

Consolidated Financial Results for Fiscal Year Ended September 30, 2015

[Japanese GAAP]

November 13, 2015

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: Seichi Inoue, Director, Executive Officer, General Manager of Corporate Planning Division
 TEL: +81-(0)3-3556-3344

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 Scheduled start date of dividend: December 21, 2015
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 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes

Note: The original disclosure in Japanese was released on November 13, 2015 at 16:30 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2015 (October 1, 2014 to September 30, 2015)

(1) Consolidated results of operations (Percentages shown for net sales and incomes 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	%
Fiscal year ended Sep. 30, 2015	31,680	8.4	3,251	2.5	3,099	(3.1)	2,092	0.6
Fiscal year ended Sep. 30, 2014	29,215	16.1	3,173	(2.7)	3,198	(5.3)	2,078	0.5

Note: Comprehensive income (millions of yen) Fiscal year ended Sep. 30, 2015: 1,988 (down 16.0 %)
Fiscal year ended Sep. 30, 2014: 2,366 (down 5.0 %)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Profit margin on sales
	Yen	Yen	%	%	%
Fiscal year ended Sep. 30, 2015	137.55	-	7.3	6.5	10.3
Fiscal year ended Sep. 30, 2014	140.53	-	7.3	6.5	10.9

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Sep. 30, 2015: - Fiscal year ended Sep. 30, 2014: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended Sep. 30, 2015	45,773	28,593	62.5	1,912.27
Fiscal year ended Sep. 30, 2014	49,027	28,544	58.2	1,826.54

Reference: Shareholders' equity (millions of yen) As of Sep. 30, 2015: 28,592 As of Sep. 30, 2014: 28,543

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Sep. 30, 2015	589	999	(4,635)	5,664
Fiscal year ended Sep. 30, 2014	2,757	(1,975)	1,293	8,680

2. Dividends

	Dividend per share					Total cash dividends	Dividend payout ratio (consolidated)	Dividends on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Sep. 30, 2014	-	20.00	-	24.00	44.00	657	31.3	2.3
Fiscal year ended Sep. 30, 2015	-	20.00	-	24.00	44.00	659	32.0	2.3
Fiscal year ending Sep. 30, 2016 (Estimated)	-	21.00	-	24.00	45.00		30.4	

3. Consolidated Forecast for the Fiscal Year Ending September 30, 2016 (October 1, 2015 to September 30, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	16,990	9.9	1,800	24.9	1,780	20.5	1,150	32.0	75.60
Full year	34,470	8.8	3,480	7.0	3,430	10.7	2,230	6.6	146.61

*** Notes**

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

Newly added: - Excluded: -

(2) 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

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

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

As of Sep. 30, 2015: 15,626,900 shares As of Sep. 30, 2014: 15,626,900 shares

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

As of Sep. 30, 2015: 674,922 shares As of Sep. 30, 2014: 89 shares

3) Average number of shares issued during the period

Fiscal year ended Sep. 30, 2015: 15,210,645 shares Fiscal year ended Sep. 30, 2014: 14,792,863 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2015

(October 1, 2014 to September 30, 2015)

(1) Non-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	%
Fiscal year ended Sep. 30, 2015	29,490	7.6	3,337	0.6	3,185	(3.6)	2,267	4.0
Fiscal year ended Sep. 30, 2014	27,397	14.4	3,319	(2.9)	3,305	(6.7)	2,180	(2.8)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Sep. 30, 2015	149.06	-
Fiscal year ended Sep. 30, 2014	147.38	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended Sep. 30, 2015	44,479	28,458	64.0	1,903.30
Fiscal year ended Sep. 30, 2014	46,237	28,118	60.8	1,799.37

Reference: Shareholders' equity (millions of yen) As of Sep. 30, 2015: 28,458 As of Sep. 30, 2014: 28,118

2. Non-consolidated Forecast for the Fiscal Year Ending September 30, 2016

(October 1, 2015 to September 30, 2016)

(Percentages represent year-on-year changes)

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	16,060	11.5	1,880	24.3	1,260	27.8	84.27
Full year	32,360	9.7	3,470	8.9	2,330	2.8	155.83

* Indication of audit procedure implementation status

At the time when this report is released, the audit procedures for financial statements based on the Financial Instruments and Exchange Act 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. Analysis of Operating Results and Financial Position, (1) Analysis of Operating Results" on page 2 for details on the above forecasts.

The Company plans to hold a financial results meeting for institutional investors and analysts on Friday, November 20, 2015. Materials distributed at this event will also be available on the Company's website thereafter.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1) Summary

During the current fiscal year ended on September 30, 2015, 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 remained unclear because of slowing economic growth and political instability in China and some emerging countries, flat consumer spending in Japan, 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 our management philosophy of "growth" and "contribution," we have been building 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[®] intravenous injection, LIPIODOL[®] injection and HEXABRIX[®] injection were 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[®] intravenous injection is the most widely used MRI contrast agent in Europe. Applications of LIPIODOL[®] injection include hepatic arterial chemoembolization to fight liver cancer and fallopian tube and uterus imaging for the treatment of infertility. HEXABRIX[®] injection 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 8.4% year on year to 31,680 million yen as sales remained strong particularly for core products. Although higher procurement costs for 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, operating income increased 2.5% to 3,251 million yen. Due in part to a foreign exchange valuation loss on a loan to a subsidiary, ordinary income decreased 3.1% to 3,099 million yen. But net income was up 0.6% to 2,092 million yen, a new all-time high.

2) Outlook for the Next Fiscal Year

The volume of generic drugs used in Japan is expected to continue to grow in the fiscal year ending on September 30, 2015. However, the National Health Insurance drug price revisions in April 2016 and higher cost of raw

materials caused by the weaker yen will probably create challenges involving earnings.

We foresee a number of contributions to sales. We anticipate more growth in sales of MAGNESCOPE® intravenous injection, a new MRI contrast agent for which we received sales rights from Guerbet Japan KK in October 2015, and of the new x-ray contrast agent OPTIRAY® injection. In addition, we expect a contribution to sales from FSN-011-02 (Progesterone Capsules), the first gynecology drug for which Fuji Pharma received regulatory approval for manufacturing and sales. We also anticipate higher sales of LUNABELL® tablets ULD, which was developed to further suppress serious side effects of LUNABELL® tablets, and of the biosimilar Filigrastim BS injection Syringe. Although the drug price revisions and higher R&D expenses will have a negative effect on earnings, we are determined to maximize earnings by carefully controlling and allocating expenses.

As a result, Fuji Pharma expects net sales of 34,470 million yen (an 8.8% increase), operating income of 3,480 million yen (a 7.0% increase), ordinary income of 3,430 million yen (a 10.7% increase) and net income of 2,230 million yen (a 6.6% increase) for the fiscal year ending September 30, 2016.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets decreased 3,253 million yen from the end of the previous fiscal year to 45,773 million yen, net assets were 28,593 million yen, and the equity ratio was 62.5% as of the end of the fiscal year under review.

Current assets decreased 2,454 million yen to 30,714 million yen. Inventories increased for products such as OPTIRAY® injection that received marketing approval from other companies as well as MAGNESCOPE® intravenous injection for which Fuji Pharma received sales rights. But cash and deposits decreased as funds were used to purchase of treasury shares and repayment of short-term loans payable. Non-current assets decreased 799 million yen to 15,059 million yen as depreciation was more than additions to property, plant and equipment.

Current liabilities decreased 1,728 million yen to 10,989 million yen mainly because of repayments of short-term loans payable. Non-current liabilities decreased 1,573 million yen to 6,190 million yen. There were declines in long-term loans payable and lease obligations. Net defined benefit liability decreased primarily because of a change in the Accounting Standard for Retirement Benefits.

Net assets increased 49 million yen to 28,593 million yen. This was mainly due to an increase in retained earnings despite the purchase of treasury shares.

