

**KYOWA KIRIN**

# **Kyowa Hakko Kirin Co., Ltd.**

## **Consolidated Financial Summary**

**Fiscal 2010 Interim**

**(January 1, 2010 – June 30, 2010)**

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 (Consolidated)

For the Interim Period of the Fiscal Period Ending December 31, 2010

**Kyowa Hakko Kirin Co., Ltd.**

**July 28, 2010**

Stock Code: 4151 Listed Exchanges: Tokyo, 1<sup>st</sup> section  
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 Scheduled date of submission of financial report: August 10, 2010  
 Scheduled date of interim dividend payment: September 1, 2010  
 Appendix materials prepared to accompany the quarterly financial report: Yes  
 Quarterly shareholders' meeting scheduled: Yes (for institutional investors and securities analysts)

### 1. Results for the six months ended June 30, 2010

(1) Consolidated business performance

(Millions of yen, rounded down)

	Six months to June 30, 2010	Change (%)	Six months to June 30, 2009	Change (%)
Net sales	203,466	--	194,395	(21.5)
Operating income	21,692	--	20,779	(28.7)
Recurring income	22,334	--	22,201	(26.9)
Net income	9,901	--	10,811	30.5
Net income per share (¥)	17.38		18.91	
Fully diluted net income per share (¥)	17.38		18.91	

Notes: 1. Percentages for net sales, operating income, etc, show changes compared to the same period of the previous fiscal period.

2. Kyowa Hakko Kirin has changed its fiscal year-end from March 31 to December 31 and as a result, the months used in comparisons of the interim period of the current fiscal year (January 1 to June 30) and the interim period of the previous fiscal year (April 1 to September 30) differ and therefore comparisons with the same period of the previous period are not provided.

(2) Consolidated financial position

(Millions of yen, rounded down)

	As of June 30, 2010	As of June 30, 2009
Total assets	679,685	695,268
Net assets	540,565	540,343
Shareholders' equity ratio (%)	79.4	77.1
Net assets per share (¥)	946.77	940.79

Note: Total shareholders' equity: June 30, 2010: ¥539,522 million; December 31, 2009: ¥535,826 million

### 2. Dividends

	Fiscal year ended December 31, 2009	Fiscal period ending December 31, 2010 (forecast)
Dividends per share		
Interim dividend per share (¥)	10.00	10.00
Year-end dividend per share (¥)	5.00	10.00
Annual dividend per share (¥)	15.00	20.00

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

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## 3. Consolidated results forecasts for the fiscal period ending December 31, 2010

(Millions of yen rounded down)

	January 1, 2010 to December 31, 2010	Change
Net sales	407,000	--
Operating income	37,500	--
Recurring income	39,000	--
Net income	20,000	--
Net income per share (¥)	¥35.12	--

Note 1: Changes to the Consolidated results forecast during the term: Yes.

2. The fiscal period ended December 31, 2009 was an irregular 9-month period resulting from the change in fiscal year-end and therefore comparison with the previous period is not provided.

## 4. Other

### 1) Transfer of important subsidiaries during the period: None

Note: Indicates transfers of specified subsidiaries resulting in changes in the scope of consolidation during the interim period under review.

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

Note: Indicates adoption of simplified accounting methods or special accounting methods for the preparation of the quarterly financial statements.

### 3) Changes in accounting methods, procedures and presentation of accounting methods:

1. Changes following revisions to accounting standards: Yes
2. Other changes: None

Note: Indicates changes in principles, procedures and methods of presentation of accounting methods in the making of these financial statements, as mentioned in "Significant Items for the Preparation of Consolidated Financial Statements"

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

1. Number of shares outstanding (including treasury shares)	June 30, 2010:	576,483,555	December 31, 2009	576,483,555
2. Number of treasury shares	June 30, 2010	6,629,860	December 31, 2009	6,935,900
3. Average number of shares during the interim period	Six months to June 30, 2010	569,588,084 shares	Six months to September 30, 2009	571,622,532 shares

### Notice regarding quarterly review procedures

The Financial Products Law review process for this quarterly financial report was not yet complete at the time the financial report was issued.

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

1. Of the consolidated results forecasts announced January 29, 2010, the full year consolidated results forecasts 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.

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## 1. Operating Results and Financial Statements

### (1) Summary of business performance

During the first half of fiscal 2010 (January 1 to June 30, 2010) the economic environment surrounding our Group was characterized by a gradual and continuing recovery. However, as evidenced by the European financial crisis, over-optimism about the real economy would be unwise, and although the environment for employment and incomes is improving, it remains severe, and the business outlook remains uncertain.

