

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

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 20, 2024
 Scheduled date to file Securities Report: June 20, 2024
 Scheduled date to commence dividend payments: June 3, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of 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 year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	9,750	6.7	1,442	36.8	1,450	37.6	988	38.8
Year ended March 31, 2023	9,137	7.0	1,054	(8.4)	1,053	(8.6)	712	(14.3)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	34.41	–	14.6	13.2	14.8
Year ended March 31, 2023	24.79	–	10.9	9.6	11.5

(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, 2024	11,006	7,022	63.5	243.32
As of March 31, 2023	11,013	6,597	59.7	228.91

(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, 2024	1,555	(168)	(1,163)	2,739
Year ended March 31, 2023	989	(210)	(781)	2,516

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			
Year ended March 31, 2023	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	9.00	–	11.00	20.00	574	80.7	8.8
Year ended March 31, 2024	–	9.00	–	12.00	21.00	603	61.0	8.9
Year ending March 31, 2025 (Forecast)	–	9.00	–	13.00	22.00		61.4	

3. Forecast of non-consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	4,950	2.6	700	(6.1)	700	(6.7)	480	(10.7)	16.71
Full year	10,100	3.6	1,500	4.0	1,500	3.4	1,030	4.2	35.85

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, 2024	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 March 31, 2024	3,111,563 shares	As of March 31, 2023	3,111,561 shares
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Average number of shares during the period

Year ended March 31, 2024	28,728,439 shares	Year ended March 31, 2023	28,728,440 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	2,516,212	2,739,141
Notes receivable - trade	102,763	68,087
Electronically recorded monetary claims - operating	1,229,646	1,272,477
Accounts receivable - trade	1,198,117	1,139,185
Finished goods	1,004,266	916,374
Work in process	88,420	80,436
Raw materials	422,011	441,237
Prepaid expenses	18,958	24,575
Other	58,259	49,516
Allowance for doubtful accounts	(94)	(93)
Total current assets	6,638,560	6,730,938
Non-current assets		
Property, plant and equipment		
Buildings, net	1,861,600	1,784,269
Structures, net	1,020	659
Machinery and equipment, net	163,717	192,773
Vehicles, net	1,882	1,310
Tools, furniture and fixtures, net	95,780	119,211
Land	1,703,670	1,703,670
Leased assets, net	23,394	14,431
Construction in progress	219,171	170,210
Total property, plant and equipment	4,070,238	3,986,537
Intangible assets		
Software	4,303	8,386
Telephone subscription right	5,103	5,103
Total intangible assets	9,406	13,489
Investments and other assets		
Investments in capital	10	10
Long-term prepaid expenses	1,871	7,070
Deferred tax assets	230,596	205,587
Guarantee deposits	52,323	52,287
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)
Total investments and other assets	295,198	275,352
Total non-current assets	4,374,843	4,275,379
Total assets	11,013,404	11,006,318

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	7,580	2,645
Electronically recorded obligations - operating	588,016	601,186
Accounts payable - trade	521,621	462,979
Short-term borrowings	1,000,000	1,080,000
Current portion of long-term borrowings	659,972	389,972
Accounts payable - other	141,902	313,219
Lease liabilities	9,875	8,238
Accrued expenses	70,312	65,426
Income taxes payable	242,047	252,070
Accrued consumption taxes	44,405	106,170
Deposits received	11,697	10,056
Notes payable - facilities	20,293	7,986
Electronically recorded obligations - facilities	38,292	26,037
Other	13,448	13,941
Total current liabilities	3,369,464	3,339,930
Non-current liabilities		
Long-term borrowings	1,013,395	623,423
Lease liabilities	16,266	8,028
Long-term guarantee deposits	14,624	9,955
Other	2,507	2,507
Total non-current liabilities	1,046,792	643,914
Total liabilities	4,416,257	3,983,844
Net assets		
Shareholders' equity		
Share capital	495,875	495,875
Capital surplus		
Legal capital surplus	400,875	400,875
Total capital surplus	400,875	400,875
Retained earnings		
Legal retained earnings	23,750	23,750
Other retained earnings		
General reserve	690,000	690,000
Retained earnings brought forward	6,792,339	7,206,373
Total retained earnings	7,506,089	7,920,123
Treasury shares	(1,826,583)	(1,826,584)
Total shareholders' equity	6,576,256	6,990,288
Share acquisition rights	20,890	32,185
Total net assets	6,597,146	7,022,474
Total liabilities and net assets	11,013,404	11,006,318

