

NOTICE: This is a translation of a notice issued on June 2, 2016 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, 2016

**CONVOCATION NOTICE
OF THE 104TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

We hereby inform you of the 104th 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 Thursday, June 23, 2016; 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: Friday, June 24, 2016 at 10:00 a.m.**
(Start of admission at 9:00 a.m.)
2. **Place: “Sakura” conference room at the 5th Floor of Hilton Osaka**
8-8, Umeda 1-chome, Kita-ku, Osaka, Japan
3. **Agenda**
Reports: 1. Reports on the Business Report, Consolidated Financial Statements and Financial Statements for the 104th Business Term (April 1, 2015 to March 31, 2016)

2. Reports on the Audit Reports by the Accounting Auditors and the Board of Corporate Auditors on the Consolidated Financial Statements for the 104th Business Term (April 1, 2015 to March 31, 2016)

Items for Resolution:

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

4. Matters Determined concerning the Convocation

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

*Japanese version only.

■ 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 104th Business Term

For the 104th Business Term, the Board of Directors proposes term-end dividends of profits at JPY 13 per share.

Consequently, the total dividends for the annual business term, including the interim dividends previously distributed (JPY 12 per share), will be JPY 25 per share, which is JPY 3 higher¹ than the previous business term.

Upon the approval of the term-end dividends of profits, the dividend payout ratio for the current term will be 19.4% (35.5% on a core basis²).

- (1) Kind of dividend property: cash
- (2) Matters concerning the distribution of dividend property to shareholders and the aggregate amount thereof: JPY 13 per share of the common shares of the Company, which amounts to JPY 5,384,198,898 in the aggregate.
- (3) Effective date of distribution of dividends from the surplus: June 27, 2016

(Note) 1. The Company split its shares as of April 1, 2015 at the ratio of five (5) shares per common share of the Company. The total dividends for the previous annual business term, taking into account the said split of shares, is JPY 22 per share.

2. In line with the adoption of International Financial Reporting Standards (IFRS), the Company discloses financial information on a "core basis" as an indicator of its recurring business performance. Financial information on a core basis excludes certain gains and expenses from "IFRS results on a full basis."

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 Board of Directors passed a resolution on the selection of candidates for Director after a deliberation thereon was made by the Nominating Committee, which is comprised of the President and three (3) Outside Directors.

The candidates for Director are as follows:

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	Akira KUROKAWA (September 5, 1952)	<p>April 1977 Joined the Company</p> <p>April 1997 General Manager, Head of the Office of Sales & Marketing Division, Prescription Pharmaceuticals</p> <p>June 1997 Director</p> <p>June 1998 Deputy Head of Sales & Marketing Division, Prescription Pharmaceuticals</p> <p>May 2001 Head of Sales & Marketing Division, Prescription Pharmaceuticals</p> <p>June 2001 Corporate Officer</p> <p>July 2004 Senior Corporate Officer</p> <p>June 2006 President & COO</p> <p>June 2008 President of Santen Holdings U.S., Inc.</p> <p>June 2008 President & CEO (incumbent)</p>	150,000 shares
2	Sadatoshi FURUKADO (January 14, 1954)	<p>April 1977 Joined the Company</p> <p>November 1996 Area Manager, Tokai Area, Sales & 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 & 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 & 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 & Marketing Division, Prescription Pharmaceuticals</p> <p>April 2014 Vice President, Executive Corporate Officer, in charge of Japan Business and Global Human Resources Development</p> <p>April 2016 Vice President, Executive Corporate Officer, in charge of Global Human Resources Development and Corporate Administration (incumbent)</p>	90,500 shares
3	Akihiro OKUMURA (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>	Nil

		<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: Five (5) years Number of attendance at Board of Directors' meetings: 14 out of 14 meetings</p>	
4	Takayuki KATAYAMA (October 9, 1945)	<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 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. Outside Director, Olympus Corporation (expected to assume the office thereof on June 28, 2016)</p> <p>Total term of office until the close of this Meeting: Four (4) years Number of attendance at Board of Directors' meetings: 14 out of 14 meetings</p>	Nil
5	Kanoko OISHI (March 24, 1961)	<p>January 1993 Partner, McKinsey & Company, Inc. June 2000 Established Mediva, Inc. Representative Director (incumbent) July 2000 Established Seinan MEDIVA Co., Ltd. (currently, Seeds 1); Representative Director (incumbent) August 2004 Established Platanus Medical Corporation; COO (incumbent) June 2010 Outside Director, Astellas Pharma Inc. June 2015 Outside Director of the Company (incumbent) June 2015 External Board Member, Ezaki Glico Co., Ltd. (incumbent) June 2015 Outside Director, Suruga Bank Ltd. (incumbent) March 2016 External Director, Shiseido Company, Limited (incumbent)</p> <p>Material posts concurrently held in other juridical persons: Representative Director, Mediva, Inc. Representative Director, Seeds 1 External Board Member, Ezaki Glico Co., Ltd. Outside Director, Suruga Bank Ltd. External director, Shiseido Company, Limited</p> <p>Total term of office until the close of this Meeting: One (1) year Number of attendance at Board of Directors' meetings: 11 out of 11 meetings</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, Takayuki Katayama and Kanoko Oishi 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.

