

Non-Consolidated Financial Statements

Six Months Results (October 1, 2008 to March 31, 2009) for the Fiscal Year Ending September 30, 2009

April 30, 2009

Company name: Fuji Pharma Co., Ltd.
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 Stock Exchange listing: JQ
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 Scheduled submission date of semi-annual securities report: May 15, 2009
 Scheduled start date of dividend: June 1, 2009

1. Financial Results for the First Half of the Fiscal Year Ending September 30, 2009 (October 1, 2008 to March 30, 2009)

(1) Operating Results

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
First half ended March 2009	7,581	-	943	-	952	-
First half ended March 2008	6,839	6.7	1,027	-2.5	1,029	-2.7

	Net income		Net income per share	Diluted net income per share
	Million yen	YoY change (%)	Yen	Yen
First half ended March 2009	547	-	42.51	—
First half ended March 2008	639	7.4	49.66	—

Note: Percentages represent year-on-year changes.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	(%)	Yen
First half ended March 2009	20,609	15,384	74.6	1,195.40
Fiscal year ended September 2008	20,355	14,971	73.6	1,163.31

Note: Equity : First half period ended March 2009: 15,384 million yen

Fiscal year ended September 2008: 14,971 million yen

2. Dividends

	Dividend per share (yen)				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual
Fiscal year ended September 2008	-	10.00	-	10.00	20.00
Fiscal year ending September 2009	-	11.00	-	-	-
Fiscal year ending September 2009 (Estimated)	-	-	-	12.00	23.00

Note: Dividend forecast revision during quarter—No

3. Forecast for the Fiscal Year Ending September 30, 2009 (October 1, 2008 to September 30, 2009)

Net sales		Operating income		Ordinary income		Net income		Net income per share
¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	Yen
17,000	13.8	2,300	11.3	2,310	10.7	1,360	8.7	105.67

Note: Earnings forecast revision during quarter—Yes

Percentages represent year-on-year changes.

4. Supplementary Information

(1) Application of simplified accounting treatment or special accounting treatment to quarterly financial statements-Yes

Note: For details, please see Qualitative Information and Financial Statements, part 4. Other, on page 4

(2) Change in accounting standards, methodology or presentation for quarterly financial statements (items to listed under changes to important entries that are fundamental to preparation of quarterly financial statements)

(i) Changes resulting from revision of account standards-Yes

(ii) Changes other than under (i) above-No

Note: For details, please see Qualitative Information and Financial Statements, part 4. Other, on page 4

(3) Number of issued shares (capital stock)

(i) Number of issued shares as of the end of period (including treasury stock shares):

Second quarter of year ending September 2009: 12,870,000 shares

Fiscal year ended September 2008: 12,870,000 shares

(ii) Number of treasury stock shares as of the end of period

Second quarter of year ending September 2009: 10 shares

Fiscal year ended September 2008: 10 shares

(iii) Average number of issued shares during period (cumulative quarterly period)

Second quarter of year ending September 2009: 12,869,990 shares

Second quarter of year ended September 2008: 12,869,990 shares

(Notes to our earnings forecasts)

1. Forward looking statements such as the earnings forecasts presented in these materials are based on information currently available to the Company and specific assumptions that the Company considers to be rational. Actually earnings may vary considerably due to a broad range of factors. For the assumptions upon which earnings forecasts are based and precautionary statements regarding their use, please see Qualitative Information and Financial Statements, part 3. Qualitative information regarding earnings forecasts, on page 4.

2. From the current fiscal year, Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14) are applied. In addition, quarterly financial statements were prepared in accordance with FSA rules for quarterly financial statements.

Qualitative information and financial statements

1. Qualitative information regarding business results

In the first two quarters of the current fiscal year, the stock market was depressed by disruption to global financial markets triggered by US subprime loan problems. The forex market was also highly volatile. Corporate earnings deteriorated rapidly, due to decline in exports resulting from factors such as contraction in demand globally and decrease in capital spending. This impacted the environment for employment and incomes, and there was further marked further deterioration in overall economic conditions.

In the ethical drug industry, there was a growing move towards the use of generic drugs, due to the increasingly tight financial situation of the National Health Insurance scheme.

