

[ Disclaimer: The following is meant to be an accurate translation from the original Financial Report of Santen Pharmaceutical Co., Ltd., written in Japanese, and is prepared for the information disclosure to the Tokyo Stock Exchange. However, in the case of any discrepancy between the English translation and the Japanese original, the latter shall prevail. ]

SANTEN PHARMACEUTICAL CO., LTD. (August 1, 2012)

Code: 4536

URL <http://www.santen.com>

First Quarter Financial Results for the Fiscal Year Ending March 31, 2013

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(Figures are rounded down to the nearest million yen)

**1. Consolidated Performance for the three months ended June 30, 2012**

(1) Operating results	Three months ended June 30, 2012	Three months ended June 30, 2011	% change 2013/2012
Net sales (millions of yen)	27,958	27,850	0.4%
Operating income (millions of yen)	6,122	7,762	(21.1%)
Ordinary income (millions of yen)	6,546	8,188	(20.1%)
Net income (millions of yen)	4,277	5,526	(22.6%)
Net income per share (yen)	49.07	63.43	
Diluted net income per share (yen)	49.03	63.36	

Note: Comprehensive income:

First quarter ended June 30, 2012: ¥ 4,158 million((30.9%))

First quarter ended June 30, 2011: ¥ 6,020 million(89.6%)

**(2) Financial condition**

	June 30, 2012	March 31, 2012
Total assets (millions of yen)	188,884	198,801
Net assets (millions of yen)	164,682	164,861
Equity ratio	87.0%	82.8%
Net assets per share (yen)	1,885.56	1,887.81

Reference: Equity (Consolidated):

First quarter ended June 30, 2012: ¥ 164,335 million

Fiscal year ended March 31, 2012: ¥ 164,514 million

**2. Dividends**

	Year to March 2013	(Forecasts) Year to March 2013	Year to March 2012
First quarter dividends per share (yen)	0.00	—	0.00
Second quarter dividends per share (yen)	—	50.00	50.00
Third quarter dividends per share (yen)	—	0.00	0.00
End-of-period dividends per share (yen)	—	50.00	50.00
Annual dividends per share (yen)	—	100.00	100.00

**3. Consolidated Forecasts of results for the year ending March 31, 2013**

	First half year	Full year	(Full year) % change 2013/2012
Net sales (millions of yen)	57,000	114,500	0.1%
Operating income (millions of yen)	12,000	23,500	(12.1%)
Ordinary income (millions of yen)	12,300	24,000	(13.6%)
Net income (millions of yen)	8,300	16,000	(6.8%)
Net income per share (yen)	95.26	183.64	

## **\*Notes**

**(1) Significant change in subsidiaries during the term (change in designated subsidiaries resulting in adjustment to the scope of consolidation): No**

**(2) Application of special accounting method in the preparation of quarterly consolidated financial statements: No**

**(3) Changes in accounting policies, accounting estimates and restatements**

[ i ] Changes in the accounting policies resulting from amendments to accounting standards: Yes

- Change in depreciation method for property and equipment

In accordance with the amendment of the Corporation Tax Law, effective from the first quarter of fiscal year ending March 31, 2013, the Company and its domestic consolidated subsidiary have changed their depreciation method for those property and equipment acquired on or after April 1, 2012. As a result of this change, operating income, ordinary income and income before income taxes increased by 1million yen each.

[ ii ] Changes other than [ i ] above: No

[ iii ] Changes in the accounting estimates: Yes

[ iv ] Restatements: No

(Note) This change falls under Article 10 (5) of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements.

**(4) Number of shares outstanding (common stock)**

[ i ] Number of shares outstanding at the end of period (including treasury stock)

June 30, 2012 : 87,155,703

March 31, 2012 : 87,146,803

[ ii ] Number of treasury stock at the end of period

June 30, 2012 : 1,595

March 31, 2012 : 1,246

[ iii ] Average number of outstanding shares (during the three months ended June 30)

First quarter ended June 30, 2012 : 87,154,172

First quarter ended June 30, 2011 : 87,118,307

**(Information regarding the implementation of quarterly review procedures)**

These quarterly financial results are not subject to quarterly review procedures. Thus, at the time of disclosure of these financial results, the quarterly consolidated financial statement review procedures based on the Financial Instruments and Exchange Law, are in progress.

