

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 31, 2023

Company name: DAIKEN MEDICAL CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 7775 URL <https://www.daiken-iki.co.jp>
 Representative: President Keiichi Yamada
 Inquiries: Chief of Headquarters Business Takuwa Ryo TEL 0725-30-3150
 Administration Department
 Scheduled date to file Quarterly Securities Report: November 1, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	4,824	8.3	745	23.2	750	24.0	537	25.2
Six months ended September 30, 2022	4,454	9.0	605	7.0	605	7.0	429	7.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	18.72		-	
Six months ended September 30, 2022	14.94		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2023	11,248		6,824		60.4	
As of March 31, 2023	11,013		6,597		59.7	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	-	9.00	-	11.00	20.00
Year ending March 31, 2024	-	9.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	11.00	20.00

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
Full year	9,600	5.1	1,300	23.3	1,300	23.4	900	26.4	31.33

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, 2023	∴	31,840,000 shares	As of March 31, 2023	∴	31,840,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	∴	3,111,561 shares	As of March 31, 2023	∴	3,111,561 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, 2023	∴	28,728,439 shares	Six months ended September 30, 2022	∴	28,728,441 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	2,516,212	2,657,507
Notes and accounts receivable - trade	1,300,880	1,298,684
Electronically recorded monetary claims - operating	1,229,646	1,285,306
Finished goods	1,004,266	1,016,134
Work in process	88,420	106,859
Raw materials	422,011	454,950
Other	77,217	83,750
Allowance for doubtful accounts	(94)	(94)
Total current assets	6,638,560	6,903,097
Non-current assets		
Property, plant and equipment		
Buildings, net	1,861,600	1,818,757
Land	1,703,670	1,703,670
Other, net	504,967	513,818
Total property, plant and equipment	4,070,238	4,036,247
Intangible assets	9,406	8,187
Investments and other assets		
Deferred tax assets	230,596	230,596
Other	89,253	95,216
Allowance for doubtful accounts	(24,650)	(24,650)
Total investments and other assets	295,198	301,161
Total non-current assets	4,374,843	4,345,596
Total assets	11,013,404	11,248,693

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	549,495	527,249
Electronically recorded obligations - operating	626,308	637,161
Short-term borrowings	1,000,000	1,200,000
Current portion of long-term borrowings	659,972	649,972
Income taxes payable	242,047	234,940
Accrued expenses	70,312	73,573
Other	221,329	284,283
Total current liabilities	3,369,464	3,607,181
Non-current liabilities		
Long-term borrowings	1,013,395	793,409
Other	33,397	23,786
Total non-current liabilities	1,046,792	817,195
Total liabilities	4,416,257	4,424,377
Net assets		
Shareholders' equity		
Share capital	495,875	495,875
Capital surplus	400,875	400,875
Retained earnings	7,506,089	7,727,753
Treasury shares	(1,826,583)	(1,826,583)
Total shareholders' equity	6,576,256	6,797,920
Share acquisition rights	20,890	26,396
Total net assets	6,597,146	6,824,316
Total liabilities and net assets	11,013,404	11,248,693

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	4,454,775	4,824,637
Cost of sales	2,613,071	2,831,332
Gross profit	1,841,703	1,993,304
Selling, general and administrative expenses	1,236,682	1,247,989
Operating profit	605,021	745,314
Non-operating income		
Interest income	0	0
Compensation income	733	1,664
Foreign exchange gains	711	2,234
Gain on forfeiture of unclaimed dividends	261	307
Gain on sale of scraps	–	2,188
Miscellaneous income	271	910
Total non-operating income	1,978	7,305
Non-operating expenses		
Interest expenses	1,971	2,407
Other	–	0
Total non-operating expenses	1,971	2,407
Ordinary profit	605,028	750,213
Extraordinary losses		
Loss on retirement of non-current assets	50	57
Total extraordinary losses	50	57
Profit before income taxes	604,978	750,156
Income taxes	175,694	212,480
Profit	429,284	537,676

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	604,978	750,156
Depreciation	146,240	104,185
Share-based payment expenses	6,963	5,505
Interest and dividend income	(0)	(0)
Interest expenses	1,971	2,407
Decrease (increase) in trade receivables	(74,569)	(53,463)
Decrease (increase) in inventories	(109,998)	(63,245)
Increase (decrease) in trade payables	22,697	18,173
Loss on retirement of non-current assets	50	57
Decrease (increase) in accounts receivable - other	(1,430)	5,538
Increase (decrease) in accounts payable - other	(7,742)	47,331
Increase (decrease) in accrued expenses	(5,041)	3,260
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(28,025)	24,725
Other, net	(10,002)	(42,339)
Subtotal	546,090	802,293
Interest and dividends received	0	0
Interest paid	(1,934)	(2,488)
Income taxes paid	(195,526)	(197,086)
Net cash provided by (used in) operating activities	348,629	602,718
Cash flows from investing activities		
Purchase of property, plant and equipment	(103,087)	(110,958)
Purchase of intangible assets	(1,100)	–
Payments of guarantee deposits	(312)	(180)
Proceeds from refund of guarantee deposits	466	196
Net cash provided by (used in) investing activities	(104,033)	(110,942)
Cash flows from financing activities		
Repayments of long-term borrowings	(368,238)	(229,986)
Dividends paid	(306,762)	(315,557)
Net increase (decrease) in short-term borrowings	200,000	200,000
Repayments of lease liabilities	(5,657)	(4,937)
Purchase of treasury shares	(0)	–
Net cash provided by (used in) financing activities	(480,658)	(350,481)
Net increase (decrease) in cash and cash equivalents	(236,061)	141,294
Cash and cash equivalents at beginning of period	2,518,589	2,516,212
Cash and cash equivalents at end of period	2,282,527	2,657,507