



FujiPharma

Fuji Pharma Co., Ltd.

Business Results for the Fiscal Year Ended September 30, 2020

November 20, 2020

Event Summary

[Company Name]	Fuji Pharma Co., Ltd.
[Company ID]	4554-QCODE
[Event Language]	JPN
[Event Type]	Earnings Announcement
[Event Name]	Business Results for the Fiscal Year Ended September 30, 2020
[Fiscal Period]	FY2020 Annual
[Date]	November 20, 2020
[Number of Pages]	40
[Time]	16:00 – 17:00 (Total: 60 minutes, Presentation: 49 minutes, Q&A: 11 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	2
	Takayuki Iwai President & CEO
	Takeshi Sato Executive Officer, General Manager of Corporate Planning Department

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

Presentation

Nakagawa: Thank you for your participation in Fuji Pharma Co., Ltd.'s results briefing for the fiscal year ended September 2020.

First of all, I would like to introduce today's attendees, Takayuki Iwai, President and CEO.

Iwai: Thank you.

Nakagawa: Executive Officer and General Manager of the Corporate Planning Department, Takeshi Sato.

Sato: Thank you.

Nakagawa: My name is Nakagawa, and I will be the moderator today.

Today, Mr. Iwai and Mr. Sato will present the financial results for the fiscal year ending September 2020, the business results forecasts for the fiscal year ending September 2021, and the progress made in the Mid-Term Business Plan. We will conclude with a question-and-answer session.

We will start with Mr. Iwai.

Iwai: Thank you. To combat the coronavirus outbreak, we have decided to hold a web-based session today. Thank you for your cooperation.

I will now move on to the presentation. First, Mr. Sato of the Corporate Planning Department will present the consolidated financial results for the fiscal year ending September 2020, and the consolidated financial results forecast for the fiscal year ending September 2021.

Sato: Thank you.

After my presentation, Mr. Iwai will discuss progress in the Mid-Term Business Plan, so I would like to briefly discuss the key points.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



FY9/20 Financial Result Highlights

- **Achieved the budget despite COVID-19 impact**
 - Due to COVID-19, SG&A saving absorbed R&D expense increase
 - Sales of 6 key women's healthcare products increased
 - The demand for contrast media declined from April to June due to COVID-19, but has recovered since July
- **R&D Related Topics**
 - FSN-011-01: Concluded Phase III
 - FSN-013: Application accepted in EU and US
(EU: February / US: April)



©2020 Fuji Pharma Co., Ltd. All rights reserved.

4

This is a summary of the consolidated financial results for the fiscal year ended September 2020.

We saw the impact of the coronavirus pandemic in the second quarter and significant impact in the third quarter, but sales were almost as forecast. Operating income exceeded the forecast due to restrained SG&A expenses.

With regard to R&D, Phase 3 of FSN-011-01 has been completed and the final stage of the application for approval has begun. With regard to FSN-013, applications have been accepted for the European and US approvals from Mithra Pharmaceuticals, which is the licensor, and progress has generally been in line with expectations.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

Summary of FY9/20 Consolidated Financial Results

- Net Sales : Due to brand contrast media transfer, launch of LUNABELL® AG, 2-time drug price revisions, and COVID-19, net sales decreased by JPY 2.486 billion (YoY-6.9%).
- Operating Profit : Gross profit margin improved due to sales mix. sales-related expenses declined under COVID-19, and R&D expenses rose sharply, resulting in decrease by JPY 1.034 billion (YoY -24.8%).

(\$million)	FY9/19 Full Year	FY9/20 Full Year	YoY Change		FY9/20 Fcst	vs Fcst Change in Amount
			Amount	Ratio		
Net Sales	36,279	33,793	▲ 2,486	-6.9%	33,830	▲ 37
Gross Profit	15,796	14,872	▲ 924	-5.8%	-	-
Gross Margin	43.5%	44.0%			-	-
SG&A Expenses	11,622	11,732	110	0.9%	-	-
SG&A Margin	32.0%	34.7%			-	-
Operating Profit	4,173	3,139	▲ 1,034	-24.8%	2,571	568
Operating Margin	11.5%	9.3%			7.6%	
Ordinary Profit	4,169	2,983	▲ 1,186	-28.4%	2,501	482
Ordinary Margin	11.5%	8.8%			7.4%	
Profit Attributable to Owners of Parent	2,962	2,085	▲ 877	-29.6%	1,664	421
Profit Margin	8.2%	6.2%			4.9%	
ROA	7.3%	4.9%				
ROE	7.9%	5.3%				
Net income per Share (Yen)	97.04	66.94				
Dividend payout ratio	29.9%	43.3%				
Capital Expenditure	1,965	2,965	1,000	50.9%	3,260	▲ 295
Depreciation (Including Leased Equipment)	1,934	1,858	▲ 76	-3.9%	1,891	▲ 33
R&D Expenses	2,052	3,060	1,008	49.1%	2,879	181
R&D Expenses Ratio	5.7%	9.1%			8.5%	



©2020 Fuji Pharma Co., Ltd. All rights reserved.

5

Net sales declined JPY2.5 billion, or 6.9%, YoY, due to the transfer of branded contrast media to Guerbet, competition from Lunabell generics, the impact of NHI drug price revisions in October 2019 and April 2020, and the impact of the coronavirus pandemic on sales of contrast media and fertility treatments. However, sales were largely in line with the initial budget.

In terms of operating income, the gross profit margin improved due to an increase in sales of products with a low cost of sales ratio. In addition, a decrease in SG&A expenses due to the impact of the coronavirus pandemic contributed to an increase in operating income of approximately JPY1 billion. On the other hand, the decrease in gross profit due to the decrease in net sales was approximately JPY900 million, and R&D expenses increased by JPY1 billion. The net result is a decrease of JPY1 billion, or 25%, compared with the previous fiscal year.

The last point I would like to make about this slide relates to the Toyama Plant. Capital investment in the Plant increased by JPY1 billion YoY.

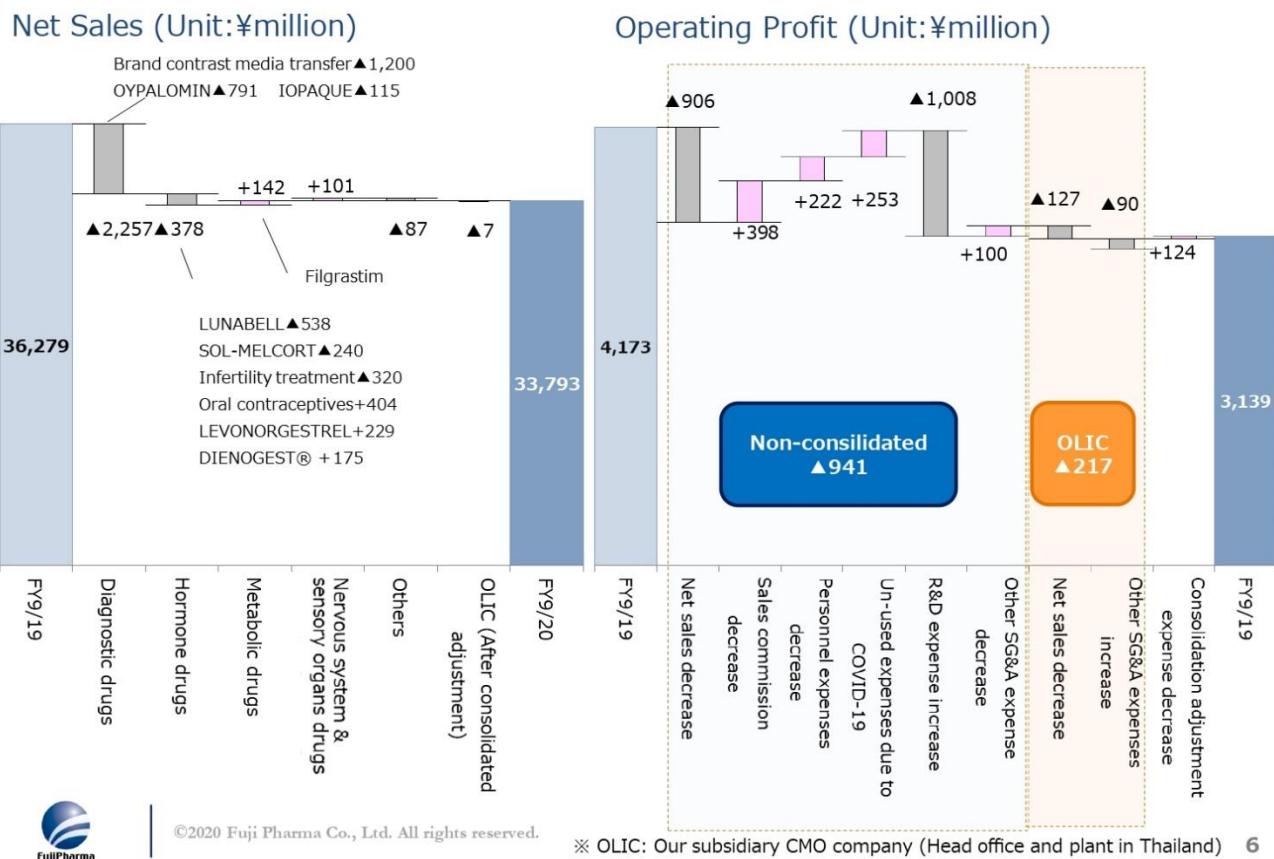
Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

Summary of FY9/20 Consolidated Financial Results (YoY)



I have just mentioned a few of the main factors behind fluctuations in net sales and operating income, but I would like to discuss that in more detail.

Please refer to the chart on the left for net sales. As I mentioned earlier, the impact of the transfer of contrast media was approximately JPY1.2 billion, and sales of our mainstay Oypalomin decreased by approximately JPY800 million. In the case of hormones, competition from Lunabell generics and the effect of coronavirus pandemic on fertility products have led to a slight reduction in sales, which has not been compensated for by other products, such as contraceptives.

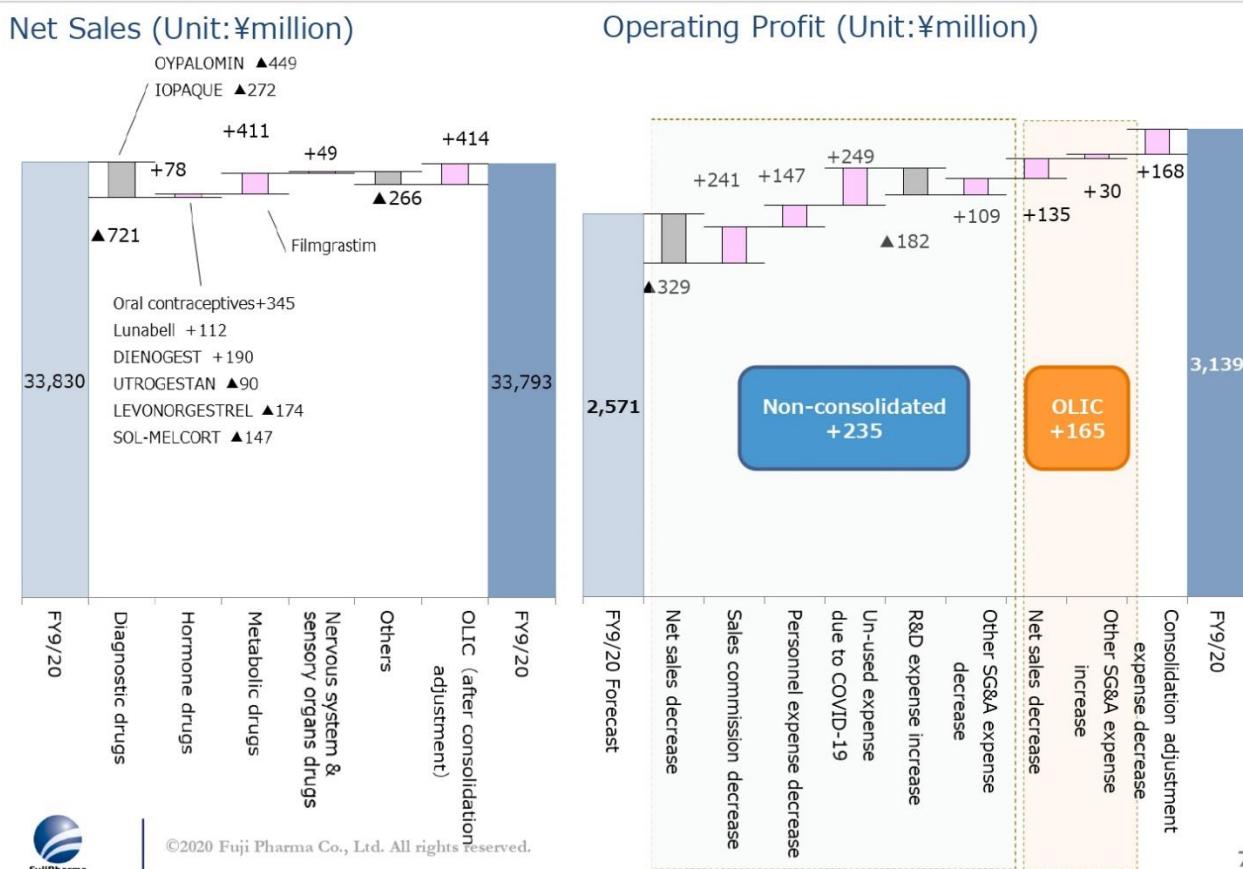
In terms of operating income, gross profit and R&D expenses had a negative effect of approximately JPY2 billion. This was partially offset by a reduction in SG&A expenses, which amounted to approximately JPY1 billion. As a result, the Company achieved its initial forecast of JPY3.1 billion.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America
Email Support 1.800.674.8375
support@scriptsasia.com

Summary of FY9/20 Consolidated Financial Results (v. Forecast)



7

I would like to share with you a comparison of the financial results for the previous fiscal year compared with the initial forecasts.

