

November 6, 2008

**Consolidated Financial Results for the Second Quarter of Fiscal 2008
(Six-Month Period Ended September 30, 2008)**

Listed company name: KAKEN PHARMACEUTICAL Co., Ltd. Listing: Tokyo Stock Exchange First Section
 Stock code number: 4521 (URL: <http://www.kaken.co.jp>)
 Representative: Shiro Inui, President and Representative Director
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 Scheduled Date to Submit the Quarterly Securities Report: November 14, 2008
 Scheduled Date to Commence Dividends Payment: December 4, 2008

(Figures less than one million yen have been omitted)

1. Consolidated Financial Results for the Six-Month Period of Fiscal 2008 (April 1, 2008 to September 30, 2008)

(1) Consolidated Results of Operations (cumulative)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)
Six-Month period of fiscal 2008	41,103	-	5,941	-	5,796	-
Six-Month period of fiscal 2007	39,523	4.4	5,339	28.0	5,092	28.8

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Six-Month period of fiscal 2008	3,410	-	33.67	-
Six-Month period of fiscal 2007	2,823	10.2	26.42	26.16

(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, 2008	93,416	58,473	62.6	581.10
As of March 31, 2008	93,856	57,447	61.2	567.02

Reference:

Equity:

As of September 30, 2008: ¥ 58,473 million

As of March 31, 2008: ¥ 57,447 million

2. Dividends

(Record date)	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal 2007	-	10.00	-	10.00	20.00
Fiscal 2008	-	13.00	-	-	-
Fiscal 2008 (Forecast)	-	-	-	13.00	26.00

Note: Revision to the dividend forecast in the Six-Month Period of Fiscal 2008: None

3. Forecast of Consolidated Financial Results for Fiscal 2008 (April 1, 2008 to March 31, 2009)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	83,500	4.5	10,500	6.7	10,100	8.0	6,100	19.5	60.62

Note: Revision to the forecast of consolidated financial results in the Six-Month Period of Fiscal 2008: None

4. Others

- (1) Significant changes of subsidiaries during the period (Changes of specified subsidiaries followed by changes in the scope of consolidation): None
- (2) Adoption of simplified accounting methods and special accounting treatment for preparing quarterly consolidated financial statements: Yes
- (3) Changes in the accounting principles, accounting procedures, presentation, etc., related to the preparation of quarterly consolidated financial statements (to be described in the changes of significant matters that constitute the bases for the preparation of quarterly consolidated financial statements):
 - 1) Changes related to amendments of accounting standards, etc.: Yes
 - 2) Changes other than above 1): None
- (4) Issued shares (Common stock)
 - 1) Number of shares issued (including treasury stock) at the period end

Six-Month period of fiscal 2008	101,879,461 shares
Fiscal 2007	114,879,461 shares
 - 2) Number of treasury stock at the period end

Six-Month period of fiscal 2008	1,254,334 shares
Fiscal 2007	13,564,112 shares
 - 3) Average number of shares during the period

Six-Month period of fiscal 2008	101,293,180 shares
Six-Month period of fiscal 2007	106,880,693 shares

* Explanation for the appropriate use of performance forecasts and other special notes:

1. The forecast figures shown above are based on information that was available at the time of preparation of this material and may contain certain uncertainties. Actual performance may differ from these forecasts due to changes in circumstances and other various factors.

2. Effective April 1, 2008, the "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12) and the "Implementation Guidance for Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14) have been adopted. The quarterly consolidated financial statements are prepared in accordance with "Regulations for Quarterly Consolidated Financial Statements."

5. Consolidated Financial Results for the Six-Month Period of Fiscal 2008

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2008 (As of September 30, 2008)	Fiscal 2007 (As of March 31, 2008) (Summary)
ASSETS		
Current assets		
Cash on hand and at bank	8,303	8,288
Notes and accounts receivable-trade	27,254	28,043
Marketable securities	4,598	4,097
Merchandise and finished goods	4,832	4,599
Work in process	1,700	1,692
Raw materials and supplies	3,457	3,646
Other current assets	3,129	2,841
Allowance for doubtful receivables	(7)	(6)
Total current assets	53,269	53,203
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,473	18,227
Other property, plant and equipment	6,942	6,924
Total property, plant and equipment	25,416	25,151
Intangible non-current assets	473	495
Investment and other assets		
Investment securities	6,556	7,733
Other assets	7,702	7,274
Allowance for doubtful receivables	(0)	(0)
Total investment and other assets	14,257	15,007
Total non-current assets	40,147	40,653
TOTAL ASSETS	93,416	93,856

