

Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2010

November 9, 2010

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: Osaka Securities Exchange (JQ)
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Scheduled date of annual shareholders' meeting: December 20, 2010
 Scheduled start date of dividend: December 21, 2010
 Scheduled submission date of annual securities report: December 21, 2010

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

1. Financial Results for the Fiscal Year Ended September 30, 2010 (October 1, 2009 to September 30, 2010)

(1) Operating results

(Percentages shown for net sales, operating income, ordinary income and net income 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	%
Fiscal year ended Sep. 30, 2010	19,698	14.5	3,232	31.3	3,243	30.9	1,944	27.4
Fiscal year ended Sep. 30, 2009	17,198	15.1	2,462	19.2	2,477	18.7	1,525	21.9

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Profit margin on sales
	Yen	Yen	%	%	%
Fiscal year ended Sep. 30, 2010	151.05	-	11.4	13.6	16.4
Fiscal year ended Sep. 30, 2009	118.57	-	9.8	11.5	14.3

Reference: Earnings on investments in equity-method affiliates (millions of yen) Sep. 30, 2010: - Sep. 30, 2009: -

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended Sep. 30, 2010	24,723	17,833	72.1	1,385.65
Fiscal year ended Sep. 30, 2009	22,862	16,221	71.0	1,260.42

Reference: Shareholders' equity (millions of yen) Sep. 30, 2010: 17,833 Sep. 30, 2009: 16,221

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Sep. 30, 2010	2,168	(1,404)	(334)	3,097
Fiscal year ended Sep. 30, 2009	1,816	(1,859)	(270)	2,668

2. Dividends

	Dividend per share					Total cash dividends	Dividend payout ratio	Dividends on equity
	1Q-end	2Q-end	3Q-end	Yearend	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Sep. 30, 2009	-	11.0	-	13.00	24.00	308	20.2	2.0
Fiscal year ended Sep. 30, 2010	-	13.0	-	17.00	30.00	386	19.9	2.3
Fiscal year ending Sep. 30, 2011 (Estimated)	-	17.0	-	17.00	34.00		20.4	

3. Forecast for the Fiscal Year Ending September 30, 2011 (October 1, 2010 to September 30, 2011)

(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	10,775	12.6	1,372	(14.8)	1,371	(15.1)	845	(13.0)	65.66
Full year	22,457	14.0	3,476	7.5	3,471	7.0	2,141	10.1	166.36

4. Others**(1) Changes in significant accounting policies**

- 1) Changes resulting from revision of accounting standards: None
- 2) Changes other than 1) above: None

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

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

Sep. 30, 2010:	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

Sep. 30, 2010:	10 shares	Sep. 30, 2009:	10 shares
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Note: For the number of shares used for the calculation of net income per share, please see "Per Share Data" on page 33.

*** 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 the section "1. Review of Operations, (1) Analysis of Operating Results" on page 3 for details on the above forecasts.

1. Review of Operations

(1) Analysis of Operating Results

1) Summary

In the current fiscal year, the Japanese economy recovered slowly due to the government's economic stimulus measures, progress in inventory reductions, and a recovery in demand in China and other emerging countries. However, the uncertainty of the outlook for the Japanese economy has reached an unprecedented level because of the European debt crisis that began in Greece and the yen's rapid appreciation linked to fears about slowing economic growth in the United States.

In Japan's ethical drug industry, in response to increasing financial problems involving the health insurance system, there were revisions to the National Health Insurance (NHI) system in April 2010 that altered the level of payments for medical services and lowered the prices of drugs by 5.75%. In addition, there was an additional cut in drugs where patents have expired and generic versions are available. To increase the use of generic drugs, dispensing pharmacies started receiving additional payments from the government in April 2010 that depend on the percentage of generic drug sales. These events demonstrate that the Japanese government is working even harder on promoting the use of generic drugs. On the other hand, competition is becoming even more intense as Japanese pioneer drug manufacturers, major overseas generic drug manufacturers and other companies enter the generic drug market.

In these circumstances, the Company signed a contract in February 2010 with Mochida Pharmaceutical Co., Ltd. for the co-development of a recombinant granulocyte colony-stimulating factor (G-CSF) formulation. Phase II and III clinical trials are currently under way. In addition, the Company started construction in March 2010 of a factory at its Toyama Plant that is intended to serve as a GMP (Good Manufacturing Practices) model for Japan as well as for the United States and EU and to handle high potency substances. The new plant is expected to start operating in the fall of 2011.

In terms of sales activities, 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 nationwide hospitals that are subject to DPC (Diagnosis Procedure Combination).

As a result, net sales increased 14.5% to a record-setting 19,698 million yen. Earnings also rose to all-time highs as in the previous fiscal year. Operating income was up 31.3% to 3,232 million yen, ordinary income climbed 30.9% to 3,243 million yen and net income increased 27.4% to 1,944 million yen.

Diagnostic drugs centering on the urinary tract angiographic agents "OYPALOMIN," "IOPAQUE," which are the principal products of the Company, accounted for 8,494 million yen in net sales (a 21.6% increase over the previous fiscal year). Hormonal agents composed principally of infertility treatment drugs such as the hypophysical gonadal stimulus hormone agent "Human Menopausal Gonadotropin," "Folyrmon-P Injection," the endometriosis treatment drug "Buserecur" and the new drug "LUNABELL tablets" accounted for sales of 5,403 million yen (a 12.2% increase). There were similarly strong results in other drug efficacy areas, resulting in an overall increase in net sales of 14.5% over the previous fiscal year.

2) Outlook for the Next Fiscal Year

In the next fiscal year ending on September 30, 2011, Japan's generic drug market is expected to continue growing mainly because of an increase in generic drug use at hospitals subject to DPC. During the fiscal year, which is the second year of the Company's medium-term business plan, R&D expenditures are expected to increase for the development of the G-CSF formulation and other activities. In this fiscal year, one goal is to use synergies from generic drugs and the new drug "LUNABELL tablets" to achieve market expansion in the field of medical care for women. Another goal is to achieve further growth in sales of generic injection agents, chiefly urinary tract angiographic agents, in the field of acute medical treatment. Under the business plan, the Company will also launch strategic products, build a factory for injection agents and take other actions.

As a result, the Company expects net sales of 22,457 million yen (a 14.0% increase over the previous fiscal year), operating income of 3,476 million yen (a 7.5% increase), ordinary income of 3,471 million yen (a 7.0% increase) with net income of 2,141 million yen (a 10.1% increase).

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets were 24,723 million yen as of the end of the fiscal year under review, an increase of 1,860 million yen over the end of the previous fiscal year.

Current assets totaled 16,588 million yen, an increase of 1,489 million yen, as inventories increased by 946 million yen and cash and deposits by 431 million yen.

Noncurrent assets totaled 8,135 million yen, an increase of 371 million yen. In property, plant and equipment, construction in progress increased 1,083 million yen because of construction of a new factory at the Toyama Plant.

Liabilities increased by 249 million yen to 6,890 million yen. Current liabilities increased by 205 million yen consisting of an increase in provision for bonuses of 156 million yen, an increase in accounts payable-other of 117 million yen and an increase in income taxes payable of 108 million yen, which was offset partially by a reduction in notes and accounts payable-trade of 213 million yen.

Noncurrent liabilities increased by 43 million yen, mainly due to an increase in provision for retirement benefits of 37 million yen.

Net assets increased by 1,611 million yen over the total net assets as of the end of the previous fiscal year to 17,833 million yen. The principal contributing factor was an increase of 1,609 million yen in retained earnings under the shareholders' equity resulting from the recording of net income.

2) Cash Flows

Cash and cash equivalents (hereinafter, "Cash") as of the end of the fiscal year under review increased by 429 million yen from the end of the previous fiscal year to 3,097 million yen.

The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash Flow from Operating Activities

Net cash provided by operating activities totaled 2,168 million yen (a 351 million yen increase over the same period previous fiscal year). This was the net result of 1,026 million yen in depreciation and amortization in addition to income before income taxes of 3,156 million yen, which was offset by a 946 million yen increase in inventories, a 213 million yen decrease in notes and accounts payable-trade, a 158 million yen increase in notes and accounts receivable-trade, and other factors.

Cash Flow from Investing Activities

Net cash used in investing activities was 1,404 million yen, compared with 1,859 million yen in the same period previous fiscal year. Although there were proceeds from withdrawal of time deposits of 300 million yen, there were purchases of property, plant and equipment of 1,482 million yen, intangible assets of 218 million yen and other factors.

Cash Flow from Financing Activities

Net cash used in financing activities was 334 million yen, compared with 270 million yen in the same period previous fiscal year, due to cash dividends paid.

