

Summary Report on Financial Results for the Fiscal Year Ended March 31st, 2024
(Japan GAAP)

May 15th, 2024

Stock Listing: TSE-Standard Market

Company name: Fukuda Denshi Co., Ltd.

Code No.: 6960 (<https://www.fukuda.co.jp>)

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Scheduled date for the ordinary general meeting of shareholders: June 27th, 2024

Scheduled date for commencement of dividend payment: June 28th, 2024

Scheduled date for filing the securities report: June 27th, 2024

Supplementary material development: Yes

Financial results meeting: Yes (for analysts)

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

1. Consolidated financial results for the fiscal year ended March 31st, 2024 (April 1st, 2023 through March 31st, 2024)

(1) Consolidated operating results (% represent 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	%
Year ended March 31 st , 2024	140,323	4.2	26,506	10.0	26,990	7.6	18,693	8.2
Year ended March 31 st , 2023	134,648	1.9	24,093	6.1	25,081	7.1	17,278	6.6

(Note 1) Comprehensive income

Fiscal year ended March 31st, 2024: 22,699 million yen / 23.1 %

Fiscal year ended March 31st, 2023: 18,439 million yen / 12.2 %

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	yen	yen	%	%	%
Year ended March 31 st , 2024	622.44	-	11.3	13.0	18.9
Year ended March 31 st , 2023	571.25	-	11.0	12.5	17.9

(Reference) Profit or loss on equity method investments:

Fiscal year ended March 31st, 2024: - million yen

Fiscal year ended March 31st, 2023: - million yen

(Note)

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

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31 st , 2024	209,064	169,008	80.8	5,863.22
Year ended March 31 st , 2023	206,922	163,047	78.8	5,390.09

(Reference) Shareholders' equity:

Fiscal year ended March 31st, 2024: 169,008 million yen

Fiscal year ended March 31st, 2023: 163,047 million yen

(3) Consolidated cash flows statement

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	million yen	million yen	million yen	million yen
Year ended March 31 st , 2024	23,914	(14,779)	(17,066)	57,198
Year ended March 31 st , 2023	23,137	(14,210)	(5,551)	64,939

2. Dividends

	Annual Dividends per share					Total dividends (for the year)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the term	Annual			
	yen			yen	yen	million yen	%	%
Year ended March 31 st , 2023	-	140.00	-	100.00	-	5,183	30.0	3.3
Year ended March 31 st , 2024	-	80.00	-	105.00	185.00	5,492	29.7	3.3
Year ending March 31 st , 2025 (Forecast)	-	85.00	-	85.00	170.00		29.7	

(Note 1)

The detail of second quarter dividend for the Year ended March 31st, 2023: ordinary dividend 110.00 yen, extra dividend 30.00 yen

The detail of year-end dividend for the Year ended March 31st, 2023: ordinary dividend 55.00 yen, extra dividend 45.00 yen

The detail of second quarter dividend for the Year ended March 31st, 2024: ordinary dividend 60.00 yen, extra dividend 20.00 yen

The detail of year-end dividend for the Year ended March 31st, 2024: ordinary dividend 60.00 yen, extra dividend 45.00 yen

The detail of second quarter dividend of Year ending March 2025 (Forecast): ordinary dividend 60.00 yen, extra dividend 25.00 yen

The detail of year-end dividend of Year ending March 2025 (Forecast): ordinary dividend 60.00 yen, extra dividend 25.00 yen

(Note 2)

The Company conducted a stock split at a ratio of two shares for one common share, effective as of December 1st, 2022. Dividends per share for the second quarter of the fiscal year ended March 31st, 2023 are the amounts prior to the stock split. Dividends for the fiscal year ended March 31st, 2023 and the fiscal year ended March 31st, 2024 are the amounts after the stock split. For the reason, the total dividends for the fiscal year ended March 31st, 2023 are not indicated.

3. Forecast of consolidated financial results for fiscal year ending March 31st, 2025 (April 1st, 2024 through March 31st, 2025)

	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	135,000	(3.8)	23,000	(13.2)	23,000	(14.8)	16,500	(11.7)	572.42

(Note)

Since operating results of Fukuda Denshi (hereinafter mentioned as “the Group”) tends to take a peak at the fourth quarter and it is difficult to give a forecast every six months based on rational calculation, the consolidated forecast at the second quarter is not disclosed.

