

Non-consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending September 30, 2011
(Six Months Ended March 31, 2011)

[Japanese GAAP]

April 28, 2011

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: Osaka Securities Exchange (JQ)
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Scheduled submission date of quarterly report: May 13, 2011

Scheduled start date of dividend: June 1, 2011

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

1. Financial Results for the Second Quarter (October 1, 2010 to March 31, 2011) of the Fiscal Year Ending September 30, 2011

(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	%
Six months ended Mar. 31, 2011	10,745	12.3	1,684	4.6	1,686	4.5	1,039	7.1
Six months ended Mar. 31, 2010	9,567	26.2	1,610	70.7	1,614	69.4	971	77.5

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Mar. 31, 2011	80.80	-
Six months ended Mar. 31, 2010	75.46	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Six months ended Mar. 31, 2011	26,431	18,658	70.6	1,449.76
Fiscal year ended Sep. 30, 2010	24,723	17,833	72.1	1,385.65

Reference: Shareholders' equity (millions of yen) Mar. 31, 2011: 18,658 Sep. 30, 2010: 17,833

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Yearend	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2010	-	13.00	-	17.00	30.00
Fiscal year ending Sep. 30, 2011	-	17.00			
Fiscal year ending Sep. 30, 2011 (Estimated)			-	17.00	34.00

Note: Revision of dividend forecast during the period: None

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
Full year	22,457	14.0	3,476	7.5	3,471	7.0	2,141	10.1	166.36

Note: Revision of earnings forecasts during the period: None

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: Yes

2) Other changes: None

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)

Mar. 31, 2011:	12,870,000 shares	Sep. 30, 2010:	12,870,000 shares
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2) Number of shares of treasury stock as of the end of period

Mar. 31, 2011:	10 shares	Sep. 30, 2010:	10 shares
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3) Average number of shares issued during the period

Six months ended Mar. 31, 2011:	12,869,990 shares	Six months ended Mar. 31, 2010:	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

There was growth in corporate earnings in the first half of the current fiscal year, mainly at exporters because of strong demand in emerging countries. However, it is impossible to determine an outlook for the economy due to the devastating impact of the Great East Japan Earthquake that occurred on March 11, 2011.

In Japan's ethical drug industry, the government is continuing to work on promoting the use of generic drugs. Competition in the generic drug market is becoming even more intense as Japanese pioneer drug manufacturers, major overseas generic drug manufacturers and other companies enter this 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. A new factory for injection agents, which the Company started constructing in March 2010, is expected to begin operating in the fall of 2011 as scheduled.

In December 2010, the new drug "LUNABELL tablets" received an additional indication for the treatment of functional dysmenorrhea. The Company remains committed to making an even greater contribution to improving the quality of life of the many women who have menstrual pain.

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 and functional dysmenorrhea) 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).

R&D expenses increased 53.6% from one year earlier to 768 million yen, primarily for the development of G-CSF. Despite this increase, R&D expenses were less than initially planned.

As a result, net sales increased 12.3% to 10,745 million yen. Operating income was up 4.6% to 1,684 million yen, ordinary income climbed 4.5% to 1,686 million yen and net income increased 7.1% to 1,039 million yen.

(2) Qualitative Information Regarding Financial Position

Assets, Liabilities and Net Assets

Total assets were 26,431 million yen at the end of the second quarter under review, an increase of 1,707 million yen from the end of the previous fiscal year. Net assets increased 825 million yen to 18,658 million yen, resulting in an equity ratio of 70.6%.

Current assets increased 391 million yen mainly because accounts receivable-trade increased. Noncurrent assets increased 1,316 million yen, which was mainly the result of an increase in construction in progress.

Current liabilities increased 860 million yen. This was mainly the result of a decrease in notes and accounts payable-trade and an increase in current portion of long-term loans payable. Noncurrent liabilities increased 22 million yen mainly because of an increase in provision for retirement benefits.

Net assets increased 825 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 second quarter under review decreased by 466 million yen year on year to 2,918 million yen.