Against this background, the Company focused on marketing of Lunabell tablets (treatment for dysmenorrhea resulting from endometriosis) in its core field of obstetrics and gynecology, as well as expanding its market share in core infertility treatments. Given growth in the number of hospitals adopting the diagnostic procedure combination (DPC) system, we also bolstered marketing activities aimed at winning new business and expanding business with existing customers, mainly via our core hospital team. At the same time, general expenses, personnel costs and research and development expenditure related to the launch of new drugs also grew.

As a result, cumulative sales through the second quarter were ¥7,581 million, up 10.8% year on year, operating income was ¥943 million, down 8.2%, ordinary income was ¥952 million, down 7.5%, and net income was ¥547 million, down 14.4%, so sales rose but profits declined.

2. Qualitative information regarding financial conditions

Assets, liabilities and net assets

Total assets stood at ¥20,609 million at the end of the second quarter, up ¥254 million relative to the end of the previous fiscal year. Net assets grew ¥413 million relative to the end of the previous fiscal year, to ¥15,384 million, and the shareholders' equity ratio was 74.6%.

Current assets grew ¥18 million, as inventories and cash and deposits rose while notes and accounts receivable-trade declined.

Noncurrent assets grew ¥235 million, due to in part to increase in purchase of property, plant and equipment.

Current liabilities decline ¥179 million, with accounts payable growing but provision for bonuses declining, and noncurrent liabilities grew ¥20 million, due in part to increase in provision for retirement benefits.

In net assets, retained earnings grew ¥413 million despite the dividend payment, thanks to the booking of quarterly net profits.

Cash flow

Cash and cash equivalents (hereinafter "cash") grew ¥43 million relative to the end of the previous fiscal year to ¥3,024 million at the end of the second quarter.

Cash flow and cash-flow breakdown as of the end of the second quarter are as follows.

(i) Net cash provided by (used in) operating activities

Net cash provided by operating activities was ¥807 million, thanks to positive contributions of ¥904 million from income before income taxes ¥444 million depreciation and ¥427 million decline in notes and accounts receivable-trade, as against negative contributions of ¥386 million from growth in inventories, ¥345 million corporate tax payments, ¥181 million decline in provision for bonuses.

(ii) Net cash provided by (used in) investment activities

Purchase of property, plant and equipment were ¥496 million, and the outflow due to payment into time deposits was ¥100 million, so net cash used in investment activities was ¥634 million.

(iii) Net cash provided by (used in) financing activities

Net cash used in financing activities was ¥128 million, due to the dividend payment.

3. Qualitative information regarding earnings forecasts

Cumulative second quarter sales declined 2.3%, falling marginally short of the revised earnings forecasts disclosed in the results announcement for the first quarter on January 30, 2009, but profits exceeded the revised forecasts, with operating income rising 4.8%, ordinary income up 5.3% and net income increasing 9.4%. The environment is expected to become more favorable to growth in the generic drug market in the second half, with the number hospitals subject to DPC growing, but in light of results through the second quarter, the Company has revised its full-year forecasts downwards as shown below. The difference to the earnings forecasts released in the results announcement of November 10, 2008, are as shown below. (full year)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	¥ Million	¥ Million	¥ Million	¥ Million	Yen
Previous forecasts (A)	17,700	2,453	2,458	1,475	114.63
Revised forecast (B)	17,000	2,300	2,310	1,360	105.67
Change (B-A)	-700	-153	-148	-115	-
Change (%)	-4.0	-6.2	-6.0	-7.8	-
Previous fiscal year	14,937	2,066	2,086	1,251	97.26

4. Other

(1) Application of simplified accounting treatment or special accounting treatment to quarterly financial statements

1. Simplified accounting treatment

(i) Methodology for estimation of defaults on general claims

As no major change was recognized in the actual loan loss ratio as of the end of the second quarter relative to the end of the previous fiscal year, estimated loan losses are based on the actual loan loss ratio at the end of the previous fiscal year.

(ii) Valuation methodology for inventories

Write-downs on the book value of inventories are based on estimated net sales value for those inventories subject to clear decline in profitability.

