

Financial Summary**Consolidated Financial Results for the Nine Months Ended Dec 31, 2014 (Q3 FY2014)**

January 30, 2015

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

1. Consolidated Financial Results for Q3 FY2014 (Apr. 1, 2014 - Dec. 31, 2014)**(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, 2014	12,316	5.8	1,186	(13.9)	1,376	(8.0)	920	(20.0)
Dec. 31, 2013	11,641	15.6	1,377	90.6	1,495	101.5	1,150	216.5

(Note) Comprehensive income ;

Nine months ended Dec. 31, 2014 : 1,041 million yen (23.0%)

Nine months ended Dec. 31, 2013 : 1,351 million yen 136%

	Net Income per Share	Net Income per Share
	(basic)	(diluted)
Nine Months Ended	Yen	Yen
Dec. 31, 2014	28.94	28.76
Dec. 31, 2013	36.22	35.99

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
As of	Million yen	Million yen	%
Dec. 31, 2014	33,549	25,358	75.0
Mar. 31, 2014	33,464	24,580	73.0

(Reference) Shareholders' Equity ; As of Dec. 31, 2014 : 25,172 Million yen As of Mar. 31, 2014 : 24,417 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 2013	—	7.00	—	10.00	17.00
FY 2014	—	8.50			
FY 2014 (Forecast)			—	8.50	17.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2015 (Apr. 1, 2014 - Mar. 31, 2015)

(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, 2015	16,800	7.0	2,020	30.7	2,200	31.0	1,560	20.4	49.02

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

4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in consolidation scope) : None
- (2) Application of the accounting method specific to quarterly consolidated financial statements : None
- (3) Changes in accounting principles and accounting estimates, and revisions/restatements
 - ① Changes associated with changes in accounting standards : Yes
 - ② Changes in accounting principles other than ① : None
 - ③ Changes in accounting estimates : None
 - ④ Revisions/restatements : None
- (4) Number of shares outstanding (common stock)
 - ① Number of shares outstanding at the end of the period (including treasury stocks) :

As of Dec. 31, 2014	32,421,577 shares	As of Mar. 31, 2014	32,421,577 shares
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 - ② Number of shares of treasury stock at the end of the period :

As of Dec. 31, 2014	571,194 shares	As of Mar. 31, 2014	633,178 shares
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 - ③ Average number of shares outstanding during the period :

Apr. -Dec. 2014	31,822,880 shares	Apr. -Dec. 2013	31,772,624 shares
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※ 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

During the third quarter ended December 31, 2014, the climate of the JCR Group has still been in rigorous conditions due to the reduction in the National Health Insurance (NHI) Price of the Company's core product, **Growject®**, as a result of the scheduled revision of the National Health Insurance (NHI) Price in April 2014.

On the sales side, the Company has established "Koshigaya Distribution Center" to improve distribution services in eastern Japan and also "ESA the Sales Promotion Division" for further enhancing the promotional activity of Epoetin Alpha BS Inj. JCR.

Regarding research and development, we are pleased to inform that the Company has filed in September 2014 an application with the Pharmaceuticals and Medical Devices Agency (PMDA) in Japan for marketing approval of JR-031, a cellular drug using human Mesenchymal Stem Cells (MSCs).

In addition, there has been a steady progress in the preparatory work to initiate its clinical trials of its enzyme replacement therapy drug candidate (α -galactosidase A, known as "JR-051") for treatment of Fabry disease, one of lysosomal storage diseases. Furthermore, we have actively committed our resources to research and development of new drug, for which our original technology is utilized.

As a result, although the sales of Growject® recorded ¥7,184 million, a slight decrease of ¥10 million from the same period last year, under the adverse influence of the NHI price reduction, total sales of pharmaceutical business recorded ¥11,990 million (an increase of ¥689 million), reflecting yet increasing sales of Epoetin Alpha BS Inj. JCR that reached ¥2,761 million (an increase of ¥321 million), together with license revenues increased, and the sales of medical device/laboratory equipment business recorded ¥326 million (a decrease of ¥15 million).

Consequently, the consolidated sales of the Company's group during the third quarter recorded ¥12,316 million, an increase of ¥674 million from the same period of the previous fiscal year.

In terms of profit and loss, the Company recorded operating income of ¥1,186 million (a decrease of ¥191 million) affected by the R&D expenditures with its progress amounting to ¥2,461 (¥862 million, a remarkable increase compared to that of the same period last year) that offset positive impact of increase in sales, which resulted in ordinary income of ¥1,376 million (a decrease of ¥118 million). Net income amounts to ¥920 million (a decrease of ¥229 million from the same period of the previous fiscal year), for no extraordinary income accrued this year unlike those recorded ¥119 million resulting from sale of invested securities.

