

Financial Summary

First Quarter Results for the Fiscal Year Ending March 31, 2011

July 30, 2010

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

1. Consolidated Business Performance (From April 1, 2010 to June 30, 2011) for the Fiscal Year Ending March 31, 2011

(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	
Three Months Ended June 30, 2010	¥ 3,911	19.0 %	¥ 896	159.3 %	¥ 887	134.8 %	¥ 551	117.7 %
Three Months Ended June 30, 2009	¥ 3,286	31.9 %	¥ 345	— %	¥ 377	— %	¥ 253	— %

	Earning Per Share *		Diluted Earning Per Share *	
Three Months Ended June 30, 2010	¥ 17.64		¥ 17.03	
Three Months Ended June 30, 2009	¥ 9.62		¥ 9.61	

(2) Consolidated Financial Condition

(Amount in millions except *)

	Total Assets	Total Net Assets	Equity Ratio	Book Value Per Share*
As of June 30, 2010	¥ 30,140	¥ 22,597	74.9 %	¥ 699.32
As of Mar. 31, 2010	¥ 29,148	¥ 20,483	70.2 %	¥ 700.80

Note: Equity As of June 30, 2010 22,575 million yen As of March 31, 2010 20,462 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 2009	—	¥ 5.00	—	¥ 10.00	¥ 15.00
FY 2010	—				
FY 2010 (Forecast)		¥ 6.00	—	¥ 6.00	¥ 12.00

Note: Modifications in the dividend forecasts for Fiscal 2010: None

3. Consolidated Business Forecast (From April 1, 2010 to March 31, 2011)

(% 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 *
Interim fiscal year ended Sep. 30, 2010	¥ 7,200	19.3 %	¥ 970	198.6 %	¥ 970	169.0 %	¥ 590	412.6 %	¥ 18.57
Full fiscal year	¥ 14,400	0.1 %	¥ 1,320	(34.3) %	¥ 1,320	(29.1) %	¥ 830	(36.3) %	¥ 25.92

Note: Modifications in forecasts of consolidated business performance for Fiscal 2010: 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 first quarter ended June 30, 2010, sales of the Company's main product, **Growject®**, a recombinant human growth hormone product, was impacted by National Health Insurance Price Reduction in April and thereby reached ¥2,111 million, 2.4 % decrease from that of the same period of the previous year. Sales of bulk substance of anticancer drug declined, comparing with that of the same period of the previous year. On the other hand, the Company received certain license revenue associated with the launch of **Epoetin Alfa BS Inj. JCR** in Japan in May. As a result, sales of pharmaceutical business reached ¥3,811 million, an increase of ¥613 million over the same period of the previous year. Sales of medical devices and laboratory equipment business resulted ¥100 million yen, an increase of ¥11 million over the same period of the previous year. As a result, the consolidated sales of the Company during the three months ended June 30, 2010 reached ¥3,911 million, an increase of ¥624 million from the same period of the previous year.

In terms of profit and loss, in addition to increase both in sales and profit, due to reduction in research and development expenses, the selling, general and administrative expenses decreased from that of the same period of the previous year. As a result, the Company recorded operating income of ¥896 million, an increase of ¥550 million in the same period of the previous year, ordinary income of ¥887 million, an increase of ¥509 million in the same period of the previous year and net income of ¥551 million, an increase of ¥298 million in the same period of the previous year.

As announced in May, **Growject®** business, which was licensed to Dainippon Sumitomo Pharma, Co., Ltd. (DSP), was transferred back from DSP to JCR. Now that the two marketing channels have been consolidated to one, the Company strives toward further improvement of efficiency in its marketing activities and competitiveness of **Growject®**.

Sales by business segments are as shown below.

