The Second Quarter of the Year Ending March 2010

Financial Results

Trans Genic Inc.

～ For healthy and affluent lives of people around the world ～

http://www.transgenic.co.jp

November 25, 2009

TRANS GENIC INC.

Note: These materials are based on economic and social conditions as of the time this presentation was prepared and on reasonable management plans by the company. Revisions may be made without prior notice due to changes in the operating environment.

These materials incorporate forward-looking statements. Various factors including market trends, development of new technologies and competitors' moves could cause actual operating and financial results to differ from the stated in these materials.

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Ⅰ. Overview of Consolidated Financial Results for the Second Quarter of the Year Ending March, 2010

Key Points and Analysis by Segments

1. Mouse Related Business

（1）Basic policy: Important business based on the world-class technology.
（2）Universities and research institutions have tightened budget.
（3）Pharmaceutical companies have narrowed down R&D themes.
（4）Price competition: Humanizing animal technology has not been effectively used yet.

2. Antibody Related Business

（1）Development process “Reagents ⇒ Diagnostic reagents ⇒ Therapeutic antibodies” is promising
（2）Difficult to announce successful models of GANP® mice in custom production service, for confidentiality reasons.
（3）Limited number of custom production service causes low profitability.

3. Reagent Agency Business

（1）Need more time to sell research reagents directly online, because of conventional trade practices in the biotech industry.
（2）Cytokine enjoys brisk sales.

4. Other Business

（1）Synergy has been seen in drug discovery research support service with Mouse Related Business.

Strategies for the Year Ending March 2010

1. Revision of Existing Business－Strategies by Segments

(1) Mouse Related Business

◆Custom production service

○Order backlog : 121,833 thousand yen. Steady sales.
○Aim for further cost-cutting.

(2) Antibody Related Business

◆Product Sales

○Stop custom production service and focus on product development.
○Produce approx. 100 antibody products p.a. in addition to 160 products currently available.
○Seek for competitiveness in developing antibody products.
a. GANP® mice, b. Assessment of GPCR antibodies, c. Tie-up with National Cancer Center

(3) Reagent Agency Business

◆Bio-products (Cytokine business)

○Cancer immunotherapy field: Enhance sales activities.
○Launch new products : Intend to make more sales than in past years.

◆Lab-products (“direct delivery service of reagents”): Discontinued

(4) Other Business

◆Others

○Drug discovery research support service: Tie-up with overseas venture companies (Deltagen Inc., TriStar Technologies LLC., JSW-Research Ltd.)
Integrated into Mouse Related Business.
○Reproductive treatment field : Downsized, but there is social demand.
○Healthcare business : Discontinued

Strategies for the Year Ending March 2010

2. Company-Wide Cost-Cutting

(1) TRANS GENIC (parent company) / Primmune (subsidiary)

◆Cost-cutting: Target 200 million yen

○Reduce SG&A expenses
○Reduce personnel expense, close Fukuoka Branch etc.

3. New Business Development

(1) Capital Contribution to Kajitsudo

◆Find out business where synergy can be expected between TRANS GENIC and Kajitsudo

Second Quarter : Scope of Consolidation

Scope of Consolidation

TRANS GENIC INC.

Trans Genic Inc.

Mouse Related Business
Antibody Related Business

Ratio of capital contribution
88.47%

Ratio of capital contribution
30%

Ratio of capital contribution
20.78%

Primmune Inc.
(Consolidated subsidiary)

Primmune

Reagent Agency Business

Immunokick Incorporation
(Affiliated company accounted for by the equity method)

Immunokick

Antibody Technology Patent

Kajitsudo Co., Ltd
(Consolidated Subsidiary)
Kajitsudo Farm Co., Ltd

果実堂
Kajitsudo Co.,Ltd.

Functional Food Business

Second Quarter Highlights

Unit: thousand yen	For the six months ended September 30, 2008	For the six months ended September 30, 2009	Change	Rate of Change
Net Sales	134,542	243,550	109,008	81.0%
Mouse Related Business	55,648	86,806	31,158	56.0%
Antibody Related Business	42,590	25,363	▲17,227	▲40.4%
Reagent Agency Business	27,626	47,034	19,408	70.3%
Functional Food Business*	-	61,123	61,123	-
Other Business	8,677	23,221	14,544	167.6%
Cost of sales	76,749	139,330	62,581	81.5%
Gross profit	57,792	104,219	46,427	80.3%
SG&A expenses	370,668	319,401	▲51,267	▲13.8%
R&D expense	91,278	84,807	▲6,471	▲7.1%
Operating income (loss)	▲312,875	▲215,182	97,693	-
Ordinary income (loss)	▲307,207	▲223,954	83,253	-
Net income (loss)	▲313,795	▲189,845	123,950	-

＊Functional Food Business : A new segment included in the scope of consolidation at the end of the first quarter.
The figure covers only a three-month period (July 1- September 30, 2009).

