

Summary of Financial Statements (Japanese GAAP) (Consolidated)

Financial Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2011

January 31, 2011

Listed exchanges : Tokyo, Osaka
 Listed company name: Kobayashi Pharmaceutical Co. Ltd.
 Code : 4967
 URL : <http://www.kobayashi.co.jp/english/index.shtml>
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 Expected date for submitting quarterly securities report : February 8, 2011
 Scheduled date of dividend payment commencement : —
 Preparation of supplementary explanation documents for quarterly financial results: None
 Holding of an analyst meeting for quarterly financial results : None

(Any fraction less than 1 million yen is rounded down to the nearest million yen.)

1. Consolidated Results for 3rd Quarter of Fiscal Year Ending March 31, 2011 (April 1, 2010 to December 31, 2010)

(1) Consolidated Operating Results (accumulation)

(% figures represent changes from same period in previous year)

	Q3 of FY ending March 31, 2011		Q3 of FY ended March 31, 2010	
Net sales	102,358 millions of yen	0.0 %	102,321 millions of yen	3.7 %
Operating income	16,839	3.8	16,223	10.6
Ordinary income	16,927	6.1	15,953	12.9
Net income	9,997	10.3	9,062	3.2
Net income per share	244.15 yen		221.30 yen	
Net income per share after full dilution	—		—	

(2) Consolidated Financial Position

	Q3 of FY ending March 31, 2011	As of March 31, 2010
Total assets	137,572 millions of yen	131,972 millions of yen
Net assets	89,729	84,603
Shareholders' equity ratio	65.1 %	64.0 %
Net assets per share	2,187.00 yen	2,061.79 yen

(Reference) Shareholders' equity
 Q3 of FY ending March 31, 2011: 89,555 million yen As of March 31, 2010: 84,428 million yen

2. Dividends

	Year ended March 2010	Year ending March 2011	Year ending March 2011 (forecasts)
Dividends per share			
Q1 end	—	—	—
Q2 end	29.00 yen	33.00 yen	yen
Q3 end	—	—	
Year-end	33.00		33.00
Total	62.00		66.00

(Note) Revision of dividend forecast in the current quarter: None

3. Forecasts of Consolidated Operational Results for Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentage figures represent changes from previous period.)

	FY ending March 31, 2011	
Net sales	134,000 millions of yen	3.7 %
Operating income	18,000	5.6
Ordinary income	18,300	7.2
Net income	10,000	8.1
Earnings per share	244.21 yen	

(Note) Revision of forecast of consolidated results in the current quarter: None

4. Others

(1) Changes in significant subsidiaries during the period: None

Newly consolidated: — (company name:), Eliminated from the scope of consolidation: — (company name:)

(Note) Changes in specified subsidiaries accompanying change of scope of consolidation

(2) Application of simplified accounting treatment and specific accounting treatment: Adopted

(Note) Application of simplified accounting treatment and specific accounting treatment to prepare consolidated quarterly financial statements

(3) Change in accounting principles, procedures and method of presentation

① Changes associated with revision in accounting standards: Yes

② Changes other than (i): None

(Note) Changes in accounting principles, procedures and method of presentation for preparation of consolidated quarterly financial statements described in *Changes in Basic Important Matters for Preparation of Consolidated Quarterly Financial Statements*

(4) Issued shares (common shares)

- ① Number of shares issued at period-end (including treasury stock):
- ② Number of shares of treasury stock at period-end
- ③ Average number of shares outstanding during period (consolidated cumulative quarters)

Q3 of FY ending March 31, 2011	42,525,000 shares	FY ended March 31, 2010	42,525,000 shares
Q3 of FY ending March 31, 2011	1,575,937 shares	FY ended March 31, 2010	1,575,862 shares
Q3 of FY ending March 31, 2011	40,949,091 shares	Q3 of FY ended March 31, 2010	40,949,189 shares

* Information on implementation of quarterly review procedures

At the time of disclosing the summary of financial statements, the quarterly financial statement review procedures in accordance with the Financial Instruments and Exchange Act have been implemented.

