

Consolidated Financial Results for Fiscal 2018

(Reference Data of Financial Statements for the 2Q of Fiscal 2018)

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1. Summary of Consolidated Financial Statements for the Second Quarter of Fiscal 2018

(Figures less than one million yen have been omitted)

	FY2017 2nd Q	FY2017	FY2018 2nd Q	Y o Y increase (decrease)		FY2018 Forecasts	Y o Y increase (decrease)	
				Yen	%		Yen	%
Net sales	49,860	98,430	47,521	(2,338)	95.3%	94,800	(3,630)	96.3%
Operating income	15,335	27,496	12,356	(2,978)	80.6%	22,500	(4,996)	81.8%
Ratio of net sales	30.8%	27.9%	26.0%			23.7%		
Ordinary income	15,517	27,854	12,536	(2,980)	80.8%	22,800	(5,054)	81.9%
Ratio of net sales	31.1%	28.3%	26.4%			24.1%		
Net income	10,868	19,043	8,840	(2,028)	81.3%	16,400	(2,643)	86.1%
Ratio of net sales	21.8%	19.3%	18.6%			17.3%		
Per share profit (Yen)	267.56	470.54	220.84			412.90		

Comprehensive income	12,254	20,753	9,848	(2,405)	80.4%
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Capital investment	1,139	1,907	1,335	195	117.2%	2,100	193	110.1%
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R&D expenses	3,644	8,152	5,708	2,063	156.6%	11,700	3,548	143.5%
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Depreciation and amortization	1,043	2,124	1,036	(7)	99.3%	2,200	76	103.6%
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Employee number	1,425	1,389	1,391	(34)	
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2. Breakdown of Consolidated Net Sales by Segment

(Figures less than one million yen have been omitted)

	FY2017 2nd Q	FY2017	FY2018 2nd Q	Y o Y increase (decrease)	
				Yen	%
Pharmaceuticals, medical devices & agrochemicals	48,659	96,022	46,354	(2,304)	95.3%
Real estate	1,201	2,407	1,166	(34)	97.1%
Total	49,860	98,430	47,521	(2,338)	95.3%

3. Summary of Consolidated Balance Sheets

(Figures less than one million yen have been omitted)

	As of September 30, 2017	Ratio	As of March 31, 2018	Ratio	As of September 30, 2018	Ratio	Y o Y increase (decrease)
Assets	148,590	100.0%	152,417	100.0%	152,434	100.0%	17
Current assets	101,852	68.5%	103,859	68.1%	102,099	67.0%	(1,760)
Noncurrent assets	46,738	31.5%	48,557	31.9%	50,335	33.0%	1,777
Liabilities	40,184	27.0%	38,543	25.3%	35,254	23.1%	(3,288)
Current liabilities	32,125	21.6%	31,401	20.6%	28,128	18.5%	(3,273)
Noncurrent liabilities	8,058	5.4%	7,141	4.7%	7,126	4.7%	(14)
Net assets	108,406	73.0%	113,874	74.7%	117,180	76.9%	3,305
Capital stock	23,853	16.1%	23,853	15.6%	23,853	15.6%	—
Capital surplus	11,407	7.7%	11,408	7.5%	11,408	7.5%	—
Retained earnings	92,134	62.0%	97,284	63.8%	103,101	67.6%	5,816
Treasury stock	(23,251)	(15.6%)	(23,259)	(15.3%)	(26,778)	(17.6%)	(3,519)
Valuation difference on available-for-sale securities	5,775	3.9%	5,510	3.6%	6,387	4.2%	876
Remeasurements of defined benefit plans	(1,512)	(1.0%)	(923)	(0.6%)	(792)	(0.5%)	131

4. Summary of Consolidated Statements of Cash Flows

(Figures less than one million yen have been omitted)

