

## Business Results for the First Nine Months of fiscal year ending March 31, 2018

January 26, 2018

 **EIKEN CHEMICAL CO.,LTD.**

### Consolidated financial highlights for the first nine months of the fiscal year ending March 31, 2018

(Millions of yen)

	First nine months of the fiscal year ending March 31, 2018			
	Results	Ratio	YoY change	YOY ratio (Previous period= ¥100%)
Net sales	26,536	100.0%	1,284	105.1%
Operating income	3,504	13.2%	122	103.6%
Ordinary income	3,568	13.4%	103	103.0%
Net income*	2,536	9.6%	62	102.5%

\* Net income attributable to shareholders of parent company.

[Sales] Increase 5.1% year on year.

Overseas sales drastically increased, and domestic sales increased mainly in reagents for fecal occult blood testing of our main products.

[Operating income] Increase 3.6% year on year.

Increase due to the fact that R&D expenses of compact fully automated genetic testing equipment planned for the second quarter were offset in the fourth quarter and efforts to make efficient use of expenses.

## Consolidated sales for product category

Product category	First nine months of the fiscal year ending Mar. 31, 2018	
	Results	YOY ratio (Previous period= 100%)
Fecal immunochemical test reagents (OC)	6,979	109.7
Immunological and serological reagents (exclude OC)	7,749	101.5
Urinalysis test strips	2,111	114.5
Microbiological reagents	3,985	101.4
Clinical chemistry reagents	472	98.8
Culture media for equipment, food and environment category	1,687	99.6
Molecular genetics(LAMP)	879	87.4
Medical devices (exclude molecular genetics)	2,672	116.2

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## Fecal immunochemical test reagents (OC)

◇ YOY: 109.7% (Previous period= 100%)

➤ Domestic sales : YOY 103.6%

□ Promotion by the analyzer "OC sensor PLEDIA" .

□ Educational activities for colon cancer screening consultation rate up.

➤ Overseas sales : YOY 126.0%

□ US

· Increase sales to private medical insurance (HMO etc.).

· Strengthen promotion for Veterans Medical Assurance Program (VA).

· Continuation of new customer acquisition activities received new guidelines on colorectal cancer screening (USPSTF, June 2016).

□ Europe

· Increase sales to major German clinical laboratories.

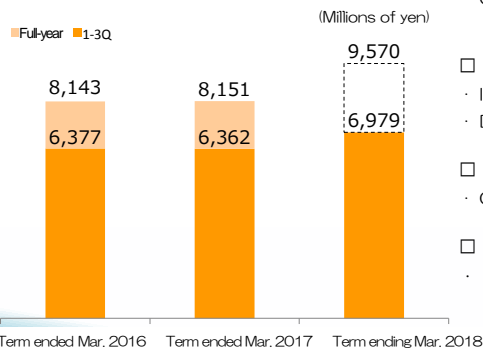
· Develop policies to improve the examination rate in France.

□ Middle East

· Continuing activities toward national screening in each country.

□ Asia, Oceania

· Acquisition of Australian Colorectal Cancer National Screening.



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## Immunological and serological reagents

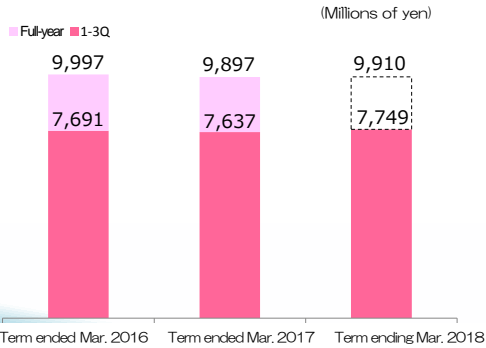
◇ YOY: 101.5% (Previous period= 100%)

### ➤ AIA reagents

- Promoting the installation of AIA-CL series introduced from Tosoh Corporation.
- Slight increase sales by fiercer competition.

### ➤ LZ test

- Promotion of the spread of stomach health evaluation (ABC classification), slight increase of LZ reagent.
- Promotion of reagent for Helicobacter pylori antibody test.



