

Business Results for the Fiscal Year Ended September 30, 2017

November 21, 2017

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President and Chief Executive Officer

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(4554/TSE1)

FujiPharma

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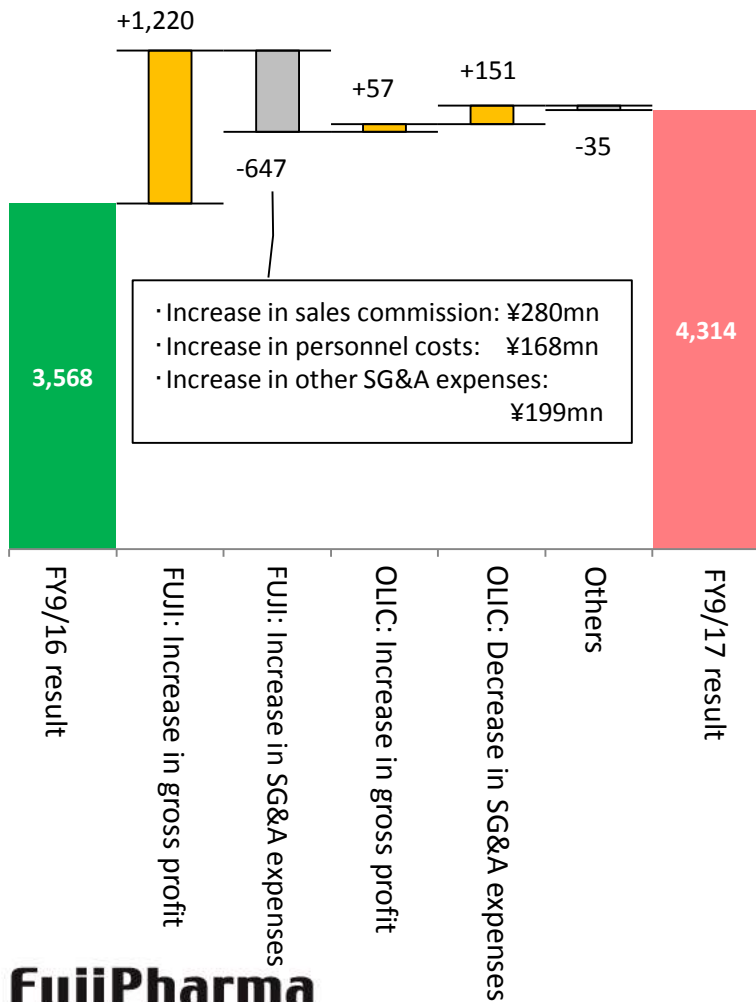
Summary of FY9/17 Consolidated Financial Results

- Net sales increased by 3.4%, or ¥1,158 million YoY, due to the contribution from branded drugs and new products
- The gross margin increased by 2.0 points due to cost reduction and growth in sales volume
- Operating profit increased by 20.9%, or ¥746 million YoY, mainly because of R&D expense timing shift; ordinary profit increased by 42.3%, or ¥1,376 million, due to foreign exchange gains

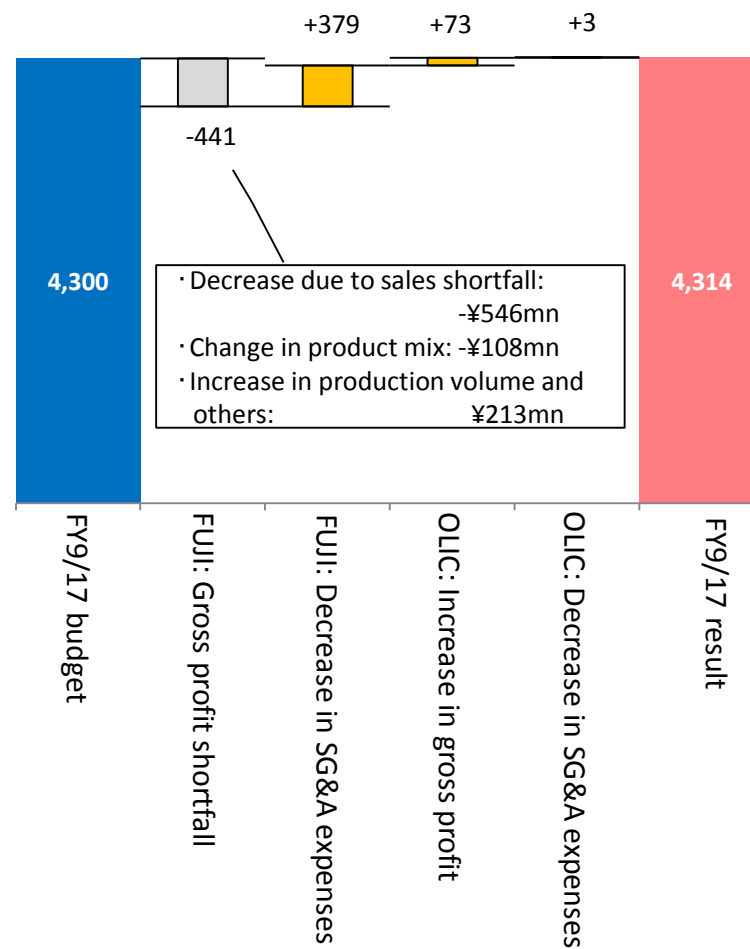
(¥million)	FY9/16 Full Year	FY9/17 Full Year	YoY Change		Reference	
			Amount	Ratio	FY9/17 Fcst	vs Fcst Change in Amount
Net Sales	34,229	35,387	1,158	3.4%	36,300	-913
Gross Profit	13,537	14,715	1,178	8.7%	-	-
Gross Margin	39.6%	41.6%			-	-
SG&A Expenses	9,969	10,401	431	4.3%	-	-
SG&A Margin	29.1%	29.4%			-	-
Operating profit	3,568	4,314	746	20.9%	4,300	14
Operating Margin	10.4%	12.2%			11.8%	
Ordinary profit	3,251	4,628	1,376	42.3%	4,180	448
Ordinary Margin	9.5%	13.1%			11.5%	
Profit Attributable to Owners of Parent	2,118	3,301	1,182	55.8%	2,800	501
Profit Margin	6.2%	9.3%			7.7%	
Return on Equity	7.3%	10.7%				
Net Income per Share (Yen)	141.64	220.63	78.99	55.8%		
Capital Expenditure	2,427	1,261	-1,166	-48.0%		
Depreciation (Including Leased Equipment)	1,941	1,862	-79	-4.1%		
R&D Expenses	1,840	1,825	-15	-0.8%		
R&D Expenses Ratio	5.4%	5.2%				

