

August 4, 2011

**Consolidated Financial Results for the First Quarter of Fiscal 2011
(Three-Month Period Ended June 30, 2011) [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 10, 2011
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 2011 (April 1, 2011 to June 30, 2011)

(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 2011	21,283	(2.3)	3,769	(9.8)	3,703	(9.2)
Three-Month period of fiscal 2010	21,788	3.6	4,178	39.5	4,078	41.0

Note:

Comprehensive income:

Three-Month period of fiscal 2011: ¥ 2,179 million (6.8%)

Three-Month period of fiscal 2010: ¥ 2,040 million (- %)

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Three-Month period of fiscal 2011	2,180	(10.1)	23.84	-
Three-Month period of fiscal 2010	2,424	42.1	25.22	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2011	97,325	59,655	61.3
As of March 31, 2011	98,493	60,375	61.3

Reference:

Equity:

As of June 30, 2011: ¥ 59,655 million

As of March 31, 2011: ¥ 60,375 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 2010	-	18.00	-	18.00	36.00
Fiscal 2011	-				
Fiscal 2011 (Forecast)		20.00	-	20.00	40.00

Note: Revision to the dividend forecast from recently announced figures: None

3. Forecast of Consolidated Results for Fiscal 2011 (April 1, 2011 to March 31, 2012)

(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	43,900	2.4	7,600	3.7	7,400	4.2	4,400	3.7	48.63
Full year	88,600	2.5	15,000	5.8	14,400	5.0	8,600	4.7	95.04

Note: Revision to the forecast of consolidated financial results from recently announced figures: 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 special accounting treatment for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and corrections of errors

1) Changes in accounting policies related to amendments of accounting standards, etc.: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Corrections of errors: None

(4) Issued shares (Common stock)

1) Number of shares issued (including treasury stock) at the period end	Three-Month period of fiscal 2011	101,879,461 shares	Fiscal 2010	101,879,461 shares
2) Number of treasury stock at the period end	Three-Month period of fiscal 2011	11,395,555 shares	Fiscal 2010	10,306,088 shares
3) Average number of shares during the period	Three-Month period of fiscal 2011	91,438,130 shares	Three-Month period of fiscal 2010	96,139,711 shares

* 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 2011

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	Fiscal 2010 (As of March 31, 2011)	Three-Month Period of Fiscal 2011 (As of June 30, 2011)
ASSETS		
Current assets		
Cash on hand and at bank	14,729	8,228
Notes and accounts receivable-trade	27,119	27,509
Marketable securities	2,305	6,706
Merchandise and finished goods	5,234	6,030
Work in process	1,840	2,009
Raw materials and supplies	3,225	3,350
Other current assets	2,432	2,356
Allowance for doubtful receivables	(2)	(2)
Total current assets	56,885	56,188
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,522	17,355
Other property, plant and equipment, net	10,625	10,498
Total property, plant and equipment	28,148	27,853
Intangible non-current assets	396	407
Investment and other assets		
Investment securities	6,079	6,034
Other assets	6,982	6,841
Allowance for doubtful receivables	(0)	(0)
Total investment and other assets	13,062	12,875
Total non-current assets	41,607	41,136
TOTAL ASSETS	98,493	97,325

(Unit: Millions of yen)

	Fiscal 2010 (As of March 31, 2011)	Three-Month Period of Fiscal 2011 (As of June 30, 2011)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	12,293	13,818
Short-term bank loans payable	8,390	8,390
Accrued income taxes	3,625	1,543
Allowance		
Accrued bonuses	1,113	551
Other allowance	658	562
Other current liabilities	5,384	6,290
Total current liabilities	31,466	31,156
Non-current liabilities		
Allowance		
Accrued retirement benefits for employees	5,620	5,622
Other allowance	455	321
Other non-current liabilities	574	569
Total non-current liabilities	6,651	6,513
TOTAL LIABILITIES	38,117	37,670
NET ASSETS		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	33,806	34,338
Treasury stock	(9,100)	(10,351)
Total shareholders' equity	60,145	59,427
Accumulated other comprehensive income		
Net unrealized gain on valuation of other securities, net of taxes	229	228
Total accumulated other comprehensive income	229	228
TOTAL NET ASSETS	60,375	59,655
TOTAL LIABILITIES AND NET ASSETS	98,493	97,325

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)
(Three-Month Period of Fiscal 2010 and 2011)

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2010 (April 1, 2010 – June 30, 2010)	Three-Month Period of Fiscal 2011 (April 1, 2011 – June 30, 2011)
Net sales	21,788	21,283
Costs of sales	10,818	10,809
Gross profit	10,969	10,474
Selling, general and administrative expenses		
Promotion expense	278	308
Salaries	1,926	1,934
Bonuses and provision for accrued bonuses	364	370
Welfare expense	222	237
Retirement benefit expense	340	335
Rent expense	367	362
Traveling and transportation expenses	335	334
Research and development expenses	1,626	1,466
Other selling, general and administrative expenses	1,329	1,354
Total selling, general and administrative expenses	6,790	6,704
Operating income	4,178	3,769
Non-operating income		
Interest income	4	3
Dividend income	53	81
Insurance income	1	0
Other non-operating income	6	9
Total non-operating income	66	94
Non-operating expense		
Interest expense	19	17
Amortization of net retirement benefit obligation at transition	131	131
Other non-operating expense	15	11
Total non-operating expense	166	160
Ordinary income	4,078	3,703
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	82	13
Loss on devaluation of investment securities	–	44
Loss on devaluation of golf club membership	8	2
Other extraordinary losses	0	–
Total extraordinary losses	91	61
Income before income taxes	3,990	3,642
Income taxes	1,566	1,462
Income before minority interests	2,424	2,180
Net income	2,424	2,180

(Consolidated Statements of Comprehensive Income)
(Three-Month Period of Fiscal 2010 and 2011)

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2010 (April 1, 2010 – June 30, 2010)	Three-Month Period of Fiscal 2011 (April 1, 2011 – June 30, 2011)
Income before minority interests	2,424	2,180
Other comprehensive income		
Net unrealized gain on valuation of other securities, net of taxes	(381)	(0)
Deferred hedge gain (loss)	(2)	—
Total other comprehensive income	(384)	(0)
Comprehensive income	2,040	2,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,040	2,179