

Translation

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## Summary of Consolidated Financial Results for the Year Ended September 30, 2018 (Based on Japanese GAAP)

November 9, 2018

Company name: Fuji Pharma Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4554 URL <http://www.fujipharma.jp>  
 Representative: President & CEO Eiji Takemasa  
 Director, Executive Corporate  
 Inquiries: Officer, General Manager, Corporate Planning Department Toyoyuki Kamide TEL 03-3556-3344  
 Scheduled date of ordinary general meeting of shareholders: December 19, 2018  
 Scheduled date to file Securities Report: December 19, 2018  
 Scheduled date to commence dividend payments: December 20, 2018  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended September 30, 2018 (from October 1, 2017 to September 30, 2018)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2018	37,909	7.1	4,391	1.8	4,472	(3.4)	3,372	2.2
Year ended September 30, 2017	35,387	3.4	4,314	20.9	4,628	42.3	3,301	55.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2018	112.68	–	9.9	8.7	11.6
Year ended September 30, 2017	110.32	–	10.7	9.5	12.2

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2018	53,117	35,350	66.5	1,181.37
As of September 30, 2017	49,551	32,601	65.8	1,089.23

#### (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 period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2018	3,773	(1,073)	(2,001)	6,251
Year ended September 30, 2017	3,238	(1,534)	(3,042)	5,503

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2017	–	23.00	–	25.00	48.00	704	21.8	2.3
Year ended September 30, 2018	–	28.00	–	14.00	–	839	24.9	2.5
Year ending September 30, 2019 (Forecast)	–	14.00	–	15.00	29.00		25.7	

3. Forecast of consolidated financial results for the year ending September 30, 2019 (from October 1, 2018 to September 30, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2019	18,751	4.4	2,574	13.1	2,611	10.6	1,886	8.2	63.04
Full year	36,815	(2.9)	4,535	3.3	4,506	0.8	3,396	0.7	113.51

4. Notes

(1) Changes in significant subsidiaries during the year ended September 30, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2018	31,253,800 shares	As of September 30, 2017	31,253,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	1,332,442 shares	As of September 30, 2017	1,324,772 shares
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Average number of shares during the period

Year ended September 30, 2018	29,928,670 shares	Year ended September 30, 2017	29,927,164 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of September 30, 2017	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	5,503	6,251
Notes and accounts receivable - trade	15,142	16,903
Merchandise and finished goods	3,667	3,169
Work in process	2,130	2,812
Raw materials and supplies	5,688	5,303
Accounts receivable - other	20	39
Deferred tax assets	543	579
Other	519	453
Allowance for doubtful accounts	(6)	(6)
Total current assets	33,208	35,507
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,643	11,023
Accumulated depreciation	(4,975)	(5,449)
Buildings and structures, net	5,667	5,573
Machinery, equipment and vehicles	9,687	9,078
Accumulated depreciation	(6,939)	(7,263)
Machinery, equipment and vehicles, net	2,747	1,814
Land	872	915
Leased assets	3,096	4,434
Accumulated depreciation	(1,053)	(1,573)
Leased assets, net	2,043	2,860
Construction in progress	210	315
Other	1,142	1,273
Accumulated depreciation	(981)	(1,052)
Other, net	161	220
Total property, plant and equipment	11,703	11,700
Intangible assets		
Goodwill	1,976	1,764
Other	732	455
Total intangible assets	2,709	2,220
Investments and other assets		
Investment securities	58	60
Long-term advance payments	1,285	2,320
Deferred tax assets	477	447
Other	108	861
Total investments and other assets	1,930	3,689
Total non-current assets	16,342	17,610
Total assets	49,551	53,117

(Millions of yen)

	As of September 30, 2017	As of September 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,721	6,746
Current portion of long-term loans payable	653	—
Lease obligations	432	537
Income taxes payable	1,064	373
Provision for bonuses	874	1,161
Provision for directors' bonuses	9	14
Provision for sales returns	10	17
Other	2,746	2,695
<b>Total current liabilities</b>	<b>11,513</b>	<b>11,546</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,000	2,000
Lease obligations	1,780	2,534
Net defined benefit liability	1,108	1,210
Other	547	475
<b>Total non-current liabilities</b>	<b>5,436</b>	<b>6,220</b>
<b>Total liabilities</b>	<b>16,949</b>	<b>17,767</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,799	3,799
Capital surplus	5,023	5,023
Retained earnings	24,541	27,119
Treasury shares	(1,476)	(1,504)
<b>Total shareholders' equity</b>	<b>31,887</b>	<b>34,438</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8	9
Deferred gains or losses on hedges	8	23
Foreign currency translation adjustment	678	850
Remeasurements of defined benefit plans	16	27
<b>Total accumulated other comprehensive income</b>	<b>711</b>	<b>909</b>
<b>Non-controlling interests</b>	<b>2</b>	<b>2</b>
<b>Total net assets</b>	<b>32,601</b>	<b>35,350</b>
<b>Total liabilities and net assets</b>	<b>49,551</b>	<b>53,117</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018
Net sales	35,387	37,909
Cost of sales	20,671	21,959
Gross profit	14,715	15,950
Selling, general and administrative expenses		
Sales commission	1,537	1,819
Salaries and bonuses	2,313	2,560
Provision for bonuses	511	688
Provision for directors' bonuses	9	14
Retirement benefit expenses	136	148
Research and development expenses	1,825	1,760
Depreciation	463	470
Amortization of goodwill	254	275
Other	3,349	3,821
Total selling, general and administrative expenses	10,401	11,559
Operating profit	4,314	4,391
Non-operating income		
Foreign exchange gains	334	24
Dividend income of life insurance	5	1
Fiduciary obligation fee	0	–
Compensation income	6	12
Subsidy income	–	39
Other	13	59
Total non-operating income	359	137
Non-operating expenses		
Interest expenses	34	38
Sales discounts	7	12
Other	3	5
Total non-operating expenses	45	55
Ordinary profit	4,628	4,472
Extraordinary income		
Gain on sales of non-current assets	0	5
Total extraordinary income	0	5
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	20	5
Loss on valuation of investment securities	77	–
Total extraordinary losses	98	5
Profit before income taxes	4,530	4,472
Income taxes - current	1,425	1,124
Income taxes - deferred	(196)	(25)
Total income taxes	1,228	1,099
Profit	3,301	3,372
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	3,301	3,372