As regards our Pharmaceuticals business, conditions remained challenging due to the further extension of policy measures to promote generic pharmaceuticals in the domestic market, increased competition as European and American drug manufacturers and major domestic pharmaceutical companies shift their attention to cancer and areas with unmet medical needs, and the trend towards the development of biopharmaceuticals increases. Meanwhile, further pharmaceutical price reductions were introduced in Japan, including for long-listed pharmaceuticals, as part of the new pharmaceutical prices system that is aimed at promoting the generation of new drugs.

Against this background, the Kyowa Hakko Kirin Group further strengthened its domestic sales operation with the aim of expanding sales of anemia treatments Nesp and Espo, Allelock, an antiallergic agent, and others. We also sought to advance our antibody pharmaceuticals, one of our core strengths, to the next stage of clinical development in Japan and overseas, while also seeking to form new technology and product licensing agreements. At the same time we moved to strengthen our competitive position through a new research building in our Tokyo Research Park, while also restructuring existing production facilities, and by the construction of production facilities for therapeutic antibodies.

In our Bio-Chemicals business, against the background of the continued, rapid appreciation of the yen since last year, we strived to expand sales of high-value-added products including intravenous solutions, amino acids and others for use in infusions and pharmaceutical raw materials. We also actively pursued collaboration with other companies in the Kirin Group to promote development of the market for in-house amino acid materials such as ornithine, and strengthened our health food mail order business.

In the Chemicals business, domestic sales and exports staged a strong recovery as recovering economies worldwide led to increased product demand, overseas markets strengthened, and we focused on the sale of environment-friendly specialty chemicals.

As a result, in the first half of 2010, consolidated net sales were ¥203.4 billion, up by 4.5% compared to the first half of the previous year, operating income was ¥21.6 billion (up 58.0%), recurring income was ¥22.3 billion (up 42.3%) and net income was ¥9.9 billion (up 42.6%). Despite difficulties in the operating environment, we achieved increases in both revenues and profits.

Note: Comparisons shown below with the previous comparable fiscal period are with figures for the six-month period January 1 to June 30, 2009. Due to a change in the fiscal year end in fiscal 2009, figures for the January-June period of 2009 were obtained by subtracting results for the first nine months of the fiscal year ended March 2009 from figures for the twelve-month period ended March 31, 2009, and adding figures for the April to June period of the nine-month period ended December 2009.

### Segmental performance

Note: Segmental results shown below exclude figures for the Food business that was consolidated in the comparable period of the previous year.

#### Pharmaceuticals

In the Pharmaceuticals business, consolidated net sales were ¥103.4 billion (up by 2.1% compared to the same period of the previous year), while operating income was ¥17.9 billion (up 7.5%). Domestic sales of pharmaceutical products declined due to the effects of reductions in National Health reimbursement prices in

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April, and other factors, although sales of core products including the anemia treatments Nesp and Espo, and Regpara, a treatment for secondary hyperparathyroidism during dialysis therapy, continued to grow. However, sales of Allelock, an antiallergic agent, and Patanol antiallergic eyedrops, were lower than in the comparable period due to lower amounts of airborne pollen in Japan compared to the previous year. New initiatives included the start of sales of Parkinson's disease treatment Permax in April, and the commencement in June of joint sales with Hisamitsu Pharmaceutical of Fentos, a transdermal analgesic for persistent cancer pain. In the licensing-out of technologies and export of pharmaceutical products, revenues increased significantly due to an increase in one-time income from outlicensing, as well as a strong performance in exports, mainly to Asia. Sales at subsidiary Kyowa Medex, which is responsible for the manufacture and sale of diagnostic reagents, were up on the same period of the previous year as sales of clinical chemistry diagnostic reagents and exports both performed well.

In new drug development in Japan, new drug applications were filed in February for KW-2246, an analgesic for cancer pain, and in March for AMG 531, a treatment for idiopathic thrombocytopenic purpura. In the renal therapeutic area, approval was received in April for Nesp, a long-acting erythropoiesis stimulating agent, a treatment for anemia of CKD patients not on dialysis (Nesp injection plastic syringe)

Overseas, in March approval was received in South Korea and Taiwan for Regpara, a treatment for secondary hyperthyroidism during dialysis therapy. In antibody research and development, while strengthening our in-house development pipeline of antibody pharmaceuticals we also developed the global outlicensing of our Potelligent® and Complegent® technologies via our US subsidiary BioWa, Inc.. To date, we have licensing agreements with fourteen companies for these technologies and we are actively pursuing our strategy of promoting the fastest possible development of antibody pharmaceuticals that utilize our original technology.