Sales Breakdown by Segment – Mouse Related Business

Unit: thousand yen	For the six months ended September 30, 2008	For the six months ended September 30, 2009	Change	Rate of Change
Sales of gene information	3,563	14,775	11,212	314.6%
Sales of custom production service	52,085	72,031	19,946	38.3%
Mouse production	32,977	62,591	29,614	89.8%
Phenotype analysis	14,132	6,860	▲7,272	▲51.5%
Others	4,976	2,580	▲2,396	▲48.2%
Total sales of Mouse Related Business	55,648	86,806	31,158	56.0%

◆ **Sales of Gene Information**

Sales increased due to big sales contracts in TG Resource Bank® and increasing number of contracts with university research institutes.

◆ **Sales of Custom Production Service**

Sales of mouse production increased significantly, thanks to active sales promotion.

Sales Breakdown by Segment – Antibody Related Business

Unit: thousand yen	For the six months ended September 30, 2008	For the six months ended September 30, 2009	Change	Rate of Change
Sales of antibody products	22,825	21,163	▲1,662	▲7.2%
Sales of custom production service	19,765	4,200	▲15,565	▲78.8%
GANP®	11,010	-	▲11,010	-
Others	8,755	4,200	▲4,555	▲52.0%
Total sales of Antibody Related Business	42,590	25,363	▲17,227	▲40.4%

◆ Sales of Antibody Products

Sales remained at the same level year on year.

It is expected that self-developed technologies and products will have positive impact on increasing sales in the future.

◆ Sales of Custom Production Service

Sales decreased due to refraining from receiving orders of custom production service.

Sales Breakdown by Segment – Reagent Agency Business

Unit: thousand yen	For the six months ended September 30, 2008	For the six months ended September 30, 2009	Change	Rate of CHange
Cytokine related sales	25,331	29,637	4,306	17.0%
Sales of PTG products	2,294	17,396	15,102	658.3%
Total sales of Reagent Agency Business	27,626	47,034	19,408	70.3%

◆ **Cytokine Related Sales**
Cytokine enjoyed brisk sales.

◆ **Sales of PTG Products**
Thanks to the marketing agreement with ProteinTech Group, Inc. (U.S.A) concluded in May 2008, our product lineup of research reagents have been expanded, boosting sales. Currently we deal with approx. 25,000 items.

Sales Breakdown by Segment – Functional Food Business

Unit: thousand yen	For the six months ended September 30, 2008	For the six months ended September 30, 2009	Change	Rate of Change
Sales of “baby leaf (mesclun)”	-	51,409	51,409	-
Sales of dressing	-	4,710	4,710	-
Sales of vegetable	-	3,134	3,134	-
Others	-	1,868	1,868	-
Total sales of Functional Food Business	-	61,123	61,123	-

＊Functional Food Business : A new segment included in the scope of consolidation at the end of the first quarter.

- **Functional Food Business has been included in the scope of consolidation from July 1, 2009 (July 1 – September 30, 2009)**
- **Sales of “Baby Leaf (Mesclun)”**
  Production of “baby leaf (mesclun)” , the main product of this business, reduced by flood damage and lack of sunlight, resulting in sluggish sales.

Sales Breakdown by Segment – Other Business

Unit: thousand yen	For the six months ended September 30, 2008	For the six months ended September 30, 2009	Change	Rate of Change
Sales of drug discovery research support service	2,330	15,950	13,620	584.5%
Sales of healthcare products	2,724	-	▲2,724	-
Sales of reproductive technology training business	1,300	350	▲950	▲73.1%
Others	2,323	6,921	4,598	197.9%
Total sales of Other Business	8,677	23,221	14,544	167.6%

◆ **Sales of Drug Discovery Research Support Service**

Sales increased by 584.5 % year on year due to large orders for drug assessment with Alzheimer model mice of JSW-Research Ltd.

◆ **Healthcare Products: Discontinued**

Summary for the Second Quarter

◆Sales increased and losses decreased due to **business plans changed** to strengthen revenue base.

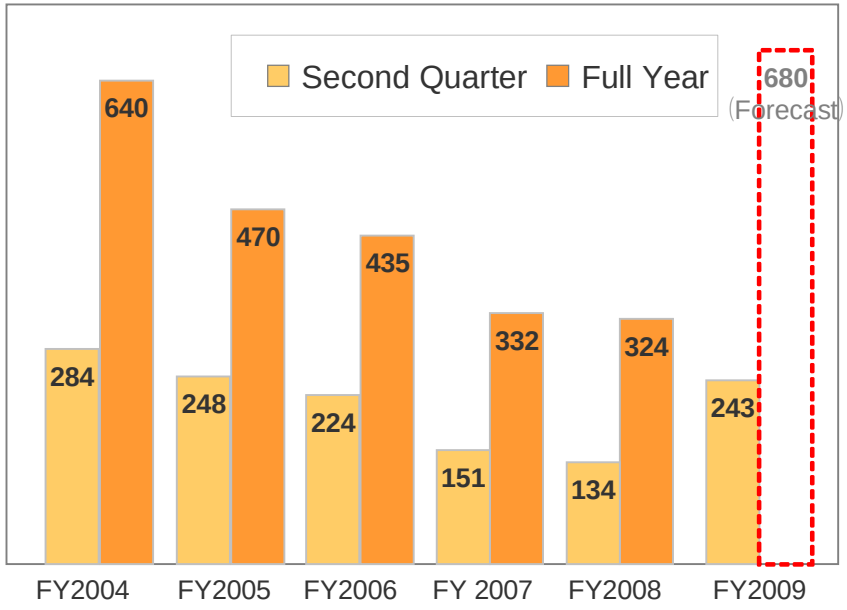
◆ Net Sales

Net sales increased by 81.0 % year on year to 243 million yen because of booming Mouse Related Business, Reagent Agency Business and Other Business in addition to newly consolidated Functional Food Business, despite fall in sales of Antibody Related Business by refraining from receiving orders of custom production service.

