

Summary Report on Financial Results for the First Quarter of the Year Ending March 31st, 2025
(Japan GAAP)

July 31st, 2024

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 First quarter of the year ending March 31st, 2025 (April 1st, 2024 through June 30th, 2024)

(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	%
First quarter of the year ending March 31 st , 2025	30,341	4.0	4,515	(11.5)	4,647	(11.1)	3,031	(13.3)
First quarter of the year ended March 31 st , 2024	29,180	5.4	5,101	26.5	5,227	18.4	3,495	22.6

(Note) Comprehensive income

First quarter of the year ending March 31st, 2025: 3,025 million yen / (29.6) %

First quarter of the year ended March 31st, 2024: 4,296 million yen / 40.4 %

	Earnings per share	Diluted earnings per share
	yen	yen
First quarter of the year ending March 31 st , 2025	105.15	—
First quarter of the year ended March 31 st , 2024	115.54	—

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
First quarter of the year ending March 31 st , 2025	206,095	168,985	82.0	5,862.04
Year ended March 31 st , 2024	209,064	169,008	80.8	5,863.22

(Reference) Shareholders' equity:

First quarter of the year ending March 31st, 2025: 168,985 million yen

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

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 st , 2024	—	80.00	—	105.00	185.00
Year ending March 31 st , 2025	—				
Year ending March 31 st , 2025 (forecast)		85.00	—	85.00	170.00

(Note 1) Revisions to recent dividend forecast: None

(Note 2)

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

The detail of year-end dividend of 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 31st, 2025 (forecast); ordinary dividend 60.00 yen, extra dividend 25.00 yen

The detail of year-end dividend of Year ending March 31st, 2025 (forecast); ordinary dividend 60.00 yen, extra dividend 25.00 yen

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

(% 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	135,000	(3.8)	23,000	(13.2)	23,000	(14.8)	16,500	(11.7)	572.38

(Note 1) Revisions to recent business forecast: None

(Note 2)

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) Significant changes in the scope of consolidation during the period: 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)

First quarter of the year ending March 31st, 2025: 37,747,300 shares

Year ended March 31st, 2024: 37,747,300 shares

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

First quarter of the year ending March 31st, 2025: 8,920,201 shares

Year ended March 31st, 2024: 8,922,061 shares

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

First quarter of the year ending March 31st, 2025: 28,826,259 shares

First quarter of the year ended March 31st, 2024: 30,250,288 shares

* Review of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 “(3) Explanation about consolidated earnings forecast” under the “1. Operating results” section on page 5.

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1. Operating results

(1) Overview of operating results

Although the Japanese economy has been gradually recovering during the consolidated cumulative first quarter of this fiscal year (April 1st, 2024 through March 31st, 2025), 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 continue building systems to prepare for future infectious disease while advancing the promotion of medical DX for the digitalization of the medical field, and to establish an efficient framework to provide healthcare services that aligns with regional medical plans by enhancing the differentiation and functionality of medical institutions and promoting regional healthcare networks.

In such an environment, the Group posted consolidated “Net sales” of 30,341 million yen (up 4.0% year-on-year basis), “Operating profit” of 4,515 million yen (down 11.5% year-on-year basis), “Ordinary profit” of 4,647 million yen (down 11.1% year-on-year basis), and “Profit attributable to owners of parent” of 3,031 million yen (down 13.3% year-on-year basis) in the first quarter.

A. Physiological diagnostic equipment segment

The sales of electrocardiographs decreased.

As a result, consolidated “Net sales” were 4,922 million yen (down 3.9% year-on-year basis).

B. Patient monitoring equipment segment

Consolidated “Net sales” of patient monitoring equipment were 1,592 million yen (up 2.1% 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 15,038 million yen (up 6.7% year-on-year basis).

D. Consumables and other products segment

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

Consolidated “Net sales” for this segment were 8,787 million yen (up 4.6% year-on-year basis).

(2) Overview of financial situation

“Total assets” decreased 2,969 million yen from the end of previous fiscal year to reach 206,095 million yen. The main factors are the decrease of 8,841 million yen in “Notes and accounts receivable - trade” despite the increase of 2,196 million yen in “Cash and deposits”.

