



**Non-consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending September 30, 2011**  
**(Three Months Ended December 31, 2010)**

[Japanese GAAP]

January 31, 2011

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: Osaka Securities Exchange (JQ)  
 Stock code: 4554 (URL: <http://www.fujipharma.jp>)  
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 Scheduled submission date of quarterly report: February 14, 2011  
 Scheduled start date of dividend: -  
 Preparation of supplementary materials for quarterly financial results: None  
 Holding of quarterly financial results meeting: None

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

**1. Financial Results for the First Quarter (October 1, 2010 to December 31, 2010) 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	%
Three months ended Dec. 31, 2010	5,487	5.0	953	1.1	954	0.9	561	(1.5)
Three months ended Dec. 31, 2009	5,224	33.7	943	73.0	946	72.7	570	99.8

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2010	43.66	-
Three months ended Dec. 31, 2009	44.33	-

## (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Three months ended Dec. 31, 2010	25,828	18,181	70.4	1,412.69
Fiscal year ended Sep. 30, 2010	24,723	17,833	72.1	1,385.65

Reference: Shareholders' equity (millions of yen) Dec. 31, 2010: 18,181 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	-				
Fiscal year ending Sep. 30, 2011 (Estimated)		17.00	-	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
First half	10,775	12.6	1,372	(14.8)	1,371	(15.1)	845	(13.0)	65.66
Full year	22,457	14.0	3,476	7.5	3,471	7.0	2,141	10.1	166.36

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: Yes

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

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

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

Dec. 31, 2010:	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

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

Three months ended Dec. 31, 2010:	12,869,990 shares	Three months ended Dec. 31, 2009:	12,869,990 shares
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\* Information regarding the implementation of quarterly review procedures

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

\* Cautionary statement with respect to forward-looking statements

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

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## 1. Qualitative Information on Quarterly Non-consolidated Financial Performance

### (1) Qualitative Information Regarding Operating Results

In the first quarter of the current fiscal year, the Japanese economy was supported by higher corporate earnings, mainly at exporters because of strong demand in emerging countries. However, the outlook for the economy remains unclear. One reason is concerns about the extended upturn in the yen's value and the possibility of a downturn in the U.S. economy. There is also a risk of renewed financial instability, chiefly in Europe.

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).

As a result, net sales increased 5.0% to 5,487 million yen. Operating income was up 1.1% to 953 million yen, ordinary income climbed 0.9% to 954 million yen and net income decreased 1.5% to 561 million yen.

## (2) Qualitative Information Regarding Financial Position

### Assets, Liabilities and Net Assets

Total assets were 25,828 million yen at the end of the first quarter under review, an increase of 1,104 million yen from the end of the previous fiscal year. Net assets increased 347 million yen to 18,181 million yen, resulting in an equity ratio of 70.4%.

Current assets increased 1,251 million yen mainly because cash and deposits and notes and accounts receivable-trade increased. Noncurrent assets decreased 147 million yen, which was mainly the result of a decrease in assets caused by depreciation.

Current liabilities decreased 551 million yen. This was mainly the result of an increase in notes and accounts payable-trade and decreases in income taxes payable as taxes were paid and in the provision for bonuses as bonuses were paid. Noncurrent liabilities increased 1,308 million yen mainly because of new long-term loans payable and an increase in provision for retirement benefits.

Net assets increased 347 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 first quarter under review increased by 2,044 million yen year on year to 3,798 million yen.

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

#### i) Cash Flow from Operating Activities

Net cash used in operating activities totaled 281 million yen, compared with 668 million yen in the same period previous fiscal year. This was the net result of adding a 499 million yen increase in notes and accounts payable-trade, 223 million yen in depreciation and amortization to the income before income taxes of 943 million yen, which was offset by a 930 million yen increase in notes and accounts receivable-trade, income taxes paid of 784 million yen, a 514 million yen decrease in provision for directors' bonuses, and other factors.

#### ii) Cash Flow from Investing Activities

Net cash used in investing activities was 112 million yen, compared with 85 million yen in the same period previous fiscal year, due to purchase of property, plant and equipment of 58 million yen and other factors.

#### iii) Cash Flow from Financing Activities

Net cash provided by financing activities was 1,094 million yen, compared with 160 million yen used in the same period previous fiscal year. Although there were cash dividends paid of 205 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

There are no changes to the forecast for the fiscal year ending September 30, 2011 that was announced on November 9, 2010 because first quarter performance was generally in line with the Company's plan.

