

## 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 Prime Market Segment of the Tokyo Stock Exchange; Code 7447)

# ANALYST GUIDE

April 2022

<Contact for information on this material:

Mr. Yamamura, Administration Headquarters (+81-3-5289-8200)>



## Net Sales Overview

Net Sales: **¥7,817 m**

Although it is expected to be a reaction from the first half of FY2021, which was a significant increase of 14.4% y/y, sales landed at -3.1 y/y. Excluding special factors, sales increased by 1.2% y/y.

## Revisions to Performance Forecasts of FY2022

Revised forecasts of FY2022 based on the results of the first half and the expected occurrence of extraordinary income.

Net Sales: Unchanged, Gross profit: -1.0%, SG&A: -2.7%, Net income: +5.7%

## COVID-19 Impact on Our Business

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

## Listed on TSE's New "Prime Market" Segment

Our stock listed on the Tokyo Stock Exchange / new market Segment "Prime Market" from April 4, 2022. In the future, we will respond climate change disclosure and corporate governance code compliance.

## Repurchase of Shares

We repurchased 480,000 shares of our common stock on April 5, 2022. (1.46% of total number of shares issued, total amount of repurchase: 976,800,000yen)

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## 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 **6.5 million clothing a year.**
- Integrated Production System Planning, Manufacturing and Marketing
- 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 (2020)	Nursing Staff*2 (2019)	Care workers*3 (2020)
770,000 People	1,680,000 people	1,860,000 people
compare with 2018 +26,000people	compare with 2017 +25,000people	compare with 2018 +22,000people

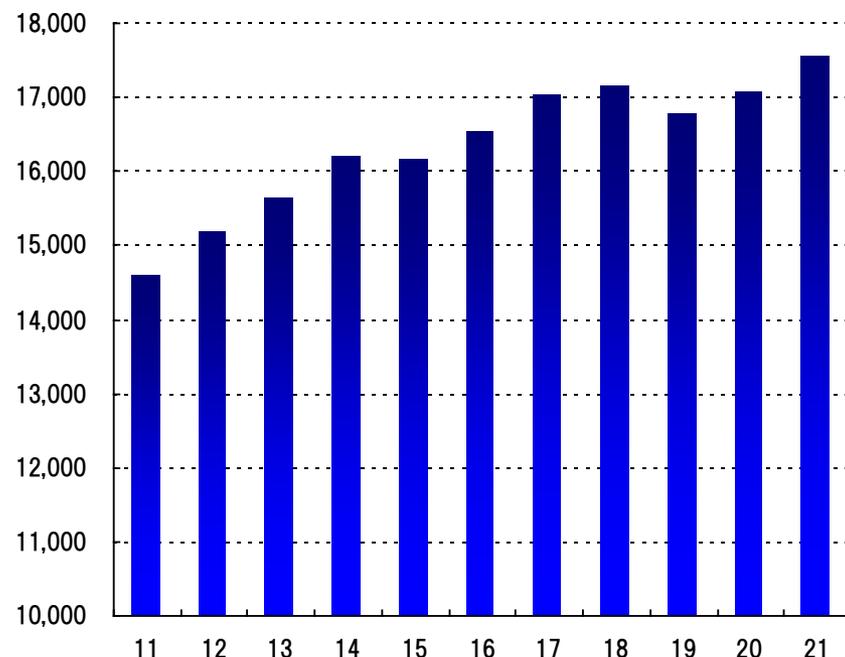
\*1 Research of doctor, dentist and pharmacist 2020, MHLW

\*2 Japanese Nursing Associations' statistical data

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

(million Yen)

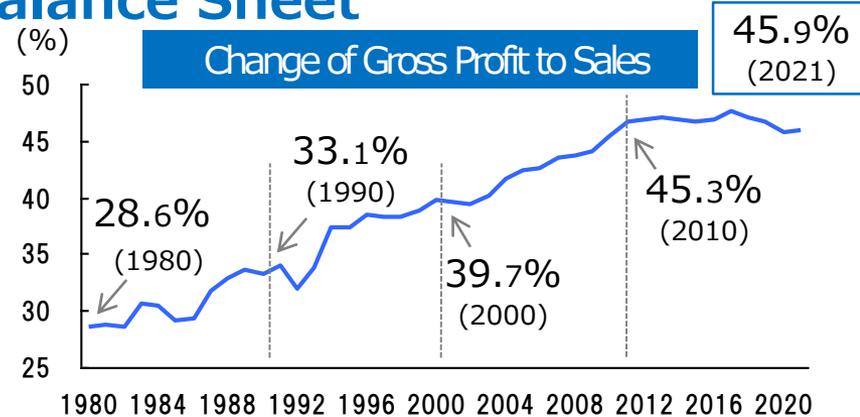
### Stable Growing Sales



## 3

### Highly Profitability Strong Balance Sheet

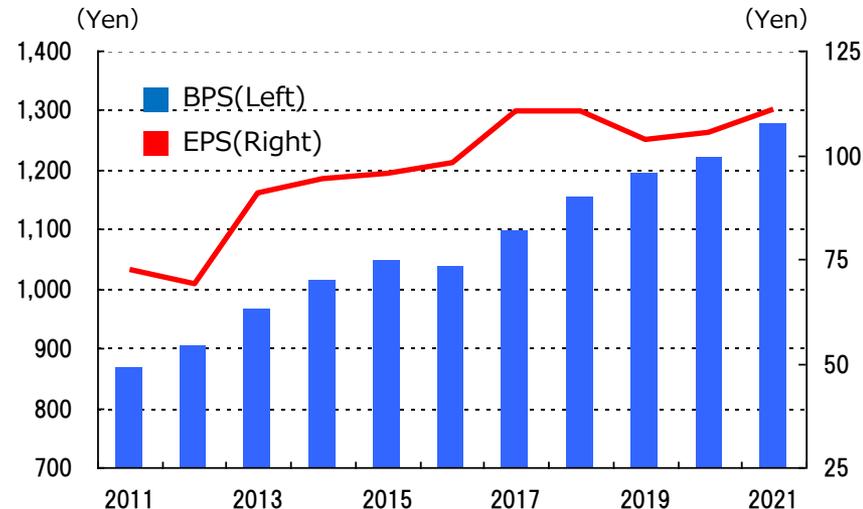
- Realization of high profitability with radical pursuit of efficiency
- Gross profit to sales **45.9%**
- Capital-to-asset ratio **90.5%**
- ROE **8.9%** (as of FY2021)



## 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".

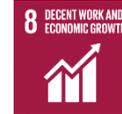


- Assist hospitals to reduce waste and be more economical.
- Consideration to environmental load of business.

**Environmental Efforts**

2050 Low-Carbon

**Social Responsibility**



- Regional contribution through production base
- Support hospital facilities
  - Rental of Historic Nurse Wear
  - Medical Kids Project
  - Miffy's Visits to Hospitals etc.

**Regional Contribution**

**Respect for Customers**



- Communication space for nurse "ITONA" gallery
- Beauty lecture for nurse

**Support Women**



- 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 which are demanded by the medical field



What's NEW



**Online Beauty Lecture for Nurse**

**Online Beauty Lecture**

Beauty practice lectures that connected hospitals and instructors online and were conducted via the screen

**Beauty Advice Movie**

Monthly delivery of movies that advises nurses on their makeup problems

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



**Communication Space for Nurse “ITONA” gallery**

Commemorating our 100th anniversary year, we opened Japan’s First communication space for nurse, “ITONA”.



**Beauty Lecture for Nurse**

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

**Remaking of Nursing Student’ Wears**

We made recycled products from training wears which were used by nursing students in Okayama Univ.

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.



**Rental of Historic Nurse Wear**

Archiving historic nurse wear. Free rental to medical institutions.

**Regional Contribution through Production Base**

We have manufactured medical clothing by itself. We have contributed to the development of regional community such as job creation, ability development and life circle improvement.

Japan: 1969- Akita pref  
Overseas; 1989- China, Indonesia and Vietnam

## Environmental Efforts

### Reduction of Environmental Load Through Business

Many of our products use materials derived from exhaustible resources. By planning, manufacturing and selling as a product that can be used repeatedly and for a long time, we believe that it will lead to effective utilization of limited resources and reduction of environmental load.

- 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.
- Introducing HV vehicles to commercial vehicles
- Installed a solar power generation panel on the roof of the head office building

### Addressing Climate Change Issues

As a climate change disclosure based on TCFD, we plan to implement a formulation process for scenario analysis, such as mitigation and adaptation efforts for climate change problems, identification of opportunities and risks, etc.

## Social Responsibility

- Donation Infection Prevention Products to Medical Institutions.
- Cheering message to medical workers who fight against COVID-19.
- 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.
- 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.



## II Market Environment

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## Confusion of Market Still Continues

- Continuation of the tightness of the medical care provision system due to Covid-19
- Medical treatment fees will be revised (effective April 2022). Total -0.94% Service +0.43% Drug price -1.37%
- Improving the treatment of nursing staff and long-term care staff  
Wage increase            From Feb. 2022: +1%    From Oct. 2022: +3%

## The Risk of Production Continues

- The risk of policies in producing countries. The risk of overseas factories' emergency shutdown due to Covid-19.
- Soaring raw material costs due to rising oil and cotton prices.
- Distribution cost is rising due to unbalance of supply and demand of container. Occurrence of logistics stagnation