In terms of sales, the chart on the left shows the impact of the coronavirus pandemic on contrast media, fertility treatment drugs, and Utrogestan. OLIC is significantly higher than the forecast, but this is due to temporary income based on the provisions of the consignment contract.

In terms of operating income, gross profit decreased due to the coronavirus pandemic, and R&D expenses fell by about JPY500 million. However, this was offset by a curtailment of SG&A expenses and OLIC contributions, resulting in an operating income surplus of about JPY500 million.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

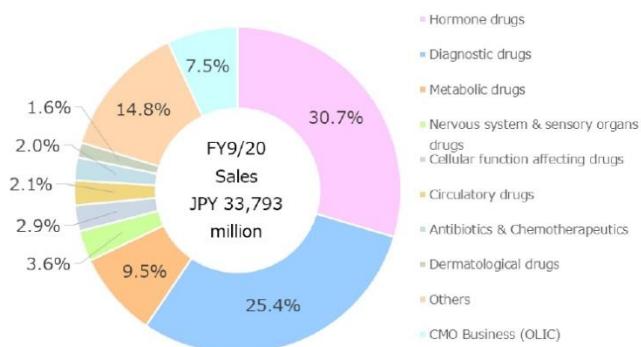
SCRIPTS
Asia's Meetings, Globally

Sales by Therapeutic Category

(¥million)	FY9/16	FY9/17	FY9/18	FY9/19	FY9/20	YoY Change	
						Amount	Ratio
Hormone drugs	9,709	10,275	10,981	10,741	10,363	▲ 378	-3.5%
Diagnostic drugs	13,808	13,473	14,323	10,827	8,570	▲ 2,257	-20.8%
Metabolic drugs	2,706	2,828	2,882	3,074	3,216	142	4.6%
Nervous system & sensory organs drugs	237	197	165	1,099	1,200	101	9.2%
Cellular function affecting drugs	319	627	881	932	966	34	3.6%
Circulatory drugs	1,008	945	925	891	714	▲ 177	-19.9%
Antibiotics & Chemotherapeutics	812	874	801	820	689	▲ 131	-16.0%
Dermatological drugs	352	384	505	537	538	1	0.2%
Others	3,038	3,380	3,966	4,815	5,000	185	3.8%
CMO Business (OLIC)	2,236	2,400	2,476	2,539	2,532	▲ 7	-0.3%
Total	34,229	35,387	37,909	36,279	33,793	▲ 2,486	-6.9%

※CMO Business (OLIC) is the amount after consolidation adjustment

Sales Breakdown by Therapeutic Category



©2020 Fuji Pharma Co., Ltd. All rights reserved.

8

As shown on the next page, hormone agents have been the largest contributor to sales on a full-year basis since the previous fiscal year. Although diagnostic reagents were the largest, the removal of brand contrast media for diagnostic reagents is a major factor. However, we believe that the fact that hormone agents now make up the largest proportion demonstrates our strengthening position as a Company in the field of women's healthcare.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

Sales of Major Products

Product Name (\$million)	Therapeutic Category	FY9/16	FY9/17	FY9/18	FY9/19	FY9/20	YoY		FY9/20 Budget
							Amount	Ratio	
OYPALOMIN® Injection	Diagnostic drugs	7,029	6,879	6,769	7,192	6,401	▲ 791	-11.0%	6,849
<u>Filgrastim BS Injection Syringe</u>	Metabolic drugs	<u>1,481</u>	<u>1,671</u>	<u>1,721</u>	<u>1,974</u>	2,299	325	16.5%	1,805
IOPAQUE® Injection	Diagnostic drugs	2,133	2,162	2,010	2,287	2,172	▲ 115	-5.0%	2,444
DIENOGEST® Tablets	Hormone drugs	-	307	828	1,136	1,311	175	15.4%	1,121
GABAPEN® Tablets	Nervous system & sensory organs drugs	-	-	-	-	1,104	-	-	988
LUNABELL® Tablets (LD/ULD)	Hormone drugs	3,017	<u>2,845</u>	<u>2,769</u>	<u>1,583</u>	1,045	▲ 538	-34.0%	933
Favori® Tablets	Hormone drugs	537	601	552	768	1,019	251	32.7%	766
DEXART® Injection	Hormone drugs	813	866	870	894	874	▲ 20	-2.2%	875
Labellefile® Tablets	Hormone drugs	354	398	526	709	862	153	21.6%	769
HMG Intramuscular Injection	Hormone drugs	917	891	880	811	752	▲ 59	-7.3%	703
UTROGESTAN® Vaginal Capsules	Hormone drugs	254	<u>578</u>	<u>649</u>	<u>788</u>	712	▲ 76	-9.6%	803
LEVONORGESTREL Tablets	Hormone drugs	-	-	-	431	660	229	53.1%	834
FOLYRMON® -P Injection	Hormone drugs	512	<u>583</u>	<u>638</u>	<u>632</u>	560	▲ 72	-11.4%	607
LIMAPROST ALFADEX tablets	Metabolic drugs	588	572	621	591	498	▲ 93	-15.7%	559
Clomid®	Hormone drugs	457	474	480	451	404	▲ 47	-10.4%	456
Total Top 15 Sales		18,099	18,834	19,320	20,254	20,682	428	2.1%	20,518
Pct. Of Total Sales		52.9%	53.2%	51.0%	55.8%	61.2%			60.7%
Other Products		13,894	14,152	16,112	13,485	10,578	▲ 2,907	-21.6%	11,193
CMO Business (OLIC)		2,236	2,400	2,476	2,539	2,532	▲ 7	-0.3%	2,118
Total		34,229	35,387	37,909	36,279	33,793	▲ 2,486	-6.9%	33,830
[Reference]Branded contrast media		4,076	4,006	5,288	1,255	0	▲ 1,255	-100.0%	

Acute Medical Care Women's Healthcare

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

* CMO Business (OLIC) is the amount after consolidation adjustmentTotal



©2020 Fuji Pharma Co., Ltd. All rights reserved.

9

This is the status of the top 15 products in terms of sales, as described below.

For contrast media, the drug price declined, and the coronavirus pandemic has also had an effect. Sales of fertility treatments also declined due to the impact of the coronavirus pandemic, but sales of oral contraceptive drugs FAVORI and Labellefile grew significantly.

Pages two, ten, and eleven cover the same material, so I will omit them from my presentation. You are free to look at them later.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

8

FY9/20 Summary of Consolidated Balance Sheet

(¥million)	FY9/19 Year End	FY9/20 Year End	YoY Change		Borrowed JPY 5 billion to prepare for business environment and financial markets due to COVID-19
			Amount	Ratio	
Assets					
Current Assets	33,919	34,975	1,056	3.1%	
Cash and Deposits	8,494	12,041	3,547	41.8%	
Notes and Accounts Receivable - Trade	12,944	11,700	▲ 1,244	-9.6%	
Inventories	10,712	10,682	▲ 30	-0.3%	
Other	1,767	549	▲ 1,218	-68.9%	Sales decrease
Non-current Assets	26,817	26,987	170	0.6%	
Property, Plant and Equipment	11,718	12,767	1,049	9.0%	
Intangible Assets	3,300	2,899	▲ 401	-12.2%	
Investments and Other Assets	11,798	11,320	▲ 478	-4.1%	
Total Assets	60,737	61,962	1,225	2.0%	Toyama Plant Capex
Liabilities					
Current Liabilities	12,012	11,004	▲ 1,008	-8.4%	
Notes and Accounts Payable - Trade	4,813	3,680	▲ 1,133	-23.5%	
Other	7,198	7,324	126	1.8%	
Non-current Liabilities	9,360	10,996	1,636	17.5%	
Total Liabilities	21,373	22,001	628	2.9%	Borrowed JPY 5 billion in response for COVID-19
Net Assets					
Shareholders' Equity	38,804	39,995	1,191	3.1%	
Capital Stock	3,799	3,799	0	0.0%	
Capital Surplus	5,841	5,841	0	0.0%	
Retained Earnings	29,243	30,424	1,181	4.0%	
Treasury Shares	▲ 78	▲ 68	10	-12.8%	
Accumulated Other Comprehensive income	556	▲ 37	▲ 593	-106.7%	
Total Net Assets	39,363	39,961	598	1.5%	
Total Liabilities and Net Assets	60,737	61,962	1,225	2.0%	



©2020 Fuji Pharma Co., Ltd. All rights reserved.

12

This is the balance sheet at the end of the previous fiscal year.

As I mentioned in May, we borrowed money as part of our strategy towards the new coronavirus pandemic in April, so I think you can see an increase in total assets due to that.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

FY9/20 Summary of Consolidated Statements of Cash Flows

(¥million)	FY9/19 Year End	FY9/20 Year End	YoY Change	
			Amount	Ratio
Cash Flows from Operating Activities	7,035	5,770	▲ 1,265	-18.0%
(Major Breakdown)				
Profit Before Income Taxes	3,961	2,918	▲ 1,043	-26.3%
Depreciation	1,850	1,774	▲ 76	-4.1%
193	-	-	-	-
Amortization of Goodwill	279	283	4	1.4%
Decrease (Increase) in Notes and Accounts Receivable-Trade	3,965	1,203	▲ 2,762	-69.7%
Decrease (Increase) in Inventories	581	▲ 23	▲ 604	-104.0%
Decrease (Increase) in Notes and Accounts Receivable-Trade	▲ 1,937	▲ 1,102	835	-43.1%
Income Taxes Paid	▲ 957	▲ 723	234	-24.5%
Cash Flows from Investing Activities	▲ 12,024	▲ 2,616	9,408	-78.2%
(Major Breakdown)				
Purchase of acquisition of Investment Securities	▲ 7,786	-	-	-
Purchase of Property, Plant and Equipment	▲ 1,701	▲ 2,322	▲ 621	36.5%
Proceeds from Sales of Property, Plant and Equipment	4	26	22	550.0%
Purchase of Intangible Assets	▲ 1,583	▲ 293	1,290	-81.5%
Cash Flows from Financint Activities	7,265	450	▲ 6,815	-93.8%
(Major Breakdown)				
Proceeds from Sale of Treasury Stock	2,225	-	-	-
Proceeds from Long-Term Loans Payable	7,000	4,000	▲ 3,000	-42.9%
-	1,000	-	-	-
Rewpayments of Long-Term Loans Payable	▲ 630	▲ 3,140	▲ 2,510	398.4%
Cash Dividends Paid	▲ 839	▲ 904	▲ 65	7.7%
Rewpayments of Lease Obligations	▲ 490	▲ 505	▲ 15	3.1%
Cash and Cash Equivalents at Beginning of Period	6,251	8,494	2,243	35.9%
Cash and Cash Equivalents at End of Period	8,494	12,041	3,547	41.8%
Free Cash Flows	▲ 4,989	3,154	8,143	-163.2%

Toyama Plant Capex

Borrowed JPY 5 billion to prepare for business environment and financial markets due to COVID-19

Long-term debt repayment scheduled to be repaid within one year



©2020 Fuji Pharma Co., Ltd. All rights reserved.

