

**Business Results for the Fiscal Year Ended
September 30, 2019**

**November 19, 2019
Fuji Pharma Co., Ltd.
(4554/TSE1)**

FujiPharma

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■ Summary of FY9/19 Consolidated Financial Results

Corporate Planning Dept.
Takeshi Sato

Summary of FY9/19 Consolidated Financial Results

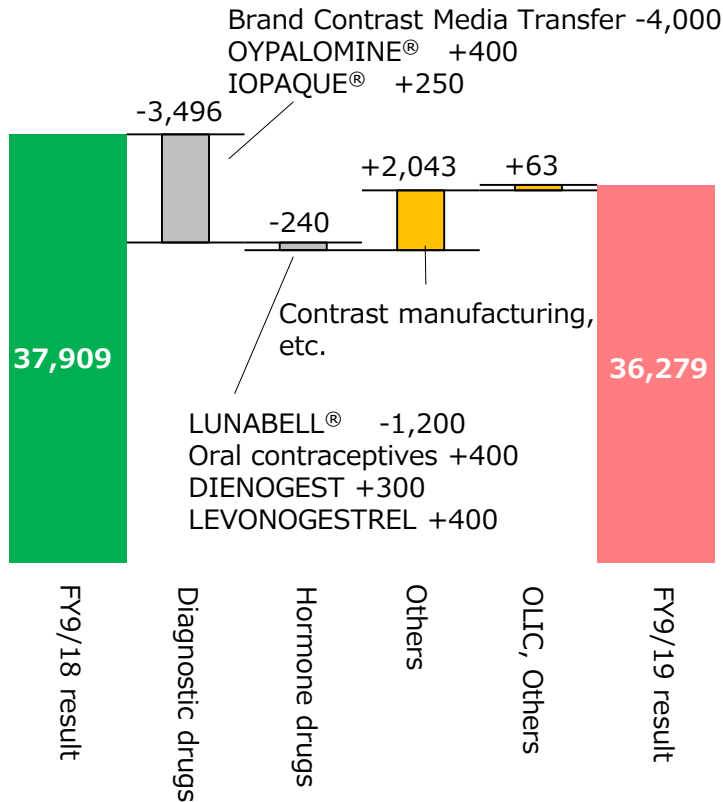
- Net Sales: Decreased by JPY 1,630 million (-4.3% YoY), due to brand contrast media transfer and launch of LUNABELL® AG
- Operating profit: Decreased by JPY 218 million (-5.0 YoY), due to the increase in R&D expenditure, etc., partially offset by the gross profit ratio improvement by the product composition
- Net profit: Decreased by JPY 410 million (-12.2% YoY), due to write-off of fixed assets at Toyama Plant, resulting from the transfer of the contrast media manufacturing to OLIC, etc.

(¥million)	FY9/18 Full Year	FY9/19 Full Year	YoY Change		FY9/19 Fcst	vs Fcst Change in Amount
			Amount	Ratio		
Net Sales	37,909	36,279	△ 1,630	-4.3%	36,815	△ 536
Gross Profit	15,950	15,796	△ 154	-1.0%	-	-
Gross Margin	42.1%	43.5%			-	-
SG&A Expenses	11,559	11,622	63	0.5%	-	-
SG&A Margin	30.5%	32.0%			-	-
Operating Profit	4,391	4,173	△ 218	-5.0%	4,535	△ 362
Operating Margin	11.6%	11.5%			12.3%	
Ordinary Profit	4,472	4,169	△ 303	-6.8%	4,506	△ 337
Ordinary Margin	11.8%	11.5%			12.2%	
Profit Attributable to Owners of Parent	3,372	2,962	△ 410	-12.2%	3,396	△ 434
Profit Margin	8.9%	8.2%			9.2%	
ROE	9.9%	7.9%				
Net income per Share (Yen)	112.68	97.04	△ 15.64	-13.9%		
Capital Expenditure	1,109	1,965	856	77.2%		
Depreciation(Including Leased Equipment)	2,060	1,934	△ 126	-6.1%		
R&D Expenses	1,760	2,052	292	16.6%		
R&D Expenses Ratio	4.6%	5.7%				

