

2. Dividends

	Year ended March 2013	Year ending March 2014	Year ending March 2014 (forecasts)
Dividends per share			
Q1 end	—	—	
Q2 end	39.00 yen	43.00 yen	
Q3 end	—	—	
Year-end	43.00		41.00 Yen
Total	82.00		84.00

(Note) Revision of the latest dividend forecast: None

3. Forecasts of Consolidated Operational Results for Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(Percentage figures represent changes from previous period.)

	FY ending March 31, 2014	
Net sales	127,000 millions of yen	4.5 %
Operating income	17,700	4.7
Ordinary income	19,400	3.9
Net income	12,600	3.5
Earnings per share	307.70 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 change of 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) Change in accounting policies, changes in accounting estimates and retrospective restatement
- ① Changes in accounting policies associated with revision of accounting standards: None
 - ② Changes in accounting policies other than ①: 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)

Q3 of FY ending March 31, 2014	42,525,000 shares	FY ended March 31, 2013	42,525,000 shares
Q3 of FY ending March 31, 2014	1,576,787 shares	FY ended March 31, 2013	1,576,537 shares
Q3 of FY ending March 31, 2014	40,948,297 shares	Q3 of FY ended March 31, 2013	40,948,580 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 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) Explanation of future forecast information, such as forecast of consolidated results” on page 3 of the attachment.

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1. Qualitative Information on Quarterly Results

(1) Explanation of operational results

In the first nine-month period of the fiscal year ending March 31, 2014, the Japanese economic outlook was still unclear, since consumer spending remained very weak due to limited improvement in the employment situation and employees' incomes, although there were some signs of an economic recovery, supported by the depreciation of the yen and a stock market rally against the backdrop of higher expectations for government monetary and fiscal policy.

In this situation, believing that it was a suitable time to show the spirit of the Group's management policy—"Providing people and society with comfort"—the Group focused on providing new products and services to meet potential customers' needs, expanding existing brands to accelerate market activation, and investing in businesses with high future growth potential.

Consequently, the Group reported net sales of 95,726 million yen, an increase of 897 million yen (+0.9%) from the previous year; operating income of 15,064 million yen, an increase of 449 million yen (+3.1%); ordinary income of 15,510 million yen, a decrease of 457 million yen (-2.9%); and net income of 10,249 million yen, a decrease of 1,356 million yen (-11.7%).

Here are summaries of the business results by segment.

Consumer Products Business

The Consumer Products Business launched 39 new products, comprising items that are expected to create new markets and expand existing markets. In particular, sales of *Apitoveil* (kampo oil film ointment that soothes eczema and dermatitis), *Bluelet Okudake Jokin EX* (a fragrant toilet bowl cleaner with a disinfectant formulation), and *Shoshugen Inu no Kimochi* (deodorizing air freshener for dogs) increased steadily, contributing to the Group's business performance.

Among existing products, sales of *Ito Yoji* and *Yawaraka Shikan Brush* (dental tools that remove food debris and dental plaque that cause caries and periodontal disease) in the category of oral hygiene products, *Shoshugen Kaoru Stick* (an interior fragrance) and *Bluelet* (a toilet bowl cleaner) in the category of deodorizing air fresheners, *Kantan Senjomaru* (a pipe cleaner) in the category of household sundries and *Kobayashi Pharmaceutical's Tochucha* (health tea) in the category of food products, grew solidly. In addition, sales of a cooling gel sheet for the forehead in the category of sanitary products marketed in Southeast Asia and the United States increased steadily.

Consequently, net sales in the Consumer Products Business increased by 1,829 million yen (+2.1%) from the previous year to 88,379 million yen. Segment income (ordinary income) decreased by 166 million yen (-1.2%) to 13,819 million yen, while operating income rose by 281 million yen (+2.0%) to 14,414 million yen.

