

# 04

## Our Profile



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# Eiken Chemical's Businesses

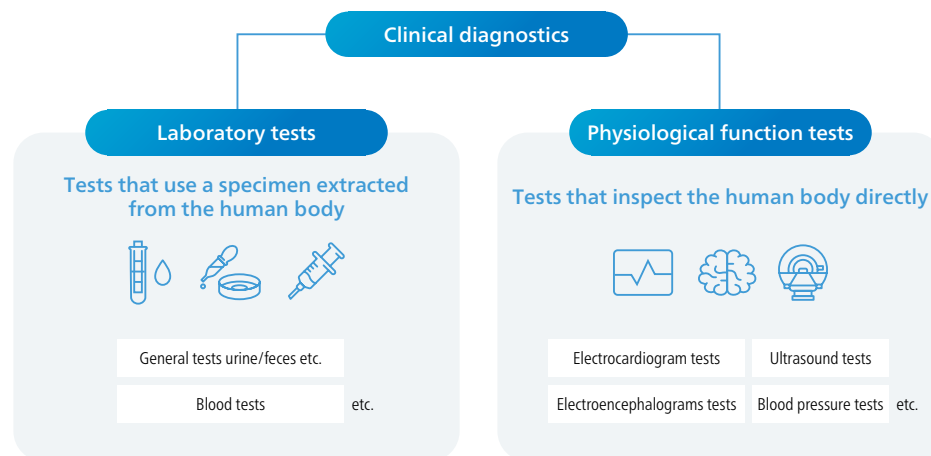
## Overview of business

Manufacture and sale of pharmaceuticals, reagents, and medical, physical, and chemical machinery and equipment, as well as the import and export for sale of the same. Our products are a familiar part of life for everybody from babies to senior citizens.

## Business domains

### Clinical diagnostics

Clinical diagnostics are a kind of test used in diagnosis, treatment, and screening of disease, and can be categorized into laboratory tests and physiological function tests. As a comprehensive manufacturer of clinical diagnostics, Eiken Chemical responds to the needs of the most advanced medicine through the research and development, manufacturing and sales of products and services that cover a wide range of laboratory tests.



### Testing of food and environment

Eiken Chemical manufactures and sells reagents of microbiological tests for food poisoning bacteria and for environmental inspection to measure contamination of work environments, and sells testing tools and devices.

## Clinical diagnostics market

### Domestic market

¥ **1,047.5** billion  
(FY2022; source:  
survey by the Japan Association  
of Clinical Reagents Industries)

Annual  
growth of  
**2%**  
forecast

Despite the impact of the increase in sales of test reagents for COVID-19, the clinical diagnostics market in FY2022 was approximately ¥698.7 billion, rising to around ¥1,047.5 billion if reagents for research and test equipment are included. Revisions to medical treatment fees in 2024 resulted in a reduction in drug prices of 0.97%, but the impact was minor. If the effect of COVID-19 is excluded, the domestic market is expected to continue growing at a low annual rate of around 2% over the medium term.

