

February 6, 2014

**Consolidated Financial Results for the Third Quarter of Fiscal 2013
(Nine-Month Period Ended December 31, 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: February 13, 2014
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 2013 (April 1, 2013 to December 31, 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 (%)
Nine-Month period of fiscal 2013	67,018	0.3	11,830	(2.5)	11,621	(2.0)
Nine-Month period of fiscal 2012	66,805	(0.8)	12,135	(2.3)	11,860	(2.4)

Note:

Comprehensive income:

Nine-Month period of fiscal 2013: ¥ 7,995 million (8.1 %)

Nine-Month period of fiscal 2012: ¥ 7,394 million (12.8 %)

	Net income		Basic net income per share	Diluted net income per share
	(Millions of yen)	Change (%)	(Yen)	(Yen)
Nine-Month period of fiscal 2013	7,431	0.7	86.86	-
Nine-Month period of fiscal 2012	7,380	10.9	84.57	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2013	106,054	67,785	63.9
As of March 31, 2013	108,911	66,578	61.1

Reference:

Equity:

As of December 31, 2013: ¥ 67,785 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	110.05

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 December 31, 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 December 31, 2013	17,371,568 shares	As of March 31, 2013	15,537,710 shares
3) Average number of shares during the period	Nine-Month period of fiscal 2013	85,554,076 shares	Nine-Month period of fiscal 2012	87,270,866 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 Nine-Month Period of Fiscal 2013

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2012 (As of March 31, 2013)	Nine-Month Period of Fiscal 2013 (As of December 31, 2013)
Assets		
Current assets		
Cash and deposits	9,710	7,486
Notes and accounts receivable-trade	31,174	33,357
Securities	7,210	2,812
Merchandise and finished goods	6,018	6,752
Work in process	1,438	1,862
Raw materials and supplies	4,075	4,266
Other	2,359	2,519
Allowance for doubtful accounts	(3)	(3)
Total current assets	61,983	59,054
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	17,710	16,972
Other, net	11,427	11,829
Total property, plant and equipment	29,138	28,802
Intangible assets	732	623
Investments and other assets		
Investment securities	10,272	11,151
Other	6,784	6,422
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	17,057	17,573
Total noncurrent assets	46,928	46,999
Total assets	108,911	106,054

(Unit: Millions of yen)

	Fiscal 2012 (As of March 31, 2013)	Nine-Month Period of Fiscal 2013 (As of December 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,367	17,757
Short-term loans payable	8,390	4,220
Income taxes payable	2,616	1,673
Provision		
Provision for bonuses	1,129	570
Other provision	635	600
Other	6,093	6,132
Total current liabilities	35,232	30,954
Noncurrent liabilities		
Provision		
Provision for retirement benefits	6,112	6,491
Other provision	5	2
Other	982	821
Total noncurrent liabilities	7,100	7,314
Total liabilities	42,333	38,268
Net assets		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,587	11,587
Retained earnings	43,997	47,485
Treasury stock	(14,796)	(17,642)
Total shareholders' equity	64,642	65,285
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,936	2,500
Total accumulated other comprehensive income	1,936	2,500
Total net assets	66,578	67,785
Total liabilities and net assets	108,911	106,054

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

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2012 (April 1, 2012 – December 31, 2012)	Nine-Month Period of Fiscal 2013 (April 1, 2013 – December 31, 2013)
Net sales	66,805	67,018
Cost of sales	34,092	34,296
Gross profit	32,712	32,721
Selling, general and administrative expenses		
Promotion expenses	738	735
Salaries	5,875	5,874
Bonuses and provision for bonuses	1,234	1,300
Welfare expenses	878	910
Retirement benefit expenses	886	665
Rent expenses	1,089	1,067
Traveling and transportation expenses	982	989
Research and development expenses	4,783	5,246
Other	4,107	4,101
Total selling, general and administrative expenses	20,576	20,891
Operating income	12,135	11,830
Non-operating income		
Interest income	8	6
Dividends income	140	190
Other	43	44
Total non-operating income	192	242
Non-operating expenses		
Interest expenses	52	37
Amortization of net retirement benefit obligation at transition	393	393
Other	21	19
Total non-operating expenses	467	450
Ordinary income	11,860	11,621
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	87	18
Loss on valuation of golf club membership	3	2
Total extraordinary losses	90	21
Income before income taxes and minority interests	11,804	11,602
Income taxes	4,424	4,171
Income before minority interests	7,380	7,431
Net income	7,380	7,431

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

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2012 (April 1, 2012 – December 31, 2012)	Nine-Month Period of Fiscal 2013 (April 1, 2013 – December 31, 2013)
Income before minority interests	7,380	7,431
Other comprehensive income		
Valuation difference on available-for-sale securities	14	564
Total other comprehensive income	14	564
Comprehensive income	7,394	7,995
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,394	7,995