



October 29, 2015

**Summary of Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending March 31, 2016
(Six Months Ended September 30, 2015)**

[Japanese GAAP]

Company name:	NIHON CHOUZAI Co., Ltd.	Listing:	Tokyo Stock Exchange, First Section
Stock code:	3341	URL:	http://www.nicho.co.jp
Representative:	Hiroshi Mitsuhashi, President & CEO	Tel:	+81-(0) 3-6810-0800
Contact:	Yoshiki Kamada, Managing Director	Scheduled date of filing of Quarterly Report:	November 13, 2015
Scheduled date of filing of Quarterly Report:		Scheduled date of payment of dividend:	December 4, 2015
Scheduled date of payment of dividend:		Preparation of supplementary materials for quarterly financial results:	Yes
Preparation of supplementary materials for quarterly financial results:	Yes	Holding of quarterly financial results meeting:	Yes (for institutional investors and analysts)
Holding of quarterly financial results meeting:	Yes (for institutional investors and analysts)	<i>Note: The original disclosure in Japanese was released on October 29, 2015 at 15:00 (GMT +9).</i>	

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016

(April 1, 2015 – September 30, 2015)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2015	100,269	14.7	4,214	60.7	3,936	69.8	2,471	113.4
Six months ended Sep. 30, 2014	87,418	9.1	2,623	12.2	2,318	13.1	1,157	21.8

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2015: 2,460 (up 95.8%)
Six months ended Sep. 30, 2014: 1,256 (up 58.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2015	176.23	-
Six months ended Sep. 30, 2014	79.90	-

* Nihon Chouzai conducted a 2-for-1 stock split effective on October 1, 2015. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2015	140,831	19,844	14.1
As of Mar. 31, 2015	130,141	17,635	13.6

Reference: Shareholders' equity (million yen) As of Sep. 30, 2015: 19,844 As of Mar. 31, 2015: 17,635

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	-	35.00	-	35.00	70.00
Fiscal year ending Mar. 31, 2016	-	40.00	-	-	-
Fiscal year ending Mar. 31, 2016 (forecasts)	-	-	-	22.00	-

Note: Revisions to the most recently announced dividend forecast: None

* Nihon Chouzai conducted a 2-for-1 stock split effective on October 1, 2015. The year-end dividend per share forecast for the fiscal year ending March 31, 2016 is adjusted to reflect the stock split.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	220,455	21.2	10,742	61.6	9,491	58.1	5,611	102.0	400.17

Note: Revisions to the most recently announced consolidated forecast: Yes

* Nihon Chouzai conducted a 2-for-1 stock split effective on October 1, 2015. The net income per share forecast for the fiscal year ending March 31, 2016 has been calculated as if this stock split had taken place at the beginning of the current fiscal year.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to “Matters Related to Summary Information (Notes)” on page 3 of the attachments for further information.

(4) Number of outstanding shares (common stock shares)

1) Number of shares outstanding at the end of period (including treasury shares)

As of Sep. 30, 2015:	16,024,000 shares	As of Mar. 31, 2015:	16,024,000 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2015:	2,002,568 shares	As of Mar. 31, 2015:	2,000,888 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2015:	14,022,240 shares	Six months ended Sep. 30, 2014:	14,490,964 shares
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* Nihon Chouzai conducted a 2-for-1 stock split effective on October 1, 2015. Number of shares outstanding at the end of period, number of treasury shares at the end of period and average number of shares outstanding during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Note 1: Information regarding the implementation of quarterly review procedures

This summary report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the quarterly review procedures for the quarterly consolidated financial statements have not been completed.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

(1) Note concerning forward-looking statements

Forecasts and other forward-looking statements in this document incorporate risks and uncertainties because these statements are based on judgments and assumptions using information that is currently available. These materials are not promises by Nihon Chouzai regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

(2) How to view supplementary information about quarterly performance

Nihon Chouzai plans to hold an information meeting for institutional investors and analysts regarding results of operations on November 18, 2015. Materials distributed at this event will also be disclosed, using the Timely Disclosure network (TDnet), and available on the Nihon Chouzai website.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first half (April to September) of the fiscal year ending March 31, 2016, the Nihon Chouzai Group started implementing a new medium-term management plan in April, which covers the three-year period ending in March 2018. All business units have worked even more closely together to take actions aimed at accomplishing the plan's goals.

