

Non-consolidated Financial Results
for the First Quarter of the Fiscal Year Ending September 30, 2010
(Three Months Ended December 31, 2009)

January 29, 2010

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: JQ
 Stock code: 4554 (URL: <http://www.fujipharma.jp>)
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 Scheduled submission date of quarterly report: February 15, 2010
 Scheduled start date of dividend: -

(All amounts are rounded down to the nearest million yen)

1. Financial Results for the First Quarter (October 1, 2009 to December 31, 2009) of the Fiscal Year Ending September 30, 2010

(1) Operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Dec. 31, 2009	5,224	33.7	943	73.0	946	72.7	570	99.8
Three months ended Dec. 31, 2008	3,908	-	545	-	547	-	285	-

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2009	44.33	-
Three months ended Dec. 31, 2008	22.19	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Three months ended Dec. 31, 2009	22,432	16,622	74.1	1,291.60
Fiscal year ended Sep. 30, 2009	22,862	16,221	71.0	1,260.42

Reference: Shareholders' equity (millions of yen) Dec. 31, 2009: 16,622 Sep. 30, 2009: 16,221

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Yearend	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2009	-	11.00	-	13.00	24.00
Fiscal year ending Sep. 30, 2010	-				
Fiscal year ending Sep. 30, 2010 (Estimated)		13.00	-	13.00	26.00

Note: Revision of dividend forecast during the period: None

3. Forecast for the Fiscal Year Ending September 30, 2010 (October 1, 2009 to September 30, 2010)

(Percentages represent year-on-year changes)

	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 half	9,360	23.5	1,380	46.3	1,380	44.8	840	53.5	65.27
Full year	19,100	11.1	2,725	10.7	2,740	10.6	1,680	10.1	130.54

Note: Revision of earnings forecasts during the period: None

4. Supplementary Information

(1) Application of simplified accounting methods and special accounting methods in the preparation of quarterly financial statements: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 4 for further information.

(2) Changes in accounting principles, procedures and presentation methods for preparation of quarterly financial statements

1) Changes caused by revision of accounting standards: None

2) Other changes: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 4 for further information.

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding as of the end of period (including treasury stock)

Dec. 31, 2009:	12,870,000 shares	Sep. 30, 2009:	12,870,000 shares
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2) Number of shares of treasury stock as of the end of period

Dec. 31, 2009:	10 shares	Sep. 30, 2009:	10 shares
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3) Average number of shares issued during the period

Three months ended Dec. 31, 2009:	12,869,990 shares	Three months ended Dec. 31, 2008:	12,869,990 shares
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* Cautionary statement with respect to forward-looking statements

Notations regarding the future, including performance outlook contained in these materials are based on information currently available at the Company and certain assumptions that are deemed to be reasonable and it is possible that the actual performance and the like may vary significantly due to variety of factors. For the assumptions upon which earnings forecasts are based and precautionary statements regarding their use, please refer to “Qualitative Information and Financial Statements, 3. Qualitative Information Regarding Earnings Forecasts” on page 4.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Operating Results

In the first quarter of the current fiscal year, there were some positive signs in the Japanese economy thanks to the government's economic stimulus measures and the progressive reduction of inventories. However, there still remains a risk of further economic weakness because of worsening deflation and the yen's rapid appreciation.

In Japan's ethical drug industry, National Health Insurance (NHI) drug prices are expected to be cut by 5.75% in fiscal 2010 and additional price cuts are foreseen for drugs where patents have expired and generic versions are available. To increase the use of generic drugs, the Japanese government is considering making additional payments to dispensing pharmacies depending on the percentage of generic drug sales. This indicates that the government will work even harder on promoting the use of generic drugs. On the other hand, competition is becoming even more intense as Japanese and foreign pioneer drug manufacturers, major overseas generic drug manufacturers and other companies enter the generic drug market.

Under such circumstances, the Company has been focusing on the marketing of the new drug "LUNABELL tablets" (indicated for dysmenorrhea associated with endometriosis) as well as expanding its market share in infertility treatment drugs and other major products in its core field of obstetrics and gynecology. Furthermore, we have been conducting extensive marketing activities aimed at capturing new business and expanding business with the 1,283 hospitals that are subject to DPC (Diagnosis Procedure Combination).

As a result, net sales increased 33.7% to 5,224 million yen, operating income was up 73.0% to 943 million yen, ordinary income climbed 72.7% to 946 million yen and net income increased 99.8% to 570 million yen.

