

# DAIKEN MEDICAL (7775)

Fiscal Year (Parent) (Million Yen)		Sales	Operating Profit	Recurring Profit	Net Profit	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2023		9,137	1,054	1,053	712	24.79	20.00	228.91
FY03/2024		9,750	1,442	1,450	988	34.41	21.00	243.32
FY03/2025CoE		10,100	1,500	1,500	1,030	35.85	22.00	-
FY03/2024	YoY	6.7%	36.8%	37.6%	38.8%	-	-	-
FY03/2025CoE	YoY	3.6%	4.0%	3.4%	4.2%	-	-	-

Quarter (Parent) (Million Yen)		Sales	Operating Profit	Recurring Profit	Net Profit	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY03/2024		2,361	339	341	244	-	-	-
Q2 FY03/2024		2,462	406	408	292	-	-	-
Q3 FY03/2024		2,581	492	492	350	-	-	-
Q4 FY03/2024		2,343	205	207	100	-	-	-
Q1 FY03/2025		2,395	397	398	289	-	-	-
Q1 FY03/2025	YoY	1.4%	17.1%	16.4%	18.3%	-	-	-

Source: Company Data, WRJ Calculation

## 1.0 Results Update (7 August 2024)

### Rise of AMY

On 31 July 2024, DAIKEN MEDICAL, running operations to develop, manufacture and sell medical devices mainly used for prevention of hospital-acquired infections and postoperative pain control, released its Q1 FY03/2025 results. It has been revealed that the Company is seeing a promising rise in sales of AMY, belonging to the Infusion Pumps side which is responsible for postoperative pain control. According to the Company, AMY holds relative superiority over equivalent products of its sector peer companies in terms of both costs and functions with a distinguished feature of being based on its proprietary micropumps, implying a good opportunity for sales to surge for the future in line with a progress made in awareness building activities. To date, AMY has been adopted by home treatment, painless delivery and so on, while the Company is calling for a future potential market size of no less than some ¥6,000m for AMY in Japan, assuming a full-scale adoption by acute hospitals. On top of this, the Company is currently in the process of launching AMY in Europe, implying a probability to obtain MDR (Medical Device Regulation) certification by the end of Q2 (July to September), while having been already working with an alliance partner to establish local sales channels for some time. The Company is calling for a future potential market size of no less than some ¥30,000m for AMY in Europe.


The Company's business model, etc.: [DAIKEN MEDICAL \(7775\) Growth Strategies \(27 September 2023\)](#)

IR Representative: Masahiro Nakazawa, General Manager, Finance and Accounting Division

(81-(0)6-6231-9917 / [m-nakazawa@daiken-iki.co.jp](mailto:m-nakazawa@daiken-iki.co.jp))