**(Caution)**

Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions, delays in new products launch, currency exchange rate, legislative and regulatory developments.

## Quarterly consolidated balance sheets

(Millions of yen)

	March 31, 2012	June 30, 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	66,235	54,029
Notes and accounts receivable-trade	37,923	40,684
Short-term investment securities	12,739	12,734
Merchandise and finished goods	14,672	13,192
Work in process	600	639
Raw materials and supplies	2,677	2,974
Deferred tax assets	1,921	1,048
Other	3,521	3,695
Allowance for doubtful receivables	(1)	(1)
<b>Total current assets</b>	<b>140,288</b>	<b>128,962</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	41,058	40,876
Accumulated depreciation and impairment loss	(28,251)	(28,527)
Buildings and structures, net	12,806	12,348
Machinery, equipment and vehicles	11,363	11,280
Accumulated depreciation and impairment loss	(9,782)	(9,773)
Machinery, equipment and vehicles, net	1,581	1,506
Land	8,213	8,202
Lease assets	241	220
Accumulated depreciation and impairment loss	(75)	(86)
Lease assets, net	166	134
Construction in progress	1,365	1,520
Other	11,214	11,206
Accumulated depreciation and impairment loss	(9,823)	(9,679)
Other, net	1,390	1,527
<b>Total property, plant and equipment</b>	<b>25,523</b>	<b>25,240</b>
<b>Intangible assets</b>		
Goodwill	5,801	6,179
In-process research and development	5,941	6,478
Software	831	773
Other	301	326
<b>Total intangible assets</b>	<b>12,877</b>	<b>13,757</b>
<b>Investments and other assets</b>		
Investment securities	12,411	13,400
Deferred tax assets	6,500	6,337
Other	1,200	1,186
<b>Total investments and other assets</b>	<b>20,112</b>	<b>20,923</b>
<b>Total non-current assets</b>	<b>58,513</b>	<b>59,922</b>
<b>Total assets</b>	<b>198,801</b>	<b>188,884</b>

(Millions of yen)

	March 31, 2012	June 30, 2012
<b><u>Liabilities</u></b>		
<b>Current liabilities</b>		
Notes and accounts payable -trade	8,074	4,825
Other payables	9,009	7,108
Income taxes payable	5,282	1,535
Provision for bonuses	2,943	1,481
Other	2,115	2,619
<b>Total current liabilities</b>	<b>27,425</b>	<b>17,569</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,996	2,175
Retirement and severance benefits for employee	3,459	3,506
Retirement and severance benefits for directors and auditors	222	200
Asset retirement obligations	161	162
Other	674	589
<b>Total non-current liabilities</b>	<b>6,514</b>	<b>6,633</b>
<b>Total liabilities</b>	<b>33,940</b>	<b>24,202</b>
<b><u>Net assets</u></b>		
<b>Shareholders' equity</b>		
Common stock	6,694	6,705
Capital surplus	8,049	8,059
Retained earnings	156,030	155,950
Treasury stock, at cost	(4)	(5)
<b>Total shareholders' equity</b>	<b>170,770</b>	<b>170,709</b>
<b>Accumulated other comprehensive income</b>		
Unrealized losses on securities, net of taxes	51	167
Foreign currency translation adjustments	(6,306)	(6,542)
<b>Total accumulated other comprehensive income</b>	<b>(6,255)</b>	<b>(6,374)</b>
<b>Stock subscription rights</b>	<b>347</b>	<b>347</b>
<b>Total net assets</b>	<b>164,861</b>	<b>164,682</b>
<b>Total liabilities and net assets</b>	<b>198,801</b>	<b>188,884</b>

