

Summary Report on Financial Results for the Second Quarter (Semi-annual) of the Fiscal Year Ending  
March 31<sup>st</sup>, 2025 (Japan GAAP)

October 31<sup>st</sup>, 2024  
Stock Listing: TSE-Standard Market

Company name: Fukuda Denshi Co., Ltd.  
Code No.: 6960 (<https://www.fukuda.co.jp>)  
Representative: Daijiro Shirai, President & COO  
Inquiries: Haruhiko Honbu, Senior Manager of Accounting & Finance Department  
Tel: +81-3-5684-1558  
Scheduled date for filing the quarterly report: November 14<sup>th</sup>, 2024  
Scheduled date for commencement of dividend payment: December 9<sup>th</sup>, 2024  
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 Second quarter (Semi-annual) of the fiscal year ending March 31<sup>st</sup>, 2025  
(April 1<sup>st</sup>, 2024 through September 30<sup>th</sup>, 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                             | %      |
| Six months ended                  |             |       |                  |        |                 |        |   |        |
| September 30 <sup>th</sup> , 2024 | 64,314      | (3.3) | 10,654           | (23.6) | 11,262          | (20.1) | 7,706                                   | (21.4) |
| September 30 <sup>th</sup> , 2023 | 66,541      | 6.2   | 13,951           | 26.0   | 14,099          | 20.9   | 9,810                                   | 20.8   |

(Note) Comprehensive income

Six months ended September 30<sup>th</sup>, 2024: 6,014 million yen / (47.6) %

Six months ended September 30<sup>th</sup>, 2023: 11,474 million yen / 36.6 %

|                                   | Earnings per share | Diluted earnings per share |
|-----------------------------------|--------------------|----------------------------|
|                                   | yen                | yen                        |
| Six months ended                  |                    |                            |
| September 30 <sup>th</sup> , 2024 | 267.34             | —                          |
| September 30 <sup>th</sup> , 2023 | 324.32             | —                          |

(2) Consolidated financial situation

|                                   | Total assets | Net assets  | Shareholders' equity ratio | Net assets per share |
|-----------------------------------|--------------|-------------|----------------------------|----------------------|
|                                   | million yen  | million yen | %                          | yen                  |
| As of                             |              |             |                            |                      |
| September 30 <sup>th</sup> , 2024 | 204,776      | 171,975     | 84.0                       | 5,965.57             |
| March 31 <sup>st</sup> , 2024     | 209,064      | 169,008     | 80.8                       | 5,863.22             |

(Reference) Shareholders' equity:

As of September 30<sup>th</sup>, 2024: 171,975 million yen

As of March 31<sup>st</sup>, 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 <sup>st</sup> , 2024             | —                          | 80.00                     | —                        | 105.00          | 185.00 |
| Year ending March 31 <sup>st</sup> , 2025            | —                          | 85.00                     |                          |                 |        |
| Year ending March 31 <sup>st</sup> , 2025 (forecast) |                            |                           | —                        | 85.00           | 170.00 |

(Note 1) Revisions to recent dividend forecast: None

(Note 2)

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

The detail of year-end dividend of Year ended March 31<sup>st</sup>, 2024; ordinary dividend 60.00 yen, extra dividend 45.00 yen

The detail of second quarter dividend of Year ending March 31<sup>st</sup>, 2025; ordinary dividend 60.00 yen, extra dividend 25.00 yen

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

## 3. Forecast of consolidated financial results for fiscal year ending March 31<sup>st</sup>, 2025 (April 1<sup>st</sup>, 2024 through March 31<sup>st</sup>, 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) | 572.37             |

(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 accounting treatment specific to the preparation of semi-annual consolidated 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)

As of September 30<sup>th</sup>, 2024: 37,747,300 shares

As of March 31<sup>st</sup>, 2024: 37,747,300 shares

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

As of September 30<sup>th</sup>, 2024: 8,919,221 shares

As of March 31<sup>st</sup>, 2024: 8,922,061 shares

(iii) Average number of shares during the period (semi-annual)

Six months ended September 30<sup>th</sup>, 2024: 28,826,873 shares

Six months ended September 30<sup>th</sup>, 2023: 30,250,700 shares

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

## Contents of the Attached Materials

|   |      |
|---|------|
| 1. Operating results -----  | P.05 |
| (1) Overview of operating results -----   | P.05 |
| (2) Overview of financial situation -----   | P.05 |
| (3) Explanation about consolidated earnings forecast -----                                  | P.05 |
| 2. Semi-annual consolidated financial statements and Notes -----                            | P.06 |
| (1) Semi-annual consolidated balance sheets -----   | P.06 |
| (2) Semi-annual consolidated statements of income and comprehensive income -----            | P.08 |
| Semi-annual consolidated statements of income -----   | P.08 |
| Semi-annual consolidated statements of comprehensive income -----                           | P.09 |
| (3) Notes to semi-annual consolidated financial statements -----                            | P.09 |
| (Notes regarding changes in Accounting Policy) -----  | P.09 |
| (Notes regarding the premise for going concern) -----                                       | P.09 |
| (Notes when there is a significant fluctuation in the amount of shareholders' equity) ----- | P.09 |
| (Other) -----   | P.09 |

## 1. Operating results

### (1) Overview of operating results

Although the Japanese economy has been gradually recovering during the consolidated cumulative second quarter (semi-annual) of this fiscal year (April 1<sup>st</sup>, 2024 through March 31<sup>st</sup>, 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 64,314 million yen (down 3.3% year-on-year basis), “Operating profit” of 10,654 million yen (down 23.6% year-on-year basis), “Ordinary profit” of 11,262 million yen (down 20.1% year-on-year basis), and “Profit attributable to owners of parent” of 7,706 million yen (down 21.4% year-on-year basis) in the second quarter (semi-annual).

