

Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending September 30, 2013
(Six Months Ended March 31, 2013)

[Japanese GAAP]

May 14, 2013

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: TSE (1st section)
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Scheduled date of filing of Quarterly Report: May 15, 2013
 Scheduled date of payment of dividend: June 3, 2013
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on May 14, 2013 at 16:30 (GMT +9).

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

1. Consolidated Financial Results for the Second Quarter (October 1, 2012 to March 31, 2013)
of the Fiscal Year Ending September 30, 2013

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Mar. 31, 2013	11,996	-	1,609	-	1,734	-	1,088	-
Six months ended Mar. 31, 2012	-	-	-	-	-	-	-	-

Note: Comprehensive income (million yen) Six months ended Mar. 31, 2013: 1,607 (n.a.)

Six months ended Mar. 31, 2012: - (n.a.)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Mar. 31, 2013	77.06	-
Six months ended Mar. 31, 2012	-	-

Note: No figures for the first half of the previous fiscal year and year-on-year comparisons are presented because the Company began preparing quarterly consolidated financial statements starting from the first quarter of the current fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Six months ended Mar. 31, 2013	38,833	23,437	60.4
Fiscal year ended Sep. 30, 2012	-	-	-

Reference: Shareholders' equity (millions of yen) Mar. 31, 2013: 23,437 Sep. 30, 2012: -

Note: No figures for the previous fiscal year are presented because the Company began preparing quarterly consolidated financial statements starting from the first quarter of the current fiscal year.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2012	-	18.00	-	19.00	37.00
Fiscal year ending Sep. 30, 2013	-	18.00	-	-	-
Fiscal year ending Sep. 30, 2013 (Estimated)	-	-	-	22.00	40.00

Note: Revision to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending September 30, 2013 (October 1, 2012 to September 30, 2013)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	25,975	-	3,575	-	3,540	-	2,190	-	155.10

Note: Revision to the most recently announced earnings forecast: None

No year-on-year comparisons are presented because the Company began preparing quarterly consolidated financial statements starting from the first quarter of the current fiscal year.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: 1 (OLIC (Thailand) Limited)

Excluded: -

Note: Please refer to the section “2. Matters Related to Summary Information (Notes), (1) Changes in Significant Subsidiaries during the Period” on page 3 of the attachments for further information.

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) 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

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

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

Mar. 31, 2013:	14,120,000 shares	Sep. 30, 2012:	14,120,000 shares
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2) Number of shares of treasury stock as of the end of period

Mar. 31, 2013:	67 shares	Sep. 30, 2012:	67 shares
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3) Average number of shares issued during the period

Six months ended Mar. 31, 2013:	14,119,933 shares	Six months ended Mar. 31, 2012:	14,119,933 shares
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* Information regarding the implementation of quarterly review procedures

The current quarterly consolidated financial report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, the review procedures for the quarterly consolidated financial statements have not been completed.

* Explanation of appropriate use of earnings forecasts, and other special items

The Company began preparing consolidated financial statements starting from the first quarter of the current fiscal year.

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 Consolidated Financial Performance, (3) Qualitative Information Regarding Consolidated Forecast” on page 3 of the attachments for details on the above forecasts.

* Change in the unit for presentation of amounts

Amounts in the quarterly financial statements and other items, presented in “thousands of yen” in prior periods, are presented in “millions of yen” effective from the first quarter or first three months of the current fiscal year.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

On October 1, 2012, OLIC (Thailand) Limited became a subsidiary following the acquisition of 99.91% of its outstanding shares from existing shareholders.

No figures for the first half of the previous fiscal year, year-on-year comparisons or other comparative analysis are presented because Fuji Pharma is preparing consolidated financial statements for the first time in this fiscal year.

In the first half of the current fiscal year, the outlook for the Japanese economy remained unclear because of concerns about slowing economic growth in China and other emerging countries and other issues. However, signs of an economic upturn are appearing, notably a stock market rally backed by expectations concerning the policies of Japan's new government and the retreat from the yen's extremely high level due to monetary and other measures.

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.

On November 21, 2012, the Company received approval to manufacture and sell Filgrastim BS Syringe "F", which is a recombinant human granulocyte colony-stimulating factor (G-CSF) formulation. This recombinant human G-CSF formulation is the first time that a filgrastim biosimilar drug has been approved in Japan. This drug is now a new option for the treatment of neutropenia as Japan's first G-CSF biosimilar drug. The Company believes the drug will help improve the quality of life of people suffering from neutropenia and is currently working hard on preparations to start selling this drug.

