

**Consolidated Financial Statements for the Second Quarter Ended September 30, 2015
FY2016 (April 1, 2015 - March 31, 2016) [UNAUDITED]**

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 Stock exchange listings: Tokyo Stock Exchange (1st section)
 Code number: 2531
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 Quarterly statement filing date (as planned): November 10, 2015

- Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
 2. Amounts are rounded down to the nearest million yen.

1. Results for the six months ended September 30, 2015 (April 1, 2015 – September 30, 2015)

(1) Operating results

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Six months ended September 30, 2015		Six months ended September 30, 2014	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	106,943	5.7	101,130	3.7
Operating income(loss)	3,880	18.5	3,275	36.8
Ordinary income(loss)	4,326	26.2	3,429	33.7
Net income (loss) attributable to owners of the parent	2,525	38.1	1,828	(72.3)
Net income (loss) per share (Yen)	12.55		9.09	
Fully diluted net income per share (Yen)	-		-	
Note: Comprehensive income	1,413	18.1	1,196	(93.2)

(2) Financial position

	As of September 30, 2015	As of March 31, 2015
	(Millions of yen)	(Millions of yen)
Total assets	251,238	264,438
Net assets	155,695	158,404
Equity ratio (%)	51.6	49.9
(Reference) Equity	129,753	131,923

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2015	Year ending March 31, 2016	Year ending March 31, 2016 (Forecast)
First quarter end	-	-	-
Second quarter end	-	-	-
Third quarter end	-	-	-
Year end	10.00	-	11.00
Annual	10.00	-	11.00

Notes: Correction of dividend forecast from the most recent dividend forecast : No

3. Forecast for the year ending March 31, 2016 (April 1, 2015 – March 31, 2016)

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Year ending March 31, 2016	
	(Millions of yen)	(%)
Net sales	230,000	4.8
Operating income(loss)	11,300	1.8
Ordinary income(loss)	12,000	1.5
Net income (loss) attributable to owners of the parent	6,400	12.2
Net income (loss) per share (Yen)	31.81	

Note: Correction of financial forecast from the most recent financial forecast : No

4. Others

(1) Material changes in subsidiaries during this period

(Changes in scope of consolidations resulting from change in specific subsidiaries) : No

(2) Applying of specific accounting treatments of the quarterly consolidated financial statements : No

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

1) Changes based on revisions of accounting standard : Yes

2) Changes other than ones based on revisions of accounting standard : No

3) Changes in accounting estimates : No

4) Restatement : No

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares at year end (Treasury stocks are included)

As of September 30, 2015 : 217,699,743

As of March 31, 2015 : 217,699,743

2) Number of treasury stocks at year end

As of September 30, 2015 : 16,474,941

As of March 31, 2015 : 16,474,061

3) Average number of outstanding shares

Six months ended September 30, 2015 : 201,225,317

Six months ended September 30, 2014 : 201,228,886

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1. Qualitative Information for the Six Months Ended September 30, 2015

(1) Consolidated Financial Results

In the six months ended September 30, 2015, the Japanese economy maintained a moderate recovery as corporate earnings, primarily among export-related companies, and the hiring and income environment improved.

On the other hand, overseas, uncertainty over the outlook for the global economy remained with a trend of economic slowdown being observed in emerging nations in Asia, including China.

In this environment, under the Takara Group Medium-Term Management Plan FY2017, the second step in its efforts to realize its long-term Takara Group Vision 2020, the Group strived to conduct steady business activities with the aim of improving domestic business profitability and expand our overseas business intending to further increase the corporate value of the Group, while at the same time building a well-balanced business structure that can hold up well to business environment changes by accelerating the growth of our Biomedical Business.

As a result, in the six months ended September 30, 2015, net sales were up 5.7% year on year to ¥106,934 million. Gross profit rose 7.8% year on year to ¥41,632 million. Operating income increased 18.5% year on year to ¥3,880 million while ordinary income was up 26.2% year on year to ¥4,326 million. Net income attributable to owners of the parent increased 38.1% year on year to ¥2,525 million.

