights <Balance Sheet>



## Major assets

(¥ million %)

Title	Result	Change Result	Change%
Cash on hand at banks	20,578	+1,709	+9.1
Notes and accounts receivable (including electronically recorded claims)	5,181	+241	+4.9
Inventories	5,008	-103	-2.0
<b>Current assets</b>	<b>30,985</b>	<b>+1,750</b>	<b>+6.0</b>
Buildings and structures	2,210	-97	-4.2
Land	4,447	—	—
Construction in process	274	+272	+13,500
Investments and other assets	1,385	+66	+5.0
<b>Fixed assets</b>	<b>8,903</b>	<b>+147</b>	<b>+1.7</b>
<b>Total assets</b>	<b>39,889</b>	<b>+1,897</b>	<b>+5.0</b>

## Major liabilities and shareholders' equity

(¥ million %)

Title	Result	Change Result	Change%
Notes and accounts payable	1,596	+28	+1.9
<b>Current liabilities</b>	<b>3,868</b>	<b>+157</b>	<b>+4.3</b>
Capital reserves	36,405	+1,708	+4.9
Treasury stock	-4,902	—	—
<b>Net assets</b>	<b>36,021</b>	<b>+1,739</b>	<b>+5.1</b>
<b>Total liabilities and net assets</b>	<b>39,889</b>	<b>+1,897</b>	<b>+5.0</b>

[Major changes from the previous fiscal year]

### **Cash and cash equivalents** up ¥ 1,709 million

- Cash flows from operating activities up ¥ 3,981 million
- Acquisition tangible and intangible down ¥ 380 million
- Dividend payout down ¥ 2,001 million

### **Fixed assets** up ¥ 147 million

- Buildings and structures down ¥ 140 million  
(depreciation)
- Construction in process account up ¥ 274 million  
(New Factory)

### **Net assets** up ¥ 1,739 million

- Net profit up ¥ 3,703 million
- Dividend payout down ¥ 1,994 million

# Segments by Item

## Healthcare wear



## Patient wear



## Shoes



## Doctors' wear



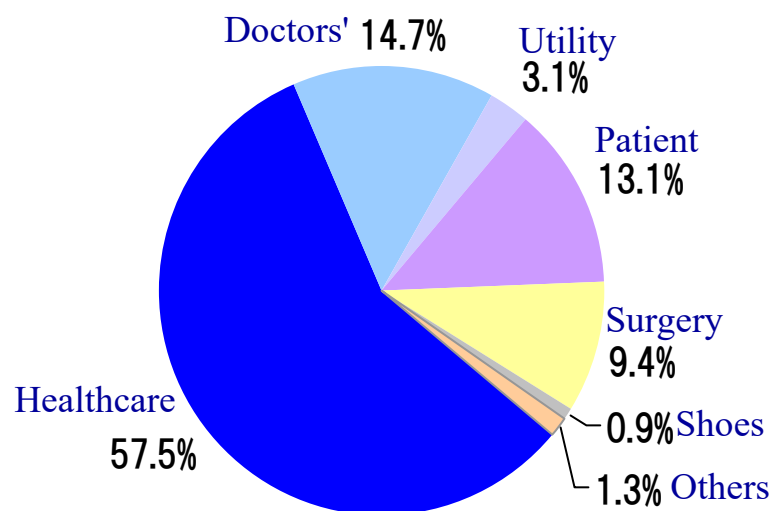
## Utility wear



## Surgery wear



# Sales by Item



Year-on-year change	First-half FY2017	First-half FY2018
Overall	+3.0%	<b>+3.8%</b>
Healthcare wear	+2.2%	<b>+3.8%</b>
Doctors' wear	+0.7%	<b>+1.6%</b>
Utility wear	-14.3%	<b>-6.1%</b>
Patient wear	+20.9%	<b>+11.4%</b>
Surgery wear	+2.1%	<b>+2.6%</b>
Shoes	+1.3%	<b>-8.9%</b>
Others	-10.1%	<b>+2.4%</b>

## [Healthcare wear]

-Sales grew steadily sequentially last year, by satisfactory contracts of High Value-Added new products.

## [Doctors' wear]

-High-End products contributed to growth of the sale.

## [Utility wear]

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

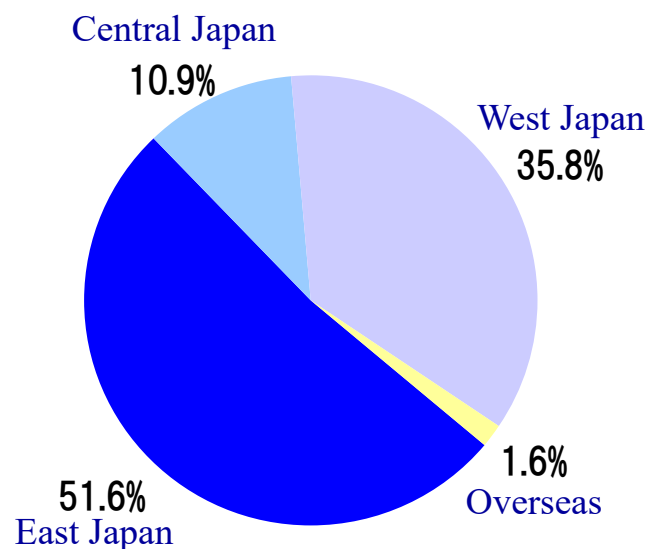
## [Patient wear]

-High-growth continued, by increasing of the market share.

## [Surgery wear]

- COMPELPACK contributed to growth of the sale.

# Sales by Region



## [East Japan]

- Prosperous growth continued, by catching renewal contracts steadily with model changes, and result of sales promotion of patient wear.

## [Central Japan]

-Market size was not large and there was the influence by the size of contracts. In this term, sales exceeded the previous year, by catching new contracts.

## [West Japan]

-Sales fell short of previous year slightly. Catching renewal contracts were steadily. New contract was postponed to second-half of FY2018.

## [Overseas]

- Sales in first-half of FY2017 went below the previous. In this term, sales recovered, by catching large contracts.

Year-on-year change	First-half FY2017	First-half FY2018
Total sales	+3.0%	<b>+3.8%</b>
East Japan	+6.4%	<b>+5.6%</b>
Central Japan	+5.5%	<b>+7.1%</b>
West Japan	-0.8%	<b>-0.5%</b>
Overseas	-21.4%	<b>+26.8%</b>



### III Market Environment

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# Market Environment Topics



## Simultaneous revision of medical treatment fees and nursing care fees.(effective Apr. 2018)

- Medical treatment fees revised:-0.90%(Service:+0.55%, Drug price:-1.45%) The reform of the drug price system: -1.19%
- Nursing care fees revised:+0.54%.

## Rising manufacturing cost

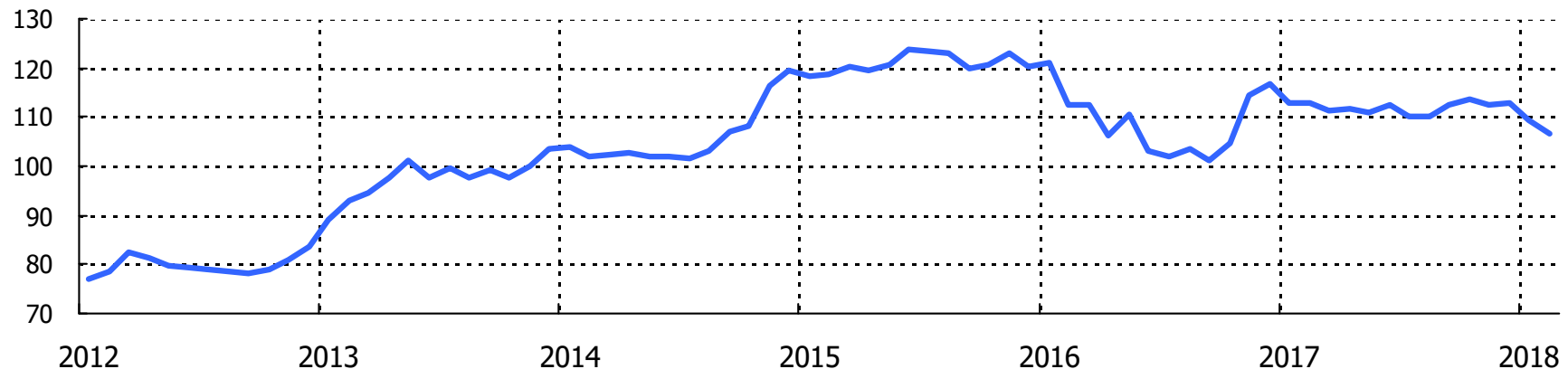
- Labor costs are increasing(Japan and Overseas) -Material cost, such as dyestuffs, are increasing
- Distribution and packing cost are increasing, due to labor shortage and soaring paper price

## Tumultuous the rate of exchange

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

2012:¥77/dollar, 2013:¥98/dollar, 2014:¥102/dollar, 2015:¥123/dollar, 2016:¥103/dollar, 2017:¥109/dollar,

