Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2011

[Japanese GAAP]

November 9, 2011

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: TSE (2nd section)
Stock code: 4554 (URL: http://www.fujipharma.jp)
Representative: Hirofumi Imai, President & CEO
Contact: Toyoyuki Kamide, Director and General Manager of Administration Department
TEL: +81-(0)3-3556-3344
Scheduled date of annual shareholders' meeting: December 21, 2011
Scheduled start date of dividend: December 22, 2011
Scheduled submission date of annual securities report: December 22, 2011
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on November 9, 2011 at 16:30 (GMT +8).

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

1. Financial Results for the Fiscal Year Ended September 30, 2011 (October 1, 2010 to September 30, 2011)

(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, 2011	21,623	9.8	3,565	10.3	3,545	9.3	2,204	13.4
Fiscal year ended Sep. 30, 2010	19,698	14.5	3,232	31.3	3,243	30.9	1,944	27.4

	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, 2011	167.63	-	11.3	13.0	16.5
Fiscal year ended Sep. 30, 2010	151.05	-	11.4	13.6	16.4

Reference: Earnings on investments in equity-method affiliates (millions of yen) Sep. 30, 2011: - Sep. 30, 2010: -

(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, 2011	29,757	21,264	71.5	1,506.00
Fiscal year ended Sep. 30, 2010	24,723	17,833	72.1	1,385.65

Reference: Shareholders' equity (millions of yen) Sep. 30, 2011: 21,264 Sep. 30, 2010: 17,833

(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, 2011	1,954	(2,288)	2,497	5,260
Fiscal year ended Sep. 30, 2010	2,168	(1,404)	(334)	3,097

2. Dividends

	Dividend per share					Total cash dividends	Dividend payout ratio	Dividends on net assets
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Sep. 30, 2010	-	13.00	-	17.00	30.00	386	19.9	2.3
Fiscal year ended Sep. 30, 2011	-	17.00	-	20.00	37.00	501	22.1	2.6
Fiscal year ending Sep. 30, 2012 (Estimated)	-	18.00	-	19.00	37.00		26.3	

Note: Description of FY9/11 year-end dividend per share: Ordinary dividend: 17:00 yen; Commemorative dividend: 3.00 yen.

3. Forecast for the Fiscal Year Ending September 30, 2012 (October 1, 2011 to September 30, 2012)

(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	10,757	0.1	1,408	(16.4)	1,408	(16.5)	680	(34.6)	48.16
Full year	23,487	8.6	3,524	(1.2)	3,528	(0.5)	1,986	(9.9)	140.65

4. Others

(1) Changes in significant accounting policies

1) Changes resulting from revision of accounting standards: Yes

2) Changes other than 1) above: None

Note: Please refer to "(7) Changes in Significant Accounting Policies" on page 20 for further information.

(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, 2011:	14,120,000 shares	Sep. 30, 2010:	12,870,000 shares

2) Number of shares of treasury stock as of the end of period

Sep. 30, 2011:	67 shares	Sep. 30, 2010:	10 shares

3) Average number of shares issued during the period

Year ended Sep. 30, 2011:	13,152,864 shares	Year ended Sep. 30, 2010:	12,869,990 shares

Note: For the number of shares used for the calculation of net income per share, please see "Per-share Data" on page 37.

Note 1: Indication of audit procedure implementation status

At the time when this report is released, the audit procedures for financial statements based on the Financial Instruments and Exchange Act have not been completed.

Note 2: Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to the section "1. Review of Operations, (1) Analysis of Operating Results" on page 2 for details on the above forecasts.

Fuji Pharma plans to hold an information meeting for institutional investors and analysts on Monday, November 21, 2011. Materials distributed at this event will also be available on the Fuji Pharma website thereafter.

Contents of Attachments

1. Review of Operations

(1) Analysis of Operating Results

1) Summary

Corporate earnings improved in Japan during the fiscal year that ended on September 30, 2011, mainly at exporters because of strong demand in emerging countries. However, the Great East Japan Earthquake that occurred on March 11, 2011 has severely impacted social and economic activity. Although Japan is slowly making progress with earthquake recovery activities, the economic outlook in Japan and overseas remains uncertain as the yen continues to climb amid worries about the debt crisis in Europe and slowing U.S. economic growth.

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. The first phase of a new factory for injection agents (fifth drug formulation line) that the Company started constructing in March 2010 has been completed and commercial production has already started in part of this factory.

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).

Fuji Pharma shares were listed on the second section of the Tokyo Stock Exchange on July 11, 2011. The Company will continue to take actions aimed at becoming even more financially sound and creditable, and further upgrading systems for internal operations.

As a result, net sales increased 9.8% to a record-setting 21,623 million yen. Earnings also rose to all-time highs as in the previous fiscal year. Operating income was up 10.3% to 3,565 million yen, ordinary income climbed 9.3% to 3,545 million yen and net income increased 13.4% to 2,204 million yen.

Diagnostic drugs centering on the urinary tract angiographic agents “OYPALOMIN,” “IOPAQUE,” which are the principal products of the Company, accounted for 8,978 million yen in net sales (a 5.7% 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 Intramuscular Injection,” “Folyrmon-P Injection,” the endometriosis treatment drug “Buserecur” and the new drug “LUNABELL tablets” accounted for sales of 6,704 million yen (a 24.1% increase). There were similarly strong results in other drug efficacy areas, resulting in an overall increase in net sales of 9.8% over the previous fiscal year.

2) Outlook for the Next Fiscal Year

In the fiscal year ending on September 30, 2012, the outlook for sales reflects the effects of intense competition in the market for generic drugs and of the NHI drug price revisions planned for April 2012. Earnings will be affected by an increase in the cost of sales caused mainly by higher depreciation expenses associated with the new factory for injection agents (fifth drug formulation line). An increase in R&D expenditures is also expected for the development of the G-CSF formulation and other activities. In addition, the Company expects a retirement benefit funding shortage for past years resulting from the change in the method for calculating retirement benefit obligations to the principle method.

As a result, the Company expects net sales of 23,487 million yen (an 8.6% increase over the previous fiscal year), operating income of 3,524 million yen (a 1.2% decrease), ordinary income of 3,528 million yen (a 0.5% decrease) with net income of 1,986 million yen (a 9.9% decrease).