Trends of the Company's cash flow indicators are as follows:

	FY9/06	FY9/07	FY9/08	FY9/09	FY9/10
Equity ratio (%)	76.6	72.9	73.6	71.0	72.1
Market value basis equity ratio (%)	103.5	146.7	101.2	103.9	83.2
Interest-bearing debt to cash flow ratio (%)	27.2	12.8	22.3	10.9	9.1
Interest coverage ratio (Times)	332.5	706.2	339.9	2,929.5	11,145.4

- Equity ratio: Shareholders' equity / Total assets

- Market value basis equity ratio: Market capitalization / Total assets

- Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flow

- Interest coverage ratio: Operating cash flow / Interest expenses

* "Guarantee deposits received" in the Liabilities section of the Balance Sheets is used as interest-bearing debt.

* "Net cash provided by (used in) operating activities" in the Statements of Cash Flows and "Interest expenses" in the Statements of Income are used as Operating cash flow and Interest expenses, respectively.

(3) Profit Allocation Policy and Dividend Payment Plan for the Current and Next Fiscal Years

One of our highest priorities is to pay a consistent dividend to shareholders and increase the dividend.

Our policy concerning the allocation of earnings is to increase retained earnings to fund future business operations while paying a stable and consistent dividend that reflects earnings in each fiscal year, the dividend payout ratio and all other applicable items.

We plan to reinvest retained earnings to strength research and development, improve production capacity and efficiency, and increase our sales force in order to strengthen our base of operations and increase corporate value.

There are no plans to change the frequency of dividend payments.

For dividends applicable to the fiscal year that ended on September 30, 2010, the year-end dividend is to be 17 yen per share. This is one yen higher than the July 30, 2010 dividend forecast because earnings exceeded the target in the fiscal year business plan. With the interim dividend of 13 yen per share, this will result in an annual dividend of 30.00 yen per share and a dividend payout ratio of 19.9%. For the fiscal year ending on September 30, 2011, we plan to pay an annual dividend of 34 yen per share, the sum of interim and year-end dividends of 17 yen each.

(4) Operational Risk

Risks related to information that may have a material impact on investors' decisions that is contained in the financial statements for the fiscal year under review are as follows. Forward-looking statements in these materials are based on the judgment of management as of September 30, 2010.

1) Statutory Regulations

Our company manufactures and distributes pharmaceutical products under the Pharmaceutical Affairs Law and related regulations. Revisions in laws/regulations related to the pharmaceutical industry, which may be made in future, may influence our financial condition and business performance.

2) Research and Development for Pharmaceutical Products

There is a possibility of delays in our research and development projects and extensions, suspensions or even terminations of new product development projects. These events may have an impact on our business performance.

3) Competition

Our policy is to sell our products at reasonable prices that take into account the profitability of products. However, some of our products have been under considerable market price pressure due to fierce competition from many competitors. Moreover, some Japanese pioneer drug manufacturers may take aggressive actions to preserve their market shares. These events may prevent us from achieving our forecasts.

4) Procurement of raw materials

We purchase raw materials from suppliers in Japan and other countries. A significant increase in the cost of raw materials may result in an increase in the cost of finished goods. In addition, an extended period of difficulty in obtaining raw materials due to restrictions in Japan or other countries on raw materials or to quality or other problems at suppliers may prevent us from manufacturing and selling products. Either of these events may have an impact on our business performance.

5) Side effects and product quality

For products that have been approved for sale, we may be required to recall certain products or cease the manufacture and sale of certain products due to unforeseen side effects of these products, impurities or other problems with these products, government restrictions or other issues. Any of these events may have an impact on our business performance.

6) Delays or suspensions in the supply of products

The operations of Fuji Pharma may be suspended or severely disrupted or confused if technological or regulatory problems or a disaster such as a fire or earthquake affect manufacturing facilities that make products or warehouses or its other facilities. The resulting suspension in the supply of the affected products may have an impact on our business performance.

7) Revisions in drug price standards

As stipulated in the Health Insurance Law, the National Health Insurance list prices of ethical drugs are based on drug expense calculations that use drug price standards determined by the Minister of Health, Labour and Welfare. The Ministry of Health, Labour and Welfare has been revising these list prices every two years in principle based on drug price surveys. The goal of these revisions is to narrow the gap between the standard prices for drugs, which are the reimbursement prices used for health insurance, and the actual market prices of drugs. These revisions have an effect on the selling prices of Fuji Pharma products as well. In April 2010, there was an average drug price reduction of 5.75% in the pharmaceutical industry but these price reductions caused the prices of Fuji Pharma products to fall by 7.7%.

8) Litigation

We may become the target of lawsuits by manufacturers of new drugs that seek damages for alleged infringements on manufacturing and other patents. In addition, we may become the target of lawsuits involving product liability, environmental issues, labor-related issues and other matters. Depending on the outcome of this litigation, there may be an impact on our business performance.

2. Group Organization

The Company has no subsidiaries or affiliates. Therefore, this item is not applicable.

3. Management Policies

(1) Fundamental Management Policy

Fuji Pharma bases its operations on the management philosophies of “contributing to healthy living by supplying outstanding pharmaceuticals” and “the growth of the Company is directly linked to the development of its employees.” By continuing to adhere to these philosophies, the Company is dedicated achieving more progress and growth. We will accomplish this by developing, manufacturing and selling outstanding pharmaceuticals in order to fulfill our obligations to all stakeholders, including customers, suppliers, shareholders, employees, communities and society.

(2) Performance Indicators and Targets

Maximum efforts will be made to generate sufficient earnings for distributions to shareholders as well as to upgrade and expand production facilities and increase research and development expenditures for future growth. We have established specific targets in the medium-term business plan that will end on the fiscal year ending on September 30, 2014. Our goals are to increase net sales to 35 billion yen, ordinary income to 7.0 billion yen, net income to 4.3 billion yen, and the return on assets to at least 15%. Furthermore, for the purpose of increasing shareholder value, we are aiming to increase net income per share and to increase the dividend per share with the goal of reaching a dividend payout ratio of 30% in the final year of the medium-term business plan.

(3) Medium- and Long-term Management Strategy

The medium-term business plan is designed to achieve further growth based on the theme of “Good to Great.”

The plan has three central goals. First is to extend operations to cover more targeted diseases, mainly by using new injection agents. Second is to become the leading company in the field of medical care for women. And third is to build a new operating framework for success in the next half century. Overall, the objective is to achieve rapid growth in market sectors where we are strongest in order to be a company that can sustain growth forever.

Our strategies to accomplish this objective are to establish a base of operations centered on R&D and to enlarge our strategic pipeline over the medium and long terms. Furthermore, we plan to enhance our presence in the strategic disease domains of acute medical care and medical care for women. With regard to manufacturing, our goal is to complete work on a network of factories that make highly activated drugs and can serve as a GMP (Good Manufacturing Practice) model for Japan as well as for the United States and EU. Executing these strategies will require reinforcing our human resources pipeline, such as by upgrading training and recruiting activities. The aim is to create new systems for reaching decisions and translating those decisions into actions.

(4) Key Issues

Japan’s market for generic drugs has been expanding steadily in recent years. The government has enacted numerous measures aimed at increasing the use of these drugs as a key method of holding down health care expenses. For example, the Ministry of Health, Labour and Welfare has established the goal of increasing the market share of generic drugs to at least 30% by fiscal 2012.

Following the expansion of the Japan’s generic drug market, there have been even greater demands for quality assurance, the stable supply of these drugs, and information associated with these matters. In response, suppliers have been required to reinforce activities that can make generic drugs more reliable.

Competition is becoming more intense as both Japanese pioneer drug manufacturers and foreign affiliated pharmaceutical companies enter the generic drug market. To succeed, we must act quickly to use distinctive strengths to build a base of operations that is not vulnerable to changes in the operating environment.

In this challenging operating environment, Fuji Pharma is concentrating on the following goals in order to accomplish the goals of the medium-term business plan quickly.

- 1) Expand the pipeline by using strategic alliances with pharmaceutical manufacturers in Japan and other countries.
- 2) Quickly introduce strategic products in the acute medical care field.
- 3) Increase support for hormone treatments in the field of obstetrics and gynecology.
- 4) Upgrade and expand our production systems to supply products with even better quality and provide a stable supply of products to meet rising demand.
- 5) Quickly start operations at highly activated drug factories and achieve stable operations.
- 6) Strengthen administrative and management systems (more powerful internal controls, rigorous compliance programs, establishment of risk management system and maintenance of IT system).
- 7) Provide training to give employees skills for management and starting new businesses.

