
The business performance briefing
for the term ended Mar. 2013
(the 75th term)



EIKEN CHEMICAL CO., LTD.

Apr. 26, 2013

Operating Results for the
term ended Mar. 2013
(the 75th term)

Consolidated performance for the term ended Mar. 2013 (the 75th term)³

(Millions of yen)

	Term ended Mar. 2013				YoY change
	Target value	Actual results	Ratio	Difference from target value	
Net sales	28,500	28,645		145	943
Operating income	2,580	2,548	8.9%	(31)	184
Ordinary income	2,730	2,812	9.8%	82	269
Net income	1,700	2,453	8.6%	753	993

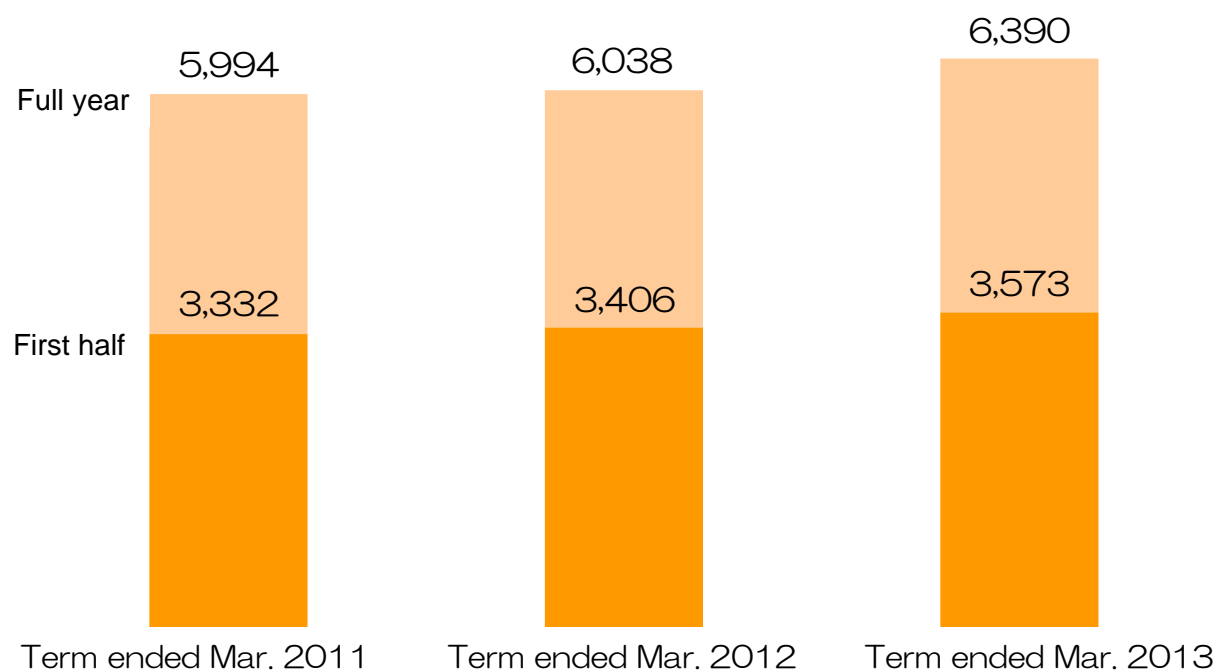
- Laboratory testing fees 2012, remained roughly flat.
- Short supply of our sampling bottle to detect fecal occult blood because of the flooding in Thailand were resolved.
- We have been striving to expand sales of our major products in Japan, especially medical devices and molecular genetics (LAMP method)- related products sales increased 11.0% year over year .
- Overseas sales were increased as a result of an increase in sales of fecal occult blood diagnostic reagents mainly in the U.S.A and Europe.
- The selling, general and administrative expenses decreased 1.8% year over year.
- We have posted extraordinary income of 991 million yen from the gain made on sale of the land that we previously intended to use for construction of our head office.



Consolidated sales for product category

(Millions of yen)

Fecal occult blood diagnostic reagents (OC)	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
		3,332	5,994	3,406	6,038	3,573

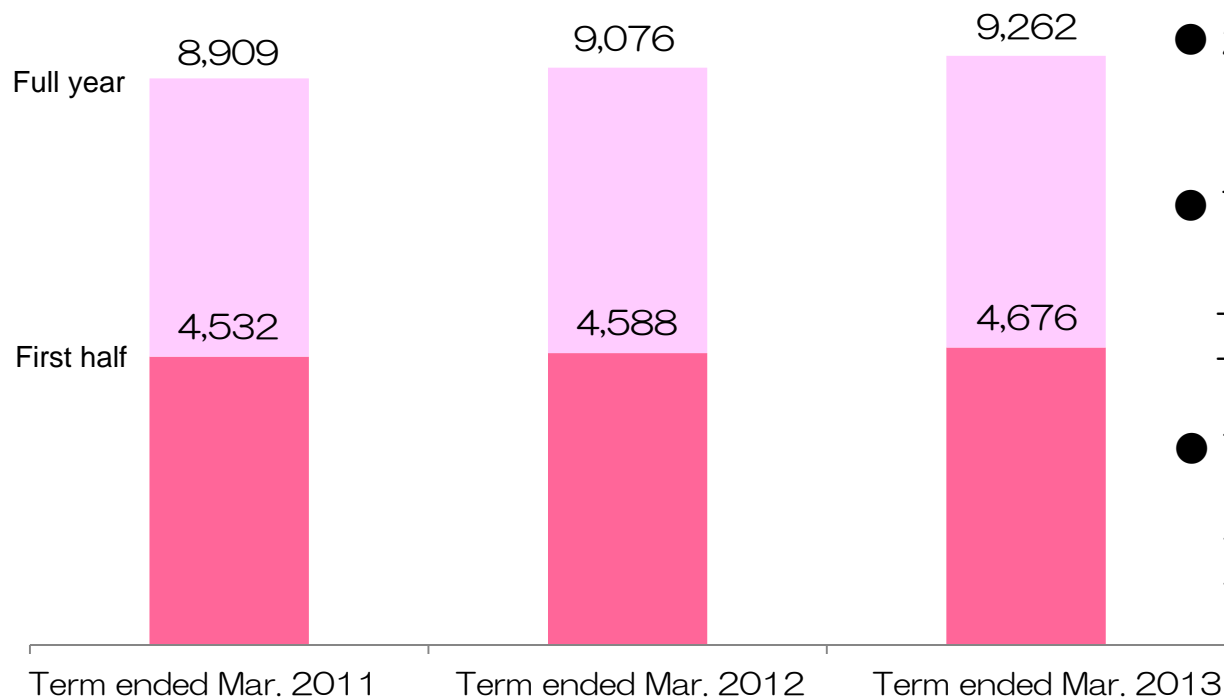


- 5.8% increase from the corresponding term in the previous year.
- The sales of fecal occult blood diagnostic reagents in Japan were small increase. Supply of sampling bottles have returned to normality.
- Overseas sales of fecal occult blood diagnostic reagents were increase. The sales of reagents for automatic analyzers were increase in U.S. markets.

