

May 12, 2009

## Consolidated Financial Results for the Year Ended March 31, 2009

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  
 Contact: Takao Endo, Executive Director and General Manager of General Affairs Department  
 Telephone: +81-3-5977-5002  
 Scheduled Date to Hold the Ordinary General Meeting of Shareholders June 26, 2009  
 Scheduled Date to Commence Dividends Payment June 29, 2009  
 Scheduled Date to Submit the Securities Report June 26, 2009

(Figures less than one million yen have been omitted)

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

#### (1) Consolidated Results of Operations

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)
Fiscal 2008	82,930	3.7	10,629	8.0	10,298	10.1	5,579	9.3
Fiscal 2007	79,934	4.6	9,842	21.3	9,351	22.0	5,106	10.9

	Basic net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	(Yen)	(Yen)	Change (%)	Change (%)	Change (%)
Fiscal 2008	55.61	-	9.8	10.9	12.8
Fiscal 2007	48.35	48.11	8.7	9.6	12.3

Reference:

Equity in earnings (losses) of affiliates:

Fiscal 2008: ¥ - million

Fiscal 2007: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2008	94,504	56,679	60.0	577.27
Fiscal 2007	93,856	57,447	61.2	567.02

Reference:

Equity:

Fiscal 2008: ¥ 56,679 million

Fiscal 2007: ¥ 57,447 million

### (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 fiscal year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2008	8,472	(2,571)	(5,730)	12,556
Fiscal 2007	10,014	(1,726)	(7,815)	12,386

### 2. Dividends

(Record date)	Cash dividends per share					Total amount of cash dividends (Annual) (Millions of yen)	Payout ratio (Consolidated) (%)	Ratio of dividends to net assets (Consolidated) (%)
	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	2,076	41.4	3.5
Fiscal 2008	-	13.00	-	13.00	26.00	2,584	46.8	4.5
Fiscal 2009 (Forecast)	-	15.00	-	15.00	30.00		45.3	

### 3. Forecast of Consolidated Results for Fiscal 2009 (April 1, 2009 to March 31, 2010)

(Percentage figures indicate changes from the same period of 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)
Six months	42,700	3.9	6,100	2.7	5,800	0.1	3,500	2.6	35.65
Full year	86,100	3.8	11,300	6.3	10,800	4.9	6,500	16.5	66.20

### 4. Others

- (1) Significant changes of subsidiaries during the year (Changes of specified subsidiaries followed by changes in the scope of consolidation): None
- (2) Changes in the accounting principles, accounting procedures, presentation, etc., related to the preparation of consolidated financial statements (to be described in the changes of significant matters that constitute the bases for the preparation of consolidated financial statements):
- 1) Changes related to amendments of accounting standards, etc.: Yes
- 2) Changes other than above 1): None
- (3) Issued shares (Common stock)
- 1) Number of shares issued (including treasury stock) at the year end
- |             |                    |             |                    |
|-------------|--------------------|-------------|--------------------|
| Fiscal 2008 | 101,879,461 shares | Fiscal 2007 | 114,879,461 shares |
|-------------|--------------------|-------------|--------------------|
- 2) Number of treasury stock at the year end
- |             |                  |             |                   |
|-------------|------------------|-------------|-------------------|
| Fiscal 2008 | 3,695,041 shares | Fiscal 2007 | 13,564,112 shares |
|-------------|------------------|-------------|-------------------|

(Reference) Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for Fiscal 2008 (April 1, 2008 to March 31, 2009)**

**(1) Non-consolidated Results of Operations**

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)
Fiscal 2008	81,070	3.7	9,971	8.1	9,756	10.2	5,267	9.4
Fiscal 2007	78,196	4.8	9,221	22.3	8,852	22.0	4,815	9.8

	Basic net income per share	Diluted net income per share
	(Yen)	(Yen)
Fiscal 2008	52.49	-
Fiscal 2007	45.60	45.38

**(2) Non-consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2008	97,279	60,200	61.9	613.13
Fiscal 2007	97,031	61,281	63.2	604.86