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets were 29,757 million yen as of the end of the fiscal year under review, an increase of 5,033 million yen over the end of the previous fiscal year.

Current assets totaled 20,537 million yen, an increase of 3,948 million yen, as cash and deposits increased by 2,162 million yen and accounts receivable-other increased by 661 million yen.

Noncurrent assets totaled 9,220 million yen, an increase of 1,085 million yen. In property, plant and equipment, buildings increased 1,456 million yen which was mainly the result of a factory for injection agents (fifth drug formulation line).

Liabilities increased by 1,602 million yen to 8,492 million yen. Current liabilities increased by 1,530 million yen consisting of a decrease of 122 million yen in accrued consumption taxes, which was offset partially by an increase of 1,300 million yen in current portion of long-term loans payable.

Noncurrent liabilities increased by 71 million yen, mainly due to an increase of 70 million yen in provision for retirement benefits.

Net assets increased by 3,431 million yen over the total net assets as of the end of the previous fiscal year to 21,264 million yen. The main reasons were increases of 830 million yen each in capital stock and the capital surplus because stock was issued and a 1,767 million yen increase in retained earnings that was mainly due to the fiscal year’s net income.

2) Cash Flows

Cash and cash equivalents (hereinafter, “Cash”) as of the end of the fiscal year under review increased by 2,162 million yen from the end of the previous fiscal year to 5,260 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 1,954 million yen (a 214 million yen decrease over the same period previous fiscal year). This was the net result of 1,021 million yen in depreciation and amortization in addition to income before income taxes of 3,496 million yen, which was offset by income taxes paid of 1,325 million yen, a 661 million yen increase in accounts receivable-other, a 599 million yen increase in notes and accounts receivable-trade, and other factors.

Cash Flow from Investing Activities

Net cash used in investing activities was 2,288 million yen, compared with 1,404 million yen in the same period previous fiscal year. Although there were proceeds from collection of guarantee deposits of 330 million yen, there were purchases of property, plant and equipment of 2,499 million yen and intangible assets of 203 million yen, and other factors.

Internal funds, funds raised through loans and the proceeds from stock issued in accordance with a resolution approved by the Board of Directors on June 21, 2011 were used to provide the cash required for investing activities.

Cash Flow from Financing Activities

Net cash provided by financing activities was 2,497 million yen, compared with 334 million yen used in the same period previous fiscal year. Although there were cash dividends paid of 437 million yen, there were proceeds from issuance of common stock of 1,646 million yen and long-term loans payable of 1,300 million yen, and other factors.

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

	FY9/07	FY9/08	FY9/09	FY9/10	FY9/11
Equity ratio (%)	72.9	73.6	71.0	72.1	71.5
Market value-based equity ratio (%)	146.7	101.2	103.9	83.2	60.1
Interest-bearing debt to cash flow ratio (%)	12.8	22.3	10.9	9.1	76.4
Interest coverage ratio (Times)	706.2	339.9	2,929.5	11,145.4	371.0

- Equity ratio: Shareholders' equity / Total assets
- Market value-based equity ratio: Market capitalization / Total assets
- Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows
- Interest coverage ratio: Operating cash flows / Interest expenses

Notes: 1. Market capitalization is calculated by multiplying the share price at the end of the period by the number of shares outstanding (net of treasury stock) at the end of the period.
2. Interest-bearing debt includes all debt on the balance sheets that incur interest.
3. "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 flows 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, 2011, a resolution to pay a year-end dividend of 20 yen per share will be submitted for approval at the annual shareholders meeting. This is the sum of an ordinary dividend of 17 yen and a commemorative dividend of 3 yen, as was announced on November 9, 2011 in a release titled "Notice of Fiscal Year-end Dividend from Retained Earnings (Commemorative of Listing on Second Section of Tokyo Stock Exchange)." If the resolution is approved by shareholders, the annual dividend will be 37 yen per share (inclusive of 17 yen per share for interim dividend), which is a dividend payout ratio of 22.1%.

For the fiscal year ending on September 30, 2012, based on the forecast for this fiscal year, plans for business operations and other applicable items, we plan to pay an annual dividend of 37 yen per share, the sum of an 18 yen interim dividend and 19 yen year-end dividend.

(4) Operational Risk

Risks related to information that may have a material impact on investors' decisions that is contained in this report and the accompanying 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, 2011.

1) Statutory Regulations

Business operations are subject to the strict restrictions imposed by laws and regulations associated with the Pharmaceutical Affairs Law and business activities require the following permits and licenses. Receiving these permits and licenses requires complying with all associated laws and regulations and associated terms. At this time, there are no reasons for the cancelation of these permits and licenses. However, if any permit or license is rescinded because of a violation of a law or regulation or other event, we may be required to recall products covered by the applicable regulation or to cease the manufacture and sale of these products. If this happens, there may be a significant impact on our business operations. 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.

Major permits and licenses

Name of permit/license	Authority granting permit/license	Expiration	Major reasons for cancelation	Remarks
Pharmaceutical manufacturing permit	Toyama Prefecture	August 2014 (renewed every five years)	The permit is canceled when there is a violation that is punishable under the Pharmaceutical Affairs Law or other associated pharmaceutical business law or regulation or when an executive, etc. is subject to disqualification (Pharmaceutical Affairs Law, Article 75, Paragraph 1)	Toyama plant
Type 1 pharmaceutical manufacturing and sales permit	Toyama Prefecture	August 2014 (renewed every five years)	Same as above	Toyama plant
Type 2 pharmaceutical manufacturing and sales permit	Toyama Prefecture	August 2014 (renewed every five years)	Same as above	Toyama plant
Pharmaceutical wholesale business permit	Toyama Prefecture Tokyo Metropolis	August 2014 (renewed every six years) April 2012 (renewed every six years)	Same as above	Toyama office Logistic center

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) Reliance on any particular product

The urinary tract angiographic agent “OYPALOMIN” is a major product that accounted for approximately 30% of total sales in the fiscal year that ended on September 30, 2011. If we can no longer sell this product because of unforeseen circumstances or if sales of this product decline significantly, there may be an impact on our business performance.

8) 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%.

