

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending September 30, 2015
(Three Months Ended December 31, 2014)

[Japanese GAAP]

February 10, 2015

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: TSE (1st section)
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Scheduled date of filing of Quarterly Report: February 12, 2015

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 10, 2015 at 17:00 (GMT +9).

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

1. Consolidated Financial Results for the First Quarter (October 1, 2014 to December 31, 2014)
of the Fiscal Year Ending September 30, 2015

(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, 2014	8,067	16.9	819	(1.2)	847	(6.7)	516	(5.0)
Three months ended Dec. 31, 2013	6,904	15.5	829	(3.5)	907	(6.3)	543	(11.3)

Note: Comprehensive income (millions of yen) Three months ended Dec. 31, 2014: 971 (up 41.6 %)

Three months ended Dec. 31, 2013: 686 (up 12.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2014	33.05	-
Three months ended Dec. 31, 2013	38.51	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Three months ended Dec. 31, 2014	47,666	29,380	61.6
Fiscal year ended Sep. 30, 2014	49,027	28,544	58.2

Reference: Shareholders' equity (millions of yen) Dec. 31, 2014: 29,379 Sep. 30, 2014: 28,543

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2014	-	20.00	-	24.00	44.00
Fiscal year ending Sep. 30, 2015	-	-	-	-	-
Fiscal year ending Sep. 30, 2015 (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, 2015 (October 1, 2014 to September 30, 2015)

(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	15,660	10.4	1,700	8.9	1,690	3.9	1,070	6.7	68.47
Full year	32,030	9.6	3,590	13.1	3,560	11.3	2,260	8.7	144.62

Note: Revision to the most recently announced consolidated 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: Yes

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 shares)

Three months ended Dec. 31, 2014:	15,626,900 shares	Fiscal year ended Sep. 30, 2014:	15,626,900 shares
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2) Number of treasury shares as of the end of period

Three months ended Dec. 31, 2014:	89 shares	Fiscal year ended Sep. 30, 2014:	89 shares
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3) Average number of shares issued during the period

Three months ended Dec. 31, 2014:	15,626,811 shares	Three months ended Dec. 31, 2013:	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

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.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the current fiscal year, corporate earnings at companies in Japan recovered, chiefly at exporting companies, due to the strength of the U.S. economy and the benefits of monetary easing and economic stimulus measures in Japan. However, the economic outlook is unclear because of slowing economic growth and political instability in some emerging countries, flat consumer spending in Japan due to the April 2014 consumption tax hike, the instability of exchange rates and other reasons.

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.

The Fuji Pharma Group has established a medium-term business plan that covers the five-year period starting in the fiscal year ending on September 30, 2015. The central theme of the new medium-term business plan is "Fuji Pharma Branding." Our goal is to operate a pharmaceutical business with innovative added value from a global perspective. We want to earn the trust, understanding and friendship of healthcare professionals as well as people who want to lead healthy lives. By reinforcing our commitment to the Group's management philosophy of "growth" and "contribution," we have been promoting to build a unique business model that produces synergies in strategic fields by combining brands, generic drugs and contract manufacturing.

Regarding sales activities, Fuji Pharma has been focusing on the marketing of the new dysmenorrhea treatment agents LUNABELL® tablets ULD and LUNABELL® tablets LD. Another goal is expanding its market share of 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 hospitals throughout Japan that are subject to DPC (Diagnosis Procedure Combination).

Net sales increased 16.9% year on year to 8,067 million yen as sales remained strong particularly for core products. But earnings were held down as the higher cost of raw materials and an increase in depreciation expenses raised the cost of sales and measures to strengthen sales operations caused selling, general and administrative expenses to increase. As a result, operating income fell 1.2% to 819 million yen, ordinary income fell 6.7% to 847 million yen and net income decreased 5.0% to 516 million yen.

(2) Explanation of Financial Position

Total assets decreased 1,361 million yen from the end of the previous fiscal year to 47,666 million yen, net assets increased 836 million yen to 29,380 million yen, and the equity ratio was 61.6% as of the end of the first quarter of the current fiscal year.

