

Translation

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## Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 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 to file Quarterly Securities Report: February 1, 2021  
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020 | 6,015           | (7.5) | 846              | (11.7) | 882             | (9.3)  | 632             | (8.9)  |
| Nine months ended December 31, 2019 | 6,500           | 0.1   | 958              | (13.1) | 973             | (11.4) | 694             | (10.2) |

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Nine months ended December 31, 2020 | 22.01              |  | –                          |  |
| Nine months ended December 31, 2019 | 24.17              |  | –                          |  |

(2) Non-consolidated financial position

|                         | Total assets    | Net assets      | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
|                         | Millions of yen | Millions of yen | %            |
| As of December 31, 2020 | 10,623          | 6,139           | 57.8         |
| As of March 31, 2020    | 10,997          | 6,081           | 55.3         |

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, 2020             | –                          | 9.00            | –               | 11.00           | 20.00 |
| Year ending March 31, 2021            | –                          | 9.00            | –               |                 |       |
| Year ending March 31, 2021 (Forecast) |                            |                 |                 | 11.00           | 20.00 |

3. Forecast of non-consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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 | 8,000           | (6.1) | 960              | (19.6) | 1,000           | (17.4) | 710             | (17.4) | 24.71              |

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, 2020 | 31,840,000 shares | As of March 31, 2020 | 31,840,000 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                         |                  |                      |                  |
|-------------------------|------------------|----------------------|------------------|
| As of December 31, 2020 | 3,111,559 shares | As of March 31, 2020 | 3,111,559 shares |
|-------------------------|------------------|----------------------|------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2020 | 28,728,441 shares | Nine months ended December 31, 2019 | 28,728,441 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

|                                                     | As of March 31, 2020 | As of December 31, 2020 |
|-----------------------------------------------------|----------------------|-------------------------|
| Assets                                              |                      |                         |
| Current assets                                      |                      |                         |
| Cash and deposits                                   | 2,365,400            | 1,987,470               |
| Notes and accounts receivable - trade               | 1,904,574            | 1,719,250               |
| Electronically recorded monetary claims - operating | 821,808              | 821,694                 |
| Finished goods                                      | 770,451              | 907,907                 |
| Work in process                                     | 67,009               | 76,797                  |
| Raw materials                                       | 335,991              | 407,363                 |
| Other                                               | 139,276              | 162,770                 |
| Allowance for doubtful accounts                     | (92)                 | (92)                    |
| Total current assets                                | 6,404,420            | 6,083,161               |
| Non-current assets                                  |                      |                         |
| Property, plant and equipment                       |                      |                         |
| Buildings, net                                      | 2,104,782            | 2,038,393               |
| Land                                                | 1,703,670            | 1,703,670               |
| Other, net                                          | 492,475              | 512,247                 |
| Total property, plant and equipment                 | 4,300,929            | 4,254,312               |
| Intangible assets                                   | 29,313               | 24,219                  |
| Investments and other assets                        |                      |                         |
| Deferred tax assets                                 | 194,818              | 194,818                 |
| Other                                               | 92,916               | 91,592                  |
| Allowance for doubtful accounts                     | (24,650)             | (24,650)                |
| Total investments and other assets                  | 263,083              | 261,759                 |
| Total non-current assets                            | 4,593,325            | 4,540,291               |
| Total assets                                        | 10,997,746           | 10,623,452              |

(Thousands of yen)

|                                         | As of March 31, 2020 | As of December 31, 2020 |
|-----------------------------------------|----------------------|-------------------------|
| Liabilities                             |                      |                         |
| Current liabilities                     |                      |                         |
| Notes and accounts payable - trade      | 1,061,873            | 893,737                 |
| Short-term borrowings                   | 800,000              | 1,500,000               |
| Current portion of long-term borrowings | 898,032              | 627,796                 |
| Income taxes payable                    | 180,854              | 117,700                 |
| Accrued expenses                        | 445,687              | 207,465                 |
| Other                                   | 396,226              | 249,036                 |
| Total current liabilities               | <u>3,782,673</u>     | <u>3,595,735</u>        |
| Non-current liabilities                 |                      |                         |
| Long-term borrowings                    | 1,091,892            | 839,795                 |
| Other                                   | 41,568               | 48,583                  |
| Total non-current liabilities           | <u>1,133,460</u>     | <u>888,378</u>          |
| Total liabilities                       | <u>4,916,133</u>     | <u>4,484,114</u>        |
| Net assets                              |                      |                         |
| Shareholders' equity                    |                      |                         |
| Share capital                           | 495,875              | 495,875                 |
| Capital surplus                         | 400,875              | 400,875                 |
| Retained earnings                       | 7,011,444            | 7,069,170               |
| Treasury shares                         | (1,826,582)          | (1,826,582)             |
| Total shareholders' equity              | <u>6,081,612</u>     | <u>6,139,337</u>        |
| Total net assets                        | <u>6,081,612</u>     | <u>6,139,337</u>        |
| Total liabilities and net assets        | <u>10,997,746</u>    | <u>10,623,452</u>       |

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

(Thousands of yen)

|                                              | Nine months ended<br>December 31, 2019 | Nine months ended<br>December 31, 2020 |
|----------------------------------------------|----------------------------------------|----------------------------------------|
| Net sales                                    | 6,500,200                              | 6,015,232                              |
| Cost of sales                                | 3,615,174                              | 3,321,998                              |
| Gross profit                                 | 2,885,026                              | 2,693,234                              |
| Selling, general and administrative expenses | 1,926,787                              | 1,846,676                              |
| Operating profit                             | 958,239                                | 846,557                                |
| Non-operating income                         |                                        |                                        |
| Interest income                              | 0                                      | 0                                      |
| Compensation income                          | 952                                    | 449                                    |
| Gain on forfeiture of unclaimed dividends    | 726                                    | 1,059                                  |
| Subsidy income                               | 15,781                                 | 36,072                                 |
| Other                                        | 1,162                                  | 1,311                                  |
| Total non-operating income                   | 18,623                                 | 38,893                                 |
| Non-operating expenses                       |                                        |                                        |
| Interest expenses                            | 3,519                                  | 2,802                                  |
| Total non-operating expenses                 | 3,519                                  | 2,802                                  |
| Ordinary profit                              | 973,343                                | 882,649                                |
| Extraordinary losses                         |                                        |                                        |
| Loss on retirement of non-current assets     | 2,802                                  | 4,009                                  |
| Total extraordinary losses                   | 2,802                                  | 4,009                                  |
| Profit before income taxes                   | 970,540                                | 878,639                                |
| Income taxes                                 | 276,180                                | 246,345                                |
| Profit                                       | 694,360                                | 632,294                                |