The cash flow components during the second quarter and the main reasons for changes are as described below.

i) Cash Flow from Operating Activities

Net cash provided by operating activities totaled 450 million yen (a 962 million yen decrease over the same period

previous fiscal year). This include outflows of income taxes paid of 784 million yen, 623 million yen increase in notes and accounts receivable-trade, and a 255 million yen decrease in provision for bonuses, and inflows of 454 million yen of depreciation and amortization and 215 million yen increase in accounts payable-other.

ii) Cash Flow from Investing Activities

Net cash used in investing activities was 1,811 million yen (a 1,282 million yen increase over the same period previous fiscal year), due to purchase of property, plant and equipment of 1,678 million yen and other factors.

iii) Cash Flow from Financing Activities

Net cash provided by financing activities was 1,181 million yen, compared with 167 million yen used in the same period previous fiscal year. Although there were cash dividends paid of 218 million yen, there were an increase in long-term loans payable of 1,300 million yen and other factors.

(3) Qualitative Information Regarding Earnings Forecasts

Earnings in the first half of the fiscal year were higher than planned. However, this was mainly because some R&D expenses that were to be recorded in the first half are expected to be recorded instead in the third quarter or afterward. As a result, there are no changes to the forecast for the fiscal year ending September 30, 2011 that was announced on November 9, 2010.

2. Other Information

(1) Overview of 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 second 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

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.

1. Accounting standard for asset retirement obligations

Beginning with the first quarter of the current fiscal year, "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) have been applied.

The effect of this change was to decrease operating income and ordinary income by 367 thousand yen each and income before income taxes by 1,487 thousand yen.

2. Reclassifications

(Statements of Income)

"Construction in progress," included in "Other" under property, plant and equipment in the second quarter of the previous fiscal year, is reclassified and presented as a separate line item in the second quarter of the current fiscal year, given that it now exceeds 10/100 of total assets. "Construction in progress" included in "Other" under property, plant and equipment totaled 796,084 thousand yen in the second quarter of the previous fiscal year.

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

(Thousands of yen)

	Second quarter of FY9/11 (As of Mar. 31, 2011)	FY9/10 summary (As of Sep. 30, 2010)
Assets		
Current assets		
Cash and deposits	2,413,510	2,592,763
Notes and accounts receivable-trade	8,310,380	7,686,941
Short-term investment securities	505,088	504,910
Merchandise and finished goods	1,728,848	1,728,477
Work in process	960,476	810,705
Raw materials and supplies	2,237,181	2,336,230
Other	827,184	931,321
Allowance for doubtful accounts	(2,758)	(2,557)
Total current assets	16,979,913	16,588,793
Noncurrent assets		
Property, plant and equipment		
Buildings, net	2,578,904	2,665,525
Construction in progress	3,118,998	1,559,484
Other, net	1,551,183	1,676,304
Total property, plant and equipment	7,249,086	5,901,313
Intangible assets	1,116,031	1,141,459
Investments and other assets		
Other	1,093,908	1,100,067
Allowance for doubtful accounts	(7,673)	(7,673)
Total investments and other assets	1,086,234	1,092,394
Total noncurrent assets	9,451,352	8,135,166
Total assets	26,431,265	24,723,959
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,201,702	3,330,934
Short-term loans payable	100,000	-
Current portion of long-term loans payable	1,300,000	-
Income taxes payable	515,200	804,082
Provision for bonuses	553,082	808,722
Provision for directors' bonuses	15,100	29,900
Provision for sales returns	12,869	10,899
Other	1,220,233	1,073,529
Total current liabilities	6,918,188	6,058,069
Noncurrent liabilities		
Provision for retirement benefits	592,889	555,375
Other	261,853	277,191
Total noncurrent liabilities	854,743	832,567
Total liabilities	7,772,932	6,890,636

	(Thousands of yen)	
	Second quarter of FY9/11 (As of Mar. 31, 2011)	FY9/10 summary (As of Sep. 30, 2010)
Net assets		
Shareholders' equity		
Capital stock	1,616,950	1,616,950
Capital surplus	2,841,587	2,841,587
Retained earnings	14,198,972	13,377,833
Treasury stock	(7)	(7)
Total shareholders' equity	18,657,502	17,836,363
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	830	(3,039)
Total valuation and translation adjustments	830	(3,039)
Total net assets	18,658,333	17,833,323
Total liabilities and net assets	26,431,265	24,723,959

