

July 24, 2015

## Financial Flash Report for the First Quarter of Fiscal Year Ending March 31, 2016 [Japanese standards] (Consolidated)

Company name: EIKEN CHEMICAL CO., LTD. Listing: TSE, First Section  
 Securities code: 4549 URL: <http://www.eiken.co.jp/en/>  
 Representative: Morifumi Wada, President & CEO  
 Contact: Hiroyuki Watanabe, General Manager, Public Relations Division e-mail: [koho@eiken.co.jp](mailto:koho@eiken.co.jp)  
 Scheduled filing date of Quarterly Securities Report: August 12, 2015  
 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, 2015 to June 30, 2015)

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	7,831	2.2	864	11.8	883	8.4	617	9.3
Three months ended June 30, 2014	7,665	1.4	773	(8.2)	814	(7.1)	565	0.3

(Note) Comprehensive income: As of June 30, 2015: 666million yen. As of June 30, 2014: 577 million yen.

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2015	33.83		33.46	
Three months ended June 30, 2014	31.05		30.67	

### (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, 2015	37,789	26,991	71.0	1,466.08
As of March 31, 2015	37,895	26,639	69.8	1,448.81

(Reference) Shareholders' equity: As of June 30, 2015: 26,823 million yen. As of March 31, 2015: 26,449 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 2015	—	17.00	—	18.00	35.00
Fiscal year ended March 2016	—				
Fiscal year ending March 2016 (Forecast)		20.00	—	20.00	40.00

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

### 3. Forecasts of Consolidated Performance for the Fiscal Year Ending March 31, 2016

(April 1, 2015 to March 31, 2016) (% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	16,830	6.4	1,920	3.5	1,940	(0.8)	1,350	0.0	73.79
Full year	32,820	5.8	3,330	17.8	3,350	11.2	2,180	3.8	119.15

(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, 2015: 21,770,719 shares
    - As of March 31, 2015: 21,770,719 shares
  - 2) Number of treasury stock at term-end
    - As of June 30, 2015: 3,474,479 shares
    - As of March 31, 2015: 3,514,679 shares
  - 3) Average number of shares outstanding during the period (Cumulative total for the quarterly consolidated period)
    - As of June 30, 2015: 18,262,594 shares
    - As of June 30, 2014: 18,202,724 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.

(Millions of yen)

	FY 2015 (As of March 31, 2015)	1Q of FY 2016 (As of June 30, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	9,590	8,470
Notes and accounts receivable - trade	9,756	10,422
Merchandise and finished goods	3,255	3,295
Work in process	920	978
Raw materials and supplies	790	747
Other	972	1,228
Total current assets	25,285	25,141
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,537	14,583
Accumulated depreciation	(10,286)	(10,388)
Buildings and structures, net	4,251	4,194
Machinery, equipment and vehicles	5,071	5,135
Accumulated depreciation	(4,138)	(4,153)
Machinery, equipment and vehicles, net	933	981
Tools, furniture and fixtures	3,270	3,229
Accumulated depreciation	(2,714)	(2,677)
Tools, furniture and fixtures, net	556	551
Land	1,006	1,006
Other, net	370	383
Total property, plant and equipment	7,118	7,119
Intangible assets	561	601
Investments and other assets		
Other	4,937	4,933
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	4,930	4,926
Total non-current assets	12,610	12,647
Total assets	37,895	37,789

(Millions of yen)

	FY 2015 (As of March 31, 2015)	1Q of FY 2016 (As of June 30, 2015)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,964	4,019
Electronically recorded obligations - operating	2,516	2,685
Income taxes payable	511	285
Provision for bonuses	684	351
Provision for sales returns	4	3
Other	2,314	2,489
<b>Total current liabilities</b>	<b>9,995</b>	<b>9,833</b>
Non-current liabilities		
Long-term accounts payable - other	317	46
Provision for environmental measures	3	3
Asset retirement obligations	34	34
Other	905	880
<b>Total non-current liabilities</b>	<b>1,260</b>	<b>964</b>
<b>Total liabilities</b>	<b>11,255</b>	<b>10,798</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,897	6,897
Capital surplus	7,892	7,892
Retained earnings	14,838	15,126
Treasury shares	(3,339)	(3,301)
<b>Total shareholders' equity</b>	<b>26,289</b>	<b>26,614</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	150	167
Foreign currency translation adjustment	276	297
Remeasurements of defined benefit plans	(267)	(256)
<b>Total accumulated other comprehensive income</b>	<b>160</b>	<b>209</b>
Subscription rights to shares	190	167
<b>Total net assets</b>	<b>26,639</b>	<b>26,991</b>
<b>Total liabilities and net assets</b>	<b>37,895</b>	<b>37,789</b>

(Millions of yen)

	First three months of FY 2015 (Apr.1,2014- June.31,2014)	First three months of FY 2016 (Apr.1,2015- June.30,2015)
Net sales	7,665	7,831
Cost of sales	4,521	4,517
Gross profit	3,143	3,314
Selling, general and administrative expenses	2,369	2,450
Operating income	773	864
Non-operating income		
Interest income	4	3
Dividend income	2	2
Foreign exchange gains	—	6
Subsidy income	14	—
Other	30	15
Total non-operating income	52	27
Non-operating expenses		
Interest expenses	2	2
Foreign exchange losses	3	—
Depreciation	2	2
Loss on insurance cancellation	—	4
Other	3	0
Total non-operating expenses	11	9
Ordinary income	814	883
Extraordinary income		
Gain on liquidation of subsidiaries and associates	4	—
Total extraordinary income	4	—
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	2
Total extraordinary losses	0	2
Income before income taxes and minority interests	818	880
Income taxes	252	262
Profit	565	617
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	565	617

(Millions of yen)

	First three months of FY 2015 (Apr.1,2014- June.31,2014)	First three months of FY 2016 (Apr.1,2015- June.30,2015)
Profit	565	617
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	17
Foreign currency translation adjustment	(15)	20
Remeasurements of defined benefit plans, net of tax	27	10
Total other comprehensive income	11	49
Comprehensive income	577	666
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	577	666
Comprehensive income attributable to non-controlling interests	—	—

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

None.

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

None.