(Note 4) Reasons for the appointment of the candidates for Director:

- (1) As regards Akira Kurokawa, he has assumed command of overall management as the Representative Director, President & CEO of the Company since June 2008 and has achieved a sustained enhancement of the corporate value of the Company. Furthermore, at the Board of Directors, he has fulfilled his responsibilities concerning matters for resolutions and reports as the President & CEO as well as taken the chair thereof as the Representative Director, appropriately conducted the meetings thereof, and contributed in the making of decisions thereat by gaining the understanding of each Director. Considering the foregoing, the Board of Directors proposes his continuous appointment as such.
- (2) As regards Sadatoshi Furukado, he has served as the Vice President Corporate Officer in charge of the Japan business and global human resources development, and has contributed to the sustained enhancement of the corporate value of the Company. Furthermore, at the Board of Directors, he has expressed his opinions actively throughout the proceedings at meetings, contributed to enhance the quality of the discussions and contributed in the making of decisions thereat. Considering the foregoing, the Board of Directors proposes his continuous appointment as such.
- (3) 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, and that he has contributed to enhance the quality of the discussions in the Board of Directors by expressing his opinions actively throughout the proceedings at meetings, the Board of Directors believes that he is well-qualified to be an Outside Director, and proposes his appointment as such.
- (4) 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 by expressing his opinions actively throughout the proceedings at meetings, the Board of Directors believes that he is well-qualified to be an Outside Director, and proposes his appointment as such.
- (5) 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 has contributed to enhance the quality of the discussions in the Board of Directors by expressing her opinions actively throughout the proceedings at meetings, the Board of Directors believes that she is well-qualified to be an Outside Director, and proposes her appointment as such.

(Note 5) 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, Takayuki Katayama and Kanoko Oishi, 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. 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.

Proposal No. 3 Appointment of One (1) Corporate Auditor

The Corporate Auditor, Yoshihiro Noutsuka, will resign from his office at the close of this Annual General Meeting of Shareholders. The Board of Directors proposes the appointment of one (1) Corporate Auditor as specified below.

The Board of Directors passed a resolution on the selection of the candidate for Corporate Auditor with the consent of the Board of Corporate Auditors.

The candidate for Corporate Auditor is 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	* Masashi MURATA (March 19, 1958)	August 1999 Joined the Company August 1999 General Manager, Office of the President September 2001 General Manager, Strategic Planning Group, Sales & Marketing Division, Prescription Pharmaceuticals July 2002 General Manager, Ophthalmic Marketing Group, Sales & Marketing Division, Prescription Pharmaceuticals January 2005 General Manager, Strategic Planning & Controlling Group, Sales & Marketing Division, Prescription Pharmaceuticals April 2007 General Manager, Corporate Planning Group July 2011 CAO (Chief Administrative Officer), Santen Inc. January 2014 General Manager, Corporate Auditor's Group (incumbent)	Nil

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

(Note 2) Reasons for the appointment of the Corporate Auditor:

As regards Masashi Murata, he understands Santen's Values and the underlying ethos thereof, and has acquired familiarity with the business of the Company globally through involvement in the areas of corporate planning, business operations both in Japan and abroad, auditing and the like, and furthermore he has extensive experience and knowledge in corporate strategy, finance & accounting, corporate governance and the like. Since, considering the foregoing, he is expected to conduct audits from a neutral and objective point of view, and contribute to ensure the healthy growth of the Company, the Board of Directors believes that he is well-qualified to be a Corporate Auditor, and proposes his appointment as such.

