

NOTICE: This is a translation of a notice issued on June 2, 2015 in Japanese and is made solely for the convenience of the foreign shareholders. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Securities code: 4536

June 2, 2015

**CONVOCATION NOTICE  
OF THE 103<sup>RD</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

We hereby inform you of the 103<sup>rd</sup> Annual General Meeting of Shareholders of the Company to be held as set forth below. Your presence at the meeting will be highly appreciated.

If you cannot attend the Meeting, you are entitled to exercise your voting right by a written form or via the Internet.\* In such a case, after reviewing the attached “Reference Materials for the General Meeting of Shareholders,” please exercise your voting right by: filling up the Voting Card indicating your assent or dissent to the items on the agenda, and returning the card to us by mail before 17:30 on Tuesday, June 23, 2015; or, accessing the website (<http://www.evotep.jp/>) designated by the Company for voting using your personal computer, and exercising your voting right before 17:30 of the aforementioned day.

Very truly yours,

Akira Kurokawa  
Representative Director  
President & CEO

SANTEN PHARMACEUTICAL CO., LTD.  
9-19, Shimoshinjo 3-chome, Higashiyodogawa-ku, Osaka, Japan  
[Corporate Headquarters: 4-20, Ofuka-cho, Kita-ku, Osaka, Japan]

\*Please note that shareholders outside Japan may not directly use this means outside Japan.

## AGENDA

1. **Date and Time: Wednesday, June 24, 2015 at 10:00 a.m.**  
(Start of admission at 9:00 a.m.)
2. **Place: HINOKI at the 2nd Floor of InterContinental Osaka**  
**3-60, Ofuka-cho, Kita-ku, Osaka, Japan**
3. **Agenda**  
**Reports:** 1. Reports on the Business Report, Consolidated Financial Statements and Financial Statements for the 103<sup>rd</sup> Business Term (April 1, 2014 to March 31, 2015)  
  
2. Reports on the Audit Reports by the Accounting Auditors and the Board of Corporate Auditors on the Consolidated Financial Statements for the 103<sup>rd</sup> Business Term (April 1, 2014 to March 31, 2015)

### Items for Resolution:

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Appointment of Five (5) Directors
- Proposal No. 3** Appointment of Two (2) Corporate Auditors

### 4. Matters Determined concerning the Convocation

Please see the Information regarding the Exercise of Voting Rights, etc., on page 3.\*

\*Japanese version only.

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#### ■ Disclosure via the Internet

Pursuant to laws and regulations as well as Article 16 of the Company's Articles of Incorporation, the lists described below are posted on the website of the Company (<http://www.santen.co.jp/ja/ir/document/meeting.jsp>) and hence, are not provided in the Appendices\* hereto.

- (1) Explanatory Notes to the Consolidated Financial Statements; and
- (2) Explanatory Notes to the Financial Statements.

Please be informed that the Consolidated Financial Statements and the Financial Statements that have been audited by the Corporate Auditors and the Accounting Auditors consist of documents included in the Appendices hereto as well as the Explanatory Notes described in (1) and (2) above posted on the website of the Company.

\*Japanese version only.

- ◎ Changes in the Reference Materials for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Financial Statements, if any, shall be publicized via the Internet on the website of the Company (<http://www.santen.co.jp/ja/ir/document/meeting.jsp>).

## **REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS**

Proposals and Reference Information

### **Proposal No. 1 Appropriation of Surplus**

The Board of Directors proposes to appropriate the surplus as follows:

#### **Matters regarding the Term-End Dividends of Profits**

##### Basic Policy on Dividends of Profits

Distribution of profits to shareholders is considered by the Company as a key focus of management. The Company's policy is to set dividends at a level that is stable and sustainable while, at the same time, maintaining capital efficiency and securing funds that will allow the Company to invest in research and development, which is necessary for our growth in the future, and strategic business collaborations. The Company also continually assesses the acquisition and cancellation of its treasury shares in a flexible manner.

Under the Medium-term Management Plan FY2014-2017, the Company aims to maintain the dividend payout ratio at around 40%, taking into account the distribution of profits to shareholders, securing funds necessary for our growth in the future, and the like.