## 2.0 Company Profile

### Innovation for the Future of Medical

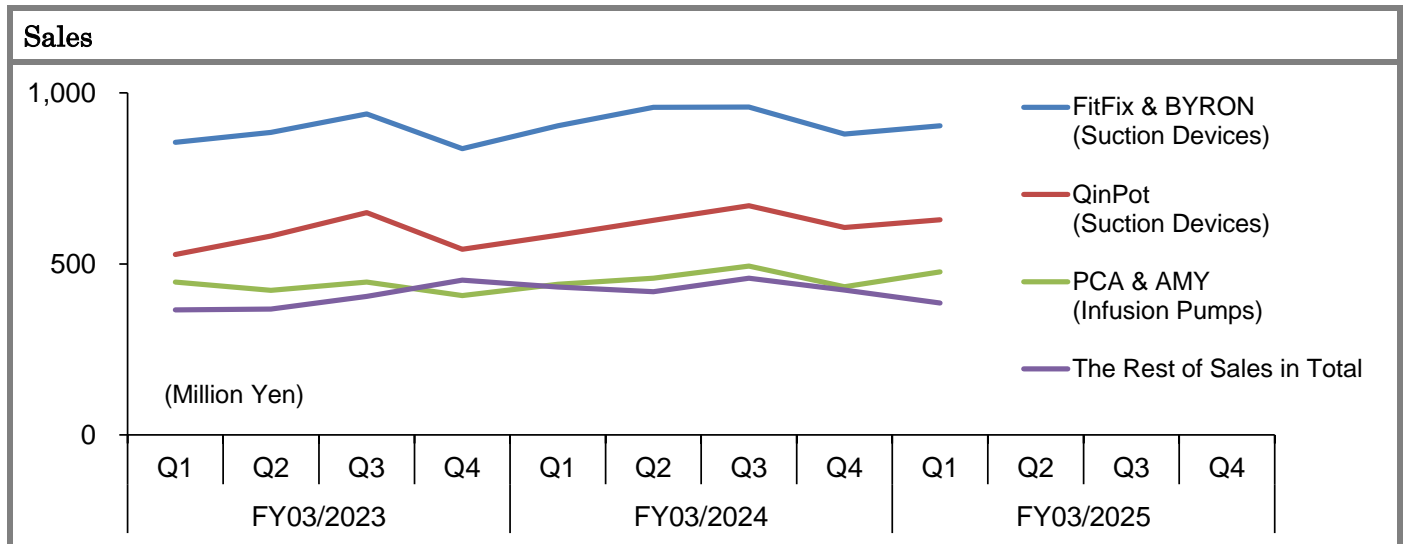
<b>Company Name</b>	DAIKEN MEDICAL CO., LTD. <a href="#">Company Website</a> <a href="#">IR Information (Japanese)</a> <a href="#">Share Price (Japanese)</a>	
<b>Established</b>	5 November 1968	
<b>Listing</b>	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 7775) 4 April 2022: Tokyo Stock Exchange Prime Market 13 October 2010: Tokyo Stock Exchange 1st section 12 March 2009: Tokyo Stock Exchange 2nd section	
<b>Capital</b>	¥495m (as of the end of June 2024)	
<b>No. of Shares</b>	31,840,000 shares, including 3,111,563 treasury shares (as of the end of June 2024)	
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Exposed to disposable products by 85% in sales</li> <li>● Keen on development of new products in front lines for prevention of hospital-acquired infections and postoperative pain control</li> <li>● Suction Devices and Infusion Pumps, the two mainstay pillars of business</li> </ul>	
<b>Segment</b>	Manufacture and Sale of Medical Devices	
<b>Representative</b>	President and CEO: Keiichi Yamada	
<b>Shareholders</b>	Keiichi Yamada 19.01%, Mitsuru Yamada 13.92%, Masayuki Yamada 10.89%, YAMADA MITSURU SCHOLARSHIP FOUNDATION 3.48%, Keizo Sekiya 3.31%, Master Trust Bank of Japan, T. 2.99% (as of the end of March 2024, but for treasury shares)	
<b>Head Office</b>	Izumi-city, Osaka-prefecture, JAPAN	
<b>No. of Personnel</b>	Parent: 181 (as of the end of June 2024)	