Results by business segment were as follows.

Reporting segments were changed from the first quarter ended June 30, 2015. The year on year comparisons shown below compare figures for the same period of the previous fiscal year that have been reclassified into reporting segments following the change.

[Takara Shuzo Group]

For alcoholic beverages, in the six months ended September 30, 2015, sales of shochu decreased. However, sales of sake increased, as sparkling sake *Sho-Chiku-Bai Shirakabe-gura Mio* and *Sho-Chiku-Bai Ten* in particular sold well, and, overseas, TAKARA SAKE USA INC. also performed strongly. Sales of light-alcohol refreshers also rose as the new *Takara Fruit Juice Zero Sugar Chu-Hi Zero Jitate* was launched in June and sales of *Takara Shochu High Ball* remained robust.

Sales of other alcoholic beverages such as whiskey and wine also rose, so sales of alcoholic beverages overall increased.

In the Seasonings Business, sales of mirin and cooking sake increased while sales of raw alcohol, etc. and transportation sales also increased.

Moreover, sales in the Japanese Food Wholesale Business in overseas markets increased as FOODEX S.A.S. (France) and COMINPORT DISTRIBUCIÓN S.L. (Spain) continued to perform strongly.

As a result, net sales for the Takara Shuzo Group increased 3.8% year on year to ¥91,872 million. Cost of sales rose 3.0% to ¥58,541 million in conjunction with the increase in net sales. As a result, gross profit rose 5.2% year on year to ¥33,330 million. SG&A expenses were up 3.2% year on year to ¥30,412 million due to an increase in advertising expenses. Accordingly, the Takara Shuzo Group recorded operating income up 33.0% year on year to ¥2,918 million.

[Takara Bio Group]

Net sales for the six months ended September 30, 2015 increased 20.8% year on year to ¥13,257 million, which was due in part to the impact of the depreciation in the value of the yen in addition to sales of mainstay research reagents, which outperformed the same period of the previous fiscal year. Cost of sales was up 20.1% year on year to ¥5,904 million in conjunction with the increase in net sales. Consequently, gross profit rose 21.5% year on year to ¥7,353 million. SG&A expenses were up 22.8% year on year to ¥6,669 million due to increases in research and development and personnel expenses. Accordingly, the Takara Bio Group recorded operating income up 9.4% year on year to ¥684 million.

[Takara Healthcare]

Net sales for the six month period ended September 30, 2015 increased 18.0% year on year to ¥955 million as sales of fucoidan-related products and OEM cosmetics continued to grow. Cost of sales was up 19.1% year on year to ¥472 million in conjunction with the increase in net sales. Consequently, gross profit increased 16.9% year on year to ¥483 million. SG&A expenses were up 17.1% year on year to ¥448 million, mainly due to the increase in advertising expenses. As a result, Takara Healthcare recorded operating income up 13.9% year on year to ¥35 million.

[Other]

Net sales of business segments other than the reported segments decreased 4.6% year on year to ¥2,703 million. Cost of sales fell 3.8% year on year to ¥2,386 million. Consequently, gross profit fell 9.8% year on year to ¥317 million. SG&A expenses were down 1.1% year on year to ¥336 million. As a result, a ¥19 million operating loss was recorded, compared to ¥11 million in operating income recorded in the same period of the previous fiscal year.

Breakdown of sales results by product category

Segment	Equivalent Period of Previous Fiscal Year (From April 1, 2014, to September 30, 2014)	Period under Review (from April 1, 2015, to September 30, 2015)	YoY Comparison
Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Takara Shuzo Group			
Shochu	31,090	29,707	95.6
Sake	9,168	9,817	107.1
Light-alcohol refreshers	13,375	14,246	106.5
Other alcoholic beverages	6,335	6,712	106.0
Alcoholic beverages total	59,970	60,484	100.9
<i>Hon Mirin</i>	6,465	7,073	109.4
Other seasonings	4,107	4,358	106.1
Seasonings total	10,573	11,432	108.1
Raw alcohol, etc.	3,171	3,494	110.2
Transportation	5,645	5,953	105.5
Japanese Food Wholesale Business in overseas markets	8,390	9,796	116.8
Other	764	711	93.1
Total	88,515	91,872	103.8
Takara Bio Group	10,971	13,257	120.8
Takara Healthcare	810	955	118.0
Other	2,833	2,703	95.4
Sales not allocated to business segments and intersegment transactions	(1,999)	(1,855)	-
Total	101,130	106,934	105.7