9) 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 fiscal year ending on September 30, 2015. Our goals are to increase net sales to 35.0 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%. For the medium-term business plan that ends in the fiscal year ending on September 30, 2014, we have moved the sales and earnings plan target year one year forward to the September 2015 fiscal year. The main reasons for this change are current market conditions and delays in the development of some products.

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 fiscal year ending on September 30, 2014.

(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) Achieve stable operations at highly activated drug factories.

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)

	FY9/10 (As of Sep. 30, 2010)	FY9/11 (As of Sep. 30, 2011)
Assets		
Current assets		
Cash and deposits	2,592,763	4,755,373
Notes receivable-trade	654,428	627,955
Accounts receivable-trade	7,032,513	7,658,784
Short-term investment securities	504,910	606,307
Merchandise and finished goods	1,728,477	2,153,247
Work in process	810,705	778,158
Raw materials and supplies	2,336,230	2,324,030
Advance payments-trade	64,413	35,023
Prepaid expenses	194,640	201,412
Deferred tax assets	503,396	532,484
Accounts receivable-other	146,739	808,441
Consumption taxes receivable	-	40,214
Accrued income	32	36
Other	22,098	18,661
Allowance for doubtful accounts	(2,557)	(2,750)
Total current assets	16,588,793	20,537,381
Noncurrent assets		
Property, plant and equipment		
Buildings	4,748,819	6,461,553
Accumulated depreciation	(2,083,293)	(2,339,892)
Buildings, net	2,665,525	4,121,661
Structures	118,880	166,482
Accumulated depreciation	(72,571)	(77,851)
Structures, net	46,308	88,630
Machinery and equipment	3,449,533	5,156,741
Accumulated depreciation	(2,584,505)	(2,886,823)
Machinery and equipment, net	865,027	2,269,917
Vehicles	35,814	35,814
Accumulated depreciation	(31,706)	(33,842)
Vehicles, net	4,107	1,971
Tools, furniture and fixtures	749,731	811,166
Accumulated depreciation	(623,233)	(679,798)
Tools, furniture and fixtures, net	126,498	131,368
Land	634,361	587,659
Construction in progress	1,559,484	380,644
Total property, plant and equipment	5,901,313	7,581,853
Intangible assets		
Right of trademark	87	37
Distributorship	1,048,043	914,140
Software	85,351	105,564
Telephone subscription right	7,976	7,976
Total intangible assets	1,141,459	1,027,719
Investments and other assets		
Investment securities	130,627	23,331
Investments in capital	100	100
Claims provable in bankruptcy, claims provable in rehabilitation and other	19,599	18,033
Long-term prepaid expenses	313,612	211,194
Deferred tax assets	245,148	285,053
Guaranteed deposits	374,712	62,604
Insurance funds	16,267	17,979
Allowance for doubtful accounts	(7,673)	(7,673)
Total investments and other assets	1,092,394	610,622
Total noncurrent assets	8,135,166	9,220,196
Total assets	24,723,959	29,757,577

(Thousands of yen)

	FY9/10 (As of Sep. 30, 2010)	FY9/11 (As of Sep. 30, 2011)
Liabilities		
Current liabilities		
Notes payable-trade	553,361	522,008
Accounts payable-trade	2,777,572	2,903,673
Accounts payable-other	793,184	903,479
Accrued expenses	139,925	162,761
Current portion of long-term loans payable	-	1,300,000
Income taxes payable	804,082	846,017
Accrued consumption taxes	122,694	
Deposits received	17,159	21,344
Provision for bonuses	808,722	886,504
Provision for directors' bonuses	29,900	30,200
Provision for sales returns	10,899	12,756
Notes payable-facilities	567	-
Total current liabilities	6,058,069	7,588,743
Noncurrent liabilities		
Guarantee deposits received	196,831	193,826
Provision for retirement benefits	555,375	625,685
Long-term accounts payable-other	80,359	84,676
Total noncurrent liabilities	832,567	904,188
Total liabilities	6,890,636	8,492,931
Net assets		
Shareholders' equity		
Capital stock	1,616,950	2,447,418
Capital surplus		
Legal capital surplus	2,226,020	3,056,488
Other capital surplus	615,567	615,567
Total capital surplus	2,841,587	3,672,056
Retained earnings		
Legal retained earnings	164,079	164,079
Other retained earnings		
General reserve	5,000,000	5,000,000
Retained earnings brought forward	8,213,754	9,981,020
Total retained earnings	13,377,833	15,145,099
Treasury stock	(7)	(79)
Total shareholders' equity	17,836,363	21,264,494
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(3,039)	150
Total valuation and translation adjustments	(3,039)	150
Total net assets	17,833,323	21,264,645
Total liabilities and net assets	24,723,959	29,757,577

(2) Statements of Income

(Thousands of yen)

		FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Net sales				
Net sales of finished goods		17,114,273		18,296,813
Net sales of goods		2,584,208		3,326,999
Total net sales		19,698,482		21,623,813
Cost of sales				
Beginning merchandise and finished goods		1,415,259		1,728,477
Cost of purchased goods		1,584,184		1,461,953
Transfer from other account	*1	8,517	*1	(3,445)
Cost of products manufactured		9,351,876		10,298,529
Total		12,359,838		13,485,515
Ending merchandise and finished goods	*2	1,728,477	*2	2,153,247
Transfer to other account	*3	8,794	*3	10,300
Total cost of sales		10,622,566		11,321,966
Gross profit		9,075,915		10,301,846
Reversal of provision for sales returns		3,475		-
Provision for sales returns		-		1,856
Gross profit-net		9,079,390		10,299,990
Selling, general and administrative expenses				
Promotion expenses		115,489		143,171
Sales commission		607,951		825,068
Packing and transportation expenses		211,514		232,095
Entertainment expenses		45,398		52,017
Directors' compensations		61,230		61,350
Salaries and bonuses		1,349,192		1,412,769
Provision for bonuses		502,780		540,962
Provision for directors' bonuses		29,900		30,200
Provision for retirement benefits		42,472		52,597
Provision of allowance for doubtful accounts		7,973		192
Welfare expenses		280,970		283,827
Traveling and transportation expenses		244,659		259,435
Rent expenses		206,986		224,986
Depreciation		321,162		325,418
Research and development expenses	*4	1,114,446	*4	1,516,407
Other		704,417		773,712
Total selling, general and administrative expenses		5,846,546		6,734,212
Operating income		3,232,844		3,565,777
Non-operating income				
Interest income		654		78
Interest on securities		1,753		1,640
Dividends income		410		434
Dividends income of life insurance		2,092		2,479
Commission fee		2,570		1,847
Compensation income		2,885		3,657
Fiduciary obligation fee		-		2,202
Miscellaneous income		4,940		4,284
Total non-operating income		15,308		16,625

