

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending September 30, 2016
(Three Months Ended December 31, 2015)

[Japanese GAAP]

February 9, 2016

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

Scheduled date of filing of Quarterly Report: February 10, 2016

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on February 9, 2016 at 16:30 (GMT +9).

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

1. Consolidated Financial Results for the First Quarter (October 1, 2015 to December 31, 2015)
of the Fiscal Year Ending September 30, 2016

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Dec. 31, 2015	8,927	10.7	834	1.8	848	0.1	545	5.6
Three months ended Dec. 31, 2014	8,067	16.9	819	(1.2)	847	(6.7)	516	(5.0)

Note: Comprehensive income (millions of yen) Three months ended Dec. 31, 2015: 818 (down 15.7%)

Three months ended Dec. 31, 2014: 971 (up 41.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2015	36.46	-
Three months ended Dec. 31, 2014	33.05	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2015	47,611	28,653	60.2
As of Sep. 30, 2015	45,773	28,593	62.5

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2015: 28,651 As of Sep. 30, 2015: 28,592

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2015	-	20.00	-	24.00	44.00
Fiscal year ending Sep. 30, 2016	-	-	-	-	-
Fiscal year ending Sep. 30, 2016 (Estimated)	-	21.00	-	24.00	45.00

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

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

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)

As of Dec. 31, 2015:	15,626,900 shares	As of Sep. 30, 2015:	15,626,900 shares
----------------------	-------------------	----------------------	-------------------

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

As of Dec. 31, 2015:	667,737 shares	As of Sep. 30, 2015:	674,922 shares
----------------------	----------------	----------------------	----------------

3) Average number of shares issued during the period

Three months ended Dec. 31, 2015:	14,954,193 shares	Three months ended Dec. 31, 2014:	15,626,811 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

* Information regarding the implementation of quarterly review procedures

The current quarterly consolidated financial report is exempted from quarterly review procedures based on the Financial Instruments and Exchange 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.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Matters Related to Summary Information (Notes)	3
(1) Changes in Significant Subsidiaries during the Period	3
(2) Changes in Accounting Policies and Accounting-based Estimates, and Restatements	3
3. Quarterly Consolidated Financial Statements	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statements of Income and Comprehensive Income	7
Consolidated Statement of Income	
For the Three-month Period	7
Consolidated Statement of Comprehensive Income	
For the Three-month Period	8
(3) Notes to Quarterly Consolidated Financial Statements	9
Notes Regarding Assumptions for Company as Ongoing Concern	9
Notes Regarding Material Change in Shareholders' Equity	9
Segment and Other Information	9
4. Supplementary Information	9
(1) Breakdown of Sales	9

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the current fiscal year, corporate earnings at companies in Japan recovered, chiefly at exporting companies, backed by the strong economy in the U.S., which raised base interest rates for the first time in nine and a half years. However, there are clear signs of slowing economic growth in China and other emerging countries, prices of crude oil and other natural resources have fallen sharply, and there is political and other instability around the world. As a result, the outlook is becoming increasingly unclear.

In Japan's ethical drug industry, 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.

The Fuji Pharma Group has established the central theme "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. The volume of generic drugs supplied is expected to continue to grow because these drugs are an important element of measures in Japan to hold down the cost of health care. At the same time, it is assumed that this growth will be accompanied by measures to ensure a stable supply and further cut the prices of these drugs. This is why there is an urgent need at the Fuji Pharma Group to take actions aimed at becoming more competitive against global pharmaceutical companies, establish highly profitable drug brands, shift emphasis to biosimilars and other types of drugs, expand operations outside Japan, and build a management infrastructure capable of supporting rapid growth.

On January 22, 2016, Fuji Pharma received a marketing authorization right for Utrogestan Vaginal Capsules 200mg, a natural luteinizing hormone used for corpus luteum supplements in assisted reproductive technologies.

For assisted reproductive technologies, luteinizing hormones play an important role in implants and maintaining pregnancy. In many countries other than Japan, these hormones are widely administered through the vagina to make treatments less burdensome on patients in terms of time and physical difficulties. Fuji Pharma's new drug makes it possible in Japan to administer supplemental luteinizing hormones through the vagina. As increasing numbers of women marry later in life in Japan, Fuji Pharma believes that this new drug will provide a new treatment option in the obstetrics and gynecology domain and help many women.

Regarding sales activities, Fuji Pharma has been focusing on the marketing of the new dysmenorrhea treatment agents LUNABELL® tablets ULD. 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 continuously concentrating on sales of the generic contrast agents OYPALOMIN® injection and IOPAQUE® injection, and the new x-ray contrast agent OPTIRAY® injection. In addition to these products, we are focusing on sales of MAGNESCOPE® intravenous injection, the most widely used MRI contrast agent in Europe, for which Fuji Pharma received sales rights from Guerbet Japan KK in October 2015. 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 involve Filgrastim BS injection Syringe and other products.

