

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%	-	-	-
Half Year (Parent) (Million Yen)		Sales	Operating Profit	Recurring Profit	Net Profit	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY03/2024		4,824	745	750	537	-	-	-
Q3 to Q4 FY03/2024		4,925	697	699	450	-	-	-
Q1 to Q2 FY03/2025		4,914	836	836	608	-	-	-
Q3 to Q4 FY03/2025CoE		5,185	663	663	421	-	-	-
Q1 to Q2 FY03/2025	YoY	1.9%	12.3%	11.5%	13.2%	-	-	-
Q3 to Q4 FY03/2025CoE	YoY	5.3%	(4.9%)	(5.2%)	(6.6%)	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (8 November 2024)

Improving Capital Efficiency


On 31 October 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 to Q2 FY03/2025 results. It has been revealed that capital efficiency is on the rise. According to our estimates, ROE of 15.1% has been achieved over the past 12 months (versus 14.6% for the actual results of FY03/2024). The background to this is that the Company has continued to pay out dividend equivalent to over 60% in terms of payout ratio for the past five years and more, while having seen a steady increase in earnings for Q1 to Q2 due mainly to increased sales of midterm strategic products, i.e., QinPot and COOPDECH AMY PCA. On the other hand, the Company has disclosed that the time for COOPDECH AMY PCA to be launched in overseas markets is to be delayed and thus that of sales expansion as well. The Company, which is prioritizing a spread in Europe, is working to obtain certification of MDR (Medical Device Regulation), which is essential for launching the product in Europe, while having just stated that it is now unlikely to do so by the end of FY03/2025 as in the original agenda. The Company is to respond to questions and other inquiries about the current situation at the financial results briefing scheduled for Tuesday, 10 December 2024.

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

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2.0 Company Profile

Innovation for the Future of Remedy

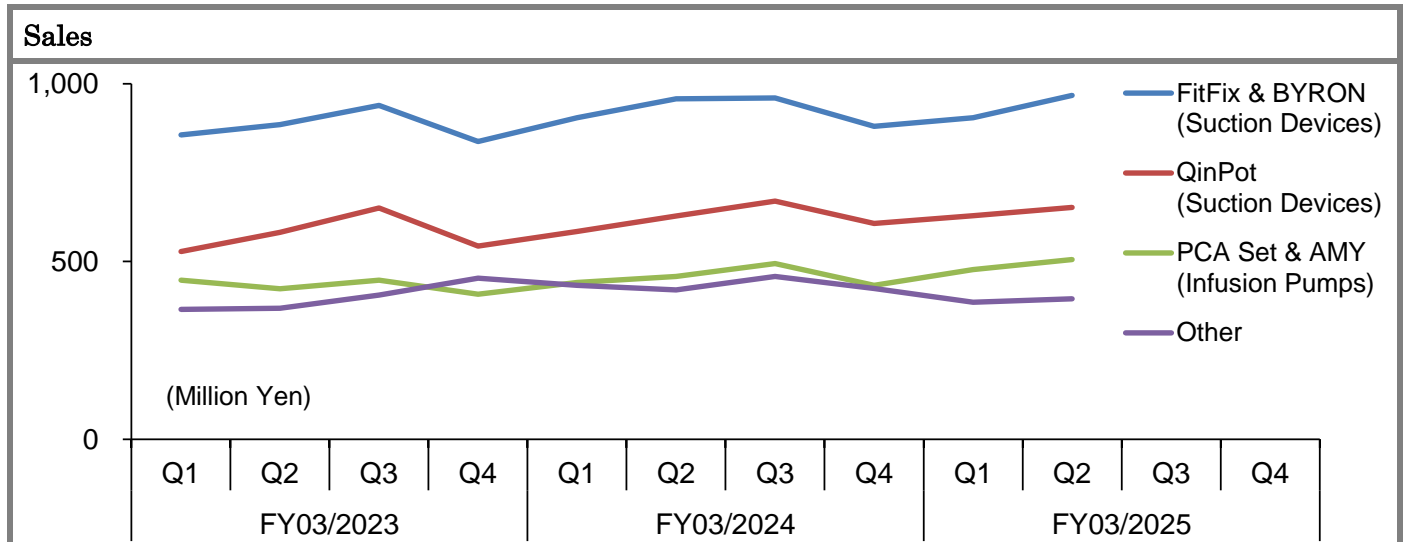
Company Name	DAIKEN MEDICAL CO., LTD. Company Website IR Information (Japanese) Share Price (Japanese)	
Established	5 November 1968	
Listing	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 7775) 4 April 2022: Tokyo Stock Exchange Prime Market 13 October 2010: Tokyo Stock Exchange 1st section 12 March 2009: Tokyo Stock Exchange 2nd section	
Capital	¥495m (as of the end of September 2024)	
No. of Shares	31,840,000 shares, including 3,111,563 treasury shares (as of the end of Sep. 2024)	
Main Features	<ul style="list-style-type: none"> ● Exposed to disposable products by 85% in sales ● Keen on development of new products in front lines for prevention of hospital-acquired infections and postoperative pain control ● Suction Devices and Infusion Pumps, the two mainstay pillars of business 	
Segment	Manufacture and Sale of Medical Devices	
Representative	President and CEO: Keiichi Yamada	
Shareholders	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. 2.01% (as of the end of September 2024, but for treasury shares)	
Head Office	Izumi-city, Osaka-prefecture, JAPAN	
No. of Personnel	Parent: 181 (as of the end of September 2024)	