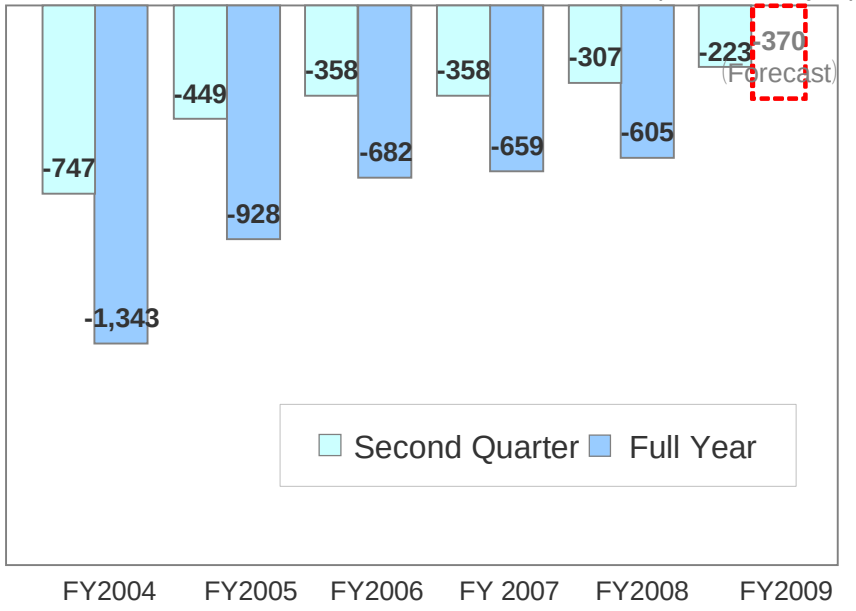
◆ Income(Loss)

Operating loss, ordinary loss and current net loss declined due to narrowing down R&D themes and cutback in SG&A expenses.

Net sales by year (Unit：million yen)



Ordinary loss by year (Unit：million yen)



Ⅱ. Consolidated Business Forecast for the Year Ending March 2010

Consolidated Business Forecast for the Year Ending March 2010

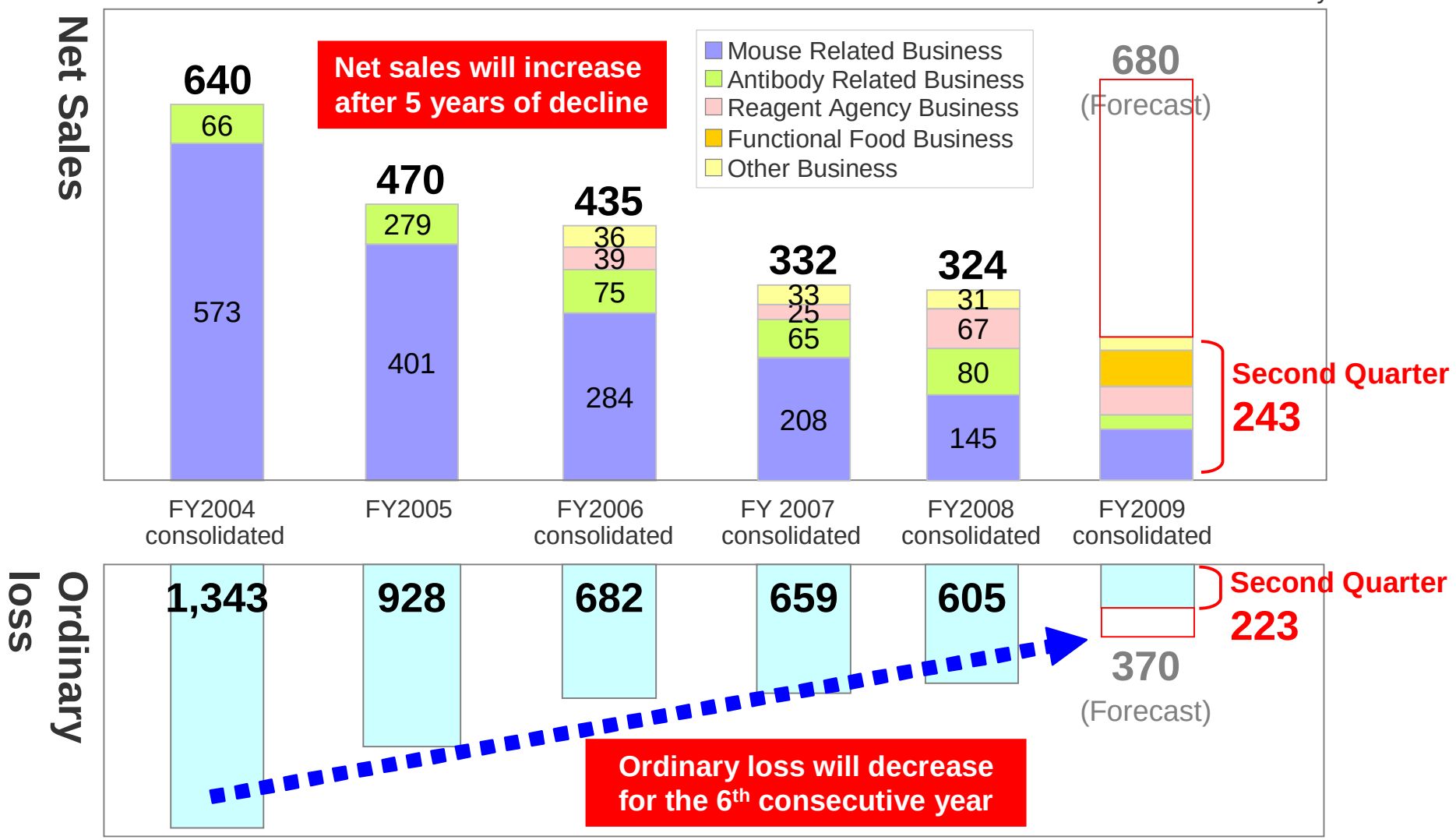
Trans Genic Inc.

