

**Non-consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending September 30, 2012**  
**(Three Months Ended December 31, 2011)**

[Japanese GAAP]

January 31, 2012

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: TSE (2<sup>nd</sup> section)  
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Scheduled submission date of quarterly report: February 10, 2012

Scheduled start date of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

*Note: The original disclosure in Japanese was released on January 31, 2012 at 16:30 (GMT +9).*

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

**1. Financial Results for the First Quarter (October 1, 2011 to December 31, 2011) of the Fiscal Year Ending September 30, 2012**

(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, 2011	4,852	(11.6)	461	(51.5)	464	(51.3)	(17)	-
Three months ended Dec. 31, 2010	5,487	5.0	953	1.1	954	0.9	561	(1.5)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2011	(1.27)	-
Three months ended Dec. 31, 2010	43.66	-

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Three months ended Dec. 31, 2011	29,226	20,963	71.7
Fiscal year ended Sep. 30, 2011	29,757	21,264	71.5

Reference: Shareholders' equity (millions of yen) Dec. 31, 2011: 20,963 Sep. 30, 2011: 21,264

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2011	-	17.00	-	20.00	37.00
Fiscal year ending Sep. 30, 2012	-				
Fiscal year ending Sep. 30, 2012 (Estimated)		18.00	-	19.00	37.00

Note: Revision of dividend forecast during the period: None

**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

Note: Revision of earnings forecast during the period: None

#### 4. Others

(1) Application of special accounting methods for presenting quarterly non-consolidated financial statements: None

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(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, 2011:	14,120,000 shares	Sep. 30, 2011:	14,120,000 shares
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2) Number of shares of treasury stock as of the end of period

Dec. 31, 2011:	67 shares	Sep. 30, 2011:	67 shares
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3) Average number of shares issued during the period

Three months ended Dec. 31, 2011:	14,119,933 shares	Three months ended Dec. 31, 2010:	12,869,990 shares
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Note 1: 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.

Note 2: Explanation of appropriate use of earnings forecasts, and other special items

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. Qualitative Information on Quarterly Non-consolidated Financial Performance, (3) Qualitative Information Regarding Earnings Forecast" on page 3 for details on the above forecasts.

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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 recovered slowly from the Great East Japan Earthquake but there were increasing concerns about a global economic downturn because of the prolonged European debt problem and other issues. As a result, the economic outlook remains unclear.

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, foreign affiliated pharmaceutical manufacturers and other companies enter this market.

In December 2011, Fuji Pharma submitted an application to the Japanese Ministry of Health, Labour and Welfare for approval to manufacture and sell a recombinant human granulocyte colony-stimulating factor (G-CSF) formulation, which has been co-developed with Mochida Pharmaceutical Co., Ltd. If approved, this G-CSF formulation will provide a new option for the treatment of neutropenia. We will continue to do what is needed to obtain the quick approval of this application in order to help improve the quality of life of people suffering from neutropenia.

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 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 hospitals throughout Japan that are subject to DPC (Diagnosis Procedure Combination). Despite these activities, sales have been slightly below the initial plan, chiefly in the core diagnostic drugs category.

R&D expenses increased 19.7% from one year earlier to 430 million yen, primarily for the development of G-CSF formulation.

In addition, starting in the first quarter of the current fiscal year, the Company has changed the method for calculating retirement benefit obligations from the simplified method to the principle method. This change was made mainly because of the outlook for continuing growth in the number of employees based on the Company's medium-term plan for its workforce and other factors. The increase of 364 million yen in retirement benefit obligations caused by this change was recorded as an extraordinary loss.

As a result, net sales totaled 4,852 million yen, down 11.6% from one year earlier. Operating income fell 51.5% to 461 million yen and ordinary income was down 51.3% to 464 million yen. Net income was negatively impacted by an increase in deferred income taxes in association with a decrease in Japan's statutory effective tax rate. The result was a net loss of 17 million yen compared with net income of 561 million yen in the same period of the previous fiscal year.

### (2) Qualitative Information Regarding Financial Position

#### Assets, Liabilities and Net Assets

Total assets were 29,226 million yen as of the end of the first quarter under review, a decrease of 531 million yen from the end of the previous fiscal year. Net assets decreased 301 million yen to 20,963 million yen, resulting in an equity ratio of 71.7%.