Reference:

Equity:

Fiscal 2008: ¥ 60,200 million

Fiscal 2007: ¥ 61,281 million

**2. Forecast of Non-consolidated Results for Fiscal 2009 (April 1, 2009 to March 31, 2010)**

(Percentage figures indicate changes from the same period of 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)
Six months	41,700	4.0	5,700	1.5	5,500	(0.5)	3,300	1.2	33.61
Full year	84,200	3.9	10,700	7.3	10,300	5.6	6,200	17.7	63.14

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

(Attention to descriptions, etc. of future events)

The performance forecasts and other descriptions on future events presented in this material are based on information that was available when this material was prepared and based on certain assumptions considered to be reasonable. The actual performance, etc. may differ from these forecasts.

**4. Consolidated Financial Results for Fiscal 2008**  
**(1) Consolidated Balance Sheets**

(Unit: Millions of yen)

	Fiscal 2007 (As of March 31, 2008)	Fiscal 2008 (As of March 31, 2009)
<b>ASSETS</b>		
Current assets		
Cash on hand and at bank	8,288	10,155
Notes and accounts receivable-trade	28,043	28,347
Marketable securities	4,097	2,401
Inventories	9,938	-
Merchandise and finished goods	-	5,670
Work in process	-	1,676
Raw materials and supplies	-	3,599
Deferred tax assets	1,192	1,319
Other current assets	1,649	1,768
Allowance for doubtful receivables	(6)	(7)
Total current assets	53,203	54,931
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,543	36,485
Accumulated depreciation	(17,316)	(18,324)
Buildings and structures, net	18,227	18,161
Machinery, equipment and vehicle	12,936	13,565
Accumulated depreciation	(10,914)	(11,458)
Machinery, equipment and vehicle, net	2,021	2,106
Tools, furniture and fixtures	5,915	5,911
Accumulated depreciation	(4,919)	(4,972)
Tools, furniture and fixtures, net	995	939
Land	3,362	3,762
Construction in progress	543	925
Total property, plant and equipment	25,151	25,895
Intangible non-current assets	495	448
Investment and other assets		
Investment securities	7,733	5,042
Long-term loans receivable	149	129
Long-term prepaid expenses	297	209
Deferred tax assets	4,221	5,276
Other assets	2,606	2,570
Allowance for doubtful receivables	(0)	(0)
Total investment and other assets	15,007	13,228
Total non-current assets	40,653	39,572
<b>TOTAL ASSETS</b>	<b>93,856</b>	<b>94,504</b>

(Unit: Millions of yen)

	Fiscal 2007 (As of March 31, 2008)	Fiscal 2008 (As of March 31, 2009)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable-trade	13,380	13,172
Short-term bank loans payable	5,380	7,910
Current portion of long-term bank loans payable	3,000	-
Accounts payable-other	3,318	4,242
Accrued expenses	616	648
Accrued income taxes	2,092	2,564
Deferred tax liabilities	0	0
Accrued consumption taxes	163	315
Accrued bonuses	1,155	1,162
Reserve for bonuses to directors and corporate auditors	60	60
Accrued sales returns	16	20
Accrued sales rebates	466	485
Notes payable-facilities	327	431
Other current liabilities	304	224
Total current liabilities	30,282	31,237
Non-current liabilities		
Deferred tax liabilities	210	200
Accrued retirement benefits for employees	5,100	5,598
Accrued retirement benefits for directors and corporate auditors	303	357
Other non-current liabilities	511	431
Total non-current liabilities	6,125	6,588
<b>TOTAL LIABILITIES</b>	<b>36,408</b>	<b>37,825</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	22,727	11,587
Retained earnings	21,440	24,698
Treasury stock	(11,618)	(3,417)
Total shareholders' equity	56,403	56,722
Valuation and translation adjustments		
Net unrealized gain on valuation of other securities, net of taxes	1,045	(43)
Deferred hedge gain (loss)	(0)	-
Total valuation and translation adjustments	1,044	(43)
<b>TOTAL NET ASSETS</b>	<b>57,447</b>	<b>56,679</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>93,856</b>	<b>94,504</b>