Source: Company Data

### 3.0 Recent Trading and Prospects

#### Q1 FY03/2025

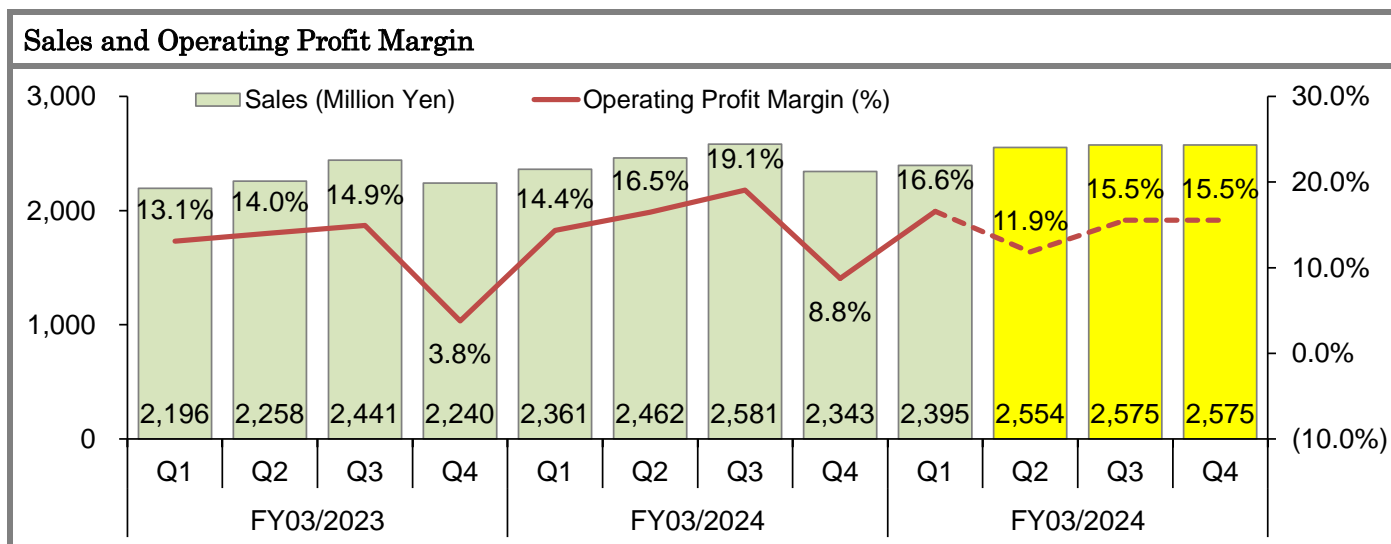
For Q1 FY03/2025, sales came in at ¥2,395m (up 1.4% YoY), operating profit ¥397m (up 17.1%), recurring profit ¥398m (up 16.4%) and net profit ¥289m (up 18.3%). By product category, sales on the Suction Devices side, responsible for prevention of hospital-acquired infections, came in at ¥1,533m (up 3.0%), while sales on the Infusion Pumps side, responsible for postoperative pain control, came in at ¥536m (up 5.4%).



Source: Company Data

On the Suction Devices side, sales of FitFix & BYRON came in at ¥904m (down 0.0%), while sales of QinPot came in at ¥629m (up 7.7%). For the former, the Company is currently running a market evaluation for improved BYRON, which is superior in terms of both costs and functions, while this is expected to lead to a full-fledged shift from FitFix to BYRON for FY03/2026. Meanwhile, for the latter, i.e., QinPot, sales are on the rise as adoptions are steadily continuing at hospitals in charge of treatment in the chronic phase.

On the Infusion Pumps side, sales of PCA & AMY came in at ¥477m (up 8.2%). It appears that sales of AMY have risen more than the net increase of this domain as a whole on a year-on-year basis. Meanwhile, the Company suggests that AMY is to replace Syrinjectors and Balloonjectors, i.e., the contents of PCA for the future.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2025: H2 Company forecasts, pro rata)

Meanwhile, for Q1, gross profit came in at ¥1,013m (up 5.8%) and SG&A expenses ¥616m (down 0.4%), implying gross profit margin of 42.3% (up 1.7% points) and SG&A ratio of 25.7% (down 0.5% points), having resulted in operating profit margin of 16.6% (up 2.2% points).

Gross profit margin has risen in line with a steady increase in sales of the mainstay products and effect from increased sales of midterm strategic products carrying high profit margin, i.e., AMY and QinPot. Going forward, the Company is looking to an acceleration in sales of all those midterm strategic products, which is to result in an ongoing improvement in sales mix. The Company has a plan to see gross profit margin as high as some 50% in a few years. Meanwhile, there was an aspect that the Company saw a delay in contributing R&D expenses for Q1, which resulted in SG&A expenses roughly unchanged from the previous year. However, for Q2 and thereafter, it appears that the Company is to post expenses associated with upfront investment to launch AMY in Europe, as assumed in initial Company forecasts.