Sales increased 14.7% year on year to 100,269 million yen and earnings in the first half rose sharply to a new all-time high. Operating income increased by 60.7% to 4,214 million yen, ordinary income increased by 69.8% to 3,936 million yen, and profit attributable to owners of parent increased by 113.4% to 2,471 million yen.

Results by business segment are as follows.

1) Dispensing Pharmacy Business

In the first half of the current fiscal year, Nihon Chouzai opened 18 pharmacies in the dispensing pharmacy business and closed seven. The new pharmacies include three locations in Chiba prefecture for the separation of drug prescribing and dispensing services at large hospitals. These three pharmacies started dispensing prescriptions in July. Consequently, there were 522 pharmacies (including one pharmacy specializing in the sale of general merchandise) at the end of the second quarter. The generic drug utilization rate at Nihon Chouzai pharmacies on a volume basis was 76.7%, and 94.6% of pharmacies that offer at-home medical care services. For the Medication Notebook Plus, an electronic medication notebook developed by Nihon Chouzai, functions were revised and improved in order to provide greater convenience. As a result, the number of registered users was more than 24,000 at the end of September 2015. Sales of this segment rose by 14.8% to 87,208 million yen. The major reasons for the sales growth were openings of large-scale pharmacies, higher sales at existing pharmacies and a big increase in prescriptions for a hepatitis C drug that went on sale in the second half of 2014. Demand for this drug increased significantly at large pharmacies near hospitals, which is our core business. Operating income increased 36.6% to 4,252 million yen. Earnings benefited from the sales growth and cost-cutting measures. There was also an increase in prescription dispensing fees resulting from the promotion of the use of generic drugs and the strengthening of at-home medical care.

2) Pharmaceutical Manufacturing and Sales Business

In the pharmaceutical manufacturing and sales business, use of generic drugs by large hospitals and other medical institutions continued to increase in the first half of the current fiscal year. The main reason is even more initiatives to promote the use of generic drugs as one way to hold down healthcare expenses. The Japanese government announced the target of raising to at least 80% the volume-based share of generic drugs by sometime between fiscal 2018 and the end of fiscal 2020, preferably as soon as possible. In addition, group companies worked even more closely together. Net sales of this segment rose by 14.8% to 15,367 million yen. Operating income increased sharply by 44.7% to 1,210 million yen in part because of the higher net sales, a reduction of various costs by a number of measures to improve efficiency, and benefits of the restructuring of the marketing strategy. In June, 19 new products were launched, and actions were taken to eliminate overlapping products between group companies. As a result, the number of product items for sale was 575 at the end of the second quarter.

As was announced on September 24, Nihon Generic Co., Ltd. will construct the Tsukuba Plant No. 2 with work scheduled to begin in December 2015. The new production facility is one step toward establishing a group manufacturing infrastructure with a maximum annual output of more than 10 billion tablets.

3) Medical Professional Staffing and Placement Business

As the demand for pharmacist staffing and placement services continues to grow, this business continued to increase job offers by adding new customers for staffing and placement services and to maintain a large number of registered personnel. As a result, the growth rate of sales and earnings increased as sales climbed 39.1% to 4,188 million yen and operating income rose 32.3% to 820 million yen.

(2) Explanation of Financial Position

Total assets increased 10,689 million yen, or 8.2%, from the end of March 2015, to 140,831 million yen at the end of September 2015. Current assets were 69,882 million yen, an increase of 9,785 million yen, or 16.3%. This was attributable mainly to increases in cash and deposits and merchandise and finished goods. Non-current assets increased 904 million yen, or 1.3% to 70,948 million yen. This was attributable mainly to an increase in buildings and structures and a decrease in construction in progress.

Total liabilities increased 8,480 million yen, or 7.5% to 120,986 million yen. This was attributable mainly to an increase in accounts payable-trade.

Net assets increased 2,209 million yen, or 12.5% to 19,844 million yen.

Cash Flows

There was a net increase of 6,509 million yen in cash and cash equivalents from the end of the previous fiscal year to 20,354 million yen at the end of September 2015. Net cash provided by operating activities was 7,435 million yen, net cash used in investing activities 3,329 million yen, and net cash provided by financing activities 2,403 million yen.