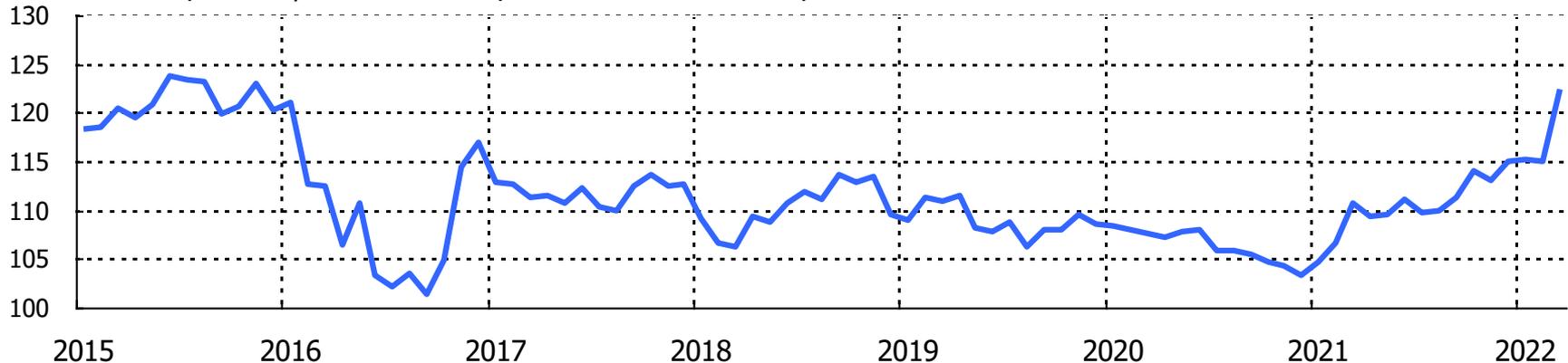
## The Rate of Exchange

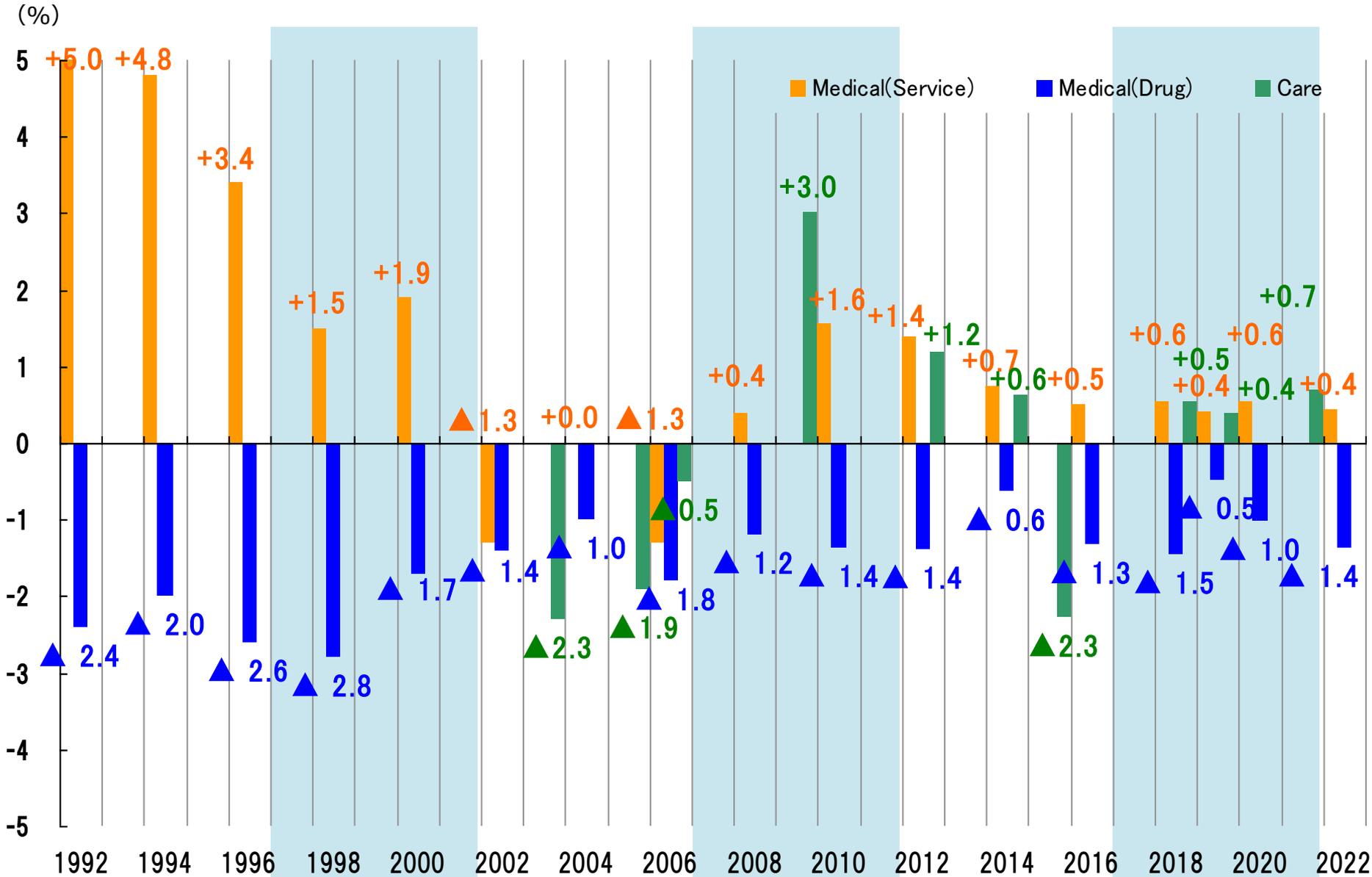
-monthly average exchange rate(as of Aug.)

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

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

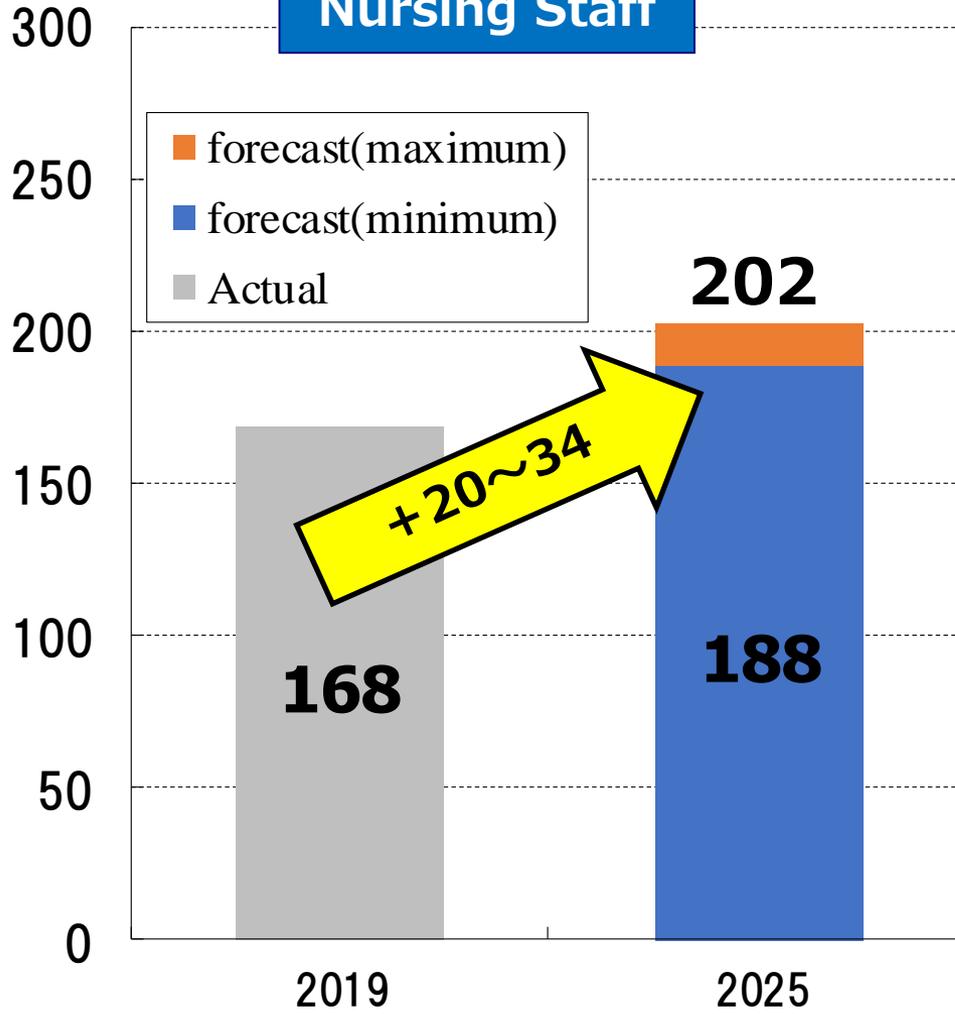
As of March 2022  
**¥122.39/dollar**



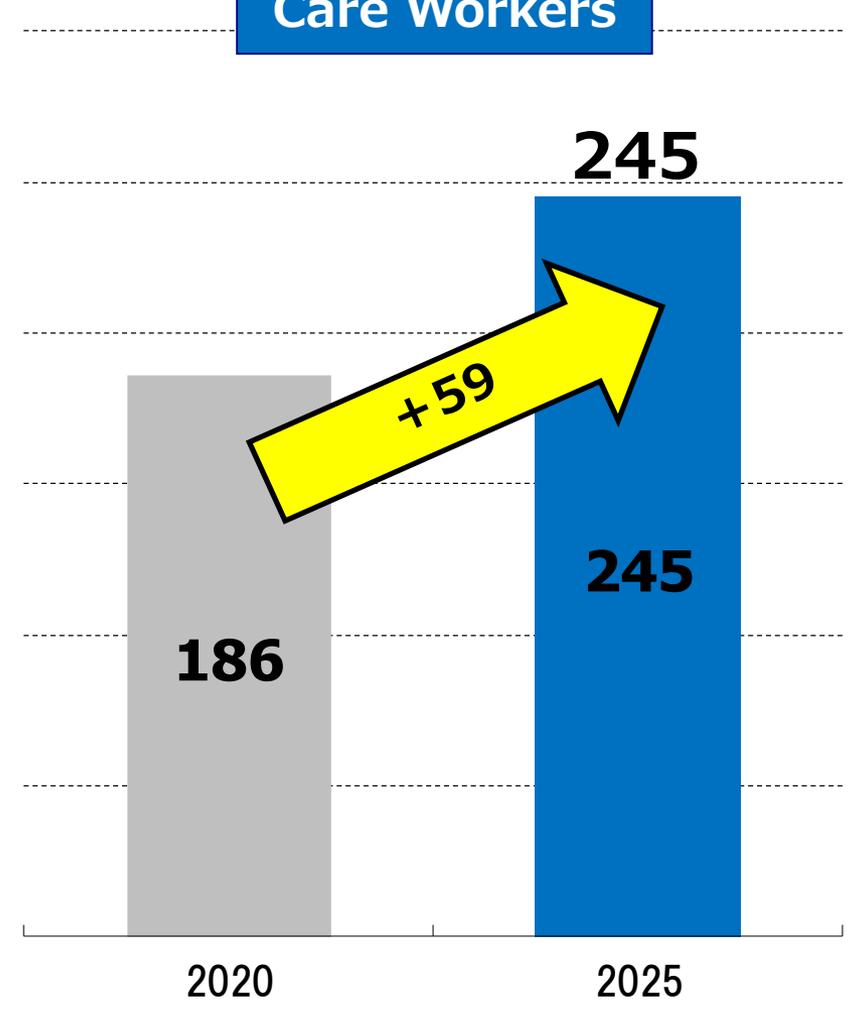


(10,000 persons)