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, on the premise that each nominee has an understanding of Santen's Values and the underlying ethos thereof, 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, on the premise that each nominee has an understanding of Santen's Values and the underlying ethos thereof, 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, 2016	(Reference) Year to March 31, 2015
Revenue	195,291	161,831
Cost of sales	Δ72,829	Δ56,373
Gross profit	122,463	105,458
Selling, general and administrative expenses	Δ59,406	Δ48,893
Research and development expenses	Δ19,990	Δ17,477
Amortization on intangible assets associated with products	Δ6,205	Δ3,979
Other income	44,999	723
Other expenses	Δ1,681	Δ458
Operating profit	80,180	35,374
Finance income	782	768
Finance expenses	Δ1,492	Δ279
Profit before tax	79,470	35,863
Income tax expenses	Δ26,097	Δ11,831
Net profit for the year	53,373	24,032
Profit attributable to		
Owners of the company	53,373	24,032
Non-controlling interests	—	—
Net profit for the year	53,373	24,032

(Figures are rounded to the nearest million yen)

* International Financial Reporting Standards

Consolidated statement of financial position (IFRS)

	Year ended March 31, 2016	(Millions of yen) (Reference) Year ended March 31, 2015
Assets		
Non-current assets		
Property, plant and equipment	27,991	29,104
Intangible assets	83,681	84,433
Financial assets	44,535	34,725
Deferred tax assets	2,345	2,978
Other non-current assets	2,109	2,288
Total non-current assets	160,660	153,528
Current assets		
Inventories	24,996	20,133
Trade and other receivables	65,998	61,701
Other financial assets	234	187
Other current assets	3,714	2,728
Cash and cash equivalents	99,798	65,923
Total current assets	194,739	150,672
Total assets	355,399	304,200

(Figures are rounded to the nearest million yen)

(Millions of yen)

	Year ended March 31, 2016	(Reference) Year ended March 31, 2015
Equity		
Share capital	7,695	7,383
Capital surplus	8,389	8,077
Treasury shares	Δ24	Δ18
Retained earnings	221,945	178,840
Other components of equity	22,003	17,497
Total equity attributable to owners of the company	260,009	211,779
Total equity	260,009	211,779
Liabilities		
Non-current liabilities		
Financial liabilities	12,944	25,351
Net defined benefit liabilities	2,556	5,459
Provisions	1,629	1,444
Deferred tax liabilities	3,988	2,874
Other non-current liabilities	1,043	953
Total non-current liabilities	22,161	36,081
Current liabilities		
Trade and other payables	24,504	20,250
Other financial liabilities	19,881	19,298
Income tax payable	20,431	6,729
Provisions	1,276	1,197
Other current liabilities	7,138	8,866
Total current liabilities	73,230	56,340
Total liabilities	95,391	92,421
Total equity and liabilities	355,399	304,200

(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
Balance at April 1, 2015	7,383	8,077	Δ18	178,840	—	11,944
Comprehensive income						
Net profit for the year				53,373		
Other comprehensive income					Δ1,007	7,395
Total comprehensive income for the year	—	—	—	53,373	Δ1,007	7,395
Transactions with owners						
Issuance of new shares	312	312				
Acquisition of treasury shares			Δ5			
Dividends				Δ9,925		
Share-based payment						
Other				Δ343	1,007	Δ664
Total transactions with owners	312	312	Δ5	Δ10,268	1,007	Δ664
Balance at March 31, 2016	7,695	8,389	Δ24	221,945	—	18,676

	Other component of equity			Total equity attributable to owners of the company	Total equity
	Foreign currency translation adjustments	Subscription rights to shares	Total		
Balance at April 1, 2015	5,000	553	17,497	211,779	211,779
Comprehensive income					
Net profit for the year			—	53,373	53,373
Other comprehensive income	Δ2,389		4,000	4,000	4,000
Total comprehensive income for the year	Δ2,389	—	4,000	57,373	57,373
Transactions with owners					
Issuance of new shares		Δ86	Δ86	538	538
Acquisition of treasury shares			—	Δ5	Δ5
Dividends			—	Δ9,925	Δ9,925
Share-based payment		249	249	249	249
Other			343	—	—
Total transactions with owners	—	163	506	Δ9,143	Δ9,143
Balance at March 31, 2016	2,611	716	22,003	260,009	260,009

(Figures are rounded to the nearest million yen)

Non consolidated balance sheets (JGAAP*)

(Millions of yen)

	Year ended March 31, 2016	(Reference) Year ended March 31, 2015
Assets		
Current assets	167,003	126,240
Cash and deposits	83,078	49,114
Trade notes receivable	568	501
Trade accounts receivable	56,024	54,531
Merchandise and finished goods	13,411	12,402
Work in process	109	34
Raw materials and supplies	3,375	3,065
Deferred tax assets	4,611	2,227
Other	5,827	4,366
Fixed assets	167,656	160,122
Tangible assets	22,286	23,551
Buildings	9,940	10,659
Structures	140	160
Machinery and equipment	1,723	1,622
Vehicles	1	2
Tools, furniture and fixtures	1,317	1,431
Land	6,880	8,013
Leased assets	13	15
Construction in progress	2,272	1,649
Intangible assets	56,054	59,560
Manufacturing and marketing approval	53,408	57,453
Software	2,274	1,698
Other	373	409
Investments and other assets	89,315	77,011
Investment securities	42,983	33,349
Investments in subsidiaries	42,122	41,209
Other	4,210	2,453
Total assets	334,659	286,362

