

Summary Report on Financial Results for the Third Quarter of the Year Ending March 31<sup>st</sup>, 2023  
(Japan GAAP)

January 31<sup>st</sup>, 2023  
Stock Listing: TSE-Standard Market

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Scheduled date for commencement of dividend payment: -  
Supplementary material development: None  
Financial results meeting: None

(Amounts less than one million yen are rounded down)  
(The number with parenthesis shows negative figure)

1. Consolidated financial results for the Third quarter of the year ending March 31<sup>st</sup>, 2023 (April 1<sup>st</sup>, 2022 through December 31<sup>st</sup>, 2022)

(1) Consolidated operating results (cumulative)

(% represents increases or decreases from the previous year)

	Net sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Third quarter of the year ending March 31 <sup>st</sup> , 2023	93,481	0.4	16,077	1.4	16,766	2.7	11,606	0.2
Third quarter of the year ended March 31 <sup>st</sup> , 2022	93,068	-	15,863	35.9	16,320	36.4	11,579	28.6

(Note) Comprehensive income

Third quarter of the year ending March 2023: 11,950 million yen / 1.5 %

Third quarter of the year ended March 2022: 11,773 million yen / 22.6 %

The “Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29, March 31<sup>st</sup>, 2020), etc. has been applied since the previous fiscal year. For this reason, the percentage of year-on-year change of “Net sales” for the third quarter of the fiscal year ended March 31<sup>st</sup>, 2022 is not indicated.

	Earnings per share	Diluted earnings per share
	yen	yen
Third quarter of the year ending March 31 <sup>st</sup> , 2023	383.71	—
Third quarter of the year ended March 31 <sup>st</sup> , 2022	382.89	—

Fukuda Denshi Co., Ltd. (hereinafter mentioned as "the Company") conducted a stock split at a ratio of two shares for one common share on effective date of December 1<sup>st</sup>, 2022. “Earnings per share” is calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Third quarter of the year ending March 31 <sup>st</sup> , 2023	195,205	156,556	80.2	5,175.68
Year ended March 31 <sup>st</sup> , 2022	195,495	149,857	76.7	4,954.70

(Reference) Shareholders' equity:

Third quarter of the year ending March 31<sup>st</sup>, 2023: 156,556 million yen

Fiscal year ended March 31<sup>st</sup>, 2022: 149,857 million yen

The Company conducted a stock split at a ratio of two shares for one common share on effective date of December 1<sup>st</sup>,2022. “Net assets per share” is calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

## 2. Dividends

	Annual Dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	End of the term	Annual
	yen	yen	yen	yen	yen
Year ended March 31 <sup>st</sup> , 2022	—	100.00	—	205.00	305.00
Year ending March 31 <sup>st</sup> , 2023	—	140.00	—		
Year ending March 31 <sup>st</sup> , 2023 (forecast)				70.00	—

(Note) Revisions to recent dividend forecast: None

The detail of second quarter dividend of Year ended March 31<sup>st</sup>, 2022; ordinary dividend 80.00 yen, extra dividend 20.00 yen

The detail of year-end dividend of Year ended March 31<sup>st</sup>, 2022; ordinary dividend 80.00 yen, extra dividend 125.00 yen

The detail of second quarter dividend of Year ending March 31<sup>st</sup>, 2023; ordinary dividend 110.00 yen, extra dividend 30.00 yen

The detail of year-end dividend of Year ending March 31<sup>st</sup>, 2023 (forecast); ordinary dividend 55.00 yen, extra dividend 15.00 yen

The Company conducted a stock split at a ratio of two shares for one common share on effective date of December 1<sup>st</sup>,2022. Regarding the year-end dividend per share for the fiscal year ending March 31<sup>st</sup>, 2023 (forecast), the amount after the stock split is stated, and the annual dividend is stated as "-".

## 3. Forecast of consolidated financial results for fiscal year ending March 31<sup>st</sup>, 2023 (April 1<sup>st</sup>, 2022 through March 31<sup>st</sup>, 2023)

(% represents increase or decrease from the previous year)

	Net sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	125,000	(5.4)	20,000	(11.9)	20,300	(13.3)	14,000	(13.7)	462.85

(Note) Revisions to recent business forecast: None

The Company conducted a stock split at a ratio of two shares for one common share on effective date of December 1<sup>st</sup>,2022. Regarding “Earnings per share”, the amount after the stock split is stated.