##### Term-End Dividends of Profits for the 103<sup>rd</sup> Business Term

For the 103<sup>rd</sup> Business Term, the Board of Directors proposes term-end dividends of profits at JPY 60 per share, which is JPY 10 higher than the previous business term.

Consequently, the total dividends for the annual business term, including the interim dividends previously distributed (JPY 50 per share), will be JPY 110 per share, and the dividend payout ratio for the current term will be 37.8 %, upon the approval of the term-end dividends of profits.

- (1) Kind of dividend property: cash
- (2) Matters concerning the distribution of dividend property to shareholders and the aggregate amount thereof: JPY 60 per share of the common shares of the Company, which amounts to JPY 4,958,955,480 in the aggregate.
- (3) Effective date of distribution of dividends from the surplus: June 25, 2015

(Note) Although the Company split its shares as of April 1, 2015 at the ratio of five (5) shares per common share of the Company, the aforesaid term-end dividend of profit shall be made based on the number of shares held as of March 31, 2015.

## Proposal No. 2 Appointment of Five (5) Directors

The term of office of all the Directors will expire at the close of this Annual General Meeting of Shareholders. The Board of Directors proposes the appointment of the five (5) Directors specified below.

The candidates for Director are as follows:

The candidate who will be newly appointed is shown with an asterisk (\*) next to her name

Candidate No.	Name (Date of birth)	Profile (Positions and responsibilities at the Company, and material posts concurrently held in other juridical persons)	Number of Santen shares owned
1	<b>Akira KUROKAWA</b> (September 5, 1952)	<p>April 1977* Joined the Company</p> <p>April 1997 General Manager, Office of the Head of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>June 1997 Director</p> <p>June 1998 Deputy Head of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>May 2001 Head of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>June 2001 Corporate Officer</p> <p>July 2004 Senior Corporate Officer</p> <p>June 2006 President &amp; COO</p> <p>June 2008 President of Santen Holdings U.S., Inc.</p> <p>June 2008 President &amp; CEO (incumbent)</p>	150,000 shares
2	<b>Sadatoshi FURUKADO</b> (January 14, 1954)	<p>April 1977* Joined the Company</p> <p>November 1996 Area Manager, Tokai Area, Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>April 2000 Head of Prescription Pharmaceuticals Sales Department</p> <p>July 2005 Corporate Officer</p> <p>June 2006 Head of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>July 2007 Senior Corporate Officer</p> <p>April 2011 Executive Corporate Officer, Japan and Asia Business and Head of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>June 2011 Director (incumbent)</p> <p>April 2013 Executive Corporate Officer, Japan Business and Human Resources Development, Head of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>April 2014 Vice President Corporate Officer, in charge of Japan Business and Global Human Resources Development (incumbent)</p>	71,500 shares
3	<b>Akihiro OKUMURA</b> (December 1, 1945)	<p>April 1988 Professor, Keio Business School, Keio University</p> <p>October 2008 Professor Emeritus, Keio University (incumbent)</p> <p>October 2008 Professor, School of Management and Information, University of Shizuoka</p> <p>December 2008 Dean, Graduate School of Management and Information, University of Shizuoka</p> <p>April 2011 Dean, Graduate School of Management and Information of Innovation, University of Shizuoka</p> <p>June 2011 Outside Director of the Company (incumbent)</p> <p>April 2014 Special Appointed Professor, Graduate School of Management and Information of Innovation, University of Shizuoka (incumbent)</p> <p>April 2015 Vice President, University of Shizuoka (incumbent)</p> <p>Material posts concurrently held in other juridical persons: Vice President, University of Shizuoka Special Appointed Professor, Graduate School of Management and Information of Innovation, University of Shizuoka Professor Emeritus, Keio University</p> <p>Total term of office until the close of this Meeting: Four (4) years Number of attendance at Board of Directors' meetings: 12 out of 13 meetings</p>	Nil