4. Non-consolidated Financial Statements

(1) Balance Sheets

	(Thousands of yen)	
	FY9/09 (As of Sep. 30, 2009)	FY9/10 (As of Sep. 30, 2010)
Assets		
Current assets		
Cash and deposits	2,161,361	2,592,763
Notes receivable-trade	746,636	654,428
Accounts receivable-trade	6,782,207	7,032,513
Short-term investment securities	706,832	504,910
Merchandise and finished goods	1,415,259	1,728,477
Work in process	844,773	810,705
Raw materials and supplies	1,668,493	2,336,230
Advance payments-trade	64,017	64,413
Prepaid expenses	213,469	194,640
Deferred tax assets	415,515	503,396
Accounts receivables-other	70,771	146,739
Accrued income	286	32
Other	11,658	22,098
Allowance for doubtful accounts	(2,258)	(2,557)
Total current assets	15,099,024	16,588,793
Noncurrent assets		
Property, plant and equipment		
Buildings	4,690,289	4,748,819
Accumulated depreciation	(1,995,026)	(2,083,293)
Buildings, net	2,695,263	2,665,525
Structures	108,685	118,880
Accumulated depreciation	(77,425)	(72,571)
Structures, net	31,260	46,308
Machinery and equipment	3,270,537	3,449,533
Accumulated depreciation	(2,332,648)	(2,584,505)
Machinery and equipment, net	937,888	865,027
Vehicles	35,384	35,814
Accumulated depreciation	(26,434)	(31,706)
Vehicles, net	8,950	4,107
Tools, furniture and fixtures	757,648	749,731
Accumulated depreciation	(610,509)	(623,233)
Tools, furniture and fixtures, net	147,139	126,498
Land	634,361	634,361
Construction in progress	475,562	1,559,484
Total property, plant and equipment	4,930,427	5,901,313
Intangible assets		
Right of trademark	137	87
Distributorship	1,231,543	1,048,043
Software	84,203	85,351
Telephone subscription right	7,976	7,976
Total intangible assets	1,323,861	1,141,459
Investments and other assets		
Investment securities	138,171	130,627
Investments in capital	100	100
Claims provable in bankruptcy, claims provable in rehabilitation and other	-	19,599
Long-term prepaid expenses	438,415	313,612
Deferred tax assets	224,834	245,148
Guaranteed deposits	593,580	374,712
Insurance funds	14,554	16,267
Long-term time deposits	100,000	-
Allowance for doubtful accounts	-	(7,673)
Total investments and other assets	1,509,656	1,092,394
Total noncurrent assets	7,763,945	8,135,166
Total assets	22,862,969	24,723,959

	(Thousands of yen)	
	FY9/09 (As of Sep. 30, 2009)	FY9/10 (As of Sep. 30, 2010)
Liabilities		
Current liabilities		
Notes payable-trade	488,608	553,361
Accounts payable-trade	3,056,271	2,777,572
Accounts payable-other	675,386	793,184
Accrued expenses	121,034	139,925
Income taxes payable	695,739	804,082
Accrued consumption taxes	94,146	122,694
Deposits received	19,184	17,159
Provision for bonuses	651,870	808,722
Provision for directors' bonuses	14,100	29,900
Provision for sales returns	14,374	10,899
Notes payable-facilities	21,633	567
Total current liabilities	5,852,351	6,058,069
Noncurrent liabilities		
Guarantee deposits received	197,836	196,831
Provision for retirement benefits	517,749	555,375
Long-term accounts payable-other	73,436	80,359
Total noncurrent liabilities	789,022	832,567
Total liabilities	6,641,373	6,890,636
Net assets		
Shareholders' equity		
Capital stock	1,616,950	1,616,950
Capital surplus		
Legal capital surplus	2,226,020	2,226,020
Other capital surplus	615,567	615,567
Total capital surplus	2,841,587	2,841,587
Retained earnings		
Legal retained earnings	164,079	164,079
Other retained earnings		
General reserve	5,000,000	5,000,000
Retained earnings brought forward	6,604,302	8,213,754
Total retained earnings	11,768,381	13,377,833
Treasury stock	(7)	(7)
Total shareholders' equity	16,226,911	17,836,363
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(5,315)	(3,039)
Total valuation and translation adjustments	(5,315)	(3,039)
Total net assets	16,221,596	17,833,323
Total liabilities and net assets	22,862,969	24,723,959

(2) Statements of Income

	(Thousands of yen)	
	FY9/09	FY9/10
	(Oct. 1, 2008 – Sep. 30, 2009)	(Oct. 1, 2009 – Sep. 30, 2010)
Net sales		
Net sales of finished goods	14,769,522	17,114,273
Net sales of goods	2,429,253	2,584,208
Total net sales	17,198,775	19,698,482
Cost of sales		
Beginning merchandise and finished goods	1,310,914	1,415,259
Cost of purchased goods	1,154,771	1,584,184
Transfer from other account	*1 13,689	*1 8,517
Cost of products manufactured	8,430,500	9,351,876
Total	10,909,875	12,359,838
Ending merchandise and finished goods	*2 1,415,259	*2 1,728,477
Transfer to other account	*3 93,755	*3 8,794
Total cost of sales	9,400,860	10,622,566
Gross profit	7,797,915	9,075,915
Reversal of provision for sales returns	-	3,475
Provision for sales returns	2,461	-
Gross profit-net	7,795,453	9,079,390
Selling, general and administrative expenses		
Promotion expenses	132,217	115,489
Sales commission	489,432	607,951
Packing and transportation expenses	199,230	211,514
Entertainment expenses	53,681	45,398
Directors' compensations	55,617	61,230
Salaries and bonuses	1,326,626	1,349,192
Provision for bonuses	411,569	502,780
Provision for directors' bonuses	14,100	29,900
Provision for retirement benefits	45,959	42,472
Provision of allowance for doubtful accounts	-	7,973
Welfare expenses	249,475	280,970
Traveling and transportation expenses	239,870	244,659
Rent expenses	210,153	206,986
Depreciation	327,650	321,162
Research and development expenses	*4 918,821	*4 1,114,446
Other	658,885	704,417
Total selling, general and administrative expenses	5,333,291	5,846,546
Operating income	2,462,162	3,232,844

	(Thousands of yen)	
	FY9/09	FY9/10
	(Oct. 1, 2008 – Sep. 30, 2009)	(Oct. 1, 2009 – Sep. 30, 2010)
Non-operating income		
Interest income	2,030	654
Interest on securities	2,876	1,753
Dividends income	410	410
Dividends income of life insurance	-	2,092
Commission fee	-	2,570
Compensation income	-	2,885
Fiduciary obligation fee	4,418	-
Miscellaneous income	10,060	4,940
Total non-operating income	19,796	15,308
Non-operating expenses		
Interest expenses	620	194
Sales discounts	2,756	3,690
Miscellaneous loss	956	829
Total non-operating expenses	4,333	4,714
Ordinary income	2,477,624	3,243,439
Extraordinary income		
Gain on prior period adjustment	*5 22,386	-
Contribution from co-development project	-	*8 40,322
Gain on sales of noncurrent assets	*6 32,721	-
Total extraordinary income	55,107	40,322
Extraordinary loss		
Loss on retirement of noncurrent assets	*7 1,910	*7 66,161
Loss on valuation of inventories	54,337	-
Loss on valuation of investment securities	-	11,380
Impairment loss	-	*9 50,000
Settlement package	6,500	-
Other	606	-
Total extraordinary losses	63,354	127,542
Income before income taxes	2,469,378	3,156,219
Income taxes-current	1,066,124	1,321,903
Income taxes-deferred	(122,704)	(109,756)
Total income taxes	943,420	1,212,147
Net income	1,525,958	1,944,071

Manufacturing Statement

(Thousands of yen)

	Note	FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)		FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)			
		Amount	%	Amount	%		
I Cost of materials	*1,*4		6,098,288	71.4	6,630,497	71.1	
II Labor cost	*2		841,536	9.9	949,876	10.2	
III Overheads							
Depreciation and amortization		566,795		627,623			
Supplies expenses		168,347		230,685			
Other		860,506	1,595,649	18.7	887,642	1,745,952	18.7
Total manufacturing costs			8,535,475	100.0		9,326,325	100.0
Beginning work in process			760,037			844,773	
Total			9,295,512			10,171,099	
Ending work in process	*1		844,773			810,705	
Transfer to other account	*3		20,238			8,517	
Cost of products manufactured			8,430,500			9,351,876	

(Thousands of yen)

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
The Company applied the simple process costing method on the basis of historical for cost accounting.	Same as on the left.
*1. Ending inventories are shown after written down on the book values to reflect declines in profitability, and following loss on valuation of inventories are included in the cost of products manufactured. 17,140	*1. Ending inventories are shown after written down on the book values to reflect declines in profitability, and following loss on valuation of inventories (valued by the reversal method) are included in the cost of products manufactured. (17,140)
*2. The amount of provisions for allowances included in the labor cost is as follows: Provision for bonuses 174,328 Provision for retirement benefits 14,933	*2. The amount of provisions for allowances included in the labor cost is as follows: Provision for bonuses 214,489 Provision for retirement benefits 13,916
*3. Breakdown of transfer to other account is as follows: Cost of sales 13,207 Loss on valuation of inventories 7,031 Total 20,238	*3. Breakdown of transfer to other account is as follows: Cost of sales 8,517
*4. _____	*4. As noted in the section on Reclassifications, some dermatological preparations, presented as “Merchandise” in the previous fiscal year, is reclassified and presented as “Finished goods.” Accordingly, “Cost of materials” increased by 38,473 thousand yen, compared with under the previous classification.

