

Non-consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending September 30, 2010
(Nine Months Ended June 30, 2010)

[Japanese GAAP]

July 30, 2010

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: JQ
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Scheduled submission date of quarterly report: August 13, 2010
 Scheduled start date of dividend: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

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

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

(1) Operating results

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Jun. 30, 2010	14,722	22.0	2,483	60.3	2,491	59.6	1,485	61.2
Nine months ended Jun. 30, 2009	12,071	-	1,548	-	1,561	-	921	-

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jun. 30, 2010	115.46	-
Nine months ended Jun. 30, 2009	71.63	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Nine months ended Jun. 30, 2010	23,365	17,377	74.4	1,350.25
Fiscal year ended Sep. 30, 2009	22,862	16,221	71.0	1,260.42

Reference: Shareholders' equity (millions of yen) Jun. 30, 2010: 17,377 Sep. 30, 2009: 16,221

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Yearend	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2009	-	11.00	-	13.00	24.00
Fiscal year ending Sep. 30, 2010	-	13.00	-		
Fiscal year ending Sep. 30, 2010 (Estimated)				16.00	29.00

Note: Revision of dividend forecast during the period: Yes

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

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,710	14.6	3,066	24.5	3,078	24.2	1,880	23.2	146.08

Note: Revision of earnings forecasts during the period: Yes

4. Others (Please refer to “Other Information” on page 4 of the attached documents for further information)

(1) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods for presenting quarterly non-consolidated financial statements

(2) Changes in accounting principles, procedures, presentation methods, etc.

1) Changes caused by revision of accounting standards: None

2) Other changes: Yes

Note: Changes in accounting principles, procedures, presentation methods, etc. for presenting quarterly non-consolidated financial statements described in “Changes in the Significant Accounting Policies for the Preparation of Quarterly Non-consolidated Financial Statements”

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

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

Jun. 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

Jun. 30, 2010:	10 shares	Sep. 30, 2009:	10 shares
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3) Average number of shares issued during the period

Nine months ended Jun. 30, 2010:	12,869,990 shares	Nine months ended Jun. 30, 2009:	12,869,990 shares
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* Information regarding the implementation of quarterly review procedures

The current quarterly non-consolidated financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, we have not completed the review process for these quarterly non-consolidated financial statements.

* Cautionary statement with respect to forward-looking statements

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

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1. Qualitative Information on Quarterly Non-consolidated Financial Performance

(1) Qualitative Information Regarding Operating Results

In the first three quarters of 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 outlook for Japan's recovery is becoming increasingly uncertain as the yen strengthens and stock prices fall rapidly in response to financial problems in Europe that began with the debt crisis in Greece.

In Japan's ethical drug industry, 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 EU and United States 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 22.0% to 14,722 million yen, operating income was up 60.3% to 2,483 million yen, ordinary income climbed 59.6% to 2,491 million yen and net income increased 61.2% to 1,485 million yen.

(2) Qualitative Information Regarding Financial Position

Assets, Liabilities and Net Assets

Total assets were 23,365 million yen at the end of the third quarter under review, an increase of 502 million yen from the end of the previous fiscal year. Net assets increased 1,156 million yen to 17,377 million yen, resulting in an equity ratio of 74.4%.

Current assets increased 630 million yen mainly because cash and deposits and inventories, including merchandise and raw materials, increased. Noncurrent assets decreased 128 million yen, which was mainly the result of an increase in construction in progress due to start of construction of a fifth drug formulation line at the Toyama Plant, and a decrease in assets caused by depreciation.

Current liabilities decreased 672 million yen mainly because of a decline in notes and accounts payable-trade. Noncurrent liabilities increased 18 million yen mainly because of an increase in the provision for retirement benefits.

Net assets increased 1,156 million yen because, in retained earnings, quarterly net income more than offset a decrease from dividend payments.

Cash Flows

Cash and cash equivalents (hereinafter, "Cash") as of the end of the third quarter under review increased by 455 million yen from the end of the previous fiscal year to 3,123 million yen.