13

Cash flows for the previous fiscal year are also described here. Since the major factors are the same as for the balance sheet, I will omit the explanation.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

10

FY9/21 Consolidated Forecast Highlights

● Consolidated net sales and net income increase YoY

- On the non-consolidated basis, both sales and profits are expected to increase, as the impact of COVID-19 will be mitigated and sales will increase due to strong demand in the women's healthcare field, which will absorb the increase in SG&A expenses such as R&D expenses.
- On the consolidated basis, operating income is expected to decrease YoY due to the impact of the depression in OLIC CMO business due to COVID-19.
- Sales in women's healthcare products increase to JPY 10.8 billion (+ JPY 700 million YoY), and demand for contrast media is also expected to recover, resulting in JPY 9.2 billion sales (+JPY 600 million YoY).

● R&D-Related Topics

- FSN-011-01: Apply for approval in FY9/21
- FSN-013: Start Phase III in Japan, after obtaining EU/US approval
Signed co-dev./marketing agreement with M3
- Biosimilar: Agreement on 4 products with Alvotech



©2020 Fuji Pharma Co., Ltd. All rights reserved.

15

The above is an overview of the consolidated results for the fiscal year ended September 31, 2020. Next, we will explain the forecasts for the fiscal year ending September 2021.

First of all, with regard to highlights, for the current fiscal year, we are anticipating an increase both sales and profits on a consolidated basis.

On a non-consolidated basis, we aim to increase sales and profits on the back of solid growth in the women's healthcare products lineup. On a consolidated basis, however, operating income is expected to decrease on a consolidated basis as the volume of consigned OLIC has been significantly affected by the coronavirus pandemic.

In our mainstay products, we anticipate YoY increases in sales in both the women's healthcare field and contrast media.

As for R&D-related topics, FSN-11 is scheduled to file for approval early in this fiscal year, and we plan to begin Phase 3 of FSN-013 domestically.

As disclosed on November 12, we have concluded a joint development and sales contract with M3, Inc., and we intend to implement reliable early development and then aim for efficient and effective joint sales.

Regarding biosimilars, as we disclosed yesterday, we have reached an agreement with Alvotech on the terms for an additional four products. We have reached an agreement on a total of five products. In the future, we intend to proceed with discussions with Alvotech for launch in Japan.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

11

FY9/21 Consolidated Forecast

- Net sales: Less COVID-19 impact and increase in women's healthcare sales lead to net sales increase by JPY 909 million (+2.7% YoY)
- Operating profit: Despite the gross profit increase along with sales increase, SG&A expenses including R&D expenses increase and decline in OLIC profit result in JPY ▲282 million profit (▲9.6% YoY)

(\$million)	FY9/20 Performance	FY9/21 Forecast	YoY	
			Amount	Ratio
Net Sales	33,793	34,702	909	2.7%
Operating Profit	3,139	2,857	▲ 282	-9.0%
Operating Margin	9.3%	8.2%	-	-
Ordinary Profit	2,983	2,807	▲ 176	-5.9%
Ordinary Margin	8.8%	8.1%	-	-
Profit Attributable to Owners of Parent	2,085	2,100	15	0.7%
Profit Margin	6.2%	6.1%	-	-
Capital Expenditure	2,965	6,672	3,707	125.0%
Depreciation (Inclusind Leased Equipment)	1,858	1,581	▲ 277	-14.9%
R&D Expenses	3,060	3,200	140	4.6%
R&D Expenses Ratio	9.1%	9.2%	-	-



©2020 Fuji Pharma Co., Ltd. All rights reserved.

16

This term's net sales forecast is JPY34.7 billion, an increase of 2.7% YoY.

Compared to the previous fiscal year, we are anticipating increased sales as adaptations to the coronavirus pandemic reduces its effect on sales. We also anticipate growth in sales in the field of women's healthcare.

On the other hand, operating income is expected to decrease. On a non-consolidated basis, there is a slight increase in forecast profits. However, as I mentioned earlier, on a consolidated basis, profits are forecast to decline due to a decline in the forecast for consignment volume in OLIC.

With regard to net income, we intend to dispose of strategic shareholdings with the aim of improving corporate governance. As a result, net income is forecast to increase slightly.

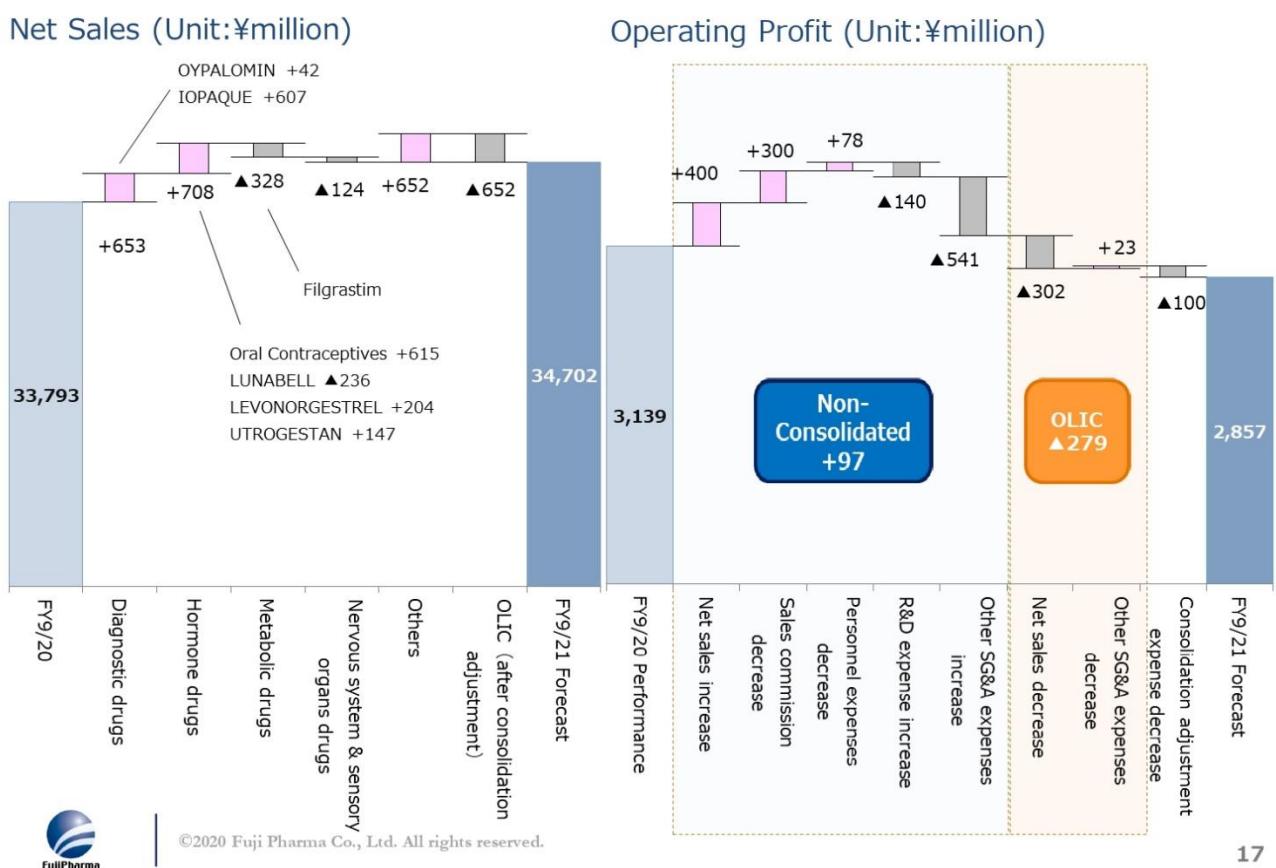
In addition, capital expenditures are expected to increase substantially due to the new production building at the Toyama Plant and the planned expansion of domestic facilities.

R&D expenditures are forecast to remain almost unchanged. We have incorporated the cost burden in the joint development with M3, which was disclosed on November 12, but it does not mean that the entire amount will be recorded in this fiscal year. We will refrain from disclosing a detailed breakdown as it is also a matter relating to the other party.

Support

Japan	03.4405.3160	North America	1.800.674.8375
Tollfree	0120.966.744	Email Support	support@scriptsasia.com

FY9/21 Consolidated Forecast



The factors behind the change in forecast net sales for the current fiscal year are shown in the chart on the left here.

As I mentioned earlier, sales of both contrast media and hormone agents are forecast to increase compared with the previous fiscal year, but sales of the contract manufacturing business for OLIC are forecast to decrease.

In terms of operating income, the impact of the coronavirus pandemic contributed to a reduction in SG&A expenses in the previous fiscal year. In the current fiscal year, we have resumed our activities in the midst of coronavirus, devising methods to proceed with events such as academic society activities. Therefore, we believe that the effects of cost reductions compared to the previous fiscal year will be limited. In addition, profits are forecast to decline from the previous fiscal year due to a decline in OLIC.

However, as I mentioned, operating income in the initial forecast for the previous fiscal year was JPY2.6 billion. The forecast operating income for the current fiscal year is a little higher than that.

Sales Forecast by Therapeutic Category and Medical Field

(\$million)	FY9/20 Performance	FY9/21 Forecast	YoY	
			Amount	Ratio
Hormone drugs	10,363	11,071	708	6.8%
Diagnostic drugs	8,570	9,224	654	7.6%
Metabolic drugs	3,216	2,887	▲ 329	-10.2%
Nervous system & sensory organs drugs	1,200	1,075	▲ 125	-10.4%
Cellular function affecting drugs	966	994	28	2.9%
Circulatory drugs	714	694	▲ 20	-2.8%
Antibiotics & Chemotherapeutics	689	654	▲ 35	-5.1%
In vitro Diagnostics	501	651	150	29.9%
Others	5,038	5,566	528	10.5%
CMO Business (OLIC)	2,532	1,879	▲ 653	-25.8%
Total	33,793	34,702	909	2.7%

※CMO Business (OLIC) is the amount after consolidation adjustment

(\$million)	FY9/20 Performance	FY9/21 Forecast	YoY	
			Amount	Ratio
Acute Medical Care	16,926	17,702	776	4.6%
Women's Healthcare	10,836	11,408	572	5.3%
Others	3,497	3,711	214	6.1%
CMO Business (OLIC)	2,532	1,879	▲ 653	-25.8%
Total	33,793	34,702	909	2.7%



©2020 Fuji Pharma Co., Ltd. All rights reserved.

18

This is our sales forecast by medical area.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



14

Sales Forecast of Major Products

Product Name (¥million)	Therapeutic Category	FY9/20 Performance	FY9/21 Forecast	YoY	
				Amount	Ratio
OYPALOMIN® Injection	Diagnostic drugs	6,401	6,444	43	0.7%
IOPAQUE® Injection	Diagnostic drugs	2,172	2,780	608	28.0%
<u>Filgrastim BS Injection Syringe</u>	<u>Metabolic drugs</u>	<u>2,299</u>	<u>2,099</u>	<u>▲ 200</u>	<u>-8.7%</u>
Favori® Tablets	Hormone drugs	1,019	1,326	307	30.1%
DIENOGEST® Tablets	Hormone drugs	1,311	1,275	▲ 36	-2.7%
Labellefille® Tablets	Hormone drugs	862	1,171	309	35.8%
GABAPEN® Tablets	Nervous system & sensory organs drugs	1,104	1,009	▲ 95	-8.6%
DEXART® Injection	Hormone drugs	874	913	39	4.5%
LEVONORGESTREL Tablets	Hormone drugs	660	864	204	30.9%
<u>UTROGESTAN® Vaginal Capsules</u>	<u>Hormone drugs</u>	<u>712</u>	<u>859</u>	<u>147</u>	<u>20.6%</u>
<u>LUNABELL® Tablets (LD/ULD)</u>	<u>Hormone drugs</u>	<u>1,045</u>	<u>808</u>	<u>▲ 237</u>	<u>-22.7%</u>
FOLYRMON® -P Injection	Hormone drugs	560	592	32	5.7%
HMG Intramuscular Injection	Hormone drugs	752	546	▲ 206	-27.4%
Clomid®	Hormone drugs	404	461	57	14.1%
LIMAPROST ALFADEX tablets	Metabolic drugs	498	433	▲ 65	-13.1%
Total Top 15 Sales		20,682	21,586	904	4.4%
Pct. Of Total Sales		61.2%	62.2%		
Other Products		10,578	11,235	657	6.2%
CMO Business (OLIC)		2,532	1,879	▲ 653	-25.8%
Total		33,793	34,702	909	2.7%

Acute Medical Care Women's Healthcare

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

* CMO Business (OLIC) is the amount after consolidation adjustmentTotal



©2020 Fuji Pharma Co., Ltd. All rights reserved.