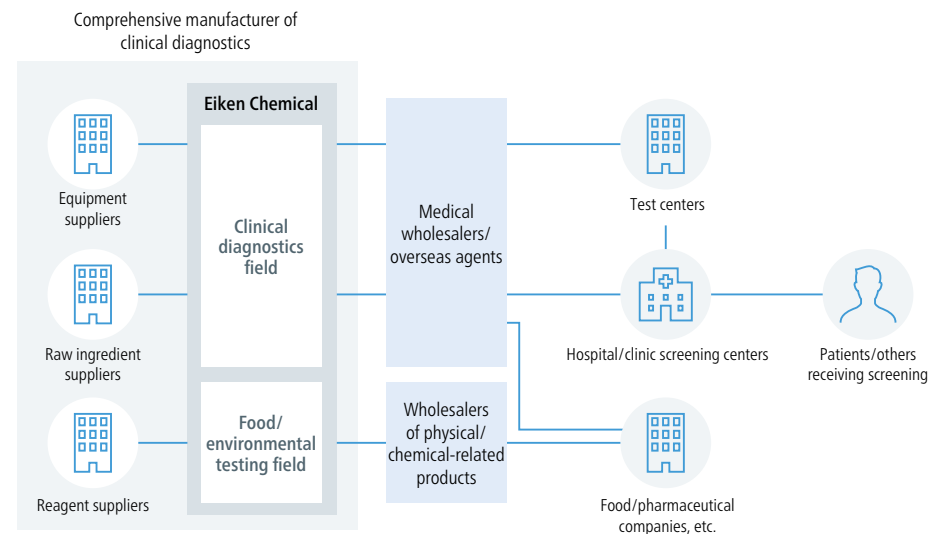
### Global market

US\$ **78.7** billion  
(2023)  
(Report Code: MD3609)

Annual growth  
of approx.  
**6.9%**  
forecast  
(average 2024-2029)

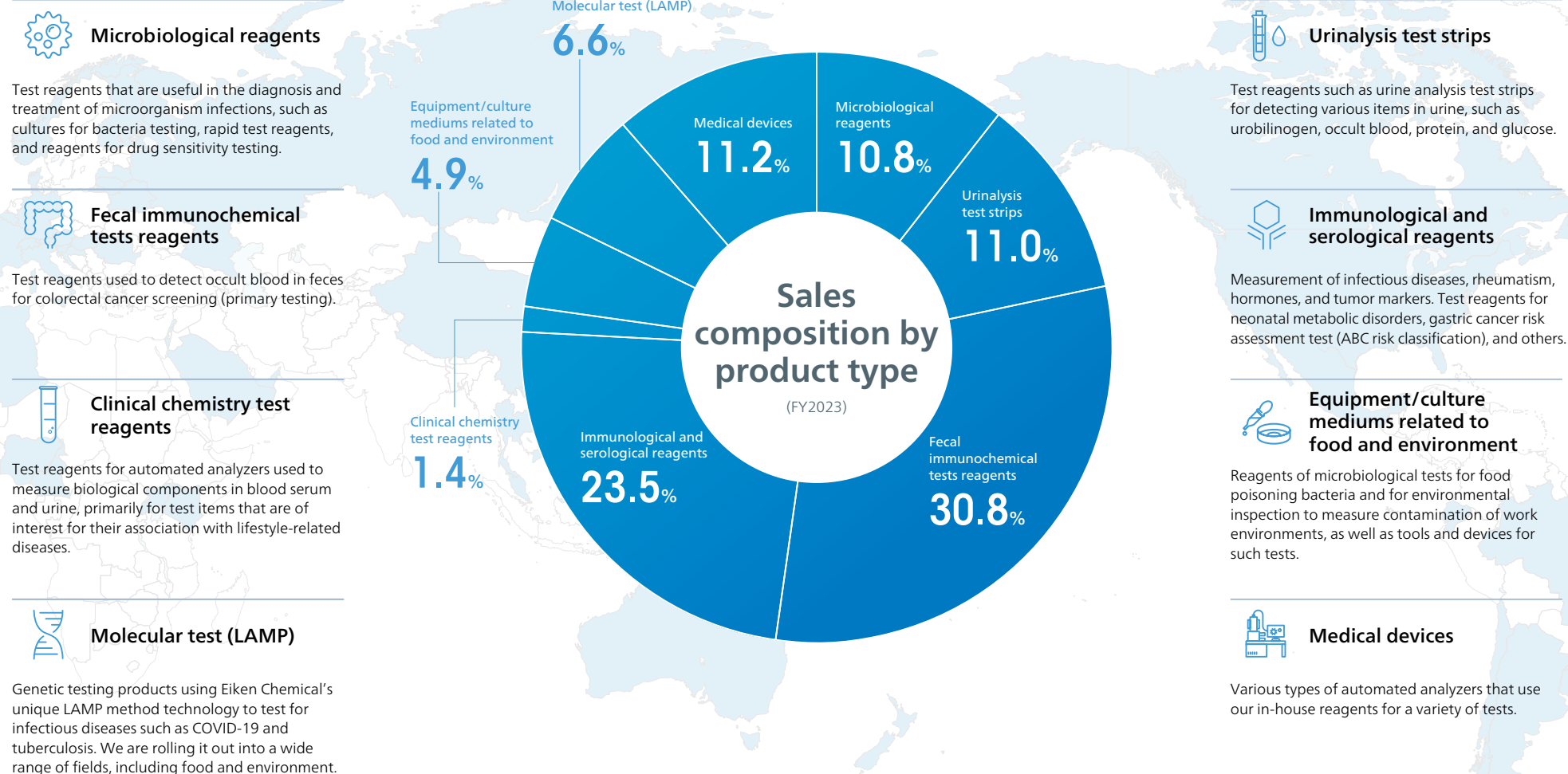
The global market for clinical diagnostics was estimated to be US\$78.7 billion in 2023, and is forecast to grow at a compound annual growth rate of 6.9%. Factors cited as driving the market include increases in chronic conditions and infectious diseases resulting from the increase in elderly individuals and, in terms of market opportunities, the growth of developing markets.