Consolidated sales for product category

(Millions of yen)

Immunological and serological reagents	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
	4,532	8,909	4,588	9,076	4,676	9,262

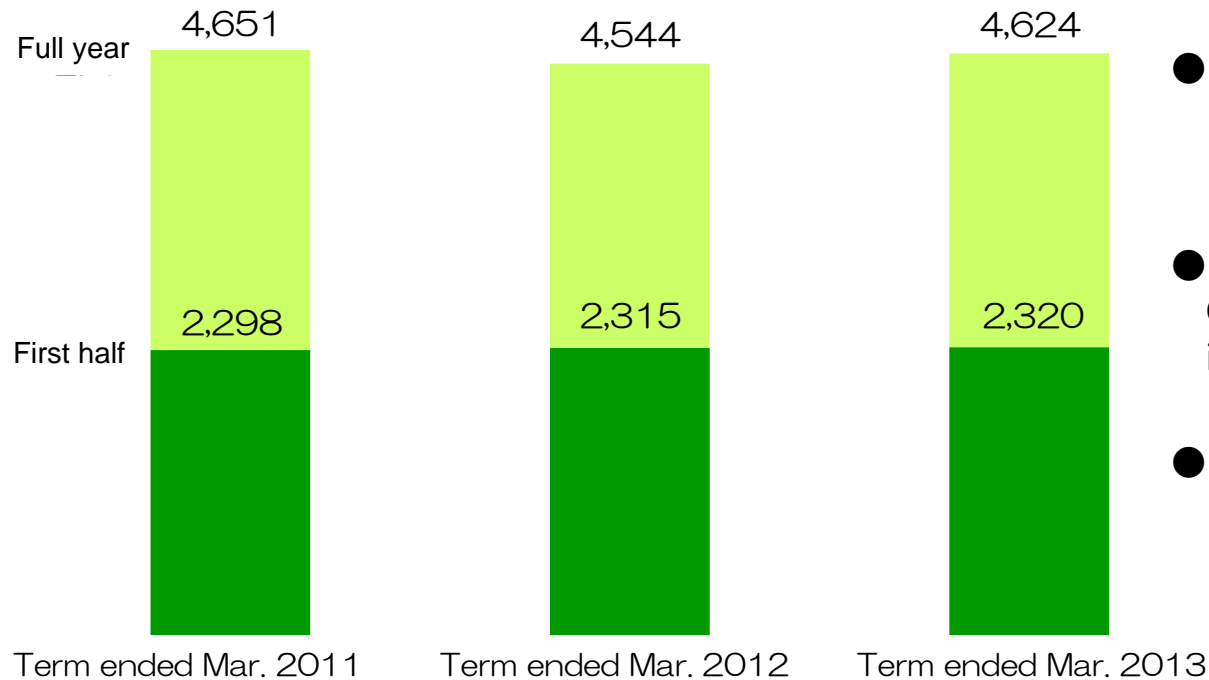


- 2.0% increase from the corresponding term in the previous year.
- The sales of Tosoh corporation's reagents were increase.
 - AIA-related reagents
 - HLC723 reagents
- The sales of LZ reagents were increase.
 - PG
 - MMP-3

Consolidated sales for product category

(Millions of yen)

Microbiological reagents	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
	2,298	4,651	2,315	4,544	2,320	4,624

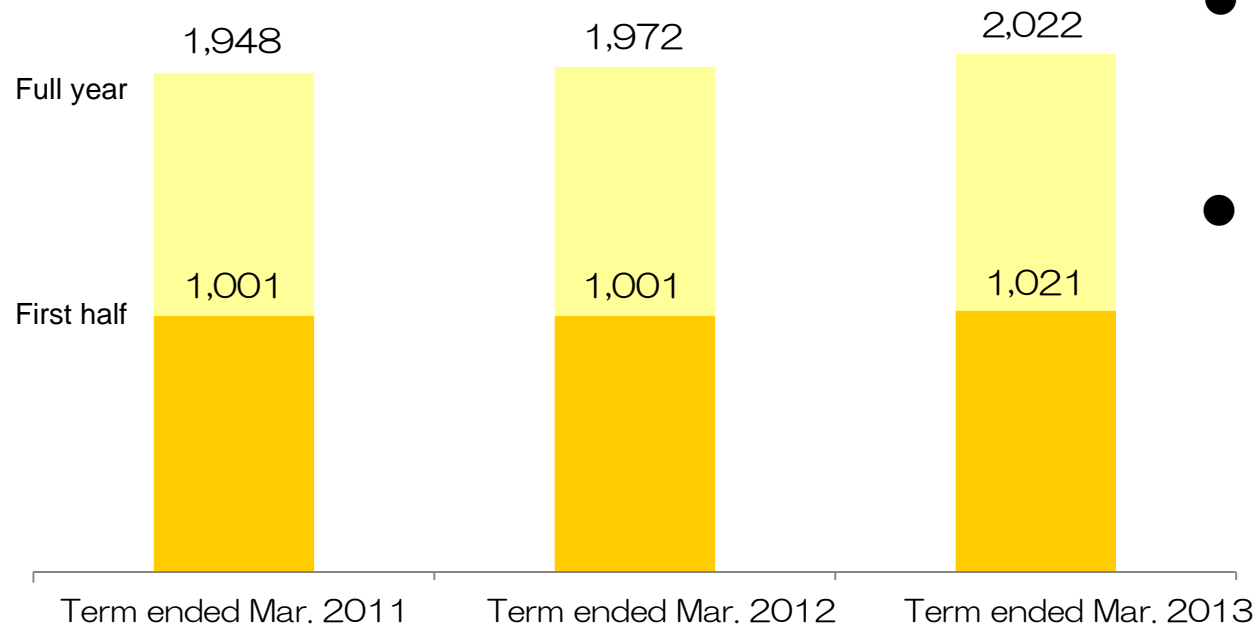


- 1.8% increase from the corresponding term in the previous year.
- New product called "Imuno Catch Noro" contributed to an increase in sales.
- Reagents for drug sensitivity testing
 - Increase in sales of Dry Plate. (Change from Frozen Plate)

Consolidated sales for product category

(Millions of yen)

Dry chemistry reagents	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
	1,001	1,948	1,001	1,972	1,021	2,022