### Nursing Staff



### Care Workers



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

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

## Marketing Strategy To Increase Sales

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

Increase share of peripheral market

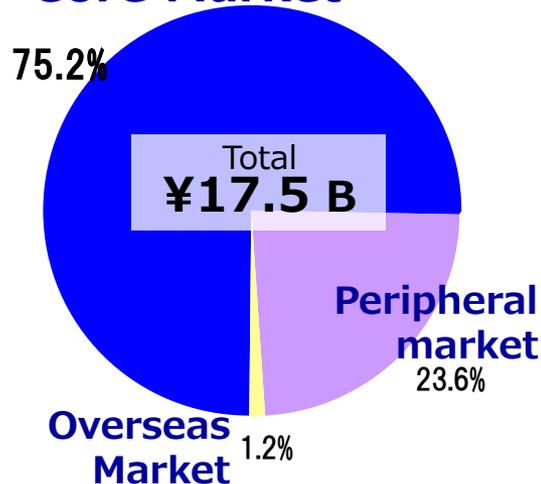
Cultivate overseas markets by expanding our business model in Japan

### Core Market

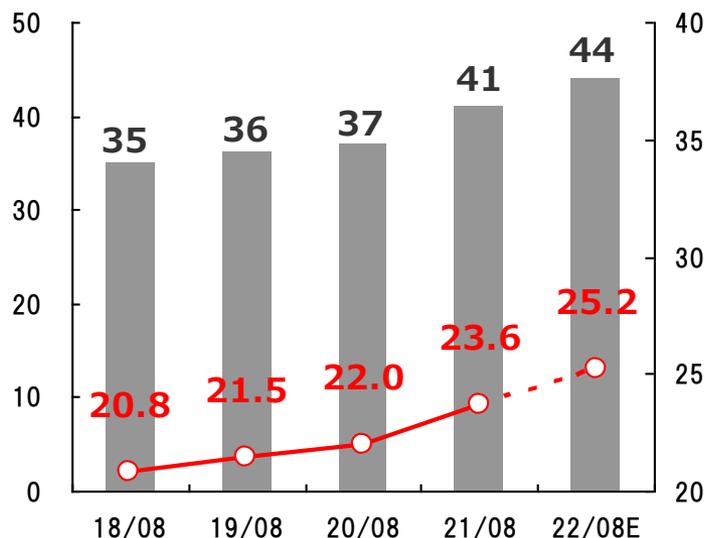
### Peripheral Market

### Overseas Markets

#### Core Market



(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.

Utilization of alternative routes for sea shipping and air transportation due to global logistics delays

## 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

The minimization of exchange risk



## II Financial Review of First-half FY2022 and Forecast for FY2022

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**1** In the first half of FY2021, sales increased significantly by 14.4% y/y due to the delivery of out-of-period contracts caused by COVID-19, the acquisition of new large-scale contracts, special demand for COVID-19, and temporary sales to the Ministry of Health, Labor and Welfare.

**2**

	First-half FY2020	First-half FY2021	First-half FY2022
<b>Net sales</b>		<b>¥8,070 m</b>	¥7,817 m
<b>Year-on-year change</b>	¥7,052 m	<b>(+14.4%)</b>	<b>(-3.1%)</b>
factor 1 Supply infection prevention products to MHLW	—	¥315 m	—
factor 2 The accounting standard for revenue recognition	—	—	-¥26 m
<b>Excluding above factors</b>	¥7,052 m	<b>¥7,754 m</b> <b>(+10.0%)</b>	¥7,843 m <b>(+1.2%)</b>

(millions of yen,%)	FY2022			FY2022		
	First-half (Results)	To Forecast %	% Change	Full (Forecast)	Change (Initial Forecast)	% Change
<b>Net sales</b>	<b>7,817</b>	+1.3	-3.1	<b>17,700</b>	—	+0.8
<b>Gross profit</b>	<b>3,491</b>	+1.0	-6.1	<b>7,894</b>	-1.0	-2.0
<b>Sales, general, and administrative expenses</b>	<b>1,456</b>	-3.4	+0.9	<b>2,880</b>	-2.7	+1.2
<b>Operating income</b>	<b>2,035</b>	+4.4	-10.5	<b>5,013</b>	—	-3.8
<b>Recurring income</b>	<b>2,084</b>	+4.6	-10.3	<b>5,090</b>	—	-4.1
<b>Net income</b>	<b>1,433</b>	+4.6	-10.1	<b>3,700</b>	+5.7	+1.5

## First-half FY2022(Results)

## [Overview]

Medical institutions tended to be confused in response to the spread of COVID-19 infection, but medical wear was a consumable item and had a small impact on renewal demand, and the market remained stable. In core market, we focused on steadily receiving orders for renewal contracts and acquiring new contracts, expanding sales of patient wear that was performing well in peripheral markets, and acquiring large-scale contracts in Taiwan in overseas markets.

As a result, although sales decreased from the previous fiscal year, which was a significant increase, sales exceeded the plan. Also, there were specific factors in this term. Excluding these factors, sales increased.

## FY2022(Forecast)

## [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.

(millions of yen,%)	FY2022			FY2022		
	First-half (Results)	To Forecast %	% Change	Full (Forecast)	Change (Initial Forecast)	% Change
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First-half FY2022(Results)		FY2022(Forecast)
[Gross profit]		
Factor of Sales :	-¥116m	+¥61m
Factor of Production :	-¥110m	-¥225m
Gross profit to sales :	FY2021 46.1% → FY2022 44.7%	FY2021 45.9% → FY2022E 44.6%
(Factor of Production resolution)		
-Foreign Exchange rate <sub>(yen/dollar)</sub> :	FY2021 104.6→ FY2022 111.2 (-¥72m)	FY2021 104.3 → FY2022E 113 (-¥180m)
-Manufacturing cost	(-¥20m)	(-¥50m)
-Overseas production ratio:	FY2021 49.6% → FY2022 49.8% (+¥14m)	FY2021 50.7% → FY2022E 51.9% (+¥60m)
-Overseas distribution cost :	(-¥35m)	(-¥70m)

(millions of yen,%)	FY2022			FY2022		
	First-half (Results)	To Forecast %	% Change	Full (Forecast)	Change (Initial Forecast)	% Change
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## First-half FY2022(Results)

## FY2022(Forecast)

[Sales, general, and  
administrative expenses]

Travel expenses +¥7m

Travel expenses +¥31m

\* Unused planned costs due to postponement or cancellation of the exhibitions.

[Net income]

Extraordinary income  
Sale of cross-shareholdings ¥300m[Capital expenditure]  
-Capital expenditure¥63m  
(Buildings:¥8m, IT system:¥14m,  
Distribution equipment:¥25m,  
Manufacturing equipment:¥14m)¥249m  
(Buildings:¥147m, IT system:¥47m,  
Distribution equipment:¥33m,  
Manufacturing equipment:¥20m)

-Depreciation

¥142m

¥285m

## Major assets

(¥ million %)

Title	Result	Change Result	Change%
Cash on hand at banks	<b>25,818</b>	+1,797	+7.5
Notes and accounts receivable (including electronically recorded claims)	<b>5,263</b>	-352	-6.7
Inventories	<b>5,340</b>	+189	+3.7
<b>Current assets</b>	<b>36,616</b>	<b>+1,732</b>	<b>+5.0</b>
Buildings and structures	<b>2,591</b>	-103	-3.8
Land	<b>4,440</b>	—	—
Investments and other assets	<b>1,488</b>	-1	-0.1
<b>Fixed assets</b>	<b>8,912</b>	<b>-163</b>	<b>-1.8</b>
<b>Total assets</b>	<b>45,529</b>	<b>+1,569</b>	<b>+3.6</b>

## Major liabilities and shareholders' equity

Title	Result	Change Result	Change%
Notes and accounts payable	<b>1,558</b>	+72	+4.9
Accrued income taxes	<b>705</b>	-73	-9.4
<b>Current liabilities</b>	<b>4,178</b>	<b>+92</b>	<b>+2.3</b>
Capital reserves	<b>42,698</b>	+1,474	+3.6
Treasury stock	<b>-5,905</b>	+7	-0.1
<b>Net assets</b>	<b>41,351</b>	<b>+1,476</b>	<b>+3.7</b>
<b>Total liabilities and net assets</b>	<b>45,529</b>	<b>+1,569</b>	<b>+3.6</b>

[Major changes from the previous fiscal year]

**Cash and cash equivalents** **Up 1,797 million**

-Cash flows from operating activities Up 3,912 million  
-Dividend payout Down 1,971 million

**Fixed assets****Down 163 million**

- Buildings and structures Down 167 million  
(Depreciation)

**Net assets****Up 1,476 million**

-Net profit Up 3,485 million  
-Dividend payout Down 1,971 million



## IV Overview and Measures

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## Core Market

### Healthcare wear



### Shoes



## Peripheral Market

### Patient wear



### Doctors' wear



### Utility wear



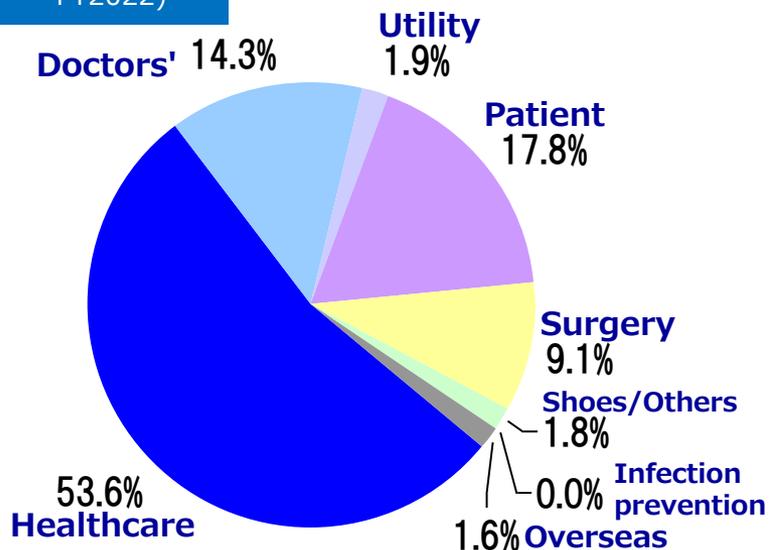
### Infection prevention



### Surgery wear



## Composition (First-half FY2022)



y/y change (%)	FY2021		FY2022	
	First-half	Full	First-half	Full(E)
Total sales	+14.4	+2.9	-3.1	+0.8
Core Market	+14.2	+0.7	-6.8	-1.6
Healthcare wear	+7.8	+8.2	-0.4	+1.0
Doctors' wear	+5.7	+6.1	+0.5	+1.9
Utility wear	+12.6	-3.6	-15.5	-7.4
Shoes/Others	+3.0	-4.9	-8.1	-8.7
Infection prevention	-	-67.7	-99.6	-86.2
Peripheral Market	+17.8	+10.8	+5.5	+8.4
Patient wear	+24.2	+22.0	+14.1	+12.1
Surgery wear	+8.8	-3.0	-8.1	+2.5
Overseas Markets	-27.8	+0.9	+60.9	+3.4

### Core Market

**[Healthcare][Doctors']:** In a stable market, sales of Healthcare wear is expected to increase steadily.

We will catch up renewal contracts by releasing new concept products.