#### A. Physiological diagnostic equipment segment

The sales of electrocardiographs and ultrasound diagnostic systems, vascular screening systems decreased.

As a result, consolidated “Net sales” were 11,888 million yen (down 8.7% year-on-year basis).

#### B. Patient monitoring equipment segment

Consolidated “Net sales” of patient monitoring equipment were 4,136 million yen (up 10.2% year-on-year basis).

#### C. Medical treatment equipment segment

The business of renting medical equipment for home treatment and the sales of AEDs, etc. increased.

As a result, consolidated “Net sales” were 30,500 million yen (up 4.2% 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 17,789 million yen (down 13.1% year-on-year basis).

### (2) Overview of financial situation

“Total assets” decreased 4,288 million yen from the end of previous fiscal year to reach 204,776 million yen. The main factors are the decrease of 8,917 million yen in “Notes and accounts receivable - trade” despite the increase of 3,975 million yen in “Cash and deposits”.

“Total liabilities” decreased 7,255 million yen from the end of the previous fiscal year to reach 32,800 million yen. The main factor is the decrease of 1,890 million yen in “Notes and accounts payable - trade” and 1,534 million yen in “Electronically recorded obligations - operating”.

“Net assets” increased 2,967 million yen from the end of the previous fiscal year to reach 171,975 million yen. The main factors are the increase of 4,653 million yen in “Retained earnings” despite the decrease of 1,519 million yen in “Valuation difference on available-for-sale securities”.

### (3) Explanation about consolidated earnings forecast

Due to the steady sales achievement until the second quarter (semi-annual), there is no change at this moment in the forecast of the financial results for the full fiscal year which we announced on May 15<sup>th</sup>, 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. Semi-annual consolidated financial statements and Notes

(1) Semi-annual consolidated balance sheets

(Million yen)

|   | As of March 31 <sup>st</sup> , 2024 | As of September 30 <sup>th</sup> , 2024 |
|---|-------------------------------------|---|
| <b>Assets</b>                                       |                                     |   |
| Current assets                                      |                                     |   |
| Cash and deposits                                   | 60,222                              | 64,198                                  |
| Notes and accounts receivable - trade               | 36,770                              | 27,852                                  |
| Electronically recorded monetary claims - operating | 4,447                               | 3,430                                   |
| Merchandise and finished goods                      | 11,362                              | 11,059                                  |
| Work in process                                     | 240                                 | 390                                     |
| Raw materials and supplies                          | 4,054                               | 3,993                                   |
| Other   | 2,076                               | 2,504                                   |
| Allowance for doubtful accounts                     | (38)                                | (36)                                    |
| <b>Total current assets</b>                         | <b>119,136</b>                      | <b>113,394</b>                          |
| Non-current assets                                  |                                     |   |
| Property, plant and equipment                       | 51,575                              | 53,480                                  |
| Intangible assets                                   | 1,862                               | 1,770                                   |
| Investments and other assets                        |                                     |   |
| Investment securities                               | 15,496                              | 13,995                                  |
| Other   | 21,000                              | 22,142                                  |
| Allowance for doubtful accounts                     | (6)                                 | (7)                                     |
| <b>Total investments and other assets</b>           | <b>36,489</b>                       | <b>36,130</b>                           |
| <b>Total non-current assets</b>                     | <b>89,928</b>                       | <b>91,382</b>                           |
| <b>Total assets</b>                                 | <b>209,064</b>                      | <b>204,776</b>                          |
| <b>Liabilities</b>                                  |                                     |   |
| Current liabilities                                 |                                     |   |
| Notes and accounts payable - trade                  | 11,611                              | 9,721                                   |
| Electronically recorded obligations - operating     | 4,753                               | 3,218                                   |
| Short-term borrowings                               | 1,750                               | 1,800                                   |
| Income taxes payable                                | 3,856                               | 3,180                                   |
| Provision for product warranties                    | 149                                 | 160                                     |
| Provision for bonuses                               | 3,816                               | 3,066                                   |
| Other provisions                                    | 547                                 | 273                                     |
| Other   | 7,947                               | 5,892                                   |
| <b>Total current liabilities</b>                    | <b>34,431</b>                       | <b>27,313</b>                           |
| Non-current liabilities                             |                                     |   |
| Retirement benefit liability                        | 2,031                               | 2,051                                   |
| Other provisions                                    | 810                                 | 739                                     |
| Other   | 2,782                               | 2,696                                   |
| <b>Total non-current liabilities</b>                | <b>5,624</b>                        | <b>5,486</b>                            |
| <b>Total liabilities</b>                            | <b>40,056</b>                       | <b>32,800</b>                           |

