

Financial Summary

Third Quarter Results for the Fiscal Year Ending March 31, 2010

February 1, 2010

(Any fraction sum of less than a million yen is discarded.)

1. Consolidated Business Performance (From April 1, 2009 to Dec. 31, 2009) for the Fiscal Year Ending March 31, 2010

(1) Consolidated Operating Results (aggregated) (% indicates percent change to the same period of previous fiscal year.)
(Amount in millions except *)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Nine Months Ended Dec 31, 2009	¥ 10,353	18.6 %	¥ 1,513	756.4 %	¥ 1,577	428.6 %	¥ 1,242	460.3 %
Nine Months Ended Dec 31, 2008	¥ 8,731	(3.6) %	¥ 176	(67.2) %	¥ 298	(47.7) %	¥ 221	(50.8) %

	Earning Per Share *		Diluted Earning Per Share *	
Nine months ended Dec 31, 2009	¥ 50.03		¥ 44.78	
Nine months ended Dec 31, 2008	¥ 8.22		¥ 8.22	

(2) Consolidated Financial Condition

(Amount in millions except *)

	Total Assets	Total Net Assets	Equity Ratio	Book Value Per Share*
As of Dec 31, 2009	¥ 25,443	¥ 16,517	64.4 %	¥ 679.70
As of Mar. 31, 2009	¥ 24,767	¥ 16,984	68.2 %	¥ 635.20

Note: Equity As of December 31, 2009 16,397 million yen As of March 31, 2009 16,879 million yen

2. Dividends

(Amount in millions except *)

	Dividend Per Share *				
(Record date)	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual
FY 2008	—	¥ 5.00	—	¥ 5.00	¥ 10.00
FY 2009	—	¥ 5.00	—		
FY 2009 (Forecast)				¥ 5.00	¥ 10.00

Note: Modifications in the dividend forecasts for Fiscal 2009: None

3. Consolidated Business Forecast (From April 1, 2009 to March 31, 2010)

(% indicates percentage change to the same period of the previous fiscal year)

(Amount in millions except *)

	Net sales		Operating Income		Ordinary Income		Net Income		Earning Per Share *
Full fiscal year	¥ 14,200	17.5 %	¥ 1,520	178.1 %	¥ 1,550	141.6 %	¥ 840	55.6 %	¥ 30.41

Note: Modifications in forecasts of consolidated business performance for Fiscal 2009: None

※ Explanation on appropriate use of “Business Forecast” and other special instructions
The aforementioned forecast is based on available data as at the issue date of this document.
Actual results may differ from those anticipated due to various factors.

I. Descriptive Information and Financial Statements

Descriptive Information on Consolidated Operating Results

During the nine months ended December 31, 2009, sales of the Company's main product, Growject®, a recombinant human growth hormone product, reached ¥6,501 million, an increase of ¥342 million from the same period of the previous year. Sales of urine-derived products and bulk substance of anticancer drug, etc. remained at a satisfactory level. Income derived from the master agreement signed in December 2009 with GlaxoSmithKline KK. And GlaxoSmithKline Group on manufacturing, development and marketing of bioproducts was included in the sales. As a result, sales of pharmaceutical business reached ¥10,110 million, an increase of ¥1,679 million over the same period of the previous year. In contrast, sales of medical devices and laboratory equipment business resulted ¥243 million yen, a decrease of ¥57 million over the same period of the previous year. As a result, the consolidated sales of the Company during the nine months ended December 31, 2009 reached ¥10,353 million, an increase of ¥1,622 million from the same period of the previous year.

In terms of profit and loss, selling, general and administrative expenses increased by ¥123 million to ¥6,055 million over the same period of the previous year. Due to an increase in gross profit resulting from the robust growth in net sales, the Company recorded operating income of ¥1,513 million, an increase of ¥1,336 million from the same period of the previous year, and ordinary income of ¥1,577 million, an increase of ¥1,278 million from the same period of the previous year. The Company recorded net income of ¥1,242 million, an increase of ¥1,020 million from the same period of the previous year.

Concerning “Epoetin Alfa BS Inj. JCR”, a drug for treatment of renal anemia co-developed with Kissei Pharmaceuticals in Japan, the Company obtained the marketing approval from the Ministry of Health Labour and Welfare on January 20, 2010.

Sales by business segments are as shown below.

