

The business performance briefing for the first quarter of fiscal year ending Mar. 31 2017

July 26, 2016

 **EIKEN CHEMICAL CO.,LTD.**

Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2017

(Millions of yen)

	First Quarter of fiscal year ending March 31, 2017				First half of fiscal year ending March 31, 2017 (Forecast)	
	Results	Ratio	YoY change	YOY ratio (Previous period= 100%)	Target value	Progression rate
Net sales	8,254	100.0%	422	105.4%	16,810	49.1%
Operating income	1,061	12.9%	196	122.8%	1,920	55.3%
Ordinary income	1,071	13.0%	188	121.3%	1,920	55.8%
Net income ※	775	9.4%	157	125.5%	1,410	55.0%

※ Net income attributable to shareholders of parent company.

[Sales] Up 5.4% year-on-year.

Although Overseas sales failed to rise, Domestic sales strongly increased.

[Operating income] Up 22.8% year-on-year.

By Continuous reduction of the production cost, to make more efficient use of expenses.

 **EIKEN CHEMICAL CO.,LTD.**

Consolidated sales for product category

(Millions of yen)

Product category	First quarter of fiscal year ending March 31, 2017	
	Results	YOY ratio (Previous period= 100%)
Fecal immunochemical test reagents (OC)	2,233	101.9
Immunological and serological reagents (exclude OC)	2,476	100.0
Urinalysis test strips	633	106.0
Microbiological reagents	1,227	110.0
Clinical chemistry reagents	162	94.9
Culture media for equipment, food and environment category	562	98.3
Medical devices (exclude molecular genetics)	662	141.9
Molecular genetics(LAMP) (include devices)	297	123.6

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Fecal immunochemical test reagents (OC)

□ YOY : 101.9% (Previous period= 100%)

➤ Domestic sales : YoY 101.7%
(Previous period= 100%)

□ Promotion by the analyzer "OC sensor PLEDIA" .

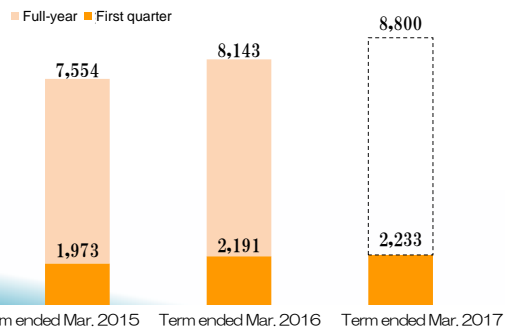
□ Educational activities for colon cancer screening consultation rate up.

➤ Overseas sales : YoY 87.2%
(Previous period= 100%)

□ Continuation of the action on the adoption of the national colon cancer in Europe.

□ US Preventive Services Task Force (USPSTF) published the RECOMMENDATION STATEMENT for screening for colorectal cancer in June 2016.

→Positive for business operations in U.S.A.



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2015年3月期 2016年3月期 2017年3月期

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Immunological and serological reagents

□ YOY : 100.0% (Previous period= 100%)

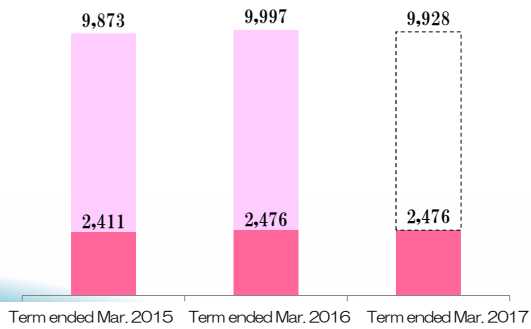
➤ AIA reagents

□ decrease

➤ LZ test

- Promotion of ABC classification.
- Focus on sales reagents for test of the helicobacter-pylori antibody in the blood .
- Promotion and adoption of KL-6.

■ Full-year ■ First quarter



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Urinalysis test strips

□ YOY: 106.0% (Previous period= 100%)

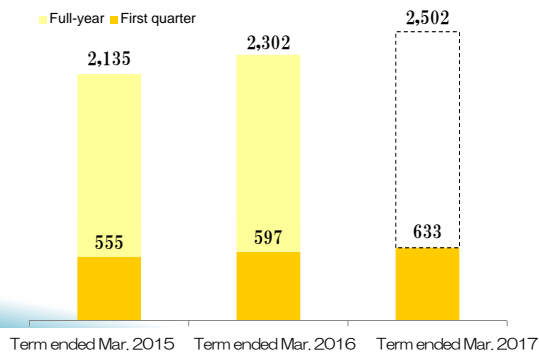
➤ Domestic sales

- Increase sales " Uropaper α " by increase in new adoption of the automatic urine analyzer "US-2200" and "US-3500" .