*Notes

- (1) Changes in significant subsidiaries during the current fiscal year (changes in specified subsidiaries involving changes in the scope of consolidation): None
- (2) Changes in accounting policies, accounting projections and restatement
 - (i) Changes in accounting policies associated with revision of accounting standards: None
 - (ii) Changes other than (i) above: None
 - (iii) Changes in accounting projections: None
 - (iv) Restatement: None
- (3) Number of outstanding shares (common shares)
 - (i) Number of outstanding shares at the year-end (including treasury shares)
 - Fiscal year ended March 31st, 2024: 37,747,300 shares
 - Fiscal year ended March 31st, 2023: 39,176,000 shares
 - (ii) Number of shares of treasury shares at the year-end:
 - Fiscal year ended March 31st, 2024: 8,922,061 shares
 - Fiscal year ended March 31st, 2023: 8,926,412 shares
 - (iii) Average number of shares during the period
 - Fiscal year ended March 31st, 2024: 30,032,196 shares
 - Fiscal year ended March 31st, 2023: 30,247,848 shares

(Note)

The Company conducted a stock split at a ratio of two shares for one common share, effective as of December 1st, 2022. Therefore, “Average number of shares during the period” shown above is calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31st, 2024 (April 1st, 2023 through March 31st, 2024)

(1) Non-consolidated operating results (% represent increases or decreases from the previous year)

	Net sales		Operating Profit		Ordinary Profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31 st , 2024	86,987	5.7	14,516	17.0	21,205	14.6	17,057	15.3
Year ended March 31 st , 2023	82,316	(0.2)	12,412	(2.6)	18,497	2.5	14,799	2.5

	Earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31 st , 2024	567.96	-
Year ended March 31 st , 2023	489.27	-

(Note)

The Company conducted a stock split at a ratio of two shares for one common share, effective as of December 1st, 2022. “Earnings per share” is calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31 st , 2024	177,590	130,713	73.6	4,534.70
Year ended March 31 st , 2023	175,970	127,195	72.3	4,204.87

(Reference) Shareholders' equity:

Fiscal year ended March 31st, 2024: 130,713 million yen

Fiscal year ended March 31st, 2023: 127,195 million yen

* 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 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 “(4) Forecast of results for the fiscal year ending March 31st, 2025 under the “1. Operating results” section on page 9.

We have scheduled a financial results meeting for analysts on May 22nd, 2024. The recorded video will be uploaded to our website after the event.

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1. Operating results

(1) Overview of operating results

(i) Overview of the business for the current consolidated fiscal year

	Year ended March 31 st , 2023	Year ended March 31 st , 2024	Comparison with the previous year	
	Amount	Amount	Change	Rate of change (%)
Net sales (million yen)	134,648	140,323	5,675	4.2
Operating Profit (million yen)	24,093	26,506	2,412	10.0
Ordinary Profit (million yen)	25,081	26,990	1,909	7.6
Profit attributable to owners of parent (million yen)	17,278	18,693	1,414	8.2
Earnings per share (yen)	571.25	622.44	51.19	9.0

Although the Japanese economy has been gradually recovering from the impact of the COVID-19 pandemic during the current consolidated fiscal year (April 1st, 2023 through March 31st, 2024), there is still uncertainty about the future due to factors such as soaring resource prices influenced by the international situation and the monetary policy shift in Europe and America.

In the medical industry, it is now necessary to strengthen the efforts to the COVID-19 pandemic and to establish an efficient framework to provide healthcare services that aligns with the regional medical plan by enhancing the differentiation and functionality of medical institutions and promoting regional healthcare networks.

In such an environment, the Group achieved consolidated “Net sales” of 140,323 million yen (up 4.2% year-on-year basis), “Operating profit” of 26,506 million yen (up 10.0% year-on-year basis), “Ordinary profit” of 26,990 million yen (up 7.6% year-on-year basis), and “Profit attributable to owners of parent” of 18,693 million yen (up 8.2% year-on-year basis) in the current consolidated fiscal year.

(ii) Overview of each segment for the current consolidated fiscal year

Business segment	Year ended March 31 st , 2023		Year ended March 31 st , 2024		Comparison with the previous year	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	Change (million yen)	Rate of change (%)
Physiological diagnostic equipment	31,058	23.1	30,664	21.9	(394)	(1.3)
Patient monitoring equipment	11,625	8.6	9,722	6.9	(1,902)	(16.4)
Medical treatment equipment	55,442	41.2	59,706	42.5	4,264	7.7
Consumables and other products	36,522	27.1	40,229	28.7	3,707	10.2
Total	134,648	100.0	140,323	100.0	5,675	4.2

A. Physiological diagnostic equipment segment

The sales of vascular screening system and blood cell counters decreased.