2. Qualitative Information Regarding Financial Position

Assets, Liabilities and Net Assets

Total assets were 22,432 million yen at the end of the first quarter under review, a decrease of 430 million yen from the end of the previous fiscal year. Net assets increased 401 million yen to 16,622 million yen, resulting in an equity ratio of 74.1%.

Current assets decreased 387 million yen as cash and deposits decreased while notes and accounts receivable-trade increased. Noncurrent assets decreased 43 million yen despite the completion of the new office building at the Toyama Plant due to a significant amount of depreciation.

Liabilities decreased 841 million yen as income taxes payable decreased due to payments of income taxes and as the provision for bonuses decreased because bonuses were paid. Noncurrent liabilities increased 9 million yen mainly because of an increase in the provision for retirement benefits.

Net assets increased 401 million yen because, in retained earnings, quarterly net income more than offset a decrease from dividend payments.

Cash Flows

Cash and cash equivalents (hereinafter, "Cash") as of the end of the first quarter under review decreased by 803 million yen year on year to 1,753 million yen.

The cash flow components as of the end of the first quarter and the main reasons for changes are as described below.

(i) Cash Flow from Operating Activities

Net cash used in operating activities totaled 668 million yen, compared with 163 million yen in the same period previous fiscal year. This was the net result of adding 232 million yen in depreciation and amortization to the income before income taxes of 942 million yen, which was offset by an 840 million yen increase in notes and accounts receivable-trade, income taxes paid of 671 million yen, a 368 million yen decrease in provision for bonuses, and other factors.

(ii) Cash Flow from Investing Activities

Net cash used in investing activities was 85 million yen, compared with 136 million yen in the same period previous fiscal year. Although there were proceeds from withdrawal of time deposits of 100 million yen, there were purchases of property, plant and equipment of 149 million yen and other factors.

(iii) Cash Flow from Financing Activities

Net cash used in financing activities was 160 million yen, compared with 123 million yen in the same period previous fiscal year, due to cash dividends paid.

3. Qualitative Information Regarding Earnings Forecasts

The Company maintains the forecast for the fiscal year ending September 30, 2010 as announced on November 9, 2009, because the first-quarter results are generally trending in line with plans.

4. Others

(1) Application of simplified accounting methods and special accounting methods in the preparation of quarterly financial statements

1. Simplified accounting methods

(i) Method for estimating the uncollectible amount of general receivables

The uncollectible amount of general receivables was estimated using the historical write-off ratio at the end of the previous fiscal year as the ratio at the end of the first quarter of the current fiscal year was found not to be significantly different from the ratio at the end of the previous fiscal year.

(ii) Valuation of inventories

For inventories at the end of the first quarter of the current fiscal year, the valuation was determined by using a reasonable method based on actual inventories at the end of the previous fiscal year. Physical inventory counts were omitted. Inventory write-down is based on the current net sales value of items for which profit margins have declined significantly.

(iii) Depreciation method for noncurrent assets

For assets subject to the declining balance method, depreciation was calculated pro rata based on the amount for the fiscal year.

2. Special accounting methods in the preparation of quarterly financial statements

Not applicable.

(2) Changes in accounting principles, procedures and presentation methods for preparation of quarterly financial statements

(Statements of Income)

In the first quarter of the current fiscal year, "Sales discounts," included in "Other" under non-operating expenses in the previous fiscal year, is reclassified and presented as a separate line item, given that it now exceeds 20/100 of total non-operating expenses. "Sales discounts" included in "Other" under non-operating expenses totaled 51 thousand yen in the first quarter of the previous fiscal year.

5. Quarterly Non-consolidated Financial Statements**(1) Balance Sheets**

(Thousands of yen)

	First quarter of FY9/10 (As of Dec. 31, 2009)	FY9/09 summary (As of Sep. 30, 2009)
Assets		
Current assets		
Cash and deposits	1,349,056	2,161,361
Notes and accounts receivable-trade	8,368,898	7,528,843
Short-term investment securities	504,632	706,832
Merchandise and finished goods	1,500,627	1,415,259
Work in process	751,685	844,773
Raw materials and supplies	1,696,688	1,668,493
Other	542,578	775,718
Allowance for doubtful accounts	(2,509)	(2,258)
Total current assets	14,711,658	15,099,024
Noncurrent assets		
Property, plant and equipment		
Buildings, net	2,880,734	2,695,263
Other, net	2,100,121	2,235,163
Total property, plant and equipment	4,980,855	4,930,427
Intangible assets	1,277,346	1,323,861
Investments and other assets	1,462,336	1,509,656
Total noncurrent assets	7,720,539	7,763,945
Total assets	22,432,197	22,862,969
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,456,787	3,544,880
Income taxes payable	181,339	695,739
Provision for bonuses	283,400	651,870
Provision for directors' bonuses	9,400	14,100
Provision for sales returns	9,574	14,374
Other	1,070,656	931,385
Total current liabilities	5,011,159	5,852,351
Noncurrent liabilities		
Provision for retirement benefits	525,474	517,749
Other	272,635	271,272
Total noncurrent liabilities	798,109	789,022
Total liabilities	5,809,268	6,641,373

