

# ANALYST GUIDE

## FY2019

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

October 2019



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## 1 Sales & Income

- Net Sales: **¥16,785 m**
- Operating Income: **¥4,918 m**

## 2 The Change of Business Environment

### -Market Condition

The impact of simultaneous revision of medical treatment and nursing care fees was negligible. Stable state continued.

### -Production Condition

(Overseas) The processing costs increased due to rising labor costs.

(In Japan) The logistics costs increased.

## 3 Unusual Events

- Impact on gross profit due to establishing New Sewing Factory  
(Increase of depreciation, occurrence of real estate acquisition tax)
- Abolishing directors' retirement allowances  
(Reward for retirement recorded as extra expenses in SGA account. )  
Introducing restricted stock-based payment



I About “NAGAILEBEN”

II Market Environment

III Financial Review FY2019  
and Forecast for FY2020

IV Management Goals

V Rewarding shareholder-focused policies



## I About “NAGAILEBEN”

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1

## Over 100 years in business (Established in 1915) 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.
- Integrated Production System  
Planning, Manufacturing and Marketing
- Competitive product such as extensive products, custom-made program

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## Stable growing market

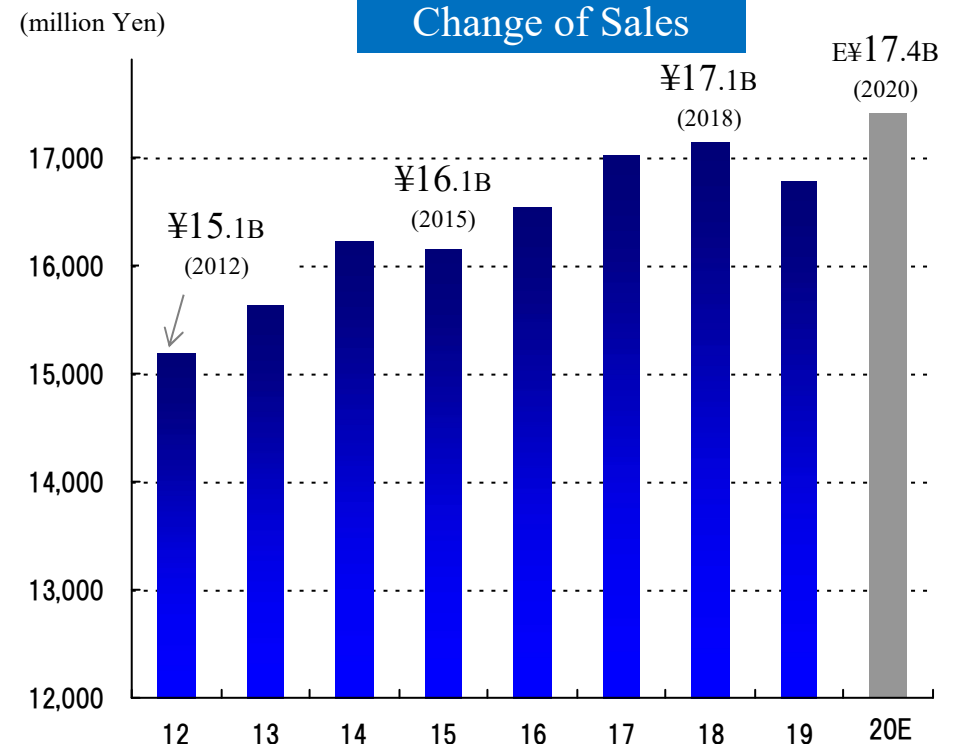
- The number of Nursing Staff and Care workers is increasing gently.

Doctor, Dentist, Pharmacist*1 (2016)	Nursing Staff*2 (2016)	Care workers*3 (2017)
730,000 People	1,660,000 people	1,870,000 people
compare with 2014 +22,000people	compare with 2015 +26,000people	compare with 2016 +35,000people

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

\*2 Japanese Nursing Associations' statistical data

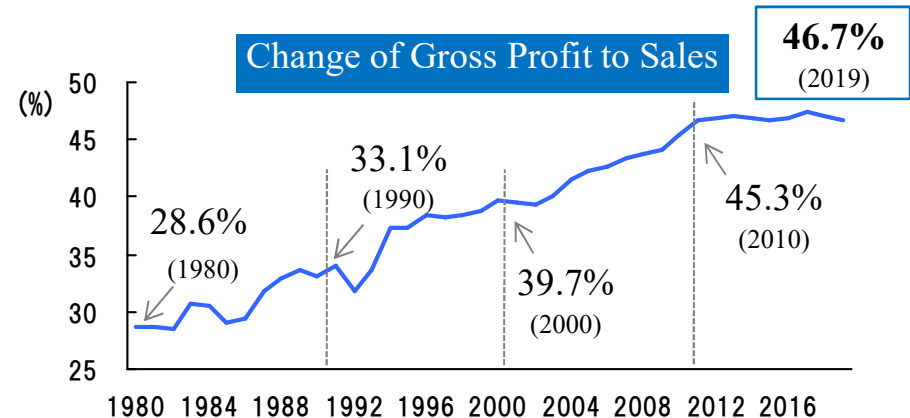
\*3 Research of Long-Term Care Service , MHLW



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## Highly profitability Strong balance sheet

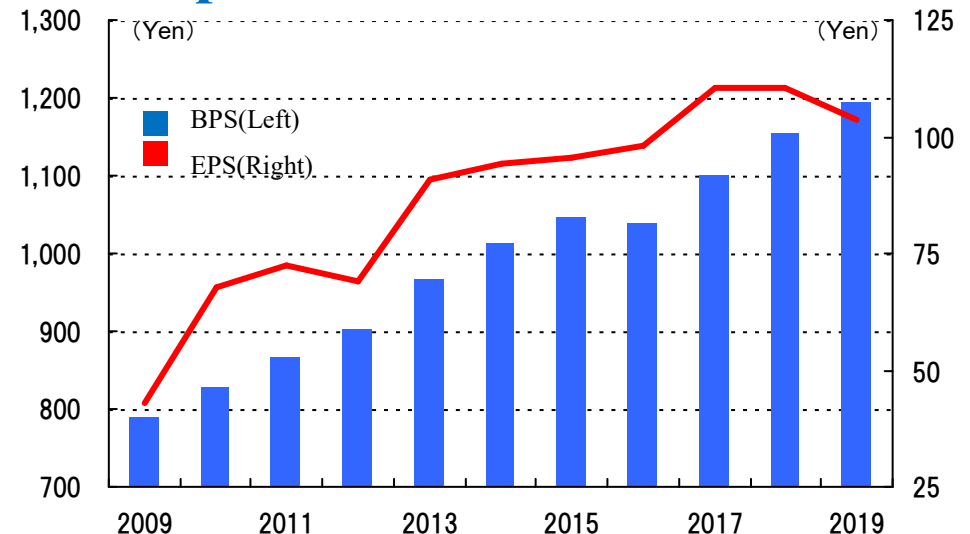
- Realization of high profitability with radical pursuit of efficiency
- Gross profit to sales **46.7%** (as of FY2019)
- Capital-to-asset ratio **89.7%**
- ROE **8.8%**



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## Rewarding shareholder-focused policies

- BPS **1,194.5Yen** (as of FY2019)
- EPS **103.6Yen**
- Continue stable dividend payment with payout ratio of 50%
- DPS **60Yen**
- Acquisition of treasury stock



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## 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”.



## What's NEW

### Respect for Customers



#### Beauty Lecture for Nurse

Practical course in makeup and manner for nurses in medical fields. Collaboration with *Shiseido*.

### Regional Contribution



#### Rental of Historic Nurse Wear

Archiving historic nurse wear.  
Free rental to medical institutions.

### Social Responsibility



#### Planting of Revival Cherry Trees

We have planted cherry trees to commemorate the 3.11's tsunami victims in Minami-sanriku, Tōhoku area, Japan, with voluntary local residents.

### 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.

### Environmental Efforts

-We acquired ISO14001 certification in 2005. 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.



### Respect for Customers



#### Communication Space for Nurse "ITONA" gallery

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

### 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 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 published anthology for nurse regularly and made gifts for hospitals or nurses free of charge.  
- We received recognition from the Minister for Health, Labour and Welfare, as one of the best contributed companies in employment of people with disabilities.

- Business Ambassador in Misato town, Akita Prefecture.  
- 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.  
-Support United Nations World Food Programme(WFP).

# Our Concept for SDGs



## Social Responsibility as Corporate Citizen



## “Let us help the human life”

- Support medical field through our products.
- Realize High-Function and High-Sense products they require



## Environmental Efforts

- “COMPELPACK”  
Enables hospital to reduce waste and be more economical.
- ISO14001 certification in 2005  
Environmentally conscious operation



## Return to Society

We give back to society on the basis of our company spirit “Nagaism”.



To solve social problems,  
we will develop bond with SDGs' goal and our business gradually.





## II Market Environment

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## Market condition is unstable

- Medical treatment and nursing care fees will be revised due to raising consumption tax rate. (effective Oct. 2019).  
Medical treatment fees: Service: +0.41%, Drug price: -0.48%(adaption of consumption tax:+0.48%, adaption of market price:-0.97%), Nursing care fees: +0.39%
- Medical treatment fees will be revised(effective April 2020).
- The number of Nursing Staff and Care workers is increasing gently.

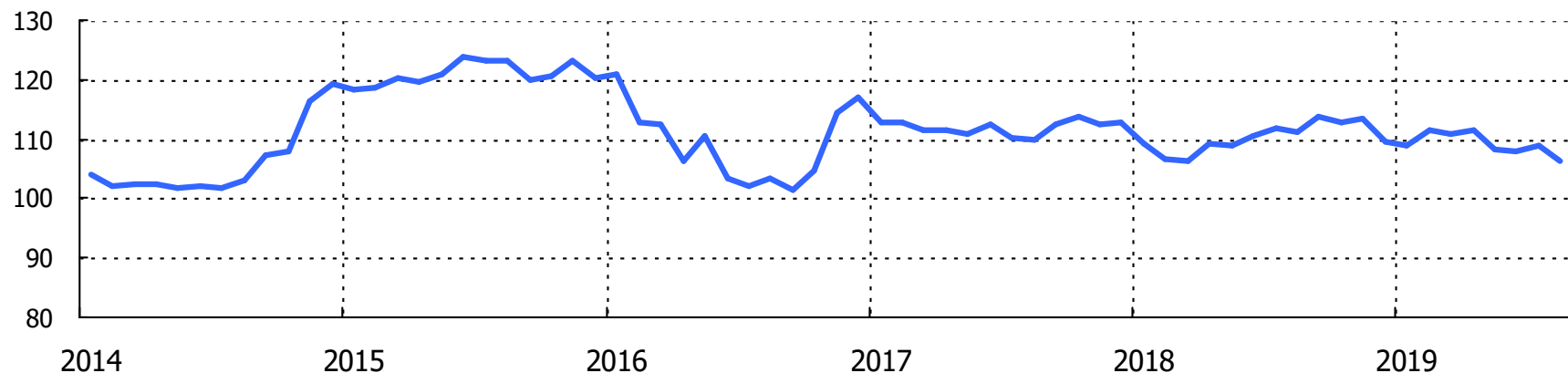
## Rising manufacturing cost

- Labor costs are increasing in Japan.
- Material cost, such as dyestuffs, are increasing.
- Distribution cost are increasing, due to labor shortage.