## Business model



# Main Products and Services

As a comprehensive manufacturer of clinical diagnostics, the Eiken Group offers a broad lineup of products and services.



# Financial Highlights

		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	Million yen	34,991	35,761	36,585	38,667	42,996	43,271	40,052
of which overseas sales	Million yen	5,405	6,070	7,040	6,895	8,868	8,797	10,115
Gross profit	Million yen	14,701	15,692	16,229	18,529	20,564	20,506	16,723
Operating profit	Million yen	3,478	4,611	4,622	6,612	8,387	7,457	3,377
Ordinary profit	Million yen	3,549	4,681	4,723	6,808	8,508	7,568	3,568
Net profit attributable to owners of parent	Million yen	2,608	3,447	3,538	5,044	6,218	5,736	2,634
Total assets	Million yen	45,165	47,279	50,322	55,685	62,512	66,275	61,651
Net assets	Million yen	32,478	35,014	37,303	41,672	45,803	49,535	45,971
EBITDA	Million yen	5,138	6,205	6,249	8,323	10,445	9,582	5,703
Research and development expenses	Million yen	3,238	2,904	3,332	3,086	3,408	4,065	3,939
Capital investment	Million yen	1,102	1,685	2,985	2,876	4,347	3,792	1,812
Depreciation	Million yen	1,660	1,594	1,627	1,711	2,058	2,125	2,326
Net cash	Million yen	8,597	6,356	8,893	8,071	11,930	14,062	11,973
Cash flows from operating activities	Million yen	4,091	3,318	5,460	5,451	7,769	7,575	3,806
Cash flows from investing activities	Million yen	(3,250)	(4,435)	(3,711)	(2,193)	(5,044)	(316)	(2,216)
Cash flows from financing activities	Million yen	(1,175)	(1,083)	(1,220)	(1,275)	1,200	(2,095)	(6,694)
Cash and cash equivalents at end of period	Million yen	6,651	4,448	4,981	6,968	10,900	16,064	10,966
Operating profit to net sales ratio	%	9.94	12.89	12.63	17.1	19.5	17.2	8.4
Return on Equity (ROE)	%	8.3	10.3	9.9	12.9	14.3	12.1	5.6
Return on Assets (ROA)	%	5.8	7.5	7.3	9.5	10.5	8.9	4.1
Equity ratio	%	71.2	73.5	73.5	74.3	72.8	74.2	74.0
Earnings per share (EPS)	Yen	71.21	93.63	95.95	136.65	168.28	155.17	71.69
Book value per share (BPS)	Yen	877.35	942.37	1,002.86	1,120.36	1,230.55	1,327.47	1,318.38
Dividend payout ratio (consolidated)	%	35.1	32.0	31.3	30.0	30.3	32.9	71.1
Dividend per share	Yen	25.00	30.00	30.00	41.00	51.00	51.00	51.00
Total number of issued shares at end of period	Shares	43,541,438	43,541,438	43,541,438	43,541,438	43,541,438	43,541,438	40,041,438
Number of treasury shares at end of period	Shares	6,902,222	6,659,650	6,659,760	6,611,071	6,576,861	6,512,625	5,443,508
Market capitalization	Billion yen	116.6	113.4	85.8	94.1	75.1	680	800
Number of employees at end of period (full-time employees)	Persons	704	719	724	733	745	754	757

\*The Company conducted a two-for-one share split of its common shares with an effective date of April 1, 2018.