(iii) Depreciation method for noncurrent assets

For assets depreciated in a straight line, depreciation expenses are recognized proportionally throughout the fiscal year.

2. Special accounting treatment for preparation of quarterly financial statements

Not applicable

(2) Changes to accounting standards, procedures and presentation for quarterly financial statements

1. From the current fiscal year, the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14) are applied. In addition, quarterly financial statements are prepared in accordance with FSA rules for quarterly financial statements

2. Normal inventories for sale were previously valued using the first-in-first-out method. Given the application from the first quarter of Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, July 5, 2006), the first-in-first-out method is used to calculate COS (inventories for which profitability has declined markedly are written down on the balance sheet). This caused decline of ¥47 million in cumulative operating and ordinary income and ¥82 million in income before income taxes.

5. Six-Month Non-consolidated Financial Statements (October 1, 2008 to March 31, 2009)

(1) Non-consolidated Balance Sheets

	(Thousands of yen)	
	As of March 31, 2009	As of September 30, 2008 (summary)
Assets		
Current assets		
Cash and deposit	2,418,174	2,275,671
Notes and accounts receivable-trade	5,864,057	6,291,256
Short-term investment securities	706,454	705,481
Merchandise	442,800	476,086
Finished goods	1,047,467	834,827
Raw materials	1,392,246	1,120,594
Work in process	695,416	760,037
Supplies	89,211	88,763
Other	577,000	661,391
Allowance for doubtful accounts	-1,759	-1,887
Total current assets	<u>13,231,069</u>	<u>13,212,222</u>
Noncurrent assets		
Property, plant and equipment		
Buildings, net	2,634,590	2,619,554
Other, net	1,840,844	1,623,004
Total property, plant and equipment	<u>4,475,435</u>	<u>4,242,558</u>
Intangible assets	1,254,453	1,372,300
Investments and other assets	1,648,900	1,528,033
Total noncurrent assets	<u>7,378,789</u>	<u>7,142,892</u>
Total assets	<u>20,609,859</u>	<u>20,355,114</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,739,061	2,680,819
Income taxes payable	319,262	358,299
Provision for bonuses	389,775	571,135
Provision for directors' bonuses	8,800	15,600
Provision for sales returns	12,814	11,913
Other	990,328	1,001,515
Total current liabilities	<u>4,460,042</u>	<u>4,639,283</u>
Noncurrent liabilities		
Provision for retirement benefits	483,480	461,802
Other	281,495	282,238
Total noncurrent liabilities	<u>764,976</u>	<u>744,041</u>
Total liabilities	<u>5,225,019</u>	<u>5,383,325</u>

	(Thousands of yen)	
	As of March 31, 2009	As of September 30, 2008 (summary)
Net Assets		
Shareholders' equity		
Capital stock	1,616,950	1,616,950
Capital surplus	2,841,587	2,841,587
Retained earnings	10,931,071	10,512,692
Treasury stock	-7	-7
Total shareholders' equity	<u>15,389,601</u>	<u>14,971,222</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-4,761	567
Total valuation and translation adjustments	<u>-4,761</u>	<u>567</u>
Total net assets	<u>15,384,840</u>	<u>14,971,789</u>
Total liabilities and net assets	<u>20,609,859</u>	<u>20,355,114</u>

(2) Non-consolidated Statement of Income

(Thousands of yen)

Six months ended March 31, 2009
(October 1, 2008 to March 31, 2009)

Net sales	7,581,604
Cost of sales	4,192,737
Gross profit	3,388,866
Selling, general and administrative expenses	2,445,403
Operating income	943,463
Non-operating income	
Interest income	3,038
Dividends income	169
Fiduciary obligation fee	4,487
Other	3,753
Total non-operating income	11,449
Non-operating expenses	
Interest expenses	312
Sales discounts	1,236
Depreciation and amortization	191
Other	370
Total non-operating expenses	2,111
Ordinary income	952,802
Extraordinary income	
Gain on prior period adjustment	14,128
Other	128
Total extraordinary income	14,256
Extraordinary loss	
Loss on retirement of noncurrent assets	1,242
Loss on valuation of inventories	54,337
Other	6,606
Total extraordinary loss	62,186
Income before income taxes	904,871
Income taxes-current	306,312
Income taxes-deferred	51,480
Total income taxes	357,792
Net income	547,078

