

**Financial Summary****Consolidated Financial Results for the nine Months Ended Dec 31, 2013 (Q3 FY2013)**

Jan 31, 2014

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

**1. Consolidated Financial Results for Q2 FY2013 (Apr. 1, 2013 - Dec. 31, 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	%
Nine Months Ended								
Dec. 31, 2013	11,641	15.6	1,377	90.6	1,495	101.5	1,150	216.5
Dec. 31, 2012	10,071	3.9	722	(25.6)	741	(19.7)	363	(31.4)

(Note) Comprehensive income ;

Nine months ended Dec. 31, 2013 : 1,351million yen (136.6%) Nine months ended Dec. 31, 2012 : 571 million yen (44.8%)

	Net Income per Share	Net Income per Share
	(basic)	(diluted)
Nine Months Ended	Yen	Yen
Dec. 31, 2013	36.22	35.99
Dec. 31, 2012	11.46	11.42

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Equity Ratio
As of	Million yen	Million yen	%
Dec. 31, 2013	31,894	24,497	76.3
Mar. 31, 2013	31,286	23,496	74.7

(Reference) Shareholders' Equity ; As of Dec. 31, 2013 : 24,336 Million 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	—	7.00			
FY 2013 (Forecast)			—	10.00	17.00

(Note) Revisions of the latest forecast of dividends : Yes

Of the year-end dividend for FY2013 (Forecast), regular dividends amounted to ¥7.00 per share and commemorative dividends for ¥3.00 per share

**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
Year ending Mar. 31, 2014	15,800	12.1	1,570	36.5	1,680	45.3	1,230	68.5	38.71

(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, which are inherently speculative and cannot be guaranteed by the Company. 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 third quarter ended December 31, 2013, is as follows.

With **Growjector® 2**, a new automatic injector launched for its main product **Growject®** (recombinant human growth hormone product) and the marketing approval obtained for supplemental indication of short stature due to small for gestational age (SGA) in last year; the Company has enjoyed continued increase in its sales volume of **Growject®** during the first nine months of the year.

On the other front, the sales of **Epoetin Alpha BS Inj. JCR** for treatment of renal anemia has increased as well, owing to the increased recognition on its effectiveness and comparability to the branded drug in quality as well as the growing demand for our affordable follow-on bio-drug among hemodialysis institutions remarking its cost performance in the field of therapeutic extracorporeal dialysis.

Regarding research and development, with designation by the Minister of Health, Labour and Welfare as orphan drugs of JR-031, 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.

Been returned from GlaxoSmithKline Group the world-wide rights to develop and market erythropoiesis stimulating agent for treatment of renal anemia, we vigorously seek another opportunity abroad as for that product. In addition, we have entered into a joint development agreement with Kissei Pharmaceutical Co.,Ltd. for follow-on biologics of long-acting erythropoiesis stimulating agent (darbopoietin alfa).

As a result, we are pleased to report that the sales of Growject® and Epoetin Alpha BS Inj. JCR, have reached ¥7,195 million, an increase of ¥573 million from the same period last year, and ¥2,439 million, an increase of ¥700 million respectively. The total sales of pharmaceutical business recorded ¥11,300 million (an increase of ¥1,582 million), reflecting the result of the sales of urine-derived products, anticancer bulk substance drug and license revenues both increased of the previous fiscal year, whilst the sales of medical device/laboratory equipment business recorded ¥341 million (a decrease of ¥12 million). In total, the consolidated sales of the Company's group during the first quarter recorded ¥11,641 million, an increase of ¥1,570 million from the same period of the previous fiscal year.

