

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 31, 2020

Company name: DAIKEN MEDICAL CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 7775 URL <http://www.daiken-iki.co.jp>
 Representative: President Keiichi Yamada
 Inquiries: General Manager, Business Control Division Kenji Tamamaki TEL 06-6231-9917
 Scheduled date to file Quarterly Securities Report: August 3, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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	%
Three months ended June 30, 2020	1,790	(13.0)	191	(38.4)	191	(41.2)	136	(41.4)
Three months ended June 30, 2019	2,057	(1.6)	310	(11.4)	325	(7.2)	232	(8.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	4.75		–	
Three months ended June 30, 2019	8.11		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	10,890	5,902	54.2
As of March 31, 2020	10,997	6,081	55.3

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, 2020	–	9.00	–	11.00	20.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	9.00	–	11.00	20.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	3,970	(6.6)	520	(8.0)	560	(3.4)	400	(3.4)	13.92
Full year	8,400	(1.4)	1,160	(2.9)	1,200	(0.8)	860	0.1	29.94

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 June 30, 2020	∴	31,840,000 shares	As of March 31, 2020	∴	31,840,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	∴	3,111,559 shares	As of March 31, 2020	∴	3,111,559 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	∴	28,728,441 shares	Three months ended June 30, 2019	∴	28,728,441 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	2,365,400	2,318,167
Notes and accounts receivable - trade	1,904,574	1,571,149
Electronically recorded monetary claims - operating	821,808	818,660
Finished goods	770,451	1,011,402
Work in process	67,009	61,340
Raw materials	335,991	371,874
Other	139,276	136,610
Allowance for doubtful accounts	(92)	(92)
Total current assets	6,404,420	6,289,111
Non-current assets		
Property, plant and equipment		
Buildings, net	2,104,782	2,082,189
Land	1,703,670	1,703,670
Other, net	492,475	523,102
Total property, plant and equipment	4,300,929	4,308,963
Intangible assets	29,313	29,372
Investments and other assets		
Deferred tax assets	194,818	194,818
Other	92,916	92,423
Allowance for doubtful accounts	(24,650)	(24,650)
Total investments and other assets	263,083	262,590
Total non-current assets	4,593,325	4,600,926
Total assets	10,997,746	10,890,037

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,061,873	1,107,145
Short-term borrowings	800,000	1,200,000
Current portion of long-term borrowings	898,032	877,796
Income taxes payable	180,854	66,160
Accrued expenses	445,687	486,994
Other	396,226	278,893
Total current liabilities	3,782,673	4,016,990
Non-current liabilities		
Long-term borrowings	1,091,892	922,443
Other	41,568	48,443
Total non-current liabilities	1,133,460	970,886
Total liabilities	4,916,133	4,987,877
Net assets		
Shareholders' equity		
Share capital	495,875	495,875
Capital surplus	400,875	400,875
Retained earnings	7,011,444	6,831,992
Treasury shares	(1,826,582)	(1,826,582)
Total shareholders' equity	6,081,612	5,902,160
Total net assets	6,081,612	5,902,160
Total liabilities and net assets	10,997,746	10,890,037

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	2,057,730	1,790,803
Cost of sales	1,090,920	981,733
Gross profit	966,809	809,070
Selling, general and administrative expenses	656,748	617,979
Operating profit	310,061	191,090
Non-operating income		
Gain on forfeiture of unclaimed dividends	435	814
Compensation income	568	–
Subsidy income	15,581	–
Other	372	532
Total non-operating income	16,957	1,347
Non-operating expenses		
Interest expenses	1,210	955
Other	171	106
Total non-operating expenses	1,381	1,061
Ordinary profit	325,637	191,376
Extraordinary losses		
Loss on retirement of non-current assets	0	145
Total extraordinary losses	0	145
Profit before income taxes	325,637	191,230
Income taxes	92,644	54,670
Profit	232,993	136,560