#### FY03/2025 Company Forecasts

FY03/2025 initial Company forecasts, announced on 15 May 2024, have remained unchanged, going for prospective sales of ¥10,100m (up 3.6% YoY), operating profit of ¥1,500m (up 4.0%), recurring profit of ¥1,500m (up 3.4%) and net profit of ¥1,030m (up 4.2%), while operating profit margin of 14.9% (up 0.1% point). At the same time, Company forecasts have remained unchanged also for planned annual dividend, going for ¥22.00 per share, implying payout ratio of 61.4%. As well, the Company suggests that it will release midterm management plan, when prospective contributions become more convincing with respect to AMY.

## 4.0 Financial Statements

### Income Statement (Cumulative / Quarterly)

Income Statement	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
<b>Sales</b>	<b>2,361</b>	<b>4,824</b>	<b>7,406</b>	<b>9,750</b>	<b>2,395</b>	-	-	-	-	<b>+33</b>
Cost of Sales	1,403	2,831	4,328	5,768	1,381	-	-	-	-	(22)
Gross Profit	958	1,993	3,077	3,981	1,013	-	-	-	-	+55
SG&A Expenses	618	1,247	1,840	2,539	616	-	-	-	-	(2)
<b>Operating Profit</b>	<b>339</b>	<b>745</b>	<b>1,237</b>	<b>1,442</b>	<b>397</b>	-	-	-	-	<b>+57</b>
Non Operating Balance	2	4	5	7	0	-	-	-	-	(1)
<b>Recurring Profit</b>	<b>341</b>	<b>750</b>	<b>1,242</b>	<b>1,450</b>	<b>398</b>	-	-	-	-	<b>+56</b>
Extraordinary Balance	(0)	(0)	(5)	(13)	(0)	-	-	-	-	(0)
Profit before Income Taxes	341	750	1,237	1,436	398	-	-	-	-	+56
Total Income Taxes	97	212	349	447	108	-	-	-	-	+11
<b>Net Profit</b>	<b>244</b>	<b>537</b>	<b>888</b>	<b>988</b>	<b>289</b>	-	-	-	-	<b>+44</b>
Sales YoY	+7.5%	+8.3%	+7.4%	+6.7%	+1.4%	-	-	-	-	-
Operating Profit YoY	+17.8%	+23.2%	+27.6%	+36.8%	+17.1%	-	-	-	-	-
Recurring Profit YoY	+18.7%	+24.0%	+28.3%	+37.6%	+16.4%	-	-	-	-	-
Net Profit YoY	+21.0%	+25.2%	+29.1%	+38.8%	+18.3%	-	-	-	-	-
Gross Profit Margin	40.6%	41.3%	41.6%	40.8%	42.3%	-	-	-	-	+1.7%
SG&A Ratio	26.2%	25.9%	24.8%	26.0%	25.7%	-	-	-	-	(0.5%)
Operating Profit Margin	14.4%	15.4%	16.7%	14.8%	16.6%	-	-	-	-	+2.2%
Recurring Profit Margin	14.5%	15.5%	16.8%	14.9%	16.6%	-	-	-	-	+2.1%
Net Profit Margin	10.4%	11.1%	12.0%	10.1%	12.1%	-	-	-	-	+1.7%
Total Income Taxes / Profit before Income Taxes	28.4%	28.3%	28.2%	31.2%	27.2%	-	-	-	-	(1.2%)

