



Business Results for the First Half of the Fiscal Year Ending September 30, 2012 (1H FY9/12)

May 10, 2012

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(4554/TSE2)



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Summary of FY9/12 1H Results and Full-year Forecasts

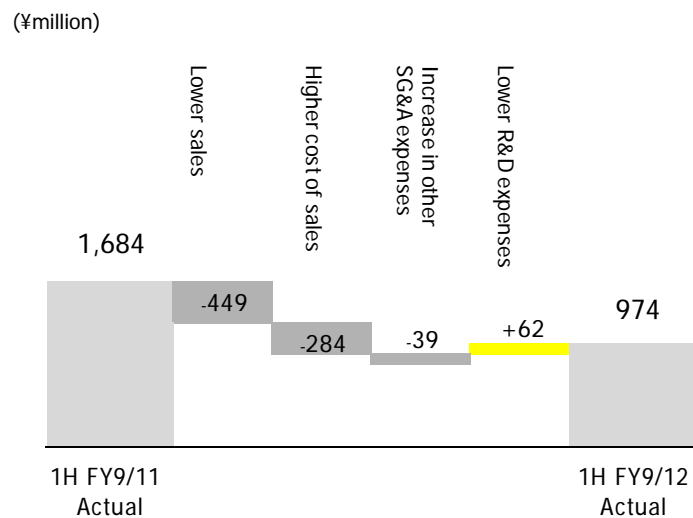
- Sales of x-ray contrast media were down ¥913 million YoY and distributor's inventories decreased to 1.4 months
 - The cost of sales ratio increased 2.9 pct. points because of a new plant that raised fixed expenses and had a six-month delay in the full-scale start-up
 - Six-month delay in the launch of Labellefill® tablets, a new generic oral contraceptive drug
 - In 1Q, an increase of ¥364 million in retirement benefit obligations was recorded as an extraordinary loss
 - April 2012 NHI drug price revisions lowered prices 7.7%, slightly less than expected at beginning of FY9/12
- 1H results reflect all negative factors – Expect growth in sales and earnings from now on

(¥million)	FY9/11			FY9/12			1H Comparison		[Reference]	
	1H	2H	Full Year	1H	2H Fcst	Full Year Fcst	Change in Amount	Ratio	FY9/12 Initial Fcst	vs Initial Fcst Change in Amount
Net Sales	10,745	10,878	21,623	9,779	11,921	21,700	-966	-9.0%	23,487	-1,787
Gross Profit	5,001	5,298	10,299	4,267	5,273	9,540	-734	-14.7%	10,683	-1,143
Gross Margin	46.5%	48.7%	47.6%	43.6%	44.2%	44.0%			45.5%	-
SG&A	3,316	3,418	6,734	3,293	3,482	6,775	-23	-0.7%	7,158	-383
SG&A Margin	30.9%	31.4%	31.1%	33.7%	29.2%	31.2%			30.5%	-
Operating Income	1,684	1,881	3,565	974	1,801	2,775	-710	-42.2%	3,524	-749
Operating Income Margin	15.7%	17.3%	16.5%	10.0%	15.1%	12.8%			15.0%	
Ordinary Income	1,686	1,859	3,545	977	1,803	2,780	-709	-42.1%	3,528	-748
Ordinary Income Margin	15.7%	17.1%	16.4%	10.0%	15.1%	12.8%			15.0%	
Net Income	1,039	1,165	2,204	313	1,092	1,405	-726	-69.9%	1,986	-581
Net Income Margin	9.7%	10.7%	10.2%	3.2%	9.2%	6.5%			8.5%	
ROE			11.3%			6.5%				
EPS (Yen)			167.63			99.50	-68.13	-40.6%	140.65	-41.15
Capital Expenditure	1,682	1,731	3,414	507	2,791	3,298	-1,175	-69.9%	3,298	0
Depreciation	454	567	1,021	602	702	1,304	148	32.6%	1,304	0
Lease Equipment	151	127	278	173	249	422	22	14.6%	422	0
R&D Expenses	768	747	1,516	706	828	1,534	-62	-8.1%	1,668	-134
R&D Expenses Ratio	7.1%	6.9%	7.0%	7.2%	6.9%	7.1%			7.1%	