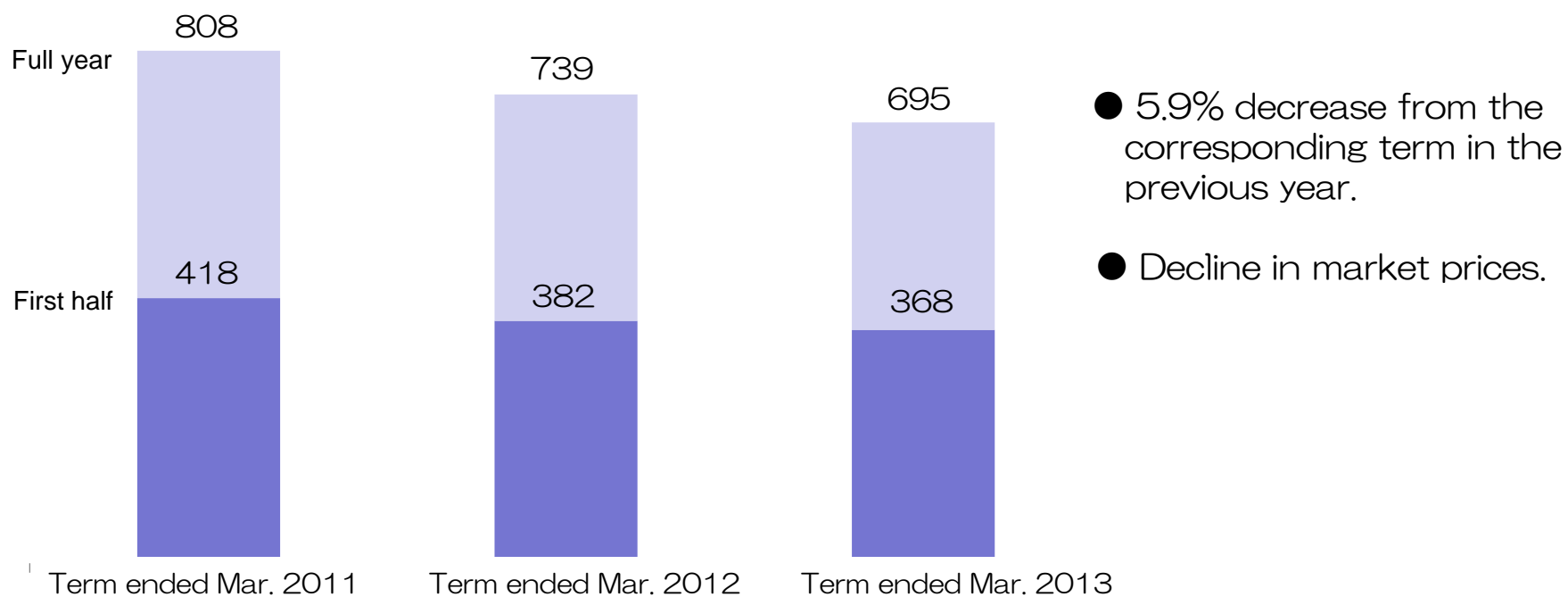


- 2.5% increase from the corresponding term in the previous year.
- The sales of urinalysis test trip "Uropaper α III" for the automatic urine analyzer were increase.

Consolidated sales for product category

(Millions of yen)

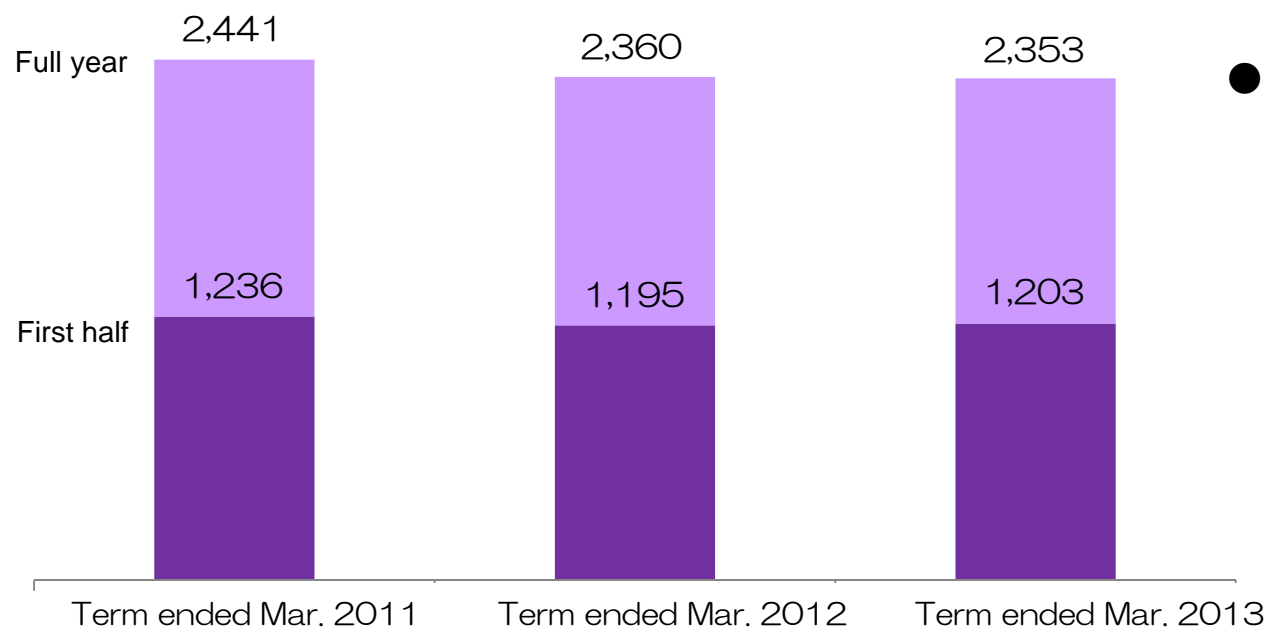
Clinical chemistry reagents	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
	418	808	382	739	368	695



Consolidated sales for product category

(Millions of yen)

Culture media for equipment, food and environment category	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
	1,236	2,441	1,195	2,360	1,203	2,353

