

August 5, 2014

**Consolidated Financial Results for the First Quarter of Fiscal 2014
(Three-Month Period Ended June 30, 2014) [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
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Scheduled Date to Submit the Quarterly Securities Report: August 12, 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 Three-Month Period of Fiscal 2014 (April 1, 2014 to June 30, 2014)

(1) Consolidated Results of Operations (cumulative)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)
Three-Month period of fiscal 2014	21,464	0.9	4,085	17.5	4,054	17.2	2,630	19.1
Three-Month period of fiscal 2013	21,270	2.4	3,478	0.2	3,459	1.8	2,207	5.0

Note:

Comprehensive income:

Three-Month period of fiscal 2014: ¥ 2,913 million (31.7 %)

Three-Month period of fiscal 2013: ¥ 2,213 million (13.3 %)

	Basic net income per share	Diluted net income per share
	(Yen)	(Yen)
Three-Month period of fiscal 2014	31.19	-
Three-Month period of fiscal 2013	25.60	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2014	104,203	67,145	64.4
As of March 31, 2014	106,465	68,096	64.0

Reference:

Equity:

As of June 30, 2014: ¥ 67,145 million

As of March 31, 2014: ¥ 68,096 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 2013	-	24.00	-	24.00	48.00
Fiscal 2014	-	-	-	-	-
Fiscal 2014 (Forecast)	-	27.00	-	27.00	54.00

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

3. Forecast of Consolidated Results for Fiscal 2014 (April 1, 2014 to March 31, 2015)

(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	44,200	1.1	7,900	7.4	7,700	6.8	5,000	8.7	59.92
Full year	91,400	2.8	16,800	5.8	16,400	5.7	10,700	9.9	128.22

Note: Revision to the dividend forecast 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: 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 June 30, 2014	96,879,461 shares	As of March 31, 2014	101,879,461 shares
2) Number of treasury stock at the period end	As of June 30, 2014	13,431,139 shares	As of March 31, 2014	17,380,750 shares
3) Average number of shares during the period	Three-Month period of fiscal 2014	84,349,688 shares	Three-Month period of fiscal 2013	86,240,196 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:

(Caution regarding descriptions, etc. of future events)

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.

(Obtaining Method of the Supplementary Material for the Quarterly Financial Results)

The supplementary material for the quarterly financial results will be available together with the quarterly financial results on the Company's website.

4. Consolidated Financial Results for the Three-Month Period of Fiscal 2014

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2013 (As of March 31, 2014)	Three-Month Period of Fiscal 2014 (As of June 30, 2014)
Assets		
Current assets		
Cash and deposits	9,644	8,840
Notes and accounts receivable-trade	25,363	26,480
Securities	7,812	4,913
Merchandise and finished goods	6,855	6,975
Work in process	1,641	1,826
Raw materials and supplies	4,724	5,120
Other	2,460	2,471
Allowance for doubtful accounts	(2)	-
Total current assets	58,501	56,626
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,770	16,607
Other, net	11,746	11,720
Total property, plant and equipment	28,516	28,327
Intangible assets	598	564
Investments and other assets		
Investment securities	10,994	11,184
Other	7,854	7,500
Allowance for doubtful accounts	(0)	-
Total investments and other assets	18,848	18,684
Total noncurrent assets	47,964	47,576
Total assets	106,465	104,203

(Unit: Millions of yen)

	Fiscal 2013 (As of March 31, 2014)	Three-Month Period of Fiscal 2014 (As of June 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,713	13,859
Short-term loans payable	4,195	4,195
Income taxes payable	3,628	1,495
Provision		
Provision for bonuses	1,277	630
Other provision	603	552
Other	4,637	6,891
Total current liabilities	28,056	27,623
Noncurrent liabilities		
Provision		
Other provision	3	-
Net defined benefit liability	9,493	8,888
Other	816	546
Total noncurrent liabilities	10,312	9,434
Total liabilities	38,368	37,058
Net assets		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,587	11,406
Retained earnings	49,789	45,677
Treasury stock	(17,656)	(14,597)
Total shareholders' equity	67,574	66,340
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,398	2,520
Remeasurements of defined benefit plans	(1,876)	(1,715)
Total accumulated other comprehensive income	521	805
Total net assets	68,096	67,145
Total liabilities and net assets	106,465	104,203

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(Three-month period of fiscal 2013 and 2014)

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2013 (April 1, 2013 – June 30, 2013)	Three-Month Period of Fiscal 2014 (April 1, 2014 – June 30, 2014)
Net sales	21,270	21,464
Cost of sales	10,919	10,625
Gross profit	10,350	10,838
Selling, general and administrative expenses		
Salaries	1,977	1,919
Bonuses and provision for bonuses	395	443
Retirement benefit expenses	222	208
Research and development expenses	1,598	1,620
Other	2,678	2,561
Total selling, general and administrative expenses	6,872	6,753
Operating income	3,478	4,085
Non-operating income		
Interest income	2	2
Dividends income	113	119
Other	17	9
Total non-operating income	133	131
Non-operating expenses		
Interest expenses	14	7
Amortization of net retirement benefit obligation at transition	131	131
Other	5	23
Total non-operating expenses	151	162
Ordinary income	3,459	4,054
Extraordinary income		
Gain on sales of noncurrent assets	-	7
Other	2	-
Total extraordinary income	2	7
Extraordinary loss		
Loss on retirement of noncurrent assets	9	9
Loss on sales of golf club memberships	-	9
Other	-	2
Total extraordinary losses	9	21
Income before income taxes and minority interests	3,453	4,040
Income taxes	1,245	1,410
Income before minority interests	2,207	2,630
Net income	2,207	2,630

(Consolidated statements of comprehensive income)
(Three-month period of fiscal 2013 and 2014)

(Unit: Millions of yen)

	Three-Month Period of Fiscal 2013 (April 1, 2013 – June 30, 2013)	Three-Month Period of Fiscal 2014 (April 1, 2014 – June 30, 2014)
Income before minority interests	2,207	2,630
Other comprehensive income		
Valuation difference on available-for-sale securities	5	122
Remeasurements of defined benefit plans	-	161
Total other comprehensive income	5	283
Comprehensive income	2,213	2,913
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,213	2,913