(2) Statements of Income
(For the Six-month Period)

(Thousands of yen)

	First six months of FY9/10 (Oct. 1, 2009 – Mar. 31, 2010)	First six months of FY9/11 (Oct. 1, 2010 – Mar. 31, 2011)
Net sales	9,567,070	10,745,316
Cost of sales	5,125,558	5,743,871
Gross profit	4,441,512	5,001,444
Selling, general and administrative expenses	2,830,920	3,316,861
Operating income	1,610,592	1,684,582
Non-operating income		
Interest income	1,548	842
Dividends income	146	146
Commission fee	1,735	1,161
Compensation income	1,302	1,265
Other	1,676	3,244
Total non-operating income	6,410	6,660
Non-operating expenses		
Interest expenses	98	2,287
Sales discounts	1,919	1,760
Depreciation	115	190
Other	412	278
Total non-operating expenses	2,546	4,516
Ordinary income	1,614,456	1,686,726
Extraordinary income		
Contribution from co-development project	40,322	-
Other	125	-
Total extraordinary income	40,448	-
Extraordinary loss		
Loss on sales of noncurrent assets	-	108
Loss on retirement of noncurrent assets	64,195	8,057
Loss on valuation of investment securities	-	11,348
Head office transfer cost	-	5,439
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,120
Total extraordinary losses	64,195	26,073
Income before income taxes	1,590,709	1,660,653
Income taxes-current	527,366	497,809
Income taxes-deferred	92,230	122,914
Total income taxes	619,596	620,723
Net income	971,112	1,039,929

(3) Statements of Cash Flows

(Thousands of yen)

	First six months of FY9/10 (Oct. 1, 2009 – Mar. 31, 2010)	First six months of FY9/11 (Oct. 1, 2010 – Mar. 31, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes	1,590,709	1,660,653
Depreciation and amortization	492,260	454,480
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,120
Increase (decrease) in provision for retirement benefits	10,446	37,514
Increase (decrease) in allowance for doubtful accounts	(125)	200
Increase (decrease) in provision for bonuses	(130,952)	(255,639)
Increase (decrease) in provision for directors' bonuses	1,600	(14,800)
Increase (decrease) in provision for sales returns	(5,245)	1,970
Interest and dividends income	(1,695)	(989)
Loss on retirement of noncurrent assets	64,195	8,057
Loss (gain) on sales of noncurrent assets	-	108
Loss (gain) on valuation of investment securities	-	11,348
Decrease (increase) in notes and accounts receivable-trade	418,534	(623,438)
Decrease (increase) in inventories	(736,046)	(51,093)
Decrease (increase) in advance payments	(34,193)	(30,157)
Decrease (increase) in accounts receivable-other	64,499	9,319
Decrease (increase) in prepaid expenses	(12,281)	(25,751)
Decrease (increase) in long-term prepaid expenses	63,911	56,837
Increase (decrease) in notes and accounts payable-trade	358,634	(129,232)
Increase (decrease) in accounts payable-other	(1,303)	215,572
Increase (decrease) in long-term accounts payable-other	(4,135)	(12,626)
Increase (decrease) in accrued expenses	(5,670)	(8,885)
Increase (decrease) in accrued consumption taxes	(40,918)	(35,036)
Other, net	(8,986)	(31,875)
Subtotal	2,083,235	1,237,654
Interest and dividends income received	1,777	989
Interest expenses paid	(862)	(4,100)
Income taxes paid	(671,217)	(784,245)
Net cash provided by (used in) operating activities	1,412,932	450,299
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	200,000	-
Purchase of property, plant and equipment	(625,570)	(1,678,570)
Payments for retirement of property, plant and equipment	(21,380)	-
Purchase of intangible assets	(100,622)	(131,773)
Proceeds from collection of guarantee deposits	20,000	-
Other, net	(856)	(756)
Net cash provided by (used in) investing activities	(528,430)	(1,811,100)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	-	100,000
Proceeds from long-term loans payable	-	1,300,000
Cash dividends paid	(167,204)	(218,274)
Net cash provided by (used in) financing activities	(167,204)	1,181,725
Net increase (decrease) in cash and cash equivalents	717,297	(179,075)
Cash and cash equivalents at beginning of period	2,668,194	3,097,674
Cash and cash equivalents at end of period	3,385,492	2,918,599