In April 2013, operations began at a new R&D facility that was constructed to make R&D operations more efficient and advanced. The Company intends to accelerate the achievement of its aim, as outlined in its medium-term business plan, of "building a framework for business operations centered on R&D" as a result of the completion of this facility, and to further enrich its medium- and long-term strategic pipeline.

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).

As a result, net sales totaled 11,996 million yen, operating income 1,609 million yen, ordinary income 1,734 million yen and net income 1,088 million yen.

(2) Qualitative Information Regarding Consolidated Financial Position

Assets, Liabilities and Net Assets

Total assets were 38,833 million yen, net assets 23,437 million yen, and the equity ratio was 60.4% as of the end of the second quarter under review.

Current assets were 23,558 million yen, including notes and accounts receivable-trade of 9,910 million yen and cash and deposits of 4,901 million yen. Noncurrent assets were 15,274 million yen, which includes buildings and structures of 4,816 million yen and goodwill associated with the acquisition of OLIC of 3,299 million yen.

Current liabilities were 8,797 million yen, including notes and accounts payable-trade of 4,135 million yen. Noncurrent liabilities were 6,597 million yen, which includes long-term loans payable of 4,878 million yen.

Net assets were 23,437 million yen, which include retained earnings of 16,799 million yen.

Cash Flows

Cash and cash equivalents (hereinafter, "Cash") as of the end of the second quarter under review totaled 5,406 million yen.

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

1) Cash Flow from Operating Activities

Net cash provided by operating activities totaled 913 million yen. This was the net result of adding a 604 million yen decrease in notes and accounts receivable-trade, and depreciation and amortization of 587 million yen to income before income taxes and minority interests of 1,730 million yen, which was offset by income taxes paid of 861 million yen, a 785 million yen decrease in notes and accounts payable-trade, a 393 million yen increase in inventories and other factors.

2) Cash Flow from Investing Activities

Net cash used in investing activities was 5,788 million yen. This was due to purchase of 3,386 million yen for investments in subsidiaries resulting in change in scope of consolidation, purchase of property, plant and equipment of 2,110 million yen and other factors.

3) Cash Flow from Financing Activities

Net cash provided by financing activities was 4,532 million yen. This was due to a 1,000 million yen decrease in short-term loans payable, cash dividends paid of 267 million yen, proceeds from long-term loans payable of 5,850 million yen and other factors.

(3) Qualitative Information Regarding Consolidated Forecast

In the first half of the current fiscal year, earnings were slightly higher than planned. The primary reasons were selling, general and administrative expenses, including research and development expenses, that were less than planned and foreign exchange gains. Some selling, general and administrative expenses, including research and development expenses, that were planned for the first half are expected to be incurred in the second half. As a result, there is no change in the forecast that was announced on February 14, 2013 for the fiscal year ending on September 30, 2013.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

OLIC (Thailand) Limited has become a consolidated subsidiary following the acquisition of 99.91% of its outstanding shares by the Company and is included in the scope of consolidation from the first quarter of the current fiscal year.

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

Not applicable.

3. Quarterly Consolidated Financial Statements**(1) Consolidated Balance Sheets**

	(Millions of yen)
	Second quarter of FY9/13 (As of Mar. 31, 2013)
Assets	
Current assets	
Cash and deposits	4,901
Notes and accounts receivable-trade	9,910
Short-term investment securities	505
Merchandise and finished goods	2,824
Work in process	1,089
Raw materials and supplies	3,580
Other	757
Allowance for doubtful accounts	(10)
Total current assets	<u>23,558</u>
Noncurrent assets	
Property, plant and equipment	
Buildings and structures, net	4,816
Other, net	5,462
Total property, plant and equipment	<u>10,278</u>
Intangible assets	
Goodwill	3,299
Other	940
Total intangible assets	<u>4,239</u>
Investments and other assets	
Other	756
Allowance for doubtful accounts	(0)
Total investments and other assets	<u>755</u>
Total noncurrent assets	<u>15,274</u>
Total assets	<u>38,833</u>
Liabilities	
Current liabilities	
Notes and accounts payable-trade	4,135
Short-term loans payable	1,036
Current portion of long-term loans payable	921
Income taxes payable	601
Provision for bonuses	594
Provision for directors' bonuses	12
Provision for sales returns	8
Other	1,486
Total current liabilities	<u>8,797</u>
Noncurrent liabilities	
Long-term loans payable	4,878
Provision for retirement benefits	1,178
Other	540
Total noncurrent liabilities	<u>6,597</u>
Total liabilities	<u>15,395</u>