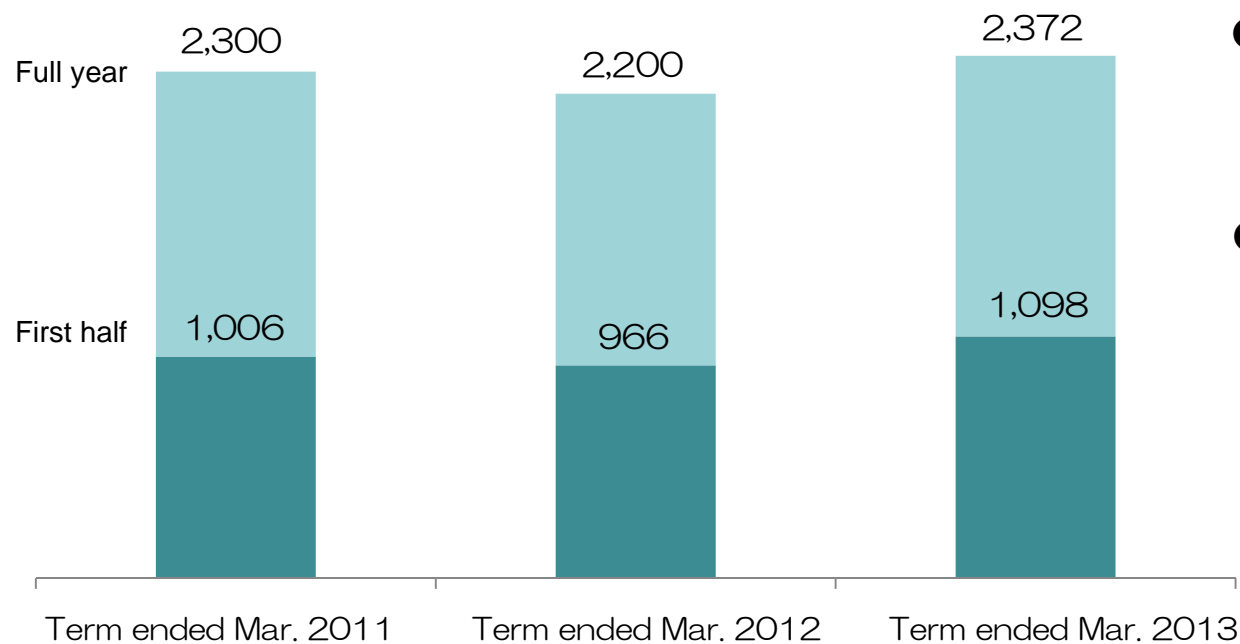


● 0.3% decrease from the corresponding term in the previous year.

Consolidated sales for product category

(Millions of yen)

Medical devices (exclude molecular genetics)	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
	1,006	2,300	966	2,200	1,098	2,372

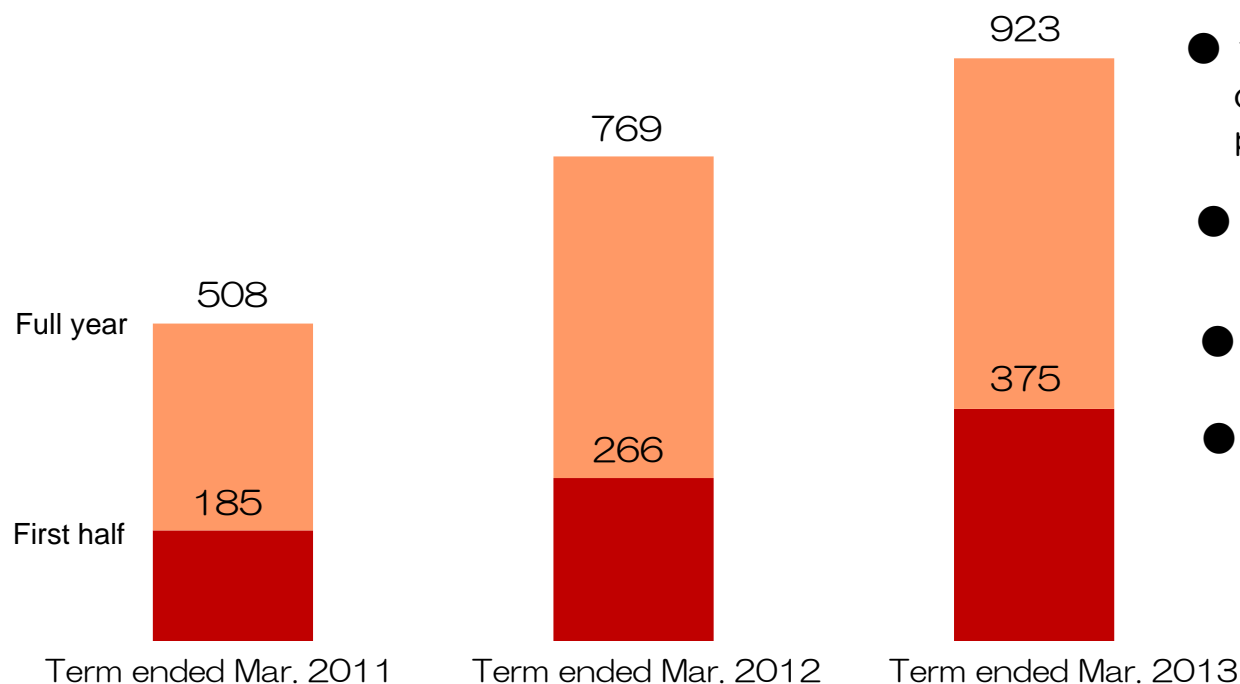


- 7.8% increase from the corresponding term in the previous year.
- Increase in devices of drug sensitivity testing.

Consolidated sales for product category

(Millions of yen)

Molecular genetics(LAMP) (include devices)	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
	185	508	266	769	375	923



- 19.9% increase from the corresponding term in the previous year.
- Increase in products of respiratory infections.
- Increase in devices.
- Patent rights income of LAMP method.
— 264 million yen.

(Millions of yen)

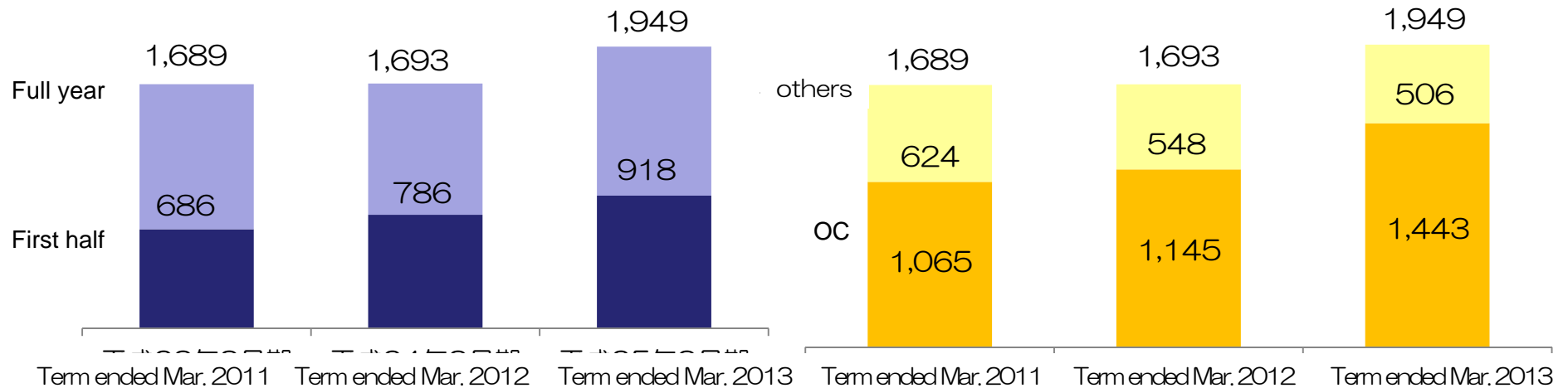
Overseas sales	Term ended Mar. 2011		Term ended Mar. 2012		Term ended Mar. 2013	
	First half	Full year	First half	Full year	First half	Full year
	686	1,689	786	1,693	918	1,949

