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November 8, 2024

**Consolidated Financial Results for the Six-Months Period of Fiscal 2024
(Six-Month Period Ended September 30, 2024) [JGAAP]**

Company name: KAKEN PHARMACEUTICAL CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Securities code number: 4521
 URL: <https://www.kaken.co.jp/english/>
 Representative: Hiroyuki Horiuchi, President and Representative Director
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 Scheduled date of semi-annual securities report submission: November 13, 2024
 Scheduled date of dividend payment commencement: November 29, 2024
 Supplementary materials for financial results: Yes
 Quarterly financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six-Month Period of Fiscal 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (cumulative)

(Percentage indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	(Million yen)	(%)	(Million yen)	(%)	(Million yen)	(%)	(Million yen)	(%)
Six-Month period of Fiscal 2024	51,372	42.0	19,579	255.2	19,823	246.4	14,286	251.2
Six-Month period of Fiscal 2023	36,171	(1.8)	5,512	(32.8)	5,722	(33.1)	4,068	(31.8)

Note:

Comprehensive income:

Six-Month period of Fiscal 2024: ¥ 13,469 million [131.7%]

Six-Month period of Fiscal 2023: ¥ 5,814 million [(6.4)%]

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Six-Month period of Fiscal 2024	377.23	—
Six-Month period of Fiscal 2023	108.18	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	(Million yen)	(Million yen)	(%)
As of September 30, 2024	187,123	154,405	82.5
As of March 31, 2024	171,623	143,755	83.8

Reference:

Equity:

As of September 30, 2024: ¥ 154,405 million

As of March 31, 2024: ¥ 143,755 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, 2024	—	75.00	—	75.00	150.00
Year ending March 31, 2025	—	115.00			
Year ending March 31, 2025 (Forecast)			—	75.00	190.00

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

* The dividends per share for the 2nd quarter of the year ending March 31, 2025 consist of an ordinary dividend of ¥75.00 and a bonus dividend of ¥40.00.

3. Consolidated Financial Forecast for Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentage indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	(Million yen)	(%)	(Million yen)	(%)	(Million yen)	(%)	(Million yen)	(%)	(Yen)
Year ending March 31, 2025	88,500	22.8	20,800	118.6	21,200	113.0	14,200	76.9	374.93

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

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual 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: Yes
 - 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 September 30, 2024	45,939,730 shares	As of March 31, 2024	45,939,730 shares
2) Number of treasury shares at the end of the period	As of September 30, 2024	8,065,646 shares	As of March 31, 2024	8,070,003 shares
3) Average number of shares during the period	Six-Month period of Fiscal 2024	37,871,082 shares	Six-Month period of Fiscal 2023	37,605,220 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)" (93,600 shares as of September 30, 2024 and 28,200 shares as of March 31, 2024). 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 (34,671 shares as of September 30, 2024 and 31,594 shares as of September 30, 2023).

* Semi-annual financial results reports are exempt from 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 financial results reports:

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

2. Consolidated Financial Results for Six-Month Period of Fiscal 2024

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	Fiscal 2023 (As of March 31, 2024)	Six-Month period of Fiscal 2024 (As of September 30, 2024)
Assets		
Current assets		
Cash and deposits	50,625	67,289
Notes and accounts receivable - trade, and contract assets	23,744	21,024
Marketable securities	14,699	16,697
Merchandise and finished goods	8,062	7,317
Work in process	2,786	2,572
Raw materials and supplies	6,319	6,972
Other	736	806
Allowance for doubtful accounts	(0)	(0)
Total current assets	106,974	122,681
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,734	15,597
Other, net	9,620	10,919
Total property, plant and equipment	25,355	26,517
Intangible assets		
In-process research and development	5,800	5,800
Other	1,662	1,576
Total intangible assets	7,462	7,376
Investments and other assets		
Investment securities	20,532	19,051
Other	11,298	11,497
Total investments and other assets	31,831	30,548
Total non-current assets	64,648	64,442
Total assets	171,623	187,123

(Millions of yen)

