

Translation

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## Summary of Consolidated Financial Results for the Year Ended September 30, 2019 (Based on Japanese GAAP)

November 8, 2019

Company name: Fuji Pharma Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4554 URL <http://www.fujipharma.jp>  
 Representative: Chairman and Representative Director Hirofumi Imai  
 Director, Executive Corporate  
 Inquiries: Officer, General Manager, Corporate Toyoyuki Kamide TEL 03-3556-3344  
 Business Management Department  
 Scheduled date of ordinary general meeting of shareholders: December 19, 2019  
 Scheduled date to file Securities Report: December 19, 2019  
 Scheduled date to commence dividend payments: December 20, 2019  
 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, 2019 (from October 1, 2018 to September 30, 2019)

(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, 2019	36,279	(4.3)	4,173	(5.0)	4,169	(6.8)	2,962	(12.2)
Year ended September 30, 2018	37,909	7.1	4,391	1.8	4,472	(3.4)	3,372	2.2

	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, 2019	97.04	–	7.9	7.3	11.5
Year ended September 30, 2018	112.68	–	9.9	8.7	11.6

(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, 2019	60,737	39,363	64.8	1,263.51
As of September 30, 2018	53,117	35,350	66.5	1,181.37

(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, 2019	7,035	(12,024)	7,265	8,494
Year ended September 30, 2018	3,773	(1,073)	(2,001)	6,251

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, 2018	–	28.00	–	14.00	–	839	24.9	2.5
Year ended September 30, 2019	–	14.00	–	15.00	29.00	887	29.9	2.4
Year ending September 30, 2020 (Forecast)	–	14.00	–	15.00	29.00		54.3	

3. Forecast of consolidated financial results for the year ending September 30, 2020 (from October 1, 2019 to September 30, 2020)

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, 2020	16,647	(9.9)	1,209	(51.0)	1,174	(53.1)	781	(53.9)	25.09
Full year	33,830	(6.8)	2,571	(38.4)	2,501	(40.0)	1,664	(43.8)	53.44

4. Notes

(1) Changes in significant subsidiaries during the year ended September 30, 2019

(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, 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 September 30, 2019	101,726 shares	As of September 30, 2018	1,332,442 shares
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Average number of shares during the period

Year ended September 30, 2019	30,528,634 shares	Year ended September 30, 2018	29,928,670 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of September 30, 2018	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	6,251	8,494
Notes and accounts receivable - trade	16,903	12,944
Merchandise and finished goods	3,169	3,437
Work in process	2,812	2,539
Raw materials and supplies	5,303	4,735
Accounts receivable - other	39	43
Other	453	1,724
Allowance for doubtful accounts	(6)	(0)
Total current assets	34,927	33,919
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,023	10,888
Accumulated depreciation	(5,449)	(5,770)
Buildings and structures, net	5,573	5,117
Machinery, equipment and vehicles	9,078	8,596
Accumulated depreciation	(7,263)	(6,950)
Machinery, equipment and vehicles, net	1,814	1,646
Land	915	919
Leased assets	4,434	4,389
Accumulated depreciation	(1,573)	(2,070)
Leased assets, net	2,860	2,318
Construction in progress	315	1,484
Other	1,273	1,358
Accumulated depreciation	(1,052)	(1,126)
Other, net	220	232
Total property, plant and equipment	11,700	11,718
Intangible assets		
Goodwill	1,764	1,494
Other	455	1,805
Total intangible assets	2,220	3,300
Investments and other assets		
Investment securities	60	7,342
Long-term advance payments	2,320	2,308
Deferred tax assets	1,027	1,288
Other	861	858
Total investments and other assets	4,269	11,798
Total non-current assets	18,189	26,817
Total assets	53,117	60,737

(Millions of yen)

	As of September 30, 2018	As of September 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	6,746	4,813
Current portion of long-term loans payable	–	2,840
Lease obligations	537	530
Income taxes payable	373	492
Provision for bonuses	1,161	856
Provision for bonuses for directors (and other officers)	14	7
Provision for sales returns	17	22
Other	2,695	2,448
<b>Total current liabilities</b>	<b>11,546</b>	<b>12,012</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,000	5,530
Lease obligations	2,534	2,014
Retirement benefit liability	1,210	1,396
Other	475	418
<b>Total non-current liabilities</b>	<b>6,220</b>	<b>9,360</b>
<b>Total liabilities</b>	<b>17,767</b>	<b>21,373</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,799	3,799
Capital surplus	5,023	5,841
Retained earnings	27,119	29,243
Treasury shares	(1,504)	(78)
<b>Total shareholders' equity</b>	<b>34,438</b>	<b>38,804</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	9	(340)
Deferred gains or losses on hedges	23	–
Foreign currency translation adjustment	850	896
Remeasurements of defined benefit plans	27	(0)
<b>Total accumulated other comprehensive income</b>	<b>909</b>	<b>556</b>
<b>Non-controlling interests</b>	<b>2</b>	<b>2</b>
<b>Total net assets</b>	<b>35,350</b>	<b>39,363</b>
<b>Total liabilities and net assets</b>	<b>53,117</b>	<b>60,737</b>

