

February 5, 2015

**Consolidated Financial Results for the Third Quarter of Fiscal 2014
(Nine-Month Period Ended December 31, 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
Contact: Fumihito Watanabe, Corporate Officer and General Manager of General Affairs Department
Telephone: +81-3-5977-5002
Scheduled Date to Submit the Quarterly Securities Report: February 13, 2015
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 2014 (April 1, 2014 to December 31, 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 (%)
Nine-Month period of fiscal 2014	71,155	6.2	16,611	40.4	16,474	41.8	9,605	29.3
Nine-Month period of fiscal 2013	67,018	0.3	11,830	(2.5)	11,621	(2.0)	7,431	0.7

Note:

Comprehensive income:

Nine-Month period of fiscal 2014: ¥ 11,650 million (45.7 %)

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

	Basic net income per share	Diluted net income per share
	(Yen)	(Yen)
Nine-Month period of fiscal 2014	115.03	-
Nine-Month period of fiscal 2013	86.86	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2014	115,822	72,186	62.3
As of March 31, 2014	106,465	68,096	64.0

Reference:

Equity:

As of December 31, 2014: ¥ 72,186 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	-	27.00	-		
Fiscal 2014 (Forecast)				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)
Full year	91,400	2.8	16,800	5.8	16,400	5.7	10,700	9.9	129.12

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 December 31, 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 December 31, 2014	14,013,107 Shares	As of March 31, 2014	17,380,750 shares
3) Average number of shares during the period	Nine-Month period of fiscal 2014	83,504,846 shares	Nine-Month period of fiscal 2013	85,554,076 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 Nine-Month Period of Fiscal 2014

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2013 (As of March 31, 2014)	Nine-Month Period of Fiscal 2014 (As of December 31, 2014)
Assets		
Current assets		
Cash and deposits	9,644	9,874
Notes and accounts receivable-trade	25,363	37,649
Securities	7,812	7,613
Merchandise and finished goods	6,855	6,659
Work in process	1,641	1,743
Raw materials and supplies	4,724	4,268
Other	2,460	2,427
Allowance for doubtful accounts	(2)	-
Total current assets	58,501	70,237
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,770	16,392
Other, net	11,746	9,876
Total property, plant and equipment	28,516	26,269
Intangible assets	598	497
Investments and other assets		
Investment securities	10,994	13,422
Other	7,854	5,395
Allowance for doubtful accounts	(0)	-
Total investments and other assets	18,848	18,818
Total noncurrent assets	47,964	45,584
Total assets	106,465	115,822

(Unit: Millions of yen)

	Fiscal 2013 (As of March 31, 2014)	Nine-Month Period of Fiscal 2014 (As of December 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,713	16,190
Short-term loans payable	4,195	4,195
Income taxes payable	3,628	2,364
Provision		
Provision for bonuses	1,277	624
Other provision	603	668
Other	4,637	10,533
Total current liabilities	28,056	34,576
Noncurrent liabilities		
Provision		
Other provision	3	-
Net defined benefit liability	9,493	8,539
Other	816	520
Total noncurrent liabilities	10,312	9,059
Total liabilities	38,368	43,636
Net assets		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,587	11,406
Retained earnings	49,789	50,414
Treasury stock	(17,656)	(16,055)
Total shareholders' equity	67,574	69,619
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,398	3,960
Remeasurements of defined benefit plans	(1,876)	(1,393)
Total accumulated other comprehensive income	521	2,566
Total net assets	68,096	72,186
Total liabilities and net assets	106,465	115,822

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

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2013 (April 1, 2013 – December 31, 2013)	Nine-Month Period of Fiscal 2014 (April 1, 2014 – December 31, 2014)
Net sales	67,018	71,155
Cost of sales	34,296	34,097
Gross profit	32,721	37,057
Selling, general and administrative expenses		
Salaries	5,874	5,717
Bonuses and provision for bonuses	1,300	1,367
Retirement benefit expenses	665	654
Research and development expenses	5,246	4,806
Other	7,804	7,899
Total selling, general and administrative expenses	20,891	20,445
Operating income	11,830	16,611
Non-operating income		
Interest income	6	5
Dividends income	190	208
Other	44	74
Total non-operating income	242	288
Non-operating expenses		
Interest expenses	37	21
Amortization of net retirement benefit obligation at transition	393	393
Other	19	10
Total non-operating expenses	450	426
Ordinary income	11,621	16,474
Extraordinary income		
Gain on sales of noncurrent assets	-	7
Other	2	-
Total extraordinary income	2	7
Extraordinary loss		
Loss on sales of noncurrent assets	-	1,187
Loss on retirement of noncurrent assets	18	29
Amortization of long-term prepaid expenses	-	525
Loss on sales of golf club memberships	-	8
Other	2	2
Total extraordinary losses	21	1,753
Income before income taxes and minority interests	11,602	14,728
Income taxes	4,171	5,123
Income before minority interests	7,431	9,605
Net income	7,431	9,605

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

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2013 (April 1, 2013 – December 31, 2013)	Nine-Month Period of Fiscal 2014 (April 1, 2014 – December 31, 2014)
Income before minority interests	7,431	9,605
Other comprehensive income		
Valuation difference on available-for-sale securities	564	1,561
Remeasurements of defined benefit plans	-	483
Total other comprehensive income	564	2,045
Comprehensive income	7,995	11,650
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,995	11,650