**[Infection prevention]:** We don't include sales to MHLW in forecast.

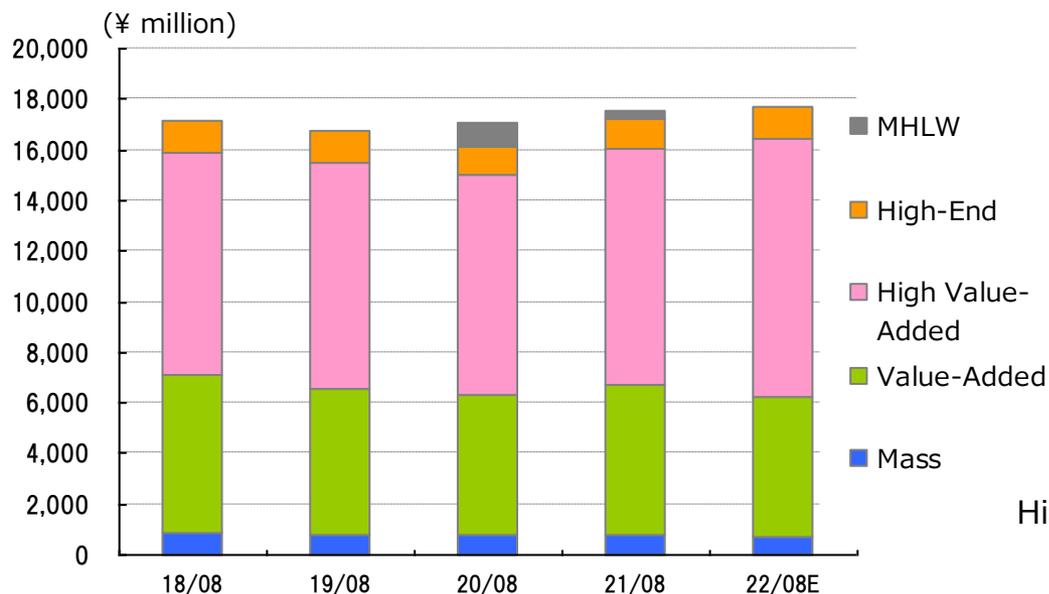
### Peripheral Market

**[Patient]:** Steady growth of sales is expected. There will be increased demand and enlarged market share.

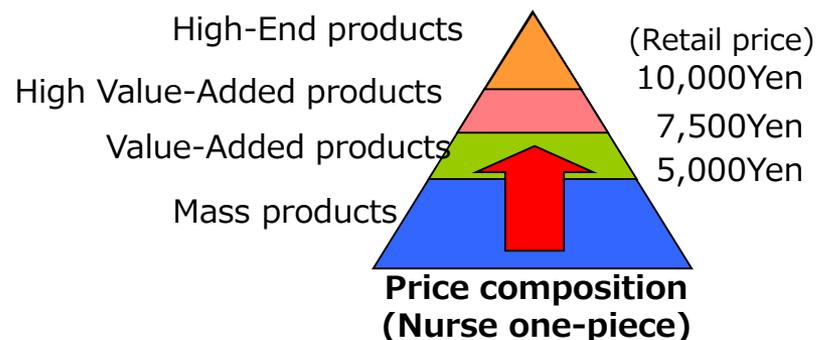
**[Surgery]:** Sales of surgery wear is expected to increase. We will continue to focus on penetrating COMPELPACK into the market by appealing the merit of reusable.

**Overseas Markets:** We will promote introducing our business model into Taiwan.

## Sales by Product



y/y change (%)	FY2021	FY2022E
Total sales	+2.9	<b>+0.8</b>
High-End products	+13.6	<b>+5.1</b>
High Value-Added products	+7.0	<b>+9.5</b>
Value-Added products	+6.5	<b>-7.8</b>
Mass products	+1.1	<b>-4.5</b>
MHLW	-66.7	<b>-100.0</b>

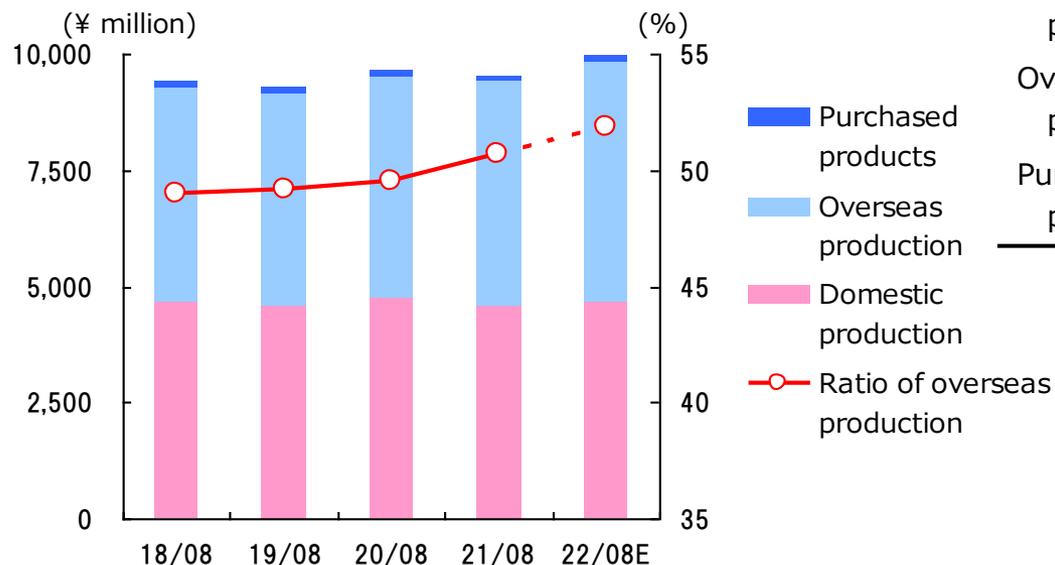


**High-End products:** We will strengthen lineup, such as healthcare wear and doctor coat, to activate a market.

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

**Value-Added products:** Sales will be expected to decrease due to new large-scale contracts in the previous fiscal year. We drive the shift from mass products, include other company products, to functional.

## Changes in Production Status (Non-Consolidated)



Composition (%)	FY2021	FY2022E
Domestic production	48.1	<b>47.1</b>
Overseas production	50.7	<b>51.9</b>
Purchased products	1.2	<b>1.0</b>

### Logistics

-By diversifying distribution routes, we will shorten delivery times and ensure stable supply.

### Material

-Cost reduction by transferring production from domestic materials to overseas materials.  
-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



## V Management Goals

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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)

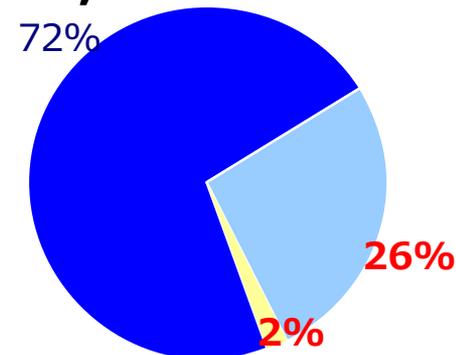
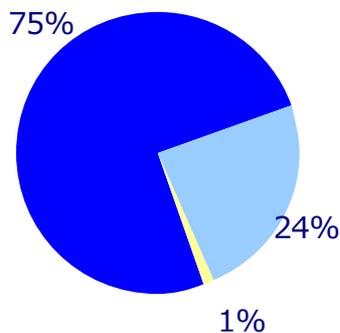
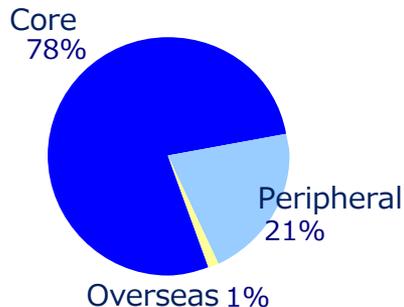
**FY2024E**  
(3 terms later)

net sales ¥**17,144** million

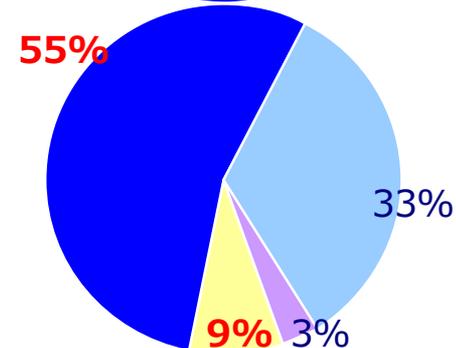
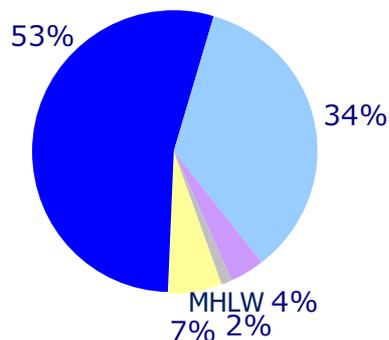
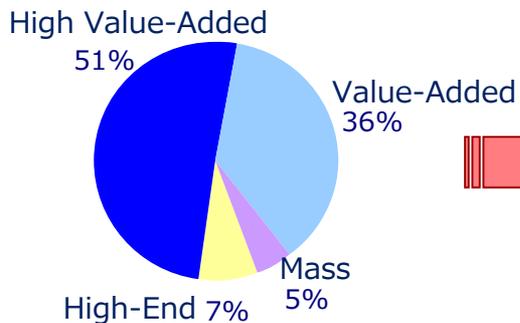
¥**17,563** million

