

**Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending September 30, 2014**  
**(Three Months Ended December 31, 2013)**

[Japanese GAAP]

February 13, 2014

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: TSE (1st section)  
 Stock code: 4554 (URL: <http://www.fujipharma.jp>)  
 Representative: Hirofumi Imai, President & CEO  
 Contact: Takuya Usami, Director and General Manager of Administration Department  
 TEL: +81-(0)3-3556-3344

Scheduled date of filing of Quarterly Report: February 14, 2014

Scheduled date of payment 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 February 13, 2014 at 16:30 (GMT +9).

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

**1. Consolidated Financial Results for the First Quarter (October 1, 2013 to December 31, 2013)**  
**of the Fiscal Year Ending September 30, 2014**

(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	%
Three months ended Dec. 31, 2013	6,904	15.5	829	(3.5)	907	(6.3)	543	(11.3)
Three months ended Dec. 31, 2012	5,978	-	859	-	968	-	612	-

Note: Comprehensive income (million yen) Three months ended Dec. 31, 2013: 686 (up 12.2%)

Three months ended Dec. 31, 2012: 611 (n.a.)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2013	38.51	-
Three months ended Dec. 31, 2012	43.41	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Three months ended Dec. 31, 2013	40,596	24,379	60.1
Fiscal year ended Sep. 30, 2013	39,138	24,066	61.5

Reference: Shareholders' equity (millions of yen) Dec. 31, 2013: 24,379 Sep. 30, 2013: 24,066

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2013	-	18.00	-	22.00	40.00
Fiscal year ending Sep. 30, 2014	-				
Fiscal year ending Sep. 30, 2014 (Estimated)		20.00	-	24.00	44.00

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

**3. Consolidated Forecast for the Fiscal Year Ending September 30, 2014 (October 1, 2013 to September 30, 2014)**

(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	13,985	16.6	1,410	(12.4)	1,370	(21.0)	825	(24.2)	58.43
Full year	29,465	17.0	3,450	5.8	3,385	0.3	2,070	0.1	146.60

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

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(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: Yes

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)

As of Dec. 31, 2013:	14,120,000 shares	As of Sep. 30, 2013:	14,120,000 shares
----------------------	-------------------	----------------------	-------------------

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

As of Dec. 31, 2013:	67 shares	As of Sep. 30, 2013:	67 shares
----------------------	-----------	----------------------	-----------

3) Average number of shares issued during the period

Three months ended Dec. 31, 2013:	14,119,933 shares	Three months ended Dec. 31, 2012:	14,119,933 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

\* 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

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) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 2 of the attachments for details on the above forecasts.

Contents of Attachments

<b>1. Qualitative Information on Quarterly Consolidated Financial Performance</b>	<b>2</b>
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	2
<b>2. Matters Related to Summary Information (Notes)</b>	<b>3</b>
(1) Changes in Significant Subsidiaries during the Period	3
(2) Changes in Accounting Policies and Accounting-based Estimates, and Restatements	3
<b>3. Quarterly Consolidated Financial Statements</b>	<b>4</b>
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Comprehensive Income	6
Consolidated Statements of Income	
For the Three-month Period	6
Consolidated Statements of Comprehensive Income	
For the Three-month Period	7
(3) Notes to Quarterly Consolidated Financial Statements	8
Notes Regarding Assumptions for Company as Ongoing Concern	8
Notes Regarding Material Change in Shareholders' Equity	8
Segment and Other Information	8
<b>4. Supplementary Information</b>	<b>8</b>
(1) Breakdown of Sales	8

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first quarter of the current fiscal year, the outlook for the Japanese economy remained uncertain in part because of concerns about slowing economic growth in China and other emerging countries. But there are indications that the economy is recovering. In particular, corporate earnings are rebounding, especially at exporting companies, because of the strong U.S. economy and the benefits of monetary easing and economic stimulus measures in Japan.