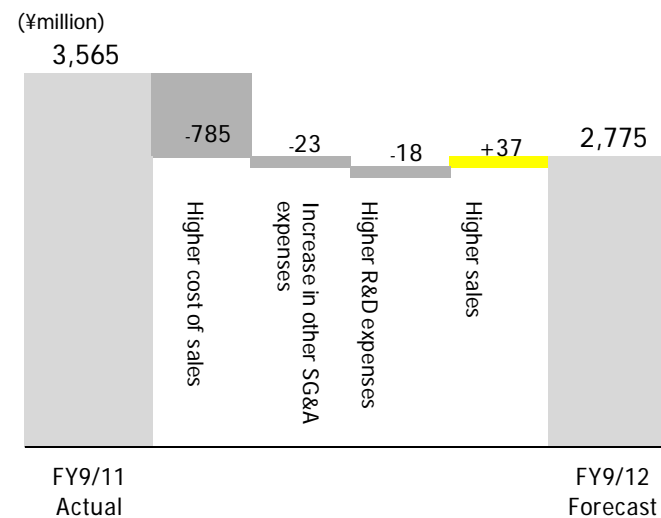
Summary of FY9/12 1H Results and Full-year Forecasts

- FY9/12 operating income forecast, reasons for YoY changes
 - ▣ Sales and production below plan
 - ▣ Delay in full start-up at new plant
 - ▣ Higher depreciation and other fixed expenses
 - ▣ NHI price revisions; wholesale price reductions

