

(2) Consolidated Financial Position

	Q2 of FY ending December 31, 2016	As of March 31, 2016
Total assets	194,335 millions of yen	188,997 millions of yen
Net assets	141,976	142,023
Shareholders' equity ratio	73.0 %	75.1 %
Net assets per share	1,775.79 yen	1,766.06 yen

(Reference) Shareholders' equity

Q2 of FY ending December 31, 2016: 141,870 million yen As of March 31, 2016: 141,873 million yen

The Company implemented a two-for-one common stock split effective July 1, 2016. Net assets per share were calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous consolidated fiscal year.

2. Dividends

	Year ended March 2016	FY ending December 2016	FY ending December 2016 (forecasts)
Dividends per share			
Q1 end	—	—	
Q2 end	48.00 yen	25.00 yen	
Q3 end	—		—
Year-end	48.00		24.00 yen
Total	96.00		49.00

(Note) Revision of the latest dividend forecast: None

The Company implemented a two-for-one common stock split effective July 1, 2016. The Q2-end dividend and year-end dividend (forecast) per share for the consolidated fiscal year ending December 31, 2016 are stated taking into consideration the relevant stock split.

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

(Percentage figures represent changes from previous period.)

	FY ending December 31, 2016	
Net sales	117,300 millions of yen	— %
Operating income	16,900	—
Ordinary income	18,800	—
Net income attributable to owners of the parent	13,500	—
Earnings per share	168.13 yen	

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

- Following the approval of the proposal "Partial Amendment to the Articles of Incorporation" at the 98th Ordinary General Meeting of Shareholders held on June 29, 2016, the Company changed the book-closing date from March 31 to December 31, effective from FY 2016. Accordingly, the consolidated fiscal year ending December 31, 2016 is a transitional period for the change in accounting period, covering nine months (April 1, 2016 to December 31, 2016) for the Company and its consolidated subsidiaries that close their accounts in March. The consolidated accounting period for the consolidated subsidiaries that close their accounts in December covers 12 months (January 1, 2016 to December 31, 2016) as in the previous year.

[Reference]

The percentages shown below (adjusted changes) represent ratios of change by comparing the nine-month results for the previous fiscal year for the Company and its consolidated subsidiaries that close their accounts in March (April 1, 2015 to December 31, 2015) and 12-month results for the previous fiscal year for the consolidated subsidiaries that close their accounts in December (January 1, 2015 to December 31, 2015) with the full-year forecasts for the fiscal year ending December 31, 2016.

(Millions of yen)

Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
117,300 4.3%	16,900 (1.9%)	18,800 10.0%	13,500 5.8%

- The Company implemented a two-for-one common stock split effective July 1, 2016. Net income per share for the full-year for the consolidated fiscal year ending December 31, 2016 is stated taking into consideration the relevant stock split.

*** 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 due to revisions 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)

Q2 of FY ending December 31, 2016	85,050,000 shares	FY ended March 31, 2016	85,050,000 shares
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② Number of shares of treasury stock at period-end

Q2 of FY ending December 31, 2016	5,158,675 shares	FY ended March 31, 2016	4,716,626 shares
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③ Average number of shares outstanding during period (consolidated cumulative quarters)

Q2 of FY ending December 31, 2016	80,292,684 shares	Q2 of FY ended March 31, 2016	81,588,298 shares
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The Company implemented a two-for-one common stock split effective July 1, 2016. Number of issued shares (common shares) was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous consolidated fiscal year.

* 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 4 of the attachment.

(Method of obtaining supplementary explanation documents for quarterly financial results)

The supplementary explanation documents for quarterly financial results will be made available on the Company's website after an analyst meeting for quarterly financial results, to be held on November 4, 2016 (Friday).

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1. Qualitative Information on Quarterly Results

Following the approval of the proposal “Partial Amendment to the Articles of Incorporation” at the 98th Ordinary General Meeting of Shareholders held on June 29, 2016, the Company changed the book-closing date from March 31 to December 31, effective from FY 2016. Accordingly, the current consolidated fiscal year is a transitional period for the change in accounting period, meaning an irregular period, in which the consolidated operating results cover six months (April 1, 2016 to September 30, 2016) for the Company and its consolidated subsidiaries that close their accounts in March, as opposed to nine months (January 1, 2016 to September 30, 2016) for consolidated subsidiaries that close their accounts in December. Therefore, the percentage of year-on-year changes has been omitted.

