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May 12, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [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 annual general meeting of shareholders: June 27, 2025
 Scheduled date of dividend payment commencement: June 30, 2025
 Scheduled date of annual securities report submission: June 26, 2025
 Supplementary materials for financial results: Yes
 Financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(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)	(%)
Year ended March 31, 2025	94,035	30.5	21,034	121.1	21,279	113.8	13,945	73.8
Year ended March 31, 2024	72,044	(1.3)	9,513	18.9	9,951	14.0	8,025	47.5

Note:

Comprehensive income:

Fiscal 2024: ¥ 14,237 million [21.9%]

Fiscal 2023: ¥ 11,684 million [113.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Year ended March 31, 2025	365.42	—	9.4	11.8	22.4
Year ended March 31, 2024	212.67	—	5.7	5.9	13.2

Reference:

Share of profit (loss) of entities accounted for using equity method:

Fiscal 2024: ¥ – million

Fiscal 2023: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(Million yen)	(Million yen)	(%)	(Yen)
As of March 31, 2025	190,422	152,634	80.2	3,974.47
As of March 31, 2024	171,623	143,755	83.8	3,796.05

Reference:

Equity:

As of March 31, 2025: ¥ 152,634 million

As of March 31, 2024: ¥ 143,755 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	(Million yen)	(Million yen)	(Million yen)	(Million yen)
Year ended March 31, 2025	29,780	(19,650)	(5,369)	70,085
Year ended March 31, 2024	2,577	(5,854)	(5,658)	65,325

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Annual) (Million yen)	Dividend payout ratio (Consolidated) (%)	Dividends to net assets ratio (Consolidated) (%)
	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	5,684	70.5	4.0
Year ended March 31, 2025	—	115.00	—	75.00	190.00	7,253	52.0	4.9
Year ending March 31, 2026 (Forecast)	—	95.00	—	95.00	190.00		214.6	

* The dividends per share for the 2nd quarter of the year ended 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, 2026 (April 1, 2025 to March 31, 2026)

(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, 2026	88,000	(6.4)	5,200	(75.3)	6,000	(71.8)	3,400	(75.6)	88.53

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 companies (Aadi Bioscience, Inc. and KAKEN INVESTMENTS INC.)

(2) 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

(3) Number of issued shares (common stock)

1) Number of issued shares at the end of the period (including treasury stock)	As of March 31, 2025	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 March 31, 2025	7,535,854 shares	As of March 31, 2024	8,070,003 shares
3) Average number of shares during the period	Fiscal 2024	38,162,063 shares	Fiscal 2023	37,737,574 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 March 31, 2025 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 (64,055 shares as of March 31, 2025 and 29,898 shares as of March 31, 2024).

* Financial results reports are exempt from audit 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.

3. Consolidated Financial Results for Fiscal 2024

(1) Consolidated balance sheets

(Millions of yen)

	Fiscal 2023 (As of March 31, 2024)	Fiscal 2024 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	50,625	54,093
Notes and accounts receivable - trade, and contract assets	23,744	21,178
Marketable securities	14,699	15,992
Merchandise and finished goods	8,062	8,805
Work in process	2,786	2,311
Raw materials and supplies	6,319	7,904
Other	736	1,091
Allowance for doubtful accounts	(0)	(0)
Total current assets	106,974	111,377
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,180	44,001
Accumulated depreciation	(27,445)	(28,470)
Buildings and structures, net	15,734	15,530
Machinery, equipment and vehicles	17,075	17,181
Accumulated depreciation	(14,302)	(14,689)
Machinery, equipment and vehicles, net	2,772	2,491
Tools, furniture and fixtures	8,483	8,760
Accumulated depreciation	(6,836)	(7,049)
Tools, furniture and fixtures, net	1,647	1,711
Land	3,867	3,867
Construction in progress	1,332	4,027
Total property, plant and equipment	25,355	27,629
Intangible assets		
In-process research and development	5,800	4,400
Goodwill	937	14,035
Other	724	854
Total intangible assets	7,462	19,289
Investments and other assets		
Investment securities	20,532	18,875
Long-term prepaid expenses	4,991	4,352
Retirement benefit asset	3,102	4,159
Deferred tax assets	2,590	4,065
Other	614	674
Total investments and other assets	31,831	32,126
Total non-current assets	64,648	79,045
Total assets	171,623	190,422

	(Millions of yen)	
	Fiscal 2023 (As of March 31, 2024)	Fiscal 2024 (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,976	8,186
Electronically recorded obligations - operating	123	136
Short-term bank loans	3,850	3,850
Accounts payable-other	4,146	6,311
Accrued expenses	662	1,145
Income taxes payable	76	7,285
Provision for bonuses	946	1,154
Provision for directors' bonuses	31	86
Other	2,209	2,198
Total current liabilities	19,024	30,354
Non-current liabilities		
Provision for share-based remuneration	137	163
Net defined benefit liability	6,393	4,954
Deferred tax liabilities	1,947	1,514
Other	365	800
Total non-current liabilities	8,843	7,433
Total liabilities	27,868	37,787
Net assets		
Shareholders' equity		
Common stock	23,853	23,853
Capital surplus	11,462	12,932
Retained earnings	128,506	135,242
Treasury stock	(28,613)	(28,233)
Total shareholders' equity	135,207	143,794
Accumulated other comprehensive income		
Net unrealized holding gain on securities	7,184	6,257
Foreign currency translation adjustment	—	(57)
Remeasurements of defined benefit plans	1,363	2,640
Total accumulated other comprehensive income	8,547	8,840
Total net assets	143,755	152,634
Total liabilities and net assets	171,623	190,422

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)

(Millions of yen)