2) Cash Flows

Cash and cash equivalents (hereinafter, “net cash”) as of the end of the fiscal year under review totaled 5,664 million yen, a decrease of 3,015 million yen over the end of the previous fiscal year.

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

Cash Flow from Operating Activities

Net cash provided by operating activities totaled 589 million yen (a year-on-year decrease in inflow of 2,167 million yen). This was the net result of adding depreciation of 1,768 million yen to income before income taxes and non-controlling interests of 3,105 million yen, while there were a 2,250 million yen increase in inventories, income taxes paid of 1,010 million yen, a 722 million yen increase in notes and accounts receivable-trade, and a 537 million yen decrease in notes and accounts payable-trade and other factors.

Cash Flow from Investing Activities

Net cash provided by investing activities was 999 million yen (net cash used of 1,975 million yen in the previous fiscal year). This was mainly due to the proceeds from sales of property, plant and equipment of 2,508 million yen

resulting from sale-and-leaseback transactions of machinery equipment at the Toyama plant, while there was the purchase of property, plant and equipment of 1,512 million yen.

Cash Flow from Financing Activities

Net cash used in financing activities was 4,635 million yen (net cash provided of 1,293 million yen in the previous fiscal year). This was mainly due to the purchase of treasury shares of 1,504 million yen, a decrease in short-term loans payable of 1,189 million yen, the repayment of long-term loans payable of 921 million yen, cash dividends paid of 675 million yen and other factors.

Reference: Cash flow indicators

	FY9/13	FY9/14	FY9/15
Equity ratio (%)	61.5	58.2	62.5
Market value-based equity ratio (%)	62.7	64.7	65.4
Interest-bearing debt to cash flow ratio (%)	178.0	210.1	1,031.6
Interest coverage ratio (Times)	65.6	54.9	15.7

- Equity ratio: Shareholders' equity / Total assets
- Market value-based equity ratio: Market capitalization / Total assets
- Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows
- Interest coverage ratio: Operating cash flows / Interest expenses

Notes: 1. All indicators are calculated based on consolidated figures.

2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding (net of treasury stock) at the end of the period.
3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest.
4. "Net cash provided by (used in) operating activities" in the consolidated statement of cash flows and "interest expenses" in the consolidated statement of income are used as operating cash flows and interest expenses, respectively.

(3) Profit Allocation Policy and Dividend Payment Plan for the Current and Next Fiscal Years

One of our highest priorities is to pay a consistent dividend to shareholders and increase the dividend.

Our policy concerning the allocation of earnings is to increase retained earnings to fund future business operations while paying a stable and consistent dividend that reflects earnings in each fiscal year, the dividend payout ratio and all other applicable items.

We plan to reinvest retained earnings to strengthen research and development, improve production capacity and efficiency, and increase our sales force in order to strengthen our base of operations and increase corporate value.

There are no plans to change the frequency of dividend payments.

In accordance with our initial plan, we plan to pay a year-end dividend of 24 yen per share (annual dividend of 44 yen per share inclusive of a 20 yen interim dividend, dividend payout ratio of 32.0%) for the fiscal year ended on September 30, 2015.

For the fiscal year ending on September 30, 2016, based on the forecast for this fiscal year, plans for business operations and other applicable items, we plan to pay an annual dividend of 45 yen per share, the sum of a 21 yen interim dividend and 24 yen year-end dividend.

(4) Operational Risk

Risks related to information that may have a material impact on investors' decisions that is contained in this report and the accompanying financial statements for the fiscal year under review are as follows. Forward-looking statements in these materials are based on the judgment of the Company's management as of September 30, 2015.

1) Statutory regulations

The Group's business operations are subject to the strict restrictions imposed by laws and regulations associated with the Pharmaceutical and Medical Devices Law (former Pharmaceutical Affairs Law) and business activities require the following permits and licenses. Receiving these permits and licenses requires complying with all associated laws and regulations and associated terms. At this time, there are no reasons for the cancellation of these permits and licenses. However, if any permit or license is rescinded because of a violation of a law or regulation or other event, we may be required to recall products covered by the applicable regulation or to cease the manufacture and sale of these products. If this happens, there may be a significant impact on our business operations. The Group manufactures and distributes pharmaceutical products under the Pharmaceutical and Medical Devices Law and related regulations. Revisions in laws/regulations related to the pharmaceutical industry, which may be made in future, may influence our financial condition and business performance.

Major permits and licenses

Name of permit/license	Authority granting permit/license	Expiration	Major reasons for cancellation	Remarks
Pharmaceutical manufacturing permit	Toyama Prefecture	August 2019 (renewed every five years)	The permit is canceled when there is a violation that is punishable under the Pharmaceutical and Medical Devices Law or other associated pharmaceutical business law or regulation or when an executive, etc. is subject to disqualification (Pharmaceutical and Medical Devices Law, Article 75, Paragraph 1)	Toyama plant
Type 1 pharmaceutical manufacturing and sales permit	Toyama Prefecture	August 2019 (renewed every five years)	Same as above	Toyama plant
Type 2 pharmaceutical manufacturing and sales permit	Toyama Prefecture	August 2019 (renewed every five years)	Same as above	Toyama plant
Pharmaceutical wholesale business permit	Toyama Prefecture Tokyo Metropolis Hyogo Prefecture	May 2016 (renewed every six years) April 2018 (renewed every six years) July 2020 (renewed every six years)	Same as above	Toyama office Tokyo Logistic center Osaka Logistic center

2) Research and development for pharmaceutical products

There is a possibility of delays in our research and development projects and extensions, suspensions or even terminations of new product development projects. These events may have an impact on our business performance.

3) Competition

Our policy is to sell our products at reasonable prices that take into account the profitability of products. However, some of our products have been under considerable market price pressure due to fierce competition from many competitors. Moreover, some Japanese pioneer drug manufacturers may take aggressive actions to preserve their market shares. These events may prevent us from achieving our forecasts.

4) Procurement of raw materials

We purchase raw materials from suppliers in Japan and other countries. A significant increase in the cost of raw materials may result in an increase in the cost of finished goods. In addition, an extended period of difficulty in obtaining raw materials due to restrictions in Japan or other countries on raw materials or to quality or other problems at suppliers may prevent us from manufacturing and selling products. Either of these events may have an impact on our business performance.

5) Side effects and product quality

For products that have been approved for sale, we may be required to recall certain products or cease the manufacture and sale of certain products due to unforeseen side effects of these products, impurities or other problems with these products, government restrictions or other issues. Any of these events may have an impact on our business performance.

6) Delays or suspensions in the supply of products

The operations of the Group may be suspended or severely disrupted or confused if technological or regulatory problems or a disaster such as a fire or earthquake affect manufacturing facilities that make products or warehouses or its other facilities. The resulting suspension in the supply of the affected products may have an impact on our business performance.

7) Reliance on any particular product

The urinary tract angiographic agent “OYPALOMIN” is a major product that accounted for over 20% of total sales in the fiscal year that ended on September 30, 2015. If we can no longer sell this product because of unforeseen circumstances or if sales of this product decline significantly, there may be an impact on our business performance.

8) Revisions in drug price standards

As stipulated in the Health Insurance Law, the National Health Insurance list prices of ethical drugs are based on drug expense calculations that use drug price standards determined by the Minister of Health, Labour and Welfare. The Ministry of Health, Labour and Welfare has been revising these list prices every two years in principle based on drug price surveys. The goal of these revisions is to narrow the gap between the standard prices for drugs, which are the reimbursement prices used for health insurance, and the actual market prices of drugs. These revisions have an effect on the selling prices of Group products as well. In April 2014, there was an average drug price reduction of 2.65% in the pharmaceutical industry but these price reductions caused the prices of Fuji Pharma products to fall by 5.8%.

9) Litigation

We may become the target of lawsuits by manufacturers of new drugs that seek damages for alleged infringements on manufacturing and other patents. In addition, we may become the target of lawsuits involving product liability, environmental issues, labor-related issues and other matters. Depending on the outcome of this litigation, there may be an impact on our business performance.

