

Financial Summary**Consolidated Financial Results for the Three Months Ended June 30, 2013 (Q1 FY2013)**

July 26, 2013

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

1. Consolidated Financial Results for Q1 FY2013 (Apr. 1, 2013 - Jun. 30, 2013)**(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	%
Three Months Ended Jun. 30, 2013	3,399	7.0	365	228.2	378	238.2	249	295.0
Jun. 30, 2012	3,178	3.0	111	(18.9)	112	(20.0)	63	(46.2)

(Note) Comprehensive income ;

Three months ended Jun. 30, 2013 : 360million yen Three months ended Jun. 30, 2012 : 55 million yen

	Net Income per Share (basic)	Net Income per Share (diluted)
	Yen	Yen
Three Months Ended Jun. 30, 2013	7.84	7.79
Jun. 30, 2012	1.99	1.98

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
As of	Million yen	Million yen	%
Jun. 30, 2013	31,991	23,680	73.6
Mar. 31, 2013	31,286	23,496	74.7

(Reference) Shareholders' Equity ; As of Jun. 30, 2013 : 23,555Million yen As of Mar. 31, 2013 : 23,368 Million yen

2. Dividends

(Base date)	Dividend per Share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2012	—	6.00	—	6.00	12.00
FY 2013	—				
FY 2013 (Forecast)		7.00	—	7.00	14.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2014 (Apr. 1, 2013 - Mar. 31, 2014)

(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
Six months ending Sep. 30, 2013	7,200	8.7	390	4.2	400	6.1	250	19.0	7.87
Year ending Mar. 31, 2014	15,400	9.2	1,460	26.9	1,460	26.3	1,000	36.9	31.49

(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. Narrative Information and Financial Statements

Narrative Information on Consolidated Operating Results

The summary, during the first quarter ended June 30, 2013, is as follows.

The Company launched **Growjector® 2**, a new automatic injector for its main product **Growject®** (recombinant human growth hormone product) and obtained the marketing approval for supplemental indication of short stature due to small for gestational age (SGA) in last summer; those achievements enabled the Company to increase sales volume of **Growject®**. As a result, the sales of **Growject®**, during this quarter, are steadily growing, continuing on from the previous year,

On the other front, the sales of **Epoetin Alpha BS Inj. JCR** for treatment of renal anemia increased as respectively as **Growject®**, as a result of the increased recognition on its comparability to the branded drug in quality as well as the growing demand for affordable follow-on bio-drugs among hemodialysis institutions driven from rigorous price competition in the field of therapeutic extracorporeal dialysis .

Regarding research and development, with favorable progress in Phase II/III study of JR-031, Japan's first cellular drug candidate using human Mesenchymal Stem Cells (MSC) for the treatment of acute graft-versus-host disease (GvHD), we are propelling to file an application for the regulatory approval in the year 2013, precipitated earlier than previously.

It is encouraging for us that Osiris Therapeutics, Inc., the licensor of the MSC technology, already obtained market authorization for the pediatric treatment of acute graft versus host disease (GvHD) in Canada and New Zealand in May and June 2012, respectively. JCR will continue to endeavor towards successful completion of the clinical development and filing in Japan.

In addition, we have completed the construction of the new plant, which had been carried out since 2012, as “Kobe API Plant”, incorporating a most advanced drug substance manufacturing technology in compliance with the Global GMP (a guideline for ensuring manufacturing practice and quality assurance of medical products).

As a result, the sales of **Growject®** and **Epoetin Alpha BS Inj. JCR**, reached ¥2,375 million, an increase of ¥280 million from the same period last year, and ¥651 million, an increase of ¥126 million. The total sales of pharmaceutical business recorded ¥3,277 million (an increase of ¥185 million) resulting from the sales growth of **Growject®** and **Epoetin Alpha BS Inj. JCR** offsetting the decline in sales of urine-derived products, anticancer bulk substance drug, and license revenues, whilst the sales of medical device/laboratory equipment business recorded ¥122 million (an increase of ¥35 million).

In total, the sales of the Company during the first quarter recorded ¥3,399 million, an increase of ¥221 million from the same period of the previous fiscal year.

In terms of profit and loss, the Company recorded operating income of ¥365 million (an increase of ¥253 million), ordinary income of ¥378 million (an increase of ¥266 million) and net income of ¥249 million (an increase of ¥186 million) from the same period of the previous fiscal year, primarily due to the increase in the sales and the improvement of the gross profit margin.