Unit: thousand yen	For the six months ended September 30, 2009 (Forecast*)	For the six months ended September 30, 2009 (Result)	For the whole year ending March 2010 (Forecast*)
Net Sales	234,000	243,550	680,000
Mouse Related Business	83,500	86,806	169,200
Antibody Related Business	22,200	25,363	59,100
Reagent Agency Business	47,500	47,034	93,000
Functional Food Business	60,100	61,123	324,100
Other Business	20,700	23,221	34,600
Cost of sales	135,000	139,330	428,000
Gross profit	99,000	104,219	252,000
SG&A expenses	304,000	319,401	625,000
R&D expense	76,500	84,807	145,100
Operating income	▲205,000	▲215,182	▲373,000
Ordinary income	▲204,000	▲223,954	▲370,000
Net income	▲206,000	▲189,845	▲375,000

Consolidated Business Forecast for the Year Ending March 2010

Trans Genic Inc.

Unit: million yen



Short Term Plans

Company-Wide Cost-Cutting	✓Streamlining of administration
Sales Increase	✓Custom production service of knockout mouse ✓Sales of self-developed antibody products ✓Cytokine ✓Business where synergy can be expected between TRANS GENIC and Kajitudo ✓Synergy between DNA/gene sequencing technologies and functional analysis technologies

From Now to the Future

Med- and Long-Term：Licensing Revenues from **Pharmaceuticals**

Med Term：Licensing Revenues from **Diagnostic Reagents**

Short Term：Licensing Revenues from **Technologies**

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New Business Development

Reviewing Existing Business

Company-Wide Cost-Cutting

III. Current Status of Research and Development

Research and Development Strategies

Short Term

Development of New Technology

- **Expand product lineup of self-developed antibodies to raise profitability and make better use of GANP® mouse technology.**
- **Use screening system developed by National Cancer Center for assessment of antibodies in order to add more values to them.**

Mid Term

Discovery of New Biomarkers

- **Produce antibodies by GANP® mouse technology, against new biomarkers identified by universities and research institutions and then verify their usefulness.**
- **Develop biomarkers into diagnostic reagents to earn licensing fees and milestone fees.**