¥**18,500** million

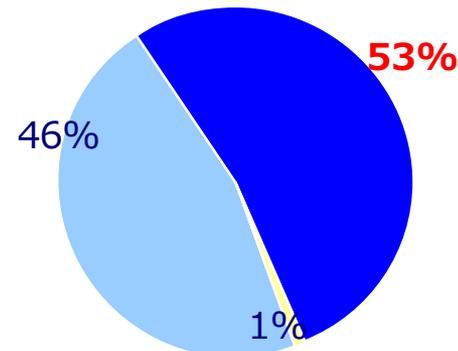
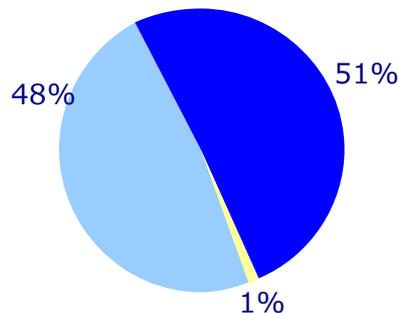
Market

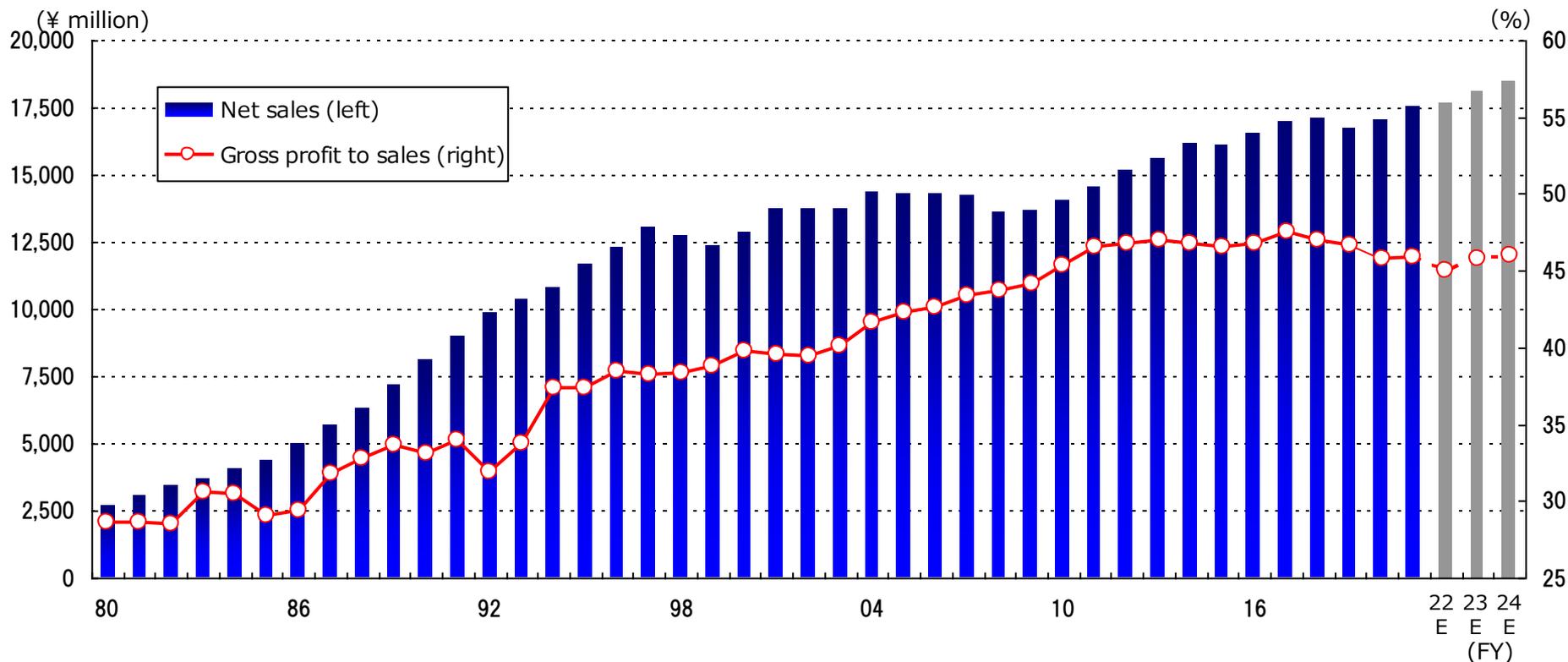


Product



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.

FY2024E	
Net Sales	18,500
Operating Income	5,400



## VI Rewarding shareholder -focused policies

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## Shareholder-focused Policies

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



## Dividend Policy

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

## Share Buyback

- Acquire expeditiously when our share is undervalued

Date of repurchase: April 5, 2022

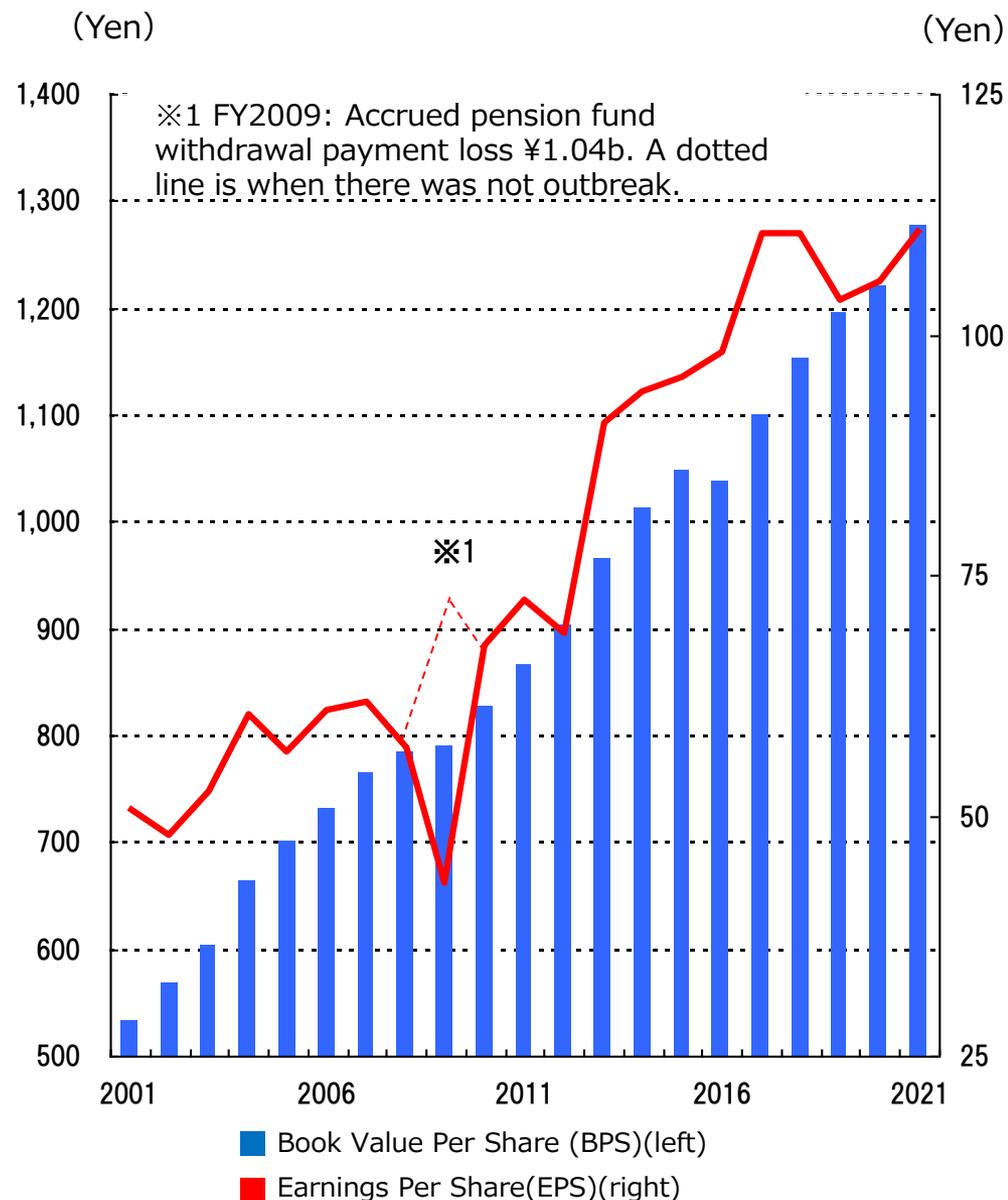
Total number of shares repurchased: 480,000 shares (1.46% of total number of shares issued)

Total amount of repurchase: 976,800,000 yen

Method of repurchase: Through Off-auction Own Share Repurchase Trading (ToSTNeT-3) of the Tokyo Stock Exchange

	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
<b>FY2021E</b>	<b>1,278.8</b>	<b>111.0</b>	<b>60.0</b>