Summary of FY9/17 Consolidated Financial Results

YoY Changes in Operating Profit



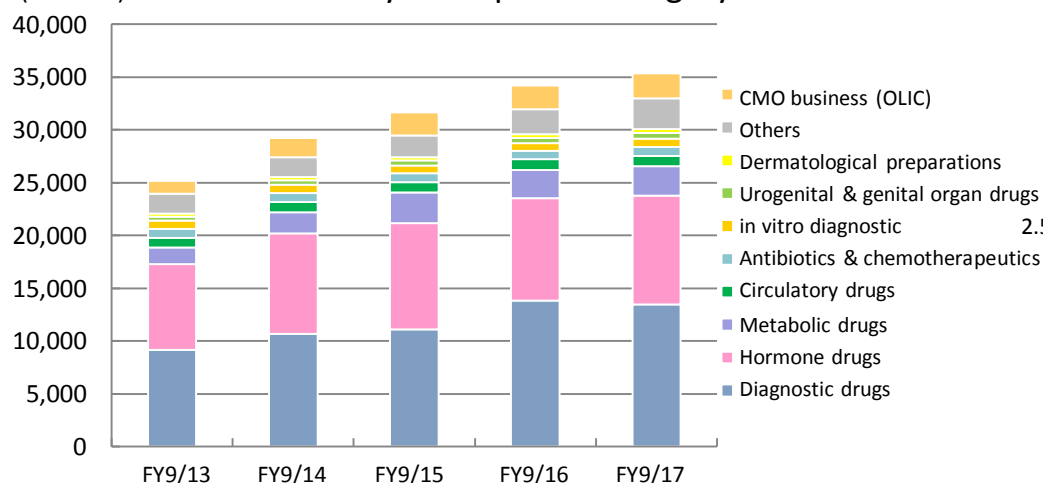
Operating Profit Vs. Budget



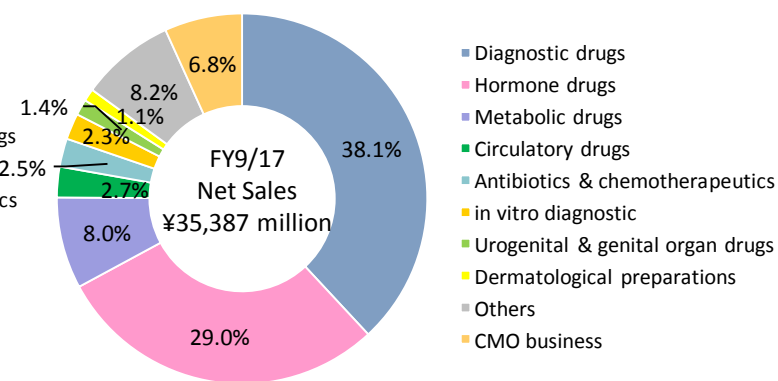
Sales by Therapeutic Category

(¥million)	FY9/13	FY9/14	FY9/15	FY9/16	FY9/17	YoY Change	
						Amount	Ratio
Diagnostic Drugs	9,158	10,656	11,123	13,808	13,473	-335	-2.4%
Hormone Drugs	8,134	9,511	10,071	9,709	10,275	566	5.8%
Metabolic Drugs	1,584	2,003	2,893	2,706	2,828	122	4.5%
Circulatory Drugs	920	985	937	1,008	945	-63	-6.3%
Antibiotics & Chemotherapeutics	793	845	874	812	874	62	7.6%
in vitro Diagnostics	802	799	742	695	805	110	15.8%
Urogenital & Genital Organ Drugs	406	437	464	486	492	6	1.2%
Dermatological Preparations	289	301	327	352	384	32	9.1%
Others	1,856	1,857	2,055	2,414	2,907	493	20.4%
CMO Business	1,226	1,818	2,190	2,236	2,401	165	7.4%
Total	25,174	29,215	31,680	34,229	35,387	1,158	3.4%

(¥million) Sales Trendline by Therapeutic Category



Sales Breakdown by Therapeutic Category



Sales of Major Products

Product Name (¥million)	Therapeutic Category	FY9/13	FY9/14	FY9/15	FY9/16	FY9/17	YoY Change	
							Amount	Ratio
OYPALOMIN® injection	Diagnostic drugs	6,727	6,465	6,500	7,029	6,879	-150	-2.1%
<u>LUNABELL® tablets (LD/ULD)</u>	<u>Hormone drugs</u>	<u>2,967</u>	<u>3,491</u>	<u>3,756</u>	<u>3,017</u>	<u>2,845</u>	<u>-172</u>	<u>-5.7%</u>
IOPAQUE® injection	Diagnostic drugs	1,876	1,754	1,968	2,133	2,162	29	1.4%
<u>OPTIRAY® injection</u>	<u>Diagnostic drugs</u>	-	<u>1,861</u>	<u>1,972</u>	<u>1,927</u>	<u>1,923</u>	<u>-4</u>	<u>-0.2%</u>
<u>Filgrastim BS injection Syringe</u>	<u>Metabolic drugs</u>	<u>243</u>	<u>539</u>	<u>1,344</u>	<u>1,481</u>	<u>1,671</u>	<u>190</u>	<u>12.8%</u>
<u>MAGNESCOPE® intravenous injection</u>	<u>Diagnostic drugs</u>	-	-	<u>57</u>	<u>1,310</u>	<u>1,353</u>	<u>43</u>	<u>3.3%</u>
HMG intramuscular injection	Hormone drugs	854	901	939	917	891	-26	-2.8%
DEXART® injection	Hormone drugs	682	680	724	813	866	53	6.5%
<u>LIPIODOL® injection</u>	<u>Diagnostic drugs</u>	-	-	<u>24</u>	<u>722</u>	<u>643</u>	<u>-79</u>	<u>-10.9%</u>
FAVOIR® tablets	Hormone drugs	301	394	456	537	601	64	11.9%
SOL-MELCORT for injection	Hormone drugs	649	607	627	598	585	-13	-2.2%
FOLYRMON®-P injection	Hormone drugs	491	528	507	512	583	71	13.9%
<u>UTROGESTAN® Vaginal Capsules</u>	<u>Hormone drugs</u>	-	-	-	<u>254</u>	<u>578</u>	<u>324</u>	<u>127.6%</u>
LIMAPROST ALFADEX tablets	Metabolic drugs	474	587	600	588	572	-16	-2.7%
ALPROSTADIL® injection	Circulatory drugs	586	609	550	593	536	-57	-9.6%
Total Top 15 Sales		16,567	19,538	20,481	22,440	22,695	255	1.1%
Pct. of Total Sales		65.8%	66.9%	64.6%	65.6%	64.1%		
New Products		-	436	1,109	1,487	2,626	1,139	76.6%
Other Products		7,381	7,423	7,900	8,065	7,664	-401	-5.0%
CMO Business (OLIC)		1,226	1,818	2,190	2,236	2,401	165	7.4%
Total		25,174	29,215	31,680	34,229	35,387	1,158	3.4%