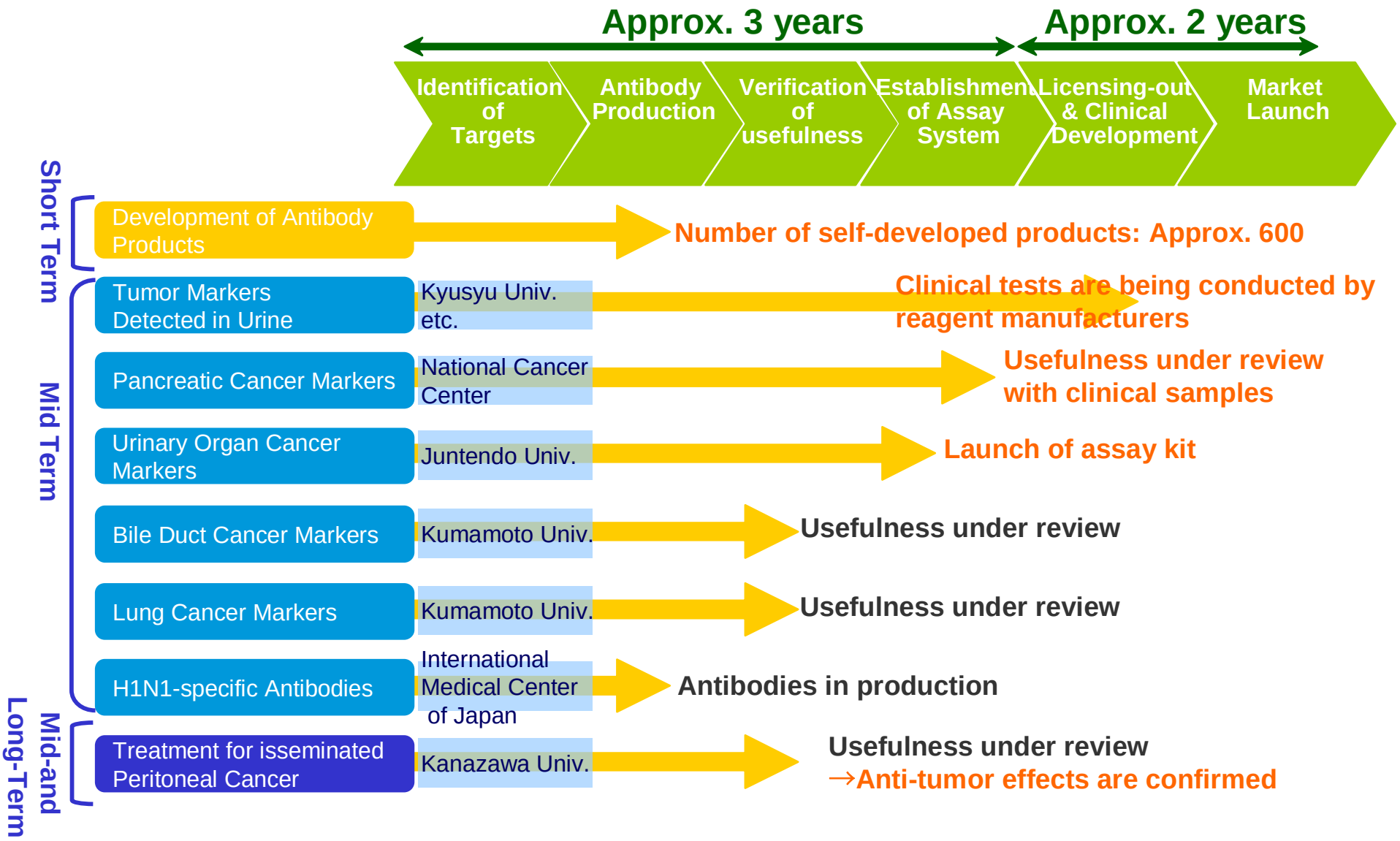
Mid-and Long-Term

Identification of Innovative Druggable Targets

- **Develop therapeutic antibodies, including those to treat disseminated peritoneal cancer.※**
- **Earn licensing revenues from pharmaceuticals**

※Number of death from disseminated peritoneal cancer (gastric and pancreatic origin) : Approx. 25,000 p.a.

Development Pipelines



Development Pipeline – Pancreatic Cancer Markers

Trans Genic Inc.

◆Outline and Progress of the Research

Producing antibodies by GANP® mouse technology, against new pancreatic cancer markers identified by National Cancer Center and establishing new diagnostic methods.

Antibody Production	Produce antibodies by GANP® mouse technology	**Finished**	
Verification of Usefulness	Assess the antibodies with clinical samples by Western blotting and ELISA	**Finished**	**Patented in Japan in June 2009**
Establishment of Assay System	Try to establish simple diagnostic systems	**In Progress**	**Confirm Usefulness**
Clinical Development	Accumulate data for diagnostic reagent manufacturers	**In Progress**	

Future Plan	✓Intend to differentiate the antibodies from conventional pancreatic cancer marker (CA19-9). ✓Accumulate data for and license out to diagnostic reagent manufacturers.

Development Pipeline
– Verification of Usefulness：Pancreatic Cancer Markers

Trans Genic Inc.

◆Production and Specificity Assessment of Anti HP-FGA Antibody

- ✓Succeeded in producing specific recognition monoclonal antibodies by GANP® technology against one of the two antigenic sites.
- ✓Confirmed high expression of HP-FGA protein in plasma of pancreatic cancer patients, as a result of analysis of anti HP-FGA antibodies by Western blotting.

Pancreatic cancer patients (12cases)　Healthy controls (12cases)

HP-FGA →

Source: J Biol Chem. 2009 Aug 20.　Masaya Ono, *et al.*

※HP-FGA：Prolyl 4-Hydroxylation of α-Fibrinogen

Research and Development Topics 2009

Jan.	Conclude Joint Research Agreement with National Cancer Center (to identify biomarkers)
	Our Subject was Selected for “Science and Technology Incubation Program in Advanced Regions” by Japan Science and Technology Agency
Feb.	Apply for a patent on “Antibody against Bile Duct Cancer Marker and its Diagnostic Application”
	“GANP® Mouse Technology” has been Patented by Australian Patent Office
Apr.	“GANP® Mouse Technology” has been Patented by European Patent Office
May	Hold Luncheon Seminar at the 6th GPCR meeting
	Report Results of our Research at the 56th Annual Meeting of the Japanese Association for Laboratory Animal Science
Jun.	“Antibody against Pancreatic Cancer Marker and its Diagnostic Application” has been Patented by Japanese Patent Office
	Launch Self-developed Anti GPCR Monoclonal Antibodies
Jul.	Conclude Joint Research and Development Agreement with International Medical Center of Japan (Antibodies against H1N1flu)
	Report Results of our Research at 7th JHUPO Conference 2009
Sep.	Launch Self-developed AGEs Assay Kit
Oct.	Conclude Licensing Agreement with Japan Human Sciences Foundation (Related to Pancreatic Cancer Marker)
	Report Results of our Research at the 68th Annual Meeting of the Japanese Cancer Association
	Report Results of our Research at the 82nd Annual Meeting of the Japanese Biochemical Society
Nov.	Launch Self-developed Soluble CD147 (EMMPRIN) ELISA Kit