	Fiscal 2023 (As of March 31, 2024)	Six-Month period of Fiscal 2024 (As of September 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,976	5,944
Electronically recorded obligations - operating	123	72
Short-term bank loans	3,850	3,850
Income taxes payable	76	5,290
Provision for bonuses	946	884
Other	7,050	7,640
Total current liabilities	19,024	23,683
Non-current liabilities		
Provision for share-based remuneration	137	89
Net defined benefit liability	6,393	6,277
Deferred tax liabilities	1,947	1,947
Other	365	720
Total non-current liabilities	8,843	9,034
Total liabilities	27,868	32,718
Net assets		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,462	11,500
Retained earnings	128,506	139,949
Treasury stock	(28,613)	(28,629)
Total shareholders' equity	135,207	146,674
Accumulated other comprehensive income		
Net unrealized holding gain on securities	7,184	6,408
Remeasurements of defined benefit plans	1,363	1,322
Total accumulated other comprehensive income	8,547	7,731
Total net assets	143,755	154,405
Total liabilities and net assets	171,623	187,123

(2) Semi-annual consolidated statements of income and comprehensive income
(Semi-annual consolidated statements of income)

(Millions of yen)

	Six-Month period of Fiscal 2023 (April 1, 2023 – September 30, 2023)	Six-Month period of Fiscal 2024 (April 1, 2024 – September 30, 2024)
Net sales	36,171	51,372
Cost of sales	16,450	17,269
Gross profit	19,720	34,103
Selling, general and administrative expenses		
Salaries	2,821	2,804
Bonuses and provision for bonuses	553	539
Retirement benefit expenses	136	82
Research and development expenses	5,738	5,973
Other	4,957	5,123
Total selling, general and administrative expenses	14,207	14,523
Operating profit	5,512	19,579
Other income		
Interest income	4	15
Dividends income	251	288
Other	22	37
Total other income	277	341
Other expenses		
Interest expenses	8	12
Foreign exchange losses	54	54
Other	5	31
Total other expenses	67	97
Ordinary profit	5,722	19,823
Extraordinary income		
Gain on sales of investment securities	4	–
Other	0	0
Total extraordinary income	5	0
Extraordinary losses		
Loss on retirement of non-current assets	69	41
Loss on valuation of investment securities	–	546
Other	0	0
Total extraordinary losses	69	588
Profit before income taxes	5,658	19,235
Income taxes	1,590	4,949
Profit	4,068	14,286
Profit attributable to owners of the parent	4,068	14,286

(Semi-annual consolidated statements of comprehensive income)

(Millions of yen)

	Six-Month period of Fiscal 2023 (April 1, 2023 – September 30, 2023)	Six-Month period of Fiscal 2024 (April 1, 2024 – September 30, 2024)
Profit	4,068	14,286
Other comprehensive income		
Net unrealized holding gain on securities	1,748	(775)
Remeasurements of defined benefit plans	(2)	(40)
Total other comprehensive income	1,745	(816)
Comprehensive income	5,814	13,469
Total comprehensive income attributable to Owners of the parent	5,814	13,469

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six-Month period of Fiscal 2023 (April 1, 2023 – September 30, 2023)	Six-Month period of Fiscal 2024 (April 1, 2024 – September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	5,658	19,235
Depreciation	1,291	1,265
Amortization of goodwill	117	39
Increase (decrease) in net defined benefit asset and liability	(87)	(279)
Interest and dividends income	(255)	(303)
Interest expenses	8	12
Loss (gain) on investments in investment partnerships	2	16
Loss (gain) on sale of investment securities	(4)	–
Loss (gain) on valuation of investment securities	–	546
Loss on retirement of non-current assets	69	41
Decrease (increase) in notes and accounts receivable-trade	(4,870)	2,692
Decrease (increase) in inventories	(2,293)	304
Increase (decrease) in trade payables	2,034	(1,082)
Other, net	(392)	1,110
Subtotal	1,278	23,600
Interest and dividends income received	255	301
Interest expenses paid	(8)	(12)
Income taxes (paid) refund	(1,769)	43
Net cash provided by (used in) operating activities	(245)	23,932
Cash flows from investing activities		
Purchase of property, plant and equipment	(734)	(1,961)
Purchase of intangible assets	(186)	(61)
Purchase of investment securities	–	(200)
Proceeds from sales of investment securities	8	–
Other, net	(228)	(209)
Net cash provided by (used in) investing activities	(1,141)	(2,432)
Cash flows from financing activities		
Net decrease (increase) in treasury stock	0	1
Cash dividends paid	(2,813)	(2,840)
Net cash provided by (used in) financing activities	(2,813)	(2,839)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(4,199)	18,661
Cash and cash equivalents at beginning of period	74,260	65,325
Cash and cash equivalents at end of period	70,060	83,987