19

The following slides are sales forecasts for major products. This is also largely as I have already told you, but I would like to add one more point.

In the area of women's healthcare, we think there may be an impact from the interim revision of drug prices for some products. In addition, we forecast a decrease in sales, taking into account our expectation of the state of competition in the current fiscal year. However, we anticipate an increase in overall sales.

Support

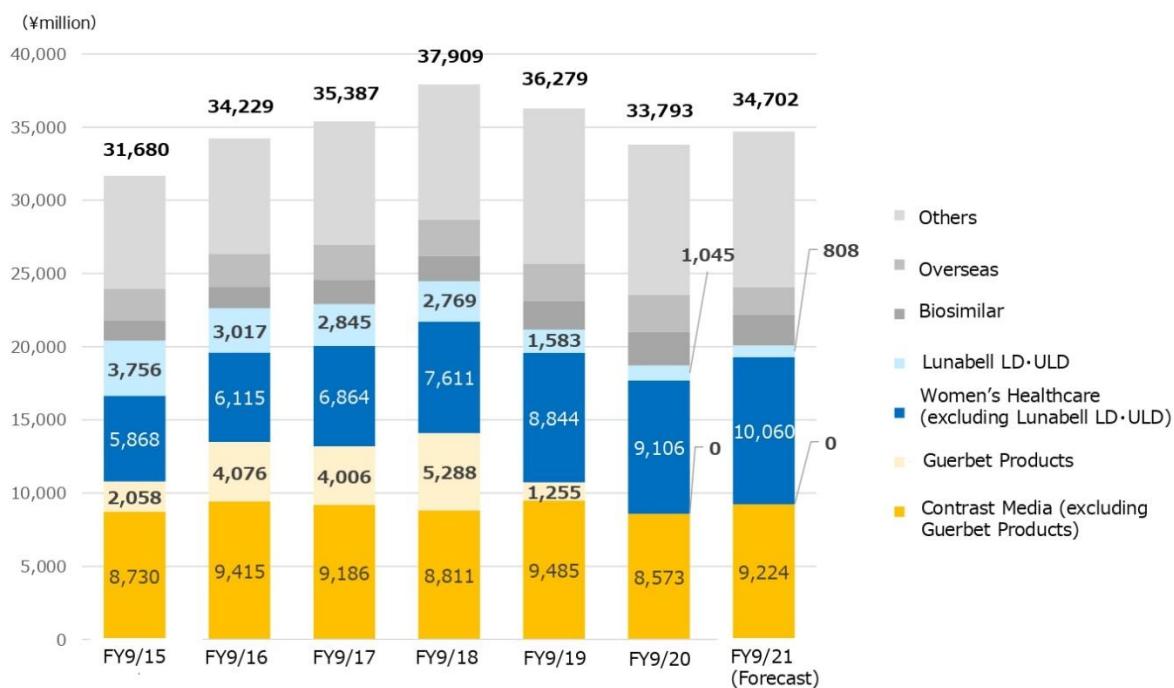
Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



15

Sales Trend



©2020 Fuji Pharma Co., Ltd. All rights reserved.

20

Today is the first time we are using this type of slide.

I have been talking about Guerbet's contrast media at financial results briefings for a while, and I have also been talking about Lunabell. In light of the fact that Guerbet products will not have an impact in the future, I would like to explain again how they have contributed to our sales to date.

We recorded sales of Guerbet products and Lunabell up to a total of JPY8 billion. At their peak, these products accounted for about 20% of consolidated net sales.

Meanwhile, other women's healthcare products accounted for about 70% of the total, and contrast media went from being flat to increasing slightly. However, the medium- to long-term trend is that this was not enough to offset the decline in sales. In addition, we believe that the inability to launch large-scale new drugs during this period will also be a factor leading to the current situation.

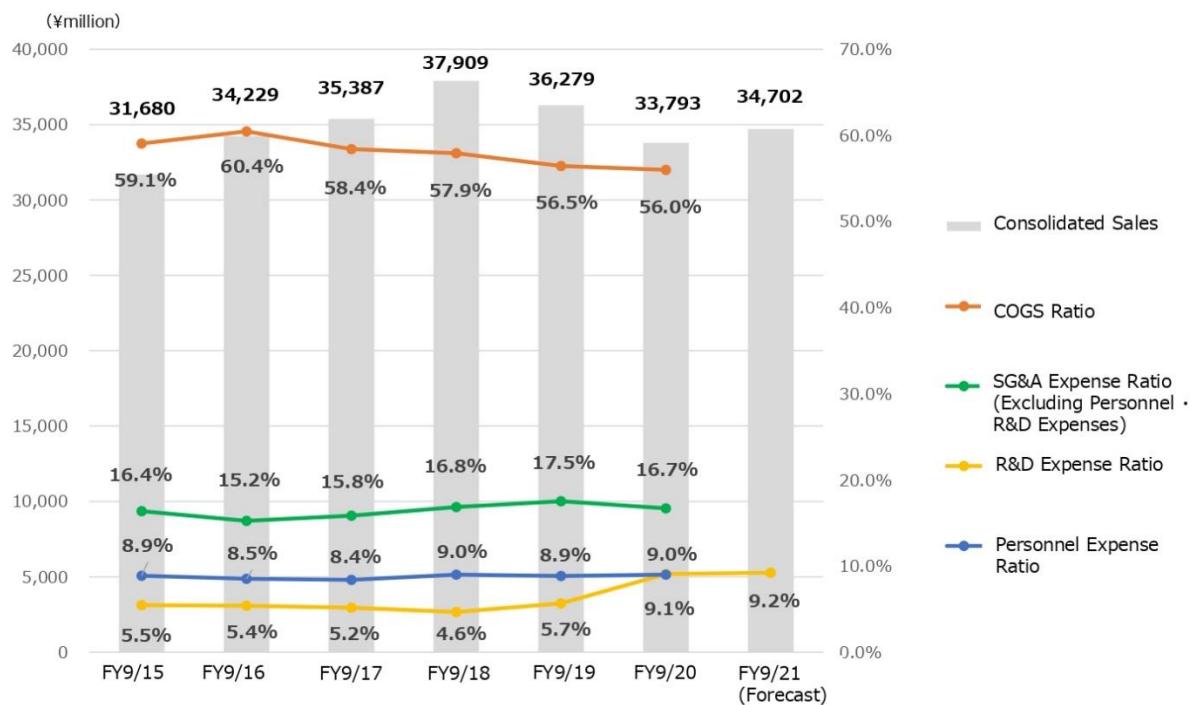
I would like to discuss how we have controlled expenses amid such a downward trend in sales.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America
Email Support 1.800.674.8375
support@scriptsasia.com

COGS, SG&A, and R&D expenditure ratios trends



©2020 Fuji Pharma Co., Ltd. All rights reserved.

21

The cost of sales ratio was 56% in the previous fiscal year, compared with a maximum of 60%. As for personnel expenses, although we understand that the country as a whole has been on an uptrend, we are managing them in a restrictive manner. In addition, I think that the Company has managed its SG&A expenses in a solid manner.

On the other hand, we have secured a certain budget for R&D expenses for the future launch of new drugs. In the future, we plan to achieve 9% and 10% of net sales, which up to now had been approximately 5% to 6% of net sales.

In the current fiscal year and beyond, we will continue to strive to achieve the goals of our medium-term management plan by implementing R&D and capital investment aimed at launching new drugs. We will work to do this while keeping down expenses.

As we have already disclosed, we are, where possible, working from home in order to prevent the spread of coronavirus infection. We apologize for the inconvenience, but if you have any queries about the presentation today, we would appreciate it if you could contact us by inquiry form or email.

That's all from me. Thank you very much.

Nakagawa: Thank you very much. Following on, President Iwai will explain the progress of the medium-term management plan.

Iwai: Regarding the plan for the current fiscal year, I don't have anything to add to Mr. Sato's explanation.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America
Email Support 1.800.674.8375
support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

I would like to discuss the Mid-Term Business Plan, and where we find ourselves in the current fiscal year.

Mid-term Business Plan (Announced in May 2020)



©2020 Fuji Pharma Co., Ltd. All rights reserved.

23

First of all, this is an overview of the medium-term management plan that we outlined in May of this year. The Mid-Term Business Plan for the year ending September 2024 is positioned as a waypoint for achieving the 2030 Vision.

As described in the middle panel of this slide, the first route for growth is to expand and strengthen the women's healthcare field. In addition, the second point is a structural shift to achieve this, in order to evolve into a sustainable contrast media business. The third point will be preparations for the next Mid-Term Business Plan. We will make solid preparations to establish the biosimilar business. The fourth point will be the reinforcement of overseas business.

Although not described here, we intend to continue to focus our efforts on the generics business, which we continue to position as our core business, from a product portfolio formation perspective.

Based on this, we aim to achieve consolidated net sales of JPY100 billion and an operating income margin of 20%, 10 years from now.

Support

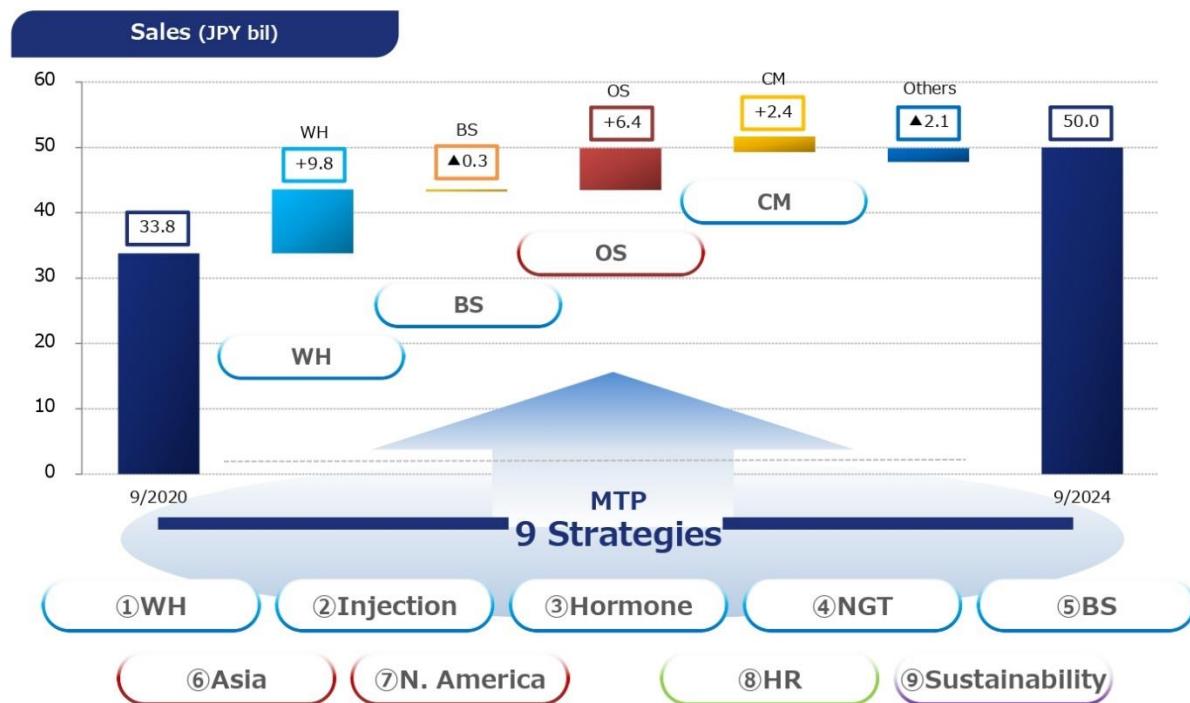
Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

18

Financial Target (9/2024)



©2020 Fuji Pharma Co., Ltd. All rights reserved.

24

This is another slide that I showed you in May. Quantitative figures are for the fiscal year ending September 2024.

Sales for the fiscal year ended September 2020, as well as forecast sales for the current fiscal year are approximately JPY34 billion. This is forecast to increase to JPY50 billion in FY2024.