(Thousands of yen)

		FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Non-operating expenses				
Interest expenses		194		5,266
Stock issuance cost		-		14,227
Going public expenses		-		12,000
Sales discounts		3,690		3,688
Miscellaneous loss		829		2,201
Total non-operating expenses		4,714		37,384
Ordinary income		3,243,439		3,545,018
Extraordinary income				
Contribution from co-development project	*5	40,322		-
Total extraordinary income		40,322		-
Extraordinary loss				
Loss on sales of noncurrent assets		-	*6	5,811
Loss on retirement of noncurrent assets	*7	66,161	*7	15,597
Loss on valuation of investment securities		11,380		11,629
Impairment loss	*8	50,000		-
Loss on disaster		-	*9	6,900
Head office transfer cost		-	*10	7,098
Loss on adjustment for changes of accounting standard for asset retirement obligations		-		1,120
Total extraordinary losses		127,542		48,157
Income before income taxes		3,156,219		3,496,860
Income taxes-current		1,321,903		1,363,198
Income taxes-deferred		(109,756)		(71,183)
Total income taxes		1,212,147		1,292,014
Net income		1,944,071		2,204,846

Manufacturing Statement

(Thousands of yen)

			FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)			FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)		
	Item	Note	Amount		%	Amount		%
I	Cost of materials	*1,*4		6,630,497	71.1		7,489,164	73.0
II	Labor cost	*2		949,876	10.2		1,039,184	10.1
III	Overheads							
	Depreciation and amortization		627,623			612,759		
	Supplies expenses		230,685			231,940		
	Other		887,642	1,745,952	18.7	889,487	1,734,187	16.9
	Total manufacturing costs			9,326,325	100.0		10,262,537	100.0
	Beginning work in process			844,773			810,705	
	Total			10,171,099			11,073,242	
	Ending work in process	*1		810,705			778,158	
	Transfer to other account	*3		8,517			(3,445)	
	Cost of products manufactured			9,351,876			10,298,529	

(Thousands of yen)

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
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 (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 214,489 Provision for retirement benefits 13,916	*2. The amount of provisions for allowances included in the labor cost is as follows: Provision for bonuses 242,623 Provision for retirement benefits 14,757
*3. Breakdown of transfer to other account is as follows: Cost of sales 8,517	*3. Breakdown of transfer to other account is as follows: Cost of sales (3,445)
*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)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,616,950	1,616,950
Changes of items during the period		
Issuance of new shares	-	830,468
Total changes of items during the period	-	830,468
Balance at the end of current period	1,616,950	2,447,418
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	2,226,020	2,226,020
Changes of items during the period		
Issuance of new shares	-	830,468
Total changes of items during the period	-	830,468
Balance at the end of current period	2,226,020	3,056,488
Other capital surplus		
Balance at the end of previous period	615,567	615,567
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		
Issuance of new shares	-	830,468
Total changes of items during the period	-	830,468
Balance at the end of current period	2,841,587	3,672,056
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	164,079	164,079
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
Balance at the end of current period	5,000,000	5,000,000
Retained earnings brought forward		
Balance at the end of previous period	6,604,302	8,213,754
Changes of items during the period		
Dividends from surplus	(334,619)	(437,579)
Net income	1,944,071	2,204,846
Total changes of items during the period	1,609,451	1,767,266
Balance at the end of current period	8,213,754	9,981,020
Total retained earnings		
Balance at the end of previous period	11,768,381	13,377,833
Changes of items during the period		
Dividends from surplus	(334,619)	(437,579)
Net income	1,944,071	2,204,846
Total changes of items during the period	1,609,451	1,767,266
Balance at the end of current period	13,377,833	15,145,099

(Thousands of yen)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Treasury stock		
Balance at the end of previous period	(7)	(7)
Changes of items during the period		
Purchase of treasury stock	-	(72)
Total changes of items during the period	-	(72)
Balance at the end of current period	(7)	(79)
Total shareholders' equity		
Balance at the end of previous period	16,226,911	17,836,363
Changes of items during the period		
Issuance of new shares	-	1,660,937
Dividends from surplus	(334,619)	(437,579)
Net income	1,944,071	2,204,846
Purchase of treasury stock	-	(72)
Total changes of items during the period	1,609,451	3,428,131
Balance at the end of current period	17,836,363	21,264,494
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(5,315)	(3,039)
Changes of items during the period		
Net changes of items other than shareholders' equity	2,275	3,190
Total changes of items during the period	2,275	3,190
Balance at the end of current period	(3,039)	150
Total valuation and translation adjustments		
Balance at the end of previous period	(5,315)	(3,039)
Changes of items during the period		
Net changes of items other than shareholders' equity	2,275	3,190
Total changes of items during the period	2,275	3,190
Balance at the end of current period	(3,039)	150
Total net assets		
Balance at the end of previous period	16,221,596	17,833,323
Changes of items during the period		
Issuance of new shares	-	1,660,937
Dividends from surplus	(334,619)	(437,579)
Net income	1,944,071	2,204,846
Purchase of treasury stock	-	(72)
Net changes of items other than shareholders' equity	2,275	3,190
Total changes of items during the period	1,611,727	3,431,322
Balance at the end of current period	17,833,323	21,264,645