Acute Medical Care

Medical Care for Women

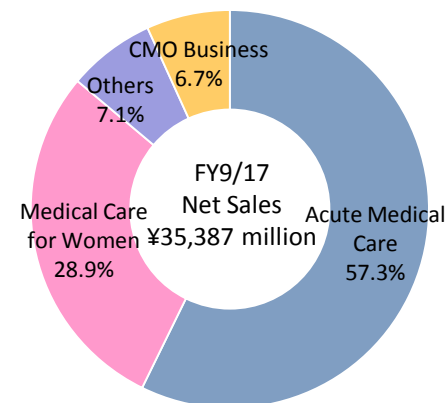
* New Products: products launched in FY9/14 or afterward (excluding the top 15)

* Underlined products are the Fuji Pharma branded drugs, branded generic drugs (with receipt of marketing approval from original drug manufacturers) and biosimilars.

Sales by Medical Field and Drug Form Category

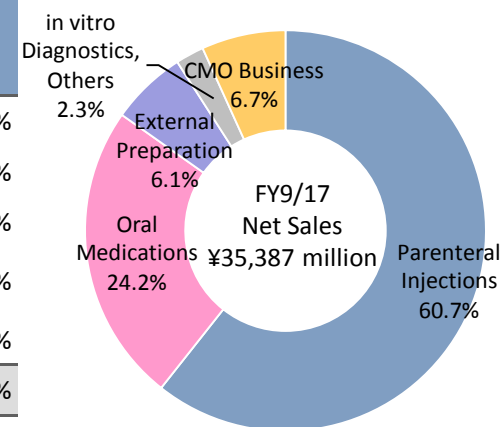
Sales Breakdown by Medical Field

Breakdown by Medical Field (¥million)	FY9/13	FY9/14	FY9/15	FY9/16	FY9/17	YoY Change	
						Amount	Ratio
Acute Medical Care	14,059	15,663	17,082	19,997	20,264	267	1.3%
Medical Care for Women	7,969	9,400	9,943	9,582	10,212	630	6.6%
Others	1,919	2,333	2,463	2,413	2,509	96	4.0%
CMO Business (OLIC)	1,226	1,818	2,190	2,236	2,401	165	7.4%
Total	25,174	29,215	31,680	34,229	35,387	1,158	3.4%

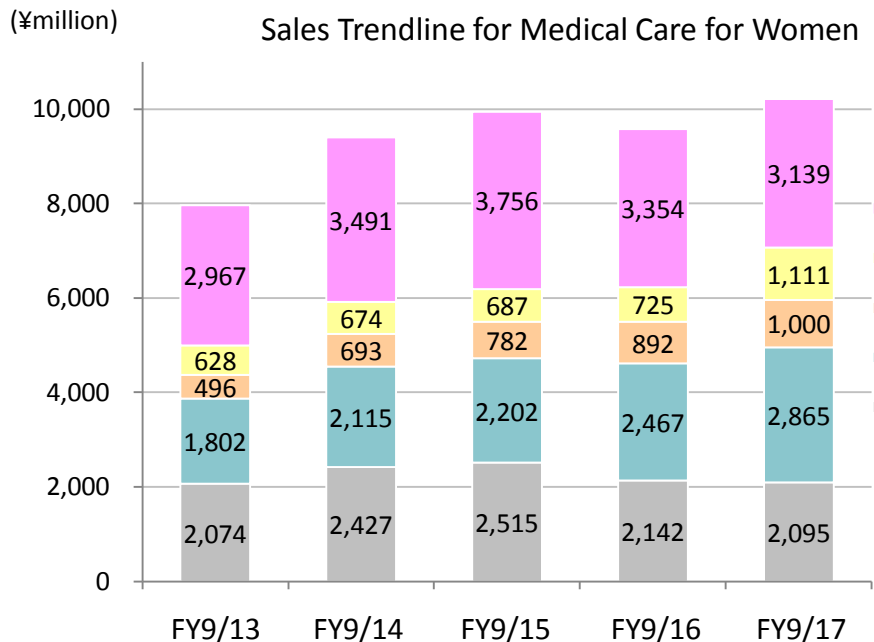


Sales Breakdown by Drug Form Category

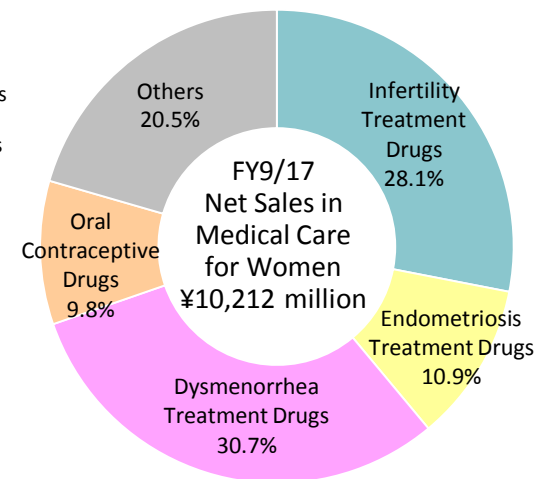
Breakdown by Drug Category (¥million)	FY9/13	FY9/14	FY9/15	FY9/16	FY9/17	YoY Change	
						Amount	Ratio
Parenteral Injections	15,463	17,212	18,596	21,452	21,463	11	0.1%
Oral Medications	6,416	7,974	8,663	8,020	8,547	527	6.6%
External Preparation	1,243	1,399	1,477	1,818	2,165	347	19.1%
in vitro Diagnostics, Others	825	811	752	701	811	110	15.7%
CMO Business (OLIC)	1,226	1,818	2,190	2,236	2,401	165	7.4%
Total	25,174	29,215	31,680	34,229	35,387	1,158	3.4%