Figures for EPS, BPS, and dividend per share for FY2017 are calculated based on the assumption that the share split was conducted on April 1, 2017.

# Non-Financial Highlights

			FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Environment	Greenhouse gas (GHG) emissions ◆1								
	Scope 1	t-CO <sub>2</sub>	2,120	1,989	1,934	2,070	2,016	1,945	2,036
	Scope 2	t-CO <sub>2</sub>	5,252	5,181	4,884	5,038	5,304	2,669	706
	Scope 3 *1	t-CO <sub>2</sub>	—	—	—	86,485	105,334	84,205	71,697
	Renewable energy used ◆4	MWh	70	76	70	61	62	6,871	11,764
	Water volume consumed ◆2	1,000 m <sup>3</sup>	88.1	83.9	81.0	78.1	80.7	73.1	65.9
	Total waste generated ◆3 *2	t	426	381	388	410	462	529	398
	Material recycled ◆3	t	251	212	234	223	232	247	238
	Recycling ratio (including recovered energy) ◆3	%	58.9	55.7	68.0	62.4	58.8	55.3	62
Society ◆4	Number of ecological proposals ◆4	Proposals	366	445	454	318	291	518	525
	Average age (Overall)	Years	43 years 0 months	42 years 7 months	42 years 6 months	42 years 4 months	42 years 3 months	42 years 5 months	42 years 5 months
	Average age (Men)	Years	44 years 0 months	43 years 5 months	43 years 2 months	42 years 10 months	42 years 7 months	42 years 5 months	42 years 1 month
	(Women)	Years	40 years 7 months	40 years 5 months	41 years 0 months	41 years 1 month	41 years 5 months	42 years 4 months	42 years 1 month
	Average years of service (Men)	Years	16 years 11 months	16 years 2 months	14 years 11 months	16 years 2 months	15 years 7 months	15 years 7 months	14 years 10 months
	(Women)	Years	16 years 0 months	16 years 1 month	16 years 6 months	16 years 9 months	16 years 10 months	17 years 7 months	16 years 10 months
	Women as share of all employees	%	27.3	29.0	29.4	29.7	30.3	29.2	29.9
	Percentage of managerial positions held by women (as of April each year) *3	%	10.7	12.2	14.6	16.9	16.2	13.8	15.4
	Female Directors as share of Directors	%	0.0	11.0	11.0	11.0	11.0	13.0	13.0
	Women as share of all hires	%	29.2	35.6	20.0	27.5	29.3	17.5	36.4
	Percentage returning to work after childcare leave	%	100	100	100	100	100	100	100
	Employee turnover *4	%	0.9	0.9	2.0	1.7	2.0	2.7	2.3
	Average non-scheduled working hours per full-time employee per month	Hours	—	14.1	15.8	16.2	15.3	14.8	13.9
	Rate of uptake of EIKEN GLOBAL PROGRAM among employees *5	%	—	—	—	16.5	14.0	19.4	26.3
	Employee satisfaction score	—	—	—	—	—	—	58.4	48.1
Governance	Rate of uptake of antibribery training	%	—	—	—	—	96.8	100.0	100
	Number of serious noncompliance incidents *6	Cases	0	0	0	0	0	0	0

Scope 1 GHG emissions: GHG emitted directly from company facilities, plants, and vehicles

Scope 2 GHG emissions: GHG emitted indirectly by the company as a result of energy usage

Scope 3 GHG emissions: GHG emitted by the entire cluster of companies involved in a product or service (supply chain)

<Applicable scope>

◆1 Eiken Group: EIKEN CHEMICAL CO., LTD., EIKEN CHINA CO., LTD.