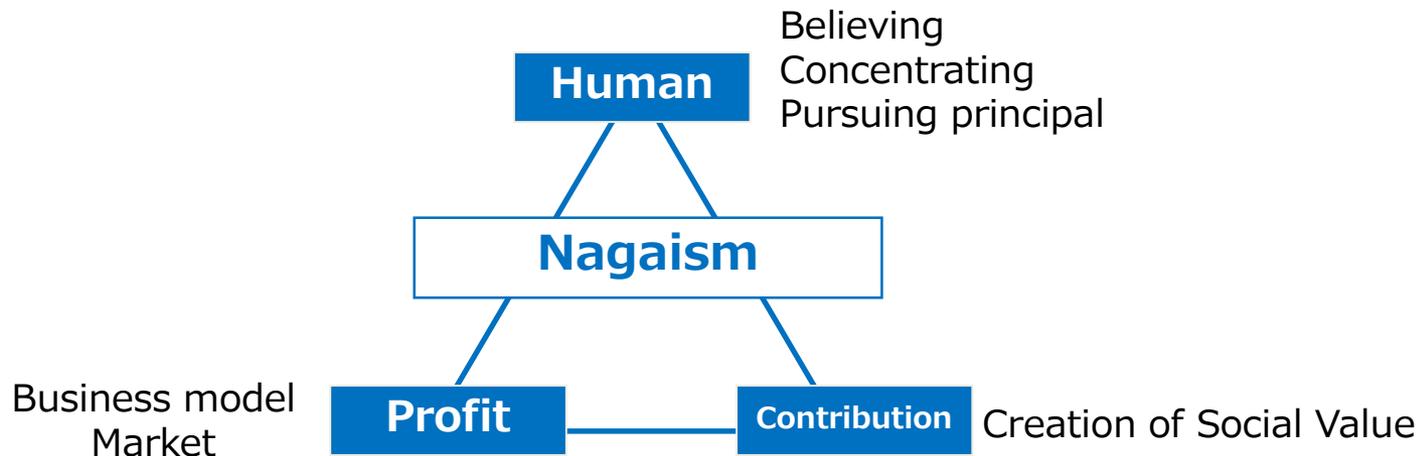
\*2015: DPS 100yen (Include 100th anniversary commemorative 50yen)



	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	
<b>FY2021E</b>	<b>1,971</b>	<b>0</b>	<b>55.0</b>	<b>55.0</b>	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

## First-half FY2022



**(Listed on the Prime Market Segment of the Tokyo Stock Exchange; Code 7447)**

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

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# 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	12,990
Peripheral Market	3,572	3,601	3,750	4,152	4,500
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	-1.6
Peripheral Market	5.5	0.8	4.1	10.8	8.4
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	73.4
Peripheral Market	20.8	21.5	22.0	23.6	25.4
Overseas Market	1.3	1.1	1.2	1.2	1.2

(¥ million)

First-half 21/8	First-half 22/8
8,069	7,817
6,000	5,591
1,991	2,101
77	124

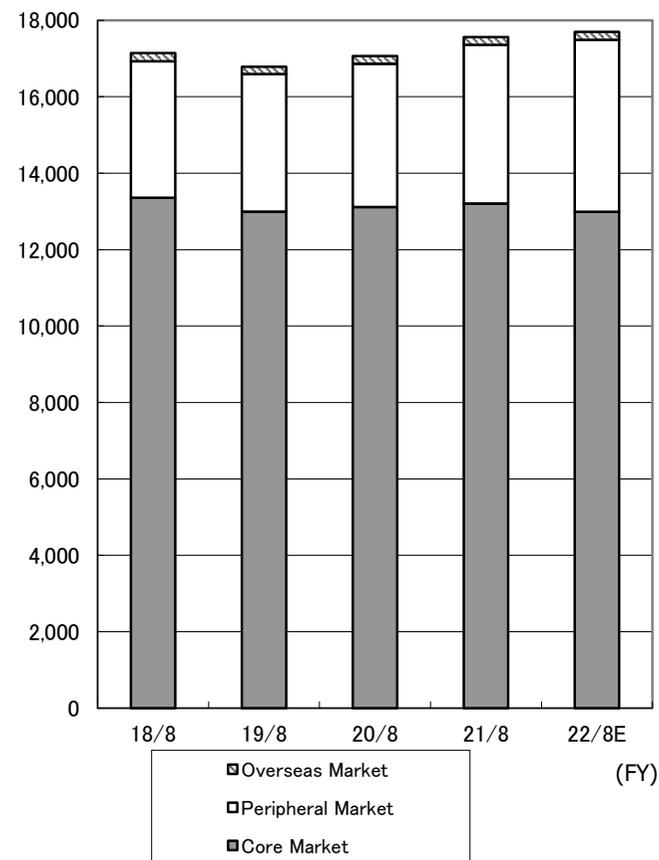
(%)

14.4	-3.1
14.2	-6.8
17.8	5.5
-27.8	60.9

(%)

100.0	100.0
74.4	71.5
24.7	26.9
1.0	1.6

(¥ 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	9,859	9,577	8,831	9,560	9,660
Doctors' wear	2,644	2,652	2,451	2,600	2,650
Utility wear	468	416	369	356	330
Shoes/Other	385	348	345	328	300
Infection prevention wear	0	0	1,116	361	50
Patient wear	1,958	2,027	2,061	2,514	2,820
Surgery wear	1,613	1,573	1,688	1,638	1,680
Overseas Market	214	189	201	203	210

(¥ million)

First-half 21/8	First-half 22/8
8,069	7,817
4,201	4,186
1,109	1,114
179	151
149	137
359	1
1,218	1,389
773	711
77	124

### Change over previous year

	0.7	-2.1	1.7	2.9	0.8
Sales	0.7	-2.1	1.7	2.9	0.8
Healthcare wear	0.1	-2.9	-7.8	8.2	1.0
Doctors' wear	-0.7	0.3	-7.6	6.1	1.9
Utility wear	-11.7	-11.1	-11.2	-3.6	-7.4
Shoes/Other	-5.3	-9.6	-1.0	-4.9	-8.7
Infection prevention wear	-	-	-	-67.7	-86.2
Patient wear	10.1	3.5	1.7	22.0	12.1
Surgery wear	0.4	-2.5	7.3	-3.0	2.5
Overseas Market	16.4	-11.5	6.0	0.9	3.4

(%)

14.4	-3.1
14.4	-3.1
7.8	-0.4
5.7	0.5
12.6	-15.5
3.0	-8.1
-	-99.6
24.2	14.1
8.8	-8.1
-27.8	60.9

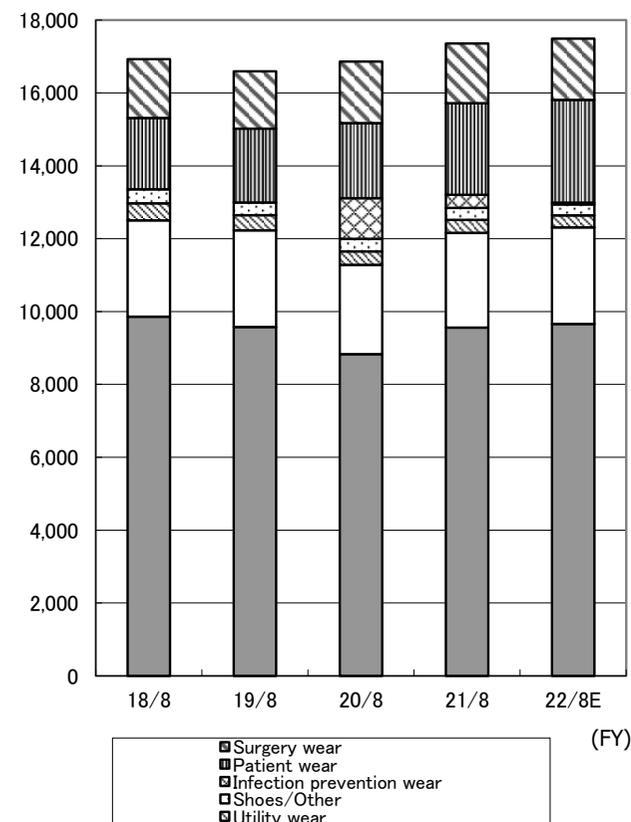
### Composition

	100.0	100.0	100.0	100.0	100.0
Sales	100.0	100.0	100.0	100.0	100.0
Healthcare wear	57.5	57.1	51.7	54.4	54.6
Doctors' wear	15.4	15.8	14.4	14.8	15.0
Utility wear	2.7	2.5	2.2	2.0	1.9
Shoes/Other	2.3	2.1	2.0	1.9	1.7
Infection prevention wear	0.0	0.0	6.5	2.1	0.3
Patient wear	11.4	12.1	12.1	14.3	15.9
Surgery wear	9.4	9.4	9.9	9.3	9.5
Overseas Market	1.3	1.1	1.2	1.2	1.2

(%)

100.0	100.0
100.0	100.0
52.1	53.6
13.7	14.3
2.2	1.9
1.9	1.8
4.5	0.0
15.1	17.8
9.6	9.1
1	2

(¥ million)



### 3. Sales by Product

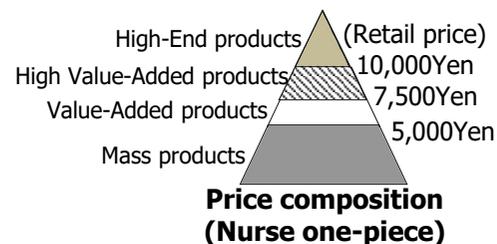
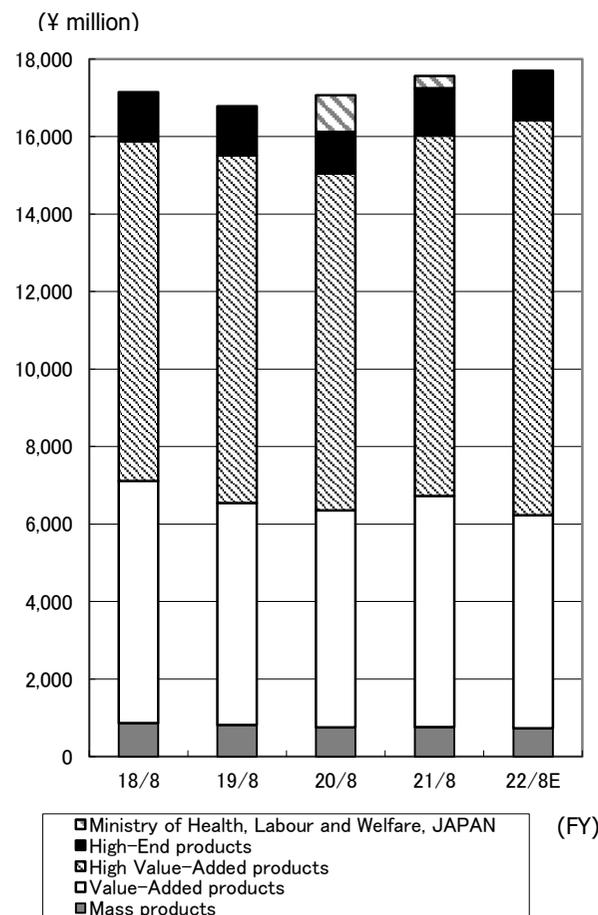
FY						(¥ million)	
	18/8	19/8	20/8	21/8	22/8E	First-half 21/8	First-half 22/8
Sales	17,144	16,785	17,066	17,563	17,700	8,069	7,817
High-End products	1,269	1,274	1,072	1,218	1,280	513	543
High Value-Added products	8,759	8,969	8,692	9,302	10,190	4,097	4,528
Value-Added products	6,255	5,724	5,600	5,963	5,500	2,798	2,430
Mass products	860	817	756	764	730	345	314
Ministry of Health, Labour and Welfare, JAPAN			945	315	0	315	0