	FY2017 2nd Q	FY2017	FY2018 2nd Q	Y o Y increase (decrease)
Net cash provided by (used in) operating activities	11,086	21,703	7,040	(4,046)
Net cash provided by (used in) investing activities	(822)	(3,245)	(1,217)	(395)
Net cash provided by (used in) financing activities	(6,500)	(9,530)	(6,541)	(40)
Cash and cash equivalents at end of period	47,530	52,694	51,976	4,445

5. Summary of Non-consolidated Financial Statements for the Second Quarter of Fiscal 2018

(Figures less than one million yen have been omitted)

	FY2017 2nd Q	FY2017	FY2018 2nd Q	Y o Y increase(decrease)		FY2018 Forecasts	Y o Y increase(decrease)	
				Yen	%		Yen	%
Net sales	49,083	96,891	46,711	(2,371)	95.2%	93,300	(3,591)	96.3%
Operating income	15,287	27,388	12,294	(2,993)	80.4%	22,400	(4,988)	81.8%
Ratio of net sales	31.1%	28.3%	26.3%			24.0%		
Ordinary income	15,469	27,747	12,474	(2,995)	80.6%	22,700	(5,047)	81.8%
Ratio of net sales	31.5%	28.6%	26.7%			24.3%		
Net income	10,837	18,974	8,799	(2,038)	81.2%	16,300	(2,674)	85.9%
Ratio of net sales	22.1%	19.6%	18.8%			17.5%		
Capital investment	1,139	1,907	1,335	195	117.2%	2,100	193	110.1%
R&D expenses	3,644	8,152	5,708	2,063	156.6%	11,700	3,548	143.5%
Depreciation and amortization	1,042	2,123	1,035	(7)	99.3%	2,200	77	103.6%
Export volume	2,819	7,047	4,185	1,365	148.4%			
Pharmaceuticals	2,145	4,827	3,573	1,427	166.6%			
Agrochemicals	674	2,219	612	(62)	90.8%			
Employee number	1,418	1,382	1,383	(35)				

6. Breakdown of Non-consolidated Net Sales by Segment

(Figures less than one million yen have been omitted)

	FY2017 2nd Q	FY2017	FY2018 2nd Q	Y o Y increase(decrease)		FY2018 Forecasts	Y o Y increase(decrease)	
				Yen	%		Yen	%
Pharmaceuticals & medical devices	46,014	88,844	44,129	(1,885)	95.9%	85,320	(3,524)	96.0%
Agrochemicals	1,867	5,639	1,415	(451)	75.8%	5,620	(19)	99.7%
Renting real estate	1,201	2,407	1,166	(34)	97.1%	2,360	(47)	98.0%
Total	49,083	96,891	46,711	(2,371)	95.2%	93,300	(3,591)	96.3%

7. Breakdown of Sales by Main Pharmaceuticals and Medical Devices

(Figures less than one million yen have been omitted)

	FY2017 2nd Q	FY2017	FY2018 2nd Q	%	FY2018 Forecasts	%
Anti-osteoarthritis Artz	14,820	28,351	12,422	83.8%	24,800	87.5%
Anti-nail fungus Clenafin	11,849	22,185	12,084	102.0%	22,900	103.2%
Post-operative anti-adhesive Seprafilm	5,231	10,162	5,007	95.7%	10,200	100.4%
Wound healing agent Fiblast Spray	1,809	3,616	1,559	86.2%	3,100	85.7%
Anti-hyperlipidemia Lipidil	2,239	4,208	1,422	63.5%	2,900	68.9%
Generic products	5,953	11,793	5,234	87.9%	11,200	95.0%

8. Development Status

Code	Indication	Stage	Remarks
BBI-4000	Primary focal hyperhidrosis	PIII	Licensed from Brickell Biotech, Inc.; Topical anticholinergic
KMW-1	Removal of eschar with thermal burns	PIII	Licensed from MediWound Ltd.; Topically-applied enzymatic product Overseas product name : NexoBrid
KP-607	Onychomycosis	PI	In-house drug discovery Post Clenafin / Jublia

KAG-308 : Completion of Joint Development Agreement between Kaken Pharmaceutical Co., Ltd. and AGC Inc.