Current assets increased 237 million yen as inventories and notes and accounts receivable-trade rose while cash and deposits declined. Noncurrent assets decreased 768 million yen mainly because of the sale and leaseback of some machinery and equipment.

Current liabilities decreased 622 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 392 million yen mainly because of an increase in provision for retirement benefits.

Net assets decreased 301 million yen due to cash dividends paid in retained earnings.

**Cash Flows**

Cash and cash equivalents (hereinafter, “Cash”) as of the end of the first quarter under review increased by 745 million yen year on year to 4,543 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 794 million yen, compared with a 512 million yen increase in outlays in the same period previous fiscal year. This was the net result of adding a 545 million yen increase in notes and accounts payable-trade, a 390 million yen increase in provision for retirement benefits, 299 million yen of depreciation and amortization and other factors to income before income taxes of 100 million yen, which was offset by income taxes paid of 822 million yen, a 663 million yen decrease in provision for bonuses, a 611 million yen increase in inventories, and other factors.

## ii) Cash Flow from Investing Activities

Net cash provided by investing activities was 331 million yen, compared with net cash used of 112 million yen in the same period previous fiscal year. Purchases of property, plant and equipment totaled 333 million yen but there were proceeds of 669 million yen from sales of property, plant and equipment due to the sale and leaseback of some machinery and equipment.

## iii) Cash Flow from Financing Activities

Net cash used in financing activities was 254 million yen, compared with 1,094 million yen provided in the same period previous fiscal year. This was due to the cash dividends paid.

**(3) Qualitative Information Regarding Earnings Forecast**

First quarter sales and earnings fell slightly short of the plan. However, regarding sales, a recovery is taking place in the core diagnostic drugs category. Regarding earnings, selling, general and administrative expenses are expected to be somewhat less than initially planned. Furthermore, the plan for the fiscal year generally incorporated the extraordinary loss in the first quarter for the increase in retirement benefit obligations. Consequently, there are no revisions to the forecasts that were announced on November 9, 2011 for the first half of the current fiscal year and the entire fiscal year.

**2. Matters Related to Summary Information (Others)****(1) Application of Special Accounting Methods for Presenting Quarterly Non-consolidated Financial Statements**

Not applicable.

**(2) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

## Reclassifications

“Fiduciary obligation fee,” 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 since the amount exceeded 20/100 of total non-operating income. The prior-period statements of income are restated to conform to the current-period presentation.

**(3) Additional Information**

## Application of Accounting Standard for Accounting Changes and Error Corrections

The Company has adopted the “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan (ASBJ) Statement No. 24, December 4, 2009)” and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) for accounting method revisions and for corrections to past errors from the beginning of the first quarter of the current fiscal year.

Effect of the change in corporate tax rate, etc.

Following the promulgation on December 2, 2011 of the “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011), corporate tax rate will be reduced while special corporate tax for reconstruction will be imposed for the fiscal years beginning on or after April 1, 2012. As a result, the effective tax rate for the calculation of deferred tax assets and deferred tax liabilities will be lowered from 40.69% to 38.01% for temporary differences expected to be used for the fiscal year beginning from October 1, 2012 up to the fiscal year beginning from October 1, 2014, and to 35.64% for fiscal years beginning on or after October 1, 2015. Due to these changes in tax rates, there was a decrease of 57 million yen in deferred tax assets (after deducting deferred tax liabilities) and a 57 million yen increase in deferred income taxes.

Provision for retirement benefits

In previous fiscal years, the Company calculated retirement benefit obligations by using the simplified method. Starting in the first quarter of the current fiscal year, the Company has changed to the principle method.

This change was made mainly because of the outlook for continuing growth in the number of employees based on the Company’s medium-term plan for its workforce and other factors. The Company believes that using the principle method to calculate retirement benefit obligations will result in figures that consistently have a high degree of reliability. The increase of 364 million yen in retirement benefit obligations caused by this change was recorded as an extraordinary loss.