In terms of profit and loss on a consolidated basis, the Company recorded operating income of ¥1,377 million (an increase of ¥655 million), ordinary income of ¥1,495 million (an increase of ¥753 million) and net income of ¥1,150 million (an increase of ¥787 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 ¥154 million to ¥1,598 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 Dec 31, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	822,405	1,528,110
Notes and accounts receivable-trade	4,900,282	4,778,441
Short-term investment securities	3,869,523	3,096,054
Merchandise and finished goods	1,313,365	1,892,705
Work in process	990,782	849,574
Raw materials and supplies	2,686,008	2,731,241
Other	1,403,526	1,018,133
Allowance for doubtful accounts	(80)	(23)
Total current assets	15,985,814	15,894,238
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,280,499	4,272,203
Land	3,602,773	3,882,338
Construction in progress	1,180,646	262,800
Other, net	2,303,162	2,927,910
Total property, plant and equipment	10,367,081	11,345,252
Intangible assets	78,787	78,375
Investments and other assets		
Investment securities	3,533,602	3,364,404
Other	1,530,531	1,421,718
Allowance for doubtful accounts	(208,837)	(209,337)
Total investments and other assets	4,855,296	4,576,785
Total noncurrent assets	15,301,165	16,000,413
Total assets	31,286,980	31,894,652
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	735,632	833,866
Short-term loans payable	2,000,600	1,768,600
Income taxes payable	308,755	218,096
Provision for bonuses	314,869	177,956
Provision for directors' bonuses	78,500	58,875
Other	2,187,623	2,089,406
Total current liabilities	5,625,981	5,146,801
Noncurrent liabilities		
Long-term loans payable	871,800	897,850
Provision for retirement benefits	193,376	299,613
Other	1,099,227	1,052,738
Total noncurrent liabilities	2,164,403	2,250,201
Total liabilities	7,790,384	7,397,003

(Continued)

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2013	As of Dec 31, 2013
Net assets		
Shareholders' equity		
Capital stock	9,061,866	9,061,866
Capital surplus	10,788,366	10,797,951
Retained earnings	3,562,042	4,299,895
Treasury stock	(544,519)	(524,528)
Total shareholders' equity	22,867,755	23,635,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	404,988	549,528
Deferred gains or losses on hedge	12,529	11,213
Foreign currency translation adjustments	82,759	140,228
Total accumulated other comprehensive income	500,277	700,970
Subscription rights to shares	128,102	160,913
Minority interests	458	580
Total net assets	23,496,595	24,497,649
Total liabilities and net assets	31,286,980	31,894,652

**(2) Consolidated Statements of Income**

Yen in thousands

Consolidated Statements of Income	Nine months ended Dec. 31, 2012	Nine months ended Dec. 31, 2013
Net sales	10,071,708	11,641,850
Cost of sales	3,517,513	4,084,080
Gross profit	6,554,195	7,557,770
Selling, general and administrative expenses	5,831,317	6,179,785
Operating income	722,877	1,377,984
Non-operating income		
Interest income	26,659	25,151
Dividends income	19,309	20,702
Foreign exchange gain	4,140	18,943
Compensation for research and development	-	84,393
Other	30,978	23,234
Total non-operating income	81,088	172,424
Non-operating expenses		
Interest expenses	38,041	33,172
Equity in losses of affiliates	18,119	3,609
Other	5,908	18,493
Total non-operating expenses	62,069	55,275
Ordinary income	741,896	1,495,133
Extraordinary income		
Gain on sales of noncurrent assets	-	34,403
Gain on sales of investment securities	-	119,211
Total extraordinary income	-	153,614
Extraordinary loss		
Loss on disposal of noncurrent assets	8,815	12,787
Loss on redemption of securities	67,657	-
Expenses for change of the Company's name	-	14,389
Other	3,119	1,816
Total extraordinary loss	79,591	28,993
Income before income taxes	662,304	1,619,755
Income taxes-current	217,891	395,238
Income taxes-deferred	80,670	73,578
Total income taxes	298,562	468,817
Income before minority interests	363,742	1,150,938
Minority interests in income	111	121
Net income	363,631	1,150,816

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

Consolidated Statements of Comprehensive Income	Yen in thousands	
	Nine months ended Dec. 31, 2012	Nine months ended Dec. 31, 2013
Income before minority interests	363,742	1,150,938
Other comprehensive income		
Valuation difference on available-for-sale securities	179,323	144,539
Deferred gains or losses on hedges	27,801	(1,316)
Foreign currency translation adjustment	522	57,469
Total other comprehensive income	207,647	200,692
Comprehensive income	571,389	1,351,630
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	571,278	1,351,509
Comprehensive income attributable to minority interests	111	121