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## Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

July 31, 2024

Company name: EIKEN CHEMICAL CO.,LTD.

Stock exchange listing: Tokyo

Code number: 4549

URL: <https://www.eiken.co.jp>

Representative: Tsugunori Notomi

President & CEO

Contact: Hajime Watari

Senior Vice President & Executive Officer

Phone: +81-3-5846-3379

Scheduled date of filing quarterly securities report:

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results:

Schedule of quarterly financial results briefing session:

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	9,519	(3.5)	583	(44.6)	641	(41.0)	486	(36.8)
June 30, 2023	9,864	(11.1)	1,052	(62.4)	1,087	(61.8)	770	(64.5)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 547 million [ (31.4)%  
Three months ended June 30, 2023: ¥ 797 million [ (64.3)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	14.07	13.95
June 30, 2023	20.82	20.63

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	61,189	45,618	74.0	1,308.20
March 31, 2024	61,651	45,971	74.0	1,318.38

(Reference) Equity: As of June 30, 2024: ¥ 45,260 million  
As of March 31, 2024: ¥ 45,613 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen -	Yen 25.00	Yen -	Yen 26.00	Yen 51.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		26.00	-	27.00	53.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	21,500	6.1	2,870	33.6	2,830	27.2	2,230	37.7	64.45
Full year	43,100	7.6	5,660	67.6	5,620	57.5	4,480	70.1	129.49

(Note) Revision to the financial results forecast announced most recently: No

\* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2024

(changes in specified subsidiaries resulting in changes in scope of consolidation):

New	-	(Company name:	)
Exclusion:	-	(Company name:	)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 38,541,438shares

March 31, 2024: 40,041,438shares

2) Number of treasury shares at the end of the period:

June 30, 2024: 3,943,508shares

March 31, 2024: 5,443,508shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 34,597,930shares

Three months ended June 30, 2023: 37,028,813shares

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## 1. Overview of Consolidated Business Performance

### (1) Summary of Consolidated Business Performance for The First Quarter of The Current Fiscal Year

During the first quarter of the current fiscal year, the domestic and overseas economies remained unstable due to downside risks owing to surging resource prices and the effects of monetary tightening.

The business environment became increasingly severe in the clinical diagnostics industry due to measures to cap medical expenses and rising costs such as for logistics and raw material procurement, etc., on account of yen depreciation and high crude oil prices. Corporations are being forced to focus on greater cost competitiveness and to actively expand overseas.

In the context of this business environment, the Eiken Group is implementing key measures focused on the three key business fields of “Contribution to cancer prevention and treatment,” “Contribution to the eradication and control of infectious diseases,” and “Provision of products and services useful for health care” and striving to achieve sustainable growth and steadily enhance profitability for the Group as a whole, in accordance with the Medium-term Management Plan established based on the Group’s management framework “EIKEN ROAD MAP 2030.”

In addition, as a Group with a mission to protect the health of people worldwide, the Eiken Group is addressing issues not only in “Medical” but also in the “Environment,” “Society,” and “Governance.” Through this, we strive to further enhance our corporate value and achieve a sustainable society.

The net sales for the consolidated fiscal year under review declined to 9,519 million yen (down 3.5% year-on-year) due to a decrease in sales of fecal immunochemical test reagents for overseas markets. For net sales by product class and type, sales of microbiological testing reagents were 1,058 million yen (up 1.9% year-on-year) due to increased sales of the rapid diagnostic kits for our new products (Immunocatch –Strep A, Immunocatch –Adeno). Sales of urinalysis reagents were 1,122 million yen (up 13.0% year-on-year) due to growth in sales of urine test strips for both domestic and overseas markets. For sales of immunological and serological reagents were 5,602 million yen (down 4.0% year-on-year) due to a decrease in sales of overseas markets, despite sales of fecal immunochemical test reagents for domestic markets remained strong. Sales of clinical chemistry reagents were 150 million yen (up 0.3% year-on-year) and sales of the equipment and culture medium for food and environment related category were 512 million yen (up 6.6% year-on-year). Sales in other category (medical devices, genetic-related products, etc.) were 1,072 million yen (down 21.6% year-on-year) due to a decrease in sales for COVID-19 detection reagents.

Overseas sales were 2,113 million yen (down 16.3% year-on-year) due to a decrease in sales of fecal immunochemical test reagents, despite strong growth in sales of urinalysis reagents.

Regarding profit, due to changes in the sales mix, including a decrease in sales of fecal immunochemical test reagents for overseas markets, operating profit was 583 million yen (down 44.6% year-on-year), ordinary profit was 641 million yen (down 41.0% year-on-year), and profit attributable to owners of parent was 486 million yen (down 36.8% year-on-year).

### (2) Summary of Consolidated Financial Position for The First Quarter of Tthe Current Fiscal Year

The financial position at the end of the first quarter of the consolidated accounting period under review was as follows.

When compared to the end of the previous consolidated fiscal year ,total assets decreased by 461 million yen, liabilities decreased by 109 million yen, and net assets decreased by 352 million yen.