10) Goodwill on the consolidated balance sheet

On October 1, 2012, OLIC (Thailand) Limited became a consolidated subsidiary following the acquisition of 99.91% of its outstanding shares by the Company from existing shareholders and so goodwill has been newly recognized.

The amount of goodwill on the consolidated balance sheet at the end of the current fiscal year is 2,662 million yen and the Company proposes to amortize this amount on a straight-line basis over a period of 12 years. The goodwill derives from impairment accounting for other non-current assets and similar items and if, as a result of an adverse operating environment or substantial changes in the business, the profitability of OLIC (Thailand) Limited should be lowered and impairment losses on goodwill are generated as a result, there is a possibility that this may have an impact on our business performance and financial condition.

2. Group Organization

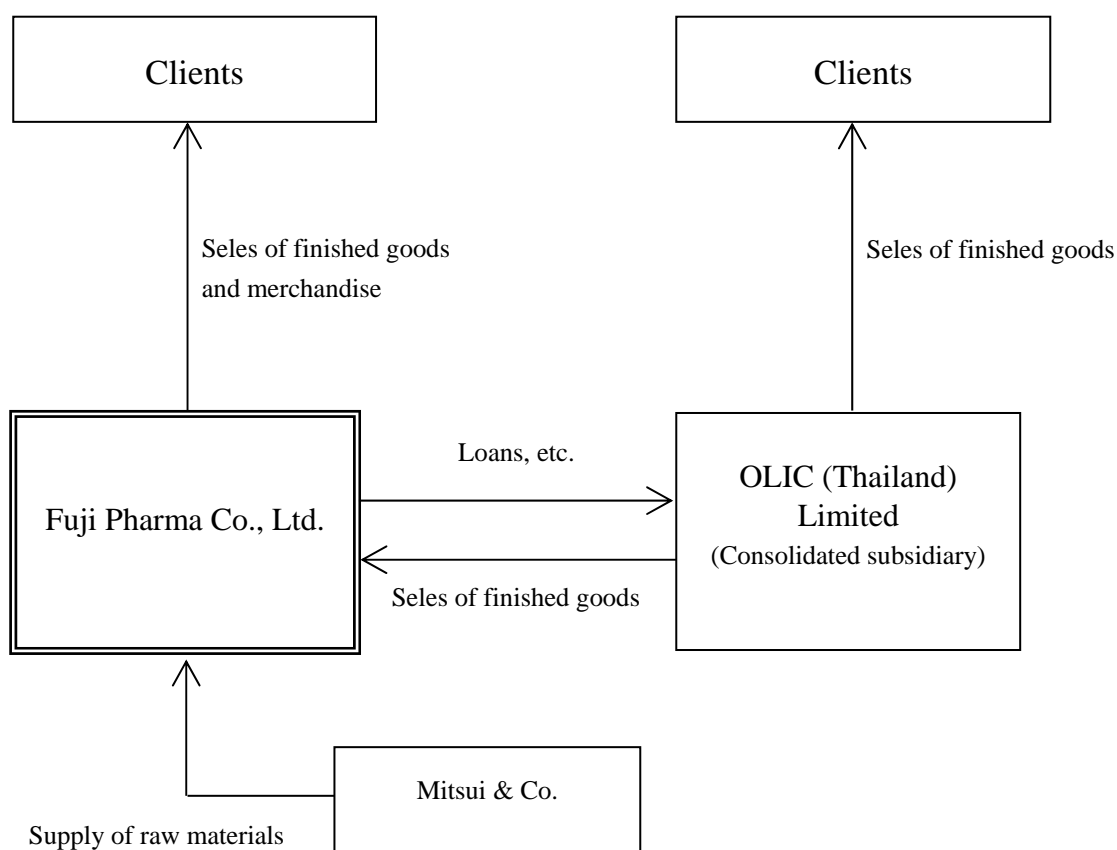
The Fuji Pharma Group, comprised of the Company (Fuji Pharma Co., Ltd.), one consolidated subsidiary and other affiliated company, is engaged in the development, production and sales of pharmaceuticals as its main business.

Fuji Pharma's main products are hormone drugs in the field of obstetrics and gynecology and urinary tract angiographic agent and other injection agents in the field of radiology. There are eight branch and other offices in Japan.

Fuji Pharma works with OLIC (Thailand) Limited with regard buying and selling products, loans, and other activities.

Fuji Pharma purchases raw materials from Mitsui & Co., which is classified as other affiliated company.

The Group does not provide segment information because it has only a single business segment, which is the pharmaceutical business.



3. Management Policies

(1) Fundamental Management Policy

The Fuji Pharma Group bases its operations on the management philosophies of “contributing to healthy living by supplying outstanding pharmaceuticals” and “the growth of the Company is proportional to the development of its employees.” By continuing to adhere to these philosophies, we are dedicated achieving more progress and growth. We will accomplish this by developing, manufacturing and selling outstanding pharmaceuticals in order to fulfill our obligations to all stakeholders, including customers, suppliers, shareholders, employees, communities and society.

(2) Performance Indicators and Targets

Maximum efforts will be made to generate sufficient earnings for distributions to shareholders as well as to upgrade and expand production facilities and increase research and development expenditures for future growth. The Group has established a medium-term business plan that covers the five-year period starting in the fiscal year ended on September 30, 2015. Our performance targets for the plan’s final year, which ends on September 30, 2019, are consolidated net sales of 42.5 billion yen and an operating income margin of at least 15%.

(3) Medium- and Long-term Management Strategy

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 Fuji Pharma Group’s management philosophy of “growth” and “contribution,” we aim to build a unique business model that produces synergies in strategic fields by combining brands, generic drugs and contract manufacturing.

Fundamental goals

1) Vigorously implement the brand strategy for the people, companies and products of the Fuji Pharma Group

We will earn even better trust, confidence and reputations for the people, companies and products of the Fuji Pharma Group from healthcare professionals, patients and all other stakeholders.

We will develop the skills of our people based on our management philosophy and our mission. We will strengthen our financial strategy and our IT and other functions. We will also maximize the value of our major products. Our objective is to build a powerful brand for our people, our companies and our products.

2) Build a new stage and framework centered on branded drugs

We will move away from operations focused on generic drugs to implement business plans and strategies that use established products and new branded drugs (new drugs, branded generic drugs (drugs listed for a long time) and biosimilars).

We will revamp our operations and rebuild business operations framework in order to develop a unique business model to realize and build on synergies between branded drugs and branded generic drugs.

3) Grow on a global scale

We will use the Toyama plant and OLIC (Thailand) Limited as bases for continued growth outside Japan by establishing alliances with pharmaceutical companies in Japan and other countries.

We will start operations at the new injectable drug factory at OLIC to expand the CMO business on a global scale with the goal of becoming the leading CMO in the Asia-Pacific region.

(4) Key Issues

The Japanese government has enacted numerous measures aimed at increasing the use of generic drugs as one of its major initiatives to hold down health care expenses. As a result, Japan's market for generic drugs has been expanding. In June 2015, the Japanese Cabinet approved the Basic Policy on Economic and Fiscal Management and Reform 2015. This policy includes two new targets for generic drugs used. Japan now aims to raise the volume-based share of these drugs to at least 70% by the middle of 2017 and at least 80% as soon as possible during the period between fiscal 2018 and the end of fiscal 2020. In September 2015, the Ministry of Health, Labour and Welfare announced the Comprehensive Strategy for Strengthening the Pharmaceutical Industry. The strategy has three themes to build a base for raising the share of generic drugs to 80%: a stable supply of quality drugs in Japan; more efficient use of health care expenses; and a more competitive pharmaceutical industry. To accomplish these goals, the strategy has emergency and tightly targeted measures for making Japan's pharmaceutical industry more competitive.

In this challenging environment, Fuji Pharma is concentrating on the following activities in order to accomplish the goals of the medium-term business plan. The central objective is to build a foundation that incorporates the distinctive strengths of the Fuji Pharma Group and is not vulnerable to changes in the operating environment.