(1) Explanation of operational results

The Japanese economy during the first six-month period of the consolidated fiscal year under review showed a recovery trend as shown in the improvement of corporate earnings and employment helped by the continued economic stimulus measures implemented by the government. On the other hand, however, consumer spending continued to face a tough situation due to concerns over rising prices.

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.”

As a result, net sales, operating income and ordinary income were 74,366 million yen, 11,861 million yen and 11,646 million yen, respectively, and net income attributable to owners of the parent was 8,109 million yen.

Business results by segment were as follows:

Domestic Consumer Products Business

The Domestic Consumer Products Business launched 31 new products, 15 in the spring of 2016 and 16 in the fall of 2016. Among others, the products that contributed to growth in sales were *Ammeltz NEO* (an external anti-inflammatory), *Bisrat Gold EX* (an obesity therapeutic drug), *Senacure* (a therapeutic drug for blotches on the back or décolleté), *Oheya no Shoshugen Parfum* (a stylish deodorizer and freshener with graceful fragrance), *Saiki Milky Lotion* (a milky lotion-type dry skin curative drug), and *Inochi No Haha Skin Care* (skin care products for menopause generation).

Among existing healthcare products that recorded robust sales were *Eyebon* (an eye wash solution), *Inochi No Haha A* (a women’s health medicine), *Attonon* (a scar concealer), *Dusmock* (a kampo medicine that ameliorates persistent coughing and bronchitis), *Shoyo* (a toothpaste for preventing pyorrhea), *Yawaraka Shikan Brush* (for interdental cleaning), and *Ito-Yoji* (dental floss). In the household products category, *Sawaday Kaoru Stick* (Indoor stylish fragrance) and *Bluelet* (a toilet deodorizer and bowl bleach tablet) showed strong sales. In the skin care products category, *EAUDE MUGE* (a medicated lotion) sold well.

As a result, net sales and segment income (ordinary income) were 60,336 million yen and 11,041 million yen, respectively. Meanwhile, operating income was 11,204 million yen.

Net sales include inter-segment sales or transfers, which totaled 2,983 million yen in the first six-month period of the consolidated fiscal year under review.

(Breakdown of sales to external customers)

	Q2 ended September 30, 2015	Q2 ended September 30, 2016
	(April 1, 2015 to September 30, 2015)	(April 1, 2016 to September 30, 2016)
	Amount (millions of yen)	Amount (millions of yen)
Healthcare products	24,031	27,306
Household products	25,106	26,521
Skin care	2,310	2,754
Body warmers	646	771
Total	52,095	57,353

Overseas Consumer Products Business

In the Overseas Consumer Products Business, the Company markets, mostly in the United States, China and Southeast Asia, the body warmers, *Netsusama Sheet* (a cooling gel sheet for the forehead) and *Ammeltz* (an external anti-inflammatory), and sought to expand sales by investing aggressively, principally in advertising and sales promotions.

As a result, net sales and segment income (ordinary income) were 11,900 million yen and 310 million yen, respectively. Operating income was 519 million yen.

Net sales include inter-segment sales or transfers, which totaled 659 million yen in the first six-month period of the consolidated fiscal year under review.

(Breakdown of sales to external customers)

	Q2 ended September 30, 2015	Q2 ended September 30, 2016
	(April 1, 2015 to September 30, 2015)	(April 1, 2016 to September 30, 2016)
	Amount (millions of yen)	Amount (millions of yen)
The United States	2,195	3,888
China	1,313	3,420
Southeast Asia	1,520	2,809
Others	1,031	1,122
Total	6,061	11,240

Direct Marketing Business

The Direct Marketing Business markets nutritional supplements and skin care products. The Company strove 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 mail.

Consequently, the Company reported net sales of 4,600 million yen and segment loss (ordinary loss) of 176 million yen. Meanwhile, operating loss was 178 million yen.

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 3,559 million yen and segment income (ordinary income) of 602 million yen. Operating income was 247 million yen.

Net sales include inter-segment sales or transfers, amounting to 2,387 million yen in the first six-month period of the consolidated fiscal year under review.

