

Our Message to Medical Workers

We sincerely would like to express deep appreciation for your devoted works on the frontiers against COVID-19.

We will never forget your courage.



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



ANALYST GUIDE

October 2021

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

Net Sales recorded the highest

Net Sales: **¥17,563 m** (y/y Change +2.9%)

The Accounting Standard for Revenue Recognition

The Accounting Standard for Revenue Recognition is applied beginning with FY2022. The effect of which on consolidated operating performance will be estimated ¥2m (Composition of Net sales: 0.1%) . It is expected to be immaterial.

COVID-19 Impact on our production

Our functions of production, sales and distribution are in operation as usual.

Selection for TSE's New "Prime Market" Segment

We received an initial assessment result from the Tokyo Stock Exchange (TSE) regarding the listing criteria for the bourse's new market segments, which confirmed that the Company fulfilled the requirements for listing on the bourse's main Prime Market board. Based on these results, we decided to select to list on the Prime Market as the TSE and submitted the relevant applications.

| | | |
|---|-----------|------------|
| I About “NAGAILEBEN” | • • • • • | 3p |
| II Market Environment | • • • • • | 8p |
| III Financial Review of FY2021 and Forecast for FY2021 | • • • | 12p |
| IV Management Goals | • • • • • | 24p |
| V Rewarding shareholder- focused policies | • • • | 28p |



I About “NAGAILEBEN”



1 Over 100 years in business (Established in 1915) Competitive position in medical clothing market

- Approximately **60%** market share in domestic medical clothing
- Integrated Production System Planning, Manufacturing and Marketing
- The number of shipments is over **6 million clothing a year.**
- Competitive product such as extensive products, custom-made program

2 Stable growing market

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

| Doctor, Dentist, Pharmacist*1 (2018) | Nursing Staff*2 (2019) | Care workers*3 (2018) |
|---|------------------------------------|------------------------------------|
| 740,000 People | 1,680,000 people | 1,880,000 people |
| compare with 2016 +18,000people | compare with 2017 +25,000people | compare with 2017 +14,000people |

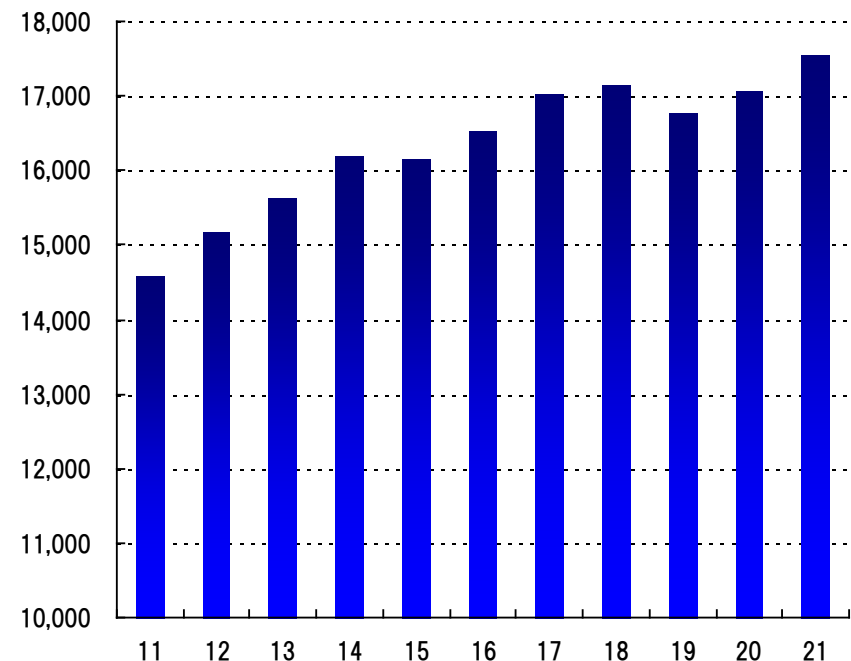
*1 Research of doctor, dentist and pharmacist 2018, MHLW

*2 Japanese Nursing Associations' statistical data

*3 Research of Long-Term Care Service , MHLW

(million Yen)

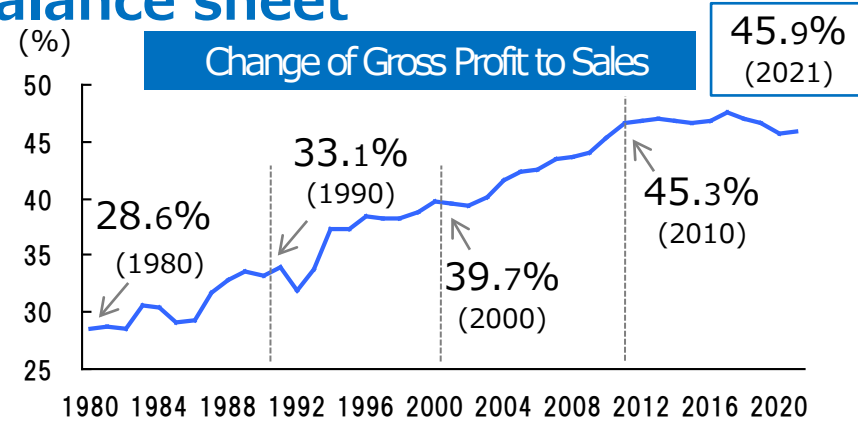
Stable growing Sales



3

Highly profitability Strong balance sheet

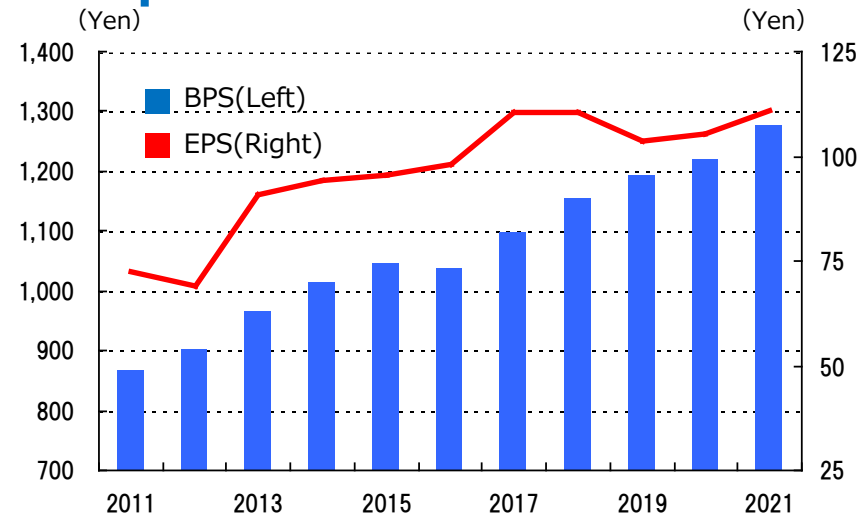
- Realization of high profitability with radical pursuit of efficiency
- Gross profit to sales **45.9%**
- Capital-to-asset ratio **90.5%**
- ROE **8.9%** (as of FY2021)



4

Rewarding shareholder-focused policies

- BPS **1,278.8Yen** (as of FY2021)
- EPS **111.0Yen**
- Continue stable dividend payment with payout ratio of 50%
- DPS **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**".



- Assist hospital to reduce waste and be more economical.
- Consideration to environmental load of business.



- Communication Space for Nurse "ITONA" gallery
- Beauty Lecture for Nurse

Respect for Customers

Environmental Efforts

2050
Low-Carbon

Social Responsibility

Regional Contribution

Support Women



- Regional Contribution through Production Base
- Support hospital facilities
Rental of Historic Nurse Wear
Medical Kids Project
Miffy's Visits to Hospitals etc.



- Women principal domains:
Medical and Sewing

"Let us help the human life"

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



What's NEW

**Appeared in SDGs' school textbook**

Our efforts are appeared in SDGs' school textbook, which is distributed to elementary schools and junior high schools across Japan.

**Remaking of nursing student's wears**

We made recycled products from training wears which were used by nursing students in Okayama Univ. The products such as pocket were used in medical field after the students' entrance.

Support 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.

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.

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.

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.
- Development of Reusable Infection Prevention Products
- 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.

Social Responsibility

- Donation Infection Prevention Products to Medical Institutions.
- Cheering message to medical workers.
- 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, Akita Prefecture
- We have donated subscription, medical wear, masks and wheelchairs when natural disasters occurred such as SARS, great earthquake at Indonesia, Han-Shin Awaji Earthquake disaster, Great East Japan earthquake, Kumamoto earthquake and COVID-19.
- Support United Nations World Food Programme(WFP).
- 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.



II Market Environment



Confusion of market still continues

- With regard to Covid-19, Japanese government supports medical institutions(The total amount about 3 Trillion Yen)
- Care service fees was revised (effective April 2021). +0.70% (For correspondence to Covid-19 +0.05%)
- Drug price was revised (effective April 2021).
- 430 billion yen was cut as point of medical expenses. (Covered Items are rate of deviation over 5%)

The risk of production continues

- The risk of policies in producing countries. -The risk of overseas factories' emergency shutdown due to Covid-19.
- Increase in minimum wages.
- Distribution cost is rising due to unbalance of supply and demand of container.

The rate of exchange

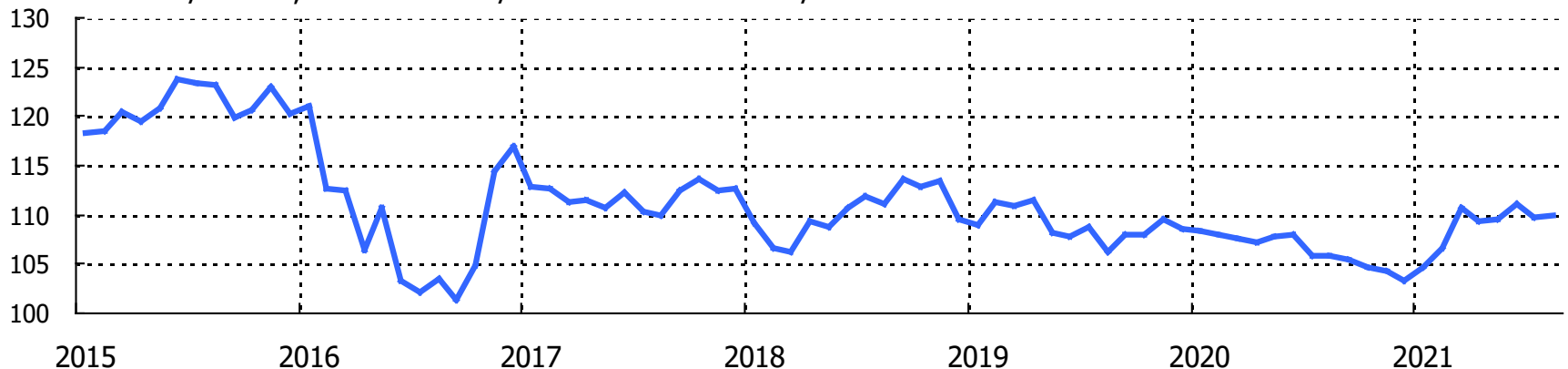
-monthly average exchange rate(as of Aug.)

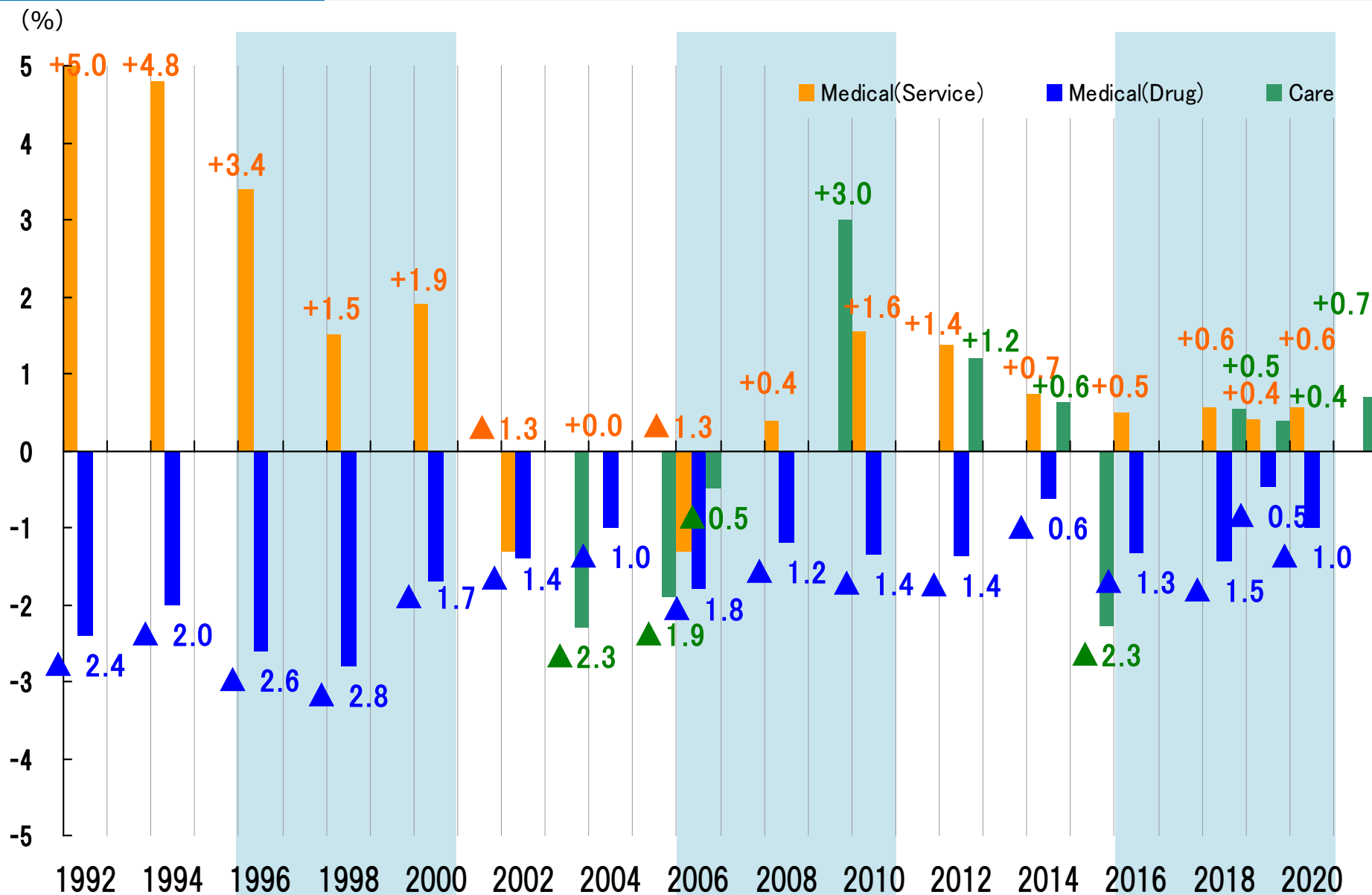
2015:¥123/dollar, 2016:¥103/dollar, 2017:¥109/dollar, 2018:¥111/dollar,