4	<p><b>Takayuki KATAYAMA</b> (October 9, 1945)</p>	<p>June 1997 Director and General Manager, Sales Division of Films Business, Teijin Limited  June 2000 Managing Director, Teijin Limited  October 2001 General Manager, Films Business Group, Teijin Limited; and CEO, Teijin DuPont Films Limited;  April 2004 CSO (Chief Strategy Officer), Teijin Limited  June 2004 Senior Managing Director and Representative Director, Teijin Limited  June 2006 Executive Vice-President and Representative Director, Teijin Limited  April 2007 CSRO (Chief Social Responsibility Officer), Teijin Limited  April 2009 CFO, Teijin Limited  June 2011 Senior Advisor to CEO, Teijin Limited (incumbent)  June 2012 Outside Director of the Company (incumbent)  June 2012 Outside Corporate Auditor, Toyo Seikan Group Holdings, Ltd. (incumbent)</p> <p>Material posts concurrently held in other juridical persons:  Senior Advisor to CEO, Teijin Limited  Outside Corporate Auditor, Toyo Seikan Group Holdings, Ltd.</p> <p>Total term of office until the close of this Meeting: Three (3) years  Number of attendance at Board of Directors' meetings:  13 out of 13 meetings</p>	Nil
5	<p>* <b>Kanoko OISHI</b> (March 24, 1961)</p>	<p>January 1993 Partner, McKinsey &amp; Company, Inc.  June 2000 Established Mediva, Inc. Representative Director (incumbent)  July 2000 Established Seinan MEDIVA Co., Ltd. (currently, Seeds 1); Representative Director (incumbent)  April 2004 Established Platanus Medical Corporation; COO (incumbent)  June 2010 Outside Director, Astellas Pharma Inc.</p> <p>Material posts concurrently held in other juridical persons:  Representative Director, Mediva Inc.</p>	Nil

(Note 1) None of the above candidates for Director have a special interest in the Company.

(Note 2) Among the candidates for Director, Akihiro Okumura, Takayuki Katayama and Kanoko Oishi are candidates for Outside Director.

(Note 3) Among the candidates for Director, the Company designated Akihiro Okumura and Takayuki Katayama as Independent Officers pursuant to Article 436-2, Paragraph 1 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., and has filed their names therewith. The Company, through a filing, has informed the Tokyo Stock Exchange, Inc. that, upon the approval of the appointment of Kanoko Oishi under this Proposal, she will become an Independent Officer.

(Note 4) Reasons for the appointment of the candidates for Outside Director; and agreement with Outside Directors on limitation of liability:

(1) Reasons for the appointment of the candidates for Outside Director:

(i) As regards Akihiro Okumura, considering that he has extensive knowledge and experience amassed through long years of professorship in business administration at the undergraduate and graduate schools of several universities, albeit he has no experience of direct involvement in the management of companies, and that he has contributed to enhance the quality of the discussions in the Board of Directors, the Board of Directors believes that he is well-qualified to be an Outside Director, and proposes his appointment as such.

(ii) As regards Takayuki Katayama, considering that he has extensive knowledge and

experience amassed through long years of involvement in management in the country and overseas, and that he has contributed to enhance the quality of the discussions in the Board of Directors, the Board of Directors believes that he is well-qualified to be an Outside Director, and proposes his appointment as such.

(iii) As regards Kanoko Oishi, considering that she has extensive knowledge and experience amassed through long years of involvement in management in the country and overseas, and that she is expected to enhance the quality of the discussions in the Board of Directors, the Board of Directors believes that she is well-qualified to be an Outside Director, and proposes her appointment as such.

(2) Agreement with the Outside Directors to limit their liability:

To further ensure the Company's objective and transparent management through the invitation and appointment of capable and competent persons for the post of Outside Director, it is provided in Article 27 of the Company's current Articles of Incorporation that the Company may enter into an agreement with any Outside Director to limit his or her liability for any damage that may be caused by his or her negligence in the performance of his or her duty. Pursuant to such provision, the Company has previously entered into agreements with Akihiro Okumura and Takayuki Katayama, the candidates for Outside Director, to limit their liability for any such damage. Upon the approval of the reappointment of these Outside Directors under this Proposal, the foregoing agreements are planned to be renewed. Upon the approval of the appointment of Kanoko Oishi, who is a candidate for Outside Director under this Proposal, such agreement is planned to be concluded between her and the Company as well. The outline of such agreement is as follows:

- In case the Outside Director becomes liable for damages suffered by the Company due to his or her negligence in the performance of his or her duty, he or she shall be liable for such damages only up to the maximum amount set forth in Article 425, Paragraph 1 of the Companies Act.
- The aforementioned limitation on liability of the Outside Director shall be allowed only if he or she performed his or her duty, which caused the damages, in good faith and without gross negligence.

