

# **Kyowa Hakko Kirin Co, Ltd**

## **Consolidated Financial Summary**

**First Quarter of the Fiscal Period Ending December 2009**

**(April 1, 2009 – June 30, 2009)**

This document is an English translation of parts of the Japanese-language original. All financial information has been prepared in accordance with generally accepted accounting principles in Japan. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including fluctuations in exchange rates, changing economic conditions, legislative and regulatory developments, delays in new product launches, and pricing and product initiatives of competitors.

## Summary of Financial Statements for the First Quarter of the Period Ending December 31, 2009

### Kyowa Hakko Kirin Co., Ltd.

July 29, 2009

Stock Code: 4151	Listed exchanges: Tokyo, 1 <sup>st</sup> section
URL <a href="http://www.kyowa-kirin.co.jp/english">http://www.kyowa-kirin.co.jp/english</a>	Inquiries: Tetsuro Kuga, General Manager
President Yuzuru Matsuda	Corporate Communications Department
Scheduled date of submission of Financial Report: August 10, 2009	Telephone: 81-3-3282-0009
Scheduled start date of dividend payment: --	

### 1. Results for the three months ended June 30, 2009

#### (1) Consolidated business performance

(Millions of yen rounded down)

	Three months to June 30, 2009	Change (%)	Three months to June 30, 2008	Change (%)
Net sales	96,816	(22.8%)	125,435	--
Operating income	11,041	(35.3%)	17,072	--
Recurring income	12,546	(33.2%)	18,795	--
Net income	5,699	(40.6%)	9,588	--
Net income per share (¥)	9.94		16.69	
Fully diluted net income per share (¥)	9.94		16.68	

Notes: 1. Percentages for net sales, operating income, etc, show changes compared to the same period of the previous fiscal year. The financial year-end has been changed from March 31, to December 31.

2. Kyowa Hakko Kirin plans to change its fiscal year end from March 31 to December 31. For further information please see our news release "Kyowa Hakko Kirin Third Quarter Results: Revision of full year forecasts; Planned change of fiscal year end" announced on January 20, 2009.

#### (2) Consolidated financial position

Millions of yen rounded down

	As of June 30, 2009	As of March 31, 2009
Total assets	708,477	699,041
Net assets	543,439	543,070
Shareholders' equity ratio (%)	76.1%	77.0%
Net assets per share (¥)	¥944.80	¥938.42

Note: Total shareholders' equity: June 30, 2009: ¥538,832 million; March 31, 2009: ¥538,554 million

### 2. Dividends

Dividends per share	Fiscal year ended March 31, 2009	Fiscal period ending December 31, 2009 (forecast)
Interim dividend per share (¥)	10.00	10.00
Period-end dividend per share (¥)	10.00	5.00
Total dividend per share (¥)	20.00	15.00

Note: 1. Changes to the dividend forecast during the term: None

2. Kyowa Hakko Kirin plans to change its fiscal year end from March 31 to December 31 and a financial report will be prepared for the irregular 9-month period resulting from the fiscal year end change. As a result of this change, the forecast dividend per share for the 9-month fiscal period ending December 31, 2009 will be ¥15 consisting of an interim dividend of ¥10 per share and a period-end dividend of ¥5 per share. This is based on the assumption of continued payment of a dividend of ¥20 per share for a 12-month period.

### 3. Consolidated results forecasts for the fiscal period ending December 31, 2009

Millions of yen rounded down

	April 1, 2009 to September 30, 2009	Change	April 1, 2009 to December 31, 2009	Change
Net sales	190,000	(23.3%)	305,00	--
Operating income	17,500	(40.0%)	30,000	--
Recurring income	19,000	(37.4%)	31,500	--
Net income	8,000	(3.4%)	14,000	--
Net income per share	¥13.99		¥24.51	

Notes: 1. Percentage change show changes compared to the same period of the previous fiscal year.

2. Changes to the consolidated results forecast during the term: Yes

3. Due to the change in financial year-end to December 31, the forecast figures for the full year are for the 9-month period from April 1, 2009 to December 31, 2009 and comparisons with the previous year are not provided.

### 4. Other

1) **Transfer of important subsidiaries during the period** (transfers of specific subsidiaries resulting in changes in the scope of consolidation): None

2) **Use of simplified accounting methods or special accounting procedures:** Yes

Note: See page 6, Consolidated Operating Results, Section 4: Other for more detail.

