

Financial Summary**Consolidated Financial Results for the Six Months Ended Sep 30, 2012 (Q2 FY2012)**

Oct 31, 2012

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

1. Consolidated Financial Results for Q2 FY2012 (Apr. 1, 2012 - Sep. 30, 2012)**(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, 2012	6,625	3.8	374	(34.3)	377	(27.9)	210	(35.3)
Sep. 30, 2011	6,382	(9.3)	570	(45.5)	523	(48.2)	324	(46.4)

(Note) Comprehensive income ;

Six months ended Sep. 30, 2012 : 184 million yen Six months ended Sep. 30, 2011 : 183 million yen

	Net Income per Share (basic)	Net Income per Share (diluted)
	Yen	Yen
Six Months Ended Sep. 30, 2012	6.62	6.60
Sep. 30, 2011	10.07	10.04

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of Sep. 30, 2012	30,580	22,674	73.7
Mar. 31, 2012	28,967	22,633	77.8

(Reference) Shareholders' Equity ; As of Sep. 30, 2012 : 22,545 Million yen As of Mar. 31, 2012 : 22,535 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 2011	—	6.00	—	6.00	12.00
FY 2012	—	6.00			
FY 2012 (Forecast)			—	6.00	12.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 - Mar. 31, 2013)

(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, 2013	13,700	6.7	1,250	14.7	1,250	24.3	720	13.6	22.70

(Note) Revisions of the latest forecast of consolidated operating performance : Yes

※ 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

In April, the industry average reduction of 6.0 % on the National Health Insurance (NHI) Price was introduced. Under such circumstances, the JCR Group proactively developed promotional activities during the second quarter ended September 30, 2012. The highlights during this period included the launch of **Growjector® 2**, a new automatic injector for Growject® (recombinant human growth hormone product) in July and the approval for supplemental indication of short stature due to small for gestational age (SGA) in August. In parallel to the intensive promotion of Growject®, the Company also focused to promote its bio-drug, Epoetin Alfa BS Inj. JCR for treatment of renal anemia, in collaboration with the co-marketer, Kissei Pharmaceutical Co., Ltd., against a background of the increasing demands for affordable drugs within cost-constraint efforts among medical institutions following the changes in the fixed payment method for dialysis treatment.

Regarding research and development, Phase II/III study of JR-031, human Mesenchymal Stem Cells (MSC), progressed smoothly. Osiris Therapeutics, Inc., the licensor of the MSC technology, successfully obtained regulatory approval for the pediatric treatment of acute graft versus host disease (GvHD) in Canada and New Zealand this May and June, respectively. It is encouraging for JCR to endeavor towards successful completion of the JR-031 clinical development and filing in Japan. Furthermore, the global quality assurance system, which the Company was gearing to establish in its manufacturing facilities, was completed and the manufacture of investigational new drug for lysosomal storage diseases, licensed to GlaxoSmithKline Group, was started.

As a result, despite the NHI price reduction in April, the sales of core products, Growject® and Epoetin Alpha BS Inj. JCR, steadily reached ¥4,262 million, an increase of ¥122 million from the same period last year, and ¥1,064 million, an increase of ¥236 million, respectively. The total sales of pharmaceutical business recorded ¥6,404 million (an increase of ¥214 million), reflecting the result of the sales of anticancer bulk substance drug which grew over, and urine-derived products and license revenue which fell short of the previous fiscal year. The total sales of medical device/laboratory equipment business recorded ¥221 million (an increase of ¥28 million).

In total, the sales of the Company during the second quarter recorded ¥6,625 million, an increase of ¥243 million from the same period of the previous fiscal year.

In terms of profit and loss, the Company recorded operating income of ¥374 million (a decrease of ¥195 million), ordinary income of ¥377 million (a decrease of ¥146 million) and net income of ¥210 million (a decrease of ¥114 million) from the same period of the previous fiscal year, primarily due to the decline in license revenue (a decrease of ¥300 million).

R&D expenditures fell by ¥35 million to ¥989 million compared to the same period last year.