➤ Overseas sales

- Start of provision of urinalysis test strips for Sysmex.

■ Full-year ■ First quarter



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Microbiological reagents

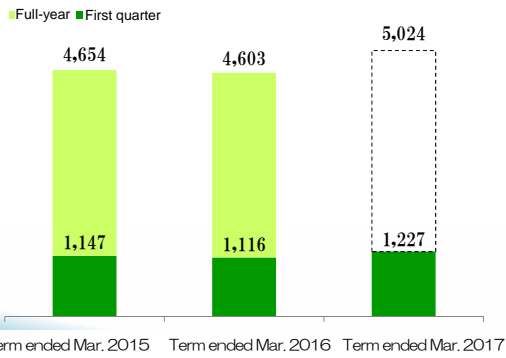
□ YoY: 110.0% (Previous period= 100%)

➤ Culture medium

□ Decline in sales mainly in feces medium under the influence of genetic testing.

➤ Reagents for POCT

□ Focus promotion “immuno catch - Legionella ” and “immuno catch - Pneumococcus ” launch in January 2016.



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Molecular genetics(LAMP)

□ YoY change : 123.6% (Previous period= 100%)

➤ Domestic sales

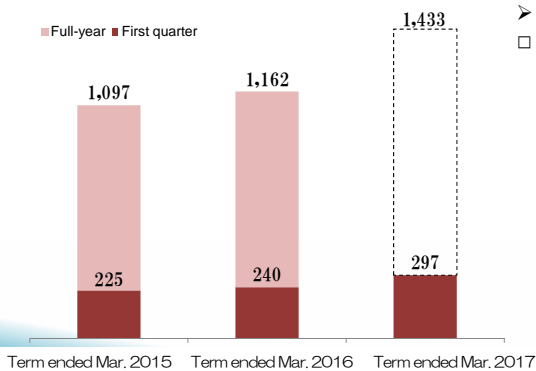
□ Increase sales of reagents for TB, Malaria and *Mycoplasma*.

□ Promote the next-generation small-sized automatic genetic screening device and multi-item screening chip.

➤ Overseas sales

□ Preparation of contract for TB-LAMP and Malaria global business.

■ Full-year ■ First quarter



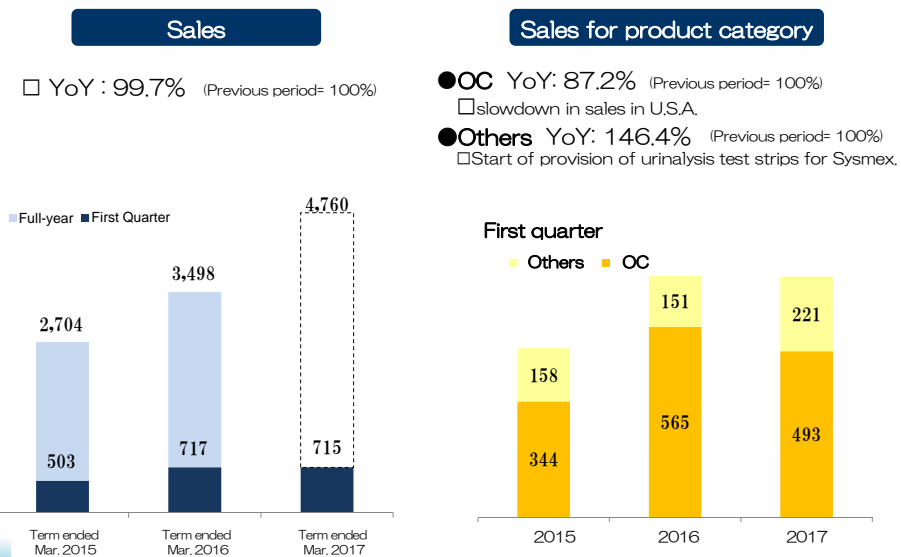
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➤ Licensing fee

□ 156 million yen.
YoY: 112 million yen.

Consolidated overseas sales



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Consolidated earnings forecast for the term ending Mar. 2017

Target value (Millions of yen)

	Consolidated		
	Amount	Ratio [%]	YOY ratio (Previous period=100%)
Net sales	33,830	100.0%	105.2%
Operating income	2,710	8.0%	76.6%*2
Ordinary income	2,710	8.0%	75.9%*2
Net income ※1	1,820	5.4%	74.9%*2

※1 Net income attributable to shareholders of parent company.

※2 Decrease profit by temporary increase in costs resulting from investments focused on research and development activities.

Dividend (yen)

	Interim dividend	Term-end dividend	Annual	Consolidated dividend payout ratio
	20	20	40	40.2%

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We will continue to contribute to the Health of people
as a general manufacturer of clinical diagnostics.



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