

Translation

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**Summary of Non-Consolidated Financial Results
for the Three Months Ended June 30, 2018
(Based on Japanese GAAP)**

July 31, 2018

Company name: DAIKEN MEDICAL CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 7775 URL <http://www.daiken-iki.co.jp>
 Representative: President Mitsuru Yamada
 Inquiries: General Manager, Business Control Division Kenji Tamamaki TEL 06-6231-9917
 Scheduled date to file Quarterly Securities Report: August 1, 2018
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	2,090	0.2	349	(16.3)	350	(16.1)	255	8.2
Three months ended June 30, 2017	2,085	2.7	417	5.2	418	5.0	236	(19.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	8.54		–	
Three months ended June 30, 2017	7.88		7.87	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	10,948	6,274	57.3
As of March 31, 2018	11,137	6,694	60.1

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, 2018	–	9.00	–	16.00	25.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	11.00	–	14.00	25.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	4,400	3.9	750	(10.0)	750	(10.0)	520	1.6	17.32
Full year	9,000	4.8	1,600	6.3	1,600	6.4	1,110	9.7	36.97

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, 2018	⋮	31,840,000 shares	As of March 31, 2018	⋮	31,840,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	⋮	2,070,757 shares	As of March 31, 2018	⋮	1,813,257 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, 2018	⋮	29,957,126 shares	Three months ended June 30, 2017	⋮	29,990,743 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	2,368,211	2,066,481
Notes and accounts receivable - trade	2,749,827	2,684,284
Finished goods	742,539	904,554
Work in process	77,225	81,931
Raw materials	410,395	435,627
Other	49,566	93,239
Allowance for doubtful accounts	(184)	(184)
Total current assets	6,397,581	6,265,933
Non-current assets		
Property, plant and equipment		
Buildings, net	2,236,975	2,214,232
Land	1,703,670	1,703,670
Other, net	453,439	432,190
Total property, plant and equipment	4,394,085	4,350,094
Intangible assets	45,961	41,873
Investments and other assets		
Deferred tax assets	191,113	191,113
Other	137,460	128,819
Allowance for doubtful accounts	(29,050)	(29,050)
Total investments and other assets	299,522	290,881
Total non-current assets	4,739,569	4,682,849
Total assets	11,137,150	10,948,782

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	963,255	1,065,250
Short-term loans payable	500,000	900,000
Current portion of long-term loans payable	547,752	547,752
Income taxes payable	181,886	108,523
Accrued expenses	452,643	476,078
Provision for bonuses	–	229
Other	405,907	323,056
Total current liabilities	3,051,444	3,420,889
Non-current liabilities		
Long-term loans payable	1,361,838	1,224,900
Other	28,893	27,996
Total non-current liabilities	1,390,731	1,252,896
Total liabilities	4,442,175	4,673,786
Net assets		
Shareholders' equity		
Capital stock	495,875	495,875
Capital surplus	400,875	400,875
Retained earnings	6,619,653	6,394,929
Treasury shares	(826,588)	(1,021,843)
Total shareholders' equity	6,689,814	6,269,836
Share acquisition rights	5,160	5,160
Total net assets	6,694,974	6,274,996
Total liabilities and net assets	11,137,150	10,948,782

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	2,085,368	2,090,311
Cost of sales	983,163	1,073,370
Gross profit	1,102,205	1,016,941
Selling, general and administrative expenses	684,390	667,030
Operating profit	417,814	349,910
Non-operating income		
Interest income	32	24
Dividend income	112	–
Gain on forfeiture of unclaimed dividends	544	277
Compensation income	21	1,236
Other	372	569
Total non-operating income	1,084	2,108
Non-operating expenses		
Interest expenses	819	1,101
Other	0	195
Total non-operating expenses	819	1,296
Ordinary profit	418,080	350,722
Extraordinary losses		
Loss on retirement of non-current assets	330	697
Expenses related to 50th-anniversary commemorative events	85,145	–
Total extraordinary losses	85,475	697
Profit before income taxes	332,604	350,024
Income taxes	96,210	94,321
Profit	236,394	255,703