(Note 5) The Company split its shares as of April 1, 2015 at the ratio of five (5) shares per common share of the Company. The number of Santen shares owned described above is the number of such shares after the said share split.

### Proposal No. 3 Appointment of Two (2) Corporate Auditors

The term of office of the Corporate Auditors, Yasuaki Tsuchiya and Yutaka Mizuno, will expire at the close of this Annual General Meeting of Shareholders. The Board of Directors proposes the appointment of the two (2) Corporate Auditors specified below.

The Board of Corporate Auditors has consented to the submission of this item for resolution.

The candidates for Corporate Auditor are as follows:

The candidate who will be newly appointed is shown with an asterisk (\*) next to his name.

Candidate No.	Name (Date of birth)	Profile (Positions and responsibilities in the Company/other entities and material posts concurrently held in other juridical persons)	Number of Santen shares owned
1	<b>Yutaka MIZUNO</b> (August 28, 1946)	<p>April 1998 Representative Director and President, Matsushita Electric Asia Pte. Ltd. (currently, Panasonic Asia Pacific Pte. Ltd.)</p> <p>July 2000 Director, Corporate Management Division for CIS, the Middle East &amp; Africa, Matsushita Electric Industrial Co., Ltd. (currently, Panasonic Corporation)</p> <p>April 2003 Vice President, Panasonic Automotive Systems Company (currently, Automotive &amp; Industrial Systems Company, Panasonic Corporation) and President, Panasonic Automotive Electronics Co., Ltd.</p> <p>June 2004 Executive Officer, Matsushita Electric Industrial Co., Ltd. (currently, Panasonic Corporation)</p> <p>June 2011 Outside Corporate Auditor of the Company (incumbent)</p> <p>June 2013 Outside Audit &amp; Supervisory Board Member, Kokuyo Co., Ltd. (incumbent)</p> <p>Material posts concurrently held in other juridical persons: Outside Audit &amp; Supervisory Board Member, Kokuyo Co., Ltd.</p> <p>Total term of office until the close of this Meeting: Four (4) years</p> <p>Number of attendance at Board of Directors' meetings: 13 out of 13 meetings</p> <p>Number of attendance at Board of Corporate Auditors' meetings: 10 out of 10 meetings</p>	Nil
2	* <b>Seiichiro ADACHI</b> (April 11, 1952)	<p>January 2000 President &amp; CEO, Toyota France S.A.S.</p> <p>January 2004 General Manager, Europe Div., Europe Operations Group, Toyota Motor Corporation</p> <p>April 2006 Senior General Manager, Toyota Tsusho Corporation</p> <p>June 2007 Managing Executive Officer, Toyota Tsusho Corporation</p> <p>June 2008 Managing Director, Toyota Tsusho Corporation</p> <p>June 2010 President, NV Toyota Tsusho Europe SA</p> <p>June 2013 Full-time Audit &amp; Supervisory Board Member, Toyota Tsusho Corporation (incumbent) *</p> <p>*Retiring on June 23, 2015</p> <p>Material posts concurrently held in other juridical persons: Not applicable</p>	Nil

(Note 1) The above candidates for Corporate Auditor have no special interest in the Company.

(Note 2) Among the candidates for Corporate Auditor, Yutaka Mizuno and Seiichiro Adachi are candidates for Outside Corporate Auditor.

(Note 3) Among the candidates for Corporate Auditor, the Company designated Yutaka Mizuno as an Independent Officer pursuant to Article 436-2, Paragraph 1 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., and has filed his name therewith. The Company, through a filing, has informed the Tokyo Stock Exchange, Inc. that, upon the approval of the appointment of Seiichiro Adachi under this Proposal, he will become an Independent Officer.