(3) Non-consolidated Statement of Cash Flows

(Thousands of yen)

Six months ended March 31, 2009
(October 1, 2008 to March 31, 2009)

Net cash provided by (used in) operating activities	
Income before income taxes	904,871
Depreciation and amortization	444,806
Increase (decrease) in provision for retirement benefits	21,678
Increase (decrease) in allowance for doubtful accounts	-128
Increase (decrease) in provision for bonuses	-181,360
Increase (decrease) in provision for directors' bonuses	-6,800
Increase (decrease) in provision for sales returns	901
Interest and dividends income	-3,208
Loss on retirement of noncurrent assets	1,242
Decrease (increase) in notes and accounts receivable-trade	427,198
Decrease (increase) in inventories	-386,833
Decrease (increase) in advance payments	-17,965
Decrease (increase) in accounts receivable-other	37,951
Decrease (increase) in prepaid expenses	2,511
Decrease (increase) in long-term prepaid expenses	-67,026
Increase (decrease) in notes and accounts payable-trade	58,242
Increase (decrease) in accounts payable-other	25,674
Increase (decrease) in long-term accounts payable-other	-1,629
Increase (decrease) in accrued expenses	-96,118
Increase (decrease) in accrued consumption taxes	22,142
Other	-31,302
Subtotal	<u>1,154,848</u>
Interest and dividends income received	3,518
Income taxes paid	-345,045
Other payments	-6,000
Net cash provided by (used in) operating activities	<u>807,320</u>
Net cash provided by (used in) investment activities	
Payments into time deposits	-100,000
Purchase of property, plant and equipment	-496,005
Purchase of intangible assets	-38,352
Other	-506
Net cash provided by (used in) investment activities	<u>-634,863</u>
Net cash provided by (used in) financing activities	
Cash dividends paid	-128,980
Net cash provided by (used in) financing activities	<u>-128,980</u>
Net increase (decrease) in cash and cash equivalents	<u>43,475</u>
Opening balance of cash and cash equivalents	<u>2,981,152</u>
Closing balance of cash and cash equivalents	<u>3,024,628</u>

- (4) Notes regarding assumptions for company as ongoing concern
Not applicable
- (5) Notes regarding material change in shareholders' equity
Not applicable

For Reference

Financial Statements for the same period of the previous year

(1) Interim Non-consolidated Statement of Income

(Thousands of yen)

	Interim Period of the Previous Year (October 1, 2007 to March 31, 2008)	
	Amount	(%)
I Net sales	6,839,906	100.0
II Cost of sales	3,861,049	56.5
Gross profit	2,978,856	43.5
Provision of allowance for sales returns	387	0.0
Gross profit-net	2,978,469	43.5
III Selling, general and administrative expenses	1,950,509	28.5
Operating income	1,027,959	15.0
IV Non-operating income	8,730	0.2
V Non-operating expenses	6,740	0.1
Ordinary income	1,029,948	15.1
VI Extraordinary income	161	0.0
VII Extraordinary loss	12,687	0.2
Income before income taxes	1,017,422	14.9
Income taxes-current	273,272	
Income taxes-deferred	105,087	5.6
Net income	639,062	9.3

(2) Interim Cash Flow Statements

(Thousands of yen)

	Interim Period of the Previous Year (October 1, 2007 to March 31, 2008)
	Amount
I Net cash provided by (used in) operating activities	
Income before income taxes	1,017,422
Depreciation and amortization	319,372
Increase in provision for retirement benefits	25,346
Decrease in provision for directors' retirement benefits	-77,110
Decrease in allowance for doubtful accounts	-161
Decrease in provision for bonuses	-180,197
Decrease in provision for directors' bonuses	-10,100
Increase in provision for sales returns	387
Interest and dividends income	-5,146
Loss on retirement of noncurrent assets	109
Decrease in notes and accounts receivable-trade	536,995
Increase in inventories	-376,233
Increase in advance payments	-6,659
Increase in accounts receivable-other	-47,133
Increase in long-term prepaid expenses	-85,506
Decrease in notes and accounts payable-trade	-153,530
Increase in accounts payable-other	42,624
Increase in long-term accounts payable-other	66,752
Decrease in accrued expenses	-18,927
Increase in accrued consumption taxes	-107,448
Decrease in Guarantee deposits received	-1,038
Other	-11,082
Sub total	928,731
Interest and dividends income received	5,136
Income taxes paid	-567,743
Net cash provided by (used in) operating activities	366,124