2019:¥106/dollar, 2020:¥106/dollar 2021:¥109/dollar

As of August 2021

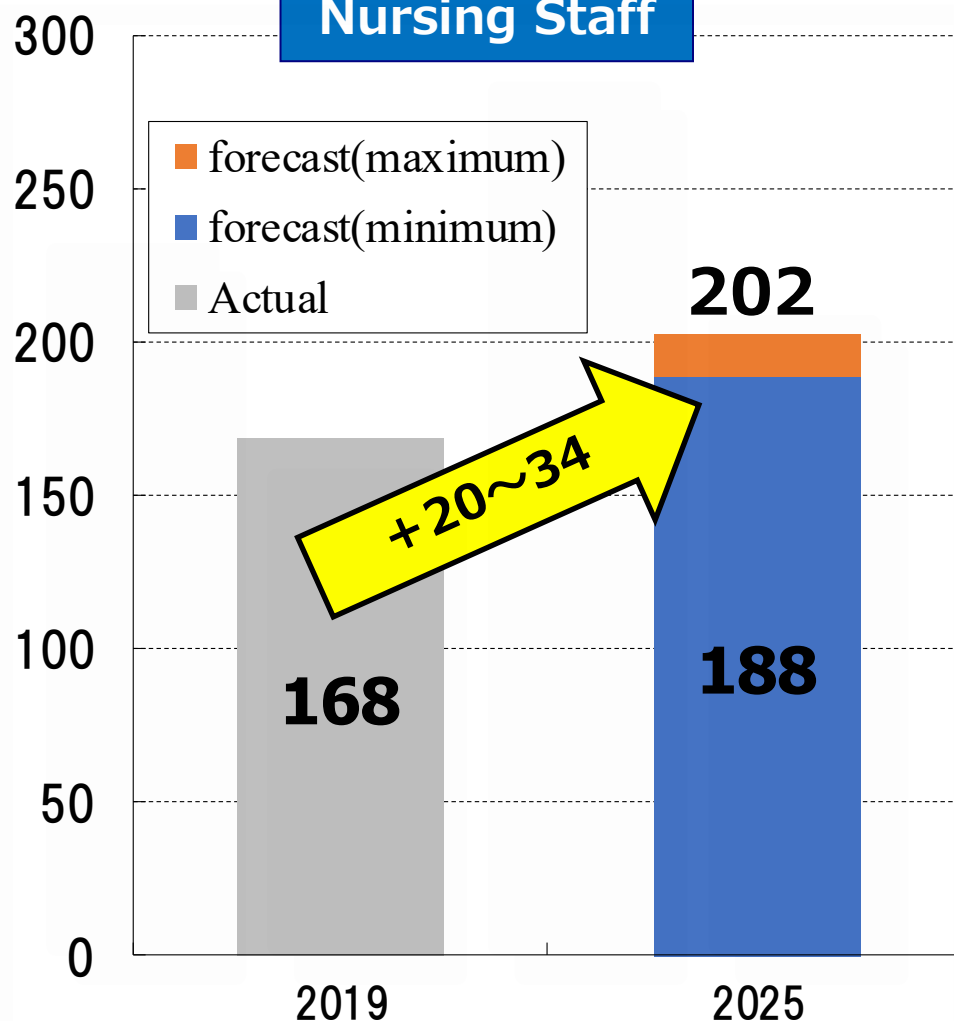
¥109.90/dollar





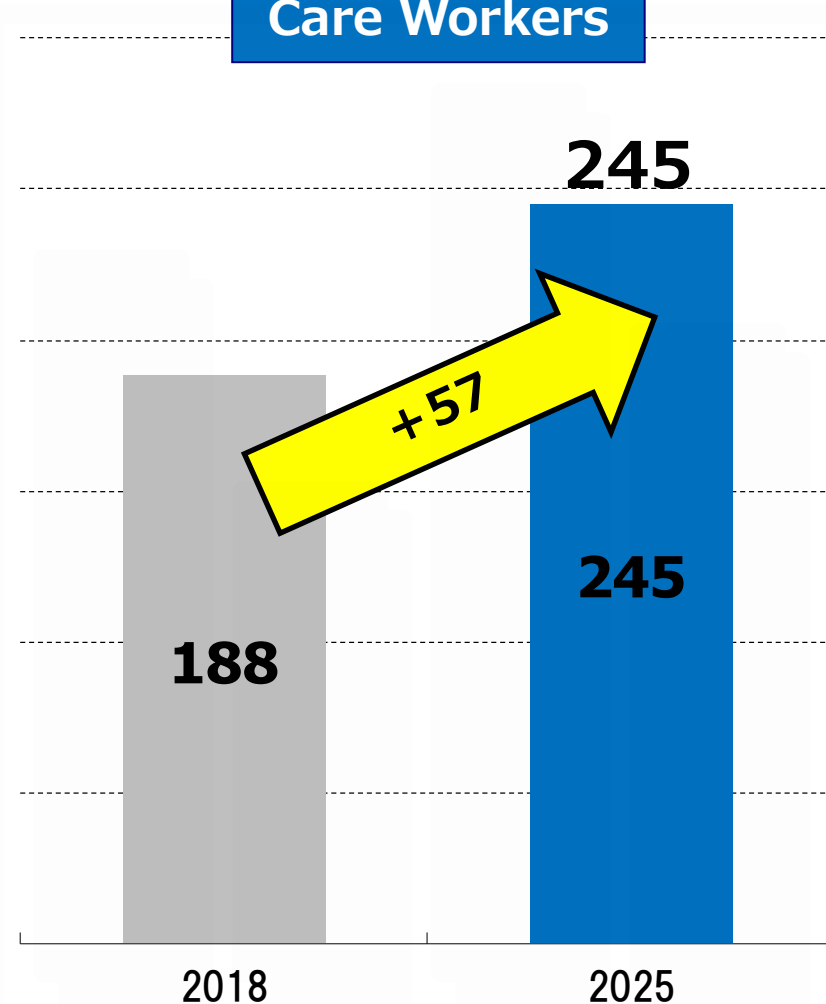
(10,000 persons)

Nursing Staff



Source: Japanese Nursing Associations' statistical data
The committee about supply and estimated future need of Nursing MHLW

Care Workers



Actual record: Research of Long-Term Care Service, MHLW
Forecast: The 7th Insured Long-Term Care Service Plans, MHLW



II Financial Review of FY2021 and Forecast for FY2022



Marketing strategy to increase sales

Capture needs with strategy for value-added products in core market

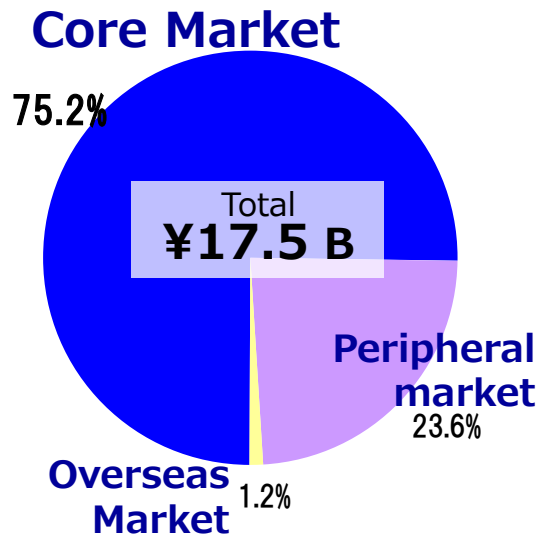
Increase share of peripheral market

Cultivate overseas markets
by expanding our business model in Japan

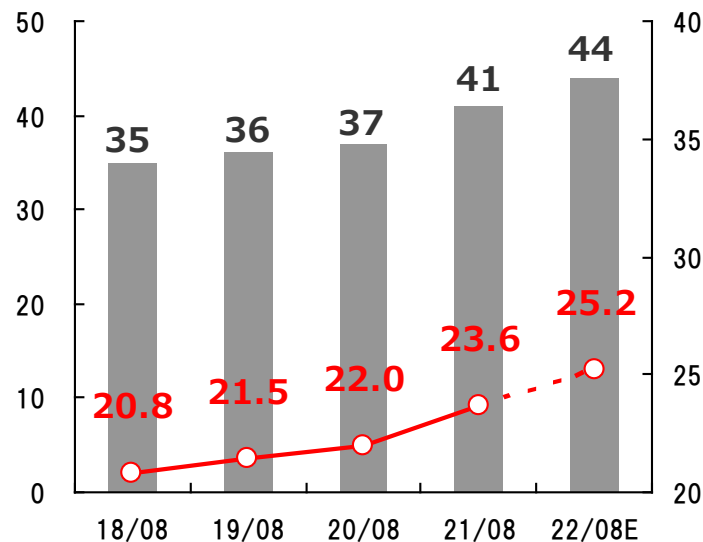
Core Market

Peripheral Market

Overseas Markets



(Composition of Sales , FY2021)



■ Sales (Left: ¥ 100 m)

■ Composition (Right: %)

Taiwan
South Korea

Net Sales **¥0.2 B**
(FY2021)

Production strategy to ensure a steady supply

Strengthen domestic production

- Strengthen ability to respond Quick Response and Small-lot multi-production
- Rising manufacturing cost due to increase in labor cost

Shift to overseas production from domestic.

Strategy to stabilize profitability

Improvement of profitability by driving the strategy of higher quality and value-added products

Embark on transferring overseas materials from domestic

Shift to overseas from domestic in sewing process

The minimization of Exchange Risk

Reaction to COVID-19

Our functions of production, sales and distribution are in operation as usual.

(Development)

We have continued to develop reusable prevention products for infectious disease that meet the needs of medical field.

(Production)

The impact for domestic and overseas factories were negligible.

Minimize effect of rising distribution cost and lengthening leading time.

| (millions of yen,%) | FY2021 | | | FY2022 | |
|--|---------------|---------------|------------------|----------------|----------|
| | Full(Results) | To Forecast % | % Change | Full(Forecast) | % Change |
| Net sales | 17,563 | +1.5 | +2.9 | 17,700 | +0.8 |
| Gross profit | 8,058 | +0.6 | +3.2 | 7,973 | -1.1 |
| Sales, general, and administrative expenses | 2,846 | -3.2 | -0.9 | 2,960 | +4.0 |
| Operating income | 5,212 | +2.8 | +5.6 | 5,013 | -3.8 |
| Recurring income | 5,306 | +3.2 | +5.5 | 5,090 | -4.1 |
| Net income | 3,647 | +3.7 | +5.0 | 3,500 | -4.0 |
| FY2021(Results) | | | FY2022(Forecast) | | |

[Overview]

Net sales became the highest record.

In core market, sales of Healthcare wear and Doctors' wear were doing well, by catching renewal contracts which were postponed from previous term and new large-scale contracts.

In peripheral market, sales of Patient wear increased steadily, by growing active demand and beginning business with new customer in new efforts.

These increases of sales made up for the drop in sales to MHLW.

[Overview]

Net sales will increase +0.8% and become the highest record.

We estimate that the impact of COVID-19 will reduce and the market will stabilize.

In core market, we will catch renewal contracts and increase share, by activating market with releasing new concept products.

In peripheral market, the increases in sales of Patient and sales of Surgery are expected to continue.

These increases of sales will make up for the drop in sales to MHLW.