3) **Changes in accounting methods, procedures and presentation in the preparation of these financial statements** (key items mentioned in Significant Items for the Preparation of Consolidated Financial Statements):

1. Changes following revisions to accounting standards: None

2. Other changes: Yes

Note: See page 6-7, Consolidated Operating Results, Section 4: Other for more detail.

### 4) Number of shares outstanding (ordinary shares)

1. Number of shares outstanding (including treasury shares):

June 30, 2009: 576,483,555 shares

March 31, 2009: 576,483,555 shares

2. Number of treasury shares

June 30, 2009: 6,170,507 shares

March 31, 2009: 2,589,766 shares

3. Average number of shares during the period:

First quarter ended June 30, 2009: 573,303,195 shares

First quarter ended June 30, 2008: 574,460,589 shares

### Notice regarding the appropriate use of the financial forecasts

1. The interim and nine-month period consolidated results forecasts announced April 28, 2009 have been revised in this financial report.
2. The above forecasts are based on the information available and assumptions made at the time of release of this document about a number of uncertain factors that may affect results in the future. Actual results can differ materially from these projections for a wide variety of reasons.

## Operating Results and Financial Statements

### 1. Summary of business performance

During the three-month period under review, there has been a recovery primarily in some areas of exports and production due to progress made in domestic and overseas inventory adjustments. However severe conditions continued, including a further deterioration in employment, drastic declines in corporate revenues and capital expenditure, and sluggish consumer spending.

In the Group's operating environment, conditions in the Pharmaceuticals business remained severe as control of medical treatment costs, such as measures to develop the promotion and diffusion of generic drugs, strengthened, in addition, competition from foreign pharmaceutical companies and from the global development of new pharmaceutical products intensified. The Bio-Chemicals business was impacted by the steep rise in price of raw material sugars following an increase of bio-ethanol production and changes in foreign exchange rates. In the Chemicals business, the product market was sluggish as demand rapidly decreased due to the global economic downturn.

Against this background we worked towards quickly achieving Group synergies in order to realize the Kyowa Hakko Kirin Group vision evolving from its foundation in biotechnology to become a world-class R&D-based life sciences Group, focused on pharmaceuticals.

In the first three months of the nine-month period ending December 31, 2009 consolidated net sales decreased 22.8% compared to the first three months of the previous fiscal year to ¥96.8 billion. In addition to the effect of the exclusion from consolidation of the Food business, revenues from one-off payments from out-licensing in the Pharmaceuticals business decreased and results from the Chemicals business worsened. Operating income decreased 35.3% to ¥11.0 billion and recurring income decreased 33.2% to ¥12.5 billion. Net income decreased 40.6% to ¥5.6 billion due to extraordinary losses including a loss on change in equity and other items.

### Segmental performance

#### Pharmaceuticals

In the Pharmaceuticals business, consolidated net sales decreased 11.8% to ¥52.2 billion and operating income decreased 10.0% to ¥11.5 billion. Core domestic pharmaceutical products for the treatment of anemia, Nesp and Espo, grew steadily benefiting from the launch in May of the Nesp injection plastic syringe. Steady sales growth was also achieved for antiallergic agent Allelock, antiallergic ophthalmic solution Patanol, and Regpara tablets, a treatment for secondary hyperthyroidism during dialysis therapy.

In the licensing-out of technologies and export of pharmaceutical products, in May a one-off contract payment following the completion of a licensing agreement for anti-LIGHT fully human monoclonal antibody with the French company sanofi-aventis was received, however sales were lower compared to the same period of the previous fiscal year when a large one-off contract payment for an outlicensing agreement with Amgen was recorded.

In new drug development in Japan, in April KW-3902, a treatment for acute congestive heart failure, began Phase I clinical trials, and in June KW-0761, a promising anti-body pharmaceutical for Adult T-cell leukemia/lymphoma (ATL) began Phase II clinical trials. Clinical trials for KW-7158, a treatment for irritable bowel syndrome, were discontinued after receiving results from Phase II clinical trials.

In new drug development overseas, in April KW-2449 a molecular target therapeutic drug for leukemia and others, and anticancer agent KRN 330, a fully human monoclonal antibody for solid tumors, began Phase I/IIa clinical trials in the USA, and in June KW-2450, the promising molecular target therapeutic drug for solid tumors and others, began Phase I clinical trials.