As of Feb. 2018  
¥106/dollar

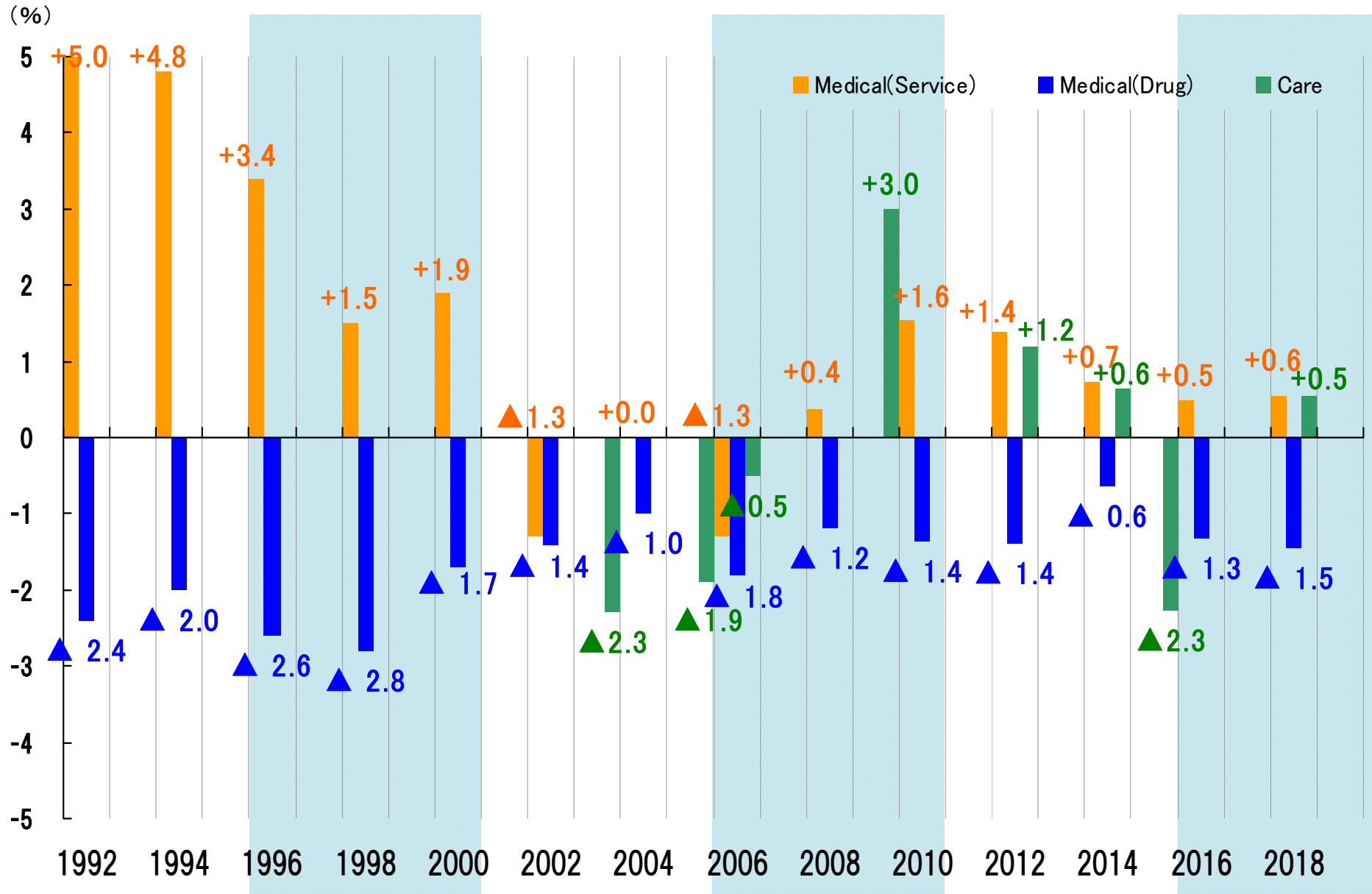


# Changes and prospects for medical and care service systems



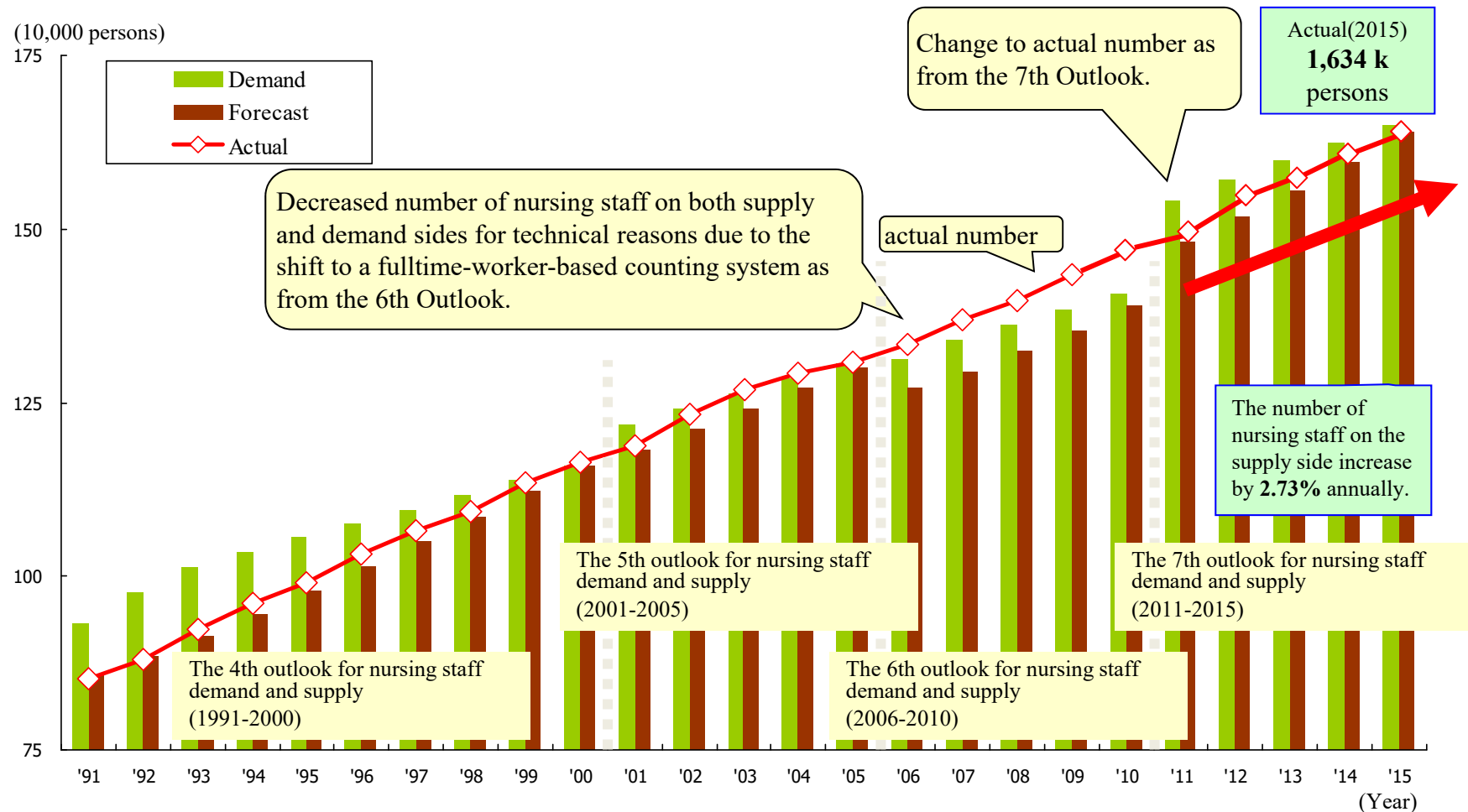
	Medical System		Care Service System	
	Medical Service Law, Health and Medical Service Law for the Aged, Medical Insurance, etc	Medical treatment fees	Care Service Law, Nursing Care Insurance, etc.	Nursing care fees
'08	Medical program for very elderly instituted by law "Metabolic" diagnosis and health 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	National Council Reform of Social Security System 6th plan of Medical Care System (2012-2017)	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	
'18	7th plan of Medical Care System (2018-2023) Medical Specialist System	Total market: -0.90% Service: +0.55% Drug price: -1.45%	7 <sup>th</sup> plan of care insurance system (2018-2020) Medical Care Treatment Center	+0.54%

# Revisions to medical treatment and care Service fees



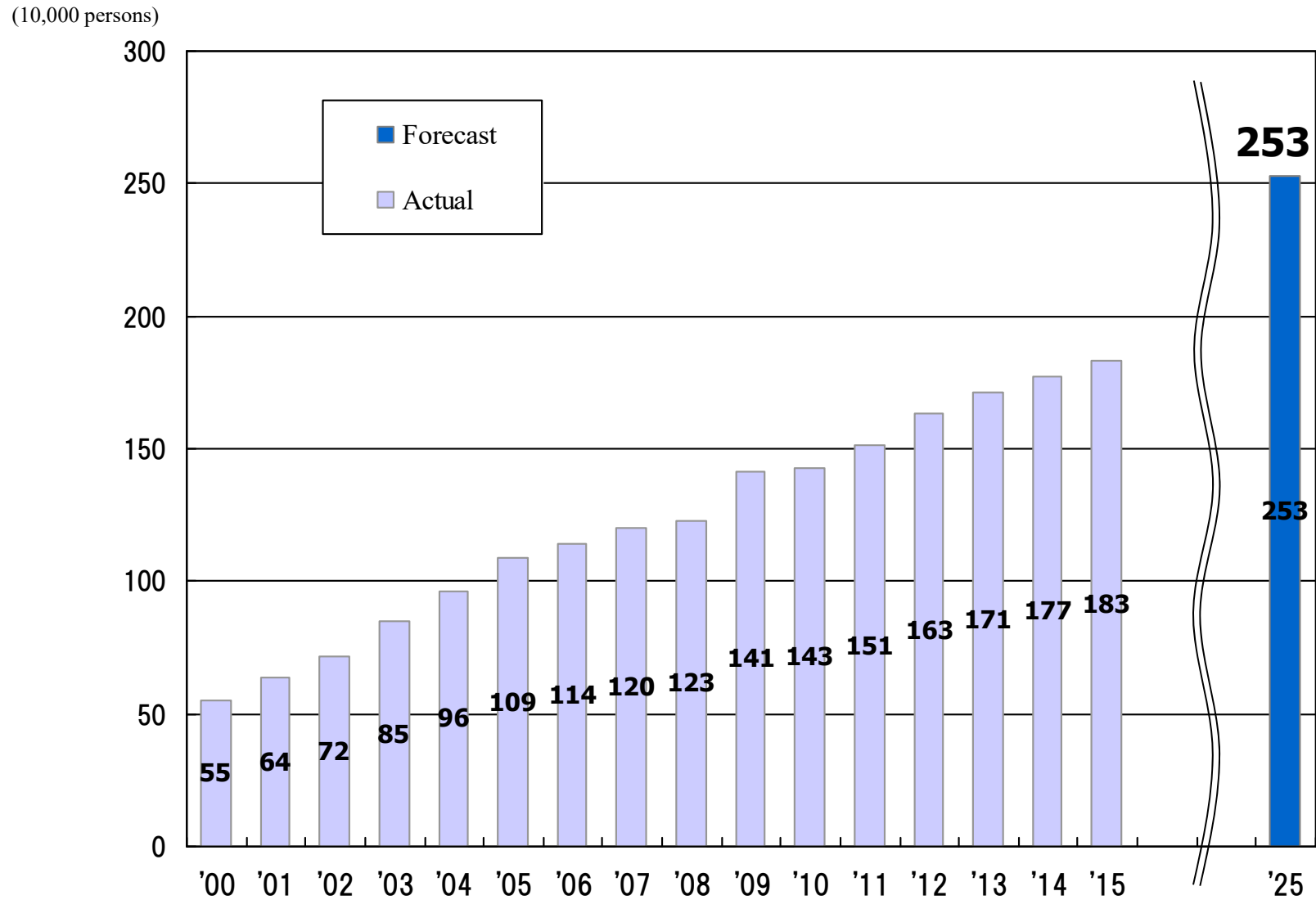
# Supply and Demand of Nursing Staff

(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.  
(Sectional meeting of Supply and Demand of Nursing Staff)