- 1) Expand the pipeline by using strategic alliances with pharmaceutical manufacturers in Japan and other countries.
- 2) Increase the number of new drugs, biosimilars and other value-added products in strategic categories
- 3) Upgrade and expand our production systems to supply products with even better quality and provide a stable supply of products to meet rising demand.
- 4) Achieve stable operations at highly activated drug factories.
- 5) Strengthen administrative and management systems (more powerful internal controls, rigorous compliance programs, establishment of risk management system and maintenance of IT system).
- 6) Provide training to give employees skills for management and starting new businesses.
- 7) Improve a consolidated operating structure as the Fuji Pharma Group

4. Basic Approach to the Selection of Accounting Standards

The Fuji Pharma Group uses Japanese accounting standards.

Decisions about the use of IFRS will be made by taking into consideration the use of accounting standards in Japan and other countries.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Millions of yen)	
	FY9/14 (As of Sep. 30, 2014)	FY9/15 (As of Sep. 30, 2015)
Assets		
Current assets		
Cash and deposits	8,173	5,158
Notes and accounts receivable-trade	11,623	12,337
Securities	506	506
Merchandise and finished goods	3,341	4,633
Work in process	1,994	2,222
Raw materials and supplies	3,816	4,540
Accounts receivable-other	2,727	260
Deferred tax assets	570	478
Other	420	583
Allowance for doubtful accounts	(6)	(6)
Total current assets	33,168	30,714
Non-current assets		
Property, plant and equipment		
Buildings and structures	* 8,969	* 9,072
Accumulated depreciation	(4,052)	(4,499)
Buildings and structures, net	4,917	4,573
Machinery, equipment and vehicles	* 7,891	* 8,031
Accumulated depreciation	(6,219)	(6,558)
Machinery, equipment and vehicles, net	1,672	1,472
Land	882	887
Leased assets	2,508	2,508
Accumulated depreciation	(26)	(339)
Leased assets, net	2,482	2,168
Construction in progress	386	1,407
Other	* 1,072	* 1,085
Accumulated depreciation	(947)	(975)
Other, net	125	109
Total property, plant and equipment	10,465	10,618
Intangible assets		
Goodwill	3,030	2,662
Other	1,596	1,213
Total intangible assets	4,627	3,876
Investments and other assets		
Investment securities	93	108
Deferred tax assets	567	351
Other	105	104
Total investments and other assets	765	564
Total non-current assets	15,858	15,059
Total assets	49,027	45,773

	(Millions of yen)	
	FY9/14	FY9/15
	(As of Sep. 30, 2014)	(As of Sep. 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,635	6,102
Short-term loans payable	1,183	-
Current portion of long-term loans payable	921	921
Lease obligations	340	340
Income taxes payable	695	547
Provision for bonuses	910	742
Provision for directors' bonuses	23	13
Provision for sales returns	25	26
Other	1,981	2,294
Total current liabilities	12,718	10,989
Non-current liabilities		
Long-term loans payable	3,496	2,575
Lease obligations	2,394	2,052
Net defined benefit liability	1,296	994
Other	577	569
Total non-current liabilities	7,764	6,190
Total liabilities	20,482	17,180
Net assets		
Shareholders' equity		
Capital stock	3,799	3,799
Capital surplus	5,023	5,023
Retained earnings	19,012	20,669
Treasury shares	(0)	(1,504)
Total shareholders' equity	27,834	27,988
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	20
Foreign currency translation adjustment	699	594
Remeasurements of defined benefit plans	(0)	(10)
Total accumulated other comprehensive income	708	604
Minority interests	1	1
Total net assets	28,544	28,593
Total liabilities and net assets	49,027	45,773

(2) Consolidated Statements of Income and Comprehensive Income**(Consolidated Statement of Income)**

(Millions of yen)

	FY9/14		FY9/15	
	(Oct. 1, 2013 – Sep. 30, 2014)		(Oct. 1, 2014 – Sep. 30, 2015)	
Net sales		29,215		31,680
Cost of sales	*1	16,835	*1	18,709
Gross profit		12,379		12,970
Selling, general and administrative expenses				
Sales commission		1,125		1,406
Salaries and bonuses		2,054		2,239
Provision for bonuses		493		433
Provision for directors' bonuses		23		13
Retirement benefit expenses		131		121
Research and development expenses	*2	1,769	*2	1,729
Depreciation		386		451
Amortization of goodwill		277		311
Other		2,945		3,012
Total selling, general and administrative expenses		9,206		9,718
Operating income		3,173		3,251
Non-operating income				
Foreign exchange gains		22		-
Dividend income of life insurance		4		5
Fiduciary obligation fee		6		5
Other		65		31
Total non-operating income		98		42
Non-operating expenses				
Interest expenses		50		37
Foreign exchange losses		-		138
Share issuance cost		13		-
Other		10		18
Total non-operating expenses		73		194
Ordinary income		3,198		3,099
Extraordinary income				
Gain on sales of non-current assets	*3	1	*3	0
Subsidy income		76		46
Other		0		-
Total extraordinary income		78		46
Extraordinary losses				
Loss on sales of non-current assets	*4	0	*4	0
Loss on retirement of non-current assets	*5	0	*5	4
Loss on reduction of non-current assets		43		36
Total extraordinary losses		44		41
Income before income taxes and minority interests		3,232		3,105
Income taxes-current		1,195		833
Income taxes-deferred		(41)		179
Total income taxes		1,153		1,012
Income before minority interests		2,079		2,092
Minority interests in income		0		0
Net income		2,078		2,092

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Income before minority interests	2,079	2,092
Other comprehensive income		
Valuation difference on available-for-sale securities	(46)	11
Foreign currency translation adjustment	334	(105)
Remeasurements of defined benefit plans, net of tax	-	(9)
Total other comprehensive income	* 287	* (104)
Comprehensive income	2,366	1,988
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,366	1,988
Comprehensive income attributable to minority interests	0	0

(3) Consolidated Statement of Changes in Equity

FY9/14 (Oct. 1, 2013 - Sep. 30, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,447	3,672	17,525	(0)	23,644
Cumulative effects of changes in accounting policies					
Restated balance	2,447	3,672	17,525	(0)	23,644
Changes of items during period					
Issuance of new shares	1,351	1,351			2,703
Dividends of surplus			(593)		(593)
Net income			2,078		2,078
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	1,351	1,351	1,485	(0)	4,189
Balance at end of current period	3,799	5,023	19,012	(0)	27,834

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	56	365	-	421	0	24,066
Cumulative effects of changes in accounting policies						
Restated balance	56	365	-	421	0	24,066
Changes of items during period						
Issuance of new shares						2,703
Dividends of surplus						(593)
Net income						2,078
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	(46)	334	(0)	287	0	288
Total changes of items during period	(46)	334	(0)	287	0	4,477
Balance at end of current period	9	699	(0)	708	1	28,544

FY9/15 (Oct. 1, 2014 - Sep. 30, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,799	5,023	19,012	(0)	27,834
Cumulative effects of changes in accounting policies			239		239
Restated balance	3,799	5,023	19,252	(0)	28,074
Changes of items during period					
Dividends of surplus			(674)		(674)
Net income			2,092		2,092
Purchase of treasury shares				(1,504)	(1,504)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,417	(1,504)	(86)
Balance at end of current period	3,799	5,023	20,669	(1,504)	27,988

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	9	699	(0)	708	1	28,544
Cumulative effects of changes in accounting policies						239
Restated balance	9	699	(0)	708	1	28,784
Changes of items during period						
Dividends of surplus						(674)
Net income						2,092
Purchase of treasury shares						(1,504)
Net changes of items other than shareholders' equity	11	(105)	(9)	(104)	0	(104)
Total changes of items during period	11	(105)	(9)	(104)	0	(190)
Balance at end of current period	20	594	(10)	604	1	28,593

