

Summary of Financial Statements (Japanese GAAP) (Consolidated) Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2016

July 27, 2015

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 Expected date for submitting quarterly securities report : August 6, 2015
 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 1st Quarter of Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)

(1) Consolidated Operating Results (accumulation)

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

	Q1 of FY ending March 31, 2016		Q1 of FY ended March 31, 2015	
Net sales	29,971 millions of yen	10.3 %	27,171 millions of yen	(0.1) %
Operating income	4,453	33.8	3,327	(15.6)
Ordinary income	4,632	28.6	3,601	(13.7)
Net income attributable to owners of the parent	2,884	19.3	2,417	(18.5)
Net income per share	70.85 yen		59.15 yen	
Net income per share after full dilution	—		—	

(Note) Comprehensive income: Q1 of FY ending March 31, 2016: 4,874 million yen (192.6%)
 Q1 of FY ended March 31, 2015: 1,665 million yen (-58.1%)

(2) Consolidated Financial Position

	Q1 of FY ending March 31, 2016	As of March 31, 2015
Total assets	189,168 millions of yen	186,331 millions of yen
Net assets	142,699	139,611
Shareholders' equity ratio	75.3 %	74.8 %
Net assets per share	3,497.31 yen	3,423.54 yen

(Reference) Shareholders' equity
 Q1 of FY ending March 31, 2016: 142,400 million yen As of March 31, 2015: 139,397 million yen

2. Dividends

	Year ended March 2015	Year ending March 2016	Year ending March 2016 (forecasts)
Dividends per share			
Q1 end	—	—	
Q2 end	44.00 yen		46.00 yen
Q3 end	—		—
Year-end	46.00		46.00
Total	90.00		92.00

(Note) Revision of the latest dividend forecast: None

3. Forecasts of Consolidated Operational Results for Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

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

	6-month period ending September 30, 2015 (accumulation)		FY ending March 31, 2016	
Net sales	61,000 millions of yen	4.2 %	133,000 millions of yen	3.6 %
Operating income	8,200	3.0	18,900	5.5
Ordinary income	8,200	(2.5)	18,900	0.3
Net income attributable to owners of the parent	5,500	0.8	13,000	4.4
Earnings per share	135.08 yen		319.28 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: Yes

② Changes of accounting policies other than the above: None

③ Changes in accounting estimates: None

④ Retrospective restatement: None

For details, please refer to 2. *Matters concerning Summary Information (Notes) (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement* on page 3 of the attachment.

(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, 2016	42,525,000 shares	FY ended March 31, 2015	42,525,000 shares
Q1 of FY ending March 31, 2016	1,807,825 shares	FY ended March 31, 2015	1,807,775 shares
Q1 of FY ending March 31, 2016	40,717,216 shares	Q1 of FY ended March 31, 2015	40,866,993 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) Explanation of future forecast information, such as forecast of consolidated results" on page 2 of the attachment.

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1. Qualitative Information on Quarterly Results

(1) Explanation of operational results

In the first quarter of the fiscal year ending March 31, 2016, while the Japanese economy witnessed an upward trend supported by the government's continued economic stimulus measures, personal spending remained weak in reaction to the April 2014 consumption tax hike and price increases due to the depreciation of the yen.

Under these circumstances, the Group launched new products that satisfy customers' needs, strengthened its existing product lineups, and invested in businesses with high future growth potential, with the brand slogan "You make a wish and we make it happen."

Consequently, the Group reported net sales of 29,971 million yen (+10.3% year on year), operating income of 4,453 million yen (+33.8% year on year), ordinary income of 4,632 million yen (+28.6% year on year), and net income attributable to owners of the parent of 2,884 million yen (+19.3% year on year).

Here is an overview of the business results by segment.

Please note that the classification of reportable segments has been changed during the first quarter of the consolidated fiscal year under review. For details, please see "II. 3. Matters concerning changes in reportable segments" under "(3) Notes on quarterly consolidated financial statements (Segment information, etc.): Segment information" under "3. Quarterly Financial Statements".

Domestic Consumer Products Business

The Domestic Consumer Products Business launched 14 new products in spring of 2015. In particular, among those products that contributed to the Group's sales growth were *Nattokinase EX* (a nutrition supplementary food), *Sawaday PINKPINK for CAR* (a deodorizer for cars used by young women), *Sawaday Fragrance Stick Parfums* (a quality fragrance for indoor use containing select scented oils), and *Sawaday Botanical* (a home fragrance using natural dried flowers).