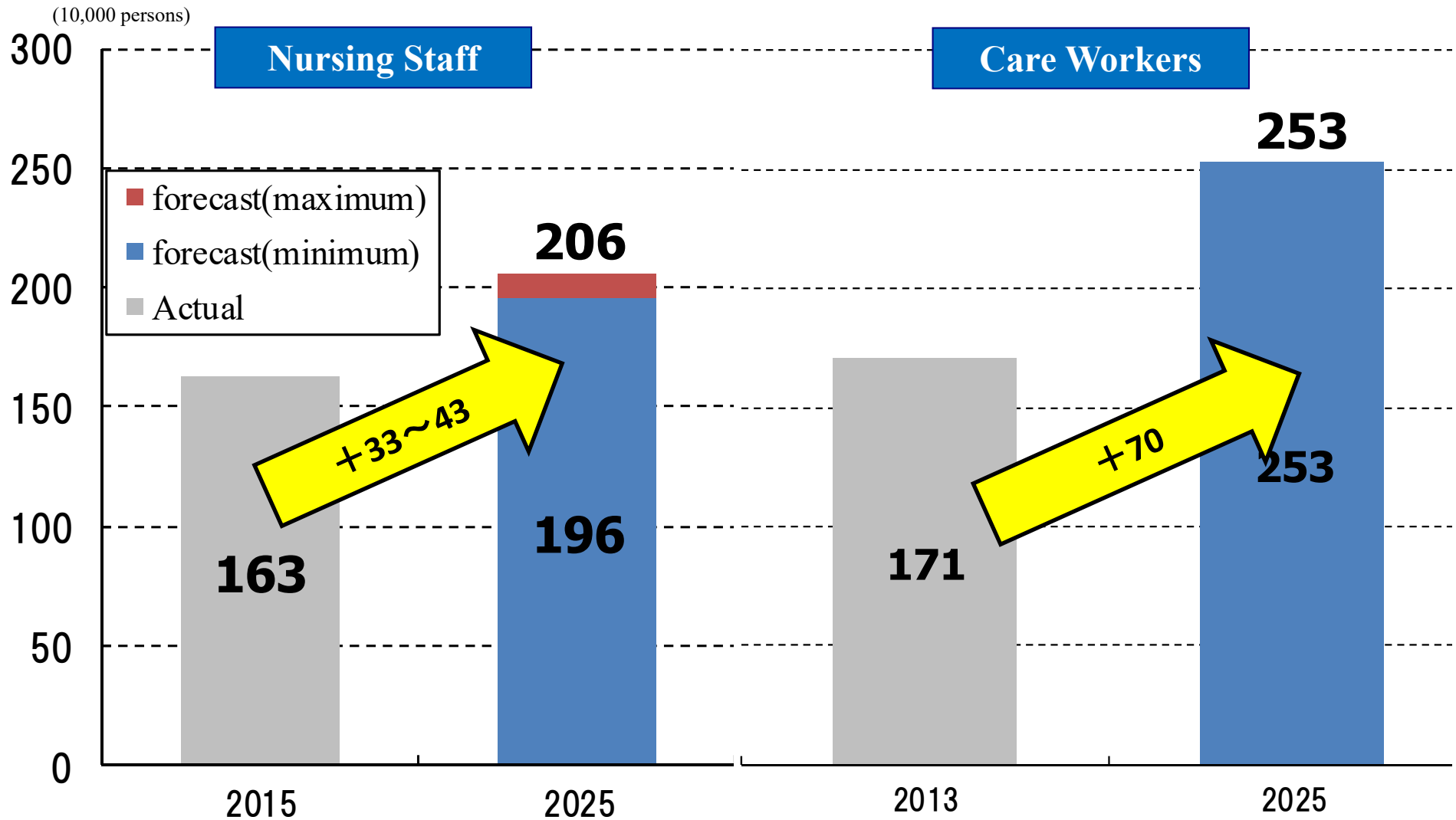
# Supply and Estimated Future Need for Care Workers



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.

•Source: Research of Long-Term Care Service , MHLW

# Supply and Estimated Future Need



Actual record: Japanese Nursing Associations' statistical data

Forecast: The committee about supply and estimated future need of Nursing MHLW

Actual record: Research of Long-Term Care Service , MHLW

Forecast: MHLW, document " estimation of care workers' demand toward 2025"





## IV Forecast for FY2018

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## Marketing strategy to increase sales

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

## Production strategy to ensure a steady supply

- Scrap 2 old factories and build New Sewing Factory in Japan
  - Strengthen domestic production
  - Strengthen ability to respond Quick Response
- Strengthen ties with material makers and trade firms

## Strategy to stabilize profitability

- Shift to overseas from domestic production
- Develop new overseas materials applying 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,%)	FY2018E	% Change (FY2017)	Composition % Change
<b>Net sales</b>	<b>17,500</b>	+2.8	—
<b>Gross profit</b>	<b>8,260</b>	+2.2	-0.3
<b>Sales, general, and administrative expenses</b>	<b>2,886</b>	+1.5	-0.2
<b>Operating income</b>	<b>5,373</b>	+2.5	-0.1
<b>Recurring income</b>	<b>5,448</b>	+2.0	-0.3
<b>Net income</b>	<b>3,739</b>	+1.8	-0.2

## [Overview]

- The impact of revising medical treatment fees and nursing care fees will be negligible.
- These will be achieved by putting higher quality, higher sensitivity and value-added products in markets.

[Gross profit] Gross profit to sales FY2017 47.5% → FY2018E 47.2%  
 (Factor of Sales: +¥221m, Factor of production: -¥47 m)

→ Boost of sewing cost (-¥17m)  
 Foreign Exchange rate: FY2017 ¥104yen/dollar → FY2018E ¥109.5yen/dollar (-¥97m)  
 Overseas production ratio FY2017 48.1% → FY2018E 48.8% (+¥53m)

## [Sales, general, and administrative expenses]

- Expense with the sales increase

## [Non-operating income]

- Exchange-rate profit and loss: FY2017 -¥44m \*Exchange-rate profit and loss was not factored into above forecast.

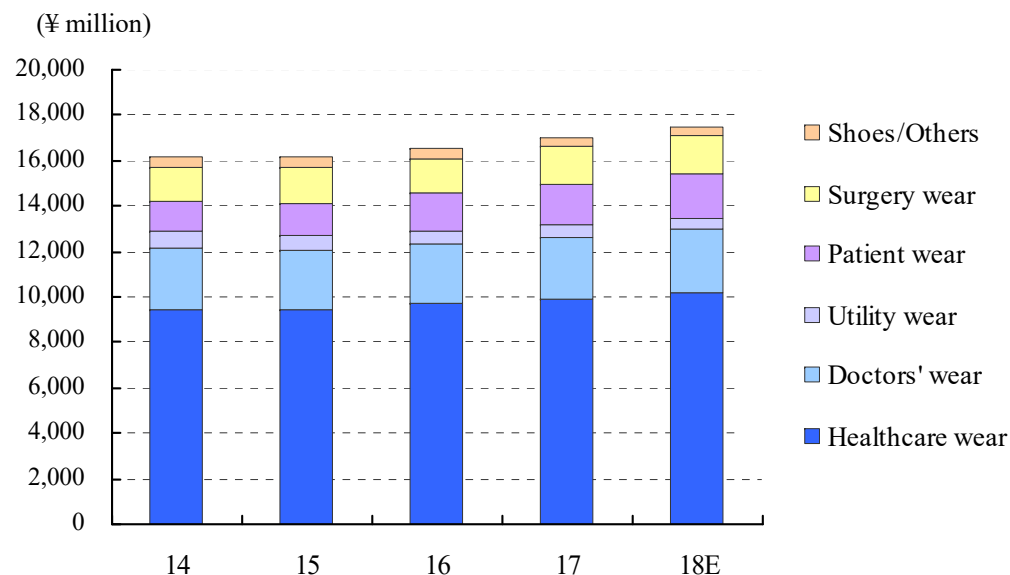
## [Capital Expenditure]

- Capital Expenditure: ¥1,030m (Buildings:¥895m, IT system:¥55m, Manufacturing equipment:¥47m, Distribution equipment:¥20m)
- Depreciation: ¥298m

# Forecast of Sales by Item



## Sales by Item



Year-on-year change	FY2017	FY2018E
Sales	+2.9%	<b>+2.8%</b>
Healthcare wear	+2.8%	<b>+2.8%</b>
Doctors' wear	+1.0%	<b>+2.2%</b>
Utility wear	-7.4%	<b>-8.5%</b>
Patient wear	+10.7%	<b>+9.2%</b>
Surgery wear	+3.8%	<b>+3.4%</b>
Shoes/Others	-0.3%	<b>-6.6%</b>

**[Healthcare wear]** Activating market by high value-added products, sales of healthcare wear is expected to increase steadily.

**[Doctors' wear]** Though mass product is on downward trend, the sale of high-end products will lead Doctor's wear to steadily increasing.

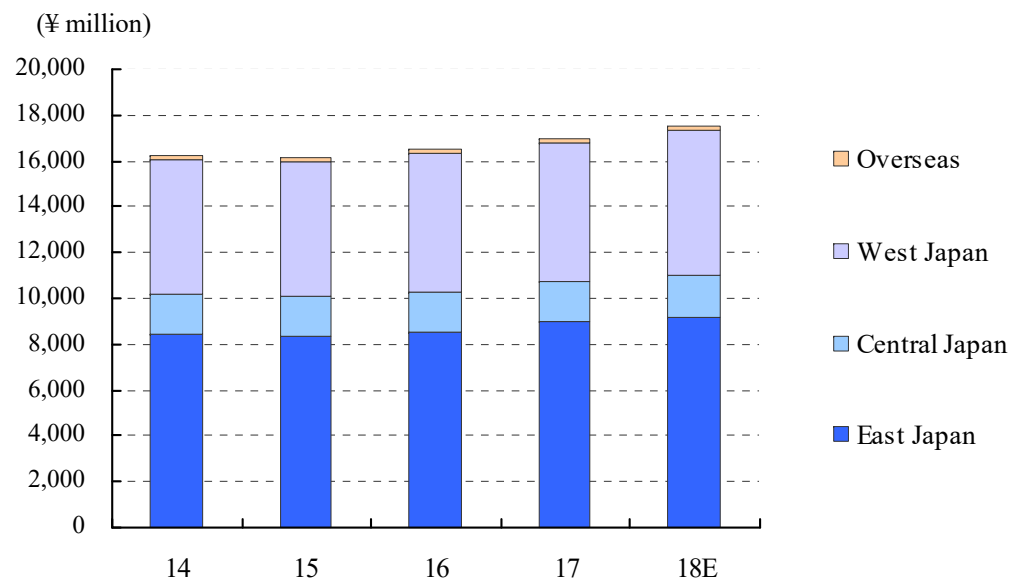
**[Patient wear]** The increase in sales of patient wear is expected to continue with increased demand in the market.

**[Surgery wear]** As capacity of laundry and sterilization factory for COMPELPACK will expand and new contracts will realize, sales of surgery wear is expected to increase.

# Forecast of Sales by Region



## Sales by Region



Year-on-year change	FY2017	FY2018E
Total sales	+2.9%	<b>+2.8%</b>
East Japan	+5.5%	<b>+2.0%</b>
Central Japan	+2.3%	<b>+3.0%</b>
West Japan	-0.2%	<b>+3.8%</b>
Overseas	-8.2%	<b>+8.4%</b>

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

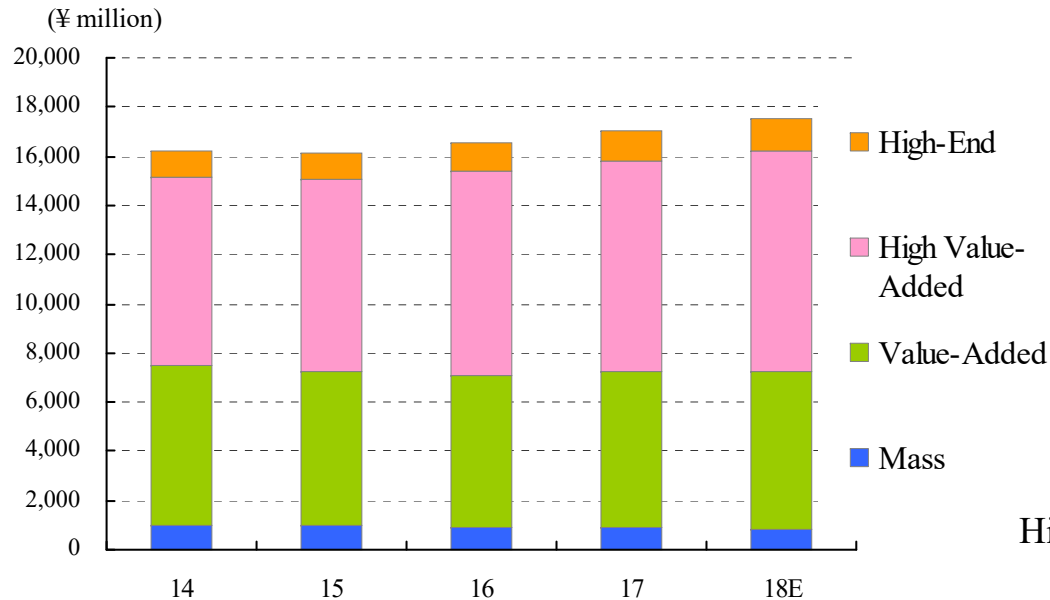
**[East Japan]** Catching renewal orders steadily with higher quality and value-added products, the sales in East Japan is expected to increase consistently.