1: Supply infection prevention products To MHLW

2: The Accounting Standard for Revenue Recognition

| | FY2020 | FY2021 | FY2022E |
|--------------------------------|-----------|-----------------------------|----------------------|
| Net sales | | | |
| Year-on-year change | ¥17,066 m | ¥17,563 m (+2.9%) | ¥17,700 m (+0.8%) |
| factor 1 | ¥945 m | ¥315 m | — |
| factor 2 | — | — | *-¥20 m |
| Excluding above factors | ¥16,121 m | ¥17,248 m (+6.9%) | ¥17,720 m (+2.7%) |

*The Accounting Standard for Revenue Recognition is applied beginning with FY2022. It is expected to be immaterial.

| (millions of yen,%) | FY2021 | | | FY2022 | |
|--|---------------|---------------|----------|----------------|----------|
| | Full(Results) | To Forecast % | % Change | Full(Forecast) | % Change |
| Net sales | 17,563 | +1.5 | +2.9 | 17,700 | +0.8 |
| Gross profit | 8,058 | +0.6 | +3.2 | 7,973 | -1.1 |
| Sales, general, and administrative expenses | 2,846 | -3.2 | -0.9 | 2,960 | +4.0 |
| Operating income | 5,212 | +2.8 | +5.6 | 5,013 | -3.8 |
| Recurring income | 5,306 | +3.2 | +5.5 | 5,090 | -4.1 |
| Net income | 3,647 | +3.7 | +5.0 | 3,500 | -4.0 |

| FY2021(Results) | | | FY2022(Forecast) |
|--------------------------------------|---------------------------------------|--|------------------------------------|
| [Gross profit] | | | |
| Factor of Sales : | +¥227m | | +¥70m |
| Factor of Production : | +¥21m | | -¥149m |
| Gross profit to sales : | FY2020 45.8% → FY2021 45.9% | | FY2022E 45.0% |
| (Factor of Production resolution) | | | |
| -Foreign Exchange rate(yen/dollar) : | FY2020 106.0→FY2021 104.3 (+¥34m) | | FY2022E 110 (-¥114m) |
| -Manufacturing cost | (¥0m) | | (-¥50m)Raise in domestic factories |
| -Overseas production ratio: | FY2020 49.5% →FY2021 50.7% (+¥60m) | | FY2022E 51.7% (+¥50m) |
| -Overseas distribution cost : | (-¥50m) | | (¥0m) |

| (millions of yen,%) | FY2021 | | | FY2022 | |
|--|---------------|---------------|----------|----------------|----------|
| | Full(Results) | To Forecast % | % Change | Full(Forecast) | % Change |
| Net sales | 17,563 | +1.5 | +2.9 | 17,700 | +0.8 |
| Gross profit | 8,058 | +0.6 | +3.2 | 7,973 | -1.1 |
| Sales, general, and administrative expenses | 2,846 | -3.2 | -0.9 | 2,960 | +4.0 |
| Operating income | 5,212 | +2.8 | +5.6 | 5,013 | -3.8 |
| Recurring income | 5,306 | +3.2 | +5.5 | 5,090 | -4.1 |
| Net income | 3,647 | +3.7 | +5.0 | 3,500 | -4.0 |

| FY2021(Results) | | FY2022(Forecast) |
|---|---|---|
| [Sales, general, and administrative expenses] | Advertising expenses -¥21m Travel expenses -¥18m | Advertising expenses +¥48m Travel expenses +¥26m |
| [Capital expenditure] | | |
| -Capital expenditure | ¥237m (Buildings:¥164m, IT system:¥18m, Distribution equipment:¥35m, Manufacturing equipment:¥18m) | ¥272m (Buildings:¥173m, IT system:¥44m, Distribution equipment:¥33m, Manufacturing equipment:¥22m) |
| -Depreciation | ¥316m | ¥296m |

Major assets

(¥ million %)

| Title | Result | Change Result | Change% |
|---|--------|---------------|---------|
| Cash on hand at banks | 27,879 | +2,232 | +8.7 |
| Notes and accounts receivable (including electronically recorded claims) | 4,775 | -798 | -14.3 |
| Inventories | 4,615 | -16 | -0.4 |
| Current assets | 37,322 | +1,386 | +3.9 |
| Buildings and structures | 2,674 | -18 | -0.7 |
| Land | 4,440 | +6 | +0.2 |
| Investments and other assets | 1,572 | +199 | +14.5 |
| Fixed assets | 9,106 | +111 | +1.2 |
| Total assets | 46,428 | +1,497 | +3.3 |

Major liabilities and shareholders' equity

| Title | Result | Change Result | Change% |
|-------------------------------------|--------|---------------|---------|
| Notes and accounts payable | 1,290 | -302 | -19.0 |
| Accrued income taxes | 945 | -91 | -8.8 |
| Current liabilities | 4,399 | -411 | -8.6 |
| Capital reserves | 43,276 | +1,676 | +4.0 |
| Treasury stock | -5,913 | +6 | -0.1 |
| Net assets | 42,029 | +1,908 | +4.8 |
| Total liabilities and net assets | 46,428 | +1,497 | +3.3 |

[Major changes from the previous fiscal year]

Cash and cash equivalents **Up 2,232 million**

-Cash flows from operating activities Up 4,448 million
 -Dividend payout Down 1,971 million

Fixed assets**Up 111 million**

- Investment securities Up 307 million
 - Buildings and structures Down 166 million
 (Depreciation)

Net assets**Up 1,978 million**

-Net profit Up 3,647 million
 -Dividend payout Down 1,971 million

Core Market

Healthcare wear



Shoes



Peripheral Market

Patient wear



Doctors' wear



Utility wear

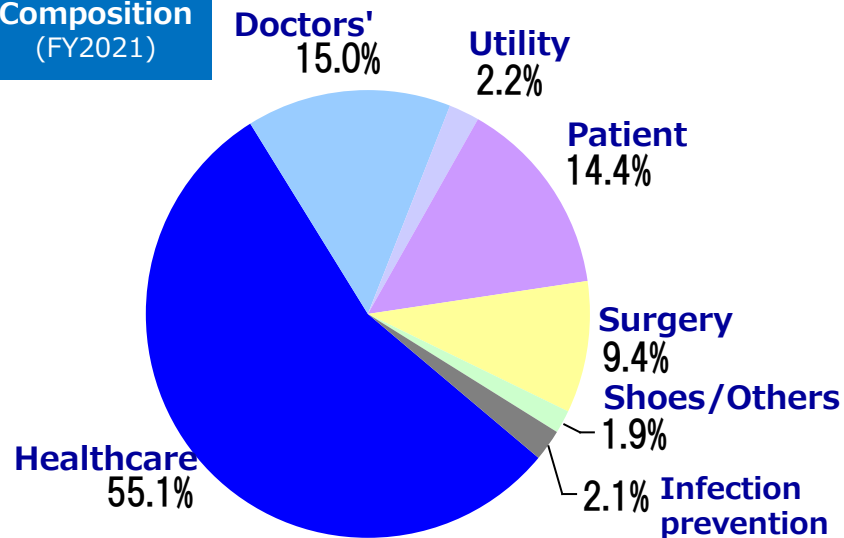


Infection prevention



Surgery wear



Composition
(FY2021)

y/y change

(%)

FY2021

First-half

Full

FY2022

Full(E)

| | Total sales | +14.4 | +2.9 | +0.8 |
|-------------------|----------------------|-------|-------|--------------|
| Core Market | Healthcare wear | +7.2 | +8.2 | +0.9 |
| | Doctors' wear | +5.7 | +6.1 | +2.0 |
| | Utility wear | +9.2 | -3.9 | -7.7 |
| | Shoes/Others | +2.3 | -2.6 | -8.5 |
| | Infection prevention | — | -67.6 | -72.4 |
| Peripheral Market | Patient wear | +24.3 | +22.1 | +10.9 |
| | Surgery wear | +7.3 | -3.5 | +2.4 |

FY2021(Results)

FY2022(Forecast)

[Healthcare]
[Doctors']

Sales increased steadily, by catching renewal contracts which were postponed from previous term and new large-scale contracts.

Sales of Healthcare wear is expected to increase steadily. We will catch up renewal contracts by releasing new concept products.

[Patient]

Sales grew considerably, with executing new promotion which was postponed from previous year.

Steady growth of sales is expected. There will be increased demand and enlarged market share.

[Surgery]

Sales went below previous year, because there were large growth in FY2020. A pause was seen in the demand for infection in first-half of FY2021.

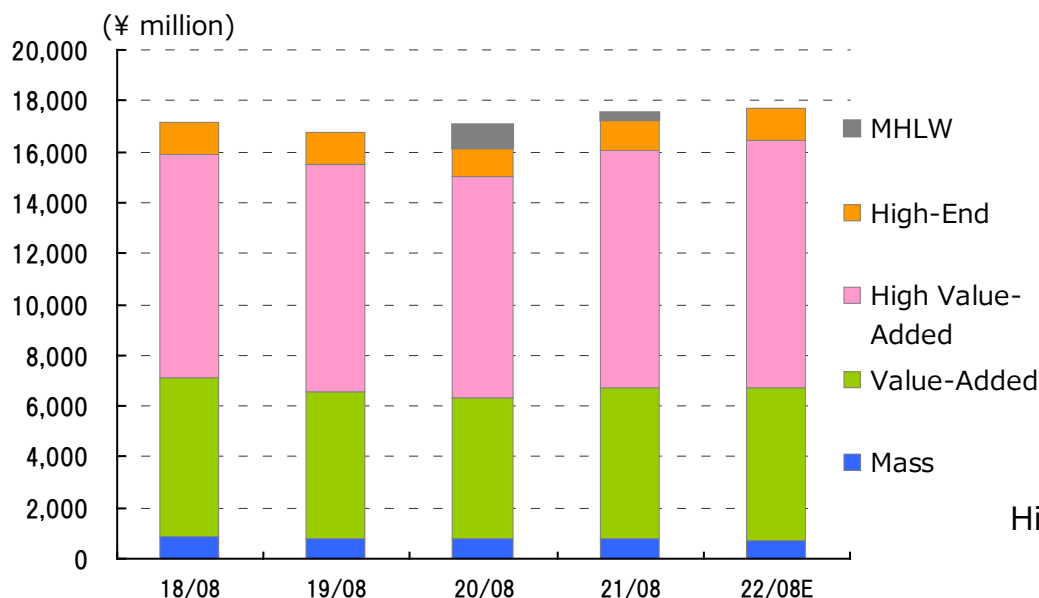
Sales of surgery wear is expected to increase. We will continue to focus on penetrating COMPELPAK into the market by appealing the merit of reusable.

[Infection prevention]

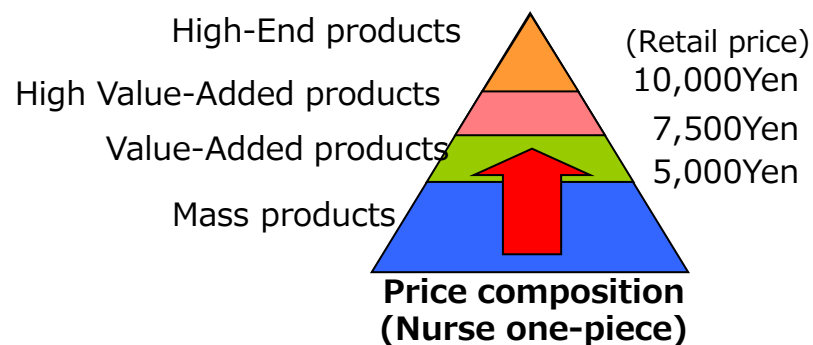
Sales fell. Sales to MHLW and demand for reusable masks decreased.

We plan to put reusable gowns on the market. We don't include sales to MHLW and of reusable masks in forecast.

Sales by Product



| y/y change (%) | FY2021 | FY2022E |
|---------------------------|--------|---------------|
| Total sales | +2.9 | +0.8 |
| High-End products | +13.6 | +3.4 |
| High Value-Added products | +7.0 | +4.2 |
| Value-Added products | +6.5 | +0.6 |
| Mass products | +1.1 | -1.9 |
| MHLW | -66.7 | -100.0 |



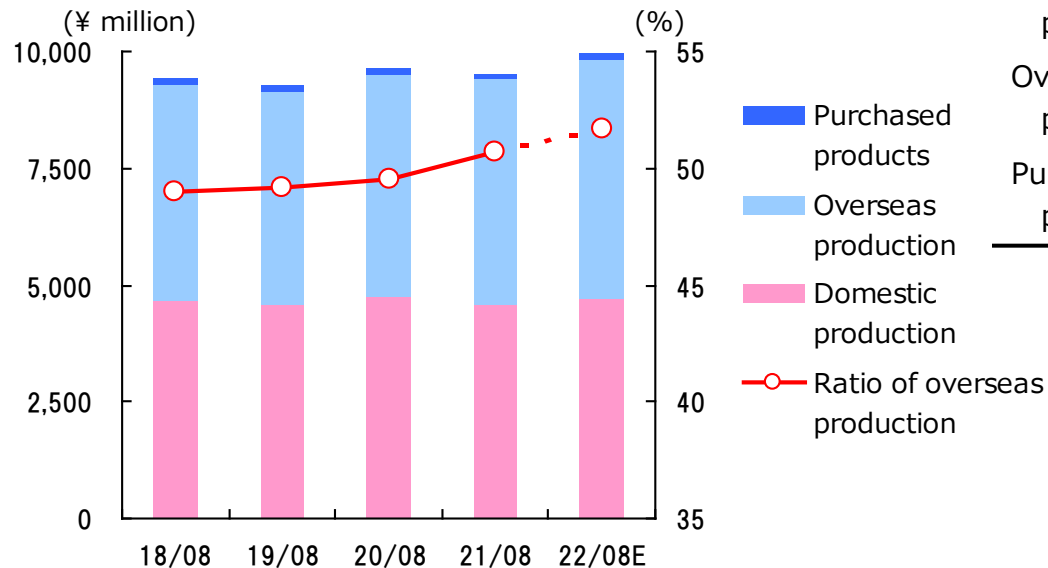
High-End products: We will strengthen lineup, such as healthcare wear and doctor coat, to activate a market.

High Value-Added products: To catch renewal contracts surely, we will add value of products with improving functionality and designability.