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2008 (As of September 30, 2008)	Fiscal 2007 (As of March 31, 2008) (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	12,712	13,380
Short-term bank loans payable	7,210	5,380
Current portion of long-term bank loans payable	-	3,000
Accrued income taxes	2,471	2,092
Allowance		
Accrued bonuses	1,112	1,155
Other allowance	488	543
Other current liabilities	4,573	4,730
Total current liabilities	28,568	30,282
Non-current liabilities		
Allowance		
Accrued retirement benefits for employees	5,398	5,100
Other allowance	329	303
Other non-current liabilities	646	722
Total non-current liabilities	6,374	6,125
TOTAL LIABILITIES	34,942	36,408
NET ASSETS		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,587	22,727
Retained earnings	23,838	21,440
Treasury stock	(1,123)	(11,618)
Total shareholders' equity	58,156	56,403
Valuation and translation adjustments		
Net unrealized gain on valuation of other securities, net of taxes	327	1,045
Deferred hedge gain (loss)	(10)	(0)
Total valuation and translation adjustments	317	1,044
TOTAL NET ASSETS	58,473	57,447
TOTAL LIABILITIES AND NET ASSETS	93,416	93,856

(2) Consolidated Statement of Income
(Six-Month Period of Fiscal 2008)

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2008 (April 1, 2008 – September 30, 2008)
Net sales	41,103
Cost of sales	21,058
Gross profit	20,045
Selling, general and administrative expenses	
Promotion expense	720
Salaries	3,840
Bonuses	10
Provision for accrued bonuses	713
Welfare expense	589
Retirement benefit expense	516
Rent expense	836
Traveling and transportation expenses	754
Research and development expenses	3,477
Other selling, general and administrative expenses	2,643
Total selling, general and administrative expenses	14,103
Operating income	5,941
Non-operating income	
Interest income	25
Dividend income	73
Insurance income	51
Other non-operating income	59
Total non-operating income	210
Non-operating expense	
Interest expense	76
Amortization of net retirement benefit obligation at transition	262
Other non-operating expense	16
Total non-operating expense	355
Ordinary income	5,796
Extraordinary income	
Gain on sales of investment securities	32
Other extraordinary income	0
Total extraordinary income	33
Extraordinary losses	
Loss on disposal of non-current assets	42
Loss on devaluation of golf club membership	21
Other extraordinary losses	5
Total extraordinary losses	69
Income before income taxes	5,760
Income taxes	2,349
Net income	3,410

(3) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2008 (April 1, 2008 – September 30, 2008)
Cash flows from operating activities	
Income before income taxes	5,760
Depreciation	1,133
Amortization of long-term prepaid expenses	71
Increase (Decrease) in accrued retirement benefits for employees	279
Interest and dividend income	(99)
Interest expense	76
Loss on devaluation of golf club membership	21
Loss (Gain) on sales of investment securities	(32)
Loss on disposal of property, plant and equipment	42
Decrease (Increase) in notes and accounts receivable -trade	788
Decrease (Increase) in inventories	(51)
Increase (Decrease) in notes and accounts payable -trade	(668)
Increase (Decrease) in accrued consumption taxes	106
Other, net	(631)
Subtotal	6,796
Interest and dividends received	99
Interest paid	(72)
Income taxes (paid) refunded	(1,915)
Net cash provided by operating activities	4,907
Cash flows from investing activities	
Purchase of property, plant and equipment	(1,479)
Purchase of intangible non-current assets	(72)
Purchase of investment securities	(187)
Proceeds from sales of investment securities	187
Payment of long-term prepaid expenses	(15)
Other, net	2
Net cash used in investing activities	(1,564)
Cash flows from financing activities	
Proceeds from short-term bank loans payable	1,830
Repayment of long-term bank loans payable	(3,000)
Net decrease (increase) in treasury stock	(644)
Cash dividends paid	(1,012)
Net cash used in financing activities	(2,827)
Effect of exchange rate changes on cash and cash equivalents	-
Net increase (decrease) in cash and cash equivalents	515
Cash and cash equivalents at beginning of period	12,386
Cash and cash equivalents at end of period	12,902