Among existing products that contributed to sales growth were *Eyebon* (an eye wash solution), *Inochi No Haha A* (a women's health medicine), *Ammeltz* (a shoulder and muscular stiffness reliever), *Sakamukea* (a liquid bandage), *Shoyo* (a medicated toothpaste to prevent pyorrhea), *Yawaraka Interdental Brush* and *Ito-Yoji dental floss* (both for interdental cleaning) in the healthcare products category, and *Netsusama Sheet* (a cooling gel sheet for the forehead), *Sawaday Kaoru Stick* (an interior fragrance), and *Bluelet* (a toilet deodorizer and bowl bleach tablet) in the household products category.

Consequently, the Company reported net sales of 25,121 million yen (+9.2% year on year) and segment income (ordinary income) of 4,208 million yen (+28.8% year on year). Meanwhile, operating income was 4,214 million yen (+30.7% year on year).

Net sales include inter-segment sales or transfers which totaled 1,362 million yen in the previous consolidated fiscal year and 1,130 million yen in the consolidated fiscal year under review.

(Breakdown of sales to external customers)

	Q1 ended June 30, 2014	Q1 ended June 30, 2015	Change	
	(April 1, 2014 to June 30, 2014)	(April 1, 2015 to June 30, 2015)	Amount (millions of yen)	Change (%)
Healthcare products	9,670	11,268	1,597	16.5
Household products	11,162	11,893	731	6.6
Skin care	1,205	1,158	(46)	(3.8)
Body warmers	(399)	(329)	69	—
Total	21,638	23,990	2,352	10.9

Overseas Consumer Products Business

In the Overseas Consumer Products Business, the Company markets the body warmers, *Netsusama Sheet* (a cooling gel sheet for the forehead) and *Ammeltz* (a shoulder and muscular stiffness reliever) mostly in the United States, China and Southeast Asia, and sought to expand sales by aggressively investing principally in advertisement and sales promotion.

As a result, net sales and segment income (ordinary income) were 3,837 million yen (+22.1% year on year) and 46 million yen (compared with segment loss (ordinary loss) of 23 million yen in the same period last year), respectively. Operating income was 76 million yen (compared with operating loss of 16 million yen in the same period last year).

Net sales include inter-segment sales or transfers, which totaled 439 million yen in the previous consolidated fiscal year and 498 million yen in the consolidated fiscal year under review.

Direct Marketing Business

The Direct Marketing Business markets nutritional supplements and skin care products. The Company strived to exploit new customers while encouraging existing customers to continue to place orders for its products through sales promotional campaigns, such as advertisements and direct mails. However, sales of skin care products, in particular, were sluggish.

Consequently, the Company reported net sales of 1,911 million yen (-12.9% year on year) and segment loss (ordinary loss) of 7 million yen (compared with segment loss (ordinary loss) of 1 million yen in the same period last year). Operating loss was 8 million yen (compared with operating loss of 1 million yen in the same period last year).

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

Other Businesses

Businesses in this segment include medical devices business, transportation business, manufacture and sale of plastic containers, insurance agency, real estate management, advertisement planning and production, etc. The companies in this business segment operate individually on a financially independent basis, and their delivery prices of materials and services were reviewed and revised as necessary.

As a result, the Company posted net sales of 1,840 million yen (+8.7% year on year), segment income (ordinary income) of 538 million yen (+13.4% year on year), and operating income of 182 million yen (+70.4% year on year).

Net sales include inter-segment sales or transfers amounting to 1,059 million yen in the fiscal year ended March 31, 2015 and 1,109 million yen in the fiscal year ending March 31, 2016.

(2) Explanation of financial position

Total assets increased by 2,837 million yen from the end of the previous consolidated fiscal year, to 189,168 million yen. This was mainly attributable to a decline in cash and deposits (1,848 million yen), an increase in merchandise and finished goods (2,342 million yen) and an increase in investment securities (3,012 million yen).

Liabilities dropped by 250 million yen from the end of the previous consolidated fiscal year, to 46,469 million yen. This was mainly due to a decrease in notes and accounts payable-trade (1,267 million yen), an increase in electronically recorded obligations-operating (2,948 million yen) and a decrease in accounts payable-other (2,667 million yen).

Net assets grew 3,088 million yen from the end of the previous consolidated fiscal year, to 142,699 million yen, with a capital adequacy ratio of 75.3%. This was mainly due to an increase in retained earnings (1,011 million yen) and a rise in valuation difference on available-for-sale securities (2,309 million yen).

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

The Group did not revise its forecast of consolidated results for the Fiscal Year ending March 31, 2016, which the Group announced via "Summary of Financial Statements for the Fiscal Year ended March 31, 2015" released on April 30, 2015.

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
(Changes in accounting policies)

(Application of the Accounting Standard for Business Combinations)

The "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, revised on September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, revised on September 13, 2013), and the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, revised on September 13, 2013) have been applied from the beginning of the first quarter of the consolidated fiscal year under review.