## Bio-Chemicals

In the Bio-Chemicals business, consolidated net sales were ¥44.1 billion (up by 5.0% compared to the same period of the previous year), while operating income was ¥1.8 billion (down 15.5%). Sales of pharmaceutical and industrial use raw materials, mainly amino acids, nucleic acids and related compounds, were significantly ahead of sales in the same period of the previous year, primarily due to strong volume growth of sales to Asia of amino acids for pharmaceuticals and intravenous liquids. In health care products, sales also increased due to strong sales of materials related to Kirin Health Project *KIRIN Plus-i*, that was launched in April, as well as strong growth in the number of customers of our mail order *Remake* series.

In agrochemicals and products for the livestock and fisheries industries, sales were down due to the transfer in April of domestic livestock and fisheries product sales to Asuka Pharmaceuticals. Alcohol sales were down due to lower refined alcohol sales and also as a result of a falling off in demand for industrial alcohol following the rapid increase in demand was seen since May 2009 in response to the pig flu epidemic. In July the raw material alcohol business of Kyowa Hakko Bio was transferred to Daiichi Alcohol, a joint venture with Mercian Corporation.

Daiichi Fine Chemical sales declined due to sluggish sales of bulk pharmaceuticals and intermediate products.

## Chemicals

In the Chemicals business, consolidated net sales were ¥61.2 billion (up by 127.7% compared to the same period of the previous year), and operating income was ¥1.5 billion (compared to an operating loss of ¥5.6 billion in the same period of the previous year). Compared to the large fall in demand due to the effects of the global economic recession experienced in the first half of last year, results improved significantly. In Japan, sales volumes and sales revenues both showed large increases as economic recovery led to increased demand for core products and price revisions were implemented in response to higher fuel and raw material prices. Export volumes and sales revenues also increased due to strong sales of environment-friendly

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specialty chemicals and strong overseas market conditions for core products. All product areas, including solvents, plasticizer raw materials and specialty chemicals, recorded higher sales volumes and sales revenues. Particularly strong growth was recorded by raw materials for refrigerant oils and by high purity solvents for electronic materials. Miyako Kagaku and Kashiwagi Corporation, which were included in the Chemicals segment from the first quarter, also performed strongly.

## Other

Due to changes in segment classifications, sales in the Other segment were ¥5.0 billion (down by 82.1% compared to the same period of the previous year), while operating income was ¥0.1 billion (down 31.1%).

## Results by location

### Japan

In Japan, net sales increased 4.7% to ¥195.8 billion due to the recovery in the Chemicals business and operating income increased significantly 94.6% to ¥19.5 billion due to the profitability of the Chemicals business.

### Other regions

Net sales from other regions increased 25.1% to ¥25.8 billion due to strong sales, primarily from existing subsidiaries in Asia while and operating income decreased 27.4% to ¥2.3 billion due to a decrease in revenues from technology from operating income of existing subsidiaries.

## (2) Summary of consolidated financial position

Total assets as of June 30, 2010 were ¥679.6 billion, ¥15.5 billion lower compared to the end of the last fiscal year primary the result of reductions in short-term loans, investment securities and accounts and notes receivables.

Liabilities decreased ¥15.8 billion to ¥139.1 billion largely due to payments following the completion of large facilities as well as a partial repayment of short-term bank loans.

Net assets increased ¥0.2 billion to ¥540.5 billion due to recording net income for the interim period and despite negative factors such as a decrease in minority interests and payment of dividends

As a result of the above factors, the shareholders' equity ratio at the end of the interim period was 79.4%, an increase of 2.3 percentage points from the end of the previous fiscal year.

## Cash flow summary

Cash and cash equivalents as of June 30 were ¥57.9 billion, a decline of ¥5.7 billion compared to the end of the previous fiscal period. The main cash flows and factors affecting them during the first quarter were as follows:

Net cash provided by operating activities was ¥28.2 billion. The primary contributory factors were net income before income taxes of ¥17.6 billion, depreciation expenses of ¥10.5 billion and amortization of goodwill of ¥4.9 billion. The main cash outflows were corporate tax payments of ¥7.4 billion and a ¥2.8 billion decrease in retirement benefit allowance.

Net cash used in investing activities was ¥24.9 billion. The main outflows were expenditures such as ¥15.1 billion for the acquisition of fixed assets and ¥7.5 billion for the acquisition of intangible fixed assets.