## Quarterly consolidated statements of income and comprehensive income

	(Millions of yen)	
	Three months ended June 30, 2011	Three months ended June 30, 2012
Net sales	27,850	27,958
Cost of sales	8,652	9,448
Gross profit	19,198	18,509
Selling, general and administrative expenses	11,435	12,387
Operating income	7,762	6,122
Non-operating income		
Interest income	11	15
Dividend income	220	221
Dividends income of life insurance	143	157
Exchange gains	3	31
Other	60	40
Total non-operating income	439	466
Non-operating expenses		
Interest expenses	5	1
Other	7	41
Total non-operating expenses	13	42
Ordinary income	8,188	6,546
Extraordinary income		
Gain on sales of fixed assets	—	16
Gain on sales of investment securities	10	—
Total extraordinary income	10	16
Extraordinary loss		
Loss on sales of non-current assets	1	—
Loss on sales of investment securities	15	—
Total extraordinary losses	17	—
Income before income taxes	8,182	6,563
Income taxes - current	1,429	1,451
Income taxes - deferred	1,226	834
Total income taxes	2,656	2,656
Income before minority interests	5,526	4,277
Net income	5,526	4,277
Income before minority interests	5,526	4,277
Other comprehensive income		
Unrealized gains(losses) on securities, net of taxes	104	116
Foreign currency translation adjustments	390	(235)
Other comprehensive income	494	(118)
Total comprehensive income	6,020	4,158
Total comprehensive income attributable to :		
Owners of the parent	6,020	4,158
Minority interests	—	—

## Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
<b><u>Cash flows from operating activities:</u></b>		
Income before income taxes	8,182	6,563
Depreciation and amortization	664	607
Amortization of goodwill	—	161
Increase in retirement and severance benefits	12	52
Interest and dividend income	(232)	(236)
Interest expenses	5	1
Increase in notes and accounts receivable-trade	(31)	(2,938)
Decrease (increase) in inventories	(937)	988
Decrease in notes and accounts payable-trade	(282)	(3,331)
Other, net	(2,028)	(2,984)
Subtotal	5,352	(1,116)
Interest and dividend income received	230	236
Interest expenses paid	(4)	(0)
Income taxes paid	(4,509)	(5,158)
Net cash provided by (used in) operating activities	1,069	(6,038)
<b><u>Cash flows from investing activities:</u></b>		
Increase in fixed deposits	(8)	(38)
Proceeds from withdrawal of fixed deposits	1,895	166
Purchase of short-term investment securities	(708)	(301)
Proceeds from sales of short-term investment securities	1,007	707
Capital expenditures	(655)	(705)
Proceeds from sales of fixed assets	—	30
Purchase of investment securities	(1)	(1,211)
Proceeds from sales of investment securities	322	—
Other	0	0
Net cash provided by (used in) investing activities	1,850	(1,351)
<b><u>Cash flows from financing activities:</u></b>		
Dividends paid	(4,225)	(4,247)
Other, net	90	10
Net cash used in financing activities	(4,134)	(4,237)
Effect of exchange rate changes on cash and cash equivalents	(4)	(453)
Net decrease in cash and cash equivalents	(1,218)	(12,080)
Cash and cash equivalents at beginning of period	72,482	75,035
Cash and cash equivalents at end of period	71,264	62,955

## Segment information

### Segment information

Three months ended June 30, 2011 (Millions of yen)

	<Reporting segment> Pharmaceuticals	Other (Note)	Total	Adjustments	Consolidated total
<b>Net sales:</b>					
External customers	27,080	770	27,850	—	27,850
Intersegment	—	29	29	(29)	—
Total	27,080	800	27,880	(29)	27,850
<b>Segment income</b>	7,547	215	7,762	—	7,762

Note: Other segment mainly includes medical equipment.

Three months ended June 30, 2012 (Millions of yen)

	<Reporting segment> Pharmaceuticals	Other (Note)	Total	Adjustments	Consolidated total
<b>Net sales:</b>					
External customers	27,448	509	27,958	—	27,958
Intersegment	—	30	30	(30)	—
Total	27,448	540	27,988	(30)	27,958
<b>Segment income(loss)</b>	6,335	(212)	6,122	—	6,122

Note: Other segment mainly includes medical equipment.

