

August 3, 2021

**Consolidated Financial Results for the First Quarter of Fiscal 2021  
(Three-Month Period Ended June 30, 2021) [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 12, 2021  
 Scheduled Date to Commence Dividends Payment: -  
 Availability of supplementary briefing material on quarterly results: Available  
 Schedule of quarterly results briefing session: Not scheduled

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Three-Month Period of Fiscal 2021 (April 1, 2021 to June 30, 2021)**

**(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 2021	18,453	2.1	4,421	(12.1)	4,660	(11.2)	3,362	(12.0)
Three-Month period of Fiscal 2020	18,070	(19.1)	5,031	(25.0)	5,249	(23.9)	3,820	(20.8)

Note:

Comprehensive income:

Three-Month period of Fiscal 2021: ¥ 3,297 million [(27.8)%]

Three-Month period of Fiscal 2020: ¥ 4,569 million [0.8%]

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Three-Month period of Fiscal 2021	87.78	-
Three-Month period of Fiscal 2020	98.18	-

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, issued on March 31, 2020) since the start of the current first quarter. The figures for the first quarter of the fiscal year ending in March 2022 have reflected the adoption of the said Accounting Standard.

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2021	163,340	135,699	83.1
As of March 31, 2021	163,332	136,257	83.4

Reference:

Equity:

As of June 30, 2021: ¥ 135,699 million

As of March 31, 2021: ¥ 136,257 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, issued on March 31, 2020) since the start of the current first quarter. The figures for the first quarter of the fiscal year ending in March 2022 have reflected the adoption of the said Accounting Standard.

## 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 2020	-	75.00	-	75.00	150.00
Fiscal 2021	-				
Fiscal 2021 (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 2021 (April 1, 2021 to March 31, 2022)

(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	79,200	5.6	18,800	5.7	19,200	5.4	14,000	4.4	367.47

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

Note: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020) since the start of the current first quarter. The figures for the forecast of consolidated results stated above have reflected the adoption of the said Accounting Standard.

### \* 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 June 30, 2021	45,939,730 shares	As of March 31, 2021	45,939,730 shares
2) Number of treasury stock at the period end	As of June 30, 2021	7,841,552 shares	As of March 31, 2021	7,621,338 shares
3) Average number of shares during the period	Three-Month period of Fiscal 2021	38,308,428 shares	Three-Month period of Fiscal 2020	38,917,118 shares

Note: Number of treasury stock at the period end includes the Company's shares held by the "Board Benefit Trust (BBT)" (39,400 shares as of June 30, 2021 and 39,400 shares as of March 31, 2021). The Company's shares held by the BBT (39,400 shares as of June 30, 2021 and 41,100 shares as of June 30, 2020) are included in the number of treasury stock to be deducted in calculating the average number of shares during the period.

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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.

How to review the supplementary material to the quarterly financial results reports:

The Company has posted it on its web site, along with the quarterly financial results reports.

## 2. Consolidated Financial Results for Three-Month Period of Fiscal 2021

### (1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2020 (As of March 31, 2021)	Three-Month Period of Fiscal 2021 (As of June 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	63,706	60,924
Notes and accounts receivable-trade	20,549	-
Notes and accounts receivable - trade, and contract assets	-	20,583
Marketable securities	13,599	13,599
Merchandise and finished goods	5,700	6,128
Work in process	3,126	3,316
Raw materials and supplies	6,371	7,434
Other	608	663
Allowance for doubtful accounts	(0)	-
Total current assets	113,662	112,651
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,080	17,285
Other, net	8,939	8,487
Total property, plant and equipment	25,020	25,772
Intangible assets	625	648
Investments and other assets		
Investment securities	17,368	17,245
Other	6,656	7,022
Total investments and other assets	24,024	24,267
Total non-current assets	49,669	50,689
Total assets	163,332	163,340

(Unit: Millions of yen)

	Fiscal 2020 (As of March 31, 2021)	Three-Month Period of Fiscal 2021 (As of June 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	8,425	8,474
Electronically recorded obligations-operating	144	129
Short-term bank loans	3,850	3,850
Income taxes payable	2,292	1,613
Provision		
Provision for bonuses	1,046	501
Other provision	386	-
Other	5,130	7,022
<b>Total current liabilities</b>	<b>21,276</b>	<b>21,592</b>
Non-current liabilities		
Provision for share-based remuneration	73	66
Net defined benefit liability	5,376	5,322
Other	348	658
<b>Total non-current liabilities</b>	<b>5,798</b>	<b>6,048</b>
<b>Total liabilities</b>	<b>27,074</b>	<b>27,640</b>
Net assets		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,406	11,406
Retained earnings	122,462	123,000
Treasury stock	(26,304)	(27,334)
<b>Total shareholders' equity</b>	<b>131,418</b>	<b>130,925</b>
Accumulated other comprehensive income		
Net unrealized holding gain on securities	4,739	4,654
Remeasurements of defined benefit plans	99	119
<b>Total accumulated other comprehensive income</b>	<b>4,839</b>	<b>4,773</b>
<b>Total net assets</b>	<b>136,257</b>	<b>135,699</b>
<b>Total liabilities and net assets</b>	<b>163,332</b>	<b>163,340</b>

**(2) Consolidated statements of income and comprehensive income**  
**(Consolidated statements of income)**  
**(Three-month period of Fiscal 2020 and 2021)**

(Unit: Millions of yen)

	Three-Month period of Fiscal 2020 (April 1, 2020 – June 30, 2020)	Three-Month period of Fiscal 2021 (April 1, 2021 – June 30, 2021)
Net sales	18,070	18,453
Cost of sales	7,682	8,177
Gross profit	10,387	10,275
Selling, general and administrative expenses		
Salaries	1,484	1,451
Bonuses and provision for bonuses	341	336
Retirement benefit expenses	148	93
Research and development expenses	1,573	1,865
Other	1,809	2,107
Total selling, general and administrative expenses	5,356	5,854
Operating profit	5,031	4,421
Other income		
Interest income	2	1
Dividends income	215	211
Other	9	37
Total other income	228	250
Other expenses		
Interest expenses	4	4
Foreign exchange losses	3	1
Other	2	5
Total other expenses	9	11
Ordinary profit	5,249	4,660
Extraordinary income		
Gain on sales of non-current assets	243	0
Total extraordinary income	243	0
Extraordinary losses		
Loss on retirement of non-current assets	2	4
Other	5	-
Total extraordinary losses	7	4
Profit before income taxes	5,485	4,655
Income taxes	1,664	1,292
Profit	3,820	3,362
Profit attributable to owners of parent	3,820	3,362

**(Consolidated statements of comprehensive income)**  
**(Three-month period of Fiscal 2020 and 2021)**

(Unit: Millions of yen)

	Three-Month period of Fiscal 2020 (April 1, 2020 – June 30, 2020)	Three-Month period of Fiscal 2021 (April 1, 2021 – June 30, 2021)
Profit	3,820	3,362
Other comprehensive income		
Net unrealized holding gain on securities	694	(85)
Remeasurements of defined benefit plans	54	19
Total other comprehensive income	748	(65)
Comprehensive income	4,569	3,297
Total comprehensive income attributable to Owners of parent	4,569	3,297