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

(Millions of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Net sales	37,909	36,279
Cost of sales	21,959	20,483
Gross profit	15,950	15,796
Selling, general and administrative expenses		
Sales commission	1,819	1,888
Salaries and bonuses	2,560	2,572
Provision for bonuses	688	473
Provision for bonuses for directors (and other officers)	14	8
Retirement benefit expenses	148	156
Research and development expenses	1,760	2,052
Depreciation	470	334
Amortization of goodwill	275	279
Other	3,821	3,856
Total selling, general and administrative expenses	11,559	11,622
Operating profit	4,391	4,173
Non-operating income		
Foreign exchange gains	24	–
Dividend income of life insurance	1	6
Compensation income	12	8
Subsidy income	39	0
Insurance income	11	116
Other	47	24
Total non-operating income	137	156
Non-operating expenses		
Interest expenses	38	41
Sales discounts	12	6
Foreign exchange losses	–	108
Other	5	4
Total non-operating expenses	55	160
Ordinary profit	4,472	4,169
Extraordinary income		
Gain on sales of non-current assets	5	4
Total extraordinary income	5	4
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	5	18
Impairment loss	–	193
Total extraordinary losses	5	212
Profit before income taxes	4,472	3,961
Income taxes - current	1,124	1,083
Income taxes - deferred	(25)	(85)
Total income taxes	1,099	998
Profit	3,372	2,962
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	3,372	2,962

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Profit	3,372	2,962
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(349)
Deferred gains or losses on hedges	15	(23)
Foreign currency translation adjustment	172	45
Remeasurements of defined benefit plans, net of tax	10	(27)
Total other comprehensive income	198	(353)
Comprehensive income	3,571	2,609
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,570	2,609
Comprehensive income attributable to non-controlling interests	0	0

## Consolidated statements of changes in equity

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

Fiscal year ended September 30, 2019

(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	27,119	(1,504)	34,438
Changes of items during period					
Dividends of surplus			(839)		(839)
Profit attributable to owners of parent			2,962		2,962
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		817		1,425	2,243
Net changes of items other than shareholders' equity					
Total changes of items during period	–	817	2,123	1,425	4,366
Balance at end of current period	3,799	5,841	29,243	(78)	38,804

	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	9	23	850	27	909	2	35,350
Changes of items during period							
Dividends of surplus							(839)
Profit attributable to owners of parent							2,962
Purchase of treasury shares							(0)
Disposal of treasury shares							2,243
Net changes of items other than shareholders' equity	(349)	(23)	45	(27)	(353)	0	(353)
Total changes of items during period	(349)	(23)	45	(27)	(353)	0	4,013
Balance at end of current period	(340)	–	896	(0)	556	2	39,363



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	4,472	3,961
Depreciation	1,976	1,850
Impairment loss	–	193
Amortization of goodwill	275	279
Increase (decrease) in allowance for doubtful accounts	0	(6)
Increase (decrease) in provision for bonuses	286	(305)
Increase (decrease) in provision for bonuses for directors (and other officers)	4	(6)
Increase (decrease) in retirement benefit liability	108	156
Interest and dividend income	(2)	(3)
Interest expenses	38	41
Foreign exchange losses (gains)	(9)	97
Loss on retirement of non-current assets	5	18
Decrease (increase) in notes and accounts receivable - trade	(1,731)	3,965
Decrease (increase) in inventories	235	581
Increase (decrease) in notes and accounts payable - trade	994	(1,937)
Decrease (increase) in long-term advance payments	(968)	(16)
Insurance income	(11)	(116)
Other, net	(46)	(828)
Subtotal	5,628	7,925
Interest and dividend income received	2	3
Proceeds from insurance income	11	116
Interest expenses paid	(70)	(53)
Income taxes paid	(1,797)	(957)
Net cash provided by (used in) operating activities	3,773	7,035
Cash flows from investing activities		
Purchase of investment securities	–	(7,786)
Purchase of property, plant and equipment	(1,446)	(1,701)
Proceeds from sales of property, plant and equipment	1,283	4
Purchase of intangible assets	(184)	(1,583)
Decrease (increase) in long-term advance payments	(59)	(955)
Subsidy income	9	–
Payments for guarantee deposits	(674)	–
Other, net	(1)	(1)
Net cash provided by (used in) investing activities	(1,073)	(12,024)
Cash flows from financing activities		
Proceeds from sales of treasury shares	–	2,225
Purchase of treasury shares	(40)	(0)
Proceeds from long-term loans payable	–	7,000
Repayments of long-term loans payable	(653)	(630)
Cash dividends paid	(794)	(839)
Repayments of lease obligations	(513)	(490)
Net cash provided by (used in) financing activities	(2,001)	7,265
Effect of exchange rate change on cash and cash equivalents	49	(32)
Net increase (decrease) in cash and cash equivalents	747	2,243
Cash and cash equivalents at beginning of period	5,503	6,251
Cash and cash equivalents at end of period	6,251	8,494