

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2019 (Based on Japanese GAAP)

May 9, 2019

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 Toyoyuki Kamide TEL 03-3556-3344
 Planning Department
 Scheduled date to file Quarterly Securities Report: May 10, 2019
 Scheduled date to commence dividend payments: June 3, 2019
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended March 31, 2019 (from October 1, 2018 to March 31, 2019)

(1) Consolidated operating results (cumulative)

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	%
Six months ended March 31, 2019	18,483	2.9	2,467	8.4	2,501	6.0	1,695	(2.7)
Six months ended March 31, 2018	17,961	3.7	2,275	0.0	2,360	(6.9)	1,743	(2.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2019	56.66		-	
Six months ended March 31, 2018	58.24		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	59,013	36,754	62.3
As of September 30, 2018	53,117	35,350	66.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2018	-	28.00	-	14.00	-
Year ending September 30, 2019	-	14.00	-	-	-
Year ending September 30, 2019 (Forecast)	-	-	-	15.00	29.00

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
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 six months ended March 31, 2019
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of March 31, 2019	31,253,800 shares	As of September 30, 2018	31,253,800 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	1,321,026 shares	As of September 30, 2018	1,332,442 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2019	29,928,566 shares	Six months ended March 31, 2018	29,926,932 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	6,251	6,435
Notes and accounts receivable - trade	16,903	15,693
Merchandise and finished goods	3,169	3,435
Work in process	2,812	2,528
Raw materials and supplies	5,303	5,211
Accounts receivable - other	39	4
Other	453	1,450
Allowance for doubtful accounts	(6)	(6)
Total current assets	34,927	34,753
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,573	5,443
Machinery, equipment and vehicles, net	1,814	1,735
Land	915	914
Leased assets, net	2,860	2,595
Construction in progress	315	800
Other, net	220	198
Total property, plant and equipment	11,700	11,688
Intangible assets		
Goodwill	1,764	1,618
Other	455	1,790
Total intangible assets	2,220	3,409
Investments and other assets		
Investment securities	60	5,803
Long-term advance payments	2,320	1,670
Deferred tax assets	1,027	828
Other	861	859
Total investments and other assets	4,269	9,162
Total non-current assets	18,189	24,259
Total assets	53,117	59,013

(Millions of yen)

	As of September 30, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,746	5,562
Current portion of long-term loans payable	–	2,840
Lease obligations	537	538
Income taxes payable	373	671
Provision for bonuses	1,161	679
Provision for directors' bonuses	14	4
Provision for sales returns	17	26
Other	2,695	2,061
Total current liabilities	11,546	12,383
Non-current liabilities		
Long-term loans payable	2,000	5,950
Lease obligations	2,534	2,259
Net defined benefit liability	1,210	1,245
Other	475	420
Total non-current liabilities	6,220	9,875
Total liabilities	17,767	22,258
Net assets		
Shareholders' equity		
Capital stock	3,799	3,799
Capital surplus	5,023	5,023
Retained earnings	27,119	28,411
Treasury shares	(1,504)	(1,486)
Total shareholders' equity	34,438	35,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	144
Deferred gains or losses on hedges	23	–
Foreign currency translation adjustment	850	836
Remeasurements of defined benefit plans	27	23
Total accumulated other comprehensive income	909	1,004
Non-controlling interests	2	2
Total net assets	35,350	36,754
Total liabilities and net assets	53,117	59,013

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Net sales	17,961	18,483
Cost of sales	10,042	10,561
Gross profit	7,919	7,921
Selling, general and administrative expenses	5,644	5,454
Operating profit	2,275	2,467
Non-operating income		
Interest income	0	2
Foreign exchange gains	30	–
Commission fee	2	0
Compensation income	6	3
Subsidy income	39	0
Insurance income	–	116
Other	33	13
Total non-operating income	113	136
Non-operating expenses		
Interest expenses	20	19
Sales discounts	3	5
Foreign exchange losses	–	76
Other	3	0
Total non-operating expenses	28	101
Ordinary profit	2,360	2,501
Extraordinary income		
Gain on sales of non-current assets	3	1
Total extraordinary income	3	1
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	3	2
Total extraordinary losses	3	2
Profit before income taxes	2,360	2,499
Income taxes - current	476	653
Income taxes - deferred	140	150
Total income taxes	616	803
Profit	1,743	1,695
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,743	1,695

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Profit	1,743	1,695
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	135
Deferred gains or losses on hedges	(38)	(23)
Foreign currency translation adjustment	27	(14)
Remeasurements of defined benefit plans, net of tax	(2)	(3)
Total other comprehensive income	(13)	94
Comprehensive income	1,730	1,790
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,730	1,790
Comprehensive income attributable to non-controlling interests	0	0

Consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	2,360	2,499
Depreciation	961	930
Amortization of goodwill	138	139
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses	(70)	(482)
Increase (decrease) in provision for directors' bonuses	(4)	(9)
Increase (decrease) in net defined benefit liability	20	31
Interest and dividend income	(0)	(2)
Insurance income	–	(116)
Interest expenses	20	19
Foreign exchange losses (gains)	(29)	76
Loss on retirement of non-current assets	3	2
Decrease (increase) in notes and accounts receivable - trade	601	1,207
Decrease (increase) in inventories	(101)	105
Increase (decrease) in notes and accounts payable - trade	(450)	(1,178)
Decrease (increase) in long-term advance payments	(414)	(64)
Other, net	(389)	(663)
Subtotal	2,644	2,495
Interest and dividend income received	1	2
Proceeds from insurance income	–	116
Interest expenses paid	(32)	(23)
Income taxes paid	(911)	(308)
Net cash provided by (used in) operating activities	1,702	2,281
Cash flows from investing activities		
Purchase of investment securities	–	(5,548)
Purchase of property, plant and equipment	(662)	(783)
Proceeds from sales of property, plant and equipment	1,272	1
Purchase of intangible assets	(120)	(1,499)
Decrease (increase) in long-term advance payments	(59)	(318)
Subsidy income	9	–
Payments for guarantee deposits	(671)	–
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	(233)	(8,150)
Cash flows from financing activities		
Purchase of treasury shares	(40)	–
Proceeds from long-term loans payable	–	7,000
Repayments of long-term loans payable	(653)	(210)
Cash dividends paid	(374)	(419)
Repayments of lease obligations	(263)	(302)
Net cash provided by (used in) financing activities	(1,332)	6,068
Effect of exchange rate change on cash and cash equivalents	(15)	(15)
Net increase (decrease) in cash and cash equivalents	121	183
Cash and cash equivalents at beginning of period	5,503	6,251
Cash and cash equivalents at end of period	5,624	6,435