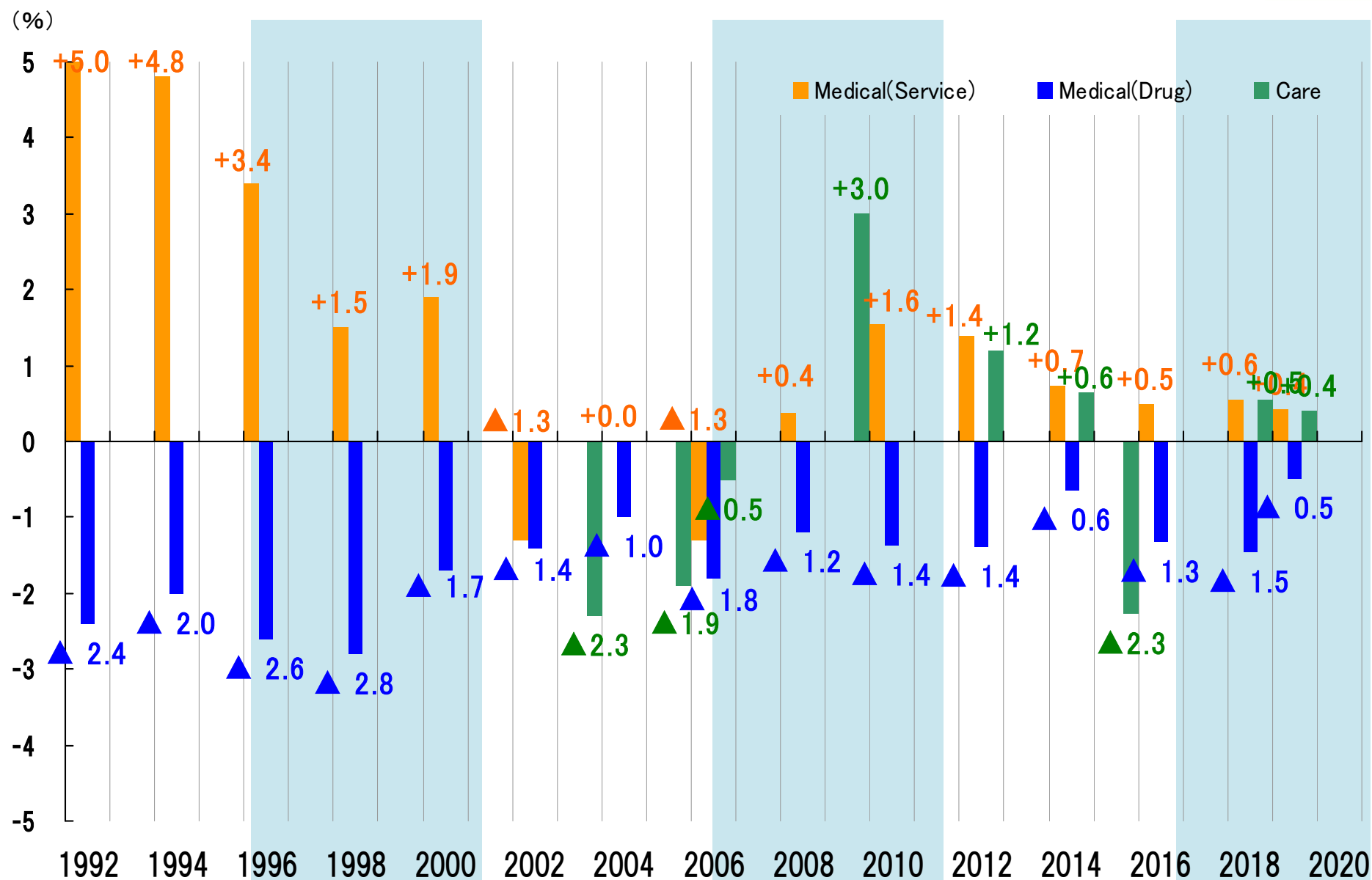
## Tumultuous the rate of exchange

- monthly average exchange rate(as of Aug.)

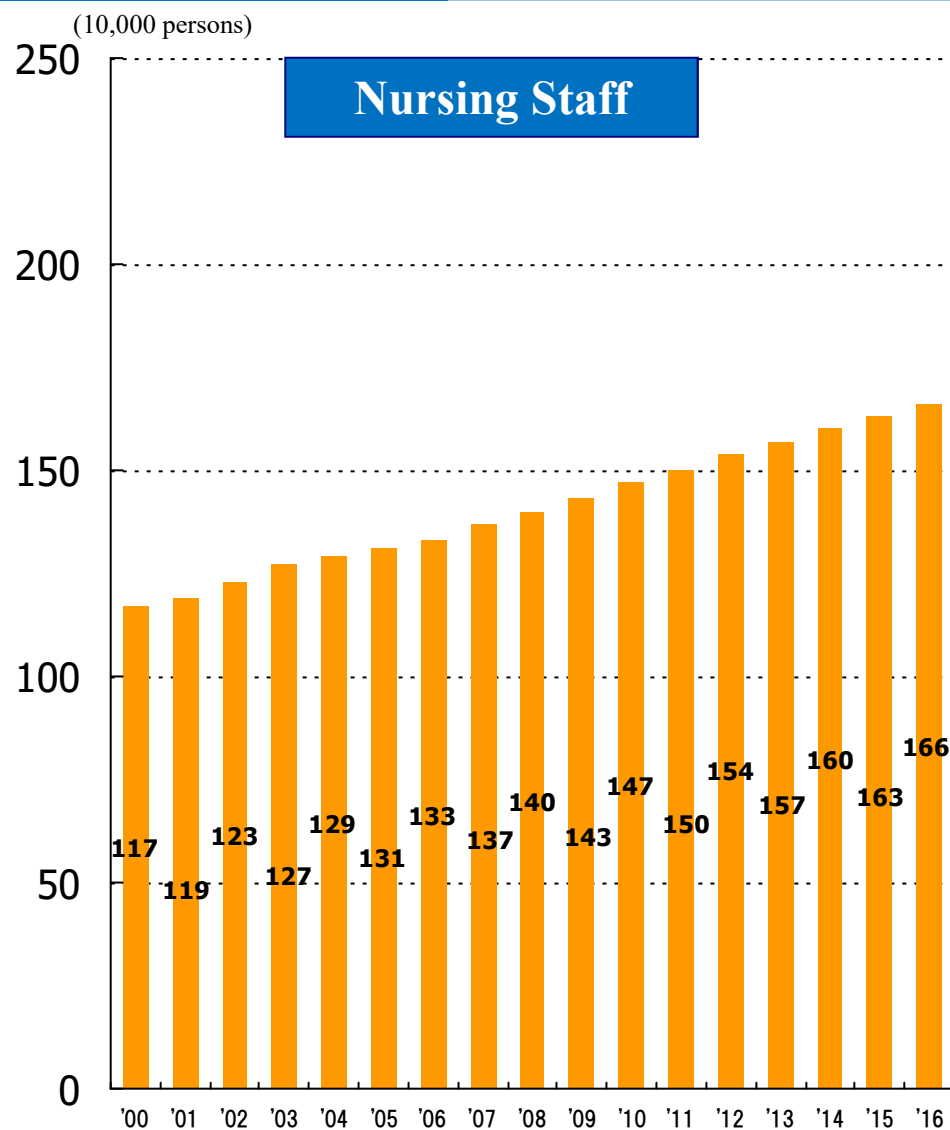
2014:¥102/dollar, 2015:¥123/dollar, 2016:¥103/dollar, 2017:¥109/dollar, 2018:¥111/dollar, 2019:¥106/dollar



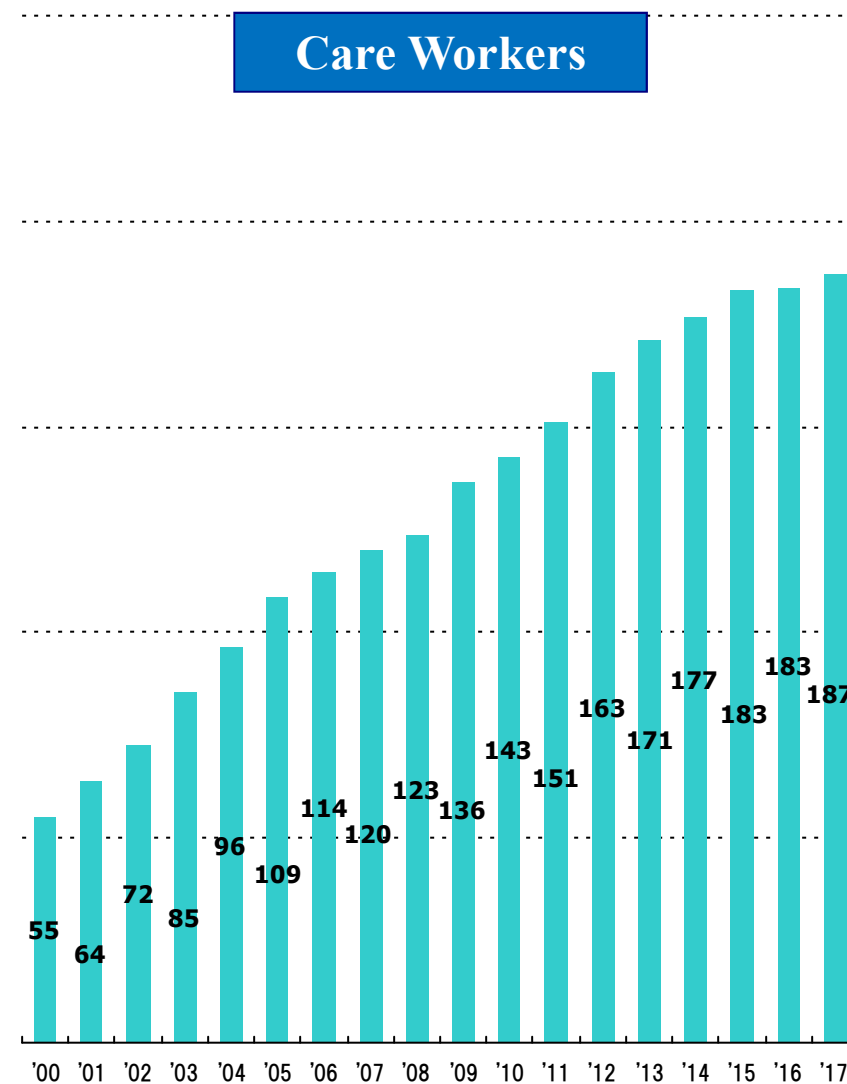
# Revisions to medical treatment and care Service fees