(Note 4) Reasons for the appointment of the Outside Corporate Auditors; and agreement with the Outside Corporate Auditors on limitation of liability:

(1) Reasons for the appointment of the Outside Corporate Auditors:

- (i) As regards Yutaka Mizuno, since he has extensive knowledge and experience amassed through long years of involvement in management in the country and overseas, the Board of Directors believes that he is well-qualified to be an Outside Corporate Auditor, and proposes his appointment as such.
- (ii) As regards Seiichiro Adachi, since he has extensive knowledge and experience amassed through long years of involvement in management in the country and overseas, and he has been involved in auditing services as a standing corporate auditor of a company listed on the First Section of the Tokyo Stock Exchange, Inc., the Board of Directors believes that he is well-qualified to be an Outside Corporate Auditor, and proposes his appointment as such.

(2) Agreement with the Outside Corporate Auditors to limit liability:

To further ensure the Company's objective and transparent management through the invitation and appointment of capable and competent persons for the post of Outside Corporate Auditor, it is provided in Article 35 of the Company's current Articles of Incorporation that the Company may enter into an agreement with any Outside Corporate Auditor to limit his or her liability for any damage that may be caused by his or her negligence in the performance of his or her duty. Pursuant to such provision, upon the approval of the reappointment of Yutaka Mizuno as the Outside Corporate Auditor under this Proposal, the foregoing agreement is planned to be renewed. Upon the approval of the appointment of Seiichiro Adachi, who is a candidate for Outside Corporate Auditor under this Proposal, such agreement is planned to be concluded between with him and the Company as well. The outline of such agreement will be as follows:

- In case the Outside Corporate Auditor becomes liable for damages to the Company due to his or her negligence in the performance of his or her duties, he or she shall be liable for such damages to the maximum amount set forth in Article 425, Paragraph 1 of the Companies Act.
- The aforementioned limitation on the liability of the Outside Corporate Auditor shall be allowed only if he or she performed his or her duty, which caused the damages, in good faith and without gross negligence.



## For Your Reference:

### 1. The Company's Policy and Procedures for the Appointment of Candidates for Director and Corporate Auditor

#### (1) Appointment of Candidates for Director

In the Company, the Nominating Committee, which is comprised of the President & CEO and three (3) Outside Directors, deliberates on the selection of candidates for Director, and based on its recommendation, the Board of Directors determines the candidates for Director. Upon deliberation by the Nominating Committee, the guiding principle for the selection of candidates for Director is that each nominee must have credentials such as superb expertise, ability to participate in decision-making from a managerial standpoint and supervise execution of the duties by directors, while the guiding principle for the selection of candidates for Outside Director is that each nominee must have credentials such as being capable of contributing to enhance the quality of the discussions in the Board of Directors with experience in managing companies or a specialized understanding of corporate management, and satisfies the criteria of independence established by the Company.

#### (2) Appointment of Candidates for Corporate Auditor

In the Company, the Nominating Committee discusses the recommendation of candidates for Corporate Auditor, and then the Board of Directors determines the nominees as candidates for Corporate Auditor after it obtains the consent of the Board of Corporate Auditors. Upon consent by the Board of Corporate Auditors, the guiding principle for the selection of candidates for Corporate Auditor is that each nominee must have credentials such as having ethical values and a sense of fairness, while being experienced in performing high-level duties in any field, while the guiding principle for the selection of candidates for Outside Corporate Auditor is that each nominee must have credentials such as being experienced in academic pursuits, the legal profession or management as well as having a wealth of experience and high expertise in each field, and satisfies the criteria of independence established by the Company.

### 2. Criteria of Independence of Outside Directors and Outside Corporate Auditors

From the viewpoint of further strengthening corporate governance as well as enhancing the transparency and objectiveness of management, the Company has established the following criteria in determining that each of the Outside Directors and Outside Corporate Auditors has no interest in the Company and its affiliate companies (collectively, the "Santen Group"), and that each of them is "independent."