(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)

Efficacy	First six months of FY9/10 (Oct. 1, 2009 – Mar. 31, 2010)		First six months of FY9/11 (Oct. 1, 2010 – Mar. 31, 2011)		YoY change (%)
	Amount	%	Amount	%	
Diagnostic drugs	4,573,256	50.8	4,751,350	48.7	3.9
Hormone drugs	2,048,525	22.8	2,346,641	24.0	14.6
Circulatory drugs	533,492	5.9	614,931	6.3	15.3
Antibiotics & Chemotherapeutics	268,519	3.0	388,808	4.0	44.8
Urogenital & genital organ drugs	247,319	2.8	201,990	2.1	(18.3)
Dermatological preparations	141,889	1.6	171,342	1.7	20.8
Other	1,182,952	13.1	1,287,954	13.2	8.9
Total	8,995,955	100.0	9,763,020	100.0	8.5

Notes: 1. Goods manufactured are categorized by the efficacy of drugs rather than business segments because the Company has only a single business segment, which is the pharmaceutical business.

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

3. Fractions less than one thousand yen are omitted.

2) Breakdown of goods purchased

(Thousands of yen)

Efficacy	First six months of FY9/10 (Oct. 1, 2009 – Mar. 31, 2010)		First six months of FY9/11 (Oct. 1, 2010 – Mar. 31, 2011)		YoY change (%)
	Amount	%	Amount	%	
In vitro diagnostics	545,833	55.1	338,831	56.5	(37.9)
Hormone drugs	386,558	39.1	202,630	33.8	(47.6)
Antibiotics chemotherapeutics	3,747	0.4	2,378	0.4	(36.5)
Other	53,861	5.4	55,559	9.3	3.2
Total	990,000	100.0	599,400	100.0	(39.5)

Notes: 1. Goods purchased are categorized by the efficacy of drugs rather than business segments because the Company has only a single business segment, which is the pharmaceutical business.

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

3. Fractions less than one thousand yen are omitted.

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)

Efficacy	First six months of FY9/10 (Oct. 1, 2009 – Mar. 31, 2010)		First six months of FY9/11 (Oct. 1, 2010 – Mar. 31, 2011)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	4,101,283	42.9	4,732,784	44.1	15.4
Hormone drugs	1,963,494	20.5	2,129,551	19.8	8.5
Circulatory drugs	593,322	6.2	513,816	4.8	(13.4)
Antibiotics & Chemotherapeutics	325,743	3.4	365,563	3.4	12.2
Urogenital & genital organ drugs	177,478	1.9	196,556	1.8	10.7
Dermatological preparations	135,480	1.4	154,049	1.4	13.7
Other	965,308	10.1	1,112,616	10.4	15.3
Subtotal	8,262,111	86.4	9,204,938	85.7	11.4
(Merchandise)					
Hormone drugs	513,683	5.4	1,016,998	9.5	98.0
In vitro diagnostics	693,175	7.2	429,573	4.0	(38.0)
Antibiotics & Chemotherapeutics	3,976	0.0	3,703	0.0	(6.9)
Dermatological preparations	1,937	0.0	1,773	0.0	(8.5)
Other	92,186	1.0	88,329	0.8	(4.2)
Subtotal	1,304,959	13.6	1,540,377	14.3	18.0
Total	9,567,070	100.0	10,745,316	100.0	12.3

Notes: 1. Sales are categorized by the efficacy of drugs rather than business segments because the Company has only a single business segment, which is the pharmaceutical business.

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

3. Fractions less than one thousand yen are omitted.

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.