(Million yen)

|   | As of March 31 <sup>st</sup> , 2024 | As of September 30 <sup>th</sup> , 2024 |
|---|-------------------------------------|---|
| Net assets  |                                     |   |
| Shareholders' equity                                  |                                     |   |
| Share capital   | 4,621                               | 4,621                                   |
| Capital surplus                                       | 17,506                              | 17,506                                  |
| Retained earnings                                     | 167,359                             | 172,012                                 |
| Treasury shares                                       | (27,266)                            | (27,260)                                |
| Total shareholders' equity                            | 162,220                             | 166,880                                 |
| Accumulated other comprehensive income                |                                     |   |
| Valuation difference on available-for-sale securities | 5,594                               | 4,074                                   |
| Foreign currency translation adjustment               | 578                                 | 470                                     |
| Remeasurements of defined benefit plans               | 613                                 | 550                                     |
| Total accumulated other comprehensive income          | 6,787                               | 5,095                                   |
| Total net assets                                      | 169,008                             | 171,975                                 |
| Total liabilities and net assets                      | 209,064                             | 204,776                                 |

## (2) Semi-annual consolidated statements of income and comprehensive income

## Semi-annual consolidated statements of income

(Million yen)

|   | Six months ended<br>September 30 <sup>th</sup> , 2023 | Six months ended<br>September 30 <sup>th</sup> , 2024 |
|---|---|---|
| Net sales                                     | 66,541  | 64,314  |
| Cost of sales                                 | 29,533  | 30,533  |
| Gross profit                                  | 37,007  | 33,780  |
| Selling, general and administrative expenses  | 23,055  | 23,125  |
| Operating profit                              | 13,951  | 10,654  |
| Non-operating income                          |   |   |
| Interest income                               | 44  | 46  |
| Dividend income                               | 110   | 125   |
| Foreign exchange gains                        | -   | 77  |
| Gain on investments in investment partnership | 1   | 78  |
| Insurance claim income                        | 9   | 150   |
| Other   | 81  | 159   |
| Total non-operating income                    | 247   | 637   |
| Non-operating expenses                        |   |   |
| Interest expenses                             | 16  | 20  |
| Foreign exchange losses                       | 68  | -   |
| Other   | 14  | 9   |
| Total non-operating expenses                  | 100   | 29  |
| Ordinary profit                               | 14,099  | 11,262  |
| Extraordinary income                          |   |   |
| Gain on sales of non-current assets           | 4   | 120   |
| Surrender value of insurance policies         | 194   | 67  |
| Total extraordinary income                    | 199   | 188   |
| Extraordinary losses                          |   |   |
| Loss on sale of non-current assets            | 5   | 34  |
| Impairment losses                             | 4   | 6   |
| Office relocation expenses                    | 8   | -   |
| Total extraordinary losses                    | 18  | 41  |
| Profit before income taxes                    | 14,280  | 11,410  |
| Income taxes - current                        | 4,286   | 3,215   |
| Income taxes - deferred                       | 183   | 487   |
| Total income taxes                            | 4,469   | 3,703   |
| Profit  | 9,810   | 7,706   |
| Profit attributable to owners of parent       | 9,810   | 7,706   |



## Semi-annual consolidated statements of comprehensive income

(Million yen)

|  | Six months ended<br>September 30 <sup>th</sup> , 2023 | Six months ended<br>September 30 <sup>th</sup> , 2024 |
|--|---|---|
| Profit   | 9,810   | 7,706   |
| Other comprehensive income   |   |   |
| Valuation difference on<br>available-for-sale securities   | 1,372   | (1,519)   |
| Foreign currency translation<br>adjustment   | 310   | (108)   |
| Remeasurements of defined benefit<br>plans, net of tax   | (19)  | (63)  |
| Total other comprehensive income   | 1,664   | (1,691)   |
| Comprehensive income   | 11,474  | 6,014   |
| Comprehensive income attributable to<br>Comprehensive income attributable to<br>owners of parent | 11,474  | 6,014   |

## (2) Notes to semi-annual consolidated financial statements

(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 28<sup>th</sup>, 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 28<sup>th</sup>, 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 second quarter of the previous fiscal year or the entire previous fiscal year.

(Notes regarding the premise for going concern)

Not applicable.

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

Not applicable.

(Other)

Filing of lawsuits against the Company's directors, etc.:

As announced on August 27<sup>th</sup>, 2024, Fukuda Denshi Co., Ltd. (hereinafter mentioned as "the Company") received a notice of lawsuit from one of the Company's shareholders, who has filed a representative lawsuit with the Tokyo District Court against nine of our directors and four of our former directors, demanding compensation for damages.

The Company believes that none of its current or former directors has failed to perform their duties and that this lawsuit will not impact the Company's business performance. However, should any additional matters need to be disclosed, the Company will promptly announce them.

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