

August 4, 2023

**Consolidated Financial Results for the First Quarter of Fiscal 2023  
(Three-Month Period Ended June 30, 2023) [JGAAP]**

Company name: KAKEN PHARMACEUTICAL CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Securities code number: 4521  
 URL: <https://www.kaken.co.jp/>  
 Representative: Hiroyuki Horiuchi, President and Representative Director  
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 Scheduled date of quarterly securities report submission: August 10, 2023  
 Scheduled date of dividend payment commencement: -  
 Supplementary materials for quarterly financial results: Yes  
 Quarterly financial results briefing: None

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Three-Month Period of Fiscal 2023 (April 1, 2023 to June 30, 2023)**

**(1) Consolidated Operating Results (cumulative)**

(Percentage indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the Company	
	(Million yen)	(%)	(Million yen)	(%)	(Million yen)	(%)	(Million yen)	(%)
Three-Month period of Fiscal 2023	18,150	(0.3)	3,293	(18.8)	3,488	(19.5)	2,510	(13.7)
Three-Month period of Fiscal 2022	18,197	(1.4)	4,056	(8.3)	4,332	(7.0)	2,907	(13.5)

Note:

Comprehensive income:

Three-Month period of Fiscal 2023: ¥ 3,810 million [26.4%]

Three-Month period of Fiscal 2022: ¥ 3,014 million [(8.6)%]

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Three-Month period of Fiscal 2023	66.99	-
Three-Month period of Fiscal 2022	76.91	-

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity-to-asset ratio
	(Million yen)	(Million yen)	(%)
As of June 30, 2023	167,151	137,833	82.1
As of March 31, 2023	166,328	136,836	81.9

Reference:

Equity:

As of June 30, 2023: ¥ 137,255 million

As of March 31, 2023: ¥ 136,258 million

## 2. Cash Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March 31, 2023	-	75.00	-	75.00	150.00
Year ending March 31, 2024	-				
Year ending March 31, 2024 (Forecast)		75.00	-	75.00	150.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated Financial Forecast for Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentage indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the Company		Basic earnings per share
	(Million yen)	(%)	(Million yen)	(%)	(Million yen)	(%)	(Million yen)	(%)	(Yen)
Year ending March 31, 2024	73,100	0.2	7,600	(5.0)	8,000	(8.3)	6,700	23.2	178.80

Note: Revisions to the financial forecast most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the changes in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - 2) Changes in accounting policies other than 1): None
  - 3) Changes in accounting estimates: None
  - 4) Restatement: None

(4) Number of issued shares (common stock)

1) Number of issued shares at the end of the period (including treasury stock)	As of June 30, 2023	45,939,700 shares	As of March 31, 2023	45,939,730 shares
2) Number of treasury shares at the end of the period	As of June 30, 2023	8,466,918 shares	As of March 31, 2023	8,466,780 shares
3) Average number of shares during the period	Three-Month period of Fiscal 2023	37,472,900 shares	Three-Month period of Fiscal 2022	37,808,445 shares

Note: The number of treasury shares at the end of the period includes the Company's shares held by the "Board Benefit Trust (BBT)" (33,400 shares as of June 30, 2023 and 33,400 shares as of March 31, 2023). The Company's shares held by the BBT are included in the number of treasury stock to be deducted in the calculation of the average number of shares during the period (33,400 shares as of June 30, 2023 and 38,500 shares as of June 30, 2022).

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

\* Explanation of proper use of earnings forecasts, and other special matters:

(Caution regarding forward-looking statements)

The performance forecasts and other descriptions on future events presented in this material are based on information currently available and certain assumptions considered to be reasonable. The actual performance may differ from these forecasts.

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

It has been posted on the Company's web site, along with the quarterly financial results reports.