(3) Statements of Changes in Net Assets

	(Thousands of yen)	
	FY9/09	FY9/10
	(Oct. 1, 2008 – Sep. 30, 2009)	(Oct. 1, 2009 – Sep. 30, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,616,950	1,616,950
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	1,616,950	1,616,950
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	2,226,020	2,226,020
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	2,226,020	2,226,020
Other capital surplus		
Balance at the end of previous period	615,567	615,567
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	615,567	615,567
Total capital surplus		
Balance at the end of previous period	2,841,587	2,841,587
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	2,841,587	2,841,587
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	164,079	164,079
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	164,079	164,079
Other retained earnings		
General reserve		
Balance at the end of previous period	5,000,000	5,000,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	5,000,000	5,000,000
Retained earnings brought forward		
Balance at the end of previous period	5,348,613	6,604,302
Changes of items during the period		
Dividends from surplus	(270,269)	(334,619)
Net income	1,525,958	1,944,071
Total changes of items during the period	1,255,688	1,609,451
Balance at the end of current period	6,604,302	8,213,754
Total retained earnings		
Balance at the end of previous period	10,512,692	11,768,381
Changes of items during the period		
Dividends from surplus	(270,269)	(334,619)
Net income	1,525,958	1,944,071
Total changes of items during the period	1,255,688	1,609,451
Balance at the end of current period	11,768,381	13,377,833

	(Thousands of yen)	
	FY9/09	FY9/10
	(Oct. 1, 2008 – Sep. 30, 2009)	(Oct. 1, 2009 – Sep. 30, 2010)
Treasury stock		
Balance at the end of previous period	(7)	(7)
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	(7)	(7)
Total shareholders' equity		
Balance at the end of previous period	14,971,222	16,226,911
Changes of items during the period		
Dividends from surplus	(270,269)	(334,619)
Net income	1,525,958	1,944,071
Total changes of items during the period	1,255,688	1,609,451
Balance at the end of current period	16,226,911	17,836,363
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	567	(5,315)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,882)	2,275
Total changes of items during the period	(5,882)	2,275
Balance at the end of current period	(5,315)	(3,039)
Total valuation and translation adjustments		
Balance at the end of previous period	567	(5,315)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,882)	2,275
Total changes of items during the period	(5,882)	2,275
Balance at the end of current period	(5,315)	(3,039)
Total net assets		
Balance at the end of previous period	14,971,789	16,221,596
Changes of items during the period		
Dividends from surplus	(270,269)	(334,619)
Net income	1,525,958	1,944,071
Net changes of items other than shareholders' equity	(5,882)	2,275
Total changes of items during the period	1,249,806	1,611,727
Balance at the end of current period	16,221,596	17,833,323

(4) Statements of Cash Flows

	(Thousands of yen)	
	FY9/09	FY9/10
	(Oct. 1, 2008 – Sep. 30, 2009)	(Oct. 1, 2009 – Sep. 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	2,469,378	3,156,219
Depreciation and amortization	952,274	1,026,908
Impairment loss	-	50,000
Increase (decrease) in provision for retirement benefits	55,947	37,625
Increase (decrease) in allowance for doubtful accounts	371	7,973
Increase (decrease) in provision for bonuses	80,734	156,851
Increase (decrease) in provision for directors' bonuses	(1,500)	15,800
Increase (decrease) in provision for sales returns	2,461	(3,475)
Interest and dividends income	(5,317)	(2,819)
Loss (gain) on sales of noncurrent assets	(32,721)	-
Loss on retirement of noncurrent assets	1,910	66,161
Loss (gain) on valuation of investment securities	-	11,380
Decrease (increase) in notes and accounts receivable-trade	(1,237,587)	(158,098)
Decrease (increase) in inventories	(648,216)	(946,887)
Decrease (increase) in accounts receivable-other	21,799	(75,967)
Decrease (increase) in prepaid expenses	9,121	18,829
Decrease (increase) in long-term prepaid expenses	(11,113)	124,802
Increase (decrease) in notes and accounts payable-trade	864,060	(213,945)
Increase (decrease) in accounts payable-other	66,027	87,523
Increase (decrease) in long-term accounts payable-other	3,647	6,923
Increase (decrease) in accrued expenses	(65,150)	18,890
Increase (decrease) in accrued consumption taxes	66,908	28,548
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	-	(19,599)
Increase (decrease) in guarantee deposits received	(14,613)	(1,004)
Other, net	(21,158)	(15,210)
Subtotal	2,557,264	3,377,430
Interest and dividends income received	8,522	3,072
Interest expenses paid	(3,709)	(3,581)
Income taxes paid	(739,332)	(1,208,683)
Other, net	(6,000)	-
Net cash provided by (used in) operating activities	1,816,744	2,168,237
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	-	300,000
Payments into time deposits	(100,000)	-
Purchase of property, plant and equipment	(1,288,015)	(1,482,595)
Proceeds from sales of property, plant and equipment	38,683	-
Payments for retirement of property, plant and equipment	-	(21,380)
Purchase of intangible assets	(458,383)	(218,730)
Proceeds from collection of guarantee deposits	-	20,000
Payments for guarantee deposits	(50,112)	-
Other, net	(1,362)	(1,712)
Net cash provided by (used in) investing activities	(1,859,190)	(1,404,419)
Net cash provided by (used in) financing activities		
Cash dividends paid	(270,512)	(334,338)
Net cash provided by (used in) financing activities	(270,512)	(334,338)
Net increase (decrease) in cash and cash equivalents	(312,957)	429,479
Cash and cash equivalents at beginning of period	2,981,152	2,668,194
Cash and cash equivalents at end of period	* 2,668,194	* 3,097,674

Notes Regarding Assumptions for Company as Ongoing Concern

Not applicable.

Significant Accounting Policies

Item	FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
1. Valuation standards and methods for marketable securities	<p>Available-for-sale securities</p> <p>Securities with market quotations: Valued at the market price, using a market value at the end of the fiscal year, differences in valuation to be included in net assets, and cost of securities sold being determined by the moving average method.</p> <p>Securities without market quotations: Moving average cost method.</p>	<p>Available-for-sale securities</p> <p>Securities with market quotations: Same as on the left.</p> <p>Securities without market quotations: Same as on the left.</p>
2. Valuation criteria and methods for inventories	<p>Primarily by the first-in, first-out cost method. (The carrying value on the Balance Sheets is written down to reflect declines in profitability).</p> <p>(Changes in accounting policies) The Company has adopted “Accounting Standards for Measurement of Inventories” (Accounting Standards Board of Japan (ASBJ) Statement No. 9, July 5, 2006) from the current fiscal year. This caused declines in operating income and ordinary income by 112,019 thousand yen each, and income before income taxes by 86,093 thousand yen.</p>	<p>Same as on the left.</p> <hr/>
3. Depreciation and amortization of noncurrent assets	<p>(1) Property, plant and equipment (excluding lease assets) Declining-balance method. (However, depreciation on the buildings which we bought after April 1, 1998 (excluding the facilities attached to the buildings) is calculated by the straight-line method). The useful lives of property, plant and equipment are summarized as follows: Buildings 7 to 50 years Machinery and equipment 8 years</p> <p>(Additional information) In accordance with the 2008 revisions of the Corporation Tax Law, the useful life of the Company’s machinery and equipment has been changed in the current fiscal year from previously-applied 7 years to 8 years. As a result, operating income, ordinary income and income before income taxes have been increased by 30,285 thousand yen each.</p> <p>(2) Intangible assets (excluding lease assets) Straight-line method. Amortization of software used within the Company is calculated by the straight-line method over a period of 5 years. For distributorship, 5-year straight-line amortization method has been applied.</p>	<p>(1) Property, plant and equipment (excluding lease assets) Same as on the left.</p> <hr/> <p>(2) Intangible assets (excluding lease assets) Same as on the left.</p>