Major sources of cash flows from operating activities were income before income taxes and minority interests of 3,845 million yen and a 5,318 million yen increase in notes and accounts payable-trade. The primary uses of cash were a 2,917 million yen increase in inventories and a 1,317 million yen in income tax paid.

The primary use of cash flows from investing activities was payments of 2,961 million yen for the purchase of property, plant and equipment incident mainly to new store opening in the dispensing pharmacy business and capital investments in the pharmaceutical manufacturing and sales business.

The primary source of cash flows from financing activities was proceeds of 9,800 million yen from long-term loans payable. The primary use of cash was a 3,890 million yen decrease in short-term loans payable.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Nihon Chouzai has revised its full-year consolidated forecast that was announced on April 30, 2015. For more information, see the October 29, 2015 press release titled "Notice of Forecast Revision" (Japanese version only.)

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Changes in Accounting Policies

Application of the Accounting Standards for Business Combinations

The Company has adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. from the first quarter of the current fiscal year. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the quarterly consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised. For consistency with these changes, the consolidated financial statements for the first half of the previous fiscal year and the previous fiscal year have been revised.

In the quarterly consolidated statement of cash flows of the first half of the current fiscal year, cash flows associated with expenses for purchase or sales of shares of subsidiary resulting in changes in the scope of consolidation are included in cash flows from operating activities.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

As a result, operating income, ordinary income and income before income taxes and minority interests decreased 41 million yen each in the first half of the current fiscal year.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY3/15 (As of Mar. 31, 2015)	Second quarter of FY3/16 (As of Sep. 30, 2015)
Assets		
Current assets		
Cash and deposits	13,952	20,354
Notes receivable-trade	321	151
Accounts receivable-trade	20,001	21,569
Electronically recorded monetary claims - operating	1,091	671
Merchandise and finished goods	15,911	17,917
Work in process	1,377	1,447
Raw materials and supplies	3,778	4,643
Other	3,672	3,139
Allowance for doubtful accounts	(10)	(12)
Total current assets	60,096	69,882
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,648	21,997
Land	17,043	17,137
Construction in progress	4,798	938
Other, net	8,329	9,860
Total property, plant and equipment	48,819	49,934
Intangible assets		
Goodwill	8,661	8,477
Other	1,714	1,629
Total intangible assets	10,376	10,106
Investments and other assets		
Investment securities	1,153	1,097
Lease and guarantee deposits	6,990	7,013
Other	2,704	2,796
Total investments and other assets	10,848	10,907
Total non-current assets	70,044	70,948
Total assets	130,141	140,831

	(Millions of yen)	
	FY3/15 (As of Mar. 31, 2015)	Second quarter of FY3/16 (As of Sep. 30, 2015)
Liabilities		
Current liabilities		
Accounts payable-trade	31,306	36,761
Electronically recorded obligations- operating	2,086	1,997
Short-term loans payable	5,100	1,210
Current portion of bonds	-	7,000
Current portion of long-term loans payable	6,069	6,188
Income taxes payable	1,625	1,882
Provision for bonuses	2,080	2,258
Provision for directors' bonuses	98	8
Provision for sales rebates	130	120
Other	4,977	4,886
Total current liabilities	53,474	62,314
Non-current liabilities		
Bonds payable	7,000	-
Long-term loans payable	46,184	53,040
Provision for directors' retirement benefits	886	924
Net defined benefit liability	917	993
Other	4,042	3,714
Total non-current liabilities	59,031	58,672
Total liabilities	112,505	120,986
Net assets		
Shareholders' equity		
Capital stock	3,953	3,953
Capital surplus	4,754	4,754
Retained earnings	11,868	14,094
Treasury shares	(3,059)	(3,065)
Total shareholders' equity	17,515	19,736
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	333	295
Remeasurements of defined benefit plans	(213)	(186)
Total accumulated other comprehensive income	119	108
Total net assets	17,635	19,844
Total liabilities and net assets	130,141	140,831