# The number of Nursing Staff and Care workers



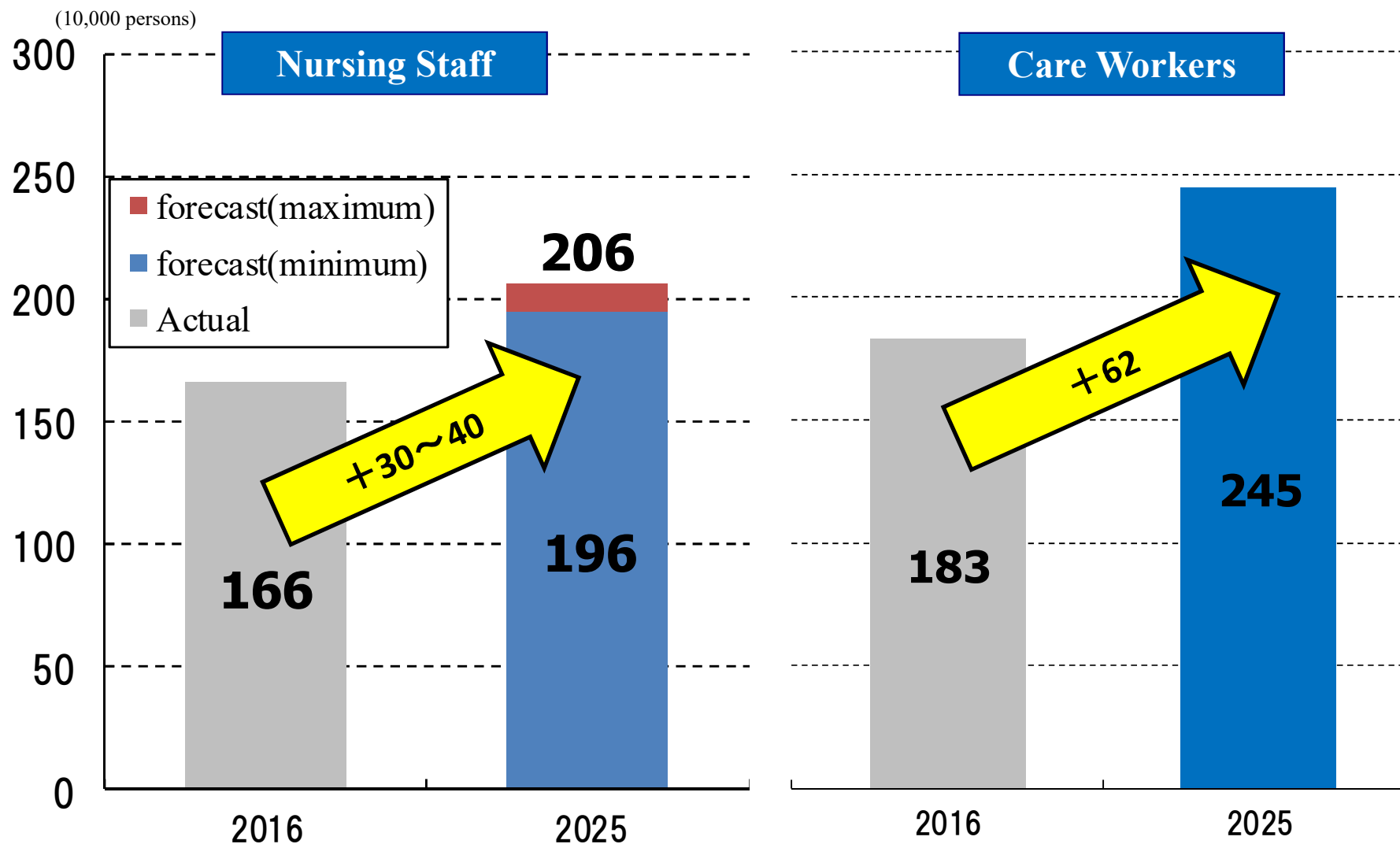
MHLW, Health Policy Bureau, Nursing Division



Research of Long-Term Care Service, MHLW

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.

# 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"



## II Financial Review of FY2019 and Forecast for FY2020

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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
  - Introduce our business model into East Asia from Japan

## Production strategy to ensure a steady supply

- Operation of New Sewing Factory
  - Strengthen domestic production
  - Strengthen ability to respond Quick Response
- Strengthen ties with material makers and trade firms

## Strategy to stabilize profitability

- Improvement of profitability by driving the strategy of higher quality and value-added products
- Embark on transferring oversea materials from domestic
- Shift to overseas from domestic in sewing process
- Promote the efficient use of Materials

## Financial Review of FY2019 and Forecast for FY2020



(millions of yen,%)	FY2019		FY2020	
	(Results)	% Change	(Forecast)	% Change
<b>Net sales</b>	<b>16,785</b>	<b>-2.1</b>	<b>17,400</b>	<b>+3.7</b>
<b>Gross profit</b>	<b>7,840</b>	<b>-2.6</b>	<b>8,130</b>	<b>+3.7</b>
<b>Sales, general, and administrative expenses</b>	<b>2,922</b>	<b>+4.9</b>	<b>2,963</b>	<b>+1.4</b>
<b>Operating income</b>	<b>4,918</b>	<b>-6.6</b>	<b>5,167</b>	<b>+5.1</b>
<b>Recurring income</b>	<b>4,990</b>	<b>-6.5</b>	<b>5,242</b>	<b>+5.0</b>
<b>Net income</b>	<b>3,445</b>	<b>-6.3</b>	<b>3,605</b>	<b>+4.6</b>

FY2019(Results)	FY2020(Forecast)
<p>[Overview]</p> <p>Sales in FY2019 decreased -2.1%.</p> <p>Though sales of High Value-Added products in Healthcare wear was doing well. Some renewal contracts of Value-Added products in second-half of FY2019 were postponed to next term.</p> <p>Also growth of sales of Patient wear was less than in the past several years, because full introduction of new customer was postponed to next term.</p>	<p>[Overview]</p> <p>Net sales will increase +3.7% and become highest record.</p> <p>Sales of Healthcare wear is expected to increase steadily. To catch renewal contracts, which were postponed from previous year, we will release new products in Value-Added products. We will strengthen the strategy of Higher Quality and Value-Added products by releasing High-Function and High-Sense new products.</p> <p>Sales of Patient wear will increase steadily, by beginning business with new customer in earnest new efforts.</p>

# Financial Review of FY2019 and Forecast for FY2020



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Recurring income	4,990	-6.5	5,242	+5.0
Net income	3,445	-6.3	3,605	+4.6
FY2019(Results)			FY2020(Forecast)	
[Gross profit]				
Factor of Sales :	-¥168m		+¥287m	
Factor of Production :	-¥42m		+¥3m	
Gross profit to sales :	FY2018 47.0% → FY2019 46.7%		FY2020 46.7%	
	(excluding special factors:47.0%)			
	New Sewing Factory			
	-Increase of depreciation: -¥39m			
	-Occurrence of real estate acquisition tax: -¥14m			
(Factor of Production resolution)				
-Boost of sewing cost :	(Overseas)-¥40m		(In Japan)-¥53m	
-Boost of materials:			-¥60m	
-Foreign Exchange rate (yen/dollar):	FY2018 109.6→FY2019 107.5(+¥40m)		FY2020 104.5(+¥60m)	
-Overseas production ratio:	FY2018 49.0%→FY2019 49.2%(+¥14m)		FY2020 49.5%(+¥40m)	

# Financial Review of FY2019 and Forecast for FY2020



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Operating income	4,918	-6.6	5,167	+5.1
Recurring income	4,990	-6.5	5,242	+5.0
Net income	3,445	-6.3	3,605	+4.6

	FY2019(Results)	FY2020(Forecast)
[Sales, general, and administrative expenses]	-Packing and freight expenses due to rising in fares +¥9m -Reward for retirement, due to abolishing Directors' retirement allowances +¥81m (excluding special factors: +2.0%)	-Packing and freight expenses +¥10m -Advertising expenses +¥16m
[Capital expenditure]		
-Capital expenditure	¥225m (Manufacturing equipment:¥93m, Buildings:¥69m, Distribution equipment:¥37m, IT system:¥24m)	¥418m (Buildings:¥261m, IT system:¥93m, Distribution equipment:¥43m, Manufacturing equipment:¥20m)
-Depreciation	¥337m	¥346m

# Financial Highlights <Balance Sheet>



## Major assets

(¥ million %)

Title	Result	Change Result	Change%
Cash on hand at banks	25,157	+1,227	+5.1
Notes and accounts receivable (including electronically recorded claims)	5,340	+524	+10.9
Inventories	4,479	+93	+2.1
<b>Current assets</b>	<b>35,054</b>	<b>+1,833</b>	<b>+5.5</b>
Buildings and structures	2,816	-115	-3.9
Land	4,438	-9	-0.2
Investments and other assets	1,426	-70	-4.7
<b>Fixed assets</b>	<b>9,226</b>	<b>-195</b>	<b>-2.1</b>
<b>Total assets</b>	<b>44,281</b>	<b>+1,637</b>	<b>+3.8</b>

## Major liabilities and shareholders' equity

(¥ million %)

Title	Result	Change Result	Change%
Notes and accounts payable	1,452	+28	+2.0
Accrued income taxes	994	-63	-6.0
<b>Current liabilities</b>	<b>4,559</b>	<b>+261</b>	<b>+6.1</b>
Capital reserves	40,120	+1,450	+3.8
Treasury stock	-4,896	+6	-0.1
<b>Net assets</b>	<b>39,721</b>	<b>+1,376</b>	<b>+3.6</b>
<b>Total liabilities and net assets</b>	<b>44,281</b>	<b>+1,637</b>	<b>+3.8</b>

[Major changes from the previous fiscal year]

### **Cash and cash equivalents up ¥ 1,227 million**

- Cash flows from operating activities up ¥ 3,433 million
- Acquisition tangible and intangible down ¥ 235 million
- Dividend payout down ¥ 1,994 million

### **Fixed assets**

**down ¥ 195 million**

- Buildings and structures down ¥ 168 million
- (Depreciation)

### **Net assets**

**up ¥ 1,376 million**

- Net profit up ¥ 3,445 million
- Dividend payout down ¥ 1,994 million

# Segments by Item

## Healthcare wear



## Patient wear



## Shoes



## Doctors' wear



## Utility wear

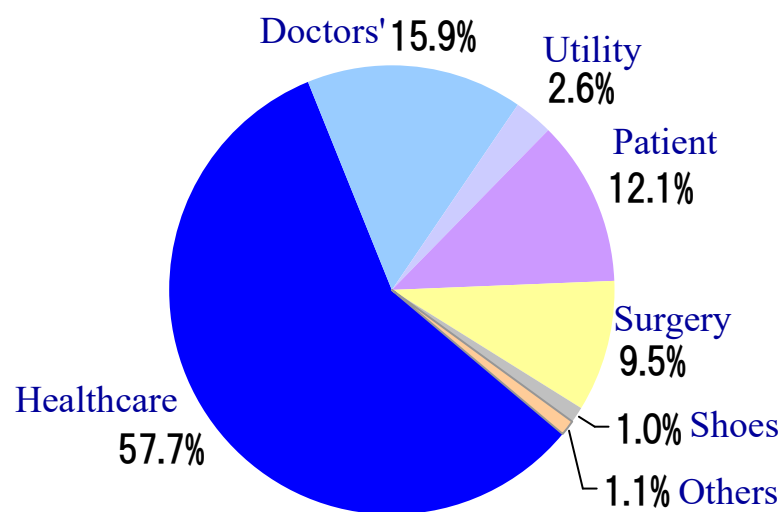


## Surgery wear





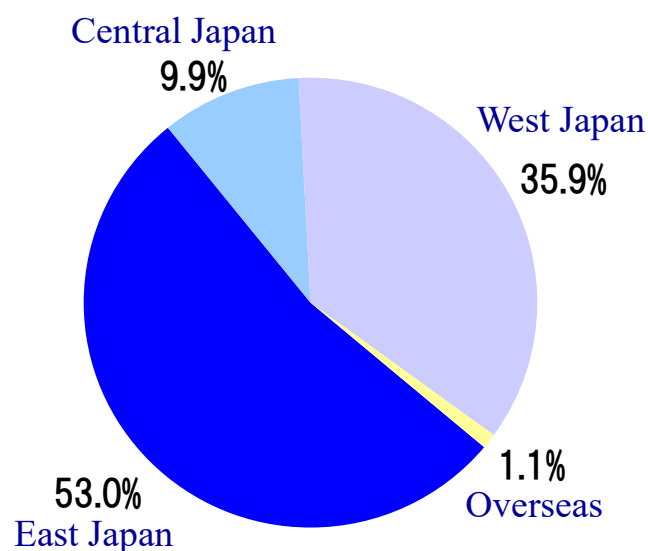
# Sales by Item



Year-on-year change	FY2019	FY2020
	Results	Forecast
Total sales	-2.1%	+3.7%
Healthcare wear	-2.9%	+3.3%
Doctors' wear	+0.1%	+2.9%
Utility wear	-11.6%	-9.3%
Patient wear	+3.5%	+10.6%
Surgery wear	-2.8%	+3.4%
Shoes	-8.2%	-3.9%
Others	-8.1%	-4.1%

FY2019(Results)		FY2020(Forecast)	
[Healthcare]	Though High Value-Added products was doing well, sales in FY2019 declined because renewal contracts of Value-Added products were postponed to next term.	Sales of Healthcare wear is expected to increase steadily. We will catch up renewal contracts, which were postponed from previous year. We plan to develop new sensation type of new products, promote High Value-Added products and catch big contracts of High-End products.	
[Doctors']	Though mass product was on downward trend, High-End products led the sale of Doctors' wear. Sales in total kept previous year.	We plan to activate market by releasing Value-Added new products in reasonable prices range and promoting High-End products.	
[Utility]	The demand was down, due to changing unit of supply from individual to section and transitioning to disposal products.	As the demand being down, the decline in sales of Utility wear is expected to continue.	
[Patient]	Sales continued to grow. The growth of sales decreased because full introduction of new contracts were postponed to next term and a part of them were introduced in FY2019.	The increase in sales of Patient wear is expected to continue 2 digits figure. There is plenty room for expanding, because our market share in this item is minor. We plan to release new products and expand new accounts.	
[Surgery]	Sales fell. Sales of COMPELPACK continued to grow, sales of other were hard fights.	As capacity of laundry and sterilization factory for COMPELPACK will expand and new contracts will realize, sales of surgery wear is expected to increase.	