Medical Care for Women: Sales Trendline

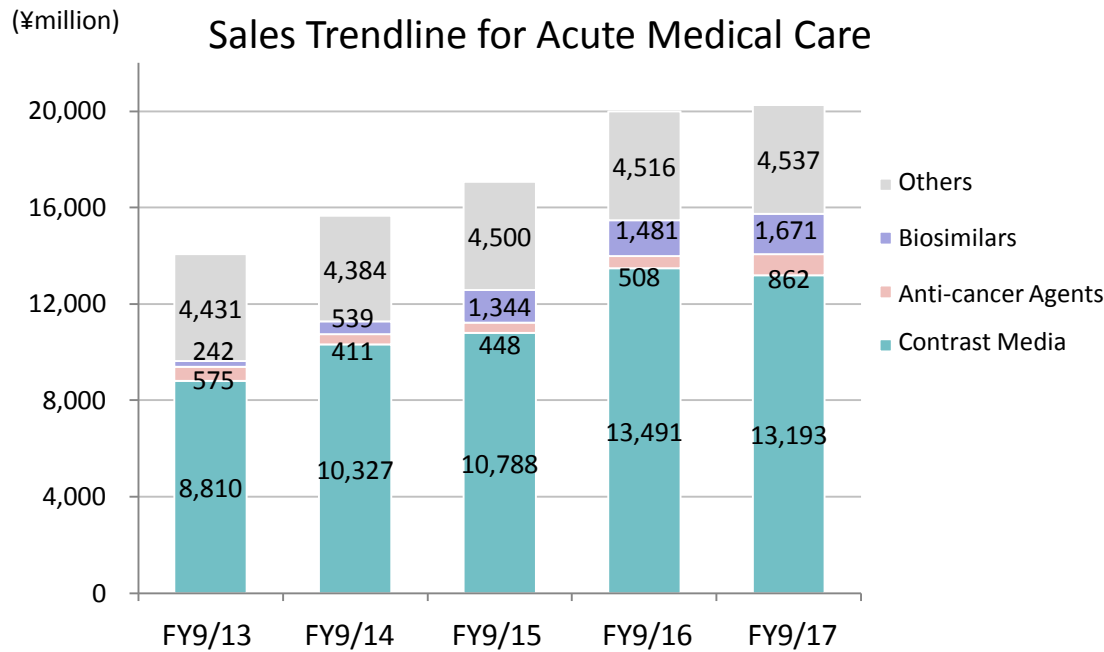


Sales Breakdown by Medical Care for Women

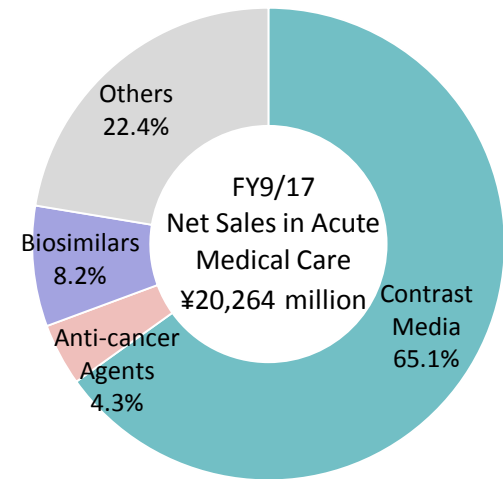


DIENOGEST tablets 1mg [F]

Acute Medical Care: Sales Trendline



Sales Breakdown by Acute Medical Care



VESANOID® capsule 10mg



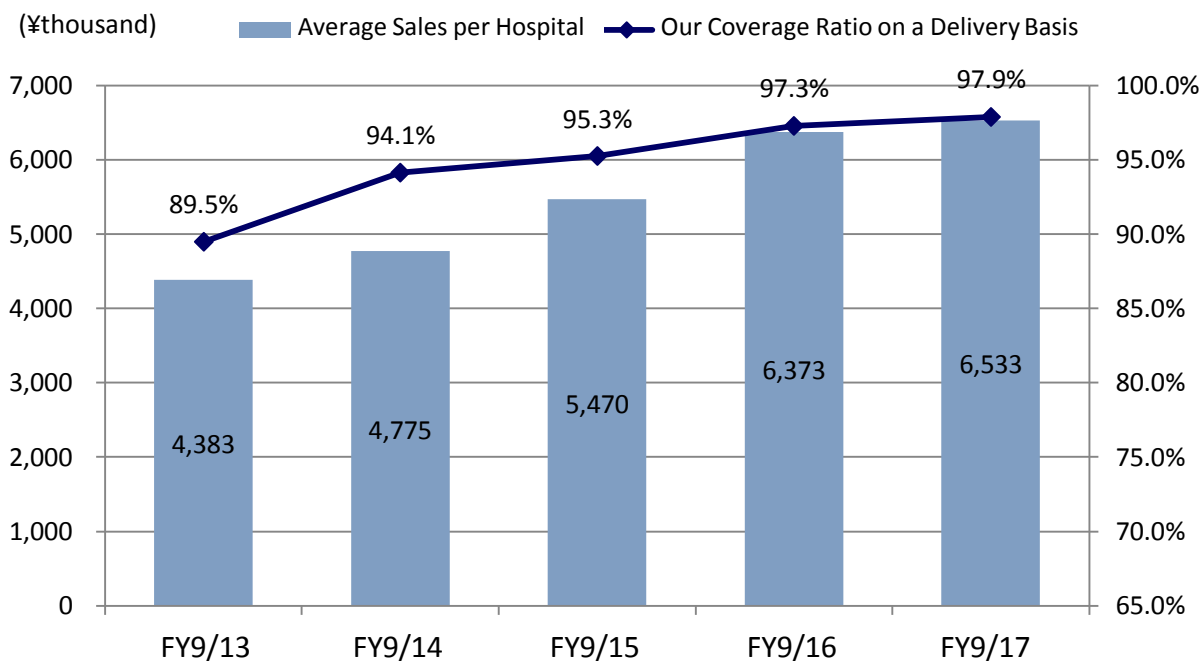
OPTIRAY®



ROCURONIUM BROMIDE
intravenous solution

Acute Medical Care: Sales Trendline for DPC-based Hospitals

	FY9/12	FY9/13	FY9/14	FY9/15	FY9/16	FY9/17	YoY Change	
							Amount	Ratio
No. of Hospitals Adopting DPC System	1,505	1,496	1,585	1,580	1,667	1,664	-3	-0.2%
No. of DPC Hospitals with Our Coverage	1,333	1,339	1,492	1,505	1,622	1,629	7	0.4%
Coverage Ratio	88.6%	89.5%	94.1%	95.3%	97.3%	97.9%		
Average Sales per Hospital (¥thousand)	4,268	4,383	4,775	5,470	6,373	6,533	160	2.5%