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

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2012	As of Sep 30, 2012
Assets		
Current assets		
Cash and deposits	865,961	791,218
Notes and accounts receivable-trade	4,048,373	3,935,015
Short-term investment securities	3,200,992	4,234,669
Merchandise and finished goods	1,165,546	1,319,331
Work in process	1,509,147	984,266
Raw materials and supplies	2,435,670	3,045,231
Other	1,023,659	1,258,332
Allowance for doubtful accounts	(6,545)	(6,357)
Total current assets	14,242,806	15,561,707
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,488,708	3,363,648
Land	3,602,773	3,602,773
Other, net	2,645,762	3,126,828
Total property, plant and equipment	9,737,244	10,093,250
Intangible assets	99,096	98,010
Investments and other assets		
Investment securities	3,249,966	3,317,049
Other	1,845,768	1,718,364
Allowance for doubtful accounts	(207,537)	(207,537)
Total investments and other assets	4,888,198	4,827,877
Total noncurrent assets	14,724,539	15,019,138
Total assets	28,967,345	30,580,846
Liabilities		
Current liabilities		
Notes and accounts payable-trade	229,438	833,234
Short-term loans payable	1,973,200	1,924,200
Income taxes payable	138,444	206,388
Provision for bonuses	271,194	328,096
Provision for directors' bonuses	59,500	29,750
Other	1,749,107	2,204,243
Total current liabilities	4,420,884	5,525,912
Noncurrent liabilities		
Long-term loans payable	532,000	1,071,100
Provision for retirement benefits	78,582	129,869
Other	1,302,719	1,179,648
Total noncurrent liabilities	1,913,301	2,380,618
Total liabilities	6,334,185	7,906,530

(Continued)

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2011	As of Sep 30, 2012
Net assets		
Shareholders' equity		
Capital stock	9,061,866	9,061,866
Capital surplus	10,779,635	10,777,823
Retained earnings	3,211,907	3,231,794
Treasury stock	(586,759)	(568,952)
Total shareholders' equity	22,466,650	22,502,532
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45,472	14,540
Deferred gains or losses on hedge	(17,230)	(16,265)
Foreign currency translation adjustments	40,964	44,882
Total accumulated other comprehensive income	69,206	43,157
Subscription rights to shares	96,966	128,232
Minority interests	337	392
Total net assets	22,633,160	22,674,315
Total liabilities and net assets	28,967,345	30,580,846

(2) Consolidated Statements of Income

Yen in thousands

Consolidated Statements of Income	Six months ended Sep. 30, 2011	Six months ended Sep. 30, 2012
Net sales	6,382,450	6,625,830
Cost of sales	1,981,381	2,391,363
Gross profit	4,401,068	4,234,467
Selling, general and administrative expenses	3,831,056	3,860,226
Operating income	570,012	374,240
Non-operating income		
Interest income	29,144	17,852
Dividends income	9,514	10,187
Foreign exchange gain	3,892	-
Other	5,854	15,253
Total non-operating income	48,406	43,293
Non-operating expenses		
Interest expenses	29,330	25,195
Foreign exchange losses	-	210
Equity in losses of affiliates	53,240	10,689
Other	12,496	4,270
Total non-operating expenses	95,067	40,365
Ordinary income	523,351	377,169
Extraordinary loss		
Loss on disposal of noncurrent assets	1,430	8,795
Total extraordinary loss	1,430	8,795
Income before income taxes	521,920	368,373
Income taxes-current	222,862	178,030
Income taxes-deferred	(25,584)	(19,825)
Total income taxes	197,277	158,205
Income before minority interests	324,643	210,168
Minority interests in income	63	55
Net income	324,580	210,112

(3) Consolidated Statements of Comprehensive Income

Yen in thousands		
Consolidated Statements of Comprehensive Income	Six months ended Sep. 30, 2011	Six months ended Sep. 30, 2012
Income before minority interests	324,643	210,168
Other comprehensive income		
Valuation difference on available-for-sale securities	(107,055)	(30,932)
Deferred gains or losses on hedges	(38,926)	965
Foreign currency translation adjustment	4,501	3,918
Total other comprehensive income	(141,479)	(26,048)
Comprehensive income	183,163	184,119
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	183,100	184,064
Comprehensive income attributable to minority interests	63	55