(Sales Breakdown)

	Q3 ended December 31, 2012 (April 1, 2012 to December 31, 2012)		Q3 ended December 31, 2013 (April 1, 2013 to December 31, 2013)		Change	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Change (%)
Pharmaceutical products	17,336	20.0	17,282	19.6	-54	-0.3
Oral hygiene products	12,856	14.8	12,987	14.7	131	1.0
Sanitary products	12,354	14.3	13,320	15.1	965	7.8
Deodorizing air fresheners	24,548	28.4	25,212	28.5	664	2.7
Household sundries	3,600	4.2	3,704	4.2	104	2.9
Food products	6,235	7.2	6,572	7.4	337	5.4
Body warmers	9,618	11.1	9,299	10.5	-319	-3.3
Total	86,550	100.0	88,379	100.0	1,829	2.1

(Note) 1. Net sales included inter-segment sales or transfers amounting to 2,328 million yen in the third quarter ended December 31, 2012 and 2,497 million yen in the third quarter ended December 31, 2013.

2. The Company reviewed the classification of some products in the third quarter ended December 31, 2013. Consequently, sales of sanitary products increased by 2,318 million yen, while sales of body warmers decreased by 2,318 million yen in the Company's sales breakdown for the third quarter ended December 31, 2012 (April 1, 2012 to December 31, 2012) presented in the *Summary of Financial Statements for the 3rd Quarter of the Fiscal Year Ending March 31, 2013* announced on January 29, 2013.

Mail Order Business

The Mail Order Business markets nutritional supplements and skin care products and the like. The Business strived to cultivate new customers and encourage existing customers to reorder through sales promotions, primarily advertisements and direct mail campaigns. Consequently, net sales in the Mail Order Business increased by 271 million yen (+3.6%) from the previous year to 7,859 million yen. Segment income (ordinary income) amounted to 94 million yen (segment loss (ordinary loss) of 52 million yen in the previous year), while operating income totaled 88 million yen (operating loss of 56 million yen in the previous year). Net sales do not include inter-segment sales or transfers.

Medical Devices Business

Since Kobayashi Pharmaceutical Co., Ltd. transferred 80% of its outstanding shares in Kobayashi Medical Co., Ltd. to Mitsubishi Corporation on May 31, 2012, Kobayashi Medical Co., Ltd. was changed from a consolidated subsidiary to an equity method affiliate. Kobayashi Medical Co., Ltd. changed its name to Japan Medicalnext Co., Ltd. on November 1, 2012. In addition, Kobayashi Pharmaceutical Co., Ltd. transferred all of its remaining outstanding shares in Japan Medicalnext Co., Ltd. to Mitsubishi Corporation on May 20, 2013. Consequently, net sales decreased by 1,066 million yen (-49.7%) from the previous year to 1,077 million yen. Segment income (ordinary income) declined by 163 million yen (-15.7%) to 875 million yen, while operating income increased by 188 million yen (+1,227.6%) to 203 million yen. Net sales do not include inter-segment sales or transfers.

Other Businesses

Businesses in this segment (transportation, manufacture and sales of synthetic resin containers, insurance agents, property management, advertising design and production, etc.) support the above-mentioned three 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 businesses of the Group. Accordingly, their delivery prices of materials and services to the three businesses were reviewed and revised as necessary. Consequently, net sales decreased by 1,066 million yen (-20.4%) from the previous year to 4,171 million yen. Segment income (ordinary income) declined by 255 million yen (-20.8%) to 973 million yen, while operating income fell by 235 million yen (-45.1%) to 286 million yen. Net sales include inter-segment sales or transfers amounting to 4,363 million yen in the third quarter ended December 31, 2012 and 3,265 million yen in the third quarter ended December 31, 2013.