(2) Explanation of financial position

Total assets increased by 5,337 million yen from the balance as of the end of the previous fiscal year to 194,335 million yen. This was mainly attributable to a decrease of 4,062 million yen in cash and deposits, an increase of 6,167 million yen in notes and accounts receivable - trade, a rise of 2,279 million yen in merchandise and finished goods, and a growth of 1,611 million yen in goodwill, etc.

Liabilities increased by 5,384 million yen from the balance as of the end of the previous fiscal year to 52,358 million yen. This was mainly attributable to an increase of 1,223 million yen in notes and accounts payable-trade, a rise of 1,511 million yen in electronically recorded obligations-operating, a growth of 1,264 million yen in accounts payable-other, an increase of 1,977 million yen in income taxes payable, a decrease of 923 million yen in deferred tax liabilities, and an increase of 596 million yen in provision for loss on business liquidation, etc.

Net assets decreased by 46 million yen from the balance as of the end of the previous consolidated fiscal year to 141,976 million yen, bringing capital adequacy ratio to 73.0%. This was mainly attributable to an increase of 6,200 million yen in retained earnings, a decrease of 493 million yen in valuation difference on available-for-sale securities, and a decrease of 3,515 million yen in foreign currency translation adjustment, etc.

Cash flows from operating activities

Net cash provided by operating activities totaled 6,827 million yen (3,098 million yen provided in the previous year). Principal cash inflows were: income before income taxes of 10,708 million yen, depreciation of 1,346 million yen, an increase of 3,068 million yen in notes and accounts payable-trade, an increase of 1,875 million yen in accounts payable - other, and an increase of 596 million yen in provision for loss on business liquidation. Principal cash outflows were: an increase of 6,836 million yen in notes and accounts receivable - trade, an increase of 2,957 million yen in inventories, and income taxes paid of 1,866 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 2,976 million yen (4,098 million yen used in the previous year). Major factors affecting this cash flow were: payments into time deposits of 43,472 million yen, proceeds from the withdrawal of time deposits of 45,400 million yen, the purchase of property, plant and equipment of 1,965 million yen, the purchase of intangible assets of 441 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 2,477 million yen.

Cash flows from financing activities

Net cash used in financing activities totaled 4,157 million yen (401 million yen used in the previous year). Major factors affecting this cash flow were: cash dividends paid of 1,927 million yen and purchase of treasury stock of 2,261 million yen.

Consequently, cash and cash equivalents as of September 30, 2016 decreased by 2,110 million yen from the end of the previous year to 23,318 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 December 31, 2016, which the Group announced via "Summary of Financial Statements for the Fiscal Year ended March 31, 2016" released on May 9, 2016.

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
- (4) Additional information
(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)
The Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Implementation Guidance No. 26 issued on March 28, 2016) has been applied since the 1st Quarter of the consolidated fiscal year under review.

3. Quarterly Financial Statements

(1) Consolidated quarterly balance sheet

(millions of yen)

	Previous consolidated fiscal year (March 31, 2016)	End of 1st six-month period of FY ending December 2016 (September 30, 2016)
ASSETS		
Current assets		
Cash and deposits	61,428	57,365
Notes and accounts receivable-trade	36,088	42,256
Short-term investment securities	4,500	4,500
Merchandise and finished goods	10,378	12,658
Work in process	777	809
Raw materials and supplies	2,796	2,826
Deferred tax assets	2,772	2,921
Other	1,681	1,999
Allowance for doubtful accounts	(75)	(37)
Total current assets	120,347	125,299
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,082	8,023
Machinery, equipment and vehicles, net	3,131	3,590
Tools, furniture and fixtures, net	1,351	1,374
Land	3,380	3,546
Leased assets, net	675	645
Construction in progress	1,564	590
Total property, plant and equipment	17,187	17,770
Intangible assets		
Goodwill	3,542	5,153
Trademark rights	29	24
Software	1,078	1,077
Other	684	353
Total intangible assets	5,334	6,608
Investments and other assets		
Investment securities	39,656	38,915
Long-term loans receivable	643	149
Deferred tax assets	321	403
Real estate for investment, net	2,992	2,975
Other	2,653	2,446
Allowance for doubtful accounts	(139)	(234)
Total investments and other assets	46,128	44,656
Total non-current assets	68,650	69,036
Total assets	188,997	194,335

(millions of yen)