Notes 1. Amounts include alcohol tax but do not include consumption tax.
: 2. From the first quarter of this fiscal year, the Company had made changes to reporting segments, and sales results for the first six months of the previous fiscal year have been prepared and presented in accordance with reporting segments following the changes.
See "3. Consolidated Quarterly Financial Statements (4) Notes on Consolidated Quarterly Financial Statements (Segment Information)" for details of changes to reporting segments.

(2) Consolidated Financial Position

Total assets stood at ¥251,238 million as of September 30, 2015, down ¥13,200 million from March 31, 2015. This included a ¥6,920 million decrease in current assets from the end of the previous fiscal year to ¥153,732 million. This primarily resulted from a decline of ¥7,835 million in cash and deposits.

Non-current assets decreased by ¥6,280 million from the end of the previous fiscal year to ¥97,505 million. The main factor was a decrease of ¥6,514 million in investment securities.

Total liabilities amounted to ¥95,542 million as of September 30, 2015, down ¥10,491 million from March 31, 2015. Current liabilities fell ¥9,977 million from the end of the previous fiscal year to ¥44,899 million. This primarily resulted from a decline of ¥5,000 million in the current portion of bonds and a decline of ¥2,981 million in other current liabilities such as consumption tax payable.

Non-current liabilities declined ¥514 million from the end of the previous fiscal year to ¥50,642 million.

Net assets stood at ¥155,695 million as of September 30, 2015, down ¥2,709 million from March 31, 2015. The main factors were a decrease of ¥1,316 million in capital surplus and a decrease of ¥1,116 million in valuation difference on available-for-sale securities.

Net cash used in operating activities in the six months ended September 30, 2015 was ¥908 million, a decrease of ¥398 million in cash used in operating activities in the six months ended September 30, 2014. Major factors included income before income taxes and minority interests of ¥4,525 million, depreciation and amortization of ¥2,494 million, an increase of ¥1,747 million in inventories, a decrease of ¥1,896 million in consumption taxes payable, and income taxes paid of ¥2,854 million.

Net cash used in investing activities in the six months ended September 30, 2015 amounted to ¥5,677 million, an increase of ¥804 million in cash used in investing activities in the six months ended September 30, 2014. Outflows came in the form of payments of ¥10,053 million for the purchase of investment securities, ¥3,475 million for time deposits, and ¥3,236 million for the purchase of property, plant and equipment while inflows came in the form of proceeds of ¥6,370 million from the withdrawal of time deposits and ¥5,112 million from the sale and redemption of marketable securities.

Net cash provided by financing activities in the six months ended September 30, 2015 was ¥9,067 million compared to ¥7,339 million in net cash provided by financing activities in the six months ended September 30, 2014. Major factors

included outflows of ¥5,000 million for the redemption of bonds, ¥2,011 million for cash dividends paid, and ¥2,022 million for the purchase of stocks of subsidiaries and affiliates not accompanied by changes in the scope of consolidation.

As a result, cash and cash equivalents as of September 30, 2015, including translation differences related to cash and cash equivalents, stood at ¥27,199 million, down ¥15,549 million from the previous fiscal year-end.

(3) Qualitative Information Regarding Consolidated Forecasts

Net sales and profit both slightly exceeded initial forecasts during the six months ended September 30, 2015. For the full year, net sales at the Takara Bio Group are expected to exceed initial forecasts while on the profit front an increase in SG&A expenses, including research and development expenses, is expected. The business environment for the Takara Shuzo Group's domestic alcoholic beverages business, which experiences peak demand from now through to the end of the year, and the trends in personal consumption remain uncertain.