- (1) In the past, the relevant director/corporate auditor has never been a director, corporate auditor or employee of the Santen Group.
- (2) The relevant director/corporate auditor is not a consultant, accounting expert or legal expert, regardless of whether he/she/it is an individual or a juridical person, who has ever been directly involved in the business of the Santen Group, and has never obtained money or other assets in an amount of JPY 10 million or more per year therefrom, during the past three (3) years.
- (3) During the past three (3) years, the relevant director/corporate auditor has never been a director and the like (including a corporate officer or other person equivalent thereto; hereinafter, the same shall apply) of a company with sales to the Santen Group amounting to 2% or more of the annual sales of such company. Also, during the past three (3) years, the relevant director/corporate auditor has never been a director and the like of a company with sales by the Santen Group amounting to 2% or more of the annual sales of the Santen Group.
- (4) The relevant director/corporate auditor is not a director and the like of a company, 10% or more of

the aggregate number of outstanding shares of which is held by the Santen Group, or a company holding 10% or more of the aggregate number of outstanding shares of the Company.

- (5) The relevant director/corporate auditor has never taken office as a director and the like of the Santen Group's main bank, lead managing securities companies, main life insurance company or main non-life insurance company.
- (6) The relevant director/corporate auditor is not an director/corporate auditor of the Santen Group, a spouse or another relative within the third degree of kinship of any person classified under any of items (1) to (5) above.
- (7) There is no matter concerning the relevant director/corporate auditor that may raise a material conflict of interest in his/her performing the duties of an Outside Director/Outside Corporate Auditor, or any relationship that may affect his/her judgment as an Outside Director/Outside Corporate Auditor.

# Consolidated statement of income (IFRS\*)

(Millions of yen)

	Year to March 31, 2015	(Reference) Year to March 31, 2014
Revenue	161,831	146,260
Cost of sales	Δ56,373	Δ57,353
Gross profit	105,458	88,907
Selling, general and administrative expenses	Δ48,893	Δ41,642
Amortization on intangible assets associated with products	Δ3,979	Δ190
Research and development expenses	Δ17,477	Δ16,862
Other income	723	681
Other expense	Δ458	Δ1,016
Operating profit	35,374	29,878
Finance income	768	916
Finance expense	Δ279	Δ433
Profit before tax	35,863	30,361
Income tax expenses	Δ11,831	Δ10,643
Profit for the year	24,032	19,718
Profit attributable to		
Owners of the parent	24,032	19,718
Non-controlling interests	—	—
Profit for the year	24,032	19,718

(Figures are rounded to the nearest million yen)

\* International Financial Reporting Standards

# Consolidated statement of financial position (IFRS)

	(Millions of yen)	
	Year ended March 31, 2015	(Reference) Year ended March 31, 2014
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,104	27,175
Intangible assets	84,433	26,610
Financial assets	34,725	23,334
Deferred tax assets	2,978	5,215
Other non-current assets	2,288	2,065
<b>Total non-current assets</b>	153,528	84,399
<b>Current assets</b>		
Inventories	20,133	19,461
Trade and other receivables	61,701	53,986
Other financial assets	187	4,587
Other current assets	2,728	2,356
Cash and cash equivalents	65,923	72,397
<b>Sub total</b>	150,672	152,787
Assets held for sale	—	454
<b>Total current assets</b>	150,672	153,241
<b>Total assets</b>	304,200	237,640

(Figures are rounded to the nearest million yen)

(Millions of yen)

	Year ended March 31, 2015	(Reference) Year ended March 31, 2014
Equity		
Share capital	7,383	7,264
Capital surplus	8,077	7,959
Treasury shares	△18	△9
Retained earnings	178,840	162,727
Other components of equity	17,497	9,269
Total equity attributable to owners of the parent	211,779	187,210
Total equity	211,779	187,210
Liabilities		
Non-current liabilities		
Financial liabilities	25,351	102
Retirement benefit liabilities	5,459	5,401
Provisions	1,444	1,467
Deferred tax liabilities	2,874	2,795
Other non-current liabilities	953	1,479
Total non-current liabilities	36,081	11,244
Current liabilities		
Trade and other payables	20,250	19,072
Other financial liabilities	19,298	4,880
Income tax payable	6,729	8,081
Provisions	1,197	996
Other current liabilities	8,866	6,157
Total current liabilities	56,340	39,186
Total liabilities	92,421	50,430
Total equity and liabilities	304,200	237,640

(Figures are rounded to the nearest million yen)