* Explanation on appropriate use of forecasts of business results and other special items

The forward-looking statements in this document concerning forecasts of business results are based on information available to the Company and assumptions considered reasonable by the Company. Please note that actual business results may differ significantly from the forecast due to various factors. Concerning assumptions for forecasting business results and precautionary statements, please refer to “1. Qualitative Information on Quarterly Results, (3) Qualitative information on the forecast of consolidated results” on page 4 of the attachment.

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1. Qualitative Information on Quarterly Results

(1) Qualitative Information on Consolidated Results

During the nine months ended December 31, 2010, personal spending showed some signs of recovery. However, the business environment in Japan remained severely affected by uncertainties of the weak employment market and personal income.

In such a challenging environment, the Kobayashi Pharmaceutical Group showed the sprit of *Creativity and Innovation*, its management philosophy. The Group made every effort to cultivate customers' potential needs by providing new-market-creating products and services, while it tried to invigorate existing markets by offering new value-added products and services.

Consequently, during the nine months ended December 31, 2010, the Group reported net sales of ¥102,358 million, an increase of ¥36 million (0.0%) , operating income of ¥16,839 million, an increase of ¥615 million (3.8%), and ordinary income of ¥16,927 million, a increase of ¥974 million (6.1%), compared with the same period of the previous year. Consolidated net income for the nine months ended December 31, 2010 totaled ¥9,997 million, an increase of ¥935 million (10.3%) from the same period of the previous year.

Here are summaries of the business results by segment.

Consumer Products Business

The Consumer Products Business launched 21 new products featuring unique and new added values. In particular, *Tenshi-no-Shoshugen--* a compact, low-priced room deodorizer and *Ofuro De Hot Charge*, a serum facial mask that comes in a pouch designed to be warmed in the bathtub, contributed greatly to sales for the period. As for existing products, sales of *Bluelet* (toilet tank cleaner, one of the Company's main products), *Breath Care* (breath freshener), and *Inochi No Haha*, an OTC pharmaceutical for women, expanded.

For the nine months ended December 31, 2010, however, sales of sanitary products decreased due to a decline in shipping volume. This was partially because sales of the wet-type mask *Nodonuru Nure Mask* and the body cooling sheet *Netsusama Sheet* were very strong during the same period of the previous year, due to consumers' concern about the new-type H1N1 flu infection.

Consequently, the Consumer Products Business reported a segment income of ¥15,289 million on net sales of ¥87,368 million.

The Group has provided information on reportable segments from the three-month period ended June 30, 2010. Accordingly, it has separated the Mail-order Business from the Consumer Products Business and disclosed their information in different segments.

(Sales Breakdown)

	Q3 ended December 31, 2009 (April 1, 2009 to December 31, 2009)		Q3 ended December 31, 2010 (April 1, 2010 to December 31, 2010)		Change	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Change (%)
Pharmaceutical products	16,856	18.3	17,016	19.5	160	1.0
Oral hygiene products	11,368	12.3	12,164	13.9	795	7.0
Sanitary products	13,145	14.3	10,334	11.8	(2,810)	(21.4)
Deodorizing air fresheners	25,557	27.7	26,218	30.0	661	2.6
Household sundries	3,922	4.3	3,968	4.5	46	1.2
Food products	10,979	11.9	6,788	7.8	(4,190)	(38.2)
Body warmers	10,360	11.2	10,876	12.5	516	5.0
Total	92,190	100.0	87,368	100.0	(4,821)	(5.2)

(Note) Net sales included inter-segment sales and transfers. Their amount was ¥33 million in the nine-month period ended December 31, 2009 and ¥2,327 million in the nine-month period ended December 31, 2010.

Mail-order Business

The Mail-order Business is engaged in mail-order sales of nutritional supplements, skin care products, and the like. The segment promoted the launching of new products, seeking new customers and regular purchases by existing customers.

Consequently, the Mail-Order Business reported a segment income of ¥148 million on net sales of ¥7,382 million. Net sales do not include inter-segment sales or transfers.

Medical Devices Business

In Japan, the Medical Devices Business continued trying to raise brand awareness and to increase market share in the fields of orthopedics and operating rooms with growth potential.

Consequently, the Medical Devices Business reported a segment income of ¥757 million on net sales of ¥9,058 million.