As a result, consolidated “Net sales” were 30,664 million yen (down 1.3% year-on-year basis).

B. Patient monitoring equipment segment

Consolidated “Net sales” of patient monitoring equipment were 9,722 million yen (down 16.4% year-on-year basis).

C. Medical treatment equipment segment

The business of renting medical equipment for home treatment and the sales of AEDs increased. As a result, consolidated “Net sales” were 59,706 million yen (up 7.7% 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 40,229 million yen (up 10.2% year-on-year basis).

(2) Overview of financial situation

Situation of the assets, liabilities and net assets at the consolidated fiscal year ended March 31st, 2024.

“Total assets” increased 2,141 million yen from the end of the previous fiscal year to reach 209,064 million yen. The main factors of this are the increase of 2,100 million yen in “Tools, furniture and fixtures” and 1,456 million yen in “Construction in progress” and 4,680 million yen in “Investment securities” despite the decrease of 7,743 million yen in “Cash and deposits”.

“Total liabilities” decreased 3,819 million yen from the end of the previous fiscal year to reach 40,056 million yen. The main factor is the decrease of 2,132 million yen in “Notes and accounts payable - trade”.

“Net assets” increased 5,960 million yen from the end of the previous fiscal year to reach 169,008 million yen. The main factor is the increase of 13,202 million yen in “Retained earnings” and 6,867 million yen in “Treasury shares”.

(3) Overview of cash flows

(ii) Consolidated cash flows

	Year ended March 31 st , 2023	Year ended March 31 st , 2024	Change
Cash flows from operating activities (million yen)	23,137	23,914	777
Cash flows from investing activities (million yen)	(14,210)	(14,779)	(569)
Cash flows from financing activities (million yen)	(5,551)	(17,066)	(11,515)
Effect of exchange rate changes (million yen)	391	190	(201)
Increase (decrease) in cash and cash equivalents (million yen)	3,768	(7,741)	(11,509)
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	140	-	(140)
Cash and cash equivalents at the end of the fiscal year (million yen)	64,939	57,198	(7,741)

(Cash flows from operating activities)

In the consolidated fiscal year, the “Cash flows from operating activities” increased 777 million yen from the end of previous fiscal year to reach 23,914 million yen. Including “Profit before income taxes” of 26,986 million yen, and “Depreciation” of 9,725 million yen.

(Cash flows from investing activities)

The “Cash flows from investing activities” decreased 569 million yen from the end of previous fiscal year to reach minus 14,779 million yen. Including “Purchase of property, plant and equipment” amounted to 13,464 million yen.

(Cash flows from financing activities)

The “Cash flows from financing activities” decreased 11,515 million yen from the end of previous fiscal year to reach minus 17,066 million yen. Including “Purchase of treasury shares” amounted to 11,258 million yen.

As a result, “Cash and cash equivalents at the end of the fiscal year” decreased 7,741 million yen from the end of previous fiscal year to reach 57,198 million yen.

(Reference) Trends in cash flow indicators

	Year ended March 31 st , 2020	Year ended March 31 st , 2021	Year ended March 31 st , 2022	Year ended March 31 st , 2023	Year ended March 31 st , 2024
Shareholders’ equity ratio (%)	73.7	72.0	76.7	78.8	80.8
Market value-based shareholders’ equity ratio (%)	75.3	66.2	60.4	62.4	95.5
Years needed to repay debts	0.1	0.1	0.1	0.1	0.1
Interest coverage ratio	512.5	554.5	621.2	619.9	692.2

Note: Shareholders’ equity ratio = Shareholders’ equity / Total assets

Market value-based shareholders’ equity ratio = Market capitalization / Total assets

Years needed to repay debts = Interest-bearing debts / Operating cash flows

Interest coverage ratio = Operating cash flows / Interest payments

*Each indicator is calculated using consolidated financial data.

*Market capitalization is calculated by multiplying shares closing prices at the end of the fiscal year by the number of outstanding shares (excluding treasury shares) at the end of the fiscal year.

*Interest-bearing debts represent total debts recorded in the consolidated balance sheets on which interest is paid.

*For interest payments, data on interest expenses in the consolidated cash flow statement are used.

