

February 4, 2010

**Consolidated Financial Results for the Third Quarter of Fiscal 2009
(Nine-Month Period Ended December 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
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 Scheduled Date to Submit the Quarterly Securities Report: February 10, 2010
 Scheduled Date to Commence Dividends Payment: -

(Figures less than one million yen have been omitted)

1. Consolidated Financial Results for the Nine-Month Period of Fiscal 2009 (April 1, 2009 to December 31, 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 (%)
Nine-Month period of fiscal 2009	65,925	2.8	10,471	8.0	10,104	6.9
Nine-Month period of fiscal 2008	64,125	-	9,695	-	9,448	-

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Nine-Month period of fiscal 2009	6,106	15.8	62.20	-
Nine-Month period of fiscal 2008	5,271	-	52.22	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of December 31, 2009	101,105	59,643	59.0	613.27
As of March 31, 2009	94,504	56,679	60.0	577.27

Reference:

Equity:

As of December 31, 2009: ¥ 59,643 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	66.83

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): Yes
- (4) Issued shares (Common stock)
 - 1) Number of shares issued (including treasury stock) at the period end

Nine-Month period of fiscal 2009	101,879,461 shares
Fiscal 2008	101,879,461 shares
 - 2) Number of treasury stock at the period end

Nine-Month period of fiscal 2009	4,624,335 shares
Fiscal 2008	3,695,041 shares
 - 3) Average number of shares during the period

Nine-Month period of fiscal 2009	98,176,637 shares
Nine-Month period of fiscal 2008	100,933,925 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 Nine-Month Period of Fiscal 2009

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2009 (As of December 31, 2009)	Fiscal 2008 (As of March 31, 2009) (Summary)
ASSETS		
Current assets		
Cash on hand and at bank	8,591	10,155
Notes and accounts receivable-trade	35,682	28,347
Marketable securities	5,102	2,401
Merchandise and finished goods	5,791	5,670
Work in process	1,776	1,676
Raw materials and supplies	2,775	3,599
Other current assets	3,038	3,087
Allowance for doubtful receivables	(8)	(7)
Total current assets	62,750	54,931
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,789	18,161
Other property, plant and equipment, net	7,506	7,734
Total property, plant and equipment	25,296	25,895
Intangible non-current assets	382	448
Investment and other assets		
Investment securities	5,156	5,042
Other assets	7,518	8,185
Allowance for doubtful receivables	(0)	(0)
Total investment and other assets	12,675	13,228
Total non-current assets	38,354	39,572
TOTAL ASSETS	101,105	94,504

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2009 (As of December 31, 2009)	Fiscal 2008 (As of March 31, 2009) (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	17,105	13,172
Short-term bank loans payable	8,510	7,910
Accrued income taxes	2,026	2,564
Allowance		
Accrued bonuses	673	1,162
Other allowance	601	565
Other current liabilities	5,840	5,862
Total current liabilities	34,757	31,237
Non-current liabilities		
Allowance		
Accrued retirement benefits for employees	5,728	5,598
Other allowance	380	357
Other non-current liabilities	594	631
Total non-current liabilities	6,704	6,588
TOTAL LIABILITIES	41,461	37,825
NET ASSETS		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	28,056	24,698
Treasury stock	(4,131)	(3,417)
Total shareholders' equity	59,365	56,722
Valuation and translation adjustments		
Net unrealized gain on valuation of other securities, net of taxes	276	(43)
Deferred hedge gain (loss)	2	-
Total valuation and translation adjustments	278	(43)
TOTAL NET ASSETS	59,643	56,679
TOTAL LIABILITIES AND NET ASSETS	101,105	94,504

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

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2008 (April 1, 2008 – December 31, 2008)	Nine-Month Period of Fiscal 2009 (April 1, 2009 – December 31, 2009)
Net sales	64,125	65,925
Cost of sales	33,124	33,994
Gross profit	31,001	31,930
Selling, general and administrative expenses		
Promotion expense	1,132	891
Salaries	5,765	5,759
Bonuses	15	-
Provision for accrued bonuses	1,150	-
Bonuses and provision for accrued bonuses	-	1,166
Welfare expense	858	836
Retirement benefit expense	774	1,023
Rent expense	1,244	1,165
Traveling and transportation expenses	1,111	967
Research and development expenses	5,235	5,825
Other selling, general and administrative expenses	4,018	3,822
Total selling, general and administrative expenses	21,305	21,458
Operating income	9,695	10,471
Non-operating income		
Interest income	34	13
Dividend income	113	87
Other non-operating income	147	48
Total non-operating income	296	148
Non-operating expense		
Interest expense	103	75
Amortization of net retirement benefit obligation at transition	393	393
Other non-operating expense	45	45
Total non-operating expense	543	515
Ordinary income	9,448	10,104
Extraordinary income		
Gain on sales of investment securities	32	68
Gain on redemption of golf club membership	-	26
Other extraordinary income	0	-
Total extraordinary income	33	95
Extraordinary losses		
Loss on disposal of non-current assets	63	104
Loss on sales of investment securities	436	-
Loss on devaluation of investment securities	33	-
Loss on devaluation of golf club membership	47	0
Other extraordinary losses	5	-
Total extraordinary losses	585	104
Income before income taxes	8,896	10,095
Income taxes	3,625	3,988
Net income	5,271	6,106

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2008 (April 1, 2008 – December 31, 2008)	Nine-Month Period of Fiscal 2009 (April 1, 2009 – December 31, 2009)
Cash flows from operating activities		
Income before income taxes	8,896	10,095
Depreciation	1,754	1,791
Amortization of long-term prepaid expenses	102	91
Increase (Decrease) in accrued retirement benefits for employees	464	492
Interest and dividend income	(148)	(100)
Interest expense	103	75
Loss on devaluation of golf club membership	47	0
Loss (Gain) on sales of investment securities	403	(68)
Loss (Gain) on devaluation of investment securities	33	-
Loss on disposal of property, plant and equipment	63	88
Decrease (Increase) in notes and accounts receivable -trade	(6,820)	(7,335)
Decrease (Increase) in inventories	(804)	603
Increase (Decrease) in notes and accounts payable -trade	4,228	3,932
Increase (Decrease) in accrued consumption taxes	274	253
Other, net	134	198
Subtotal	8,733	10,118
Interest and dividends received	150	102
Interest paid	(99)	(75)
Income taxes (paid) refunded	(3,752)	(4,556)
Net cash provided by operating activities	5,030	5,589
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,096)	(2,031)
Purchase of intangible non-current assets	(76)	(101)
Purchase of investment securities	(187)	(331)
Proceeds from sales of investment securities	501	325
Proceeds from redemption of investment securities	-	500
Payment of long-term prepaid expenses	(25)	(25)
Other, net	52	48
Net cash used in investing activities	(1,832)	(1,617)
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	(2,439)	(714)
Cash dividends paid	(2,300)	(2,719)
Net cash used in financing activities	(5,909)	(2,833)
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(2,711)	1,137
Cash and cash equivalents at beginning of period	12,386	12,556
Cash and cash equivalents at end of period	9,675	13,694