(Sales Breakdown)

	Q3 ended December 31, 2009 (April 1, 2009 to December 31, 2009)		Q3 ended December 31, 2010 (April 1, 2010 to December 31, 2010)		Change	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Change (%)
Kobayashi Medical	7,469	83.8	7,588	83.8	118	1.6
eVent	683	7.7	665	7.3	(17)	(2.6)
Other	760	8.5	804	8.9	44	5.8
Total	8,913	100.0	9,058	100.0	145	1.6

(Note) Net sales do not include inter-segment sales or transfers.

Other Businesses

The Other Businesses (transportation, manufacturing and sales of synthetic resin containers, insurance agents, property management, and advertising design and production) support the aforementioned three businesses. Although each company in the segment operates on a standalone basis, each aims to contribute to earnings of the three main businesses. Therefore, they reviewed the prices of materials and services as necessary.

Consequently, Other Businesses reported a segment income of ¥781 million on net sales of ¥4,919 million. Net sales included inter-segment sales or transfers. Their amount was ¥4,340 million in the nine-month period ended December 31, 2009 and ¥4,042 million in the nine-month period ended December 31, 2010.

(2) Qualitative information on financial positions

Total assets increased by ¥5,600 million from the end of the previous year, to ¥137,572 million. This increase was mainly due to an increase in notes and accounts receivable-trade (¥10,129 million), an increase in investment securities (¥2,003 million), partially offset by a decrease in cash and deposits (¥5,211 million) and a decrease in goodwill (¥1,346 million).

Liabilities increased by ¥474 million from the end of the previous year, to ¥47,843 million. Major factors affecting this increase were an increase in notes and accounts payable-trade (¥1,500 million), an increase in income taxes payable (¥586 million), an increase in other current liabilities (¥968 million), a decrease in short-term loans payable (¥1,669 million) and a decrease in reserve for bonuses (¥1,020 million).

Net assets increased by ¥5,126 million from the end of the previous year, to ¥89,729 million, with a capital adequacy ratio of 65.1%. Major factors affecting this increase were an increase in retained earnings (¥7,295 million), a decrease in valuation difference on available-for-sale securities (¥942 million), a decrease in deferred gains on hedges (¥425 million) and a decrease in foreign currency translation adjustment (¥799 million).

Net cash provided by (used in) operating activities

Net cash provided by operating activities totaled ¥5,205 million. Major factors affecting this cash flow were: net income before taxes (16,821 million yen), depreciation expenses (2,144 million yen), an increase in trade receivables (10,275 million yen), an increase in trade receivables (1,575 million yen) and income tax paid (6,108 million yen).

Net cash provided by (used in) investment activities

Net cash used in investing activities totaled ¥5,236 million, mainly due to purchases of short-term investment securities of ¥26,992 million, proceeds from sales and redemption of securities of ¥27,500 million, acquisition of investment securities of ¥4,061 million, and purchase of property, plant and equipment of ¥1,368 million.

Net cash provided by (used in) financing activities

Net cash used in financing activities totaled ¥4,974 million, mainly due to a net decrease in short-term loans payable of ¥1,662 million, ¥2,686 million cash dividends paid, and repayments of lease obligations of ¥445 million.

Consequently, cash and cash equivalents as of December 31, 2010 declined by ¥5,164 million from March 31, 2010 to ¥27,459 million.

(3) Qualitative information on the forecast of consolidated results

During the nine months ended December 31, 2010, we generally achieved the targets set in the original forecasts. Accordingly, we have made no modification in the full-year operational results forecasts announced on May 7, 2010.

2. Quarterly financial statements

(1) Consolidated quarterly balance sheet

(millions of yen)

	End of Q3 of FY ending March 2011 (December 31, 2010)	Condensed consolidated balance sheet for previous FY (March 31, 2010)
ASSETS		
Current assets		
Cash and cash equivalents	27,459	32,670
Notes and accounts receivable-trade	36,527	26,397
Short-term investment securities	10,003	10,006
Merchandise and finished goods	8,982	8,965
Work in process	406	548
Raw materials and supplies	2,125	1,933
Deferred tax assets	3,579	3,639
Other	1,218	1,130
Allowance for doubtful accounts	(84)	(83)
Total current assets	90,216	85,208
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,098	6,281
Machinery, equipment and vehicles, net	2,133	2,225
Land	3,471	3,471
Other, net	2,409	2,800
Total property, plant and equipment	14,112	14,779
Intangible assets		
Goodwill	4,970	6,316
Other	1,965	2,131
Total intangible assets	6,935	8,447
Investments and other assets		
Investment securities	16,963	14,959
Deferred tax assets	3,508	2,725
Other	5,995	5,983
Allowance for investment loss	(31)	-
Allowance for doubtful accounts	(128)	(131)
Total investments and other assets	26,307	23,536
Total non-current assets	47,355	46,763
Total assets	137,572	131,972