Net sales increased 10.7% year on year to 8,927 million yen due mainly to the contribution from MAGNESCOPE® intravenous injection and other products for which Fuji Pharma received sales rights. Higher procurement costs for raw materials raised the cost of sales. Selling, general and administrative expenses also increased due mainly to higher R&D expenses related to Darbepoetin Alfa, for which Fuji Pharma signed a licensing agreement in December 2015. Operating income increased 1.8% to 834 million yen, and ordinary income increased 0.1% to 848 million yen. Profit attributable to owners of parent increased 5.6% to 545 million yen.

Segment information is omitted because there is only a single business segment, which is the pharmaceutical business.

(2) Explanation of Financial Position

Total assets increased 1,837 million yen from the end of the previous fiscal year to 47,611 million yen, net assets increased 59 million yen to 28,653 million yen, and the equity ratio was 60.2% as of the end of the first quarter of the current fiscal year.

Assets

Current assets increased 1,570 million yen mainly because of increases in notes and accounts receivable-trade and inventories while there was a decrease in cash and deposits. Non-current assets increased 267 million yen mainly due to an increase in construction in progress.

Liabilities

Current liabilities decreased 92 million yen mainly due to decreases in provision for bonuses and income taxes payable, and non-current liabilities increased 1,870 million yen mainly due to an increase in long-term loans payable.

Net Assets

Net assets increased by 59 million yen mainly because of increases in foreign currency translation adjustment and retained earnings.

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

First quarter earnings were slightly low in relation to the plan announced on November 13, 2015 mainly because of a change in sales composition. However, part of the inventory valuation loss recorded in the first quarter is expected to be eliminated during the remainder of the fiscal year. After excluding the effect of this one-time valuation loss, first quarter performance was generally in line with the fiscal year outlook. Consequently, there are no revisions to the first half and fiscal year forecasts for consolidated performance in the fiscal year ending in September 2016.

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 Business Combinations, etc.

The Company has adopted the “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) and other standards from the first quarter of the current fiscal year. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the quarterly consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income has been revised and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first quarter of the previous fiscal year and the previous fiscal year have been revised.

For the application of these accounting standards, etc. in accordance with the transitional accounting treatments set forth in Article 58-2 (3) of the Accounting Standard for Business Combinations, Article 44-5 (3) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (3) of the Accounting Standard for Business Divestitures. The cumulative effect at the beginning of the first quarter of the current fiscal year upon the retrospective adoption of the above accounting policies for prior years is added to or deducted from capital surplus and retained earnings.

The result was decreases of 207 million yen in goodwill, 169 million yen in retained earnings and 38 million yen in foreign currency translation adjustment at the beginning of the first quarter of the current fiscal year. Operating income, ordinary income and income before income taxes and non-controlling interests in the first quarter of the current fiscal year increased 5 million yen each.

Additional Information

Executive Compensation Stock Trust Plan

The Company has adopted an “Executive Compensation Stock Trust Plan,” a system of job performance linked stock compensation for its directors (excluding outside directors) and corporate officers who meet the beneficiary requirements prescribed by stock compensation distribution regulations. The purpose of this plan is to increase the motivation of these directors and corporate officers to improve the Group’s medium to long-term performance and achieve growth in corporate value. For the accounting treatment of this trust contract, the Company uses the gross method in accordance 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, March 26, 2015).

1. Structure of the trust

The Executive Compensation Stock Trust Plan uses a trust funded by monetary contribution from Fuji Pharma to purchase the Company’s stock (common stock) for use as a stock compensation program. Every year, through the trust, directors and others receive the Company’s stock or cash based on points granted in accordance with executive positions and performance as stipulated in stock compensation distribution regulations established by the Company’s Board of Directors. The directors, based on these rules, will determine in November 2015, 2016 and 2017 the amount of compensation used for calculating points. Stock will then be distributed the following December accordingly.

2. The Company’s stock held by the trust

The Company’s stock held by the trust is included in net assets as treasury shares at book value (excluding associated expenses). There were 31,200 shares with a book value of 69 million yen at the end of September 2015 and 24,015 shares with a book value of 53 million yen at the end of December 2015.