“Total liabilities” decreased 2,946 million yen from the end of the previous fiscal year to reach 37,109 million yen. The main factor is the decrease of 2,400 million yen in “Income taxes payable” and 2,235 million yen in “Provision for bonuses”.

“Net assets” decreased 23 million yen from the end of the previous fiscal year to reach 168,985 million yen. The main factors are the decrease of 154 million yen in “Valuation difference on available-for-sale securities” and 31 million yen in “Remeasurements of defined benefit plans” despite the increase of 179 million yen in “Foreign currency translation adjustment”.

(3) Explanation about consolidated earnings forecast

Due to the steady sales achievement until the first quarter, there is no change at this moment in the forecast of the financial results for the full fiscal year which we announced on May 15th, 2024.

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

	(Million yen)	
	Previous fiscal year (as of March 31 st , 2024)	End of the First quarter under review (as of June 30 th , 2024)
Assets		
Current assets		
Cash and deposits	60,222	62,418
Notes and accounts receivable - trade	36,770	27,928
Electronically recorded monetary claims - operating	4,447	5,404
Merchandise and finished goods	11,362	13,477
Work in process	240	356
Raw materials and supplies	4,054	4,146
Other	2,076	1,921
Allowance for doubtful accounts	(38)	(35)
Total current assets	119,136	115,618
Non-current assets		
Property, plant and equipment	51,575	52,004
Intangible assets	1,862	1,814
Investments and other assets		
Investment securities	15,496	15,222
Other	21,000	21,443
Allowance for doubtful accounts	(6)	(7)
Total investments and other assets	36,489	36,657
Total non-current assets	89,928	90,476
Total assets	209,064	206,095
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,611	12,013
Electronically recorded obligations - operating	4,753	3,774
Short-term borrowings	1,750	1,750
Income taxes payable	3,856	1,456
Provision for product warranties	149	156
Provision for bonuses	3,816	1,581
Other provisions	547	144
Other	7,947	10,697
Total current liabilities	34,431	31,573
Non-current liabilities		
Retirement benefit liability	2,031	2,038
Other provisions	810	737
Other	2,782	2,760
Total non-current liabilities	5,624	5,535
Total liabilities	40,056	37,109

	(Million yen)	
	Previous fiscal year (as of March 31 st , 2024)	End of the First quarter under review (as of June 30 th , 2024)
Net assets		
Shareholders' equity		
Share capital	4,621	4,621
Capital surplus	17,506	17,506
Retained earnings	167,359	167,337
Treasury shares	(27,266)	(27,261)
Total shareholders' equity	162,220	162,203
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,594	5,440
Foreign currency translation adjustment	578	758
Remeasurements of defined benefit plans	613	582
Total accumulated other comprehensive income	6,787	6,781
Total net assets	169,008	168,985
Total liabilities and net assets	209,064	206,095

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

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

	(Million yen)	
	First quarter of the previous consolidated term (from April 1 st , 2023 to June 30 th , 2023)	First quarter of the consolidated term (from April 1 st , 2024 to June 30 th , 2024)
Net sales	29,180	30,341
Cost of sales	12,811	14,236
Gross profit	16,368	16,105
Selling, general and administrative expenses	11,266	11,589
Operating profit	5,101	4,515
Non-operating income		
Interest income	18	26
Dividend income	87	100
Other	53	42
Total non-operating income	158	169
Non-operating expenses		
Interest expenses	8	9
Foreign exchange losses	22	23
Other	1	4
Total non-operating expenses	32	37
Ordinary profit	5,227	4,647
Extraordinary income		
Gain on sales of non-current assets	4	120
Surrender value of insurance policies	131	-
Total extraordinary income	136	120
Extraordinary losses		
Loss on sale of non-current assets	0	34
Impairment losses	1	4
Office relocation expenses	8	-
Loss on cancellation of insurance policies	-	0
Total extraordinary losses	10	40
Profit before income taxes	5,352	4,727
Income taxes - current	1,673	1,567
Income taxes - deferred	184	129
Total income taxes	1,857	1,696
Profit	3,495	3,031
Profit attributable to owners of parent	3,495	3,031