**[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.



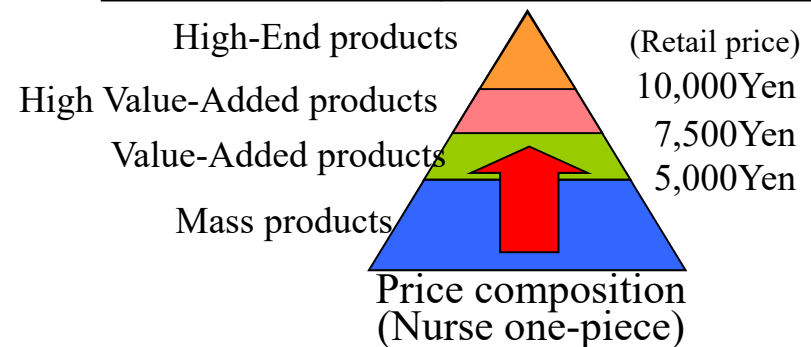
## Sales by Product



\*Categories changed

“DC brand products” and “High Functional products” : Classification and Name changed, “High-End products” and “High Value-Added products”  
 “Standard Functional products” : Name changed, “Value-Added products”  
 “Mass products” : no change

Year-on-year change	FY2017	FY2018E
Total sales	+2.9%	+2.8%
High-End products	+7.9%	+7.4%
High Value-Added products	+3.3%	+4.3%
Value-Added products	+2.3%	+0.9%
Mass products	-3.1%	-3.4%



[High-End products] DC brand products are on the decrease. House brand products, such as 4D, Beads Berry, are good sales.

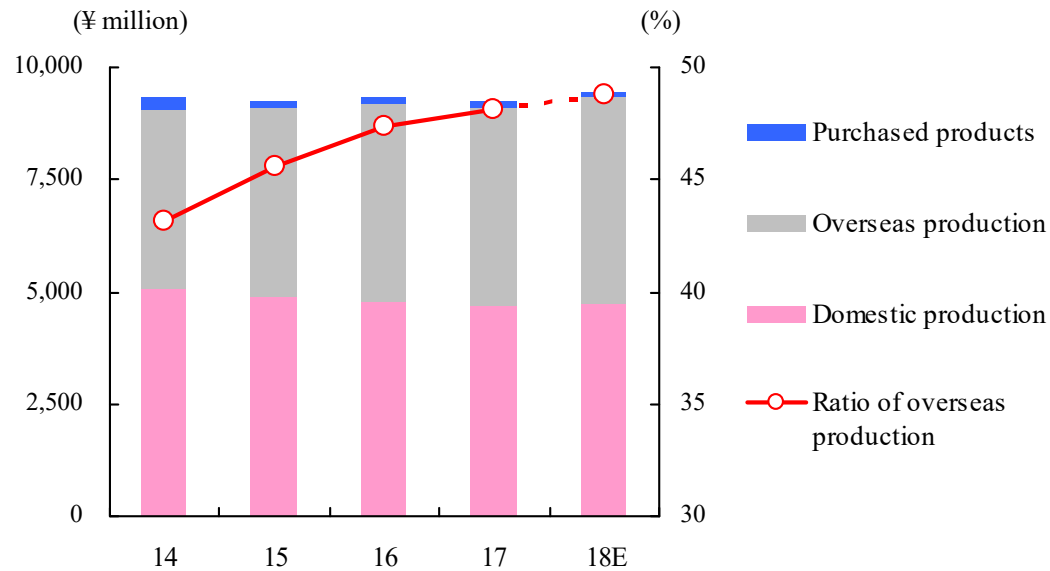
[High Value-Added products] As these products being received well from the market, the increase in sales of high functional products is expected to continue by driving the strategy of higher quality and value-added products.

[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	FY2017	FY2018E
Domestic production	50.6%	<b>50.0%</b>
Overseas production	48.1%	<b>48.8%</b>
Purchased products	1.3%	<b>1.2%</b>

Japan: New factory will contribute from FY2019  
 Overseas: Strengthen productivity and quality in new factory in Java, Indonesia



## V Management Goals

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### Sales Strategy

- Increase peripheral business in products for Patients and Surgery.
- Gain share In West Japan.
- Develop and Sale of High-End and High Value-Added products.
- Cultivate Overseas Markets.

### 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

**FY2014**  
(3 terms ago)

net sales **¥16,214** million

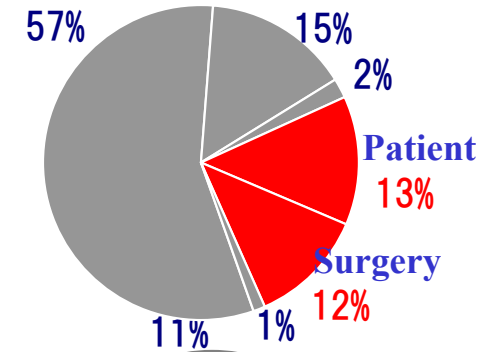
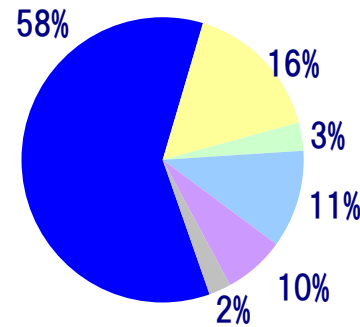
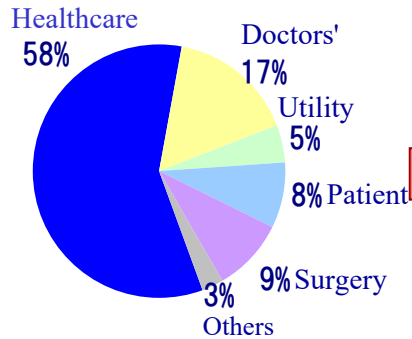
**FY2017**  
(Previous term)

**¥17,017** million

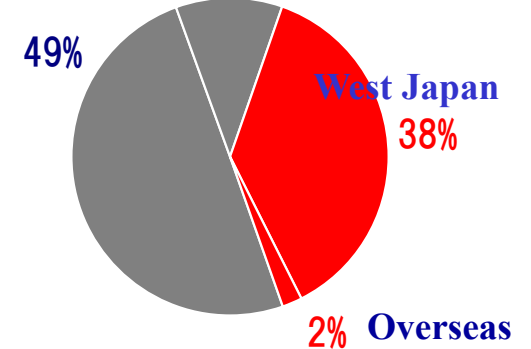
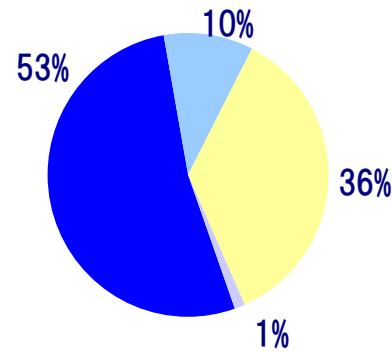
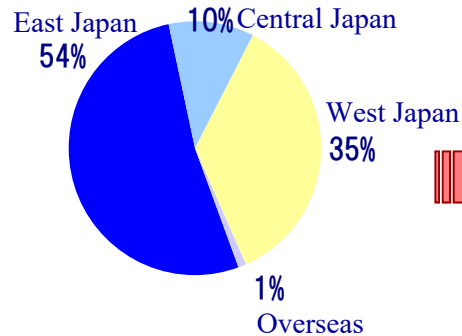
**FY2020E**  
(3 terms later)

**¥18,500** million

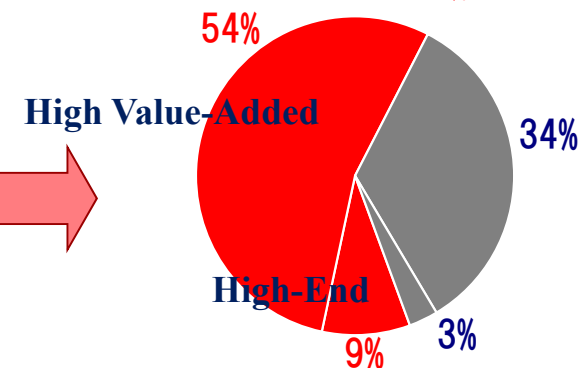
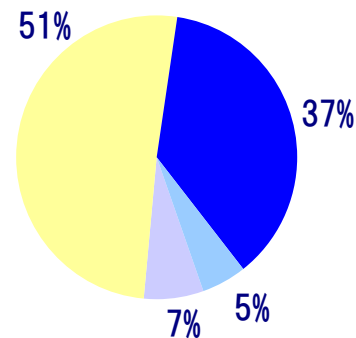
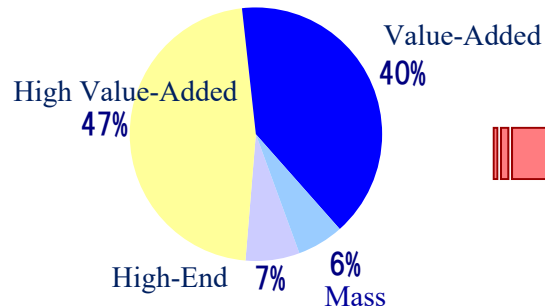
Item