Summary of FY9/17 Consolidated Balance Sheet

(¥million)	FY9/16	FY9/17	YoY Change	
			Amount	Ratio
Assets				
Current Assets	32,309	33,208	899	2.8%
Cash and Deposits	6,815	5,503	-1,311	-19.3%
Notes and Accounts Receivable-Trade	13,072	15,142	2,069	15.8%
Inventories	11,569	11,486	-83	-0.7%
Other	852	1,077	224	26.4%
Non-current Assets	15,838	16,342	504	3.2%
Property, Plant and Equipment	11,016	11,703	687	6.2%
Intangible Assets	3,060	2,709	-351	-11.5%
Investments and Other Assets	1,762	1,930	168	9.5%
Total Assets	48,147	49,551	1,403	2.9%
Liabilities				
Current Liabilities	12,739	11,513	-1,226	-9.6%
Notes and Accounts Payable-Trade	6,291	5,721	-570	-9.1%
Other	6,448	5,792	-656	-10.2%
Non-current Liabilities	6,181	5,436	-745	-12.1%
Total Liabilities	18,921	16,949	-1,971	-10.4%
Net Assets				
Shareholders' Equity	29,278	31,887	2,609	8.9%
Capital Stock	3,799	3,799	0	0.0%
Capital Surplus	5,023	5,023	0	0.0%
Retained Earnings	21,944	24,541	2,597	11.8%
Treasury Shares	-1,488	-1,476	11	-0.8%
Accumulated Other Comprehensive Income	-53	711	765	-
Total Net Assets	29,226	32,601	3,375	11.5%
Total Liabilities and Net Assets	48,147	49,551	1,403	2.9%

Summary of FY9/17 Consolidated Statement of Cash Flows

(¥million)	FY9/16	FY9/17	YoY Change	
			Amount	Ratio
Cash Flows from Operating Activities	4,509	3,238	-1,271	-28.2%
(Major Breakdown)				
Profit Before Income Taxes	3,148	4,530	1,382	43.9%
Depreciation	1,667	1,769	101	6.1%
Amortization of Goodwill	254	254	0	0.0%
Decrease (Increase) in Notes and Accounts Receivable-Trade	-796	-1,982	-1,185	149.0%
Decrease (Increase) in Inventories	-240	185	425	-177.1%
Increase (Decrease) in Notes and Accounts Payable-Trade	240	-642	-883	-367.5%
Income Taxes Paid	-874	-1,094	-219	25.2%
Cash Flows from Investing Activities	-3,319	-1,534	1,784	-53.8%
(Major Breakdown)				
Purchase of Property, Plant and Equipment	-2,308	-1,477	830	-36.0%
Proceeds from Sales of Property, Plant and Equipment	453	130	-323	-71.3%
Purchase of Intangible Assets	-346	-65	280	-81.2%
Cash Flows from Financing Activities	78	-3,042	-3,120	-
(Major Breakdown)				
Proceeds from Long-term Loans Payable	2,000	-	-2,000	
Repayments of Long-term Loans Payable	-921	-1,921	-1,000	108.6%
Cash Dividends Paid	-674	-704	-30	4.5%
Repayments of lease obligations	-326	-416	-90	27.6%
Cash and Cash Equivalents at Beginning of Period	5,664	6,815	1,150	20.3%
Cash and Cash Equivalents at End of Period	6,815	5,503	-1,311	-19.3%
Free Cash Flows	1,190	1,703	513	43.1%

FY9/18 Consolidated Forecast

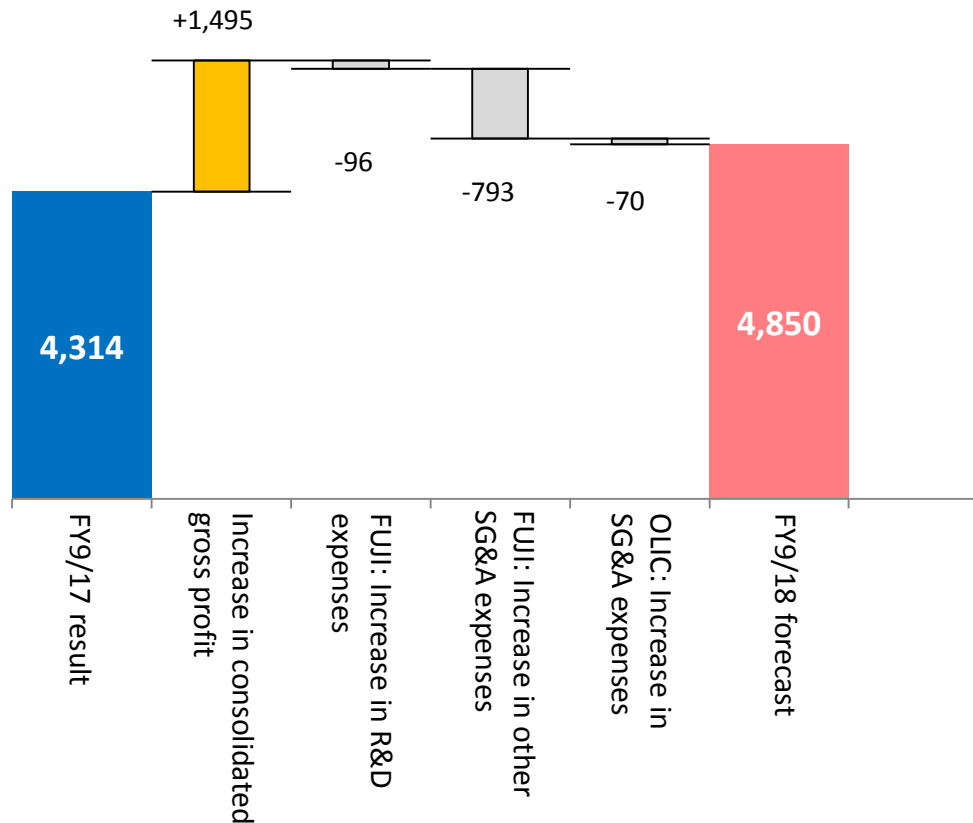
- Forecast sales growth of ¥2,752 million (+7.8%) mainly due to higher sales of branded drugs and drugs that were newly included in the National Health Insurance drug price list in FY9/17
- Forecast a 0.9 point improvement in the gross margin due to the contribution from growth in sales volume, improvement in the product mix and cost reductions
- Forecast a 12.4% increase in operating profit to ¥4,850 million because of measures to hold down other SG&A expenses

(¥million)	FY9/17	FY9/18 (Forecast)	YoY Change	
			Amount	Ratio
Net Sales	35,387	38,139	2,752	7.8%
Operating Profit	4,314	4,850	536	12.4%
Operating Margin	12.2%	12.7%	-	-
Ordinary Profit	4,628	4,710	82	1.8%
Ordinary Margin	13.1%	12.3%	-	-
Profit Attributable to Owners of Parent	3,301	3,345	44	1.3%
Profit Margin	9.3%	8.8%	-	-
Capital Expenditure	1,261	1,181	-80	-6.3%
Depreciation (Including Leased Equipment)	1,862	2,120	258	13.9%
R&D Expenses	1,825	1,921	96	5.3%
R&D Expenses Ratio	5.2%	5.0%	-	-