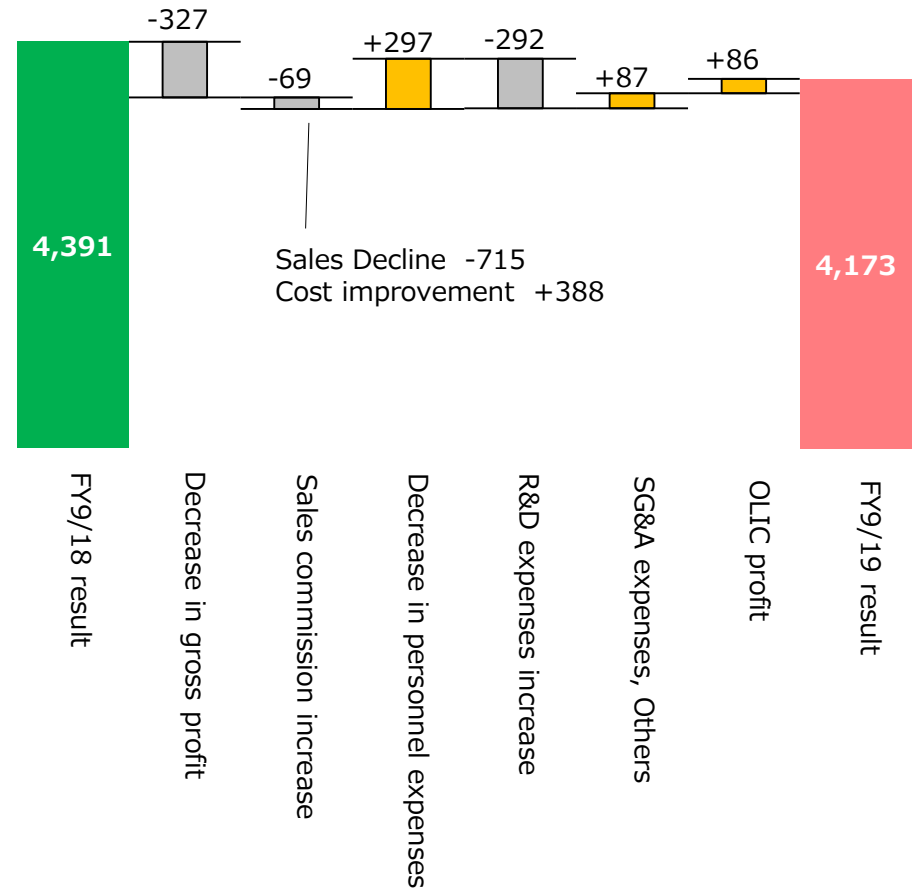
Summary of FY9/19 Consolidated Financial Results

(¥million)

Net Sales



Operating profit

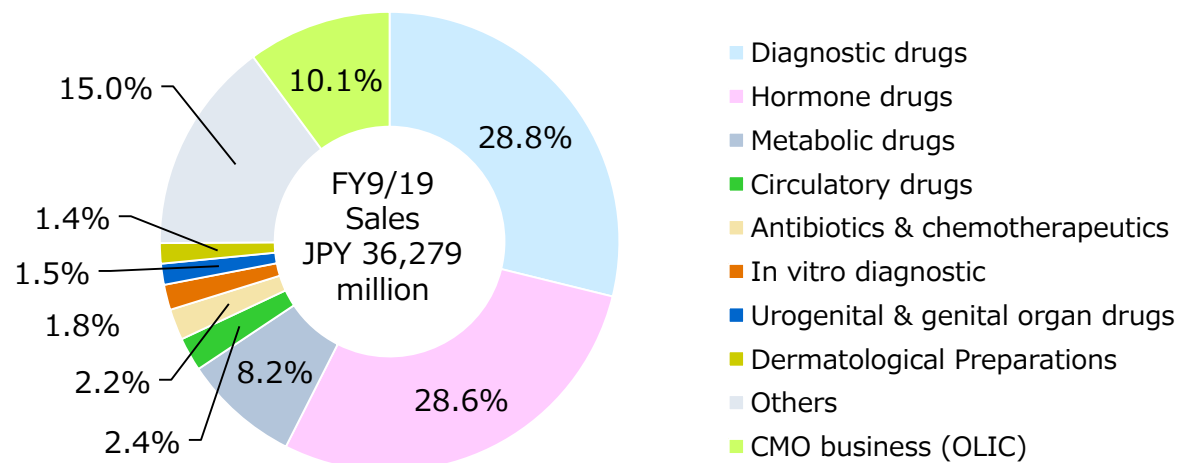


Sales by Therapeutic Category

(¥million)	FY9/15	FY9/16	FY9/17	FY9/18	FY9/19	YoY	
						Amount	Ratio
Diagnostic drugs	11,123	13,808	13,473	14,323	10,827	△ 3,496	-24.4%
Hormone drugs	10,071	9,709	10,275	10,981	10,741	△ 240	-2.2%
Metabolic drugs	2,893	2,706	2,828	2,882	3,074	192	6.7%
Circulatory drugs	937	1,008	945	925	891	△ 34	-3.7%
Antibiotics & Chemotherapeutics	874	812	874	801	820	19	2.4%
In vitro Diagnostics	742	695	805	784	667	△ 117	-14.9%
Urogenital & Genital Organ drugs	464	486	492	533	556	23	4.3%
Dermatological Preparations	327	352	384	505	537	32	6.3%
Others	2,055	2,414	2,907	3,695	5,623	1,928	52.2%
CMO Business (OLIC)	2,255	2,309	2,576	3,452	3,809	357	10.3%
Total	31,680	34,229	35,387	37,909	36,279	△ 1,630	-4.3%