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**(Quarterly Consolidated Statement of Income)****(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Net sales	87,418	100,269
Cost of sales	72,571	82,369
Gross profit	14,846	17,900
Selling, general and administrative expenses	12,223	13,685
Operating income	2,623	4,214
Non-operating income		
Commission fee	60	65
Rent income	154	189
Other	117	118
Total non-operating income	333	373
Non-operating expenses		
Interest expenses	405	400
Commission fee	15	13
Rent expenses	103	142
Other	112	96
Total non-operating expenses	637	652
Ordinary income	2,318	3,936
Extraordinary income		
Gain on sales of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Impairment loss	29	90
Total extraordinary losses	29	90
Income before income taxes and non-controlling interests	2,289	3,845
Income taxes-current	988	1,511
Income taxes-deferred	143	(137)
Total income taxes	1,131	1,374
Profit	1,157	2,471
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,157	2,471

(Quarterly Consolidated Statement of Comprehensive Income)**(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Profit	1,157	2,471
Other comprehensive income		
Valuation difference on available-for-sale securities	74	(37)
Remeasurements of defined benefit plans, net of tax	24	26
Total other comprehensive income	98	(10)
Comprehensive income	1,256	2,460
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,256	2,460
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Cash flows from operating activities		
Income before income taxes and non-controlling interests	2,289	3,845
Depreciation	1,662	2,124
Impairment loss	29	90
Increase (decrease) in allowance for doubtful accounts	0	1
Increase (decrease) in provision for bonuses	142	176
Increase (decrease) in provision for allowance for sales discount	38	(9)
Increase (decrease) in provision for directors' bonuses	(65)	(89)
Increase (decrease) in net defined benefit liability	158	110
Increase (decrease) in provision for directors' retirement benefits	(65)	37
Interest and dividend income	(21)	(21)
Interest expenses	405	400
Loss (gain) on sales of non-current assets	(0)	-
Decrease (increase) in notes and accounts receivable-trade	(708)	(920)
Decrease (increase) in inventories	(4,976)	(2,917)
Increase (decrease) in notes and accounts payable-trade	5,089	5,318
Other, net	(652)	970
Subtotal	3,325	9,116
Interest and dividend income received	21	21
Interest expenses paid	(410)	(385)
Income taxes paid	(1,434)	(1,317)
Net cash provided by (used in) operating activities	1,502	7,435
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	82
Purchase of property, plant and equipment	(2,930)	(2,961)
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible assets	(134)	(114)
Purchase of long-term prepaid expenses	(154)	(77)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(226)
Payments of loans receivable	(60)	-
Collection of loans receivable	61	60
Payments for lease and guarantee deposits	(261)	(147)
Proceeds from collection of lease and guarantee deposits	75	71
Other, net	10	(15)
Net cash provided by (used in) investing activities	(3,394)	(3,329)

(Millions of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,800)	(3,890)
Proceeds from long-term loans payable	17,200	9,800
Repayments of long-term loans payable	(1,976)	(2,825)
Redemption of bonds	(7,000)	-
Proceeds from sales of treasury shares	50	-
Purchase of treasury shares	(403)	(5)
Cash dividends paid	(254)	(245)
Other, net	(241)	(429)
Net cash provided by (used in) financing activities	3,575	2,403
Net increase (decrease) in cash and cash equivalents	1,682	6,509
Cash and cash equivalents at beginning of period	15,027	13,844
Cash and cash equivalents at end of period	16,710	20,354

(4) Notes to Quarterly Consolidated Financial Statements**Going-concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment Information

I. First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)

1. Information related to net sales, profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Adjustment (Note)	Amounts shown on quarterly consolidated statement of income
	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total		
Net sales						
(1) External sales	75,967	8,985	2,465	87,418	-	87,418
(2) Inter-segment sales and transfers	3	4,404	544	4,952	(4,952)	-
Total	75,970	13,389	3,010	92,371	(4,952)	87,418
Segment profit (loss)	3,113	836	619	4,570	(1,947)	2,623

Note: Total segment sales and segment profit have been adjusted to be consistent with net sales and operating income shown on the quarterly consolidated statement of income. The adjustment of -1,947 million yen to segment profit (loss) includes eliminations of -6 million yen for inter-segment transactions and corporate expenses of -1,940 million yen. General and administrative expenses that do not belong to any reportable segment are the primary component of corporate expenses.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

In the dispensing pharmacy business segment, there was an impairment loss for store assets (three pharmacies). The amount of this loss in the first six months of FY3/15 was 29 million yen.

Significant change in goodwill

Not applicable.