In the meantime, as stated here, we are aiming for an increase in sales of JPY10 billion in the field of women's healthcare, JPY6 billion overseas, and JPY2.5 billion in the field of contrast media. Our current plan is to work to achieve our target of JPY50 billion.

To achieve this plan, we outlined nine strategies in May.

These start from the first strategy, women's healthcare, and go through to the ninth, sustainability. We have set up detailed action plans for each of these strategies, and are currently working on this in a Company-wide manner.

Now, I would like to explain the current state of the four growth routes I have just mentioned.

Support

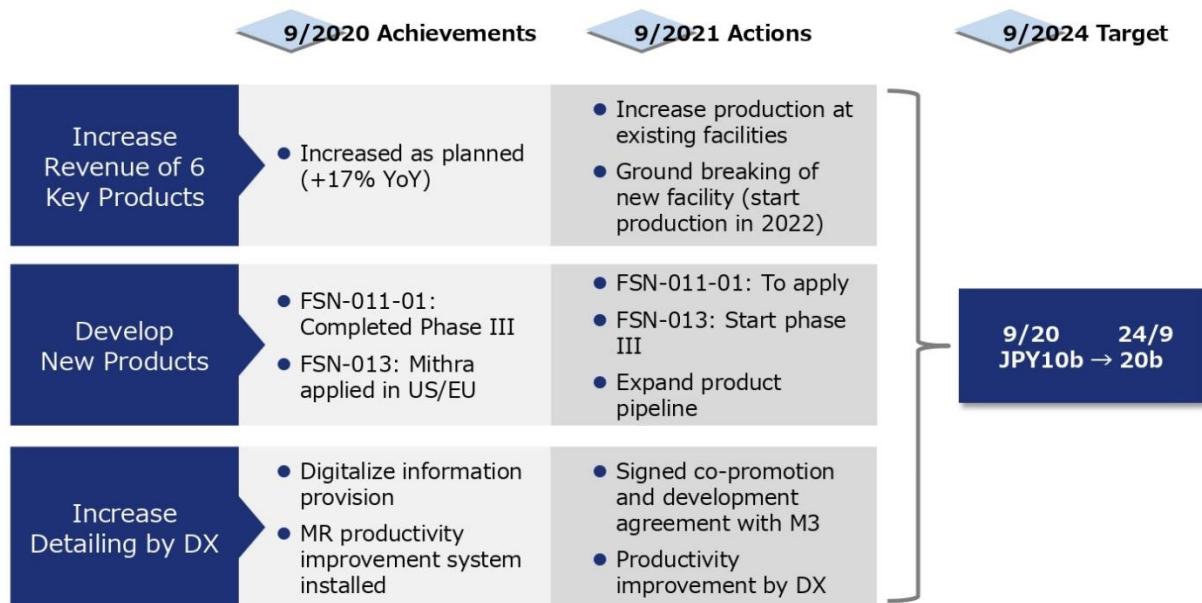
Japan 03.4405.3160
Tollfree 0120.966.744

North America
Email Support

1.800.674.8375
support@scriptsasia.com

1. Women's Healthcare

No.1 in WH Platform



©2020 Fuji Pharma Co., Ltd. All rights reserved.

25

The first is women's healthcare. We have outlined three major measures to expand and strengthen this business domain.

First, in the area of women's healthcare, the Company will expand and strengthen its six main hormone products. The second is the steady launch of new drugs in this field. This will be mainly related to the two compounds FSN-011-01 and FSN-013. Then, the third point is to strengthen the sales system for medications, including both new drugs and existing products, in order to maximize the value of these products.

I would like to explain each of these points in detail.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America
Email Support

1.800.674.8375
support@scriptsasia.com

1. Women's Healthcare

WH 6 Products	Indication	Status	(JPY bil)		
			9/2020	9/2021	9/2024
LEVONORGESTRE L® (the same)*	Emergency contraception	Market expanded by generic product with 80%+ volume share	0.6	0.8	1.5
Favori® (Ethinylestradiol / Desogestrel)*	Contraception	Domestic oral contraceptive market No.1 volume by manufacturer	1.0	1.3	2.7
Labellefille® (Ethinylestradiol / Desogestrel)*			0.8	1.1	3.3
UTROGESTAN® (Progesterone)*	Luteal Supplementation in ART	No.2 volume share	0.7	0.8	0.8
DIENOGEST® (the same)	Endometriosis	Market expanded with the record high market share in March	1.3	1.2	1.2
I'estrogel® (Estradiol)	Menopausal disorder	CAGR 20%	0.2	0.3	0.5
Total			4.8	5.8	10.0

* Drug price not listed

ART: Assisted Reproductive Therapy



©2020 Fuji Pharma Co., Ltd. All rights reserved.

27

First, we will strengthen and expand our six main hormone products. This slide shows more information.

This is our list of six main hormone formulations, beginning with levonorgestrel, the emergency contraceptive, down to I'estrogel, a treatment for menopausal syndrome.

In the period ending September 2020, we had a sales record of JPY4.8 billion, which is approximately half of our target figure of JPY10 billion. We are targeting an increase of 20% to JPY5.8 billion in FY2021 and roughly doubling to JPY10 billion in FY2024. We will expand our operations with the aim of achieving this.

The main point I would like to mention here is that demand for products in this area has been extremely robust. Therefore, it is a product group with high market and patient needs.

Against this backdrop, as a challenge, we will firmly work to secure our place supplying this growing demand. This is a major point for achieving the goals of the Mid-Term Business Plan.

In terms of countermeasures, we are currently considering two categories: immediate responses and medium-term responses. First of all, we will respond to the urgent need to increase production at existing facilities. We have already finished our consideration, and we will start the production increase system from February next year.

Another is the construction of a new production building. Construction preparation has already begun, and construction is scheduled to start at the end of next December. It is scheduled to be completed in June 2022, at which time manufacturing is scheduled to begin. In order to respond to market demands, we will strive to ensure that this new production setup is in place.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

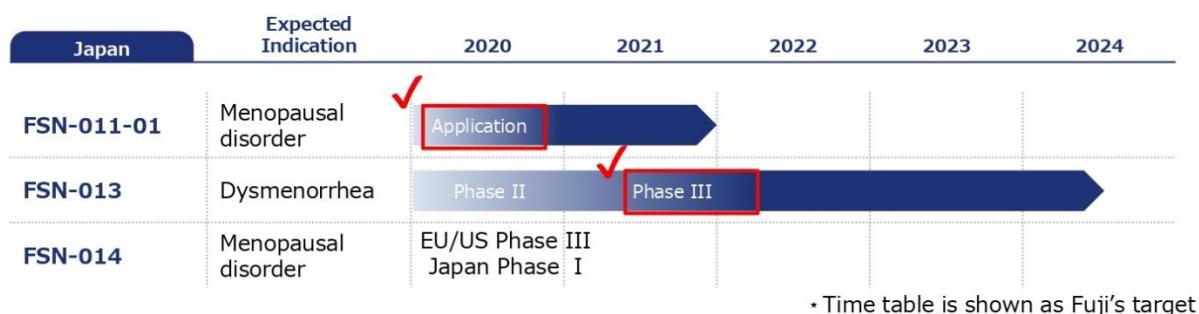
SCRIPTS
Asia's Meetings, Globally

21

The second is the development of new drugs. We have the two compounds FSN-011-01 and FSN-013 currently in development. I would like to explain the details of FSN-011-01, which is highly likely to contribute quantitatively to the current Mid-Term Business Plan.

1. Women's Healthcare

Mostly progressed as planned



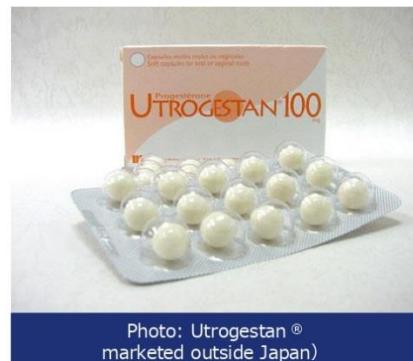
FSN-011-01 : Progesterone

Overview

- Oral product with Progesterone 100mg
- Utrogestan in combination with an estrogen is used to reduce the symptoms of the menopause
- Approved and launched in 80 countries (e.g. the US and EU)

Japan

- No progesterone product for Hormone Replacement Therapy
→ Plan to apply adjunctive use for Hormone Replacement Therapy



©2020 Fuji Pharma Co., Ltd. All rights reserved.

28

Details of FSN-011-01 are described in the lower part of this slide.

FSN-011-01 is what is known as a natural-type progesterone, and it contains 100 milligrams of progesterone. This is an oral formulation. Utrogestan, which is already on the market, contains the same active ingredient as this compound, but unlike Utrogestan, this is an oral formulation.

These medications are given with estrogen preparations in treatment of menopausal syndromes, and are intended to help prevent endometrial tissue abnormalities when estrogen preparations are administered. This has already been approved and sold in 80 countries around the world, including the US and the EU. In Japan, it has not yet been approved, so we have begun this and are now preparing for application and launch.

For indications in Japan, we plan to file an application for approval next month for the planned indication of hormone replacement therapy. If this is approved, it will be the first progesterone formulation in Japan with the indication of hormone replacement therapy. We have high expectations that the drug will become a drug that patients and medical institutions can use with confidence.

Regarding the other compound, FSN-013, we have positioned it as a post-Lunabell medication, and are currently proceeding with development. I would like to touch on this again later on.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

Next, we will expand the number of details through digitization. The impact of the coronavirus pandemic has greatly changed our sales and marketing systems. In fact, we have not been able to conduct visits for a while. Since then, we started by progressing through e-mail, and since then, we have been conducting interviews with doctors via the web.

One of our major goals for the current fiscal year is to anticipate the use of digital sales systems in order to ensure that these new systems will become the mainstream in the future.

The other day, we announced that we had agreed a contract to jointly develop and co-market FSN-013 with M3. This is part of the same effort. We recognize that it is essential to be able to swiftly deliver information to medical institutions, in a way that involves fewer MRs.

By using the web, we will increase the number of details and thereby maximize the value of existing products and new drugs that we will bring to market in the future.

We plan to strengthen and expand the field of women's healthcare mainly by implementing these three measures. As a result, we aim to double sales from JPY10 billion in the period ending September 2020 to JPY20 billion in the period ending September 2024.

1. 女性医療



※女性医療主要6製品=レボノルゲストレル、ファボワール、ラベルフィーユ、ウトロゲスタン、ジエノゲスト、ル・エストロジェル



©2020 Fuji Pharma Co., Ltd. All rights reserved.

26

This is a brief summary of the quantitative values I just mentioned.

Currently, we are achieving sales of JPY10 billion in the field of women's healthcare. This breaks down into six major products, which make up about half of that figure, and then other products. We aim to double sales of these products to JPY10 billion in FY2024. The yellow part represents a new segment. This is made up of new

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

23

products, such as FSN-011-01. By bringing these products to market and marketing them well, we aim to achieve a further JPY5 billion.

The next slide is the one I just showed you, showing sales for the six major products. We are aiming for a 20% increase from the previous period to the current fiscal year.

Next, new drugs within the women's healthcare area, and FSN-011-01, this is as I explained.

I would like to explain a little more about the new drug FSN-013.

First, about the positioning of drug. In short, it is positioned as a post-Lunabell product. We are currently working on the indications for this product, with dysmenorrhea in mind.

For reference, the licensing Belgian company Mithra is currently promoting development in Europe and the US. The indication is as an oral contraceptive, but we will conduct our own Phase 3 trials in Japan from next spring. We plan to proceed with clinical trials in order to acquire an indication for dysmenorrhea.

Although the quantitative contribution during the period of the current medium-term management plan is quite limited, this is a product that we expect to become a core product in the second half of the next Mid-Term Business Plan.

As I have already mentioned it several times, we are jointly developing FSN-013 with M3, and we concluded a joint sales contract with M3 last week. We plan to make the most of the considerable web-based marketing experience at M3. We will use these media to maximize our products.

