

August 4, 2010

**Consolidated Financial Results for the First Quarter of Fiscal 2010
(Three-Month Period Ended June 30, 2010) [JGAAP]**

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: August 11, 2010
 Scheduled Date to Commence Dividends Payment: -
 Availability of supplementary briefing material on quarterly results: Available
 Schedule of quarterly results briefing session: Not scheduled

(Figures less than one million yen have been omitted)

1. Consolidated Financial Results for the Three-Month Period of Fiscal 2010 (April 1, 2010 to June 30, 2010)

(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 (%)
Three-Month period of fiscal 2010	21,788	3.6	4,178	39.5	4,078	41.0
Three-Month period of fiscal 2009	21,024	2.6	2,994	1.0	2,891	(1.6)

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Three-Month period of fiscal 2010	2,424	42.1	25.22	-
Three-Month period of fiscal 2009	1,706	(2.7)	17.38	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of June 30, 2010	99,168	60,169	60.7	625.88
As of March 31, 2010	95,096	59,575	62.6	619.66

Reference:

Equity:

As of June 30, 2010: ¥ 60,169 million

As of March 31, 2010: ¥ 59,575 million

2. Dividends

	Annual cash dividends				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal 2009	-	15.00	-	15.00	30.00
Fiscal 2010	-				
Fiscal 2010 (Forecast)		16.50	-	16.50	33.00

Note: Revision to the dividend forecast: None

3. Forecast of Consolidated Results for Fiscal 2010 (April 1, 2010 to March 31, 2011)

(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)
Six-Month period	42,500	0.4	6,200	2.2	6,000	3.3	3,600	2.4	37.45
Full year	86,500	1.7	12,600	6.9	12,000	6.1	7,300	8.4	75.93

Note: Revision to the forecast of consolidated financial results: None

4. Others

(1) Significant changes of subsidiaries during the period: None

Note: This refers to whether or not there were changes of specified subsidiaries followed by changes in the scope of consolidation during the period.

(2) Adoption of simplified accounting methods and special accounting treatment: Yes

Note: This refers to whether or not simplified accounting methods and special accounting treatment for preparing quarterly consolidated financial statements are adopted.

(3) Changes in the accounting principles, accounting procedures, presentation, etc.:

1) Changes related to amendments of accounting standards, etc.: Yes

2) Changes other than above 1): None

Note: This refers to whether or not there were changes in the accounting principles, accounting procedures, presentation, etc., related to the preparation of quarterly consolidated financial statements that are to be described in “the changes of significant matters that constitute the bases for the preparation of quarterly consolidated financial statements.”

(4) Issued shares (Common stock)

1) Number of shares issued (including treasury stock) at the period end

Three-Month period of fiscal 2010	101,879,461 shares	Fiscal 2009	101,879,461 shares
Three-Month period of fiscal 2010	5,743,255 shares	Fiscal 2009	5,738,399 shares
Three-Month period of fiscal 2010	96,139,711 shares	Three-Month period of fiscal 2009	98,182,280 shares

2) Number of treasury stock at the period end

3) Average number of shares during the period

* Presentation regarding the implementation status of the quarterly review

These quarterly financial results are prepared outside the quarterly review required under the Financial Instruments and Exchange Act. As such, the quarterly review required under the Financial Instruments and Exchange Act has not been completed at the time of the disclosure of these quarterly financial results.

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

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.

5. Consolidated Financial Results for the Three-Month Period of Fiscal 2010

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2010 (As of June 30, 2010)	Fiscal 2009 (As of March 31, 2010) (Summary)
ASSETS		
Current assets		
Cash on hand and at bank	9,966	9,900
Notes and accounts receivable-trade	29,854	27,660
Marketable securities	8,703	7,603
Merchandise and finished goods	5,505	5,386
Work in process	2,194	1,854
Raw materials and supplies	2,321	1,752
Other current assets	2,411	2,672
Allowance for doubtful receivables	(2)	(7)
Total current assets	60,953	56,824
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,632	17,838
Other property, plant and equipment, net	8,189	7,405
Total property, plant and equipment	25,821	25,243
Intangible non-current assets	335	391
Investment and other assets		
Investment securities	4,803	5,445
Other assets	7,260	7,197
Allowance for doubtful receivables	(6)	(6)
Total investment and other assets	12,057	12,636
Total non-current assets	38,214	38,272
TOTAL ASSETS	99,168	95,096