FY9/18 Consolidated Forecast

YoY Changes in FY9/18 Operating Profit Forecast

- Expect higher gross profit on branded and other drugs despite the upcoming revisions to National Health Insurance drug prices
- Increase in R&D expenses, personnel costs and promotion and other expenses



Sales Forecast by Therapeutic Category and Medical Field

(¥million)	FY9/17	FY9/18 (Forecast)	YoY Change	
			Amount	Ratio
Diagnostic Drugs	13,473	14,010	537	4.0%
Hormone Drugs	10,275	11,260	985	9.6%
Metabolic Drugs	2,828	2,950	122	4.3%
Circulatory Drugs	945	970	25	2.6%
Antibiotics & Chemotherapeutics	874	870	-4	-0.5%
in vitro Diagnostics	805	820	15	1.9%
Urogenital & Genital Organ Drugs	492	510	18	3.7%
Detmetological Preparations	384	370	-14	-3.6%
Others	2,907	3,929	1,022	35.2%
CMO Business (OLIC)	2,401	2,450	49	2.0%
Total	35,387	38,139	2,752	7.8%

(¥million)	FY9/17	FY9/18 (Forecast)	YoY Change	
			Amount	Ratio
Acute Medical Care	20,264	22,640	2,376	11.7%
Medical Care for Women	10,212	10,330	118	1.2%
Others	2,509	2,719	210	8.4%
CMO Business (OLIC)	2,401	2,450	49	2.0%
Total	35,387	38,139	2,752	7.8%

Sales Forecast for Major Products

Product Name (¥million)	Therapeutic Category	FY9/17	FY9/18 (Forecast)	YoY Change	
				Amount	Ratio
OYPALOMIN® injection	Diagnostic drugs	6,879	6,775	-104	-1.5%
<u>LUNABELL® tablets (LD/ULD)</u>	<u>Hormone drugs</u>	<u>2,845</u>	<u>2,910</u>	<u>65</u>	<u>2.3%</u>
IOPAQUE® injection	Diagnostic drugs	2,162	2,560	398	18.4%
<u>OPTIRAY® injection</u>	<u>Diagnostic drugs</u>	<u>1,923</u>	<u>2,075</u>	<u>152</u>	<u>7.9%</u>
<u>Filgrastim BS injection</u>	<u>Metabolic drugs</u>	<u>1,671</u>	<u>1,725</u>	<u>54</u>	<u>3.2%</u>
<u>MAGNESCOPE® intravenous injection</u>	<u>Diagnostic drugs</u>	<u>1,353</u>	<u>1,535</u>	<u>182</u>	<u>13.5%</u>
HMG intramuscular injection	Hormone drugs	891	910	19	2.1%
DEXART® injection	Hormone drugs	866	866	0	0.0%
<u>UTROGESTAN® Vaginal Capsules</u>	<u>Hormone drugs</u>	<u>578</u>	<u>830</u>	<u>252</u>	<u>43.6%</u>
DIENOGEST tablets	Hormone drugs	307	690	383	124.8%
<u>LIPIODOL® injection</u>	<u>Diagnostic drugs</u>	<u>643</u>	<u>660</u>	<u>17</u>	<u>2.6%</u>
FAVOIR® tablets	Hormone drugs	601	640	39	6.5%
SOL-MELCORT for injection	Hormone drugs	585	600	15	2.6%
LIMAPROST ALFADEX tablets	Metabolic drugs	572	580	8	1.4%
FOLYRMON®-P injection	Hormone drugs	583	575	-8	-1.4%
Total Top 15 Sales		22,467	23,974	1,507	6.7%
Pct. of Total Sales		63.5%	62.9%		
New Products*		2,318	2,950	632	27.3%
Other Products		8,200	8,765	565	6.9%
CMO Business (OLIC)		2,401	2,450	49	2.0%
Total		35,387	38,139	2,752	7.8%
Acute Medical Care					
Medical Care for Women					

*New products are products launched in FY9/14 or afterward (excluding the top 15)

*Underlined products are the Fuji Pharma branded drugs, branded generic drugs (with receipt of marketing approval from original drug manufacturers) and biosimilars.

Medium-term Business Plan

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

Build a new stage and framework centered on branded drugs

Grow on a global scale

Medium-term Growth Strategy

Develop drugs and produce value-added pharmaceuticals in strategic fields while using factories in Asia and distributing drugs with Japanese quality in emerging countries

Build a unique business model that produces synergies in strategic fields by combining brands, generic drugs and contract manufacturing

	Brands	Generic drugs	CMO
Medical Care for Women	<ul style="list-style-type: none"> Female hormone drugs/ New administration route drugs 	<ul style="list-style-type: none"> Female hormone drugs Antihormonal drug 	[Toyama plant/OLIC] A dedicated plant for female hormone drugs
Acute Medical Care	<ul style="list-style-type: none"> Diagnostic drugs/Sales right Diagnostic drugs/Drugs with new indications and new dosages Anti-cancer agents 	<ul style="list-style-type: none"> DDS/Liposome Diagnostic drugs Anti-cancer agents Other parenteral injections 	[OLIC] New parenteral injection plant [Toyama plant] New multi-parenteral injection production line
New Strategic Products			[Toyama plant] Production line for biosimilars

Progress Report on Medium-term Business Plan

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

Become Japan's leading company in these fields with emphasis on hormone drugs

Medical
Care for
Women

- Supplying drugs for needs extending from puberty through menopause
- Increased the drug supply coverage ratio at obstetrics and gynecology medical institutions
- More activities for developing new drugs and improving the quality of life for women

Use generic/branded drug synergies to increase market share

Acute
Medical
Care

- Contrast media : Maintained a large share of the x-ray contrast media market and increased sales of MRI contrast media
- Anti-cancer drugs: Using VESANOID[®] capsule and Filgrastim BS injection to establish a position and grow in the hematology (blood disease) field.