Value-Added products: We drive the shift from mass products, include other company products, to functional products by launching new products which started from previous year.

Production

(Non-Consolidated)



Composition (%)

| | FY2021 | FY2022E |
|---------------------|--------|-------------|
| Domestic production | 48.1 | 47.3 |
| Overseas production | 50.7 | 51.7 |
| Purchased products | 1.2 | 1.0 |

Material

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

Sewing

- Japan : Strengthen ability for quick response and small lot production.
Enhancement and retention of capabilities in emergency cases.
- Overseas: Strengthen productivity and quality of factories in Indonesia, Vietnam and China



IV Management Goals



Market

- Capture needs in core market
- Increase share of peripheral market
- Cultivate overseas markets

Product

- Develop and Sale of High-End and High Value-Added products.

Production

- Shift to Overseas Production.
- Strengthen ability to respond Quick Response and Small-lot multi-production

FY2018
(3 terms ago)

FY2021
(Previous term)

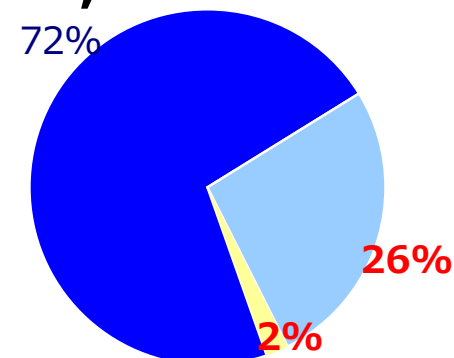
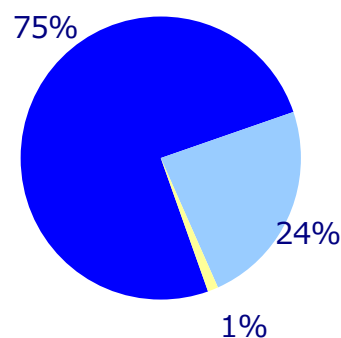
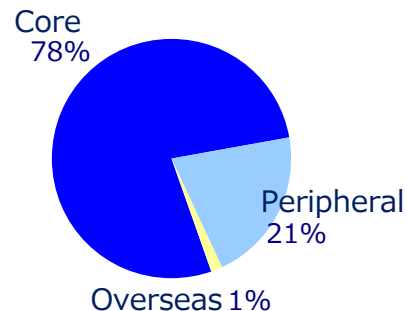
FY2024E
(3 terms later)

net sales ¥**17,144** million

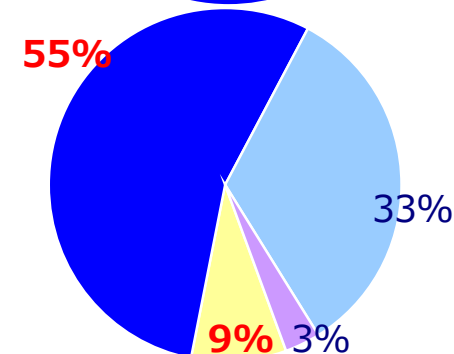
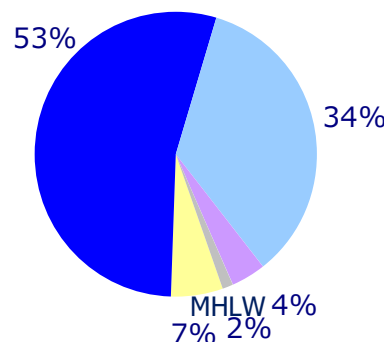
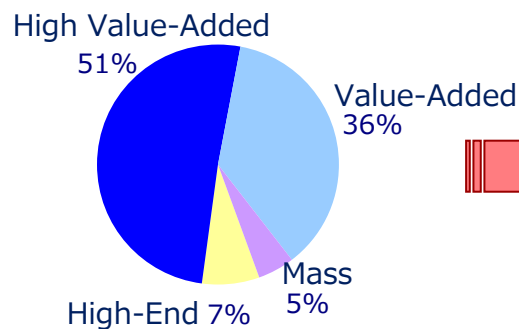
¥**17,563** million

¥**18,500** million

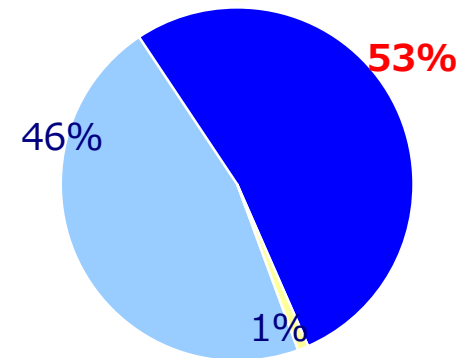
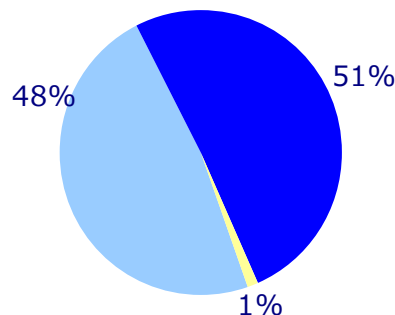
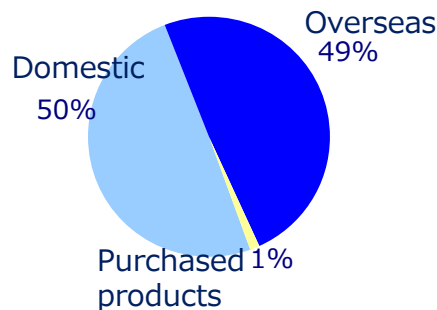
Market

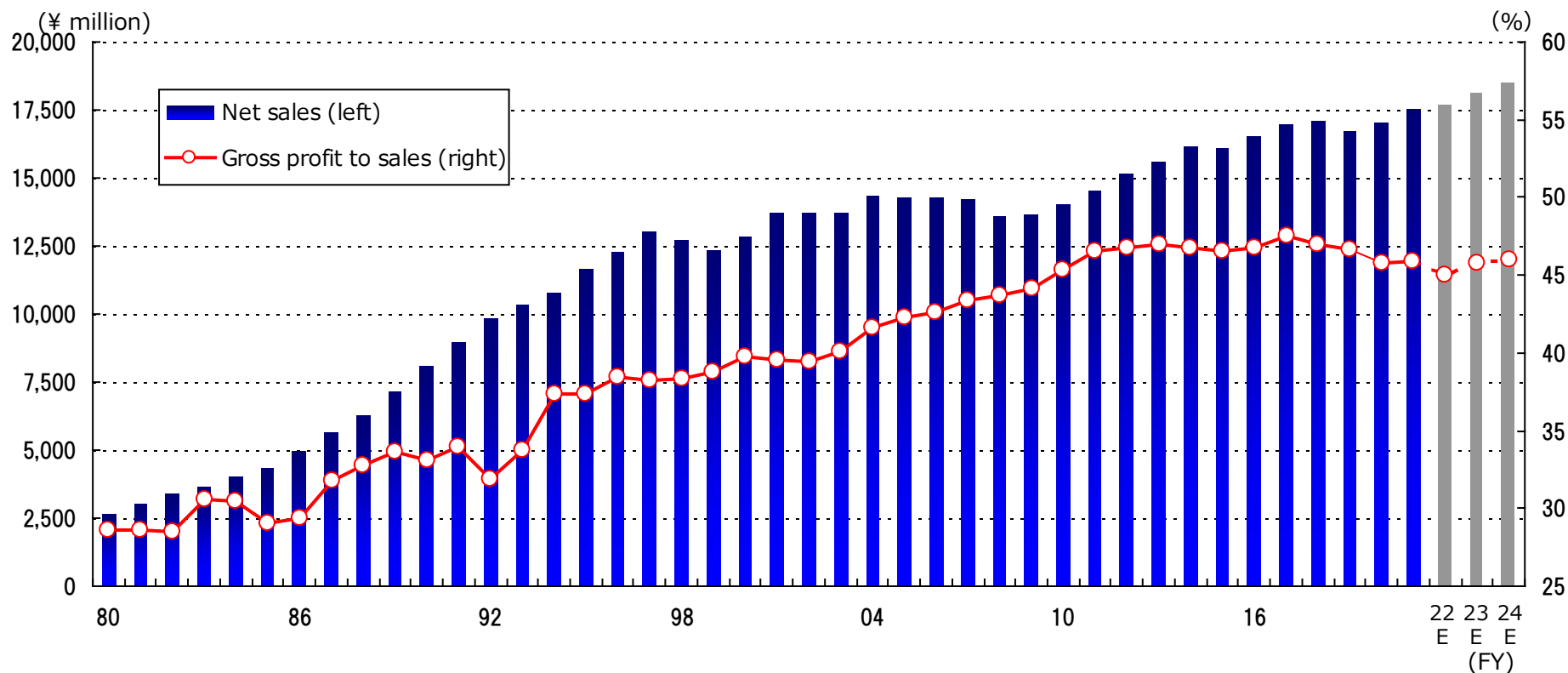


Product



Production





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

Estimate the foreign exchange rate of FY2023 and FY2024 at same as that of FY2022.

(¥ million)

| FY2024E | |
|------------------|--------|
| Net Sales | 18,500 |
| Operating Income | 5,400 |



V Rewarding shareholder -focused policies



Shareholder-focused policies

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



Dividend policy

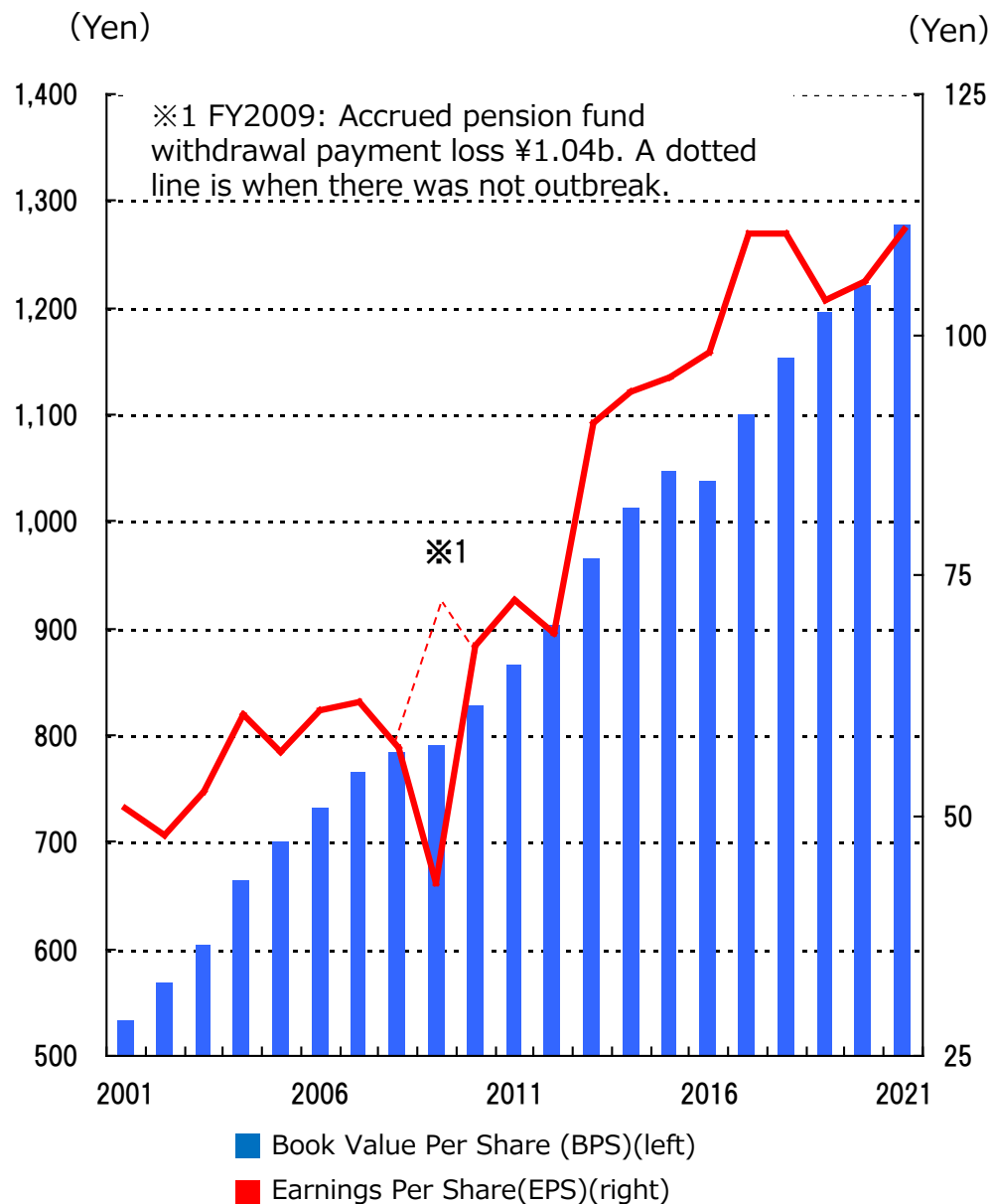
- Basic policy is to continue stable dividend payment with payout ratio of 50%

Share buyback

- Acquire expeditiously when our share is undervalued

| | 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 |
| FY2019 | 1,194.5 | 103.6 | 60.0 |
| FY2020 | 1,221.0 | 105.5 | 60.0 |
| FY2021E | 1,278.8 | 111.0 | 60.0 |