Major increases and decreases in the category of assets were a decrease of 2,512 million yen in cash and deposits and a decrease of 444 million yen in notes and accounts receivable - trade, and contract assets. In addition, property, plant and equipment increased by 1,952 million yen due to the recording of construction in progress accompanying the payment of construction expenses for the new manufacturing building at Nogi Division. In the category of liabilities, provision for bonuses decreased by 328 million yen due to payment of bonuses. In the category of net assets, despite the recording of profit attributable to owners of parent, shareholders' equity decreased by 412 million yen due to the payment of dividends. Retained earnings and treasury shares decreased by 1,567 million yen each due to the cancellation of treasury shares.

As a result, the equity ratio was 74.0%, unchanged from the end of the previous fiscal year.

(3) Qualitative Information Regarding Forecasts for Consolidated Business Performance

For the consolidated financial results forecasts for the six months ending September 30, 2024 and the consolidated fiscal year ending March 31, 2024, there has been no change in the financial forecast announced on May 9, 2024.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	16,308	13,795
Notes and accounts receivable - trade, and contract assets	12,482	12,037
Merchandise and finished goods	4,170	4,107
Work in process	2,035	2,269
Raw materials and supplies	1,892	1,991
Other	971	977
Allowance for doubtful accounts	(7)	(7)
Total current assets	37,851	35,170
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,811	25,961
Accumulated depreciation	(13,821)	(14,077)
Buildings and structures, net	11,989	11,884
Machinery, equipment and vehicles	7,638	8,007
Accumulated depreciation	(6,115)	(6,245)
Machinery, equipment and vehicles, net	1,522	1,761
Tools, furniture and fixtures	5,371	5,623
Accumulated depreciation	(4,374)	(4,491)
Tools, furniture and fixtures, net	996	1,132
Land	1,928	1,928
Leased assets	286	251
Accumulated depreciation	(133)	(111)
Leased assets, net	153	140
Construction in progress	414	2,110
Total property, plant and equipment	17,005	18,957
Intangible assets	792	770
Investments and other assets		
Long-term time deposits	1,900	1,900
Other	4,125	4,414
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	6,001	6,290
Total non-current assets	23,799	26,019
Total assets	61,651	61,189

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,648	4,371
Electronically recorded obligations - operating	2,759	3,094
Income taxes payable	-	74
Provision for bonuses	674	346
Other	3,269	3,306
Total current liabilities	11,351	11,192
Non-current liabilities		
Bonds payable	3,000	3,000
Asset retirement obligations	35	35
Other	1,293	1,342
Total non-current liabilities	4,329	4,378
Total liabilities	15,680	15,571
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,897	6,897
Capital surplus	7,892	7,892
Retained earnings	35,801	33,821
Treasury shares	(5,686)	(4,119)
Total shareholders' equity	44,904	44,491
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35	33
Foreign currency translation adjustment	353	426
Remeasurements of defined benefit plans	319	309
Total accumulated other comprehensive income	708	768
Share acquisition rights	358	358
Total net assets	45,971	45,618
Total liabilities and net assets	61,651	61,189

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	9,864	9,519
Cost of sales	5,681	5,566
Gross profit	4,183	3,953
Selling, general and administrative expenses	3,130	3,369
Operating profit	1,052	583
Non-operating income		
Interest income	1	2
Dividend income	2	3
Rental income	4	3
Subsidy income	10	31
Foreign exchange gains	12	18
Other	8	11
Total non-operating income	40	70
Non-operating expenses		
Interest expenses	4	4
Other	0	8
Total non-operating expenses	5	12
Ordinary profit	1,087	641
Extraordinary income		
Gain on sale of non-current assets	1	-
Gain on sale of investment securities	-	3
Total extraordinary income	1	3
Extraordinary losses		
Loss on sale and retirement of non-current assets	51	0
Total extraordinary losses	51	0
Profit before income taxes	1,037	644
Income taxes	266	158
Profit	770	486
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	770	486



Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	770	486
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(2)
Foreign currency translation adjustment	30	72
Remeasurements of defined benefit plans, net of tax	(3)	(10)
Total other comprehensive income	26	60
Comprehensive income	797	547
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	797	547
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Tax expense calculation)

Tax expenses on profit before income taxes are calculated by multiplying profit before income taxes by the reasonably estimated effective tax rate for the consolidated fiscal year including the first quarter of the consolidated accounting period under review after applying tax effect accounting.

(Notes in case of significant changes in shareholders' equity)

(Retirement of treasury shares)

In accordance with resolution of a meeting of the Board of Directors held on April 24, 2024, the Company retired 1,500,000 treasury shares on April 26, 2024. As a result, for the first quarter of the current fiscal year, retained earnings and treasury shares each decreased by 1,567 million yen.

(Notes on Cash Flow Statement)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year are not prepared. Depreciation (Including depreciation of intangible assets.) for the first quarter of the current fiscal year is as follows.

	(Millions of yen)	
	Previous consolidated fiscal (From April 1, 2023 to June 30, 2023)	Current consolidated fiscal year (From April 1, 2024 to June 30, 2024)
Depreciation	544	546

(Segment information)

I Previous consolidated fiscal year (From April 1, 2023 to June 30, 2023)

The Group is a single segment of the reagents business, so it is omitted.

II Current consolidated fiscal year (From April 1, 2024 to June 30, 2024)

The Group is a single segment of the reagents business, so it is omitted.