Under these accounting standards, the Company recorded the differences caused by changes in the Company's equity shares in subsidiaries in which the Company continues to control as capital surplus. In addition, the Company recorded acquisition-related costs as expenses in the fiscal years in which the costs are incurred.

Regarding business combinations that take place during the period from the beginning of the first quarter of the consolidated fiscal year under review, the Company changed the method to reflect changes in the allocation of the acquisition costs arising from confirmation of the provisional accounting treatment on the consolidated financial statements of the quarter that includes the acquisition date.

Furthermore, the Company changed presentation of net income for the relevant quarter, etc. as well as changing presentation from minority interests to noncontrolling interests. For the purpose of reflecting the relevant changes of presentation, the financial statements for the first quarter period and the full-year period of the previous consolidated fiscal year were restated.

The Company has adopted the Accounting Standards for Business Combinations, etc. from the beginning of the first quarter of the consolidated fiscal year under review, following transitional treatment as stipulated in Article 58-2(4) of "Accounting Standard for Business Combinations," Article 44-5(4) of "Accounting Standard for Consolidated Financial Statements," and Article 57-4(4) of "Accounting Standard for Business Divestitures."

Adoption of these accounting standards does not affect the Company's profit or loss.

3. Quarterly Financial Statements

(1) Consolidated quarterly balance sheet

(millions of yen)

	Previous consolidated fiscal year (March 31, 2015)	Q1 of current fiscal year (June 30, 2015)
ASSETS		
Current assets		
Cash and deposits	58,449	56,600
Notes and accounts receivable-trade	35,969	34,409
Short-term investment securities	4,500	4,500
Merchandise and finished goods	8,996	11,339
Work in process	773	883
Raw materials and supplies	2,715	2,783
Deferred tax assets	2,724	3,017
Other	1,909	2,052
Allowance for doubtful accounts	(46)	(44)
Total current assets	115,990	115,541
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,340	7,238
Machinery, equipment and vehicles, net	2,851	2,759
Tools, furniture and fixtures, net	1,318	1,343
Land	3,380	3,380
Lease assets, net	582	721
Construction in progress	549	626
Total property, plant and equipment	16,023	16,069
Intangible assets		
Goodwill	4,023	3,890
Trademark rights	83	76
Software	971	983
Other	503	780
Total intangible assets	5,582	5,731
Investments and other assets		
Investment securities	41,580	44,593
Long-term loans receivable	668	704
Deferred tax assets	318	306
Real estate for investment, net	3,025	3,017
Assets for retirement benefits	286	307
Other	2,988	3,046
Allowance for doubtful accounts	(133)	(151)
Total investments and other assets	48,735	51,825
Total non-current assets	70,340	73,626
Total assets	186,331	189,168

(millions of yen)

	Previous consolidated fiscal year (March 31, 2015)	Q1 of current fiscal year (June 30, 2015)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	10,239	8,972
Electronically recorded obligations-operating	3,282	6,230
Short-term loans payable	40	52
Accounts payable-other	12,723	10,056
Lease obligations	82	85
Income taxes payable	3,191	2,080
Accrued consumption taxes	1,476	825
Provision for sales returns	1,272	968
Provision for bonuses	1,915	1,112
Asset retirement obligations	19	17
Other	1,646	4,020
Total current liabilities	35,890	34,422
Non-current liabilities		
Lease obligations	513	647
Deferred tax liabilities	2,683	3,913
Net retirement benefit liability	5,496	5,337
Provision for directors' retirement benefits	27	27
Asset retirement obligations	90	95
Other	2,018	2,025
Total non-current liabilities	10,829	12,046
Total liabilities	46,720	46,469
NET ASSETS		
Shareholders' equity		
Capital stock	3,450	3,450
Capital surplus	4,219	4,219
Retained earnings	127,858	128,870
Treasury stock	(6,207)	(6,208)
Total shareholders' equity	129,320	130,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,553	9,862
Deferred gains or losses on hedges	1,359	1,076
Foreign currency translation adjustment	1,874	1,810
Re-measurements of retirement benefit plans	(710)	(680)
Total accumulated other comprehensive income	10,076	12,068
Subscription rights to shares	191	214
Noncontrolling interests	22	84
Total net assets	139,611	142,699
Total liabilities and net assets	186,331	189,168

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income
 (Consolidated quarterly statements of income)
 (Three-month period ended June 30, 2015)

(millions of yen)

