

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 2021

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 of ordinary general meeting of shareholders: June 21, 2021
 Scheduled date to file Securities Report: June 21, 2021
 Scheduled date to commence dividend payments: June 7, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	7,861	(7.8)	921	(22.9)	957	(20.9)	675	(21.4)
Year ended March 31, 2020	8,523	1.4	1,194	(4.4)	1,210	(2.9)	859	0.9

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	23.50	–	11.0	8.8	11.7
Year ended March 31, 2020	29.92	–	14.5	11.0	14.0

(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, 2021	10,752	6,182	57.5	215.20
As of March 31, 2020	10,997	6,081	55.3	211.69

(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, 2021	609	(311)	(492)	2,170
Year ended March 31, 2020	1,436	(160)	(1,128)	2,365

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	9.00	–	11.00	20.00	574	66.8	9.7
Year ended March 31, 2021	–	9.00	–	11.00	20.00	574	85.1	9.4
Year ending March 31, 2022 (Forecast)	–	9.00	–	11.00	20.00		68.4	

3. Forecast of non-consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	4,350	15.3	510	12.7	510	4.3	360	2.7	12.53
Full year	9,000	14.5	1,200	30.3	1,200	25.4	840	24.4	29.24

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, 2021	∴	31,840,000 shares	As of March 31, 2020	∴	31,840,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	∴	3,111,559 shares	As of March 31, 2020	∴	3,111,559 shares
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Average number of shares during the period

Year ended March 31, 2021	∴	28,728,441 shares	Year ended March 31, 2020	∴	28,728,441 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	2,365,400	2,170,643
Notes receivable - trade	406,861	207,599
Electronically recorded monetary claims - operating	821,808	989,922
Accounts receivable - trade	1,497,712	1,390,157
Finished goods	770,451	891,412
Work in process	67,009	86,665
Raw materials	335,991	443,833
Prepaid expenses	18,237	23,090
Other	121,038	69,312
Allowance for doubtful accounts	(92)	(87)
Total current assets	6,404,420	6,272,550
Non-current assets		
Property, plant and equipment		
Buildings, net	2,104,782	2,019,367
Structures, net	2,105	1,744
Machinery and equipment, net	79,598	183,881
Vehicles, net	163	32
Tools, furniture and fixtures, net	121,426	240,247
Land	1,703,670	1,703,670
Leased assets, net	30,983	36,804
Construction in progress	258,197	39,343
Total property, plant and equipment	4,300,929	4,225,091
Intangible assets		
Software	22,510	16,620
Software in progress	1,700	–
Telephone subscription right	5,103	5,103
Total intangible assets	29,313	21,723
Investments and other assets		
Investments in capital	10	10
Long-term prepaid expenses	4,325	2,954
Deferred tax assets	194,818	166,802
Guarantee deposits	53,532	53,391
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	263,083	233,555
Total non-current assets	4,593,325	4,480,370
Total assets	10,997,746	10,752,921

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes payable - trade	554,793	405,109
Electronically recorded obligations - operating	–	141,364
Accounts payable - trade	411,674	411,252
Short-term borrowings	800,000	1,000,000
Current portion of long-term borrowings	898,032	704,034
Accounts payable - other	234,311	140,220
Lease obligations	8,992	11,875
Accrued expenses	445,687	179,500
Income taxes payable	180,854	111,074
Accrued consumption taxes	90,789	8,089
Deposits received	12,337	12,178
Notes payable - facilities	95,405	32,826
Electronically recorded obligations-facilities	–	561
Provision for Sales allowance	–	179,346
Asset retirement obligations	–	6,738
Other	49,796	2,844
Total current liabilities	3,782,673	3,347,018
Non-current liabilities		
Long-term borrowings	1,091,892	1,177,859
Lease obligations	24,713	28,894
Long-term guarantee deposits	14,066	14,085
Other	2,789	2,789
Total non-current liabilities	1,133,460	1,223,627
Total liabilities	4,916,133	4,570,645
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	6,297,694	6,398,357
Total retained earnings	7,011,444	7,112,107
Treasury shares	(1,826,582)	(1,826,582)
Total shareholders' equity	6,081,612	6,182,275
Total net assets	6,081,612	6,182,275
Total liabilities and net assets	10,997,746	10,752,921