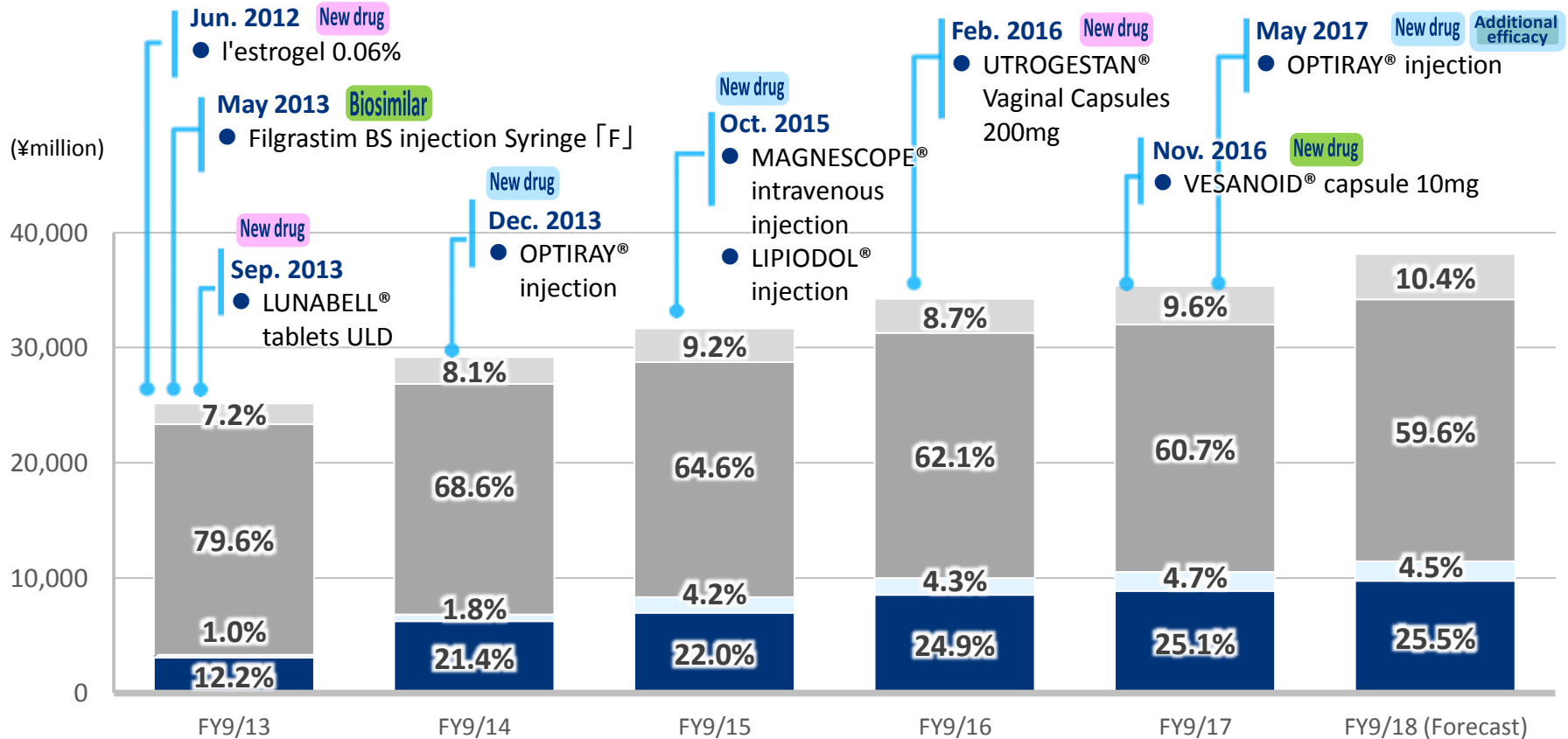
Reinforce the operations of the Toyama Plant and OLIC

CMO

- Toyama Plant: Started production of a value-added hormone drug and production of a cancer drug for another company
- OLIC: Strengthened the contract manufacturing business by using the new parenteral injection plant
- By reinforcing CMO injection operations, acquired new skills involving technology, quality and the stability of output

Progress Report on Medium-term Business Plan

Build a new stage and framework centered on branded drugs



Shift to Branded Drugs

Progress Report on Medium-term Business Plan

Grow on a global scale
Use factories in Asia and distribute drugs with Japanese quality in emerging countries

1. Construction of a new parenteral injection plant and warehouse at subsidiary OLIC (Thailand)
 - Construction completed in January 2017 and process validation is under way
 - Pharmaceuticals and Medical Devices Agency (PDMA) Good Manufacturing Practice (GMP) compliance inspection resulted in certification of two contrast media (5 standards) and an inspection for another product (8 standards) is under way
 - The new plant started exporting drugs to Japan in the third quarter of 2017
 - The new plant is constantly receiving manufacturing technology and other expertise from the Toyama Plant
2. Will use resources of OLIC and/or alliance partners in Thailand to start building a framework for selling Fuji's own products in Thailand
 - Contrast media: Plan to receive regulatory approval between 2018 3Q and 2019 1Q for the sale of contrast agents in Thailand
 - Drugs for external use: Regulatory approval in Thailand for three drugs has been received
 - Hormone drugs: Currently performing market surveys in Thailand and nearby countries

Plan for growth in Asian market



Planning to build a framework in Thailand for selling contrast media and pharmaceuticals for women

Contrast agent (in vials)



OYPALOMIN® injection (8 standards)



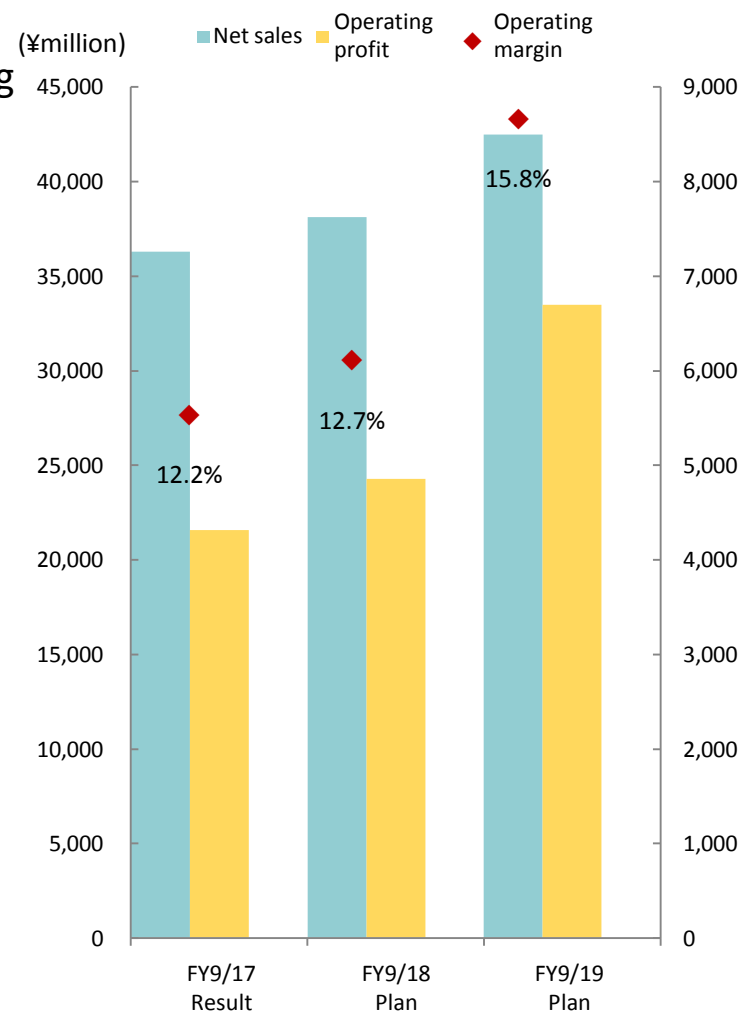
IOPAQUE® injection (4 standards)

