

Summary of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2021 [Japanese standards]

Company name: EIKEN CHEMICAL CO., LTD. Listing: TSE, First Section
 Securities code: 4549 URL: <http://www.eiken.co.jp/en/>
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 Scheduled filing date of Quarterly Securities Report: August 7, 2020
 Scheduled date of dividend payment: —
 Supplementary materials for the quarterly financial results: Yes
 Investor conference for the quarterly financial results: No

(Millions of yen rounded down)

1. Consolidated Performance for the First Quarter (April 1, 2020 to June 30, 2020)

(1) Consolidated Operating Results

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	8,214	(11.0)	1,016	(31.8)	1,031	(31.9)	764	(32.5)
Three months ended June 30, 2019	9,232	4.7	1,490	15.0	1,514	14.1	1,131	14.7

(Note) Comprehensive income: As of June 30, 2020: 772 million yen. (29.5)% As of June 30, 2019: 1,095 million yen. 15.8%

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2020	20.72		20.55	
Three months ended June 30, 2019	30.68		30.46	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	49,105	37,462	75.7	1,006.93
As of March 31, 2020	50,322	37,303	73.5	1,002.86

(Reference) Shareholders' equity: As of June 30, 2020: 35,157 million yen. As of March 31, 2020: 36,987 million yen.

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2020	—	13.00	—	17.00	30.00
Fiscal year ended March 2021	—				
Fiscal year ending March 2021 (Forecast)		—	—	—	—

(Note) The forecast of dividend for the year ending March 31, 2021, remain to be not decided at this stage. In the future, we will announce the dividend forecast promptly when it becomes possible to disclose the earnings forecast.

3. Forecasts of Consolidated Performance for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

The forecast of consolidated financial results for the year ending March 31, 2021, remain to be not stated because, it is difficult to reasonably calculate the impact of COVID-19 at this stage.

We will announce it as soon as it becomes possible to disclose the earnings forecast.

※Note:

- (1) Changes in important subsidiaries during the period: No
- (2) Applying specific accounting procedures to preparing quarterly financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, restatements
 - (1) Changes in accounting policies due to revisions to accounting standards, etc.: No
 - (2) Other changes in accounting policies: No
 - (3) Changes in accounting estimates: No
 - (4) Restatements: No
- (4) Number of outstanding shares (common stocks)
 - 1) Number of shares outstanding at term-end (including treasury stocks)
 - As of June 30, 2020: 43,541,438 shares
 - As of March 31, 2020: 43,541,438 shares
 - 2) Number of treasury stock at term-end
 - As of June 30, 2020: 6,639,760 shares
 - As of March 31, 2020: 6,659,760 shares
 - 3) Average number of shares outstanding during the period
 - As of June 30, 2020: 36,884,939 shares
 - As of June 30, 2019: 36,881,788 shares

* Implementation status of quarterly review procedures

This quarterly financial flash report is not the subject of the quarterly review procedures based on the Financial Instruments and Exchange Act.

* Explanations for the appropriate use of earnings forecasts, and remarks

Performance forecasts and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational as of the date of this release. Accordingly, the Company cannot make promises to achieve such forecasts. Actual results could significantly differ from the above forecasts due to a variety of factors.

Since it is difficult to reasonably calculate the impact of COVID-19 at this stage, we have not decided the forecast for consolidated financial results this time. We will announce it as soon as it becomes possible to disclose the earnings forecast.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	FY03/2020 (As of March 31, 2020)	1Q of FY03/2021 (As of June 30, 2020)
Assets		
Current assets		
Cash and deposits	10,098	8,668
Notes and accounts receivable - trade	11,017	10,557
Merchandise and finished goods	4,342	4,761
Work in process	1,460	1,400
Raw materials and supplies	1,371	1,590
Other	618	719
Allowance for doubtful accounts	(4)	(4)
Total current assets	28,903	27,694
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,223	19,259
Accumulated depreciation	(11,151)	(11,296)
Buildings and structures, net	8,071	7,963
Machinery, equipment and vehicles	6,159	6,270
Accumulated depreciation	(4,936)	(5,018)
Machinery, equipment and vehicles, net	1,222	1,252
Tools, furniture and fixtures	3,852	3,866
Accumulated depreciation	(3,269)	(3,310)
Tools, furniture and fixtures, net	582	555
Land	1,931	1,931
Leased assets	425	406
Accumulated depreciation	(236)	(209)
Leased assets, net	188	197
Construction in progress	43	69
Total property, plant and equipment	12,041	11,969
Intangible assets	1,019	1,092
Investments and other assets		
Long-term time deposits	1,900	1,900
Other	6,474	6,465
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	8,357	8,348
Total non-current assets	21,418	21,411
Total assets	50,322	49,105

(Millions of yen)

	FY03/2020 (As of March 31, 2020)	1Q of FY03/2021 (As of June 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,586	4,012
Electronically recorded obligations - operating	2,738	3,303
Income taxes payable	702	306
Provision for bonuses	745	364
Provision for sales returns	5	3
Other	2,962	2,388
Total current liabilities	11,740	10,379
Non-current liabilities		
Asset retirement obligations	33	33
Other	1,245	1,231
Total non-current liabilities	1,278	1,264
Total liabilities	13,018	11,643
Net assets		
Shareholders' equity		
Share capital	6,897	6,897
Capital surplus	7,935	7,950
Retained earnings	25,302	25,439
Treasury shares	(3,165)	(3,155)
Total shareholders' equity	36,969	37,131
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	24
Foreign currency translation adjustment	16	12
Remeasurements of defined benefit plans	(22)	(10)
Total accumulated other comprehensive income	17	25
Share acquisition rights	316	304
Total net assets	37,303	37,462
Total liabilities and net assets	50,322	49,105

(2) Consolidated Statements of Income

(Millions of yen)

	First three months of FY03/2020 (Apr.1,2019- June.30,2019)	First three months of FY03/2021 (Apr.1,2020- June.30,2020)
Net sales	9,232	8,214
Cost of sales	5,088	4,639
Gross profit	4,143	3,574
Selling, general and administrative expenses	2,652	2,558
Operating profit	1,490	1,016
Non-operating income		
Interest income	2	4
Dividend income	3	1
Rental income	3	3
Other	15	9
Total non-operating income	25	18
Non-operating expenses		
Interest expenses	1	0
Loss on valuation of investment securities	—	1
Other	0	0
Total non-operating expenses	2	3
Ordinary profit	1,514	1,031
Extraordinary income		
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	5	—
Total extraordinary income	5	—
Extraordinary losses		
Loss on sales and retirement of non-current assets	8	4
Total extraordinary losses	8	4
Profit before income taxes	1,510	1,027
Income taxes	379	263
Profit	1,131	764
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,131	764

Consolidated statements of comprehensive income

(Millions of yen)

	First three months of FY03/2020 (Apr.1,2019- June.30,2019)	First three months of FY03/2021 (Apr.1,2020- June.30,2020)
Profit	1,131	764
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	1
Foreign currency translation adjustment	(48)	(4)
Remeasurements of defined benefit plans, net of tax	15	11
Total other comprehensive income	(36)	8
Comprehensive income	1,095	772
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,095	772
Comprehensive income attributable to non-controlling interests	—	—