(4) Statements of Cash Flows

(Thousands of yen)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes	3,156,219	3,496,860
Depreciation and amortization	1,026,908	1,021,006
Impairment loss	50,000	-
Increase (decrease) in provision for retirement benefits	37,625	70,310
Increase (decrease) in allowance for doubtful accounts	7,973	192
Increase (decrease) in provision for bonuses	156,851	77,781
Increase (decrease) in provision for directors' bonuses	15,800	300
Increase (decrease) in provision for sales returns	(3,475)	1,856
Interest and dividends income	(2,819)	(2,153)
Loss (gain) on sales of property, plant and equipment	-	5,811
Loss on retirement of noncurrent assets	66,161	15,597
Stock issuance cost	-	14,227
Going public expenses	-	12,000
Loss (gain) on valuation of investment securities	11,380	11,629
Loss on disaster	-	6,900
Head office transfer cost	-	7,098
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,120
Decrease (increase) in notes and accounts receivable-trade	(158,098)	(599,798)
Decrease (increase) in inventories	(946,887)	(380,023)
Decrease (increase) in accounts receivable-other	(75,967)	(661,702)
Decrease (increase) in prepaid expenses	18,829	(6,432)
Decrease (increase) in long-term prepaid expenses	124,802	102,417
Increase (decrease) in notes and accounts payable-trade	(213,945)	94,746
Increase (decrease) in accounts payable-other	87,523	117,305
Increase (decrease) in long-term accounts payable-other	6,923	4,316
Increase (decrease) in accrued expenses	18,890	22,835
Decrease (increase) in consumption taxes refund receivable	-	(40,214)
Increase (decrease) in accrued consumption taxes	28,548	(122,694)
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	(19,599)	1,566
Increase (decrease) in guarantee deposits received	(1,004)	(3,185)
Other, net	(15,210)	30,557
Subtotal	3,377,430	3,300,235
Interest and dividends income received	3,072	2,149
Interest expenses paid	(3,581)	(9,059)
Payments for loss on disaster	-	(6,900)
Payments for head office transfer cost	-	(7,098)
Income taxes paid	(1,208,683)	(1,325,252)
Net cash provided by (used in) operating activities	2,168,237	1,954,075
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	300,000	-
Purchase of property, plant and equipment	(1,482,595)	(2,499,055)
Proceeds from sales of property, plant and equipment	-	89,460
Payments for retirement of property, plant and equipment	(21,380)	(3,612)
Purchase of intangible assets	(218,730)	(203,790)
Proceeds from collection of guarantee deposits	20,000	330,000
Other, net	(1,712)	(1,712)
Net cash provided by (used in) investing activities	(1,404,419)	(2,288,710)

(Thousands of yen)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	-	1,300,000
Proceeds from issuance of common stock	-	1,646,709
Going public expenses paid	-	(12,000)
Cash dividends paid	(334,338)	(437,041)
Purchase of treasury stock	-	(74)
Net cash provided by (used in) financing activities	(334,338)	2,497,594
Net increase (decrease) in cash and cash equivalents	429,479	2,162,959
Cash and cash equivalents at beginning of period	2,668,194	3,097,674
Cash and cash equivalents at end of period	* 3,097,674	* 5,260,633

(5) Notes Regarding Assumptions for Company as Ongoing Concern

Not applicable.

(6) Significant Accounting Policies

Item	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
1. Valuation standards and methods for marketable securities	Available-for-sale securities 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. Securities without market quotations: Moving average cost method.	Available-for-sale securities Securities with market quotations: Same as on the left Securities without market quotations: Same as on the left
2. Valuation criteria and methods for inventories	Primarily by the first-in, first-out cost method. (The carrying value on the balance sheets is written down to reflect declines in profitability).	Same as on the left
3. Depreciation and amortization of noncurrent assets	(1) Property, plant and equipment (excluding lease assets) Declining-balance method. (However, depreciation on the buildings which were acquired on or 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 (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. (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 over the lease period used as the useful life of the assets. Those finance lease transactions that do not transfer ownership and also commenced on or before the above mentioned application are accounted for as ordinary rental transactions. (4) Long-term prepaid expenses Straight-line method.	(1) Property, plant and equipment (excluding lease assets) Same as on the left (2) Intangible assets (excluding lease assets) Same as on the left (3) Lease assets Lease assets associated with finance lease transactions where there is no transfer of ownership Same as on the left (4) Long-term prepaid expenses Same as on the left
4. Accounting for deferred assets	―――――	Stock issuance cost Charged to expenses as incurred.

Item	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
5. Accounting for allowance	(1) Allowance for doubtful accounts To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on a case-by-case determination of collectibility. (2) Provision for bonuses To provide for accrued bonuses for employees, an allowance is provided at the amount based on the estimated bonus obligations. (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. (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. (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.	(1) Allowance for doubtful accounts Same as on the left (2) Provision for bonuses Same as on the left (3) Provision for retirement benefits Same as on the left (4) Provision for sales returns Same as on the left (5) Provision for directors' bonuses Same as on the left
6. 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
7. Other significant items	Accounting for consumption taxes Tax-exclusion method.	Same as on the left

(7) Changes in Significant Accounting Policies

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
―――――	Accounting standard for asset retirement obligations Beginning with 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. As a result, operating income, ordinary income decreased by 938 thousand yen each and income before income taxes decreased by 2,058 thousand yen.

(8) Reclassifications

(Thousands of yen)

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Statements of Income 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." The amounts of these four items prior to these cost and sales reclassifications for the current fiscal year are shown below. 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 "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 financial statements. "Provision of allowance for doubtful accounts," included in "Other" under "Selling, general and administrative expenses" in the previous fiscal year totaled 371 thousand yen. "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. "Fiduciary obligation fee" presented 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.	Statements of Income "Fiduciary obligation fee," previously included in "Miscellaneous income" under non-operating income has been reclassified and presented as a separate line item in the current fiscal year, given that it now represents more than 10/100 of total non-operating income. "Fiduciary obligation fee," previously included in "Miscellaneous income" under non-operating income in the previous fiscal year totaled 507 thousand yen.

