

February 6, 2012

**Consolidated Financial Results for the Third Quarter of Fiscal 2011
(Nine-Month Period Ended December 31, 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>)

Representative: Tetsuo Onuma, President and Representative Director
Contact: Takao Endo, Executive Director and General Manager of General Affairs Department
Telephone: +81-3-5977-5002
Scheduled Date to Submit the Quarterly Securities Report: February 10, 2012
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 Nine-Month Period of Fiscal 2011 (April 1, 2011 to December 31, 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 (%)
Nine-Month period of fiscal 2011	67,353	1.9	12,420	3.2	12,148	3.8
Nine-Month period of fiscal 2010	66,087	0.2	12,036	15.0	11,707	15.9

Note:

Comprehensive income:

Nine-Month period of fiscal 2011: ¥ 6,552 million [(1.0) %]

Nine-Month period of fiscal 2010: ¥ 6,618 million (- %)

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Nine-Month period of fiscal 2011	6,656	(5.0)	73.99	-
Nine-Month period of fiscal 2010	7,007	14.8	74.47	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2011	102,678	60,029	58.5
As of March 31, 2011	98,493	60,375	61.3

Reference:

Equity:

As of December 31, 2011: ¥ 60,029 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	-	20.00	-		
Fiscal 2011 (Forecast)				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)
Full year	88,600	2.5	15,000	5.8	14,400	5.0	8,600	4.7	97.30

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	Nine-Month period of fiscal 2011	101,879,461 shares	Fiscal 2010	101,879,461 shares
2) Number of treasury stock at the period end	Nine-Month period of fiscal 2011	13,488,856 shares	Fiscal 2010	10,306,088 shares
3) Average number of shares during the period	Nine-Month period of fiscal 2011	89,971,476 shares	Nine-Month period of fiscal 2010	94,092,721 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 Nine-Month Period of Fiscal 2011

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2010 (As of March 31, 2011)	Nine-Month Period of Fiscal 2011 (As of December 31, 2011)
Assets		
Current assets		
Cash and deposits	14,729	7,171
Notes and accounts receivable-trade	27,119	35,089
Short-term investment securities	2,305	5,707
Merchandise and finished goods	5,234	6,430
Work in process	1,840	2,061
Raw materials and supplies	3,225	3,060
Other	2,432	2,405
Allowance for doubtful accounts	(2)	(3)
Total current assets	56,885	61,922
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	17,522	16,957
Other, net	10,625	11,136
Total property, plant and equipment	28,148	28,093
Intangible assets	396	720
Investments and other assets		
Investment securities	6,079	5,622
Other	6,982	6,319
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	13,062	11,941
Total noncurrent assets	41,607	40,755
Total assets	98,493	102,678

(Unit: Millions of yen)

	Fiscal 2010 (As of March 31, 2011)	Nine-Month Period of Fiscal 2011 (As of December 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,293	18,027
Short-term loans payable	8,390	8,390
Income taxes payable	3,625	2,061
Provision		
Provision for bonuses	1,113	676
Other provision	658	645
Other	5,384	6,171
Total current liabilities	31,466	35,973
Noncurrent liabilities		
Provision		
Provision for retirement benefits	5,620	5,760
Other provision	455	372
Other	574	542
Total noncurrent liabilities	6,651	6,675
Total liabilities	38,117	42,649
Net assets		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	33,806	37,047
Treasury stock	(9,100)	(12,583)
Total shareholders' equity	60,145	59,904
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	229	125
Total accumulated other comprehensive income	229	125
Total net assets	60,375	60,029
Total liabilities and net assets	98,493	102,678

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(Nine-month period of fiscal 2010 and 2011)

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2010 (April 1, 2010 – December 31, 2010)	Nine-Month Period of Fiscal 2011 (April 1, 2011 – December 31, 2011)
Net sales	66,087	67,353
Cost of sales	33,263	34,183
Gross profit	32,823	33,170
Selling, general and administrative expenses		
Promotion expenses	942	914
Salaries	5,761	5,809
Bonuses and provision for bonuses	1,186	1,220
Welfare expenses	846	863
Retirement benefit expenses	1,017	1,008
Rent expenses	1,094	1,079
Traveling and transportation expenses	1,003	1,051
Research and development expenses	5,073	4,796
Other	3,860	4,005
Total selling, general and administrative expenses	20,786	20,749
Operating income	12,036	12,420
Non-operating income		
Interest income	12	8
Dividends income	87	133
Other	53	54
Total non-operating income	153	197
Non-operating expenses		
Interest expenses	57	52
Amortization of net retirement benefit obligation at transition	393	393
Other	31	22
Total non-operating expenses	482	468
Ordinary income	11,707	12,148
Extraordinary income		
Reversal of allowance for doubtful accounts	4	–
Other	0	–
Total extraordinary income	4	–
Extraordinary loss		
Loss on retirement of noncurrent assets	136	91
Loss on valuation of investment securities	–	267
Loss on valuation of golf club membership	35	5
Other	0	0
Total extraordinary losses	172	364
Income before income taxes and minority interests	11,540	11,783
Income taxes	4,532	5,126
Income before minority interests	7,007	6,656
Net income	7,007	6,656

(Consolidated statements of comprehensive income)
(Nine-month period of fiscal 2010 and 2011)

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2010 (April 1, 2010 – December 31, 2010)	Nine-Month Period of Fiscal 2011 (April 1, 2011 – December 31, 2011)
Income before minority interests	7,007	6,656
Other comprehensive income		
Valuation difference on available-for-sale securities	(386)	(104)
Deferred gains or losses on hedges	(2)	—
Total other comprehensive income	(389)	(104)
Comprehensive income	6,618	6,552
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,618	6,552