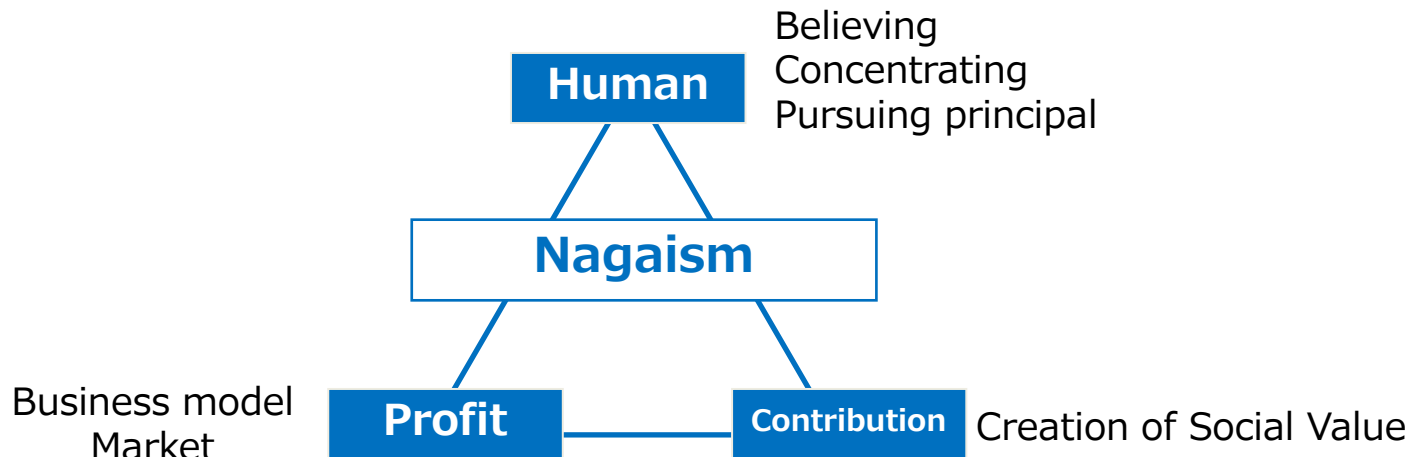
*2015: DPS 100yen (Include 100th anniversary commemorative 50yen)



| | Total dividend (Million yen) | Share buyback (Million yen) | Payout ratio (non-c, %) | Total return ratio (non-c, %) | |
|----------------|---------------------------------|--------------------------------|----------------------------|----------------------------------|---|
| FY2001 | 475 | 0 | 27.4 | 27.4 | |
| 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 | |
| FY2019 | 1,995 | 0 | 58.0 | 58.0 | |
| FY2020 | 1,971 | 1,031 | 57.9 | 87.9 | |
| FY2021E | 1,971 | 0 | 55.0 | 55.0 | DPS will be 60yen |

Management Philosophy

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



Notes on this material

This material includes forecasts for the future.

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

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

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

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

Data File

FY2021



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

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

Index

| | | |
|-------|-----|--|
| 1 | ... | Sales by Market |
| 2 | ... | Sales by Item |
| 3 | ... | Sales by Product |
| 4 | ... | Rationalization of the Production System and Our Purchasing Strategy (Non-Consolidated) |
| 5 | ... | Statements of Income (Consolidated) |
| 6 | ... | Statements of Income (Non-Consolidated) |
| 7 | ... | Indices (Consolidated) |
| 8 | ... | Indices (Non-Consolidated) |
| 9•10 | ... | Statements of Income (Consolidated•Non-Consolidated) |
| 11•12 | ... | Balance Sheet (Consolidated•Non-Consolidated) |
| 13 | ... | The Forecasts/Results of Net Sales (Consolidated) |

1. Sales by Market

| FY | 18/8 | 19/8 | 20/8 | 21/8 | 22/8E |
|-------------------|--------|--------|--------|--------|--------|
| Sales | 17,144 | 16,785 | 17,066 | 17,563 | 17,700 |
| Core Market | 13,358 | 12,995 | 13,115 | 13,207 | 13,023 |
| Peripheral Market | 3,572 | 3,601 | 3,750 | 4,153 | 4,467 |
| Overseas Market | 215 | 190 | 201 | 203 | 210 |

Core Market: Healthcare wear, Doctors' wear,

Utility wear, Shoes/Other, Infection prevention wear in Japan

Peripheral Market: Patient wear, Surgery wear in Japan

Change over previous year

| | | | | | |
|-------------------|------|-------|-----|------|------|
| Sales | 0.7 | -2.1 | 1.7 | 2.9 | 0.8 |
| Core Market | -0.7 | -2.7 | 0.9 | 0.7 | -1.4 |
| Peripheral Market | 5.5 | 0.8 | 4.1 | 10.8 | 7.6 |
| Overseas Market | 16.4 | -11.5 | 6.0 | 0.9 | 3.4 |

Composition

| | | | | | |
|-------------------|-------|-------|-------|-------|-------|
| Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Core Market | 77.9 | 77.4 | 76.9 | 75.2 | 73.6 |
| Peripheral Market | 20.8 | 21.5 | 22.0 | 23.6 | 25.2 |
| Overseas Market | 1.3 | 1.1 | 1.2 | 1.2 | 1.2 |

(¥ million)

| First-half 20/8 | First-half 21/8 |
|--------------------|--------------------|
| 7,051 | 8,069 |
| 5,253 | 6,000 |
| 1,692 | 1,992 |
| 107 | 78 |

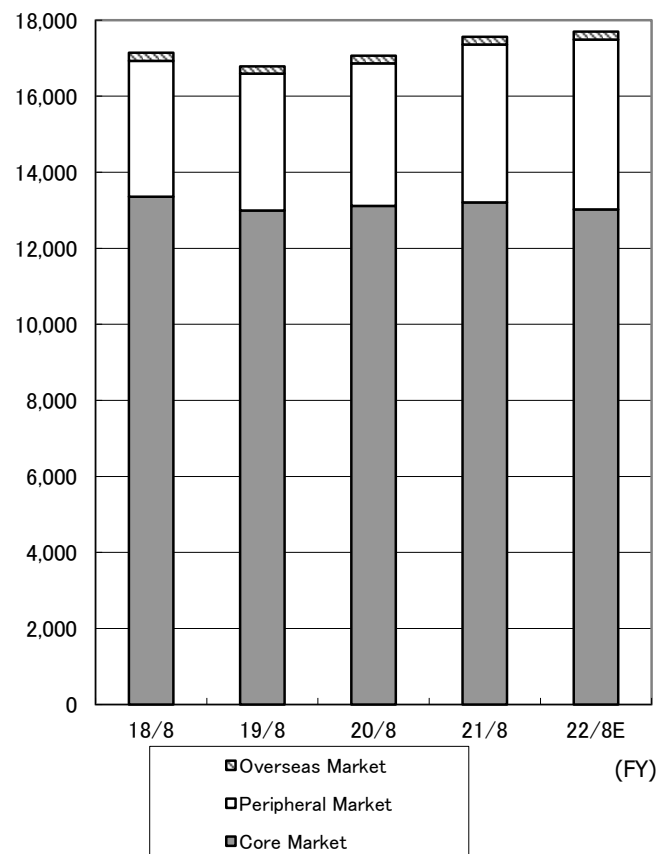
(%)

| | |
|------|-------|
| -2.5 | 14.4 |
| -4.0 | 14.2 |
| 1.3 | 17.8 |
| 13.2 | -27.8 |

(%)

| | |
|-------|-------|
| 100.0 | 100.0 |
| 74.5 | 74.4 |
| 24.0 | 24.7 |
| 1.5 | 1.0 |

(¥ million)



2. Sales by Item

| FY | 18/8 | 19/8 | 20/8 | 21/8 | 22/8E |
|---------------------------|--------|--------|--------|--------|--------|
| Sales | 17,144 | 16,785 | 17,066 | 17,563 | 17,700 |
| Healthcare wear | 9,974 | 9,681 | 8,944 | 9,673 | 9,760 |
| Doctors' wear | 2,671 | 2,673 | 2,475 | 2,626 | 2,680 |
| Utility wear | 498 | 441 | 394 | 378 | 350 |
| Patient wear | 1,964 | 2,033 | 2,067 | 2,523 | 2,800 |
| Surgery wear | 1,643 | 1,596 | 1,719 | 1,659 | 1,700 |
| Shoes/Other | 391 | 359 | 347 | 338 | 310 |
| Infection prevention wear | | | 1,116 | 362 | 100 |

(¥ million)

| First-half 20/8 | First-half 21/8 |
|--------------------|--------------------|
| 7,051 | 8,069 |
| 3,958 | 4,244 |
| 1,061 | 1,122 |
| 174 | 190 |
| 983 | 1,222 |
| 727 | 780 |
| 146 | 149 |
| 0 | 359 |

Change over previous year

| | 0.7 | -2.1 | 1.7 | 2.9 | 0.8 |
|---------------------------|-------|-------|-------|-------|-------|
| Sales | | | | | |
| Healthcare wear | 0.3 | -2.9 | -7.6 | 8.2 | 0.9 |
| Doctors' wear | -0.4 | 0.1 | -7.4 | 6.1 | 2.0 |
| Utility wear | -10.5 | -11.6 | -10.6 | -3.9 | -7.7 |
| Patient wear | 10.0 | 3.5 | 1.7 | 22.1 | 10.9 |
| Surgery wear | 0.6 | -2.8 | 7.7 | -3.5 | 2.4 |
| Shoes/Other | -6.3 | -8.1 | -3.2 | -2.6 | -8.5 |
| Infection prevention wear | | | 0.0 | -67.6 | -72.4 |

(%)

| -2.5 | 14.4 |
|-------|------|
| -3.8 | 7.2 |
| -2.1 | 5.7 |
| -13.9 | 9.2 |
| -1.2 | 24.3 |
| 5.8 | 7.3 |
| -6.8 | 2.3 |
| 3.4 | - |

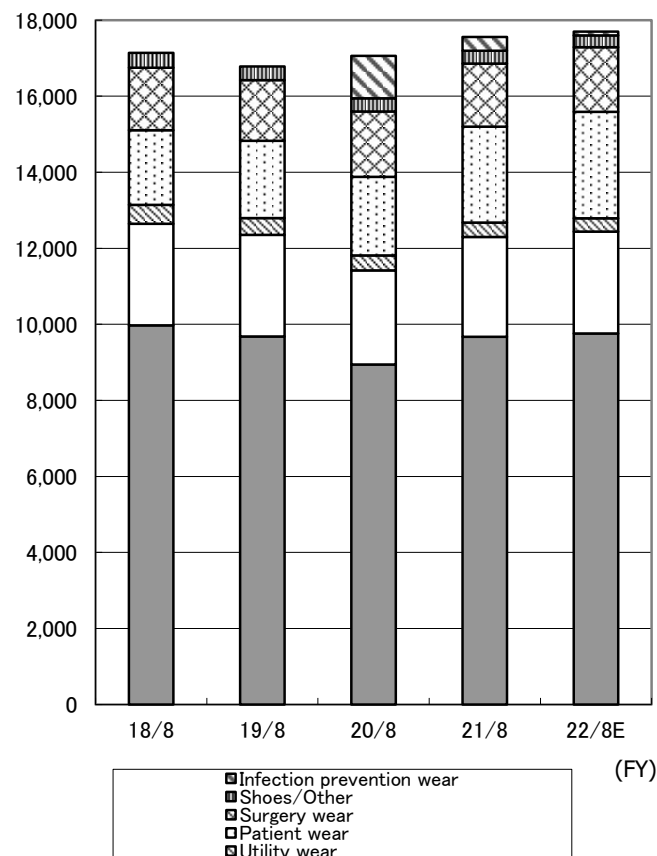
Composition

| | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
|---------------------------|-------|-------|-------|-------|-------|
| Sales | | | | | |
| Healthcare wear | 58.2 | 57.7 | 52.4 | 55.1 | 55.1 |
| Doctors' wear | 15.6 | 15.9 | 14.5 | 15.0 | 15.1 |
| Utility wear | 2.9 | 2.6 | 2.3 | 2.2 | 2.0 |
| Patient wear | 11.5 | 12.1 | 12.1 | 14.4 | 15.8 |
| Surgery wear | 9.6 | 9.5 | 10.1 | 9.4 | 9.6 |
| Shoes/Other | 2.3 | 2.1 | 2.0 | 1.9 | 1.8 |
| Infection prevention wear | | | 6.5 | 2.1 | 0.6 |

(%)

| 100.0 | 100.0 |
|-------|-------|
| 56.1 | 52.6 |
| 15.0 | 13.9 |
| 2.5 | 2.4 |
| 14.0 | 15.2 |
| 10.3 | 9.7 |
| 0.8 | 1.9 |
| | 4 |

(¥ million)



