

July 31, 2015

SEIKAGAKU CORPORATION
Consolidated Financial Results (Japan GAAP) (Summary)
for the First Three Months of Fiscal 2015
(Three-Month Period Ended June 30, 2015)

Listed exchanges: Tokyo Stock Exchange (First Section)

Stock code number: 4548

URL: <http://www.seikagaku.co.jp/english/>

(All amounts have been rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Three Months of Fiscal 2015

(from April 1, 2015 to June 30, 2015)

(1) Consolidated Financial Results

(Percentages indicate changes from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First three months of fiscal 2015	7,762	2.4	883	(25.5)	1,377	(11.1)
First three months of fiscal 2014	7,577	(0.9)	1,187	(44.4)	1,549	(33.9)

	Net income attributable to owners of parent		Net income per share	Diluted net income per share
	Millions of Yen	%	Yen	Yen
First three months of fiscal 2015	1,032	(17.5)	18.18	-
First three months of fiscal 2014	1,251	(41.5)	22.02	-

(Note) Comprehensive income:

First three months of fiscal 2015: 1,633 million yen [(1.5%)]

First three months of fiscal 2014: 1,658 million yen [(20.6%)]

(2) Consolidated Financial Position

	Total assets	Total equity	Equity ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2015	82,147	71,304	86.8
As of March 31, 2015	80,889	70,410	87.0

(Reference) Shareholders' equity:

As of June 30, 2015: 71,304 million yen

As of March 31, 2015: 70,410 million yen

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	-	13.00	-	13.00	26.00
Fiscal 2015	-				
Fiscal 2015 (Forecast)		13.00	-	13.00	26.00

(Note) Revision of the forecasts most recently announced: No

3. Forecast of Consolidated Financial Results for Fiscal 2015 (from April 1, 2015 to March 31, 2016)

(Percentages indicate changes from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First six-month of Fiscal 2015	15,750	10.5	1,750	11.8	2,250	6.6	1,700	0.7	29.93
Fiscal 2015	30,650	3.8	2,400	0.7	3,800	(5.2)	2,900	(20.6)	51.05

(Note) Revision of the forecasts most recently announced: No

* Notes

(1) Changes in the status of material subsidiaries during the period: No

(2) Application of specific accounting methods for preparing the quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

- (a) Changes in accounting policies accompanying revisions in accounting standards: Yes
- (b) Changes other than those in (a) above: No
- (c) Changes in accounting estimates: No
- (d) Retrospective restatements: No

(4) Number of shares issued (common stock):

(a) Number of shares at the end of the period (including treasury stock)	As of June 30, 2015	58,584,093 shares	As of March 31, 2015	58,584,093 shares
(b) Number of treasury stock at the end of the period	As of June 30, 2015	1,779,247 shares	As of March 31, 2015	1,778,994 shares
(c) Average number of shares issued during the period (three months)	First three months of fiscal 2015	56,805,040 shares	First three months of fiscal 2014	56,805,727 shares

* Status of Performance of Quarterly Review Procedures

This quarterly summary is exempt from the quarterly review procedures based on Japan's Financial Instruments and Exchange Law. At the time when this quarterly summary was disclosed, the quarterly review procedures based on the Financial Instruments and Exchange Law had not been completed.

* Disclaimer regarding forward-looking information including appropriate use of forecasted financial results

The forecast shown in these materials are based on information currently available and certain assumptions that the Company regards as reasonable. Actual performance and other results may differ materially from these forecasted figures due to various factors.

1. Results of Operations for the First Quarter of Fiscal 2015(Three-Month Period Ended June30, 2015)

(1) Qualitative explanation on quarterly financial results

In the first three months (April 1 to June 30, 2015) of the fiscal year ending March 31, 2016 (fiscal 2015), net sales rose 2.4% year on year to ¥7,762 million. The change is attributable to the impact of yen depreciation and an increase in overseas pharmaceuticals sales volume, which compensated for lower domestic sales of pharmaceuticals.

With regard to earnings, operating income fell 25.5% year on year to ¥883 million, reflecting decrease of gross profit due to an increase in depreciation of the No. 5 Production Building at the Takahagi Plant coupled with higher R&D expenses resulting from progress on development themes such as in the U.S. on SI-6603, indicated for treatment of lumbar disc herniation. Ordinary income fell 11.1% to ¥1,377 million. The smaller rate of decrease compared to operating income resulted from factors including a gain on valuation of foreign currency-denominated assets. Net income attributable to owners of the parent fell 17.5% to ¥1,032 million, reflecting the expiration of a temporary tax rate reduction applied in fiscal 2014.

Net sales by segment

Pharmaceuticals Business

- Domestic Pharmaceuticals (¥4,388 million, down 3.8% year on year)

Deliveries to medical institutions of ARTZ, a joint function improving agent, increased slightly due to sales promotion activities by the sales partner at a time of flat overall market growth. The Company's sales declined year on year due to lower shipments in reaction to an increased shipments resulted from ahead of schedule shipments to the sales partner in the first quarter of fiscal 2014.

Deliveries to medical institutions and the Company's sales of OPEGAN, an ophthalmic surgery aid, were at the prior-year level in a fiercely competitive market.

Deliveries to medical institutions of MucoUp, surgical aids for endoscopic mucosal resection, fell slightly, and the Company's sales decreased as well.

- Overseas Pharmaceuticals (¥1,607 million, up 23.0% year on year)

U.S. sales of SUPARTZ, a 5-injection joint function improving agent, fell only slightly as a result of sales promotion activities by the sales partner, despite a continuing sales increase for 3-injection products of competitors in the market for multi-injection products. The Company's sales to the U.S. rose, partly because of the impact of yen depreciation. A clinical trial in the U.S. for the purpose of obtaining a 3-injection label for SUPARTZ was completed, and the Company submitted the application for approval to the U.S. Food and Drug Administration in July 2015.

Sales of ARTZ in China (P.R.C.) were flat, reflecting various purchasing sentiments of medical institutions. The Company's sales increased as a result of the impact of yen depreciation coupled with an inventory build-up by the sales partner.

Both U.S. sales and the Company's sales of Gel-One, a single-injection joint function improving agent, increased. The Company established North American Business Unit in May 2015 to raise the level of support activities and will work to strengthen sales capabilities to take advantage of the opportunity provided by an

acquisition made by the sales partner in June 2015.

- Bulk Products (¥321 million, down 15.2% year on year)

Sales of hyaluronic acid fell as a result of shipping schedule slippage.

As a result of these developments, sales from the pharmaceuticals business rose 1.1% year on year to ¥6,317 million.

LAL Business

Net sales from the LAL business rose 8.6% year on year to ¥1,445 million as a result of an increase in sales of endotoxin-detecting reagents and other products due to the impact of yen depreciation.

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