Support

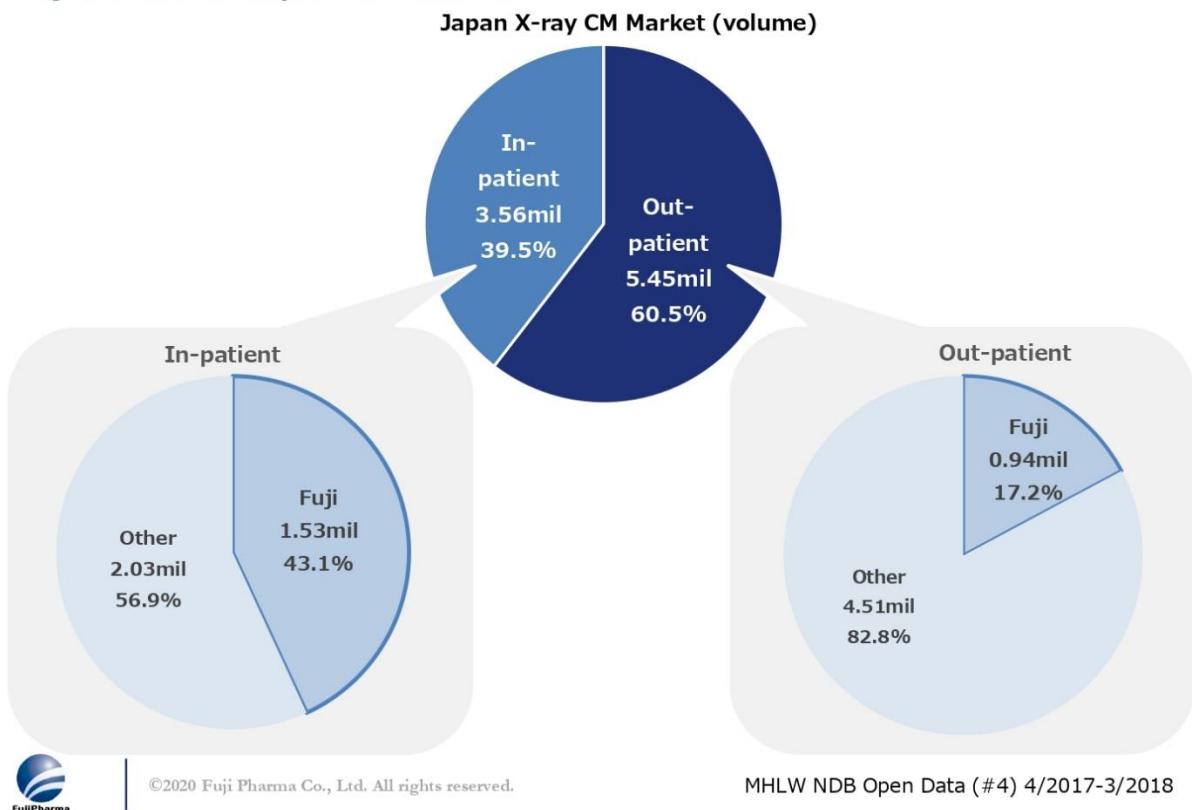
Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



2. Contrast Media

Fuji's status in Japan CM market



29

Next, the second important business for us is contrast media.

We summarized the current situation here. Currently, the domestic market for X-ray contrast media is approximately 9 million bottles if we combine in-hospital and clinic use. We occupy a little less than 30% of the market but, as shown here, there is a considerable difference in market share between in-hospital and clinic use.

The fields where we focused our efforts in the past were hospitalization and DPC. Our market here is 43%. On the other hand, the figure is only 17% for clinics. This is the current situation.

On the other hand, as for the price of our contrast media, it has already been around 24 years since the market launch, and with the reduction of drug prices, our profitability with this product is shrinking year by year. Therefore, first of all, we will firmly ensure our price competitiveness. This will become a very important point for us to continue in the next 10 years, and we will prioritize these measures first.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America
Email Support

1.800.674.8375
support@scriptsasia.com

2. Contrast Media

Key initiatives

	9/2020 Achievements	9/2021 Actions
Margin Improvement	<ul style="list-style-type: none">Signed new API contracts resulting in cost reduction (app. JPY 200 mil / yr) *	<ul style="list-style-type: none">Procurement based on new contracts
New Sales and Marketing Strategy	<ul style="list-style-type: none">Establish and execute new S&M strategy	<ul style="list-style-type: none">Achieve goals of new S&M strategy
Product Differentiation	<ul style="list-style-type: none">Negotiating for differentiation	<ul style="list-style-type: none">Achieve product differentiation
Acquisition & CMO	<ul style="list-style-type: none">Initiate CMO discussion on specific product candidate	<ul style="list-style-type: none">Sign CMO contract

* Full year contribution from latter half of MTP



©2020 Fuji Pharma Co., Ltd. All rights reserved.

30

This is a key measure to strengthen competitiveness.

Whatever the case, the most important thing is to improve the gross profit margin, and the biggest factor here is the procurement of active pharmaceutical ingredients. The active ingredient API has a considerable impact on the cost, quality, and stable supply of our product.

We cannot disclose the company name, but we are currently in negotiations for procurement from global suppliers that are cheaper than in the past, and can provide a stable supply. Regarding the content of the contract, we are in agreement on the main points. We aim to move forward with this, and switch to this new active pharmaceutical ingredient supplier in 2022.

Our new sales strategy is to expand sales of lopaque.

Currently, if we break down our contrast media sales, Oypalomin is quite mainstream, and lopaque has sales of just over JPY2.2 billion. By increasing sales of lopaque, we intend to further enhance our competitiveness in the field of contrast media and to further strengthen our business.

In terms of product differentiation, these are probably not broad brush strokes, but there is still room for innovation. By devising points for innovation one by one, we will strive to thoroughly differentiate our products from those of other companies and increase the market in the in-hospital market.

Then, finally, the consignment business. We are one of the largest manufacturers of contrast media in the country. Taking advantage of this manufacturing capacity, we intend to strengthen this business in total with a view to consignment manufacturing of contrast media for other companies.

Support

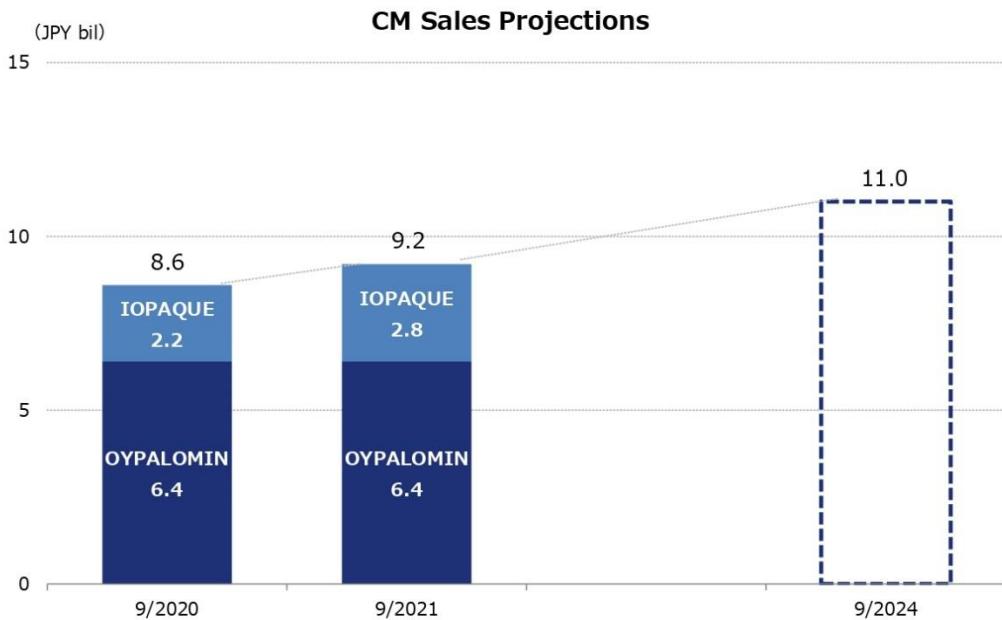
Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



26

2. Contrast Media



©2020 Fuji Pharma Co., Ltd. All rights reserved.

31

Here is a quantified version of what I just mentioned. The current quantitative value is to increase the contrast media business, which is currently worth approximately JPY9 billion, to JPY11 billion in the fiscal year ending September 2024.

Note that this number does not incorporate the growth in the external market, which we have shown in the previous slide. Regarding clinics, given that our share is currently only 17%, we recognize that how proceed in this area is a medium-term issue to be considered.

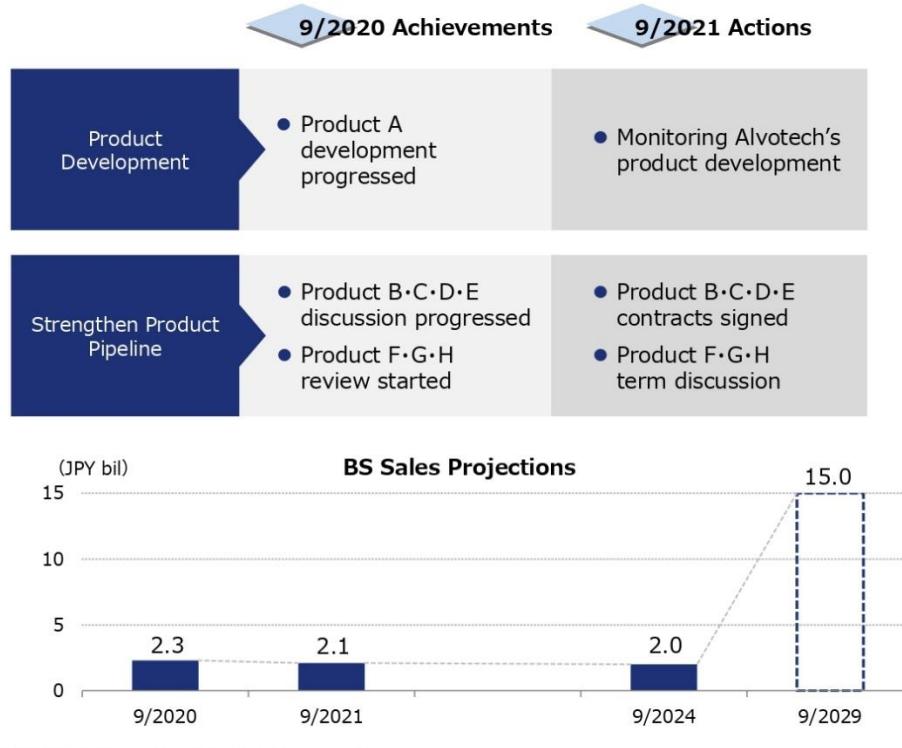
Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

3. Biosimilar

No.1 in Japan BS Market



32

Next, I would like to discuss biosimilars.

This is an important measure for the next medium-term management plan, and although there has been no significant growth in quantitative figures during the period of the current medium-term management plan, one of the important measures for the current fiscal year is to firmly solidify our pipeline toward the fiscal year ending September 2029.

As for the current fiscal year, we announced yesterday that we have reached an agreement with Alvotech regarding four products. We have been considering these products since the beginning of this year, and after technological due diligence in May and June, we have concluded this contract.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

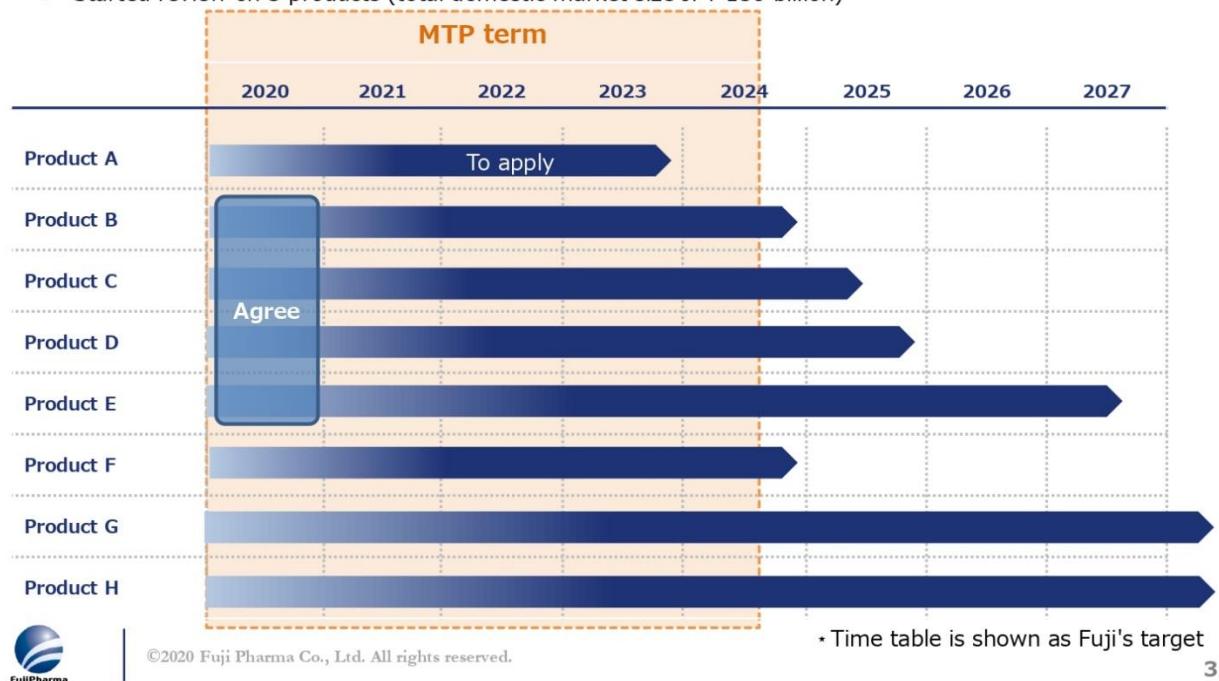
North America
Email Support 1.800.674.8375
support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

28

3. Biosimilar

- 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.
- Agreed on one product and agreed on 4 products shortly (total domestic market size JPY 200 billion for 5 products)
- Started review on 3 products (total domestic market size JPY 150 billion)



33

Next, the slides here will be a snapshot that summarizes the current situation.

