

Translation

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## Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 31, 2022

Company name: DAIKEN MEDICAL CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 7775 URL <https://www.daiken-iki.co.jp>  
 Representative: President Keiichi Yamada  
 General Manager Finance and Accounting  
 Inquiries: Division Toshikazu Itami TEL 0725-30-3574  
 Scheduled date to file Quarterly Securities Report: November 1, 2022  
 Scheduled date to commence dividend payments: December 1, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

#### (1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	4,454	9.0	605	7.0	605	7.0	429	7.3
Six months ended September 30, 2021	4,086	8.3	565	25.0	565	15.7	400	14.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	14.94		-	
Six months ended September 30, 2021	13.93		-	

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	10,840	6,566	60.4
As of March 31, 2022	10,920	6,446	59.0

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	-	9.00	-	11.00	20.00
Year ending March 31, 2023	-	9.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	11.00	20.00

### 3. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,000	5.4	1,200	4.3	1,200	4.1	840	1.1	29.24

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of September 30, 2022	∣	31,840,000 shares	As of March 31, 2022	∣	31,840,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	∣	3,111,560 shares	As of March 31, 2022	∣	3,111,559 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	∣	28,728,441 shares	Six months ended September 30, 2021	∣	28,728,441 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,518,589	2,282,527
Notes and accounts receivable - trade	1,346,167	1,271,060
Electronically recorded monetary claims - operating	1,085,208	1,234,884
Finished goods	973,067	1,024,513
Work in process	72,279	86,101
Raw materials	499,189	543,921
Other	78,024	87,072
Allowance for doubtful accounts	(91)	(91)
<b>Total current assets</b>	<b>6,572,435</b>	<b>6,529,990</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	1,937,619	1,893,120
Land	1,703,670	1,703,670
Other, net	478,110	488,476
<b>Total property, plant and equipment</b>	<b>4,119,400</b>	<b>4,085,267</b>
Intangible assets	15,135	11,898
<b>Investments and other assets</b>		
Deferred tax assets	160,449	160,449
Other	78,033	77,149
Allowance for doubtful accounts	(24,650)	(24,650)
<b>Total investments and other assets</b>	<b>213,831</b>	<b>212,948</b>
<b>Total non-current assets</b>	<b>4,348,367</b>	<b>4,310,114</b>
<b>Total assets</b>	<b>10,920,803</b>	<b>10,840,104</b>

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	463,151	463,983
Electronically recorded obligations - operating	560,469	581,313
Short-term borrowings	1,000,000	1,200,000
Current portion of long-term borrowings	597,826	419,578
Income taxes payable	212,541	196,077
Accrued expenses	70,899	65,857
Other	246,349	218,568
<b>Total current liabilities</b>	<b>3,151,237</b>	<b>3,145,379</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,280,033	1,090,043
Other	43,401	38,316
<b>Total non-current liabilities</b>	<b>1,323,434</b>	<b>1,128,359</b>
<b>Total liabilities</b>	<b>4,474,671</b>	<b>4,273,738</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	495,875	495,875
Capital surplus	400,875	400,875
Retained earnings	7,368,595	7,481,867
Treasury shares	(1,826,582)	(1,826,582)
<b>Total shareholders' equity</b>	<b>6,438,763</b>	<b>6,552,034</b>
Share acquisition rights	7,368	14,331
<b>Total net assets</b>	<b>6,446,131</b>	<b>6,566,365</b>
<b>Total liabilities and net assets</b>	<b>10,920,803</b>	<b>10,840,104</b>

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	4,086,178	4,454,775
Cost of sales	2,268,555	2,613,071
Gross profit	1,817,622	1,841,703
Selling, general and administrative expenses	1,252,281	1,236,682
Operating profit	565,340	605,021
Non-operating income		
Interest income	0	0
Compensation income	867	733
Foreign exchange gains	213	711
Gain on forfeiture of unclaimed dividends	544	261
Miscellaneous income	506	271
Total non-operating income	2,132	1,978
Non-operating expenses		
Interest expenses	1,962	1,971
Other	146	–
Total non-operating expenses	2,109	1,971
Ordinary profit	565,364	605,028
Extraordinary losses		
Loss on retirement of non-current assets	691	50
Total extraordinary losses	691	50
Profit before income taxes	564,672	604,978
Income taxes	164,408	175,694
Profit	400,264	429,284

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	564,672	604,978
Depreciation	158,755	146,240
Share-based payment expenses	–	6,963
Increase (decrease) in provision for sales allowance	(179,346)	–
Interest and dividend income	(0)	(0)
Interest expenses	1,962	1,971
Decrease (increase) in trade receivables	267,140	(74,569)
Decrease (increase) in inventories	(150,594)	(109,998)
Increase (decrease) in trade payables	3,012	22,697
Loss on retirement of non-current assets	691	50
Decrease (increase) in accounts receivable - other	1,435	(1,430)
Increase (decrease) in accounts payable - other	(10,551)	(7,742)
Increase (decrease) in accrued expenses	(111,814)	(5,041)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	33,626	(28,025)
Other, net	(24,856)	(10,002)
Subtotal	554,132	546,090
Interest and dividends received	0	0
Interest paid	(2,022)	(1,934)
Income taxes paid	(78,865)	(195,526)
Net cash provided by (used in) operating activities	473,244	348,629
Cash flows from investing activities		
Purchase of property, plant and equipment	(79,375)	(103,087)
Purchase of intangible assets	(344)	(1,100)
Payments of guarantee deposits	(294)	(312)
Proceeds from refund of guarantee deposits	12,845	466
Payments for asset retirement obligations	(6,479)	–
Net cash provided by (used in) investing activities	(73,648)	(104,033)
Cash flows from financing activities		
Repayments of long-term borrowings	(380,142)	(368,238)
Dividends paid	(315,855)	(306,762)
Net increase (decrease) in short-term borrowings	500,000	200,000
Repayments of lease liabilities	(6,027)	(5,657)
Purchase of treasury shares	–	(0)
Net cash provided by (used in) financing activities	(202,024)	(480,658)
Net increase (decrease) in cash and cash equivalents	197,571	(236,061)
Cash and cash equivalents at beginning of period	2,170,643	2,518,589
Cash and cash equivalents at end of period	2,368,214	2,282,527