

Translation

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## Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 15, 2023

Company name: DAIKEN MEDICAL CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 7775 URL <https://daiken-iki.co.jp>  
 Representative: President Keiichi Yamada  
 Chief of Headquarters Business  
 Inquiries: Administration Department Takuwa Ryo TEL 0725-30-3150  
 Scheduled date of ordinary general meeting of shareholders: June 21, 2023  
 Scheduled date to file Securities Report: June 21, 2023  
 Scheduled date to commence dividend payments: June 5, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

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

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	%
Year ended March 31, 2023	9,137	7.0	1,054	(8.4)	1,053	(8.6)	712	(14.3)
Year ended March 31, 2022	8,540	8.6	1,150	24.9	1,152	20.4	831	23.1

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	24.79	–	10.9	9.6	11.5
Year ended March 31, 2022	28.93	–	13.2	10.6	13.5

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

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	11,013	6,597	59.7	228.91
As of March 31, 2022	10,920	6,446	59.0	224.13

#### (3) Non-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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	989	(210)	(781)	2,516
Year ended March 31, 2022	1,133	(196)	(589)	2,518

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	9.00	–	11.00	20.00	574	69.1	9.1
Year ended March 31, 2023	–	9.00	–	11.00	20.00	574	80.7	8.8
Year ending March 31, 2024 (Forecast)	–	9.00	–	11.00	20.00		63.8	

3. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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
Six months ending September 30, 2023	4,650	4.4	550	(9.1)	550	(9.1)	380	(11.5)	13.23
Full year	9,600	5.1	1,300	23.3	1,300	23.4	900	26.4	31.33

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of March 31, 2023	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 March 31, 2023	3,111,561 shares	As of March 31, 2022	3,111,559 shares
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Average number of shares during the period

Year ended March 31, 2023	28,728,440 shares	Year ended March 31, 2022	28,728,441 shares
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**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,518,589	2,516,212
Notes receivable - trade	130,420	102,763
Electronically recorded monetary claims - operating	1,085,208	1,229,646
Accounts receivable - trade	1,215,746	1,198,117
Finished goods	973,067	1,004,266
Work in process	72,279	88,420
Raw materials	499,189	422,011
Prepaid expenses	19,796	18,958
Other	58,227	58,259
Allowance for doubtful accounts	(91)	(94)
<b>Total current assets</b>	<b>6,572,435</b>	<b>6,638,560</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	1,937,619	1,861,600
Structures, net	1,382	1,020
Machinery and equipment, net	151,205	163,717
Vehicles, net	0	1,882
Tools, furniture and fixtures, net	161,062	95,780
Land	1,703,670	1,703,670
Leased assets, net	33,557	23,394
Construction in progress	130,902	219,171
<b>Total property, plant and equipment</b>	<b>4,119,400</b>	<b>4,070,238</b>
<b>Intangible assets</b>		
Software	9,604	4,303
Software in progress	427	–
Telephone subscription right	5,103	5,103
<b>Total intangible assets</b>	<b>15,135</b>	<b>9,406</b>
<b>Investments and other assets</b>		
Investments in capital	10	10
Long-term prepaid expenses	2,128	1,871
Deferred tax assets	160,449	230,596
Guarantee deposits	40,846	52,323
Membership	13,100	13,100
Life insurance funds	8,797	8,797
Long-term accounts receivable - other	13,150	13,150
Allowance for doubtful accounts	(24,650)	(24,650)
<b>Total investments and other assets</b>	<b>213,831</b>	<b>295,198</b>
<b>Total non-current assets</b>	<b>4,348,367</b>	<b>4,374,843</b>
<b>Total assets</b>	<b>10,920,803</b>	<b>11,013,404</b>

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	13,336	7,580
Electronically recorded obligations - operating	546,724	588,016
Accounts payable - trade	443,847	521,621
Short-term borrowings	1,000,000	1,000,000
Current portion of long-term borrowings	597,826	659,972
Accounts payable - other	138,601	141,902
Lease liabilities	11,194	9,875
Accrued expenses	70,899	70,312
Income taxes payable	212,541	242,047
Accrued consumption taxes	76,182	44,405
Deposits received	11,348	11,697
Notes payable - facilities	5,967	20,293
Electronically recorded obligations - facilities	13,744	38,292
Other	9,022	13,448
<b>Total current liabilities</b>	<b>3,151,237</b>	<b>3,369,464</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,280,033	1,013,395
Lease liabilities	26,142	16,266
Long-term guarantee deposits	14,604	14,624
Other	2,654	2,507
<b>Total non-current liabilities</b>	<b>1,323,434</b>	<b>1,046,792</b>
<b>Total liabilities</b>	<b>4,474,671</b>	<b>4,416,257</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	495,875	495,875
<b>Capital surplus</b>		
Legal capital surplus	400,875	400,875
<b>Total capital surplus</b>	<b>400,875</b>	<b>400,875</b>
<b>Retained earnings</b>		
Legal retained earnings	23,750	23,750
<b>Other retained earnings</b>		
General reserve	690,000	690,000
Retained earnings brought forward	6,654,845	6,792,339
<b>Total retained earnings</b>	<b>7,368,595</b>	<b>7,506,089</b>
Treasury shares	(1,826,582)	(1,826,583)
<b>Total shareholders' equity</b>	<b>6,438,763</b>	<b>6,576,256</b>
Share acquisition rights	7,368	20,890
<b>Total net assets</b>	<b>6,446,131</b>	<b>6,597,146</b>
<b>Total liabilities and net assets</b>	<b>10,920,803</b>	<b>11,013,404</b>

## Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	8,540,443	9,137,102
Cost of sales		
Beginning finished goods inventory	891,412	973,067
Cost of products manufactured	4,941,661	5,532,957
Cost of purchased goods	85,882	157,585
Cost of construction by the outside order	8,399	8,000
Total	5,927,356	6,671,610
Transfer to other account	97,806	60,402
Ending finished goods inventory	973,067	1,004,266
Total cost of sales	4,856,482	5,606,941
Gross profit	3,683,960	3,530,161
Selling, general and administrative expenses	2,533,081	2,475,701
Operating profit	1,150,878	1,054,459
Non-operating income		
Interest income	0	0
Commission income	49	357
Compensation income	1,537	672
Foreign exchange gains	1,164	464
Gain on forfeiture of unclaimed dividends	796	471
Miscellaneous income	1,689	1,222
Total non-operating income	5,236	3,190
Non-operating expenses		
Interest expenses	3,737	3,965
Other	3	48
Total non-operating expenses	3,740	4,013
Ordinary profit	1,152,374	1,053,635
Extraordinary losses		
Loss on retirement of non-current assets	1,037	28,609
Total extraordinary losses	1,037	28,609
Profit before income taxes	1,151,337	1,025,025
Income taxes - current	313,928	383,109
Income taxes - deferred	6,352	(70,146)
Total income taxes	320,280	312,962
Profit	831,056	712,062

## Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	495,875	400,875	400,875	23,750	690,000	6,398,357	7,112,107
Changes during period							
Dividends of surplus						(574,568)	(574,568)
Profit						831,056	831,056
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	256,487	256,487
Balance at end of period	495,875	400,875	400,875	23,750	690,000	6,654,845	7,368,595

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(1,826,582)	6,182,275	–	6,182,275
Changes during period				
Dividends of surplus		(574,568)		(574,568)
Profit		831,056		831,056
Purchase of treasury shares				
Net changes in items other than shareholders' equity			7,368	7,368
Total changes during period	–	256,487	7,368	263,856
Balance at end of period	(1,826,582)	6,438,763	7,368	6,446,131

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	495,875	400,875	400,875	23,750	690,000	6,654,845	7,368,595
Changes during period							
Dividends of surplus						(574,568)	(574,568)
Profit						712,062	712,062
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	137,494	137,494
Balance at end of period	495,875	400,875	400,875	23,750	690,000	6,792,339	7,506,089

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(1,826,582)	6,438,763	7,368	6,446,131
Changes during period				
Dividends of surplus		(574,568)		(574,568)
Profit		712,062		712,062
Purchase of treasury shares	(0)	(0)		(0)
Net changes in items other than shareholders' equity			13,521	13,521
Total changes during period	(0)	137,493	13,521	151,015
Balance at end of period	(1,826,583)	6,576,256	20,890	6,597,146

## Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,151,337	1,025,025
Depreciation	314,423	267,295
Share-based payment expenses	7,368	13,521
Increase (decrease) in allowance for doubtful accounts	4	3
Increase (decrease) in provision for sales allowance	(179,346)	–
Interest and dividend income	(0)	(0)
Interest expenses	3,737	3,965
Decrease (increase) in trade receivables	156,304	(99,151)
Decrease (increase) in inventories	(122,625)	29,839
Increase (decrease) in trade payables	46,181	113,308
Loss on retirement of non-current assets	1,037	28,609
Decrease (increase) in accounts receivable - other	1,401	(9,714)
Increase (decrease) in accounts payable - other	(8,701)	240
Increase (decrease) in accrued expenses	(108,601)	(586)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	68,092	(31,776)
Other, net	25,499	31,810
Subtotal	1,356,112	1,372,392
Interest and dividends received	0	0
Interest paid	(3,989)	(3,762)
Income taxes paid	(218,500)	(379,472)
Net cash provided by (used in) operating activities	1,133,623	989,156
Cash flows from investing activities		
Purchase of property, plant and equipment	(202,502)	(197,949)
Proceeds from sale of property, plant and equipment	912	–
Purchase of intangible assets	(714)	(1,100)
Payments of guarantee deposits	(480)	(12,065)
Proceeds from refund of guarantee deposits	13,026	588
Payments for asset retirement obligations	(6,479)	–
Net cash provided by (used in) investing activities	(196,237)	(210,526)
Cash flows from financing activities		
Proceeds from long-term borrowings	700,000	400,000
Repayments of long-term borrowings	(704,034)	(604,492)
Purchase of treasury shares	–	(0)
Dividends paid	(574,296)	(565,320)
Repayments of lease liabilities	(11,108)	(11,194)
Net cash provided by (used in) financing activities	(589,439)	(781,007)
Net increase (decrease) in cash and cash equivalents	347,946	(2,377)
Cash and cash equivalents at beginning of period	2,170,643	2,518,589
Cash and cash equivalents at end of period	2,518,589	2,516,212