※Total: Amount after consolidation adjustment

Sales Breakdown by Therapeutic Category



Sales of Major Products

Product Name (¥million)	Therapeutic Category	FY9/15	FY9/16	FY9/17	FY9/18	FY9/19	YoY	
							Amount	Ratio
OYPALOMIN [®] Injection	Diagnostic drugs	6,500	7,029	6,879	6,769	7,192	423	6.2%
IOPAQUE [®] Injection	Diagnostic drugs	1,968	2,133	2,162	2,010	2,287	277	13.8%
Filgrastim BS Injection Syringe	Metabolic drugs	<u>1,344</u>	<u>1,481</u>	<u>1,671</u>	<u>1,721</u>	1,974	<u>253</u>	14.7%
LUNABELL [®] Tablets (LD/ULD)	Hormone drugs	<u>3,756</u>	<u>3,017</u>	<u>2,845</u>	<u>2,769</u>	1,583	<u>△ 1,186</u>	-42.8%
DIENOGEST [®] Tablets	Hormone drugs	-	-	307	828	1,136	308	37.2%
DEXART [®] Injection	Hormone drugs	724	813	866	870	894	24	2.8%
HMG Intramuscular Injection	Hormone drugs	939	917	891	880	811	△ 69	-7.8%
UTROGESTAN [®] Vaginal Capsules	Hormone drugs	-	<u>254</u>	<u>578</u>	<u>649</u>	788	<u>139</u>	21.4%
Favor [®] Tablets	Hormone drugs	456	537	601	552	768	216	39.1%
OPTIRAY [®] Injection	Diagnostic drugs	<u>1,972</u>	<u>1,927</u>	<u>1,923</u>	<u>2,193</u>	741	<u>△ 1,452</u>	-66.2%
Labellefile [®] Tablets	Hormone drugs	326	354	398	526	709	183	34.8%
FOLYRMON [®] -P Injection	Hormone drugs	507	512	583	638	632	△ 6	-0.9%
LIMAPROST ALFADEX tablets	Metabolic drugs	600	588	572	621	591	△ 30	-4.8%
ALPROSTAGIL Injection	Circulatory drugs	550	593	536	534	532	△ 2	-0.4%
Clomid [®] Tablets	Hormone drugs	<u>473</u>	<u>457</u>	<u>474</u>	<u>480</u>	451	<u>△ 29</u>	-6.0%
Total Top 15 Sales		20,120	20,620	21,294	22,047	21,097	△ 950	-4.3%
Pct. Of Total Sales		63.5%	60.2%	60.2%	58.2%	58.2%		
Other Products		9,369	11,372	11,692	13,385	12,642	△ 743	-5.6%
CMO Business (OLIC) (exc. Intra-group transactions)		2,231	2,281	2,464	2,636	2,870	234	8.9%
Total		31,680	34,229	35,387	37,909	36,279	△ 1,630	-4.3%

Acute Medical Care

Women's Healthcare

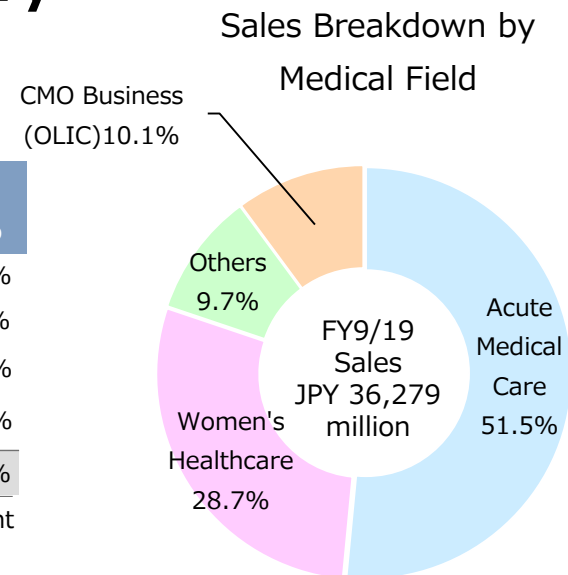
* Underlined products are the Fuji Pharma branded drugs, (branded drugs•branded generic drugs (transferred products) and biosimilars)