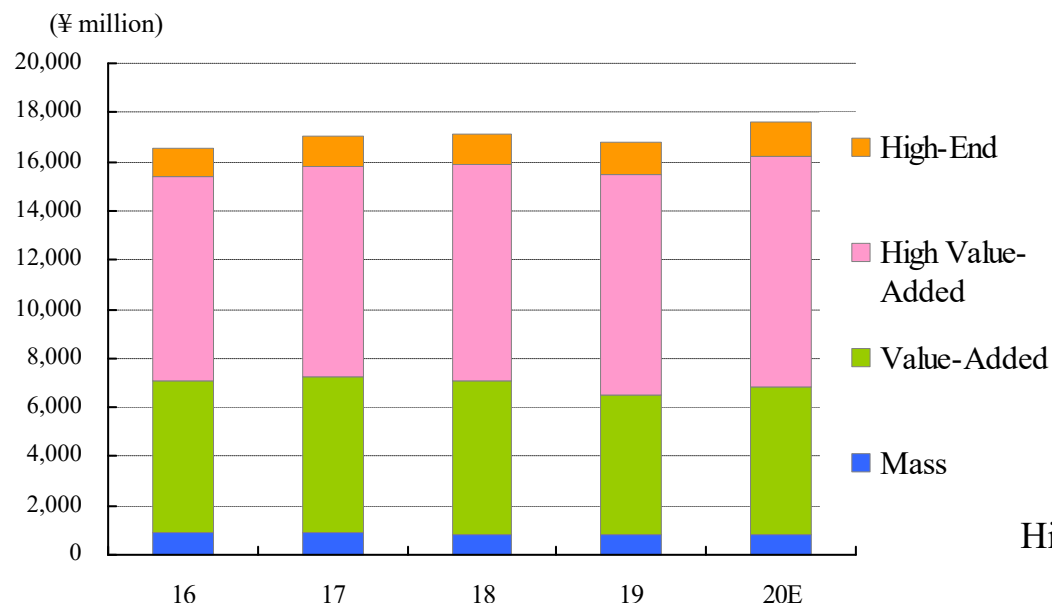
# Sales by Region



Year-on-year change	FY2019	FY2020
	Results	Forecast
Total sales	-2.1%	+3.7%
East Japan	-1.8%	+2.0%
Central Japan	-7.3%	+8.2%
West Japan	-0.6%	+4.4%
Overseas	-11.5%	+15.8%

FY2019(Results)		FY2020(Forecast)
[East Japan]	Sales went below previous year. Renewal contracts which were scheduled in second-half of FY2019 were postponed to next term.	Sales is expected to increase. We will catch renewal contracts which were postponed by Value-Added new products and activate market by High-Function and High-Sense products.
[Central Japan]	Sale went below previous year, because renewal contracts in FY2019 were few. Though sale in second-half of FY2019 was on the track to recovery, sale in second-half of FY2019 did not exceed the decline of first-half of FY2019.	Since market size is not large and there is the influence by the size of previous contracts. In FY2020, renewal contracts will be more than previous year.
[West Japan]	Sales kept previous year. Though catching new contracts smoothly, renewal contracts and new efforts were postponed to next term.	Steady growth of sales is expected. We will catch new contracts and postponed contracts and execute new effort in patient wear.
[Overseas]	Sales in FY2019 went below previous year, because there were large contracts in FY2018. Though we tried to recover by introducing our business model, contracts were postponed.	Sales is expected to increase. We find out to introduce our business model into East Asia from Japan.

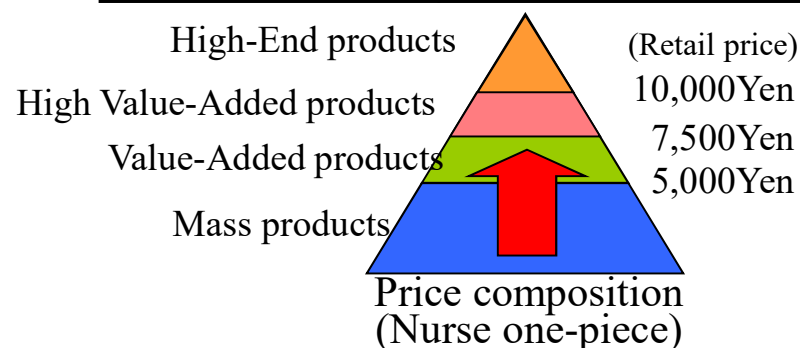
## Sales by Product



\*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	FY2019	FY2020E
Total sales	-2.1%	+3.7%
High-End products	+0.4%	+4.3%
High Value-Added products	+2.4%	+4.5%
Value-Added products	-8.6%	+3.4%
Mass products	-5.0%	-3.3%



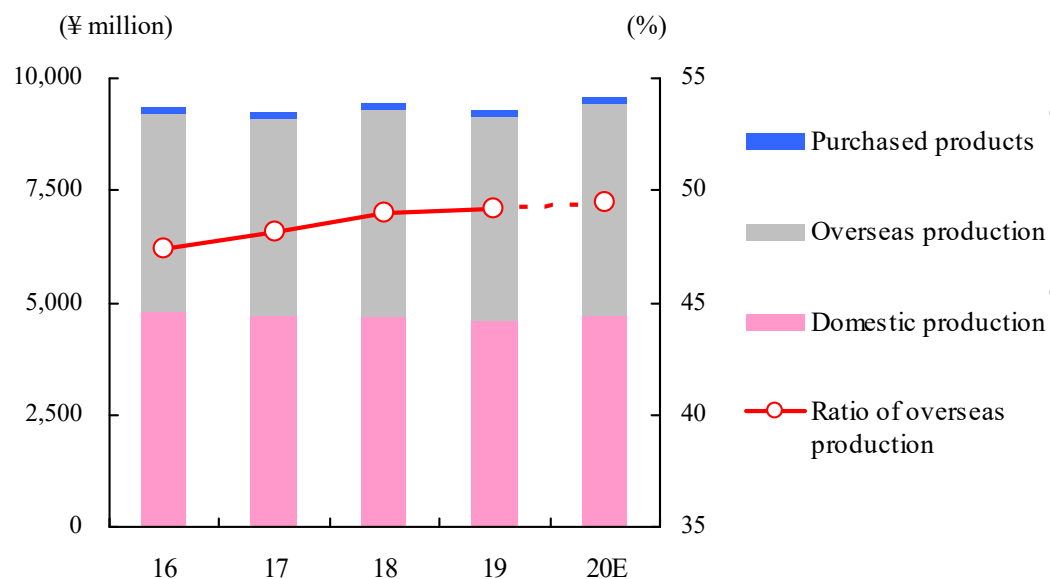
**[High-End products]** We will target our luxury brand products, such as 4D, Beads Berry, to not only small order customers but the market.

**[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.

**[Value-Added products]** We will drive the shift from mass products, include other company products, to functional products.



## Production(Non-Consolidated)



Composition	FY2019	FY2020E
Domestic production	49.4%	49.2%
Overseas production	49.2%	49.5%
Purchased products	1.4%	1.3%

### Material

- Cost reduction by switching oversea materials from domestic.
- Cost reduction and resource saving by driving efficient use of material.

### Sewing

- Japan : New factory will strengthen ability for quick response and small lot production.
- Overseas: Strengthen productivity and quality of factories in Indonesia, Vietnam and China



## IV Management Goals

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### Sales Strategy

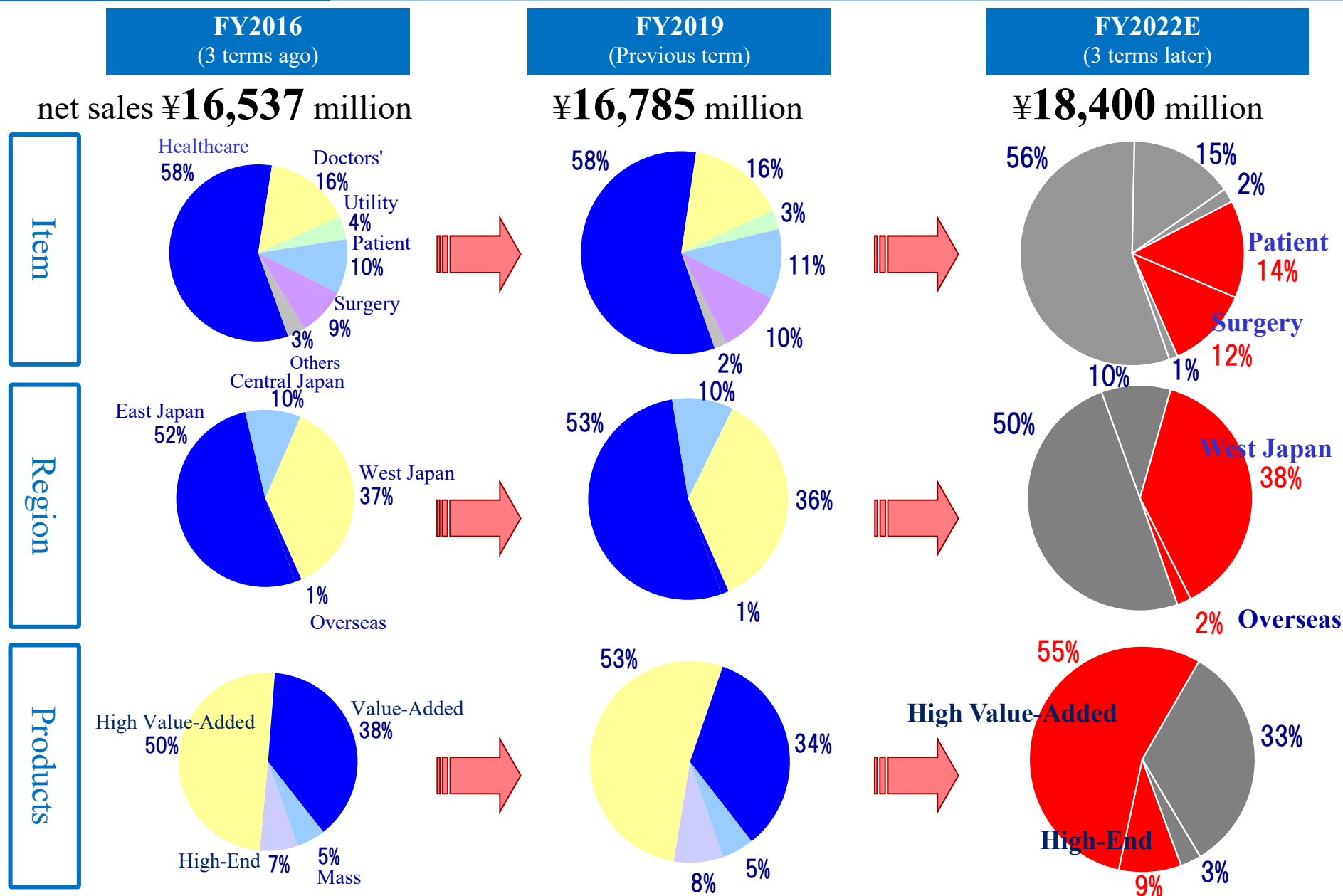
- Increase peripheral business in products for Patients and Surgery.
- Gain share in West Japan.
- Develop and Sale of High-End and High Value-Added products.
- Cultivate Overseas Markets.