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## Urinalysis test strips

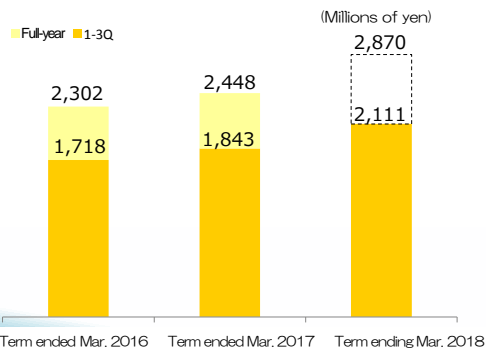
◇ YOY: 114.5% (Previous period= 100%)

### ➤ Domestic sales :

- Sales of Uropaper  $\alpha$  increased due to the promotion of new introduction and switching of fully automatic urine analyzer "US-3500".
- Promotion of urine automatic analyzer "US-1200" released in August 2016.

### ➤ Overseas sales

- Urinalysis test strips for Sysmex contributed to the sales.



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## Microbiological reagents

◇ YOY: 101.4% (Previous period= 100%)

### ➤ Quick test reagents

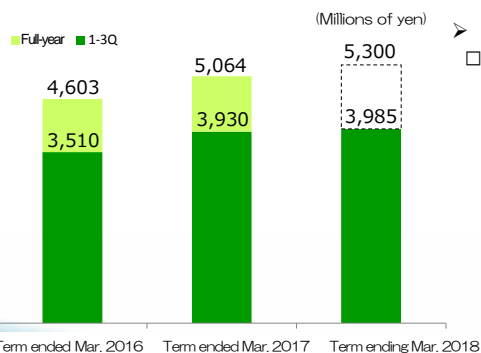
- Increase sales due to promotion with "Immuno catch - Legionella" and "Immuno catch - pneumococcus" set.

### ➤ Antibiotic sensitivity test reagents

- Increase in dry plate sales due to acquiring new customers, etc. through total proposal combined with microorganism classification and identification analyzer (MALDI BIOTYPEER) at hospital market.

### ➤ Culture medium

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



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## Molecular genetics(LAMP)

◇ YOY: 87.4% (Previous period= 100%)

### ➤ Domestic sales

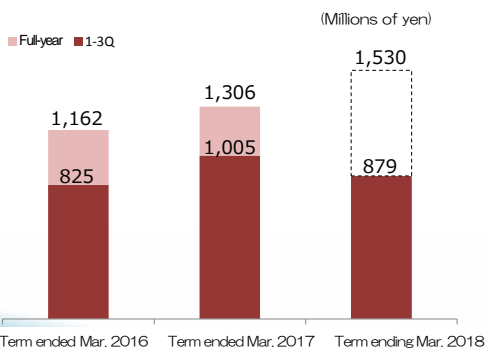
- Decrease due to a decrease in sales of mycoplasma detection reagents, etc.

### ➤ Overseas sales

- TB-LAMP, Promote Field Study mainly in Africa and Asia toward global development of malaria
- TB-LAMP was listed in the catalog of GDF※.