* Total amount after consolidation adjustment

Sales by Medical Field and Drug Form Category

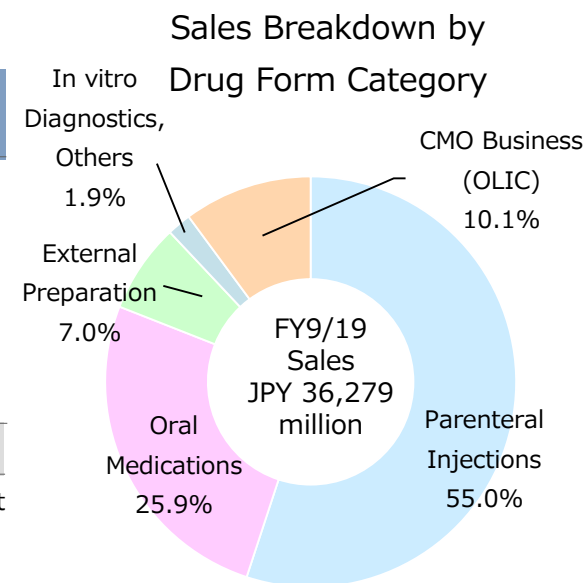
Breakdown by Medical Field (¥million)	FY9/15	FY9/16	FY9/17	FY9/18	FY9/19	YoY	
						Amount	Ratio
Acute Medical Care	17,082	19,997	20,264	21,895	19,340	△ 2,555	-11.7%
Women's Healthcare	9,943	9,582	10,212	10,802	10,756	△ 46	-0.4%
Others	2,463	2,413	2,509	2,734	3,643	909	33.2%
CMO Business (OLIC)	2,255	2,309	2,576	3,452	3,809	357	10.3%
Total	31,680	34,229	35,387	37,909	36,279	△ 1,630	-4.3%

※Total amount after consolidation adjustment



Breakdown by Drug Category (¥million)	FY9/15	FY9/16	FY9/17	FY9/18	FY9/19	YoY	
						Amount	Ratio
Parenteral Injections	18,596	21,452	21,463	23,260	20,665	△ 2,595	-11.2%
Oral Medications	8,663	8,020	8,547	8,937	9,729	792	8.9%
External Preparation	1,477	1,818	2,165	2,441	2,636	195	8.0%
In vitro Diagnostics, Others	752	701	811	793	709	△ 84	-10.6%
CMO Business (OLIC)	2,255	2,309	2,576	3,452	3,809	357	10.3%
Total	31,680	34,229	35,387	37,909	36,279	△ 1,630	-4.3%

※Total amount after consolidation adjustment

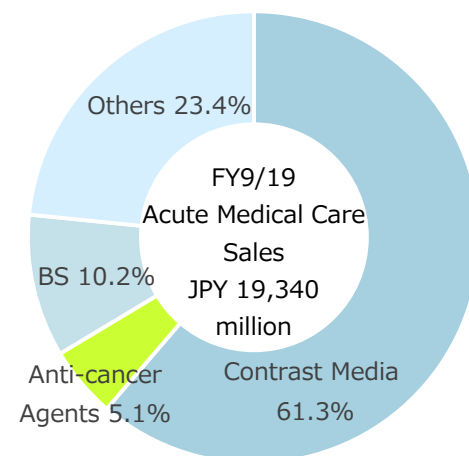


Acute Medical Care and Women's Healthcare

Sales Breakdown by Acute Medical Care

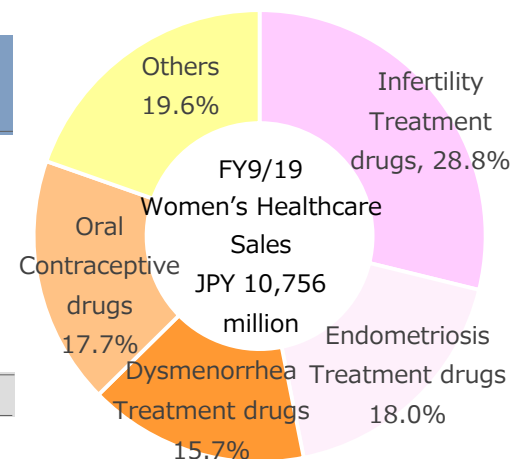
Acute Medical Care (¥million)	FY9/15	FY9/16	FY9/17	FY9/18	FY9/19	YoY	
						Amount	Ratio
Contrast Media	10,788	13,491	13,193	14,062	11,852	△ 2,210	-15.7%
Anti-cancer Agents	448	508	862	1,166	988	△ 178	-15.3%
BS	1,344	1,481	1,671	1,721	1,974	253	14.7%
Others	4,500	4,516	4,537	4,945	4,524	△ 421	-8.5%
Total	17,082	19,997	20,264	21,895	19,340	△ 2,555	-11.7%

※BS : Biosimilars



Sales Breakdown by Women's Healthcare

Women's Healthcare (¥million)	FY9/15	FY9/16	FY9/17	FY9/18	FY9/19	YoY	
						Amount	Ratio
Infertility Treatment drugs	2,202	2,467	2,865	3,021	3,100	79	2.6%
Endometriosis Treatment drugs	687	725	1,111	1,554	1,940	386	24.8%
Dysmenorrhea Treatment drugs	3,756	3,354	3,139	3,043	1,694	△ 1,349	-44.3%
Oral Contraceptive drugs	782	892	1,000	1,079	1,909	830	76.9%
Others	2,515	2,142	2,095	2,103	2,110	7	0.3%
Total	9,943	9,582	10,212	10,802	10,756	△ 46	-0.4%