	Previous consolidated fiscal year (March 31, 2016)	End of 1st six-month period of FY ending December 2016 (September 30, 2016)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	7,141	8,364
Electronically recorded obligations-operating	6,519	8,030
Short-term loans payable	181	200
Accounts payable-other	14,417	15,682
Lease obligations	66	58
Income taxes payable	1,788	3,766
Accrued consumption taxes	751	725
Provision for sales returns	1,478	1,139
Provision for bonuses	1,996	1,957
Asset retirement obligations	24	24
Other	2,114	2,272
Total current liabilities	36,481	42,222
Non-current liabilities		
Lease obligations	618	595
Deferred tax liabilities	3,184	2,261
Net defined benefit liability	4,477	4,461
Provision for directors' retirement benefits	31	31
Provision for loss on business liquidation	-	596
Asset retirement obligations	86	87
Other	2,093	2,102
Total non-current liabilities	10,492	10,136
Total liabilities	46,974	52,358
NET ASSETS		
Shareholders' equity		
Capital stock	3,450	3,450
Capital surplus	4,953	4,959
Retained earnings	137,486	143,686
Treasury stock	(13,179)	(15,387)
Total shareholders' equity	132,710	136,708
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,860	8,367
Deferred gains or losses on hedges	(38)	(126)
Foreign currency translation adjustment	1,668	(1,847)
Re-measurements of retirement benefit plans	(1,327)	(1,231)
Total accumulated other comprehensive income	9,163	5,162
Subscription rights to shares	75	70
Noncontrolling interests	75	35
Total net assets	142,023	141,976
Total liabilities and net assets	188,997	194,335

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income
 (Consolidated quarterly statements of income)
 (For the first six-month period of the fiscal year ending December 31, 2016)

(millions of yen)

	Six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Net sales	63,569	74,366
Cost of sales	25,664	28,903
Gross profit	37,905	45,463
Selling, general and administrative expenses	28,517	33,602
Operating income	9,387	11,861
Non-operating income		
Interest income	130	119
Dividend income	161	180
Royalty income	253	–
Real estate rent	144	146
Other	104	209
Total non-operating income	794	655
Non-operating expenses		
Interest expenses	12	9
Sales discounts	308	326
Rent cost of real estate	34	38
Share of loss of entities accounted for using equity method	505	–
Foreign exchange losses	70	386
Other	60	108
Total non-operating expenses	992	869
Ordinary income	9,189	11,646
Extraordinary income		
Gain on sales of non-current assets	7	2
Gain on sales of investment securities	0	–
Total extraordinary income	7	2
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	21	35
Impairment loss	21	268
Loss on defective products	188	–
Loss on business liquidation	–	9
Provision for loss on business liquidation	–	596
Other	10	29
Total extraordinary loss	242	940
Income before income taxes	8,955	10,708
Income taxes - current	3,262	3,514
Income taxes - deferred	(310)	(886)
Total income taxes	2,952	2,628
Net income	6,003	8,080
Net income (loss) attributable to noncontrolling interests	(11)	(28)
Net income attributable to owners of the parent	6,014	8,109

(Consolidated quarterly statements of comprehensive income)
 (For the first six-month period of the fiscal year ending December 31, 2016)

(millions of yen)

	Six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Net income	6,003	8,080
Other comprehensive income		
Valuation difference on available-for-sale securities	1,255	(493)
Deferred gains or losses on hedges	(102)	(87)
Foreign currency translation adjustment	352	(3,526)
Adjustment for retirement benefits	589	95
Share of other comprehensive income of associates accounted for using equity method	(338)	-
Total other comprehensive income	1,755	(4,011)
Quarterly comprehensive income	7,758	4,068
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	7,767	4,108
Comprehensive income attributable to noncontrolling interests	(8)	(39)

(3) Consolidated statement of cash flows

(millions of yen)