### \*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries involving changes in the scope of consolidation): None

(2) Application of special accounting methods for the preparation of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting projections and restatement

(i) Changes in accounting policies associated with revision of accounting standards: Yes

(ii) Changes other than (i) above: None

(iii) Changes in accounting projections: None

(iv) Restatement: None

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares at the end of the period (including treasury shares)

Third quarter of the year ending March 31<sup>st</sup>, 2023: 39,176,000 shares

Year ended March 31<sup>st</sup>, 2022: 39,176,000 shares

(ii) Number of shares of treasury shares at the end of the period:

Third quarter of the year ending March 31<sup>st</sup>, 2023: 8,927,472 shares

Year ended March 31<sup>st</sup>, 2022: 8,930,480 shares

(iii) Average number of shares during the period (accumulated consolidated quarter)

Third quarter of the year ending March 31<sup>st</sup>, 2023: 30,247,402 shares

Third quarter of the year ended March 31<sup>st</sup>, 2022: 30,242,557 shares

The Company conducted a stock split at a ratio of two shares for one common share on effective date of December 1<sup>st</sup>,2022. Therefore, “Number of outstanding shares at the end of the period”, “Number of shares of treasury shares at the end of the period”, and “Average number of shares during the period” shown above are calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

\* This summary is not subject to audit procedure.

\* Explanation about the appropriate use of the forecasts of financial results, and other noteworthy matters

The projections and other statements with respect to the future included in this material are based on currently available information and certain assumptions that are judged reasonable by Fukuda Denshi (hereinafter, “the Group”). Please be advised that the Group does not guarantee in any way the achievement of the projections and other goals in this material and that cases may occur where the actual results and other situations differ materially from the projections due to various factors. With respect to the preconditions for the forecast of financial results, please refer to “(3) Explanation about consolidated earnings forecast” under the “1. Qualitative information about consolidated earnings results for the quarter under review” section on page 5.

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## 1. Qualitative information about consolidated earnings results for the quarter under review

### (1) Explanation about consolidated operating results

The Japanese economy during the consolidated cumulative third quarter of this fiscal year (April 1<sup>st</sup>, 2022 through March 31<sup>st</sup>, 2023), has been in severe conditions due to the re-spread of COVID-19, the higher prices of resources affected by international situations, and the effects of foreign exchange rates. Also, the economic prospects remain uncertain for the time being and still seems to continue.

In the medical industry, it is now required to strengthen the efforts to COVID-19 pandemic and to construct an efficient framework to provide healthcare services reflecting the regional medical plan through the differentiation and strengthening of medical institutions' functions encouraging the regional healthcare network.

In such an environment, the Group posted consolidated "Net sales" of 93,481 million yen (up 0.4% year-on-year basis), "Operating profit" of 16,077 million yen (up 1.4% year-on-year basis), "Ordinary profit" of 16,766 million yen (up 2.7% year-on-year basis), and "Profit attributable to owners of parent" of 11,606 million yen (up 0.2% year-on-year basis) in the third quarter.

#### A. Physiological diagnostic equipment segment

The sales of electrocardiographs, vascular screening systems and blood cell counters increased. As a result, consolidated "Net sales" were 19,973 million yen (up 6.0% year-on-year basis).

#### B. Patient monitoring equipment segment

Consolidated "Net sales" of patient monitoring equipment were 7,490 million yen (down 19.0% year-on-year basis).

#### C. Medical treatment equipment segment

While the sales of AEDs and ventilators decreased, the business of renting medical equipment for home treatment increased.

As a result, consolidated "Net sales" were 40,534 million yen (up 0.3% year-on-year basis).

#### D. Consumables and other products segment

Consumables and other products segment includes the sales of recording paper, disposable electrodes, and consumables used for devices handled in the above segments, as well as maintenance and repair services.

Consolidated "Net sales" for this segment were 25,483 million yen (up 3.8% year-on-year basis).

### (2) Explanation about consolidated financial situation

"Total assets" decreased 290 million yen from the end of previous fiscal year to reach 195,205 million yen. The main factors are the decrease of 6,758 million yen in "Notes and accounts receivable - trade" despite the increase of 1,323 million yen in "Property, plant and equipment".

"Total liabilities" decreased 6,989 million yen from the end of the previous fiscal year to reach 38,648 million yen. The main factor is the decrease of 1,183 million yen in "Notes and accounts payable - trade" and 2,691 million yen in "Income taxes payable".

"Net assets" increased 6,699 million yen from the end of the previous fiscal year to reach 156,556 million yen. The main factor is the increase of 6,348 million yen in "Retained earnings".

### (3) Explanation about consolidated earnings forecast

Due to the steady sales achievement until the third quarter, there is no change at this moment in the forecast of the financial results for the full fiscal year announced on October 31<sup>st</sup>, 2022.

The forecasted financial results described in this material are based on information available at the time of announcement. Actual results may differ from the results projected and presented hereby for a variety of reasons.

