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August 7, 2024

Consolidated Financial Results for the First Quarter of Fiscal 2024 (Three-Month Period Ended June 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
Contact: Yasuhiko Kondo, General Manager of Corporate Communications Department
Telephone: +81-3-5977-5002

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 2024 (April 1, 2024 to June 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)	(%)
Three-Month period of Fiscal 2024	18,254	0.6	2,750	(16.5)	3,011	(13.7)	1,754	(30.1)
Three-Month period of Fiscal 2023	18,150	(0.3)	3,293	(18.8)	3,488	(19.5)	2,510	(13.7)

Note:
Comprehensive income:
Three-Month period of Fiscal 2024: ¥ 1,607 million [(57.8)%]
Three-Month period of Fiscal 2023: ¥ 3,810 million [26.4%]

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Three-Month period of Fiscal 2024	46.32	–
Three-Month period of Fiscal 2023	66.99	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	(Million yen)	(Million yen)	(%)
As of June 30, 2024	174,777	142,520	81.5
As of March 31, 2024	171,623	143,755	83.8

Reference:
Equity:
As of June 30, 2024: ¥ 142,520 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	–				
Year ending March 31, 2025 (Forecast)		115.00	–	75.00	190.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

* The forecast 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	374.97

Note: Revisions to the financial forecast most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: 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: 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 June 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 June 30, 2024	8,070,053 shares	As of March 31, 2024	8,070,003 shares
3) Average number of shares during the period	Three-Month period of Fiscal 2024	37,869,727 shares	Three-Month period of Fiscal 2023	37,472,900 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)" (28,200 shares as of June 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 (28,200 shares as of June 30, 2024 and 33,400 shares as of June 30, 2023).

* Review of the Japanese-language originals of the attached quarterly consolidated financial results by certified public accountants or an audit corporation: None

* 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 2024

(1) Consolidated balance sheets

(Millions of yen)

	Fiscal 2023 (As of March 31, 2024)	Three-Month period of Fiscal 2024 (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	50,625	51,863
Notes and accounts receivable - trade, and contract assets	23,744	24,556
Marketable securities	14,699	14,698
Merchandise and finished goods	8,062	7,989
Work in process	2,786	2,284
Raw materials and supplies	6,319	6,815
Other	736	866
Allowance for doubtful accounts	(0)	(0)
Total current assets	106,974	109,073
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,734	15,744
Other, net	9,620	11,047
Total property, plant and equipment	25,355	26,792
Intangible assets		
In-process research and development	5,800	5,800
Other	1,662	1,597
Total intangible assets	7,462	7,397
Investments and other assets		
Investment securities	20,532	20,255
Other	11,298	11,258
Total investments and other assets	31,831	31,514
Total non-current assets	64,648	65,704
Total assets	171,623	174,777

(Millions of yen)

	Fiscal 2023 (As of March 31, 2024)	Three-Month period of Fiscal 2024 (As of June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,976	7,274
Electronically recorded obligations - operating	123	121
Short-term bank loans	3,850	3,850
Income taxes payable	76	724
Provision for bonuses	946	441
Other	7,050	10,690
Total current liabilities	19,024	23,101
Non-current liabilities		
Provision for share-based remuneration	137	109
Net defined benefit liability	6,393	6,373
Deferred tax liabilities	1,947	1,947
Other	365	724
Total non-current liabilities	8,843	9,155
Total liabilities	27,868	32,257
Net assets		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,462	11,462
Retained earnings	128,506	127,418
Treasury stock	(28,613)	(28,614)
Total shareholders' equity	135,207	134,119
Accumulated other comprehensive income		
Net unrealized holding gain on securities	7,184	7,279
Deferred gains or losses on hedges	–	(221)
Remeasurements of defined benefit plans	1,363	1,342
Total accumulated other comprehensive income	8,547	8,400
Total net assets	143,755	142,520
Total liabilities and net assets	171,623	174,777

(2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(Three-month period of fiscal 2023 and 2024)

(Millions of yen)

	Three-Month period of Fiscal 2023 (April 1, 2023 – June 30, 2023)	Three-Month period of Fiscal 2024 (April 1, 2024 – June 30, 2024)
Net sales	18,150	18,254
Cost of sales	8,094	8,202
Gross profit	10,056	10,052
Selling, general and administrative expenses		
Salaries	1,417	1,411
Bonuses and provision for bonuses	297	277
Retirement benefit expenses	68	41
Research and development expenses	2,600	2,998
Other	2,379	2,573
Total selling, general and administrative expenses	6,762	7,301
Operating profit	3,293	2,750
Other income		
Interest income	2	4
Dividends income	247	284
Other	7	16
Total other income	256	306
Other expenses		
Interest expenses	4	5
Foreign exchange losses	52	19
Other	5	20
Total other expenses	61	45
Ordinary profit	3,488	3,011
Extraordinary income		
Other	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	37	33
Loss on valuation of investment securities	–	605
Other	0	–
Total extraordinary losses	38	639
Profit before income taxes	3,451	2,371
Income taxes	940	617
Profit	2,510	1,754
Profit attributable to owners of the parent	2,510	1,754

(Consolidated statements of comprehensive income)
(Three-month period of fiscal 2023 and 2024)

(Millions of yen)

	Three-Month period of Fiscal 2023 (April 1, 2023 – June 30, 2023)	Three-Month period of Fiscal 2024 (April 1, 2024 – June 30, 2024)
Profit	2,510	1,754
Other comprehensive income		
Net unrealized holding gain on securities	1,301	94
Deferred gains or losses on hedges	–	(221)
Remeasurements of defined benefit plans	(1)	(20)
Total other comprehensive income	1,300	(146)
Comprehensive income	3,810	1,607
Total comprehensive income attributable to		
Owners of the parent	3,810	1,607