(9) Notes to Non-consolidated Financial Statements

Statements of Income

(Thousands of yen)

<table>
<tr><th>FY9/10
(Oct. 1, 2009 – Sep. 30, 2010)</th><th>FY9/11
(Oct. 1, 2010 – Sep. 30, 2011)</th></tr>
<tr><td>*1. Breakdown of transfer from other account
Transfer from cost of products manufactured 8,517</td><td>*1. Breakdown of transfer from other account
Transfer from cost of products manufactured (3,445)</td></tr>
<tr><td>*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 (24,081)</td><td>*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 8,028</td></tr>
<tr><td>*3. Breakdown of transfer to other account
Selling, general and administrative expenses 8,794</td><td>*3. Breakdown of transfer to other account
Selling, general and administrative expenses 10,300</td></tr>
<tr><td>*4. Total amount of research and development expenses
Research and development expenses included in general and administrative expenses 1,114,446</td><td>*4. Total amount of research and development expenses
Research and development expenses included in general and administrative expenses 1,516,407</td></tr>
<tr><td>*5. 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.</td><td>―</td></tr>
<tr><td>―</td><td>*6. Breakdown of loss on sales of noncurrent assets
Buildings and their premises 5,703
Tools, furniture and fixtures 108
Total 5,811</td></tr>
<tr><td>*7. Breakdown of loss on retirement of noncurrent assets
Buildings 36,251
Structures 776
Machinery and equipment 5,348
Tools, furniture and fixtures 2,404
Removal expenses on noncurrent assets 21,380
Total 66,161</td><td>*7. Breakdown of loss on retirement of noncurrent assets
Buildings 3,411
Structures 5,753
Machinery and equipment 995
Tools, furniture and fixtures 789
Software 1,034
Removal expenses on noncurrent assets 3,612
Total 15,597</td></tr>
<tr><td>*8. Impairment loss
The Company recognized an impairment loss on the following group of assets.
<table>
<tr><th>Location</th><th>Use</th><th>Item</th></tr>
<tr><td>Chiyoda-ku, Tokyo</td><td>Exclusive rights to sales of ethical pharmaceuticals</td><td>Distributorship</td></tr>
</table>
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).</td><td>―</td></tr>
</table>

(Thousands of yen)

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
――――――	*9. Loss on disaster The following losses were posted for the Great East Japan Earthquake that occurred in March 2011. Customer returns of damaged products 6,725 Earthquake damage repair expenses 174 Total 6,900
――――――	*10. Head office transfer cost Breakdown of head office transfer cost Return previous head office to original condition 3,668 Moving and other relocation expenses 3,429 Total 7,098

Statements of Changes in Net Assets

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

1. Type of stock, 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 stock	Total dividends (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 stock	Total dividends (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

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)

1. Type of stock, number of issued shares and treasury stock (Shares)

	Number of shares as of Sep. 30, 2010	Increase	Decrease	Number of shares as of Sep. 30, 2011
Issued shares				
Common stock (Note 1)	12,870,000	1,250,000	-	14,120,000
Total	12,870,000	1,250,000	-	14,120,000
Treasury stock				
Common stock (Note 2)	10	57	-	67
Total	10	57	-	67

Notes: 1. The increase in the number of outstanding shares of common stock (1,250,000 shares) is due to public offering (1,100,000 shares) and issuance of stock through a third-party allotment (150,000 shares).
2. The increase in the number of treasury shares of common stock (57 shares) is due to the purchase of odd-lot shares.

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

Not applicable.

3. Dividends

(1) Dividend payment

Resolution	Type of stock	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 20, 2010	Common stock	218,789	17	Sep. 30, 2010	Dec. 21, 2010
Board of Directors' meeting on Apr. 28, 2011	Common stock	218,789	17	Mar. 31, 2011	Jun. 1, 2011

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

Resolution	Type of stock	Total dividends (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 21, 2011	Common stock	282,398	Retained earnings	20	Sep. 30, 2011	Dec. 22, 2011

Note: The dividend per share includes a commemorative dividend of 3 yen per share for the listing on the Second Section of the Tokyo Stock Exchange.

Notes to Statements of Cash Flows

(Thousands of yen)

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)	
*Reconciliation between the cash and cash equivalents at end of the period and the amount booked in the balance sheets		* Reconciliation between the cash and cash equivalents at end of the period and the amount booked in the balance sheets	
	(As of Sep. 30, 2010)		(As of Sep. 30, 2011)
Cash and deposits	2,592,763	Cash and deposits	4,755,373
Short-term investment securities	504,910	Short-term investment securities	606,307
Cash and cash equivalents	3,097,674	Total	5,361,680
		Government bonds with maturities over three months	(101,047)
		Cash and cash equivalents	5,260,633

Lease Transactions

(Thousands of yen)

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
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 Same as on the left
2) Depreciation of lease assets As noted in the section on Significant Accounting Policies, “3. Depreciation and amortization of noncurrent assets.”	2) Depreciation of lease assets Same as on the left
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.	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. Machinery and equipment Acquisition costs equivalents 1,774,330 Accumulated depreciation equivalents 1,287,232 Closing balance equivalents 487,098 Vehicles Acquisition costs equivalents 52,751 Accumulated depreciation equivalents 37,820 Closing balance equivalents 14,930 Tools, furniture and fixtures Acquisition costs equivalents 3,660 Accumulated depreciation equivalents 2,846 Closing balance equivalents 813 Total Acquisition costs equivalents 1,830,741 Accumulated depreciation equivalents 1,327,899 Closing balance equivalents 502,842	(1) The acquisition costs, accumulated depreciation and closing balance equivalents of the lease assets. Machinery and equipment Acquisition costs equivalents 905,340 Accumulated depreciation equivalents 615,507 Closing balance equivalents 289,833 Vehicles Acquisition costs equivalents 35,803 Accumulated depreciation equivalents 29,301 Closing balance equivalents 6,502 Total Acquisition costs equivalents 941,144 Accumulated depreciation equivalents 644,808 Closing balance equivalents 296,335
(2) Future lease payments as of the end of the fiscal year Due within one year 215,501 Due after one year 313,226 Total 528,727	(2) Future lease payments as of the end of the fiscal year Due within one year 109,060 Due after one year 204,166 Total 313,226
(3) Lease payment, and depreciation and interest equivalents Lease payments 233,088 Depreciation equivalents 210,198 Interest equivalents 13,602	(3) Lease payment, and depreciation and interest equivalents Lease payments 178,003 Depreciation equivalents 161,457 Interest equivalents 7,819
(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)

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
(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.	(5) Methods of calculation of interest equivalents Same as on the left
2. Operating lease transactions Of which noncancelable outstanding lease commitments: Due in one year or less 89,782 Due after one year 86,132 Total 175,914	2. Operating lease transactions Of which noncancelable outstanding lease commitments: Due in one year or less 206,977 Due after one year 554,604 Total 761,582
Loss on impairment There is no loss on impairment allocated to lease assets.	Loss on impairment Same as on the left

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. The Company manages the collection dates and amounts due for each client in accordance with its internal regulations. In addition, based on the financial condition of each client, the Company reduces its exposure to credit risk by receiving guarantee deposits from clients.