## 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 first quarter of the current fiscal year was found not to be significantly different from the ratio at the end of the previous fiscal year.

##### (ii) Valuation of inventories

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

##### (iii) Depreciation method for noncurrent assets

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

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

Not applicable.

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

#### 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 110 thousand yen each and income before income taxes by 1,231 thousand yen.

#### 2. Reclassifications

(Statements of Income)

"Compensation income," included in "Other" under non-operating income in the first quarter of the previous fiscal year, is reclassified and presented as a separate line item in the first quarter of the current fiscal year, given that it now exceeds 20/100 of total non-operating income. "Compensation income" included in "Other" under non-operating income totaled 610 thousand yen in the first quarter of the previous fiscal year.

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

(Thousands of yen)

	First quarter of FY9/11 (As of Dec. 31, 2010)	FY9/10 summary (As of Sep. 30, 2010)
<b>Assets</b>		
Current assets		
Cash and deposits	3,293,274	2,592,763
Notes and accounts receivable-trade	8,617,147	7,686,941
Short-term investment securities	505,000	504,910
Merchandise and finished goods	1,857,853	1,728,477
Work in process	929,712	810,705
Raw materials and supplies	2,017,774	2,336,230
Other	622,660	931,321
Allowance for doubtful accounts	(2,860)	(2,557)
Total current assets	17,840,562	16,588,793
Noncurrent assets		
Property, plant and equipment		
Buildings, net	2,611,562	2,665,525
Other, net	3,186,311	3,235,788
Total property, plant and equipment	5,797,873	5,901,313
Intangible assets		
Investments and other assets	1,118,647	1,141,459
Other	1,079,207	1,100,067
Allowance for doubtful accounts	(7,673)	(7,673)
Total investments and other assets	1,071,533	1,092,394
Total noncurrent assets	7,988,055	8,135,166
Total assets	25,828,618	24,723,959
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	3,830,248	3,330,934
Income taxes payable	102,006	804,082
Provision for bonuses	294,217	808,722
Provision for directors' bonuses	8,600	29,900
Provision for sales returns	12,759	10,899
Other	1,258,943	1,073,529
Total current liabilities	5,506,776	6,058,069
Noncurrent liabilities		
Long-term loans payable	1,300,000	-
Provision for retirement benefits	576,754	555,375
Other	263,836	277,191
Total noncurrent liabilities	2,140,590	832,567
Total liabilities	7,647,367	6,890,636
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,616,950	1,616,950
Capital surplus	2,841,587	2,841,587
Retained earnings	13,721,011	13,377,833
Treasury stock	(7)	(7)
Total shareholders' equity	18,179,541	17,836,363
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,709	(3,039)
Total valuation and translation adjustments	1,709	(3,039)
Total net assets	18,181,250	17,833,323
Total liabilities and net assets	25,828,618	24,723,959

**(2) Statements of Income**  
**(For the Three-month Period)**

(Thousands of yen)

	First three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)	First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)
Net sales	5,224,111	5,487,647
Cost of sales	2,857,438	2,951,422
Gross profit	2,366,673	2,536,224
Selling, general and administrative expenses	1,423,606	1,583,066
Operating income	943,067	953,158
Non-operating income		
Interest income	842	415
Dividends income	138	138
Compensation income	-	748
Other	2,386	2,254
Total non-operating income	3,367	3,556
Non-operating expenses		
Interest expenses	49	1,087
Depreciation	60	97
Sales discounts	55	640
Other	-	269
Total non-operating expenses	165	2,094
Ordinary income	946,268	954,620
Extraordinary loss		
Loss on retirement of noncurrent assets	3,982	103
Loss on valuation of investment securities	-	10,280
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,120
Total extraordinary losses	3,982	11,504
Income before income taxes	942,286	943,116
Income taxes-current	172,817	93,653
Income taxes-deferred	198,939	287,495
Total income taxes	371,757	381,148
Net income	570,528	561,968



**(3) Statements of Cash Flows**

(Thousands of yen)