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018
Profit	3,301	3,372
Other comprehensive income		
Valuation difference on available-for-sale securities	5	0
Deferred gains or losses on hedges	100	15
Foreign currency translation adjustment	647	172
Remeasurements of defined benefit plans, net of tax	11	10
Total other comprehensive income	765	198
Comprehensive income	4,067	3,571
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,066	3,570
Comprehensive income attributable to non-controlling interests	0	0

## Consolidated statements of changes in equity

Fiscal year ended September 30, 2017

(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	21,944	(1,488)	29,278
Changes of items during period					
Dividends of surplus			(704)		(704)
Profit attributable to owners of parent			3,301		3,301
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				12	12
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,597	11	2,609
Balance at end of current period	3,799	5,023	24,541	(1,476)	31,887

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2	(92)	31	5	(53)	1	29,226
Changes of items during period							
Dividends of surplus							(704)
Profit attributable to owners of parent							3,301
Purchase of treasury shares							(0)
Disposal of treasury shares							12
Net changes of items other than shareholders' equity	5	100	647	11	765	0	766
Total changes of items during period	5	100	647	11	765	0	3,375
Balance at end of current period	8	8	678	16	711	2	32,601

Fiscal year ended September 30, 2018

(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	24,541	(1,476)	31,887
Changes of items during period					
Dividends of surplus			(794)		(794)
Profit attributable to owners of parent			3,372		3,372
Purchase of treasury shares				(40)	(40)
Disposal of treasury shares				12	12
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,578	(28)	2,550
Balance at end of current period	3,799	5,023	27,119	(1,504)	34,438

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	8	8	678	16	711	2	32,601
Changes of items during period							
Dividends of surplus							(794)
Profit attributable to owners of parent							3,372
Purchase of treasury shares							(40)
Disposal of treasury shares							12
Net changes of items other than shareholders' equity	0	15	172	10	198	0	198
Total changes of items during period	0	15	172	10	198	0	2,748
Balance at end of current period	9	23	850	27	909	2	35,350



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	4,530	4,472
Depreciation	1,769	1,976
Amortization of goodwill	254	275
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	116	286
Increase (decrease) in provision for directors' bonuses	0	4
Increase (decrease) in net defined benefit liability	58	108
Interest and dividend income	(1)	(2)
Interest expenses	34	38
Foreign exchange losses (gains)	(280)	(9)
Loss on retirement of non-current assets	20	5
Decrease (increase) in notes and accounts receivable - trade	(1,982)	(1,731)
Decrease (increase) in inventories	185	235
Increase (decrease) in notes and accounts payable - trade	(642)	994
Decrease (increase) in long-term advance payments	-	(968)
Other, net	312	(46)
Subtotal	4,375	5,639
Interest and dividend income received	2	2
Interest expenses paid	(45)	(70)
Income taxes paid	(1,094)	(1,797)
Net cash provided by (used in) operating activities	3,238	3,773
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,477)	(1,446)
Proceeds from sales of property, plant and equipment	130	1,283
Purchase of intangible assets	(65)	(184)
Decrease (increase) in long-term advance payments	(119)	(59)
Subsidy income	-	9
Payments for guarantee deposits	-	(674)
Other, net	(1)	(1)
Net cash provided by (used in) investing activities	(1,534)	(1,073)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(40)
Repayments of long-term loans payable	(1,921)	(653)
Cash dividends paid	(704)	(794)
Repayments of lease obligations	(416)	(513)
Net cash provided by (used in) financing activities	(3,042)	(2,001)
Effect of exchange rate change on cash and cash equivalents	27	49
Net increase (decrease) in cash and cash equivalents	(1,311)	747
Cash and cash equivalents at beginning of period	6,815	5,503
Cash and cash equivalents at end of period	5,503	6,251