

**Financial Summary****Consolidated Financial Results for the Nine Months Ended Dec 31, 2011 (Q3FY2011)**

Jan 27, 2012

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

**1. Consolidated Financial Results for Q3FY2011 (Apr. 1, 2011 - Dec. 31, 2011)****(1) Consolidated Operating Results (Cumulative)**

(Percentage shows year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Nine Months Ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Dec. 31, 2011	9,696	(7.8)	971	(26.9)	923	(28.8)	530	(32.7)
Dec. 31, 2010	10,513	1.5	1,329	(12.1)	1,297	(17.7)	788	(36.6)

(Note) Comprehensive income ;

Nine months ended Dec. 31, 2011 : 394 million yen    Nine months ended Dec. 31, 2010 : 497 million yen

	Net Income per Share (basic)	Net Income per Share (diluted)
Nine Months Ended	Yen	Yen
Dec. 31, 2011	16.46	16.41
Dec. 31, 2010	24.68	24.33

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Equity Ratio
As of	Million yen	Million yen	%
Dec. 31, 2011	29,488	22,756	76.9
Mar. 31, 2011	29,817	22,832	76.3

(Reference) Shareholders' Equity ; As of Dec. 31, 2011 : 22,663 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 third quarter ended December 31, 2011, the Company strengthened regional marketing and strived to establish global standard quality assurance system in collaboration with GlaxoSmithKline Group.

Regarding research and development, the Company has commenced Phase II/III study of Mesenchymal Stem Cells (MSC), and in December 2011, submitted an application for a supplementary indication of Growject® (short stature associated with small for gestational age). Furthermore, the Company signed a development investment agreement for its three drugs under development with MEDIPAL HOLDINGS CORPORATION in September 2011.

As a result, the total sales of final products (Growject® and Epoetin Alpha BS Inj. JCR) reached ¥8,383 million, an increase of ¥304 million in the same period of the previous fiscal year. However, the total sales of pharmaceutical business recorded ¥9,415 million (a decrease of ¥805 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 ¥280 million (a decrease of ¥11 million).

In total, the sales of the Company during the third quarter recorded ¥9,696 million, a decrease of ¥816 million in the same period of the previous fiscal year.

In terms of profit and loss, the Company recorded operating income of ¥971 million (a decrease of ¥357 million), ordinary income of ¥923 million (a decrease of ¥373 million) and net income of ¥530 million (a decrease of ¥258 million) in the same period of the previous fiscal year, primarily due to the decline in license revenue.

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

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2011	As of December 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	1,439,264	1,378,430
Notes and accounts receivable-trade	3,904,924	4,182,650
Short-term investment securities	2,979,717	2,223,075
Merchandise and finished goods	668,566	1,052,856
Work in process	1,060,196	1,324,648
Raw materials and supplies	2,846,064	3,094,488
Other	928,131	962,355
Allowance for doubtful accounts	(6,146)	(6,434)
Total current assets	13,820,720	14,212,071
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,700,457	3,516,083
Land	3,602,773	3,602,773
Other, net	3,015,987	2,777,726
Total property, plant and equipment	10,319,218	9,896,583
Intangible assets	120,539	101,082
Investments and other assets		
Investment securities	4,412,021	3,494,961
Other	1,343,565	1,987,835
Allowance for doubtful accounts	(198,564)	(204,237)
Total investments and other assets	5,557,021	5,278,559
Total noncurrent assets	15,996,779	15,276,225
Total assets	29,817,499	29,488,296
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	955,207	916,995
Short-term loans payable	1,746,000	2,045,400
Income taxes payable	323,914	51,088
Provision for bonuses	249,155	140,815
Provision for directors' bonuses	59,500	42,375
Other	1,499,131	1,562,580
Total current liabilities	4,832,908	4,759,256
Noncurrent liabilities		
Long-term loans payable	633,200	548,800
Provision for retirement benefits	50,655	58,825
Other	1,468,586	1,364,706
Total noncurrent liabilities	2,152,442	1,972,331
Total liabilities	6,985,350	6,731,588

(Continued)

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2011	As of December 31, 2011
Net assets		
Shareholders' equity		
Capital stock	9,061,866	9,061,866
Capital surplus	10,779,605	10,779,882
Retained earnings	2,964,585	3,107,945
Treasury stock	(82,722)	(189,128)
Total shareholders' equity	22,723,335	22,760,566
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,646	(63,052)
Deferred gains or losses on hedge	(55,329)	(67,916)
Foreign currency translation adjustments	40,464	34,212
Total accumulated other comprehensive income	38,780	(96,757)
Subscription rights to shares	69,717	92,507
Minority interests	315	392
Total net assets	22,832,148	22,756,708
Total liabilities and net assets	29,817,499	29,488,296

**(2) Consolidated Statements of Income**

Yen in thousands

Consolidated Statements of Income	Nine months ended Dec. 31, 2010	Nine months ended Dec. 31, 2011
Net sales	10,513,139	9,696,670
Cost of sales	3,517,693	3,077,738
Gross profit	6,995,445	6,618,931
Selling, general and administrative expenses	5,665,881	5,647,328
Operating income	1,329,564	971,603
Non-operating income		
Interest income	42,273	41,714
Dividends income	18,379	17,784
Other	35,485	15,858
Total non-operating income	96,137	75,357
Non-operating expenses		
Interest expenses	43,557	43,899
Foreign exchange losses	23,750	1,331
Equity in losses of affiliates	56,706	64,074
Other	4,234	13,744
Total non-operating expenses	128,250	123,050
Ordinary income	1,297,451	923,911
Extraordinary income		
Gain on sales of investment securities	5,225	—
Total extraordinary income	5,225	—
Extraordinary loss		
Loss on disposal of noncurrent assets	4,013	2,169
Loss on valuation of golf club membership	—	600
Loss on adjustment for changes of accounting standard for asset retirement obligations	14,783	—
Total extraordinary loss	18,796	2,769
Income before income taxes	1,283,880	921,141
Income taxes-current	426,417	249,103
Income taxes-deferred	69,299	141,932
Total income taxes	495,717	391,036
Income before minority interests	788,162	530,105
Minority interests in income	66	77
Net income	788,096	530,028

**(3) Consolidated Statements of Comprehensive Income**

Yen in thousands		
Consolidated Statements of Comprehensive Income	Nine months ended Dec. 31, 2010	Nine months ended Dec. 31, 2011
Income before minority interests	788,162	530,105
Other comprehensive income		
Valuation difference on available-for-sale securities	(135,523)	(116,698)
Deferred gains or losses on hedges	(134,672)	(12,587)
Foreign currency translation adjustment	(20,124)	(6,252)
Total other comprehensive income	(290,320)	(135,537)
Comprehensive income	497,841	394,567
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	497,775	394,490
Comprehensive income attributable to minority interests	66	77