Net cash used in financing activities was a ¥8.4 billion. The main outflow was a net reduction of ¥5.2 billion in short-term loans and dividend payments of ¥2.8 billion.

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## (3) Forecasts for the fiscal year ending December 31, 2010

Business results for the first half of the fiscal year were generally good, and in particular results for chemical products businesses are significantly above forecast. However, net income has been affected by extraordinary losses, including valuation losses on investment securities recorded in the first half. Based on these trends, full year forecasts have been revised. The revised forecasts and changes compared to the previous forecasts announced on January 29, 2010 are as follows:

	<i>(Millions of yen)</i>				
Consolidated	Net sales	Operating income	Recurring income	Net income	Net income per share (¥)
Previous forecasts	400,000	36,000	37,500	20,000	¥35.12
Revised forecasts	407,000	37,500	39,000	20,000	¥35.12
Change in forecasts	7,000	1,500	1,500	--	--
Percentage change	+1.8%	+4.2%	+4.0%	--	--
Reference*: Results for the fiscal period ended December 31, 2009	309,111	28,243	29,479	8,797	¥15.41

\*Results for the period ended December 31, 2009 are for the nine-month period April 1, 2009 to December 31, 2009.

## 2. Other

### (1) Changes to subsidiaries during the period:

No applicable items

### (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 six-month period under review. Corporate tax adjustment has been included in corporate and other taxes.

### (3) Changes in accounting methods, procedures and presentation used in the preparation of these financial statements:

As of the interim period under review, the Company has adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 of December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of December 26, 2008), the partial amendments to the "Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23 of December 26, 2008), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 of December 26, 2008), the "Accounting Standard for the Equity Method of Accounting for Investments" (ASBJ Statement No. 16; part issued on December 26, 2008), and the "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ Guidance No. 10 of December 26, 2008).



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## 3. Consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of June 30, 2010	As of December 31, 2009
<b>ASSETS</b>		
Current assets:		
Cash and time deposits .....	36,158	30,159
Accounts and notes receivable.....	115,879	120,869
Merchandise and products .....	42,189	43,863
Work in progress.....	10,735	8,970
Raw materials and supplies.....	10,895	10,971
Deferred tax assets .....	9,346	9,250
Short-term loans .....	28,295	40,342
Other current assets .....	10,311	12,313
(Less) Allowance for doubtful accounts.....	(192)	(153)
Total current assets.....	263,620	276,587
Fixed assets:		
Tangible fixed assets:		
Buildings and structures.....	154,948	146,096
Accumulated depreciation and accumulated impairment loss .....	(109,734)	(107,203)
Buildings and structures (net).....	45,213	38,893
Machinery and equipment.....	207,987	204,828
Accumulated depreciation and accumulated impairment loss.....	(182,120)	(178,836)
Machinery and equipment (net) .....	25,867	25,992
Land .....	70,928	71,993
Construction in progress .....	12,226	17,588
Other .....	51,994	51,413
Accumulated depreciation and Other (net) .....	(43,106)	(43,321)
Other (net) .....	8,887	8,091
Total tangible fixed assets .....	163,124	162,559
Intangible fixed assets:		
Goodwill .....	167,730	170,054
Other .....	10,888	4,067
Total intangible fixed assets.....	178,619	174,122
Investments and other assets:		
Investment securities.....	59,712	66,422
Long-term loans .....	523	496
Deferred tax assets.....	5,689	4,263
Other investments and other assets .....	9,933	12,267
Allowance for doubtful accounts .....	(1,536)	(1,451)
Total investments and other assets .....	74,322	81,998
Total fixed assets.....	416,065	418,680
Total assets .....	679,685	695,268

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## Consolidated balance sheets (continued)

(Millions of yen)

