

2. Dividends

| | Year ended March 2012 | Year ending March 2013 | Year ending March 2013 (forecasts) |
|---------------------|-----------------------|------------------------|---------------------------------------|
| Dividends per share | | | |
| Q1 end | — | — | — |
| Q2 end | 35.00 | yen | 39.00 yen |
| Q3 end | — | | |
| Year-end | 43.00 | | 39.00 |
| Total | 78.00 | | 78.00 |

(Note) Revision of the latest dividend forecast: None

3. Forecasts of Consolidated Operational Results for Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

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

| | 6-month period ending September 30, 2012 (accumulation) | | FY ending March 31, 2013 | |
|--------------------|--|-------|--------------------------|-------|
| Net sales | 64,100 millions of yen | 0.1 % | 132,000 millions of yen | 0.6 % |
| Operating income | 10,500 | (2.0) | 20,000 | 3.6 |
| Ordinary income | 11,000 | 0.4 | 20,900 | 4.0 |
| Net income | 6,900 | 12.2 | 12,500 | 6.6 |
| Earnings per share | 168.50 yen | | 305.26 yen | |

(Note) Revision of the latest forecasts of operational results: None

* Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries accompanying changes of the scope of consolidation): None
Newly consolidated: — (company name:), Eliminated from the scope of consolidation: — (company name:)

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

① Changes in accounting policies due to revisions of accounting standards: None

② Changes of accounting policies other than the above: None

③ Changes in accounting estimates: None

④ Retrospective restatement: None

(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)

| | | | |
|--------------------------------|-------------------|-------------------------------|-------------------|
| Q1 of FY ending March 31, 2013 | 42,525,000 shares | FY ended March 31, 2012 | 42,525,000 shares |
| Q1 of FY ending March 31, 2013 | 1,576,387 shares | FY ended March 31, 2012 | 1,576,287 shares |
| Q1 of FY ending March 31, 2013 | 40,948,640 shares | Q1 of FY ended March 31, 2012 | 40,949,021 shares |

* Information on implementation of quarterly review procedures

This brief report of quarterly financial statements is not subject to audit procedures under the Financial Instruments and Exchange Act. Audit procedures concerning quarterly financial statements have not been completed under the Financial Instruments and Exchange Act at the date of disclosure of this brief report of quarterly financial statements.

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

The forward-looking statements in this document concerning forecasting of operational results, etc. are based on currently available information and assumptions considered reasonable by the Company. Actual operational results may be significantly different from these statements due to various factors. For the assumptions used as the basis for forecasts of operational results and important matters when using the forecast of performance, please refer to "1. Qualitative Information on Quarterly Results, (3) Qualitative information on the forecast of consolidated results" on page 3 of the attachment.

Table of Contents for Attachment

| | |
|---|----------|
| 1. Qualitative Information on Quarterly Results | 1 |
| (1) Qualitative Information on Consolidated Results | 1 |
| (2) Qualitative information on financial positions | 3 |
| (3) Qualitative information on the forecast of consolidated results | 3 |
| 2. Matters concerning Summary Information (Notes) | 3 |
| (1) Changes in significant subsidiaries during the period | 3 |
| (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements..... | 3 |
| (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement | 3 |
| 3. Quarterly financial statements | 4 |
| (1) Consolidated quarterly balance sheet | 4 |
| (2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income | 6 |
| Consolidated quarterly statements of income Three-month period ended June 30, 2012 | 7 |
| Consolidated quarterly statements of comprehensive income | 7 |
| Three-month period ended June 30, 2012 | 7 |
| (3) Notes on assumption of going concern | 8 |
| (4) Notes on significant changes in shareholders' equity | 8 |
| (5) Segment information, etc. | 8 |
| (6) Significant subsequent events | 9 |

1. Qualitative Information on Quarterly Results

(1) Qualitative Information on Consolidated Results

In the first three-month period of the fiscal year ending March 31, 2013, the outlook for the Japanese economy was still unclear. This was because consumer spending and corporate activities remained slow against the backdrop of concerns over a stable supply of electricity, the European sovereign debt crisis etc., although there were visible signs that business was heading for a gradual recovery, due to reconstruction demand after the Great East Japan Earthquake.

