

July 30, 2013

**SEIKAGAKU CORPORATION**  
**Consolidated Financial Results (Japan GAAP) (Summary)**  
**for the First Three Months of Fiscal 2013**  
**(Three-Month Period Ended June 30, 2013)**

Stock code number: 4548

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

Listed exchanges: Tokyo

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

**1. Consolidated Financial Results for the First Three Months of Fiscal 2013**

(from April 1, 2013 to June 30, 2013)

**(1) Consolidated Financial Results**

(Percentages indicate changes over 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 FY 2013	7,647	13.7	2,135	143.0	2,343	128.0
First three months of FY 2012	6,727	(2.5)	878	(46.6)	1,028	(36.9)

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First three months of FY 2013	2,137	219.3	37.62	-
First three months of FY 2012	669	(35.7)	11.78	-

(Note) Comprehensive income:

First three months of FY 2013: ¥ 2,089million (345.1%)

First three months of FY 2012: ¥ 469 million (-59.4%)

**(2) Consolidated Financial Position**

	Total assets	Total equity	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2013	71,457	62,695	87.7
As of March 31, 2013	70,471	61,316	87.0

(Reference) Shareholders' equity:

As of June 30, 2013: ¥62,695 million

As of March 31, 2013: ¥61,316 million

**2. Dividends**

	Annual Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2012	-	12.50	-	12.50	25.00
Fiscal 2013	-				
Fiscal 2013 (Forecast)		13.00	-	13.00	26.00

(Note) Revision to dividend forecast in the quarter under review: Yes

As for the revision of the dividend forecast, please refer to "Revision of Dividend Forecast for Year ending March 31, 2014 and Abolition of the Shareholder Special Benefit Plan" released today (July 30, 2013)

### 3. Forecast of Consolidated Financial Results for Fiscal 2013 (from April 1, 2013 to March 31, 2014)

(Percentages indicate changes from in the prior fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions Of yen	%	Millions of yen	%	Yen
First six months of Fiscal 2013	15,200	14.8	2,700	103.8	2,950	65.6	2,450	93.5	43.13
Fiscal 2013	29,900	12.2	4,550	45.5	5,000	16.2	4,050	24.4	71.29

(Note) Revision to consolidated results forecast in the quarter under review: No

#### \* Notes

**(1) Changes in the state of material subsidiaries in the quarter under review: No**

**(2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements: Yes**

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

(a) Changes in accounting principles accompanying revisions in accounting standards: No

(b) Changes other than those in (a) above: Yes

(c) Changes in accounting estimates: Yes

(d) Retrospective restatements: No

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

(a) Number of shares at the end of the period (including treasury stock)

(b) Number of treasury stock at the end of the period

(c) Average number of shares issued during the period (three months)

As of June 30, 2013	58,584,093 shares	As of March 31, 2013	58,584,093 shares
As of June 30, 2013	1,777,737 shares	As of March 31, 2013	1,777,474 shares
First Three Months of June 30, 2013	56,806,499 shares	First Three Months of June 30, 2012	56,807,235 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 forecasted statement 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 Three Months of the Fiscal Year Ending March 31, 2014

### (1) Qualitative explanation on quarterly financial results

#### Consolidated operating results

In the first three months (April 1 to June 30, 2013) of the fiscal year ending March 31, 2014 (fiscal 2013), net sales rose 13.7% year on year to ¥7,647 million. The sales increase is attributable to increases in overseas pharmaceuticals sales volumes such as Gel-One, a single-injection injectable treatment for osteoarthritis pain of the knee, and the impact of yen depreciation.

On the earnings front, operating income rose 143.0% year on year to ¥2,135 million and ordinary income rose 128.0% to ¥2,343 million, reflecting the sales increase and a decrease of ¥492 million in SG&A expenses centering around Gel-One lawsuit expenses and lower R&D expenses. Net income rose 219.3% to ¥2,137 million as a result of factors including the recording of an extraordinary gain on the sale of investment securities and a decrease in income tax rate due to the continued application of preferential taxation following the designation of the Takahagi Plant as a special district for industrial revitalization, despite the recording of an extraordinary loss on costs associated with integration of the Kurihama Plant to improve business efficiency.

#### Net sales by Segment

##### Pharmaceuticals Business

-Domestic Pharmaceuticals (¥4,412 million, up 0.7% vs. the first three months of fiscal 2012)

Efforts to increase sales of ARTZ, an injectable treatment for osteoarthritis pain of the knee, utilizing its brand power as an original drug resulted in increases in deliveries to medical institutions and market share. However, the Company's sales fell due to inventory adjustments at the sales partner.

Although deliveries to medical institutions of the ophthalmic surgery aid OPEGAN increased, market share declined amid continuing fierce competition. The Company's sales of OPEGAN rose, partly as a result of a rebound following a low level of shipments in the first three months of fiscal 2012.

The Company's sales of MucoUp, a surgical aid for use in endoscopic mucosal resection, rose due to successful activities to increase penetration of endoscopic surgery.

-Overseas Pharmaceuticals (¥1,902 million, up 73.7% vs. the first three months of fiscal 2012)

Regarding SUPARTZ, the product name of ARTZ in the U.S., despite sales activities focused on differentiation from competitors, local sales fell due to the remaining impact of insurance companies restricting reimbursement for products with multiple-injection formulations. The Company's export sales rose due to factors including yen depreciation and an increase in the inventory level at the sales partner.

Sales of ARTZ in China continued to develop favorably, mainly in major cities, as a result of actively conducting lectures for physicians and activities to promote prescription through the prevalence of injection procedures. The Company's export sales rose sharply as a result of an increase in the inventory level at the sales partner and yen depreciation.

Measures for Gel-One to establish sales channels among major pharmaceutical distributors in the U.S., initiated following the Company's winning patent infringement lawsuit, are proceeding favorably, and sales are increasing. The Company will continue efforts to accelerate market penetration together with sales partner Zimmer, Inc.

-Bulk Products (¥314 million, down 9.3% vs. the first three months of fiscal 2012)

Although shipments of bulk chondroitin sulfate were at the prior-year level, bulk hyaluronic acid fell due to differences in shipment timing.

As a result, overall sales of pharmaceuticals business rose 13.8% from the first three months of fiscal 2012 to ¥6,629 million.

#### LAL Business

Net sales from the LAL business rose 12.9% compared with the first three months of fiscal 2012 to ¥1,018 million as a result of higher overseas sales of endotoxin-detecting reagents, etc. and the impact of yen depreciation.