(Figures are rounded to the nearest million yen)

* Generally Accepted Accounting Principles in Japan

(Millions of yen)

	Year ended March 31, 2016	(Reference) Year ended March 31, 2015
Liabilities		
Current liabilities	64,201	52,754
Trade accounts payable	14,439	12,717
Current portion of long-term loans payable	9,524	11,767
Other payables	16,244	15,674
Income taxes payable	19,913	6,222
Consumption taxes payable	720	2,637
Unearned revenue	324	735
Reserves for bonuses	2,567	2,626
Other	470	376
Non-current liabilities	18,307	30,397
Long-term loans payable	12,914	25,291
Provision for retirement benefits	728	3,923
Asset retirement obligations	228	224
Deferred tax liabilities	3,769	493
Other	668	466
Total liabilities	82,508	83,151
Net assets		
Shareholders' equity	232,757	190,609
Common stock	7,695	7,383
Capital surplus	8,389	8,077
Additional paid-in capital	8,389	8,077
Other capital surplus	0	0
Retained earnings	216,697	175,167
Earing reserve	1,551	1,551
Other retained earnings	215,146	173,616
Reserve for retirement benefit	372	372
Special depreciation reserve	—	10
General reserve	89,109	89,109
Retained earnings carried forward	125,665	84,125
Treasury stock at cost	Δ24	Δ18
Valuation, translation adjustments	18,678	12,049
Unrealized gains on securities, net of taxes	18,678	12,049
Stock subscription rights	716	553
Total net assets	252,151	203,211
Total liabilities and net assets	334,659	286,362

(Figures are rounded to the nearest million yen)

Non consolidated statement of income (JGAAP)

(Millions of yen)

	Year to March 31, 2016	(Reference) Year to March 31, 2015
Net sales	156,117	138,432
Cost of sales	60,319	49,814
Gross profit	95,798	88,618
Selling, general and administrative expenses	65,085	55,430
Operating income	30,713	33,188
Non-operating income	919	985
Interest and dividend income	583	556
Dividend income of life insurance	140	144
Foreign exchange gains	—	118
Other	196	167
Non-operating expenses	1,082	289
Interest expenses	93	85
Foreign exchange losses	832	—
Depreciation	105	64
Borrowing Fee	—	100
Other	52	40
Ordinary income	30,550	33,884
Extraordinary income	45,259	59
Gain on disposal of non-current assets	2	59
Gain on sales of investment securities	990	—
Gain on transfer of business	44,268	—
Extraordinary losses	955	239
Loss on disposal of non-current assets	481	7
Impairment loss	43	232
Benefit expenses for transfer of business	431	—
Income before income taxes	74,855	33,704
Income taxes - current	24,998	11,524
Income taxes - deferred	△1,597	△303
Net income	51,454	22,483

(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			Retained earnings					
		Additional paid-in capital	Other capital surplus	Total capital surplus	Earning reserve	Other retained earnings			Total retained earnings	
					Reserve for retirement benefit	Special depreciation reserve	General reserve	Retained earnings carried forward		
Balance at beginning of current period	7,383	8,077	0	8,077	1,551	372	10	89,109	84,125	175,167
Changes of items during period										
Issuance of new shares	312	312		312						—
Dividends of surplus				—					△9,925	△9,925
Reversal of special depreciation reserve				—			△10		10	—
Net income				—					51,454	51,454
Purchase of treasury stock at cost				—						—
Net changes of items other than shareholders' equity				—						—
Total changes of items during period	312	312	—	312	—	—	△10	—	41,540	41,529
Balance at end of current period	7,695	8,389	0	8,389	1,551	372	—	89,109	125,665	216,697

	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	△18	190,609	12,049	12,049	553	203,211
Changes of items during period						
Issuance of new shares		624		—		624
Dividends of surplus		△9,925		—		△9,925
Reversal of special depreciation reserve		—		—		—
Net income		51,454		—		51,454
Purchase of treasury stock at cost	△5	△5		—		△5
Net changes of items other than shareholders' equity		—	6,630	6,630	163	6,793
Total changes of items during period	△5	42,148	6,630	6,630	163	48,941
Balance at end of current period	△24	232,757	18,678	18,678	716	252,151

(Figures are rounded to the nearest million yen)