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	8,523,354	7,861,969
Cost of sales		
Beginning finished goods inventory	992,486	770,451
Cost of products manufactured	4,682,462	4,684,874
Cost of purchased goods	57,083	27,796
Cost of construction by the outside order	7,090	7,736
Total	5,739,123	5,490,859
Transfer to other account	179,000	96,612
Ending finished goods inventory	770,451	891,412
Total cost of sales	4,789,671	4,502,833
Gross profit	3,733,682	3,359,135
Selling, general and administrative expenses	2,539,277	2,437,919
Operating profit	1,194,405	921,216
Non-operating income		
Interest income	0	0
Compensation income	1,507	843
Subsidy income	16,459	36,072
Other	2,369	2,907
Total non-operating income	20,336	39,822
Non-operating expenses		
Interest expenses	4,551	3,807
Other	82	6
Total non-operating expenses	4,633	3,813
Ordinary profit	1,210,107	957,225
Extraordinary losses		
Loss on retirement of non-current assets	18,997	707
Office transfer related cost	–	11,767
Total extraordinary losses	18,997	12,474
Profit before income taxes	1,191,110	944,750
Income taxes - current	322,040	241,502
Income taxes - deferred	9,523	28,016
Total income taxes	331,563	269,518
Profit	859,547	675,231

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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	5,983,988	6,697,738
Changes during period							
Dividends of surplus						(545,840)	(545,840)
Profit						859,547	859,547
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	313,706	313,706
Balance at end of period	495,875	400,875	400,875	23,750	690,000	6,297,694	7,011,444

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of period	(1,826,582)	5,767,905	5,767,905
Changes during period			
Dividends of surplus		(545,840)	(545,840)
Profit		859,547	859,547
Net changes in items other than shareholders' equity			–
Total changes during period	–	313,706	313,706
Balance at end of period	(1,826,582)	6,081,612	6,081,612

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			
		Legal capital surplus	Total capital surplus		General reserve	Other retained earnings		Total retained earnings
						Retained earnings brought forward		
Balance at beginning of period	495,875	400,875	400,875	23,750	690,000	6,297,694	7,011,444	
Changes during period								
Dividends of surplus						(574,568)	(574,568)	
Profit						675,231	675,231	
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	100,663	100,663	
Balance at end of period	495,875	400,875	400,875	23,750	690,000	6,398,357	7,112,107	

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of period	(1,826,582)	6,081,612	6,081,612
Changes during period			
Dividends of surplus		(574,568)	(574,568)
Profit		675,231	675,231
Net changes in items other than shareholders' equity			-
Total changes during period	-	100,663	100,663
Balance at end of period	(1,826,582)	6,182,275	6,182,275

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,191,110	944,750
Depreciation	253,178	256,517
Increase (decrease) in allowance for doubtful accounts	6	(5)
Increase (decrease) in provision for sales allowance	–	179,346
Interest and dividend income	(0)	(0)
Interest expenses	4,551	3,807
Decrease (increase) in trade receivables	(132,243)	138,703
Decrease (increase) in inventories	326,411	(248,458)
Increase (decrease) in trade payables	129,657	(8,740)
Office transfer related cost	–	11,767
Loss on retirement of non-current assets	18,997	707
Subsidy income	(16,459)	(36,072)
Decrease (increase) in accounts receivable - other	(51,102)	31,808
Increase (decrease) in accounts payable - other	(62,039)	7,389
Increase (decrease) in accrued expenses	(692)	(266,186)
Decrease/increase in consumption taxes receivable/payable	78,733	(82,700)
Other, net	(54,075)	6,228
Subtotal	1,686,034	938,862
Interest and dividends received	0	0
Interest paid	(4,558)	(3,692)
Income taxes paid	(288,316)	(325,998)
Subsidies received	43,745	–
Net cash provided by (used in) operating activities	1,436,905	609,170
Cash flows from investing activities		
Purchase of property, plant and equipment	(162,262)	(308,098)
Purchase of intangible assets	(6,900)	(3,949)
Payments of guarantee deposits	–	(733)
Proceeds from refund of guarantee deposits	44,467	874
Payments for asset retirement obligations	(35,800)	–
Other, net	(269)	–
Net cash provided by (used in) investing activities	(160,764)	(311,906)
Cash flows from financing activities		
Proceeds from long-term borrowings	600,000	800,000
Repayments of long-term borrowings	(873,998)	(908,031)
Dividends paid	(546,127)	(574,884)
Net increase (decrease) in short-term borrowings	(300,000)	200,000
Repayments of lease obligations	(8,220)	(9,105)
Net cash provided by (used in) financing activities	(1,128,346)	(492,021)
Net increase (decrease) in cash and cash equivalents	147,795	(194,757)
Cash and cash equivalents at beginning of period	2,217,605	2,365,400
Cash and cash equivalents at end of period	2,365,400	2,170,643