Sales

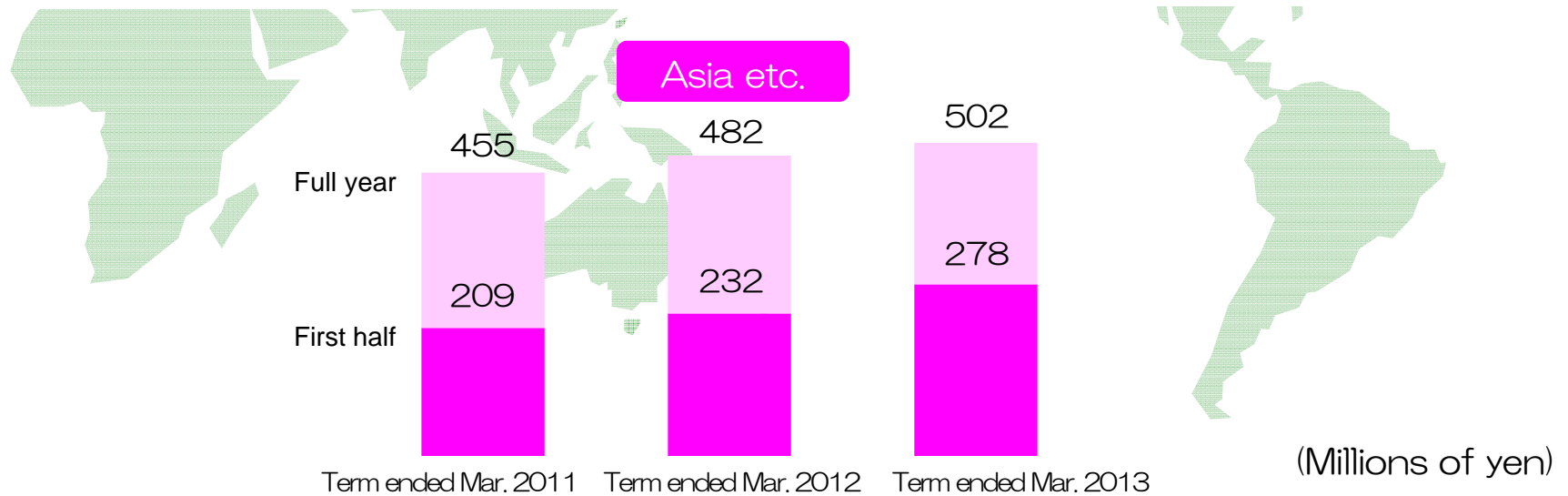
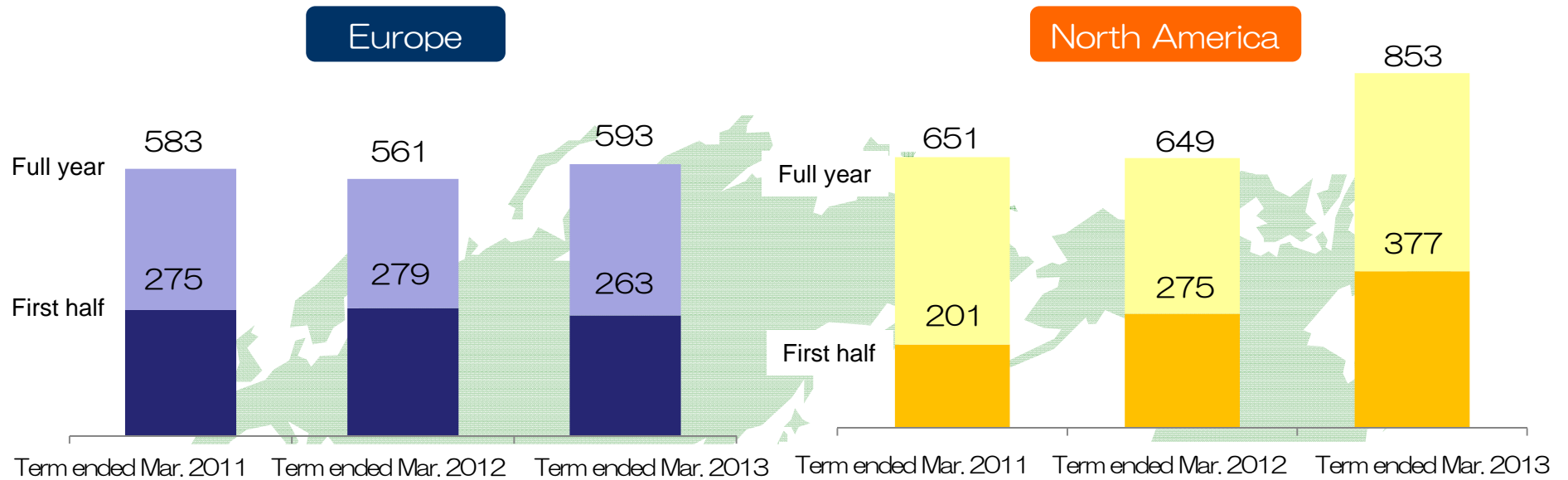
- 15.1% increase from the corresponding term in the previous year.