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	3,232	3,105
Depreciation	1,376	1,768
Amortization of goodwill	277	311
Increase (decrease) in allowance for doubtful accounts	(2)	(0)
Increase (decrease) in provision for bonuses	(3)	(167)
Increase (decrease) in provision for directors' bonuses	(1)	(9)
Increase (decrease) in net defined benefit liability	101	61
Interest and dividend income	(2)	(2)
Interest expenses	50	37
Foreign exchange losses (gains)	(54)	29
Decrease (increase) in notes and accounts receivable-trade	(1,880)	(722)
Decrease (increase) in inventories	(2,568)	(2,250)
Increase (decrease) in notes and accounts payable-trade	2,990	(537)
Other, net	768	22
Subtotal	4,283	1,645
Interest and dividend income received	9	(0)
Interest expenses paid	(60)	(44)
Income taxes paid	(1,474)	(1,010)
Net cash provided by (used in) operating activities	2,757	589
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,079)	(1,512)
Proceeds from sales of property, plant and equipment	-	2,508
Purchase of intangible assets	(942)	(31)
Subsidy income	46	36
Other, net	0	(1)
Net cash provided by (used in) investing activities	(1,975)	999
Cash flows from financing activities		
Purchase of treasury shares	-	(1,504)
Net increase (decrease) in short-term loans payable	118	(1,189)
Repayments of long-term loans payable	(921)	(921)
Proceeds from issuance of common shares	2,689	-
Cash dividends paid	(593)	(675)
Repayments of lease obligations	-	(341)
Proceeds from share issuance to minority shareholders	0	-
Other, net	-	(4)
Net cash provided by (used in) financing activities	1,293	(4,635)
Effect of exchange rate change on cash and cash equivalents	82	30
Net increase (decrease) in cash and cash equivalents	2,158	(3,015)
Cash and cash equivalents at beginning of period	6,521	8,680
Cash and cash equivalents at end of period	*1 8,680	*1 5,664

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

Not applicable.

Significant Accounting Policies for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

- Number of consolidated subsidiary: 1
- Name of consolidated subsidiary: OLIC (Thailand) Limited

2. Application of equity method

Not applicable.

3. Period end of consolidated subsidiary

The fiscal year of the consolidated subsidiary ends on the closing date of consolidated financial statements.

4. Significant accounting standards

(1) Valuation criteria and methods for significant assets

1) Securities

Available-for-sale securities

- Securities with market quotations
Valued at the market price, using a market value at the end of the fiscal year, differences in valuation to be included in net assets, and cost of securities sold being determined by the moving average method.
- Securities without market quotations
Moving average cost method.

2) Derivatives

Stated at fair value.

3) Inventories

The Company applied the periodic-average method for merchandise and finished goods (the carrying value on the balance sheet is written down to reflect declines in profitability), and primarily the first-in, first-out cost method for other items (the carrying value on the balance sheet is written down to reflect declines in profitability). The overseas consolidated subsidiary applied primarily the cost method based on the moving average method.

(2) Depreciation and amortization method for principal depreciable assets

1) Property, plant and equipment (excluding lease assets)

The Company applied the declining-balance method. The overseas consolidated subsidiary applied the straight-line method.

However, the Company depreciates the buildings which were acquired on or after April 1, 1998 (excluding the facilities attached to the buildings) by the straight-line method.

The useful lives of property, plant and equipment are summarized as follows:

Buildings and structures	7 to 50 years
Machinery, equipment and vehicles	3 to 8 years

2) Intangible assets (excluding lease assets)

- Software used within the Company
Amortization of software used within the Company is calculated by the straight-line method over a period of 3 to 5 years.
- Other intangible assets
Straight-line method.

3) Lease assets

Lease assets associated with finance lease transactions where there is no transfer of ownership

The straight-line method with no residual value is applied over the lease period used as the useful life of the assets.

For finance lease transactions where there is no transfer of ownership beginning on or before September 30, 2008, depreciation is calculated using an accounting method that is based on the method used for ordinary lease transactions.

(3) Accounting for deferred assets

Share issuance cost

Charged to expenses as incurred.

(4) Accounting for significant allowance

1) Allowance for doubtful accounts

To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on a case-by-case determination of collectibility.

2) Provision for bonuses

To provide for accrued bonuses for employees, an allowance is provided at the amount based on the estimated bonus obligations in the current fiscal year.

3) Provision for directors' bonuses

To provide for directors' bonus obligation, an allowance is provided in the amount based on the estimated bonus obligations at the end of the current fiscal year.

4) Provision for sales returns

To prepare for losses on returned products, an allowance equal to the estimated profit on the approximate amount of returned products that is calculated based on past rejection rates.

(5) Accounting method for retirement benefit obligations

1) Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, the Company uses the straight-line method for attributing estimated retirement benefit obligations to period ended on September 30, 2015.

2) Amortization of actuarial differences

Actuarial gain or loss of the Company is amortized and charged to expense in the year following the fiscal year in which such gain or loss is recognized by the straight-line method over a certain period (five years) which is within the estimated average remaining years of service of the eligible employees. Regarding the overseas consolidated subsidiary, actuarial gain or loss is charged to expense as incurred.

(6) Translation of significant foreign currency-denominated assets and liabilities

The balance sheet accounts of the overseas subsidiary, etc. are translated into Japanese yen at the spot exchange rate as of the consolidated closing date, with the income statement accounts at an average foreign exchange rate for the fiscal year under review. Translation adjustments are included in the foreign currency translation adjustments and minority interests under net assets.

(7) Accounting for hedges

1) Hedging method

The Company primarily applies the deferred hedge accounting method. With respect to foreign currency risk, a hedge is accounted by the short-cut method if the hedging relationship meets certain criteria.

2) Hedging instruments and risks hedged

- Hedging instruments: Forward exchange contracts
- Risk hedged: Accounts payable and forecasted transaction denominated in foreign currencies on imports of raw materials

3) Hedging policy

Forward exchange contracts are used primarily for imports of raw materials and only to the point of covering purchases of these materials. The purpose is to reduce exposure to foreign exchange volatility associated with receivables and planned purchases denominated in foreign currencies.

4) Evaluation method for the effectiveness of hedges

Evaluations of the effectiveness of hedges using foreign exchange forward contracts use comparisons of changes in cumulative changes in cash flows of the hedged item and market movements with cumulative changes in cash flows of the hedging method and market movements. However, no evaluations of effectiveness are performed for forward exchange transactions that use the allocation method.

(8) Amortization method and amortization period of goodwill

Goodwill is amortized using the straight-line method over a period of 12 years.

(9) Definition of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with maturities of three months or less, that are highly liquid and readily convertible to known amounts of cash and present insignificant risk of change in value.

(10) Other significant matters for preparation of the consolidated financial statements

Accounting procedure for consumption taxes

Consumption taxes are accounted by the tax-exclusion method.

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, March 26, 2015)” from 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 current fiscal year.

The result were decreases of 132 million yen in deferred tax assets and 372 million yen in net defined benefit liability, and an increase of 239 million yen in retained earnings at the beginning 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 current fiscal year is insignificant.

The result was an increase 16.05 yen in net assets per share in FY9/15. The effect of this change on net income per share is insignificant.

Accounting Standards, Others that Have Not Yet Been Applied

- “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013)
- “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013)
- “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013)
- “Accounting Standard for Earnings Per Share” (ASBJ Statement No. 2, September 13, 2013)
- “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, September 13, 2013)
- “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No. 4, September 13, 2013)

(1) Summary

The above-listed standards and guidance have been issued in order, primarily, to provide or amend 1) the treatment of a change in the parent’s shareholding ratio in its subsidiary under the case where control over the subsidiary continues after further acquisition of its subsidiary’s stock, 2) the treatment of acquisition-related costs, 3) the presentation of net income and a change of the terminology from minority interest to non-controlling interest, and 4) the treatment of provisional accounting methods.