# Consolidated statement of changes in equity (IFRS)

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other component of equity	
					Remeasurements of defined benefit plans	Net gain on financial assets measured at fair value through other comprehensive income
As of April 1, 2014	7,264	7,959	△9	162,727	—	4,118
Comprehensive income						
Profit for the year				24,032		
Other comprehensive income					303	7,863
Total comprehensive income	—	—	—	24,032	303	7,863
Contributions by and distributions to owners						
Issuance of new shares	119	118				
Acquisition of treasury shares			△9			
Dividends				△8,259		
Share-based payment						
Other				340	△303	△37
Total contributions by and distributions to owners	119	118	△9	△7,919	△303	△37
As of March 31, 2015	7,383	8,077	△18	178,840	—	11,944

	Other component of equity			Total equity attributable to owners of the parent	Equity
	Foreign currency translation adjustments	Subscription rights to shares	Other components of equity		
As of April 1, 2014	4,752	399	9,269	187,210	187,210
Comprehensive income					
Profit for the year			—	24,032	24,032
Other comprehensive income	248		8,414	8,414	8,414
Total comprehensive income	248	—	8,414	32,446	32,446
Contributions by and distributions to owners					
Issuance of new shares		△32	△32	205	205
Acquisition of treasury shares			—	△9	△9
Dividends			—	△8,259	△8,259
Share-based payment		186	186	186	186
Other			△340	—	—
Total contributions by and distributions to owners	—	154	△186	△7,877	△7,877
As of March 31, 2015	5,000	553	17,497	211,779	211,779

(Figures are rounded to the nearest million yen)

# Non consolidated balance sheets (JGAAP\*)

(Millions of yen)

	Year ended March 31, 2015	(Reference) Year ended March 31, 2014
<b>Assets</b>		
<b>Current assets</b>	<b>126,240</b>	<b>133,527</b>
Cash and deposits	49,114	49,020
Trade notes receivable	501	416
Trade accounts receivable	54,531	48,439
Marketable securities	—	13,112
Merchandise and finished goods	12,402	13,135
Work in process	34	12
Raw materials and supplies	3,065	2,619
Deferred tax assets	2,227	2,215
Other	4,366	4,559
Allowance for doubtful receivables	—	△0
<b>Fixed assets</b>	<b>160,122</b>	<b>85,879</b>
Tangible assets	23,551	22,729
Buildings	10,659	11,170
Structures	160	178
Machinery and equipment	1,622	1,526
Vehicles	2	2
Tools, furniture and fixtures	1,431	1,438
Land	8,013	8,013
Leased assets	15	18
Construction in progress	1,649	384
Intangible assets	59,560	1,697
Manufacturing and marketing approval	57,453	—
Software	1,698	1,617
Other	409	80
Investments and other assets	77,011	61,453
Investment securities	33,349	21,737
Investments in subsidiaries	41,209	34,475
Deferred tax assets	—	2,710
Other	2,453	2,531
<b>Total assets</b>	<b>286,362</b>	<b>219,406</b>

(Figures are rounded to the nearest million yen)

\* Generally Accepted Accounting Principles in Japan

(Millions of yen)

	Year ended March 31, 2015	(Reference) Year ended March 31, 2014
<b>Liabilities</b>		
<b>Current liabilities</b>	<b>52,754</b>	<b>34,372</b>
Trade accounts payable	12,717	13,766
Current portion of long-term loans payable	11,767	—
Other payables	15,674	8,880
Income taxes payable	6,222	7,821
Consumption taxes payable	2,637	803
Unearned revenue	735	396
Reserves for bonuses	2,626	2,397
Other	376	309
<b>Non-current liabilities</b>	<b>30,397</b>	<b>4,436</b>
Long-term loans payable	25,291	—
Provision for retirement benefits	3,923	3,449
Asset retirement obligations	224	221
Deferred tax liabilities	493	—
Other	466	766
<b>Total liabilities</b>	<b>83,151</b>	<b>38,808</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>	<b>190,609</b>	<b>176,157</b>
Common stock	7,383	7,264
Capital surplus	8,077	7,959
Additional paid-in capital	8,077	7,959
Other capital surplus	0	0
Retained earnings	175,167	160,943
Earing reserve	1,551	1,551
Other retained earnings	173,616	159,392
Reserve for retirement benefit	372	372
Special depreciation reserve	10	20
General reserve	89,109	89,109
Retained earnings carried forward	84,125	69,891
Treasury stock at cost	△18	△9
<b>Valuation, translation adjustments</b>	<b>12,049</b>	<b>4,042</b>
Unrealized gains on securities, net of taxes	12,049	4,042
<b>Stock subscription rights</b>	<b>553</b>	<b>399</b>
<b>Total net assets</b>	<b>203,211</b>	<b>180,598</b>
<b>Total liabilities and net assets</b>	<b>286,362</b>	<b>219,406</b>