### Profit Strategy

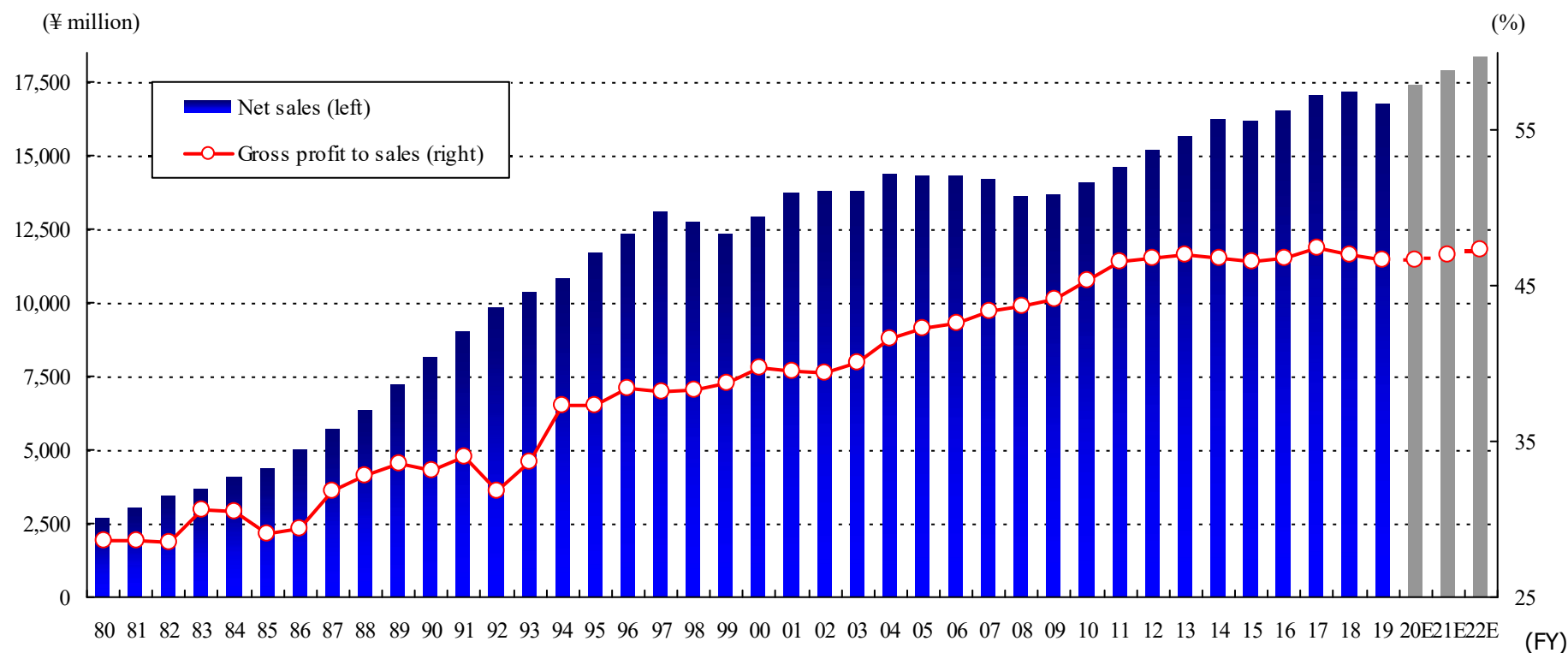
- Driving the strategy of Higher Quality and Value-Added products.
- The shift to Overseas Production.
- The minimization of Exchange Risk.
- Embark on Transferring Oversea materials from Domestic.



# Sales Strategy



# Trend of Business Records



(¥ million)

FY2022E	
Net Sales	18,400
Operating Income	5,600



## V 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

### Introducing Restricted Stock-based Payment

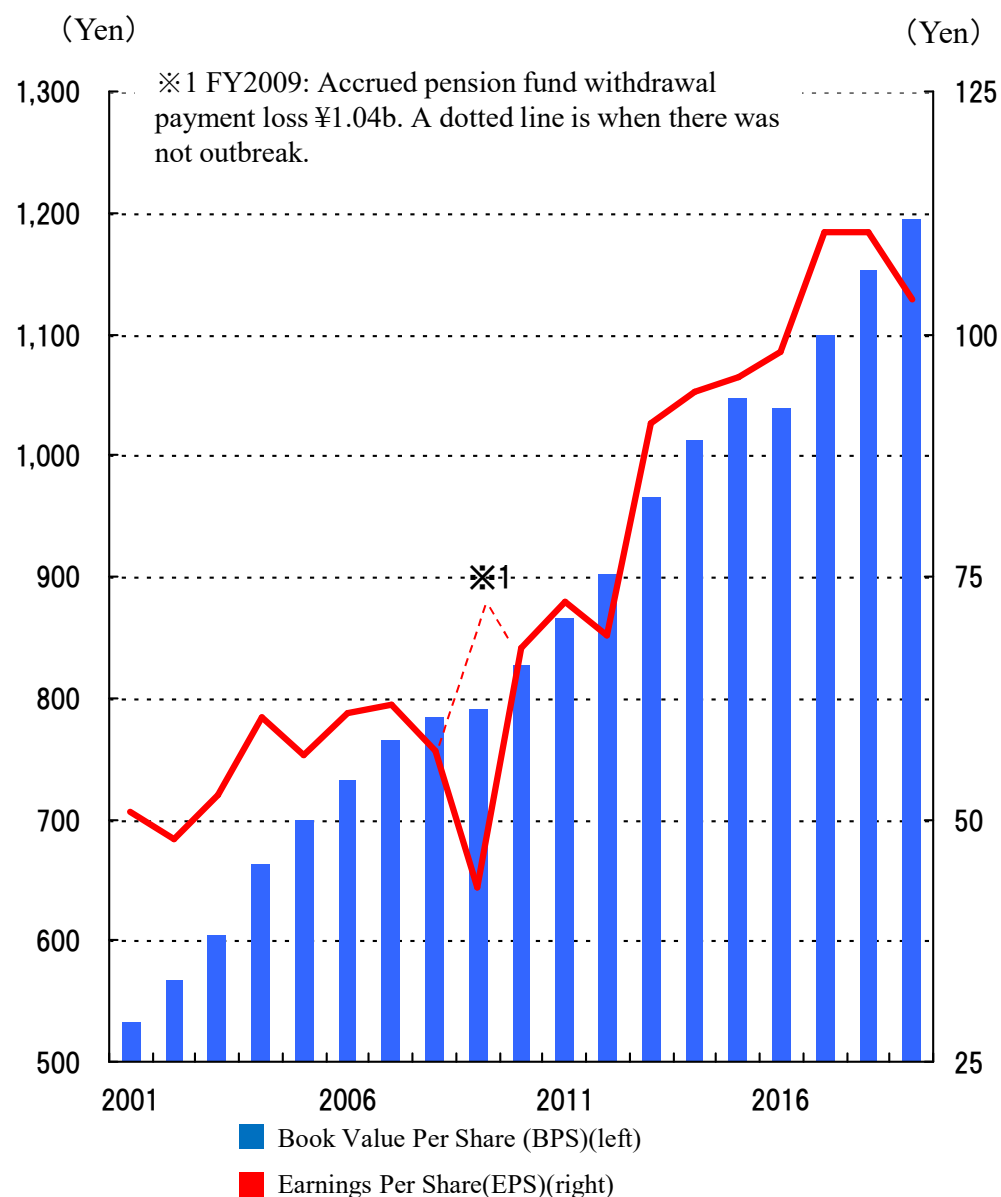
- To realize sustained growth of stock price and corporate value, management members share merit and risk of stock price fluctuation with shareholders.

# 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	1,099.2	110.5	60.0
FY2018	1,153.4	110.6	60.0
<b>FY2019</b>	<b>1,194.5</b>	<b>103.6</b>	<b>60.0</b>

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



# Actual Dividends Paid

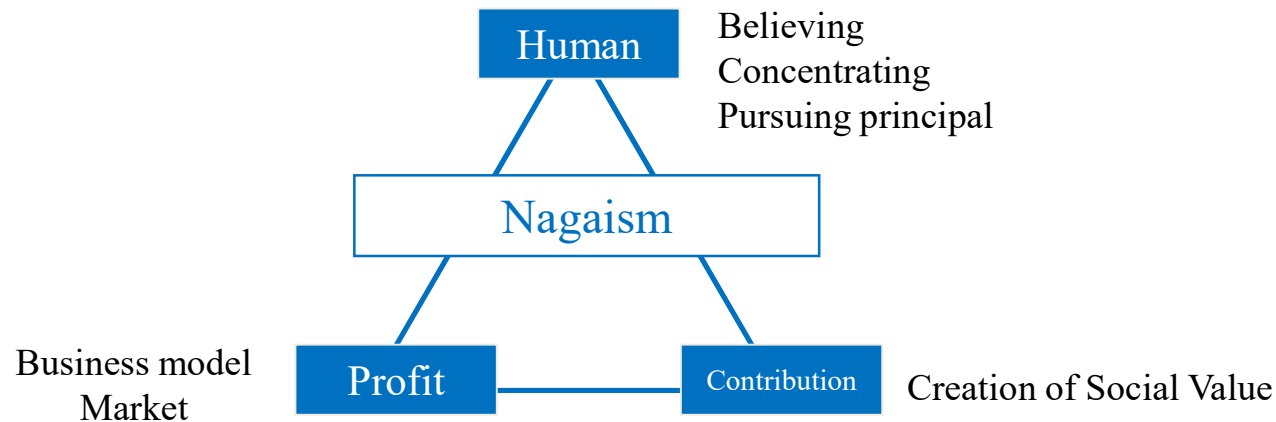


	Total dividend (Million yen)	Share buyback (Million yen)	Payout ratio (non-c, %)	Total return ratio (non-c, %)	
FY2001	475	0	27.6	27.6	
FY2002	475	0	29.3	29.3	
FY2003	530	1,697	29.7	124.6	
FY2004	744	0	36.5	36.5	2004/2/24 Stock split 2-for-1
FY2005	1,117	0	56.9	56.9	
FY2006	1,117	0	53.4	53.4	
FY2007	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	2011/8/29 Stock split 2-for-1
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	Include 100th anniversary commemorative 50yen
FY2016	1,662	0	52.5	52.5	
FY2017	1,994	0	55.2	55.2	
FY2018	1,994	0	55.2	55.2	
<b>FY2019E</b>	<b>1,995</b>	<b>0</b>	<b>58.0</b>	<b>58.0</b>	





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

## FY2019



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

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## 1. Sales by Item

FY	16/8	17/8	18/8	19/8	20/8E
Sales	16,537	17,017	17,144	16,785	17,400
Healthcare wear	9,674	9,940	9,974	9,681	10,005
Doctors' wear	2,654	2,681	2,671	2,673	2,750
Utility wear	601	557	498	441	400
Patient wear	1,613	1,786	1,964	2,033	2,250
Surgery wear	1,574	1,634	1,643	1,596	1,650
Shoes	204	203	187	171	165
Others	213	214	204	187	180

(¥ million)	
First-half 18/8	First-half 19/8
7,419	7,233
4,265	4,116
1,092	1,084
227	202
969	995
698	687
67	61
97	86