	As of June 30, 2010	As of December 31, 2009
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and notes payable .....	45,864	48,965
Short-term bank loans .....	7,385	12,690
Accrued expenses .....	25,724	32,364
Income taxes payable.....	7,875	7,312
Reserve for sales rebates.....	217	283
Reserve for bonuses.....	104	1,225
Reserve for repairs .....	624	1,051
Other .....	6,141	5,944
Total current liabilities.....	93,939	109,838
Long-term liabilities:		
Corporate bonds .....	376	537
Deferred tax liabilities .....	14,452	14,646
Retirement benefit allowance .....	24,424	27,268
Directors' retirement benefit allowance .....	121	107
Other long-term liabilities.....	5,804	2,526
Total long-term liabilities.....	45,180	45,086
Total liabilities .....	139,119	154,924
<b>NET ASSETS</b>		
Shareholders' equity:		
Common stock .....	26,745	26,745
Capital surplus .....	512,360	512,398
Retained earnings.....	14,147	7,093
Treasury stock.....	(6,624)	(6,932)
Total shareholders' equity .....	546,627	539,304
Valuation and translation adjustments:		
Valuation difference on other marketable securities.....	(1,423)	475
Deferred gains (losses) on hedges.....	4	3
Foreign exchange adjustment account.....	(5,686)	(3,956)
Total valuation and translation adjustments.....	(7,105)	(3,478)
Subscription rights to shares.....	167	196
Minority interests .....	875	4,321
Total net assets .....	540,565	540,343
<b>Total liabilities and net assets .....</b>	<b>679,685</b>	<b>695,268</b>

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## (2) Consolidated statements of income

(Millions of yen)

	January 1, 2010 to June 30, 2010	April 1, 2009 to September 30, 2009
Net sales .....	203,466	194,395
Cost of sales .....	110,702	104,551
Gross profit .....	92,763	89,844
Selling, general and administrative expenses:		
Research and development.....	21,311	19,681
Amortization of goodwill .....	4,852	4,668
Others.....	44,907	44,714
Total sales, general and administrative expenses:	71,071	69,064
Operating income .....	21,692	20,779
Other income:		
Interest income .....	221	249
Dividend income .....	485	1,125
Income from equity method investments.....	626	945
Gain on revaluation on derivatives .....	685	-
Others .....	1,102	1,051
Total other income.....	3,120	3,372
Other expenses:		
Interest expense .....	122	153
Loss on foreign exchange .....	1,143	503
Loss on disposal of assets .....	608	843
Others.....	604	449
Total other expenses.....	2,478	1,950
Recurring income.....	22,334	22,201
Extraordinary income:		
Gain on negative goodwill.....	854	-
Gain on sale of investment securities .....	120	-
Allowance for doubtful accounts .....	107	-
Total extraordinary income .....	1,082	-
Extraordinary losses:		
Valuation loss on investment securities .....	2,588	421
Loss on revision to retirement benefit system.....	1,771	-
Extraordinary depreciation of fixed assets.....	1,225	-
Loss on sale of fixed assets .....	189	-
Loss on change in equity holdings.....	-	1,379
Total extraordinary losses.....	5,775	1,801
Income before income taxes .....	17,641	20,400
Corporate taxes .....	7,718	9,423
Income in minority interests in consolidated subsidiaries.....	21	165
Net income .....	9,901	10,811

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## (3) Consolidated statements of cash flows

(Millions of yen)

	January 1, 2010 to June 30, 2010	April 1, 2009 to June 30, 2009
<b>Cash flows from operating activities:</b>		
Income before income taxes.....	17,641	20,400
Depreciation and amortization .....	10,593	8,646
Amortization of goodwill .....	4,945	4,761
(Decrease) increase in retirement benefit allowance ..	(2,821)	449
Decrease in prepaid pension expenses.....	439	402
(Decrease) increase in reserve for bonus payments...	(1,118)	817
Increase in allowance for bad debts .....	159	139
Interest and dividend income .....	(706)	(1,375)
Interest expenses.....	122	153
(Income) from equity method investments.....	(626)	(945)
Loss on sales of tangible fixed assets .....	335	96
Loss on revaluation of investment securities .....	2,588	421
Decrease in trade receivables .....	4,100	2,710
(Increase) in inventories.....	(1,194)	3,745
(Decrease) in trade payables.....	(2,020)	(2,477)
Others .....	1,884	(1,754)
Sub-total.....	34,322	36,191
Interest and dividend income .....	1,463	1,543
Interest payments .....	(124)	(150)
Corporate etc. tax payments .....	(7,404)	(12,531)
<b>Net cash provided by operating activities .....</b>	<b>28,255</b>	<b>25,052</b>
<b>Cash flows from investing activities:</b>		
Payments for purchase of tangible fixed assets .....	(15,156)	(13,044)
Proceeds from sale of tangible fixed assets .....	1,054	65
Payments for purchase of intangible fixed assets .....	(7,509)	-
Payments for purchase of investment securities .....	(306)	(2,192)
Proceeds from sale of investment securities .....	843	2,023
Payments for investment in affiliate companies .....	(3,853)	-
Transfer to fixed-term deposits .....	(3,514)	(2,895)
Proceeds from redemptions of fixed-term deposits .....	3,519	2,457
Net (increase) decrease in short-term lending.....	(39)	4,755
Others .....	21	235
<b>Net cash (used in) provided by investing activities.....</b>	<b>(24,942)</b>	<b>(8,593)</b>
<b>Cash flows from financing activities:</b>		
Net (decrease) in short-term debt.....	(5,277)	(196)
Net increase in commercial paper .....	-	15,000
Repayment of long-term debt .....	(150)	(132)
Payment for purchase of treasury stock .....	-	(4,608)
Dividends paid .....	(2,878)	(5,730)
Dividends paid to minority interests .....	(38)	(33)
Other .....	(88)	(87)
<b>Net cash (used in) provided by financing activities.....</b>	<b>(8,433)</b>	<b>4,212</b>