As a result, the initial full-year forecasts for net sales, operating income, ordinary income, and net income attributable to owners of the parent for the Group as a whole are unchanged.

2. Summary Information (Notes)

Change in Accounting Policy and Retrospective Restatement of Accounting Estimates

(Change in Accounting Policy)

(Application of Accounting Standard for Retirement Benefits)

The "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on September 13, 2013, hereinafter the "Business Combinations Accounting Standard"), the "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013, hereinafter the "Consolidated Financial Statements Accounting Standard"), and the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013, hereinafter the "Business Divestitures Accounting Standard") have been applied from the first quarter of this fiscal year. As a result, for subsidiaries the Company continues to control, differences arising due to changes in the ownership interest are entered in capital surplus and costs associated with the acquisition of ownership interests are now treated as expenses in the consolidated fiscal year in which they are incurred. In addition, for business combinations that are implemented after the beginning of the first quarter of 2015, revisions to the allocation of the cost of acquisitions as determined by provisional accounting treatment are reflected in the quarterly consolidated financial statements for the quarter in which the business combination took place. Additionally, the Company has changed the method of presenting consolidated quarterly net income and changed "minority interests in consolidated subsidiaries" to non-controlling interests in consolidated subsidiaries." To reflect these changes, the Company has reclassified its quarterly consolidated financial statements for the first six months of the previous fiscal year and consolidated financial statements for the previous fiscal year.

In the Consolidated Quarterly Statements of Cash Flows for the six months ended September 30, 2015, cash flows related to the purchase of stocks in subsidiaries and affiliates not accompanied by changes in the scope of consolidation are recorded in Net cash provided by (used in) financing activities, and cash flows related to expenses incurred in relation to the purchase of stocks in subsidiaries and affiliates not accompanied by changes in the scope of consolidation are recorded in Net cash provided by (used in) operating activities.

The Company has applied these standards in accordance with transitional treatment prescribed in Section 58-2(4) of the Business Combinations Accounting Standard, Section 44-5(4) of the Consolidated Financial Statements Accounting Standard, Section 57-4(4) of the Business Divestitures Accounting Standard, and will continue to apply these standards from the beginning of the first quarter of this fiscal year into the future.

As a result of these changes, consolidated operating income, ordinary income and net income before income taxes increased by ¥11 million respectively for the six months ended September 30, 2015. In addition, capital surplus as of September 30, 2015 decreased by ¥1,316 million.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2015	As of Sep. 30, 2015
Assets		
Current assets		
Cash and deposits	41,296	33,461
Notes and accounts receivable-trade	54,617	53,692
Securities	27,022	26,467
Merchandise and finished goods	28,524	30,046
Work in process	958	1,243
Raw materials and supplies	3,317	3,378
Other	5,148	5,647
Allowance for doubtful accounts	(233)	(205)
Total current assets	160,653	153,732
Noncurrent assets		
Property, plant and equipment	53,085	53,860
Intangible assets		
Goodwill	8,071	7,555
Other	4,286	4,195
Total intangible assets	12,358	11,751
Investments and other assets		
Investment securities	32,900	26,385
Other	5,608	5,673
Allowance for doubtful accounts	(166)	(165)
Total investments and other assets	38,342	31,893
Total noncurrent assets	103,785	97,505
Total assets	264,438	251,238

(Millions of Yen)

	As of Mar. 31, 2015	As of Sep. 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,680	15,078
Short-term loans payable	5,292	5,389
Current portion of bonds	5,000	—
Accrued alcohol tax	7,615	7,429
Accrued expenses	5,456	4,558
Income taxes payable	2,107	1,412
Provision for bonuses	2,162	2,487
Other provision	1,868	1,828
Other	9,695	6,714
Total current liabilities	54,877	44,899
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	10,334	10,430
Net defined benefit liability	8,407	8,523
Long-term deposits received	5,622	5,521
Other	6,792	6,166
Total noncurrent liabilities	51,156	50,642
Total liabilities	106,034	95,542
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	3,196	1,879
Retained earnings	108,647	109,160
Treasury stock	(9,937)	(9,938)
Total shareholders' equity	115,132	114,328
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,098	7,981
Deferred gains or losses on hedges	558	245
Foreign currency translation adjustment	7,431	7,536
Remeasurements of defined benefit plans	(297)	(337)
Total accumulated other comprehensive income	16,791	15,425
Noncontrolling interests	26,481	25,941
Total net assets	158,404	155,695
Total liabilities and net assets	264,438	251,238