Ⅳ.Research Topics

Knockout Technology

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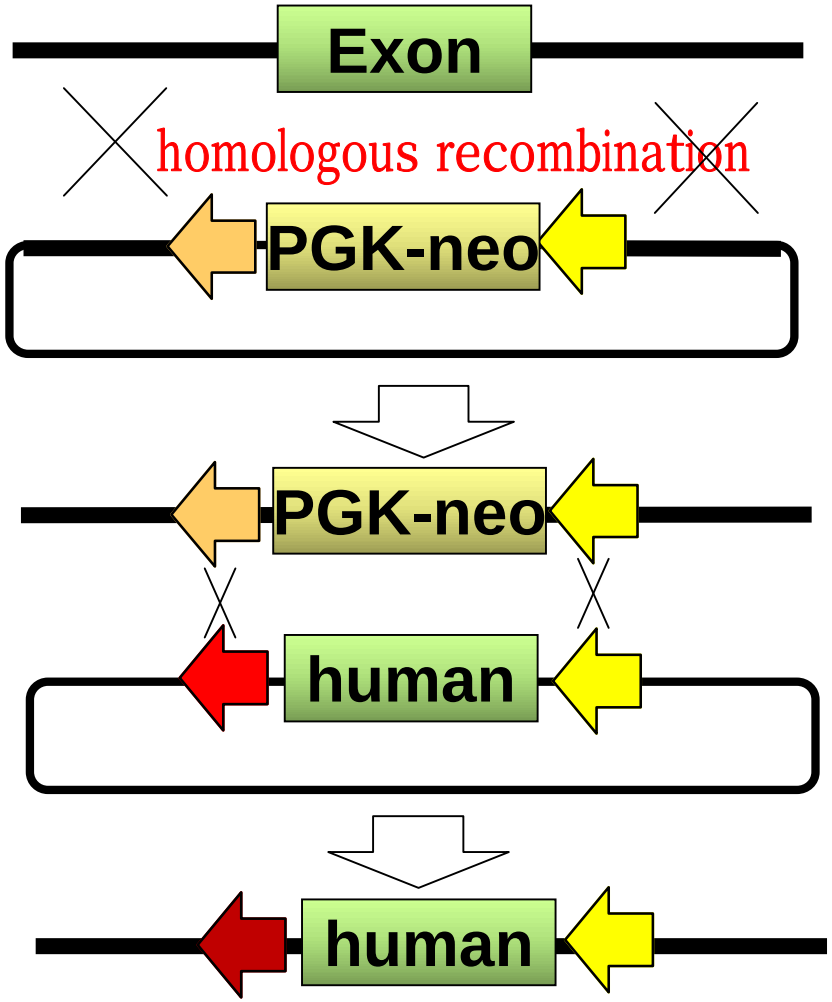
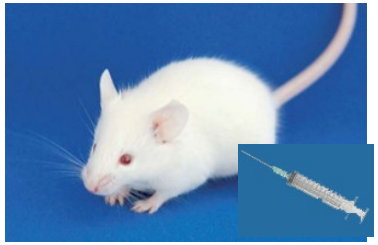
Third Generation: Gene Replacement



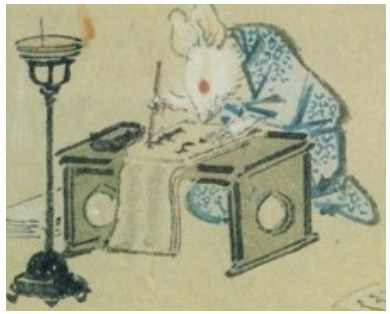
Forth Generation: Humanized Mouse

1. Gene level

2. Cell level



3. Tissue/organ level



New Recombination System：Dre/rox

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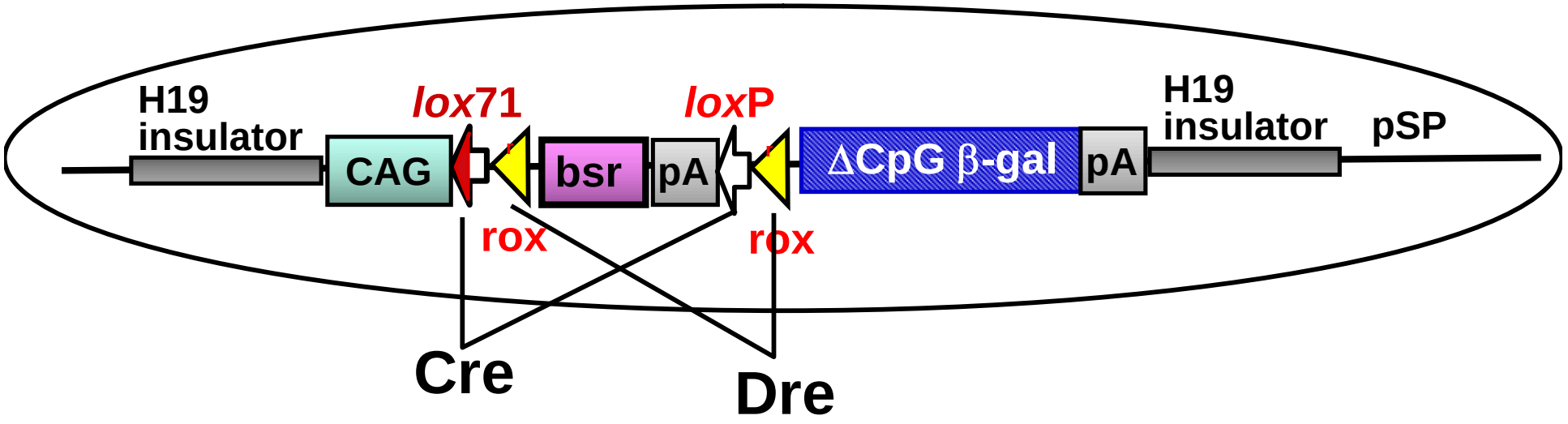
Sauer, B. and McDermott, J. DNA recombination with a heterospecific Cre homolog identified from comparison of the pac-c1 regions of P1-related phages. Nucic Acid. Res. 32:6086-6095, 2004