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	9,137,102	9,750,166
Cost of sales		
Beginning finished goods inventory	973,067	1,004,266
Cost of products manufactured	5,532,957	5,530,879
Cost of purchased goods	157,585	193,548
Cost of construction by the outside order	8,000	9,833
Total	6,671,610	6,738,527
Transfer to other account	60,402	53,971
Ending finished goods inventory	1,004,266	916,374
Total cost of sales	5,606,941	5,768,181
Gross profit	3,530,161	3,981,984
Selling, general and administrative expenses	2,475,701	2,539,343
Operating profit	1,054,459	1,442,640
Non-operating income		
Interest income	0	0
Commission income	357	1,036
Compensation income	672	3,965
Foreign exchange gains	464	2,908
Gain on forfeiture of unclaimed dividends	471	628
Gain on sale of scraps	–	2,355
Miscellaneous income	1,222	1,289
Total non-operating income	3,190	12,185
Non-operating expenses		
Interest expenses	3,965	4,825
Other	48	0
Total non-operating expenses	4,013	4,825
Ordinary profit	1,053,635	1,450,000
Extraordinary losses		
Loss on retirement of non-current assets	28,609	5,505
Loss on cancellation of leases	–	8,035
Total extraordinary losses	28,609	13,540
Profit before income taxes	1,025,025	1,436,459
Income taxes - current	383,109	422,848
Income taxes - deferred	(70,146)	25,008
Total income taxes	312,962	447,857
Profit	712,062	988,602

Non-consolidated statements of changes in equity

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

Fiscal year ended March 31, 2024

(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	6,792,339	7,506,089
Changes during period							
Dividends of surplus						(574,568)	(574,568)
Profit						988,602	988,602
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	414,033	414,033
Balance at end of period	495,875	400,875	400,875	23,750	690,000	7,206,373	7,920,123

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(1,826,583)	6,576,256	20,890	6,597,146
Changes during period				
Dividends of surplus		(574,568)		(574,568)
Profit		988,602		988,602
Purchase of treasury shares	(1)	(1)		(1)
Net changes in items other than shareholders' equity			11,295	11,295
Total changes during period	(1)	414,032	11,295	425,327
Balance at end of period	(1,826,584)	6,990,288	32,185	7,022,474

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,025,025	1,436,459
Depreciation	267,295	214,276
Share-based payment expenses	13,521	11,295
Increase (decrease) in allowance for doubtful accounts	3	(1)
Interest and dividend income	(0)	(0)
Interest expenses	3,965	4,825
Decrease (increase) in trade receivables	(99,151)	50,777
Decrease (increase) in inventories	29,839	76,649
Increase (decrease) in trade payables	113,308	(50,405)
Loss on retirement of non-current assets	28,609	5,505
Loss on cancellation of leases	–	8,035
Decrease (increase) in accounts receivable - other	(9,714)	(1,786)
Increase (decrease) in accounts payable - other	240	175,627
Increase (decrease) in accrued expenses	(586)	(4,889)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(31,776)	61,765
Other, net	31,810	10,907
Subtotal	1,372,392	1,999,041
Interest and dividends received	0	0
Interest paid	(3,762)	(4,903)
Income taxes paid	(379,472)	(438,637)
Net cash provided by (used in) operating activities	989,156	1,555,500
Cash flows from investing activities		
Purchase of property, plant and equipment	(197,949)	(161,900)
Purchase of intangible assets	(1,100)	(6,903)
Payments of guarantee deposits	(12,065)	(338)
Proceeds from refund of guarantee deposits	588	374
Net cash provided by (used in) investing activities	(210,526)	(168,767)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	80,000
Proceeds from long-term borrowings	400,000	–
Repayments of long-term borrowings	(604,492)	(659,972)
Purchase of treasury shares	(0)	(1)
Dividends paid	(565,320)	(573,955)
Repayments of lease liabilities	(11,194)	(9,875)
Net cash provided by (used in) financing activities	(781,007)	(1,163,804)
Net increase (decrease) in cash and cash equivalents	(2,377)	222,929
Cash and cash equivalents at beginning of period	2,518,589	2,516,212
Cash and cash equivalents at end of period	2,516,212	2,739,141