(2) Explanation of Financial Position

Total assets increased by 8,404 million yen from the end of the previous consolidated fiscal year to 165,511 million yen. This was mainly due to a decrease in cash and deposits (2,385 million yen) and an increase in notes and accounts receivable-trade (6,601 million yen), and short-term investment securities (2,196 million yen). Liabilities declined by 535 million yen from the end of the previous consolidated fiscal year to 41,698 million yen. This was mainly due to a decrease in income taxes payable (1,679 million yen) and provision for bonuses (894 million yen), and an increase in notes and accounts payable-trade (773 million yen). Net assets increased by 8,940 million yen from the end of the previous year to 123,812 million yen, with a capital adequacy ratio of 74.8%. This was mainly due to an increase in retained earnings (6,727 million yen) and foreign currency translation adjustment (1,426 million yen).

(3) Explanation of future forecast information, such as forecast of consolidated results

The Group did not revise its full-year forecasts of consolidated operational results for the year ending March 31, 2014 announced via "Brief Report of Financial Statements for the Year Ended March 31, 2013" dated on May 1, 2013.

2. Items 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, 2013)	Q3 ended December 31, 2013 (December 31, 2013)
ASSETS		
Current assets		
Cash and cash equivalents	45,862	43,476
Notes and accounts receivable-trade	30,818	37,419
Short-term investment securities	1,506	3,702
Merchandise and finished goods	8,500	8,570
Work in process	584	542
Raw materials and supplies	2,113	2,454
Deferred tax assets	3,885	3,530
Other	1,141	1,910
Allowance for doubtful accounts	(58)	(50)
Total current assets	94,353	101,557
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,259	6,175
Machinery, equipment and vehicles, net	2,410	2,581
Tools, furniture and fixtures, net	1,111	1,046
Land	3,425	3,429
Leased assets, net	385	204
Construction in progress	137	679
Total property, plant and equipment	13,730	14,116
Intangible assets		
Goodwill	3,637	3,788
Trademark rights	350	227
Software	896	902
Leased assets	14	12
Other	193	318
Total intangible assets	5,092	5,249
Investments and other assets		
Investment securities	37,891	38,467
Long-term loans receivable	416	556
Deferred tax assets	324	323
Real estate for investment, net	3,067	3,068
Other	2,366	2,306
Allowance for doubtful accounts	(135)	(135)
Total investments and other assets	43,930	44,586
Total non-current assets	62,753	63,953
Total assets	157,106	165,511

(millions of yen)

	Previous consolidated fiscal year (March 31, 2013)	Q3 ended December 31, 2013 (December 31, 2013)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	11,577	12,351
Short-term loans payable	4	62
Accounts payable-other	12,360	13,030
Lease obligations	262	142
Income taxes payable	4,091	2,412
Accrued consumption taxes	542	654
Provision for sales returns	1,109	1,206
Provision for bonuses	1,881	987
Provision for loss on business liquidation	1,047	1,047
Asset retirement obligations	10	10
Other	1,588	2,045
Total current liabilities	34,477	33,951
Non-current liabilities		
Lease obligations	163	98
Provision for retirement benefits	4,883	4,824
Provision for directors' retirement benefits	20	21
Asset retirement obligations	72	88
Other	2,616	2,714
Total non-current liabilities	7,757	7,747
Total liabilities	42,234	41,698
NET ASSETS		
Shareholders' equity		
Capital stock	3,450	3,450
Capital surplus	4,219	4,219
Retained earnings	109,946	116,674
Treasury stock	(4,703)	(4,704)
Total shareholders' equity	112,912	119,639
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,357	4,850
Deferred gains or losses on hedges	504	743
Foreign currency translation adjustment	(2,904)	(1,477)
Total accumulated other comprehensive income	1,958	4,116
Subscription rights to shares	—	55
Minority interests	0	0
Total net assets	114,872	123,812
Total liabilities and net assets	157,106	165,511

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income
 (Consolidated quarterly statements of income)
 (For the first nine-month period of the fiscal year ending March 31, 2014)

