

Summary of Financial Statements (Japanese GAAP) (Consolidated)

Financial Results for the 1st Quarter of the Fiscal Year Ending December 31, 2016

July 28, 2016

Listed exchanges : Tokyo
 Listed company name: Kobayashi Pharmaceutical Co., Ltd.
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 Expected date for submitting quarterly securities report : August 9, 2016
 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 December 31, 2016 (April 1, 2016 to June 30, 2016)

(1) Consolidated Operating Results (accumulation)

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

	Q1 of FY ending December 31, 2016			Q1 of FY ended March 31, 2016		
Net sales	36,767	millions of yen	— %	29,971	millions of yen	10.3 %
Operating income	7,299		—	4,453		33.8
Ordinary income	7,142		—	4,632		28.6
Net income attributable to owners of the parent	5,219		—	2,884		19.3
Net income per share	64.97	yen		35.43	yen	
Net income per share after full dilution	64.92			—		

(Note) Comprehensive income: Q1 of FY ending December 31, 2016: 1,243 million yen (—%)
 Q1 of FY ended March 31, 2016 : 4,874 million yen (192.6%)

- 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 three months (April 1, 2016 to June 30, 2016) for the Company and its consolidated subsidiaries that close their accounts in March, as opposed to six months (January 1, 2016 to June 30, 2016) for consolidated subsidiaries that close their accounts in December. Therefore, the percentage of year-on-year changes has been omitted in the tables above.
- The Company implemented a two-for-one common stock split effective July 1, 2016. Net income per share and net income per share after full dilution were calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Q1 of FY ending December 31, 2016		As of March 31, 2016	
Total assets	188,754	millions of yen	188,997	millions of yen
Net assets	141,378		142,023	
Shareholders' equity ratio	74.8	%	75.1	%
Net assets per share	1,758.24	yen	1,766.06	yen

(Reference) Shareholders' equity
 Q1 of FY ending December 31, 2016: 141,257 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		24.00 yen
Q3 end	—		—
Year-end	48.00		24.00
Total	96.00		48.00

(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 and year-end dividends per share for the consolidated fiscal year ending December 31, 2016 (forecast) 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)

	(% figures represent changes from same period in previous year)					
	6-month period ending September 30, 2016 (accumulation)			FY ending December 31, 2016		
Net sales	73,000	millions of yen	— %	117,300	millions of yen	— %
Operating income	10,600		—	16,900		—
Ordinary income	10,600		—	18,800		—
Net income attributable to owners of the parent	7,000		—	13,500		—
Earnings per share	87.13 yen			168.04 yen		

(Note) Revision of the latest forecasts of operational results: Yes

1. 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.

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

2. The Company implemented a two-for-one common stock split effective July 1, 2016. Net income per share for the first six-month period and 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 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 December 31, 2016	85,050,000 shares	FY ended March 31, 2016	85,050,000 shares
Q1 of FY ending December 31, 2016	4,709,426 shares	FY ended March 31, 2016	4,716,626 shares
Q1 of FY ending December 31, 2016	80,335,996 shares	Q1 of FY ended March 31, 2016	81,434,432 shares

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.

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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 three months (April 1, 2016 to June 30, 2016) for the Company and its consolidated subsidiaries that close their accounts in March, as opposed to six months (January 1, 2016 to June 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 three-month period of the consolidated fiscal year under review witnessed 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 36,767 million yen, 7,299 million yen and 7,142 million yen, respectively, and net income attributable to owners of the parent was 5,219 million yen.

Business results by segment were as follows:

Domestic Consumer Products Business

The Domestic Consumer Products Business launched 15 new products in the spring. 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).

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 concealer of a scar), *Ninocure* (a therapeutic drug for blotches on the upper arm), *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.

As a result, net sales and segment income (ordinary income) were 29,139 million yen and 6,704 million yen, respectively. Meanwhile, operating income was 6,712 million yen.

Net sales include inter-segment sales or transfers, which totaled 1,422 million yen in the first three-month period of the consolidated fiscal year under review.

(Breakdown of sales to external customers)

	Q1 ended June 30, 2015	Q1 ended June 30, 2016
	(April 1, 2015 to June 30, 2015)	(April 1, 2016 to June 30, 2016)
	Amount	Amount
	(millions of yen)	(millions of yen)
Healthcare products	11,268	13,794
Household products	11,893	12,696
Skin care	1,158	1,301
Body warmers	(329)	(74)
Total	23,990	27,717

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 6,663 million yen and 262 million yen, respectively. Operating income was 452 million yen.

Net sales include inter-segment sales or transfers, which totaled 378 million yen in the first three-month period of the consolidated fiscal year under review.

