



The business performance briefing for the first quarter of fiscal year ending Mar. 31 2018

July 26, 2017



Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2018

(Millions of yen)

	First Quarter of fiscal year ending March 31, 2018				First half of fiscal year ending March 31, 2018 (Forecast)	
	Results	Ratio	YoY change	YOY ratio (Previous period= 100%)	Target value	Progression rate
Net sales	8,720	100.0%	465	105.6%	18,000	48.4%
Operating income	1,111	12.7%	49	104.7%	1,400	79.4%
Ordinary income	1,131	13.0%	60	105.7%	1,400	80.8%
Net income ※	821	9.4%	46	106.0%	1,000	82.2%

※ Net income attributable to shareholders of parent company.

【Net sales】 Up 5.6% year-on-year.

【Domestic】 Sales of quick test reagents (immunocatch series) increased.

【Overseas】 Sales of fecal immunochemical test reagents, urinalysis reagents and equipment for Sysmex increased.

【Operating income】 Up 4.7% year-on-year.

Due to make efficient use of expenses,

Consolidated sales for product category

Product category	First quarter of fiscal year ending March 31, 2018	
	Results	YOY ratio (Previous period= 100%)
Fecal immunochemical test reagents (OC)	2,434	109.0
Immunological and serological reagents (exclude OC)	2,493	100.7
Urinalysis test strips	688	108.7
Microbiological reagents	1,265	103.1
Clinical chemistry reagents	154	95.6
Culture media for equipment, food and environment category	561	99.9
Medical devices (exclude molecular genetics)	275	92.9
Molecular genetics(LAMP) (include devices)	845	127.7

3

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Fecal immunochemical test reagents (OC)

◇ YOY : 109.0% (Previous period= 100%)

➤ Domestic sales : YoY 101.2%

□ Promotion by the analyzer “OC sensor PLEDIA” .

□ Educational activities for colon cancer screening consultation rate up.

➤ Overseas sales : YoY 136.5%

□ US

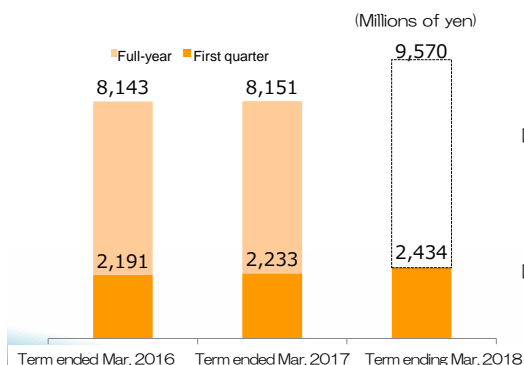
- Increase sales to private medical insurance (HMO etc).
- Strengthen promotion for Veterans Medical Assurance Program (VA).
- Continuation of new customer acquisition activities received new guidelines on colorectal cancer screening (USPSTF, June 2016).

□ 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.



4

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Immunological and serological reagents

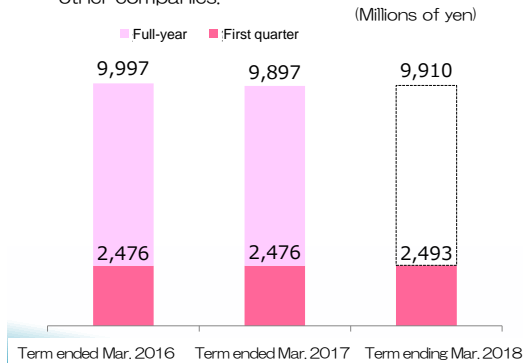
◇ YOY : 100.7% (Previous period= 100%)

➤ AIA reagents

- Promoting the installation of AIA-CL series introduced from Tosoh Corporation.
- Almost flat compared with the same period last year due to intensified competition with other companies.

➤ 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.