(Thousands of yen)

	Interim Period of the Previous Year (October 1, 2007 to March 31, 2008)
	Amount
II Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	-195,562
Purchase of intangible assets	-265,221
Purchase of leased assets	-222,550
Proceeds from sales of leased assets	162,750
Payments for guarantee deposits	-50,112
Other	-856
Net cash provided by (used in) investment activities	-571,552
III Net cash provided by (used in) financing activities	
Cash dividends paid	-154,442
Net cash provided by (used in) financing activities	-154,442
IV Net decrease in cash and cash equivalents	-359,870
V Opening balance of cash and cash equivalents	3,643,351
VI Closing balance of cash and cash equivalents	3,283,481

6. Other information

Goods Manufactured, Orders Received and Sales

(1) Breakdown of goods manufactured

	First half ended March 31, 2008		First half ended March 31, 2009		YoY Change (%)
	Amount	(%)	Amount	(%)	
Diagnostic drugs	2,589,721	42.0	3,357,562	44.9	29.6
Hormone drugs	1,819,187	29.5	1,967,284	26.3	8.1
Circulatory drugs	642,585	10.4	580,405	7.8	-9.7
Antibiotics & Chemotherapeutics	302,952	4.9	431,615	5.8	42.5
Urogenital & genital organ drugs	163,002	2.6	173,097	2.3	6.2
Dermatological preparation	93,534	1.5	108,058	1.4	15.5
Other	561,206	9.1	861,990	11.5	53.6
Total	6,172,191	100.0	7,480,014	100.0	21.2

(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.

(2) Breakdown of goods purchased

	First half ended March 31, 2008		First half ended March 31, 2009		YoY Change (%)
	Amount	(%)	Amount	(%)	
In vitro diagnostics	306,015	80.0	279,508	64.3	-8.7
Hormone drugs	16,847	4.4	64,251	14.8	281.4
Dermatological preparation	29,010	7.6	29,329	6.7	1.1
Antibiotics & Chemotherapeutics	3,499	0.9	-	-	-
Other	26,924	7.1	61,691	14.2	129.1
Total	382,297	100.0	434,781	100.0	13.7

(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) Manufacturing based on orders received

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

(4) Breakdown of sales

	First half ended March 31, 2008		First half ended March 31, 2009		YoY Change (%)
	Amount	(%)	Amount	(%)	
Goods manufactured					
Diagnostic drugs	2,515,400	36.8	3,021,209	39.9	20.1
Hormone drugs	1,779,277	26.0	1,812,041	23.9	1.8
Circulatory drugs	591,197	8.6	567,537	7.5	-4.0
Antibiotics & Chemotherapeutics	306,184	4.5	290,935	3.8	-5.0
Urogenital & genital organ drugs	148,126	2.2	174,621	2.3	17.9
Dermatological preparation	106,706	1.6	89,838	1.2	-15.8
Other	725,366	10.6	723,098	9.5	-0.3
Sub total	6,172,259	90.2	6,679,282	88.1	8.2
Goods purchased					
In vitro diagnostics	515,798	7.5	480,151	6.3	-6.9
Hormone drugs	16,989	0.7	274,908	3.6	1518.1
Dermatological preparation	49,470	0.2	42,655	0.6	-13.8
Antibiotics & Chemotherapeutics	5,861	0.1	4,676	0.1	-20.2
Other	79,528	1.2	99,930	1.3	25.7
Sub total	667,646	9.8	902,321	11.9	35.1
Total	6,839,906	100.0	7,581,604	100.0	10.8

(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.