Sales by business segments:

Business segment	Nine months ended December 31, 2008 (Apr.1, 2008 - Dec. 31, 2008)		Nine months ended December 31, 2009 (Apr.1, 2009 - Dec. 31, 2009)		Increase and decrease
	JPY Thousand	Composition ratio (%)	JPY Thousand	Composition ratio (%)	JPY Thousand
Pharmaceuticals	8,431,052	96.6	10,110,660	97.7	1,679,608
Medical devices & laboratory equipment	300,287	3.4	243,170	2.3	(57,117)
Total	8,731,340	100.0	10,353,831	100.0	1,622,491

II. Consolidated Quarterly Financial Statements**(1) Consolidated Balance Sheets**

Yen in thousands

	As of December 31, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	2,524,133	2,032,785
Notes and accounts receivable-trade	4,893,437	3,000,487
Short-term investment securities	1,832,571	3,919,851
Merchandise and finished goods	1,905,223	1,352,911
Work in process	1,240,437	822,692
Raw materials and supplies	782,675	1,038,937
Other	709,957	2,067,438
Allowance for doubtful accounts	(384)	(178)
Total current assets	13,888,052	14,234,926
Noncurrent assets		
Property, plant and equipment		
Land	3,495,170	3,492,049
Other, net	4,693,136	3,942,989
Total property, plant and equipment	8,188,306	7,435,038
Intangible assets	116,867	59,336
Investments and other assets		
Investment securities	2,598,299	2,503,379
Other	824,839	714,756
Allowance for doubtful accounts	(172,539)	(180,250)
Total investments and other assets	3,250,599	3,037,885
Total noncurrent assets	11,555,773	10,532,261
Total assets	25,443,825	24,767,187
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,063,567	808,920
Short-term loans payable	1,609,600	1,547,200
Income taxes payable	357,768	33,574
Provision for bonuses	178,260	198,783
Provision for directors' bonuses	46,875	37,500
Other	2,239,703	1,867,648
Total current liabilities	5,495,774	4,493,627
Noncurrent liabilities		
Bonds payable	2,000,000	2,000,000
Long-term loans payable	960,000	832,000
Provision for retirement benefits	51,117	46,872
Other	419,367	409,973
Total noncurrent liabilities	3,430,485	3,288,846
Total liabilities	8,926,259	7,782,473

(Continued)

Yen in thousands

	As of December 31, 2009	As of March 31, 2009
Net assets		
Shareholders' equity		
Capital stock	7,504,866	7,504,866
Capital surplus	8,415,316	8,411,316
Retained earnings	2,463,206	1,474,082
Treasury stock	(2,085,873)	(515,545)
Total shareholders' equity	16,297,516	16,874,721
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	90,969	(38,327)
Deferred gains or losses on hedge	(51,592)	(18,751)
Foreign currency translation adjustments	60,415	62,265
Total valuation and translation adjustments	99,792	5,186
Subscription rights to shares	120,017	100,000
Minority interests	239	4,805
Total net assets	16,517,565	16,984,713
Total liabilities and net assets	25,443,825	24,767,187

(2) Consolidated Statements of Income

Nine months ended December 31, 2009 (From April 1, 2009 to December 31, 2009)

	Yen in thousands	
	Nine months ended Dec. 31, 2008 (Apr. 1, 2008 to Dec. 31, 2008)	Nine months ended Dec. 31, 2009 (Apr. 1, 2009 to Dec. 31, 2009)
Net sales	8,731,340	10,353,831
Cost of sales	2,622,633	2,784,724
Gross profit	6,108,706	7,569,106
Selling, general and administrative expenses		
Total selling, general and administrative expenses	5,932,023	6,055,908
Operating income	176,683	1,513,198
Non-operating income		
Interest income	45,145	30,997
Dividends income	16,071	16,900
Insurance return	—	24,542
Income from product development investment	100,000	32,530
Compensation income	—	15,000
Amortization of negative goodwill	—	6,305
Other	23,221	12,263
Total non-operating income	184,438	138,539
Non-operating expenses		
Interest expenses	47,733	52,309
Other	14,987	22,117
Total non-operating expenses	62,720	74,427
Ordinary income	298,402	1,577,311
Extraordinary income		
Gain on sales of investment securities	—	14,487
Reversal of allowance for doubtful accounts	112	—
Total extraordinary income	112	14,487
Extraordinary loss		
Loss on disposal of noncurrent assets	1,562	4,004
Loss on valuation of investment securities	29,507	267,117
Provision of allowance for doubtful accounts of golf club membership	3,850	475
Provision of allowance for doubtful accounts	22,638	—
Other	—	1,300
Total extraordinary loss	57,558	272,896
Income before income taxes and minority interests	240,955	1,318,902
Income taxes-current	8,542	348,174
Income taxes-deferred	10,080	(272,790)
Total income taxes	18,622	75,383
Minority interests in income	610	1,236
Net income	221,722	1,242,282