	(Thousands of yen)	
	First quarter of FY9/10 (As of Dec. 31, 2009)	FY9/09 summary (As of Sep. 30, 2009)
Net assets		
Shareholders' equity		
Capital stock	1,616,950	1,616,950
Capital surplus	2,841,587	2,841,587
Retained earnings	12,171,600	11,768,381
Treasury stock	(7)	(7)
Total shareholders' equity	16,630,130	16,226,911
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(7,201)	(5,315)
Total valuation and translation adjustments	(7,201)	(5,315)
Total net assets	16,622,928	16,221,596
Total liabilities and net assets	22,432,197	22,862,969

(2) Statements of Income
(For the Three-month period)

(Thousands of yen)

	First three months of FY9/09 (Oct. 1, 2008 – Dec. 31, 2008)	First three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)
Net sales	3,908,148	5,224,111
Cost of sales	2,164,415	2,857,438
Gross profit	1,743,732	2,366,673
Selling, general and administrative expenses	1,198,703	1,423,606
Operating income	545,028	943,067
Non-operating income		
Interest income	1,409	842
Dividends income	161	138
Other	1,849	2,386
Total non-operating income	3,419	3,367
Non-operating expenses		
Interest expenses	157	49
Depreciation	112	60
Sales discounts	-	55
Other	187	-
Total non-operating expenses	458	165
Ordinary income	547,990	946,268
Extraordinary loss		
Loss on retirement of noncurrent assets	1,116	3,982
Loss on valuation of inventories	54,337	-
Other	6,000	-
Total extraordinary losses	61,454	3,982
Income before income taxes	486,535	942,286
Income taxes-current	33,124	172,817
Income taxes-deferred	167,858	198,939
Total income taxes	200,982	371,757
Net income	285,553	570,528

(3) Statements of Cash Flows

(Thousands of yen)

	First three months of FY9/09 (Oct. 1, 2008 – Dec. 31, 2008)	First three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes	486,535	942,286
Depreciation and amortization	217,969	232,886
Increase (decrease) in provision for retirement benefits	15,240	7,724
Increase (decrease) in allowance for doubtful accounts	37	250
Increase (decrease) in provision for bonuses	(361,479)	(368,469)
Increase (decrease) in provision for directors' bonuses	(10,600)	(4,700)
Increase (decrease) in provision for sales returns	2,852	(4,800)
Interest and dividends income	(1,570)	(784)
Loss on retirement of noncurrent assets	1,116	3,982
Decrease (increase) in notes and accounts receivable-trade	(123,720)	(840,054)
Decrease (increase) in inventories	(315,583)	(20,476)
Decrease (increase) in advance payments	(32,103)	(26,708)
Decrease (increase) in accounts receivable-other	21,820	68,859
Decrease (increase) in prepaid expenses	9,018	(11,995)
Decrease (increase) in long-term prepaid expenses	26,547	30,580
Increase (decrease) in notes and accounts payable-trade	78,035	(88,092)
Increase (decrease) in accounts payable-other	5,031	(67,701)
Increase (decrease) in long-term accounts payable-other	3,108	42
Increase (decrease) in accrued expenses	16,700	39,475
Increase (decrease) in accrued consumption taxes	32,568	(3,113)
Other	114,002	113,839
Subtotal	185,529	3,033
Interest and dividends income received	1,752	495
Interest expenses paid	(51)	(810)
Income taxes paid	(344,693)	(671,001)
Other payments	(6,000)	-
Net cash provided by (used in) operating activities	(163,463)	(668,283)
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	-	100,000
Purchase of property, plant and equipment	(112,324)	(149,740)
Purchase of intangible assets	(24,408)	(55,109)
Proceeds from collection of guarantee deposits	-	20,000
Other	(78)	(428)
Net cash provided by (used in) investing activities	(136,811)	(85,277)
Net cash provided by (used in) financing activities		
Cash dividends paid	(123,377)	(160,944)
Net cash provided by (used in) financing activities	(123,377)	(160,944)
Net increase (decrease) in cash and cash equivalents	(423,652)	(914,505)
Cash and cash equivalents at beginning of period	2,981,152	2,668,194
Cash and cash equivalents at end of period	2,557,500	1,753,689

(4) Notes Regarding Assumptions for Company as Ongoing Concern

Not applicable.