Sales by business segments:

Business segment	Three months ended June 30, 2009 (Apr.1, 2009 - June 30, 2009)		Three months ended June 30, 2010 (Apr.1, 2010 - June 30, 2010)		Increase and decrease
	JPY Thousand	Composition ratio (%)	JPY Thousand	Composition ratio (%)	JPY Thousand
Pharmaceuticals	3,197,880	97.3	3,811,258	97.4	613,378
Medical devices & laboratory equipment	88,526	2.7	100,000	2.6	11,473
Total	3,286,407	100.0	3,911,258	100.0	624,851

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

Yen in thousands

	As of June 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	2,220,569	1,901,996
Notes and accounts receivable-trade	3,931,917	3,043,201
Short-term investment securities	2,614,843	4,333,929
Merchandise and finished goods	1,504,811	1,807,461
Work in process	1,156,672	1,133,298
Raw materials and supplies	1,579,388	1,156,600
Other	1,131,888	1,579,429
Allowance for doubtful accounts	(6,320)	(4,944)
Total current assets	14,133,769	14,950,973
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,639,877	3,027,395
Land	3,604,920	3,604,920
Other, net	3,040,735	2,279,383
Total property, plant and equipment	10,285,533	8,911,699
Intangible assets	113,423	118,883
Investments and other assets		
Investment securities	4,498,416	4,522,796
Other	1,281,859	816,388
Allowance for doubtful accounts	(172,539)	(172,539)
Total investments and other assets	5,607,736	5,166,645
Total noncurrent assets	16,006,693	14,197,229
Total assets	30,140,463	29,148,202
Liabilities		
Current liabilities		
Notes and accounts payable-trade	858,951	914,855
Short-term loans payable	1,743,000	1,782,800
Income taxes payable	294,704	553,220
Provision for bonuses	359,956	225,679
Provision for directors' bonuses	87,000	74,500
Other	1,894,901	1,811,057
Total current liabilities	5,238,514	5,362,113
Noncurrent liabilities		
Bonds payable	—	2,000,000
Long-term loans payable	609,600	634,800
Provision for retirement benefits	49,851	51,913
Other	1,645,275	615,604
Total noncurrent liabilities	2,304,727	3,302,318
Total liabilities	7,543,241	8,664,431

(Continued)

Yen in thousands

	As of June 30, 2010	As of March 31, 2010
Net assets		
Shareholders' equity		
Capital stock	9,061,866	8,061,866
Capital surplus	10,777,797	9,779,147
Retained earnings	2,783,055	2,523,798
Treasury stock	(83,611)	(83,912)
Total shareholders' equity	22,539,107	20,280,899
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	37,870	111,404
Deferred gains or losses on hedge	(70,257)	4,998
Foreign currency translation adjustments	68,555	65,410
Total valuation and translation adjustments	38,168	181,814
Subscription rights to shares	21,673	20,825
Minority interests	272	231
Total net assets	22,597,221	20,483,771
Total liabilities and net assets	30,140,463	29,148,202

(2) Consolidated Statements of Income

Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)

	Yen in thousands	
	Three months ended June 30, 2009 (Apr. 1, 2009 to June 30, 2009)	Three months ended June 30, 2010 (Apr. 1, 2010 to June 30, 2010)
Net sales	3,286,407	3,911,258
Cost of sales	1,025,154	1,151,871
Gross profit	2,261,252	2,759,387
Selling, general and administrative expenses		
Total selling, general and administrative expenses	1,915,474	1,862,747
Operating income	345,778	896,640
Non-operating income		
Interest income	11,472	13,358
Dividends income	9,592	11,056
Insurance return	24,542	—
Foreign exchange gains	—	2,564
Other	4,492	3,087
Total non-operating income	50,099	30,066
Non-operating expenses		
Interest expenses	16,036	13,107
Equity in losses of affiliates	—	24,717
Other	1,908	1,317
Total non-operating expenses	17,944	39,143
Ordinary income	377,933	887,563
Extraordinary income		
Gain on sales of investment securities	13,914	—
Reversal of allowance for doubtful accounts	—	17
Total extraordinary income	13,914	17
Extraordinary loss		
Loss on disposal of noncurrent assets	1,673	532
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	14,783
Total extraordinary loss	1,673	15,316
Income before income taxes and minority interests	390,174	872,264
Income taxes-current	133,560	279,377
Income taxes-deferred	3,126	41,597
Total income taxes	136,687	320,974
Income before minority interests	—	551,289
Minority interests in income	278	40
Net income	253,209	551,249