Summary of FY9/19 Consolidated Balance Sheet

(¥million)	FY9/18	FY9/19	YoY Change	
			Amount	Ratio
Assets				
Current Assets	34,927	33,919	△ 1,008	-2.9%
Cash and Deposits	6,251	8,494	2,243	35.9%
Notes and Accounts Receivable -Trade	16,903	12,944	△ 3,959	-23.4%
Inventories	11,285	10,712	△ 573	-5.1%
Other	486	1,767	1,281	263.6%
Non-current Assets	18,189	26,817	8,628	47.4%
Property, Plant and Equipment	11,700	11,718	18	0.2%
Intangible Assets	2,220	3,300	1,080	48.6%
Investments and Other Assets	4,269	11,798	7,529	176.4%
Total Assets	53,117	60,737	7,620	14.3%
Liabilities				
Current Liabilities	11,546	12,012	466	4.0%
Notes and Accounts Payable -Trade	6,746	4,813	△ 1,933	-28.7%
Other	4,799	7,198	2,399	50.0%
Non-current Liabilities	6,220	9,360	3,140	50.5%
Total Liabilities	17,767	21,373	3,606	20.3%
Net Assets				
Shareholders' Equity	34,438	38,804	4,366	12.7%
Capital Stock	3,799	3,799	0	0.0%
Capital Surplus	5,023	5,841	818	16.3%
Retained Earnings	27,119	29,243	2,124	7.8%
Treasury Shares	△ 1,504	△ 78	1,426	-94.8%
Accumulated Other Comprehensive income	909	556	△ 353	-38.8%
Total Net Assets	35,350	39,363	4,013	11.4%
Total Liabilities and Net Assets	53,117	60,737	7,620	14.3%

Acquisition of product sales rights, etc.

Acquisition of Alvotech HD and Lotus shares

Bank borrowing for the purpose of equity investments in Alvotech HD, etc.

Allotment to Lotus

Summary of FY9/19 Consolidated Statements of Cash Flows

(¥million)

	FY9/18	FY9/19	YoY	
			Amount	Ratio
Cash Flows from Operating Activities	3,773	7,035	3,262	86.5%
(Major Breakdown)				
Profit Before Income Taxes	4,472	3,961	△ 511	-11.4%
Depreciation	1,976	1,850	△ 126	-6.4%
Amortization of Goodwill	275	279	4	1.5%
Decrease (Increase) in Notes and Accounts Receivable-Trade	△ 1,731	3,965	5,696	-
Decrease (Increase) in Inventories	235	581	346	147.2%
Decrease (Increase) in Notes and Accounts Payable-Trade	994	△ 1,937	△ 2,931	-294.9%
Income Taxes Paid	△ 1,797	△ 957	840	-46.7%
Cash Flows from Investing Activities	△ 1,073	△ 12,024	△ 10,951	1020.6%
(Major Breakdown)				
Purchase of acquisition of Investment Securities	-	△ 7,786	△ 7,786	-
Purchase of Property, Plant and Equipment	△ 1,446	△ 1,701	△ 255	17.6%
Proceeds from Sales of Property, Plant and Equipment	1,283	4	△ 1,279	-99.7%
Purchase of Intangible Assets	△ 184	△ 1,583	△ 1,399	760.3%
Cash Flows from Financing Activities	△ 2,001	7,265	9,266	-
(Major Breakdown)				
Proceeds from Sale of Treasury Stock	-	2,225	2,225	-
Purchase of Treasury Stock	△ 40	0	40	-
Proceeds from Long-Term Loans Payable	-	7,000	7,000	-
Repayments of Long-Term Loans Payable	△ 653	△ 630	23	-3.5%
Cash Dividends Paid	△ 794	△ 839	△ 45	5.7%
Repayments of Lease Obligations	△ 513	△ 490	23	-4.5%
Cash and Cash Equivalents at Beginning of Period	5,503	6,251	748	13.6%
Cash and Cash Equivalents at End of Period	6,251	8,494	2,243	35.9%
Free Cash Flows	2,699	△ 4,989	△ 7,688	-284.8%

Acquisition of Alvotech HD and Lotus shares

Acquisition of product sales rights, etc.