Income Statement	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
<b>Sales</b>	<b>2,361</b>	<b>2,462</b>	<b>2,581</b>	<b>2,343</b>	<b>2,395</b>	-	-	-	-	<b>+33</b>
Cost of Sales	1,403	1,427	1,497	1,439	1,381	-	-	-	-	(22)
Gross Profit	958	1,035	1,084	904	1,013	-	-	-	-	+55
SG&A Expenses	618	629	592	699	616	-	-	-	-	(2)
<b>Operating Profit</b>	<b>339</b>	<b>406</b>	<b>492</b>	<b>205</b>	<b>397</b>	-	-	-	-	<b>+57</b>
Non Operating Balance	2	2	0	1	0	-	-	-	-	(1)
<b>Recurring Profit</b>	<b>341</b>	<b>408</b>	<b>492</b>	<b>207</b>	<b>398</b>	-	-	-	-	<b>+56</b>
Extraordinary Balance	(0)	(0)	(5)	(8)	(0)	-	-	-	-	(0)
Profit before Income Taxes	341	408	487	198	398	-	-	-	-	+56
Total Income Taxes	97	115	137	98	108	-	-	-	-	+11
<b>Net Profit</b>	<b>244</b>	<b>292</b>	<b>350</b>	<b>100</b>	<b>289</b>	-	-	-	-	<b>+44</b>
Sales YoY	+7.5%	+9.1%	+5.7%	+4.6%	+1.4%	-	-	-	-	-
Operating Profit YoY	+17.8%	+28.1%	+34.9%	+142.3%	+17.1%	-	-	-	-	-
Recurring Profit YoY	+18.7%	+28.8%	+35.4%	+144.3%	+16.4%	-	-	-	-	-
Net Profit YoY	+21.0%	+29.1%	+35.4%	+319.6%	+18.3%	-	-	-	-	-
Gross Profit Margin	40.6%	42.0%	42.0%	38.6%	42.3%	-	-	-	-	+1.7%
SG&A Ratio	26.2%	25.5%	22.9%	29.8%	25.7%	-	-	-	-	(0.5%)
Operating Profit Margin	14.4%	16.5%	19.1%	8.8%	16.6%	-	-	-	-	+2.2%
Recurring Profit Margin	14.5%	16.6%	19.1%	8.8%	16.6%	-	-	-	-	+2.1%
Net Profit Margin	10.4%	11.9%	13.6%	4.3%	12.1%	-	-	-	-	+1.7%
Total Income Taxes / Profit before Income Taxes	28.4%	28.3%	28.1%	49.4%	27.2%	-	-	-	-	(1.2%)

Source: Company Data, WRJ Calculation

### Sales by Product Category (Cumulative / Quarterly)

Sales by Product Category (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY Net Chg.
	Q1 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024	Q1 03/2025	Q1 to Q2 03/2025	Q1 to Q3 03/2025	Q1 to Q4 03/2025		
Suction Devices	1,488	3,074	4,704	6,190	1,533	-	-	-	-	+44
Infusion Pumps	508	1,030	1,601	2,104	536	-	-	-	-	+27
Electric Power Operated Pumps	66	132	202	262	58	-	-	-	-	(7)
Hand Washing Equipment	159	333	494	678	139	-	-	-	-	(19)
Other	137	253	403	513	127	-	-	-	-	(10)
<b>Sales</b>	<b>2,361</b>	<b>4,824</b>	<b>7,406</b>	<b>9,750</b>	<b>2,395</b>	-	-	-	-	<b>+33</b>
Suction Devices	+7.4%	+7.8%	+5.9%	+6.4%	+3.0%	-	-	-	-	-
Infusion Pumps	(0.2%)	+2.3%	+5.2%	+4.8%	+5.4%	-	-	-	-	-
Electric Power Operated Pumps	+56.5%	+47.2%	+33.3%	+5.5%	(11.9%)	-	-	-	-	-
Hand Washing Equipment	+2.8%	+15.5%	+16.1%	+16.0%	(12.5%)	-	-	-	-	-
Other	+34.1%	+17.1%	+13.9%	+8.3%	(7.8%)	-	-	-	-	-
<b>Sales (YoY)</b>	<b>+7.5%</b>	<b>+8.3%</b>	<b>+7.4%</b>	<b>+6.7%</b>	<b>+1.4%</b>	-	-	-	-	-
Suction Devices	63.0%	63.7%	63.5%	63.5%	64.0%	-	-	-	-	-
Infusion Pumps	21.5%	21.4%	21.6%	21.6%	22.4%	-	-	-	-	-
Electric Power Operated Pumps	2.8%	2.7%	2.7%	2.7%	2.5%	-	-	-	-	-
Hand Washing Equipment	6.8%	6.9%	6.7%	7.0%	5.8%	-	-	-	-	-
Other	5.8%	5.3%	5.5%	5.2%	5.3%	-	-	-	-	-
<b>Sales (Composition)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-	-