<Reference>

## ■ Sales of major pharmaceuticals

(Millions of yen)

Brand name Generic name/formulation	Therapeutic category	Three months ended June 30, 2011	Six months ended September 30, 2011	Year ended March 31, 2012	Three months ended June 30, 2012	Six months ending September 30, 2012	Year ending March 31, 2013
		Actual	Actual	Actual	Actual	Forecasts	Forecasts
Cravit levofloxacin/ophthalmic solution	Bacterial conjunctivitis	3,226 (1.8) %	6,767 (2.6) %	12,368 (4.2) %	2,697 (16.4) %	6,366 (5.9) %	12,075 (2.4) %
Tarivid ofloxacin/ophthalmic solution	Bacterial conjunctivitis	461 (23.8) %	1,036 (17.3) %	1,932 (20.1) %	455 (1.4) %	823 (20.5) %	1,577 (18.4) %
Tapros tafluprost/ophthalmic solution	Glaucoma	1,779 9.1 %	3,642 10.2 %	7,351 10.8 %	1,951 9.6 %	3,893 6.9 %	8,076 9.9 %
Cosopt Dorzolamide hydrochloride/ timolol maleate Ophthalmic Solution	Glaucoma	1,347 223.2 %	2,832 182.2 %	6,271 113.7 %	2,091 55.2 %	4,104 44.9 %	8,661 38.1 %
Timoptol timolol maleate/ophthalmic solution	Glaucoma	467 (25.1) %	906 (22.8) %	1,701 (20.9) %	384 (17.7) %	651 (28.2) %	1,148 (32.5) %
Timoptol XE timolol maleate/ long-acting ophthalmic solution	Glaucoma	657 (22.5) %	1,269 (19.6) %	2,404 (16.9) %	573 (12.7) %	978 (22.9) %	1,856 (22.8) %
Detantol bunazosin hydrochloride	Glaucoma	509 (7.2) %	1,005 (6.8) %	1,968 (4.7) %	500 (1.8) %	941 (6.4) %	1,789 (9.1) %
Rescula isopropyl unoprostone	Glaucoma	647 (15.9) %	1,284 (12.7) %	2,472 (11.0) %	594 (8.2) %	1,178 (8.2) %	2,351 (4.9) %
Livostin levocabastine hydrochloride/ ophthalmic solution	Allergy	585 14.7 %	1,196 9.7 %	3,346 (11.9) %	569 (2.9) %	1,563 30.7 %	3,404 1.7 %
Hyalein sodium hyaluronate/ophthalmic solution	Corneal disease	5,528 6.1 %	11,322 6.4 %	22,216 4.5 %	5,216 (5.6) %	10,413 (8.0) %	20,443 (8.0) %
Diquas diquafosol sodium/ophthalmic solution	Corneal disease	520 — %	1,121 — %	2,846 281.7 %	1,084 108.2 %	2,202 96.3 %	5,299 86.2 %
Flumetholon fluorometholone/ophthalmic solution	Inflammation	921 (12.3) %	1,991 (8.6) %	4,072 (14.3) %	1,003 8.9 %	2,028 1.9 %	3,904 (4.1) %
Kary Uni pirenoxine/ophthalmic solution	Early-stage senile cataract	935 0.0 %	1,920 (1.0) %	3,690 (1.0) %	953 1.9 %	1,961 2.1 %	3,849 4.3 %
Opegan Hi sodium hyaluronate/ adjuvant for ophthalmic operations	Adjuvant for ophthalmic operations	762 (8.2) %	1,535 (7.0) %	3,018 (6.5) %	739 (3.1) %	1,552 1.1 %	3,086 2.3 %
Rimatil bucillamine/tablet	Rheumatoid arthritis	1,009 (4.4) %	1,952 (5.3) %	3,673 (6.9) %	891 (11.7) %	1,661 (14.9) %	3,211 (12.6) %
Azulfidine EN salazosulfapyridine/enteric coated tablet	Rheumatoid arthritis	1,056 (2.4) %	2,069 (1.9) %	4,030 (1.9) %	1,004 (5.0) %	1,944 (6.0) %	3,818 (5.2) %
Metolate methotrexate/tablet	Rheumatoid arthritis	398 32.9 %	816 34.2 %	1,705 36.4 %	501 25.8 %	914 12.0 %	1,859 9.0 %
<b>OTC pharmaceuticals</b>		<b>1,149 16.5 %</b>	<b>2,446 (2.4) %</b>	<b>4,597 (2.7) %</b>	<b>1,457 26.8 %</b>	<b>3,060 25.1 %</b>	<b>6,164 34.1 %</b>