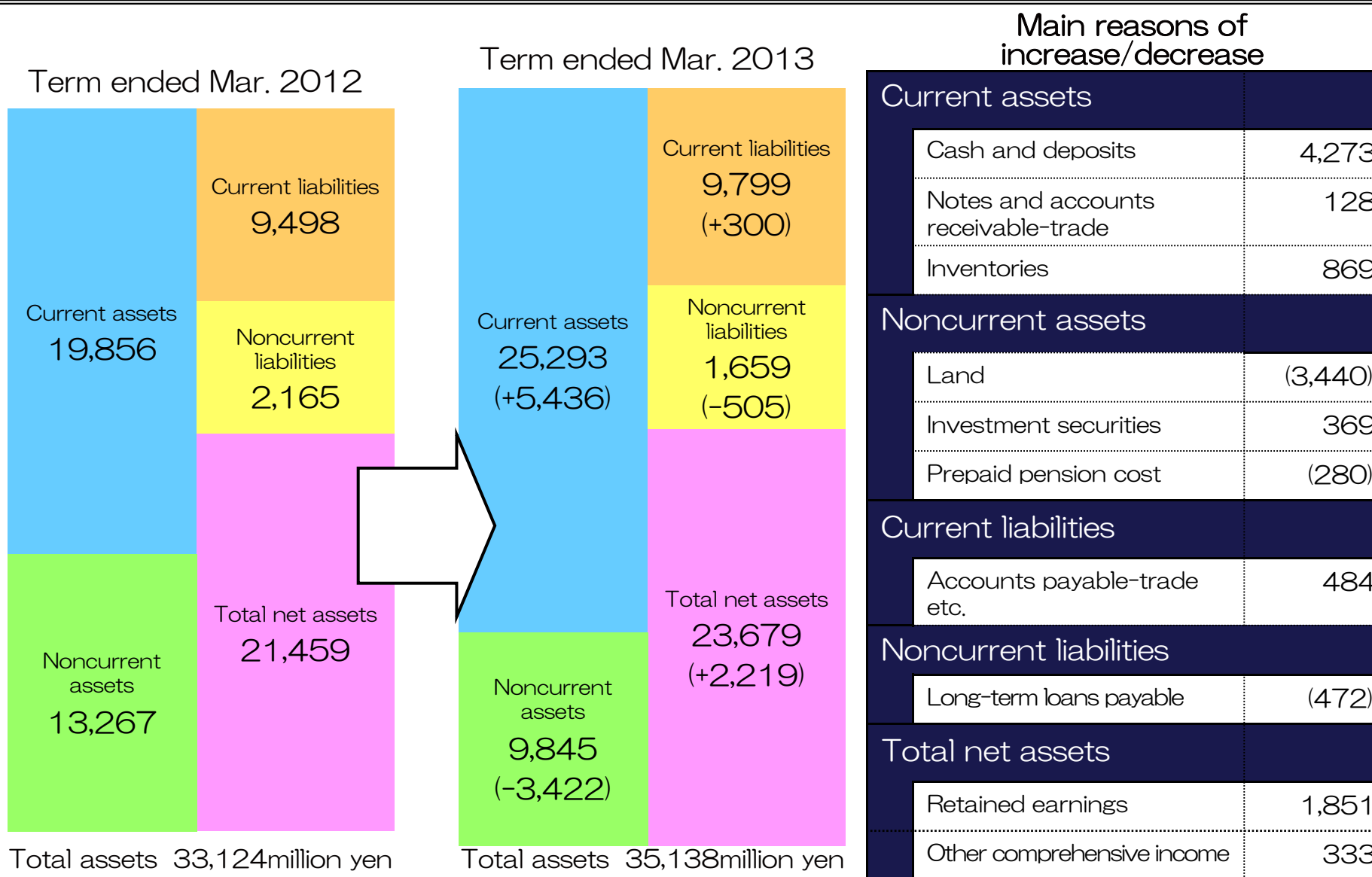
Sales for product category

- 26.0% increase in sales of OC reagents from the corresponding term in the previous year.



Consolidated overseas sales





Consolidated Statements of Cash Flows

16

(Millions of yen)

	Term ended Mar. 2012	Term ended Mar. 2013
Cash and cash equivalents at beginning of the period	6,045	5,165
Net cash provided by (used in) operating activities	1,713	2,228
Net cash provided by (used in) investing activities	(1,634)	3,418
Net cash provided by (used in) financing activities	(964)	(1,242)
Effect of exchange rate changes on cash and cash equivalents	4	(0)
Cash and cash equivalents at end of the period	5,165	9,568

Main items in operating cash flows

Income before income taxes and minority interests	3,740
Depreciation and amortization	1,040
Impairment loss	(964)
Loss on sales and retirement of property, plant and equipment	(120)
Increase in notes and accounts receivable-trade	(862)
Decrease in other current assets	317
Decrease in other current liabilities	482
Income taxes paid	(1,337)

Main items in investing cash flows

Purchase of property, plant and equipment	(962)
Proceeds from sales of property, plant and equipment	4,433

Main items in financing cash flows

Payment of long-term loans	(472)
Cash dividends paid	(599)

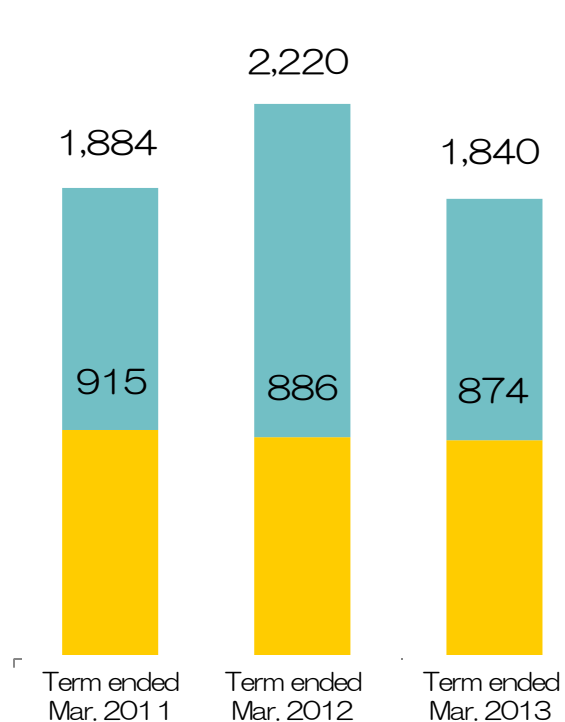


R&D cost and investment in equipment (consolidated)

■ First half
 ■ Full year

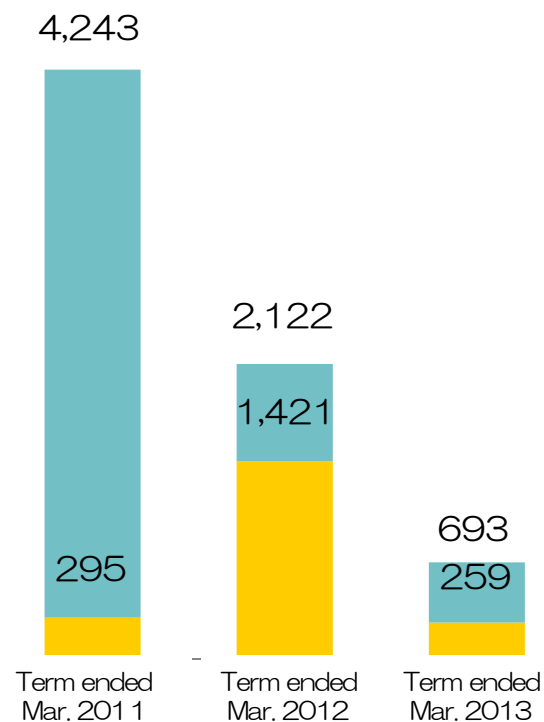
R&D cost

(Millions of yen)



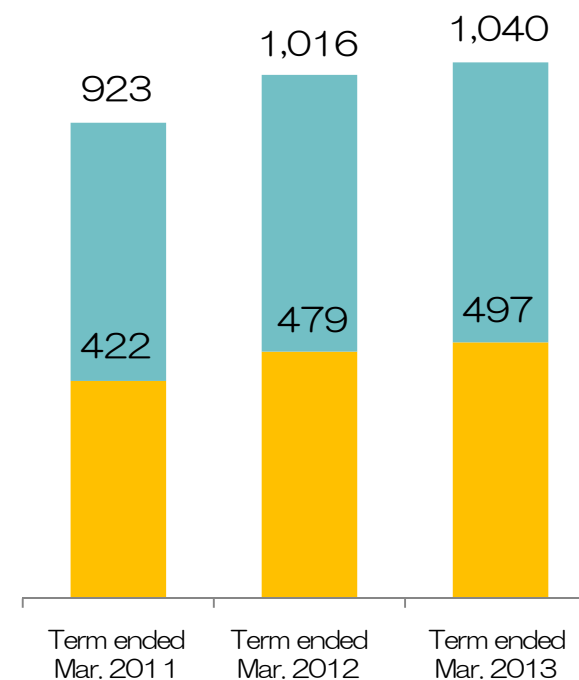
Investment in equipment

(Millions of yen)



Depreciation and amortization

(Millions of yen)



Primary strategies for the
term ended Mar. 2013
(the 75th term)

Promotion of the sale measure

Japan

- Strengthening of sales promotion system for our major products. (OC, LZ, LAMP, AIA etc.)
 - ▽ Promotion of ABC Examination mainly at checkup centers and facilities.
 - ▽ Sales promotion of LAMP reagent for respiratory infections, mainly tuberculosis. (tuberculosis, mycoplasma, legionella)
 - ▽ Enrich the lineup of “LZ reagent” for rheumatoid arthritis. (MMP-3, RF)
- Supply of OC sampling bottles returned to normality from June, 2012 and re-maintenance of production in Thailand.
- Promotion of “Immuno Catch Noro” (Launching in November, 2012)

Promotion of the sale measure

U.S.

