

August 1, 2017

**Consolidated Financial Results for the First Quarter of Fiscal 2017  
(Three-Month Period Ended June 30, 2017 [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 10, 2017

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 2017 (April 1, 2017 to June 30, 2017)**

**(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 (%)
Three-Month period of Fiscal 2017	24,967	(4.8)	7,649	(5.5)	7,813	(4.9)	5,463	(5.7)
Three-Month period of Fiscal 2016	26,228	(5.1)	8,097	(12.3)	8,217	(12.2)	5,796	(8.0)

Note:

Comprehensive income:

Three-Month period of Fiscal 2017: ¥ 6,300 million [22.1%]

Three-Month period of Fiscal 2016 ¥ 5,158 million [(20.2)%]

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Three-Month period of Fiscal 2017	133.81	-
Three-Month period of Fiscal 2016	140.05	-

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2017	138,909	104,101	74.9
As of March 31, 2017	135,060	102,655	76.0

Reference:

Equity:

As of June 30, 2017: ¥ 104,101 million

As of March 31, 2017: ¥ 102,655 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 2016	-	75.00	-	75.00	150.00
Fiscal 2017	-				
Fiscal 2017 (Forecast)		75.00	-	75.00	150.00

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

## 3. Forecast of Consolidated Results for Fiscal 2017 (April 1, 2017 to March 31, 2018)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Six-Month period	51,100	(2.1)	14,700	(8.8)	14,800	(8.9)	10,400	(9.1)	256.18
Full year	101,700	0.2	26,800	(12.7)	27,000	(12.9)	19,100	(13.2)	470.49

Note: Revision to the business 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.: 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 June 30, 2017	48,439,730 shares	As of March 31, 2017	48,439,730 shares
2) Number of treasury stock at the period end	As of June 30, 2017	7,843,879 shares	As of March 31, 2017	7,568,472 shares
3) Average number of shares during the period	Three-Month period of Fiscal 2017	40,831,327 shares	Three-Month period of fiscal 2016	41,391,265 shares

\* These quarterly financial results are outside the scope of quarterly review.

\* 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.

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

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

#### 4. Consolidated Financial Results for Three-Month Period of Fiscal 2017

##### (1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2016 (As of March 31, 2017)	Three-Month Period of Fiscal 2017 (As of June 30, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	33,867	37,014
Notes and accounts receivable-trade	28,231	30,523
Securities	9,899	7,599
Merchandise and finished goods	8,004	7,994
Work in process	2,341	2,493
Raw materials and supplies	6,150	5,655
Other	2,000	1,996
Total current assets	90,494	93,277
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	17,401	17,725
Other	8,869	8,940
Total property, plant and equipment	26,271	26,666
Intangible assets	372	377
Investments and other assets		
Investment securities	15,943	16,989
Other	1,978	1,597
Total investments and other assets	17,921	18,587
Total noncurrent assets	44,565	45,631
Total assets	135,060	138,909

(Unit: Millions of yen)

	Fiscal 2016 (As of March 31, 2017)	Three-Month Period of Fiscal 2017 (As of June 30, 2017)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	9,854	9,993
Electrically recorded obligations-operating	1,307	1,469
Short-term loans payable	3,875	3,875
Income taxes payable	3,049	2,347
Provision		
Provision for bonuses	1,271	591
Other provision	548	444
Other	4,113	7,859
<b>Total current liabilities</b>	<b>24,020</b>	<b>26,580</b>
Noncurrent liabilities		
Net defined benefit liability	8,029	7,874
Other	355	352
<b>Total noncurrent liabilities</b>	<b>8,384</b>	<b>8,227</b>
<b>Total liabilities</b>	<b>32,405</b>	<b>34,808</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	23,853	23,853
Capital surplus	11,407	11,407
Retained earnings	84,331	86,729
Treasury stock	(19,813)	(21,603)
<b>Total shareholders' equity</b>	<b>99,778</b>	<b>100,387</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,611	5,337
Remeasurements of defined benefit plans	(1,734)	(1,623)
<b>Total accumulated other comprehensive income</b>	<b>2,876</b>	<b>3,713</b>
<b>Total net assets</b>	<b>102,655</b>	<b>104,101</b>
<b>Total liabilities and net assets</b>	<b>135,060</b>	<b>138,909</b>

**(2) Consolidated statements of income and comprehensive income**  
**(Consolidated statements of income)**  
**(Three-month period of fiscal 2016 and 2017)**

(Unit: Millions of yen)

	Three-Month period of Fiscal 2016 (April 1, 2016 – June 30, 2016)	Three-Month period of Fiscal 2017 (April 1, 2017 – June 30, 2017)
Net sales	26,228	24,967
Cost of sales	11,192	10,520
Gross profit	15,036	14,447
Selling, general and administrative expenses		
Salaries	1,842	1,805
Bonuses and provision for bonuses	433	419
Retirement benefit expenses	209	210
Research and development expenses	1,899	1,836
Other	2,554	2,526
Total selling, general and administrative expenses	6,938	6,798
Operating income	8,097	7,649
Non-operating income		
Interest income	1	0
Dividends income	150	170
Other	6	8
Total non-operating income	159	179
Non-operating expenses		
Interest expenses	5	4
Foreign exchange losses	31	6
Other	2	4
Total non-operating expenses	39	15
Ordinary income	8,217	7,813
Extraordinary loss		
Loss on retirement of noncurrent assets	12	33
Loss on sales of golf club memberships	17	-
Total extraordinary losses	29	33
Income before income taxes	8,187	7,780
Income taxes	2,390	2,317
Net income	5,796	5,463
Net income attributable to owners of the parent	5,796	5,463

**(Consolidated statements of comprehensive income)**  
**(Three-month period of fiscal 2016 and 2017)**

(Unit: Millions of yen)

	Three-Month period of Fiscal 2016 (April 1, 2016 – June 30, 2016)	Three-Month period of Fiscal 2017 (April 1, 2017 – June 30, 2017)
Net income	5,796	5,463
Other comprehensive income		
Valuation difference on available-for-sale securities	(748)	725
Remeasurements of defined benefit plans	109	111
Total other comprehensive income	(638)	836
Comprehensive income	5,158	6,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,158	6,300