OPTIRAY® injection (5 standards)

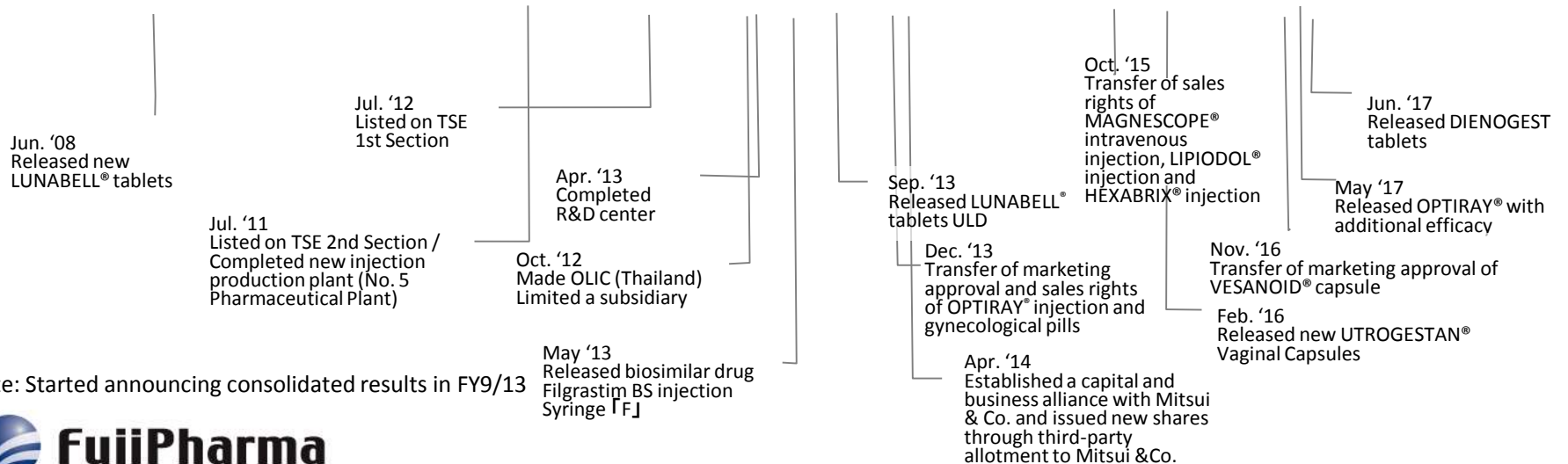
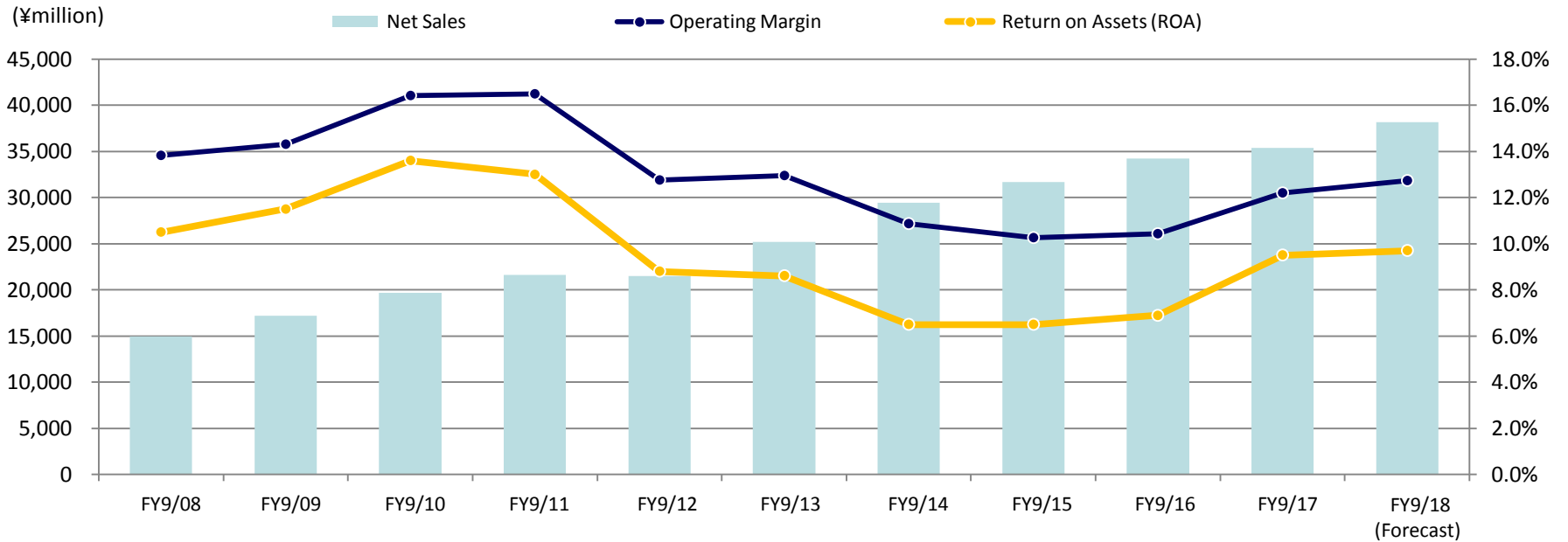
Medium-term Numerical Targets

- Steady sales growth and higher profitability by leveraging synergies produced by linkage among branded drugs, generic drugs and the CMO business
- Constantly take actions aimed at cutting costs and using expenses more efficiently
- More and stronger alliances with companies in Japan and other countries

(¥million)	FY9/17	FY9/18 Plan	FY9/19 Plan
Net Sales	35,387	38,139	42,500
Operating Profit	4,314	4,850	6,700
Operating Margin	12.2%	12.7%	15.8%
Ordinary Profit	4,628	4,710	6,650
Ordinary Margin	13.1%	12.3%	15.6%
Profit	3,301	3,345	4,350
Profit Margin	9.3%	8.8%	10.2%



Business Outline / Business Performance Trendlines



Note: Started announcing consolidated results in FY9/13



Contact Information

The financial forecasts and other projections provided in this presentation are based on information available at the time of its compilation and it therefore contains an element of uncertainty and potential risks.

Actual results may differ significantly from these forecasts for a number of reasons.

It should also be noted that the views and/or facts presented here may be altered or deleted without prior notification.

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