(Figures are rounded to the nearest million yen)



# Non consolidated statement of income (JGAAP)

(Millions of yen)

	Year to March 31, 2015	(Reference) Year to March 31, 2014
<b>Net sales</b>	<b>138,432</b>	<b>128,718</b>
<b>Cost of sales</b>	<b>49,814</b>	<b>52,639</b>
<b>Gross profit</b>	<b>88,618</b>	<b>76,079</b>
Selling, general and administrative expenses	55,430	46,859
<b>Operating income</b>	<b>33,188</b>	<b>29,220</b>
<b>Non-operating income</b>	<b>985</b>	<b>800</b>
Interest and dividend income	556	532
Dividend income of life insurance	144	148
Foreign exchange gains	118	—
Other	167	120
<b>Non-operating expenses</b>	<b>289</b>	<b>274</b>
Interest expenses	85	—
Foreign exchange losses	—	91
Borrowing Fee	100	—
Depreciation	64	100
Other	40	83
<b>Ordinary income</b>	<b>33,884</b>	<b>29,746</b>
<b>Extraordinary income</b>	<b>59</b>	<b>474</b>
Gain on disposal of non-current assets	59	—
Gain on sales of investment securities	—	474
<b>Extraordinary losses</b>	<b>239</b>	<b>76</b>
Loss on disposal of non-current assets	7	19
Impairment loss	232	—
Business structure improvement expenses	—	57
<b>Income before income taxes</b>	<b>33,704</b>	<b>30,144</b>
Income taxes - current	11,524	11,520
Income taxes - deferred	△303	△1,237
<b>Net income</b>	<b>22,483</b>	<b>19,861</b>

(Figures are rounded to the nearest million yen)

# Non consolidated statement of changes in net assets (JGAAP)

(Millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Earning reserve	Retained earnings				Total retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus		Reserve for retirement benefit	Special depreciation reserve	General reserve	Retained earnings carried forward	
Balance at beginning of current period	7,264	7,959	0	7,959	1,551	372	20	89,109	69,891	160,943
Changes of items during period										
Issuance of new shares	119	118		118						—
Dividends of surplus				—					Δ8,259	Δ8,259
Reversal of special depreciation reserve				—			Δ10		10	—
Net income				—					22,483	22,483
Purchase of treasury stock at cost				—						—
Net changes of items other than shareholders' equity				—						—
Total changes of items during period	119	118	—	118	—	—	Δ10	—	14,234	14,224
Balance at end of current period	7,383	8,077	0	8,077	1,551	372	10	89,109	84,125	175,167

	Shareholders' equity		Valuation, translation adjustments		Stock subscription rights	Total net assets
	Treasury stock at cost	Total shareholders' equity	Unrealized gains on Securities, net of taxes	Total valuation, translation adjustments		
Balance at beginning of current period	Δ9	176,157	4,042	4,042	399	180,598
Changes of items during period						
Issuance of new shares		237		—		237
Dividends of surplus		Δ8,259		—		Δ8,259
Reversal of special depreciation reserve		—		—		—
Net income		22,483		—		22,483
Purchase of treasury stock at cost	Δ9	Δ9		—		Δ9
Net changes of items other than shareholders' equity		—	8,007	8,007	154	8,161
Total changes of items during period	Δ9	14,452	8,007	8,007	154	22,613
Balance at end of current period	Δ18	190,609	12,049	12,049	553	203,211

(Figures are rounded to the nearest million yen)