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**(Consolidated Statements of Income)****(For the Six Months Ended September 30, 2015 and 2014)**

(Millions of Yen)

	FY2015 (Apr. 1, 2014 – Sep. 30, 2014)	FY2016 (Apr. 1, 2015 – Sep. 30, 2015)
Net sales	101,130	106,934
Cost of sales	62,502	65,302
Gross profit	38,627	41,632
Selling, general and administrative expenses	35,351	37,751
Operating income	3,275	3,880
Non-operating income		
Dividends income	236	248
Other	324	510
Total non-operating income	560	759
Non-operating expenses		
Interest expenses	247	225
Other	159	87
Total non-operating expenses	407	312
Ordinary income	3,429	4,326
Extraordinary income		
Gain on sales of investment securities	19	260
Other	59	11
Total extraordinary income	78	271
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	128	50
Loss on valuation of investment securities	—	23
Directors' retirement benefits	34	—
Other	1	—
Total extraordinary losses	164	73
Income before income taxes and minority interests	3,343	4,525
Income taxes-current	1,310	2,117
Income taxes-deferred	(76)	(298)
Total income taxes	1,233	1,819
Net income	2,110	2,705
Net income attributable to the noncontrolling interest	281	180
Net income attributable to owners of the parent	1,828	2,525

(Consolidated Quarterly Statements of Comprehensive Income)
(For the Six Months Ended September 30, 2015 and 2014)

(Millions of Yen)

	FY2015 (Apr. 1, 2014 – Sep. 30, 2014)	FY2016 (Apr. 1, 2015 – Sep. 30, 2015)
Net income	2,110	2,705
Other comprehensive income		
Valuation difference on available-for-sale securities	936	(1,116)
Deferred gains or losses on hedges	166	(316)
Foreign currency translation adjustment	(1,837)	128
Remeasurements of defined benefit plans	(92)	(37)
Share of other comprehensive income of associates accounted for using equity method	(87)	50
Total other comprehensive income	(913)	(1,292)
Comprehensive income	1,196	1,413
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,309	1,159
Comprehensive income attributable to noncontrolling interest	(112)	253

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2015 (Apr. 1, 2014 – Sep. 30, 2014)	FY2016 (Apr. 1, 2015 – Sep. 30, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,343	4,525
Depreciation and amortization	2,127	2,494
Interest and dividends income	(337)	(386)
Interest expenses	247	225
Loss (gain) from sales of investment securities	(19)	(260)
Decrease (increase) in notes and accounts receivable-trade	1,772	854
Decrease (increase) in inventories	(1,937)	(1,747)
Increase (decrease) in notes and accounts payable-trade	40	(528)
Increase (decrease) in liquor taxes payable	(1,066)	(185)
Increase (decrease) in accrued consumption taxes	745	(1,896)
Decrease (increase) in other current assets	(313)	(1,140)
Other, net	(95)	(198)
Subtotal	4,506	1,755
Interest and dividends income received	355	425
Interest expenses paid	(244)	(234)
Income taxes paid	(5,923)	(2,854)
Net cash provided by (used in) operating activities	(1,306)	(908)
Net cash provided by (used in) investing activities		
Payments into time deposits	(10,856)	(3,475)
Proceeds from withdrawal of time deposits	11,231	6,370
Purchase of securities	(3,880)	(10,053)
Proceeds from sales and redemption of securities	1,686	5,112
Purchase of property, plant and equipment and intangible assets	(3,045)	(3,236)
Proceeds from sales of investment securities	28	270
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(142)	—
Other, net	105	(664)
Net cash provided by (used in) investing activities	(4,873)	(5,677)
Net cash provided by (used in) financing activities		
Proceeds from issuance of bonds	10,100	146
Redemption of bonds	—	(5,000)
Cash dividends paid	(2,211)	(2,011)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(2,022)
Other, net	(549)	(180)
Net cash provided by (used in) financing activities	7,339	(9,067)
Effect of exchange rate change on cash and cash equivalents	(471)	103
Net increase (decrease) in cash and cash equivalent	687	(15,549)
Cash and cash equivalents at beginning of period	34,608	42,749
Cash and cash equivalents at end of period	35,296	27,199

