

November 5, 2009

**Consolidated Financial Results for the Second Quarter of Fiscal 2009
(Six-Month Period Ended September 30, 2009)**

Listed company name: KAKEN PHARMACEUTICAL Co., Ltd. Listing: Tokyo Stock Exchange First Section
 Stock code number: 4521 (URL: <http://www.kaken.co.jp>)
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 Scheduled Date to Submit the Quarterly Securities Report: November 12, 2009
 Scheduled Date to Commence Dividends Payment: December 3, 2009

(Figures less than one million yen have been omitted)

1. Consolidated Financial Results for the Six-Month Period of Fiscal 2009 (April 1, 2009 to September 30, 2009)

(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 2009	42,342	3.0	6,064	2.1	5,806	0.2
Six-Month period of fiscal 2008	41,103	-	5,941	-	5,796	-

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Six-Month period of fiscal 2009	3,516	3.1	35.82	-
Six-Month period of fiscal 2008	3,410	-	33.67	-

(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, 2009	96,649	59,541	61.6	606.50
As of March 31, 2009	94,504	56,679	60.0	577.27

Reference:

Equity:

As of September 30, 2009: ¥ 59,541 million

As of March 31, 2009: ¥ 56,679 million

2. Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal 2008	-	13.00	-	13.00	26.00
Fiscal 2009	-	15.00			
Fiscal 2009 (Forecast)			-	15.00	30.00

Note: Revision to the dividend forecast: None

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

(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	86,100	3.8	11,300	6.3	10,800	4.9	6,500	16.5	66.21

Note: Revision to the forecast of consolidated financial results: 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.: None
 - 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 2009	101,879,461 shares
Fiscal 2008	101,879,461 shares
 - 2) Number of treasury stock at the period end

Six-Month period of fiscal 2009	3,706,932 shares
Fiscal 2008	3,695,041 shares
 - 3) Average number of shares during the period

Six-Month period of fiscal 2009	98,179,371 shares
Six-Month period of fiscal 2008	101,293,180 shares

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

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.

5. Consolidated Financial Results for the Six-Month Period of Fiscal 2009

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2009 (As of September 30, 2009)	Fiscal 2008 (As of March 31, 2009) (Summary)
ASSETS		
Current assets		
Cash on hand and at bank	8,510	10,155
Notes and accounts receivable-trade	28,934	28,347
Marketable securities	5,902	2,401
Merchandise and finished goods	5,630	5,670
Work in process	1,738	1,676
Raw materials and supplies	3,382	3,599
Other current assets	3,007	3,087
Allowance for doubtful receivables	(6)	(7)
Total current assets	57,098	54,931
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,028	18,161
Other property, plant and equipment, net	7,588	7,734
Total property, plant and equipment	25,617	25,895
Intangible non-current assets	415	448
Investment and other assets		
Investment securities	6,085	5,042
Other assets	7,432	8,185
Allowance for doubtful receivables	(0)	(0)
Total investment and other assets	13,517	13,228
Total non-current assets	39,550	39,572
TOTAL ASSETS	96,649	94,504

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2009 (As of September 30, 2009)	Fiscal 2008 (As of March 31, 2009) (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	12,806	13,172
Short-term bank loans payable	8,510	7,910
Accrued income taxes	2,440	2,564
Allowance		
Accrued bonuses	1,102	1,162
Other allowance	500	565
Other current liabilities	5,167	5,862
Total current liabilities	30,527	31,237
Non-current liabilities		
Allowance		
Accrued retirement benefits for employees	5,588	5,598
Other allowance	367	357
Other non-current liabilities	624	631
Total non-current liabilities	6,580	6,588
TOTAL LIABILITIES	37,107	37,825
NET ASSETS		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	26,938	24,698
Treasury stock	(3,427)	(3,417)
Total shareholders' equity	58,952	56,722
Valuation and translation adjustments		
Net unrealized gain on valuation of other securities, net of taxes	589	(43)
Total valuation and translation adjustments	589	(43)
TOTAL NET ASSETS	59,541	56,679
TOTAL LIABILITIES AND NET ASSETS	96,649	94,504

(2) Consolidated Statements of Income
(Six-Month Period of Fiscal 2008 and 2009)

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2008 (April 1, 2008 – September 30, 2008)	Six-Month Period of Fiscal 2009 (April 1, 2009 – September 30, 2009)
Net sales	41,103	42,342
Cost of sales	21,058	21,897
Gross profit	20,045	20,444
Selling, general and administrative expenses		
Promotion expense	720	563
Salaries	3,840	3,840
Bonuses	10	8
Provision for accrued bonuses	713	695
Welfare expense	589	580
Retirement benefit expense	516	682
Rent expense	836	784
Traveling and transportation expenses	754	670
Research and development expenses	3,477	3,994
Other selling, general and administrative expenses	2,643	2,558
Total selling, general and administrative expenses	14,103	14,379
Operating income	5,941	6,064
Non-operating income		
Interest income	25	9
Dividend income	73	57
Insurance income	51	1
Other non-operating income	59	28
Total non-operating income	210	96
Non-operating expense		
Interest expense	76	51
Amortization of net retirement benefit obligation at transition	262	262
Other non-operating expense	16	40
Total non-operating expense	355	354
Ordinary income	5,796	5,806
Extraordinary income		
Gain on sales of investment securities	32	68
Gain on redemption of golf club membership	-	26
Other extraordinary income	0	0
Total extraordinary income	33	95
Extraordinary losses		
Loss on disposal of non-current assets	42	72
Loss on devaluation of golf club membership	21	0
Other extraordinary losses	5	-
Total extraordinary losses	69	72
Income before income taxes	5,760	5,829
Income taxes	2,349	2,313
Net income	3,410	3,516

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2008 (April 1, 2008 – September 30, 2008)	Six-Month Period of Fiscal 2009 (April 1, 2009 – September 30, 2009)
Cash flows from operating activities		
Income before income taxes	5,760	5,829
Depreciation	1,133	1,175
Amortization of long-term prepaid expenses	71	63
Increase (Decrease) in accrued retirement benefits for employees	279	233
Interest and dividend income	(99)	(66)
Interest expense	76	51
Loss on devaluation of golf club membership	21	0
Loss (Gain) on sales of investment securities	(32)	(68)
Loss on disposal of property, plant and equipment	42	72
Decrease (Increase) in notes and accounts receivable -trade	788	(587)
Decrease (Increase) in inventories	(51)	195
Increase (Decrease) in notes and accounts payable -trade	(668)	(366)
Increase (Decrease) in accrued consumption taxes	106	9
Other, net	(631)	(80)
Subtotal	6,796	6,460
Interest and dividends received	99	67
Interest paid	(72)	(51)
Income taxes (paid) refunded	(1,915)	(2,453)
Net cash provided by operating activities	4,907	4,023
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,479)	(1,541)
Purchase of intangible non-current assets	(72)	(74)
Purchase of investment securities	(187)	(232)
Proceeds from sales of investment securities	187	325
Payment of long-term prepaid expenses	(15)	(12)
Other, net	2	52
Net cash used in investing activities	(1,564)	(1,483)
Cash flows from financing activities		
Proceeds from short-term bank loans payable	1,830	600
Repayment of long-term bank loans payable	(3,000)	-
Net decrease (increase) in treasury stock	(644)	(9)
Cash dividends paid	(1,012)	(1,274)
Net cash used in financing activities	(2,827)	(684)
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	515	1,855
Cash and cash equivalents at beginning of period	12,386	12,556
Cash and cash equivalents at end of period	12,902	14,412