

February 5, 2016

**Consolidated Financial Results for the Third Quarter of Fiscal 2015
(Nine-Month Period Ended December 31, 2015) [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 10, 2016

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 2015 (April 1, 2015 to December 31, 2015)

(1) Consolidated Results of Operations (cumulative)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)
Nine-Month period of fiscal 2015	85,431	20.1	29,689	78.7	29,919	81.6	20,134	109.6
Nine-Month period of fiscal 2014	71,155	6.2	16,611	40.4	16,474	41.8	9,605	29.3

Note:

Comprehensive income:

Nine-Month period of fiscal 2015: ¥ 20,711 million (77.8%)

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

	Basic net income per share	Diluted net income per share
	(Yen)	(Yen)
Nine-Month period of fiscal 2015	486.14	-
Nine-Month period of fiscal 2014	230.05	-

* The Company conducted a reverse stock split to consolidate every two shares of common stock into one share on October 1, 2015. Basic net income per share has been calculated assuming that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2015	136,148	92,144	67.7
As of March 31, 2015	115,135	77,100	67.0

Reference:

Equity:

As of December 31, 2015: ¥ 92,144 million

As of March 31, 2015: ¥ 77,100 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 2014	-	27.00	-	32.00	59.00
Fiscal 2015	-	34.00	-		
Fiscal 2015 (Forecast)				78.00	-

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

* The Company conducted a reverse stock split to consolidate every two shares of common stock into one share on October 1, 2015. The above year-end cash dividends per share for fiscal 2015 (forecast) is the amount that factors in this reverse stock split, and total annual cash dividends are described as “-.” For more detail, please see “Explanation for the appropriate use of performance forecasts and other special notes.”

* Breakdown of the year-end cash dividends per share for fiscal 2015 (forecast): common dividends of 68.00 yen and commemorative dividends of 10.00 yen

3. Forecast of Consolidated Results for Fiscal 2015 (April 1, 2015 to March 31, 2016)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	107,900	14.9	32,200	56.1	32,400	58.9	19,200	58.4	463.70

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

* The Company conducted a reverse stock split to consolidate every two shares of common stock into one share on October 1, 2015. Accordingly, basic net income per share has been calculated factoring in this reverse stock split. For more detail, please see “Explanation for the appropriate use of performance forecasts and other special notes.”

* 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, 2015	48,439,730 shares	As of March 31, 2015	48,439,730 shares
2) Number of treasury stock at the period end	As of December 31, 2015	7,033,620 shares	As of March 31, 2015	7,012,940 shares
3) Average number of shares during the period	Nine-Month period of fiscal 2015	41,416,610 shares	Nine-Month period of fiscal 2014	41,752,423 shares

* The Company conducted a reverse stock split to consolidate every two shares of common stock into one share on October 1, 2015. Number of shares issued at the period end, number of treasury stock at the period end and average number of shares during the period have been calculated assuming that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

* 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 forward-looking statements)

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.

(Dividend distribution and business forecast after reverse stock split)

The Company's proposal for a reverse stock split was passed and resolved at the 95th Ordinary General Meeting of Shareholders, held on June 26, 2015. The Company conducted a reverse stock split to consolidate every two shares of common stock into one share on October 1, 2015. The amounts of year-end dividend and the basic net income per share in the forecast of consolidated results for fiscal 2015 contained herein are amounts that factor in this reverse stock split.

(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 financial results on the Company's website.

4. Consolidated Financial Results for Nine-Month Period of Fiscal 2015

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2014 (As of March 31, 2015)	Nine-Month Period of Fiscal 2015 (As of December 31, 2015)
Assets		
Current assets		
Cash and deposits	10,553	10,425
Notes and accounts receivable-trade	28,204	41,123
Securities	14,214	21,916
Merchandise and finished goods	7,323	6,795
Work in process	2,244	2,476
Raw materials and supplies	3,915	4,206
Other	2,561	2,723
Total current assets	69,016	89,667
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,226	15,637
Other, net	9,735	10,378
Total property, plant and equipment	25,961	26,015
Intangible assets	474	412
Investments and other assets		
Investment securities	15,357	15,958
Other	4,324	4,094
Total investments and other assets	19,681	20,052
Total noncurrent assets	46,118	46,481
Total assets	115,135	136,148

(Unit: Millions of yen)

	Fiscal 2014 (As of March 31, 2015)	Nine-Month Period of Fiscal 2015 (As of December 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,295	16,851
Short-term loans payable	4,195	4,195
Income taxes payable	3,807	7,042
Provision		
Provision for bonuses	1,291	614
Other provision	465	565
Other	8,314	7,895
Total current liabilities	30,369	37,163
Noncurrent liabilities		
Net defined benefit liability	7,162	6,381
Other	503	458
Total noncurrent liabilities	7,665	6,840
Total liabilities	38,035	44,004
Net assets		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,406	11,407
Retained earnings	52,932	67,599
Treasury stock	(16,098)	(16,299)
Total shareholders' equity	72,094	86,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,478	5,883
Remeasurements of defined benefit plans	(472)	(300)
Total accumulated other comprehensive income	5,005	5,583
Total net assets	77,100	92,144
Total liabilities and net assets	115,135	136,148

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(Nine-month period of fiscal 2014 and 2015)

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2014 (April 1, 2014 – December 31, 2014)	Nine-Month Period of Fiscal 2015 (April 1, 2015 – December 31, 2015)
Net sales	71,155	85,431
Cost of sales	34,097	36,222
Gross profit	37,057	49,209
Selling, general and administrative expenses		
Salaries	5,717	5,586
Bonuses and provision for bonuses	1,367	1,281
Retirement benefit expenses	654	525
Research and development expenses	4,806	4,392
Other	7,899	7,733
Total selling, general and administrative expenses	20,445	19,519
Operating income	16,611	29,689
Non-operating income		
Interest income	5	10
Dividends income	208	215
Other	74	41
Total non-operating income	288	267
Non-operating expenses		
Interest expenses	21	20
Foreign exchange losses	-	7
Amortization of net retirement benefit obligation at transition	393	-
Other	10	8
Total non-operating expenses	426	36
Ordinary income	16,474	29,919
Extraordinary income		
Gain on sales of noncurrent assets	7	-
Total extraordinary income	7	-
Extraordinary loss		
Loss on sales of noncurrent assets	1,187	-
Loss on retirement of noncurrent assets	29	47
Amortization of long-term prepaid expenses	525	-
Loss on sales of golf club memberships	8	5
Other	2	3
Total extraordinary losses	1,753	55
Income before income taxes	14,728	29,864
Income taxes	5,123	9,729
Net income	9,605	20,134
Net income attributable to owners of the parent	9,605	20,134

(Consolidated statements of comprehensive income)
(Nine-month period of fiscal 2014 and 2015)

(Unit: Millions of yen)

	Nine-Month Period of Fiscal 2014 (April 1, 2014 – December 31, 2014)	Nine-Month Period of Fiscal 2015 (April 1, 2015 – December 31, 2015)
Net income	9,605	20,134
Other comprehensive income		
Valuation difference on available-for-sale securities	1,561	405
Remeasurements of defined benefit plans	483	171
Total other comprehensive income	2,045	577
Comprehensive income	11,650	20,711
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	11,650	20,711