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 this 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 by the securities exchange, and fair value of debt securities is based on either quoted market price by the securities exchange 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. There is no market price for unlisted stocks 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 balance sheet date

(Thousands of yen)

	Less than 1 year	1-5 years	6-10 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" (The Accounting Standards of Japan (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) are applied effective from the current fiscal year.

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)

1. Conditions of financial instruments

(1) Management policy

The Company relies primarily on internal liquidity and bank loans for 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. The Company manages the collection dates and amounts due for each client in accordance with its internal regulations. In addition, based on the financial condition of each client, 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 this 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.

Loans are used to procure funds to meet working capital requirements and fund capital expenditures. Loans are not vulnerable to interest rate volatility risk because all loans have fixed interest rates.

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, 2011 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	4,755,373	4,755,373	-
(2) Notes and accounts receivable-trade	8,286,740	8,286,740	-
(3) Short-term investment securities and investment securities			
Available-for-sale securities	619,438	619,438	-
Assets total	13,661,552	13,661,552	-
(1) Notes and accounts payable-trade	3,425,681	3,425,681	-
(2) Current portion of long-term loans payable	1,300,000	1,299,769	(230)
(3) Income taxes payable	846,017	846,017	-
Liabilities total	5,571,698	5,571,468	(230)

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

Liabilities

(1) Notes and accounts payable-trade, (3) 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) Current portion of long-term loans payable

Fair value of the above financial instruments is calculated by discounting the combined value of principal and interest by the interest rate assumed were the Company to borrow new money.

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

Note 1. There is no market price for unlisted stocks and the fair value is deemed to be extremely difficult to determine; this information is not subject to fair value disclosure.

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

(Thousands of yen)

	Less than 1 year	1-5 years	6-10 years	Over 10 years
Cash and deposits	4,755,373	-	-	-
Notes and accounts receivable-trade	8,286,740	-	-	-
Short-term investment securities and investment securities Of which available-for-sale securities with maturity dates Government bonds, Municipal bonds, etc.	100,000	-	-	-
Total	13,142,114	-	-	-

Securities Holdings

FY9/10 (As of Sep. 30, 2010)

1. Available-for-sale securities

(Thousands of yen)

	Item	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stocks	-	-	-
	Debt securities			
	Government bonds, municipal bonds, etc.	102,090	99,980	2,110
	Corporate bonds	-	-	-
	Others	-	-	-
	Other securities	-	-	-
	Subtotal	102,090	99,980	2,110
Securities whose carrying value does not exceed their acquisition cost	Stocks	18,336	25,573	(7,237)
	Debt securities			
	Government bonds, municipal bonds, etc.	-	-	-
	Corporate bonds	-	-	-
	Others	-	-	-
	Other securities	-	-	-
	Subtotal	18,336	25,573	(7,237)
Total		120,427	125,553	(5,126)

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

2. Available-for-sale securities sold during the fiscal year (Oct. 1, 2009 – Sep. 30, 2010)
Not applicable.

3. Marketable securities written down for impairment
Available-for-sale securities were written down 11,380 thousand yen 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.

FY9/11 (As of Sep. 30, 2011)

1. Available-for-sale securities with market quotations

(Thousands of yen)

	Item	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stocks	-	-	-
	Debt securities			
	Government bonds, municipal bonds, etc.	101,047	99,980	1,067
	Corporate bonds	-	-	-
	Others	-	-	-
	Other securities	-	-	-
	Subtotal	101,047	99,980	1,067
Securities whose carrying value does not exceed their acquisition cost	Stocks	13,131	13,943	(812)
	Debt securities			
	Government bonds, municipal bonds, etc.	-	-	-
	Corporate bonds	-	-	-
	Others	-	-	-
	Other securities	-	-	-
	Subtotal	13,131	13,943	(812)
Total		114,178	113,923	254

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

2. Available-for-sale securities sold during the fiscal year (Oct. 1, 2010 – Sep. 30, 2011)

Not applicable.

3. Marketable securities written down for impairment

Available-for-sale securities were written down 11,629 thousand yen 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.

Derivative Transactions

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

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

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)

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

Equity in Income of Affiliates

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

Not applicable.

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)

Not applicable.

Transactions with Concerned Parties

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

Parent company, major corporate shareholders etc. of the Company (Thousands of yen)

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	Account	Closing balance
Supply of raw materials (Notes 1, 2)	2,157,083	Accounts payable-trade	771,800

Notes: 1. The transaction amount above does not include consumption taxes, while the closing balance includes consumption taxes.
2. Supply of raw materials was based on arm-length transactions.

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)

Parent company, major corporate shareholders etc. of the Company (Thousands of yen)

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 13.7%
Details of relationship	Supply of raw materials

Transaction details	Transaction amount	Account	Closing balance
Supply of raw materials(Notes 1, 2)	1,947,271	Accounts payable-trade	639,700

Notes: 1. The transaction amount above does not include consumption taxes, while the closing balance includes consumption taxes.
2. Supply of raw materials was based on arm-length transactions.

Tax Effect Accounting

(Thousands of yen)

FY9/10 (As of Sep. 30, 2010)		FY9/11 (As of Sep. 30, 2011)	
1. Breakdown of deferred tax assets and liabilities		1. Breakdown of deferred tax assets and liabilities	
Deferred tax assets		Deferred tax assets	
Nondeductible provision for bonuses	329,149	Nondeductible provision for bonuses	360,807
Nondeductible provision for retirement benefits	226,037	Nondeductible provision for retirement benefits	254,654
Accrued enterprise tax	65,777	Accrued enterprise tax	65,330
Nondeductible social expenses on employee bonuses	36,915	Nondeductible social expenses on employee bonuses	40,343
Loss on valuation of inventories	21,163	Loss on valuation of inventories	25,902
Valuation difference on available-for-sale securities	2,086	Others	70,604
Others	67,414	Total deferred tax assets	817,641
Total deferred tax assets	748,544		
		Deferred tax liabilities	
		Valuation difference on available-for-sale securities	103
		Deferred tax assets-net	817,538
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	(3.5)%	Deductible experiment and research expenses	(5.0)%
Residential tax for the period	0.4%	Residential tax for the period	0.5%
Entertainment expenses and other items not to be included in expenses indefinitely	0.6%	Entertainment expenses and other items not to be included in expenses indefinitely	0.6%
Others	0.2%	Others	0.1%
Statutory tax rate based on the tax effect accounting	38.4%	Statutory tax rate based on the tax effect accounting	36.9%

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 Mutual Aid Fund"). 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 partially introduced the defined contribution pension plan and the prepaid retirement benefit plan.