(4) Forecast of results for the fiscal year ending March 31st, 2025

	Year ended March 31 st , 2024	Year ending March 31 st , 2025	Comparison with the previous year	
	Amount	Amount	Change	Rate of change (%)
Net sales (million yen)	140,323	135,000	(5,323)	(3.8)
Operating Profit (million yen)	26,506	23,000	(3,506)	(13.2)
Ordinary Profit (million yen)	26,990	23,000	(3,990)	(14.8)
Profit attributable to owners of parent (million yen)	18,693	16,500	(2,193)	(11.7)
Earnings per share (yen)	622.44	572.42	(50.02)	(8.0)

The Group inspired by our corporate philosophy, remain dedicated to contributing to medical progress and healthcare in general in accordance with our social mission.

The Group expects a consolidated “Net sale” of 135,000 million yen, consolidated “Operating profit” of 23,000 million yen, consolidated “Ordinary profit” of 23,000 million yen, and consolidated “Profit attributable to owners of parent” of 16,500 million yen for the fiscal year ending March 31st, 2025.

Forecast shown in this material are just an outlook judged or assumed based on the information available at the moment, changes will be promptly disclosed when necessary.

(5) Business risks

(i) Effect of medical administration

The Japanese Government has been pushing forward with its policies of improving the quality of medical care and curtailing the medical costs, and the remuneration for medical services, and the official reimbursement prices for drugs and specific insurance medical materials are revised every two years. Changes in the governmental health care policies may lead to intensified competition within the market and lowered sales prices, thus adversely affecting the operating results and financial standing of the Group.

(ii) Legal regulations

The manufacture and sales of medical equipment are subject to regulations prescribed in the Pharmaceutical Affairs Law, and it takes a certain period of time for a new medical equipment to be investigated and finally approved for sale. In addition, some medical equipment requires clinical trials, thus taking a long period of time before it is launched in the market.

If the current regulations are revised, new ones are introduced, or any other unpredictable regulatory change is made in the future, it is likely that this will adversely affect the operating results and financial standing of the Group.

(iii) High dependence on certain business partners with which continuation of transactions is unsure

The Group imports and sells ventilators, pacemakers, defibrillators and other devices and equipment. If any problem arises that will make it impossible to continue stable transactions with the exporters, the operating results and financial standing of the Group will be adversely affected. To prevent this, sufficient care has been taken not to depend too heavily on a few specific companies for the supply of those equipment.

(iv) Factors of surplus inventory

In order to fulfill the social mission of supplying products and goods stably, it is necessary to secure inventory based on future demand forecasts. However, if actual sales fall short of forecasted demand, there is a possibility of surplus inventory accumulating outside the normal business cycle process.

(v) Product quality

The Group manufactures the products under a rigorous quality control system that is strictly in conformance with the international standards including ISO. If any quality problem arises due to unforeseen failure or defect of a product, suspension of sale and recall of such product may be ordered by the authorities concerned, adversely affecting the operating results and financial standing of the Group.

(vi) Risks accompanying overseas businesses

The Group not only supplies products to distributors overseas, but also has its own overseas sales, development and production bases. Hence, it is possible that unforeseen changes to laws and regulations or new ones are introduced in foreign countries, as well as terrorist acts, natural disasters, or other incidents could adversely affect the Group’s business performance and financial position.

(vii) Fluctuations in foreign exchange rates and others

The Group has subsidiaries in foreign countries and is procuring and importing products and raw materials from overseas companies. In case, rapid fluctuations in foreign exchange rates could adversely affect the Group's business performance and financial position.

(viii) Impairment accounting

In case that "Impairment losses" is needed to book for the assets of the Group, it is possible that it could adversely affect the Group's business performance and financial position.

(ix) Effects on the Group from tremendous disaster

The Group has domestic and overseas bases; if severe disasters, electric-power shortages or any other incidents caused by the climate change occur, it is possible that they could adversely affect the Group's business performance and financial position.

(x) Effects of pandemic on business continuity

If it is unable to provide a stable supply of the products, etc. due to the spread of infectious diseases including COVID-19, or if the prolonged impact on the economy affects the business activities of the Group's suppliers, subcontractors, etc., it could have a significant impact on the business performance of the Group. From the viewpoint of ensuring business continuity, the Group organizes the system based on the standards of Ministries, etc. that could promptly implement countermeasures according to the situation of the Group's employee and their family.

2. Basic policy on the selection of accounting standards

The Group decided to adopt the Japanese accounting standards for the time being, considering the finance statements' comparability of periods and with other companies. The Group will consider implementing the IFRS (International Financial Reporting Standards) in an appropriate manner in light of the movement toward its adaptation both at home and abroad.

