

# Consolidated Financial Results for Fiscal 2015

(Reference Data of Financial Statements Fiscal 2015)

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EXHIBIT 1646

IPR Petition for

U.S. Patent No. 7,214,506

1. Summary of Consolidated Financial Statements for Fiscal 2015

( Figures less than one million yen have been omitted)

	FY 2013	FY 2014	FY 2015	Y o Y increase(decrease)		Plan FY2016	Y o Y increase(decrease)	
				Yen	%		Yen	%
Net sales	88,946	93,889	109,730	15,840	116.9%	106,100	(3,630)	96.7%
Operating income	15,872	20,631	35,146	14,515	170.4%	28,900	(6,246)	82.2%
Ratio of net sales	17.8%	22.0%	32.0%			27.2%		
Ordinary income	15,521	20,394	35,365	14,971	173.4%	29,100	(6,265)	82.3%
Ratio of net sales	17.5%	21.7%	32.2%			27.4%		
Net income	9,735	12,122	21,143	9,020	174.4%	20,800	(343)	98.4%
Ratio of net sales	10.9%	12.9%	19.3%			19.6%		
Per share profit(Yen)	228.27	290.90	510.54			502.34		
ROE	14.5%	16.7%	25.3%					

Note: Kaken has conducted a consolidation of common share at rate of one share for every two shares with effective date of October 1, 2015.

Per share profit has been calculated as if this consolidation of shares was conducted at the beginning of fiscal year 2013.

Comprehensive income	10,197	16,607	18,444	1,837	111.1%
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Capital investment	1,733	2,806	2,923	117	104.2%	1,700	(1,223)	58.2%
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R&D expenses	7,045	7,615	5,883	(1,731)	77.3%	10,200	4,317	173.4%
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Depreciation and amortization	2,538	2,400	2,242	(157)	93.5%	2,500	258	111.5%
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Employee number	1,540	1,503	1,451	(52)	
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2. Breakdown of Consolidated Net Sales by Segment

( Figures less than one million yen have been omitted)

	FY 2013	FY 2014	FY 2015	Y o Y increase(decrease)	
				Yen	%
Pharmaceuticals, medical devices & agrochemicals	86,483	91,458	107,391	15,932	117.4%
Real estate	2,463	2,431	2,338	(92)	96.2%
Total	88,946	93,889	109,730	15,840	116.9%

### 3. Summary of Consolidated Balance Sheets

( Figures less than one million yen have been omitted)

	As of March 31, 2014	Ratio	As of March 31, 2015	Ratio	As of March 31, 2016	Ratio	Y o Y increase (decrease)
Assets	106,465	100.0%	115,135	100.0%	132,991	100.0%	17,856
Current assets	58,501	54.9%	69,016	59.9%	88,991	66.9%	19,975
Noncurrent assets	47,964	45.1%	46,118	40.1%	43,999	33.1%	(2,118)
Liabilities	38,368	36.0%	38,035	33.0%	43,116	32.4%	5,081
Current liabilities	28,056	26.4%	30,369	26.4%	33,861	25.5%	3,491
Noncurrent liabilities	10,312	9.7%	7,665	6.7%	9,255	7.0%	1,589
Net assets	68,096	64.0%	77,100	67.0%	89,875	67.6%	12,775
Capital stock	23,853	22.4%	23,853	20.7%	23,853	17.9%	—
Capital surplus	11,587	10.9%	11,406	9.9%	11,407	8.6%	0
Retained earnings	49,789	46.8%	52,932	46.0%	68,609	51.6%	15,676
Treasury stock	(17,656)	(16.6%)	(16,098)	(14.0%)	(16,301)	(12.3%)	(202)
Valuation difference on available-for-sale securities	2,398	2.3%	5,478	4.8%	4,423	3.3%	(1,054)
Remeasurements of defined benefit plans	(1,876)	(1.8%)	(472)	(0.4%)	(2,117)	(1.6%)	(1,644)

### 4. Summary of Consolidated Statements of Cash Flows

( Figures less than one million yen have been omitted)

