

November 5, 2012

**Consolidated Financial Results for the Second Quarter of Fiscal 2012  
(Six-Month Period Ended September 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: November 12, 2012  
Scheduled Date to Commence Dividends Payment: December 4, 2012  
Availability of supplementary briefing material on quarterly results: Available  
Schedule of quarterly results briefing session: Scheduled (for institutional investors and analysts)

(Figures less than one million yen have been omitted)

**1. Consolidated Financial Results for the Six-Month Period of Fiscal 2012 (April 1, 2012 to September 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 (%)
Six-Month period of fiscal 2012	43,523	(0.4)	7,601	(3.9)	7,395	(4.2)
Six-Month period of fiscal 2011	43,692	1.9	7,906	7.9	7,719	8.7

Note:

Comprehensive income:

Six-Month period of fiscal 2012: ¥ 4,428 million ((2.4) %)

Six-Month period of fiscal 2011: ¥ 4,535 million (19.0 %)

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Six-Month period of fiscal 2012	4,616	0.2	52.63	-
Six-Month period of fiscal 2011	4,607	8.6	50.77	-

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2012	106,906	62,559	58.5
As of March 31, 2012	105,108	62,071	59.1

Reference:

Equity:

As of September 30, 2012: ¥ 62,559 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	-	22.00			
Fiscal 2012 (Forecast)			-	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)
Full year	88,900	1.0	15,400	1.4	14,900	0.7	9,300	12.3	107.68

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	Six-Month period of fiscal 2012	101,879,461 shares	Fiscal 2011	101,879,461 shares
2) Number of treasury stock at the period end	Six-Month period of fiscal 2012	15,514,873 shares	Fiscal 2011	13,498,376 shares
3) Average number of shares during the period	Six-Month period of fiscal 2012	87,727,807 shares	Six-Month period of fiscal 2011	90,762,921 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 Six-Month Period of Fiscal 2012

##### (1) Consolidated balance sheets

	Fiscal 2011 (As of March 31, 2012)	Six-Month Period of Fiscal 2012 (As of September 30, 2012)
(Unit: Millions of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	9,543	9,109
Notes and accounts receivable-trade	32,032	31,874
Short-term investment securities	8,308	7,409
Merchandise and finished goods	5,953	5,915
Work in process	1,573	2,267
Raw materials and supplies	3,398	3,638
Other	2,407	2,407
Allowance for doubtful accounts	(3)	(3)
<b>Total current assets</b>	<b>63,214</b>	<b>62,619</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,724	16,585
Other, net	11,644	12,874
<b>Total property, plant and equipment</b>	<b>28,368</b>	<b>29,460</b>
Intangible assets	966	975
Investments and other assets		
Investment securities	6,422	6,740
Other	6,136	7,109
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>12,558</b>	<b>13,850</b>
<b>Total noncurrent assets</b>	<b>41,893</b>	<b>44,286</b>
<b>Total assets</b>	<b>105,108</b>	<b>106,906</b>

(Unit: Millions of yen)

	Fiscal 2011 (As of March 31, 2012)	Six-Month Period of Fiscal 2012 (As of September 30, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	16,331	16,796
Short-term loans payable	8,390	8,390
Income taxes payable	3,420	2,906
Provision		
Provision for bonuses	1,088	1,070
Other provision	632	570
Other	6,490	7,783
Total current liabilities	36,354	37,517
Noncurrent liabilities		
Provision		
Provision for retirement benefits	5,753	5,833
Other provision	390	3
Other	538	993
Total noncurrent liabilities	6,682	6,829
Total liabilities	43,036	44,346
Net assets		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	38,672	41,521
Treasury stock	(12,592)	(14,765)
Total shareholders' equity	61,520	62,197
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	550	362
Total accumulated other comprehensive income	550	362
Total net assets	62,071	62,559
Total liabilities and net assets	105,108	106,906

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

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2011 (April 1, 2011 – September 30, 2011)	Six-Month Period of Fiscal 2012 (April 1, 2012 – September 30, 2012)
Net sales	43,692	43,523
Cost of sales	22,137	22,234
Gross profit	21,555	21,289
Selling, general and administrative expenses		
Promotion expenses	581	427
Salaries	3,879	3,925
Bonuses and provision for bonuses	729	752
Welfare expenses	599	613
Retirement benefit expenses	672	595
Rent expenses	721	726
Traveling and transportation expenses	726	680
Research and development expenses	3,083	3,195
Other	2,654	2,770
Total selling, general and administrative expenses	13,648	13,687
Operating income	7,906	7,601
Non-operating income		
Interest income	5	5
Dividends income	83	80
Insurance income	7	2
Other	34	29
Total non-operating income	132	118
Non-operating expenses		
Interest expenses	34	35
Amortization of net retirement benefit obligation at transition	262	262
Other	22	27
Total non-operating expenses	319	325
Ordinary income	7,719	7,395
Extraordinary income		
Gain on sales of investment securities	–	31
Other	–	3
Total extraordinary income	–	34
Extraordinary loss		
Loss on retirement of noncurrent assets	22	36
Loss on valuation of golf club membership	4	2
Other	0	–
Total extraordinary losses	27	39
Income before income taxes and minority interests	7,691	7,390
Income taxes	3,084	2,773
Income before minority interests	4,607	4,616
Net income	4,607	4,616

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

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2011 (April 1, 2011 – September 30, 2011)	Six-Month Period of Fiscal 2012 (April 1, 2012 – September 30, 2012)
Income before minority interests	4,607	4,616
Other comprehensive income		
Valuation difference on available-for-sale securities	(71)	(188)
Total other comprehensive income	(71)	(188)
Comprehensive income	4,535	4,428
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,535	4,428

### (3) Consolidated statements of cash flows

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2011 (April 1, 2011 – September 30, 2011)	Six-Month Period of Fiscal 2012 (April 1, 2012 – September 30, 2012)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	7,691	7,390
Depreciation and amortization	1,184	1,227
Amortization of long-term prepaid expenses	41	43
Increase (decrease) in provision for retirement benefits	336	232
Interest and dividends income	(89)	(85)
Interest expenses	34	35
Loss on valuation of golf club memberships	4	2
Loss (gain) on sales of investment securities	–	(31)
Loss on retirement of property, plant and equipment	22	36
Decrease (increase) in notes and accounts receivable-trade	(680)	158
Decrease (increase) in inventories	(434)	(895)
Increase (decrease) in notes and accounts payable-trade	988	464
Increase (decrease) in accrued consumption taxes	153	(106)
Other, net	(815)	422
Subtotal	8,438	8,895
Interest and dividends income received	89	85
Interest expenses paid	(32)	(33)
Income taxes (paid) refund	(3,513)	(3,305)
Net cash provided by (used in) operating activities	4,981	5,641
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(1,297)	(2,408)
Purchase of intangible assets	(288)	(34)
Purchase of investment securities	(1)	(721)
Proceeds from sales of investment securities	–	142
Purchase of long-term prepaid expenses	(13)	(21)
Other, net	(5)	8
Net cash provided by (used in) investing activities	(1,607)	(3,035)
<b>Net cash provided by (used in) financing activities</b>		
Net decrease (increase) in treasury stock	(3,474)	(2,172)
Cash dividends paid	(1,646)	(1,765)
Net cash provided by (used in) financing activities	(5,120)	(3,938)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(1,746)	(1,332)
Cash and cash equivalents at beginning of period	17,035	17,851
Cash and cash equivalents at end of period	15,288	16,519