Year-on-Year Changes
in Operating Income

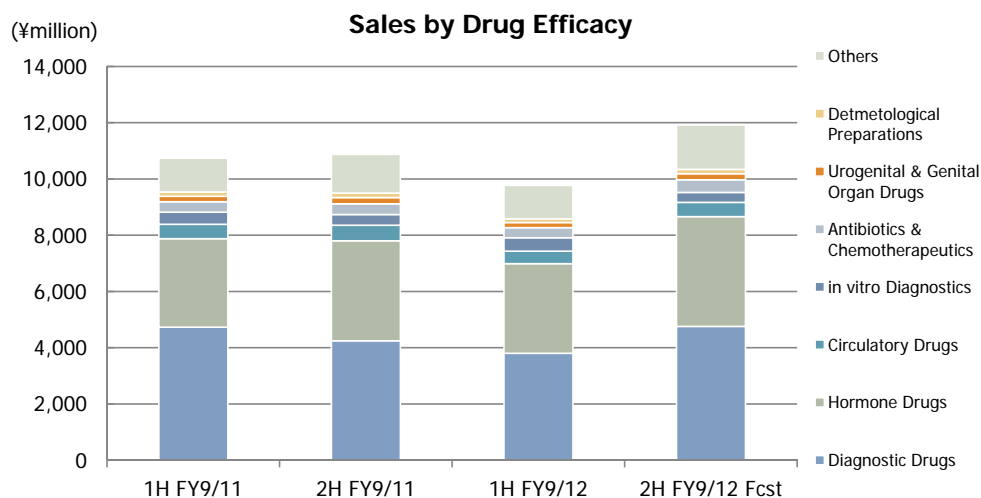


Year-on-Year Changes
in Operating Income

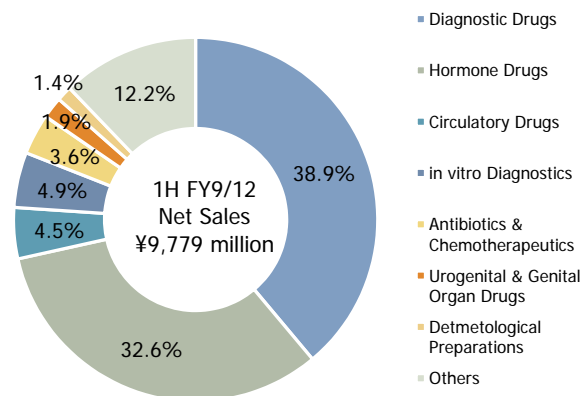


Sales by Drug Efficacy

¥(million)	FY9/11			FY9/12			1H Comparison		vs. Full Year Fcst	
	1H	2H	Full Year	1H	2H Fcst	Full Year Fcst	Change in Amount	Ratio	Change in Amount	Ratio
Diagnostic Drugs	4,732	4,245	8,978	3,803	4,760	8,565	-929	-19.6%	-413	-4.6%
Hormone Drugs	3,146	3,558	6,704	3,188	3,900	7,090	42	1.3%	386	5.8%
Circulatory Drugs	513	553	1,067	443	510	955	-70	-13.6%	-112	-10.5%
in vitro Diagnostics	429	380	810	480	350	830	51	11.9%	20	2.5%
Antibiotics & Chemotherapeutics	369	383	752	353	450	803	-16	-4.3%	51	6.8%
Urogenital & Genital Organ Drugs	196	222	418	185	220	405	-11	-5.6%	-13	-3.1%
Detmetological Preparations	155	158	314	132	150	282	-23	-14.8%	-32	-10.2%
Others	1,200	1,376	2,577	1,190	1,580	2,770	-10	-0.8%	193	7.5%
Total	10,745	10,878	21,623	9,779	11,921	21,700	-966	-9.0%	77	0.4%



Sales Breakdown by Drug Efficacy



Sales of Major Products

Product Name (¥million)	Categories of Drug Efficacy	FY9/11			FY9/12			1H Comparison		vs. Full Year Fcst	
		1H	2H	Full Year	1H	2H Fcst	Full Year Fcst	Change in Amount	Ratio	Change in Amount	Ratio
OYPALOMIN® injection	Diagnostic drugs	3,674	3,202	6,876	2,800	3,474	6,274	-874	-23.8%	-602	-8.8%
LUNABELL® tablets	Hormone drugs	984	1,286	2,271	998	1,441	2,439	14	1.4%	168	7.4%
IOPAQUE® injection	Diagnostic drugs	779	777	1,557	740	965	1,705	-39	-5.0%	148	9.5%
HMG intramuscular injection	Hormone drugs	454	481	935	438	470	908	-16	-3.5%	-27	-2.9%
SOL-MELCORT for injection	Hormone drugs	312	302	614	323	346	669	11	3.5%	55	9.0%
DEXART® injection	Hormone drugs	291	313	604	308	361	669	17	5.8%	65	10.8%
ALYPROST® injection	Circulatory drugs	356	399	755	305	305	610	-51	-14.3%	-145	-19.2%
FOLYRMON®-P injection	Hormone drugs	237	241	478	226	241	467	-11	-4.6%	-11	-2.3%
Clearview Exact Influenza A&B	in vitro diagnostics	124	62	186	180	33	213	56	45.2%	27	14.5%
GLUCAGON for injection	Diagnostic drugs	220	201	421	179	193	372	-41	-18.6%	-49	-11.6%
BUSERECUR®	Hormone drugs	152	168	321	150	158	308	-2	-1.3%	-13	-4.0%
LIMAPROST ALFADEX tablets	Others	129	155	284	144	187	332	15	11.6%	48	16.9%
HEPARIN SODIUM injection	Others	123	122	245	120	131	252	-3	-2.4%	7	2.9%
FLUMAZENIL injection	Others	149	222	372	114	183	298	-35	-23.5%	-74	-19.9%
BICALUTAMIDE tablets	Others	103	110	214	112	136	248	9	8.7%	34	15.9%
Total Top 15 Sales		8,087	8,041	16,133	7,137	8,624	15,764	-950	-11.7%	-369	-2.3%
Pct. of Total Sales		75.3%	73.9%	74.6%	73.0%	72.3%	72.6%				

