

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 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: February 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	6,490	(1.9)	1,102	(13.8)	1,098	(14.0)	773	(5.2)
Nine months ended December 31, 2017	6,617	4.0	1,278	(5.4)	1,278	(5.6)	815	(17.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	26.22		–	
Nine months ended December 31, 2017	27.25		27.23	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	10,807	5,743	53.1
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	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	9.00	–	16.00	25.00
Year ending March 31, 2019	–	10.00	–		
Year ending March 31, 2019 (Forecast)				10.00	20.00

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
Full year	8,400	(2.2)	1,250	(17.0)	1,250	(16.9)	850	(16.0)	28.81

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 December 31, 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 December 31, 2018	3,032,959 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)

Nine months ended December 31, 2018	29,502,358 shares	Nine months ended December 31, 2017	29,930,277 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	2,368,211	1,702,867
Notes and accounts receivable - trade	2,749,827	2,825,741
Finished goods	742,539	979,125
Work in process	77,225	105,905
Raw materials	410,395	435,722
Other	49,566	124,994
Allowance for doubtful accounts	(184)	(184)
Total current assets	6,397,581	6,174,173
Non-current assets		
Property, plant and equipment		
Buildings, net	2,236,975	2,200,533
Land	1,703,670	1,703,670
Other, net	453,439	398,892
Total property, plant and equipment	4,394,085	4,303,096
Intangible assets	45,961	35,589
Investments and other assets		
Deferred tax assets	191,113	191,113
Other	137,460	132,279
Allowance for doubtful accounts	(29,050)	(29,050)
Total investments and other assets	299,522	294,342
Total non-current assets	4,739,569	4,633,027
Total assets	11,137,150	10,807,201

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	963,255	990,447
Short-term loans payable	500,000	1,100,000
Current portion of long-term loans payable	547,752	697,752
Income taxes payable	181,886	117,522
Accrued expenses	452,643	472,852
Provision for bonuses	–	9,269
Other	405,907	279,221
Total current liabilities	3,051,444	3,667,064
Non-current liabilities		
Long-term loans payable	1,361,838	1,357,274
Other	28,893	39,136
Total non-current liabilities	1,390,731	1,396,410
Total liabilities	4,442,175	5,063,474
Net assets		
Shareholders' equity		
Capital stock	495,875	495,875
Capital surplus	400,875	400,875
Retained earnings	6,619,653	6,619,746
Treasury shares	(826,588)	(1,777,929)
Total shareholders' equity	6,689,814	5,738,566
Share acquisition rights	5,160	5,160
Total net assets	6,694,974	5,743,726
Total liabilities and net assets	11,137,150	10,807,201

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	6,617,857	6,490,975
Cost of sales	3,307,870	3,383,056
Gross profit	3,309,986	3,107,919
Selling, general and administrative expenses	2,031,377	2,005,146
Operating profit	1,278,608	1,102,772
Non-operating income		
Interest income	97	24
Dividend income	112	–
Gain on forfeiture of unclaimed dividends	827	425
Compensation income	569	2,459
Subsidy income	–	400
Foreign exchange gains	989	237
Other	637	1,035
Total non-operating income	3,234	4,583
Non-operating expenses		
Interest expenses	3,200	3,521
Commission fee	200	4,834
Other	87	–
Total non-operating expenses	3,487	8,356
Ordinary profit	1,278,355	1,098,999
Extraordinary income		
Reversal of allowance for doubtful accounts	2,450	–
Gain on sales of investment securities	2,551	–
Total extraordinary income	5,001	–
Extraordinary losses		
Loss on retirement of non-current assets	60,544	40,058
Expenses related to 50th-anniversary commemorative events	85,145	–
Total extraordinary losses	145,690	40,058
Profit before income taxes	1,137,667	1,058,941
Income taxes	321,933	285,333
Profit	815,734	773,608