Item	FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
	<p>(3) Lease assets Lease assets associated with finance lease transactions where there is no transfer of ownership The straight-line method with no residual value is applied with the lease period used as the useful life of the assets. For finance lease transactions where there is no transfer of ownership beginning prior year to the fiscal year when these standards are first applied, depreciation is calculated using an accounting method that is based on the method used for ordinary lease transactions.</p> <p>(4) Long-term prepaid expenses Straight-line method.</p>	<p>(3) Lease assets Lease assets associated with finance lease transactions where there is no transfer of ownership Same as on the left.</p> <p>(4) Long-term prepaid expenses Same as on the left.</p>
4. Allowance for doubtful accounts	<p>(1) Allowance for doubtful accounts To prepare for credit losses on receivables, the necessary amount in view of the ratio of bad debts in the past and other relevant matters is accounted for by ordinary receivables while the estimated amount of unrecoverable receivables based on the assessment results for recoverability in each case is accounted for by the receivables of which the recovery is doubtful and receivables subject to the rehabilitation process following bankruptcy.</p> <p>(2) Provision for bonuses To provide for accrued bonuses for employees, an allowance is provided at the amount based on the estimated bonus obligations.</p> <p>(3) Provision for retirement benefits To provide for employees' retirement benefits, an allowance is provided based on projected benefit obligations at the end of the current fiscal year.</p> <p>(4) Provision for sales returns Allowance for sales returns provides for expected loss of gross profits due to returns of products calculated based on past rejection rates.</p> <p>(5) Provision for directors' bonuses To provide for directors' bonus obligation, an allowance is provided in the amount based on the estimated bonus obligations in the current fiscal year.</p>	<p>(1) Allowance for doubtful accounts Same as on the left.</p> <p>(2) Provision for bonuses Same as on the left.</p> <p>(3) Provision for retirement benefits Same as on the left.</p> <p>(4) Provision for sales returns Same as on the left.</p> <p>(5) Provision for directors' bonuses Same as on the left.</p>
5. Cash and cash equivalents in cash flow statements	Cash and cash equivalents consist of cash on hand and bank deposits which can be withdrawn at any time and short-term investments with the duration of three months or less which can be easily converted to cash and are exposed to little risk of change in value.	Same as on the left.
6. Other significant items	Accounting for consumption taxes The consumption taxes are accounted by the tax-exclusion method.	Same as on the left.

Changes in Significant Accounting Policies

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
<p>(Accounting standards for lease transactions)</p> <p>In prior years, the Company accounted for finance lease transactions where there is no transfer of ownership as ordinary lease transactions for accounting purpose. However, the Company has adopted “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13: originally issued on June 17, 1993 by Section 1 of the Business Accounting Deliberation Counsel, and revised on March 30, 2007 by Accounting Standards Board of Japan), and “Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16: originally issued on January 18, 1994 by Accounting Standards Committee of the Japanese Institute of Certified Public Accountants, and revised on March 30, 2007 by Accounting Standards Board of Japan) in the current fiscal year, and uses an accounting method for leases that is based on the method used for ordinary purchases and sales.</p> <p>For finance lease transactions where there is no transfer of ownership beginning prior year to the fiscal year when these standards are first applied, the Company continues to use an accounting method that is based on the method used for ordinary lease transactions.</p> <p>There is no effect of this change on earnings.</p>	<p style="text-align: center;">—————</p>

Reclassifications

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)								
<p>(Balance Sheets)</p> <p>With the adoption of “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation Methods of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008), “Merchandise” and “Finished goods” are reclassified and presented as “Merchandise and finished goods,” and “Raw materials” and “Supplies” are reclassified and presented as “Raw materials and supplies” in the current fiscal year.</p> <p>The amount of “Merchandise,” “Finished goods,” “Raw materials,” and “Supplies” in the current fiscal year was 315,253 thousand yen, 1,100,006 thousand yen, 1,540,515 thousand yen, and 127,977 thousand yen, respectively.</p> <hr/>	<p>(Balance Sheets)</p> <hr/> <p>(Statements of Income)</p> <p>In the past, some dermatological preparations were included in “Merchandise” because the manufacture of products that Fuji Pharma had permission to manufacture and sell was outsourced to other companies. However, to present these business operations in a more appropriate manner, these products are included in “Finished goods” in the current fiscal year. In conjunction with this change, the cost of these products has been moved from “Cost of purchased goods” to “Cost of products manufactured,” and sales of these products have been moved from “Net sales of goods” to “Net sales of finished goods.”</p> <p>The amounts of these four items prior to these cost and sales reclassifications for the current fiscal year are shown below.</p> <table data-bbox="799 1131 1441 1265"> <tr> <td>Cost of purchased goods</td> <td style="text-align: right;">1,622,658</td> </tr> <tr> <td>Cost of products manufactured</td> <td style="text-align: right;">9,313,402</td> </tr> <tr> <td>Net sales of finished goods</td> <td style="text-align: right;">17,027,197</td> </tr> <tr> <td>Net sales of goods</td> <td style="text-align: right;">2,671,285</td> </tr> </table> <p>“Provision of allowance for doubtful accounts,” included in “Other” under “Selling, general and administrative expenses” in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since it has increased materiality in the context of consolidated financial statements.</p> <p>“Provision of allowance for doubtful accounts,” included in “Other” under “Selling, general and administrative expenses” in the previous fiscal year totaled 371 thousand yen.</p> <p>“Dividends income of life insurance,” “Commission income,” and “Compensation income” included in “Miscellaneous income” under non-operating income in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since the amount exceeded 10/100 of total non-operating income. “Dividends income of life insurance,” “Commission income,” and “Compensation income” included in “Miscellaneous income” under non-operating income in the previous fiscal year totaled 1,803 thousand yen, 1,176 thousand yen, and 1,947 thousand yen, respectively.</p> <p>“Fiduciary obligation fee” under non-operating income in the previous fiscal year, is reclassified and included in “Miscellaneous income” in the current fiscal year. “Fiduciary obligation fee” included in “Miscellaneous income” under non-operating income in the current fiscal year totaled 507 thousand yen.</p>	Cost of purchased goods	1,622,658	Cost of products manufactured	9,313,402	Net sales of finished goods	17,027,197	Net sales of goods	2,671,285
Cost of purchased goods	1,622,658								
Cost of products manufactured	9,313,402								
Net sales of finished goods	17,027,197								
Net sales of goods	2,671,285								

Notes to Non-consolidated Financial Statements

Statements of Income

(Thousands of yen)

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
*1. Breakdown of transfer from other account	*1. Breakdown of transfer from other account
Transfer from cost of products manufactured 13,689	Transfer from cost of products manufactured 8,517
*2. Ending inventories are shown after written down on the book values to reflect declines in profitability. The amount written down on the book values due to decline in profitability of normal inventories for sale are as follows.	*2. Ending inventories are shown after written down on the book values to reflect declines in profitability. The amount written down on the book values due to decline in profitability (after netting of the amount reversed using the reversal method) of normal inventories for sale are as follows.
Cost of sales 63,433	Cost of sales (24,081)
Extraordinary loss 54,337	
*3. Breakdown of transfer to other account	*3. Breakdown of transfer to other account
Loss on valuation of inventories 47,306	Selling, general and administrative expenses 8,794
Amount equivalent to inventories of goods at end of prior year after retroactive revision of unit prices of goods 36,352	
Selling, general and administrative expenses 10,096	
Total 93,755	
*4. Total amount of research and development expenses	*4. Total amount of research and development expenses
Research and development expenses included in general and administrative expenses 918,821	Research and development expenses included in general and administrative expenses 1,114,446
*5. Breakdown of gain on prior period adjustment	*5. _____
1) Adjustments associated with retroactive revision of unit prices of good	
Amount equivalent to prior-year cost of purchased goods 50,480	
Amount equivalent to inventories of goods at the end of previous fiscal year (36,352)	
(Net) Amount equivalent to prior-year cost of sales (14,128)	
2) Adjustment in prior-year selling expenses resulting from retroactive revision of corresponding share of selling expenses 8,258	
*6. Gain on sales of noncurrent assets	*6. _____
Land 32,721	
*7. Breakdown of loss on retirement of noncurrent assets	*7. Breakdown of loss on retirement of noncurrent assets
Buildings 1,160	Buildings 36,251
Machinery and equipment 513	Structures 776
Tools, furniture and fixtures 236	Machinery and equipment 5,348
Total 1,910	Tools, furniture and fixtures 2,404
	Removal expenses on noncurrent assets 21,380
	Total 66,161
*8. _____	*8. Contribution from co-development project
	The division of the co-development expenses associated with the G-CSF formulation is based on an agreement with Mochida Pharmaceutical Co., Ltd.