#### Change over previous year

Sales						(%)	
	0.7	-2.1	1.7	2.9	0.8	14.4	-3.1
High-End products	6.5	0.4	-15.9	13.6	5.1	4.1	5.8
High Value-Added products	1.7	2.4	-3.1	7.0	9.5	7.3	10.5
Value-Added products	-1.4	-8.5	-2.2	6.5	-7.8	16.2	-13.2
Mass products	-1.0	-5.0	-7.5	1.1	-4.5	3.8	-8.8
Ministry of Health, Labour and Welfare, JAPAN				-66.7	-100.0	-	-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	7.2	6.4	7.0
High Value-Added products	51.1	53.4	50.9	53.0	57.6	50.8	57.9
Value-Added products	36.5	34.1	32.8	34.0	31.1	34.7	31.1
Mass products	5.0	4.9	4.4	4.4	4.1	4.3	4.0
Ministry of Health, Labour and Welfare, JAPAN			5.5	1.8	0.0	3.9	0.0



## 4. Production Strategy(Non-Consolidated)

FY	18/8	19/8	20/8	21/8	22/8E
Domestic production	4,678	4,584	4,743	4,581	4,678
Overseas production	4,625	4,566	4,775	4,824	5,155
Purchased products	136	130	128	110	100
<b>Total</b>	<b>9,439</b>	<b>9,280</b>	<b>9,646</b>	<b>9,515</b>	<b>9,933</b>

(¥ million)

First-half 21/8	First-half 22/8
2,376	2,555
2,362	2,566
25	32
<b>4,763</b>	<b>5,152</b>

### Change over previous year

Domestic production	0.0	-2.0	3.5	-3.4	2.1
Overseas production	4.0	-1.3	4.6	1.0	6.9
Purchased products	10.6	-4.4	-1.9	-13.7	-9.1
<b>Total</b>	<b>2.1</b>	<b>-1.7</b>	<b>3.9</b>	<b>-1.4</b>	<b>4.4</b>

(%)

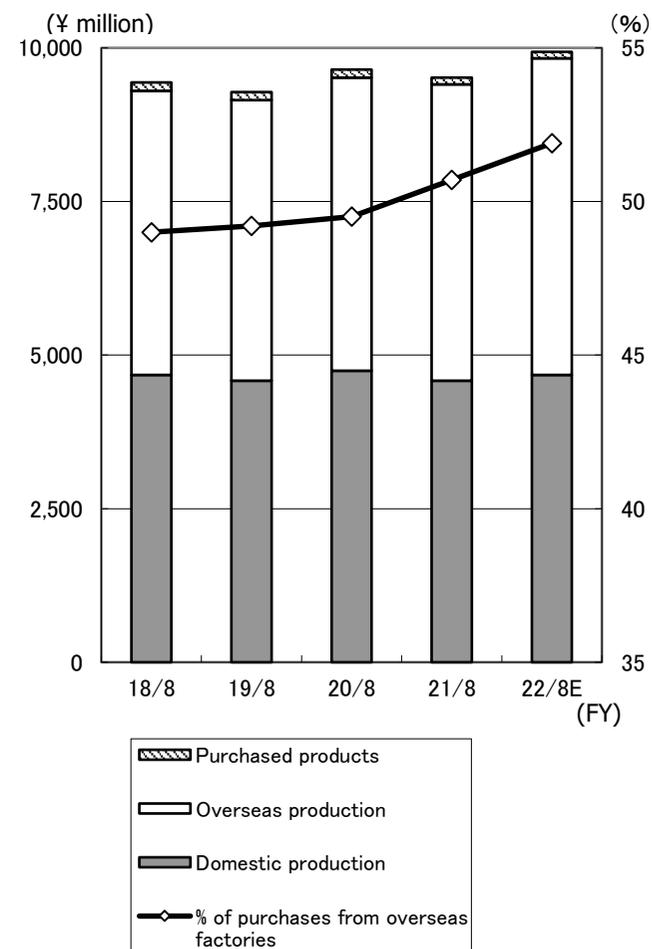
4.8	7.5
3.2	8.6
-55.5	29.4
<b>3.3</b>	<b>8.2</b>

### Composition

Domestic production	49.6	49.4	49.2	48.1	47.1
Overseas production	49.0	49.2	49.5	50.7	51.9
Purchased products	1.4	1.4	1.3	1.2	1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(%)

49.9	49.6
49.6	49.8
0.5	0.6
<b>100.0</b>	<b>100.0</b>



## 5. Statements of Income (Consolidated)

(¥ million)

FY	18/8	19/8	20/8	21/8	22/8E	First-half 21/8	First-half 22/8
Net Sales	17,144	16,785	17,066	17,563	17,700	8,069	7,817
Gross profit	8,050	7,840	7,810	8,058	7,894	3,718	3,491
Sales, general, and administrative expense	2,786	2,922	2,872	2,846	2,880	1,442	1,456
Operating income	5,264	4,918	4,937	5,212	5,013	2,275	2,035
Recurring income	5,338	4,990	5,031	5,306	5,090	2,322	2,084
Net income	3,675	3,445	3,474	3,647	3,700	1,595	1,433

### Change over previous year

(%)

Net Sales	0.7	-2.1	1.7	2.9	0.8	14.4	-3.1
Gross profit	-0.4	-2.6	-0.4	3.2	-2.0	13.9	-6.1
Sales, general, and administrative expense	-2.0	4.9	-1.7	-0.9	1.2	-5.3	0.9
Operating income	0.4	-6.6	0.4	5.6	-3.8	30.8	-10.5
Recurring income	0.0	-6.5	0.8	5.5	-4.1	29.5	-10.3
Net income	0.1	-6.3	0.8	5.0	1.5	29.1	-10.1

### 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	44.6	46.1	44.7
Sales, general, and administrative expense	16.3	17.4	16.9	16.2	16.3	17.9	18.7
Operating income	30.7	29.3	28.9	29.7	28.3	28.2	26.0
Recurring income	31.1	29.7	29.5	30.2	28.8	28.8	26.7
Net income	21.4	20.5	20.4	20.8	20.9	19.8	18.3

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

FY						(¥ million)	
	18/8	19/8	20/8	21/8	22/8E	First-half 21/8	First-half 22/8
Net Sales	17,140	16,777	17,061	17,552	17,700	8,063	7,813
Gross profit	7,835	7,694	7,650	7,875	7,699	3,631	3,416
Sales, general, and administrative expenses	2,779	2,901	2,868	2,849	2,905	1,432	1,459
Operating income	5,055	4,793	4,782	5,025	4,794	2,198	1,957
Recurring income	5,213	4,941	4,924	5,180	4,944	2,307	2,070
Net income	3,612	3,436	3,415	3,583	3,623	1,603	1,445

### Change over previous year

						(%)	
Net Sales	0.7	-2.1	1.7	2.9	0.8	14.4	-3.1
Gross profit	0.1	-1.8	-0.6	2.9	-2.2	13.4	-5.9
Sales, general, and administrative expenses	-1.8	4.4	-1.1	-0.7	2.0	-4.6	1.9
Operating income	1.2	-5.2	-0.2	5.1	-4.6	29.4	-11.0
Recurring income	0.3	-5.2	-0.3	5.2	-4.5	29.0	-10.2
Net income	0.0	-4.9	-0.6	4.9	1.1	28.9	-9.9

### Composition

						(%)	
Net Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	45.7	45.9	44.8	44.9	43.5	45.0	43.7
Sales, general, and administrative expenses	16.2	17.3	16.8	16.3	16.4	17.7	18.7
Operating income	29.5	28.6	28.0	28.6	27.1	27.3	25.0
Recurring income	30.4	29.5	28.9	29.5	27.9	28.6	26.5
Net income	21.1	20.5	20.0	20.4	20.4	19.9	18.5

## 7. Indices (Consolidated)

		(Unit)	17/8	18/8	19/8	20/8	21/8	First-half 21/8	First-half 22/8
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 <small>*Note3</small>	(%)	899.5	966.1	998.1	984.9	1,038.8	-	-
	Fixed Assets Ratio <small>*Note3</small>	(%)	26.3	24.3	23.9	22.8	22.0	-	-
	Fixed Assets Ratio to Total of Shareholders' Equity and Long-term Liabilities <small>*Note3</small>	(%)	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	1,213.3	1,257.9
	EPS	(¥)	110.5	110.6	103.6	105.5	111.0	48.6	43.6
	DPS	(¥)	-	-	-	-	-	-	-
	Payout ratio	(%)	54.3	54.3	57.9	56.9	54.1	-	-
Others	Capital expenditure	(¥ million)	92	904	225	183	237	130	63
	Depreciation	(¥ million)	311	289	337	334	316	157	142
	Number of employees	(Persons)	498	506	511	516	518	519	526
	Proportion of female employees	(%)	66.9	65.6	65.6	66.9	66.8	67.1	66.9
	Personnel expense	(¥ million)	2,361	2,381	2,476	2,433	2,466	1,229	1,253

(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 21/8	First-half 22/8
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	1,123.0	1,165.8
	EPS	(¥)	108.7	108.7	103.4	103.7	109.1	48.8	44.0
	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	116	48
	Depreciation	(¥ million)	265	248	276	281	273	136	125
	Number of employees	(Persons)	113	117	120	119	123	121	122
	Proportion of female employees	(%)	27.4	28.2	28.3	29.4	30.9	29.8	31.1
	Personnel expense	(¥ million)	1,155	1,167	1,279	1,233	1,246	621.0	639.0
	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 expense	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 21/8		First-half 22/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
	8,069	100.0	7,817	100.0	-252	-3.1
	4,351	53.9	4,325	55.3	-25	-0.6
	3,718	46.1	3,491	44.7	-226	-6.1
	1,442	17.9	1,456	18.7	13	0.9
	110		112			
	193		194			
	718		734			
	63		68			
	96		81			
	2,275	28.2	2,035	26.0	-239	-10.5
	64	0.8	67	0.9	3	5.3
	1		1			
	41		44			
	20		21			
	17	0.2	19	0.2	1	11.6
	17		18			
	0		0			
	2,322	28.8	2,084	26.7	-238	-10.3
	0	0.0	0	0.0	0	-43.8
	9	0.1	7	0.1	-2	-27.1
	2,313	28.7	2,077	26.6	-235	-10.2
	748		678			
	-30		-35			
	1,595	19.8	1,433	18.3	-161	-10.1