(Breakdown of sales to external customers)

	Q1 ended June 30, 2015	Q1 ended June 30, 2016
	(April 1, 2015 to June 30, 2015)	(April 1, 2016 to June 30, 2016)
	Amount	Amount
	(millions of yen)	(millions of yen)
The United States	1,563	1,506
China	711	2,159
Southeast Asia	598	1,880
Others	465	738
Total	3,338	6,284

Direct Marketing Business

The Direct Marketing Business markets nutritional supplements and skin care products. The Company strove to attract new customers while encouraging existing customers to continue to place orders for its products through sales promotional campaigns, such as advertising and direct mail.

Consequently, the Company reported net sales of 2,244 million yen and segment loss (ordinary loss) of 10 million yen. Meanwhile, operating loss was 11 million yen.

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

Other Businesses

Businesses in this segment include the 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 1,625 million yen and segment income (ordinary income) of 324 million yen. Operating income was 101 million yen.

Net sales include inter-segment sales or transfers, amounting to 1,104 million yen in the first three-month period of the consolidated fiscal year under review.

(2) Explanation of financial position

Total assets decreased by 243 million yen from the balance as of the end of the previous fiscal year, to 188,754 million yen. This is attributable mainly to a decrease of 1,489 million yen in cash and deposits, an increase of 1,926 million yen in merchandise and finished goods, an increase of 880 million yen in buildings and structures, a decrease of 1,065 million yen in investment securities, a decrease of 518 million yen in long-term loans receivable, etc.

Liabilities increased by 401 million yen from the balance as of the end of the previous fiscal year, to 47,376 million yen. This was attributable mainly to an increase of 1,296 million yen in notes and accounts payable-trade, an increase of 914 million yen in electronically recorded obligations—operating, a decrease of 3,606 million yen in accounts payable-other, an increase of 942 million yen in income taxes payable, an increase of 2,347 million yen in current liabilities and other, a decrease of 1,054 million yen in deferred tax liabilities, an increase of 529 million yen in provision for loss on business liquidation, etc.

Net assets shrank by 645 million yen from the balance as of the end of the previous consolidated fiscal year, to 141,378 million yen, bringing capital adequacy ratio to 74.8%. This is mainly attributable to an increase of 3,309 million yen in retained earnings, a decrease of 713 million yen in valuation difference on available-for-sale securities, a decrease of 3,173 million yen in foreign currency translation adjustment, etc.

(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.

During the first quarter of the consolidated fiscal year under review, the Company saw sales expand in the Domestic Consumer Products Business. Taking the latest sales performance into account, the Company has decided to revise the forecast of consolidated operational results for the 6-month period ending September 30, 2016, announced on May 9, 2016, as follows:

Forecast of Consolidated Operational Results for the 6-month Period Ending September 30, 2016

	Revised forecast (million yen)	Previous forecast			<Reference> Operational results for the 6-month period ended September 30, 2015 (million yen)
		Previous forecast (million yen)	Changes (million yen)	Percentage change (%)	
Net sales	73,000	72,000	1,000	1.4	63,569
Operating income	10,600	9,800	800	8.2	9,387
Ordinary income	10,600	9,800	800	8.2	9,189
Profit attributable to owners of parent company	7,000	6,500	500	7.7	6,014
Earnings per share (yen)	87.13	80.91	6.22	7.7	73.71

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

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)	Q1 of current fiscal year (June 30, 2016)
ASSETS		
Current assets		
Cash and deposits	61,428	59,938
Notes and accounts receivable-trade	36,088	36,513
Short-term investment securities	4,500	4,500
Merchandise and finished goods	10,378	12,304
Work in process	777	879
Raw materials and supplies	2,796	2,708
Deferred tax assets	2,772	3,213
Other	1,681	1,926
Allowance for doubtful accounts	(75)	(33)
Total current assets	120,347	121,951
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,082	7,962
Machinery, equipment and vehicles, net	3,131	3,370
Tools, furniture and fixtures, net	1,351	1,309
Land	3,380	3,547
Lease assets, net	675	657
Construction in progress	1,564	744
Total property, plant and equipment	17,187	17,591
Intangible assets		
Goodwill	3,542	3,071
Trademark rights	29	27
Software	1,078	1,061
Other	684	636
Total intangible assets	5,334	4,796
Investments and other assets		
Investment securities	39,656	38,590
Long-term loans receivable	643	124
Deferred tax assets	321	408
Real estate for investment, net	2,992	2,983
Other	2,653	2,518
Allowance for doubtful accounts	(139)	(210)
Total investments and other assets	46,128	44,415
Total non-current assets	68,650	66,802
Total assets	188,997	188,754

(millions of yen)