(millions of yen)

	End of Q3 of FY ending March 2011 (December 31, 2010)	Condensed consolidated balance sheet for previous FY (March 31, 2010)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	16,071	14,570
Short-term loans payable	39	1,708
Current portion of long-term loans payable	—	184
Accounts payable-other	12,599	12,747
Income taxes payable	4,038	3,451
Provision for sales returns	1,602	1,365
Provision for bonuses	1,004	2,024
Other	3,939	2,970
Total current liabilities	39,295	39,024
Non-current liabilities		
Provision for retirement benefits	5,109	4,814
Provision for directors' retirement benefits	11	36
Other	3,426	3,493
Total non-current liabilities	8,548	8,344
Total liabilities	47,843	47,368
NET ASSETS		
Shareholders' equity		
Capital stock	3,450	3,450
Capital surplus	4,219	4,219
Retained earnings	92,847	85,552
Treasury stock	(4,700)	(4,700)
Total shareholders' equity	95,816	88,521
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,904)	(961)
Deferred gains or losses on hedges	(748)	(322)
Foreign currency translation adjustment	(3,608)	(2,808)
Total valuation and translation adjustments	(6,261)	(4,093)
Subscription rights to shares	161	162
Minority interests	12	12
Total net assets	89,729	84,603
Total liabilities and net assets	137,572	131,972

(2) Consolidated quarterly statements of income
(Nine-month period ended December 31, 2010)

(millions of yen)

	Nine-month period ended December 31, 2009 (April 1, 2009 to December 31, 2009)	Nine -month period ended December 31, 2010 (April 1, 2010 to December 31 2010)
Net sales	102,321	102,358
Cost of sales	44,513	43,628
Gross profit	57,807	58,729
Selling, general and administrative expenses	41,584	41,890
Operating income	16,223	16,839
Non-operating income		
Interest income	54	55
Dividend income	212	214
Royalty income	417	439
Real estate rent	198	205
Equity in earnings of affiliates	—	253
Other	195	235
Total non-operating income	1,077	1,404
Non-operating expenses		
Interest expenses	68	46
Sales discounts	938	894
Rent cost of real estate	57	59
Equity in losses of affiliates	54	—
Foreign exchange losses	162	284
Other	66	31
Total non-operating expenses	1,347	1,315
Ordinary income	15,953	16,927
Extraordinary income		
Gain on sales of non-current assets	46	0
Gain on sales of investment securities	0	53
Compensation income	132	—
Other	14	5
Total extraordinary income	192	58
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	175	40
Provision of allowance for investment loss	64	31
Loss from subsidiary liquidation	—	31
Loss on sales of stocks of subsidiaries and affiliates	1,456	—
Impairment loss	218	26
Loss on sales of investment securities	0	—
Effects of application of accounting standard for asset retirement obligation	—	25
Other	121	9
Total extraordinary loss	2,036	164
Income before income taxes	14,109	16,821
Income taxes - current	4,974	6,715
Income taxes - deferred	72	108
Total income taxes	5,047	6,823
Income before minority interest in income	—	9,998
Minority interest	0	0
Net income	9,062	9,997

(Three-month period ended December 31, 2010)

(millions of yen)