3. Sales by Product

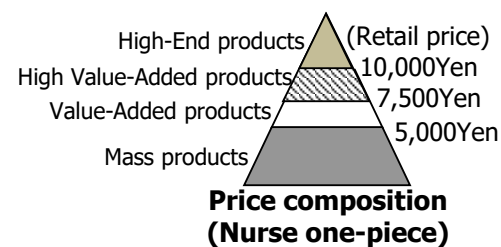
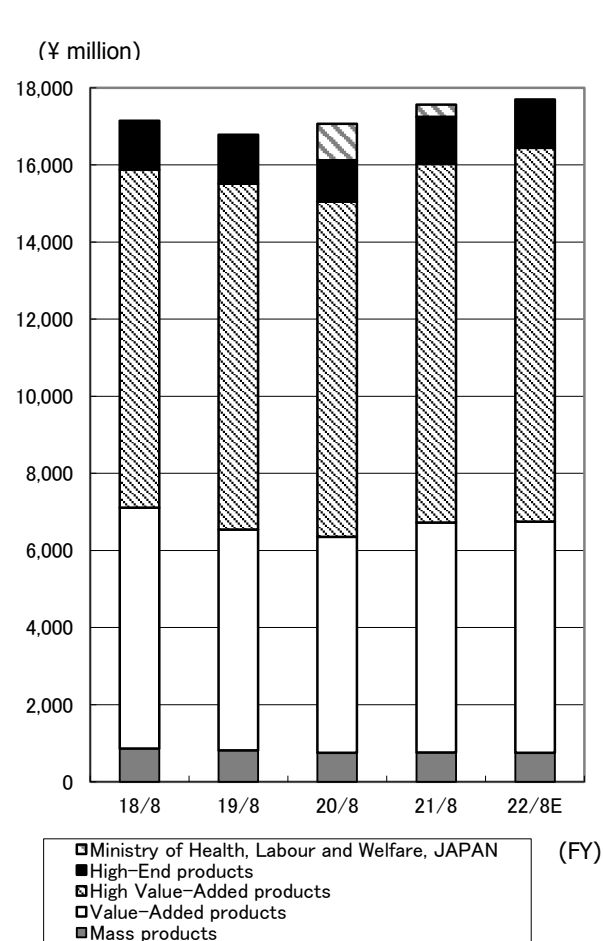
| | | | | | | (¥ million) | |
|---|--------|--------|--------|--------|--------|--------------------|--------------------|
| FY | 18/8 | 19/8 | 20/8 | 21/8 | 22/8E | First-half 20/8 | First-half 21/8 |
| Sales | 17,144 | 16,785 | 17,066 | 17,563 | 17,700 | 7,051 | 8,069 |
| High-End products | 1,269 | 1,274 | 1,072 | 1,218 | 1,260 | 493 | 513 |
| High Value-Added products | 8,759 | 8,969 | 8,692 | 9,302 | 9,690 | 3,817 | 4,097 |
| Value-Added products | 6,255 | 5,724 | 5,600 | 5,963 | 6,000 | 2,408 | 2,798 |
| Mass products | 860 | 817 | 756 | 764 | 750 | 332 | 345 |
| Ministry of Health, Labour and Welfare, JAPAN | | | 945 | 315 | 0 | | 315 |

Change over previous year

| | | | | | | (%) | |
|---|------|------|-------|-------|--------|------|------|
| Sales | 0.7 | -2.1 | 1.7 | 2.9 | 0.8 | -2.5 | 14.4 |
| High-End products | 6.5 | 0.4 | -15.9 | 13.6 | 3.4 | -8.7 | 4.1 |
| High Value-Added products | 1.7 | 2.4 | -3.1 | 7.0 | 4.2 | -1.1 | 7.3 |
| Value-Added products | -1.4 | -8.5 | -2.2 | 6.5 | 0.6 | -3.6 | 16.2 |
| Mass products | -1.0 | -5.0 | -7.5 | 1.1 | -1.9 | -1.1 | 3.8 |
| Ministry of Health, Labour and Welfare, JAPAN | | | | -66.7 | -100.0 | | - |

Composition

| | | | | | | (%) | |
|---|-------|-------|-------|-------|-------|-------|-------|
| Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| High-End products | 7.4 | 7.6 | 6.3 | 6.9 | 7.1 | 7.0 | 6.4 |
| High Value-Added products | 51.1 | 53.4 | 50.9 | 53.0 | 54.7 | 54.1 | 50.8 |
| Value-Added products | 36.5 | 34.1 | 32.8 | 34.0 | 33.9 | 34.2 | 34.7 |
| Mass products | 5.0 | 4.9 | 4.4 | 4.4 | 4.2 | 4.7 | 4.3 |
| Ministry of Health, Labour and Welfare, JAPAN | | | 5.5 | 1.8 | 0.0 | | 3.9 |



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

| FY | 18/8 | 19/8 | 20/8 | 21/8 | 22/8E |
|---------------------|-------|-------|-------|-------|-------|
| Domestic production | 4,678 | 4,584 | 4,743 | 4,581 | 4,698 |
| Overseas production | 4,625 | 4,566 | 4,775 | 4,824 | 5,135 |
| Purchased products | 136 | 130 | 128 | 110 | 100 |
| Total | 9,439 | 9,280 | 9,646 | 9,515 | 9,933 |

| (¥ million) | |
|--------------------|--------------------|
| First-half 20/8 | First-half 21/8 |
| 2,267 | 2,376 |
| 2,289 | 2,362 |
| 55 | 25 |
| 4,612 | 4,763 |

Change over previous year

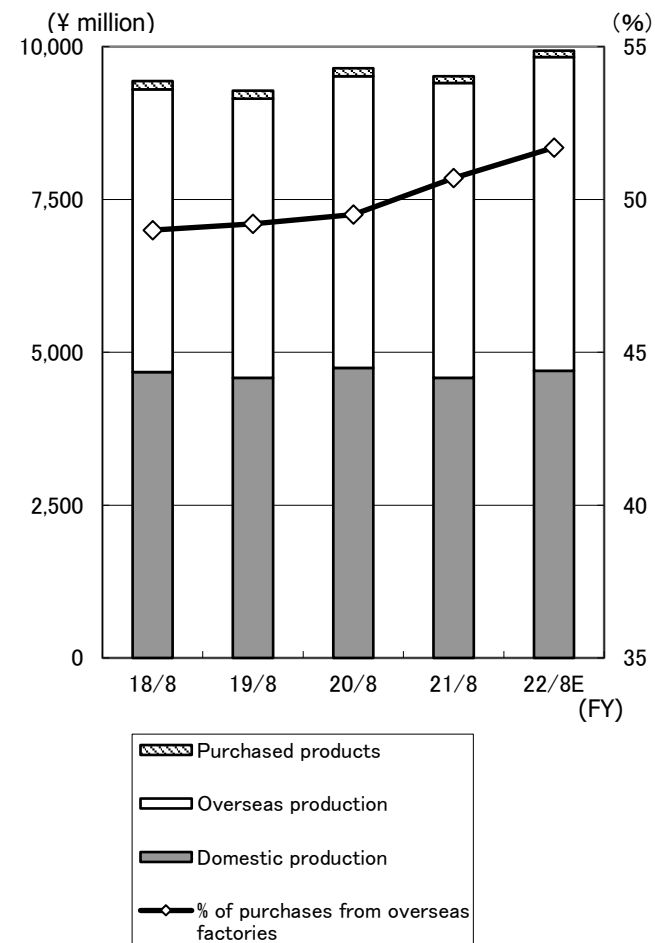
| | | | | | |
|---------------------|------|------|------|-------|------|
| Domestic production | 0.0 | -2.0 | 3.5 | -3.4 | 2.6 |
| Overseas production | 4.0 | -1.3 | 4.6 | 1.0 | 6.4 |
| Purchased products | 10.6 | -4.4 | -1.9 | -13.7 | -9.1 |
| Total | 2.1 | -1.7 | 3.9 | -1.4 | 4.4 |

| (%) | |
|------|-------|
| -2.8 | 4.8 |
| -0.8 | 3.2 |
| 5.8 | -55.5 |
| -1.7 | 3.3 |

Composition

| | | | | | |
|---------------------|-------|-------|-------|-------|-------|
| Domestic production | 49.6 | 49.4 | 49.2 | 48.1 | 47.3 |
| Overseas production | 49.0 | 49.2 | 49.5 | 50.7 | 51.7 |
| Purchased products | 1.4 | 1.4 | 1.3 | 1.2 | 1.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

| (%) | |
|-------|-------|
| 49.2 | 49.9 |
| 49.6 | 49.6 |
| 1.2 | 0.5 |
| 100.0 | 100.0 |



5. Statements of Income (Consolidated)

| | | | | | | (¥ million) | |
|--|--------|--------|--------|--------|--------|--------------------|--------------------|
| FY | 18/8 | 19/8 | 20/8 | 21/8 | 22/8E | First-half 20/8 | First-half 21/8 |
| Net Sales | 17,144 | 16,785 | 17,066 | 17,563 | 17,700 | 7,051 | 8,069 |
| Gross profit | 8,050 | 7,840 | 7,810 | 8,058 | 7,973 | 3,263 | 3,718 |
| Sales, general, and administrative expense | 2,786 | 2,922 | 2,872 | 2,846 | 2,960 | 1,523 | 1,442 |
| Operating income | 5,264 | 4,918 | 4,937 | 5,212 | 5,013 | 1,739 | 2,275 |
| Recurring income | 5,338 | 4,990 | 5,031 | 5,306 | 5,090 | 1,793 | 2,322 |
| Net income | 3,675 | 3,445 | 3,474 | 3,647 | 3,500 | 1,236 | 1,595 |
| Change over previous year | | | | | | (%) | |
| Net Sales | 0.7 | -2.1 | 1.7 | 2.9 | 0.8 | -2.5 | 14.4 |
| Gross profit | -0.4 | -2.6 | -0.4 | 3.2 | -1.1 | -3.3 | 13.9 |
| Sales, general, and administrative expense | -2.0 | 4.9 | -1.7 | -0.9 | 4.0 | -3.3 | -5.3 |
| Operating income | 0.4 | -6.6 | 0.4 | 5.6 | -3.8 | -3.2 | 30.8 |
| Recurring income | 0.0 | -6.5 | 0.8 | 5.5 | -4.1 | -2.3 | 29.5 |
| Net income | 0.1 | -6.3 | 0.8 | 5.0 | -4.0 | -2.1 | 29.1 |
| Composition | | | | | | (%) | |
| Net Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Gross profit | 47.0 | 46.7 | 45.8 | 45.9 | 45.0 | 46.3 | 46.1 |
| Sales, general, and administrative expense | 16.3 | 17.4 | 16.9 | 16.2 | 16.7 | 21.6 | 17.9 |
| Operating income | 30.7 | 29.3 | 28.9 | 29.7 | 28.3 | 24.7 | 28.2 |
| Recurring income | 31.1 | 29.7 | 29.5 | 30.2 | 28.8 | 25.4 | 28.8 |
| Net income | 21.4 | 20.5 | 20.4 | 20.8 | 19.8 | 17.5 | 19.8 |

6. Statements of Income (Non-Consolidated)

(¥ million)

| FY | 18/8 | 19/8 | 20/8 | 21/8 | 22/8E |
|---|--------|--------|--------|--------|--------|
| Net Sales | 17,140 | 16,777 | 17,061 | 17,552 | 17,700 |
| Gross profit | 7,835 | 7,694 | 7,650 | 7,875 | 7,742 |
| Sales, general, and administrative expenses | 2,779 | 2,901 | 2,868 | 2,849 | 2,948 |
| Operating income | 5,055 | 4,793 | 4,782 | 5,025 | 4,794 |
| Recurring income | 5,213 | 4,941 | 4,924 | 5,180 | 4,944 |
| Net income | 3,612 | 3,436 | 3,415 | 3,583 | 3,423 |

| First-half 20/8 | First-half 21/8 |
|--------------------|--------------------|
| 7,048 | 8,063 |
| 3,200 | 3,631 |
| 1,501 | 1,432 |
| 1,699 | 2,198 |
| 1,788 | 2,307 |
| 1,244 | 1,603 |

Change over previous year

(%)

| | | | | | |
|---|------|------|------|------|------|
| Net Sales | 0.7 | -2.1 | 1.7 | 2.9 | 0.8 |
| Gross profit | 0.1 | -1.8 | -0.6 | 2.9 | -1.7 |
| Sales, general, and administrative expenses | -1.8 | 4.4 | -1.1 | -0.7 | 3.5 |
| Operating income | 1.2 | -5.2 | -0.2 | 5.1 | -4.6 |
| Recurring income | 0.3 | -5.2 | -0.3 | 5.2 | -4.5 |
| Net income | 0.0 | -4.9 | -0.6 | 4.9 | -4.5 |

| | |
|------|------|
| -2.5 | 14.4 |
| -3.0 | 13.4 |
| -3.6 | -4.6 |
| -2.4 | 29.4 |
| -3.0 | 29.0 |
| -3.6 | 28.9 |

Composition

(%)

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Net Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Gross profit | 45.7 | 45.9 | 44.8 | 44.9 | 43.7 |
| Sales, general, and administrative expenses | 16.2 | 17.3 | 16.8 | 16.3 | 16.6 |
| Operating income | 29.5 | 28.6 | 28.0 | 28.6 | 27.1 |
| Recurring income | 30.4 | 29.5 | 28.9 | 29.5 | 27.9 |
| Net income | 21.1 | 20.5 | 20.0 | 20.4 | 19.3 |

| | |
|-------|-------|
| 100.0 | 100.0 |
| 45.4 | 45.0 |
| 21.3 | 17.7 |
| 24.1 | 27.3 |
| 25.4 | 28.6 |
| 17.7 | 19.9 |

