

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 2022

Company name: Fuji Pharma Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4554 URL <https://www.fujipharma.jp>
 Representative: President & CEO Takayuki Iwai
 Executive Corporate Officer, General
 Inquiries: Takeshi Sato TEL 03-3556-3344
 Manager, Corporate Planning Department
 Scheduled date of ordinary general meeting of shareholders: December 20, 2022
 Scheduled date to file Securities Report: December 21, 2022
 Scheduled date to commence dividend payments: December 21, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

(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, 2022	35,426	4.2	3,777	12.8	3,725	14.6	2,696	10.9
Year ended September 30, 2021	33,990	0.6	3,349	6.7	3,250	9.0	2,432	16.6

	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, 2022	111.01	–	7.9	5.3	10.7
Year ended September 30, 2021	90.54	–	6.7	5.2	9.9

(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, 2022	75,538	35,806	47.4	1,473.73
As of September 30, 2021	64,239	32,681	50.9	1,345.56

(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, 2022	(658)	(11,271)	5,094	3,546
Year ended September 30, 2021	5,993	(2,345)	(5,435)	10,199

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, 2021	–	14.00	–	15.00	29.00	705	32.0	1.9
Year ended September 30, 2022	–	15.00	–	20.00	35.00	851	31.5	2.5
Year ending September 30, 2023 (Forecast)	–	17.00	–	20.00	37.00		30.3	

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

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, 2023	20,144	13.6	2,003	(26.1)	2,023	(29.4)	1,476	(19.5)	60.76
Full year	43,311	22.3	4,048	7.2	4,088	9.7	2,974	10.3	122.42

4. Notes

(1) Changes in significant subsidiaries during the year ended September 30, 2022

(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: Yes

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, 2022	24,753,800 shares	As of September 30, 2021	24,753,800 shares
--------------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2022	459,229 shares	As of September 30, 2021	466,989 shares
--------------------------	----------------	--------------------------	----------------

Average number of shares during the period

Year ended September 30, 2022	24,293,147 shares	Year ended September 30, 2021	26,866,691 shares
-------------------------------	-------------------	-------------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	10,199	3,546
Notes receivable - trade	362	793
Accounts receivable - trade	11,504	11,734
Merchandise and finished goods	3,479	3,714
Work in process	2,999	3,863
Raw materials and supplies	5,528	8,246
Advance payments to suppliers	48	769
Accounts receivable - other	118	134
Other	594	1,925
Allowance for doubtful accounts	(0)	(0)
Total current assets	34,834	34,727
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,287	14,656
Accumulated depreciation	(5,692)	(6,468)
Buildings and structures, net	5,595	8,187
Machinery, equipment and vehicles	9,234	11,567
Accumulated depreciation	(7,039)	(7,747)
Machinery, equipment and vehicles, net	2,194	3,820
Land	984	1,073
Leased assets	5,923	3,621
Accumulated depreciation	(3,099)	(1,401)
Leased assets, net	2,824	2,219
Construction in progress	2,473	3,016
Other	1,464	1,704
Accumulated depreciation	(1,143)	(1,259)
Other, net	321	445
Total property, plant and equipment	14,392	18,762
Intangible assets		
Goodwill	865	691
Distributorship	1,149	9,053
Other	383	660
Total intangible assets	2,397	10,404
Investments and other assets		
Investment securities	7,762	7,339
Long-term advance payments	2,705	1,574
Deferred tax assets	1,349	1,432
Other	796	1,296
Total investments and other assets	12,614	11,643
Total non-current assets	29,404	40,810
Total assets	64,239	75,538

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,713	6,249
Short-term borrowings	7,000	8,300
Advances received	4	1,471
Current portion of long-term borrowings	1,840	2,440
Lease liabilities	681	377
Income taxes payable	823	444
Provision for bonuses	973	981
Provision for bonuses for directors (and other officers)	9	9
Provision for sales returns	19	–
Other	3,126	3,701
Total current liabilities	20,192	23,975
Non-current liabilities		
Long-term borrowings	6,633	11,193
Lease liabilities	2,508	2,259
Retirement benefit liability	1,657	1,766
Other	566	537
Total non-current liabilities	11,365	15,756
Total liabilities	31,557	39,732
Net assets		
Shareholders' equity		
Share capital	3,799	3,799
Capital surplus	4,409	4,409
Retained earnings	24,628	26,546
Treasury shares	(590)	(579)
Total shareholders' equity	32,246	34,175
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(23)	160
Deferred gains or losses on hedges	–	16
Foreign currency translation adjustment	458	1,442
Remeasurements of defined benefit plans	(2)	8
Total accumulated other comprehensive income	432	1,627
Non-controlling interests	1	2
Total net assets	32,681	35,806
Total liabilities and net assets	64,239	75,538

