

July 24, 2014

## Financial Flash Report for the First Quarter of Fiscal Year Ending March 31, 2015 [Japanese standards] (Consolidated)

Company name: EIKEN CHEMICAL CO., LTD. Listing: TSE, First Section  
 Securities code: 4549 URL: <http://www.eiken.co.jp/en/>  
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 Scheduled filing date of Quarterly Securities Report: August 11, 2014  
 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, 2014 to June 30, 2014)

#### (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, 2014	7,665	1.4	773	(8.2)	814	(7.1)	565	0.3
Three months ended June 30, 2013	7,557	1.6	843	3.6	877	0.6	563	3.9

(Note) Comprehensive income: As of June 30, 2014: 577million yen. 9.5% As of June 30, 2013: 527 million yen. 5.8%

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2014	31.05		30.67	
Three months ended June 30, 2013	31.00		30.65	

#### (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, 2014	35,705	24,743	68.9	1,347.20
As of March 31, 2014	36,395	24,278	66.2	1,323.98

(Reference) Shareholders' equity: As of June 30, 2014: 24,594 million yen. As of March 31, 2014: 24,086 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 2014	—	15.00	—	20.00	35.00
Fiscal year ended March 2015	—				
Fiscal year ending March 2014 (Forecast)		17.00	—	18.00	35.00

(Note) Revision of dividends forecast for this period: No

### 3. Forecasts of Consolidated Performance for the Fiscal Year Ending March 31, 2015

#### (April 1, 2014 to March 31, 2015) (% 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	15,970	6.0	1,570	(4.2)	1,600	(5.4)	1,010	(6.9)	55.32
Full year	31,320	4.3	2,900	(3.6)	2,930	(5.3)	1,870	(5.8)	102.43

(Note) Revision of consolidated results forecast for this period: 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: No
  - (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, 2014: 21,770,719shares
    - As of March 31, 2014: 21,770,719shares
  - 2) Number of treasury stock at term-end
    - As of June 30, 2014: 3,514,550 shares
    - As of March 31, 2014: 3,578,069shares
  - 3) Average number of shares outstanding during the period (Cumulative total for the quarterly consolidated period)
    - As of June 30, 2014: 18,202,724 shares
    - As of June 30, 2013: 18,180,336 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.

## Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2014 (As of March 31, 2014)	1Q of FY 2015 (As of June 30, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,032	9,705
Notes and accounts receivable-trade	9,242	10,223
Securities	97	100
Merchandise and finished goods	3,301	3,023
Work in process	914	967
Raw materials and supplies	733	768
Other	1,257	1,494
Current assets	26,579	26,283
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures	14,241	14,247
Accumulated depreciation-buildings and structures	(10,027)	(10,117)
Buildings and structures, net	4,213	4,130
Machinery, equipment and vehicles	4,949	4,955
Accumulated depreciation-machinery, equipment and vehicles	(4,067)	(4,109)
Machinery, equipment and vehicles, net	882	846
Tools, furniture and fixtures	3,170	3,161
Accumulated depreciation-tools, furniture and fixtures	(2,776)	(2,815)
Tools, furniture and fixtures, net	394	346
Land	1,006	1,006
Other, net	289	271
Property, plant and equipment	6,786	6,601
Intangible assets	493	494
Investments and other assets		
Other	2,542	2,333
Allowance for doubtful accounts	(6)	(6)
Investments and other assets	2,535	2,326
Non-current assets	9,815	9,422
<b>Assets</b>	36,395	35,705

(Millions of yen)

	FY 2014 (As of March 31, 2014)	1Q of FY 2015 (As of June 30, 2014)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	4,014	3,639
Electronically recorded obligations-operating	2,281	2,512
Current portion of long-term loans payable	270	127
Income taxes payable	394	303
Provision for bonuses	669	349
Provision for sales returns	5	5
Other	2,227	2,248
Current liabilities	9,861	9,186
<b>Non-current liabilities</b>		
Long-term accounts payable-other	338	317
Provision for environmental measures	5	5
Asset retirement obligations	32	32
Net defined benefit liability	942	518
Other	937	903
Non-current liabilities	2,255	1,776
Liabilities	12,117	10,962
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	6,897	6,897
Capital surplus	7,892	7,892
Retained earnings	13,178	13,614
Treasury shares	(3,399)	(3,339)
Shareholders' equity	24,568	25,064
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	125	125
Foreign currency translation adjustment	117	101
Remeasurements of defined benefit plans	(725)	(697)
Valuation and translation adjustments	(482)	(470)
Subscription rights to shares	191	148
Net assets	24,278	24,743
<b>Liabilities and net assets</b>	<b>36,395</b>	<b>35,705</b>

## (2) Quarterly Consolidated Statements of Income

(Millions of yen)

	First three months of FY 2014 (Apr.1,2013- June.30,2013)	First three months of FY 2015 (Apr.1,2014- June.30,2014)
Net sales	7,557	7,665
Cost of sales	4,416	4,521
Gross profit	3,141	3,143
Selling, general and administrative expenses	2,298	2,369
Operating income	843	773
Non-operating income		
Interest income	0	4
Dividend income	7	2
Foreign exchange gains	9	—
Foreign Exchange Adjustments	—	16
Subsidy income	14	14
Other	9	14
Non-operating income	41	52
Non-operating expenses		
Interest expenses	3	2
Foreign exchange losses	—	3
Depreciation	2	2
Other	0	3
Non-operating expenses	7	11
Ordinary income	877	814
Extraordinary income		
Gain on liquidation of subsidiaries and associates	—	4
Extraordinary income	—	4
Extraordinary losses		
Loss on sales and retirement of non-current assets	1	0
Extraordinary losses	1	0
Income before income taxes	875	818
Income taxes	311	252
Income before minority interests	563	565
Minority interests in income (loss)	—	—
Net income	563	565

**Consolidated statements of comprehensive income**

(Millions of yen)

	First three months of FY 2014 (Apr.1,2013- June.30,2013)	First three months of FY 2015 (Apr.1,2014- June.30,2014)
Income before minority interests	563	565
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	(87)	(0)
Foreign currency translation adjustment, net of tax	51	(15)
Remeasurements of defined benefit plans, net of tax	—	27
Other comprehensive income	(36)	11
Comprehensive income	527	577
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	527	577
Comprehensive income attributable to minority interests	—	—

**(3) Notes Regarding Going Concern Assumptions**

None.

**Notes Regarding Significant Changes in Shareholders' Equity**

None.