### Change over previous year

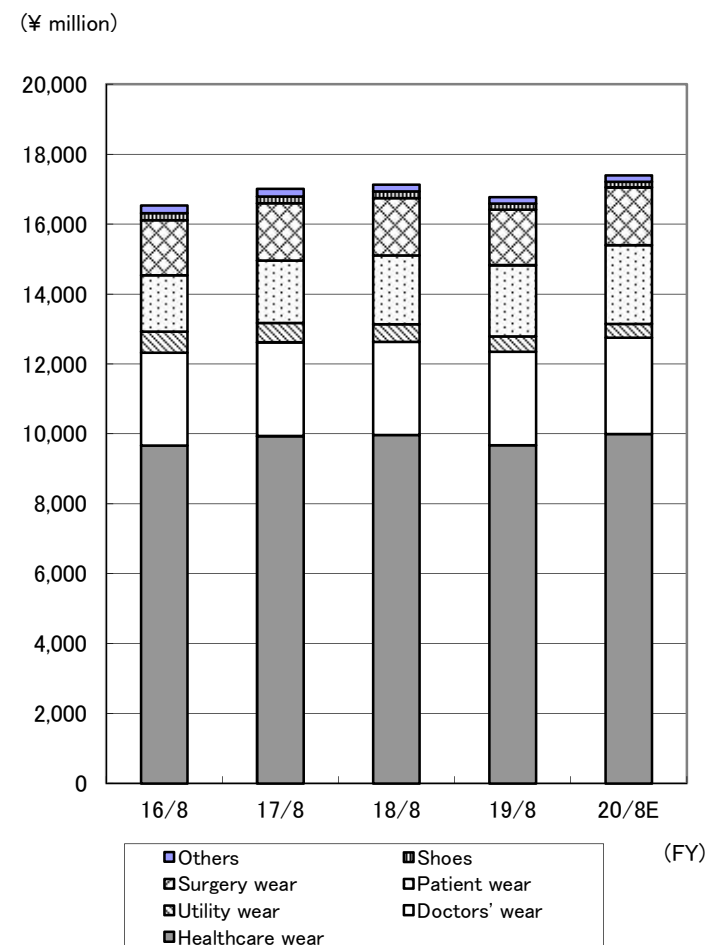
	2.4	2.9	0.7	-2.1	3.7
Sales					
Healthcare wear	2.6	2.8	0.3	-2.9	3.3
Doctors' wear	2.0	1.0	-0.4	0.1	2.9
Utility wear	-10.3	-7.4	-10.5	-11.6	-9.3
Patient wear	11.1	10.7	10.0	3.5	10.6
Surgery wear	0.9	3.8	0.6	-2.8	3.4
Shoes	-3.1	-0.8	-7.9	-8.2	-3.9
Others	-3.9	0.3	-4.7	-8.1	-4.1

(%)	
3.8	-2.5
3.8	-3.5
1.6	-0.8
-6.1	-10.9
11.4	2.7
2.6	-1.7
-8.9	-9.4
2.4	-11.7

### Composition

	100.0	100.0	100.0	100.0	100.0
Sales					
Healthcare wear	58.5	58.4	58.2	57.7	57.5
Doctors' wear	16.1	15.7	15.6	15.9	15.8
Utility wear	3.6	3.3	2.9	2.6	2.3
Patient wear	9.8	10.5	11.4	12.1	12.9
Surgery wear	9.5	9.6	9.6	9.5	9.5
Shoes	1.2	1.2	1.1	1.0	1.0
Others	1.3	1.3	1.2	1.1	1.0

(%)	
100.0	100.0
57.5	56.9
14.7	15.0
3.1	2.8
13.1	13.8
9.4	9.5
0.9	0.8
1.3	1.2



## 2. Sales by Product

FY	16/8	17/8	18/8	19/8	20/8E
Sales	16,537	17,017	17,144	16,777	17,400
High-End products	1,104	1,191	1,269	1,274	1,330
High Value-Added products	8,336	8,612	8,759	8,969	9,370
Value-Added products	6,199	6,343	6,255	5,716	5,910
Mass products	896	869	860	817	790

### Change over previous year

Sales	2.4	2.9	0.7	-2.1	3.7
High-End products	0.9	7.9	6.5	0.4	4.3
High Value-Added products	6.3	3.3	1.7	2.4	4.5
Value-Added products	-0.9	2.3	-1.4	-8.6	3.4
Mass products	-6.6	-3.1	-1.0	-5.0	-3.3

### Composition

Sales	100.0	100.0	100.0	100.0	100.0
High-End products	6.7	7.0	7.4	7.6	7.6
High Value-Added products	50.4	50.6	51.1	53.4	53.9
Value-Added products	37.5	37.3	36.5	34.1	34.0
Mass products	5.4	5.1	5.0	4.9	4.5

\*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)	16/8	17/8	
DC brand products	720	661	
High Functional products	8,720	9,143	

(¥ million)

First-half 18/8	First-half 19/8
7,419	7,233
523	540
3,864	3,859
2,671	2,497
359	336

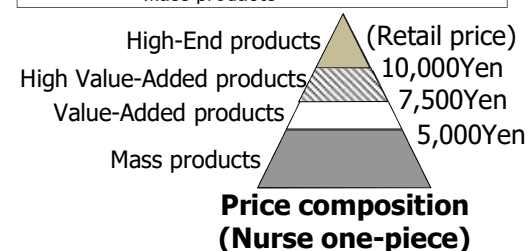
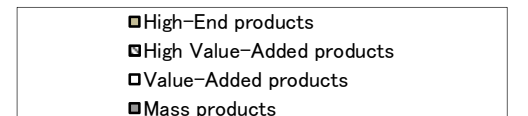
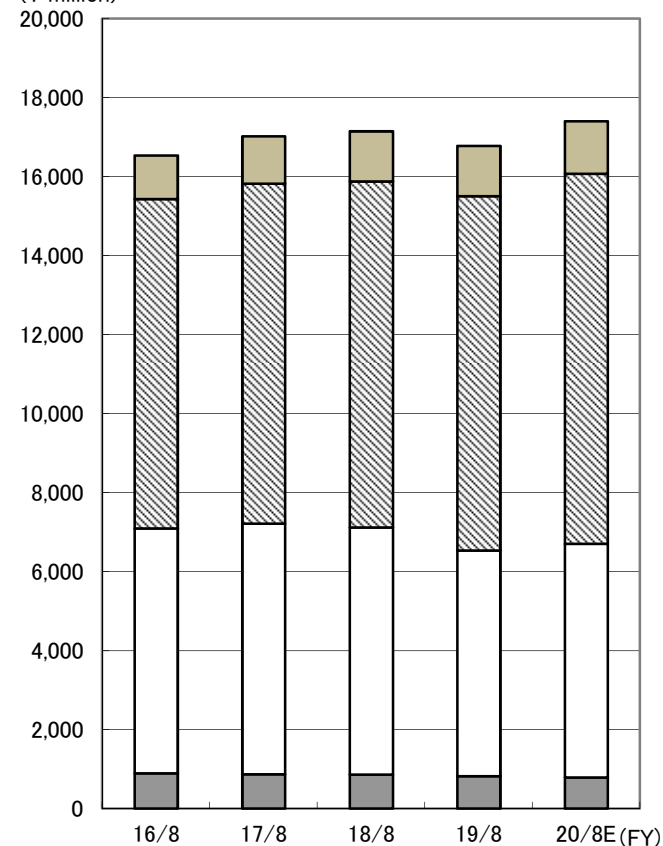
(%)

3.8	-2.5
11.4	3.2
6.6	-0.1
-1.6	-6.5
6.1	-6.4

(%)

100.0	100.0
7.1	7.5
52.1	53.4
36.0	34.5
4.8	4.6

(¥ million)



### 3. Sales by Region

FY	16/8	17/8	18/8	19/8	20/8E
Sales	16,537	17,017	17,144	16,785	17,400
East Japan	8,539	9,007	9,065	8,898	9,080
Central Japan	1,717	1,756	1,795	1,664	1,800
West Japan	6,080	6,068	6,069	6,033	6,300
Overseas	200	184	214	189	220

(¥ million)

First-half 18/8	First-half 19/8
7,419	7,233
3,829	3,764
811	705
2,659	2,668
119	94

#### Change over previous year

Sales	2.4	2.9	0.7	-2.1	3.7
East Japan	2.2	5.5	0.6	-1.8	2.0
Central Japan	-3.2	2.3	2.2	-7.3	8.2
West Japan	4.1	-0.2	0.0	-0.6	4.4
Overseas	14.1	-8.2	16.4	-11.5	15.8

(%)

3.8	-2.5
5.6	-1.7
7.1	-13.0
-0.5	0.3
26.8	-20.4

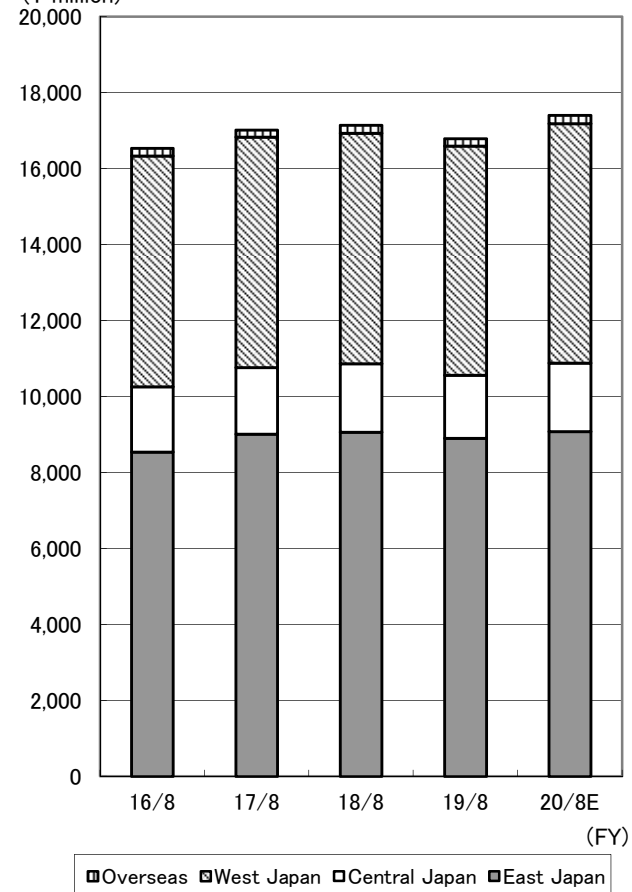
#### Composition

Sales	100.0	100.0	100.0	100.0	100.0
East Japan	51.6	52.9	52.9	53.0	52.2
Central Japan	10.4	10.3	10.5	9.9	10.3
West Japan	36.8	35.7	35.4	35.9	36.2
Overseas	1.2	1.1	1.2	1.1	1.3

(%)

100.0	100.0
51.6	52.0
10.9	9.8
35.8	36.9
1.6	1.3

(¥ million)



