

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 31, 2019

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 1, 2019
 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, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	2,057	(1.6)	310	(11.4)	325	(7.2)	232	(8.9)
Three months ended June 30, 2018	2,090	0.2	349	(16.3)	350	(16.1)	255	8.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	8.11		–	
Three months ended June 30, 2018	8.54		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	11,003	5,713	51.9
As of March 31, 2019	10,970	5,767	52.6

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, 2019	–	10.00	–	10.00	20.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	9.00	–	11.00	20.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	4,150	(1.1)	580	(17.8)	600	(14.7)	400	(17.6)	13.92
Full year	8,500	1.1	1,280	2.4	1,300	4.3	870	2.2	30.28

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, 2019	∴	31,840,000 shares	As of March 31, 2019	∴	31,840,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	∴	3,111,559 shares	As of March 31, 2019	∴	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, 2019	∴	28,728,441 shares	Three months ended June 30, 2018	∴	29,957,126 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	2,217,605	2,213,460
Notes and accounts receivable - trade	2,594,139	2,569,047
Finished goods	992,486	1,018,027
Work in process	101,724	98,263
Raw materials	405,653	433,459
Other	34,524	87,698
Allowance for doubtful accounts	(86)	(86)
Total current assets	6,346,047	6,419,870
Non-current assets		
Property, plant and equipment		
Buildings, net	2,168,485	2,146,267
Land	1,703,670	1,703,670
Other, net	403,477	387,282
Total property, plant and equipment	4,275,633	4,237,220
Intangible assets	32,205	29,355
Investments and other assets		
Deferred tax assets	204,341	204,341
Other	141,793	141,399
Allowance for doubtful accounts	(29,050)	(29,050)
Total investments and other assets	317,083	316,690
Total non-current assets	4,624,922	4,583,265
Total assets	10,970,969	11,003,136

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	895,902	968,710
Short-term borrowings	1,100,000	1,300,000
Current portion of long-term borrowings	803,998	764,246
Income taxes payable	146,665	103,894
Accrued expenses	446,381	502,428
Other	312,621	306,338
Total current liabilities	<u>3,705,570</u>	<u>3,945,617</u>
Non-current liabilities		
Long-term borrowings	1,459,924	1,300,239
Other	37,569	43,665
Total non-current liabilities	<u>1,497,493</u>	<u>1,343,904</u>
Total liabilities	<u>5,203,063</u>	<u>5,289,522</u>
Net assets		
Shareholders' equity		
Share capital	495,875	495,875
Capital surplus	400,875	400,875
Retained earnings	6,697,738	6,643,447
Treasury shares	(1,826,582)	(1,826,582)
Total shareholders' equity	<u>5,767,905</u>	<u>5,713,614</u>
Total net assets	<u>5,767,905</u>	<u>5,713,614</u>
Total liabilities and net assets	<u>10,970,969</u>	<u>11,003,136</u>

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	2,090,311	2,057,730
Cost of sales	1,073,370	1,090,920
Gross profit	1,016,941	966,809
Selling, general and administrative expenses	667,030	656,748
Operating profit	349,910	310,061
Non-operating income		
Interest income	24	–
Gain on forfeiture of unclaimed dividends	277	435
Compensation income	1,236	568
Subsidy income	–	15,581
Other	569	372
Total non-operating income	2,108	16,957
Non-operating expenses		
Interest expenses	1,101	1,210
Other	195	171
Total non-operating expenses	1,296	1,381
Ordinary profit	350,722	325,637
Extraordinary losses		
Loss on retirement of non-current assets	697	0
Total extraordinary losses	697	0
Profit before income taxes	350,024	325,637
Income taxes	94,321	92,644
Profit	255,703	232,993