

Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending September 30, 2015
(Nine Months Ended June 30, 2015)

[Japanese GAAP]

August 7, 2015

Company name: Fuji Pharma Co., Ltd. Stock Exchange Listing: TSE (1st section)
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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 August 7, 2015 at 16:30 (GMT +9).

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

1. Consolidated Financial Results for the Third Quarter (October 1, 2014 to June 30, 2015)
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	%
Nine months ended Jun. 30, 2015	23,000	9.7	2,213	(0.0)	2,214	(2.9)	1,403	(3.3)
Nine months ended Jun. 30, 2014	20,961	16.3	2,214	0.0	2,280	(2.2)	1,451	1.9

Note: Comprehensive income (millions of yen) Nine months ended Jun. 30, 2015: 1,875 (up 31.8 %)

Nine months ended Jun. 30, 2014: 1,422 (down 24.4 %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jun. 30, 2015	91.77	-
Nine months ended Jun. 30, 2014	100.05	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Nine months ended Jun. 30, 2015	46,186	28,480	61.7
Fiscal year ended Sep. 30, 2014	49,027	28,544	58.2

Reference: Shareholders' equity (millions of yen) Jun. 30, 2015: 28,479 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	-	20.00	-	-	-
Fiscal year ending Sep. 30, 2015 (Estimated)	-	-	-	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
Full year	32,030	9.6	3,590	13.1	3,560	11.3	2,260	8.7	148.58

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)

Nine months ended Jun. 30, 2015:	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

Nine months ended Jun. 30, 2015:	674,883 shares	Fiscal year ended Sep. 30, 2014:	89 shares
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3) Average number of shares issued during the period

Nine months ended Jun. 30, 2015:	15,297,808 shares	Nine months ended Jun. 30, 2014:	14,511,826 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 Act. 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 3 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 nine months 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 familiarity 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. In the field of radiology, we are concentrating on sales of OPTIRAY® injection, a patented x-ray contrast agent for which manufacturing approval and sales rights were transferred to Fuji Pharma from Mallinckrodt Japan Co., Ltd. in the previous fiscal year. In addition, there are extensive sales activities to develop new businesses and expand transactions with the goal of establishing more relationships with hospitals throughout Japan that are subject to DPC (Diagnosis Procedure Combination). These activities mainly involve OYPALOMIN® injection, IOPAQUE® injection and Filgrastim BS injection Syringe.

In October 2015, the marketing approval and sales rights of the contrast agents Magnescope®, Lipiodol® and Hexabrix® will be transferred to Fuji Pharma by Guerbet Japan KK, which has the right to manufacture and sell these products. Fuji Pharma currently sells generic contrast agents and the new x-ray contrast agent OPTIRAY® injection. Magnescope® is the most widely used MRI contrast agent in Europe. Applications of Lipiodol® include hepatic arterial chemoembolization to fight liver cancer and fallopian tube and uterus imaging for the treatment of infertility. Hexabrix® is an x-ray contrast agent. Adding these products will strengthen Fuji Pharma's presence in the fields of radiology, interventional treatment, oncology and fertility treatments. Fuji Pharma plans to use these new products to assist in the use of imaging for the diagnosis and treatment of even more people.

Net sales increased 9.7% year on year to 23,000 million yen as sales remained strong particularly for core products. But earnings were held down as the higher procurement costs for raw materials and an increase in depreciation expenses raised the cost of sales. Moreover, measures to strengthen sales operations caused selling, general and administrative expenses to increase. As a result, operating income decreased 0.0% to 2,213 million yen, ordinary income decreased 2.9% to 2,214 million yen and net income decreased 3.3% to 1,403 million yen.

(2) Explanation of Financial Position

Total assets decreased 2,840 million yen from the end of the previous fiscal year to 46,186 million yen, net assets decreased 63 million yen to 28,480 million yen, and the equity ratio was 61.7% as of the end of the third quarter of the current fiscal year.

Assets

Current assets decreased 2,688 million yen mainly because of decreases in accounts receivable-other and cash and deposits used for the purchase of treasury shares, while there was an increase in inventories. Non-current assets decreased 152 million yen mainly due to the depreciation and the reversal of deferred tax assets, while there was an increase in construction in progress.

Liabilities

Current liabilities decreased 1,651 million yen mainly due to a decrease in short-term loans payable, and non-current liabilities decreased 1,126 million yen mainly due to decreases in long-term loans payable and net defined benefit liability.