**(2) Consolidated Statements of Income**

(Unit: Millions of yen)

	Fiscal 2007 (April 1, 2007 – March 31, 2008)	Fiscal 2008 (April 1, 2008 – March 31, 2009)
Net sales	79,934	82,930
Costs of sales	41,246	43,140
Gross profit	38,687	39,789
Reversal of accrued sales returns	10	-
Provision for accrued sales returns	-	3
Gross profit, net	38,697	39,786
Selling, general and administrative expenses		
Advertising expenses	627	714
Promotion expense	1,858	1,421
License fee	474	431
Provision of allowance for doubtful receivables	-	0
Salaries	7,686	7,714
Bonuses	1,012	928
Provision for accrued bonuses	763	722
Provision for reserve for bonuses to directors and corporate auditors	60	60
Welfare expense	1,234	1,228
Retirement benefit expense	788	1,032
Provision for accrued retirement benefits for directors and corporate auditors	51	54
Rent expense	1,843	1,651
Traveling and transportation expenses	1,435	1,438
Research and development expenses	6,808	7,696
Depreciation	174	193
Other selling, general and administrative expenses	4,037	3,867
Total selling, general and administrative expenses	28,855	29,156
Operating income	9,842	10,629
Non-operating income		
Interest income	42	41
Dividend income	115	120
Insurance income	-	53
Comprehensive purchase rebates	75	-
Distribution of residual property	-	39
Other non-operating income	96	101
Total non-operating income	331	357
Non-operating expense		
Interest expense	145	130
Amortization of net retirement benefit obligation at transition	524	524
Other non-operating expense	152	32
Total non-operating expense	822	687
Ordinary income	9,351	10,298

(Unit: Millions of yen)

	Fiscal 2007 (April 1, 2007 – March 31, 2008)	Fiscal 2008 (April 1, 2008 – March 31, 2009)
Extraordinary income		
Gain on sales of non-current assets	448	0
Gain on sales of investment securities	48	32
Other extraordinary income	1	-
Total extraordinary income	497	33
Extraordinary losses		
Loss on disposal of non-current assets	136	80
Loss on sales of investment securities	-	436
Loss on devaluation of investment securities	209	398
Loss on disposal of inventories	896	-
Loss on devaluation of golf club membership	0	56
Other extraordinary losses	0	5
Total extraordinary losses	1,245	977
Income before income taxes	8,603	9,354
Income taxes-current	3,496	4,221
Income taxes-deferred	1	(446)
Total income taxes	3,497	3,774
Net income	5,106	5,579

**(3) Consolidated Statements of Changes in Net Assets**

(Unit: Millions of yen)

	Fiscal 2007 (April 1, 2007 – March 31, 2008)	Fiscal 2008 (April 1, 2008 – March 31, 2009)
Shareholders' equity		
Common stock		
Balance at the end of previous period	23,348	23,853
Changes of items during the period		
Issuance of shares	504	-
Total changes of items during the period	504	-
Balance at the end of current period	23,853	23,853
Capital surplus		
Balance at the end of previous period	22,226	22,727
Changes of items during the period		
Issuance of shares	501	-
Treasury stock disposition	(0)	0
Retirement of treasury stock	-	(11,141)
Total changes of items during the period	500	(11,140)
Balance at the end of current period	22,727	11,587
Retained earnings		
Balance at the end of previous period	18,305	21,440
Changes of items during the period		
Distribution of surplus	(1,971)	(2,321)
Net income	5,106	5,579
Total changes of items during the period	3,135	3,258
Balance at the end of current period	21,440	24,698
Treasury stock		
Balance at the end of previous period	(5,771)	(11,618)
Changes of items during the period		
Purchase of treasury stock	(5,857)	(2,966)
Treasury stock disposition	10	26
Retirement of treasury stock	-	11,141
Total changes of items during the period	(5,847)	8,200
Balance at the end of current period	(11,618)	(3,417)
Total shareholders' equity		
Balance at the end of previous period	58,110	56,403
Changes of items during the period		
Issuance of shares	1,006	-
Distribution of surplus	(1,971)	(2,321)
Net income	5,106	5,579
Purchase of treasury stock	(5,857)	(2,966)
Treasury stock disposition	9	27
Total changes of items during the period	(1,707)	319
Balance at the end of current period	56,403	56,722