Product A is already under contract as of 2019. We are making steady progress in the development of this product, and we are currently proceeding with the development of an application to be filed in the autumn of 2022. In addition to this, we have reached an agreement with Alvotech to develop the four products B to E for the Japanese market.

The market size for these five products in Japan is currently JPY200 billion. With this in mind, we will apply for approval, and then proceed with preparations for the post-approval marketing system. In addition, following on from the agreement on these four products, new discussions have begun on three additional products.

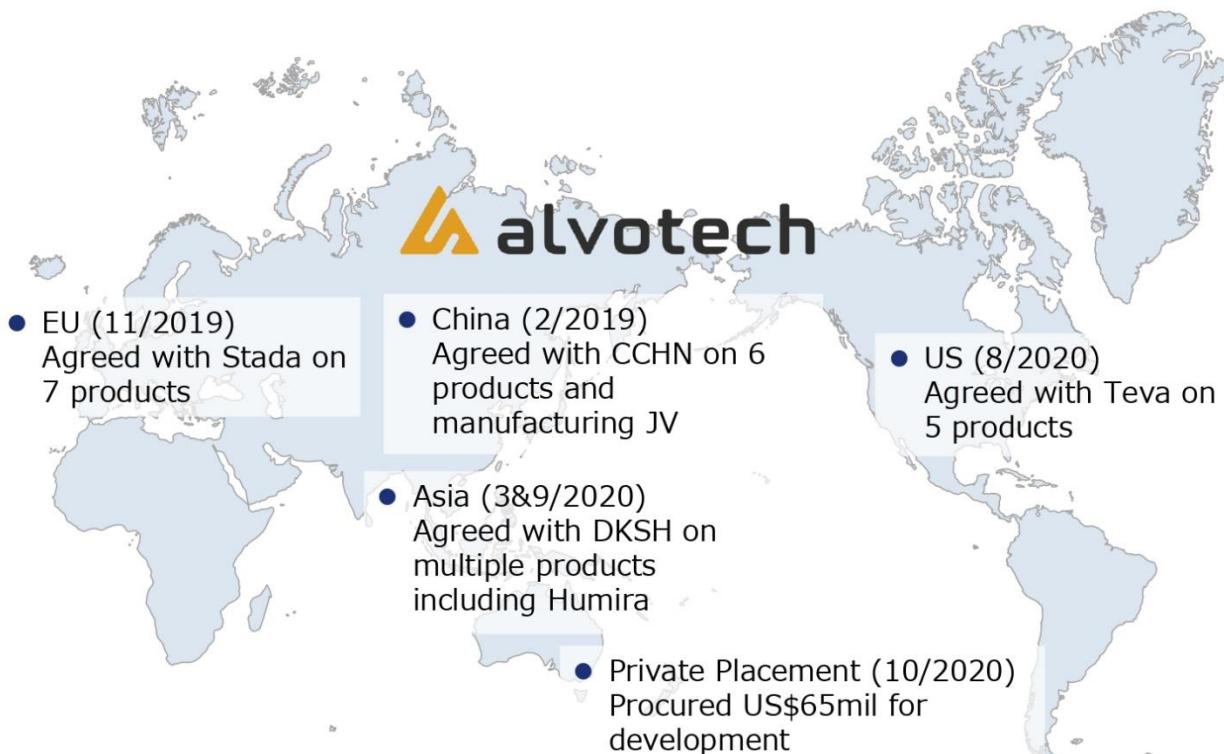
Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

3. Biosimilar



©2020 Fuji Pharma Co., Ltd. All rights reserved.

34

This is the final slide on biosimilars. This is the status of the licensor Alvotech.

We are developing the drugs in Japan, but in 2019 Alvotech reached an agreement with German generics giant Stada for seven drugs in Europe and the Americas. Regarding the US, in August of this year Alvotech will also reach an agreement with Teva, a major US generics pharmaceutical company, on five products.

There was a press release from Alvotech yesterday where it was announced that the company applied for approval for two products it is developing, adalimumab and Humira BS, in Europe and the US. It has been indicated that this is one of the agreed items of Stada in Europe and Teva in the US.

This shows that Alvotech's global expansion is proceeding smoothly, and they have also completed fundraising, so there are no issues or concerns about development for the time being.

Support

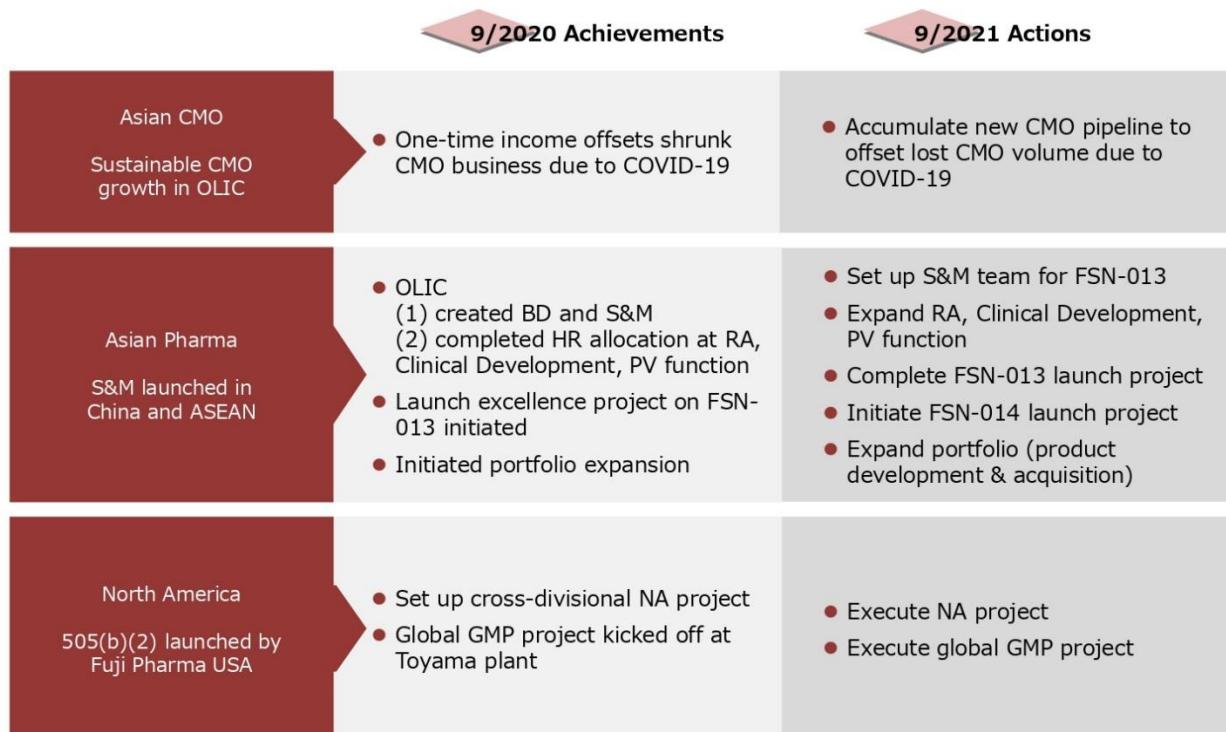
Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

30

4. Overseas Asia / North America



©2020 Fuji Pharma Co., Ltd. All rights reserved.

CMO

… Contract Manufacturing Organization

GMP

… Good Manufacturing Practice

35

Finally, I will talk about the overseas segment.

As for the changes in the environment since the formulation of the medium-term management plan, it is still slightly affected by the coronavirus pandemic.

First, as explained earlier by Mr. Sato, the CMO business, which is OLIC's current core business, has declined due to the impact of the coronavirus pandemic. We recognize this as a temporary issue, and our we are responding to this urgently.

In terms of responses, we are working to increase volumes from existing customers, as well as acquire contract business for new products, and then acquire new customers. We have been working on these items from around June, so we will put these results out this fiscal year.

Secondly, we are working to make OLIC a pharmaceutical company, which I recognize is the most important thing in our current plan. Our core product for advancing this initiative is FSN-013, with its development in Asian countries.

Regarding FSN-013, I would like to explain a little more here as it is somewhat related to Japan.

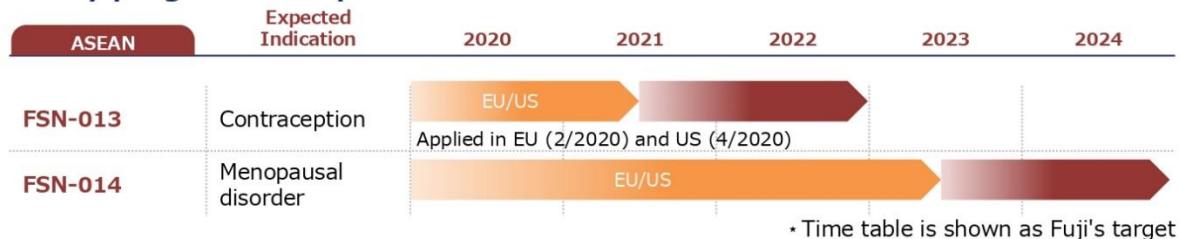
Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

4. Overseas Asia / North America

Mostly progressed as planned



FSN-013 : Estetrol/Drospirenone

Overview

- Estetrol 15mg + Drospirenone 3mg
- Applied in Europe (EMA) and the US (FDA)
 - Applicable with data for EU/US approval → To apply in Thailand after approved in EU/US
 - Market in ASEAN for contraception
After obtaining dysmenorrhea indication in Japan, Fuji plans the same in ASEAN

Characteristics

- Lower coagulant impact compared with existing products
- Lower interaction among drugs
- Expect better bleeding control
- Lower lipid impact
- Less likely to gain weight

Market

- Thailand, the largest market in ASEAN, has 20 million female population at target age
- Pill penetration ratio is 20% in Thailand (3% in Japan)
- Precise information offering after launch will contribute to better QOL



©2020 Fuji Pharma Co., Ltd. All rights reserved.

*Source: Population estimates and projection in THE WORLD BANK
WORLD contraceptive Use 2020 in United Nations

36

I said that this is a post-Lunabell drug, and it is based on estetrol, a follicular hormone, as an active ingredient. It is a combination with the luteinizing hormone drospirenone.

The characteristics of this compound as a pharmaceutical agent are described on the right. It has less of an impact on the coagulation system than existing drugs. It also has less impact on lipids. Weight increases are unlikely. These are some of the features of this compound.

Therefore, if approved, we expect that patients and medical institutions will be able to use it in Japan as well as in other Asian countries, and benefit from the improved drug profile.

Next is the timetable for developing FSN-13 in Asian countries. In Asia, unlike in Japan, we plan to apply with an indication as an oral contraceptive, as in Europe and the US.

In Asia, there is no need for additional studies if there is any approved data from Europe and the US. Therefore, we will first transfer the data to the application for approval in Thailand as soon as it is approved in Europe or the US. As for the timing, we expect that approval will be received in the US and Europe next spring, so we plan to use this data to begin in Thailand and apply for approval in ASEAN when possible.