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

(Millions of yen)

	FY9/15 (As of Sep. 30, 2015)	First quarter of FY9/16 (As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	5,158	4,303
Notes and accounts receivable-trade	12,337	14,641
Securities	506	506
Merchandise and finished goods	4,633	4,568
Work in process	2,222	2,523
Raw materials and supplies	4,540	4,913
Accounts receivable-other	260	227
Deferred tax assets	478	242
Other	583	362
Allowance for doubtful accounts	(6)	(6)
Total current assets	30,714	32,284
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,573	4,482
Machinery, equipment and vehicles, net	1,472	1,415
Land	887	893
Leased assets, net	2,168	2,090
Construction in progress	1,407	2,034
Other, net	109	107
Total property, plant and equipment	10,618	11,022
Intangible assets		
Goodwill	2,662	2,424
Other	1,213	1,295
Total intangible assets	3,876	3,720
Investments and other assets		
Investment securities	108	101
Deferred tax assets	351	377
Other	104	105
Total investments and other assets	564	584
Total non-current assets	15,059	15,327
Total assets	45,773	47,611

	(Millions of yen)	
	FY9/15 (As of Sep. 30, 2015)	First quarter of FY9/16 (As of Dec. 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,102	7,035
Current portion of long-term loans payable	921	921
Lease obligations	340	345
Income taxes payable	547	92
Provision for bonuses	742	274
Provision for directors' bonuses	13	3
Provision for sales returns	26	16
Other	2,294	2,207
Total current liabilities	10,989	10,897
Non-current liabilities		
Long-term loans payable	2,575	4,494
Lease obligations	2,052	1,970
Net defined benefit liability	994	1,035
Other	569	561
Total non-current liabilities	6,190	8,061
Total liabilities	17,180	18,958
Net assets		
Shareholders' equity		
Capital stock	3,799	3,799
Capital surplus	5,023	5,023
Retained earnings	20,669	20,685
Treasury shares	(1,504)	(1,488)
Total shareholders' equity	27,988	28,020
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20	15
Foreign currency translation adjustment	594	625
Remeasurements of defined benefit plans	(10)	(9)
Total accumulated other comprehensive income	604	631
Non-controlling interests	1	1
Total net assets	28,593	28,653
Total liabilities and net assets	45,773	47,611

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

(Millions of yen)

	First three months of FY9/15 (Oct. 1, 2014 – Dec. 31, 2014)	First three months of FY9/16 (Oct. 1, 2015 – Dec. 31, 2015)
Net sales	8,067	8,927
Cost of sales	4,832	5,431
Gross profit	3,235	3,496
Selling, general and administrative expenses	2,415	2,661
Operating income	819	834
Non-operating income		
Interest income	0	0
Foreign exchange gains	20	17
Commission fee	9	0
Compensation income	0	1
Fiduciary obligation fee	5	0
Other	4	5
Total non-operating income	40	24
Non-operating expenses		
Interest expenses	10	8
Sales discounts	1	1
Other	0	0
Total non-operating expenses	12	10
Ordinary income	847	848
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Income before income taxes and non-controlling interests	846	848
Income taxes-current	9	84
Income taxes-deferred	320	219
Total income taxes	330	303
Profit	516	545
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	516	545

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

(Millions of yen)

	First three months of FY9/15 (Oct. 1, 2014 – Dec. 31, 2014)	First three months of FY9/16 (Oct. 1, 2015 – Dec. 31, 2015)
Profit	516	545
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(4)
Deferred gains or losses on hedges	4	-
Foreign currency translation adjustment	448	277
Remeasurements of defined benefit plans, net of tax	1	0
Total other comprehensive income	455	273
Comprehensive income	971	818
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	971	818
Comprehensive income attributable to non-controlling interests	0	0

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

Not applicable.

Notes Regarding Material Change in Shareholders' Equity

Not applicable.

Segment and Other Information

Omitted because there is only a single business segment, which is the pharmaceutical business.

Material Subsequent Events

Not applicable.

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

(Millions of yen)

Efficacy	First three months of FY9/15 (Oct. 1, 2014 – Dec. 31, 2014)		First three months of FY9/16 (Oct. 1, 2015 – Dec. 31, 2015)		YoY change (%)
	Amount	%	Amount	%	
(Finished goods)					
Diagnostic drugs	2,842	35.2	3,085	34.6	8.5
Hormone drugs	1,417	17.6	1,496	16.8	5.5
Metabolic drugs	475	5.9	452	5.1	(5.0)
Circulatory drugs	246	3.1	269	3.0	9.7
Antibiotics and chemotherapeutics	236	2.9	221	2.5	(6.2)
Urogenital and genital organ drugs	122	1.5	125	1.4	2.3
Dermatological preparations	80	1.0	74	0.8	(7.2)
Others	1,328	16.5	1,349	15.0	1.6
Subtotal	6,749	83.7	7,074	79.2	4.8
(Merchandise)					
Hormone drugs	1,035	12.8	1,101	12.4	6.3
Diagnostic drugs	2	0.0	546	6.1	-
In vitro diagnostic	211	2.6	140	1.6	(33.6)
Others	68	0.9	65	0.7	(5.2)
Subtotal	1,318	16.3	1,853	20.8	40.6
Total	8,067	100.0	8,927	100.0	10.7

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 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.