- Expand OC reagents and medical devices
- LAMP: Entry to the food product inspection field
 - ▽ Causative microorganism food poisoning (AOAC^{*} certificate)

*AOAC : Association of Analytical Communities

Europe

- OC: Expansion of the screening market
 - ▽ Adoption of OC in new market. (Hungary , Republic of Malta, Denmark)
 - ▽ Keep action for adoption of OC. (France, The Netherlands, Norway, Belgium)
- Uropaper: Expansion of the market
 - ▽ Started selling the Uropaper α III and automatic urine analyzer in Italy

Promotion of the sale measure

Asia, Oceania

- Expand OC reagents and medical devices
 - ▽ Expansion of OC sales (Australia, New Zealand, Singapore, China, Taiwan, S.Korea)
 - ▽ Keep action for acceptance of screening of colon cancer. (Thailand)

EIKEN China

- Expansion of LAMP reagents and devices sales
- Started of in-house production of LAMP reagents

R&D and new products

- (1) Improvement of products by existing technologies
 - Uropaper α III
 - Addition new measurements item (Creatinine , Micro albumin)
 - Launching in July, 2012
- (2) Enrich the lineup of LAMP products
 - Detection kit for Flu (A, H5, H1pdm2009)
 - Insurance application : April, 2012
 - Specific microorganisms detection kit
 - Launching in July, 2012
- (3) Promotion of development of new immunological reagents using BLEIA
 - Fully-automatic Biochemistry Photogenetic Immunoassay Device “BLEIA-1200” , “BL-NV”
 - Launching in August, 2012
 - “BLEIA 'Eiken' HCV Antibody”
 - Launching in March, 2013
- (4) Promotion of development of POCT
 - “Immuno Catch Noro”
 - Launching in November, 2012

FIND (Foundation for Innovative New Diagnostics) business

(1) Tuberculosis test

- Recommendation by WHO appeared impossible this year.
- Continue to collect clinical data towards the acquirement of recommendation of WHO.

(Peru, Brazil, Vietnam, India South Africa)

- Continue the work of application for CFDA(China)

(2) Malaria

- Launching in July, 2012

(3) HAT (Human African Typanosomiasis)

- Continuation of clinical study in Uganda and Congo (FIND)

(4) Leishmaniasis

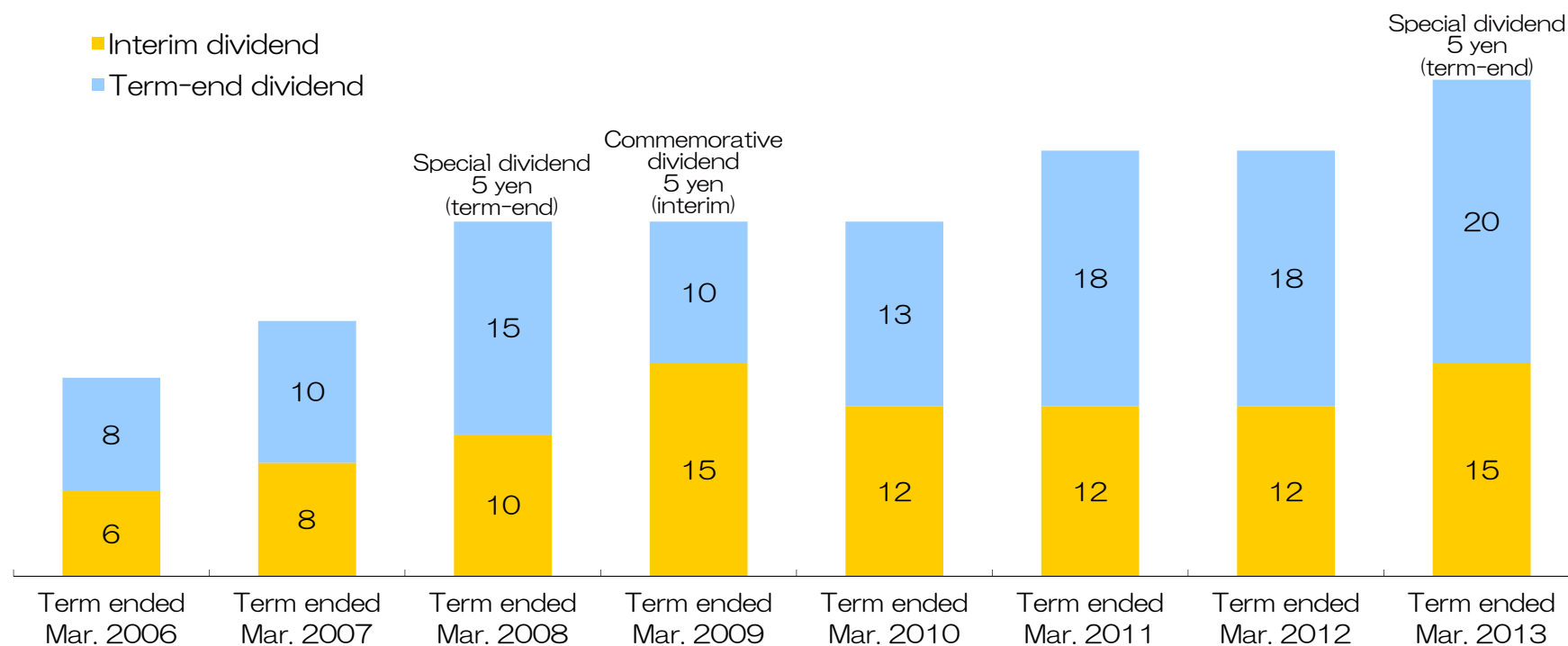
- Evaluation implementation of a trial product (FIND)

Improvements in productivity

- Start running of the operation management center.
- Complete the transition of production to Nogi plant from Togane plant.
- Re-maintenance of the production system of OC sampling bottles in Thailand.
- Start of production by new product line for immunological reagents.
- Sale of the land that we previously intended to use for construction of our head office.
- Reduce of sales administrative expense by raising business efficiency.
- Formulation and implementation of the key personnel training program.
- Support of BRAVE CIRCLE, campaign against colorectal cancer.