(2) Effective date

The Company will apply the above-listed standards and guidance at the beginning of the fiscal year ending September 30, 2016. With regard to the treatment of provisional accounting methods, the Group will apply it to business combinations that will occur on and after the beginning of the fiscal year ending September 30, 2016.

(3) Effects of the application of the above accounting standards

Effects of the application are under evaluation at the time of preparing the consolidated financial statements for the fiscal year under review.

Reclassifications

Consolidated Balance Sheet

“Dividend income of life insurance,” included in “Other” under “Non-operating income” in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since the amount exceeded 10/100 of non-operating income. The consolidated financial statements for the prior-period are restated to conform to the current-period presentation.

Accordingly, the 69 million yen “Other” line items included in “Non-operating income” in the previous fiscal year’s consolidated balance sheet have been reclassified as 4 million yen “Dividend income of life insurance” and 65 million yen “Other” line items.

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 current fiscal year 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 Income Tax Act, etc.” (Act No. 9 of 2015) and “Act for Partial Revision of the Local Tax Act, etc.” (Act No. 2 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 35.6% to 33.1% for temporary differences expected to be reversed for the fiscal year beginning on October 1, 2015 and to 32.3% 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 71 million yen in deferred tax assets (after deducting deferred tax liabilities) and an increase of 72 million yen in income taxes-deferred.

Notes to Consolidated Balance Sheet

* Reduction entry

1) Reduction entry amounts directly applied to non-current assets acquired by government subsidy, etc.

(Millions of yen)

	FY9/14 (As of Sep. 30, 2014)	FY9/15 (As of Sep. 30, 2015)
Buildings and structures	115	143
Machinery, equipment and vehicles	36	44
Other	1	2
Total	154	190

2) Reduction entry amounts directly applied to non-current assets acquired by government subsidy, etc. in the current period

(Millions of yen)

	FY9/14 (As of Sep. 30, 2014)	FY9/15 (As of Sep. 30, 2015)
Buildings and structures	34	28
Machinery, equipment and vehicles	8	7
Other	1	0
Total	43	36

Notes to Consolidated Statement of Income

*1. Ending inventories are shown after written down on the book values to reflect declines in profitability. The following loss on valuation of inventories is included in cost of sales.

(Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
	42	27

*2. Total amount of research and development expenses included in general and administrative expenses and current period manufacturing costs.

(Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
	1,769	1,729

*3. Breakdown of gain on sales of non-current assets is as follows.

(Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Machinery, equipment and vehicles	1	0
Other	-	0
Total	1	0

*4. Breakdown of loss on sales of non-current assets is as follows.

(Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Machinery, equipment and vehicles	0	-
Other	0	0
Total	0	0

*5. Breakdown of loss on retirement of non-current assets

(Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Buildings and structures	0	0
Machinery, equipment and vehicles	0	4
Other	0	0
Total	0	4

Notes to Consolidated Statement of Comprehensive Income

* Re-classification adjustments and tax effect with respect to other comprehensive income	(Millions of yen)	
	FY9/14	FY9/15
	(Oct. 1, 2013 – Sep. 30, 2014)	(Oct. 1, 2014 – Sep. 30, 2015)
Valuation difference on available-for-sale securities:		
Amount incurred during the current period	(72)	15
Re-classification adjustments	-	-
Before tax effect adjustments	(72)	15
Tax effect	25	(4)
Valuation difference on available-for-sale securities	(46)	11
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the current period	-	(14)
Re-classification adjustments	-	-
Before tax effect adjustments	-	(14)
Tax effect	-	4
Remeasurements of defined benefit plans, net of tax	-	(9)
Foreign currency translation adjustment:		
Amount incurred during the current period	334	(105)
Re-classification adjustments	-	-
Before tax effect adjustments	334	(105)
Tax effect	-	-
Foreign currency translation adjustment	334	(105)
Total other comprehensive income	287	(104)

Notes to Consolidated Statements of Changes in Equity

FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)

1. Type of stock, number of issued and outstanding shares and treasury shares (Shares)

	Number of shares as of Oct. 1, 2013	Increase	Decrease	Number of shares as of Sep. 30, 2014
Issued shares				
Common stock (Note 1)	14,120,000	1,506,900	-	15,626,900
Total	14,120,000	1,506,900	-	15,626,900
Treasury shares				
Common stock (Note 2)	67	22	-	89
Total	67	22	-	89

Notes: 1. The increase in the number of issued and outstanding shares of common stock (1,506,900 shares) is due to the issuance of stock through a third-party allotment to Mitsui & Co., Ltd.

2. The increase in the number of treasury shares of common stock (22 shares) is due to the purchase of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of stock	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 20, 2013	Common stock	310	22	Sep. 30, 2013	Dec. 24, 2013
Board of Directors' meeting on May 14, 2014	Common stock	282	20	Mar. 31, 2014	Jun. 2, 2014

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of stock	Total dividends (Millions of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 19, 2014	Common stock	375	Retained earnings	24	Sep. 30, 2014	Dec. 22, 2014

FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)

1. Type of stock, number of issued and outstanding shares and treasury shares (Shares)

	Number of shares as of Oct. 1, 2014	Increase	Decrease	Number of shares as of Sep. 30, 2015
Issued shares				
Common stock	15,626,900	-	-	15,626,900
Total	15,626,900	-	-	15,626,900
Treasury shares				
Common stock (Notes 1.2)	89	674,833	-	674,922
Total	89	674,833	-	674,922

Notes: 1. The number of treasury shares of common stock includes the Company share held by the Executive Compensation Stock Trust Plan of 31,200 shares.

2. The increase in the number of treasury shares of common stock includes increases by the purchase from the stock market of 643,500 shares, the purchase for the Executive Compensation Stock Trust Plan of 31,200 shares, and the purchase of odd-lot shares of 133 shares.

2. Dividends

(1) Dividend payment

Resolution	Type of stock	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 19, 2014	Common stock	375	24	Sep. 30, 2014	Dec. 22, 2014
Board of Directors' meeting on May 13, 2015	Common stock	299	20	Mar. 31, 2015	Jun. 1, 2015

Note: Total dividends based on the resolution approved at the Board of Directors' meeting on May 13, 2015 include 0 million yen of the dividend for 31,200 shares of the Fuji Pharma stock held by the Executive Compensation Stock Trust Plan as of the record date of March 31, 2015.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of stock	Total dividends (Millions of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Annual shareholders' meeting on Dec. 18, 2015	Common stock	359	Retained earnings	24	Sep. 30, 2015	Dec. 21, 2015

Note: Total dividends based on the resolution approved at the Annual shareholders' meeting on December 18, 2015 include 0 million yen of the dividend for 31,200 shares of the Fuji Pharma stock held by the Executive Compensation Stock Trust Plan as of the record date of September 30, 2015.

Notes to Consolidated Statement of Cash Flows

*1. Reconciliation between the cash and cash equivalents at end of the period and the amount booked in the consolidated balance sheet (Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Cash and deposits	8,173	5,158
Securities	506	506
Cash and cash equivalents	8,680	5,664

2. Significant non-cash transactions (Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Assets and obligations applicable to the finance lease transaction	2,508	2,178

*3. Breakdown of assets and liabilities of subsidiary newly included in the consolidation through stock acquisition in the current fiscal year

FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)

Not applicable.

FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)

Not applicable.

Segment and Other Information

Segment Information

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

Related information

FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)

1. Information by product or service

No information for specific products or services is presented because sales to external customers which account for more than 90% of net sales shown on the consolidated statement of income are derived from a single product or service category.

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of net sales shown on the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Thailand	Total
8,777	1,688	10,465

3. Information by major client

(Millions of yen)

Customer name	Net sales	Relevant segment
KONICA MINOLTA, INC.	4,882	Pharmaceutical business
Alfresa Corporation	4,234	Pharmaceutical business
MEDICEO CORPORATION	3,668	Pharmaceutical business
SUZUKEN CO., LTD.	3,383	Pharmaceutical business
Toho Pharmaceutical Co., Ltd.	2,951	Pharmaceutical business

FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)

1. Information by product or service

No information for specific products or services is presented because sales to external customers which account for more than 90% of net sales shown on the consolidated statement of income are derived from a single product or service category.

