

Translation

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**Summary of Non-Consolidated Financial Results  
for the Three Months Ended June 30, 2017  
(Based on Japanese GAAP)**

July 31, 2017

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, 2017  
 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, 2017 (from April 1, 2017 to June 30, 2017)

(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, 2017	2,085	2.7	417	5.2	418	5.0	236	(19.8)
Three months ended June 30, 2016	2,031	3.4	397	(3.0)	398	(4.8)	294	1.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	7.88		7.87	
Three months ended June 30, 2016	9.83		9.82	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	10,950	6,976	63.7
As of March 31, 2017	11,007	7,279	66.1

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, 2017	–	7.00	–	18.00	25.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	9.00	–	12.00	21.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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, 2017	4,250	1.7	710	(16.8)	710	(16.9)	420	(33.0)	14.00
Full year	8,600	2.4	1,550	(9.4)	1,550	(9.6)	1,030	(17.3)	34.34

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, 2017	∴	31,840,000 shares	As of March 31, 2017	∴	31,840,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	∴	1,849,257 shares	As of March 31, 2017	∴	1,849,257 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, 2017	∴	29,990,743 shares	Three months ended June 30, 2016	∴	29,990,743 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	2,319,545	2,243,791
Notes and accounts receivable - trade	2,725,996	2,672,622
Finished goods	674,924	757,401
Work in process	46,185	52,835
Raw materials	266,240	279,147
Deferred tax assets	135,011	135,011
Other	122,276	71,927
Allowance for doubtful accounts	(91)	(91)
Total current assets	6,290,088	6,212,645
Non-current assets		
Property, plant and equipment		
Buildings, net	718,411	712,450
Land	1,703,670	1,703,670
Construction in progress	1,866,226	1,901,625
Other, net	217,578	205,430
Total property, plant and equipment	4,505,887	4,523,177
Intangible assets	61,805	57,031
Investments and other assets		
Investment securities	7,576	7,945
Deferred tax assets	30,037	29,916
Other	143,913	151,183
Allowance for doubtful accounts	(31,748)	(31,500)
Total investments and other assets	149,778	157,545
Total non-current assets	4,717,472	4,737,754
Total assets	11,007,560	10,950,399

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	852,918	955,401
Notes payable - facilities	25,415	489,301
Short-term loans payable	450,000	750,000
Current portion of long-term loans payable	439,952	439,952
Income taxes payable	201,971	107,392
Accrued expenses	394,251	442,747
Provision for bonuses	–	11,539
Other	837,980	312,709
Total current liabilities	3,202,489	3,509,044
Non-current liabilities		
Long-term loans payable	500,140	440,152
Other	25,386	24,849
Total non-current liabilities	525,526	465,001
Total liabilities	3,728,016	3,974,045
<b>Net assets</b>		
Shareholders' equity		
Capital stock	495,875	495,875
Capital surplus	505,204	505,204
Retained earnings	6,781,789	6,478,350
Treasury shares	(510,004)	(510,004)
Total shareholders' equity	7,272,864	6,969,424
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,520	1,769
Total valuation and translation adjustments	1,520	1,769
Subscription rights to shares	5,160	5,160
Total net assets	7,279,544	6,976,353
Total liabilities and net assets	11,007,560	10,950,399

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	2,031,221	2,085,368
Cost of sales	970,022	983,163
Gross profit	1,061,199	1,102,205
Selling, general and administrative expenses	663,925	684,390
Operating profit	397,274	417,814
Non-operating income		
Interest income	35	32
Dividend income	104	112
Gain on forfeiture of unclaimed dividends	749	544
Compensation income	287	21
Reversal of allowance for doubtful accounts	650	–
Other	405	372
Total non-operating income	2,232	1,084
Non-operating expenses		
Interest expenses	1,127	819
Other	89	0
Total non-operating expenses	1,217	819
Ordinary profit	398,289	418,080
Extraordinary income		
Gain on sales of golf memberships	1,650	–
Total extraordinary income	1,650	–
Extraordinary losses		
Loss on retirement of non-current assets	212	330
Expenses related to 50th-anniversary commemorative events	–	85,145
Total extraordinary losses	212	85,475
Profit before income taxes	399,726	332,604
Income taxes	104,799	96,210
Profit	294,927	236,394