## Bio-Chemicals

In the Bio-Chemicals business sales decreased 7.8% to ¥21.1 billion and operating income decreased 57.0% to ¥1.2 billion compared to the same period of the previous fiscal year. Sales of pharmaceutical and industrial use raw materials, mainly amino acids, nucleic acids and related compounds, were lower due to the significant impact of the stronger yen. However, sales of amino acids for pharmaceutical and intravenous liquids use, primarily in Europe, were steady. Sales of Daiichi Fine Chemical were lower due to a sluggish vitamin market.

In healthcare products, mail-order sales of the *Remake* series were steady, however sales of amino acids, nucleic acids and related compounds for health food products were affected by the global economic recession and decreased, primarily in the US.

## Chemicals

In the Chemicals business, sales declined 40.2% to ¥15.0 billion and an operating loss of ¥2.0 billion was recorded compared to an operating income of ¥0.5 billion in the first three months of the previous fiscal year. Demand for products remained sluggish due to the global economic downturn and sales volumes decreased. Sales have fallen considerably and profitability remains very difficult due to a significant worsening of product markets following the sharp depreciation in the price of crude oil and naphtha since last autumn and the effects of a stronger yen.

## Food

Following the partial sale of shares held in consolidated subsidiary Kyowa Hakko Food Specialties (now Kirin Kyowa Foods) and its three consolidated subsidiaries (Kyowa F.D. Foods Co., Ltd., Ohland Foods Co., Ltd., Kyowa Hifoods Co., Ltd.) became equity-accounted affiliates as of the end of the previous fiscal year. Accordingly, as of the first quarter of this fiscal period there are no consolidated subsidiaries in the Food business and the Food segment has been eliminated. As a result, net sales and operating income for the Food business in respect of the period under review have not been recorded. In the first three months of the previous fiscal year consolidated net sales in the Food business was ¥10.3 billion and operating income was ¥0.3 billion.

## Other

In Other businesses, sales declined 20.7% to ¥14.1 billion and operating income declined 32.6% to ¥0.1 billion.

## Results by region

### Japan

In Japan, sales declined 23.4% to ¥92.8 billion and operating income declined 41.3% to ¥9.4 billion due to factors such as lower sales from the Chemicals business and lower one-off contract payments for outlicensing agreements, in addition to the effect of exclusion from consolidation of the Food Business.

### Other regions

In other regions, on a local currency basis, sales from overseas subsidiaries in the Pharmaceuticals and Bio-Chemicals businesses remained generally firm, but due to the strength of the yen, following translation

into yen sales in other regions decreased 17.0% to ¥10.2 billion and operating income decreased 15.0% to ¥1.1 billion.

## 2. Summary of Financial Position

Total assets as of June 30, 2009 were ¥708.4 billion, ¥9.4 billion higher than at the end of the previous fiscal year as a result of an increase in cash and time deposits in addition to an increase in investments in marketable securities due to a rise in stock prices of shareholdings, and an increase in construction in progress as a result of an increase in capital expenditure.

Liabilities increased by ¥0.9 billion to ¥165.0 billion due to increased in commercial paper and accrued expenses and despite a decrease in income taxes payable.

Net assets increased ¥0.3 billion to ¥543.4 billion due to factors such as an increase in valuation differences on other marketable securities and net income recorded for the period, which were partially offset by factors such as dividend payments and the repurchase of treasury stock.

As a result, the consolidated shareholders' equity ratio as of the end of the first quarter was 76.1%, a decrease of 0.9 percentage points compared to the end of the previous fiscal year.

### Cash flow summary

The balance of cash and cash equivalents at the end of the period was ¥79.6 billion, an increase of ¥10.4 billion over the end of the previous fiscal year. The primary factors contributing to changes in cash flows are as follows:

Net cash provided by operating activities was ¥2.2 billion, 84.4% lower than in the same period of the previous fiscal year. The primary factors contributing to cash inflows were net income before income taxes of ¥10.8 billion, depreciation and amortization of ¥4.0 billion and amortization of goodwill of ¥2.3 billion. The main cash outflows were corporate etc. tax payments of ¥12.7 billion and a decrease in reserve for bonus payments of ¥2.6 billion.