2. Information by region

(1) Net sales

Omitted since sales to external customers in Japan exceeded 90% of net sales shown on the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Thailand	Total
8,162	2,456	10,618

3. Information by major client

(Millions of yen)

Customer name	Net sales	Relevant segment
KONICA MINOLTA, INC.	4,953	Pharmaceutical business
Alfresa Corporation	4,518	Pharmaceutical business
MEDICEO CORPORATION	4,032	Pharmaceutical business
SUZUKEN CO., LTD.	3,483	Pharmaceutical business
Toho Pharmaceutical Co., Ltd.	3,265	Pharmaceutical business

Information related to impairment losses on noncurrent assets for each reportable segment

FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)

Not applicable.

FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)

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

FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)

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

Information related to negative goodwill profits for each reportable segment

FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)

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

FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)

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

Transactions with Concerned Parties

Transactions with Concerned Parties

Transaction between the Company and concerned parties

Parent company, major corporate shareholders etc. of the Company

FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)

(Millions of yen)

Attribute	Other affiliated company		
Company name	Mitsui & Co., Ltd.		
Address	Chiyoda-ku, Tokyo		
Capital or invested amount	341,481		
Business details or occupation	General trading company		
Proportion of voting rights held (or being held)	(Being held) Directly 22.0%		
Details of relationship	Supply of raw materials, etc.		
Transaction details	Transaction amount	Account	Closing balance
Supply of raw materials (Notes 1, 2)	2,470	Accounts payable-trade	1,002
Third-party allotment (Note 3)	2,703	-	-

Notes: 1. The transaction amount does not include consumption taxes, while the closing balance includes consumption taxes.

2. Prices and other terms for supply of raw materials, etc. are determined by contracts and other means following discussions between Mitsui & Co. and Fuji Pharma.

3. Mitsui & Co. purchased Fuji Pharma stock sold through a third-party allotment at a price of 1,794 yen per share.

FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)

(Millions of yen)

Attribute	Other affiliated company		
Company name	Mitsui & Co., Ltd.		
Address	Chiyoda-ku, Tokyo		
Capital or invested amount	341,481		
Business details or occupation	General trading company		
Proportion of voting rights held (or being held)	(Being held) Directly 22.0%		
Details of relationship	Supply of raw materials, etc.		
Transaction details	Transaction amount	Account	Closing balance
Supply of raw materials (Notes 1, 2)	2,482	Accounts payable-trade	684

Notes: 1. The transaction amount does not include consumption taxes, while the closing balance includes consumption taxes.

2. Prices and other terms for supply of raw materials, etc. are determined by contracts and other means following discussions between Mitsui & Co. and Fuji Pharma.

Per-share Data

(Yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Net assets per share	1,826.54	1,912.27
Net income per share	140.53	137.55

Notes: 1. Diluted net income per share is not presented because there are no latent shares.

2. Company stock held by Sumitomo Mitsui Trust Bank, Limited (Trust E account) was included in treasury shares, which is deducted from the number of shares used to calculate the average number of shares issued during FY9/15 and the total number of issued shares at the end of FY9/15, as trust assets of the Executive Compensation Stock Trust Plan.

The average number of shares of the Company stock held by the trust during FY9/15 was 19,428 shares and the number of shares of the Company stock held by the trust at the end of FY9/15 was 31,200 shares.

3. The basis of calculating the net income per share is as follows:

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Net income per share		
Net income (Millions of yen)	2,078	2,092
Amount not attributable to ordinary shareholders (Millions of yen)	-	-
Net income attributable to common stock (Millions of yen)	2,078	2,092
Average number of shares outstanding (Shares)	14,792,863	15,210,645

4. The basis of calculating the net assets per share is as follows:

	FY9/14 (As of Sep. 30, 2014)	FY9/15 (As of Sep. 30, 2015)
Total net assets (Millions of yen)	28,544	28,593
Deduction on total net assets (Millions of yen)	1	1
[of which minority interests (Millions of yen)]	[1]	[1]
Net assets applicable to common shares (Millions of yen)	28,543	28,592
Number of common stock shares used in calculation of net assets per share (Shares)	15,626,811	14,951,978

Material Subsequent Events

Not applicable.

6. Non-consolidated Financial Statements**(1) Non-consolidated Balance Sheet**

(Millions of yen)

	FY9/14 (As of Sep. 30, 2014)	FY9/15 (As of Sep. 30, 2015)
Assets		
Current assets		
Cash and deposits	6,331	4,518
Notes receivable-trade	394	374
Accounts receivable-trade	10,626	11,461
Securities	506	506
Merchandise and finished goods	3,226	4,537
Work in process	1,944	2,176
Raw materials and supplies	3,371	4,189
Advance payments-trade	82	147
Prepaid expenses	98	71
Deferred tax assets	560	470
Accounts receivable-other	2,735	268
Short-term loans receivable from subsidiaries and associates	676	1,151
Other	21	65
Allowance for doubtful accounts	(0)	(0)
Total current assets	30,576	29,939
Non-current assets		
Property, plant and equipment		
Buildings	7,602	7,706
Accumulated depreciation	(3,134)	(3,516)
Buildings, net	4,467	4,190
Structures	199	199
Accumulated depreciation	(124)	(138)
Structures, net	75	61
Machinery and equipment	5,234	5,401
Accumulated depreciation	(4,059)	(4,342)
Machinery and equipment, net	1,174	1,058
Vehicles	47	47
Accumulated depreciation	(42)	(44)
Vehicles, net	5	3
Tools, furniture and fixtures	885	899
Accumulated depreciation	(811)	(825)
Tools, furniture and fixtures, net	74	74
Land	497	512
Leased assets	2,508	2,508
Accumulated depreciation	(26)	(339)
Leased assets, net	2,482	2,168
Construction in progress	-	92
Total property, plant and equipment	8,777	8,162
Intangible assets		
Distributorship	1,224	915
Software	355	281
Telephone subscription right	7	7
Total intangible assets	1,588	1,204
Investments and other assets		
Investment securities	93	108
Shares of subsidiaries and associates	4,615	4,615
Investments in capital	0	0
Claims provable in bankruptcy, claims provable in rehabilitation and other	1	1
Long-term prepaid expenses	3	1
Deferred tax assets	483	346

	(Millions of yen)	
	FY9/14	FY9/15
	(As of Sep. 30, 2014)	(As of Sep. 30, 2015)
Guarantee deposits	75	74
Insurance funds	23	24
Total investments and other assets	5,295	5,173
Total non-current assets	15,661	14,539
Total assets	46,237	44,479
Liabilities		
Current liabilities		
Notes payable-trade	330	123
Accounts payable-trade	5,725	5,647
Current portion of long-term loans payable	921	921
Lease obligations	330	331
Accounts payable-other	1,256	1,300
Accrued expenses	205	187
Income taxes payable	695	547
Accrued consumption taxes	194	277
Advances received	42	-
Deposits received	31	33
Forward exchange contracts	-	11
Provision for bonuses	910	742
Provision for directors' bonuses	23	13
Provision for sales returns	25	26
Other	0	-
Total current liabilities	10,693	10,163
Non-current liabilities		
Long-term loans payable	3,496	2,575
Lease obligations	2,357	2,026
Guarantee deposits received	193	195
Provision for retirement benefits	1,255	932
Long-term accounts payable-other	101	107
Other	21	21
Total non-current liabilities	7,425	5,857
Total liabilities	18,119	16,021
Net assets		
Shareholders' equity		
Capital stock	3,799	3,799
Capital surplus		
Legal capital surplus	4,408	4,408
Other capital surplus	615	615
Total capital surpluses	5,023	5,023
Retained earnings		
Legal retained earnings	164	164
Other retained earnings		
General reserve	5,000	5,000
Retained earnings brought forward	14,122	15,955
Total retained earnings	19,286	21,119
Treasury shares	(0)	(1,504)
Total shareholders' equity	28,109	28,437
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9	20
Total valuation and translation adjustments	9	20
Total net assets	28,118	28,458
Total liabilities and net assets	46,237	44,479