	(Millions of yen)
	Second quarter of FY9/13
	(As of Mar. 31, 2013)
Net assets	
Shareholders' equity	
Capital stock	2,447
Capital surplus	3,672
Retained earnings	16,799
Treasury stock	(0)
Total shareholders' equity	<u>22,918</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	28
Foreign currency translation adjustment	490
Total accumulated other comprehensive income	<u>518</u>
Minority interests	<u>0</u>
Total net assets	<u>23,437</u>
Total liabilities and net assets	<u>38,833</u>

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

	(Millions of yen)
	First six months of FY9/13 (Oct. 1, 2012 – Mar. 31, 2013)
Net sales	11,996
Cost of sales	6,752
Gross profit	5,243
Selling, general and administrative expenses	3,634
Operating income	1,609
Non-operating income	
Interest income	8
Foreign exchange gains	122
Commission fee	2
Compensation income	1
Fiduciary obligation fee	6
Other	14
Total non-operating income	155
Non-operating expenses	
Interest expenses	27
Sales discounts	2
Other	0
Total non-operating expenses	30
Ordinary income	1,734
Extraordinary loss	
Loss on retirement of noncurrent assets	3
Total extraordinary losses	3
Income before income taxes and minority interests	1,730
Income taxes-current	580
Income taxes-deferred	62
Total income taxes	642
Income before minority interests	1,088
Minority interests in income	0
Net income	1,088

(Consolidated Statements of Comprehensive Income)
(For the Six-month Period)

	(Millions of yen)
	First six months of FY9/13 (Oct. 1, 2012 – Mar. 31, 2013)
Income before minority interests	1,088
Other comprehensive income	
Valuation difference on available-for-sale securities	28
Foreign currency translation adjustment	490
Total other comprehensive income	519
Comprehensive income	1,607
Comprehensive income attributable to	
Comprehensive income attributable to owners of the parent	1,606
Comprehensive income attributable to minority interests	0

(3) Consolidated Statements of Cash Flows

	(Millions of yen)
	First six months of FY9/13 (Oct. 1, 2012 – Mar. 31, 2013)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	1,730
Depreciation and amortization	587
Amortization of goodwill	68
Increase (decrease) in allowance for doubtful accounts	0
Increase (decrease) in provision for bonuses	(53)
Increase (decrease) in provision for directors' bonuses	(4)
Increase (decrease) in provision for retirement benefits	50
Interest and dividends income	(8)
Interest expenses	27
Foreign exchange losses (gains)	(125)
Decrease (increase) in notes and accounts receivable-trade	604
Decrease (increase) in inventories	(393)
Increase (decrease) in notes and accounts payable-trade	(785)
Other, net	96
Subtotal	1,794
Interest and dividends income received	8
Interest expenses paid	(28)
Income taxes paid	(861)
Net cash provided by (used in) operating activities	913
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	(2,110)
Purchase of intangible assets	(372)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(3,386)
Other, net	80
Net cash provided by (used in) investing activities	(5,788)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	(1,000)
Proceeds from long-term loans payable	5,850
Repayment of long-term loans payable	(50)
Cash dividends paid	(267)
Net cash provided by (used in) financing activities	4,532
Effect of exchange rate change on cash and cash equivalents	73
Net increase (decrease) in cash and cash equivalents	(269)
Cash and cash equivalents at beginning of period	5,676
Cash and cash equivalents at end of period	5,406

(4) Notes Regarding Assumptions for Company as Ongoing Concern

Not applicable.

(5) Notes Regarding Material Change in Shareholders' Equity

Not applicable.

(6) Segment and Other Information

In the first quarter of the current fiscal year, the Company includes OLIC (Thailand) Limited in the scope of consolidation.

The operations of the Fuji Pharma Group are still a single business segment, the pharmaceutical business, because OLIC is engaged in the contract manufacturing of pharmaceutical and related products.

4. Supplementary Information**(1) Breakdown of Sales**

(Millions of yen)

Efficacy	First six months of FY9/13 (Oct. 1, 2012 – Mar. 31, 2013)	
	Amount	%
(Finished goods)		
Diagnostic drugs	4,622	38.5
Hormone drugs	2,479	20.7
Circulatory drugs	472	4.0
Antibiotics and chemotherapeutics	354	3.0
Urogenital and genital organ drugs	192	1.6
Dermatological preparations	133	1.1
Others	1,923	16.0
Subtotal	10,179	84.9
(Merchandise)		
Hormone drugs	1,248	10.4
In vitro diagnostic	473	3.9
Others	94	0.8
Subtotal	1,816	15.1
Total	11,996	100.0

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 taxes.

3. Fractions less than one million yen are omitted.

4. No figures for the first half of the previous fiscal year and year-on-year comparisons are presented because the Company began preparing quarterly consolidated financial statements starting from the first quarter of the current fiscal year.

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.