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

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2014	As of Dec 31, 2014
Assets		
Current assets		
Cash and deposits	1,047,494	1,483,092
Notes and accounts receivable-trade	3,869,221	5,069,221
Short-term investment securities	6,196,819	2,834,692
Merchandise and finished goods	1,472,119	1,402,246
Work in process	734,570	1,793,129
Raw materials and supplies	2,898,682	3,348,000
Other	1,153,918	975,440
Allowance for doubtful accounts	(21)	(15)
Total current assets	17,372,805	16,905,807
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	4,199,931	4,344,213
Land	3,882,338	3,882,338
Construction in progress	277,754	272,237
Other, net	3,032,047	2,972,476
Total property, plant and equipment	11,392,071	11,471,266
Intangible assets	94,579	80,141
Investments and other assets		
Investment securities	3,296,291	3,747,891
Other	1,510,558	1,381,874
Allowance for doubtful accounts	(202,037)	(37,679)
Total investments and other assets	4,604,812	5,092,085
Total noncurrent assets	16,091,462	16,643,492
Total assets	33,464,268	33,549,300
Liabilities		
Current liabilities		
Notes and accounts payable-trade	697,061	1,086,522
Short-term loans payable	1,875,260	1,999,510
Income taxes payable	501,658	26,377
Provision for bonuses	351,510	199,963
Provision for directors' bonuses	81,500	61,125
Other	2,156,914	2,020,828
Total current liabilities	5,663,903	5,394,327
Noncurrent liabilities		
Long-term loans payable	1,256,540	783,345
Provision for loss on guarantees	86,460	374,920
Provision for retirement benefits	577,817	436,300
Other	1,298,732	1,202,025
Total noncurrent liabilities	3,219,551	2,796,590
Total liabilities	8,883,454	8,190,918

(Continued)

Yen in thousands

Consolidated Balance Sheets	As of March 31, 2014	As of Sep 30, 2014
Net assets		
Shareholders' equity		
Capital stock	9,061,866	9,061,866
Capital surplus	10,932,987	10,943,479
Retained earnings	4,445,285	5,018,935
Treasury stock	(649,076)	(598,492)
Total shareholders' equity	23,791,063	24,425,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	568,234	642,857
Deferred gains or losses on hedge	1,558	10,530
Foreign currency translation adjustments	178,727	190,225
Remeasurements of defined benefit plans	(121,841)	(96,449)
Total accumulated other comprehensive income	626,678	747,162
Subscription rights to shares	162,487	184,743
Minority interests	584	686
Total net assets	24,580,813	25,358,382
Total liabilities and net assets	33,464,268	33,549,300

(2) Consolidated Statements of Income

Yen in thousands

Consolidated Statements of Income	Nine months ended Dec. 31, 2013	Nine months ended Dec. 31, 2014
Net sales	11,641,850	12,316,327
Cost of sales	4,084,080	4,226,810
Gross profit	7,557,770	8,089,516
Selling, general and administrative expenses	6,179,785	6,903,078
Operating income	1,377,984	1,186,437
Non-operating income		
Interest income	25,151	25,455
Dividends income	20,702	24,233
Foreign exchange gain	18,943	2,139
Gain on redemption of securities	-	48,480
Subsidy income	-	60,354
Compensation for research and development	84,393	-
Reversal of allowance for doubtful accounts	57	48,952
Other	23,177	38,474
Total non-operating income	172,424	248,090
Non-operating expenses		
Interest expenses	33,172	29,069
Loss on valuation of securities	-	19,900
Equity in losses of affiliates	3,609	-
Other	18,493	9,400
Total non-operating expenses	55,275	58,370
Ordinary income	1,495,133	1,376,158
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	12,787	3,186
Expenses for change of the Company's name	14,389	-
Other	1,816	-
Total extraordinary loss	28,993	3,186
Income before income taxes	1,619,755	1,372,971
Income taxes-current	395,238	84,370
Income taxes-deferred	73,578	367,670
Total income taxes	468,817	452,041
Income before minority interests	1,150,938	920,929
Minority interests in income	121	101
Net income	1,150,816	920,827

(3) Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income	Yen in thousands	
	Nine months ended Dec. 31, 2013	Nine months ended Dec. 31, 2014
Income before minority interests	1,150,938	920,929
Other comprehensive income		
Valuation difference on available-for-sale securities	144,539	74,622
Deferred gains or losses on hedges	(1,316)	8,972
Foreign currency translation adjustment	57,469	11,497
Remeasurements of defined benefit plans	-	25,391
Total other comprehensive income	200,692	120,484
Comprehensive income	1,351,630	1,041,413
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,351,509	1,041,312
Comprehensive income attributable to minority interests	121	101

(4) Notes on Assumption of a Going Concern None

(5) Notes on Significant Changes in Shareholders' Equity None