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)						
*9.	<p>*9. Impairment loss The Company recognized an impairment loss on the following group of assets.</p> <table border="1" data-bbox="810 315 1442 443"> <thead> <tr> <th data-bbox="810 315 1018 349">Location</th> <th data-bbox="1018 315 1251 349">Use</th> <th data-bbox="1251 315 1442 349">Item</th> </tr> </thead> <tbody> <tr> <td data-bbox="810 349 1018 443">Chiyoda-ku, Tokyo</td> <td data-bbox="1018 349 1251 443">Exclusive rights to sales of ethical pharmaceuticals</td> <td data-bbox="1251 349 1442 443">Distributorship</td> </tr> </tbody> </table> <p>Fuji Pharma groups business assets for the entire company and assigns idle assets, sales rights and other items to these asset groups individually. For the exclusive rights (sales rights) for some ethical pharmaceuticals, the valuation of the amount that can be recovered has been written down to zero due to the termination of the development of these drugs because of changes in market conditions. The balance that had not yet been written off was recognized as an impairment loss (50,000 thousand yen).</p>	Location	Use	Item	Chiyoda-ku, Tokyo	Exclusive rights to sales of ethical pharmaceuticals	Distributorship
Location	Use	Item					
Chiyoda-ku, Tokyo	Exclusive rights to sales of ethical pharmaceuticals	Distributorship					

Statements of Changes in Net Assets

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)

1. Type and number of issued shares and treasury stock

(Shares)

	Number of shares as of Sep. 30, 2008	Increase	Decrease	Number of shares as of Sep. 30, 2009
Issued shares				
Common stock	12,870,000	-	-	12,870,000
Total	12,870,000	-	-	12,870,000
Treasury stock				
Common stock	10	-	-	10
Total	10	-	-	10

2. Items related to subscription rights to shares and treasury stock

Not applicable.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 19, 2008	Common stock	128,699	10	Sep. 30, 2008	Dec. 22, 2008
Board of Directors' meeting on Mar. 26, 2009	Common stock	141,569	11	Mar. 31, 2009	Jun. 1, 2009

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 18, 2009	Common stock	167,309	Retained earnings	13	Sep. 30, 2009	Dec. 21, 2009

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

1. Type and number of issued shares and treasury stock

(Shares)

	Number of shares as of Sep. 30, 2009	Increase	Decrease	Number of shares as of Sep. 30, 2010
Issued shares				
Common stock	12,870,000	-	-	12,870,000
Total	12,870,000	-	-	12,870,000
Treasury stock				
Common stock	10	-	-	10
Total	10	-	-	10

2. Items related to subscription rights to shares and treasury stock

Not applicable.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 18, 2009	Common stock	167,309	13	Sep. 30, 2009	Dec. 21, 2009
Board of Directors' meeting on Apr. 30, 2010	Common stock	167,309	13	Mar. 31, 2010	Jun. 1, 2010

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 20, 2010	Common stock	218,789	Retained earnings	17	Sep. 30, 2010	Dec. 21, 2010

Notes to Statements of Cash Flows

(Thousands of yen)

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
*Relationship between the cash and cash equivalents at end of the period and the amount booked in the balance sheets (As of Sep. 30, 2009)	*Relationship between the cash and cash equivalents at end of the period and the amount booked in the balance sheets (As of Sep. 30, 2010)
Cash and deposits	Cash and deposits
2,161,361	2,592,763
Short-term investment securities	Short-term investment securities
706,832	504,910
Time deposit with maturities over 3 months	Cash and cash equivalents
(200,000)	3,097,674
Cash and cash equivalents	
2,668,194	

Lease Transactions

(Thousands of yen)

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
1. Finance lease transactions (lessee) Finance lease transactions where there is no transfer of ownership	1. Finance lease transactions (lessee) Finance lease transactions where there is no transfer of ownership
1) Breakdown of lease assets Mainly the drug production facility (machinery and equipment)	1) Breakdown of lease assets Mainly the drug production facility (machinery and equipment)
2) Depreciation of lease assets As noted in the section on Significant Accounting Policies, “3. Depreciation and amortization of noncurrent assets.” For finance lease transactions where there is no transfer of ownership beginning on or before September 30, 2008, depreciation is calculated using an accounting method that is based on the method used for ordinary lease transactions.	2) Depreciation of lease assets As noted in the section on Significant Accounting Policies, “3. Depreciation and amortization of noncurrent assets.” For finance lease transactions where there is no transfer of ownership beginning on or before September 30, 2008, depreciation is calculated using an accounting method that is based on the method used for ordinary lease transactions.
(1) The acquisition costs, accumulated depreciation and closing balance equivalents of the lease assets.	(1) The acquisition costs, accumulated depreciation and closing balance equivalents of the lease assets.
Machinery and Equipment	Machinery and Equipment
Acquisition costs equivalents 2,069,108	Acquisition costs equivalents 1,774,330
Accumulated depreciation equivalents 1,183,492	Accumulated depreciation equivalents 1,287,232
Closing balance equivalents 885,615	Closing balance equivalents 487,098
Vehicles	Vehicles
Acquisition costs equivalents 66,400	Acquisition costs equivalents 52,751
Accumulated depreciation equivalents 39,117	Accumulated depreciation equivalents 37,820
Closing balance equivalents 27,283	Closing balance equivalents 14,930
Tools, furniture and fixtures	Tools, furniture and fixtures
Acquisition costs equivalents 6,771	Acquisition costs equivalents 3,660
Accumulated depreciation equivalents 4,737	Accumulated depreciation equivalents 2,846
Closing balance equivalents 2,033	Closing balance equivalents 813
Total	Total
Acquisition costs equivalents 2,142,280	Acquisition costs equivalents 1,830,741
Accumulated depreciation equivalents 1,227,347	Accumulated depreciation equivalents 1,327,899
Closing balance equivalents 914,932	Closing balance equivalents 502,842
(2) The closing balance equivalents of the unexpired lease payments	(2) The closing balance equivalents of the unexpired lease payments
Due within one year 423,087	Due within one year 215,501
Due after one year 528,727	Due after one year 313,226
Total 951,814	Total 528,727
(3) Lease payment, and depreciation and interest equivalents	(3) Lease payment, and depreciation and interest equivalents
Lease payments 260,466	Lease payments 233,088
Depreciation equivalents 233,108	Depreciation equivalents 210,198
Interest equivalents 20,163	Interest equivalents 13,602
(4) Methods of calculation of depreciation equivalents Depreciation of lease assets is calculated on the basis of the straight-line method assuming the respective lease terms as the useful lives. As for the residual value, in the case of agreements stipulating the residual value assured, the residual value concerned is adopted and in any other cases, the residual value is assumed at zero.	(4) Methods of calculation of depreciation equivalents Same as on the left.

(Thousands of yen)

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)												
<p>(5) Methods of calculation of interest equivalents The difference between the total amount of the lease payments (excluding maintenance and administration cost equivalents) and the acquisition cost equivalents of the lease assets is treated as interest equivalents and the way of allocating the interest to the respective fiscal years applied is by the interest method.</p> <p>2. Operating lease transactions Of which noncancelable outstanding lease commitments:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due in one year or less</td> <td style="text-align: right;">90,792</td> </tr> <tr> <td>Due after one year</td> <td style="text-align: right;">175,914</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">266,706</td> </tr> </table> <p>(Loss on impairment) There is no loss on impairment allocated to lease assets.</p>	Due in one year or less	90,792	Due after one year	175,914	Total	266,706	<p>(5) Methods of calculation of interest equivalents Same as on the left.</p> <p>2. Operating lease transactions Of which noncancelable outstanding lease commitments:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due in one year or less</td> <td style="text-align: right;">89,782</td> </tr> <tr> <td>Due after one year</td> <td style="text-align: right;">86,132</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">175,914</td> </tr> </table> <p>(Loss on impairment) Same as on the left.</p>	Due in one year or less	89,782	Due after one year	86,132	Total	175,914
Due in one year or less	90,792												
Due after one year	175,914												
Total	266,706												
Due in one year or less	89,782												
Due after one year	86,132												
Total	175,914												

Financial Instruments

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

1. Conditions of financial instruments

(1) Management policy

The Company relies primarily on internal liquidity for the funds required in accordance with business plans for the operation of its pharmaceutical manufacturing and sales activities. In addition, any temporarily unneeded funds are invested in financial instruments that have a high degree of safety.

(2) Details of financial instruments, their risks and risk management system

Notes and accounts receivable-trade, which are operating receivables, are exposed to credit risk associated with clients and suppliers. The Company manages the collection dates and amounts due for each client or supplier in accordance with its internal regulations. In addition, based on the financial condition of each client or supplier, the Company reduces its exposure to credit risk by receiving guarantee deposits from clients and suppliers.