(5) Notes Regarding Material Change in Shareholders' Equity

Not applicable.

6. Other Information

Goods Manufactured, Orders Received and Sales

(1) Breakdown of goods manufactured

(Thousands of yen)

	First three months of FY9/09 (Oct. 1, 2008 – Dec. 31, 2008)		First three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)		YoY change (%)
	Amount	%	Amount	%	
Diagnostic drugs	1,629,183	43.8	2,478,207	52.7	52.1
Hormone drugs	1,016,135	27.3	1,062,598	22.6	4.6
Circulatory drugs	260,492	7.0	177,530	3.8	(31.8)
Antibiotics & Chemotherapeutics	207,377	5.6	147,752	3.1	(28.8)
Urogenital & genital organ drugs	102,160	2.8	138,774	3.0	35.8
Dermatological preparations	64,914	1.7	57,996	1.2	(10.7)
Other	438,653	11.8	638,426	13.6	45.5
Total	3,718,917	100.0	4,701,286	100.0	26.4

Notes: 1. The above amounts are calculated based on selling prices and do not include consumption tax.

2. Fractions less than one thousand yen are omitted.

3. In the first quarter, some dermatological preparations were reclassified from goods purchased to goods manufactured. Figures for the first quarter of the previous fiscal year have been revised accordingly.

(2) Breakdown of goods purchased

(Thousands of yen)

	First three months of FY9/09 (Oct. 1, 2008 – Dec. 31, 2008)		First three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)		YoY change (%)
	Amount	%	Amount	%	
In vitro diagnostics	153,043	80.6	305,529	59.0	99.6
Hormone drugs	8,648	4.5	190,677	36.8	2,104.7
Dermatological preparations	3,141	1.7	-	-	-
Antibiotics & Chemotherapeutics	2,534	1.3	-	-	-
Other	22,589	11.9	21,834	4.2	(3.3)
Total	189,958	100.0	518,040	100.0	172.7

Notes: 1. The above amounts are calculated based on selling prices and do not include consumption tax.

2. Fractions less than one thousand yen are omitted.

3. In the first quarter, some dermatological preparations were reclassified from goods purchased to goods manufactured. Figures for the first quarter of the previous fiscal year have been revised accordingly.

4. The large year-on-year change in hormone drugs purchased is due to an increase in purchases of sex hormone drugs.

(3) Orders received

The Company manufactures products not on a build-to-order basis, but on a sales projection basis.

(4) Breakdown of sales

(Thousands of yen)

	First three months of FY9/09 (Oct. 1, 2008 – Dec. 31, 2008)		First three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)		YoY change (%)
	Amount	%	Amount	%	
(Goods manufactured)					
Diagnostic drugs	1,598,817	40.9	2,252,226	43.1	40.9
Hormone drugs	963,837	24.7	1,061,591	20.3	10.1
Circulatory drugs	267,972	6.8	326,915	6.3	22.0
Antibiotics & Chemotherapeutics	159,307	4.1	178,482	3.4	12.0
Urogenital & genital organ drugs	96,095	2.5	97,929	1.9	1.9
Dermatological preparations	71,363	1.8	73,869	1.4	3.5
Other	375,157	9.6	526,726	10.1	40.4
Subtotal	3,532,553	90.4	4,517,741	86.5	27.9
(Goods purchased)					
In vitro diagnostics	197,862	5.1	461,426	8.8	133.2
Hormone drugs	122,865	3.1	191,650	3.7	56.0
Antibiotics & Chemotherapeutics	2,439	0.1	2,302	0.0	(5.6)
Dermatological preparations	1,161	0.0	1,061	0.0	(8.6)
Other	51,265	1.3	49,928	1.0	(2.6)
Subtotal	375,595	9.6	706,369	13.5	88.1
Total	3,908,148	100.0	5,224,111	100.0	33.7

Notes: 1. The above amounts are calculated based on selling prices and do not include consumption tax.

2. Fractions less than one thousand yen are omitted.

3. In the first quarter, some dermatological preparations were reclassified from goods purchased to goods manufactured. Figures for the first quarter of the previous fiscal year have been revised accordingly.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with the accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.