Source: Company Data

3.0 Recent Trading and Prospects

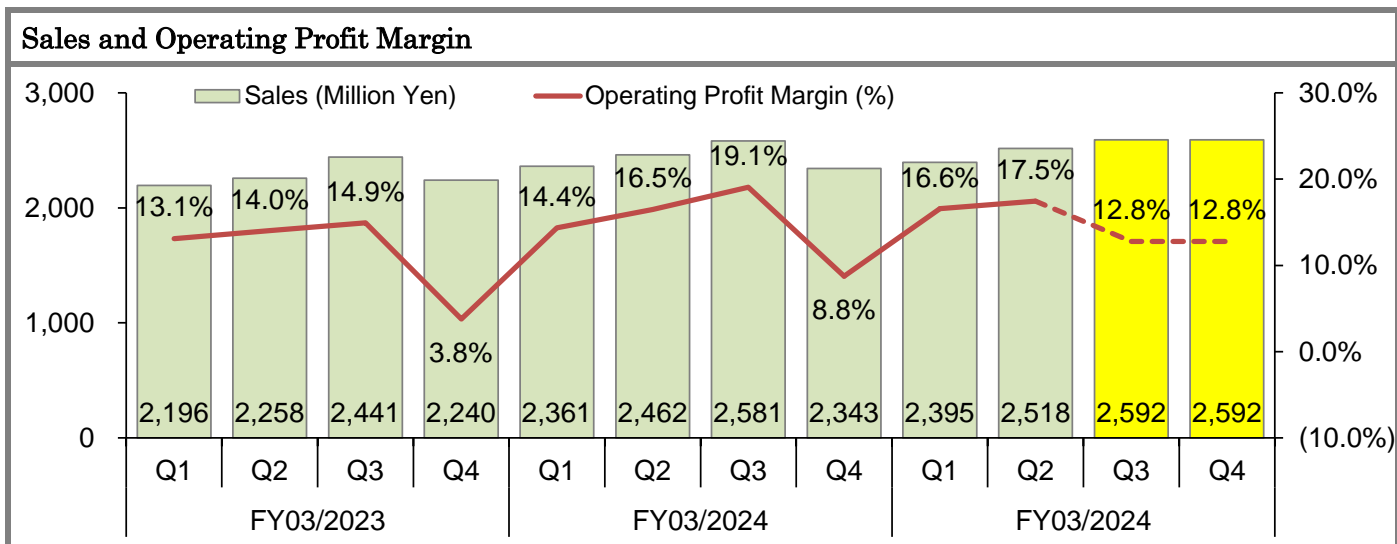
Q1 to Q2 FY03/2025

For Q1 to Q2 FY03/2025, sales came in at ¥4,914m (up 1.9% YoY), operating profit ¥836m (up 12.3%), recurring profit ¥836m (up 11.5%) and net profit ¥608m (up 13.2%). By product category, sales on the Suction Devices side came in at ¥3,152m (up 2.5%) and ¥1,113m (up 8.1%) on the Infusion Pumps side. Meanwhile, gross profit came in at ¥2,077m (up 4.2%) and SG&A expenses ¥1,241m (down 0.5%), implying gross profit margin of 42.3% (up 1.0% point) and SG&A ratio of 25.3% (down 0.6% points), having resulted in operating profit margin of 17.0% (up 1.6% points).



Source: Company Data

The Company saw gross profit rise and gross profit margin improved in line with a steady increase of sales volume for midterm strategic products on both the Suction Devices side and the Infusion Pumps side, which is the key factor for the Company's favorable performance in terms of operating profit and operating profit margin. On the Suction Devices side, responsible for prevention of hospital-acquired infections, sales were basically driven by those of midterm strategic product QinPot. According to the Company, the number of chronic care hospitals using this product continues to increase. Meanwhile, on the Infusion Pumps side, responsible for postoperative pain control, sales were basically driven by those of midterm strategic product COOPDECH AMY PCA. According to the Company, demand continues picking up from home healthcare and clinics, while acute-phase hospitals have begun adopting the product in earnest from the beginning of FY03/2025.



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

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%, for FY03/2025.

Meanwhile, as mentioned earlier, the Company has disclosed that the time for COOPDECH AMY PCA to be launched in overseas markets is to be delayed, but the impact on the Company's performance is expected to be negligible for FY03/2025.