The cash flow components during the first three quarters and the main reasons for changes are as described below.

i) Cash Flow from Operating Activities

Net cash provided by operating activities totaled 1,404 million yen (a 311 million yen increase over the same period previous fiscal year). This was the net result of adding 758 million yen in depreciation and amortization and an increase in accrued expenses of 285 million yen to the income before income taxes of 2,454 million yen, which was offset by a 514 million yen decrease in notes and accounts payable-trade, 444 million yen increase in inventories, income taxes paid of 1,209 million yen, and other factors.

ii) Cash Flow from Investing Activities

Net cash used in investing activities was 616 million yen, compared with 1,044 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 802 million yen and other factors.

iii) Cash Flow from Financing Activities

Net cash used in financing activities was 332 million yen, compared with 268 million yen in the same period previous fiscal year, due to cash dividends paid.

(3) Qualitative Information Regarding Earnings Forecasts

Net sales in the first three quarters were slightly higher than planned mainly because of strong sales of diagnostic drugs, which is the Company's main product. Net sales in the fourth quarter are expected to be generally in line with the original plan. As a result, the Company has increased the fiscal year forecasts for net sales by 610 million yen, operating income by 341 million yen, ordinary income by 338 million yen and net income by 200 million yen.

For the fiscal year, the revised forecasts are net sales of 19,710 million yen, operating income of 3,066 million yen, ordinary income of 3,078 million yen and net income of 1,880 million yen.

The table below shows the differences between the revised forecasts and the forecasts in the November 9, 2009 earnings announcement.

(Full year)

	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
Previous forecasts (A)	19,100	2,725	2,740	1,680	130.54
Revised forecasts (B)	19,710	3,066	3,078	1,880	146.08
Change (B - A)	610	341	338	200	-
Change %	3.2	12.5	12.3	11.9	-
Previous fiscal year results	17,198	2,462	2,477	1,525	118.57

2. Other Information

(1) Overview of the Application of Simplified Accounting Methods and Special Accounting Methods

1. Simplified accounting methods

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

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

(ii) Valuation of inventories

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

(iii) Depreciation method for noncurrent assets

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

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

Not applicable.

(2) Overview of Changes in Accounting Principles, Procedures, Presentation Methods, etc.

(Statements of Income)

“Commission fee,” included in “Other” under non-operating income in the third quarter of the previous fiscal year, is reclassified and presented as a separate line item in the third quarter of the current fiscal year, given that it now exceeds 20/100 of total non-operating income. “Commission fee” included in “Other” under non-operating income totaled 102 thousand yen in the third quarter of the previous fiscal year.

“Fiduciary obligation fee,” presented under non-operating income in the third quarter of the previous fiscal year, is reclassified and included in “Other” in the third quarter of the current fiscal year. “Fiduciary obligation fee” included in “Other” under non-operating income totaled 106 thousand yen in the third quarter of the current fiscal year.

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

(Thousands of yen)

	Third quarter of FY9/10 (As of Jun. 30, 2010)	FY9/09 summary (As of Sep. 30, 2009)
Assets		
Current assets		
Cash and deposits	2,618,452	2,161,361
Notes and accounts receivable-trade	7,575,622	7,528,843
Short-term investment securities	504,817	706,832
Merchandise and finished goods	1,766,185	1,415,259
Work in process	764,210	844,773
Raw materials and supplies	1,842,796	1,668,493
Other	659,431	775,718
Allowance for doubtful accounts	(2,272)	(2,258)
Total current assets	15,729,243	15,099,024
Noncurrent assets		
Property, plant and equipment		
Buildings, net	2,726,231	2,695,263
Other, net	2,637,141	2,235,163
Total property, plant and equipment	5,363,373	4,930,427
Intangible assets	1,157,751	1,323,861
Investments and other assets	1,114,820	1,509,656
Total noncurrent assets	7,635,945	7,763,945
Total assets	23,365,188	22,862,969
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,030,390	3,544,880
Income taxes payable	361,575	695,739
Provision for bonuses	550,940	651,870
Provision for directors' bonuses	23,000	14,100
Provision for sales returns	11,245	14,374
Other	1,202,611	931,385
Total current liabilities	5,179,763	5,852,351
Noncurrent liabilities		
Provision for retirement benefits	542,986	517,749
Other	264,679	271,272
Total noncurrent liabilities	807,665	789,022
Total liabilities	5,987,429	6,641,373