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

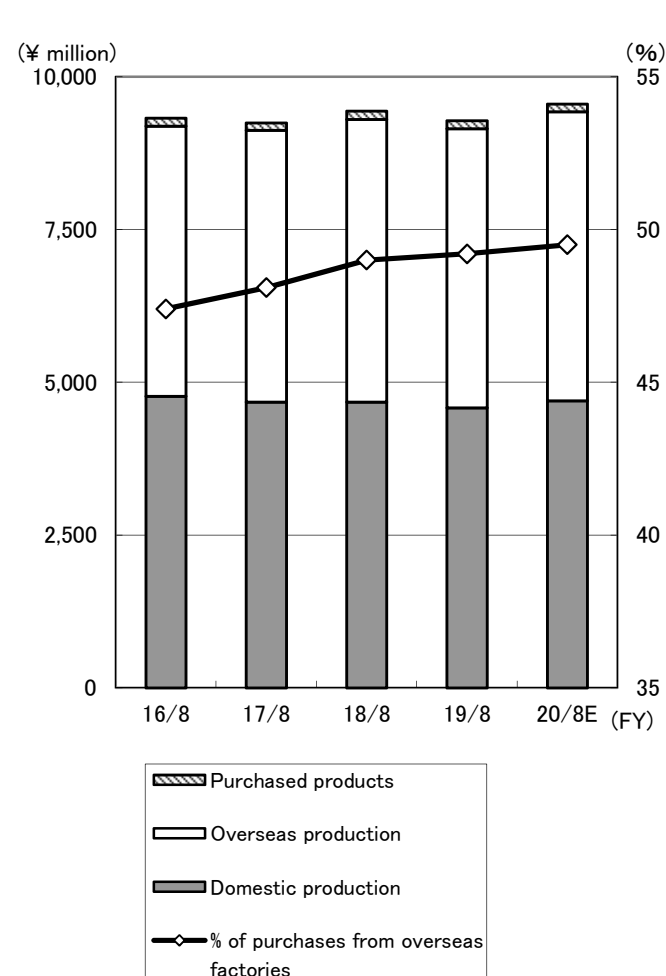
FY	16/8	17/8	18/8	19/8	20/8E	(¥ million)	
						First-half 18/8	First-half 19/8
Domestic production	4,771	4,676	4,678	4,584	4,700	2,356	2,333
Overseas production	4,419	4,447	4,625	4,566	4,729	2,273	2,308
Purchased products	133	123	136	130	125	57	52
Total	9,323	9,246	9,439	9,280	9,554	4,686	4,693

##### Change over previous year

	16/8	17/8	18/8	19/8	20/8E	18/8	
						18/8	19/8
Domestic production	-2.7	-2.0	0.0	-2.0	2.5	-1.0	-1.0
Overseas production	4.8	0.6	4.0	-1.3	3.6	4.9	1.5
Purchased products	-2.2	-7.5	10.6	-4.4	-3.8	-9.5	-8.8
Total	0.8	-0.8	2.1	-1.7	3.0	1.7	0.1

##### Composition

	16/8	17/8	18/8	19/8	20/8E	18/8	
						18/8	19/8
Domestic production	51.2	50.6	49.6	49.4	49.2	50.3	49.7
Overseas production	47.4	48.1	49.0	49.2	49.5	48.5	49.2
Purchased products	1.4	1.3	1.4	1.4	1.3	1.2	1.1
Total	100.0	100.0	100.0	100.0	101.0	100.0	100.0





## 5. Statements of Income (Consolidated)

						(¥ million)	
FY	16/8	17/8	18/8	19/8	20/8E	First-half 18/8	First-half 19/8
Net Sales	16,537	17,017	17,144	16,785	17,400	7,419	7,233
Gross profit	7,735	8,086	8,050	7,840	8,130	3,469	3,373
Sales, general, and administrative expense	2,784	2,843	2,786	2,922	2,963	1,463	1,576
Operating income	4,950	5,242	5,264	4,918	5,167	2,006	1,797
Recurring income	4,937	5,340	5,338	4,990	5,242	2,042	1,835
Net income	3,262	3,673	3,675	3,445	3,605	1,411	1,263

Change over previous year						(%)	
Net Sales	2.4	2.9	0.7	-2.1	3.7	3.8	-2.5
Gross profit	2.7	4.5	-0.4	-2.6	3.7	1.9	-2.8
Sales, general, and administrative expense	2.4	2.1	-2.0	4.9	1.4	-0.6	7.7
Operating income	2.9	5.9	0.4	-6.6	5.1	3.8	-10.4
Recurring income	-3.0	8.2	0.0	-6.5	5.0	1.7	-10.1
Net income	1.1	12.6	0.1	-6.3	4.6	2.2	-10.5

Composition						(%)	
Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	46.8	47.5	47.0	46.7	46.7	46.8	46.6
Sales, general, and administrative expense	16.9	16.7	16.3	17.4	17.0	19.8	21.8
Operating income	29.9	30.8	30.7	29.3	29.7	27.0	24.8
Recurring income	29.9	31.4	31.1	29.7	30.1	27.5	25.4
Net income	19.7	21.6	21.4	20.5	20.7	19.0	17.5

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

						(¥ million)	
FY	16/8	17/8	18/8	19/8	20/8E	First-half 18/8	First-half 19/8
Net Sales	16,535	17,013	17,140	16,777	17,400	7,413	7,230
Gross profit	7,416	7,826	7,835	7,694	7,946	3,377	3,299
Sales, general, and administrative expenses	2,775	2,831	2,779	2,901	2,938	1,455	1,558
Operating income	4,641	4,995	5,055	4,793	5,008	1,922	1,740
Recurring income	4,734	5,197	5,213	4,941	5,123	2,038	1,842
Net income	3,167	3,612	3,612	3,436	3,535	1,425	1,291

### Change over previous year

						(%)	
Net Sales	2.4	2.9	0.7	-2.1	3.7	3.7	-2.5
Gross profit	2.7	5.5	0.1	-1.8	3.3	3.2	-2.3
Sales, general, and administrative expenses	2.1	2.0	-1.8	4.4	1.3	-0.0	7.1
Operating income	3.1	7.6	1.2	-5.2	4.5	5.8	-9.4
Recurring income	-3.1	9.8	0.3	-5.2	3.7	2.1	-9.6
Net income	0.9	14.1	0.0	-4.9	2.9	1.5	-9.4

### Composition

						(%)	
Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	44.9	46.0	45.7	45.9	45.7	45.6	45.6
Sales, general, and administrative expenses	16.8	16.6	16.2	17.3	16.9	19.7	21.5
Operating income	28.1	29.4	29.5	28.6	28.8	25.9	24.1
Recurring income	28.6	30.6	30.4	29.5	29.4	27.5	25.5
Net income	19.2	21.2	21.1	20.5	20.3	19.2	17.9

## 7. Indices (Consolidated)

		(Unit)	15/8	16/8	17/8	18/8	19/8	First-half 18/8	First-half 19/8
Profitability	ROE	(%)	9.3	9.4	10.3	9.8	8.8	-	-
	ROA	(%)	13.0	12.7	13.4	12.8	11.5	-	-
ROE resolution	Return on sales Net income	(%)	20.0	19.7	21.6	21.4	20.5	-	-
	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 *Note3	(%)	870.7	889.4	899.5	966.1	998.1	-	-
	Fixed Assets Ratio *Note3	(%)	27.5	27.9	26.3	24.3	23.9	-	-
	Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities *Note3	(%)	26.8	27.1	25.6	23.6	23.3	-	-
	Account Receivable Turnover	(Times)	3.4	3.4	3.4	3.5	3.3	-	-
	Inventory Turnover	(Times)	4.0	3.9	3.9	3.9	3.8	-	-
Per share data	BPS	(¥)	1,046.6	1,037.8	1,099.2	1,153.4	1,194.5	1,083.5	1,132.4
	EPS	(¥)	95.6	98.1	110.5	110.6	103.6	42.4	38.0
	DPS	(¥)	-	-	-	-	-	-	-
	Payout ratio	(%)	104.6	51.0	54.3	54.3	57.9	-	-
Others	Capital expenditure	(¥ million)	161	190	92	904	225	348	176
	Depreciation	(¥ million)	360	331	311	289	337	141	166
	Number of employees	(Persons)	497	499	498	506	511	500	513
	Proportion of female employees	(%)	67.2	66.5	66.9	65.6	65.6	66.2	65.7
	Personnel expense	(¥ million)	2,305	2,328	2,361	2,381	2,476	1,199	1,283

(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.

(Note3) Reevaluation with transitioned financial statements, due to section changed of Deferred Tax Asset from FY2019

## 8. Indices (Non-Consolidated)

		(Unit)	15/8	16/8	17/8	18/8	19/8	First-half 18/8	First-half 19/8
Profitability	ROE	(%)	9.8	10.0	11.0	10.5	9.5	-	-
	ROA	(%)	13.7	13.4	14.2	13.6	12.4	-	-
ROE resolution	Return on sales Net income	(%)	19.4	19.2	21.2	21.1	20.5	-	-
	Total Assets Turnover	(Times)	0.5	0.5	0.5	0.4	0.4	-	-
	Leverage	(Times)	1.1	1.1	1.1	1.1	1.1	-	-
Financial stability	Current Ratio *Note3	(%)	791.1	819.0	826.0	877.2	915.4	-	-
	Fixed Assets Ratio *Note3	(%)	28.9	29.4	27.6	25.5	25.1	-	-
	Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities *Note3	(%)	28.6	29.0	27.3	25.2	24.7	-	-
	Account Receivable Turnover	(Times)	3.4	3.4	3.4	3.5	3.3	-	-
	Inventory Turnover	(Times)	4.9	4.7	4.9	4.9	4.7	-	-
Per share data	BPS	(¥)	960.3	954.4	1,013.6	1,065.1	1,106.8	998.5	1,044.8
	EPS	(¥)	93.0	95.3	108.7	108.7	103.4	42.9	38.8
	DPS	(¥)	100.0	50.0	60.0	60.0	60.0	-	-
	Payout ratio	(%)	107.5	52.5	55.2	55.2	58.0	-	-
Others	Capital expenditure	(¥ million)	132	117	62	867	119	329	82
	Depreciation	(¥ million)	327	293	265	248	276	122	137
	Number of employees	(Persons)	113	115	113	117	120	116	117
	Proportion of female employees	(%)	25.7	26.1	27.4	28.2	28.3	28.4	28.2
	Personnel expense	(¥ million)	1,101	1,141	1,155	1,167	1,279	590	681

(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.

(Note3) Reevaluation with transitioned financial statements, due to section changed of Deferred Tax Asset from FY2019

## 9. Statements of Income (Consolidated)

FY	18/8		19/8		(¥ million,%)	
	Result	Composition	Result	Composition	Result	Change %
Net Sales	17,144	100.0	16,785	100.0	-359	-2.1
Cost of sales	9,093	53.0	8,944	53.3	-149	-1.6
Gross profit	8,050	47.0	7,840	46.7	-209	-2.6
Sales, general, and administrative expenses	2,786	16.3	2,922	17.4	136	4.9
Packing and freight expenses	229		239			
Advertising expenses	303		293			
Personnel expenses	1,352		1,466			
Management commission expenses	122		134			
Depreciation expenses	196		197			
Operating income	5,264	30.7	4,918	29.3	-346	-6.6
Non-operating income	115	0.7	111	0.6	-3	-3.3
Interest income	2		2			
Rent income	80		84			
Others	32		24			
Non-operating expense	41	0.3	38	0.2	-2	-5.6
Fixed assets rent expense	37		32			
Others	3		5			
Recurring income	5,338	31.1	4,990	29.7	-347	-6.5
Extraordinary profit	0	0.0	11	0.1	11	3,155.7
Extraordinary loss	0	0.0	13	0.1	13	2,409.2
Income before income taxes	5,338	31.1	4,988	29.7	-349	-6.6
Income, inhabitant and enterprise taxes	1,657		1,553			
Tax adjustments	4		-9			
Net income attributable to shareholders	3,675	21.4	3,445	20.5	-230	-6.3

First-half 18/8	First-half 19/8	(¥ million,%)	
		Result	Change %
7,419	100.0	7,233	-2.5
3,949	53.2	3,860	-2.3
3,469	46.8	3,373	-2.8
1,463	19.8	1,576	7.7
104		110	
237		229	
685		777	
60		68	
97		98	
2,006	27.0	1,797	-10.4
55	0.7	57	3.3
1		1	
40		41	
13		13	
18	0.2	18	-0.9
17		16	
1		1	
2,042	27.5	1,835	-10.1
0	0.0	1	528.3
0	0.0	3	1,813.8
2,043	27.5	1,833	-10.3
650		605	
-18		-34	
1,411	19.0	1,263	-10.5