## 2. Consolidated Financial Results for Three-Month Period of Fiscal 2023

### (1) Consolidated balance sheets

(Millions of yen)

	Fiscal 2022 (As of March 31, 2023)	Three-Month period of Fiscal 2023 (As of June 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	59,561	56,835
Notes and accounts receivable - trade, and contract assets	19,268	20,163
Marketable securities	14,699	14,699
Merchandise and finished goods	6,734	7,383
Work in process	2,481	2,421
Raw materials and supplies	6,348	7,029
Other	809	785
Allowance for doubtful accounts	(0)	(0)
Total current assets	109,903	109,318
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,433	16,196
Other, net	9,064	8,859
Total property, plant and equipment	25,498	25,055
Intangible assets		
In-process research and development	5,800	5,800
Other	941	966
Total intangible assets	6,741	6,766
Investments and other assets		
Investment securities	17,511	19,382
Other	6,674	6,627
Total investments and other assets	24,185	26,010
Total non-current assets	56,425	57,832
Total assets	166,328	167,151

(Millions of yen)

	Fiscal 2022 (As of March 31, 2023)	Three-Month period of Fiscal 2023 (As of June 30, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	6,130	7,072
Electronically recorded obligations - operating	89	126
Short-term bank loans	3,850	3,850
Income taxes payable	2,004	1,151
Provision for bonuses	942	460
Other	7,822	7,804
<b>Total current liabilities</b>	<b>20,838</b>	<b>20,465</b>
<b>Non-current liabilities</b>		
Provision for share-based remuneration	117	85
Net defined benefit liability	6,349	6,367
Deferred tax liabilities	1,771	1,771
Other	414	627
<b>Total non-current liabilities</b>	<b>8,653</b>	<b>8,851</b>
<b>Total liabilities</b>	<b>29,491</b>	<b>29,317</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	23,853	23,853
Capital surplus	11,406	11,406
Retained earnings	126,135	125,832
Treasury stock	(30,026)	(30,027)
<b>Total shareholders' equity</b>	<b>131,368</b>	<b>131,065</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gain on securities	4,724	6,025
Remeasurements of defined benefit plans	165	163
<b>Total accumulated other comprehensive     income</b>	<b>4,889</b>	<b>6,189</b>
Non-controlling interests	578	578
<b>Total net assets</b>	<b>136,836</b>	<b>137,833</b>
<b>Total liabilities and net assets</b>	<b>166,328</b>	<b>167,151</b>

**(2) Consolidated statements of income and comprehensive income**  
**(Consolidated statements of income)**  
**(Three-month period of fiscal 2022 and 2023)**

(Millions of yen)

	Three-Month period of Fiscal 2022 (April 1, 2022 – June 30, 2022)	Three-Month period of Fiscal 2023 (April 1, 2023 – June 30, 2023)
Net sales	18,197	18,150
Cost of sales	8,157	8,094
Gross profit	10,040	10,056
Selling, general and administrative expenses		
Salaries	1,407	1,417
Bonuses and provision for bonuses	307	297
Retirement benefit expenses	85	68
Research and development expenses	2,030	2,600
Other	2,153	2,379
Total selling, general and administrative expenses	5,983	6,762
Operating profit	4,056	3,293
Other income		
Interest income	1	2
Dividends income	229	247
Other	50	7
Total other income	281	256
Other expenses		
Interest expenses	4	4
Foreign exchange losses	-	52
Other	1	5
Total other expenses	5	61
Ordinary profit	4,332	3,488
Extraordinary income		
Other	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	19	37
Loss on impairment of non-current assets	304	-
Other	-	0
Total extraordinary losses	324	38
Profit before income taxes	4,008	3,451
Income taxes	1,100	940
Profit	2,907	2,510
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of the Company	2,907	2,510

**(Consolidated statements of comprehensive income)**  
**(Three-month period of fiscal 2022 and 2023)**

(Millions of yen)

	Three-Month period of Fiscal 2022 (April 1, 2022 – June 30, 2022)	Three-Month period of Fiscal 2023 (April 1, 2023 – June 30, 2023)
Profit	2,907	2,510
Other comprehensive income		
Net unrealized holding gain on securities	90	1,301
Remeasurements of defined benefit plans	15	(1)
Total other comprehensive income	106	1,300
Comprehensive income	3,014	3,810
Total comprehensive income attributable to		
Owners of the Company	3,014	3,810
Non-controlling interests	-	-