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

(Thousands of yen)

	FY9/11 (As of Sep. 30, 2011)	First quarter of FY9/12 (As of Dec. 31, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	4,755,373	4,038,185
Notes and accounts receivable-trade	8,286,740	8,706,344
Short-term investment securities	606,307	606,113
Merchandise and finished goods	2,153,247	2,198,488
Work in process	778,158	710,953
Raw materials and supplies	2,324,030	2,957,914
Other	1,636,273	1,559,374
Allowance for doubtful accounts	(2,750)	(2,889)
Total current assets	20,537,381	20,774,483
Noncurrent assets		
Property, plant and equipment		
Buildings, net	4,121,661	4,039,472
Other, net	3,460,192	2,777,746
Total property, plant and equipment	7,581,853	6,817,218
Intangible assets	1,027,719	945,592
Investments and other assets		
Other	618,296	696,919
Allowance for doubtful accounts	(7,673)	(7,673)
Total investments and other assets	610,622	689,245
Total noncurrent assets	9,220,196	8,452,057
Total assets	29,757,577	29,226,541
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	3,425,681	3,971,400
Current portion of long-term loans payable	1,300,000	1,300,000
Income taxes payable	846,017	11,199
Provision for bonuses	886,504	222,944
Provision for directors' bonuses	30,200	4,100
Provision for sales returns	12,756	11,591
Other	1,087,585	1,445,269
Total current liabilities	7,588,743	6,966,504
Noncurrent liabilities		
Provision for retirement benefits	625,685	1,016,064
Other	278,502	280,523
Total noncurrent liabilities	904,188	1,296,587
Total liabilities	8,492,931	8,263,092
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,447,418	2,447,418
Capital surplus	3,672,056	3,672,056
Retained earnings	15,145,099	14,844,808
Treasury stock	(79)	(79)
Total shareholders' equity	21,264,494	20,964,203
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	150	(754)
Total valuation and translation adjustments	150	(754)
Total net assets	21,264,645	20,963,449
Total liabilities and net assets	29,757,577	29,226,541

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

(Thousands of yen)

	First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)	First three months of FY9/12 (Oct. 1, 2011 – Dec. 31, 2011)
Net sales	5,487,647	4,852,370
Cost of sales	2,951,422	2,695,438
Gross profit	2,536,224	2,156,932
Selling, general and administrative expenses	1,583,066	1,695,081
Operating income	953,158	461,850
Non-operating income		
Interest income	415	407
Dividends income	138	138
Compensation income	748	2,328
Fiduciary obligation fee	26	1,255
Other	2,227	1,644
Total non-operating income	3,556	5,773
Non-operating expenses		
Interest expenses	1,087	1,421
Depreciation	97	468
Sales discounts	640	832
Other	269	0
Total non-operating expenses	2,094	2,722
Ordinary income	954,620	464,901
Extraordinary loss		
Loss on retirement of noncurrent assets	103	24
Retirement benefit expenses	-	364,874
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	11,504	364,899
Income before income taxes	943,116	100,002
Income taxes-current	93,653	4,583
Income taxes-deferred	287,495	113,312
Total income taxes	381,148	117,895
Net income (loss)	561,968	(17,892)

**(3) Statements of Cash Flows**

(Thousands of yen)