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

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 21/8		First-half 22/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
	8,063	100.0	7,813	100.0	-249	-3.1
	4,432	55.0	4,397	56.3	-35	-0.8
	3,631	45.0	3,416	43.7	-214	-5.9
	1,432	17.7	1,459	18.7	26	1.9
	212		229			
	192		194			
	621		639			
	63		66			
	94		80			
	2,198	27.3	1,957	25.0	-241	-11.0
	161	2.0	169	2.2	8	5.0
	57		66			
	94		96			
	9		6			
	53	0.7	56	0.7	3	5.7
	52		55			
	0		1			
	2,307	28.6	2,070	26.5	-236	-10.2
	0	0.0	0	0.0	0	47.4
	9	0.1	7	0.1	-2	-27.4
	2,297	28.5	2,063	26.4	-233	-10.2
	734		658			
	-40		-40			
	1,603	19.9	1,445	18.5	-158	-9.9

(¥ million,%)

## 11. Balance Sheet (Consolidated)

FY	(¥ million,%)					
	20/8		21/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
<b>Current assets</b>	<b>35,936</b>	<b>80.0</b>	<b>37,322</b>	<b>80.4</b>	<b>1,386</b>	<b>3.9</b>
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			
<b>Fixed assets</b>	<b>8,995</b>	<b>20.0</b>	<b>9,106</b>	<b>19.6</b>	<b>111</b>	<b>1.2</b>
<b>Tangible fixed assets</b>	<b>7,571</b>	<b>16.8</b>	<b>7,489</b>	<b>16.1</b>	<b>-82</b>	<b>-1.1</b>
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			
<b>Intangible fixed asset</b>	<b>49</b>	<b>0.1</b>	<b>43</b>	<b>0.1</b>	<b>-5</b>	<b>-12.1</b>
<b>Investments and other assets</b>	<b>1,373</b>	<b>3.1</b>	<b>1,572</b>	<b>3.4</b>	<b>199</b>	<b>14.5</b>
Investment securities	592		899			
Others	783		674			
Reserve bad debt	-1		-1			
<b>Total assets</b>	<b>44,931</b>	<b>100.0</b>	<b>46,428</b>	<b>100.0</b>	<b>1,497</b>	<b>3.3</b>

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

FY	(¥ million,%)					
	First-half 21/8		First-half 22/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
<b>Current assets</b>	<b>34,883</b>	<b>79.4</b>	<b>36,616</b>	<b>80.4</b>	<b>1,732</b>	<b>5.0</b>
Cash on hand and at banks	24,020		25,818			
Trade notes and accounts receivable (including electronically recorded claims)	5,616		5,263			
Securities						
Inventories	5,150		5,340			
Others	98		194			
Reserve bad debt	-1		0			
<b>Fixed assets</b>	<b>9,076</b>	<b>20.6</b>	<b>8,912</b>	<b>19.6</b>	<b>-163</b>	<b>-1.8</b>
<b>Tangible fixed assets</b>	<b>7,539</b>	<b>17.1</b>	<b>7,377</b>	<b>16.2</b>	<b>-162</b>	<b>-2.2</b>
Buildings and structures	2,694		2,591			
Machinery and equipment	258		210			
Land	4,440		4,440			
Construction in progress	-		-			
Others	146		134			
<b>Intangible fixed asset</b>	<b>47</b>	<b>0.1</b>	<b>47</b>	<b>0.1</b>	<b>0</b>	<b>-0.2</b>
<b>Investments and other assets</b>	<b>1,489</b>	<b>3.4</b>	<b>1,488</b>	<b>3.3</b>	<b>-1</b>	<b>-0.1</b>
Investment securities	731		711			
Others	759		779			
Reserve bad debt	-1		-1			
<b>Total assets</b>	<b>43,960</b>	<b>100.0</b>	<b>45,529</b>	<b>100.0</b>	<b>1,569</b>	<b>3.6</b>

<b>Current liabilities</b>	<b>3,011</b>	<b>6.9</b>	<b>3,134</b>	<b>6.9</b>	<b>122</b>	<b>4.1</b>
Trade notes and accounts payable	1,486		1,558			
Accrued income taxes	778		705			
Accrued bonus	79		80			
Others	667		789			
<b>Long-term liabilities</b>	<b>1,074</b>	<b>2.4</b>	<b>1,043</b>	<b>2.3</b>	<b>-30</b>	<b>-2.8</b>
Accrued pension and severance costs	668		637			
Directors' retirement allowances	28		31			
Others	377		374			
<b>Total liabilities</b>	<b>4,086</b>	<b>9.3</b>	<b>4,178</b>	<b>9.2</b>	<b>92</b>	<b>2.3</b>
<b>Total shareholders' equity</b>	<b>39,624</b>	<b>90.1</b>	<b>41,116</b>	<b>90.3</b>	<b>1,491</b>	<b>3.8</b>
Capital stock	1,925		1,925			
Capital reserves	2,388		2,397			
Retained earnings	41,224		42,698			
Treasury stock	-5,913		-5,905			
<b>Accumulated other comprehensive income</b>	<b>249</b>	<b>0.6</b>	<b>234</b>	<b>0.5</b>	<b>-15</b>	<b>-6.1</b>
Net unrealized gains on investment securities	324		309			
Deferred hedging gains and losses	11		4			
Accumulated pension and severance costs	-86		-80			
<b>Total net assets</b>	<b>39,874</b>	<b>90.7</b>	<b>41,351</b>	<b>90.8</b>	<b>1,476</b>	<b>3.7</b>
<b>Total liabilities and total net assets</b>	<b>43,960</b>	<b>100.0</b>	<b>45,529</b>	<b>100.0</b>	<b>1,569</b>	<b>3.6</b>

## 12. Balance Sheet(Non-Consolidated)

FY	(¥ million,%)					
	20/8		21/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
<b>Current assets</b>	32,741	79.0	33,994	79.3	1,253	3.8
Cash on hand and at banks	23,332		25,684			
Trade notes (including electronically recorded claims)	2,883		2,940			
Accounts receivable	2,690		1,834			
Securities						
Inventories	3,731		3,451			
Others	105		84			
Reserve bad debt	-1		-1			
<b>Fixed assets</b>	8,710	21.0	8,858	20.7	148	1.7
<b>Tangible fixed assets</b>	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			
<b>Intangible fixed asset</b>	42	0.1	35	0.1	-6	-15.7
<b>Investments and other assets</b>	1,210	2.9	1,426	3.3	215	17.8
Investment securities	591		899			
Others	620		528			
Reserve bad debt	-1		-1			
<b>Total assets</b>	<b>41,451</b>	<b>100.0</b>	<b>42,852</b>	<b>100.0</b>	<b>1,401</b>	<b>3.4</b>

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

FY	(¥ million,%)					
	First-half 21/8		First-half 22/8		Change(the previous year)	
	Result	Composition	Result	Composition	Result	Change %
<b>Current assets</b>	31,737	78.3	33,304	79.3	1,566	4.9
Cash on hand and at banks	21,971		23,675			
Trade notes (including electronically recorded claims)	2,489		2,205			
Accounts receivable	3,125		3,057			
Securities						
Inventories	4,028		4,133			
Others	123		233			
Reserve bad debt	-1		0			
<b>Fixed assets</b>	8,815	21.7	8,677	20.7	-137	-1.6
<b>Tangible fixed assets</b>	7,430	18.3	7,285	17.4	-145	-2.0
Buildings and structures	2,631		2,535			
Machinery and equipment	128		127			
Land	4,440		4,440			
Construction in progress	-		-			
Others	230		180			
<b>Intangible fixed asset</b>	41	0.1	40	0.1	0	-2.4
<b>Investments and other assets</b>	1,343	3.3	1,352	3.2	9	0.7
Investment securities	731		710			
Others	613		643			
Reserve bad debt	-1		-1			
<b>Total assets</b>	<b>40,552</b>	<b>100.0</b>	<b>41,982</b>	<b>100.0</b>	<b>1,429</b>	<b>3.5</b>

<b>Current liabilities</b>	3,100	7.7	3,096	7.4	-3	-0.1
Trade notes	880		780			
Accounts payable	902		925			
Accrued income taxes	765		686			
Others	552		705			
<b>Long-term liabilities</b>	543	1.3	562	1.3	18	3.5
Accrued pension and severance costs	165		187			
Directors' retirement allowances	-		-			
Others	377		374			
<b>Total liabilities</b>	<b>3,644</b>	<b>9.0</b>	<b>3,659</b>	<b>8.7</b>	<b>15</b>	<b>0.4</b>
<b>Total shareholders' equity</b>	<b>36,579</b>	<b>90.2</b>	<b>38,011</b>	<b>90.6</b>	<b>1,431</b>	<b>3.9</b>
Capital stock	1,925		1,925			
Capital reserves	2,668		2,677			
Retained earnings	37,899		39,314			
Treasury stock	-5,913		-5,905			
<b>Valuation and translation adjustments</b>	328	0.8	311	0.7	-17	-5.3
Net unrealized gains on investment securities	324		309			
Deferred hedging gains and losses	4		1			
<b>Total net assets</b>	<b>36,908</b>	<b>91.0</b>	<b>38,322</b>	<b>91.3</b>	<b>1,414</b>	<b>3.8</b>
<b>Total liabilities and total net assets</b>	<b>40,552</b>	<b>100.0</b>	<b>41,982</b>	<b>100.0</b>	<b>1,429</b>	<b>3.5</b>

### 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	18/8	19/8	20/8	21/8	22/8
Full Year	17,144	16,785	17,066	17,563	
First-half	7,419	7,233	7,051	8,069	7,817
1Q	3,068	2,910	2,886	3,595	3,378
2Q	4,350	4,323	4,164	4,473	4,439
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	18/8	19/8	20/8	21/8	22/8
Full Year	-2.0	-4.6	-1.9	1.5	
First-half	0.9	-3.1	-5.8	5.4	1.3
Second-half	-4.2	-5.8	1.0	-1.6	

(¥ million)

(%)