	Previous consolidated fiscal year (March 31, 2016)	Q1 of current fiscal year (June 30, 2016)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	7,141	8,438
Electronically recorded obligations-operating	6,519	7,433
Short-term loans payable	181	191
Accounts payable-other	14,417	10,811
Lease obligations	66	80
Income taxes payable	1,788	2,731
Accrued consumption taxes	751	974
Provision for sales returns	1,478	1,085
Provision for bonuses	1,996	1,185
Asset retirement obligations	24	24
Other	2,114	4,461
Total current liabilities	36,481	37,419
Non-current liabilities		
Lease obligations	618	606
Deferred tax liabilities	3,184	2,129
Net retirement benefit liability	4,477	4,477
Provision for directors' retirement benefits	31	31
Provision for loss on business liquidation	—	529
Asset retirement obligations	86	87
Other	2,093	2,095
Total non-current liabilities	10,492	9,956
Total liabilities	46,974	47,376
NET ASSETS		
Shareholders' equity		
Capital stock	3,450	3,450
Capital surplus	4,953	4,956
Retained earnings	137,486	140,796
Treasury stock	(13,179)	(13,159)
Total shareholders' equity	132,710	136,042
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,860	8,147
Deferred gains or losses on hedges	(38)	(147)
Foreign currency translation adjustment	1,668	(1,504)
Re-measurements of retirement benefit plans	(1,327)	(1,279)
Total accumulated other comprehensive income	9,163	5,215
Subscription rights to shares	75	73
Noncontrolling interests	75	46
Total net assets	142,023	141,378
Total liabilities and net assets	188,997	188,754

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income
 (Consolidated quarterly statements of income)
 (Three-month period ended June 30, 2016)

(millions of yen)

	Three-month period ended June 30, 2015 (April 1, 2015 to June 30, 2015)	Three-month period ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Net sales	29,971	36,767
Cost of sales	11,969	13,958
Gross profit	18,002	22,808
Selling, general and administrative expenses	13,549	15,509
Operating income	4,453	7,299
Non-operating income		
Interest income	64	66
Dividend income	157	175
Royalty income	117	—
Real estate rent	71	72
Other	67	97
Total non-operating income	477	411
Non-operating expenses		
Interest expenses	6	7
Sales discounts	138	145
Rent cost of real estate	17	18
Foreign exchange losses	54	343
Share of loss of entities accounted for using equity method	69	—
Other	12	53
Total non-operating expenses	298	568
Ordinary income	4,632	7,142
Extraordinary income		
Gain on sales of investment securities	0	—
Gain on sales of non-current assets	—	3
Total extraordinary income	0	3
Extraordinary loss		
Loss on sales and retirement of non-current assets	0	20
Impairment loss	0	—
Loss on defective products	160	—
Loss on business liquidation	—	9
Provision for loss on business liquidation	—	529
Other	0	7
Total extraordinary loss	161	566
Income before income taxes	4,470	6,580
Income taxes - current	1,719	2,564
Income taxes - deferred	(131)	(1,184)
Total income taxes	1,588	1,379
Net income	2,882	5,200
Net loss attributable to noncontrolling interests	(2)	(18)
Net income attributable to owners of the parent	2,884	5,219

(Consolidated quarterly statements of comprehensive income)
 (Three-month period ended June 30, 2016)

(millions of yen)

	Three-month period ended June 30, 2015 (April 1, 2015 to June 30, 2015)	Three-month period ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Net income	2,882	5,200
Other comprehensive income		
Valuation difference on available-for-sale securities	2,309	(713)
Deferred gains or losses on hedges	4	(108)
Foreign currency translation adjustment	(63)	(3,183)
Adjustment for retirement benefits	28	47
Share of other comprehensive income of associates accounted for using equity method	(286)	—
Total other comprehensive income	1,992	(3,957)
Quarterly comprehensive income	4,874	1,243
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	4,875	1,271
Comprehensive income attributable to noncontrolling interests	(1)	(28)

(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, 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, and expenses and profits not distributed to each 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 non-current assets or goodwill by reportable segments

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

II. Q1 of current fiscal year (April 1, 2016 to June 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	27,717	6,284	2,244	36,246	521	36,767	—	36,767
Inter-segment sales or transfers	1,422	378	—	1,801	1,104	2,905	(2,905)	—
Total	29,139	6,663	2,244	38,047	1,625	39,672	(2,905)	36,767
Segment income (loss)	6,704	262	(10)	6,955	324	7,280	(137)	7,142

(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 -137 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 non-current assets or goodwill by reportable segments

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

(Significant subsequent events)

(Stock split)

The Company implemented a stock split effective July 1, 2016 in accordance with the resolution of the Board of Directors on May 9, 2016, as follows:

1. Purpose of stock split

The purpose of the stock split is to expand the Company's investor base and enhance the liquidity of its stock by reducing the price per unit of shares.

2. Outline of stock split

(1) Method of stock split

The record date of stock split was June 30, 2016 and common stock owned by shareholders entered or recorded in the last register of shareholders as of the record date was split at a ratio of 2 for 1.

(2) Number of increase in shares by stock split

Total number of issued shares before stock split : 42,525,000
 Number of increased shares by stock split : 42,525,000
 Total number of issued shares after stock split : 85,050,000
 Total number of authorized shares after stock split: 340,200,000

(3) Effective date of stock split

July 1, 2016