	(Thousands of yen)	
	Third quarter of FY9/10 (As of Jun. 30, 2010)	FY9/09 summary (As of Sep. 30, 2009)
Net assets		
Shareholders' equity		
Capital stock	1,616,950	1,616,950
Capital surplus	2,841,587	2,841,587
Retained earnings	12,919,745	11,768,381
Treasury stock	(7)	(7)
Total shareholders' equity	17,378,275	16,226,911
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(515)	(5,315)
Total valuation and translation adjustments	(515)	(5,315)
Total net assets	17,377,759	16,221,596
Total liabilities and net assets	23,365,188	22,862,969

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

(Thousands of yen)

	First nine months of FY9/09 (Oct. 1, 2008 – Jun. 30, 2009)	First nine months of FY9/10 (Oct. 1, 2009 – Jun. 30, 2010)
Net sales	12,071,084	14,722,475
Cost of sales	6,687,730	7,988,848
Gross profit	5,383,354	6,733,627
Selling, general and administrative expenses	3,834,541	4,250,167
Operating income	1,548,812	2,483,459
Non-operating income		
Interest income	3,961	1,964
Dividends income	402	402
Commission fee	-	2,610
Fiduciary obligation fee	4,338	-
Other	6,575	6,669
Total non-operating income	15,277	11,646
Non-operating expenses		
Interest expenses	469	145
Sales discounts	1,946	2,762
Depreciation	296	233
Other	370	434
Total non-operating expenses	3,083	3,576
Ordinary income	1,561,005	2,491,529
Extraordinary income		
Gain on prior period adjustment	14,128	-
Contribution from co-development project	-	40,322
Total extraordinary income	14,128	40,322
Extraordinary loss		
Loss on retirement of noncurrent assets	1,896	66,040
Loss on valuation of inventories	54,337	-
Loss on valuation of investment securities	-	11,012
Other	6,606	-
Total extraordinary losses	62,840	77,053
Income before income taxes	1,512,293	2,454,798
Income taxes-current	520,242	888,535
Income taxes-deferred	70,166	80,279
Total income taxes	590,408	968,814
Net income	921,885	1,485,983

(3) Statements of Cash Flows

(Thousands of yen)

	First nine months of FY9/09 (Oct. 1, 2008 – Jun. 30, 2009)	First nine months of FY9/10 (Oct. 1, 2009 – Jun. 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	1,512,293	2,454,798
Depreciation and amortization	690,483	758,882
Increase (decrease) in provision for retirement benefits	43,423	25,237
Increase (decrease) in allowance for doubtful accounts	71	14
Increase (decrease) in provision for bonuses	(190,733)	(100,930)
Increase (decrease) in provision for directors' bonuses	(1,900)	8,900
Increase (decrease) in provision for sales returns	1,516	(3,129)
Interest and dividends income	(4,363)	(2,366)
Loss on retirement of noncurrent assets	1,896	66,040
Loss (gain) on valuation of investment securities	-	11,012
Decrease (increase) in notes and accounts receivable-trade	(239,970)	(46,779)
Decrease (increase) in inventories	(577,697)	(444,666)
Decrease (increase) in advance payments	(18,052)	18,242
Decrease (increase) in accounts receivable-other	82,480	9,757
Decrease (increase) in prepaid expenses	16,818	(5,457)
Decrease (increase) in long-term prepaid expenses	(43,497)	92,832
Increase (decrease) in notes and accounts payable-trade	206,532	(514,489)
Increase (decrease) in accounts payable-other	179,430	(2,335)
Increase (decrease) in long-term accounts payable-other	(1,629)	(4,135)
Increase (decrease) in accrued expenses	165,653	285,851
Increase (decrease) in accrued consumption taxes	19,235	18,229
Other	(6,727)	(11,908)
Subtotal	1,835,262	2,613,599
Interest and dividends income received	4,384	2,323
Interest expenses paid	(2,373)	(2,731)
Income taxes paid	(739,081)	(1,209,008)
Other payments	(6,000)	-
Net cash provided by (used in) operating activities	1,092,192	1,404,183
Net cash provided by (used in) investing activities		
Payments into time deposits	(100,000)	-
Proceeds from withdrawal of time deposits	-	300,000
Purchase of property, plant and equipment	(600,078)	(802,630)
Payments for retirement of property, plant and equipment	-	(21,380)
Purchase of intangible assets	(343,000)	(111,381)
Proceeds from collection of guarantee deposits	-	20,000
Other	(934)	(1,284)
Net cash provided by (used in) investing activities	(1,044,013)	(616,676)
Net cash provided by (used in) financing activities		
Cash dividends paid	(268,487)	(332,432)
Net cash provided by (used in) financing activities	(268,487)	(332,432)
Net increase (decrease) in cash and cash equivalents	(220,308)	455,074
Cash and cash equivalents at beginning of period	2,981,152	2,668,194
Cash and cash equivalents at end of period	2,760,843	3,123,269