3. Consolidated financial statements and Notes

(1) Consolidated balance sheets

(Million yen)

	Previous fiscal year (as of March 31 st , 2023)	Current fiscal year (as of March 31 st , 2024)
Assets		
Current assets		
Cash and deposits	67,965	60,222
Notes receivable - trade	2,567	2,129
Accounts receivable - trade	35,377	34,641
Electronically recorded monetary claims - operating	3,156	4,447
Securities	501	-
Merchandise and finished goods	10,109	11,362
Work in process	212	240
Raw materials and supplies	5,277	4,054
Other	1,562	2,076
Allowance for doubtful accounts	(5)	(38)
Total current assets	126,725	119,136
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,925	26,392
Accumulated depreciation and impairment	(6,956)	(7,636)
Buildings and structures, net	17,969	18,755
Machinery, equipment and vehicles	2,401	2,867
Accumulated depreciation and impairment	(1,438)	(1,683)
Machinery, equipment and vehicles, net	962	1,183
Tools, furniture and fixtures	48,398	51,662
Accumulated depreciation and impairment	(32,453)	(33,617)
Tools, furniture and fixtures, net	15,945	18,045
Land	9,644	9,989
Leased assets	3,381	3,465
Accumulated depreciation and impairment	(1,971)	(2,216)
Leased assets, net	1,409	1,249
Construction in progress	895	2,351
Total property, plant and equipment	46,826	51,575
Intangible assets	1,617	1,862
Investments and other assets		
Investment securities	10,815	15,496
Deferred tax assets	3,907	2,769
Insurance funds	15,368	16,576
Other	1,676	1,654
Allowance for doubtful accounts	(14)	(6)
Total investments and other assets	31,753	36,489
Total non-current assets	80,197	89,928
Total assets	206,922	209,064

(Million yen)

	Previous fiscal year (as of March 31 st , 2023)	Current fiscal year (as of March 31 st , 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,743	11,611
Electronically recorded obligations - operating	5,136	4,753
Short-term borrowings	1,750	1,750
Lease liabilities	304	287
Income taxes payable	4,103	3,856
Provision for product warranties	111	149
Provision for bonuses	3,953	3,816
Provision for bonuses for directors (and other officers)	546	547
Other	7,865	7,659
Total current liabilities	37,514	34,431
Non-current liabilities		
Lease liabilities	1,624	1,474
Provision for share awards for directors (and other officers)	214	249
Provision for Employee Stock Ownership Plan Trust	334	358
Provision for retirement benefits for directors (and other officers)	218	201
Retirement benefit liability	2,671	2,031
Other	1,297	1,308
Total non-current liabilities	6,360	5,624
Total liabilities	43,875	40,056
Net assets		
Shareholders' equity		
Share capital	4,621	4,621
Capital surplus	21,887	17,506
Retained earnings	154,156	167,359
Treasury shares	(20,398)	(27,266)
Total shareholders' equity	160,266	162,220
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,395	5,594
Foreign currency translation adjustment	198	578
Remeasurements of defined benefit plans	188	613
Total accumulated other comprehensive income	2,781	6,787
Total net assets	163,047	169,008
Total liabilities and net assets	206,922	209,064

(2) Consolidated income statements and consolidated comprehensive income statements

Consolidated income statements

(Million yen)

	Previous fiscal year (from April 1 st , 2022 to March 31 st , 2023)	Current fiscal year (from April 1 st , 2023 to March 31 st , 2024)
Net sales	134,648	140,323
Cost of sales	64,244	65,875
Gross profit	70,403	74,447
Selling, general and administrative expenses	46,309	47,941
Operating profit	24,093	26,506
Non-operating income		
Interest income	65	95
Dividend income	187	219
Foreign exchange gains	355	-
Commission for insurance office work	39	38
Gain on investments in investment partnerships	97	91
Other	293	200
Total non-operating income	1,038	646
Non-operating expenses		
Interest expenses	37	34
Foreign exchange losses	-	106
Loss on cancellation of leases	6	4
Other	7	16
Total non-operating expenses	50	161
Ordinary profit	25,081	26,990
Extraordinary income		
Gain on sale of non-current assets	17	6
Surrender value of insurance policies	173	199
Gain on extinguishment of tie-in shares	67	-
Others	0	-
Total extraordinary income	258	206
Extraordinary losses		
Extra retirement payments	-	83
Loss on sale of non-current assets	12	15
Impairment losses	66	73
Loss on valuation of investment securities	45	29
Office relocation expenses	12	8
Loss on sale of golf club membership	-	0
Other	0	-
Total extraordinary losses	137	210
Profit before income taxes	25,202	26,986
Income taxes – current	8,478	8,769
Income taxes - deferred	(554)	(476)
Total income taxes	7,923	8,293
Profit	17,278	18,693
Profit attributable to owners of parent	17,278	18,693