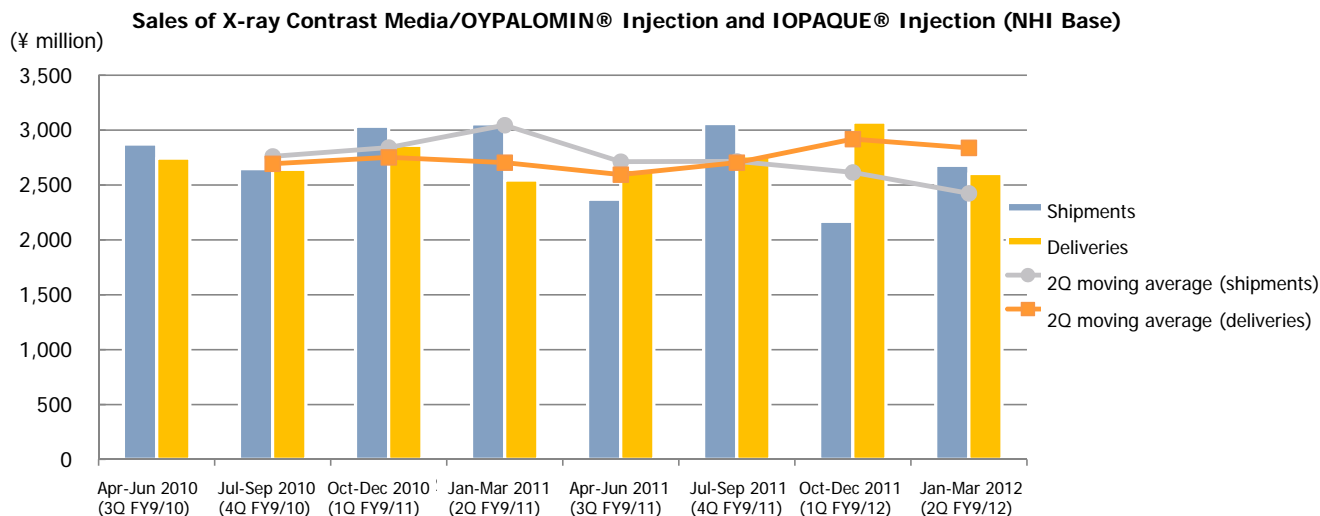
Acute Medical Care

Medical Care for Women

X-ray Contrast Media Sales

- Steady deliveries to medical institutions greatly reduced distributor's inventories in 1H FY9/12 (Oct. 2011-Mar. 2012)

(¥ million)	Shipments		Deliveries	
	Sales (NHI Base)	YoY Change	Sales (NHI Base)	YoY Change
Apr-Jun 2010 (3Q FY9/10)	2,873		2,744	
Jul-Sep 2010 (4Q FY9/10)	2,649		2,643	
Oct-Dec 2010 (1Q FY9/11)	3,035		2,862	
Jan-Mar 2011 (2Q FY9/11)	3,056		2,546	
Apr-Jun 2011 (3Q FY9/11)	2,370	-17.5%	2,644	-3.7%
Jul-Sep 2011 (4Q FY9/11)	3,060	15.5%	2,766	4.6%
Oct-Dec 2011 (1Q FY9/12)	2,169	-28.5%	3,072	7.4%
Jan-Mar 2012 (2Q FY9/12)	2,680	-12.3%	2,606	2.3%
Total	21,894		21,882	