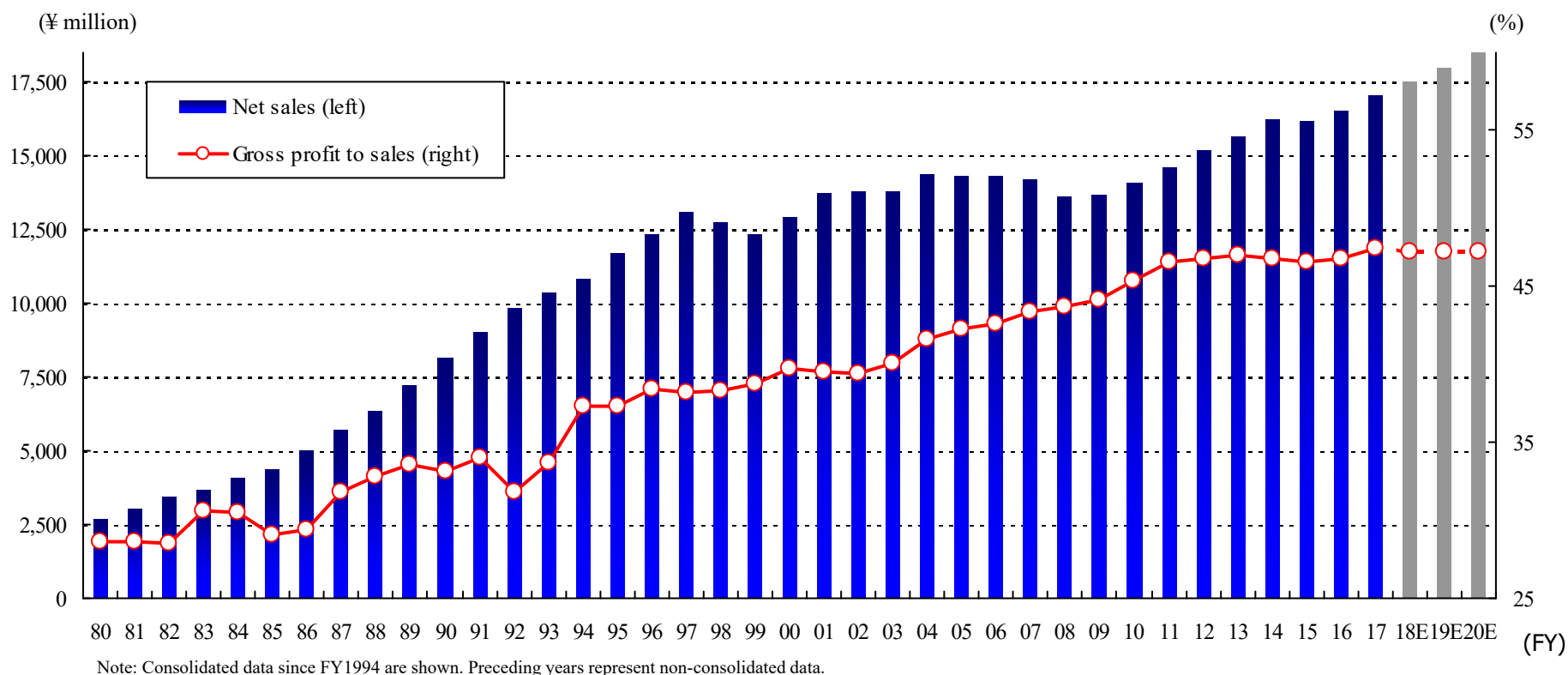
Region



Products



# Trend of Business Records



(¥ million)

FY2020E	
Net Sales	18,500
Operating Income	5,600



日本ではじめてのナースのための心のコミュニケーションスペース「いとなギャラリー」

## VI Rewarding shareholder -focused policies

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## Shareholder-focused policies

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



### **Dividend policy**

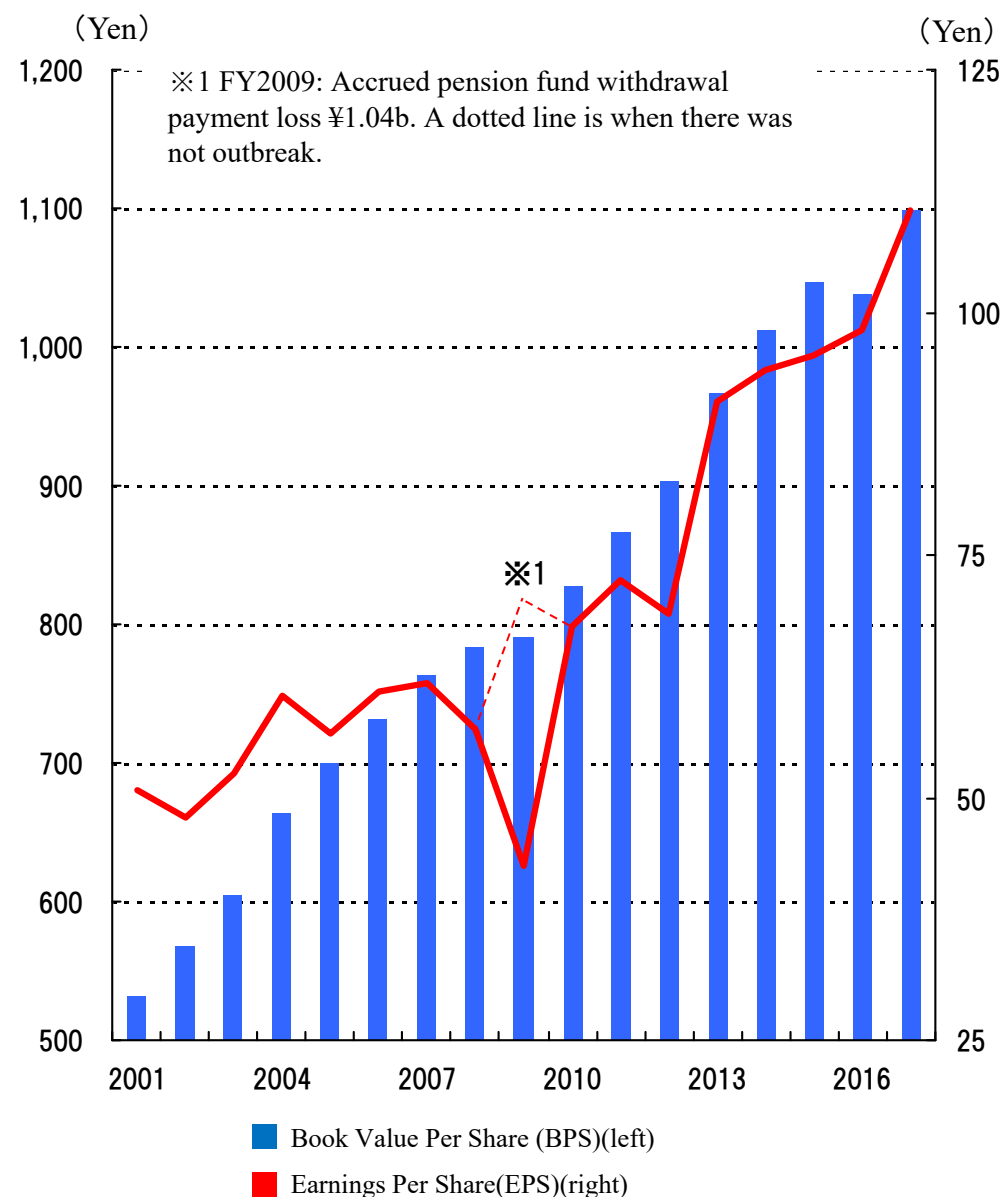
- Basic policy is to continue stable dividend payment with payout ratio of 50%

### **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
FY2017	<b>1,099.2</b>	<b>110.5</b>	<b>60.0</b>



\*2015: DPS 100yen (Include 100th anniversary commemorative 50yen)



# Actual Dividends Paid



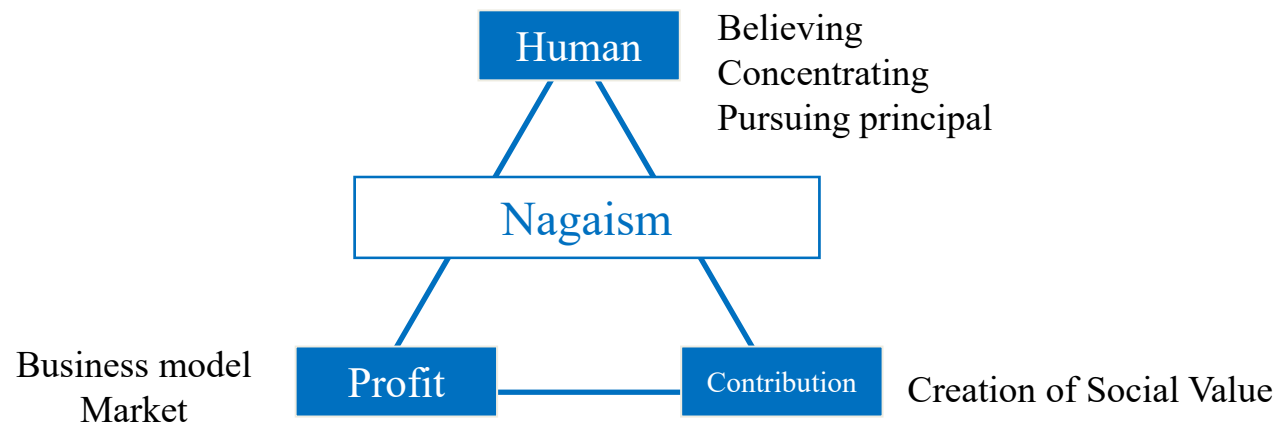
	Total dividend (Million yen)	Share buyback (Million yen)	Payout ratio (non-c, %)	Total return ratio (non-c, %)
FY2001	475	0	27.6	27.6
FY2002	475	0	29.3	29.3
FY2003	530	1,697	29.7	124.6
FY2004	744	0	36.5	36.5
FY2005	1,117	0	56.9	56.9
FY2006	1,117	0	53.4	53.4
FY2007	1,117	0	53.1	53.1
FY2008	1,083	1,077	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	54.4
FY2015	*3,324	1,500	107.5	153.8
FY2016	1,662	0	52.5	52.5
<b>FY2017</b>	<b>1,994</b>	<b>0</b>	<b>55.2</b>	<b>55.2</b>

\*2015: DPS 100yen (Include 100th anniversary 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.