(Unit: Millions of yen)

	Fiscal 2007 (April 1, 2007 – March 31, 2008)	Fiscal 2008 (April 1, 2008 – March 31, 2009)
Valuation and translation adjustments		
Net unrealized gain on valuation of other securities, net of taxes		
Balance at the end of previous period	2,321	1,045
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,276)	(1,088)
Total changes of items during the period	(1,276)	(1,088)
Balance at the end of current period	1,045	(43)
Deferred hedge gain (loss)		
Balance at the end of previous period	1	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2)	0
Total changes of items during the period	(2)	0
Balance at the end of current period	(0)	-
Total valuation and translation adjustments		
Balance at the end of previous period	2,323	1,044
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,278)	(1,087)
Total changes of items during the period	(1,278)	(1,087)
Balance at the end of current period	1,044	(43)
Total net assets		
Balance at the end of previous period	60,433	57,447
Changes of items during the period		
Issuance of shares	1,006	-
Distribution of surplus	(1,971)	(2,321)
Net income	5,106	5,579
Purchase of treasury stock	(5,857)	(2,966)
Treasury stock disposition	9	27
Net changes of items other than shareholders' equity	(1,278)	(1,087)
Total changes of items during the period	(2,985)	(768)
Balance at the end of current period	57,447	56,679

**(4) Consolidated Statements of Cash Flows**

(Unit: Millions of yen)

	Fiscal 2007 (April 1, 2007 – March 31, 2008)	Fiscal 2008 (April 1, 2008 – March 31, 2009)
Cash flows from operating activities		
Income before income taxes	8,603	9,354
Depreciation	2,280	2,407
Amortization of long-term prepaid expenses	327	135
Increase (Decrease) in accrued retirement benefits for employees	(244)	456
Interest and dividend income	(158)	(161)
Interest expense	145	130
Loss on devaluation of golf club membership	0	56
Loss (Gain) on sales of investment securities	(48)	403
Loss (Gain) on devaluation of investment securities	209	398
Loss on disposal of property, plant and equipment	136	80
Loss (Gain) on sales of property, plant and equipment	(448)	(0)
Decrease (Increase) in notes and accounts receivable-trade	6,586	(304)
Decrease (Increase) in inventories	(811)	(1,008)
Increase (Decrease) in notes and accounts payable-trade	(1,766)	(208)
Increase (Decrease) in accounts payable-other	(998)	-
Increase (Decrease) in accrued consumption taxes	(104)	152
Other, net	236	300
Subtotal	13,948	12,192
Interest and dividends received	155	162
Interest paid	(145)	(126)
Income taxes (paid) refunded	(3,943)	(3,755)
Net cash provided by operating activities	10,014	8,472
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,183)	(2,577)
Proceeds from sales of property, plant and equipment	528	0
Purchase of intangible non-current assets	(200)	(82)
Purchase of investment securities	(2)	(457)
Proceeds from sales of investment securities	348	501
Payment of long-term prepaid expenses	(315)	(47)
Other, net	99	89
Net cash used in investing activities	(1,726)	(2,571)
Cash flows from financing activities		
Proceeds from short-term bank loans payable	-	2,530
Repayment of long-term bank loans payable	-	(3,000)
Net decrease (increase) in treasury stock	(5,848)	(2,939)
Cash dividends paid	(1,967)	(2,320)
Net cash used in financing activities	(7,815)	(5,730)
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	472	170
Cash and cash equivalents at beginning of fiscal year	11,914	12,386
Cash and cash equivalents at end of fiscal year	12,386	12,556