R&D expenditures fell by ¥93 million to ¥426 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, 2013	As of June 30, 2013
Assets		
Current assets		
Cash and deposits	822,405	825,235
Notes and accounts receivable-trade	4,900,282	4,616,690
Short-term investment securities	3,869,523	4,559,939
Merchandise and finished goods	1,313,365	1,521,527
Work in process	990,782	1,428,081
Raw materials and supplies	2,686,008	2,043,402
Other	1,403,526	1,545,066
Allowance for doubtful accounts	(80)	(22)
Total current assets	15,985,814	16,539,920
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,280,499	3,325,176
Land	3,602,773	3,602,773
Construction in progress	1,180,646	1,771,545
Other, net	2,303,162	2,289,126
Total property, plant and equipment	10,367,081	10,988,622
Intangible assets	78,787	71,412
Investments and other assets		
Investment securities	3,533,602	3,134,044
Other	1,530,531	1,467,016
Allowance for doubtful accounts	(208,837)	(209,337)
Total investments and other assets	4,855,296	4,391,723
Total noncurrent assets	15,301,165	15,451,758
Total assets	31,286,980	31,991,679
Liabilities		
Current liabilities		
Notes and accounts payable-trade	735,632	431,579
Short-term loans payable	2,000,600	1,863,800
Income taxes payable	308,755	184,027
Provision for bonuses	314,869	519,922
Provision for directors' bonuses	78,500	98,125
Other	2,187,623	3,055,774
Total current liabilities	5,625,981	6,153,228
Noncurrent liabilities		
Long-term loans payable	871,800	822,150
Provision for retirement benefits	193,376	223,800
Other	1,099,227	1,111,905
Total noncurrent liabilities	2,164,403	2,157,855
Total liabilities	7,790,384	8,311,083

(Continued)

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2013	As of June 30, 2013
Net assets		
Shareholders' equity		
Capital stock	9,061,866	9,061,866
Capital surplus	10,788,366	10,794,297
Retained earnings	3,562,042	3,620,569
Treasury stock	(544,519)	(533,117)
Total shareholders' equity	22,867,755	22,943,616
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	404,988	476,123
Deferred gains or losses on hedge	12,529	18,551
Foreign currency translation adjustments	82,759	117,073
Total accumulated other comprehensive income	500,277	611,748
Subscription rights to shares	128,102	124,720
Minority interests	458	509
Total net assets	23,496,595	23,680,595
Total liabilities and net assets	31,286,980	31,991,679

(2) Consolidated Statements of Income

Yen in thousands

Consolidated Statements of Income	Three months ended Jun. 30, 2012	Three months ended Jun. 30, 2013
Net sales	3,178,483	3,399,859
Cost of sales	1,142,702	1,094,091
Gross profit	2,035,780	2,305,767
Selling, general and administrative expenses	1,924,568	1,940,764
Operating income	111,212	365,003
Non-operating income		
Interest income	9,083	7,456
Dividends income	10,187	10,424
Foreign exchange gain	2,317	4,254
Other	2,958	8,412
Total non-operating income	24,547	30,548
Non-operating expenses		
Interest expenses	12,391	11,366
Equity in losses of affiliates	9,682	3,560
Other	1,682	1,834
Total non-operating expenses	23,756	16,760
Ordinary income	112,004	378,790
Extraordinary loss		
Loss on disposal of noncurrent assets	825	4,230
Loss on valuation of investment securities	-	1,316
Other	-	500
Total extraordinary loss	825	6,047
Income before income taxes	111,178	372,743
Income taxes-current	118,490	163,021
Income taxes-deferred	(70,362)	(39,390)
Total income taxes	48,127	123,630
Income before minority interests	63,051	249,113
Minority interests in income (loss)	(5)	50
Net income	63,056	249,062

(3) Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income	Yen in thousands	
	Three months ended Jun. 30, 2012	Three months ended Jun. 30, 2013
Income before minority interests	63,051	249,113
Other comprehensive income		
Valuation difference on available-for-sale securities	(18,523)	71,134
Deferred gains or losses on hedges	(7,901)	6,021
Foreign currency translation adjustment	19,330	34,314
Total other comprehensive income	(7,095)	111,470
Comprehensive income	55,955	360,584
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	55,961	360,533
Comprehensive income attributable to minority interests	(5)	50