(4) Notes on Consolidated Quarterly Financial Statements

(Notes on Premise of Going Concern)

No items to report.

(Notes on Material Changes in Shareholders' Equity)

No items to report.

(Segment Information)

I. Equivalent Period of Previous Fiscal Year (From April 1, 2014, to September 30, 2014)

1. Net sales and Income (Loss) by Reported Segment

<Information for the first six months of the previous fiscal year prepared in accordance with classifications following changes>

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo Group	Takara Bio Group	Takara Healthcare	Subtotal				
Net sales								
External customers	88,358	10,585	809	99,753	1,150	100,904	226	101,130
Intersegment	156	385	0	542	1,682	2,225	(2,225)	-
Total	88,515	10,971	810	100,296	2,833	103,129	(1,999)	101,130
Segment income (loss)	2,194	625	30	2,850	11	2,862	413	3,275

- Notes:
- Other includes business segments that are not part of reported segments, such as the printing business and other subsidiaries.
 - Details of adjustment amounts are as follows.
 - Net sales to external customers are income from real estate rent recognized by the Company.
 - Segment income comprises intersegment eliminations of ¥20 million and income of the Company not allocated to business segments of ¥392 million.
 - Segment income has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

No items to report.

II. Period under Review (From April 1, 2015, to September 30, 2015)

1. Net sales and Income (Loss) by Reported Segment

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo Group	Takara Bio Group	Takara Healthcare	Subtotal				
Net sales								
External customers	91,741	12,811	954	105,507	1,196	106,704	230	106,934
Intersegment	131	446	1	578	1,507	2,086	(2,086)	-
Total	91,872	13,257	955	106,086	2,703	108,790	(1,855)	106,934
Segment income	2,918	684	35	3,638	(19)	3,619	260	3,880

- Notes:
- Other includes business segments that are not part of reported segments, such as the printing business and other subsidiaries.
 - Details of adjustment amounts are as follows.
 - Net sales to external customers are income from real estate rent recognized by the Company.
 - Segment income (loss) comprises intersegment eliminations of ¥37 million and income of the Company not allocated to business segments of ¥223 million.
 - Segment income (loss) has been adjusted to the operating loss of consolidated quarterly statements of income.

2. Matters concerning Changes to Reporting Segments

(Changes to Classifications for Reporting Segments)

The Company implemented an absorption-type merger for consolidated subsidiary TaKaRa Network System Co., Ltd. on April 1, 2015. With the merger, the business of TaKaRa Network System, which was included in Other until the previous fiscal year, has been included in Adjustment from the first quarter of this fiscal year.

“Net sales and Income (Loss) by Reported Segment” for the first six months of the previous fiscal year is presented with amounts reclassified following the relevant changes.

(Application of Revised Accounting Standard for Business Combinations, etc.)

As stated in “Change in Accounting Policy,” the “Revised Accounting Standard for Business Combinations” and other standards have been applied from the first quarter of this fiscal year. As a result, for subsidiaries the Company continues to control, differences arising due to changes in the ownership interest are entered in capital surplus and

costs associated with the acquisition of ownership interests are now treated as expenses in the consolidated fiscal year in which they are incurred. In addition, for business combinations that are implemented after the beginning of the first quarter of 2015, revisions to the allocation of the cost of acquisitions as determined by provisional accounting treatment are reflected in the quarterly consolidated financial statements for the quarter in which the business combination took place.

As a result of these changes, segment income for the six months ended September 30, 2015 increased by ¥11 million for the Takara Shuzo Group as compared with the previous accounting method.

3. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

No items to report.