Assets

Current assets decreased 1,654 million yen mainly because of decreases in accounts receivable-other and cash and deposits, while there were increases in notes and accounts receivable-trade and inventories. Non-current assets increased 293 million yen mainly due to an increase in construction in progress.

Liabilities

Current liabilities decreased 1,676 million yen mainly due to a decrease in short-term loans payable, and non-current liabilities decreased 521 million yen mainly due to a decrease in net defined benefit liability.

Net Assets

Net assets increased 836 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 generally in line with the plan that was announced on November 14, 2014. As a result, there is no change in the first half and full-year consolidated forecast for the fiscal year ending September 30, 2015.

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

Application of the accounting standard for retirement benefits

The Company has applied the “Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012)” and the “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)” from the first quarter of the current fiscal year, for provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate from the method using the remaining service period to the method using a single weighted average discount rate.

For the application of these accounting standards, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the first quarter of the current fiscal year.

The result was a decrease of 372 million yen in net defined benefit liability, and an increase of 239 million yen in retained earnings at the beginning of the first quarter of the current fiscal year. The effect of this change on operating income, ordinary income and income before income taxes and minority interests in the first quarter of the current fiscal year is insignificant.

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

(Millions of yen)

	FY9/14 (As of Sep. 30, 2014)	First quarter of FY9/15 (As of Dec. 31, 2014)
Assets		
Current assets		
Cash and deposits	8,173	6,488
Notes and accounts receivable-trade	11,623	13,410
Securities	506	506
Merchandise and finished goods	3,341	3,536
Work in process	1,994	2,422
Raw materials and supplies	3,816	4,484
Accounts receivable-other	2,727	25
Deferred tax assets	570	238
Other	420	408
Allowance for doubtful accounts	(6)	(7)
Total current assets	33,168	31,514
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,917	4,977
Machinery, equipment and vehicles, net	1,672	1,632
Land	882	915
Leased assets, net	2,482	2,403
Construction in progress	386	737
Other, net	125	131
Total property, plant and equipment	10,465	10,797
Intangible assets		
Goodwill	3,030	3,210
Other	1,596	1,494
Total intangible assets	4,627	4,705
Investments and other assets		
Investment securities	93	93
Deferred tax assets	567	449
Other	105	105
Total investments and other assets	765	648
Total non-current assets	15,858	16,151
Total assets	49,027	47,666

(Millions of yen)

	FY9/14 (As of Sep. 30, 2014)	First quarter of FY9/15 (As of Dec. 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,635	7,410
Short-term loans payable	1,183	-
Current portion of long-term loans payable	921	921
Lease obligations	340	341
Income taxes payable	695	19
Provision for bonuses	910	331
Provision for directors' bonuses	23	4
Provision for sales returns	25	35
Other	1,981	1,978
Total current liabilities	12,718	11,041
Non-current liabilities		
Long-term loans payable	3,496	3,416
Lease obligations	2,394	2,312
Net defined benefit liability	1,296	949
Other	577	565
Total non-current liabilities	7,764	7,243
Total liabilities	20,482	18,285
Net assets		
Shareholders' equity		
Capital stock	3,799	3,799
Capital surplus	5,023	5,023
Retained earnings	19,012	19,392
Treasury shares	(0)	(0)
Total shareholders' equity	27,834	28,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	9
Deferred gains or losses on hedges	-	4
Foreign currency translation adjustment	699	1,148
Remeasurements of defined benefit plans	(0)	1
Total accumulated other comprehensive income	708	1,164
Minority interests	1	1
Total net assets	28,544	29,380
Total liabilities and net assets	49,027	47,666

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

(Millions of yen)