Net cash provided by investing activities was ¥1.9 billion, compared to ¥6.8 billion used in the same period of the previous fiscal year. There was a cash outflow of ¥3.9 billion due to payment for the acquisition of tangible fixed assets, however an inflow of ¥5.0 billion was recorded due to a net decrease in short-term loans.

Net cash provided by financing activities was ¥5.7 billion, compared to ¥11.7 billion used in the same period of the previous fiscal year. Primary factors decreasing cash flow included ¥5.2 in dividend payments and a ¥3.8 billion payment for the repurchase of treasury shares. Primary factors increasing cash flow included a net increase of ¥15.0 billion in commercial paper.

### 3. Consolidated results forecasts

In the consolidated results for the first quarter of the fiscal period ending December 31, 2009, overall revenues, primarily in the Pharmaceuticals business performed well and exceeded plans, although results for the Chemicals business were lower than initially planned.

Looking ahead, in the Chemicals business, we forecast a continuation of the difficult earnings environment, however we expect results from the Pharmaceutical and Bio-chemicals businesses to progress steadily and as a result, consolidated results forecasts for the interim and the nine-month fiscal period have been upwardly

revised.

Revisions to the consolidated results forecasts for the interim and nine month period ending December 31, 2009 that were announced on April 28, 2009 are as follows:

Consolidated forecasts for the interim period ending September 30, 2009

Millions of yen

	Net sales	Operating income	Recurring income	Net income	Net income per share (¥)
Previously announced forecasts (A)	185,000	14,500	15,000	6,500	¥11.33
Revised forecasts (B)	190,000	17,500	19,000	8,000	¥13.99
Change (B – A)	5,000	3,000	4,000	1,500	--
Change (%)	2.7%	20.7%	26.7%	23.1%	--
Interim results from the previous consolidated fiscal year	247,769	29,164	30,357	8,285	¥14.43

Consolidated forecasts for the nine-month period ending December 31, 2009

Millions of yen

	Net sales	Operating income	Recurring income	Net income	Net income per share (¥)
Previously announced forecasts (A)	300,000	27,000	27,500	13,000	¥22.65
Revised forecasts (B)	305,000	30,000	31,500	14,000	¥24.51
Change (B – A)	5,000	3,000	4,000	1,000	--
Change (%)	1.7%	11.1%	14.5%	7.7%	--
Full year results from the previous consolidated fiscal year	460,183	45,387	46,412	11,726	¥20.43

Note: Due to the change in financial year-end to December 31, the forecast figures are for the 9-month period from April 1, 2009 to December 31, 2009. However, results for the previous fiscal year are for the 12-month period from April 1, 2008 to March 31, 2009.

*\*The above forecasts are based on information available and assumptions made at the time of release of this document about a number of uncertain factors that can affect results in the future. It is possible that actual results are materially different for a wide variety of reasons.*

#### 4. Other

**1) Transfer of important subsidiaries during the period** (transfers of specific subsidiaries resulting in changes in the scope of consolidation): None

**2) Use of simplified accounting methods or special accounting procedures:**

Calculations for tax expenses use an estimated effective tax rate for net income before taxes based on reasonable assumptions of an effective tax rate after the application of tax effect accounting for net income before income taxes for the consolidated fiscal year, including net income before income taxes of the three-month period under review. Corporate tax adjustment has been included in corporate and other taxes.

**3) Changes in accounting methods, procedures and presentation in the preparation of these financial statements**

## 1. Changes to the method of calculating tax expenses

Tax expenses were previously calculated using the same method as in the financial statements for the fiscal year. However, in order to standardize accounting treatment between our parent company Kirin Holdings Company Limited and its subsidiaries, as of the first quarter of this consolidated fiscal period, and in accordance with the accounting treatment employed by our parent company, the accounting method has changed to use an estimated effective tax rate for net income before taxes based on reasonable assumptions of an effective tax rate after the application of tax effect accounting for net income before income taxes of the consolidated fiscal year, including net income before income taxes of the three-month period under review. As a result of this change, net income for the consolidated three-month period under review decreased by ¥112 million.