	Three-month period ended December 31, 2009 (October 1, 2009 to December 31, 2009)	Three-month period ended December 31, 2010 (October 1, 2010 to December 31, 2010)
Net sales	38,560	38,108
Cost of sales	17,144	16,727
Gross profit	21,416	21,380
Selling, general and administrative expenses	15,070	15,106
Operating income	6,345	6,274
Non-operating income		
Interest income	16	21
Dividend income	118	101
Royalty income	196	207
Real estate rent	79	69
Equity in earnings of affiliates	93	127
Foreign exchange gains	4	—
Other	51	98
Total non-operating income	560	625
Non-operating expenses		
Interest expenses	20	13
Sales discounts	371	350
Rent cost of real estate	18	20
Foreign exchange losses	—	84
Other	15	6
Total non-operating expenses	426	475
Ordinary income	6,479	6,424
Extraordinary income		
Gain on sales of non-current assets	0	—
Compensation income	132	—
Other	8	0
Total extraordinary income	141	0
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	21	6
Provision of allowance for investment loss	4	13
Impairment loss	202	—
Other	18	0
Total extraordinary loss	246	20
Income before income taxes	6,374	6,404
Income taxes - current	2,424	2,437
Income taxes - deferred	250	244
Total income taxes	2,675	2,681
Income before minority interest in income	—	3,723
Minority interest in income (or loss)	0	0
Net income	3,699	3,723

(3) Consolidated Statement of Cash Flows

(millions of yen)

	Nine-month period ended December 31, 2009 (April 1, 2009 to December 31, 2009)	Nine-month period ended December 31, 2010 (April 1, 2010 to December 31, 2010)
Cash flow from operating activities		
Income before income taxes	14,109	16,821
Depreciation	2,201	2,144
Amortization of goodwill	948	931
Increase (decrease) in allowance for doubtful accounts	57	4
Increase (decrease) in provision for retirement benefits	108	293
Interest and dividends income	(266)	(269)
Interest expenses	68	46
Equity in (earnings) losses of affiliates	54	(253)
Loss (gain) on sales of stocks of subsidiaries and affiliates	1,456	—
Loss (gain) on sales of investment securities	0	(53)
Loss (gain) on sales and retirement of non-current assets	129	40
Provision of allowance for investment loss	64	31
Decrease (increase) in notes and accounts receivable-trade	(7,983)	(10,275)
Decrease (increase) in inventories	241	(190)
Increase (decrease) in notes and accounts payable-trade	2,298	1,575
Increase (decrease) in accounts payable-other	(693)	132
Increase (decrease) in accrued consumption taxes	287	177
Other	(308)	(60)
Total	12,772	11,097
Interest and dividend income received	249	252
Interest expenses paid	(65)	(36)
Income taxes paid	(6,716)	(6,108)
Net cash provided by (used in) operating activities	6,239	5,205
Cash flow from investing activities		
Proceeds from withdrawal of time deposits	—	44
Purchase of short-term investment securities	(17,991)	(26,992)
Proceeds from sales and redemption of securities	15,500	27,500
Purchase of property, plant and equipment	(2,099)	(1,368)
Proceeds from sales of property, plant and equipment	140	0
Purchase of intangible assets	(238)	(242)
Purchase of investment securities	(559)	(4,061)
Proceeds from sales of investment securities	1	52
Purchase of investment assets and other assets	(223)	(151)
Proceeds from sales of investment assets and other assets	146	98
Payments of long-term loans receivable	(122)	(125)
Collection of long-term loans receivable	5	8
Proceeds from sales of stocks of subsidiaries and affiliates	3,500	—
Other	(9)	(0)
Net cash provided by (used in) investing activities	(1,951)	(5,236)

(millions of yen)

	Nine-month period ended December 31, 2009 (April 1, 2009 to December 31, 2009)	Nine -month period ended December 31, 2010 (April 1, 2010 to December 31, 2010)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	(168)	(1,662)
Repayment of long-term loans payable	—	(179)
Purchase of treasury stock	(1)	(0)
Cash dividends paid	(2,347)	(2,686)
Repayments of lease obligations	(510)	(445)
Net cash provided by (used in) financing activities	(3,027)	(4,974)
Effect of exchange rate change on cash and cash equivalents	(5)	(158)
Net increase (decrease) in cash and cash equivalents	1,254	(5,164)
Cash and cash equivalents at beginning of period	23,813	32,623
Cash and cash equivalents	25,068	27,459

(4) Notes on assumption of going concern
Not applicable

(5) Segment Information

[Segment information by business type]

Nine-month period ended December 31, 2009 (April 1, 2009 to December 31, 2009) (millions of yen)

	Consumer products	Medical devices	Other businesses	Total	Eliminations/Corporate	Consolidated
Net sales						
(1) Sales to outside customers	92,156	8,913	1,251	102,321	—	102,321
(2) Inter-segment sales and transfers	33	—	4,340	4,374	(4,374)	—
Total	92,190	8,913	5,591	106,695	(4,374)	102,321
Operating income	15,621	180	437	16,240	(16)	16,223

(Notes) 1. Business segments

Business segments are defined considering similarity of product types and markets.

