

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 31, 2020

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 3, 2020
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	6,500	0.1	958	(13.1)	973	(11.4)	694	(10.2)
Nine months ended December 31, 2018	6,490	(1.9)	1,102	(13.8)	1,098	(14.0)	773	(5.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	24.17		–	
Nine months ended December 31, 2018	26.22		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	11,252	5,916	52.6
As of March 31, 2019	10,970	5,767	52.6

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, 2019	–	10.00	–	10.00	20.00
Year ending March 31, 2020	–	9.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	11.00	20.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	8,500	1.1	1,230	(1.6)	1,250	0.3	860	1.0	29.94

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, 2019	∴	31,840,000 shares	As of March 31, 2019	∴	31,840,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	∴	3,111,559 shares	As of March 31, 2019	∴	3,111,559 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, 2019	∴	28,728,441 shares	Nine months ended December 31, 2018	∴	29,502,358 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	2,217,605	2,360,770
Notes and accounts receivable - trade	2,594,139	2,149,160
Electronically recorded monetary claims - operating	–	778,499
Finished goods	992,486	790,260
Work in process	101,724	99,119
Raw materials	405,653	380,999
Other	34,524	141,179
Allowance for doubtful accounts	(86)	(86)
Total current assets	6,346,047	6,699,902
Non-current assets		
Property, plant and equipment		
Buildings, net	2,168,485	2,127,377
Land	1,703,670	1,703,670
Other, net	403,477	421,803
Total property, plant and equipment	4,275,633	4,252,851
Intangible assets	32,205	27,148
Investments and other assets		
Deferred tax assets	204,341	204,341
Other	141,793	97,691
Allowance for doubtful accounts	(29,050)	(29,050)
Total investments and other assets	317,083	272,982
Total non-current assets	4,624,922	4,552,982
Total assets	10,970,969	11,252,885

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	895,902	978,267
Short-term borrowings	1,100,000	1,000,000
Current portion of long-term borrowings	803,998	958,020
Income taxes payable	146,665	132,782
Accrued expenses	446,381	567,661
Other	312,621	388,339
Total current liabilities	<u>3,705,570</u>	<u>4,025,071</u>
Non-current liabilities		
Long-term borrowings	1,459,924	1,267,591
Other	37,569	43,796
Total non-current liabilities	<u>1,497,493</u>	<u>1,311,387</u>
Total liabilities	<u>5,203,063</u>	<u>5,336,459</u>
Net assets		
Shareholders' equity		
Share capital	495,875	495,875
Capital surplus	400,875	400,875
Retained earnings	6,697,738	6,846,258
Treasury shares	(1,826,582)	(1,826,582)
Total shareholders' equity	<u>5,767,905</u>	<u>5,916,426</u>
Total net assets	<u>5,767,905</u>	<u>5,916,426</u>
Total liabilities and net assets	<u>10,970,969</u>	<u>11,252,885</u>

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	6,490,975	6,500,200
Cost of sales	3,383,056	3,615,174
Gross profit	3,107,919	2,885,026
Selling, general and administrative expenses	2,005,146	1,926,787
Operating profit	1,102,772	958,239
Non-operating income		
Interest income	24	0
Gain on forfeiture of unclaimed dividends	425	726
Compensation income	2,459	952
Subsidy income	400	15,781
Other	1,273	1,162
Total non-operating income	4,583	18,623
Non-operating expenses		
Interest expenses	3,521	3,519
Commission expenses	4,834	—
Total non-operating expenses	8,356	3,519
Ordinary profit	1,098,999	973,343
Extraordinary losses		
Loss on retirement of non-current assets	40,058	2,802
Total extraordinary losses	40,058	2,802
Profit before income taxes	1,058,941	970,540
Income taxes	285,333	276,180
Profit	773,608	694,360