In such a situation, with the thought that it was about time to show the spirit of the Group's management policy of "Providing people and society with comfort," the Group focused on offering new products and services that fulfill potential customers' needs, expanding existing brands to accelerate market activation and diligently putting its resources in the Mail Order Business, which has high future growth potential, and expanding overseas business.

Consequently, the Group reported net sales of 28,079 million yen, a decrease of 1,787 million yen (-6.0%) from the previous year; operating income of 3,552 million yen, a decrease of 1,896 million yen (-34.8%); ordinary income of 3,793 million yen, a decrease of 1,781 million yen (-32.0%), and net income of 3,783 million yen, an increase of 380 million yen (+11.2%).

Here is an overview of the business results by segment.

Consumer Products Business

The Consumer Products Business launched 15 new products, comprising items that are expected to create new markets and expand existing markets. In particular, steady increases were seen in sales of *Clengiru* (a medicine containing medicinal carbon for intestinal disorders and *Sawaday Happy* (a fragrant room deodorizer that enables consumers to easily enjoy new scents), contributing to the Group's business performance.

Among existing products, sales of *Inochi No Haha* (a women's health medicine), *Shouyou* (a medicated toothpaste that helps prevent gingivitis and periodontitis) and *Ito Yoji* (a dental floss that removes the food debris and dental plaque that cause caries and periodontal disease) grew steadily.

In the meantime, sales of sanitary products decreased from a year earlier, as the Group struggled to increase sales of products for easing the heat, such as *Netsusama Sheet* (a stick-on cooling gel sheet for the forehead), *Netsusamahinyari Gel Mat* (a gel mat that keeps you cool while sleeping), due to cooler-than-usual weather.

Consequently, net sales in the Consumer Products Business decreased by 964 million yen (-3.8%) from the previous year to 24,557 million yen. Segment income (ordinary income) decreased by 1,696 million yen (-31.7 %) to 3,662 million yen, while operating income declined by 1,799 million yen (-33.5 %) to 3,566 million yen.

(Sales Breakdown)

| | Q1 ended June 30, 2011 (April 1, 2011 to June 30, 2011) | | Q1 ended June 30, 2012 (April 1, 2012 to June 30, 2012) | | Change | |
|----------------------------|--|--------------|--|--------------|-----------------------------|---------------|
| | Amount (millions of yen) | Ratio (%) | Amount (millions of yen) | Ratio (%) | Amount (millions of yen) | Change (%) |
| Pharmaceutical products | 5,174 | 20.3 | 4,758 | 19.4 | (416) | (8.0) |
| Oral hygiene products | 3,707 | 14.5 | 3,970 | 16.2 | 262 | 7.1 |
| Sanitary products | 4,489 | 17.6 | 3,960 | 16.1 | (528) | (11.8) |
| Deodorizing air fresheners | 7,225 | 28.3 | 7,326 | 29.8 | 101 | 1.4 |
| Household sundries | 1,043 | 4.1 | 1,010 | 4.1 | (33) | (3.2) |
| Food products | 2,456 | 9.6 | 2,206 | 9.0 | (249) | (10.1) |
| Body warmers | 1,425 | 5.6 | 1,325 | 5.4 | (100) | (7.1) |
| Total | 25,522 | 100.0 | 24,557 | 100.0 | (964) | (3.8) |

(Note) Net sales included inter-segment sales or transfers, totaling 879 million yen in the three-month period ended June 30, 2011 and 763 million yen in the three-month period ended June 30, 2012.

Mail Order Business

The Mail Order Business markets nutritional supplement products and skin care products and the like. The Business strived to cultivate new customers and encourage existing customers to purchase continuously through active sales promotion, primarily advertisements and direct mail campaigns.

Consequently, net sales in the Mail Order Business increased by 70 million yen (+3.0%) from the previous year to 2,455 million yen. Segment loss (ordinary loss) increased by 153 million yen to 180 million yen, while operating loss grew by 154 million yen from the previous year to 181 million yen.

Net sales do not include inter-segment sales or transfers.

Medical Devices Business

In the Medical Devices Business, Kobayashi Medical Co., Ltd., a consolidated subsidiary, pursued selection and concentration to specialize in the areas of orthopedics and operating room devices; both of these markets are expected to grow in Japan. Moreover, Kobayashi Medical Co., Ltd. was changed from a consolidated subsidiary to an equity method affiliate, because the Company transferred 80% of its outstanding shares in Kobayashi Medical Co., Ltd. to Mitsubishi Corporation on May 31, 2012.