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 2013, Fuji Pharma received sales rights from Mallinckrodt Japan Co., Ltd. for a new drug called "OPTIRAY® Injection." Fuji Pharma then received marketing approval and sales rights from Shionogi & Co., Ltd. concerning following four new drugs in the obstetrics and gynecology fields: transfer of marketing approval for "LUTORAL tablets" and "FLAGYL vaginal tablets"; and transfer of sales rights for "CLOMID tablets" and "NORLUTEN tablets."

In terms of sales activities, the Company has been focusing on the marketing of new drugs "LUNABELL® tablets ULD" and "LUNABELL® tablets LD" 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 6,904 million yen, up 15.5% from one year earlier, as sales remained strong particularly core products. With regard to profits, selling, general and administrative expenses increased due to a rise in research and development expenses, and amortization of goodwill. Operating income declined 3.5% to 829 million yen, ordinary income fell 6.3% to 907 million yen and net income decreased 11.3% to 543 million yen.

Note that only the balance sheet is consolidated in the first quarter of the previous fiscal year.

### (2) Explanation of Financial Position

Total assets increased 1,457 million yen from the end of the previous fiscal year to 40,596 million yen, net assets increased 312 million yen to 24,379 million yen, and the equity ratio was 60.1% as of the end of the first quarter under review.

#### Assets

Current assets increased 876 million yen mainly because of a decrease in cash and deposits, while there were increases in inventories and notes and accounts receivable-trade. Noncurrent assets increased 581 million yen.

#### Liabilities

Current liabilities increased 1,199 million yen mainly due to an increase in notes and accounts payable-trade, and noncurrent liabilities decreased 54 million yen mainly due to a decrease in long-term loans payable.

#### Net assets

Net assets increased 312 million yen mainly because of an increase in retained earnings.

### (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

In the first quarter of the current fiscal year, sales and earnings were slightly higher than the plan that was announced on November 14, 2013. However, there is no change in the first half and full-year consolidated forecast for the fiscal year ending September 30, 2014.

## **2. Matters Related to Summary Information (Notes)**

### **(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

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

#### Changes in Accounting Policies

For the valuation of merchandise and finished goods included in inventories, the first-in, first-out method has been used in prior years. Starting in the first quarter of the current fiscal year, the Company changed to the periodic-average method for the purpose of reporting earnings in a more appropriate manner. This change coincided with the start-up of a new integrated business (enterprise resource planning) system on October 1, 2013. It is impossible to determine the cumulative effect of this change on earnings in prior fiscal years due to incompatibility with the computer system. Consequently, the book value of merchandise and finished goods as of the end of the previous fiscal year was used as the beginning balance for the current fiscal year and the periodic-average method has been used from the start of the current fiscal year.

The effect of this change is insignificant.

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

(Millions of yen)

	FY9/13 (As of Sep. 30, 2013)	First quarter of FY9/14 (As of Dec. 31, 2013)
Assets		
Current assets		
Cash and deposits	6,015	4,114
Notes and accounts receivable-trade	9,697	11,288
Securities	505	505
Merchandise and finished goods	2,356	2,617
Work in process	1,150	1,304
Raw materials and supplies	3,030	4,019
Deferred tax assets	581	266
Other	442	538
Allowance for doubtful accounts	(8)	(6)
Total current assets	23,772	24,648
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,276	5,213
Machinery, equipment and vehicles, net	4,154	4,112
Land	851	861
Construction in progress	79	83
Other, net	144	146
Total property, plant and equipment	10,506	10,417
Intangible assets		
Goodwill	3,060	3,079
Other	1,044	1,709
Total intangible assets	4,105	4,788
Investments and other assets		
Investment securities	165	117
Deferred tax assets	463	514
Other	123	108
Total investments and other assets	753	740
Total noncurrent assets	15,366	15,947
Total assets	39,138	40,596

(Millions of yen)