II. First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)

1. Information related to net sales, profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Adjustment (Note)	Amounts shown on quarterly consolidated statement of income
	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total		
Net sales						
(1) External sales	87,204	9,398	3,666	100,269	-	100,269
(2) Inter-segment sales and transfers	3	5,969	521	6,494	(6,494)	-
Total	87,208	15,367	4,188	106,764	(6,494)	100,269
Segment profit (loss)	4,252	1,210	820	6,283	(2,068)	4,214

Note: Total segment sales and segment profit have been adjusted to be consistent with net sales and operating income shown on the quarterly consolidated statement of income. The adjustment of -2,068 million yen to segment profit (loss) includes eliminations of -83 million yen for inter-segment transactions and corporate expenses of -1,984 million yen. General and administrative expenses that do not belong to any reportable segment are the primary component of corporate expenses.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

In the dispensing pharmacy business segment, there was an impairment loss for store assets (three pharmacies). The amount of this loss in the first six months of FY3/16 was 90 million yen.

Significant change in goodwill

Not applicable.

Subsequent Events**Stock Split**

Nihon Chouzai conducted a stock split on October 1, 2015 based on the resolution approved by its Board of Directors on July 30, 2015.

1. Purpose of the stock split

The stock split will reduce the amount of investment required per share, and enhance the liquidity of the Company's shares to make investment easier and expand the shareholder base.

2. Summary of the stock split

(1) Method of the stock split

Shareholders listed in the final shareholder register on the record date of Wednesday, September 30, 2015 will receive 2 shares of common stock for each share held on the same day.

(2) Increase in the number of shares due to the stock split

Number of shares outstanding before the stock split:	8,012,000 shares
Increase in the number of shares due to the stock split:	8,012,000 shares
Number of shares outstanding after the stock split:	16,024,000 shares
Total number of shares authorized after the stock split:	44,192,000 shares

(3) Effective date of the stock split

Thursday, October 1, 2015

(4) The effect of this change on per-share information

Per-share information calculated as if this split had occurred at the beginning of previous period is presented below.

(Yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Net income per share	79.90	176.23

Note: "Diluted net income per share" is not stated, because dilutive shares do not exist.

3. Others

The stock split will have no effect on the capital stock of the Company.

Additional Information

Plan for new plant at a subsidiary

As was announced on September 24, 2015, the Company's subsidiary Nihon Generic Co., Ltd. has decided to construct the Tsukuba Plant No. 2.

1. Reason for constructing a new plant

Nihon Generic plans to increase production capacity for the purposes of achieving strong growth along with the rapid expansion of Japan's generic drug market and of fulfilling its responsibility as a generic drug manufacturer to maintain a reliable supply of products.

2. Profile of the subsidiary that will construct the new plant

- (1) Name: Nihon Generic Co., Ltd.
- (2) Representative: Hiroshi Mitsuhashi, President & CEO
- (3) Location: Marunouchi, Chiyoda-ku, Tokyo
- (4) Main business: Manufacturing and sales of generic drugs
- (5) Capital: 255 million yen

3. Profile of the new plant

- (1) Location: 47, Wadai, Tsukuba city, Ibaraki (Tsukuba North Industrial Park)
- (2) Construction plan: 3-story steel frame building with manufacturing and associated equipment
- (3) Investments: Approximately 17.2 billion yen (of which approx. 5 billion yen for machinery equipment)
- (4) Building area: Footprint 12,600 m² (total floor area: 30,970 m²)
- (5) Production capacity: 10 billion tablets/year (14.5 billion tablets/year including the existing plant)

* Nihon Chouzai Group capacity including Choseido Pharmaceutical Co., Ltd.: 15.6 billion tablets/year

Construction of the new plant will be divided into three phases. This investment is phase one. The following two phases will be implemented at the proper times swiftly in accordance with changes in markets, the status of production and sales activities, and other factors. An announcement will be made promptly when the time, investment and other items concerning subsequent phases are determined.

- (6) Construction schedule:

Start of construction:	December 2015
Completion of installation of machinery and equipment:	September 2017 (Phase I)
Completion of construction:	November 2017
Validation:	From September 2017 to March 2018
Completion of the plant:	March 2018

4. Effects on results of operations

The effect on the results of operations for the year ending March 31, 2016 is insignificant.

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.