In addition, the Company sold its entire stake in eVent Medical, Inc. through an MBO on July 31, 2011. Consequently, net sales in the Medical Devices Business decreased by 1,053 million yen (-40.3%) from the previous year to 1,558 million yen. Segment income (ordinary income) increased by 119 million yen (+105.2%) to 233 million yen, while operating income grew by 13 million yen (+144.8%) from the previous year to 22 million yen.

(Sales Breakdown)

| | Q1 ended June 30, 2011 (April 1, 2011 to June 30, 2011) | | Q1 ended June 30, 2012 (April 1, 2012 to June 30, 2012) | | Change | |
|-------------------|--|--------------|--|--------------|-----------------------------|---------------|
| | Amount (millions of yen) | Ratio (%) | Amount (millions of yen) | Ratio (%) | Amount (millions of yen) | Change (%) |
| Kobayashi Medical | 2,222 | 85.1 | 1,296 | 83.2 | (925) | (41.6) |
| eVent | 134 | 5.1 | — | — | (134) | — |
| Other | 254 | 9.8 | 261 | 16.8 | 6 | 2.5 |
| Total | 2,611 | 100.0 | 1,558 | 100.0 | (1,053) | (40.3) |

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

Other Businesses

Businesses in this segment (transportation business, plastic container manufacture and sale, insurance agency, real estate management, advertisement planning and creation, etc.) support the above-mentioned three core businesses. Although companies in this business segment operate individually on a financially independent basis, their business purposes also include contributing to the profits of the three core businesses of the Group. Accordingly, their delivery prices of materials and services to the three core businesses were reviewed and revised as necessary.

Consequently, net sales increased by 68 million yen (+4.3%) from the previous year to 1,662 million yen. Segment income (ordinary income) increased by 15 million yen (+5.4%) to 302 million yen, while operating income grew by 42 million (+41.0%) yen to 145 million yen.

Net sales included inter-segment sales and transfers. Their amount was 1,366 million yen in the three-month period ended June 30, 2011 and 1,391 million yen in the three-month period ended June 30, 2012.

(2) Qualitative information on financial positions

Total assets decreased by 4,613 million yen from the end of the previous consolidated fiscal year to 143,276 million yen. This was mainly due to a decrease in cash and deposits (2,298 million yen) and notes and accounts receivable-trade (3,168 million yen), as well as increases in merchandise and finished goods (777 million yen) and investment securities (1,164 million yen).

Liabilities declined by 7,885 million yen from the end of the previous consolidated fiscal year to 38,126 million yen. This was mainly due to a decrease in notes and accounts payable-trade (904 million yen), account payable-other (3,816 million yen), income taxes payable (2,535 million yen) and provision for bonuses (1,122 million yen) as well as an increase in other current liabilities (1,715 million yen).

Net assets increased by 3,271 million yen from the end of the previous consolidated fiscal year to 105,150 million yen, with a capital adequacy ratio of 73.4%, mainly due to an increase in retained earnings (2,022 million yen).

(3) Qualitative information on the forecast of consolidated results

The Group did not revise its forecast of consolidated results for the Fiscal Year ending March 31, 2013, which the Group announced via "Summary of Financial Statements for the Fiscal Year ended March 31, 2012" released on May 1, 2012.

2. Matters concerning Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

Not applicable

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

Not applicable

3. Quarterly financial statements

(1) Consolidated quarterly balance sheet

(millions of yen)

| | Previous consolidated fiscal year (March 31, 2012) | Q1 of current fiscal year (June 30, 2012) |
|--|--|--|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 42,835 | 40,537 |
| Notes and accounts receivable-trade | 32,113 | 28,945 |
| Short-term investment securities | 11,004 | 11,002 |
| Merchandise and finished goods | 9,505 | 10,282 |
| Work in process | 457 | 492 |
| Raw materials and supplies | 2,049 | 2,401 |
| Deferred tax assets | 3,287 | 2,610 |
| Other | 1,353 | 1,484 |
| Allowance for doubtful accounts | (69) | (48) |
| Total current assets | 102,538 | 97,707 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 6,064 | 5,934 |
| Machinery, equipment and vehicles, net | 2,159 | 2,074 |
| Tools, furniture and fixtures, net | 1,049 | 915 |
| Land | 3,468 | 3,468 |
| Lease assets, net | 788 | 617 |
| Construction in progress | 98 | 210 |
| Total property, plant and equipment | 13,628 | 13,220 |
| Intangible assets | | |
| Goodwill | 3,592 | 3,755 |
| Trademark rights | 513 | 472 |
| Software | 884 | 856 |
| Lease assets | 46 | 28 |
| Other | 249 | 246 |
| Total intangible assets | 5,287 | 5,360 |
| Investments and other assets | | |
| Investment securities | 19,131 | 20,295 |
| Long-term loans receivable | 600 | 632 |
| Deferred tax assets | 1,302 | 836 |
| Real estate for investment, net | 3,103 | 3,094 |
| Other | 2,455 | 2,291 |
| Allowance for doubtful accounts | (154) | (161) |
| Total investments and other assets | 26,437 | 26,988 |
| Total non-current assets | 45,352 | 45,569 |
| Total assets | 147,890 | 143,276 |