	FY9/13 (As of Sep. 30, 2013)	First quarter of FY9/14 (As of Dec. 31, 2013)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	3,604	6,026
Short-term loans payable	933	1,024
Current portion of long-term loans payable	921	921
Income taxes payable	899	85
Provision for bonuses	913	321
Provision for directors' bonuses	25	7
Provision for sales returns	9	15
Other	1,610	1,716
<b>Total current liabilities</b>	<b>8,917</b>	<b>10,117</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	4,417	4,337
Provision for retirement benefits	1,190	1,207
Other	544	553
<b>Total noncurrent liabilities</b>	<b>6,153</b>	<b>6,099</b>
<b>Total liabilities</b>	<b>15,071</b>	<b>16,216</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,447	2,447
Capital surplus	3,672	3,672
Retained earnings	17,525	17,758
Treasury stock	(0)	(0)
<b>Total shareholders' equity</b>	<b>23,644</b>	<b>23,877</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	56	24
Foreign currency translation adjustment	365	476
<b>Total accumulated other comprehensive income</b>	<b>421</b>	<b>500</b>
<b>Minority interests</b>	<b>0</b>	<b>0</b>
<b>Total net assets</b>	<b>24,066</b>	<b>24,379</b>
<b>Total liabilities and net assets</b>	<b>39,138</b>	<b>40,596</b>

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

(Millions of yen)

	First three months of FY9/13 (Oct. 1, 2012 – Dec. 31, 2012)	First three months of FY9/14 (Oct. 1, 2013 – Dec. 31, 2013)
Net sales	5,978	6,904
Cost of sales	3,277	3,915
Gross profit	2,701	2,989
Selling, general and administrative expenses	1,841	2,159
Operating income	859	829
Non-operating income		
Interest income	8	0
Foreign exchange gains	108	82
Commission fee	0	0
Compensation income	0	0
Other	1	7
Total non-operating income	119	92
Non-operating expenses		
Interest expenses	8	12
Sales discounts	1	0
Other	0	0
Total non-operating expenses	10	14
Ordinary income	968	907
Income before income taxes and minority interests	968	907
Income taxes-current	157	63
Income taxes-deferred	197	300
Total income taxes	355	364
Income before minority interests	612	543
Minority interests in income (loss)	-	(0)
Net income	612	543



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

(Millions of yen)

	First three months of FY9/13 (Oct. 1, 2012 – Dec. 31, 2012)	First three months of FY9/14 (Oct. 1, 2013 – Dec. 31, 2013)
Income before minority interests	612	543
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	31
Foreign currency translation adjustment	-	110
Total other comprehensive income	(1)	142
Comprehensive income	611	686
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	611	685
Comprehensive income attributable to minority interests	-	0

**(3) Notes to Quarterly Consolidated Financial Statements****Notes Regarding Assumptions for Company as Ongoing Concern**

Not applicable.

**Notes Regarding Material Change in Shareholders' Equity**

Not applicable.

**Segment and Other Information**

Omitted since the Group has only a single business segment, which is the pharmaceutical business.

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

(Millions of yen)

Efficacy	First three months of FY9/13 (Oct. 1, 2012 – Dec. 31, 2012)		First three months of FY9/14 (Oct. 1, 2013 – Dec. 31, 2013)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	2,215	37.1	2,145	31.1	(3.1)
Hormone drugs	1,332	22.3	1,412	20.5	6.0
Circulatory drugs	249	4.2	280	4.0	12.3
Antibiotics and chemotherapeutics	198	3.3	239	3.5	20.8
Urogenital and genital organ drugs	109	1.8	112	1.6	2.5
Dermatological preparations	71	1.2	62	0.9	(13.1)
Others	857	14.3	1,330	19.3	55.2
Subtotal	5,034	84.2	5,583	80.9	10.9
(Merchandise)					
Hormone drugs	694	11.6	817	11.8	17.7
Diagnostic drugs	-	-	286	4.2	-
In vitro diagnostic	200	3.4	166	2.4	(17.1)
Others	49	0.8	51	0.7	4.2
Subtotal	944	15.8	1,321	19.1	39.9
Total	5,978	100.0	6,904	100.0	15.5

Notes: 1. Sales are categorized by the efficacy of drugs rather than business segments because the Group 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. Only the balance sheet is consolidated in the first three months of FY9/13.

4. Fractions less than one million 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.*