Consolidated comprehensive income statements

(Million yen)

	Previous fiscal year (from April 1 st , 2022 to March 31 st , 2023)	Current fiscal year (from April 1 st , 2023 to March 31 st , 2024)
Profit	17,278	18,693
Other comprehensive income		
Valuation difference on available-for-sale securities	558	3,199
Foreign currency translation adjustment	209	380
Remeasurements of defined benefit plans, net of tax	392	425
Total other comprehensive income	1,160	4,006
Comprehensive income	18,439	22,699
Comprehensive income attributable to owners of parent	18,439	22,699

(3) Consolidated statements of changes in net assets

Previous fiscal year (from April 1st, 2022 to March 31st, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,621	21,841	142,135	(20,362)	148,236
Changes during period					
Dividends of surplus			(5,257)		(5,257)
Profit attributable to owners of parent			17,278		17,278
Purchase of treasury shares				(93)	(93)
Disposal of treasury shares		45		57	102
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	45	12,020	(36)	12,030
Balance at end of period	4,621	21,887	154,156	(20,398)	160,266

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,836	(11)	(204)	1,621	149,857
Changes during period					
Dividends of surplus					(5,257)
Profit attributable to owners of parent					17,278
Purchase of treasury shares					(93)
Disposal of treasury shares					102
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	558	209	392	1,160	1,160
Total changes during period	558	209	392	1,160	13,190
Balance at end of period	2,395	198	188	2,781	163,047

Current fiscal year (from April 1st, 2023 to March 31st, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,621	21,887	154,156	(20,398)	160,266
Changes during period					
Dividends of surplus			(5,490)		(5,490)
Profit attributable to owners of parent			18,693		18,693
Purchase of treasury shares				(11,258)	(11,258)
Disposal of treasury shares		0		10	10
Cancellation of treasury shares		(4,380)		4,380	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(4,380)	13,202	(6,867)	1,954
Balance at end of period	4,621	17,506	167,359	(27,266)	162,220

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,395	198	188	2,781	163,047
Changes during period					
Dividends of surplus					(5,490)
Profit attributable to owners of parent					18,693
Purchase of treasury shares					(11,258)
Disposal of treasury shares					10
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	3,199	380	425	4,006	4,006
Total changes during period	3,199	380	425	4,006	5,960
Balance at end of period	5,594	578	613	6,787	169,008

(4) Consolidated statements of cash flows

(Million yen)

	Previous fiscal year (from April 1 st , 2022 to March 31 st , 2023)	Current fiscal year (from April 1 st , 2023 to March 31 st , 2024)
Cash flows from operating activities		
Profit before income taxes	25,202	26,986
Depreciation	9,368	9,725
Impairment losses	66	73
Increase (decrease) in allowance for doubtful accounts	(20)	25
Increase (decrease) in provision for bonuses	513	(143)
Increase (decrease) in provision for bonuses for directors (and other officers)	(33)	1
Increase (decrease) in provision for product warranties	(7)	34
Increase (decrease) in retirement benefit liability	147	137
Increase (decrease) in provision for share awards for directors (and other officers)	57	35
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(73)	(16)
Interest and dividend income	(253)	(315)
Interest expenses	37	34
Loss (gain) on sale of non-current assets	(5)	3
Loss (gain) on investments in investment partnerships	(97)	(91)
Loss (gain) on valuation of investment securities	45	-
Loss (gain) on cancellation of insurance policies	(173)	(199)
Loss (gain) on extinguishment of tie-in shares	(67)	-
Decrease (increase) in trade receivables	(1,612)	(8)
Decrease (increase) in inventories	(1,957)	95
Increase (decrease) in trade payables	(1,799)	(2,689)
Increase (decrease) in accrued consumption taxes	1,261	(374)
Other, net	116	(770)
Subtotal	30,716	32,544
Interest and dividends received	216	272
Interest paid	(37)	(34)
Income taxes paid	(7,757)	(8,867)
Net cash provided by (used in) operating activities	23,137	23,914

(Million yen)