Allotment to Lotus

Bank borrowing for the purpose of equity investments in Alvotech HD

■ FY9/20 Consolidated Forecast

Corporate Planning Dept.
Takeshi Sato

FY9/20 Consolidated Forecast

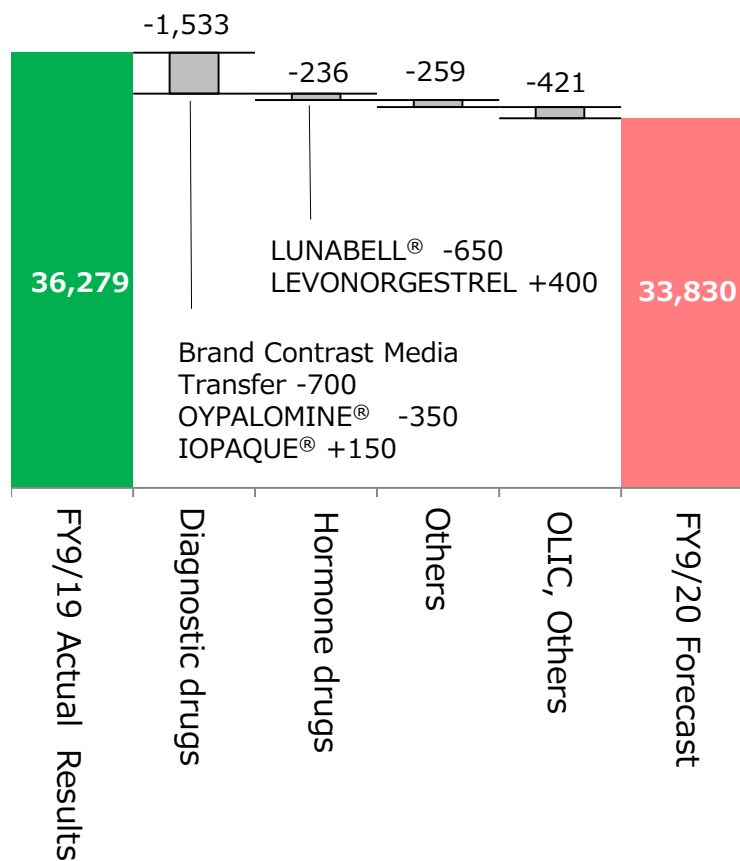
- Net Sales: Decrease by JPY 2,449 million (-6.8% YoY) due to revision of drug prices twice a year and transfer of contrast media manufacturing to OLIC.
- Operating profit: Decrease by JPY 1,602 million (-38.4% YoY) due to the above-mentioned impact and increase in R&D expenses

(¥million)	FY9/19	FY9/20 Forecast	YoY	
			Amount	Ratio
Net Sales	36,279	33,830	△ 2,449	-6.8%
Operating Profit	4,173	2,571	△ 1,602	-38.4%
Operating Margin	11.5%	7.6%	-	-
Ordinary Profit	4,169	2,501	△ 1,668	-40.0%
Ordinary Margin	11.5%	7.4%	-	-
Profit Attributable to Owners of Parent	2,962	1,664	△ 1,298	-43.8%
Profit Margin	8.2%	4.9%	-	-
Capital Expenditure	1,965	1,907	△ 58	-3.0%
Depreciation (including Leased Equipment)	1,934	1,891	△ 43	-2.2%
R&D Expenses	2,052	2,879	827	40.3%
R&D Expenses Ratio	5.7%	8.5%	-	-

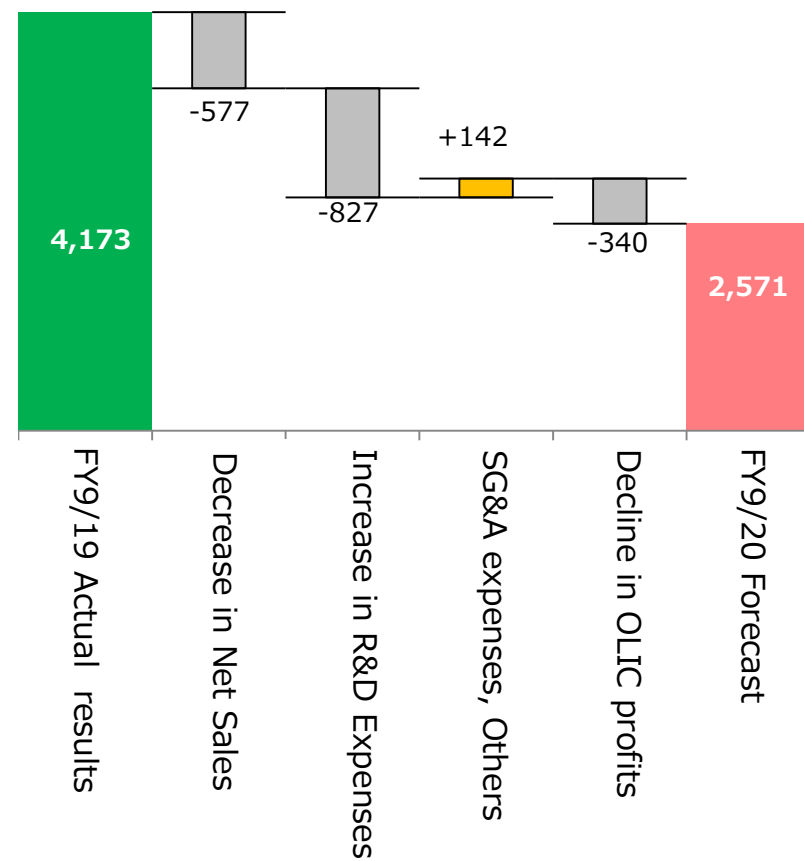
FY9/20 Consolidated Forecast

(¥million)

