

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 31, 2024

Company name: DAIKEN MEDICAL CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 7775 URL <https://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 Semi-annual Securities Report: November 1, 2024
 Scheduled date to commence dividend payments: December 2, 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	4,914	1.9	836	12.3	836	11.5	608	13.2
Six months ended September 30, 2023	4,824	8.3	745	23.2	750	24.0	537	25.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	21.19		-	
Six months ended September 30, 2023	18.72		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2024	11,388		7,286		63.7	
As of March 31, 2024	11,006		7,022		63.5	

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, 2024	-	9.00	-	12.00	21.00
Year ending March 31, 2025	-	9.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	13.00	22.00

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
Full year	10,100	3.6	1,500	4.0	1,500	3.4	1,030	4.2	35.85

4. Notes

(1) Application of special accounting methods for preparing Semi-annual 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, 2024	31,840,000 shares	As of March 31, 2024	31,840,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	3,111,563 shares	As of March 31, 2024	3,111,563 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, 2024	28,728,437 shares	Six months ended September 30, 2023	28,728,439 shares
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Semi-annual non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	2,739,141	3,156,773
Notes and accounts receivable - trade	1,207,272	1,210,049
Electronically recorded monetary claims - operating	1,272,477	1,291,344
Finished goods	916,374	880,210
Work in process	80,436	97,070
Raw materials	441,237	404,559
Other	74,092	112,458
Allowance for doubtful accounts	(93)	(93)
Total current assets	6,730,938	7,152,372
Non-current assets		
Property, plant and equipment		
Buildings, net	1,784,269	1,741,298
Land	1,703,670	1,703,670
Other, net	498,596	503,508
Total property, plant and equipment	3,986,537	3,948,477
Intangible assets	13,489	13,061
Investments and other assets		
Deferred tax assets	205,587	205,587
Other	94,415	93,624
Allowance for doubtful accounts	(24,650)	(24,650)
Total investments and other assets	275,352	274,561
Total non-current assets	4,275,379	4,236,100
Total assets	11,006,318	11,388,472

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	473,611	461,316
Electronically recorded obligations - operating	627,224	579,432
Short-term borrowings	1,080,000	920,000
Current portion of long-term borrowings	389,972	489,972
Income taxes payable	252,070	250,119
Accrued expenses	65,426	68,267
Other	451,625	261,312
Total current liabilities	3,339,930	3,030,420
Non-current liabilities		
Long-term borrowings	623,423	1,053,437
Other	20,491	18,256
Total non-current liabilities	643,914	1,071,693
Total liabilities	3,983,844	4,102,114
Net assets		
Shareholders' equity		
Share capital	495,875	495,875
Capital surplus	400,875	400,875
Retained earnings	7,920,123	8,184,209
Treasury shares	(1,826,584)	(1,826,584)
Total shareholders' equity	6,990,288	7,254,375
Share acquisition rights	32,185	31,983
Total net assets	7,022,474	7,286,358
Total liabilities and net assets	11,006,318	11,388,472

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	4,824,637	4,914,159
Cost of sales	2,831,332	2,836,242
Gross profit	1,993,304	2,077,917
Selling, general and administrative expenses	1,247,989	1,241,221
Operating profit	745,314	836,696
Non-operating income		
Interest income	0	0
Commission income	518	543
Compensation income	1,664	440
Insurance claim income	–	1,818
Foreign exchange gains	2,234	–
Gain on forfeiture of unclaimed dividends	307	481
Gain on sale of scraps	2,188	315
Miscellaneous income	391	278
Total non-operating income	7,305	3,878
Non-operating expenses		
Interest expenses	2,407	3,431
Other	0	799
Total non-operating expenses	2,407	4,231
Ordinary profit	750,213	836,343
Extraordinary income		
Gain on reversal of share acquisition rights	–	202
Total extraordinary income	–	202
Extraordinary losses		
Loss on retirement of non-current assets	57	97
Total extraordinary losses	57	97
Profit before income taxes	750,156	836,448
Income taxes	212,480	227,621
Profit	537,676	608,827

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	750,156	836,448
Depreciation	104,185	113,443
Share-based payment expenses	5,505	–
Interest and dividend income	(0)	(0)
Gain on reversal of share acquisition rights	–	(202)
Interest expenses	2,407	3,431
Decrease (increase) in trade receivables	(53,463)	(21,644)
Decrease (increase) in inventories	(63,245)	56,207
Increase (decrease) in trade payables	18,173	(40,748)
Loss on retirement of non-current assets	57	97
Decrease (increase) in accounts receivable - other	5,538	(6,217)
Increase (decrease) in accounts payable - other	47,331	(164,127)
Increase (decrease) in accrued expenses	3,260	2,845
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	24,725	(43,062)
Other, net	(42,339)	(26,504)
Subtotal	802,293	709,967
Interest and dividends received	0	0
Interest paid	(2,488)	(4,193)
Income taxes paid	(197,086)	(232,297)
Net cash provided by (used in) operating activities	602,718	473,476
Cash flows from investing activities		
Purchase of property, plant and equipment	(110,958)	(74,882)
Purchase of intangible assets	–	(1,199)
Payments of guarantee deposits	(180)	(128)
Proceeds from refund of guarantee deposits	196	175
Net cash provided by (used in) investing activities	(110,942)	(76,035)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	750,000
Repayments of long-term borrowings	(229,986)	(219,986)
Dividends paid	(315,557)	(344,886)
Net increase (decrease) in short-term borrowings	200,000	(160,000)
Repayments of lease liabilities	(4,937)	(4,937)
Net cash provided by (used in) financing activities	(350,481)	20,189
Net increase (decrease) in cash and cash equivalents	141,294	417,631
Cash and cash equivalents at beginning of period	2,516,212	2,739,141
Cash and cash equivalents at end of period	2,657,507	3,156,773