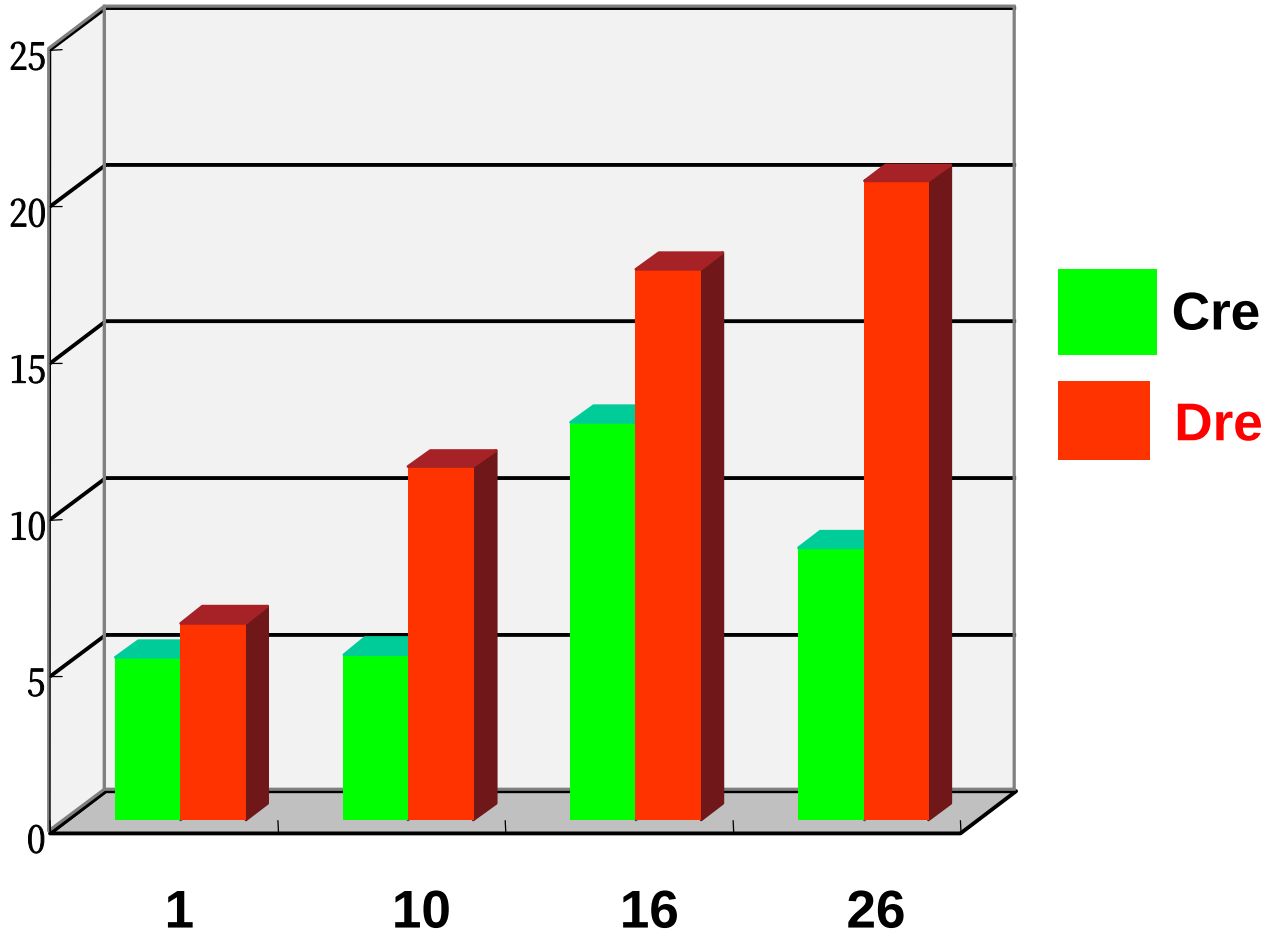
Monitoring ES cell and Dre expression vector

Monitoring ES cell



Dre expression vector

Number of recombinant colonies



Recombination efficiency by Dre is the same as or even better than that by Cre.