Net Sales



Operating profit



Sales Forecast by Therapeutic Category and Medical Field

(¥million)	FY9/19	FY9/20 Forecast	YoY Change	
			Amount	Ratio
Diagnostic drugs	10,827	9,294	△ 1,533	-14.2%
Hormone drugs	10,741	10,505	△ 236	-2.2%
Metabolic drugs	3,074	2,804	△ 270	-8.8%
Circulatory drugs	891	807	△ 84	-9.4%
Antibiotic & Chemotherapeutics	820	866	46	5.6%
In vitro Diagnostics	667	700	33	4.9%
Urogenital & Genital Organ drugs	556	524	△ 32	-5.8%
Dermatological drugs	537	489	△ 48	-8.9%
Others	5,623	5,719	96	1.7%
CMO Business (OLIC)	3,809	3,219	△ 590	-15.5%
Total	36,279	33,830	△ 2,449	-6.8%

※Total amount after consolidation adjustment

(¥million)	FY9/19	FY9/20 Forecast	YoY Change	
			Amount	Ratio
Acute Medical Care	19,340	17,166	△ 2,174	-11.2%
Women's Healthcare	10,756	10,680	△ 76	-0.7%
Others	3,643	3,864	221	6.1%
CMO Business (OLIC)	3,809	3,219	△ 590	-15.5%
Total	36,279	33,830	△ 2,449	-6.8%

※Total amount after consolidation adjustment

Sales Forecast of Major Products

Product Name (¥million)	Therapeutic Category	FY9/19 Actual Results	FY9/20 Forecast	YoY	
				Amount	Ratio
OYPALOMIN® Injection	Diagnostic Drugs	7,192	6,849	△ 343	-4.8%
IOPAQUE® Injection	Diagnostic Drugs	2,287	2,444	157	6.9%
Filgrastim BS Injection Syringe	Metabolic Drugs	<u>1,974</u>	<u>1,805</u>	<u>△ 169</u>	<u>-8.6%</u>
DIENOGEST® Tablets	Hormone Drugs	1,136	1,121	△ 15	-1.3%
<u>LUNABELL® Tablets (LD/ULD)</u>	<u>Hormone Drugs</u>	<u>1,583</u>	<u>933</u>	<u>△ 650</u>	<u>-41.1%</u>
DEXART® Injection	Hormone Drugs	894	875	△ 19	-2.1%
LEVONORGESTREL Tablets	Hormone Drugs	431	834	403	93.5%
<u>UTROGESTAN® Vaginal Capsules</u>	<u>Hormone Drugs</u>	<u>788</u>	<u>803</u>	<u>15</u>	<u>1.9%</u>
Labellefile Tablets	Hormone Drugs	709	769	60	8.5%
Favoir® Tablets	Hormone Drugs	768	766	△ 2	-0.3%
HMG Intramuscular Injection	Hormone Drugs	811	703	△ 108	-13.3%
FOLYRMON®-P Injection	Hormone Drugs	632	607	△ 25	-4.0%
LIMAPROST ALFADEX Tablets	Metabolic Drugs	591	559	△ 32	-5.4%
<u>Clomid® Tablets</u>	<u>Hormone Drugs</u>	<u>451</u>	<u>456</u>	<u>5</u>	<u>1.1%</u>
ALPROSTADIL Injection	Circulatory Drugs	532	446	△ 86	-16.2%
Total Top 15 Sales		20,787	19,975	△ 812	-3.9%
Pct. of Total Sales		57.3%	59.0%		
Other Products		12,952	11,736	△ 1,216	-9.4%
OLIC CMO Business (Excl. Intra-group transactions)		2,870	2,627	△ 243	-8.5%
Total		36,279	33,830	△ 2,449	-6.8%

Acute Medical Care

Women's Healthcare

* Underlined products are the Fuji Pharma branded drugs, (branded drugs; branded generic drugs (transferred products) and biosimilars)