lower: year on year percentage change

Percentages in parentheses indicate a decrease.

\*Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions, etc.

## Reference information Research & development

### ■ Pipeline of prescription pharmaceuticals (Clinical Stage)

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Tafluprost	DE-085	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Japan						Dec-08
				Europe						Jun-08
				U.S.				(Licensed Out)		Mar-12
				Latin America				(Licensed Out)		Aug-10
				Asia						Mar-10
China						Jan-11				

A prostaglandin F<sub>2α</sub> derivative for the treatment of glaucoma and ocular hypertension. Launched in Japan in December, 2008. In Europe, launched in Germany, Denmark, etc. In the countries including the U.S., development rights were granted to Merck & Co., Inc. (U.S.) in April, 2009. In Asia, launched in Hong Kong, Korea, Indonesia, Singapore. NDA filed in China. In the U.S., launched in March, 2012 by Merck and Co., Inc.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Diquafosol sodium	DE-089	Dry eye	Inspire (Merck)	Japan						Dec-10
				Asia						Dec-11
				China					Jan-12	

A dry eye treatment drug which stimulates secretion of mucin and aqueous components from the corneal epithelium. Its mechanism of action is different from other existing treatments. Launched in Japan in December, 2010. Approved in Korea, and NDA filed in China.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Lomerizine HCl	DE-090	Glaucoma	MSD	Japan						

A new type of glaucoma treatment which inhibits the progression of visual field defects. It is the only calcium antagonist being development as an oral glaucoma treatment. Compared to NMDA receptor antagonists, it has excellent safety profile with mild systemic adverse drug reactions.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Rivoglitazone	DE-101	Corneal and conjunctival epithelial disorder associated with dry eye, etc.	Daiichi Sankyo	U.S.						

Based on its anti-inflammatory properties, quantitative and qualitative tear film improvement effect is expected.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Betamethasone	DE-102	Macular edema secondary to diabetes and BRVO*	Co-development with Oakwood	Japan			(Phase 2/3)			

A microsphere product with a new drug delivery concept. Stable and sustained efficacy is expected with a local injection. Collaborating with Oakwood Laboratories (U.S.) for manufacturing technology development on commercial scale. \*BRVO: Branch retinal vein occlusion.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-105	Persistent corneal epithelial defects	Original	U.S.						
				Japan						

Expected to accelerate corneal epithelial extension and demonstrate high safety profile in treatment-resistant, persistent corneal epithelial defects.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Levofloxacin (1.5%)	DE-108	Bacterial conjunctivitis	Daiichi-Sankyo	Japan						Jun-11
				Asia						Oct-11

A high-concentration fluoroquinolone antibacterial agent. Launched in Japan in June 2011. NDA filed in Korea.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Sirolimus	DE-109	Uveitis	Original	U.S.						
				Japan						
				Europe						

An intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. Phase 3 study is ongoing in the U.S. and Japan. Phase 3 study was started in EU.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Tafluprost/ timolol maleate	DE-111	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Japan						
			Co-development	Europe						

A combination drug of a prostaglandin F<sub>2α</sub> derivative and a beta-adrenergic receptor blocker.