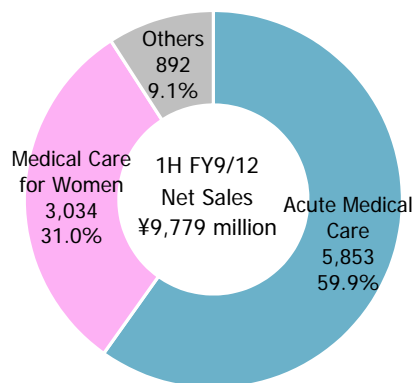


Sales by Medical Field and Route of Administration

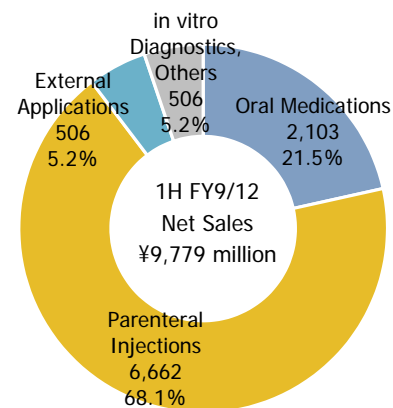
Medical Fields (¥million)	Categories of Drug Efficacy	FY9/11			FY9/12			1H Comparison		vs. Full Year Fcst	
		1H	2H	Full Year	1H	2H Fcst	Full Year Fcst	Change in Amount	Ratio	Change in Amount	Ratio
Acute Medical Care	Diagnostic drugs (contrast media, etc.), hormone drugs	6,858	6,543	13,400	5,853	7,327	13,180	-1,005	-14.7%	-220	-1.6%
Medical Care for Women	Hormone drugs, in vitro diagnostics	3,029	3,527	6,556	3,034	3,736	6,770	5	0.2%	214	3.3%
Others	Circulatory drugs, in vitro diagnostics	859	808	1,667	892	858	1,750	33	3.8%	83	5.0%
Total		10,745	10,878	21,623	9,779	11,921	21,700	-966	-9.0%	77	0.4%

Routes of Administration (¥million)	FY9/11			FY9/12			1H Comparison		vs. Full Year Fcst	
	1H	2H	Full Year	1H	2H Fcst	Full Year Fcst	Change in Amount	Ratio	Change in Amount	Ratio
Parenteral Injections	7,662	7,440	15,103	6,662	8,038	14,700	-1,000	-13.1%	-403	-2.7%
Oral Medications	2,082	2,464	4,547	2,103	2,997	5,100	21	1.0%	553	12.2%
External Applications	547	578	1,125	506	574	1,080	-41	-7.5%	-45	-4.0%
in vitro Diagnostics, Others	453	394	847	506	314	820	53	11.7%	-27	-3.2%
Total	10,745	10,878	21,623	9,779	11,921	21,700	-966	-9.0%	77	0.4%

Sales Breakdown by Medical Fields



Sales Breakdown by Routes of Administration



Summary of FY9/12 2Q Balance Sheets

(\$million)	FY9/11	FY9/12	YoY Change	
	Term End	2Q End	Amount	Ratio
Assets				
Current Assets	20,537	21,320	783	3.8%
Noncurrent Assets	9,220	8,212	-1,008	-10.9%
Property, Plant and Equipment	7,581	6,672	-909	-12.0%
Intangible Assets	1,027	869	-158	-15.4%
Investments and Other Assets	610	670	60	9.8%
Total Assets	29,757	29,532	-225	-0.8%
Liabilities				
Current Liabilities	7,588	6,929	-659	-8.7%
Noncurrent Liabilities	904	1,306	402	44.5%
Total Liabilities	8,492	8,236	-256	-3.0%
Net Assets				
Shareholders' Equity	21,264	21,295	31	0.1%
Capital Stock	2,447	2,447	0	0.0%
Capital Surplus	3,672	3,672	0	0.0%
Retained Earnings	15,145	15,176	31	0.2%
Treasury Stock	-0	-0	0	-
Valuation and Translation Adjustments	0	0	0	-
Total Net Assets	21,264	21,296	32	0.2%
Total Liabilities and Net Assets	29,757	29,532	-225	-0.8%

- Increase in cash and deposits following the collection of accounts receivable due to the leaseback transaction: ¥590 million
- Increase in inventories and notes and accounts receivable-trade: ¥190 million

Decrease mainly due to leaseback transaction: ¥1 billion

- Decrease in income taxes payable: ¥670 million
- Decrease in provision for bonuses: ¥430 million
- Repayment of long-term loans payable: ¥1,300 million
- Increase in short-term loans payable: ¥1,000 million