Short-term investment securities and investment securities are shares of companies with which we have a business relationship or debt securities such as government bonds, and are subject to the risk from fluctuation of market prices. We manage this risk by monitoring the fair values in each quarter and using other methods.

Notes and accounts payable-trade, which are operating debt, are mostly due within one year. Current liabilities, including these operating debt, are exposed to liquidity risk on the payment date. The Company manages liquidity risk by preparing and updating monthly cash flow plans, maintaining sufficient liquidity and taking other actions.

Substantially all of income taxes payable are due two months or less from the balance sheet date.

2. Fair value of financial instruments

The carrying value, fair value, and their differences as of September 30, 2010 are shown as follows. However, financial instruments, whose fair value is deemed to be extremely difficult to measure, are not included. (Please refer to Notes 2 below.)

(Thousands of yen)

	Carrying value	Fair value	Differences
(1) Cash and deposits	2,592,763	2,592,763	-
(2) Notes and accounts receivable-trade	7,686,941	7,686,941	-
(3) Short-term investment securities and investment securities			
Available-for-sale securities	625,337	625,337	-
Assets total	10,905,043	10,905,043	-
(1) Notes and accounts payable-trade	3,330,934	3,330,934	-
(2) Income taxes payable	804,082	804,082	-
Liabilities total	4,135,017	4,135,017	-

Notes: 1. Matters concerning determination of fair value of financial instruments and short-term investment securities

Assets

(1) Cash and deposits, (2) Notes and accounts receivable-trade

Fair value of the above financial instruments is deemed to be equal to their carrying amount because they are settled within a short period of time.

(3) Short-term investment securities and investment securities

Fair value of the above financial instruments is based on quoted market price and fair value of debt securities is based on either quoted market price or quoted price offered by our financial institutions.

Liabilities

(1) Notes and accounts payable-trade, (2) Income taxes payable

Fair value of the above financial instruments is deemed to be equal to their carrying amount because they are settled within a short period of time.

2. Financial instruments whose fair value is deemed to be extremely difficult to measure

(Thousands of yen)

Item	Carrying value
Unlisted stocks (Note 1)	10,200
Lease and guarantee deposits (Note 2)	374,712

Note 1. Unlisted stocks are not included because there is no market price and the fair value is deemed to be extremely difficult to determine; this information is not subject to fair value disclosure.

Note 2. Some of the lease and guarantee deposits for leased properties have no market values and it is not possible to calculate the effective deposit period between the start and end of occupancy. In addition, some guarantee deposits are accumulated guarantees associated with leases. Since these guarantees may be used for lease payments during the lease contract period, these guarantees are not subject to fair value disclosure because determining a reasonable estimate of cash flows is extremely difficult.

3. The amount of monetary claims and marketable securities with maturity dates scheduled to be redeemed subsequent to the consolidated balance sheet date

(Thousands of yen)

	Less than 1 year	1-5 years	5-10 years	Over 10 years
Cash and deposits	2,592,763	-	-	-
Notes and accounts receivable-trade	7,686,941	-	-	-
Short-term investment securities and investment securities Of which available-for-sale securities with maturity dates Government bonds, Municipal bonds, etc.	-	100,000	-	-
Total	10,279,705	100,000	-	-

(Additional information)

“Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and its “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 10, 2008) were applied effective from the current fiscal year.

Securities Holdings**Securities**

1. Available-for-sale securities with market quotations

(Thousands of yen)

	Item	FY9/09 (As of Sep. 30, 2009)			FY9/10 (As of Sep. 30, 2010)		
		Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stock	631	767	135	-	-	-
	Debt securities						
	Government bonds, municipal bonds, etc.	99,980	102,564	2,584	99,980	102,090	2,110
	Corporate bonds	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Subtotal	100,611	103,331	2,720	99,980	102,090	2,110
Securities whose carrying value does not exceed their acquisition cost	Stock	36,323	24,639	(11,683)	25,573	18,336	(7,237)
	Debt securities						
	Government bonds, municipal bonds, etc.	-	-	-	-	-	-
	Corporate bonds	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Subtotal	36,323	24,639	(11,683)	25,573	18,336	(7,237)
	Total	136,934	127,971	(8,963)	125,553	120,427	(5,126)

Notes: 1. Acquisition cost in the table represents book values after impairment. Available-for-sale securities with market quotations of 11,380 thousand yen were written down in the current fiscal year. In the event that the value of securities is estimated to decline 50% or more from the acquisition cost, the Company applies the impairment accounting method to the securities.

2. Unlisted stocks (carrying value of 10,200 thousand yen) are not included in the above table reporting the status of available-for-sale securities because there is no market price and the fair value is deemed to be extremely difficult to determine.

2. Marketable securities without market quotations

(Thousands of yen)

Item	FY9/09 (As of Sep. 30, 2009)	FY9/10 (As of Sep. 30, 2010)
	Carrying value	Carrying value
Other securities		
Free Financial Fund	504,528	504,910
Money Management Fund	202,304	-
Unlisted stock	10,200	10,200

3. The redemption schedule of available-for-sale securities with maturity dates

(Thousands of yen)

Item	FY9/09 (As of Sep. 30, 2009)				FY9/10 (As of Sep. 30, 2010)			
	Less than 1 year	1-5 years	5-10 years	Over 10 years	Less than 1 year	1-5 years	5-10 years	Over 10 years
1. Debt securities								
(1) Government bonds, Municipal bonds, etc.	-	100,000	-	-	-	100,000	-	-
(2) Corporate bonds	-	-	-	-	-	-	-	-
(3) Other	-	-	-	-	-	-	-	-
2. Other	-	-	-	-	-	-	-	-
Total	-	100,000	-	-	-	100,000	-	-

Derivative Transactions

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)

Not applicable because the Company did not have any derivative transactions.

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

Not applicable because the Company did not have any derivative transactions.

Retirement Benefit Plan

1. Description of the retirement benefit plan

The Company provides a lump-sum pension plan in accordance with internal rules. Furthermore, the Company is a member of the Smaller Enterprise Retirement Allowance Mutual Aid Corporation. The Company may provide a premium severance pay depending on the reason for an employee's resignation.

In April 2003, the Company amended the lump-sum pension plan and introduced the defined contribution pension plan and the prepaid retirement benefit plan.

2. Breakdown of the retirement benefit obligations

(Thousands of yen)

	FY9/09 (As of Sep. 30, 2009)	FY9/10 (As of Sep. 30, 2010)
(1) Retirement benefit obligations	700,141	712,469
(2) Estimated retirement benefit to be provided by Mutual Aid Corporation	182,391	157,094
(3) Provision for retirement benefits (1-2)	517,749	555,375

3. Breakdown of the retirement benefit expenses

(Thousands of yen)

	FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
(1) Service costs	72,304	72,242
(2) Premium severance allowance paid temporarily	995	1,123
(3) Premiums paid to the Defined Contribution Pension Fund	24,500	24,844
(4) Prepaid retirement benefits	8,207	9,198
(5) Retirement benefit expenses	106,007	107,409

4. Assumptions used in accounting for the retirement benefit obligations, etc.

The Company applied the simplified method for the calculation of the retirement benefit obligations, etc. Therefore, the Company does not provide the assumptions used in estimating the obligations.

Stock Options

Not applicable.

Business Combinations

Not applicable.

Investment and Rental Property

Not applicable.

Tax Effect Accounting

(Thousands of yen)

FY9/09 (As of Sep. 30, 2009)	FY9/10 (As of Sep. 30, 2010)
1. Breakdown of deferred tax assets and liabilities (Deferred tax assets)	1. Breakdown of deferred tax assets and liabilities (Deferred tax assets)
Nondeductible provision for bonuses 265,311	Nondeductible provision for bonuses 329,149
Nondeductible provision for retirement benefits 210,724	Nondeductible provision for retirement benefits 226,037
Accrued enterprise tax 58,167	Accrued enterprise tax 65,777
Loss on valuation of inventories 36,904	Nondeductible social expenses on employee bonuses 36,915
Valuation difference on available-for-sale securities 3,648	Loss on valuation of inventories 21,163
Other 65,594	Valuation difference on available-for-sale securities 2,086
Total deferred tax assets 640,350	Other 67,414
	Total deferred tax assets 748,544
2. Difference between the effective tax rate and the rate of income tax based on the tax effect accounting	2. Difference between the effective tax rate and the rate of income tax based on the tax effect accounting
Statutory tax rate 40.7%	Statutory tax rate 40.7%
(Disparity)	(Disparity)
Deductible experiment and research expenses (3.9)%	Deductible experiment and research expenses (3.5)%
Residential tax for the period 0.5%	Residential tax for the period 0.4%
Entertainment expenses and other items not to be included in expenses indefinitely 0.9%	Entertainment expenses and other items not to be included in expenses indefinitely 0.6%
Other 0.0%	Other 0.2%
Statutory tax rate based on the tax effect accounting 38.2%	Statutory tax rate based on the tax effect accounting 38.4%

Equity in Income of Affiliates

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)

Not applicable.