5

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Urinalysis test strips

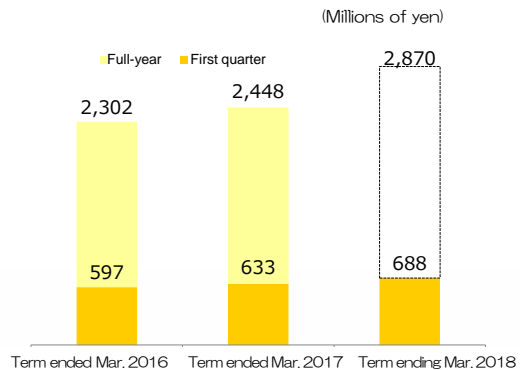
◇ YOY : 108.7% (Previous period= 100%)

➤ Domestic sales :

- Sales of Uropaper α 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.



6

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Microbiological reagents

◇ YoY: 103.1% (Previous period= 100%)

➤ Quick test reagents

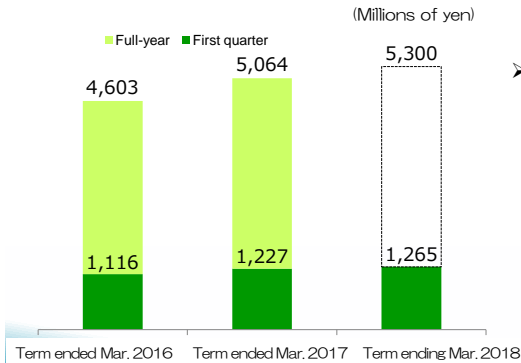
- Increase sales due to promotion with "Immuno catch - Legionella" and "Immuno catch - pneumococcus" set.

➤ 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.



7

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Molecular genetics(LAMP)

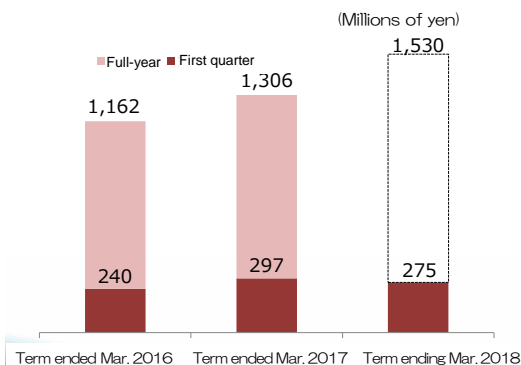
◇ YoY: 92.9% (Previous period= 100%)

➤ Domestic sales

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

➤ Overseas sales

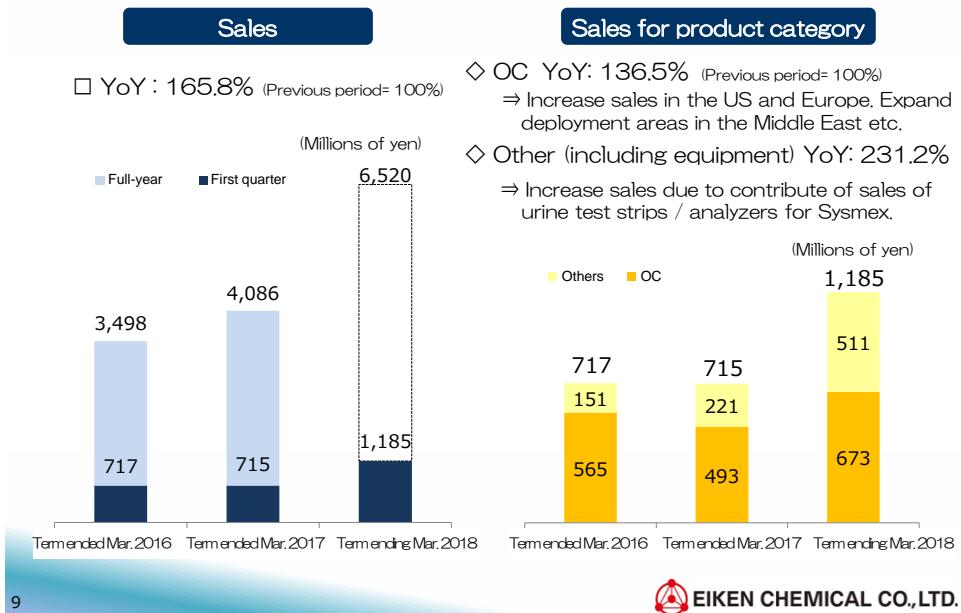
- TB-LAMP, Promote Field Study mainly in Africa and Asia toward global development of malaria



8

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Consolidated overseas sales



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



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