	First three months of FY9/14 (Oct. 1, 2013 – Dec. 31, 2013)	First three months of FY9/15 (Oct. 1, 2014 – Dec. 31, 2014)
Net sales	6,904	8,067
Cost of sales	3,915	4,832
Gross profit	2,989	3,235
Selling, general and administrative expenses	2,159	2,415
Operating income	829	819
Non-operating income		
Interest income	0	0
Foreign exchange gains	82	20
Commission fee	0	9
Compensation income	0	0
Fiduciary obligation fee	-	5
Other	7	4
Total non-operating income	92	40
Non-operating expenses		
Interest expenses	12	10
Sales discounts	0	1
Other	0	0
Total non-operating expenses	14	12
Ordinary income	907	847
Extraordinary income		
Gain on sales of non-current assets	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Income before income taxes and minority interests	907	846
Income taxes-current	63	9
Income taxes-deferred	300	320
Total income taxes	364	330
Income before minority interests	543	516
Minority interests in income (loss)	(0)	0
Net income	543	516

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

(Millions of yen)

	First three months of FY9/14 (Oct. 1, 2013 – Dec. 31, 2013)	First three months of FY9/15 (Oct. 1, 2014 – Dec. 31, 2014)
Income before minority interests	543	516
Other comprehensive income		
Valuation difference on available-for-sale securities	31	0
Deferred gains or losses on hedges	-	4
Foreign currency translation adjustment	110	448
Remeasurements of defined benefit plans, net of tax	-	1
Total other comprehensive income	142	455
Comprehensive income	686	971
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	685	971
Comprehensive income attributable to minority interests	0	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.

Material Subsequent Events

Purchase of Treasury Shares

The Board of Directors of Fuji Pharma Co., Ltd. approved a resolution on February 10, 2015 to repurchase treasury shares as follows:

1. Reason for share repurchase

Fuji Pharma and Terumo Corporation formed a business alliance in February 2009 for the purpose of utilizing the medical device technologies of Terumo, the pharmaceutical production and other technologies of Fuji Pharma, the sales organizations of both companies, and other strengths of the two companies. To provide a sound base for these collaborative activities, the two companies also established a capital alliance. Since the business alliance has yielded substantial benefits, Fuji Pharma and Terumo have decided that ending the capital alliance at this time will have no effect at all on the continuation of the business alliance. As a result, the companies have decided to terminate the capital alliance. Terumo therefore plans to sell its Fuji Pharma stock. Fuji Pharma believes that purchasing the stock held by Terumo will prevent this sale from having a negative effect on stock market supply and demand for Fuji Pharma stock. Furthermore, Fuji Pharma believes that purchasing this stock will make it possible to take actions involving its stock with speed and flexibility to respond to changes in the business climate. Based on this view, the Board of Directors of Fuji Pharma approved a resolution to purchase treasury shares.

2. Details of the resolution of share repurchase

- | | |
|---|--|
| (1) Type of shares to be repurchased: | Common stock of Fuji Pharma Co., Ltd. |
| (2) Total number of shares to be repurchased: | Up to 700,000 shares
4.48 % of total shares outstanding (excluding treasury shares) |
| (3) Total value of shares to be repurchased: | Up to 1,470 million yen |
| (4) Repurchase schedule: | From February 12, 2015 to March 31, 2015 |

4. Supplementary Information

(1) Breakdown of Sales

(Millions of yen)

Efficacy	First three months of FY9/14 (Oct. 1, 2013 – Dec. 31, 2013)		First three months of FY9/15 (Oct. 1, 2014 – Dec. 31, 2014)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	2,145	31.1	2,842	35.2	32.5
Hormone drugs	1,412	20.4	1,417	17.6	0.4
Metabolic drugs	425	6.2	475	5.9	11.8
Circulatory drugs	280	4.1	246	3.1	(12.2)
Antibiotics and chemotherapeutics	239	3.5	236	2.9	(1.5)
Urogenital and genital organ drugs	112	1.6	122	1.5	9.0
Dermatological preparations	62	0.9	80	1.0	30.0
Others	905	13.1	1,328	16.5	46.8
Subtotal	5,583	80.9	6,749	83.7	20.9
(Merchandise)					
Hormone drugs	817	11.8	1,035	12.8	26.8
In vitro diagnostic	166	2.4	211	2.6	27.1
Diagnostic drugs	286	4.2	2	0.0	(99.2)
Others	51	0.7	68	0.9	35.1
Subtotal	1,321	19.1	1,318	16.3	(0.2)
Total	6,904	100.0	8,067	100.0	16.9

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. 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.