	First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)	First three months of FY9/12 (Oct. 1, 2011 – Dec. 31, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes	943,116	100,002
Depreciation and amortization	223,551	299,754
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,120	-
Increase (decrease) in provision for retirement benefits	21,378	390,378
Increase (decrease) in allowance for doubtful accounts	302	139
Increase (decrease) in provision for bonuses	(514,504)	(663,559)
Increase (decrease) in provision for directors' bonuses	(21,300)	(26,100)
Increase (decrease) in provision for sales returns	1,859	(1,164)
Interest and dividends income	(553)	(545)
Loss on retirement of noncurrent assets	103	24
Loss (gain) on valuation of investment securities	10,280	-
Decrease (increase) in notes and accounts receivable-trade	(930,205)	(419,603)
Decrease (increase) in inventories	70,073	(611,918)
Decrease (increase) in advance payments	(29,944)	8,594
Decrease (increase) in accounts receivable-other	57,397	53,874
Decrease (increase) in prepaid expenses	(26,060)	(14,884)
Decrease (increase) in long-term prepaid expenses	29,115	28,470
Increase (decrease) in notes and accounts payable-trade	499,314	545,718
Increase (decrease) in accounts payable-other	286	(1,939)
Increase (decrease) in long-term accounts payable-other	(9,833)	215
Increase (decrease) in accrued expenses	32,160	23,897
Decrease (increase) in consumption taxes refund receivable	-	40,214
Increase (decrease) in accrued consumption taxes	(14,069)	100,472
Other, net	160,737	177,863
Subtotal	504,326	29,905
Interest and dividends income received	251	242
Interest expenses paid	(1,964)	(2,369)
Income taxes paid	(784,098)	(822,078)
Net cash provided by (used in) operating activities	(281,485)	(794,298)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(58,976)	(333,832)
Proceeds from sales of property, plant and equipment	-	669,376
Purchase of intangible assets	(52,911)	(3,185)
Other, net	(428)	(428)
Net cash provided by (used in) investing activities	(112,315)	331,929
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	1,300,000	-
Cash dividends paid	(205,597)	(254,735)
Net cash provided by (used in) financing activities	1,094,402	(254,735)
Net increase (decrease) in cash and cash equivalents	700,600	(717,104)
Cash and cash equivalents at beginning of period	3,097,674	5,260,633
Cash and cash equivalents at end of period	3,798,275	4,543,528

**(4) Notes Regarding Assumptions for Company as Ongoing Concern**

Not applicable.

**(5) Notes Regarding Material Change in Shareholders' Equity**

Not applicable.

**(6) Material Subsequent Events**

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 FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)		First three months of FY9/12 (Oct. 1, 2011 – Dec. 31, 2011)		YoY change (%)
	Amount	%	Amount	%	
Diagnostic drugs	2,310,829	47.7	1,913,097	46.9	(17.2)
Hormone drugs	1,223,170	25.3	1,090,429	26.7	(10.9)
Circulatory drugs	354,955	7.3	250,593	6.1	(29.4)
Antibiotics and chemotherapeutics	169,838	3.5	185,748	4.5	9.4
Urogenital and genital organ drugs	99,980	2.1	71,669	1.8	(28.3)
Dermatological preparations	72,133	1.5	68,980	1.7	(4.4)
Others	612,077	12.6	502,259	12.3	(17.9)
Total	4,842,986	100.0	4,082,778	100.0	(15.7)

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)

Efficacy	First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)		First three months of FY9/12 (Oct. 1, 2011 – Dec. 31, 2011)		YoY change (%)
	Amount	%	Amount	%	
Hormone drugs	194,024	40.0	223,467	71.9	15.2
In vitro diagnostic	262,790	54.2	66,892	21.5	(74.5)
Others	27,804	5.8	20,372	6.6	(26.7)
Total	484,619	100.0	310,732	100.0	(35.9)

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)

Efficacy	First three months of FY9/11 (Oct. 1, 2010 – Dec. 31, 2010)		First three months of FY9/12 (Oct. 1, 2011 – Dec. 31, 2011)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	2,398,823	43.7	1,789,250	36.9	(25.4)
Hormone drugs	1,110,824	20.2	1,151,525	23.7	3.7
Circulatory drugs	268,008	4.9	236,329	4.9	(11.8)
Antibiotics and chemotherapeutics	194,843	3.6	191,873	4.0	(1.5)
Urogenital and genital organ drugs	104,789	1.9	103,259	2.1	(1.5)
Dermatological preparations	74,379	1.4	68,152	1.4	(8.4)
Others	610,970	11.1	583,184	12.0	(4.5)
Subtotal	4,762,640	86.8	4,123,576	85.0	(13.4)
(Merchandise)					
Hormone drugs	498,508	9.1	490,494	10.1	(1.6)
In vitro diagnostic	180,818	3.3	189,305	3.9	4.7
Antibiotics and chemotherapeutics	1,950	0.0	1,625	0.0	(16.7)
Dermatological preparations	899	0.0	871	0.0	(3.2)
Others	42,829	0.8	46,496	1.0	8.6
Subtotal	725,007	13.2	728,794	15.0	0.5
Total	5,487,647	100.0	4,852,370	100.0	(11.6)

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.*