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

## First-half FY2018



**(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

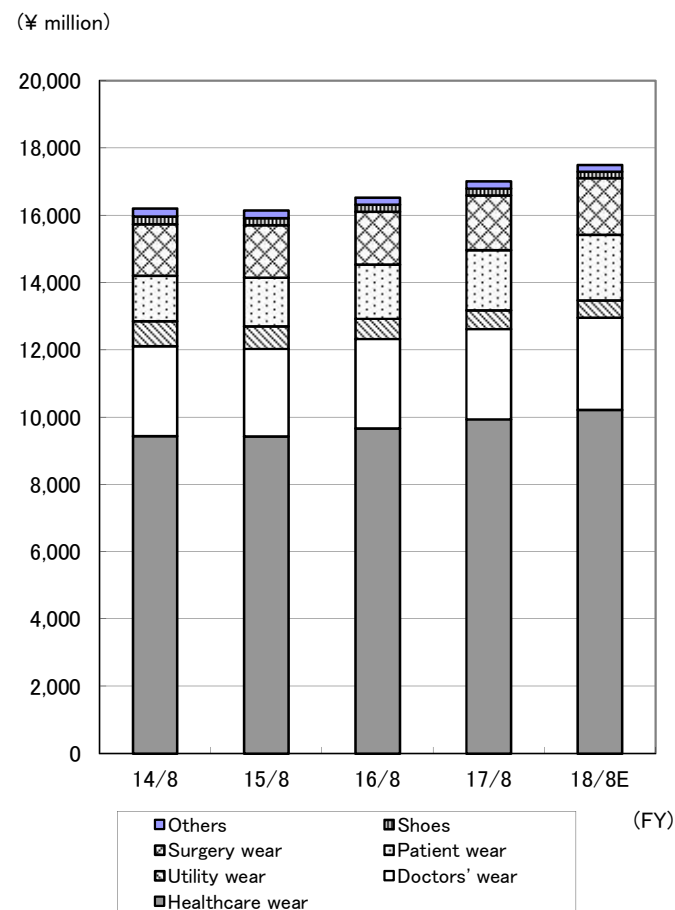
FY	14/8	15/8	16/8	17/8	18/8E	¥ million	
						First-half 17/8	First-half 18/8
Sales	16,214	16,150	16,537	17,017	17,500	7,149	7,419
Healthcare wear	9,440	9,429	9,674	9,940	10,220	4,110	4,265
Doctors' wear	2,674	2,604	2,654	2,681	2,740	1,075	1,092
Utility wear	743	670	601	557	510	241	227
Patient wear	1,353	1,451	1,613	1,786	1,950	870	969
Surgery wear	1,525	1,560	1,574	1,634	1,690	681	698
Shoes	237	211	204	203	190	74	67
Others	239	222	213	214	200	95	97

## Change over previous year

Sales	3.8	-0.4	2.4	2.9	2.8	%	
						1.4	3.8
Healthcare wear	4.4	-0.1	2.6	2.8	2.8	2.2	3.8
Doctors' wear	4.2	-2.6	2.0	1.0	2.2	0.7	1.6
Utility wear	-6.6	-9.8	-10.3	-7.4	-8.5	-14.3	-6.1
Patient wear	6.3	7.2	11.1	10.7	9.2	20.9	11.4
Surgery wear	3.2	2.3	0.9	3.8	3.4	2.1	2.6
Shoes	-5.1	-10.9	-3.1	-0.8	-6.5	1.3	-8.9
Others	9.0	-7.0	-3.9	0.3	-6.7	-10.1	2.4

## Composition

Sales	100.0	100.0	100.0	100.0	100.0	%	
						100.0	100.0
Healthcare wear	58.2	58.4	58.5	58.4	58.4	57.5	57.5
Doctors' wear	16.5	16.1	16.1	15.7	15.6	15.1	14.7
Utility wear	4.6	4.1	3.6	3.3	2.9	3.4	3.1
Patient wear	8.3	9.0	9.8	10.5	11.1	12.2	13.1
Surgery wear	9.4	9.7	9.5	9.6	9.7	9.5	9.4
Shoes	1.5	1.3	1.2	1.2	1.1	1.0	0.9
Others	1.5	1.4	1.3	1.3	1.1	1.3	1.3



## 2. Sales by Product

FY	14/8	15/8	16/8	17/8E	18/8E
Sales	16,214	16,150	16,537	17,017	17,500
High-End products	1,107	1,095	1,104	1,191	1,280
High Value-Added products	7,627	7,841	8,336	8,612	8,980
Value-Added products	6,462	6,252	6,199	6,343	6,400
Mass products	1,017	960	896	869	840

(¥ million)

First-half 17/8	First-half 18/8
7,149	7,419
264	523
3,831	3,864
2,714	2,671
338	359

### Change over previous year

	14/8	15/8	16/8	17/8E	18/8E
Sales	3.8	-0.4	2.4	2.9	2.8
High-End products	1.1	-1.0	0.9	7.9	7.4
High Value-Added products	8.2	2.8	6.3	3.3	4.3
Value-Added products	0.4	-3.2	-0.9	2.3	0.9
Mass products	-2.7	-5.6	-6.6	-3.1	-3.4

(%)

17/8	18/8
3.0	3.8
-13.4	11.4
3.1	6.6
6.6	-1.6
-8.5	6.1

### Composition

	14/8	15/8	16/8	17/8E	18/8E
Sales	100.0	100.0	100.0	100.0	100.0
High-End products	6.8	6.8	6.7	7.0	7.3
High Value-Added products	47.0	48.6	50.4	50.6	51.3
Value-Added products	39.9	38.7	37.5	37.3	36.6
Mass products	6.3	5.9	5.4	5.1	4.8

(%)

17/8	18/8
100.0	100.0
3.7	7.1
53.6	52.1
38.0	36.0
4.7	4.8

\*Categories changed

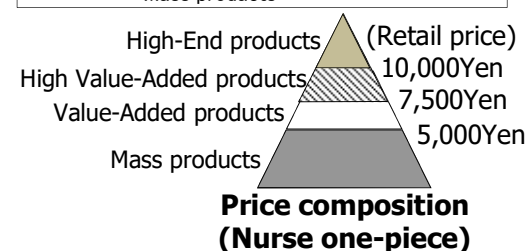
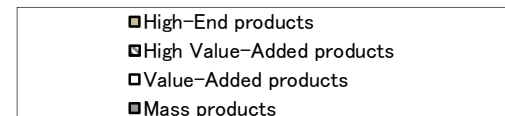
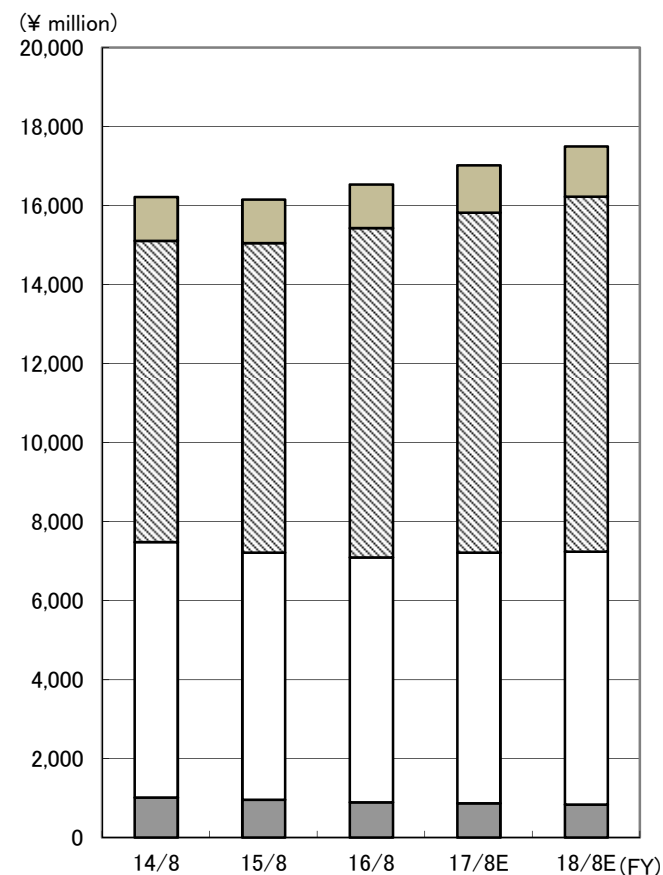
-“DC brand products” and “High Functional products” : Classification and Name changed,

“High-End products” and “High Value-Added products”

-“Standard Functional products” : Name changed, “Value-Added products”

-“Mass products” : no change

Reference)	14/8	15/8	16/8	17/8
DC brand products	938	846	720	661
High Functional products	7,795	8,090	8,720	9,143



### 3. Sales by Region

FY	14/8	15/8	16/8	17/8	18/8E
Sales	16,214	16,150	16,537	17,017	17,500
East Japan	8,461	8,357	8,539	9,007	9,190
Central Japan	1,745	1,774	1,717	1,756	1,810
West Japan	5,839	5,842	6,080	6,068	6,300
Overseas	167	176	200	184	200

(¥ million)

First-half 17/8	First-half 18/8
7,149	7,419
3,625	3,829
757	811
2,672	2,659
94	119

#### Change over previous year

Sales	3.8	-0.4	2.4	2.9	2.8
East Japan	0.8	-1.2	2.2	5.5	2.0
Central Japan	9.7	1.7	-3.2	2.3	3.0
West Japan	6.0	0.0	4.1	-0.2	3.8
Overseas	24.3	5.4	14.1	-8.2	8.4

(%)

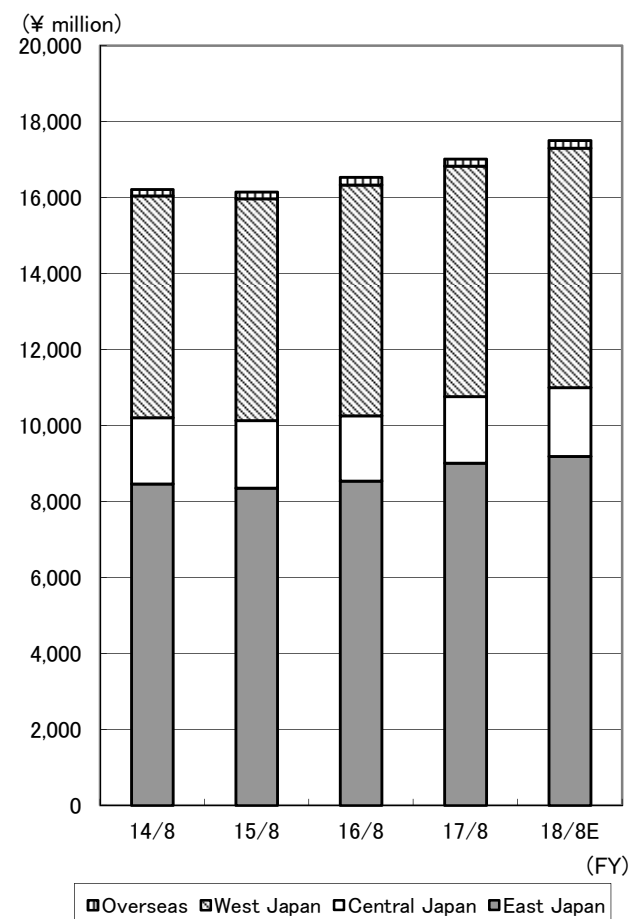
3.0	3.8
6.4	5.6
5.5	7.1
-0.8	-0.5
-21.4	26.8

#### Composition

Sales	100.0	100.0	100.0	100.0	100.0
East Japan	52.2	51.7	51.6	52.9	52.5
Central Japan	10.8	11.0	10.4	10.3	10.4
West Japan	36.0	36.2	36.8	35.7	36.0
Overseas	1.0	1.1	1.2	1.1	1.1

(%)

100.0	100.0
50.7	51.6
10.6	10.9
37.4	35.8
1.3	1.6





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

FY	14/8	15/8	16/8	17/8	18/8E
Domestic production	5,061	4,901	4,771	4,676	4,734
Overseas production	4,017	4,215	4,419	4,447	4,616
Purchased products	242	136	133	123	110
<b>Total</b>	<b>9,320</b>	<b>9,252</b>	<b>9,323</b>	<b>9,246</b>	<b>9,460</b>

(¥ million)

First-half 17/8	First-half 18/8
2,380	2,356
2,166	2,273
63	57
<b>4,609</b>	<b>4,686</b>

##### Change over previous year

Domestic production	2.2	-3.2	-2.7	-2.0	1.2
Overseas production	13.2	4.9	4.8	0.6	3.8
Purchased products	8.0	-43.8	-2.2	-7.5	-10.6
<b>Total</b>	<b>6.8</b>	<b>-0.7</b>	<b>0.8</b>	<b>-0.8</b>	<b>2.3</b>