	Previous fiscal year (from April 1 st , 2022 to March 31 st , 2023)	Current fiscal year (from April 1 st , 2023 to March 31 st , 2024)
Cash flows from investing activities		
Decrease (increase) in time deposits	(0)	2
Proceeds from collection of short-term loans receivable	17	15
Purchase of property, plant and equipment	(11,927)	(13,464)
Proceeds from sales of property, plant and equipment	45	19
Purchase of intangible assets	(612)	(659)
Purchase of short-term and long-term investment securities	(1,543)	(1,155)
Proceeds from sale and redemption of short-term and long-term investment securities	1,127	1,637
Purchase of insurance funds	(2,466)	(2,299)
Proceeds from maturity of insurance funds	1,029	1,291
Other, net	119	(166)
Net cash provided by (used in) investing activities	(14,210)	(14,779)
Cash flows from financing activities		
Purchase of treasury shares	(93)	(11,258)
Proceeds from sale of treasury shares	102	10
Dividends paid	(5,253)	(5,492)
Repayments of lease liabilities	(306)	(325)
Net cash provided by (used in) financing activities	(5,551)	(17,066)
Effect of exchange rate change on cash and cash equivalents	391	190
Net increase (decrease) in cash and cash equivalents	3,768	(7,741)
Cash and cash equivalents at beginning of period	61,030	64,939
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	140	-
Cash and cash equivalents at end of period	64,939	57,198

(5) Notes to consolidated financial statement

(Notes regarding the premise for going concern)

Not applicable.

(Segment information, etc.)

a. Segment information

1. Reportable Segments

The reportable segments of the Group are the constituent units of the Group for which separate financial information can be obtained, and they are the subject of regular examinations by the Board of Directors aimed at helping the board to decide the allocation of management resources and evaluate the performance of the Group.

The Group has set up divisions for each product and service in the corporate headquarters, and each of the divisions formulates comprehensive strategies for the product or service it handles and develops its own business activities.

The Group has 4 reportable segments based on our headquarter divisions which are “Physiological diagnostic equipment segment”, “Patient monitoring equipment segment”, “Medical treatment equipment segment”, and “Consumables and other products segment”.

In the “Physiological diagnostic equipment segment”, we mainly handle electrocardiographs, ultrasound diagnostic imaging systems and blood-cell counters. In the “Patient monitoring equipment segment”, we handle patient monitors. In the “Medical treatment equipment segment”, mainly handle defibrillators, ventilators, pacemakers, catheters, and business of renting medical equipment for home treatment. In the “Consumables and other products segment”, we mainly handle consumables used for devices handled by the above segments, as well as maintenance and repair services.

2. Methods to calculate the sales, gains (or losses), assets, liabilities and other numbers of the reportable segments

The method of accounting for the reported business segments is in accordance with the accounting policies adopted for the preparation of the consolidated financial statements.

Reported segment profit is based on the amount of “Operating profit”.

3. Net Sales, Profit (Loss), Assets and Other Items by Reportable Segment and Breakdown of Revenue

(i) Previous fiscal year (from April 1st, 2022 to March 31st, 2023)

(Million yen)

	Reporting Segments				Total	Adjustments *1	Consolidated financial statements *2
	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products			
Net sales							
Domestic Sales	30,328	9,376	55,432	35,218	130,356	-	130,356
Overseas Sales	729	2,248	9	1,304	4,291	-	4,291
Revenue from Contracts with Customers	31,058	11,625	55,442	36,522	134,648	-	134,648
Sales to external customers	31,058	11,625	55,442	36,522	134,648	-	134,648
Internal sales or transfers	-	-	-	-	-	-	-
Total	31,058	11,625	55,442	36,522	134,648	-	134,648
Segment Profit	4,891	2,092	12,449	4,660	24,093	-	24,093
Segment assets	21,708	8,742	50,707	25,687	106,846	100,076	206,922
Other items							
Depreciation	594	222	7,851	699	9,368	-	9,368
Increase in Property, plant and equipment and intangible assets	1,114	417	8,299	1,310	11,140	-	11,140

*1. Adjustment of segment assets of 100,076 million yen include extra investment funds (cash etc.), long-term investments (“Investment securities”) etc. which are not allocated to each reportable segment.

*2. Segment profit equals to “Operating profit” of consolidated financial statements.

(ii) Current fiscal year (from April 1st, 2023 to March 31st, 2024)

(Million yen)

	Reporting Segments				Total	Adjustments *1	Consolidated financial statements *2
	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products			
Net sales							
Domestic Sales	30,002	8,576	59,706	38,678	136,964	-	136,964
Overseas Sales	662	1,145	0	1,551	3,359	-	3,359
Revenue from Contracts with Customers	30,664	9,722	59,706	40,229	140,323	-	140,323
Sales to external customers	30,664	9,722	59,706	40,229	140,323	-	140,323
Internal sales or transfers	-	-	-	-	-	-	-
Total	30,664	9,722	59,706	40,229	140,323	-	140,323
Segment Profit	5,074	1,718	12,836	6,877	26,506	-	26,506
Segment assets	21,059	7,552	55,959	27,257	111,829	97,235	209,064
Other items							
Depreciation	577	182	8,207	757	9,725	-	9,725
Increase in Property, plant and equipment and intangible assets	1,214	384	11,703	1,593	14,895	-	14,895

*1. Adjustment of segment assets of 97,235 million yen include extra investment funds (cash etc.), long-term investments ("Investment securities") etc. which are not allocated to each reportable segment.