* Total amount after consolidation adjustment

■ **Fundamental Management Policy and Strategies**

**President
Takayuki Iwai**

Fundamental Management Policy

Status on New Products in Women's Healthcare Field

New Drug Pipelines in Women's Healthcare Field

Status on Biosimilar Antibody Drug

Growth Strategy Implementation

Fundamental Management Policy

Strategy Growth towards 2030

Category X Modality		From Toyama To Global Market
Women's Healthcare	Building Women's Healthcare Platform	Expand CDMO in APAC + Manufacturing and Sales Business
	Strengthening New Drug and Peripheral areas e-Promotion/Digital	
Parenteral Injections	Building a new business model for diagnostic imaging agents	Next-generation Pharmaceutical Technology / Global expansion of administration device business
	Supplying Complex Generics, New Modality	
Hormone Drugs	Building a supply system for varieties and volumes	HR Strategy
	Strengthening Male Hormone, Oncology, and Peptide	Training Program for next generation management and global leader
Next Generation Technology	Starting next-generation manufacturing technology drug delivery device business	
	Entry to Complex Generics 505(b)(2)	Strategic Investment JPY 40 billion
Biosimilar Antibody Drugs	Top share in domestic market for Biosimilar Antibody Drugs	
	Promoting Alliance with Alvotech	

Vision for 2030

- ✓ Contributing to well-being of women in the world
- ✓ Expanding our business to Global Market from Toyama
- ✓ Integrating the world happiest company and social contribution

Status on New Products in Women's Healthcare Field

- ✓ New Products in the Women's Healthcare Field are performing well
- ✓ FY9/2019 Total sales JPY 5 billion → FY9/2024 Total expected at JPY 10 billion

	Product name(Generic name)	Indication	Formulation/Patent	Status
Key Products	<u>LEVONORGESTREL®</u> (the same)*	Emergency contraception	Oral drugs Formulation Patent Pending	Quantity Share More than 80% ** Roughly doubled in market size
	Favoir® (Ethinylestradiol / Desogestrel)*	Contraception	Oral drugs	Domestic oral contraceptive market No. 1 volume by manufacturer **
	Labellefille® (Ethinylestradiol / Desogestrel)*			
	UTROGESTAN® (Progesterone)*	Luteal Supplementation in assisted reproduction	Vaginal capsules	September Monthly GP Market No.1 Share **
	DIENOGEST® (the same)	Endometriosis	Oral drugs	Roughly doubled in market size
	l'estrogel® (Estradiol)	Menopausal disorder	Gel drugs	
Others	<u>GABAPEN®</u> (Gabapentin)	Epilepsy with Partial Onset Seizures	Oral drugs	Succeeded from Pfizer Corporation

Status on New Drug Pipelines in Women's Healthcare Field

- ✓ New drugs in Women's Healthcare field will be launched in FY9/2022 onwards
- ✓ Women's Healthcare field sales is aimed at roughly doubled in FY9/2024.

Development code (Generic name)	Region	Indication	Development stage	Remarks
FSN-011-01 (Progesterone)	Japan	Menopausal disorder	Phase III	Licensed from Besins Healthcare
FSN-013 (Estetrol/ Drospirenone)	Japan	Dysmenorrhoea	Completed Phase II Study	Licensed from Mithra Applications patented (~2037)
FSN-013 (Estetrol/ Drospirenone)	ASEAN	Contraception	Preparing for application in Europe and the US	Same as above
FSN-014 (Estetrol)	Japan	Menopausal disorder	Phase I	Same as above
FSN-014 (Estetrol)	ASEAN	Menopausal disorder	Started Phase III in Europe and the US	Same as above

Status on Biosimilar Antibody Drug

- ✓ November 2018, agreement with Alvotech hf. on an exclusive partnership for the commercialization of biosimilars in Japan
- ✓ Discussions has begun on seven investigational drugs (total domestic market size JPY 250 billion) for autoimmune disorder, malicious tumoral diseases, etc., and an agreement has been reached on one product
- ✓ Domestic application based on Alvotech's global data, and sequentially be launched from FY9/2023
- ✓ Aim to sell JPY 30 billion through our own sales or sales alliance with other companies

Alvotech topics

- Alvotech and Stada enter into an exclusive strategic partnership for the commercialization of seven biosimilars in all key European markets (November 2019)
- UAE Yas Holding investing in Alvotech agreeing on a strategic partnership for biosimilar candidates (November 2019)
- Indian Cipla agrees to exclusive partnership in emerging markets for one biosimilar product in selected market (August 2019)

Commercialization Scheme in Japan

Development

Manufacturing

To obtain approval

Sales



Growth Strategy Implementation

Strengthen Product Strategy Functions

- ✓ Strengthening specialized team focusing on product portfolio management
- ✓ Assign specialists from each department

Strengthen M&A Team

- ✓ Setting up Corporate Planning Department, which carries out planning and execution of management strategies, and M&A including capital business partnerships
- ✓ Formed a M&A specialist team

Strategic Investment

- ✓ In order to implement strategic growth based on the Fundamental Management Policy, JPY 40 billion strategic investment is assumed

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.

Information in this presentation about pharmaceuticals (including items in the pipeline) is not provided for the purpose of marketing or advertising or of supplying medical advice.

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