

August 3, 2012

**Consolidated Financial Results for the First Quarter of Fiscal 2012
(Three-Month Period Ended June 30, 2012) [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, 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 Three-Month Period of Fiscal 2012 (April 1, 2012 to June 30, 2012)

(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 2012	20,781	(2.4)	3,471	(7.9)	3,398	(8.3)
Three-Month period of fiscal 2011	21,283	(2.3)	3,769	(9.8)	3,703	(9.2)

Note:

Comprehensive income:

Three-Month period of fiscal 2012: ¥ 1,952 million ((10.4) %)

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

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Three-Month period of fiscal 2012	2,102	(3.5)	23.82	-
Three-Month period of fiscal 2011	2,180	(10.1)	23.84	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2012	101,699	61,216	60.2
As of March 31, 2012	105,108	62,071	59.1

Reference:

Equity:

As of June 30, 2012: ¥ 61,216 million

As of March 31, 2012: ¥ 62,071 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 2011	-	20.00	-	20.00	40.00
Fiscal 2012	-				
Fiscal 2012 (Forecast)		22.00	-	22.00	44.00

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

3. Forecast of Consolidated Results for Fiscal 2012 (April 1, 2012 to March 31, 2013)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Six-Month period	43,800	0.2	7,800	(1.3)	7,600	(1.6)	4,700	2.0	53.79
Full year	88,900	1.0	15,400	1.4	14,900	0.7	9,300	12.3	106.44

Note: Revision to the forecast of consolidated results from recently announced figures: None

* Notes

- (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.: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: Yes
 - 4) Corrections of errors: None

(Note) Changes have been made under Article 10-5 of “Ordinance on Terminology, Forms and Preparation Methods 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 2012	101,879,461 shares	Fiscal 2011	101,879,461 shares
2) Number of treasury stock at the period end	Three-Month period of fiscal 2012	14,503,564 shares	Fiscal 2011	13,498,376 shares
3) Average number of shares during the period	Three-Month period of fiscal 2012	88,273,626 shares	Three-Month period of fiscal 2011	91,438,130 shares

* Status of execution of the quarterly review procedures of financial results:

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.

4. Consolidated Financial Results for the Three-Month Period of Fiscal 2012

(1) Consolidated balance sheets

	Fiscal 2011 (As of March 31, 2012)	Three-Month Period of Fiscal 2012 (As of June 30, 2012)
(Unit: Millions of yen)		
Assets		
Current assets		
Cash and deposits	9,543	8,304
Notes and accounts receivable-trade	32,032	31,336
Short-term investment securities	8,308	6,908
Merchandise and finished goods	5,953	5,844
Work in process	1,573	1,744
Raw materials and supplies	3,398	3,499
Other	2,407	2,312
Allowance for doubtful accounts	(3)	(3)
Total current assets	63,214	59,948
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,724	16,670
Other, net	11,644	11,976
Total property, plant and equipment	28,368	28,647
Intangible assets	966	812
Investments and other assets		
Investment securities	6,422	6,189
Other	6,136	6,101
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	12,558	12,291
Total noncurrent assets	41,893	41,751
Total assets	105,108	101,699

(Unit: Millions of yen)

	Fiscal 2011 (As of March 31, 2012)	Three-Month Period of Fiscal 2012 (As of June 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,331	15,313
Short-term loans payable	8,390	8,390
Income taxes payable	3,420	1,354
Provision		
Provision for bonuses	1,088	540
Other provision	632	533
Other	6,490	7,641
Total current liabilities	36,354	33,774
Noncurrent liabilities		
Provision		
Provision for retirement benefits	5,753	5,711
Other provision	390	3
Other	538	993
Total noncurrent liabilities	6,682	6,708
Total liabilities	43,036	40,482
Net assets		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	38,672	39,008
Treasury stock	(12,592)	(13,632)
Total shareholders' equity	61,520	60,816
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	550	400
Total accumulated other comprehensive income	550	400
Total net assets	62,071	61,216
Total liabilities and net assets	105,108	101,699

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(Three-month period of fiscal 2011 and 2012)

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2011 (April 1, 2011 – June 30, 2011)	Three-Month Period of Fiscal 2012 (April 1, 2012 – June 30, 2012)
Net sales	21,283	20,781
Cost of sales	10,809	10,683
Gross profit	10,474	10,098
Selling, general and administrative expenses		
Promotion expenses	308	191
Salaries	1,934	1,958
Bonuses and provision for bonuses	370	374
Welfare expenses	237	243
Retirement benefit expenses	335	304
Rent expenses	362	362
Traveling and transportation expenses	334	341
Research and development expenses	1,466	1,461
Other	1,354	1,388
Total selling, general and administrative expenses	6,704	6,626
Operating income	3,769	3,471
Non-operating income		
Interest income	3	2
Dividends income	81	78
Insurance income	0	1
Other	9	7
Total non-operating income	94	89
Non-operating expenses		
Interest expenses	17	18
Amortization of net retirement benefit obligation at transition	131	131
Other	11	14
Total non-operating expenses	160	163
Ordinary income	3,703	3,398
Extraordinary income		
Other	-	3
Total extraordinary income	-	3
Extraordinary loss		
Loss on retirement of noncurrent assets	13	30
Loss on valuation of investment securities	44	-
Loss on valuation of golf club membership	2	-
Total extraordinary losses	61	30
Income before income taxes and minority interests	3,642	3,370
Income taxes	1,462	1,267
Income before minority interests	2,180	2,102
Net income	2,180	2,102

(Consolidated statements of comprehensive income)
(Three-month period of fiscal 2011 and 2012)

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2011 (April 1, 2011 – June 30, 2011)	Three-Month Period of Fiscal 2012 (April 1, 2012 – June 30, 2012)
Income before minority interests	2,180	2,102
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(150)
Total other comprehensive income	(0)	(150)
Comprehensive income	2,179	1,952
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,179	1,952