2. Consolidated quarterly financial statements and Notes

(1) Consolidated quarterly balance sheets

	(Millions of yen)	
	Previous fiscal year (as of March 31 <sup>st</sup> , 2022)	End of the Third quarter under review (as of December 31 <sup>st</sup> , 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	64,057	63,320
Notes and accounts receivable - trade	36,543	29,784
Electronically recorded monetary claims - operating	2,908	3,325
Securities	497	-
Merchandise and finished goods	9,391	12,297
Work in process	205	350
Raw materials and supplies	3,940	6,255
Other	2,217	1,325
Allowance for doubtful accounts	(23)	(3)
Total current assets	119,736	116,655
Non-current assets		
Property, plant and equipment	45,264	46,588
Intangible assets	1,538	1,504
Investments and other assets		
Investment securities	9,671	10,537
Other	19,293	19,932
Allowance for doubtful accounts	(8)	(13)
Total investments and other assets	28,956	30,456
Total non-current assets	75,759	78,549
Total assets	195,495	195,205
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,501	14,318
Electronically recorded obligations - operating	6,648	5,627
Short-term borrowings	1,750	1,800
Income taxes payable	3,451	759
Provision for bonuses	3,439	1,520
Provision for product warranties	117	136
Other provisions	579	386
Other	7,339	7,233
Total current liabilities	38,829	31,783
Non-current liabilities		
Retirement benefit liability	3,137	3,189
Other provisions	752	717
Other	2,918	2,957
Total non-current liabilities	6,809	6,865
Total liabilities	45,638	38,648

	(Millions of yen)	
	Previous fiscal year (as of March 31 <sup>st</sup> , 2022)	End of the Third quarter under review (as of December 31 <sup>st</sup> , 2022)
Net assets		
Shareholders' equity		
Share capital	4,621	4,621
Capital surplus	21,841	21,839
Retained earnings	142,135	148,483
Treasury shares	(20,362)	(20,353)
Total shareholders' equity	148,236	154,591
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,836	1,939
Foreign currency translation adjustment	(11)	198
Remeasurements of defined benefit plans	(204)	(172)
Total accumulated other comprehensive income	1,621	1,965
Total net assets	149,857	156,556
Total liabilities and net assets	195,495	195,205

## (2) Consolidated quarterly income statements and consolidated quarterly comprehensive income statements

Consolidated quarterly income statements  
(Third quarter of the consolidated term)

	(Millions of yen)	
	Third quarter of the previous consolidated term (from April 1 <sup>st</sup> , 2021 to December 31 <sup>st</sup> , 2021)	Third quarter of the consolidated term (from April 1 <sup>st</sup> , 2022 to December 31 <sup>st</sup> , 2022)
Net sales	93,068	93,481
Cost of sales	45,752	44,436
Gross profit	47,315	49,044
Selling, general and administrative expenses	31,452	32,966
Operating profit	15,863	16,077
Non-operating income		
Interest income	51	51
Dividend income	111	145
Foreign exchange gains	94	306
Gain on investments in investment partnerships	78	17
Other	162	201
Total non-operating income	497	721
Non-operating expenses		
Interest expenses	27	26
Loss on investments in investment partnerships	4	-
Other	7	6
Total non-operating expenses	40	33
Ordinary profit	16,320	16,766
Extraordinary income		
Gain on sale of non-current assets	4	9
Gain on sale of investment securities	60	-
Surrender value of insurance policies	478	167
Gain on extinguishment of tie-in shares	-	67
Total extraordinary income	543	244
Extraordinary losses		
Loss on sale of non-current assets	-	14
Impairment loss	16	59
Loss on valuation of investment securities	-	53
Office relocation expenses	33	4
Other	-	0
Total extraordinary losses	50	133
Profit before income taxes	16,814	16,877
Income taxes - current	4,845	5,159
Income taxes - deferred	388	111
Total income taxes	5,234	5,271
Profit	11,579	11,606
Profit attributable to owners of parent	11,579	11,606



Consolidated quarterly comprehensive income statements  
(Third quarter of the consolidated term)

(Millions of yen)

	Third quarter of the previous consolidated term (from April 1 <sup>st</sup> , 2021 to December 31 <sup>st</sup> , 2021)	Third quarter of the consolidated term (from April 1 <sup>st</sup> , 2022 to December 31 <sup>st</sup> , 2022)
Profit	11,579	11,606
Other comprehensive income		
Valuation difference on available-for-sale securities	52	103
Foreign currency translation adjustment	117	209
Remeasurements of defined benefit plans, net of tax	23	31
Total other comprehensive income	194	344
Comprehensive income	11,773	11,950
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,773	11,950

(3) Notes to consolidated quarterly financial statement  
(Notes regarding the premise for going concern)  
Not applicable.

(Notes when there is a significant fluctuation in the amount of shareholders' equity)  
Not applicable.

(Changes in Accounting Policy)

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement:

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17<sup>th</sup>, 2021) has been applied since the beginning of the first quarter of the current consolidated fiscal year. In accordance with the transitional treatment prescribed in Paragraph 27-2 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement", the Group has decided to apply the new accounting policies set forth by the Implementation Guidance on Accounting Standard for Fair Value Measurement in the future.

The change had no impact on the Group's consolidated financial statements.

\* This English translation is for reference purposes only. The original Japanese version will prevail as the official authoritative version.