

November 6, 2013

**Consolidated Financial Results for the Second Quarter of Fiscal 2013  
(Six-Month Period Ended September 30, 2013) [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 13, 2013  
Scheduled Date to Commence Dividends Payment: December 3, 2013  
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 2013 (April 1, 2013 to September 30, 2013)**

**(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 2013	43,712	0.4	7,358	(3.2)	7,211	(2.5)
Six-Month period of fiscal 2012	43,523	(0.4)	7,601	(3.9)	7,395	(4.2)

Note:

Comprehensive income:

Six-Month period of fiscal 2013: ¥ 4,702 million (6.2 %)

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

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Six-Month period of fiscal 2013	4,598	(0.4)	53.57	-
Six-Month period of fiscal 2012	4,616	0.2	52.63	-

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2013	101,717	67,488	66.3
As of March 31, 2013	108,911	66,578	61.1

Reference:

Equity:

As of September 30, 2013: ¥ 67,488 million

As of March 31, 2013: ¥ 66,578 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 2012	-	22.00	-	22.00	44.00
Fiscal 2013	-	24.00			
Fiscal 2013 (Forecast)			-	24.00	48.00

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

## 3. Forecast of Consolidated Results for Fiscal 2013 (April 1, 2013 to March 31, 2014)

(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	90,200	3.6	15,000	2.7	14,600	2.5	9,300	3.4	109.26

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.: 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	As of September 30, 2013	101,879,461 shares	As of March 31, 2013	101,879,461 shares
2) Number of treasury stock at the period end	As of September 30, 2013	16,759,125 shares	As of March 31, 2013	15,537,710 shares
3) Average number of shares during the period	Six-Month period of fiscal 2013	85,843,793 shares	Six-Month period of fiscal 2012	87,727,807 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 2013

##### (1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2012 (As of March 31, 2013)	Six-Month Period of Fiscal 2013 (As of September 30, 2013)
<b>Assets</b>		
Current assets		
Cash and deposits	9,710	10,150
Notes and accounts receivable-trade	31,174	26,382
Securities	7,210	3,911
Merchandise and finished goods	6,018	6,183
Work in process	1,438	1,935
Raw materials and supplies	4,075	4,199
Other	2,359	2,343
Allowance for doubtful accounts	(3)	(2)
<b>Total current assets</b>	<b>61,983</b>	<b>55,103</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	17,710	17,239
Other, net	11,427	11,585
<b>Total property, plant and equipment</b>	<b>29,138</b>	<b>28,825</b>
Intangible assets	732	662
Investments and other assets		
Investment securities	10,272	10,434
Other	6,784	6,691
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>17,057</b>	<b>17,125</b>
<b>Total noncurrent assets</b>	<b>46,928</b>	<b>46,613</b>
<b>Total assets</b>	<b>108,911</b>	<b>101,717</b>

(Unit: Millions of yen)

	Fiscal 2012 (As of March 31, 2013)	Six-Month Period of Fiscal 2013 (As of September 30, 2013)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	16,367	13,504
Short-term loans payable	8,390	4,220
Income taxes payable	2,616	2,709
Provision		
Provision for bonuses	1,129	1,109
Other provision	635	531
Other	6,093	5,004
Total current liabilities	35,232	27,079
Noncurrent liabilities		
Provision		
Provision for retirement benefits	6,112	6,326
Other provision	5	2
Other	982	820
Total noncurrent liabilities	7,100	7,149
Total liabilities	42,333	34,228
Net assets		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	43,997	46,696
Treasury stock	(14,796)	(16,688)
Total shareholders' equity	64,642	65,448
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,936	2,039
Total accumulated other comprehensive income	1,936	2,039
Total net assets	66,578	67,488
Total liabilities and net assets	108,911	101,717

**(2) Consolidated statements of income and comprehensive income**  
**(Consolidated statements of income)**  
**(Six-month period of fiscal 2012 and 2013)**

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2012 (April 1, 2012 – September 30, 2012)	Six-Month Period of Fiscal 2013 (April 1, 2013 – September 30, 2013)
Net sales	43,523	43,712
Cost of sales	22,234	22,419
Gross profit	21,289	21,293
Selling, general and administrative expenses		
Promotion expenses	427	480
Salaries	3,925	3,942
Bonuses and provision for bonuses	752	791
Welfare expenses	613	630
Retirement benefit expenses	595	444
Rent expenses	726	743
Traveling and transportation expenses	680	681
Research and development expenses	3,195	3,478
Other	2,770	2,740
Total selling, general and administrative expenses	13,687	13,934
Operating income	7,601	7,358
Non-operating income		
Interest income	5	5
Dividends income	80	116
Other	32	32
Total non-operating income	118	154
Non-operating expenses		
Interest expenses	35	29
Amortization of net retirement benefit obligation at transition	262	262
Other	27	8
Total non-operating expenses	325	301
Ordinary income	7,395	7,211
Extraordinary income		
Gain on sales of investment securities	31	–
Other	3	2
Total extraordinary income	34	2
Extraordinary loss		
Loss on retirement of noncurrent assets	36	11
Loss on valuation of golf club membership	2	15
Total extraordinary losses	39	26
Income before income taxes and minority interests	7,390	7,187
Income taxes	2,773	2,589
Income before minority interests	4,616	4,598
Net income	4,616	4,598

**(Consolidated statements of comprehensive income)**  
**(Six-month period of fiscal 2012 and 2013)**

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2012 (April 1, 2012 – September 30, 2012)	Six-Month Period of Fiscal 2013 (April 1, 2013 – September 30, 2013)
Income before minority interests	4,616	4,598
Other comprehensive income		
Valuation difference on available-for-sale securities	(188)	103
Total other comprehensive income	(188)	103
Comprehensive income	4,428	4,702
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,428	4,702

### (3) Consolidated statements of cash flows

(Unit: Millions of yen)

	Six-Month Period of Fiscal 2012 (April 1, 2012 – September 30, 2012)	Six-Month Period of Fiscal 2013 (April 1, 2013 – September 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,390	7,187
Depreciation and amortization	1,227	1,227
Amortization of long-term prepaid expenses	43	39
Increase (decrease) in provision for retirement benefits	232	213
Interest and dividends income	(85)	(121)
Interest expenses	35	29
Loss on valuation of golf club memberships	2	15
Loss (gain) on sales of investment securities	(31)	–
Loss on retirement of property, plant and equipment	36	11
Decrease (increase) in notes and accounts receivable-trade	158	4,792
Decrease (increase) in inventories	(895)	(787)
Increase (decrease) in notes and accounts payable-trade	464	(2,862)
Increase (decrease) in accrued consumption taxes	(106)	26
Other, net	422	(1,087)
Subtotal	8,895	8,685
Interest and dividends income received	85	121
Interest expenses paid	(33)	(30)
Income taxes (paid) refund	(3,305)	(2,524)
Net cash provided by (used in) operating activities	5,641	6,252
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,408)	(1,111)
Purchase of intangible assets	(34)	(29)
Purchase of investment securities	(721)	(1)
Proceeds from sales of investment securities	142	–
Purchase of long-term prepaid expenses	(21)	(28)
Other, net	8	17
Net cash provided by (used in) investing activities	(3,035)	(1,152)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	–	(4,170)
Net decrease (increase) in treasury stock	(2,172)	(1,892)
Cash dividends paid	(1,765)	(1,896)
Net cash provided by (used in) financing activities	(3,938)	(7,958)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(1,332)	(2,858)
Cash and cash equivalents at beginning of period	17,851	16,920
Cash and cash equivalents at end of period	16,519	14,062