

FY2014 Consolidated Financial Results (Japan GAAP)

May 14, 2015
Common Stock Listings: Tokyo and Nagoya

Company name: Kikusui Chemical Industries Co., LTD.
Code no.: 7953
Representative: Hitoshi Yamaguchi, President
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Scheduled date of ordinary general shareholders meeting: June 26, 2015

Scheduled date of payment of cash dividends: June 29, 2015

Scheduled date of filing securities report: June 26, 2015

Supplementary materials for financial results: Yes

Quarterly results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for FY2014 (April 1, 2014 through March 31, 2015)

(1) Consolidated Operating Results (fiscal year-to-date)

(Percentage figures represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2014	20,975	(1.3)	913	17.2	925	12.6	261	(42.1)
FY2013	21,256	9.4	778	18.0	821	22.1	452	2.5

Note: Comprehensive income: 430 million yen (-13.2%) for FY2014, 495 million yen (-14.1%) for FY2013

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY2014	23.74	—	3.0	5.6	4.4
FY2013	43.90	—	5.8	5.2	3.7

Reference: Equity in earnings (losses) of affiliates: - million yen for FY2014, - million yen for FY2013

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
FY2014	16,809	9,473	56.4	759.43
FY2013	15,975	8,012	50.1	772.90

Reference: Owner's equity: 9,473 million yen for FY2014, 8,002 million yen for FY2013

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
FY2014	378	402	651	4,928
FY2013	568	(309)	(259)	3,451

2. Dividends

	Annual cash dividends per share					Total cash dividends (Annual) (million yen)	Payout ratio (Consolidated) (%)	Dividends per net assets (Consolidated) (%)
	At 1st quarter end (yen)	At 2nd quarter end (yen)	At 3rd quarter end (yen)	At fiscal year end (yen)	Total (yen)			
FY2013	—	5.00	—	9.00	14.00	146	31.9	1.9
FY2014	—	5.00	—	11.00	16.00	200	67.4	2.1
FY2015 forecast	—	7.00	—	9.00	16.00		40.0	

Note: The year-end dividend for the fiscal year that ended in March 2015 includes a commemorative dividend of ¥2 per share.

3. Forecast of Consolidated Operating Results for FY2015 (April 1, 2015 through March 31, 2016)

(Percentage figures represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2015 1st half	10,502	7.1	325	(24.9)	333	(27.5)	157	—	12.73
FY2015	22,506	7.3	943	3.3	954	3.2	496	89.7	40.03

* Notes

(1) Significant changes in scope of consolidation: Applicable

Newly consolidated companies: Kikusui Chemical (Shanghai) Co., LTD. Exclude:-

(2) Changes in accounting principles and estimates, and retrospective restatement

i. Changes in accounting policies due to amendment of accounting standard: Applicable

ii. Changes in accounting policies other than (i) above: None

iii. Changes in accounting estimates: None

iv. Retrospective restatement: None

(3) Number of shares issued (common stock)

i. Number of shares issued at end of period (including treasury stock)	FY2014	12,744,054	FY2013	10,716,954
ii. Number of shares of treasury stock at end of period	FY2014	269,793	FY2013	362,894
iii. Average number of shares issued during period	FY2014	11,027,453	FY2013	10,306,375

(Reference) Nonconsolidated Financial Results

1. Nonconsolidated Financial Results for FY2014 (April 1, 2014 through March 31, 2015)

(1) Nonconsolidated Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2014	20,166	(3.2)	919	22.1	946	18.6	277	(39.2)
FY2013	20,826	9.6	753	22.4	798	25.9	455	16.1

	Earnings per share	Diluted earnings per share
FY2014	yen 25.12	yen —
FY2013	44.20	—

(2) Nonconsolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
FY2014	16,244	9,460	58.2	758.37
FY2013	15,533	7,983	51.4	771.07

Reference: Owner's equity: 9,460 million yen for FY2014, 7,983 million yen for FY2013

2. Forecast of Nonconsolidated Operating Results for FY2015 (April 1, 2015 through March 31, 2016)

(Percentage figures represent year-on-year changes.)

	Net sales		Ordinary income		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	yen
FY2015 1st half	10,018	5.0	353	(23.6)	177	6,017.1	14.33
FY2015	21,320	5.7	951	0.5	493	78.0	39.75

- **Implementation status of financial audit**

This report on financial results is exempt from audit procedures under the Financial Instruments and Exchange Act of Japan. As of the release of this report, an audit of financial statements pursuant to the law is in progress.

- **Appropriate use of forecasts**

The operating result forecast and other forward-looking statements contained in this report are based on information currently available to the Company and certain assumptions the Company considers reasonable. Final results may differ significantly from forecasts due to a variety of factors.