	FY 2013	FY 2014	FY 2015	Y o Y increase (decrease)
Net cash provided by (used in) operating activities	13,663	14,737	27,067	12,329
Net cash provided by (used in) investing activities	(2,135)	473	(4,105)	(4,579)
Net cash provided by (used in) financing activities	(10,992)	(7,900)	(5,984)	1,916
Cash and cash equivalents at end of period	17,457	24,767	41,744	16,976

## 5. Summary of Non-consolidated Financial Statements for Fiscal 2015

( Figures less than one million yen have been omitted)

	FY 2013	FY 2014	FY 2015	Y o Y increase(decrease)		Plan FY2016	Y o Y increase(decrease)	
				Yen	%		Yen	%
Net sales	87,101	91,951	107,627	15,675	117.0%	104,400	(3,227)	97.0%
Operating income	15,215	19,994	34,468	14,474	172.4%	28,800	(5,668)	83.6%
Ratio of net sales	17.5%	21.7%	32.0%			27.6%		
Ordinary income	14,957	19,845	34,743	14,897	175.1%	29,000	(5,743)	83.5%
Ratio of net sales	17.2%	21.6%	32.3%			27.8%		
Net income	9,395	11,777	18,757	6,980	159.3%	20,700	1,943	110.4%
Ratio of net sales	10.8%	12.8%	17.4%			19.8%		
Per share profit(Yen)	220.30	262.61	452.92			499.93		

Note: Kaken has conducted a consolidation of common share at rate of one share for every two shares with effective date of October 1, 2015.  
Per share profit has been calculated as if this consolidation of shares was conducted at the beginning of fiscal year 2013.

Capital investment	1,718	2,777	2,897	120	104.3%	1,700	(1,197)	58.7%
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R&D expenses	7,045	7,615	5,883	(1,731)	77.3%	10,200	4,317	173.4%
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Depreciation and amortization	2,459	2,319	2,160	(158)	93.2%	2,500	340	115.7%
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Export volume	4,992	7,220	10,137	2,916	140.4%
Pharmaceuticals	2,972	4,813	7,859	3,046	163.3%
Agrochemicals	2,020	2,407	2,277	(129)	94.6%

Employee number	1,523	1,493	1,444	(49)	
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## 6. Breakdown of Non-consolidated Net Sales by Segment

( Figures less than one million yen have been omitted)

	FY 2013	FY 2014	FY 2015	Y o Y increase(decrease)		Plan FY2016	Y o Y increase(decrease)	
				Yen	%		Yen	%
Pharmaceuticals & medical devices	79,941	84,444	100,062	15,618	118.5%	96,180	(3,882)	96.1%
Agrochemicals	5,095	5,472	5,620	147	102.7%	5,870	250	104.4%
Renting real estate	2,064	2,034	1,944	(90)	95.5%	2,350	406	120.9%
Total	87,101	91,951	107,627	15,675	117.0%	104,400	(3,227)	97.0%

## 7. Breakdown of Sales by Main Pharmaceuticals and Medical Devices

( Figures less than one hundred million yen have been omitted)

	FY 2014	FY 2015	%	Plan FY2016	%
Anti-osteoarthritis Artz	30,259	30,760	101.7%	29,300	95.3%
Anti-nail fungus Clenafin	6,857	19,868	289.7%	23,800	119.8%
Post-operative anti-adhesive Seprafilm	10,791	11,262	104.4%	11,500	102.1%
Anti-hyperlipidemia Lipidil	4,373	4,526	103.5%	4,300	95.0%
Wound healing agent Fiblast Spray	3,511	3,617	103.0%	3,700	102.3%
Generic products	12,380	13,292	107.4%	12,700	95.5%
Sales of Jublia*	3,318	5,722	172.4%	4,100	71.7%

(\*including sales of API and finished product, royalty revenue and milestone revenue)

## 8. Development Status

Code	Indication	Stage	Remarks
KCB-1D	Periodontitis	Filed	bFGF
KAG-308	Ulcerative colitis	PII	Developed jointly with Asahi Glass Co., Ltd.; Oral-use prostaglandin analog
BBI-4000	Primary focal hyperhidrosis	Preparing for PII	Licensed from Brickell Biotech, Inc.; Topical anticholinergic
SI-657	Enthesopathy	Development abandoned	Developed jointly with Seikagaku Corporation; Additional indication for ARTZ