Increase in provision for retirement benefits: ¥410 million

Summary of FY9/12 1H Statements of Cash Flows

(¥ million)	FY9/11	FY9/12	YoY Change	
	1H	1H	Amount	Ratio
Net Cash Provided by (Used in) Operating Activities	450	45	-405	-90.0%
(Major Breakdown)				
Income Before Income Taxes	1,660	608	-1,052	-63.4%
Depreciation and Amortization	454	602	148	32.6%
Decrease (Increase) in Notes and Accounts Receivable-trade	-623	-222	401	-
Decrease (Increase) in Inventories	-51	-1,043	-992	-
Decrease (Increase) in Accounts Receivable-other	9	90	81	-
Increase (Decrease) in Notes and Accounts Payable-trade	-129	628	757	-
Income Taxes Paid	-784	-822	-38	-
Net Cash Provided by (Used in) Investing Activities	-1,811	1,132	2,943	-162.5%
(Major Breakdown)				
Purchase of Property, Plant and Equipment	-1,678	-497	1,181	-
Proceeds from Sales of Property, Plant and Equipment	-	1,639	1,639	-
Purchase of Intangible Assets	-131	-8	123	-
Net Cash Provided by (Used in) Financing Activities	1,181	-581	-1,762	-149.2%
(Major Breakdown)				
Net Increase (Decrease) in Short-term Loans Payable	100	1,000	900	-
Proceeds from Long-term Loans Payable	1,300	-	-	-
Repayment of Long-term Loans Payable	-	1,300	1,300	-
Cash Dividends Paid	-218	-281	-63	-
Cash and Cash Equivalents at Beginning of Period	3,097	5,260	2,163	69.8%
Cash and Cash Equivalents at End of Period	2,918	5,856	2,938	100.7%
Free Cash Flows	-1,361	1,177	2,538	-

Increase in inventories of raw materials

Proceeds from sales of property, plant and equipment due to the leaseback transaction

- Repayment of long-term loans payable: ¥1,300 million
- Short-term loans payable: ¥1,000 million

Medium-term Vision 2015

- Central theme

Expand existing core businesses and capitalize on new opportunities for creating new businesses for the future between now and our 50th anniversary in 2015

- Fundamental medium and long-term objective

Continue doing business in the distinctive “Fuji Pharma style”

= Aim for consistent growth in our unique corporate value

- The medium/long-term vision: Our vision for 2015

Enlarge the acute medical care business with emphasis on new injection agents

- Enter more domains by expanding from cancer diagnostics, including the core contrast media field, into the field of cancer treatment
- Continue to introduce “Gx-Plus” products (biotechnology, DDS and D&D)

Build a framework for business operations centered on R&D

- Use R&D to redesign the balance of business lines
- Establish a new R&D center in Toyama

FY9/11 →

FY9/16 = Increase existing core business sales by ¥10 billion,
generate new sales of ¥5 billion from new businesses/cancer/overseas operations

Become a leading company in the field of medical care for women

- Support all types of hormone therapies for obstetrics and gynecology
- Build a model for capturing synergies between generic and national brand drugs

Grow overseas; establish a new competitive edge for generic drugs

- Place priority on overseas business investments to enter new areas

Actions to Achieve the Medium-term Vision

Growth of existing core businesses	<ul style="list-style-type: none">● Start operations at the new injection agent plant, double output in the core contrast media category● FY9/12 1H (Oct. 2011-Mar. 2012) deliveries to DPC-based hospitals were 1,286 out of 1,449 hospitals● Will start sales in July 2012 of the best-selling oral contraceptive drug● Holding discussions with major pharmaceutical companies to take over the sales of national brand drugs● Preparing for application for approval to sell drug with ultra low-dose estrogen progestin (LEP) for treatment of dysmenorrhea
Opportunities for new businesses	<ul style="list-style-type: none">● Applied at the end of 2011 for approval to sell G-CSF formulation, Japan's first biosimilar drug of G-CSF formulation● New biotechnology drug production line/achieves high level of sterility● Started construction in March on production line for injection agents for anticancer agents; completion scheduled for April 2013● Enlarging the pipeline with our own anticancer/DDS drugs and compounds from external sources● Continuing to study new strategic alliances with pharmaceutical companies in Japan and overseas

Medium-term Business Plan

- Review basic strategies to achieve net sales of ¥35 billion; focus on establishing new drivers of growth
- Use aggressive investments to create new business opportunities that move Fuji Pharma to a new trajectory for growth
- Consistently increase the dividend along with medium-to long-term earnings growth