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## (3) Consolidated statements of cash flows (continued)

(Millions of yen)

	January 1, 2010 to June 30, 2010	April 1, 2009 to June 30, 2009
Cash and cash equivalents translation differences.	(653)	168
(Decrease) increase in cash and cash equivalents..	(5,773)	20,839
Cash and cash equivalents at beginning of the period.....	63,745	69,286
Increase in cash and cash equivalents resulting from merger .....	-	204
Change to cash and cash equivalents following consolidation.....	-	393
Change to cash and cash equivalents following merger .....	-	(214)
Cash and cash equivalents at end of the period .....	57,971	90,508

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## (4) Items related to going concern

No applicable items.

## (5) Segment information

### Segment information by business type

Fiscal 2010 interim period: (January 1, 2010 – June 30, 2010)

Millions of yen

	Pharmaceuticals	Bio-Chemicals	Chemicals	Other	Total	Elimination/ Corporate	Consolidated
Net sales							
(1) Sales to external customers	103,384	39,727	58,638	1,716	203,466	--	203,466
(2) Inter-segment sales and transfers	91	4,459	2,651	3,365	10,567	(10,567)	--
Total sales	103,475	44,186	61,289	5,082	214,034	(10,567)	203,466
Operating income (loss)	17,993	1,853	1,589	150	21,587	105	21,692

Fiscal 2009 interim period: (April 1, 2009 – September 30, 2009)

Millions of yen

	Pharmaceuticals	Bio-Chemicals	Chemicals	Other	Total	Elimination/ Corporate	Consolidated
Net sales							
(1) Sales to external customers	103,672	37,413	29,000	24,310	194,395	--	194,395
(2) Inter-segment sales and transfers	296	4,004	3,854	4,617	12,772	(12,772)	--
Total sales	103,968	41,417	32,854	28,927	207,168	(12,772)	194,395
Operating income (loss)	21,363	1,665	(2,486)	170	20,712	67	20,779

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## Segment information by location

Fiscal 2010 interim period: (January 1, 2010 – June 30, 2010)

Millions of yen

	Japan	Other regions	Total	Eliminations/ Corporate	Consolidated
Net sales					
(1) Sales to external customers	183,440	20,025	203,466	--	203,466
(2) Inter-segment sales and transfers	12,405	5,813	18,218	(18,218)	--
Total sales	195,845	25,838	221,684	(18,218)	203,466
Operating income	19,556	2,352	21,908	(216)	21,692

Fiscal 2009 interim period: (April 1, 2009 to September 30, 2009)

Millions of yen

	Japan	Other regions	Total	Eliminations/ Corporate	Consolidated
Net sales					
(1) Sales to external customers	177,984	16,411	194,395	--	194,395
(2) Inter-segment sales and transfers	8,963	4,650	13,613	(13,613)	--
Total sales	186,947	21,061	208,009	(13,613)	194,395
Operating income	18,443	2,202	20,646	133	20,779

## Overseas Sales

Fiscal 2010 interim period: (January 1, 2010 – June 30, 2010)

Millions of yen

	America	Europe	Asia	Other Regions	Total
(1) Overseas sales	12,977	10,779	18,114	364	42,236
(2) Consolidated sales					203,466
(3) Overseas sales as a percentage of consolidated sales (%)	6.4	5.3	8.9	0.2	20.8

Fiscal 2009 interim period: (April 1, 2009 – September 30, 2009)

Millions of yen

	America	Europe	Asia	Other Regions	Total
(1) Overseas sales	10,688	11,309	17,420	306	39,725
(2) Consolidated sales					194,395
(3) Overseas sales as a percentage of consolidated sales (%)	5.5	5.8	9.0	0.2	20.4

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

No applicable items.