

August 1, 2019

**Consolidated Financial Results for the First Quarter of Fiscal 2019
(Three-Month Period Ended June 30, 2019) [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: August 9, 2019
 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 2019 (April 1, 2019 to June 30, 2019)

(1) Consolidated Results of Operations (cumulative)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)	(Millions of yen)	Change (%)
Three-Month period of Fiscal 2019	22,335	(7.5)	6,705	18.7	6,898	18.6	4,826	19.6
Three-Month period of Fiscal 2018	24,135	(3.3)	5,647	(26.2)	5,817	(25.6)	4,035	(26.1)

Note:

Comprehensive income:

Three-Month period of Fiscal 2019: ¥ 4,532 million [7.1%]

Three-Month period of Fiscal 2018: ¥ 4,232 million [(32.8)%]

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Three-Month period of Fiscal 2019	121.65	-
Three-Month period of Fiscal 2018	100.16	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2019	155,505	120,604	77.6
As of March 31, 2019	155,985	121,131	77.7

Reference:

Equity:

As of June 30, 2019: ¥ 120,604 million

As of March 31, 2019: ¥ 121,131 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 2018	-	75.00	-	75.00	150.00
Fiscal 2019	-				
Fiscal 2019 (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 2019 (April 1, 2019 to March 31, 2020)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Six-Month period	46,400	(2.4)	11,000	(11.0)	11,200	(10.7)	7,900	(10.6)	200.93
Full year	92,900	(1.3)	22,300	(9.3)	22,700	(9.1)	16,100	(9.4)	409.48

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, 2019	45,939,730 shares	As of March 31, 2019	48,439,730 shares
As of June 30, 2019	6,621,929 shares	As of March 31, 2019	8,721,768 shares
Three-Month period of Fiscal 2019	39,676,480 shares	Three-Month period of Fiscal 2018	40,288,627 shares

2) Number of treasury stock at the period end

3) Average number of shares during the period

* These quarterly financial results are outside the scope of quarterly review by certified public accountants or audit firms.

* 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.

2. Consolidated Financial Results for Three-Month Period of Fiscal 2019

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2018 (As of March 31, 2019)	Three-Month Period of Fiscal 2019 (As of June 30, 2019)
Assets		
Current assets		
Cash and deposits	46,956	47,419
Notes and accounts receivable-trade	30,340	29,452
Marketable securities	11,599	11,599
Merchandise and finished goods	6,113	6,847
Work in process	2,647	2,394
Raw materials and supplies	4,959	5,245
Other	1,114	1,056
Allowance for doubtful accounts	(0)	(0)
Total current assets	103,731	104,015
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,443	17,266
Other, net	8,959	8,883
Total property, plant and equipment	26,402	26,149
Intangible assets	551	473
Investments and other assets		
Investment securities	17,068	16,596
Other	8,231	8,269
Total investments and other assets	25,299	24,865
Total non-current assets	52,254	51,489
Total assets	155,985	155,505

(Unit: Millions of yen)

	Fiscal 2018 (As of March 31, 2019)	Three-Month Period of Fiscal 2019 (As of June 30, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,729	11,197
Electronically recorded obligations-operating	1,529	2,122
Short-term bank loans	3,875	3,875
Income taxes payable	4,042	2,294
Provision		
Provision for bonuses	1,149	576
Other provision	408	365
Other	5,844	7,310
Total current liabilities	27,580	27,740
Non-current liabilities		
Net defined benefit liability	6,642	6,544
Other	631	614
Total non-current liabilities	7,274	7,159
Total liabilities	34,854	34,900
Net assets		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,408	11,406
Retained earnings	109,057	103,156
Treasury stock	(26,782)	(21,112)
Total shareholders' equity	117,536	117,304
Accumulated other comprehensive income		
Net unrealized holding gain on securities	4,524	4,196
Remeasurements of defined benefit plans	(930)	(897)
Total accumulated other comprehensive income	3,594	3,299
Total net assets	121,131	120,604
Total liabilities and net assets	155,985	155,505

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(Three-month period of fiscal 2018 and 2019)

(Unit: Millions of yen)

	Three-Month period of Fiscal 2018 (April 1, 2018 – June 30, 2018)	Three-Month period of Fiscal 2019 (April 1, 2019 – June 30, 2019)
Net sales	24,135	22,335
Cost of sales	10,167	9,507
Gross profit	13,967	12,828
Selling, general and administrative expenses		
Salaries	1,741	1,629
Bonuses and provision for bonuses	417	402
Retirement benefit expenses	158	117
Research and development expenses	3,579	1,609
Other	2,422	2,362
Total selling, general and administrative expenses	8,319	6,122
Operating profit	5,647	6,705
Other income		
Interest income	1	1
Dividends income	179	209
Other	5	5
Total other income	186	216
Other expenses		
Interest expenses	4	4
Foreign exchange losses	8	12
Other	3	6
Total other expenses	16	23
Ordinary profit	5,817	6,898
Extraordinary income		
Other	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on retirement of non-current assets	29	7
Loss on sale of golf club membership	4	6
Total extraordinary losses	34	13
Profit before income taxes	5,782	6,885
Income taxes	1,747	2,058
Profit	4,035	4,826
Profit attributable to owners of parent	4,035	4,826

(Consolidated statements of comprehensive income)
(Three-month period of fiscal 2018 and 2019)

(Unit: Millions of yen)

	Three-Month period of Fiscal 2018 (April 1, 2018 – June 30, 2018)	Three-Month period of Fiscal 2019 (April 1, 2019 – June 30, 2019)
Profit	4,035	4,826
Other comprehensive income		
Net unrealized holding gain on securities	131	(327)
Remeasurements of defined benefit plans	65	33
Total other comprehensive income	197	(294)
Comprehensive income	4,232	4,532
Total comprehensive income attributable to Owners of parent	4,232	4,532