(2) Non-consolidated Statement of Income

(Millions of yen)

	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
Net sales		
Net sales of finished goods	20,695	24,011
Net sales of goods	6,702	5,478
Total net sales	27,397	29,490
Cost of sales		
Beginning merchandise and finished goods	2,283	3,226
Cost of purchased goods	3,756	3,353
Transfer from other account	(3)	54
Cost of products manufactured	12,694	15,154
Total	18,730	21,789
Ending merchandise and finished goods	3,226	4,537
Transfer to other account	7	5
Total cost of sales	15,496	17,246
Gross profit	11,900	12,243
Provision for sales returns	15	0
Gross profit-net	11,885	12,242
Selling, general and administrative expenses		
Promotion expenses	175	148
Sales commission	1,125	1,406
Packing and transportation expenses	283	299
Entertainment expenses	46	49
Directors' compensations	71	86
Salaries and bonuses	1,920	2,031
Provision for bonuses	493	433
Provision for directors' bonuses	23	13
Provision of allowance for doubtful accounts	0	0
Retirement benefit expenses	117	108
Welfare expenses	383	430
Traveling and transportation expenses	398	431
Rent expenses	325	364
Depreciation	364	405
Research and development expenses	1,769	1,729
Other	1,069	965
Total selling, general and administrative expenses	8,566	8,904
Operating income	3,319	3,337

	(Millions of yen)	
	FY9/14	FY9/15
	(Oct. 1, 2013 – Sep. 30, 2014)	(Oct. 1, 2014 – Sep. 30, 2015)
Non-operating income		
Interest income	1	15
Interest on securities	0	0
Dividend income	0	0
Dividend income of life insurance	4	5
Commission fee	2	1
Subsidy income	6	2
Compensation income	7	3
Fiduciary obligation fee	6	5
Miscellaneous income	5	8
Total non-operating income	34	42
Non-operating expenses		
Interest expenses	20	34
Foreign exchange losses	3	142
Sales discounts	6	9
Share issuance cost	13	-
Miscellaneous loss	3	8
Total non-operating expenses	48	195
Ordinary income	3,305	3,185
Extraordinary income		
Subsidy income	76	46
Total extraordinary income	76	46
Extraordinary losses		
Loss on retirement of non-current assets	0	4
Loss on reduction of non-current assets	43	36
Total extraordinary losses	44	41
Income before income taxes	3,337	3,190
Income taxes-current	1,195	833
Income taxes-deferred	(37)	90
Total income taxes	1,157	923
Net income	2,180	2,267

Manufacturing Statement

(Millions of yen)

Item	Note	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)		FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)	
		Amount	%	Amount	%
I Cost of materials		9,916	73.3	11,623	75.3
II Labor cost		1,384	10.2	1,305	8.5
III Overheads		2,233	16.5	2,512	16.3
Total manufacturing costs		13,534	100.0	15,441	100.0
Beginning work in process		1,100		1,944	
Total		14,634		17,385	
Ending work in process		1,944		2,176	
Transfer to other account		(4)		54	
Cost of products manufactured		12,694		15,154	

Cost accounting

The Company applied the simple process costing method on the basis of actual cost accounting.

(Millions of yen)

FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)	FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)
*1. The amount of provisions for allowances included in the labor cost is as follows:	*1. The amount of provisions for allowances included in the labor cost is as follows:
Provision for bonuses 288	Provision for bonuses 298
Retirement benefit expenses 44	Retirement benefit expenses 43
*2. Major breakdown is as follows:	*2. Major breakdown is as follows:
Depreciation 629	Depreciation 980
Utilities expenses 396	Utilities expenses 340
Rent expenses 342	Rent expenses 332
Repair expenses 321	Repair expenses 302
Supplies expenses 258	Supplies expenses 232
*3. Breakdown of transfer to other account is as follows:	*3. Breakdown of transfer to other account is as follows:
Cost of sales (3)	Cost of sales 54
Selling, general and administrative expenses (0)	Selling, general and administrative expenses 0
Total (4)	Total 54

(3) Non-Consolidated Statement of Changes in Equity

FY9/14 (Oct. 1, 2013 - Sep. 30, 2014)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	2,447	3,056	615	3,672	164	5,000	12,535	17,699
Cumulative effects of changes in accounting policies								
Restated balance	2,447	3,056	615	3,672	164	5,000	12,535	17,699
Changes of items during period								
Issuance of new shares	1,351	1,351		1,351				
Dividends of surplus							(593)	(593)
Net income							2,180	2,180
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	1,351	1,351	-	1,351	-	-	1,587	1,587
Balance at end of current period	3,799	4,408	615	5,023	164	5,000	14,122	19,286

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(0)	23,818	56	56	23,874
Cumulative effects of changes in accounting policies					
Restated balance	(0)	23,818	56	56	23,874
Changes of items during period					
Issuance of new shares		2,703			2,703
Dividends of surplus		(593)			(593)
Net income		2,180			2,180
Purchase of treasury shares	(0)	(0)			(0)
Net changes of items other than shareholders' equity			(46)	(46)	(46)
Total changes of items during period	(0)	4,290	(46)	(46)	4,243
Balance at end of current period	(0)	28,109	9	9	28,118

FY9/15 (Oct. 1, 2014 - Sep. 30, 2015)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	3,799	4,408	615	5,023	164	5,000	14,122	19,286
Cumulative effects of changes in accounting policies							239	239
Restated balance	3,799	4,408	615	5,023	164	5,000	14,362	19,526
Changes of items during period								
Dividends of surplus							(674)	(674)
Net income							2,267	2,267
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	1,592	1,592
Balance at end of current period	3,799	4,408	615	5,023	164	5,000	15,955	21,119

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(0)	28,109	9	9	28,118
Cumulative effects of changes in accounting policies		239			239
Restated balance	(0)	28,349	9	9	28,358
Changes of items during period					
Dividends of surplus		(674)			(674)
Net income		2,267			2,267
Purchase of treasury shares	(1,504)	(1,504)			(1,504)
Net changes of items other than shareholders' equity			11	11	11
Total changes of items during period	(1,504)	88	11	11	99
Balance at end of current period	(1,504)	28,437	20	20	28,458

7. Others

(1) Changes in Directors

1) Change of representative director

Not applicable.

2) Change of other board members

- Retiring director

Takeshi Hirayama, Director

Takuya Usami, Director

(2) Other Information

1. Breakdown of Sales

(Millions of yen)

Efficacy	FY9/14 (Oct. 1, 2013 – Sep. 30, 2014)		FY9/15 (Oct. 1, 2014 – Sep. 30, 2015)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	8,794	30.1	11,034	34.8	25.5
Hormone drugs	5,473	18.7	5,582	17.6	2.0
Metabolic drugs	1,546	5.3	1,784	5.6	15.3
Circulatory drugs	985	3.4	937	3.0	(4.9)
Antibiotics and chemotherapeutics	842	2.9	871	2.8	3.5
Urogenital and genital organ drugs	437	1.5	464	1.5	6.2
Dermatological preparations	299	1.0	325	1.0	8.9
Others	4,023	13.8	5,201	16.4	29.3
Subtotal	22,403	76.7	26,202	82.7	17.0
(Merchandise)					
Hormone drugs	4,037	13.8	4,488	14.2	11.2
In vitro diagnostic	687	2.3	636	2.0	(7.4)
Diagnostic drugs	1,861	6.4	88	0.3	(95.2)
Others	224	0.8	264	0.8	17.7
Subtotal	6,811	23.3	5,478	17.3	(19.6)
Total	29,215	100.0	31,680	100.0	8.4

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.