Sales by Product Category (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY Net Chg.
	Q1 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024	Q1 03/2025	Q2 03/2025	Q3 03/2025	Q4 03/2025		
Suction Devices	1,488	1,585	1,629	1,486	1,533	-	-	-	-	+44
Infusion Pumps	508	521	570	503	536	-	-	-	-	+27
Electric Power Operated Pumps	66	65	69	60	58	-	-	-	-	(7)
Hand Washing Equipment	159	174	160	184	139	-	-	-	-	(19)
Other	137	115	150	109	127	-	-	-	-	(10)
<b>Sales</b>	<b>2,361</b>	<b>2,462</b>	<b>2,581</b>	<b>2,343</b>	<b>2,395</b>	-	-	-	-	<b>+33</b>
Suction Devices	+7.4%	+8.1%	+2.5%	+7.8%	+3.0%	-	-	-	-	-
Infusion Pumps	(0.2%)	+4.9%	+10.8%	+3.6%	+5.4%	-	-	-	-	-
Electric Power Operated Pumps	+56.5%	+38.8%	+13.0%	(37.9%)	(11.9%)	-	-	-	-	-
Hand Washing Equipment	+2.8%	+30.2%	+17.5%	+15.8%	(12.5%)	-	-	-	-	-
Other	+34.1%	+1.6%	+9.0%	(8.5%)	(7.8%)	-	-	-	-	-
<b>Sales (YoY)</b>	<b>+7.5%</b>	<b>+9.1%</b>	<b>+5.7%</b>	<b>+4.6%</b>	<b>+1.4%</b>	-	-	-	-	-
Suction Devices	63.0%	64.4%	63.1%	63.4%	64.0%	-	-	-	-	-
Infusion Pumps	21.5%	21.2%	22.1%	21.5%	22.4%	-	-	-	-	-
Electric Power Operated Pumps	2.8%	2.7%	2.7%	2.6%	2.5%	-	-	-	-	-
Hand Washing Equipment	6.8%	7.1%	6.2%	7.9%	5.8%	-	-	-	-	-
Other	5.8%	4.7%	5.8%	4.7%	5.3%	-	-	-	-	-
<b>Sales (Composition)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-	-