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

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Net sales	33,990	35,426
Cost of sales	19,239	20,867
Gross profit	14,751	14,558
Selling, general and administrative expenses		
Sales commission	1,345	–
Salaries and bonuses	2,445	2,489
Provision for bonuses	604	575
Provision for bonuses for directors (and other officers)	13	14
Retirement benefit expenses	163	184
Research and development expenses	2,446	2,485
Depreciation	338	658
Amortization of goodwill	278	283
Other	3,766	4,089
Total selling, general and administrative expenses	11,402	10,781
Operating profit	3,349	3,777
Non-operating income		
Dividend income	7	43
Foreign exchange gains	–	227
Commission income	4	12
Dividend income of life insurance	1	–
Compensation income	2	10
Subsidy income	7	1
Other	6	35
Total non-operating income	30	330
Non-operating expenses		
Interest expenses	53	77
Sales discounts	7	–
Foreign exchange losses	48	–
Commission expenses	19	–
Loss on valuation of derivatives	–	287
Other	0	18
Total non-operating expenses	129	382
Ordinary profit	3,250	3,725
Extraordinary income		
Gain on sale of non-current assets	2	–
Gain on sale of securities	153	–
Total extraordinary income	155	–
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	22	1
Impairment losses	11	–
Total extraordinary losses	34	1
Profit before income taxes	3,371	3,723
Income taxes - current	1,264	1,171
Income taxes - deferred	(326)	(144)
Total income taxes	938	1,026
Profit	2,432	2,697
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,432	2,696

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Profit	2,432	2,697
Other comprehensive income		
Valuation difference on available-for-sale securities	627	184
Foreign currency translation adjustment	(142)	984
Deferred gains or losses on hedges	–	16
Remeasurements of defined benefit plans, net of tax	(15)	10
Total other comprehensive income	469	1,195
Comprehensive income	2,902	3,892
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,902	3,891
Comprehensive income attributable to non-controlling interests	0	0

Consolidated statements of changes in equity

Fiscal year ended September 30, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,799	5,841	30,424	(68)	39,995
Changes during period					
Dividends of surplus			(808)		(808)
Profit attributable to owners of parent			2,432		2,432
Purchase of treasury shares				(9,391)	(9,391)
Disposal of treasury shares			(2)	18	16
Cancellation of treasury shares		(1,432)	(7,418)	8,851	–
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,431)	(5,796)	(521)	(7,749)
Balance at end of period	3,799	4,409	24,628	(590)	32,246

	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 period	(650)	–	600	12	(37)	2	39,961
Changes during period							
Dividends of surplus							(808)
Profit attributable to owners of parent							2,432
Purchase of treasury shares							(9,391)
Disposal of treasury shares							16
Cancellation of treasury shares							–
Change in ownership interest of parent due to transactions with non-controlling interests							0
Net changes in items other than shareholders' equity	627		(142)	(15)	470	(0)	469
Total changes during period	627	–	(142)	(15)	470	(0)	(7,280)
Balance at end of period	(23)	–	458	(2)	432	1	32,681

Fiscal year ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,799	4,409	24,628	(590)	32,246
Cumulative effects of changes in accounting policies			(48)		(48)
Restated balance	3,799	4,409	24,579	(590)	32,197
Changes during period					
Dividends of surplus			(729)		(729)
Profit attributable to owners of parent			2,696		2,696
Disposal of treasury shares				11	11
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,967	11	1,978
Balance at end of period	3,799	4,409	26,546	(579)	34,175

	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 period	(23)	–	458	(2)	432	1	32,681
Cumulative effects of changes in accounting policies							(48)
Restated balance	(23)	–	458	(2)	432	1	32,632
Changes during period							
Dividends of surplus							(729)
Profit attributable to owners of parent							2,696
Disposal of treasury shares							11
Net changes in items other than shareholders' equity	184	16	983	10	1,194	0	1,195
Total changes during period	184	16	983	10	1,194	0	3,173
Balance at end of period	160	16	1,442	8	1,627	2	35,806

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	3,371	3,723
Depreciation	1,828	2,462
Impairment losses	11	–
Amortization of goodwill	278	283
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	540	8
Increase (decrease) in provision for bonuses for directors (and other officers)	3	(0)
Increase (decrease) in retirement benefit liability	99	64
Interest and dividend income	(7)	(44)
Interest expenses	53	77
Foreign exchange losses (gains)	28	(217)
Loss on retirement of non-current assets	22	1
Loss (gain) on sale and valuation of investment securities	(153)	–
Decrease (increase) in trade receivables	(174)	(549)
Decrease (increase) in inventories	(1,340)	(3,618)
Increase (decrease) in trade payables	2,038	447
Decrease (increase) in long-term advance payments	(86)	(56)
Insurance claim income	(0)	–
Other, net	443	(1,702)
Subtotal	6,957	878
Interest and dividends received	7	44
Proceeds from insurance income	0	–
Interest paid	(59)	(82)
Income taxes paid	(911)	(1,498)
Net cash provided by (used in) operating activities	5,993	(658)
Cash flows from investing activities		
Proceeds from sale of investment securities	189	–
Purchase of property, plant and equipment	(3,789)	(5,097)
Proceeds from sale of property, plant and equipment	1,673	1,383
Purchase of intangible assets	(107)	(7,326)
Decrease (increase) in long-term advance payments	(310)	(230)
Other, net	(1)	(1)
Net cash provided by (used in) investing activities	(2,345)	(11,271)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,000	1,300
Proceeds from long-term borrowings	1,000	7,300
Repayments of long-term borrowings	(1,756)	(2,140)
Proceeds from sale of treasury shares	11	–
Purchase of treasury shares	(9,405)	–
Dividends paid	(807)	(729)
Repayments of lease liabilities	(476)	(636)
Net cash provided by (used in) financing activities	(5,435)	5,094
Effect of exchange rate change on cash and cash equivalents	(55)	183
Net increase (decrease) in cash and cash equivalents	(1,842)	(6,653)
Cash and cash equivalents at beginning of period	12,041	10,199
Cash and cash equivalents at end of period	10,199	3,546