LE mutant rox sites

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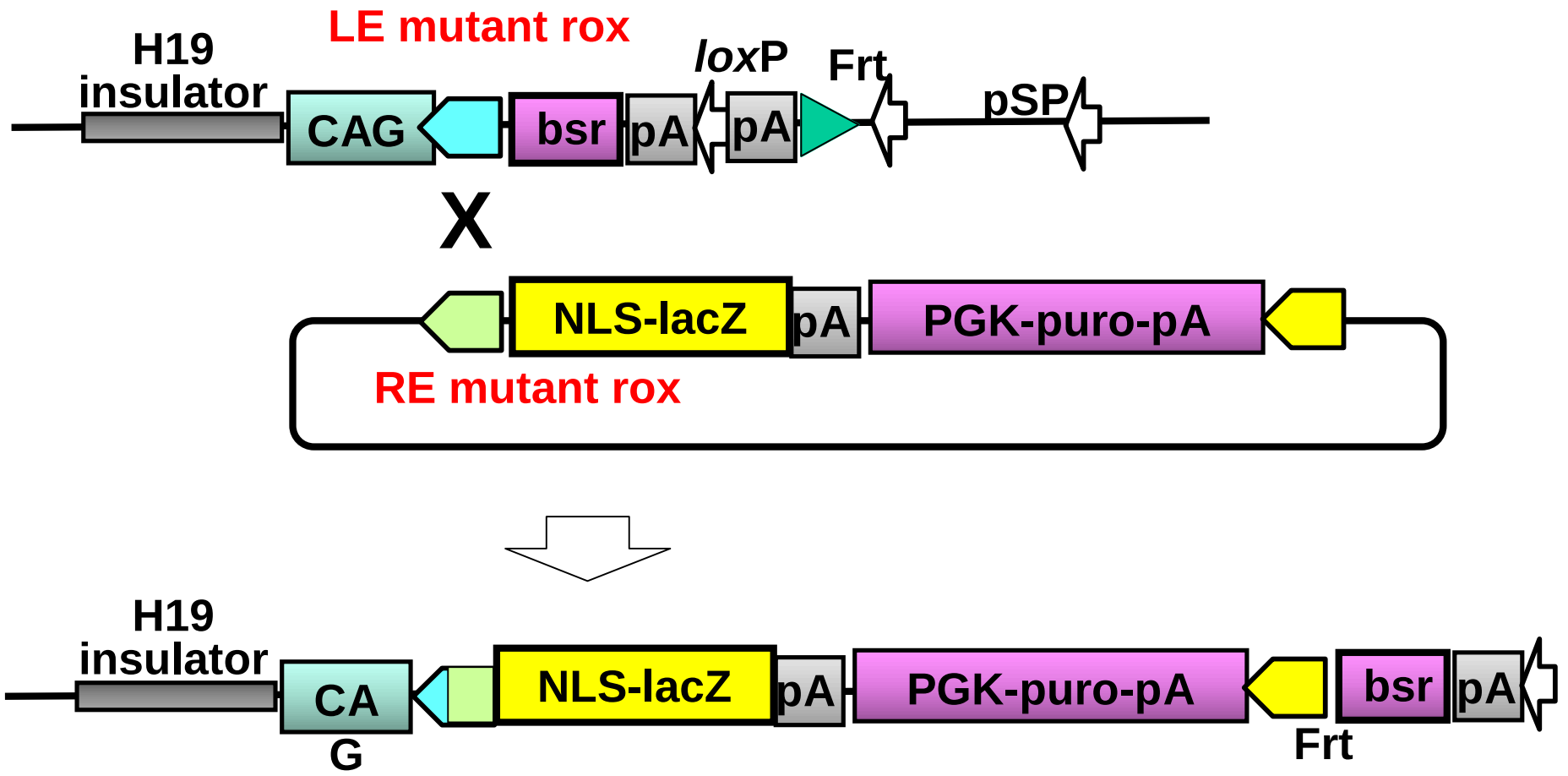
rox:	5’	TAACTTTAAATAATGCCAATTATTTAAAGTTA
	3’	ATTGAAATTTATTACGGTTAATAAATTTCAAT
L1 rox:	5’	TATGTTTAAATAATGCCAATTATTTAAAGTTA
	3’	ATACAAATTTATTACGGTTAATAAATTTCAAT
L2 rox:	5’	TAACTACTAATAATGCCAATTATTTAAAGTTA
	3’	ATTGATGATTATTACGGTTAATAAATTTCAAT
L3 rox:	5’	TATAGTTAAATAATGCCAATTATTTAAAGTTA
	3’	ATATCAATTTATTACGGTTAATAAATTTCAAT
L4 rox:	5’	TGACATTTAATAATGCCAATTATTTAAAGTTA
	3’	ACTGTAAATTATTACGGTTAATAAATTTCAAT

Experimental System



Expression of the NLS-lacZ

Insertion Frequency

	R1(%)	R2(%)	R3(%)	R4(%)
L1	6.95	7.25	4.36	8.41
L2	9.62	12.93	14.58	16.75
L3	10.16	11.21	11.54	14.91
L4	8.70	9.10	13.21	12.09

Question and Answer Session

～ For healthy and affluent lives of people around the world ～

http://www.transgenic.co.jp