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

Not applicable.

Transactions with Concerned Parties

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)

(Additional information)

Effective from the current fiscal year, the Company has adopted “Accounting Standard for Related Party Disclosure” (ASBJ Statement No. 11, October 17, 2006) and the “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13, October 17, 2006).

As a result, transactions with Company directors are no longer subject to disclosure.

Parent company, major corporate shareholders etc. of the Company

Attribute	Major shareholders
Company name	Mitsui & Co., Ltd.
Address	Chiyoda-ku, Tokyo
Capital or invested amount	339,626,747 thousand yen
Business details or occupation	General trading company
Proportion of voting rights held (or being held)	(Being owned) Directly 15.0%
Details of relationship	Supply of raw materials and merchandise

Transaction details	Transaction amount (Thousands of yen)	Account	Closing balance (Thousands of yen)
Supply of raw materials and merchandise (Notes 1, 2)	2,025,887	Accounts payable-trade	711,363

Notes: 1. The amounts of the above transaction values do not include consumption taxes, while closing balances include consumption taxes.

2. Supply of raw materials and merchandise was based on arm-length transactions.

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

Parent company, major corporate shareholders etc. of the Company

Attribute	Major shareholders
Company name	Mitsui & Co., Ltd.
Address	Chiyoda-ku, Tokyo
Capital or invested amount	341,481,648 thousand yen
Business details or occupation	General trading company
Proportion of voting rights held (or being held)	(Being owned) Directly 15.0%
Details of relationship	Supply of raw materials

Transaction details	Transaction amount (Thousands of yen)	Account	Closing balance (Thousands of yen)
Supply of raw materials	2,157,083	Accounts payable-trade	711,800

Notes: 1. The amounts of the above transaction values do not include consumption taxes, while closing balances include consumption taxes.

2. Supply of raw materials was based on arm-length transactions.

Per Share Data

(Yen)

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)		FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	
Net assets per share	1,260.42	Net assets per share	1,385.65
Net income per share	118.57	Net income per share	151.05
Diluted net income per share is not presented because there are no latent shares, such as bonds with subscription rights to shares issued by the Company.		Diluted net income per share is not presented because there are no latent shares, such as bonds with subscription rights to shares issued by the Company.	

Note: The basis of calculating the net income per share is as follows:

	FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
Net income (Thousands of yen)	1,525,958	1,944,071
Amount not applicable to ordinary shareholders (Thousands of yen)	-	-
Net income applicable to common stock (Thousands of yen)	1,525,958	1,944,071
Average number of shares outstanding (Shares)	12,869,990	12,869,990

Material Subsequent Events

FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)

Not applicable.

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

Not applicable.

5. Others

(1) Changes in Directors

1) Change of Representative Director

Not applicable.

2) Change of other board members

- Candidate for director appointment

Atsuya Mihashi, Director

(Currently Executive Officer, General Manager of Marketing Division, Manager of Marketing Planning Department)

- Retiring director

Hozumi Shimohori, Managing Director

(2) Other Information

Goods Manufactured, Orders Received and Sales

1. Breakdown of goods manufactured

(Thousands of yen)

	FY9/09		FY9/10		YoY change (%)
	(Oct. 1, 2008 – Sep. 30, 2009)		(Oct. 1, 2009 – Sep. 30, 2010)		
	Amount	%	Amount	%	
Diagnostic drugs	7,099,194	44.2	8,911,303	50.9	25.5
Hormone drugs	4,264,418	26.6	4,180,902	23.9	(2.0)
Circulatory drugs	1,300,201	8.1	1,012,027	5.8	(22.2)
Antibiotics & Chemotherapeutics	858,314	5.3	655,096	3.7	(23.7)
Urogenital & genital organ drugs	317,088	2.0	447,882	2.6	41.2
Dermatological preparation	227,697	1.4	254,615	1.4	11.8
Other	1,995,415	12.4	2,060,635	11.7	3.3
Total	16,062,330	100.0	17,522,463	100.0	9.1

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

2. Fractions less than one thousand yen are omitted.

3. In the current fiscal year, some dermatological preparations were reclassified from merchandise to finished goods.

The breakdown of goods manufactured for the current fiscal year under the former classifications is shown below.

(Thousands of yen)

	FY9/10		YoY change (%)
	(Oct. 1, 2009 – Sep. 30, 2010)		
	Amount	%	
Diagnostic drugs	8,911,303	51.0	25.5
Hormone drugs	4,180,902	23.9	(2.0)
Circulatory drugs	1,012,027	5.8	(22.2)
Antibiotics & Chemotherapeutics	655,096	3.8	(23.7)
Urogenital & genital organ drugs	447,882	2.6	41.2
Dermatological preparation	187,038	1.1	17.9
Other	2,060,635	11.8	3.3
Total	17,454,887	100.0	8.7

2. Breakdown of goods purchased

(Thousands of yen)

	FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)		FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		YoY change (%)
	Amount	%	Amount	%	
	Hormone drugs	321,469	27.8	787,577	
In vitro diagnostic	667,565	57.8	699,960	44.2	4.9
Antibiotics & Chemotherapeutics	2,534	0.2	3,747	0.2	47.8
Dermatological preparation	50,236	4.4	-	-	-
Other	112,966	9.8	92,899	5.9	(17.8)
Total	1,154,771	100.0	1,584,184	100.0	37.2

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

2. Fractions less than one thousand yen are omitted.

3. In the current fiscal year, some dermatological preparations were reclassified from merchandise to finished goods.

The breakdown of goods purchased for the current fiscal year under the former classifications is shown below.

(Thousands of yen)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		YoY change (%)
	Amount	%	
	Hormone drugs	787,577	
In vitro diagnostic	699,960	43.1	4.9
Dermatological preparation	38,473	2.4	(23.4)
Antibiotics & Chemotherapeutics	3,747	0.2	47.8
Other	92,899	5.7	(17.8)
Total	1,622,658	100.0	40.5

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)

	FY9/09 (Oct. 1, 2008 – Sep. 30, 2009)		FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		YoY change (%)
	Amount	%	Amount	%	
	(Finished goods)				
Diagnostic drugs	6,983,814	40.6	8,494,026	43.1	21.6
Hormone drugs	3,806,844	22.1	4,010,259	20.4	5.3
Circulatory drugs	1,161,931	6.8	1,155,981	5.9	(0.5)
Antibiotics & Chemotherapeutics	636,988	3.7	672,520	3.4	5.6
Urogenital & genital organ drugs	364,297	2.1	389,641	2.0	7.0
Dermatological preparation	196,741	1.2	293,663	1.5	49.3
Others	1,618,903	9.4	2,098,181	10.6	29.6
Subtotal	14,769,522	85.9	17,114,273	86.9	15.9
(Merchandise)					
Hormone drugs	1,008,255	5.9	1,393,419	7.1	38.2
In vitro diagnostic	1,124,533	6.5	999,466	5.1	(11.1)
Antibiotics & Chemotherapeutics	9,694	0.1	8,231	0.0	(15.1)
Dermatological preparation	91,338	0.5	3,654	0.0	(96.0)
Others	195,431	1.1	179,436	0.9	(8.2)
Subtotal	2,429,253	14.1	2,584,208	13.1	6.4
Total	17,198,775	100.0	19,698,482	100.0	14.5

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

2. Fractions less than one thousand yen are omitted.

3. In the current fiscal year, some dermatological preparations were reclassified from merchandise to finished goods.

The breakdown of sales for the current fiscal year under the former classifications is shown below.

(Thousands of yen)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		YoY change (%)
	Amount	%	
(Finished goods)			
Diagnostic drugs	8,494,026	43.1	21.6
Hormone drugs	4,010,259	20.4	5.3
Circulatory drugs	1,155,981	5.9	(0.5)
Antibiotics & Chemotherapeutics	672,520	3.4	5.6
Urogenital & genital organ drugs	389,641	2.0	7.0
Dermatological preparation	206,586	1.0	5.0
Others	2,098,181	10.6	29.6
Subtotal	17,027,197	86.4	15.3
(Merchandise)			
Hormone drugs	1,393,419	7.1	38.2
In vitro diagnostic	999,466	5.1	(11.1)
Dermatological preparation	90,731	0.5	(0.7)
Antibiotics & Chemotherapeutics	8,231	0.0	(15.1)
Others	179,436	0.9	(8.2)
Subtotal	2,671,285	13.6	10.0
Total	19,698,482	100.0	14.5

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