7. Indices (Consolidated)

| | | (Unit) | 17/8 | 18/8 | 19/8 | 20/8 | 21/8 | First-half 20/8 | First-half 21/8 |
|---------------------|--|-------------|---------|---------|---------|---------|---------|--------------------|--------------------|
| Profitability | ROE | (%) | 10.3 | 9.8 | 8.8 | 8.7 | 8.9 | - | - |
| | ROA | (%) | 13.4 | 12.8 | 11.5 | 11.3 | 11.6 | - | - |
| ROE resolution | Return on sales Net income | (%) | 21.6 | 21.4 | 20.5 | 20.4 | 20.8 | - | - |
| | 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 | (%) | 899.5 | 966.1 | 998.1 | 984.9 | 1,038.8 | - | - |
| | Fixed Assets Ratio *Note3 | (%) | 26.3 | 24.3 | 23.9 | 22.8 | 22.0 | - | - |
| | Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities *Note3 | (%) | 25.6 | 23.6 | 23.3 | 22.2 | 21.5 | - | - |
| | Account Receivable Turnover | (Times) | 3.4 | 3.5 | 3.3 | 3.1 | 3.4 | - | - |
| | Inventory Turnover | (Times) | 3.9 | 3.9 | 3.8 | 3.7 | 3.8 | - | - |
| Per share data | BPS | (¥) | 1,099.2 | 1,153.4 | 1,194.5 | 1,221.0 | 1,278.8 | 1,153.5 | 1,213.3 |
| | EPS | (¥) | 110.5 | 110.6 | 103.6 | 105.5 | 111.0 | 37.5 | 48.6 |
| | DPS | (¥) | - | - | - | - | - | - | - |
| | Payout ratio | (%) | 54.3 | 54.3 | 57.9 | 56.9 | 54.1 | - | - |
| Others | Capital expenditure | (¥ million) | 92 | 904 | 225 | 183 | 237 | 117 | 130 |
| | Depreciation | (¥ million) | 311 | 289 | 337 | 334 | 316 | 168 | 157 |
| | Number of employees | (Persons) | 498 | 506 | 511 | 516 | 518 | 514 | 519 |
| | Proportion of female employees | (%) | 66.9 | 65.6 | 65.6 | 66.9 | 66.8 | 66.0 | 67.1 |
| | Personnel expense | (¥ million) | 2,361 | 2,381 | 2,476 | 2,433 | 2,466 | 1,224 | 1,229 |

(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) | 17/8 | 18/8 | 19/8 | 20/8 | 21/8 | First-half 20/8 | First-half 21/8 |
|---------------------|--|-------------|---------|---------|---------|---------|---------|--------------------|--------------------|
| Profitability | ROE | (%) | 11.0 | 10.5 | 9.5 | 9.2 | 9.4 | - | - |
| | ROA | (%) | 14.2 | 13.6 | 12.4 | 12.0 | 12.3 | - | - |
| ROE resolution | Return on sales Net income | (%) | 21.2 | 21.1 | 20.5 | 20.0 | 20.4 | - | - |
| | Total Assets Turnover | (Times) | 0.5 | 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 | (%) | 826.0 | 877.2 | 915.4 | 898.0 | 946.5 | - | - |
| | Fixed Assets Ratio *Note3 | (%) | 27.6 | 25.5 | 25.1 | 23.8 | 23.1 | - | - |
| | Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities *Note3 | (%) | 27.3 | 25.2 | 24.7 | 23.5 | 22.7 | - | - |
| | Account Receivable Turnover | (Times) | 3.4 | 3.5 | 3.3 | 3.1 | 3.4 | - | - |
| | Inventory Turnover | (Times) | 4.9 | 4.9 | 4.7 | 4.6 | 4.8 | - | - |
| Per share data | BPS | (¥) | 1,013.6 | 1,065.1 | 1,106.8 | 1,130.9 | 1,186.7 | 1,065.9 | 1,123.0 |
| | EPS | (¥) | 108.7 | 108.7 | 103.4 | 103.7 | 109.1 | 37.7 | 48.8 |
| | DPS | (¥) | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | - | - |
| | Payout ratio | (%) | 55.2 | 55.2 | 58.0 | 57.9 | 55.0 | - | - |
| Others | Capital expenditure | (¥ million) | 62 | 867 | 119 | 165 | 215 | 103 | 116 |
| | Depreciation | (¥ million) | 265 | 248 | 276 | 281 | 273 | 142 | 136 |
| | Number of employees | (Persons) | 113 | 117 | 120 | 119 | 123 | 119 | 121 |
| | Proportion of female employees | (%) | 27.4 | 28.2 | 28.3 | 29.4 | 30.9 | 28.6 | 29.8 |
| | Personnel expense | (¥ million) | 1,155 | 1,167 | 1,279 | 1,233 | 1,246 | 627.0 | 621.0 |
| | Total Shareholder Return | (%) | 133.6 | 129.0 | 107.7 | 141.0 | 135.8 | - | - |

(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)

(¥ million,%)

| FY | 20/8 | | 21/8 | | Change(the previous year) | |
|---|--------|-------------|--------|-------------|---------------------------|----------|
| | Result | Composition | Result | Composition | Result | Change % |
| Net Sales | 17,066 | 100.0 | 17,563 | 100.0 | 496 | 2.9 |
| Cost of sales | 9,256 | 54.2 | 9,504 | 54.1 | 248 | 2.7 |
| Gross profit | 7,810 | 45.8 | 8,058 | 45.9 | 248 | 3.2 |
| Sales, general, and administrative expenses | 2,872 | 16.9 | 2,846 | 16.2 | -26 | -0.9 |
| Packing and freight expenses | 234 | | 247 | | | |
| Advertising expenses | 300 | | 278 | | | |
| Personnel expenses | 1,424 | | 1,435 | | | |
| Management commission expenses | 136 | | 139 | | | |
| Depreciation expenses | 201 | | 190 | | | |
| Operating income | 4,937 | 28.9 | 5,212 | 29.7 | 274 | 5.6 |
| Non-operating income | 127 | 0.7 | 130 | 0.7 | 2 | 2.0 |
| Interest income | 2 | | 19 | | | |
| Rent income | 84 | | 85 | | | |
| Others | 40 | | 25 | | | |
| Non-operating expense | 32 | 0.1 | 36 | 0.2 | 3 | 9.3 |
| Fixed assets rent expense | 32 | | 36 | | | |
| Others | 0 | | 0 | | | |
| Recurring income | 5,031 | 29.5 | 5,306 | 30.2 | 274 | 5.5 |
| Extraordinary profit | 11 | 0.1 | 0 | 0.0 | -11 | -96.0 |
| Extraordinary loss | 13 | 0.1 | 17 | 0.1 | 4 | 35.1 |
| Income before income taxes | 5,030 | 29.5 | 5,288 | 30.1 | 258 | 5.1 |
| Income, inhabitant and enterprise taxes | 1,561 | | 1,638 | | | |
| Tax adjustments | -5 | | 2 | | | |
| Net income attributable to shareholders | 3,474 | 20.4 | 3,647 | 20.8 | 173 | 5.0 |

(¥ million,%)

| First-half 20/8 | | First-half 21/8 | | Change(the previous year) | |
|-----------------|-------------|-----------------|-------------|---------------------------|----------|
| Result | Composition | Result | Composition | Result | Change % |
| 7,051 | 100.0 | 8,069 | 100.0 | 1,017 | 14.4 |
| 3,788 | 53.7 | 4,351 | 53.9 | 562 | 14.9 |
| 3,263 | 46.3 | 3,718 | 46.1 | 455 | 13.9 |
| 1,523 | 21.6 | 1,442 | 17.9 | -81 | -5.3 |
| 106 | | 110 | | | |
| 231 | | 193 | | | |
| 725 | | 718 | | | |
| 69 | | 63 | | | |
| 102 | | 96 | | | |
| 1,739 | 24.7 | 2,275 | 28.2 | 536 | 30.8 |
| 70 | 0.9 | 64 | 0.8 | -6 | -8.7 |
| 1 | | 1 | | | |
| 42 | | 41 | | | |
| 25 | | 20 | | | |
| 16 | 0.2 | 17 | 0.2 | 0 | 4.2 |
| 16 | | 17 | | | |
| 0 | | 0 | | | |
| 1,793 | 25.4 | 2,322 | 28.8 | 529 | 29.5 |
| 11 | 0.2 | 0 | 0.0 | -11 | -97.8 |
| 11 | 0.2 | 9 | 0.1 | -1 | -13.6 |
| 1,793 | 25.4 | 2,313 | 28.7 | 519 | 29.0 |
| 578 | | 748 | | | |
| -21 | | -30 | | | |
| 1,236 | 17.5 | 1,595 | 19.8 | 359 | 29.1 |

10. Statements of Income (Non-Consolidated)

(¥ million, %)

| FY | 20/8 | | 21/8 | | Change(the previous year) | |
|---|--------|-------------|--------|-------------|---------------------------|----------|
| | Result | Composition | Result | Composition | Result | Change % |
| Net Sales | 17,061 | 100.0 | 17,552 | 100.0 | 491 | 2.9 |
| Cost of sales | 9,410 | 55.2 | 9,677 | 55.1 | 267 | 2.8 |
| Gross profit | 7,650 | 44.8 | 7,875 | 44.9 | 224 | 2.9 |
| Sales, general, and administrative expenses | 2,868 | 16.8 | 2,849 | 16.3 | -19 | -0.7 |
| Packing and freight expenses | 455 | | 468 | | | |
| Advertising expenses | 299 | | 277 | | | |
| Personnel expenses | 1,233 | | 1,246 | | | |
| Management commission expenses | 134 | | 138 | | | |
| Depreciation expenses | 197 | | 187 | | | |
| Operating income | 4,782 | 28.0 | 5,025 | 28.6 | 243 | 5.1 |
| Non-operating income | 248 | 1.5 | 275 | 1.6 | 26 | 10.9 |
| Interest income & Dividend income | 41 | | 70 | | | |
| Rent income | 189 | | 190 | | | |
| Others | 16 | | 14 | | | |
| Non-operating expense | 105 | 0.6 | 120 | 0.7 | 14 | 13.9 |
| Fixed assets rent expense | 105 | | 107 | | | |
| Others | 0 | | 12 | | | |
| Recurring income | 4,924 | 28.9 | 5,180 | 29.5 | 255 | 5.2 |
| Extraordinary profit | 11 | 0.1 | 0 | 0.0 | -11 | -97.3 |
| Extraordinary loss | 12 | 0.1 | 17 | 0.1 | 5 | 44.7 |
| Income before income taxes | 4,923 | 28.9 | 5,162 | 29.4 | 238 | 4.8 |
| Income, inhabitant and enterprise taxes | 1,501 | | 1,590 | | | |
| Tax adjustments | 6 | | -11 | | | |
| Net income | 3,415 | 20.0 | 3,583 | 20.4 | 168 | 4.9 |

(¥ million, %)

| First-half 20/8 | | First-half 21/8 | | Change(the previous year) | |
|-----------------|-------------|-----------------|-------------|---------------------------|----------|
| Result | Composition | Result | Composition | Result | Change % |
| 7,048 | 100.0 | 8,063 | 100.0 | 1,015 | 14.4 |
| 3,847 | 54.6 | 4,432 | 55.0 | 585 | 15.2 |
| 3,200 | 45.4 | 3,631 | 45.0 | 430 | 13.4 |
| 1,501 | 21.3 | 1,432 | 17.7 | -69 | -4.6 |
| 203 | | 212 | | | |
| 231 | | 192 | | | |
| 627 | | 621 | | | |
| 69 | | 63 | | | |
| 100 | | 94 | | | |
| 1,699 | 24.1 | 2,198 | 27.3 | 499 | 29.4 |
| 141 | 2.0 | 161 | 2.0 | 19 | 14.0 |
| 34 | | 57 | | | |
| 95 | | 94 | | | |
| 12 | | 9 | | | |
| 52 | 0.7 | 53 | 0.7 | 0 | 0.7 |
| 52 | | 52 | | | |
| 0 | | 0 | | | |
| 1,788 | 25.4 | 2,307 | 28.6 | 518 | 29.0 |
| 11 | 0.2 | 0 | 0.0 | -11 | -99.2 |
| 10 | 0.2 | 9 | 0.1 | 0 | -6.2 |
| 1,789 | 25.4 | 2,297 | 28.5 | 508 | 28.4 |
| 558 | | 734 | | | |
| -13 | | -40 | | | |
| 1,244 | 17.7 | 1,603 | 19.9 | 359 | 28.9 |