Net Assets

Although there was an increase in retained earnings, net assets decreased by 63 million yen mainly because of an increase in treasury shares and the purchase of company's own shares for the "Executive Compensation Stock Trust Plan."

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

The Company expects raw material procurement prices to escalate due to further weakening of the yen. However, we expect sales of our key products to increase while the cost of goods manufactured to decrease. In addition, the Company plans to strictly limit selling, general and administrative expenses to the minimum necessary. In view of the above, consolidated forecast for the fiscal year ending September 2015 released on November 14, 2014 has not been revised.

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, etc.

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 benefits 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 nine months 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 nine months 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 nine

months of the current fiscal year is insignificant.

Additional Information

Executive Compensation Stock Trust Plan

The Company has adopted the “Executive Compensation Stock Trust Plan,” a system of job performance linked stock compensation for its directors (excluding outside directors) and executive officers who meet the beneficiary requirements prescribed by the plan. The purpose of this plan is to increase the motivation of these directors and executive officers to improve the Group’s medium to long-term performance, and achieve growth in corporate value.

1. Structure of the trust

Under this program, the “Executive Compensation Stock Trust Plan” acquires Company’s stock using money entrusted to it by the Company. In November each year, directors and executive officers earn points for their positions and performance which are evaluated in accordance with the company regulations. This earned points determines the number of shares that they can be awarded in December.

2. Accounting for stock held in trust

The “Executive Compensation Stock Trust Plan” is accounted for by the gross price method in compliance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts (ASBJ Practical Issue Task Force (PITF) No. 30, December 25, 2013).”

3. Company stock held in trust

The Company’s stock held in trust by the “Executive Compensation Stock Trust Plan” is recognized as treasury shares in the net assets section of the quarterly consolidated balance sheet. The book value of the 31,200 shares held in the trust as of the end of the third quarter was 69 million yen.

Effect of the Change in Corporate Tax Rate, Etc.

Following the promulgation on March 31, 2015 of the “Act for Partial Revision of the Local Tax Act, etc.” (Act No. 2 of 2015) and “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015), corporate tax rate, etc. have been revised for the fiscal years beginning on or after April 1, 2015. Consequently, the statutory effective tax rate for the calculation of deferred tax assets and deferred tax liabilities will be lowered from 35.64% to 33.06% for temporary differences expected to be reversed for the fiscal year beginning on October 1, 2015 and to 32.30% for temporary differences expected to be reversed for the fiscal year beginning on October 1, 2016.

Due to these changes in tax rates, there was a decrease of 48 million yen in deferred tax assets (after deducting deferred tax liabilities) and an increase of 50 million yen in income taxes-deferred.

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

(Millions of yen)

	FY9/14 (As of Sep. 30, 2014)	Third quarter of FY9/15 (As of Jun. 30, 2015)
Assets		
Current assets		
Cash and deposits	8,173	5,596
Notes and accounts receivable-trade	11,623	11,474
Securities	506	506
Merchandise and finished goods	3,341	4,842
Work in process	1,994	2,178
Raw materials and supplies	3,816	4,837
Accounts receivable-other	2,727	259
Deferred tax assets	570	304
Other	420	486
Allowance for doubtful accounts	(6)	(6)
Total current assets	33,168	30,480
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,917	4,726
Machinery, equipment and vehicles, net	1,672	1,541
Land	882	930
Leased assets, net	2,482	2,246
Construction in progress	386	1,191
Other, net	125	122
Total property, plant and equipment	10,465	10,760
Intangible assets		
Goodwill	3,030	3,050
Other	1,596	1,315
Total intangible assets	4,627	4,365
Investments and other assets		
Investment securities	93	127
Deferred tax assets	567	346
Other	105	104
Total investments and other assets	765	579
Total non-current assets	15,858	15,705
Total assets	49,027	46,186

(Millions of yen)