(%)

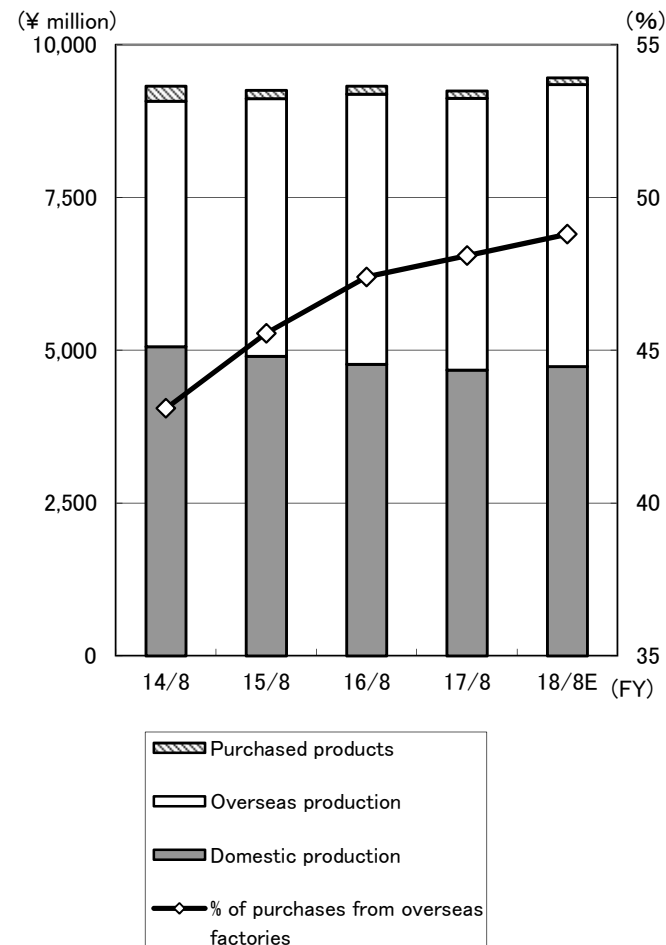
-2.1	-1.0
0.1	4.9
14.5	-9.5
<b>-0.9</b>	<b>1.7</b>

##### Composition

Domestic production	54.3	53.0	51.2	50.6	50.0
Overseas production	43.1	45.6	47.4	48.1	48.8
Purchased products	2.6	1.5	1.4	1.3	1.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(%)

51.6	50.3
47.0	48.5
1.4	1.2
<b>100.0</b>	<b>100.0</b>



## 5. Statements of Income (Consolidated)

(¥ million)

FY	14/8	15/8	16/8	17/8	18/8E	First-half 17/8	First-half 18/8
Net Sales	16,214	16,150	16,537	17,017	17,500	7,149	7,419
Gross profit	7,585	7,532	7,735	8,086	8,260	3,405	3,469
Sales, general, and administrative expense	2,662	2,719	2,784	2,843	2,886	1,473	1,463
Operating income	4,923	4,813	4,950	5,242	5,373	1,932	2,006
Recurring income	5,142	5,088	4,937	5,340	5,448	2,007	2,042
Net income	3,224	3,225	3,262	3,673	3,739	1,380	1,411

### Change over previous year

(%)

Net Sales	3.8	-0.4	2.4	2.9	2.8	3.0	3.8
Gross profit	3.3	-0.7	2.7	4.5	2.2	7.3	1.9
Sales, general, and administrative expense	7.7	2.1	2.4	2.1	1.5	0.6	-0.6
Operating income	1.0	-2.2	2.9	5.9	2.5	13.0	3.8
Recurring income	-5.1	-1.0	-3.0	8.2	2.0	17.9	1.7
Net income	3.4	0.1	1.1	12.6	1.8	22.8	2.2

### Composition

(%)

Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	46.8	46.6	46.8	47.5	47.2	47.6	46.8
Sales, general, and administrative expense	16.4	16.8	16.9	16.7	16.5	20.6	19.8
Operating income	30.4	29.8	29.9	30.8	30.7	27.0	27.0
Recurring income	31.7	31.5	29.9	31.4	31.1	28.1	27.5
Net income	19.9	20.0	19.7	21.6	21.4	19.3	19.0

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

FY						(¥ million)	
	14/8	15/8	16/8	17/8	18/8E	First-half 17/8	First-half 18/8
Net Sales	16,199	16,141	16,535	17,013	17,500	7,148	7,413
Gross profit	7,270	7,218	7,416	7,826	7,972	3,272	3,377
Sales, general, and administrative expenses	2,662	2,718	2,775	2,831	2,869	1,455	1,455
Operating income	4,608	4,500	4,641	4,995	5,102	1,816	1,922
Recurring income	4,938	4,883	4,734	5,197	5,258	1,995	2,038
Net income	3,145	3,137	3,167	3,612	3,639	1,404	1,425

### Change over previous year

						(% )	
Net Sales	3.7	-0.4	2.4	2.9	2.9	3.0	3.7
Gross profit	3.4	-0.7	2.7	5.5	1.9	7.8	3.2
Sales, general, and administrative expenses	7.2	2.1	2.1	2.0	1.4	0.1	-0.0
Operating income	1.3	-2.3	3.1	7.6	2.1	15.0	5.8
Recurring income	-4.6	-1.1	-3.1	9.8	1.2	19.2	2.1
Net income	4.4	-0.3	0.9	14.1	0.7	23.2	1.5

### Composition

						(% )	
Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	44.9	44.7	44.9	46.0	45.6	45.8	45.6
Sales, general, and administrative expenses	16.4	16.8	16.8	16.6	16.4	20.4	19.7
Operating income	28.5	27.9	28.1	29.4	29.2	25.4	25.9
Recurring income	30.5	30.3	28.6	30.6	30.1	27.9	27.5
Net income	19.4	19.4	19.2	21.2	20.8	19.7	19.2

## 7. Indices (Consolidated)

		(Unit)	13/8	14/8	15/8	16/8	17/8	First-half 17/8	First-half 18/8
Profitability	ROE	(%)	9.7	9.5	9.3	9.4	10.3	-	-
	ROA	(%)	15.0	13.5	13.0	12.7	13.4	-	-
ROE resolution	Return on sales Net income	(%)	20.0	19.9	20.0	19.7	21.6	-	-
	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	(%)	768.1	802.1	863.6	886.3	903.3	-	-
	Fixed Assets Ratio	(%)	32.1	30.1	27.1	27.5	25.9	-	-
	Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities	(%)	31.5	29.4	26.5	26.8	25.2	-	-
	Account Receivable Turnover	(Times)	3.5	3.5	3.4	3.4	3.4	-	-
	Inventory Turnover	(Times)	4.5	4.4	4.0	3.9	3.9	-	-
Per share data	BPS	(¥)	966.2	1,012.7	1,046.6	1,037.8	1,099.2	1,031.1	1,083.5
	EPS	(¥)	90.8	94.1	95.6	98.1	110.5	41.5	42.4
	DPS	(¥)	-	-	-	-	-	-	-
	Payout ratio	(%)	49.5	53.1	104.6	51.0	54.3	-	-
Others	Capital expenditure	(¥ million)	925	801	161	190	92	60	348
	Depreciation	(¥ million)	256	335	360	331	311	156	141
	Number of employees	(Persons)	499	501	497	499	498	501	500
	Proportion of female employees	(%)	67.9	67.7	67.2	66.5	66.9	66.7	66.2
	Personnel expense	(¥ million)	2,245	2,305	2,305	2,328	2,361	1,183	1,199

(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)	13/8	14/8	15/8	16/8	17/8	First-half 17/8	First-half 18/8
Profitability	ROE	(%)	10.3	10.1	9.8	10.0	11.0	-	-
	ROA	(%)	15.7	14.2	13.7	13.4	14.2	-	-
ROE resolution	Return on sales Net income	(%)	19.3	19.4	19.4	19.2	21.2	-	-
	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	(%)	706.1	735.8	793.7	821.7	828.6	-	-
	Fixed Assets Ratio	(%)	34.4	31.9	28.6	29.1	27.4	-	-
	Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities	(%)	34.0	31.5	28.3	28.7	27.0	-	-
	Account Receivable Turnover	(Times)	3.5	3.5	3.4	3.4	3.4	-	-
	Inventory Turnover	(Times)	5.6	5.4	4.9	4.7	4.9	-	-
Per share data	BPS	(¥)	883.7	931.9	960.3	954.4	1,013.6	947.4	998.5
	EPS	(¥)	87.8	91.9	93.0	95.3	108.7	42.2	42.9
	DPS	(¥)	45.0	50.0	100.0	50.0	60.0	-	-
	Payout ratio	(%)	51.3	54.4	107.5	52.5	55.2	-	-
Others	Capital expenditure	(¥ million)	846	772	132	117	62	32	329
	Depreciation	(¥ million)	214	295	327	293	265	133	122
	Number of employees	(Persons)	110	112	113	115	113	112	116
	Proportion of female employees	(%)	27.3	25.9	25.7	26.1	27.4	26.8	28.4
	Personnel expense	(¥ million)	1,007	1,051	1,101	1,141	1,155	585	590

(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	16/8		17/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Net Sales	16,537	100.0	17,017	100.0	479	2.9
Cost of sales	8,802	53.2	8,931	52.5	128	1.5
Gross profit	7,735	46.8	8,086	47.5	350	4.5
Sales, general, and administrative expenses	2,784	16.9	2,843	16.7	59	2.1
Packing and freight expenses	222		231			
Advertising expenses	311		321			
Personnel expenses	1,326		1,342			
Management commission expense	133		124			
Depreciation expenses	241		211			
Operating income	4,950	29.9	5,242	30.8	291	5.9
Non-operating income	94	0.6	144	0.9	49	51.9
Interest income	12		4			
Rent income	57		70			
Others	24		68			
Non-operating expense	108	0.6	46	0.3	-62	-57.3
Fixed assets rent expense	33		35			
Others	74		11			
Recurring income	4,937	29.9	5,340	31.4	402	8.2
Extraordinary profit	1	0.0	4	0.0	2	289.6
Extraordinary loss	3	0.1	3	0.0	0	-17.5
Income before income taxes	4,934	29.8	5,341	31.4	406	8.2
Income, inhabitant and enterprise taxes	1,649		1,645			
Tax adjustments	23		21			
Net income attributable to shareholders	3,262	19.7	3,673	21.6	411	12.6

(¥ million,%)

	First-half 17/8		First-half 18/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
	7,149	100.0	7,419	100.0	269	3.8
	3,744	52.4	3,949	53.2	205	5.5
	3,405	47.6	3,469	46.8	64	1.9
	1,473	20.6	1,463	19.8	-9	-0.6
	102		104			
	227		237			
	681		685			
	60		60			
	107		97			
	1,932	27.0	2,006	27.0	74	3.8
	93	1.3	55	0.7	-38	-41.1
	3		1			
	30		40			
	60		13			
	17	0.2	18	0.2	0	3.2
	17		17			
	0		1			
	2,007	28.1	2,042	27.5	35	1.7
	3	0.0	0	0.0	-3	-94.6
	0	0.0	0	0.0	0	-30.6
	2,011	28.1	2,043	27.5	31	1.6
	605		650			
	24		-18			
	1,380	19.3	1,411	19.0	30	2.2

