February 3, 2021

Consolidated Financial Results for the Third Quarter of Fiscal 2020 (Nine-Month Period Ended December 31, 2020) [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: February 10, 2021
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 2020 (April 1, 2020 to December 31, 2020)

(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 2020	57,082	(18.7)	14,949	(33.4)	15,347	(32.8)	10,934	(29.7)
Nine-Month period of Fiscal 2019	70,178	(3.3)	22,432	12.7	22,829	12.7	15,554	9.2

Note:
Comprehensive income:
Nine-Month period of Fiscal 2020: ¥ 12,256 million [(21.9)%]
Nine-Month period of Fiscal 2019: ¥ 15,703 million [13.0%]

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Nine-Month period of Fiscal 2020	282.69	-
Nine-Month period of Fiscal 2019	396.67	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2020	160,627	131,983	82.2
As of March 31, 2020	157,875	128,468	81.4

Reference:
Equity:
As of December 31, 2020: ¥ 131,983 million
As of March 31, 2020: ¥ 128,468 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 2019	-	75.00	-	75.00	150.00
Fiscal 2020	-	75.00	-		
Fiscal 2020 (Forecast)				75.00	150.00

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

3. Forecast of Consolidated Results for Fiscal 2020 (April 1, 2020 to March 31, 2021)

(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	77,200	(13.5)	18,100	(31.7)	18,500	(31.3)	13,400	(30.8)	349.70

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, 2020	45,939,730 shares	As of March 31, 2020	45,939,730 shares
2) Number of treasury stock at the period end	As of December 31, 2020	7,621,015 shares	As of March 31, 2020	7,022,576 shares
3) Average number of shares during the period	Nine-Month period of Fiscal 2020	38,678,904 shares	Nine-Month period of Fiscal 2019	39,213,914 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 December 31, 2020 and 41,100 shares as of March 31, 2020). The Company's shares held by the BBT (40,099 shares as of December 31, 2020 and 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.

2. Consolidated Financial Results for Nine-Month Period of Fiscal 2020

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal 2019 (As of March 31, 2020)	Nine-Month Period of Fiscal 2020 (As of December 31, 2020)
Assets		
Current assets		
Cash and deposits	59,722	55,072
Notes and accounts receivable-trade	21,800	26,470
Marketable securities	13,599	13,599
Merchandise and finished goods	4,762	6,817
Work in process	2,829	2,733
Raw materials and supplies	4,683	5,016
Other	938	643
Allowance for doubtful accounts	(0)	(0)
Total current assets	108,336	110,354
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,764	16,148
Other, net	8,753	8,877
Total property, plant and equipment	25,518	25,025
Intangible assets	414	704
Investments and other assets		
Investment securities	15,036	16,709
Other	8,569	7,833
Total investments and other assets	23,605	24,543
Total non-current assets	49,538	50,273
Total assets	157,875	160,627

(Unit: Millions of yen)

	Fiscal 2019 (As of March 31, 2020)	Nine-Month Period of Fiscal 2020 (As of December 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,720	8,135
Electronically recorded obligations-operating	962	159
Short-term bank loans	3,850	3,850
Income taxes payable	2,904	2,071
Provision		
Provision for bonuses	1,082	507
Other provision	410	352
Other	4,724	5,962
Total current liabilities	21,655	21,039
Non-current liabilities		
Provision for share-based remuneration	47	35
Net defined benefit liability	7,303	7,205
Other	400	363
Total non-current liabilities	7,750	7,604
Total liabilities	29,406	28,643
Net assets		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,406	11,406
Retained earnings	114,869	119,991
Treasury stock	(23,373)	(26,303)
Total shareholders' equity	126,756	128,948
Accumulated other comprehensive income		
Net unrealized holding gain on securities	3,116	4,276
Remeasurements of defined benefit plans	(1,404)	(1,241)
Total accumulated other comprehensive income	1,712	3,035
Total net assets	128,468	131,983
Total liabilities and net assets	157,875	160,627

(2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(Nine-month period of fiscal 2019 and 2020)

(Unit: Millions of yen)

	Nine-Month period of Fiscal 2019 (April 1, 2019 – December 31, 2019)	Nine-Month period of Fiscal 2020 (April 1, 2020 – December 31, 2020)
Net sales	70,178	57,082
Cost of sales	29,852	25,280
Gross profit	40,325	31,802
Selling, general and administrative expenses		
Salaries	4,754	4,434
Bonuses and provision for bonuses	1,083	1,026
Retirement benefit expenses	353	443
Research and development expenses	4,741	4,862
Other	6,960	6,086
Total selling, general and administrative expenses	17,893	16,853
Operating profit	22,432	14,949
Other income		
Interest income	5	6
Dividends income	383	382
Other	92	49
Total other income	481	439
Other expenses		
Interest expenses	13	12
Foreign exchange losses	32	9
Other	40	18
Total other expenses	85	40
Ordinary profit	22,829	15,347
Extraordinary income		
Gain on sales of non-current assets	4	379
Total extraordinary income	4	379
Extraordinary losses		
Loss on retirement of non-current assets	45	38
Loss on impairment of non-current assets	287	-
Provision of allowance for doubtful accounts	312	-
Other	6	5
Total extraordinary losses	651	44
Profit before income taxes	22,182	15,682
Income taxes	6,627	4,748
Profit	15,554	10,934
Profit attributable to owners of parent	15,554	10,934

(Consolidated statements of comprehensive income)
(Nine-month period of fiscal 2019 and 2020)

(Unit: Millions of yen)

	Nine-Month period of Fiscal 2019 (April 1, 2019 – December 31, 2019)	Nine-Month period of Fiscal 2020 (April 1, 2020 – December 31, 2020)
Profit	15,554	10,934
Other comprehensive income		
Net unrealized holding gain on securities	49	1,160
Remeasurements of defined benefit plans	99	162
Total other comprehensive income	148	1,322
Comprehensive income	15,703	12,256
Total comprehensive income attributable to		
Owners of parent	15,703	12,256