

Consolidated Financial Flash Report for the First Quarter of Fiscal Year Ending March 31, 2012

Company name: EIKEN CHEMICAL CO., LTD. Listing: TSE, First Section
 Securities code: 4549 URL: <http://www.eiken.co.jp/en/>
 Representative: Tetsuya Teramoto, President & CEO e-mail: koho@eiken.co.jp
 Contact: Hiroyuki Watanabe, General Manager, Public Relations Division
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 Supplementary documents for this summary of financial statements: None
 Explanation meeting for financial results: None

(Millions of yen rounded down)

1. Consolidated Performance for the Fiscal Year Ended March 31, 2012 (April 1, 2011 to June 30, 2011)

(1) Consolidated Operating Results (% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2011- First quarter	6,864	(2.9)	735	(10.7)	768	(6.7)	349	(26.1)
Fiscal 2010 - First quarter	7,070	2.1	823	32.0	823	25.3	473	38.0

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal 2011- First quarter	19.26		19.23	
Fiscal 2010 - First quarter	26.09		26.05	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2011- First quarter	31,901	20,516	64.0	1,123.59
Fiscal 2010- year-end	32,642	20,451	62.3	1,120.32

(Reference) Shareholders' equity: As of June 30, 2011: 20,410 million yen. As of March 31, 2011: 20,351 million yen.

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
	Yen				
Fiscal year ended March 2011	—	12.00	—	18.00	30.00
Fiscal year ending March 2012 (Forecast)	—	12.00	—	13.00	25.00

(Note) Revision to dividend forecast for the second quarter of the fiscal year ending March 31, 2011: None

3. Forecasts of Consolidated Performance for the Fiscal Year Ending March 31, 2012

(April 1, 2011 to March 31, 2012) (% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	14,290	2.0	1,600	1.2	1,640	4.4	940	2.6	51.75
Full year	27,610	0.2	2,210	(18.4)	2,280	(17.8)	1,080	(35.4)	59.45

(Note) Revision to dividend forecast for the second quarter of the fiscal year ending March 31, 2011: None

1 . Qualitative information related to consolidated operating results

In the 1st quarter consolidated cumulative period, in addition to working to expand domestic sales of our major products, our group sought to expand overseas with a focus on America and European countries. However, we experienced a general decrease in product sales in the domestic market. This decrease was due to delayed recovery of medical institutions in disaster areas affected by the Great East Japan Earthquake of March 11th, 2011, as well as to a backlash from movements to secure inventory and temporary increases in demand following the earthquake.

As a result, net sales in the 1st quarter consolidated cumulative period were 6,864 million yen, a decline of 2.9% as compared with the last fiscal period.

Furthermore, we expanded overseas sales of fecal occult blood diagnostic reagents and devices mainly in America and Europe. Although sales remained strong in America, sales in Europe were sluggish and declined 5.0% to 326 million yen.

In order to reduce cost, we continued to strive to lower manufacturing costs. However, due to decreased sales of high-profit products, our sales cost ratio remained at the same level as compared with last year. Furthermore, although we strived for efficient use of general expenses, the selling, general and administrative expenses were on a level similar to last year. As a result, operating income was 735 million yen (decrease of 10.7% year over year) and ordinary income was 768 million yen (decrease of 6.7% year over year). Net income was 349 million yen (decrease of 26.1% year over year) due to 206 million yen in extraordinary loss recorded as an impairment loss to fixed assets associated with the closing of the Togane Plant.

2 . Qualitative information related to consolidated financial position

When compared to the end of the previous fiscal year, total assets decreased by 740 million yen, liabilities decreased by 805 million yen and net assets increased by 65 million yen.

Our equity ratio increased to 64.0% compared to 62.3% at the end of the previous fiscal year. Major increases and decreases in the category of assets included a 2,039 million yen decrease in cash and deposits, as well as a 733 million yen increase in notes and accounts receivable due to an increase in sales. Tangible fixed assets increased by 362 million yen. These changes were mainly due to a decrease caused by 206 million yen in impairment associated with the closing of the Togane Plant, as well as to a 598 million yen increase associated with the beginning of construction for an Operation Management Center (buildings for manufacture and clerical work) at the Nogi Office. In the category of liabilities, income taxes payable decreased by 288 million yen due to payment of income taxes, etc., and the reserve for bonuses decreased by 318 million yen due to payment of bonuses. In the category of net assets, retained earnings increased by 22 million yen due to recording of quarterly net income, despite payment of dividends.