*2. Segment profit equals to "Operating profit" of consolidated financial statements.

b. Related Information

(i) Previous fiscal year (from April 1st, 2022 to March 31st, 2023)

1. Information about each product and services

Information about each product and services is omitted, as categories of products and services are identical to segment information.

2. Information by geographical area

(1) Sales

Information about "Sales" is omitted because our domestic "Sales" accounted for more than 90% of consolidated "Sales".

(2) Property, plant and equipment

Information about "Property, plant and equipment" is omitted because domestic "Property, plant and equipment" accounted for more than 90 % of "Property, plant and equipment" of consolidated "Property, plant and equipment".

3. Information by each major customer

Information about each major customer is omitted because "Sales" for each major customer accounted for less than 10 % of consolidated "Sales".

(ii) Current fiscal year (from April 1st, 2023 to March 31st, 2024)

1. Information about each product and services

Information about each product and services is omitted, as categories of products and services are identical to segment information.

2. Information by geographical area

(1) Sales

Information about “Sales” is omitted because our domestic “Sales” accounted for more than 90% of consolidated “Sales”.

(2) Property, plant and equipment

Information about “Property, plant and equipment” is omitted because domestic “Property, plant and equipment” accounted for more than 90 % of “Property, plant and equipment” of consolidated “Property, plant and equipment”.

3. Information by each major customer

Information about each major customer is omitted because “Sales” for each major customer accounted for less than 10 % of consolidated “Sales”.

c. Information about impairment loss for noncurrent assets by reportable segments

(i) Previous fiscal year (from April 1st, 2022 to March 31st, 2023)

(Million yen)

	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products	Elimination / Corporate	Total
Impairment loss	49	0	1	15	0	66

(ii) Current fiscal year (from April 1st, 2023 to March 31st, 2024)

(Million yen)

	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products	Elimination / Corporate	Total
Impairment loss	59	0	0	12	-	73

d. Information about amortization and depreciation expense on goodwill of each reportable segment

(i) Previous fiscal year (from April 1st, 2022 to March 31st, 2023)

Not applicable

(ii) Current fiscal year (from April 1st, 2023 to March 31st, 2024)

Not applicable

e. Information about gain on negative goodwill of each reportable segment

(i) Previous fiscal year (from April 1st, 2022 to March 31st, 2023)

Not applicable

(ii) Current fiscal year (from April 1st, 2023 to March 31st, 2024)

Not applicable

(Per share information)

	Previous fiscal year (from April 1 st , 2022 to March 31 st , 2023)	Current fiscal year (from April 1 st , 2023 to March 31 st , 2024)
Net assets per share	5,390.09yen	5,863.22yen
Earnings per share	571.25yen	622.44yen
Fully diluted earnings per share	Not stated, as there is no potential dilution.	Not stated, as there is no potential dilution.

Note: (i) The shares of Custody Bank of Japan, Ltd. owns are included in the number of our “Treasury share” (252 thousand shares at the start of the fiscal year and 247 thousand shares at the end of the fiscal year), which is excluded from the “Number of shares at the end of the current fiscal year”, which is used to calculate the “Net assets per share”.

It is also included in the number of our “Treasury share” (239 thousand shares at the start of the fiscal year and 249 thousand shares at the end of the fiscal year), which is excluded from the calculation of “Average number of shares during the period”, which is used to calculate the “Earnings per share”.

(ii) The Company conducted a stock split at a ratio of two shares for one common share on effective date of December 1st, 2022. “Earnings per share” is calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(iii) The basis for calculation of earnings per share:

Item	Previous fiscal year (from April 1 st , 2022 to March 31 st , 2023)	Current fiscal year (from April 1 st , 2023 to March 31 st , 2024)
Profit attributable to owners of parent (million yen)	17,278	18,693
Amount not belonging to ordinary shareholders (million yen)	-	-
Profit attributable to owners of parent in relation to common shares (million yen)	17,278	18,693
Average number of shares during the fiscal year (1,000 shares)	30,247	30,032

(Significant subsequent events)

Not applicable

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