

July 26, 2012

Financial Flash Report for the First Quarter of Fiscal Year Ending March 31, 2013 [Japanese standards] (Consolidated)

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
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 Scheduled filing date of Quarterly Securities Report: August 9, 2012
 Scheduled date of dividend payment: —
 Supplementary materials for the quarterly financial results: No
 Investor conference for the quarterly financial results: No

(Millions of yen rounded down)

1. Consolidated Performance for the First Quarter (April 1, 2012 to June 30, 2012)

(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 | % |
| Three months ended June 30, 2012 | 7,438 | 8.4 | 814 | 10.7 | 871 | 13.5 | 542 | 55.0 |
| Three months ended June 30, 2011 | 6,864 | (2.9) | 735 | (10.7) | 768 | (6.7) | 349 | (26.1) |

(Note) Comprehensive income: As of June 30, 2012: 498million yen. 28.9% As of June 30, 2011: 386 million yen. (10.1%)

| | Net income per share | | Diluted net income per share | |
|----------------------------------|----------------------|--|------------------------------|--|
| | Yen | | Yen | |
| Three months ended June 30, 2012 | 29.85 | | 29.56 | |
| Three months ended June 30, 2011 | 19.26 | | 19.23 | |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2012 | 33,271 | 21,638 | 64.7 | 1,183.38 |
| As of March 31, 2012 | 33,124 | 21,459 | 64.4 | 1,174.24 |

(Reference) Shareholders' equity: As of June 30, 2012: 21,511 million yen. As of March 31, 2012: 21,330 million yen.

2. Dividends

| | Dividends per share | | | | |
|---|---------------------|-----------|-----------|-----------|--------|
| | End of 1Q | End of 2Q | End of 3Q | End of 4Q | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 2012 | — | 12.00 | — | 18.00 | 30.00 |
| Fiscal year ended March 2013 | — | — | — | — | — |
| Fiscal year ending March 2013 (Forecast) | — | 15.00 | — | 15.00 | 30.00 |

(Note) Revisions to dividend forecast for the first quarter of the fiscal year ending March 31, 2013: No

3. Forecasts of Consolidated Performance for the Fiscal Year Ending March 31, 2013

(April 1, 2012 to March 31, 2013) (% 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 | 14,330 | 1.5 | 1,400 | (14.8) | 1,450 | (14.9) | 910 | (1.3) | 50.06 |
| Full year | 28,000 | 1.1 | 2,460 | 4.1 | 2,560 | 0.7 | 1,620 | 10.9 | 89.12 |

(Note) Revisions to performance forecast for the first quarter of the fiscal year ending March 31, 2013: No

※Note:

- (1) Changes in important subsidiaries during the period: No
- (2) Applying specific accounting procedures to preparing quarterly financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, restatements
- (1) Changes in accounting policies due to revisions to accounting standards, etc.: Yes
 - (2) Other changes in accounting policies: No
 - (3) Changes in accounting estimates: Yes
 - (4) Restatements: No
- (4) Number of outstanding shares (common stocks)
- 1) Number of shares outstanding at term-end (including treasury stocks)
 - As of June 30, 2012: 21,770,719 shares
 - As of March 31, 2012: 21,770,719 shares
 - 2) Number of treasury stock at term-end
 - As of June 30, 2012: 3,592,697 shares
 - As of March 31, 2012: 3,605,197 shares
 - 3) Average number of shares outstanding during the period (Cumulative total for the quarterly consolidated period)
 - As of June 30, 2012: 18,167,560 shares
 - As of June 30, 2011: 18,165,545 shares

* Implementation status of quarterly review procedures

This quarterly financial flash report is not the subject of the quarterly review procedures based on the Financial Instruments and Exchange Act, and at the point in time when this quarterly financial flash report was disclosed, the quarterly review procedures based on the Financial Instruments and Exchange Act had not been completed.

* Explanations for the appropriate use of earnings forecasts, and remarks

Performance forecasts and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational as of the date of this release. Accordingly, the Company cannot make promises to achieve such forecasts. Actual results could significantly differ from the above forecasts due to a variety of factors.

Qualitative information related to consolidated operating results

In the clinical diagnostic reagents market, for laboratory testing fees as a result of the fee revision by the government, even though laboratory testing fees for tests including the microbiological test and gene test were raised in the fiscal year 2012, laboratory testing fees for tests including the biochemical test and blood test were reduced, therefore overall laboratory testing fees remained roughly flat. The difficult management environment due to medical cost containment policies by the central government continues and each company is required to improve efficiency and streamline management further.

The EIKEN group encountered a disruption of a stable supply of our products when our subcontractor manufacturing a part of our sampling bottle to detect fecal occult blood sustained damage from the flooding in Thailand in October 2011; however, we focused on raising the supply level back to normal by transferring manufacturing operation to Japan and increasing production.

Under this environment, the EIKEN group has been striving to expand sales of our major products in Japan in line with our new management framework, "EIKEN ROAD MAP 2009", in addition to efforts to expand overseas development mainly in the U.S.A and Europe.

As a result, the net sales of the current consolidated fiscal year were increased 8.4% year over year to 7,438 million yen. For the same quarter of the previous year, net sales declined due to a backlash from movements to secure inventory and a temporary increase in demand for our products in March 2011 triggered by the Great East Japan Earthquake.

The following are sales for each type of product; 1) The sales of powdered culture media, blood culture reagents and "Dry Plate 'Eiken'", a diagnostic reagent for drug sensitivity tests, increased, as a result, the sales of microbiological reagents increased 2.5% year over year to 1,159 million yen. 2) The sales of general-purpose reagents increased 3.0% year over year to 532 million yen along with robust sales of the reagent designed for the automatic urine analyzer "Uropaper α III Eiken". (3) In immunological and serological reagents, the sales of fecal occult blood diagnostic reagents recovered since the supply of sampling bottles returned to normal levels. In addition, the sales of "LZ Test 'Eiken'", which is a reagent for general-purpose automatic analyzers, and the sales of "AIA reagents, HbA1c reagents" of TOSOH CORPORATION introduced and sold by our company increased. As a result, the sales of immunological and serological reagents increased 11.0% to 4,272 million yen year-over-year. (4) For clinical chemistry reagents and culture media for the equipment, food and environment category, the sales of overall products grew at a sluggish pace, and as a result, the sales of clinical chemistry reagents increased 2.4% year over year to 189 million yen while sales of culture media for the equipment, food and environment category increased 0.5% to 593 million yen year over year. 6) The sales of others (medical devices/molecular genetics-related products) increased 17.2% year over year to 692 million yen as a result of an increase of sales in medical devices and molecular genetics (LAMP method)-related products.

Overseas sales were increased 31.9% year over year to 431 million yen as a result of an increase in sales of fecal occult blood diagnostic reagents.

Regarding expenses, the sales cost ratio improved 1.2 points on a year-over-year basis mainly due to a change in the product composition ratio of sales. The selling, general and administrative expenses increased 3.6% year over year, however, the selling, general and administrative expense ratio decreased 1.4 points year over year.

As a result, operating income increased 10.7% year over year to 814 million yen, ordinary income increased 13.5% year over year to 871 million yen, and net income for the current quarter increased 55.0% year over year to 542 million yen.

In addition, we have been working on the development of a reagent for the detection of active tuberculosis (TB).using the LAMP method for developing countries in collaboration with FIND (Foundation For Innovative New Diagnostics) and are aiming for recommendation by WHO, however, recommendation appears impossible this year. We will continue to promote assessments in developing countries toward recommendation by WHO. We are confident the LAMP technology will contribute to the rapid detection of TB patients in developing countries.