(millions of yen)

| | Previous consolidated fiscal year (March 31, 2012) | Q1 of current fiscal year (June 30, 2012) |
|---|--|--|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 12,823 | 11,919 |
| Short-term loans payable | 5 | 2 |
| Accounts payable-other | 14,669 | 10,853 |
| Lease obligations | 391 | 353 |
| Income taxes payable | 4,497 | 1,962 |
| Consumption taxes payable | 382 | 384 |
| Provision for sales returns | 1,038 | 748 |
| Provision for bonuses | 2,095 | 972 |
| Asset retirement obligations | 13 | 10 |
| Other | 1,873 | 3,588 |
| Total current liabilities | 37,791 | 30,795 |
| Non-current liabilities | | |
| Lease obligations | 483 | 328 |
| Provision for retirement benefits | 5,312 | 4,820 |
| Provision for directors' retirement benefits | 17 | 17 |
| Asset retirement obligations | 87 | 71 |
| Other | 2,318 | 2,093 |
| Total non-current liabilities | 8,220 | 7,330 |
| Total liabilities | 46,011 | 38,126 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Capital stock | 3,450 | 3,450 |
| Capital surplus | 4,219 | 4,219 |
| Retained earnings | 101,127 | 103,149 |
| Treasury stock | (4,702) | (4,702) |
| Total shareholders' equity | 104,094 | 106,116 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,998 | 2,536 |
| Deferred gains or losses on hedges | (323) | 13 |
| Foreign currency translation adjustment | (4,050) | (3,516) |
| Total other comprehensive income | (2,374) | (966) |
| Subscription rights to shares | 159 | — |
| Total net assets | 101,879 | 105,150 |
| Total liabilities and net assets | 147,890 | 143,276 |

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income
 (Consolidated quarterly statements of income)
 (Three-month period ended June 30, 2012)

(millions of yen)

| | Three-month period ended June 30, 2011 (April 1, 2011 to June 30, 2011) | Three-month period ended June 30, 2012 (April 1, 2012 to June 30, 2012) |
|---|---|---|
| Net sales | 29,866 | 28,079 |
| Cost of sales | 11,830 | 11,158 |
| Gross profit | 18,035 | 16,920 |
| Selling, general and administrative expenses | 12,587 | 13,368 |
| Operating income | 5,448 | 3,552 |
| Non-operating income | | |
| Interest income | 31 | 37 |
| Dividend income | 112 | 118 |
| Royalty income | 112 | 129 |
| Real estate rent | 68 | 68 |
| Equity in earnings of affiliates | 51 | 106 |
| Other | 93 | 62 |
| Total non-operating income | 469 | 523 |
| Non-operating expenses | | |
| Interest expenses | 11 | 12 |
| Sales discounts | 249 | 186 |
| Rent cost of real estate | 19 | 18 |
| Foreign exchange losses | 40 | 42 |
| Other | 22 | 21 |
| Total non-operating expenses | 342 | 281 |
| Ordinary income | 5,575 | 3,793 |
| Extraordinary income | | |
| Gain on sales of subsidiaries' stocks | — | 2,285 |
| Gain on sales of non-current assets | — | 0 |
| Other | — | 165 |
| Total extraordinary income | — | 2,451 |
| Extraordinary loss | | |
| Loss on sales and retirement of noncurrent assets | 5 | 3 |
| Loss on valuation of investment securities | — | 558 |
| Provision of allowance for investment loss | 2 | — |
| Loss on disaster | 16 | — |
| Other | 1 | 16 |
| Total extraordinary loss | 26 | 577 |
| Income before income taxes | 5,548 | 5,667 |
| Income taxes - current | 2,000 | 1,439 |
| Income taxes - deferred | 145 | 444 |
| Total income taxes | 2,146 | 1,883 |
| Income before minority interest in income | 3,402 | 3,783 |
| Minority interest in income (or loss) | 0 | — |
| Net income | 3,402 | 3,783 |