Term-end dividend: 20 yen per share (Special dividend +5yen)

Consolidated total dividends (annual) : 636 Millions of yen
 Consolidated payout ratio: 25.9%



Primary strategies and earnings
forecast for the term ending
Mar. 2014 (the 76th term)

Sales promotion

(1) Domestic market

- Priority products
OC reagents, Urinalysis reagents, Microbiological reagents,
Immunology and serological reagents
- Maintain of sales
Drug sensitivity tests
- Bring up of sales
LAMP, POCT, Clinical chemistry reagents, Industrial reagents

(2) International market

- Expansion of sales of OC
- Promotion of LAMP products
- Deployment strategy of Immunological reagents and POCT products in ASEAN
- Promotion of the Uropaper α III and automatic urine analyzer in Europe

[China]

- (1) Expansion of sales of LAMP reagents by EIKEN CHINA CO., LTD.
- (2) Search for new business in China

[FIND]

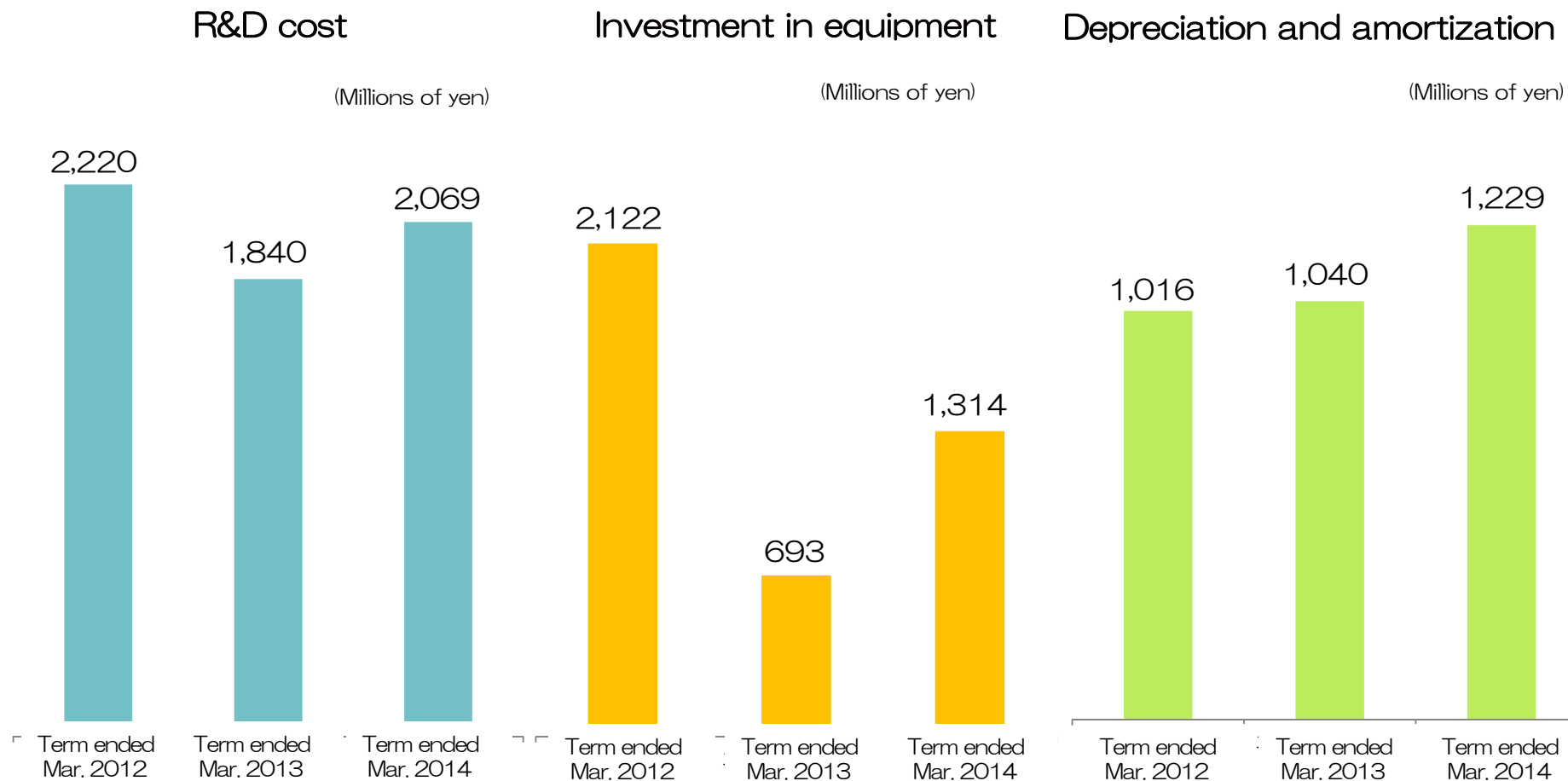
- (1) Tuberculosis test
 - Continue to promote assessments in developing countries toward recommendation by WHO
 - Promotion of data acquisition in Haiti and Zambia
 - Assessments by FIND, Assessments by public offering
 - Continue the work of application for CFDA(China)
- (2) Malaria
 - Sale of reagents for malaria eradication campaign
- (3) HAT
 - Continuation of Clinical Study in Uganda and Congo
- (4) Leishmaniasis
 - Continuation of evaluation test of trial reagents (FIND)

Strengthening of research and development

- (1) Promotion of development of LAMP, BLEIA, POCT and drug sensitivity tests
- (2) Improvement of the products by brushing up the existing technology
- (3) Search for new diagnostic technology

Improvement in productivity and development of human resource

- (1) Improvement of sales cost ratio
 ▽Reduction of manufacturing costs, etc.
- (2) Cost reduction by increasing business efficiency
- (3) Formulation and implementation of the key personnel training program



Consolidated earnings forecast for the term ending Mar. 2014 31

Target value

(Millions of yen)

	Consolidated			Non-consolidated		
	Amount	Ratio [%]	YoY change [%]	Amount	Ratio [%]	YoY change [%]
Net sales	29,760		103.9%	29,700		103.8%
Operating income	2,690	9.0%	105.6%	2,680	9.0%	104.1%
Ordinary income	2,700	9.1%	96.0%	2,690	9.1%	97.4%
Net income	1,720	5.8%	70.1%	1,710	5.8%	71.2%

Overseas sales

(Millions of yen)

	Term ended Mar. 2012 Actual results	Term ending Mar. 2013 Target value	Variation
Sales	1,949	2,460	510
Ratio	6.8%	8.3%	(YOY : 126.2%)

Dividend

(yen)

	Interim dividend	Term-end dividend	Annual
	15	15	30



EIKEN CHEMICAL CO., LTD.

We protect the health of the public through health care services



Notes

This document is not the disclosed reference for financial instruments and exchange. Its accuracy and integrity are not guaranteed.

The estimates, etc. written in this document are based on currently available information, and so actual values may be different due to various factors.

This document was not produced for soliciting investments or the like.

Our company will not take any liabilities for any damages arising out of the use of this document.