	FY9/14 (As of Sep. 30, 2014)	Third quarter of FY9/15 (As of Jun. 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,635	6,719
Short-term loans payable	1,183	-
Current portion of long-term loans payable	921	921
Lease obligations	340	343
Income taxes payable	695	172
Provision for bonuses	910	440
Provision for directors' bonuses	23	9
Provision for sales returns	25	27
Other	1,981	2,430
Total current liabilities	12,718	11,066
Non-current liabilities		
Long-term loans payable	3,496	2,955
Lease obligations	2,394	2,139
Net defined benefit liability	1,296	995
Other	577	547
Total non-current liabilities	7,764	6,638
Total liabilities	20,482	17,705
Net assets		
Shareholders' equity		
Capital stock	3,799	3,799
Capital surplus	5,023	5,023
Retained earnings	19,012	19,981
Treasury shares	(0)	(1,504)
Total shareholders' equity	27,834	27,299
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	33
Foreign currency translation adjustment	699	1,144
Remeasurements of defined benefit plans	(0)	1
Total accumulated other comprehensive income	708	1,179
Minority interests	1	1
Total net assets	28,544	28,480
Total liabilities and net assets	49,027	46,186

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

(Millions of yen)

	First nine months of FY9/14 (Oct. 1, 2013 – Jun. 30, 2014)	First nine months of FY9/15 (Oct. 1, 2014 – Jun. 30, 2015)
Net sales	20,961	23,000
Cost of sales	12,129	13,484
Gross profit	8,831	9,515
Selling, general and administrative expenses	6,617	7,301
Operating income	2,214	2,213
Non-operating income		
Interest income	1	1
Dividend income of life insurance	4	5
Foreign exchange gains	68	9
Commission fee	0	0
Compensation income	1	3
Fiduciary obligation fee	5	5
Other	39	19
Total non-operating income	121	45
Non-operating expenses		
Interest expenses	36	28
Sales discounts	4	7
Share issuance cost	13	-
Other	1	8
Total non-operating expenses	55	44
Ordinary income	2,280	2,214
Extraordinary income		
Gain on sales of non-current assets	-	0
Subsidy income	76	46
Total extraordinary income	76	46
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Loss on reduction of non-current assets	43	36
Total extraordinary losses	44	37
Income before income taxes and minority interests	2,312	2,223
Income taxes-current	676	471
Income taxes-deferred	183	348
Total income taxes	860	819
Income before minority interests	1,451	1,403
Minority interests in income	0	0
Net income	1,451	1,403

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

(Millions of yen)

	First nine months of FY9/14 (Oct. 1, 2013 – Jun. 30, 2014)	First nine months of FY9/15 (Oct. 1, 2014 – Jun. 30, 2015)
Income before minority interests	1,451	1,403
Other comprehensive income		
Valuation difference on available-for-sale securities	(43)	24
Foreign currency translation adjustment	14	444
Remeasurements of defined benefit plans, net of tax	-	2
Total other comprehensive income	(29)	471
Comprehensive income	1,422	1,875
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,422	1,875
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

Based on the on February 10, 2015 resolution of the Board of Directors, the Company acquired 643,500 shares of its own stock. The acquisition of treasury shares aims at dampening the effects of any sales of the Company's shares on the supply/demand balance in the market and enabling the Company to implement financial policies in a flexible manner in response to changes in the operating environment.

In addition, 31,200 shares were acquired for the "Executive Compensation Stock Trust Plan."

As a result, treasury shares held by the Company increased by 1,503 million yen during the first nine months to 1,504 million yen as of the end of the third quarter.

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 nine months of FY9/14 (Oct. 1, 2013 – Jun. 30, 2014)		First nine months of FY9/15 (Oct. 1, 2014 – Jun. 30, 2015)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	6,337	30.2	7,936	34.5	25.2
Hormone drugs	4,011	19.1	4,049	17.6	0.9
Metabolic drugs	1,263	6.0	1,323	5.8	4.7
Circulatory drugs	774	3.7	694	3.0	(10.3)
Antibiotics and chemotherapeutics	623	3.0	646	2.8	3.7
Urogenital and genital organ drugs	317	1.5	341	1.5	7.5
Dermatological preparations	207	1.0	240	1.0	15.9
Others	2,696	12.9	3,932	17.1	45.9
Subtotal	16,231	77.4	19,164	83.3	18.1
(Merchandise)					
Hormone drugs	2,726	13.0	3,115	13.5	14.3
In vitro diagnostic	563	2.7	517	2.3	(8.2)
Diagnostic drugs	1,281	6.1	2	0.0	(99.8)
Others	159	0.8	200	0.9	25.7
Subtotal	4,730	22.6	3,835	16.7	(18.9)
Total	20,961	100.0	23,000	100.0	9.7

- 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.