

February 3, 2020

**Consolidated Financial Results for the Third Quarter of Fiscal 2019  
(Nine-Month Period Ended December 31, 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>)  
 Representative: Tetsuo Onuma, President and Representative Director  
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 Scheduled Date to Submit the Quarterly Securities Report: February 13, 2020  
 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 2019 (April 1, 2019 to December 31, 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 (%)
Nine-Month period of Fiscal 2019	70,178	(3.3)	22,432	12.7	22,829	12.7	15,554	9.2
Nine-Month period of Fiscal 2018	72,584	(5.6)	19,903	(16.0)	20,254	(15.8)	14,247	(15.5)

Note:

Comprehensive income:

Nine-Month period of Fiscal 2019: ¥ 15,703 million [13.0%]

Nine-Month period of Fiscal 2018: ¥ 13,901 million [(24.8)%]

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Nine-Month period of Fiscal 2019	396.67	-
Nine-Month period of Fiscal 2018	356.84	-

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2019	160,550	126,685	78.9
As of March 31, 2019	155,985	121,131	77.7

Reference:

Equity:

As of December 31, 2019: ¥ 126,685 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	-	75.00	-		
Fiscal 2019 (Forecast)				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)
Full year	92,900	(1.3)	22,300	(9.3)	22,700	(9.1)	16,100	(9.4)	413.70

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 December 31, 2019	45,939,730 shares	As of March 31, 2019	48,439,730 shares
2) Number of treasury stock at the period end	As of December 31, 2019	7,022,332 shares	As of March 31, 2019	8,721,768 shares
3) Average number of shares during the period	Nine-Month period of Fiscal 2019	39,213,914 shares	Nine-Month period of Fiscal 2018	39,926,092 shares

Note: Number of treasury stock at the period end includes the Company's shares held by the "Board Benefit Trust (BBT)" (41,100 shares as of December 31, 2019). The Company's shares held by the BBT (5,829 shares as of December 31, 2019) are included in the number of treasury stock to be deducted in calculating the 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.

#### 4. Consolidated Financial Results for Nine-Month Period of Fiscal 2019

##### (1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2018 (As of March 31, 2019)	Nine-Month Period of Fiscal 2019 (As of December 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	46,956	50,385
Notes and accounts receivable-trade	30,340	31,188
Marketable securities	11,599	13,599
Merchandise and finished goods	6,113	5,606
Work in process	2,647	2,839
Raw materials and supplies	4,959	4,364
Other	1,114	1,243
Allowance for doubtful accounts	(0)	(0)
Total current assets	103,731	109,227
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,443	16,901
Other, net	8,959	8,830
Total property, plant and equipment	26,402	25,732
Intangible assets	551	444
Investments and other assets		
Investment securities	17,068	17,139
Other	8,231	8,318
Allowance for doubtful accounts	-	(312)
Total investments and other assets	25,299	25,145
Total non-current assets	52,254	51,322
Total assets	155,985	160,550

(Unit: Millions of yen)

	Fiscal 2018 (As of March 31, 2019)	Nine-Month Period of Fiscal 2019 (As of December 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,729	11,110
Electronically recorded obligations-operating	1,529	1,665
Short-term bank loans	3,875	3,875
Income taxes payable	4,042	2,946
Provision		
Provision for bonuses	1,149	526
Other provision	408	416
Other	5,844	6,282
Total current liabilities	27,580	26,823
Non-current liabilities		
Net defined benefit liability	6,642	6,525
Other	631	515
Total non-current liabilities	7,274	7,041
Total liabilities	34,854	33,864
Net assets		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,408	11,495
Retained earnings	109,057	110,966
Treasury stock	(26,782)	(23,372)
Total shareholders' equity	117,536	122,942
Accumulated other comprehensive income		
Net unrealized holding gain on securities	4,524	4,573
Remeasurements of defined benefit plans	(930)	(830)
Total accumulated other comprehensive income	3,594	3,742
Total net assets	121,131	126,685
Total liabilities and net assets	155,985	160,550

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

(Unit: Millions of yen)

	Nine-Month period of Fiscal 2018 (April 1, 2018 – December 31, 2018)	Nine-Month period of Fiscal 2019 (April 1, 2019 – December 31, 2019)
Net sales	72,584	70,178
Cost of sales	30,775	29,852
Gross profit	41,809	40,325
Selling, general and administrative expenses		
Salaries	5,156	4,754
Bonuses and provision for bonuses	1,240	1,083
Retirement benefit expenses	475	353
Research and development expenses	7,744	4,741
Other	7,287	6,960
Total selling, general and administrative expenses	21,905	17,893
Operating profit	19,903	22,432
Other income		
Interest income	4	5
Dividends income	343	383
Other	64	92
Total other income	412	481
Other expenses		
Interest expenses	13	13
Foreign exchange losses	26	32
Loss on cancellation of insurance policies	-	25
Other	21	14
Total other expenses	61	85
Ordinary profit	20,254	22,829
Extraordinary income		
Gain on sales of non-current assets	-	4
Other	0	-
Total extraordinary income	0	4
Extraordinary losses		
Loss on retirement of non-current assets	27	45
Loss on impairment of non-current assets	-	287
Loss on sale of golf club membership	4	6
Provision of allowance for doubtful accounts	-	312
Total extraordinary losses	32	651
Profit before income taxes	20,222	22,182
Income taxes	5,975	6,627
Profit	14,247	15,554
Profit attributable to owners of parent	14,247	15,554

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

(Unit: Millions of yen)

	Nine-Month period of Fiscal 2018 (April 1, 2018 – December 31, 2018)	Nine-Month period of Fiscal 2019 (April 1, 2019 – December 31, 2019)
Profit	14,247	15,554
Other comprehensive income		
Net unrealized holding gain on securities	(542)	49
Remeasurements of defined benefit plans	197	99
Total other comprehensive income	(345)	148
Comprehensive income	13,901	15,703
Total comprehensive income attributable to Owners of parent	13,901	15,703