### ➤ Licensing fee

- 398 million yen.
- same period the previous year: 372 million yen

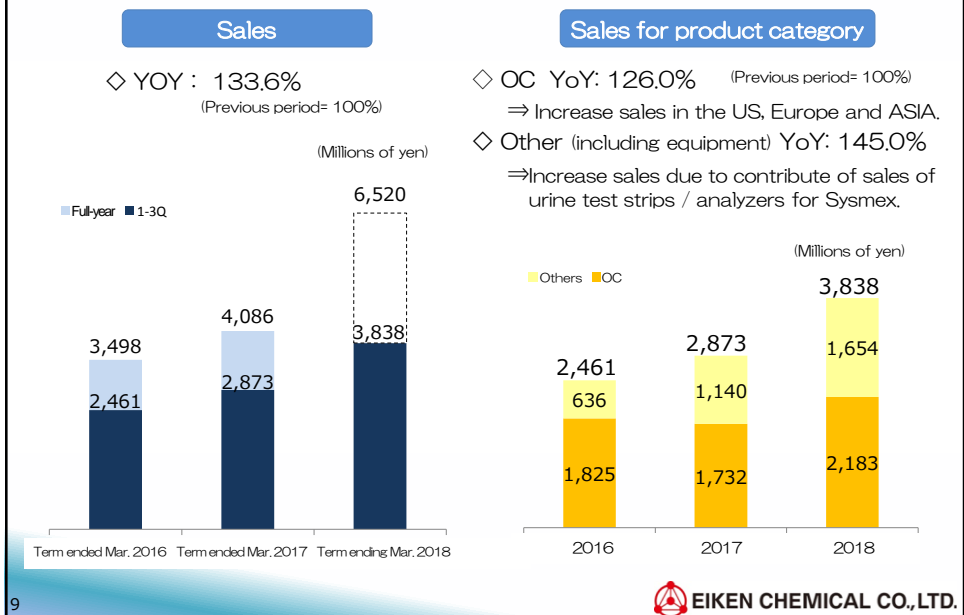


※ GDF which is an important program of the Stop TB Partnership enables supply of high-quality pharmaceuticals and diagnostic tools at reasonable prices in all countries.

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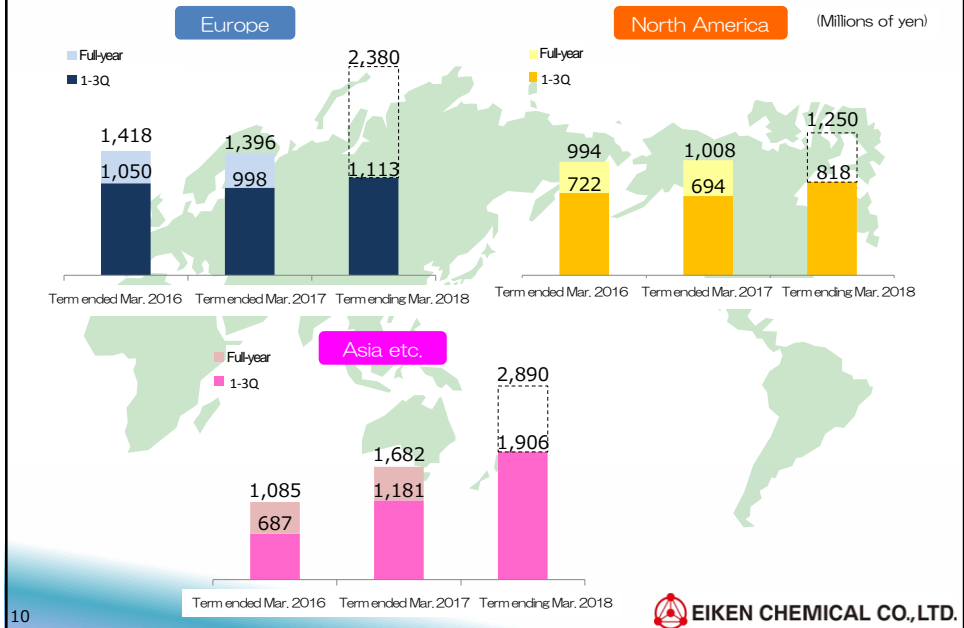
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## Consolidated overseas sales



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## Consolidated overseas sales



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## Consolidated earnings forecast for the term ending Mar. 2018

Target value (Millions of yen)

	Consolidated		
	Amount	Ratio [%]	YOY ratio (Previous period: 100%)
Net sales	35,840	100.0%	107.7%
Operating income	3,070	8.6%	77.2%*2
Ordinary income	3,070	8.6%	74.7%*2
Net income ※1	2,180	6.1%	74.7%*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
	25	25	50	42.0%

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## EIKEN CHEMICAL CO., LTD.

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

### Forward-Looking Statements

This material contains forward-looking statements about EIKEN CHEMICAL CO., LTD. (EIKEN). These forward-looking statements are based on the current judgments and assumptions of EIKEN in light of the information currently available to it.

Uncertainties inherent in such judgments and assumptions, the future course of our business operations and changes in operating environments both in Japan and overseas may cause our actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements or financial position either expressed or implied within these forward-looking statements.

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