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

	(Million yen)	
	First quarter of the previous consolidated term (from April 1 st , 2023 to June 30 th , 2023)	First quarter of the consolidated term (from April 1 st , 2024 to June 30 th , 2024)
Profit	3,495	3,031
Other comprehensive income		
Valuation difference on available-for-sale securities	579	(154)
Foreign currency translation adjustment	231	179
Remeasurements of defined benefit plans, net of tax	(9)	(31)
Total other comprehensive income	801	(5)
Comprehensive income	4,296	3,025
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,296	3,025

(2) Notes to consolidated quarterly financial statement

(Notes regarding changes in Accounting Policy)

Application of Accounting Standard for Current Income Taxes:

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28th, 2022; hereinafter, “Revised Accounting Standard 2022”), etc. has been applied since the beginning of the first quarter of the current consolidated fiscal year.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28th, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policies had no impact on the Group’s consolidated financial statements.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Group has applied the Revised Guidance 2022 from the beginning of the first quarter of the current consolidated fiscal year. The change in accounting policies was applied retrospectively to the consolidated financial statements for the first quarter of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the first quarter of the previous fiscal year or the entire previous fiscal year.

(Notes regarding segment information, etc.)

(i) Previous fiscal year (from April 1st, 2023 to June 30th, 2023)

1. Net Sales and Profit (Loss) by Reportable Segment and Breakdown of Revenue

(Million yen)

	Reporting Segments				Total	Adjustments	Consolidated quarterly income statements *1
	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products			
Net sales							
Domestic Sales	4,939	1,348	14,096	8,155	28,540	-	28,540
Overseas Sales	181	210	-	246	639	-	639
Revenue from Contracts with Customers	5,121	1,559	14,096	8,402	29,180	-	29,180
Sales to external customers	5,121	1,559	14,096	8,402	29,180	-	29,180
Internal sales or transfers	-	-	-	-	-	-	-
Total	5,121	1,559	14,096	8,402	29,180	-	29,180
Segment Profit	754	257	2,740	1,349	5,101	-	5,101

*1. Segment profit equals to "Operating profit" of consolidated quarterly income statements.

2. Information on impairment loss for noncurrent assets and goodwill by reportable segment:

Omitted for lack of significance.

(ii) Current fiscal year (from April 1st, 2024 to June 30th, 2024)

1. Net Sales and Profit (Loss) by Reportable Segment and Breakdown of Revenue

(Million yen)

	Reporting Segments				Total	Adjustments	Consolidated quarterly income statements *1
	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products			
Net sales							
Domestic Sales	4,840	1,264	15,038	8,486	29,630	-	29,630
Overseas Sales	81	328	-	301	711	-	711
Revenue from Contracts with Customers	4,922	1,592	15,038	8,787	30,341	-	30,341
Sales to external customers	4,922	1,592	15,038	8,787	30,341	-	30,341
Internal sales or transfers	-	-	-	-	-	-	-
Total	4,922	1,592	15,038	8,787	30,341	-	30,341
Segment Profit	649	226	2,488	1,151	4,515	-	4,515

*1. Segment profit equals to "Operating profit" of consolidated quarterly income statements.

2. Information on impairment loss for noncurrent assets and goodwill by reportable segment:

Omitted for lack of significance.

(Notes when there is a significant fluctuation in the amount of shareholders' equity)

Not applicable.

(Notes regarding the premise for going concern)

Not applicable.

(Notes regarding consolidated quarterly statements of cash flows)

The Group has not prepared the consolidated quarterly statements of cash flows for the first quarter of the current consolidated fiscal year. Depreciation, including amortization related to intangible assets excluding goodwill, for the first quarter is as follows:

	(Million yen)	
	First quarter of the previous consolidated term (from April 1 st , 2023 to June 30 th , 2023)	First quarter of the consolidated term (from April 1 st , 2024 to June 30 th , 2024)
Depreciation	2,257	2,535

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