11. Balance Sheet (Consolidated)

| FY | 20/8 | | 20/8 | | (¥ million,%) | |
|---|---------------|--------------|---------------|--------------|---------------------------|------------|
| | Result | Composition | Result | Composition | Change(the previous year) | |
| Current assets | 35,936 | 80.0 | 37,322 | 80.4 | 1,386 | 3.9 |
| Cash on hand and at banks | 25,646 | | 27,879 | | | |
| Trade notes and accounts receivable (including electronically recorded claims) | 5,573 | | 4,775 | | | |
| Securities | | | | | | |
| Inventories | 4,631 | | 4,615 | | | |
| Others | 85 | | 54 | | | |
| Reserve bad debt | -1 | | -1 | | | |
| Fixed assets | 8,995 | 20.0 | 9,106 | 19.6 | 111 | 1.2 |
| Tangible fixed assets | 7,571 | 16.8 | 7,489 | 16.1 | -82 | -1.1 |
| Buildings and structures | 2,692 | | 2,674 | | | |
| Machinery and equipment | 272 | | 237 | | | |
| Land | 4,434 | | 4,440 | | | |
| Construction in progress | 23 | | 1 | | | |
| Others | 148 | | 135 | | | |
| Intangible fixed asset | 49 | 0.1 | 43 | 0.1 | -5 | -12.1 |
| Investments and other assets | 1,373 | 3.1 | 1,572 | 3.4 | 199 | 14.5 |
| Investment securities | 592 | | 899 | | | |
| Others | 783 | | 674 | | | |
| Reserve bad debt | -1 | | -1 | | | |
| Total assets | 44,931 | 100.0 | 46,428 | 100.0 | 1,497 | 3.3 |

| | | | | | | |
|---|---------------|--------------|---------------|--------------|--------------|-------------|
| Current liabilities | 3,713 | 8.3 | 3,338 | 7.2 | -375 | -10.1 |
| Trade notes and accounts payable | 1,592 | | 1,290 | | | |
| Accrued income taxes | 1,036 | | 945 | | | |
| Accrued bonus | 85 | | 85 | | | |
| Others | 999 | | 1,016 | | | |
| Long-term liabilities | 1,096 | 2.4 | 1,060 | 2.3 | -35 | -3.3 |
| Accrued pension and severance costs | 690 | | 656 | | | |
| Directors' retirement allowances | 26 | | 30 | | | |
| Others | 379 | | 374 | | | |
| Total liabilities | 4,810 | 10.7 | 4,399 | 9.5 | -411 | -8.6 |
| Total shareholders' equity | 39,983 | 89.0 | 41,676 | 89.8 | 1,693 | 4.2 |
| Capital stock | 1,925 | | 1,925 | | | |
| Capital reserves | 2,378 | | 2,388 | | | |
| Retained earnings | 41,599 | | 43,276 | | | |
| Treasury stock | -5,920 | | -5,913 | | | |
| Accumulated other comprehensive income | 137 | 0.3 | 353 | 0.7 | 215 | 156.0 |
| Net unrealized gains on investment securities | 228 | | 441 | | | |
| Deferred hedging gains and losses | 5 | | 1 | | | |
| Accumulated pension and severance costs | -95 | | -89 | | | |
| Total net assets | 40,121 | 89.3 | 42,029 | 90.5 | 1,908 | 4.8 |
| Total liabilities and total net assets | 44,931 | 100.0 | 46,428 | 100.0 | 1,497 | 3.3 |

| (¥ million,%) | | | | | |
|-----------------|-------------|-----------------|-------------|---------------------------|----------|
| First-half 20/8 | | First-half 21/8 | | Change(the previous year) | |
| Result | Composition | Result | Composition | Result | Change % |
| 32,679 | 78.1 | 34,883 | 79.4 | 2,204 | 6.7 |
| 22,220 | | 24,020 | | | |
| 5,159 | | 5,616 | | | |
| 5,221 | | 5,150 | | | |
| 80 | | 98 | | | |
| -1 | | -1 | | | |
| 9,156 | 21.9 | 9,076 | 20.6 | -80 | -0.9 |
| 7,678 | 18.4 | 7,539 | 17.1 | -138 | -1.8 |
| 2,768 | | 2,694 | | | |
| 317 | | 258 | | | |
| 4,434 | | 4,440 | | | |
| - | | - | | | |
| 159 | | 146 | | | |
| 44 | 0.1 | 47 | 0.1 | 2 | 6.2 |
| 1,433 | 3.4 | 1,489 | 3.4 | 56 | 3.9 |
| 644 | | 731 | | | |
| 790 | | 759 | | | |
| -1 | | -1 | | | |
| 41,836 | 100.0 | 43,960 | 100.0 | 2,123 | 5.1 |

| | | | | | |
|--------|-------|--------|-------|-------|------|
| 2,818 | 6.7 | 3,011 | 6.9 | 193 | 6.9 |
| 1,494 | | 1,486 | | | |
| 608 | | 778 | | | |
| 80 | | 79 | | | |
| 635 | | 667 | | | |
| 1,114 | 2.7 | 1,074 | 2.4 | -39 | -3.6 |
| 706 | | 668 | | | |
| 24 | | 28 | | | |
| 382 | | 377 | | | |
| 3,932 | 9.4 | 4,086 | 9.3 | 153 | 3.9 |
| 37,745 | 90.2 | 39,624 | 90.1 | 1,879 | 5.0 |
| 1,925 | | 1,925 | | | |
| 2,378 | | 2,388 | | | |
| 39,362 | | 41,224 | | | |
| -5,920 | | -5,913 | | | |
| 157 | 0.4 | 249 | 0.6 | 91 | 58.0 |
| 265 | | 324 | | | |
| 0 | | 11 | | | |
| -108 | | -86 | | | |
| 37,903 | 90.6 | 39,874 | 90.7 | 1,970 | 5.2 |
| 41,836 | 100.0 | 43,960 | 100.0 | 2,123 | 5.1 |

12. Balance Sheet(Non-Consolidated)

| FY | 20/8 | | 21/8 | | Change(the previous year) | |
|--|---------------|--------------|---------------|--------------|---------------------------|------------|
| | Result | Composition | Result | Composition | Result | Change % |
| Current assets | 32,741 | 79.0 | 33,994 | 79.3 | 1,253 | 3.8 |
| Cash on hand and at banks | 23,332 | | 25,684 | | | |
| Trade notes | 2,883 | | 2,940 | | | |
| (including electronically recorded claims) | | | | | | |
| Accounts receivable | 2,690 | | 1,834 | | | |
| Securities | | | | | | |
| Inventories | 3,731 | | 3,451 | | | |
| Others | 105 | | 84 | | | |
| Reserve bad debt | -1 | | -1 | | | |
| Fixed assets | 8,710 | 21.0 | 8,858 | 20.7 | 148 | 1.7 |
| Tangible fixed assets | 7,457 | 18.0 | 7,396 | 17.3 | -60 | -0.8 |
| Buildings and structures | 2,630 | | 2,614 | | | |
| Machinery and equipment | 138 | | 125 | | | |
| Land | 4,434 | | 4,440 | | | |
| Construction in progress | 23 | | 1 | | | |
| Others | 230 | | 213 | | | |
| Intangible fixed asset | 42 | 0.1 | 35 | 0.1 | -6 | -15.7 |
| Investments and other assets | 1,210 | 2.9 | 1,426 | 3.3 | 215 | 17.8 |
| Investment securities | 591 | | 899 | | | |
| Others | 620 | | 528 | | | |
| Reserve bad debt | -1 | | -1 | | | |
| Total assets | 41,451 | 100.0 | 42,852 | 100.0 | 1,401 | 3.4 |

| | | | | | | |
|---|---------------|--------------|---------------|--------------|--------------|--------------|
| Current liabilities | 3,753 | 9.1 | 3,297 | 7.7 | -455 | -12.1 |
| Trade notes | 916 | | 751 | | | |
| Accounts payable | 920 | | 677 | | | |
| Accrued income taxes | 991 | | 910 | | | |
| Others | 924 | | 957 | | | |
| Long-term liabilities | 537 | 1.3 | 553 | 1.3 | 16 | 3.1 |
| Accrued pension and severance costs | 157 | | 179 | | | |
| Directors' retirement allowances | - | | | | | |
| Others | 379 | | 374 | | | |
| Total liabilities | 4,290 | 10.4 | 3,850 | 9.0 | -439 | -10.2 |
| Total shareholders' equity | 36,930 | 89.1 | 38,559 | 90.0 | 1,629 | 4.4 |
| Capital stock | 1,925 | | 1,925 | | | |
| Capital reserves | 2,657 | | 2,668 | | | |
| Retained earnings | 38,267 | | 39,880 | | | |
| Treasury stock | -5,920 | | -5,913 | | | |
| Valuation and translation adjustments | 230 | 0.5 | 441 | 1.0 | 211 | 91.6 |
| Net unrealized gains on investment securities | 228 | | 441 | | | |
| Deferred hedging gains and losses | 2 | | 0 | | | |
| Total net assets | 37,161 | 89.6 | 39,001 | 91.0 | 1,840 | 5.0 |
| Total liabilities and total net assets | 41,451 | 100.0 | 42,852 | 100.0 | 1,401 | 3.4 |

| (¥ million,%) | | | | | |
|-----------------|-------------|-----------------|-------------|---------------------------|----------|
| First-half 20/8 | | First-half 21/8 | | Change(the previous year) | |
| Result | Composition | Result | Composition | Result | Change % |
| 29,530 | 76.9 | 31,737 | 78.3 | 2,207 | 7.5 |
| 19,923 | | 21,971 | | | |
| 2,148 | | 2,489 | | | |
| 3,010 | | 3,125 | | | |
| 4,331 | | 4,028 | | | |
| 116 | | 123 | | | |
| -1 | | -1 | | | |
| 8,845 | 23.1 | 8,815 | 21.7 | -30 | -0.3 |
| 7,540 | 19.7 | 7,430 | 18.3 | -110 | -1.5 |
| 2,701 | | 2,631 | | | |
| 165 | | 128 | | | |
| 4,434 | | 4,440 | | | |
| - | | - | | | |
| 239 | | 230 | | | |
| 38 | 0.1 | 41 | 0.1 | 3 | 8.0 |
| 1,266 | 3.3 | 1,343 | 3.3 | 76 | 6.0 |
| 644 | | 731 | | | |
| 623 | | 613 | | | |
| -1 | | -1 | | | |
| 38,376 | 100.0 | 40,552 | 100.0 | 2,176 | 5.7 |

| | | | | | |
|---------------|--------------|---------------|--------------|--------------|------------|
| 2,810 | 7.3 | 3,100 | 7.7 | 290 | 10.3 |
| 841 | | 880 | | | |
| 852 | | 902 | | | |
| 587 | | 765 | | | |
| 528 | | 552 | | | |
| 541 | 1.4 | 543 | 1.3 | 2 | 0.4 |
| 159 | | 165 | | | |
| - | | - | | | |
| 382 | | 377 | | | |
| 3,351 | 8.7 | 3,644 | 9.0 | 292 | 8.7 |
| 34,759 | 90.6 | 36,579 | 90.2 | 1,820 | 5.2 |
| 1,925 | | 1,925 | | | |
| 2,657 | | 2,668 | | | |
| 36,096 | | 37,899 | | | |
| -5,920 | | -5,913 | | | |
| 265 | 0.7 | 328 | 0.8 | 63 | 23.9 |
| 265 | | 324 | | | |
| - | | 4 | | | |
| 35,024 | 91.3 | 36,908 | 91.0 | 1,884 | 5.4 |
| 38,376 | 100.0 | 40,552 | 100.0 | 2,176 | 5.7 |

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

[Forecast]

(¥ million)

| FY | 18/8 | 19/8 | 20/8 | 21/8 | 22/8 |
|-------------|--------|--------|--------|--------|--------|
| Full Year | 17,500 | 17,600 | 17,400 | 17,300 | 17,700 |
| First-half | 7,350 | 7,463 | 7,482 | 7,655 | 7,719 |
| Second-half | 10,150 | 10,137 | 9,918 | 9,645 | 9,980 |

[Result]

(¥ million)

| | | | | |
|-------------|--------|--------|--------|--------|
| Full Year | 17,144 | 16,785 | 17,066 | 17,563 |
| First-half | 7,419 | 7,233 | 7,051 | 8,069 |
| 1Q | 3,068 | 2,910 | 2,886 | 3,595 |
| 2Q | 4,350 | 4,323 | 4,164 | 4,473 |
| Second-half | 9,725 | 9,552 | 10,014 | 9,493 |
| 3Q | 6,058 | 5,683 | 5,238 | 5,964 |
| 4Q | 3,667 | 3,868 | 4,776 | 3,528 |

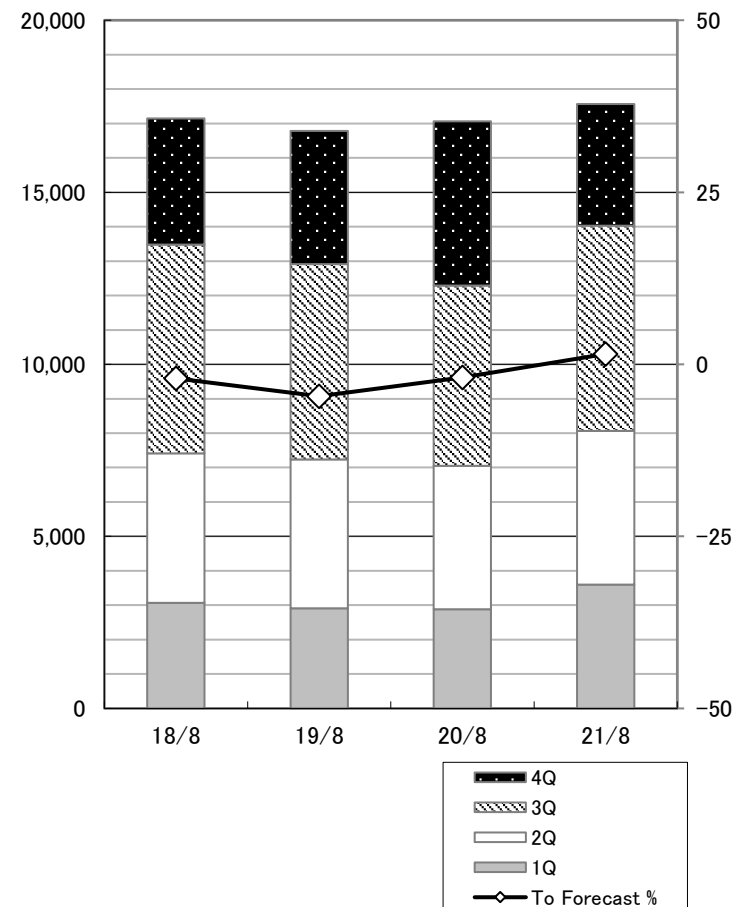
[To Forecast %]

(%)

| | | | | |
|-------------|------|------|------|------|
| Full Year | -2.0 | -4.6 | -1.9 | 1.5 |
| First-half | 0.9 | -3.1 | -5.8 | 5.4 |
| Second-half | -4.2 | -5.8 | 1.0 | -1.6 |

(¥ million)

(%)



Notes on this material

This material includes forecasts for the future.

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

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

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

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