	(millions of yen)	
	Nine-month period ended December 31, 2012 (April 1, 2012 to December 31, 2012)	Nine-month period ended December 31, 2013 (April 1, 2013 to December 31, 2013)
Net sales	94,828	95,726
Cost of sales	39,718	39,848
Gross profit	55,110	55,877
Selling, general and administrative expenses	40,494	40,812
Operating income	14,615	15,064
Non-operating income		
Interest income	139	170
Dividend income	238	306
Royalty income	533	492
Real estate rent	206	206
Equity in earnings of affiliates	522	121
Foreign exchange gains	114	—
Other	295	135
Total non-operating income	2,050	1,433
Non-operating expenses		
Interest expenses	20	13
Sales discounts	593	571
Rent cost of real estate	56	53
Foreign exchange losses	—	332
Other	26	16
Total non-operating expenses	697	988
Ordinary income	15,968	15,510
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	186	3
Gain on sales of subsidiaries and affiliates' stocks	2,285	514
Other	180	39
Total extraordinary income	2,653	557
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	21	27
Loss on valuation of investment securities	540	—
Impairment loss	14	28
Loss on defective products	264	20
Loss on liquidation of business	150	—
Other	66	18
Total extraordinary loss	1,058	94
Income before income taxes	17,563	15,973
Income taxes—current	6,243	5,441
Income taxes—deferred	(286)	282
Total income taxes	5,957	5,724
Income before minority interest in income	11,606	10,249
Minority interests in income (loss)	(0)	(0)
Net income	11,606	10,249

(Consolidated quarterly statements of comprehensive income)
 (For the first nine-month period of the fiscal year ending March 31, 2014)

(millions of yen)

	Nine-month period ended December 31, 2012 (April 1, 2012 to December 31, 2012)	Nine-month period ended December 31, 2013 (April 1, 2013 to December 31, 2013)
Quarterly income before minority interests	11,606	10,249
Other comprehensive income		
Valuation difference on available-for-sale securities	138	493
Deferred gains or losses on hedges	106	0
Foreign currency translation adjustment	1	1,426
Share of other comprehensive income of associates accounted for using equity method	140	237
Total other comprehensive income	387	2,157
Quarterly comprehensive income	11,993	12,407
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	11,993	12,407
Comprehensive income attributable to minority interests	(0)	(0)

- (3) Notes on quarterly consolidated financial statements
 (Notes on assumption of going concern)
 Not applicable

(Notes on significant changes in shareholders' equity)
 Not applicable

(Segment information, etc.)

I. 1st nine-month period ended December 31, 2012 (April 1, 2012 to December 31, 2012)

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

	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	84,221	7,587	2,144	93,953	874	94,828	—	94,828
Inter-segment sales or transfers	2,328	—	—	2,328	4,363	6,691	(6,691)	—
Total	86,550	7,587	2,144	96,282	5,238	101,520	(6,691)	94,828
Segment income (loss)	13,986	(52)	1,038	14,972	1,228	16,200	(232)	15,968

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

2. Information on assets by reportable segment

Medical Devices Business segment assets for the first nine-month period of the fiscal year ending March 31, 2014 decreased by 3,226 million yen from the end of previous consolidated fiscal year, because the Company transferred 80% of its outstanding shares in Kobayashi Medical Co., Ltd. in the Medical Devices Business.

Note: Kobayashi Medical Co., Ltd. changed its name to Japan Medicalnext Co., Ltd. on November 1, 2012.

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.

II. 1st nine-month period ended December 31, 2013 (April 1, 2013 to December 31, 2013)

1. Information on net sales and 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	85,882	7,859	1,077	94,819	906	95,726	—	95,726
Inter-segment sales or transfers	2,497	—	—	2,497	3,265	5,762	(5,762)	—
Total	88,379	7,859	1,077	97,317	4,171	101,489	(5,762)	95,726
Segment income	13,819	94	875	14,788	973	15,761	(251)	15,510

(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 251 million yen in segment income 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.