

Summary of Consolidated Financial Results for the First Nine 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 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 Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2021 (from April 1, 2019 to December 31, 2019)

(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	%
Nine months ended Dec. 31, 2020	28,547	1.9	5,531	27.2	5,656	28.0	4,284	28.5
Nine months ended Dec. 31, 2019	28,028	3.6	4,349	1.7	4,420	1.8	3,335	3.2

(Note) Comprehensive income: Nine months ended Dec. 31, 2020: 4,359million yen. Nine months ended Dec. 31, 2019: 3,311million yen.

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2020	116.08	115.20
Nine months ended Dec. 31, 2019	90.43	89.74

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2020	52,545	40,513	76.6	1,089.27
As of March 31, 2020	50,322	37,303	73.5	1,002.86

(Reference) Shareholders' equity: As of Dec. 31, 2020: 40,227 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 31, 2020	—	13.00	—	17.00	30.00
Fiscal year ending March 31, 2021	—	15.00	—		
Fiscal year ending March 31, 2021 (Forecast)				21.00	36.00

(Note) Revision of dividends forecast for this period: Yes

3. Forecasts of Consolidated Performance for the Fiscal Year Ending March 31, 2021

(from April 1, 2020 to March 31, 2021) (% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	37,100	1.4	5,540	19.8	5,670	20.0	4,310	21.8	116.71

(Note) Revision of consolidated results forecast for this period: Yes

Notes:

- (1) Changes in important subsidiaries during the period - Specified subsidiaries accompanying changes in scope of consolidation - : No
- (2) Application of special accounting method: 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 December 31, 2020: 43,541,438 shares
 - As of March 31, 2020: 43,541,438 shares
 - 2) Number of treasury stock at term-end
 - As of December 31, 2020: 6,611,071 shares
 - As of March 31, 2020: 6,659,760 shares
 - 3) Average number of shares outstanding during the period - Cumulative total for the quarterly consolidated period -
 - As of December 31, 2020: 36,913,657 shares
 - As of December 31, 2019: 36,881,775 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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of Dec. 31, 2020
Assets		
Current assets		
Cash and deposits	10,098	7,090
Notes and accounts receivable - trade	11,017	14,287
Merchandise and finished goods	4,342	4,518
Work in process	1,460	1,490
Raw materials and supplies	1,371	1,616
Other	618	685
Allowance for doubtful accounts	(4)	(5)
Total current assets	28,903	29,682
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,223	19,643
Accumulated depreciation	(11,151)	(11,547)
Buildings and structures, net	8,071	8,095
Machinery, equipment and vehicles	6,159	6,399
Accumulated depreciation	(4,936)	(5,153)
Machinery, equipment and vehicles, net	1,222	1,246
Tools, furniture and fixtures	3,852	4,034
Accumulated depreciation	(3,269)	(3,400)
Tools, furniture and fixtures, net	582	633
Land	1,931	1,931
Leased assets	425	382
Accumulated depreciation	(236)	(209)
Leased assets, net	188	173
Construction in progress	43	125
Total property, plant and equipment	12,041	12,206
Intangible assets	1,019	1,334
Investments and other assets		
Long-term time deposits	1,900	3,000
Other	6,474	6,337
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	8,357	9,321
Total non-current assets	21,418	22,862
Total assets	50,322	52,545

(Millions of yen)

	As of March 31, 2020	As of Dec. 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,586	4,284
Electronically recorded obligations - operating	2,738	2,311
Income taxes payable	702	943
Provision for bonuses	745	375
Provision for sales returns	5	8
Other	2,962	2,848
Total current liabilities	11,740	10,770
Non-current liabilities		
Asset retirement obligations	33	33
Other	1,245	1,226
Total non-current liabilities	1,278	1,260
Total liabilities	13,018	12,031
Net assets		
Shareholders' equity		
Share capital	6,897	6,897
Capital surplus	7,935	7,973
Retained earnings	25,302	28,406
Treasury shares	(3,165)	(3,142)
Total shareholders' equity	36,969	40,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	26
Foreign currency translation adjustment	16	52
Remeasurements of defined benefit plans	(22)	12
Total accumulated other comprehensive income	17	91
Share acquisition rights	316	286
Total net assets	37,303	40,513
Total liabilities and net assets	50,322	52,545

(2) Quarterly Consolidated Statements of Income

(Millions of yen)

	Nine months ended Dec.31,2019	Nine months ended Dec.31,2020
Net sales	28,028	28,547
Cost of sales	15,536	15,026
Gross profit	12,492	13,521
Selling, general and administrative expenses	8,142	7,989
Operating profit	4,349	5,531
Non-operating income		
Interest income	5	13
Dividend income	4	2
Rental income	11	11
Compensation income	4	55
Subsidy income	21	19
Other	36	33
Total non-operating income	83	136
Non-operating expenses		
Interest expenses	3	2
Loss on valuation of investment securities	—	1
Commission expenses	5	—
Loss on cancellation of insurance policies	0	4
Other	3	3
Total non-operating expenses	12	11
Ordinary profit	4,420	5,656
Extraordinary income		
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	33	—
Settlement received	—	110
Total extraordinary income	33	110
Extraordinary losses		
Loss on sales and retirement of non-current assets	12	43
Total extraordinary losses	12	43
Profit before income taxes	4,441	5,723
Income taxes	1,106	1,438
Profit	3,335	4,284
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	3,335	4,284

Consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended Dec.31,2019	Nine months ended Dec.31,2020
Profit	3,335	4,284
Other comprehensive income		
Valuation difference on available-for-sale securities	(22)	3
Foreign currency translation adjustment	(48)	36
Remeasurements of defined benefit plans, net of tax	47	34
Total other comprehensive income	(23)	74
Comprehensive income	3,311	4,359
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,311	4,359
Comprehensive income attributable to non-controlling interests	—	—