	Fiscal 2023 (April 1, 2023 – March 31, 2024)	Fiscal 2024 (April 1, 2024 – March 31, 2025)
Net sales	72,044	94,035
Cost of sales	33,505	35,502
Gross profit	38,539	58,532
Selling, general and administrative expenses		
Salaries	5,657	5,579
Bonuses and provision for bonuses	1,160	1,279
Provision for directors' bonuses	31	86
Retirement benefit expenses	272	164
Research and development expenses	12,543	18,725
Depreciation	317	271
Other	9,042	11,390
Total selling, general and administrative expenses	29,025	37,497
Operating profit	9,513	21,034
Other income		
Interest income	8	77
Dividends income	471	536
Other	64	87
Total other income	543	701
Other expenses		
Interest expenses	17	28
Foreign exchange losses	59	370
Loss on investments in investment partnership	21	33
Other	7	24
Total other expenses	106	456
Ordinary profit	9,951	21,279
Extraordinary income		
Gain on sales of investment securities	13	250
Other	0	0
Total extraordinary income	14	250
Extraordinary losses		
Loss on retirement of non-current assets	148	68
Impairment losses	19	1,488
Loss on valuation of investment securities	–	537
Other	0	0
Total extraordinary losses	168	2,094
Profit before income taxes	9,796	19,435
Income taxes-current	1,926	7,718
Income taxes-deferred	(155)	(2,228)
Total income taxes	1,770	5,490
Profit	8,025	13,945
Profit attributable to owners of the parent	8,025	13,945

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Fiscal 2023	Fiscal 2024
	(April 1, 2023 – March 31, 2024)	(April 1, 2024 – March 31, 2025)
Profit	8,025	13,945
Other comprehensive income		
Net unrealized holding gain on securities	2,460	(926)
Foreign currency translation adjustment	–	(57)
Remeasurements of defined benefit plans	1,198	1,277
Total other comprehensive income	3,658	292
Comprehensive income	11,684	14,237
Total comprehensive income attributable to owners of the parent	11,684	14,237

(3) Consolidated statements of changes in net assets

Fiscal 2023 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	23,853	11,406	126,135	(30,026)	131,368
Changes during the year					
Cash dividends			(5,655)		(5,655)
Profit attributable to owners of the parent			8,025		8,025
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		55		1,415	1,470
Other, net					
Total changes during the year	–	55	2,370	1,413	3,838
Balance at the end of current period	23,853	11,462	128,506	(28,613)	135,207

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	4,724	165	4,889	578	136,836
Changes during the year					
Cash dividends					(5,655)
Profit attributable to owners of the parent					8,025
Purchase of treasury stock					(2)
Disposal of treasury stock					1,470
Other, net	2,460	1,198	3,658	(578)	3,080
Total changes during the year	2,460	1,198	3,658	(578)	6,918
Balance at the end of current period	7,184	1,363	8,547	–	143,755

Fiscal 2024 (April 1, 2024 – March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	23,853	11,462	128,506	(28,613)	135,207
Changes during the year					
Cash dividends			(7,208)		(7,208)
Profit attributable to owners of the parent			13,945		13,945
Purchase of treasury stock				(5,935)	(5,935)
Disposal of treasury stock		1,470		6,316	7,786
Other, net					
Total changes during the year	–	1,470	6,736	380	8,586
Balance at the end of current period	23,853	12,932	135,242	(28,233)	143,794

	Accumulated other comprehensive income				Total net assets
	Net unrealized holding gain on securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of current period	7,184	–	1,363	8,547	143,755
Changes during the year					
Cash dividends					(7,208)
Profit attributable to owners of the parent					13,945
Purchase of treasury stock					(5,935)
Disposal of treasury stock					7,786
Other, net	(926)	(57)	1,277	292	292
Total changes during the year	(926)	(57)	1,277	292	8,879
Balance at the end of current period	6,257	(57)	2,640	8,840	152,634

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal 2023 (April 1, 2023 – March 31, 2024)	Fiscal 2024 (April 1, 2024 – March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	9,796	19,435
Depreciation	2,596	2,475
Impairment losses	19	1,488
Amortization of goodwill	157	79
Increase (decrease) in net defined benefit asset and liability	(141)	(606)
Interest and dividends income	(479)	(613)
Interest expenses	17	28
Loss (gain) on valuation of investment securities	–	537
Loss (gain) on investments in investment partnerships	21	33
Loss (gain) on sale of investment securities	(13)	(250)
Loss on retirement of non-current assets	148	67
Decrease (increase) in notes and accounts receivable-trade	(4,559)	3,577
Decrease (increase) in inventories	(1,603)	(1,084)
Increase (decrease) in trade payables	880	1,100
Other, net	(936)	3,771
Subtotal	5,903	30,039
Interest and dividends income received	479	606
Interest expenses paid	(17)	(28)
Income taxes (paid) refund	(3,788)	(836)
Net cash provided by (used in) operating activities	2,577	29,780
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,861)	(4,138)
Purchase of intangible assets	(306)	(254)
Purchase of investment securities	–	(400)
Proceeds from sales of investment securities	516	520
Purchase of long-term prepaid expenses	(4,182)	(268)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(15,378)
Other, net	(21)	269
Net cash provided by (used in) investing activities	(5,854)	(19,650)
Cash flows from financing activities		
Purchase of treasury stock	(2)	(5,935)
Proceeds from disposal of treasury stock	1	7,764
Cash dividends paid	(5,657)	(7,198)
Net cash provided by (used in) financing activities	(5,658)	(5,369)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(8,935)	4,760
Cash and cash equivalents at beginning of year	74,260	65,325
Cash and cash equivalents at end of year	65,325	70,085