Regarding the Thai market, There are about 20 million women in Thailand, and 20% of them use oral contraceptives. I think you can understand that these drugs have a high market penetration compared to Japan, where the figure is 3%.

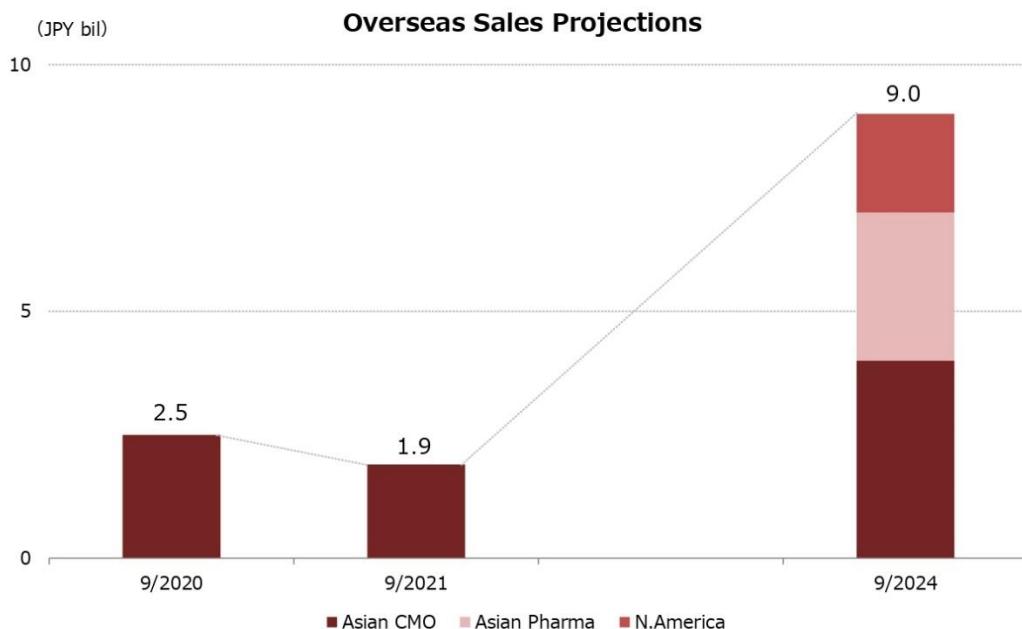
If we are able to bring the drug to market, we would like to contribute to improving quality of life for women by accurately communicating the characteristics I mentioned earlier to healthcare institutions.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

4. Overseas Asia / North America



©2020 Fuji Pharma Co., Ltd. All rights reserved.

37

This slide shows overseas sales.

In the fiscal year ending September 2021, we are working on a slight reduction from the previous period due to the effect of the coronavirus pandemic, but we will continue to aim for the target value for the fiscal year ending September 2024.

I have not discussed it here, but we are currently considering three approaches to Europe and the US. The first is the development of new technologies to meet the needs of patients in Europe and the US. This is being promoted at Toyama's development center. The second is M&A initiatives. Third, I will talk about this next, but we are aiming to advance the consignment business for the US and Europe. With these three points, I believe that we can make significant headway with our expansion into the US and Europe by 2023.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

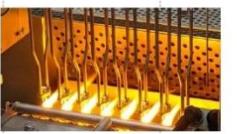
North America
Email Support

1.800.674.8375
support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

33

Capex on Toyama Plant

	2019	2020	2021	2022	2023
New tablet building ● Hormone tablet manufacturing / expand testing capacity ● High containment technology for hormone tablet manufacturing ● Response to PIC/S GMP inspection standards		Ground Breaking (Dec.) 		PV (Jun.) 	
Adding ampoule/vial line ● Expand injection manufacturing capacity ● High containment technology for high pharmaceutical active injection formulation ● Response to PIC/S GMP inspection standards	Ground Breaking 		PV 		
Highly Active Multi-Syringe Line ● Compatible with various syringe formulations and new products ● Expanding CMO business and exports to Europe and US ● Strengthen injection formulation technological Capabilities of Injection Formulations				Ground Breaking (Jun.) 	PV (Dec.)
Management building newly constructed ● Improve operational efficiency on quality related functions and expand capacity ● Strengthen data integrity support	Ground Breaking (Dec.) 		Completion (Sep.)		



©2020 Fuji Pharma Co., Ltd. All rights reserved.

38

This is an overview of capital investment at the Toyama Factory.

The first is the construction of a new production building. In response to the increase in demand for our six main hormone formulations, which I mentioned earlier, this is the most important measure for capital investment to achieve the goals of the medium-term management plan.

Then there is the introduction of ampule/vial dual-use lines. Construction has already begun, and is proceeding smoothly, with production due to start in 2021.

Although we have not yet made a decision, the third objective is to introduce a high-activity multi-syringe line. We have two objectives here. With biosimilars, which will be launched in the future, the first priority is to respond to a wide variety of syringe formulations and new formulations with this in mind. In addition, we have positioned the other factory as a production base for the CMO business for exports to Europe and the US.

We have completed the construction of the Administrative and Welfare Building and have now completed the consolidation of quality control functions.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America
Email Support

1.800.674.8375
support@scriptsasia.com

Sustainability

Promotion of Female Employee activities

- Female manager ratio: Increased from 17% (FY09/20) to 21%. Aiming for 30% by FY9/24.
- Female Executive Officer: From FY09/21, one female executive officer was appointed.
- Female Directors: At the General Shareholders Meeting in December, we will propose to increase two Female Independent Directors.

Donation of Used PCs by OLIC

As part of our social contribution activities, we donated used PCs no longer being used to educational institutions.



Improve workstyles of women! Supporting the "Comfortable Menstruation Project"

The "Comfortable Menstruation Project" was launched by multiple companies' consortiums to improve workstyles of women, aiming to realize the society in which women can work comfortably by promoting correct understanding for women's body and menstruation and improve the literacy of the society as a whole. In addition to us, ASKA Pharmaceutical and Bayer is also participating in this project as sponsor companies.



Healthy Management Initiatives

Caring employees is the foundation of Fuji. We have defined a "Basic Healthy Management Policy", and established a new "Healthy Management Promotion Committee" (chaired by Takayuki Iwai) in FY9/21, to fully implement initiatives towards healthy management.



©2020 Fuji Pharma Co., Ltd. All rights reserved.

39

This is the final slide.

We are involved in various initiatives to contribute to society. We are working to promote women's active participation in society, and working reforms for women. We are also donating used PCs from OLIC.

While our products also contribute to women's health, we are proud to be able to support improvements to quality of life for women in other areas also.

The percentage of female managers rose from 17% in the previous fiscal year to 21% in the current fiscal year. We are currently contributing to a project on working style reform for women, which is being conducted by Nikkei BP. Through these efforts, we aim to create a society where women can work more comfortably.

This is an overview of our efforts in the current fiscal year under the Medium-Term Plan. During this fiscal year, I intend to work with a clear focus toward achieving our quantitative goals for the current fiscal year.

This concludes my presentation.

Nakagawa: Mr. Iwai, Mr. Sato, thank you both for your presentations.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America
Email Support

1.800.674.8375
support@scriptsasia.com

Question & Answer

Nakagawa: We will now move to the question-and-answer session.

The first question is as follows: "Your Company is currently receiving attention as a Sugenomics brand. Please tell us about the impact of fertility treatment insurance coverage on your Company's performance."

Iwai: This is a very difficult question, so I would like to first convey my understanding of the current situation and then comment a little on our views.

First of all, we are aware of the current situation. The government has stated that it is aiming for insurance coverage as early as 2022. In the meantime, we will be expanding the assistance system, and I understand that the study is currently underway.

At the same time, the Ministry of Health, Labour and Welfare is currently conducting a survey of fertility treatment facilities nationwide to ascertain the actual status of standard fertility treatment.

On the other hand, even for drugs and devices deemed to be standard fertility treatments, there is a view that it will not be possible to permit insurance coverage if the efficacy and safety results cannot be confirmed. Regarding drugs used in fertility treatment, we currently anticipate that application for additional approval will be required in advance.

Since the products covered by insurance coverage are not yet clear at present, we are unable to specifically discuss the impact on our results. Either way, we are aware that we will need to respond to the application process for obtaining additional approval.

Nakagawa: Thank you.

The next question: "What are the key points in the fiscal year ending September 2021 toward achieving the goals of the medium-term management plan?"

Iwai: As I mentioned in my presentation today, strengthening and expanding the field of women's healthcare will be the most important part of this. In addition, we will begin the shift of the contrast media business to a sustainable business, and promote the development of biosimilars.

We currently intend to achieve our medium-term management plan by steadily implementing these measures.

Nakagawa: Thank you for your question.

The next question is as follows: "Could you give us some more information about why a deal was agreed with M3? What are the merits of that the deal? Are there any other companies that you have similar agreements with?"

Sato: Thank you for your question. We anticipated two major benefits from the agreement with M3.

The first is joint development, which means that the Company will operate trials with M3 and increase the certainty of development through M3's group companies. In addition, I wrote in the press release about the issue of funding. On the sales side, M3's digital solutions and our network of MRs will be used synergistically to market the target products. This second point is that we will be able to better provide information.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

We are forming alliances with other companies. Our long-term vision is to improve women's well-being, expand into global markets, and contribute to society while providing the best environment we can for our workforce. If we need to form alliances to help us make progress toward our goals, then I think that is something I would want to keep on the table.

Nakagawa: Thank you for your question.

The next question is as follows: "Please tell us why sales of filgrastim were strong in the fiscal year ended September 2020 and why forecast sales are lower in the fiscal year ending September 2021."

Sato: Thank you for your question. Regarding filgrastim, it is quite difficult to explain in detail, but I will explain to the extent that I am able.

Some sales are in-house, and some are through consignment. The consignment element fluctuates depending on the sales volume of the partner Company. This is a major factor.

Nakagawa: Thank you for your question.

The next question: "Why did R&D expenditures in the fiscal year ended September 2020 exceed the forecast?"

Sato: Thank you for your question. I think this is a question about the fact that R&D expenditure exceeded the budget by about JPY200 million.

In addition to the joint development and joint sales announced on November 12, we are considering a variety of joint development projects to enhance value, as I mentioned earlier. Against this backdrop, some companies ceased joint development and switched to independent development, which would have an impact.

In fact, excluding the fact that the joint development was discontinued and switched to independent development, R&D expenditures were kept within the budget. I think it was not that the budget management was inadequate or inappropriate.

Nakagawa: Thank you for your question.

The final question is as follows: "Can you tell us if the impact of the drug price revision in April 2021 has already been incorporated into the budget for the fiscal year ending September 2021?"

Sato: Thank you for your question. As the changes fall within the middle of this fiscal year, it is difficult to know how to incorporate it. In our own judgement of this, we decided to include the drug price revision in the forecast. Overall, we have factored in a figure of about 2%.

Nakagawa: Thank you for your question. We have received so many questions from all of you, but we are very sorry that we are unable to answer everything today. For inquiries after the meeting, please contact the Corporate Planning Department as stated in the explanatory materials.

We will conclude with a few words from Mr. Iwai.

Iwai: Thank you very much for participating in today's financial results briefing session for the year ending September 2020. As well as reviewing the explanatory materials from our presentation, we would be very grateful if you could also take a look at our website.

Thank you very much.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

Nakagawa: This concludes the briefing on Fuji Pharma Co., Ltd.'s financial results for the fiscal year ending September 2020. Thank you very much.

[END]

Document Notes

1. Portions of the document where the audio is unclear are marked with [Inaudible].
2. Portions of the document where the audio is obscured by technical difficulty are marked with [TD].
3. This document has been translated by SCRIPTS Asia.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



Disclaimer

SCRIPTS Asia reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case SCRIPTS Asia shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources SCRIPTS Asia believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, SCRIPTS Asia does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which SCRIPTS Asia's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH SCRIPTS ASIA ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES SCRIPTS ASIA OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY SCRIPTS ASIA. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. SCRIPTS ASIA DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of SCRIPTS Asia's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SCRIPTS Asia. SCRIPTS Asia's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by SCRIPTS Asia at any time without notice.

Copyright © 2020 SCRIPTS Asia Inc. ("SCRIPTS Asia"), except where explicitly indicated otherwise. All rights reserved.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