## 2. Change to reversal of evaluation loss from impairment of marketable securities recorded at the end of the three-month period under review

Regarding the reversal of evaluation losses based on impairment losses on marketable securities recorded at the end of the quarterly accounting period, previously, after accounting for impairment losses the book value was replaced with the market value as of the end of the three-month accounting period and the acquisition cost of the relevant securities adjusted using the quarterly disposal method. However, in order to standardize accounting treatment with our parent company Kirin Holdings Company Limited and its subsidiaries, as of the first quarter of this consolidated fiscal period, and in accordance with the accounting treatment employed by our parent company, the accounting method has been changed to the quarterly restatement method in which the evaluation losses based on impairment losses as of the end of the quarterly accounting period are entered as the starting balance of the following period and then the book value is compared to the market value as of the end of the quarterly accounting period and a decision on whether to account for impairment losses is taken.

This change in accounting method had no effect on profits and losses for the first quarter.



## 5. Consolidated financial statements

### (1) Consolidated balance sheets

Millions of yen

	As of June 30, 2009	As of March 31, 2009
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and time deposits .....	84,637	32,978
Accounts and notes receivable .....	110,012	109,984
Merchandise and products.....	44,729	46,498
Semi-finished goods .....	8,312	9,283
Raw materials and Inventory goods.....	11,554	11,846
Deferred tax assets.....	12,206	11,633
Short-term loans .....	295	47,267
Other current assets .....	12,919	10,136
(Less) Allowance for doubtful accounts.....	(148)	(152)
Total current assets .....	284,519	279,475
<b>Fixed assets:</b>		
Tangible fixed assets:		
Buildings and structures .....	148,320	147,416
Depreciation .....	(103,335)	(102,361)
Buildings and structures (net) .....	44,984	45,055
Machinery and equipment .....	202,605	200,985
Depreciation .....	(176,457)	(174,764)
Machinery and equipment (net).....	26,147	26,220
Land.....	74,210	74,179
Construction in progress.....	11,244	6,423
Other.....	51,671	51,003
Depreciation .....	(43,000)	(42,484)
Other (net).....	8,671	8,518
Total tangible fixed assets.....	165,259	160,398
Intangible fixed assets:		
Goodwill .....	174,927	177,275
Other .....	3,257	3,353
Total intangible fixed assets	178,185	180,628
Investments and other assets:		
Investment securities .....	67,254	62,354
Long-term loans .....	505	515
Deferred tax assets .....	844	3,014
Other investments and other assets.....	12,856	13,600
Allowance for doubtful accounts .....	(949)	(947)
Total investments and other assets.....	80,512	78,538
Total fixed assets.....	423,957	419,565
<b>Total assets.....</b>	<b>708,477</b>	<b>699,041</b>

## Consolidated balance sheets (continued)

Millions of yen

	As of June 30, 2009	As of March 31, 2009
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts and notes payable .....	40,307	41,960
Short-term bank loans .....	13,042	12,750
Commercial paper .....	15,000	--
Accrued expenses .....	32,622	24,882
Income taxes payable.....	5,878	13,556
Reserve for sales rebates.....	451	439
Reserve for bonuses .....	1,483	4,116
Reserve for repairs .....	674	1,115
Other .....	7,490	9,469
<b>Total current liabilities .....</b>	<b>116,950</b>	<b>108,290</b>
<b>Long-term liabilities:</b>		
Corporate bonds .....	--	60
Long-term debt .....	729	730
Deferred tax liabilities .....	17,779	17,143
Retirement benefit allowance .....	26,884	26,684
Directors' retirement benefit allowance .....	75	188
Other.....	2,618	2,874
<b>Total long-term liabilities .....</b>	<b>48,087</b>	<b>47,680</b>
<b>Total liabilities.....</b>	<b>165,037</b>	<b>155,970</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock.....	26,745	26,745
Capital surplus .....	512,398	512,418
Retained earnings.....	9,410	10,432
Treasury stock .....	(6,132)	(2,392)
<b>Total shareholders' equity .....</b>	<b>542,421</b>	<b>547,203</b>
<b>Valuation and differences due to foreign exchange:</b>		
Valuation difference on other marketable securities .....	(827)	(4,732)
Gain (loss) on deferred hedge accounting .....	3	4
Foreign exchange adjustment account .....	(2,764)	(3,920)
<b>Total valuation and differences due to foreign exchange .....</b>	<b>(3,588)</b>	<b>(8,648)</b>
<b>Share subscription rights .....</b>	<b>143</b>	<b>188</b>
<b>Minority interests.....</b>	<b>4,463</b>	<b>4,326</b>
<b>Total net assets.....</b>	<b>543,439</b>	<b>543,070</b>
<b>Total liabilities and net assets .....</b>	<b>708,477</b>	<b>699,041</b>

