

Financial Summary**Consolidated Financial Results for the Six Months Ended Sep 30, 2011 (Q2FY2011)**

Oct 28, 2011

(Amounts of less than one million yen are rounded down to the nearest million yen.)

1. Consolidated Financial Results for Q2FY2011 (Apr. 1, 2011 - Sep. 30, 2011)**(1) Consolidated Operating Results (Cumulative)**

(Percentage shows year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six Months Ended Sep. 30, 2011	6,382	(9.3)	570	(45.5)	523	(48.2)	324	(46.4)
Sep. 30, 2010	7,036	16.6	1,046	222.1	1,009	180.0	605	426.3

(Note) Comprehensive income ;

Six months ended Sep. 30, 2011 : 183 million yen Six months ended Sep. 30, 2010 : 356 million yen

	Net Income per Share (basic)	Net Income per Share (diluted)
	Yen	Yen
Six Months Ended Sep. 30, 2011	10.07	10.04
Sep. 30, 2010	19.07	18.71

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of Sep. 30, 2011	30,047	22,734	75.4
Mar. 31, 2011	29,817	22,832	76.3

(Reference) Shareholders' Equity ; As of Sep. 30, 2011 : 22,644 Million yen As of Mar. 31, 2011 : 22,762 Million yen

2. Dividends

	Dividend per Share				
(Base date)	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2010	—	6.00	—	6.00	12.00
FY 2011	—	6.00			
FY 2011 (Forecast)			—	6.00	12.00

(Note) Revisions of the latest forecast of dividends : None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2012 (Apr. 1, 2011 - Mar. 31, 2012)

(Percentage figures for the fiscal year represent the changes from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Mar. 31, 2012	13,700	(5.2)	1,220	(13.3)	1,200	(8.6)	750	(19.0)	23.30

(Note) Revisions of the latest forecast of consolidated operating performance : None

※ Information regarding the implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures. At the time of disclosure of these financial results, the quarterly consolidated Financial statement review procedures based on the Financial Instruments and Exchange Law of Japan are in progress.

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

The forward-looking statements such as a result forecasts in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable. Actual results may differ materially from the forecast depending on various factors.

1. Descriptive Information and Financial Statements

Descriptive Information on Consolidated Operating Results

During the second quarter ended September 30, 2011, the Company strengthened regional marketing and strived to establish global standard quality assurance system to expand its business overseas with Epoetin Alfa BS Inj. JCR for treatment of renal anemia and therapeutic enzymes for lysosomal diseases in collaboration with GlaxoSmithKline Group.

Regarding research and development, the Company proceeded with the preparation for a supplementary indication of Growject® (short stature associated with small for gestational age) and also filed the IND for Phase II/III study of Mesenchymal Stem Cells (MSC) at the end of August. In addition, the Company signed a development investment agreement for its three drugs under development with MEDIPAL HOLDINGS CORPORATION in September.

As a result, the total sales of final products (Growject® and Epoetin Alpha BS Inj. JCR) reached ¥5,649 million, an increase of ¥195 million in the same period of the previous fiscal year. However, the total sales of pharmaceutical business recorded ¥6,189 million (a decrease of ¥660 million) due to decrease in the sales of anticancer bulk substance drug and license revenue during the quarter. The total sales of medical device/laboratory equipment business recorded ¥192 million (an increase of ¥6 million) from the sales growth of medical device.

In total, the sales of the Company during the second quarter recorded ¥6,382 million, a decrease of ¥653 million.

In terms of profit and loss, the Company recorded operating income of ¥570 million (a decrease of ¥476 million), ordinary income of ¥523 million (a decrease of ¥486 million) and net income of ¥324 million (a decrease of ¥281 million) in the same period of the previous fiscal year, primarily due to the decline in license revenue.

2. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2011	As of September 30, 2011
Assets		
Current assets		
Cash and deposits	1,439,264	1,279,015
Notes and accounts receivable-trade	3,904,924	4,130,393
Short-term investment securities	2,979,717	2,312,441
Merchandise and finished goods	668,566	1,271,123
Work in process	1,060,196	935,442
Raw materials and supplies	2,846,064	3,096,778
Other	928,131	1,148,333
Allowance for doubtful accounts	(6,146)	(6,349)
Total current assets	13,820,720	14,167,177
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,700,457	3,576,900
Land	3,602,773	3,602,773
Other, net	3,015,987	2,931,595
Total property, plant and equipment	10,319,218	10,111,268
Intangible assets	120,539	109,063
Investments and other assets		
Investment securities	4,412,021	3,772,183
Other	1,343,565	2,091,683
Allowance for doubtful accounts	(198,564)	(204,237)
Total investments and other assets	5,557,021	5,659,629
Total noncurrent assets	15,996,779	15,879,961
Total assets	29,817,499	30,047,138
Liabilities		
Current liabilities		
Notes and accounts payable-trade	955,207	971,659
Short-term loans payable	1,746,000	2,337,600
Income taxes payable	323,914	256,178
Provision for bonuses	249,155	306,029
Provision for directors' bonuses	59,500	28,250
Other	1,499,131	1,375,392
Total current liabilities	4,832,908	5,275,109
Noncurrent liabilities		
Long-term loans payable	633,200	565,600
Provision for retirement benefits	50,655	44,702
Other	1,468,586	1,426,945
Total noncurrent liabilities	2,152,442	2,037,247
Total liabilities	6,985,350	7,312,356

(Continued)

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2011	As of September 30, 2011
Net assets		
Shareholders' equity		
Capital stock	9,061,866	9,061,866
Capital surplus	10,779,605	10,779,812
Retained earnings	2,964,585	3,095,435
Treasury stock	(82,722)	(189,774)
Total shareholders' equity	22,723,335	22,747,340
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,646	(53,408)
Deferred gains or losses on hedge	(55,329)	(94,255)
Foreign currency translation adjustments	40,464	44,966
Total accumulated other comprehensive income	38,780	(102,698)
Subscription rights to shares	69,717	89,761
Minority interests	315	378
Total net assets	22,832,148	22,734,782
Total liabilities and net assets	29,817,499	30,047,138

(2) Consolidated Statements of Income

Yen in thousands

Consolidated Statements of Income	Six months ended Sep. 30, 2010	Six months ended Sep. 30, 2011
Net sales	7,036,283	6,382,450
Cost of sales	2,209,412	1,981,381
Gross profit	4,826,870	4,401,068
Selling, general and administrative expenses	3,780,586	3,831,056
Operating income	1,046,284	570,012
Non-operating income		
Interest income	27,687	29,144
Dividends income	11,056	9,514
Foreign exchange gains	—	3,892
Other	20,066	5,854
Total non-operating income	58,810	48,406
Non-operating expenses		
Interest expenses	27,929	29,330
Foreign exchange losses	15,815	—
Equity in losses of affiliates	48,846	53,240
Other	3,060	12,496
Total non-operating expenses	95,652	95,067
Ordinary income	1,009,442	523,351
Extraordinary income		
Reversal of allowance for doubtful accounts	20	—
Total extraordinary income	20	—
Extraordinary loss		
Loss on disposal of noncurrent assets	3,978	1,430
Loss on adjustment for changes of accounting standard for asset retirement obligations	14,783	—
Total extraordinary loss	18,761	1,430
Income before income taxes	990,700	521,920
Income taxes-current	345,505	222,862
Income taxes-deferred	39,443	(25,584)
Total income taxes	384,948	197,277
Income before minority interests	605,752	324,643
Minority interests in income	21	63
Net income	605,730	324,580

(3) Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income	Yen in thousands	
	Six months ended Sep. 30, 2010	Six months ended Sep. 30, 2011
Income before minority interests	605,752	324,643
Other comprehensive income		
Valuation difference on available-for-sale securities	(106,714)	(107,055)
Deferred gains or losses on hedges	(133,226)	(38,926)
Foreign currency translation adjustment	(9,223)	4,501
Total other comprehensive income	(249,164)	(141,479)
Comprehensive income	356,587	183,163
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	356,565	183,100
Comprehensive income attributable to minority interests	21	63