2. Breakdown of the retirement benefit obligations

(Thousands of yen)

	FY9/10 (As of Sep. 30, 2010)	FY9/11 (As of Sep. 30, 2011)
(1) Retirement benefit obligations	712,469	768,827
(2) Estimated retirement benefit to be provided by the Mutual Aid Fund	157,094	143,141
(3) Provision for retirement benefits (1-2)	555,375	625,685

3. Breakdown of the retirement benefit expenses

(Thousands of yen)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
(1) Service costs	72,242	91,237
(2) Premium severance allowance paid temporarily	1,123	1,107
(3) Premiums paid to the defined contribution pension fund	24,844	25,334
(4) Prepaid retirement benefits	9,198	10,084
(5) Retirement benefit expenses	107,409	127,764

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

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
Not applicable.

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Not applicable.

Business Combinations

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
Not applicable.

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Not applicable.

Asset Retirement Obligation

FY9/11 (As of Sep. 30, 2011)
Detailed explanations on asset retirement obligation are omitted due to immateriality of the amount.

Investment and Rental Property

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
Not applicable.

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Detailed explanations on investment and rental property are omitted due to immateriality of the amount.

Segment Information

a. Segment Information

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)
Omitted since the Company has only a single business segment, which is the pharmaceutical business.

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Omitted since the Company has only a single business segment, which is the pharmaceutical business.

b. Related information

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)

1. Information by product or service

No information for specific products or services is presented because sales to external customers which account for more than 90% of net sales shown on the statements of income are derived from a single product or service category.

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of net sales shown on the statements of income.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside Japan.

3. Information by major client

(Thousands of yen)

Customer name	Net sales	Relevant segment
Konica Minolta Medical & Graphic, Inc.	5,536,402	Pharmaceutical business
SUZUKEN CO., LTD.	2,806,154	Pharmaceutical business
Alfresa Corporation	2,387,060	Pharmaceutical business
MEDICEO CORPORATION	2,240,658	Pharmaceutical business

Additional information

Beginning with the current fiscal year, “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) have been applied.

Per-share Data

(Yen)

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Net assets per share 1,385.65 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.	Net assets per share 1,506.00 Net income per share 167.63 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:

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)	FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)
Net income (Thousands of yen)	1,944,071	2,204,846
Amount not attributable to ordinary shareholders (Thousands of yen)	-	-
Net income attributable to common stock (Thousands of yen)	1,944,071	2,204,846
Average number of shares outstanding (Shares)	12,869,990	13,152,864

Material Subsequent Events

FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)

Not applicable.

FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)

Not applicable.

5. Others

(1) Changes in Directors

1) Change of Representative Director

Not applicable.

2) Change of other board members

Not applicable.

(2) Other Information

Goods Manufactured, Orders Received and Sales

1. Breakdown of goods manufactured

(Thousands of yen)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)		YoY change (%)
	Amount	%	Amount	%	
Diagnostic drugs	8,911,303	50.9	9,316,155	46.7	4.5
Hormone drugs	4,180,902	23.9	5,316,152	26.7	27.2
Circulatory drugs	1,012,027	5.8	1,210,230	6.1	19.6
Antibiotics and chemotherapeutics	655,096	3.7	864,426	4.3	32.0
Urogenital and genital organ drugs	447,882	2.6	489,890	2.5	9.4
Dermatological preparation	254,615	1.4	333,662	1.7	31.0
Others	2,060,635	11.7	2,391,009	12.0	16.0
Total	17,522,463	100.0	19,921,527	100.0	13.7

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 taxes.
3. Fractions less than one thousand yen are omitted.

2. Breakdown of goods purchased

(Thousands of yen)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)		YoY change (%)
	Amount	%	Amount	%	
Hormone drugs	787,577	49.7	864,770	59.1	9.8
In vitro diagnostic	699,960	44.2	489,612	33.5	(30.1)
Antibiotics and chemotherapeutics	3,747	0.2	2,378	0.2	(36.5)
Others	92,899	5.9	105,192	7.2	13.2
Total	1,584,184	100.0	1,461,953	100.0	(7.7)

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 purchasing prices and do not include consumption taxes.
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)

	FY9/10 (Oct. 1, 2009 – Sep. 30, 2010)		FY9/11 (Oct. 1, 2010 – Sep. 30, 2011)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	8,494,026	43.1	8,978,094	41.5	5.7
Hormone drugs	4,010,259	20.4	4,376,550	20.3	9.1
Circulatory drugs	1,155,981	5.9	1,067,142	4.9	(7.7)
Antibiotics and chemotherapeutics	672,520	3.4	745,591	3.5	10.9
Urogenital and genital organ drugs	389,641	2.0	418,846	1.9	7.5
Dermatological preparation	293,663	1.5	311,097	1.4	5.9
Others	2,098,181	10.6	2,399,490	11.1	14.4
Subtotal	17,114,273	86.9	18,296,813	84.6	6.9
(Merchandise)					
Hormone drugs	1,393,419	7.1	2,328,271	10.8	67.1
In vitro diagnostic	999,466	5.1	810,217	3.8	(18.9)
Antibiotics & Chemotherapeutics	8,231	0.0	7,063	0.0	(14.2)
Dermatological preparation	3,654	0.0	3,423	0.0	(6.3)
Others	179,436	0.9	178,024	0.8	(0.8)
Subtotal	2,584,208	13.1	3,326,999	15.4	28.7
Total	19,698,482	100.0	21,623,813	100.0	9.8

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 taxes.
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 accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.