(Consolidated quarterly statements of comprehensive income)
 (Three-month period ended June 30, 2012)

(millions of yen)

| | Three-month period ended June 30, 2011 (April 1, 2011 to June 30, 2011) | Three-month period ended June 30, 2012 (April 1, 2012 to June 30, 2012) |
|--|---|---|
| Income before minority interests | 3,402 | 3,783 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (43) | 538 |
| Deferred gains or losses on hedges | (176) | 0 |
| Foreign currency translation adjustment | 248 | 534 |
| Share of other comprehensive income of associates accounted for using equity method | 190 | 335 |
| Total other comprehensive income | 219 | 1,408 |
| Quarterly comprehensive income | 3,621 | 5,192 |
| (Comprehensive income attributable to) | | |
| Quarterly comprehensive income attributable to owners of the parent | 3,621 | 5,192 |
| Quarterly comprehensive income attributable to minority interests | 0 | — |

- (3) Notes on assumption of going concern
 Not applicable
- (4) Notes on a significant change in shareholders' equity
 Not applicable
- (5) Segment information, etc.
 (Segment information)
- I. Q1 of previous fiscal year (April 1, 2011 to June 30, 2011)
1. Information on net sales, income or loss by reportable segment

(millions of yen)

| | Reportable segment | | | | Other (Note 1) | Grand total | Adjustment (Note 2) | Figures in consolidated statements of income (Note 3) |
|----------------------------------|----------------------------------|------------------------|--------------------------------|--------|-------------------|-------------|------------------------|---|
| | Consumer Products Business | Mail Order Business | Medical Devices Business | Total | | | | |
| Net sales | | | | | | | | |
| Net sales to outside customers | 24,642 | 2,384 | 2,611 | 29,639 | 227 | 29,866 | - | 29,866 |
| Inter-segment sales or transfers | 879 | - | - | 879 | 1,366 | 2,246 | (2,246) | - |
| Total | 25,522 | 2,384 | 2,611 | 30,518 | 1,593 | 32,112 | (2,246) | 29,866 |
| Segment income (loss) | 5,358 | (26) | 113 | 5,445 | 287 | 5,733 | (157) | 5,575 |

(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 ¥157 million in segment loss are eliminations among segments.
3. Segment income is adjusted with ordinary income in consolidated statements of income.

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

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.

II. Q1 of current fiscal year (April 1, 2012 to June 30, 2012)

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

(millions of yen)

| | Reportable segment | | | | Other (Note 1) | Grand total | Adjustment (Note 2) | Figures in consolidated statements of income (Note 3) |
|----------------------------------|----------------------------------|------------------------|--------------------------------|--------|-------------------|-------------|------------------------|---|
| | Consumer Products Business | Mail Order Business | Medical Devices Business | Total | | | | |
| Net sales | | | | | | | | |
| Net sales to outside customers | 23,794 | 2,455 | 1,558 | 27,808 | 270 | 28,079 | - | 28,079 |
| Inter-segment sales or transfers | 763 | - | - | 763 | 1,391 | 2,154 | (2,154) | - |
| Total | 24,557 | 2,455 | 1,558 | 28,572 | 1,662 | 30,234 | (2,154) | 28,079 |
| Segment income (loss) | 3,662 | (180) | 233 | 3,715 | 302 | 4,018 | (224) | 3,793 |

(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 224 million yen in segment income (loss) are eliminations among segments.
3. Segment income (loss) is adjusted with ordinary income in quarterly consolidated statements of income.

2. Information concerning assets by reportable segments

Medical Devices Business segment assets for the first three-month period of the fiscal year ending March 31, 2013 decreased by 3,422 million yen from the end of the previous consolidated fiscal year, because the Company transferred 80% of its outstanding shares in Kobayashi Medical Co., Ltd. in the Medical Devices Business.

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

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.

(6) Significant subsequent events

Not applicable