	Three-month period ended June 30, 2014 (April 1, 2014 to June 30, 2014)	Three-month period ended June 30, 2015 (April 1, 2015 to June 30, 2015)
Net sales	27,171	29,971
Cost of sales	10,558	11,969
Gross profit	16,613	18,002
Selling, general and administrative expenses	13,285	13,549
Operating income	3,327	4,453
Non-operating income		
Interest income	56	64
Dividend income	154	157
Royalty income	119	117
Real estate rent	70	71
Equity in earnings of affiliates	9	—
Other	56	67
Total non-operating income	468	477
Non-operating expenses		
Interest expenses	5	6
Sales discounts	143	138
Rent cost of real estate	18	17
Foreign exchange losses	9	54
Share of loss of entities accounted for using equity method	—	69
Other	15	12
Total non-operating expenses	193	298
Ordinary income	3,601	4,632
Extraordinary income		
Gain on sales of investment securities	—	0
Total extraordinary income	—	0
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	4	0
Impairment loss	—	0
Loss on defective products	—	160
Other	0	0
Total extraordinary loss	4	161
Income before income taxes	3,596	4,470
Income taxes - current	1,269	1,719
Income taxes - deferred	(89)	(131)
Total income taxes	1,179	1,588
Net income	2,417	2,882
Net income (loss) attributable to noncontrolling interests	0	(2)
Net income attributable to owners of the parent	2,417	2,884

(Consolidated quarterly statements of comprehensive income)
 (Three-month period ended June 30, 2015)

(millions of yen)

	Three-month period ended June 30, 2014 (April 1, 2014 to June 30, 2014)	Three-month period ended June 30, 2015 (April 1, 2015 to June 30, 2015)
Net income	2,417	2,882
Other comprehensive income		
Valuation difference on available-for-sale securities	(44)	2,309
Deferred gains or losses on hedges	(17)	4
Foreign currency translation adjustment	(388)	(63)
Adjustment for retirement benefits	27	28
Share of other comprehensive income of associates accounted for using equity method	(327)	(286)
Total other comprehensive income	(751)	1,992
Quarterly comprehensive income	1,665	4,874
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	1,665	4,875
Comprehensive income attributable to noncontrolling interests	0	(1)

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

(Notes on a significant change in shareholders' equity)
 Not applicable

(Segment information, etc.)
 [Segment information]

I. Q1 of previous fiscal year (April 1, 2014 to June 30, 2014)

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)
	Domestic Consumer Products Business	Overseas Consumer Products Business	Direct Marketing Business	Total				
Net sales								
Net sales to outside customers	21,638	2,704	2,195	26,538	633	27,171	—	27,171
Inter-segment sales or transfers	1,362	439	—	1,802	1,059	2,861	(2,861)	—
Total	23,001	3,144	2,195	28,340	1,692	30,032	(2,861)	27,171
Segment income (loss)	3,268	(23)	(1)	3,244	475	3,719	(117)	3,601

(Notes)

1. *Other* represents businesses that are not included in the reportable segments, such as medical devices business, transportation business, manufacture and sale of plastic containers, insurance agency, real estate management, advertisement planning and production.
2. Adjustments of 117 million yen in segment income (loss) are eliminations among segments.
3. Segment income (loss) is adjusted with ordinary income in the consolidated quarterly 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, 2015 to June 30, 2015)

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)
	Domestic Consumer Products Business	Overseas Consumer Products Business	Direct Marketing Business	Total				
Net sales								
Net sales to outside customers	23,990	3,338	1,911	29,241	730	29,971	—	29,971
Inter-segment sales or transfers	1,130	498	—	1,628	1,109	2,738	(2,738)	—
Total	25,121	3,837	1,911	30,870	1,840	32,710	(2,738)	29,971
Segment income (loss)	4,208	46	(7)	4,248	538	4,786	(154)	4,632

(Notes)

1. *Other* represents businesses that are not included in the reportable segments, such as medical devices business, transportation business, manufacture and sale of plastic containers, insurance agency, real estate management, advertisement planning and production.
2. Adjustments of 154 million yen in segment income (loss) are eliminations among segments.
3. Segment income (loss) is adjusted with ordinary income in the consolidated quarterly 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.

3. Matters concerning changes in reportable segments

Starting from the first quarter of the consolidated fiscal year under review, the Company changed its reportable segments of the conventional "Consumer Products Business," "Direct Marketing Business" and "Medical Devices Business" to "Domestic Consumer Products Business," "Overseas Consumer Products Business" and "Direct Marketing Business." These changes were made following the revisions to the internal management classifications of business performance, by dividing the "Consumer Products Business" segment into "Domestic Consumer Products Business" and "Overseas Consumer Products Business" segments, and changing the name of the "Direct Marketing" segment to the "Direct Marketing Business" segment, and transferring the "Medical Devices Business" segment to "Other."

The segment information for the first quarter of the previous consolidated fiscal year was prepared based on the classification of reportable segments after the change.

(Significant subsequent events)

Not applicable