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

FY	18/8		19/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Net Sales	17,140	100.0	16,777	100.0	-363	-2.1
Cost of sales	9,305	54.3	9,082	54.1	-222	-2.4
Gross profit	7,835	45.7	7,694	45.9	-140	-1.8
Sales, general, and administrative expenses	2,779	16.2	2,901	17.3	121	4.4
Packing and freight expenses	442		442			
Advertising expenses	302		292			
Personnel expenses	1,167		1,279			
Management commission expenses	121		132			
Depreciation expenses	192		193			
Operating income	5,055	29.5	4,793	28.6	-262	-5.2
Non-operating income	234	1.4	271	1.6	37	15.9
Interest income	2		2			
Dividend income	81		76			
Rent income	148		189			
Others	1		2			
Non-operating expense	76	0.5	123	0.7	47	62.1
Fixed assets rent expense	72		116			
Others	3		7			
Recurring income	5,213	30.4	4,941	29.5	-272	-5.2
Extraordinary profit	0	0.0	10	0.0	10	3,054.2
Extraordinary loss	0	0.0	13	0.1	12	2,475.7
Income before income taxes	5,213	30.4	4,938	29.4	-275	-5.3
Income, inhabitant and enterprise taxes	1,602		1,522			
Tax adjustments	-1		-20			
Net income	3,612	21.1	3,436	20.5	-175	-4.9

(¥ million,%)

First-half 18/8	Composition	First-half 19/8		Change(the previous year)	
		Result	Composition	Result	Change %
7,413	100.0	7,230	100.0	-183	-2.5
4,036	54.4	3,931	54.4	-104	-2.6
3,377	45.6	3,299	45.6	-78	-2.3
1,455	19.7	1,558	21.5	102	7.1
208		208			
236		228			
590		681			
60		68			
95		96			
1,922	25.9	1,740	24.1	-181	-9.4
152	2.1	167	2.3	15	9.9
1		1			
75		71			
74		94			
0		0			
36	0.5	65	0.9	29	80.2
34		62			
1		2			
2,038	27.5	1,842	25.5	-195	-9.6
0	0.0	0	0.0	0	108.7
0	0.0	3	0.0	3	1,666.5
2,038	27.5	1,840	25.5	-198	-9.7
630		593			
-17		-44			
1,425	19.2	1,291	17.9	-134	-9.4

(¥ million,%)

## 11. Balance Sheet (Consolidated)

FY	18/8		19/8		(¥ million,%)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	33,220	77.9	35,054	79.2	1,833	5.5
Cash on hand and at banks	23,930		25,157			
Trade notes and accounts receivable (including electronically recorded claims)	4,815		5,340			
Securities	-					
Inventories	4,386		4,479			
Others	88		77			
Reserve bad debt	0		-1			
Fixed assets	9,422	22.1	9,226	20.8	-195	-2.1
Tangible fixed assets	7,880	18.5	7,767	17.5	-113	-1.4
Buildings and structures	2,932		2,816			
Machinery and equipment	344		361			
Land	4,447		4,438			
Construction in progress	7		8			
Others	148		142			
Intangible fixed asset	44	0.1	32	0.1	-12	-27.3
Investments and other assets	1,497	3.5	1,426	3.2	-70	-4.7
Investment securities	808		684			
Others	689		746			
Reserve bad debt	-1		-3			
Total assets	42,643	100.0	44,281	100.0	1,637	3.8

\*Financial statements transited , due to section changed of Deferred Tax Asset from FY2019

Current liabilities	3,346	7.9	3,494	7.9	148	4.4
Trade notes and accounts payable	1,424		1,452			
Accrued income taxes	1,057		994			
Accrued bonus	84		86			
Others	779		960			
Long-term liabilities	951	2.2	1,065	2.4	113	12.0
Accrued pension and severance costs	637		661			
Directors' retirement allowances	198		23			
Others	114		380			
Total liabilities	4,297	10.1	4,559	10.3	261	6.1
Total shareholders' equity	38,051	89.2	39,518	89.2	1,467	3.9
Capital stock	1,925		1,925			
Capital reserves	2,358		2,368			
Retained earnings	38,670		40,120			
Treasury stock	-4,902		-4,896			
Accumulated other comprehensive income	293	0.7	202	0.5	-90	-30.9
Net unrealized gains on investment securities	341		276			
Deferred hedging gains and losses	15		3			
Accumulated pension and severance costs	-62		-77			
Total net assets	38,345	89.9	39,721	89.7	1,376	3.6
Total liabilities and total net assets	42,643	100.0	44,281	100.0	1,637	3.8

(¥ million,%)					
First-half 18/8		First-half 19/8		Change(the previous year)	
Result	Composition	Result	Composition	Result	Change %
30,840	77.3	31,981	77.1	1,140	3.7
20,578		21,759			
5,181		5,008			
-		-			
5,008		5,071			
72		142			
0		0			
9,048	22.7	9,477	22.9	429	4.8
7,465	18.7	7,894	19.1	428	5.7
2,210		2,869			
382		405			
4,447		4,447			
274		15			
149		156			
52	0.1	39	0.1	-13	-25.4
1,530	3.9	1,544	3.7	13	0.9
790		836			
741		711			
-1		-3			
39,889	100.0	41,459	100.0	1,570	3.9

2,913	7.3	2,774	-4.8
1,596		1,508	
673		628	
78		79	
565		558	
954	2.4	1,029	7.8
648		630	
191		20	
114		378	
3,868	9.7	3,804	-1.6
35,786	89.7	37,337	4.3
1,925		1,925	
2,358		2,368	
36,405		37,939	
-4,902		-4,896	
234	0.6	317	35.6
322		360	
-16		13	
-70		-55	
36,021	90.3	37,654	4.5
39,889	100.0	41,459	3.9

## 12. Balance Sheet(Non-Consolidated)

FY	(¥ million,%)					
	18/8		19/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	30,010	76.6	31,852	78.1	1,841	6.1
Cash on hand and at banks	21,611		22,812			
Trade notes	2,708		3,042			
(including electronically recorded claims)						
Accounts receivable	2,108		2,297			
Securities	-					
Inventories	3,487		3,600			
Others	95		100			
Reserve bad debt	0		-1			
Fixed assets	9,167	23.4	8,928	21.9	-238	-2.6
Tangible fixed assets	7,778	19.8	7,618	18.7	-159	-2.1
Buildings and structures	2,860		2,747			
Machinery and equipment	233		195			
Land	4,447		4,438			
Construction in progress	-		8			
Others	236		228			
Intangible fixed asset	34	0.1	24	0.1	-10	-30.1
Investments and other assets	1,353	3.5	1,284	3.1	-68	-5.1
Investment securities	808		684			
Others	546		604			
Reserve bad debt	-1		-3			
<b>Total assets</b>	<b>39,178</b>	<b>100.0</b>	<b>40,780</b>	<b>100.0</b>	<b>1,602</b>	<b>4.1</b>

\*Financial statements transited , due to section changed of Deferred Tax Asset from FY2019

Current liabilities	3,318	8.5	3,439	8.4	121	3.7
Trade notes	766		783			
Accounts payable	818		800			
Accrued income taxes	1,022		976			
Others	711		879			
Long-term liabilities	447	1.1	538	1.3	90	20.3
Accrued pension and severance costs	152		158			
Directors' retirement allowances	180		-			
Others	114		380			
<b>Total liabilities</b>	<b>3,765</b>	<b>9.6</b>	<b>3,977</b>	<b>9.7</b>	<b>211</b>	<b>5.6</b>
<b>Total shareholders' equity</b>	<b>35,065</b>	<b>89.5</b>	<b>36,524</b>	<b>89.6</b>	<b>1,458</b>	<b>4.2</b>
Capital stock	1,925		1,925			
Capital reserves	2,637		2,648			
Retained earnings	35,404		36,847			
Treasury stock	-4,902		-4,896			
Valuation and translation adjustments	346	0.9	278	0.7	-68	-19.7
Net unrealized gains on investment securities	341		276			
Deferred hedging gains and losses	5		1			
<b>Total net assets</b>	<b>35,412</b>	<b>90.4</b>	<b>36,802</b>	<b>90.3</b>	<b>1,390</b>	<b>3.9</b>
<b>Total liabilities and total net assets</b>	<b>39,178</b>	<b>100.0</b>	<b>40,780</b>	<b>100.0</b>	<b>1,602</b>	<b>4.1</b>

	(¥ million,%)					
	First-half 18/8		First-half 19/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
Current assets	27,758	76.0	28,962	76.0	1,204	4.3
Cash on hand and at banks	18,425		19,597			
Trade notes	2,000		1,869			
Accounts receivable	3,181		3,138			
Securities	-		-			
Inventories	4,045		4,188			
Others	105		168			
Reserve bad debt	0		0			
Fixed assets	8,766	24.0	9,169	24.0	403	4.6
Tangible fixed assets	7,360	20.2	7,727	20.2	366	5.0
Buildings and structures	2,178		2,800			
Machinery and equipment	261		222			
Land	4,447		4,447			
Construction in progress	274		15			
Others	198		240			
Intangible fixed asset	41	0.1	29	0.1	-12	-29.1
Investments and other assets	1,364	3.7	1,413	3.7	49	3.6
Investment securities	790		836			
Others	575		580			
Reserve bad debt	-1		-3			
<b>Total assets</b>	<b>36,524</b>	<b>100.0</b>	<b>38,132</b>	<b>100.0</b>	<b>1,607</b>	<b>4.4</b>

Current liabilities	2,890	7.9	2,856	7.5	-33	-1.2
Trade notes	910		880			
Accounts payable	846		853			
Accrued income taxes	653		616			
Others	480		506			
Long-term liabilities	438	1.2	532	1.4	93	21.2
Accrued pension and severance costs	149		153			
Directors' retirement allowances	174		-			
Others	114		378			
<b>Total liabilities</b>	<b>3,329</b>	<b>9.1</b>	<b>3,388</b>	<b>8.9</b>	<b>59</b>	<b>1.8</b>
<b>Total shareholders' equity</b>	<b>32,878</b>	<b>90.0</b>	<b>34,378</b>	<b>90.1</b>	<b>1,500</b>	<b>4.6</b>
Capital stock	1,925		1,925			
Capital reserves	2,637		2,648			
Retained earnings	33,217		34,701			
Treasury stock	-4,902		-4,896			
Valuation and translation adjustments	317	0.9	364	1.0	47	15.0
Net unrealized gains on investment securities	322		360			
Deferred hedging gains and losses	-4		4			
<b>Total net assets</b>	<b>33,195</b>	<b>90.9</b>	<b>34,743</b>	<b>91.1</b>	<b>1,548</b>	<b>4.7</b>
<b>Total liabilities and total net assets</b>	<b>36,524</b>	<b>100.0</b>	<b>38,132</b>	<b>100.0</b>	<b>1,607</b>	<b>4.4</b>



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

[Forecast]

(¥ million)

FY	15/8	16/8	17/8	18/8	19/8
Full Year	16,700	16,500	17,000	17,500	17,600
First-half	6,950	6,850	7,140	7,350	7,463
Second-half	9,750	9,650	9,860	10,150	10,137

[Result]

(¥ million)

Full Year	16,150	16,537	17,017	17,144	16,785
First-half	6,840	6,938	7,149	7,419	7,233
1Q	2,994	2,579	2,862	3,068	2,910
2Q	3,845	4,358	4,286	4,350	4,323
Second-half	9,310	9,599	9,867	9,725	9,552
3Q	5,684	5,941	6,299	6,058	5,683
4Q	3,626	3,657	3,568	3,667	3,868

[To Forecast %]

(%)

Full Year	-3.3	0.2	0.1	-2.0	-4.6
First-half	-1.6	1.3	0.1	0.9	-3.1
Second-half	-4.5	-0.5	0.1	-4.2	-5.8

(¥ million)

(%)