Source: Company Data, WRJ Calculation

## Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
	Q1 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024	Q1 03/2025	Q2 03/2025	Q3 03/2025	Q4 03/2025	Net Chg.	
Cash and Deposit	2,488	2,657	2,516	2,739	2,637	-	-	-	+148	
Accounts Receivables	2,504	2,583	2,693	2,479	2,465	-	-	-	(38)	
Inventory	1,567	1,577	1,487	1,438	1,463	-	-	-	(103)	
Other	101	83	141	74	104	-	-	-	+2	
<b>Current Assets</b>	<b>6,662</b>	<b>6,903</b>	<b>6,838</b>	<b>6,730</b>	<b>6,671</b>	-	-	-	<b>+8</b>	
Tangible Assets	4,056	4,036	4,021	3,986	3,961	-	-	-	(94)	
Intangible Assets	8	8	14	13	13	-	-	-	+5	
Investments and Other Assets	294	301	300	275	275	-	-	-	(19)	
<b>Fixed Assets</b>	<b>4,359</b>	<b>4,345</b>	<b>4,336</b>	<b>4,275</b>	<b>4,250</b>	-	-	-	<b>(108)</b>	
<b>Total Assets</b>	<b>11,022</b>	<b>11,248</b>	<b>11,175</b>	<b>11,006</b>	<b>10,922</b>	-	-	-	<b>(99)</b>	
Accounts Payables	1,173	1,164	1,113	1,066	1,073	-	-	-	(99)	
Short-Term Debt	1,200	1,200	1,400	1,080	1,280	-	-	-	+80	
Current Portion of Long-Term Debt	659	649	419	389	359	-	-	-	(300)	
Other	536	592	591	803	683	-	-	-	+147	
<b>Current Liabilities</b>	<b>3,569</b>	<b>3,607</b>	<b>3,525</b>	<b>3,339</b>	<b>3,397</b>	-	-	-	<b>(172)</b>	
Long-Term Debt	898	793	708	623	538	-	-	-	(359)	
Other	25	23	22	20	19	-	-	-	(6)	
<b>Fixed Liabilities</b>	<b>924</b>	<b>817</b>	<b>730</b>	<b>643</b>	<b>557</b>	-	-	-	<b>(366)</b>	
<b>Total Liabilities</b>	<b>4,493</b>	<b>4,424</b>	<b>4,255</b>	<b>3,983</b>	<b>3,954</b>	-	-	-	<b>(538)</b>	
<b>Shareholders' Equity</b>	<b>6,505</b>	<b>6,797</b>	<b>6,889</b>	<b>6,990</b>	<b>6,935</b>	-	-	-	<b>+430</b>	
Other	23	26	29	32	32	-	-	-	+8	
<b>Net Assets</b>	<b>6,528</b>	<b>6,824</b>	<b>6,919</b>	<b>7,022</b>	<b>6,967</b>	-	-	-	<b>+438</b>	
<b>Total Liabilities &amp; Net Assets</b>	<b>11,022</b>	<b>11,248</b>	<b>11,175</b>	<b>11,006</b>	<b>10,922</b>	-	-	-	<b>(99)</b>	
Equity Capital	6,505	6,797	6,889	6,990	6,935	-	-	-	+430	
Interest-Bearing Debt	2,758	2,643	2,528	2,093	2,178	-	-	-	(579)	
Net Debt	269	(14)	11	(645)	(458)	-	-	-	(728)	
Equity Ratio	59.0%	60.4%	61.7%	63.5%	63.5%	-	-	-	-	
Net Debt-to-Equity Ratio	4.1%	(0.2%)	0.2%	(9.2%)	(6.6%)	-	-	-	-	
ROE (12 months)	11.8%	12.3%	13.6%	14.6%	15.4%	-	-	-	-	
ROA (12 months)	10.2%	10.9%	12.0%	13.2%	13.7%	-	-	-	-	
Days for Inventory Turnover	101	100	90	91	96	-	-	-	-	
Quick Ratio	140%	145%	148%	156%	150%	-	-	-	-	
Current Ratio	187%	191%	194%	202%	196%	-	-	-	-	

Source: Company Data, WRJ Calculation

## Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
	Q1 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024	Q1 03/2025	Q1 to Q2 03/2025	Q1 to Q3 03/2025	Q1 to Q4 03/2025	Net Chg.
Operating Cash Flow	-	602	-	1,555	-	-	-	-	-
Investing Cash Flow	-	(110)	-	(168)	-	-	-	-	-
<b>Operating Cash Flow and Investing Cash Flow</b>	<b>-</b>	<b>491</b>	<b>-</b>	<b>1,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financing Cash Flow	-	(350)	-	(1,163)	-	-	-	-	-

Source: Company Data, WRJ Calculation

**Disclaimer**

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Information here is a summary of "IR Information" of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. "IR Information" of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

Company name: Walden Research Japan Incorporated

Head office: Level 4 Ginza Ishii Building, 6-14-8 Ginza Chuo-ku Tokyo 104-0061, JAPAN

URL: <https://walden.co.jp/>

E-mail: [info@walden.co.jp](mailto:info@walden.co.jp)

Tel: 81-(0)3-3553-3769