## (2) Consolidated statements of income

Millions of yen

	April 1, 2009 to June 30, 2009	April 1, 2008 to June 30, 2008
<b>Net sales</b> .....	96,816	125,435
Cost of sales.....	52,298	66,592
Gross profit.....	44,517	58,843
Selling, general and administrative expenses:		
Research and development.....	9,332	14,255
Amortization of goodwill.....	2,346	2,418
Other.....	21,797	25,096
Total selling, general and administrative expenses.....	33,476	41,770
<b>Operating income</b> .....	11,041	17,072
Other income:		
Interest income.....	158	185
Dividend income.....	1,042	574
Currency exchange gain.....	--	1,388
Gain on investment in the equity method.....	743	303
Others.....	513	319
Total other income.....	2,457	2,772
Other expenses:		
Interest expense.....	83	190
Loss on foreign exchange.....	206	--
Loss on disposal of fixed assets.....	296	--
Others.....	365	859
Total other expenses.....	952	1,049
<b>Recurring income</b> .....	12,546	18,795
Extraordinary losses:		
Loss on change in equity.....	1,379	--
Evaluation loss on investment securities.....	354	--
Asset impairment losses.....	--	1,308
Integration expenses.....	--	214
Total extraordinary losses.....	1,734	1,523
<b>Income before income taxes</b> .....	10,812	17,272
Corporate, local, and enterprise taxes.....	--	6,796
Corporate tax adjustment.....	--	746
Total corporate and other taxes.....	4,983	7,515
Income from minority interests.....	129	167
<b>Net income</b> .....	5,699	9,588

## (3) Consolidated Statements of Cash Flows

	<i>Millions of Yen</i>	
	April 1, 2009 to June 30, 2009	April 1, 2008 to June 30, 2008
<b>Cash flows from operating activities:</b>		
Income before income taxes .....	10,812	17,272
Depreciation and amortization .....	4,032	4,306
Asset impairment losses .....	--	1,308
Amortization of goodwill .....	2,393	2,464
Increase (decrease) in retirement benefit allowance.....	195	(589)
Decrease (increase) in prepaid pension expenses .....	156	(239)
(Decrease) in reserve for bonus payments .....	(2,632)	(3,168)
(Decrease) increase in allowance for bad debts .....	(5)	28
Interest and dividend income .....	(1,200)	(760)
Interest expenses .....	83	190
(Income) from equity method investments .....	(743)	(303)
Loss on sales of tangible fixed assets.....	53	167
(Gain) on sale of investment securities .....	(0)	(0)
Loss on revaluation of investment securities.....	354	--
(Increase) decrease in trade receivables .....	(258)	1,372
Increase (decrease) in inventories .....	3,487	(441)
(Decrease) increase in trade payables.....	(2,055)	4,127
Others .....	(780)	(1,669)
Sub total .....	13,893	24,067
Interest and dividend income .....	1,210	1,119
Interest payments .....	(102)	(185)
Corporate etc. tax payments .....	(12,762)	(10,692)
Net cash from operating activities .....	2,238	14,309
<b>Cash flows from investing activities:</b>		
Payments for purchase of property, plant & equipment .....	(3,930)	(4,196)
Proceeds from sale of property, plant, and equipment.....	13	7
Payments for purchase of investment securities .....	(2,016)	(11)
Proceeds from sale of investment securities .....	2,023	1
Transfer to fixed-term deposits .....	(1,069)	--
Proceeds from redemptions of fixed-term deposits .....	1,902	--
Decrease in short-term loans.....	5,054	--
Others .....	(62)	(2,631)
Net cash from investing activities .....	1,915	(6,830)