## Reference information Research & development

### ■ Pipeline of prescription pharmaceuticals (Clinical Stage)

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Epinastine HCl	DE-114	Allergic conjunctivitis	Nippon Boehringer Ingelheim	Japan						
An H1 receptor antagonist with membrane-stabilizing function, as treatment for allergic conjunctivitis.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-117	Glaucoma/ Ocular hypertension	Co-development with Ube Industries	US	(Phase 1/2a)					
A prostaglandin EP2 agonist with a new mechanism of action. Phase 1/2a was started in the US.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Tafluprost	DE-118	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Japan			Feb-12			
A prostaglandin F2 $\alpha$ derivative for the treatment of glaucoma and ocular hypertension. Preservative-free, unit-dose type product.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-098 (Anti-APO-1 antibody)	Rheumatoid arthritis	Janssen Biotech	Japan						
A joint injection inducing apoptosis in diseased joints of rheumatoid arthritis patients. Next development plan is under evaluation based on Phase 2 study results.										

### ■ Novagali's pipeline of prescription pharmaceuticals (Clinical Stage)

Generic name	Dev. name	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Ciclosporin	Cyclokot	Severe dry eye	Original	Europe						
				U.S.						
An ophthalmic emulsion which improves symptoms and signs of severe dry eye by immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue absorption.										
Ciclosporin	Vekacia	Vernal Keratoconjunctivitis	Original	Europe						
An ophthalmic emulsion which improves the symptoms of vernal keratoconjunctivitis by immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue absorption.										
Latanoprost	Catioprost	Glaucoma/ Ocular hypertension	Original	Europe						
An ophthalmic emulsion of a prostaglandin F2 $\alpha$ derivative, for the treatment of glaucoma and ocular hypertension.										
Dexamethasone Palmitate	Cortiject	Diabetic macular edema	Original	U.S.	(Phase 1/2)					
An intravitreal injection with anti-inflammatory effect.										

\*Catioprost and Cortiject are under project evaluation.

### ■ Changes from 11FY4Q (May 8, 2012)

Dev. code	Changes
DE-109	Started Phase 3 study in Europe
DE-110	Clinical studies have been suspended based on Phase 2 results; future development policy, including formulation improvement, is under evaluation.
DE-117	Started Phase 1/2a study in the US.

<Reference>

■ Capital expenditures

(Millions of yen)

	Three months ended June 30, 2011	Six months ended September 30, 2011	Year ended March 31, 2012	Three months ended June 30, 2012	Six months ending September 30, 2012	Year ending March 31, 2013
	Actual	Actual	Actual	Actual	Forecasts	Forecasts
Capital expenditures	630	1,261	3,492	459	1,970	6,430

■ Depreciation and amortization

(Millions of yen)

	Three months ended June 30, 2011	Six months ended September 30, 2011	Year ended March 31, 2012	Three months ended June 30, 2012	Six months ending September 30, 2012	Year ending March 31, 2013
	Actual	Actual	Actual	Actual	Forecasts	Forecasts
Consolidated total	646	1,317	2,717	589	1,320	2,840
Manufacturing cost	337	679	1,400	272	600	1,290
Selling, general and administrative expenses	141	286	553	144	300	640
R&D expenses	167	351	764	172	420	910

■ Lease expenses

(Millions of yen)

	Three months ended June 30, 2011	Six months ended September 30, 2011	Year ended March 31, 2012	Three months ended June 30, 2012	Six months ending September 30, 2012	Year ending March 31, 2013
	Actual	Actual	Actual	Actual	Forecasts	Forecasts
Consolidated total	10	18	23	1	5	10
Manufacturing cost	0	1	2	0	2	5

■ R&D expenses

(Millions of yen)

	Three months ended June 30, 2011	Six months ended September 30, 2011	Year ended March 31, 2012	Three months ended June 30, 2012	Six months ending September 30, 2012	Year ending March 31, 2013
	Actual	Actual	Actual	Actual	Forecasts	Forecasts
R&D expenses	3,119	7,602	17,225	4,005	8,500	17,500
Net sales ratio	11.2%	13.4%	15.1%	14.3%	14.9%	15.3%

\*Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions, etc.