2. Principle products of each business segment:

(1) Consumer Products Business: OTC drug products, oral hygiene products, sanitary products, deodorizing air fresheners, household sundries, food products, and body warmers

(2) Medical Devices Business : Medical devices

(3) Other Businesses : Transportation, plastic container manufacture and sale, insurance agency, property management, and advertisement planning and creation

[Geographical segment information]

Nine-month period ended December 31, 2009 (April 1, 2009 to December 31, 2009)

Because sales in Japan accounted for more than 90% of the total sales, the Group did not provide geographical segment information.

[Overseas sales]

Nine-month period ended September 30, 2009 (April 1, 2009 to December 31, 2009)

Because sales overseas were less than 10% of the total sales, the Group did not provide information on overseas sales.

[Segment information]

1. Summary of reportable segments

The Group's reportable segments are the organizational units for which separated financial information is available, and are regularly reviewed by the Board of Directors to decide the allocation of management resources and to evaluate business results.

The Group organizes divisions by products and services, and each division lays out comprehensive strategies for its products and services at home and abroad and operates its business.

Consequently, the Group consists of segments classified by division-based products and services. The Group's reportable segments are the Consumer Products Business, Mail-order Business, and Medical Devices Business.

The Consumer Products Business manufactures and markets pharmaceutical products, oral hygiene products, sanitary products, deodorizing air fresheners, household sundries, food products, and body warmers; the Mail-order Business sells via mail orders nutritional supplements, skin care products, and the like; the Medical Devices Business markets medical devices.

2. Information on net sales, income or loss by reportable segment

Nine-month period ended December 31, 2010 (April 1, 2010 to December 31, 2010)

	Reportable segment				Other (Note 1)	Grand total	(millions of yen)	
	Consumer products business	Mail-order business	Medical devices business	Total			Adjustment (Note 2)	Figures in consolidated statements of income (Note 3)
Net sales								
Net sales to outside customers	85,040	7,382	9,058	101,481	876	102,358	-	102,358
Inter-segment sales or transfers	2,327	-	-	2,327	4,042	6,370	(6,370)	-
Total	87,368	7,382	9,058	103,809	4,919	108,728	(6,370)	102,358
Segment income (loss)	15,289	148	757	16,195	781	16,976	(49)	16,927

(Notes)

1. *Other* represents businesses that are not included in reportable segments, such as transportation, manufacturing and sales of synthetic resin containers, insurance agents, property management, and advertising design and production.
2. Adjustments of ¥49 million in segment loss are eliminations among segments.
3. Segment income is adjusted with ordinary income in consolidated statements of income.

3. Information concerning impairment loss on noncurrent assets or goodwill by reportable segments

Nine-month period ended December 31, 2010 (April 1, 2010 to December 31, 2010)

The Group does not provide information concerning impairment loss on noncurrent assets or goodwill because it does not recognize significant impairment loss on noncurrent assets and there is no significant change in the value of goodwill.

(Additional information)

Effective from the first quarter of the fiscal year ending March 31, 2011, *Accounting Standards for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No. 17 issued on March 27, 2009) and *Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Guidance No. 20 issued on March 21, 2008) have been applied.

(6) Notes on significant changes in shareholders' equity

Not applicable

(7) Notes on consolidated quarterly statements of income

(Consolidated quarterly statements of income)

Nine-month period ended December 31, 2010 (April 1, 2010 to December 31, 2010)

Main items and their amounts of sales and general administration expenses are as follows:

Promotion expenses	¥5,104 million
Transportation and warehousing expenses	¥3,933 million
Advertising expenses	¥10,873 million
Salaries, allowances, and bonuses	¥7,369 million
Retirement benefit expenses	¥627 million
Commission fees	¥3,369 million
Research and development expenses	¥2,957 million