

January 26, 2016

**Financial Flash Report for the First Third 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
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 Scheduled filing date of Quarterly Securities Report: February 10, 2016
 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 December 31, 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	%
Nine months ended Dec. 31, 2015	24,227	3.0	2,841	31.5	2,874	24.0	1,879	18.2
Nine months ended Dec. 31, 2014	23,514	3.2	2,161	(13.9)	2,318	(11.2)	1,590	(6.3)

(Note) Comprehensive income: As of Dec. 31, 2015: 1,850million yen. As of Dec. 31, 2014: 1,838million yen.

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended Dec. 31, 2015	102.79		101.73	
Nine months ended Dec. 31, 2014	87.19		86.23	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2015	39,356	27,846	70.2	1,510.79
As of March 31, 2015	37,895	26,639	69.8	1,448.81

(Reference) Shareholders' equity: As of Dec. 31, 2015: 27,641 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	—	20.00	—		
Fiscal year ending March 2016 (Forecast)				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
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

Notes:

(1) Changes in important subsidiaries during the period - Specified subsidiaries accompanying changes in scope of consolidation - : No

(2) Application of special accounting method: 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 December 31, 2015: 21,770,719 shares

As of March 31, 2015: 21,770,719 shares

2) Number of treasury stock at term-end

As of December 31, 2015: 3,474,489 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 December 31, 2015: 18,285,019 shares

As of December 31, 2014: 18,238,431 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)	Third Quarter of FY 2016 (As of Dec.30, 2015)
Assets		
Current assets		
Cash and deposits	9,590	7,143
Notes and accounts receivable - trade	9,756	11,278
Merchandise and finished goods	3,255	3,267
Work in process	920	1,009
Raw materials and supplies	790	741
Other	972	1,120
Total current assets	25,285	24,561
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,537	14,956
Accumulated depreciation	△10,286	△10,132
Buildings and structures, net	4,251	4,824
Machinery, equipment and vehicles	5,071	5,109
Accumulated depreciation	△4,138	△4,145
Machinery, equipment and vehicles, net	933	963
Tools, furniture and fixtures	3,270	3,254
Accumulated depreciation	△2,714	△2,702
Tools, furniture and fixtures, net	556	552
Land	1,006	1,006
Other, net	370	1,610
Total property, plant and equipment	7,118	8,958
Intangible assets	561	637
Investments and other assets		
Other	4,937	5,206
Allowance for doubtful accounts	△6	△6
Total investments and other assets	4,930	5,199
Total non-current assets	12,610	14,794
Total assets	37,895	39,356

(Millions of yen)

	FY 2015 (As of March 31, 2015)	Third Quarter of FY 2016 (As of Dec.30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,964	4,195
Electronically recorded obligations - operating	2,516	2,773
Income taxes payable	511	404
Provision for bonuses	684	348
Provision for sales returns	4	3
Other	2,314	2,820
Total current liabilities	9,995	10,545
Non-current liabilities		
Long-term accounts payable - other	317	46
Provision for environmental measures	3	1
Asset retirement obligations	34	34
Other	905	881
Total non-current liabilities	1,260	964
Total liabilities	11,255	11,509
Net assets		
Shareholders' equity		
Capital stock	6,897	6,897
Capital surplus	7,892	7,892
Retained earnings	14,838	16,021
Treasury shares	△3,339	△3,301
Total shareholders' equity	26,289	27,510
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	150	153
Foreign currency translation adjustment	276	212
Remeasurements of defined benefit plans	△267	△234
Total accumulated other comprehensive income	160	131
Subscription rights to shares	190	204
Total net assets	26,639	27,846
Total liabilities and net assets	37,895	39,356

(Millions of yen)

	First nine months of FY 2015 (Apr.1,2014- Dec.31,2014)	First nine months of FY 2016 (Apr.1,2015- Dec.31,2015)
Net sales	23,514	24,227
Cost of sales	13,713	14,000
Gross profit	9,801	10,227
Selling, general and administrative expenses	7,640	7,385
Operating income	2,161	2,841
Non-operating income		
Interest income	10	6
Dividend income	4	4
Foreign exchange gains	69	—
Foreign Exchange Adjustments	36	15
Subsidy income	14	—
Rent income	16	15
Other	25	27
Total non-operating income	177	70
Non-operating expenses		
Interest expenses	5	6
Foreign exchange losses	—	15
Depreciation	7	6
Other	6	7
Total non-operating expenses	19	36
Ordinary income	2,318	2,874
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on liquidation of subsidiaries and associates	4	—
Total extraordinary income	4	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	14	174
Total extraordinary losses	14	174
Income before income taxes and minority interests	2,307	2,700
Income taxes	717	821
Profit	1,590	1,879
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,590	1,879

(Millions of yen)

	First nine months of FY 2015 (Apr.1,2014- Dec.31,2014)	First nine months of FY 2016 (Apr.1,2015- Dec.31,2015)
Profit	1,590	1,879
Other comprehensive income		
Valuation difference on available-for-sale securities	7	2
Foreign currency translation adjustment	157	△63
Remeasurements of defined benefit plans, net of tax	82	32
Total other comprehensive income	248	△28
Comprehensive income	1,838	1,850
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,838	1,850
Comprehensive income attributable to non-controlling interests	—	—