	First three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)	First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	942,286	943,116
Depreciation and amortization	232,886	223,551
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,120
Increase (decrease) in provision for retirement benefits	7,724	21,378
Increase (decrease) in allowance for doubtful accounts	250	302
Increase (decrease) in provision for bonuses	(368,469)	(514,504)
Increase (decrease) in provision for directors' bonuses	(4,700)	(21,300)
Increase (decrease) in provision for sales returns	(4,800)	1,859
Interest and dividends income	(784)	(553)
Loss on retirement of noncurrent assets	3,982	103
Loss (gain) on valuation of investment securities	-	10,280
Decrease (increase) in notes and accounts receivable-trade	(840,054)	(930,205)
Decrease (increase) in inventories	(20,476)	70,073
Decrease (increase) in advance payments	(26,708)	(29,944)
Decrease (increase) in accounts receivable-other	68,859	57,397
Decrease (increase) in prepaid expenses	(11,995)	(26,060)
Decrease (increase) in long-term prepaid expenses	30,580	29,115
Increase (decrease) in notes and accounts payable-trade	(88,092)	499,314
Increase (decrease) in accounts payable-other	(67,701)	286
Increase (decrease) in long-term accounts payable-other	42	(9,833)
Increase (decrease) in accrued expenses	39,475	32,160
Increase (decrease) in accrued consumption taxes	(3,113)	(14,069)
Other, net	113,839	160,737
Subtotal	3,033	504,326
Interest and dividends income received	495	251
Interest expenses paid	(810)	(1,964)
Income taxes paid	(671,001)	(784,098)
Net cash provided by (used in) operating activities	(668,283)	(281,485)
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	100,000	-
Purchase of property, plant and equipment	(149,740)	(58,976)
Purchase of intangible assets	(55,109)	(52,911)
Proceeds from collection of guarantee deposits	20,000	-
Other, net	(428)	(428)
Net cash provided by (used in) investing activities	(85,277)	(112,315)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	-	1,300,000
Cash dividends paid	(160,944)	(205,597)
Net cash provided by (used in) financing activities	(160,944)	1,094,402
Net increase (decrease) in cash and cash equivalents	(914,505)	700,600
Cash and cash equivalents at beginning of period	2,668,194	3,097,674
Cash and cash equivalents at end of period	1,753,689	3,798,275

**(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 three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)		First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)		YoY change (%)
	Amount	%	Amount	%	
Diagnostic drugs	2,478,207	52.7	2,310,829	47.7	(6.8)
Hormone drugs	1,062,598	22.6	1,223,170	25.3	15.1
Circulatory drugs	177,530	3.8	354,955	7.3	99.9
Antibiotics & Chemotherapeutics	147,752	3.1	169,838	3.5	14.9
Urogenital & genital organ drugs	138,774	3.0	99,980	2.1	(28.0)
Dermatological preparations	57,996	1.2	72,133	1.5	24.4
Other	638,426	13.6	612,077	12.6	(4.1)
Total	4,701,286	100.0	4,842,986	100.0	3.0

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 three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)		First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)		YoY change (%)
	Amount	%	Amount	%	
In vitro diagnostics	305,529	59.0	262,790	54.2	(14.0)
Hormone drugs	190,677	36.8	194,024	40.0	1.8
Other	21,834	4.2	27,804	5.8	27.3
Total	518,040	100.0	484,619	100.0	(6.5)

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 three months of FY9/10 (Oct. 1, 2009 – Dec. 31, 2009)		First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	2,252,226	43.1	2,398,823	43.7	6.5
Hormone drugs	1,061,591	20.3	1,110,824	20.2	4.6
Circulatory drugs	326,915	6.3	268,008	4.9	(18.0)
Antibiotics & Chemotherapeutics	178,482	3.4	194,843	3.6	9.2
Urogenital & genital organ drugs	97,929	1.9	104,789	1.9	7.0
Dermatological preparations	73,869	1.4	74,379	1.4	0.7
Others	526,726	10.1	610,970	11.1	16.0
Subtotal	4,517,741	86.5	4,762,640	86.8	5.4
(Merchandise)					
Hormone drugs	191,650	3.7	498,508	9.1	160.1
In vitro diagnostics	461,426	8.8	180,818	3.3	(60.8)
Antibiotics & Chemotherapeutics	2,302	0.0	1,950	0.0	(15.3)
Dermatological preparations	1,061	0.0	899	0.0	(15.2)
Others	49,928	1.0	42,829	0.8	(14.2)
Subtotal	706,369	13.5	725,007	13.2	2.6
Total	5,224,111	100.0	5,487,647	100.0	5.0

- 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.*