	Six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Cash flows from operating activities		
Income before income taxes	8,955	10,708
Depreciation	1,213	1,346
Impairment loss	21	268
Amortization of goodwill	240	332
Increase (decrease) in allowance for doubtful accounts	71	75
Decrease (increase) in net defined benefit asset	286	–
Increase (decrease) in net defined benefit liability	(408)	81
Interest and dividends income	(291)	(299)
Interest expenses	12	9
Equity in (earnings) losses of affiliates	505	–
Loss (gain) on sales of investment securities	(0)	–
Loss (gain) on sales and retirement of noncurrent assets	14	31
Decrease (increase) in notes and accounts receivable-trade	(1,868)	(6,836)
Decrease (increase) in inventories	(4,416)	(2,957)
Increase (decrease) in notes and accounts payable-trade	2,292	3,068
Increase (decrease) in accounts payable-other	170	1,875
Increase (decrease) in accrued consumption taxes	(907)	(17)
Increase (decrease) in provision for loss on business liquidation	–	596
Other	(141)	118
Total	5,749	8,401
Interest and dividend income received	296	299
Interest expenses paid	(14)	(7)
Income taxes paid	(2,932)	(1,866)
Net cash provided by (used in) operating activities	3,098	6,827
Cash flows from investing activities		
Payments into time deposits	(38,000)	(43,472)
Proceeds from withdrawal of time deposits	36,000	45,400
Purchase of property, plant and equipment	(1,472)	(1,965)
Proceeds from sales of property, plant and equipment	28	10
Purchase of intangible assets	(486)	(441)
Purchase of investment securities	(11)	(11)
Purchase of investment assets and other assets	(71)	(60)
Proceeds from sales of investment assets and other assets	25	94
Decrease (increase) in short-term loans receivable	–	(0)
Payments of long-term loans receivable	(73)	(49)
Collection of long-term loans receivable	1	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,477)
Other	(38)	(1)
Net cash provided by (used in) investing activities	(4,098)	(2,976)

(millions of yen)

	Six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	138	19
Purchase of treasury stock	(0)	(2,261)
Proceeds from disposal of treasury stock	1,306	48
Cash dividends paid	(1,872)	(1,927)
Repayments of lease obligations	(49)	(36)
Other	76	–
Net cash provided by (used in) financing activities	(401)	(4,157)
Effect of exchange rate change on cash and cash equivalents	135	(1,802)
Net increase (decrease) in cash and cash equivalents	(1,266)	(2,110)
Cash and cash equivalents at beginning of period	32,399	25,428
Increase in cash and cash equivalents from newly consolidated subsidiary	–	0
Cash and cash equivalents	31,132	23,318

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

(Notes on significant changes in shareholders' equity)

During the first six-month period of the consolidated fiscal year under review, the Company acquired treasury stock in accordance with the resolution of the Board of Directors on August 25, 2016. After the acquisition, treasury stock increased by 2,255 million yen. Meanwhile, treasury stock decreased by 47 million yen by the exercise of subscription rights to shares. Accordingly, capital surplus increased by 5 million yen. Consequently, treasury stock and capital surplus amounted to 15,387 million yen and 4,959 million yen, respectively, at the end of the second quarter of the fiscal year ending December 31, 2016.

(Segment information, etc.)
 [Segment information]

I. 1st six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)

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

	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	52,095	6,061	3,995	62,152	1,417	63,569	–	63,569
Inter-segment sales or transfers	2,418	1,009	–	3,427	2,366	5,793	(5,793)	–
Total	54,513	7,071	3,995	65,579	3,783	69,363	(5,793)	63,569
Segment income (loss)	9,007	9	(64)	8,951	445	9,397	(207)	9,189

(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 -207 million yen in segment income (loss) are eliminations among segments, and profits and expenses not distributed to the relevant business segment.
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. 1st six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)

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	57,353	11,240	4,600	73,194	1,172	74,366	–	74,366
Inter-segment sales or transfers	2,983	659	–	3,642	2,387	6,029	(6,029)	–
Total	60,336	11,900	4,600	76,837	3,559	80,396	(6,029)	74,366
Segment income (loss)	11,041	310	(176)	11,176	602	11,779	(132)	11,646

(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 -132 million yen in segment income (loss) are eliminations among segments, and profits and expenses not distributed to relevant business segment.
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

(Material impairment loss of noncurrent assets)

In the Domestic Consumer Products Business, the Company lowered the book value of business property that has low probability of being used in the future to recoverable value and posted the amount of such reduction as impairment loss.

Impairment loss related to the above event amounted to 268 million yen during the first six-month period of the consolidated fiscal year under review.

(Material change in goodwill)

In the Overseas Consumer Products Business, the Group acquired 100% ownership of Berlin Industries, Inc. and Perfecta Products, Inc.

The increase in goodwill related to the above event amounted to 2,238 million yen during the first six-month period of the consolidated fiscal year under review.

The amount of goodwill is provisional, because the allocation of the acquisition costs has not been completed.

(Significant subsequent events)

Not applicable