## (3) Consolidated Statements of Cash Flows (continued)

	<i>Millions of Yen</i>	
	April 1, 2009 to June 30, 2009	April 1, 2008 to June 30, 2008
<b>Cash flows from financing activities:</b>		
Net (decrease) increase in short-term debt.....	(25)	592
Net increase in commercial paper.....	15,000	--
Proceeds from long-term borrowing.....	--	100
Repayment of long-term debt.....	(39)	(10,035)
Payment for purchase of treasury stock.....	(3,835)	(637)
Dividends paid .....	(5,267)	(1,736)
Dividends paid to minority interests .....	(19)	(60)
Other .....	(71)	(13)
Net cash from financing activities .....	5,742	(11,790)
<b>Cash and cash equivalents translation differences .....</b>	<b>337</b>	<b>153</b>
<b>Increase (decrease) in cash and cash equivalents .....</b>	<b>10,234</b>	<b>(4,157)</b>
<b>Cash and cash equivalents at the beginning of the period ....</b>	<b>69,286</b>	<b>10,440</b>
<b>Cash and cash equivalents of newly consolidated companies at the beginning of the period .....</b>	<b>393</b>	<b>43,740</b>
<b>Decrease in cash and cash equivalents following elimination from consolidation.....</b>	<b>(214)</b>	<b>--</b>
<b>Cash and cash equivalents at the end of the period.....</b>	<b>79,699</b>	<b>50,023</b>

## (4) Items related to going concern assumption

No applicable items

## (5) Segment information

### Fiscal 2009 Q1 segment information by business type (April 1, 2009 – June 30, 2009)

Millions of yen

	Pharmaceuticals	Bio-Chemicals	Chemicals	Other	Total	Elimination/Corporate	Consolidated
Net sales							
(1) Sales to external customers	52,059	19,234	13,649	11,872	96,816	--	96,816
(2) Inter-segment sales and transfers	152	1,910	1,384	2,323	5,770	(5,770)	--
Total sales	52,211	21,145	15,034	14,195	102,586	(5,770)	96,816
Operating income	11,570	1,277	(2,073)	184	10,960	81	11,041

### Fiscal 2008 Q1 segment information by business type (April 1, 2008 – June 30, 2008)

Millions of yen

	Pharmaceuticals	Bio-Chemicals	Chemicals	Food	Other	Total	Elimination/Corporate	Consolidated
Net sales								
(1) Sales to external customers	59,062	20,240	21,776	9,449	14,906	125,435	--	125,435
(2) Inter-segment sales and transfers	128	2,703	3,359	943	2,985	10,120	(10,120)	--
Total sales	59,190	22,944	25,135	10,393	17,892	135,555	(10,120)	125,435
Operating income	12,851	2,972	509	396	273	17,002	69	17,072

### Fiscal 2009 Q1 segment information by location (April 1, 2009 – June 30, 2009)

Millions of yen

	Japan	Other regions	Total	Elimination/Corporate	Consolidated
Net sales					
(1) Sales to external customers	88,894	7,922	96,816	--	96,816
(2) Inter-segment sales and transfers	3,917	2,312	6,229	(6,229)	--
Total sales	92,811	10,234	103,045	(6,229)	96,816
Operating income	9,440	1,179	10,619	421	11,041

### Fiscal 2008 Q1 segment information by location (April 1, 2008 to June 30, 2008)

As Japan represented over 90% of the total sales of each segment, this information has been omitted.

## Overseas Sales (April 1, 2009– June 30, 2009)

Millions of yen

	America	Europe	Asia	Other Regions	Total
(1) Overseas sales	4,738	5,996	7,627	82	18,444
(2) Consolidated sales					96,816
(3) Overseas sales as a percentage of consolidated sales	4.9	6.2	7.9	0.1	19.1

## Overseas Sales (April 1, 2008– June 30, 2008)

Millions of yen

	America	Europe	Asia	Other Regions	Total
(1) Overseas sales	15,859	6,720	8,981	149	31,711
(2) Consolidated sales					125,435
(3) Overseas sales as a percentage of consolidated sales	12.6	5.4	7.2	0.1	25.3

### (6) Note on significant change in shareholders' equity

Treasury shares increased by ¥3,740 million compared to the end of the consolidated fiscal year ended March 31, 2009. This was primarily due to a payment of ¥3,792 million for the acquisition of 3,633,000 shares following a claim for purchase of shares in accordance with Article 797, Section 1 of the Company Law by a dissenting shareholder.

### 6. Other

Please also see Appendix to the Consolidated Financial Statements First Quarter Results for Fiscal 2009