(4) Notes Regarding Assumptions for Company as Ongoing Concern

Not applicable.

(5) Notes Regarding Material Change in Shareholders' Equity

Not applicable.

4. Supplementary Information**(1) Goods Manufactured, Orders Received and Sales**

1) Breakdown of goods manufactured

(Thousands of yen)

	First nine months of FY9/09 (Oct. 1, 2008 – Jun. 30, 2009)		First nine months of FY9/10 (Oct. 1, 2009 – Jun. 30, 2010)		YoY change (%)
	Amount	%	Amount	%	
Diagnostic drugs	5,097,597	43.8	6,731,389	51.1	32.1
Hormone drugs	3,058,415	26.3	3,079,955	23.4	0.7
Circulatory drugs	914,518	7.9	757,169	5.8	(17.2)
Antibiotics & Chemotherapeutics	622,851	5.3	448,198	3.4	(28.0)
Urogenital & genital organ drugs	246,844	2.1	346,085	2.6	40.2
Dermatological preparations	181,273	1.6	197,459	1.5	8.9
Other	1,516,283	13.0	1,603,523	12.2	5.8
Total	11,637,784	100.0	13,163,781	100.0	13.1

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

2. Fractions less than one thousand yen are omitted.

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

2) Breakdown of goods purchased

(Thousands of yen)

	First nine months of FY9/09 (Oct. 1, 2008 – Jun. 30, 2009)		First nine months of FY9/10 (Oct. 1, 2009 – Jun. 30, 2010)		YoY change (%)
	Amount	%	Amount	%	
In vitro diagnostics	464,172	69.3	636,766	48.6	37.2
Hormone drugs	114,447	17.1	584,335	44.6	410.6
Antibiotics & Chemotherapeutics	2,534	0.4	3,747	0.3	47.8
Dermatological preparations	3,140	0.5	-	-	-
Other	85,280	12.7	85,049	6.5	(0.3)
Total	669,576	100.0	1,309,898	100.0	95.6

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

2. Fractions less than one thousand yen are omitted.

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

3) Orders received

Not applicable since the Company manufactures products on a sales projection basis.

4) Breakdown of sales

(Thousands of yen)

	First nine months of FY9/09 (Oct. 1, 2008 – Jun. 30, 2009)		First nine months of FY9/10 (Oct. 1, 2009 – Jun. 30, 2010)		YoY change (%)
	Amount	%	Amount	%	
(Goods manufactured)					
Diagnostic drugs	4,887,368	40.5	6,389,821	43.4	30.7
Hormone drugs	2,827,546	23.4	3,007,580	20.5	6.4
Circulatory drugs	884,314	7.3	885,632	6.0	0.1
Antibiotics & Chemotherapeutics	456,698	3.8	504,354	3.4	10.4
Urogenital & genital organ drugs	266,538	2.2	283,247	1.9	6.3
Dermatological preparations	205,945	1.7	210,562	1.4	2.2
Other	1,156,735	9.6	1,534,959	10.4	32.7
Subtotal	10,685,148	88.5	12,816,158	87.0	19.9
(Goods purchased)					
Hormone drugs	500,431	4.2	923,191	6.3	84.5
In vitro diagnostics	727,033	6.0	839,071	5.7	15.4
Antibiotics & Chemotherapeutics	7,234	0.1	6,053	0.1	(16.3)
Dermatological preparations	3,070	0.0	2,843	0.0	(7.4)
Other	148,165	1.2	135,156	0.9	(8.8)
Subtotal	1,385,936	11.5	1,906,317	13.0	37.5
Total	12,071,084	100.0	14,722,475	100.0	22.0

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

2. Fractions less than one thousand yen are omitted.

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

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