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2010 (As of June 30, 2010)	Fiscal 2009 (As of March 31, 2010) (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	14,221	11,174
Short-term bank loans payable	8,510	8,510
Accrued income taxes	1,645	2,061
Allowance		
Accrued bonuses	550	1,141
Other allowance	525	540
Other current liabilities	6,812	5,430
Total current liabilities	32,265	28,858
Non-current liabilities		
Allowance		
Accrued retirement benefits for employees	5,736	5,678
Other allowance	409	395
Other non-current liabilities	588	588
Total non-current liabilities	6,733	6,662
TOTAL LIABILITIES	38,999	35,521
NET ASSETS		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	29,666	28,684
Treasury stock	(5,003)	(4,999)
Total shareholders' equity	60,103	59,124
Valuation and translation adjustments		
Net unrealized gain on valuation of other securities, net of taxes	66	447
Deferred hedge gain (loss)	-	2
Total valuation and translation adjustments	66	450
TOTAL NET ASSETS	60,169	59,575
TOTAL LIABILITIES AND NET ASSETS	99,168	95,096

(2) Consolidated Statement of Income
(Three-Month Period of Fiscal 2009 and 2010)

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2009 (April 1, 2009 – June 30, 2009)	Three-Month Period of Fiscal 2010 (April 1, 2010 – June 30, 2010)
Net sales	21,024	21,788
Costs of sales	10,815	10,818
Gross profit	10,208	10,969
Selling, general and administrative expenses		
Promotion expense	297	278
Salaries	1,921	1,926
Bonuses	4	-
Provision for accrued bonuses	371	-
Bonuses and provision for accrued bonuses	-	364
Welfare expense	230	222
Retirement benefit expense	341	340
Rent expense	395	367
Traveling and transportation expenses	333	335
Research and development expenses	1,975	1,626
Other selling, general and administrative expenses	1,341	1,329
Total selling, general and administrative expenses	7,213	6,790
Operating income	2,994	4,178
Non-operating income		
Interest income	4	4
Dividend income	53	53
Insurance income	1	1
Other non-operating income	10	6
Total non-operating income	69	66
Non-operating expense		
Interest expense	24	19
Amortization of net retirement benefit obligation at transition	131	131
Other non-operating expense	16	15
Total non-operating expense	172	166
Ordinary income	2,891	4,078
Extraordinary income		
Reversal of allowance for doubtful receivables	-	4
Other extraordinary income	-	0
Total extraordinary income	-	4
Extraordinary losses		
Loss on disposal of non-current assets	60	82
Loss on devaluation of golf club membership	0	8
Other extraordinary losses	-	0
Total extraordinary losses	60	91
Income before income taxes	2,830	3,990
Income taxes	1,124	1,566
Net income	1,706	2,424

(3) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2009 (April 1, 2009 – June 30, 2009)	Three-Month Period of Fiscal 2010 (April 1, 2010 – June 30, 2010)
Cash flows from operating activities		
Income before income taxes	2,830	3,990
Depreciation	579	531
Amortization of long-term prepaid expenses	31	18
Increase (Decrease) in accrued retirement benefits for employees	(3)	176
Interest and dividend income	(57)	(58)
Interest expense	24	19
Loss on devaluation of golf club membership	0	8
Loss on disposal of property, plant and equipment	60	82
Decrease (Increase) in notes and accounts receivable-trade	(488)	(2,193)
Decrease (Increase) in inventories	(36)	(1,027)
Increase (Decrease) in notes and accounts payable-trade	(29)	3,046
Increase (Decrease) in accrued consumption taxes	40	(149)
Other, net	518	(38)
Subtotal	3,470	4,406
Interest and dividends received	58	57
Interest paid	(24)	(19)
Income taxes (paid) refunded	(2,451)	(1,915)
Net cash provided by operating activities	1,052	2,529
Cash flows from investing activities		
Purchase of property, plant and equipment	(363)	(211)
Purchase of intangible non-current assets	(64)	(34)
Purchase of investment securities	(0)	(0)
Payment of long-term prepaid expenses	(1)	(1)
Other, net	6	46
Net cash used in investing activities	(422)	(202)
Cash flows from financing activities		
Proceeds from short-term bank loans payable	600	-
Net decrease (increase) in treasury stock	(4)	(3)
Cash dividends paid	(1,066)	(1,157)
Net cash used in financing activities	(470)	(1,161)
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	158	1,166
Cash and cash equivalents at beginning of period	12,556	17,504
Cash and cash equivalents at end of period	12,715	18,670