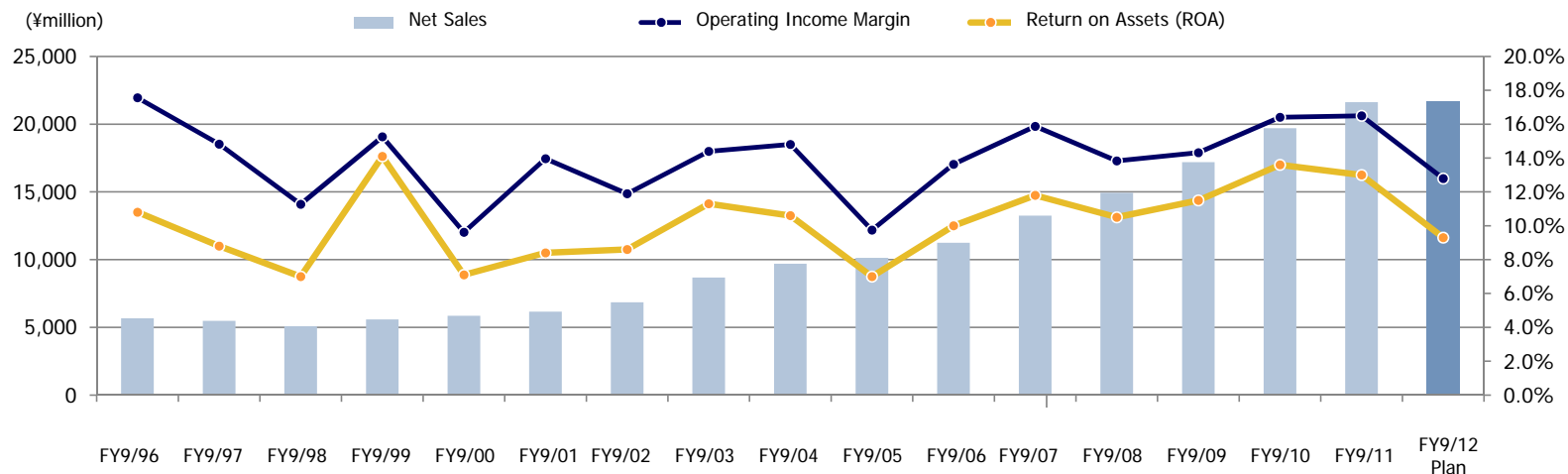
(¥million)	FY9/11 Actual	FY9/12 Forecast	FY9/15 Plan
Net Sales	21,623	21,700	35,000
Operating Income	3,565	2,775	7,000
Operating Income Margin	16.5%	12.8%	20.0%
Ordinary Income	3,545	2,780	7,000
Net Income	2,204	1,405	4,300
ROA (Ordinary Income on Assets)	13.0%	9.3%	>15.0%
ROE	11.3%	6.5%	>15.0%
EPS (Yen)	167.63	99.50	310.30
Capital Expenditure	3,414	3,298	
Depreciation	1,021	1,304	1,359
Lease Equipment	278	422	625
R&D Expenses	1,516	1,534	3,000
R&D Expenses Ratio	7.0%	7.1%	8.6%

Business Outline / Business Performance Trendlines

- Management philosophies

“Contributing to healthy living by supplying outstanding pharmaceuticals”

“The growth of the Company is directly linked to the development of its employees”



- Jun. 95
Listed for over-the-counter trading by Japan Securities Dealers Association
- Jul. 96
Released OYPALOMIN® injection, an x-ray contrast media
- May 02
Completed new plant for injection production (current No. 2 Pharmaceutical Plant)
- Sep. 01
Released IOPAQUE® injection, an x-ray contrast media
- Dec. 04
Listed on JASDAQ Stock Exchange
- Apr. 06
Completed new tablet production plant (current No. 4 Pharmaceutical Plant)
- Jun. 08
Released new LUNABELL® Tablet medicine
- Feb. 09
Entered into capital alliance with TERUMO CORPORATION
- Feb. 10
Concluded contract to co-develop biosimilar medicine with MOCHIDA PHARMACEUTICAL CO., LTD.
- Jul. 11
Listed on TSE 2nd Section / Completed new injection production plant (No. 5 Pharmaceutical Plant)
- Dec. 11
Applied approval for manufacture and sale of G-CSF biosimilar drugs

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