◆2 Eiken Group (production sites)

◆3 Eiken Group (headquarters/production sites/research facilities)

◆4 EIKEN CHEMICAL CO., LTD. only

\*1 The Company calculates items within the scope in accordance with Scope 3 items based on the GHG protocol

\*2 Total waste generated = general waste + industrial waste + recycled waste (including recovered energy)

\*3 Managerial position: a post of section chief or higher

\*4 Numerator = number of full-time employees leaving between April 1 of each year and March 31 of the following year

Denominator = calculated as number of full-time employees on April 1 each year

\*5 Rate of uptake of EIKEN GLOBAL PROGRAM = number of those attending training each fiscal year ÷ number of employees for each fiscal year

\*6 The total of material infringements of a country's competition laws, material infringements of the laws and regulations related to corruption, and material infringements in socioeconomic areas other than these

# External Evaluation/Stock Information, Etc.

## External evaluation

### Inclusion in ESG indices



**FTSE Blossom  
Japan Sector  
Relative Index**



Japan ex-REIT Gender Diversity  
Tilt Index

### Initiatives endorsed/ESG ratings/ certifications



Signed high-level Kigali  
Declaration on elimination of  
neglected tropical diseases (NTDs)

パートナーシップで感染症と闘う



Global Health Innovative Technology Fund

Sponsor of international  
public-private sector GHIT Fund  
to fight infectious diseases



Endorsed TCFD recommendations and made disclosure in February 2023



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION  
Gained SBT certification in  
February 2024



B score for climate change



2024  
**健康経営優良法人**  
Health and productivity  
Certified for 5 consecutive years



Certified as Organization  
Contributing to National Resilience  
by Cabinet Secretariat National  
Resilience Promotion Office

## Company profile

Company name	EIKEN CHEMICAL CO., LTD.
Head office location	4-19-9 Taito, Taito-ku, Tokyo, 110-8408 Japan
Representative	Tsugunori Notomi, President & CEO
Founded	February 20, 1939
Share capital	6,897,730,000 yen (as of March 31, 2024)

Number of employees  
(full-time employees + temporary employees)

Non-consolidated: 1,053;  
Consolidated 1,101  
(as of March 31, 2024)

Listed stock exchange

Tokyo Stock Exchange  
Prime Market

Securities code

4549

Year-end

March 31

Annual General Meeting of Shareholders

June of each year

## Shares information (as of March 31, 2024)

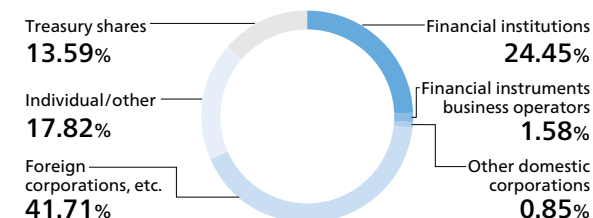
Total number of shares authorized to be issued	123,900,000 shares
Total number of issued shares (including treasury shares)	40,041,438 shares
Number of shares per unit	100 shares
Number of shareholders	7,399

### Major shareholders

Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	5,028,700	12.55
Custody Bank of Japan, Ltd. (Trust account)	2,455,200	6.13
JP Morgan Chase Bank 385632	2,100,867	5.24
NIPPON ACTIVE VALUE FUND PLC	1,949,200	4.86
AVI JAPAN OPPORTUNITY TRUST PLC	1,830,900	4.57
The Dai-ichi Life Insurance Company, Limited	1,100,000	2.74
NORTHERN TRUST CO.(AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	1,061,000	2.64
Nippon Life Insurance Company	799,200	1.99
Eiken Chemical Employee Stock Ownership Association	624,056	1.55
Tadao Kurozumi	614,708	1.53

\*The Company owns 5,443,508 treasury shares, but these are not included in the above list of the ten largest major shareholders.

### Distribution of shares by type of holder



### Change in share price