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

(¥ million,%)

FY	16/8		17/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Net Sales	16,535	100.0	17,013	100.0	478	2.9
Cost of sales	9,118	55.1	9,187	54.0	68	0.8
Gross profit	7,416	44.9	7,826	46.0	409	5.5
Sales, general, and administrative expenses	2,775	16.8	2,831	16.6	55	2.0
Packing and freight expenses	428		436			
Advertising expenses	311		321			
Personnel expenses	1,141		1,155			
Management commission expenses	131		123			
Depreciation expenses	239		208			
Operating income	4,641	28.1	4,995	29.4	354	7.6
Non-operating income	242	1.4	297	1.8	55	22.9
Interest income	11		4			
Dividend income	102		106			
Rent income	125		138			
Others	2		47			
Non-operating expense	148	0.9	95	0.6	- 53	-36.0
Fixed assets rent expense	71		72			
Others	77		22			
Recurring income	4,734	28.6	5,197	30.6	462	9.8
Extraordinary profit	0	0.0	0	0.0	0	-65.7
Extraordinary loss	2	0.0	3	0.1	0	31.2
Income before income taxes	4,733	28.6	5,195	30.5	461	9.8
Income, inhabitant and enterprise taxes	1,537		1,560			
Tax adjustments	27		21			
Net income	3,167	19.2	3,612	21.2	445	14.1

(¥ million,%)

	First-half 17/8		First-half 18/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
	7,148	100.0	7,413	100.0	265	3.7
	3,875	54.2	4,036	54.4	160	4.1
	3,272	45.8	3,377	45.6	105	3.2
	1,455	20.4	1,455	19.7	0	0.0
	199		208			
	227		236			
	585		590			
	60		60			
	105		95			
	1,816	25.4	1,922	25.9	105	5.8
	216	3.0	152	2.1	-64	-29.7
	2		1			
	100		75			
	64		74			
	48		0			
	37	0.5	36	0.5	0	-2.5
	36		34			
	0		1			
	1,995	27.9	2,038	27.5	42	2.1
	0	0.0	0	0.0	0	123.3
	0	0.0	0	0.0	0	-33.2
	1,995	27.9	2,038	27.5	42	2.1
	563		630			
	27		-17			
	1,404	19.7	1,425	19.2	20	1.5

## 11. Balance Sheet (Consolidated)

FY	(¥ million,%)					
	16/8		17/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	29,083	74.8	32,325	78.9	3,242	11.1
Cash on hand and at banks	19,504		22,762			
Trade notes and accounts receivable (including electronically recorded claims)	4,928		5,038			
Securities	-		-			
Inventories	4,348		4,311			
Others	303		213			
Reserve bad debt	-1		-0			
Fixed assets	9,774	25.2	8,626	21.1	-1,148	-11.7
Tangible fixed assets	7,476	19.2	7,256	17.7	-219	-2.9
Buildings and structures	2,371		2,242			
Machinery and equipment	485		406			
Land	4,447		4,447			
Construction in progress	-		1			
Others	171		158			
Intangible fixed asset	57	0.2	54	0.2	-2	-4.8
Investments and other assets	2,240	5.8	1,315	3.2	-925	-41.3
Investment securities	664		688			
Others	1,577		628			
Reserve bad debt	-1		-1			
<b>Total assets</b>	<b>38,857</b>	<b>100.0</b>	<b>40,951</b>	<b>100.0</b>	<b>2,093</b>	<b>5.4</b>

Current liabilities	3,371	8.7	3,426	8.4	54	1.6
Trade notes and accounts payable	1,561		1,428			
Accrued income taxes	1,149		1,091			
Accrued bonus	83		83			
Others	577		822			
Long-term liabilities	983	2.5	979	2.4	-4	-0.4
Accrued pension and severance costs	662		653			
Directors' retirement allowances	213		207			
Others	107		117			
<b>Total liabilities</b>	<b>4,355</b>	<b>11.2</b>	<b>4,405</b>	<b>10.8</b>	<b>50</b>	<b>1.2</b>
Total shareholders' equity	34,359	88.4	36,370	88.8	2,011	5.9
Capital stock	1,925		1,925			
Capital reserves	2,358		2,358			
Retained earnings	34,978		36,989			
Treasury stock	-4,902		-4,902			
Accumulated other comprehensive income	142	0.4	175	0.4	32	23.0
Net unrealized gains on investment securities	236		251			
Deferred hedging gains and losses	0		1			
Accumulated pension and severance costs	-94		-78			
<b>Total net assets</b>	<b>34,501</b>	<b>88.8</b>	<b>36,545</b>	<b>89.2</b>	<b>2,043</b>	<b>5.9</b>
<b>Total liabilities and total net assets</b>	<b>38,857</b>	<b>100.0</b>	<b>40,951</b>	<b>100.0</b>	<b>2,093</b>	<b>5.4</b>

	(¥ million,%)					
	First-half 17/8		First-half 18/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
	29,234	77.0	30,985	77.7	1,750	6.0
	18,868		20,578			
	4,940		5,181			
	-		-			
	5,112		5,008			
	313		216			
	-1		0			
	8,756	23.0	8,903	22.3	147	1.7
	7,375	19.4	7,465	18.7	90	1.2
	2,308		2,210			
	458		382			
	4,447		4,447			
	-		274			
	161		149			
	61	0.1	52	0.1	-9	-15.0
	1,319	3.5	1,385	3.5	66	5.0
	689		790			
	631		597			
	-1		-1			
	37,991	100.0	39,889	100.0	1,897	5.0

	2,735	7.2	2,913	7.3	178	6.5
	1,567		1,596			
	621		673			
	78		78			
	467		565			
	975	2.6	954	2.4	-20	-2.1
	660		648			
	198		191			
	115		114			
	3,710	9.8	3,868	9.7	157	4.3
	34,078	89.7	35,786	89.7	1,708	5.0
	1,925		1,925			
	2,358		2,358			
	34,696		36,405			
	-4,902		-4,902			
	203	0.5	234	0.6	31	15.3
	253		322			
	36		-16			
	-86		-70			
	34,281	90.2	36,021	90.3	1,739	5.1
	37,991	100.0	39,889	100.0	1,897	5.0



## 12. Balance Sheet(Non-Consolidated)

FY	16/8		17/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	25,875	73.1	29,166	77.7	3,290	12.7
Cash on hand and at banks	17,165		20,486			
Trade notes	2,820		3,092			
(including electronically recorded claims)						
Accounts receivable	2,106		1,945			
Securities	-		-			
Inventories	3,493		3,443			
Others	289		199			
Reserve bad debt	-1		-0			
Fixed assets	9,521	26.9	8,390	22.3	- 1,130	-11.9
Tangible fixed assets	7,352	20.8	7,153	19.0	- 199	-2.7
Buildings and structures	2,330		2,207			
Machinery and equipment	345		289			
Land	4,447		4,447			
Construction in progress	-		1			
Others	228		207			
Intangible fixed asset	48	0.1	41	0.1	- 6	-13.2
Investments and other assets	2,120	6.0	1,195	3.2	- 925	-43.6
Investment securities	664		688			
Others	1,457		508			
Reserve bad debt	-1		- 1			
<b>Total assets</b>	<b>35,397</b>	<b>100.0</b>	<b>37,557</b>	<b>100.0</b>	<b>2,159</b>	<b>6.1</b>

Current liabilities	3,223	9.1	3,418	9.1	194	6.0
Trade notes	865		772			
Accounts payable	745		813			
Accrued income taxes	1,090		1,048			
Others	522		783			
Long-term liabilities	441	1.3	438	1.2	-3	-0.7
Accrued pension and severance costs	153		149			
Directors' retirement allowances	180		170			
Others	107		117			
<b>Total liabilities</b>	<b>3,665</b>	<b>10.4</b>	<b>3,857</b>	<b>10.3</b>	<b>191</b>	<b>5.2</b>
Total shareholders' equity	31,497	89.0	33,447	89.0	1,950	6.2
Capital stock	1,925		1,925			
Capital reserves	2,637		2,637			
Retained earnings	31,836		33,786			
Treasury stock	-4,902		-4,902			
Valuation and translation adjustments	234	0.6	252	0.7	17	7.5
Net unrealized gains on investment securities	236		251			
Deferred hedging gains and losses	-1		0			
<b>Total net assets</b>	<b>31,731</b>	<b>89.6</b>	<b>33,700</b>	<b>89.7</b>	<b>1,968</b>	<b>6.2</b>
<b>Total liabilities and total net assets</b>	<b>35,397</b>	<b>100.0</b>	<b>37,557</b>	<b>100.0</b>	<b>2,159</b>	<b>6.1</b>

		First-half 17/8		First-half 18/8		Change(the previous year)	
Result	Composition	Result	Composition	Result	Composition	Result	Change %
26,173	75.5	27,856	76.3	1,682		6.4	
16,766		18,425					
1,866		2,000					
3,074		3,181					
-		-					
4,177		4,045					
290		203					
-1		0					
8,498	24.5	8,668	23.7	170		2.0	
7,252	20.9	7,360	20.1	108		1.5	
2,270		2,178					
320		261					
4,447		4,447					
-		274					
213		198					
47	0.1	41	0.1	-6		-13.2	
1,198	3.5	1,266	3.5	68		5.7	
689		790					
510		478					
-1		-1					
34,672	100.0	36,524	100.0	1,852		5.3	

2,744	7.9	2,890	7.9	145		5.3	
936		910					
806		846					
579		653					
421		480					
431	1.3	438	1.2	7		1.8	
152		149					
163		174					
115		114					
3,175	9.2	3,329	9.1	153		4.8	
31,239	90.1	32,878	90.0	1,638		5.2	
1,925		1,925					
2,637		2,637					
31,578		33,217					
-4,902		-4,902					
257	0.7	317	0.9	60		23.3	
253		322					
4		-4					
31,496	90.8	33,195	90.9	1,698		5.4	
34,672	100.0	36,524	100.0	1,852		5.3	

### 13.Forecasts/Results of Net Sales (Consolidated)

[Forecast]

		(¥ million)				
FY	13/8	14/8	15/8	16/8	17/8	18/8E
Full Year	15,450	16,000	16,700	16,500	17,000	17,500
First-half	6,412	6,530	6,950	6,850	7,140	7,350
Second-half	9,038	9,470	9,750	9,650	9,860	10,150

[Result]

		(¥ million)				
FY	13/8	14/8	15/8	16/8	17/8	18/8E
Full Year	15,625	16,214	16,150	16,537	17,017	
First-half	6,463	6,775	6,840	6,938	7,149	7,419
1Q	2,978	3,201	2,994	2,579	2,862	3,068
2Q	3,484	3,574	3,845	4,358	4,286	4,350
Second-half	9,161	9,438	9,310	9,599	9,867	
3Q	5,970	6,308	5,684	5,941	6,299	
4Q	3,191	3,130	3,626	3,657	3,568	

[To Forecast %]

		(%)				
FY	13/8	14/8	15/8	16/8	17/8	18/8E
Full Year	1.1	1.3	-3.3	0.2	0.1	
First-half	0.8	3.8	-1.6	1.3	0.1	0.9
Second-half	1.4	-0.3	-4.5	-0.5	0.1	

(¥ million)

(%)