According to the Company, MDR is the new medical device regulation in Europe, which has caused a significant increase in the number of applications for certification due to the change in system, resulting in an overall delay in the review process. With respect to COOPDECH AMY PCA, however, only the clinical evaluation is the remaining process to be reviewed. At the moment, the product is rapidly increasing its penetration in Japan and the number of cases of use for clinical evaluation as well. Thus, in the not-too-distant future, it appears that the Company is to go through phases of passing the clinical evaluation review, obtaining MDR certification and launching in Europe.

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		
Sales	2,361	4,824	7,406	9,750	2,395	4,914	-	-	-	+89
Cost of Sales	1,403	2,831	4,328	5,768	1,381	2,836	-	-	-	+4
Gross Profit	958	1,993	3,077	3,981	1,013	2,077	-	-	-	+84
SG&A Expenses	618	1,247	1,840	2,539	616	1,241	-	-	-	(6)
Operating Profit	339	745	1,237	1,442	397	836	-	-	-	+91
Non Operating Balance	2	4	5	7	0	(0)	-	-	-	(5)
Recurring Profit	341	750	1,242	1,450	398	836	-	-	-	+86
Extraordinary Balance	(0)	(0)	(5)	(13)	(0)	0	-	-	-	+0
Profit before Income Taxes	341	750	1,237	1,436	398	836	-	-	-	+86
Total Income Taxes	97	212	349	447	108	227	-	-	-	+15
Net Profit	244	537	888	988	289	608	-	-	-	+71
Sales YoY	+7.5%	+8.3%	+7.4%	+6.7%	+1.4%	+1.9%	-	-	-	-
Operating Profit YoY	+17.8%	+23.2%	+27.6%	+36.8%	+17.1%	+12.3%	-	-	-	-
Recurring Profit YoY	+18.7%	+24.0%	+28.3%	+37.6%	+16.4%	+11.5%	-	-	-	-
Net Profit YoY	+21.0%	+25.2%	+29.1%	+38.8%	+18.3%	+13.2%	-	-	-	-
Gross Profit Margin	40.6%	41.3%	41.6%	40.8%	42.3%	42.3%	-	-	-	+1.0%
SG&A Ratio	26.2%	25.9%	24.8%	26.0%	25.7%	25.3%	-	-	-	(0.6%)
Operating Profit Margin	14.4%	15.4%	16.7%	14.8%	16.6%	17.0%	-	-	-	+1.6%
Recurring Profit Margin	14.5%	15.5%	16.8%	14.9%	16.6%	17.0%	-	-	-	+1.5%
Net Profit Margin	10.4%	11.1%	12.0%	10.1%	12.1%	12.4%	-	-	-	+1.2%
Total Income Taxes / Profit before Income Taxes	28.4%	28.3%	28.2%	31.2%	27.2%	27.2%	-	-	-	(1.1%)

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		
Sales	2,361	2,462	2,581	2,343	2,395	2,518	-	-	-	+55
Cost of Sales	1,403	1,427	1,497	1,439	1,381	1,454	-	-	-	+26
Gross Profit	958	1,035	1,084	904	1,013	1,064	-	-	-	+28
SG&A Expenses	618	629	592	699	616	624	-	-	-	(4)
Operating Profit	339	406	492	205	397	439	-	-	-	+33
Non Operating Balance	2	2	0	1	0	(1)	-	-	-	(3)
Recurring Profit	341	408	492	207	398	438	-	-	-	+29
Extraordinary Balance	(0)	(0)	(5)	(8)	(0)	0	-	-	-	+0
Profit before Income Taxes	341	408	487	198	398	438	-	-	-	+30
Total Income Taxes	97	115	137	98	108	119	-	-	-	+3
Net Profit	244	292	350	100	289	319	-	-	-	+26
Sales YoY	+7.5%	+9.1%	+5.7%	+4.6%	+1.4%	+2.3%	-	-	-	-
Operating Profit YoY	+17.8%	+28.1%	+34.9%	+142.3%	+17.1%	+8.2%	-	-	-	-
Recurring Profit YoY	+18.7%	+28.8%	+35.4%	+144.3%	+16.4%	+7.3%	-	-	-	-
Net Profit YoY	+21.0%	+29.1%	+35.4%	+319.6%	+18.3%	+9.0%	-	-	-	-
Gross Profit Margin	40.6%	42.0%	42.0%	38.6%	42.3%	42.3%	-	-	-	+0.2%
SG&A Ratio	26.2%	25.5%	22.9%	29.8%	25.7%	24.8%	-	-	-	(0.7%)
Operating Profit Margin	14.4%	16.5%	19.1%	8.8%	16.6%	17.5%	-	-	-	+1.0%
Recurring Profit Margin	14.5%	16.6%	19.1%	8.8%	16.6%	17.4%	-	-	-	+0.8%
Net Profit Margin	10.4%	11.9%	13.6%	4.3%	12.1%	12.7%	-	-	-	+0.8%
Total Income Taxes / Profit before Income Taxes	28.4%	28.3%	28.1%	49.4%	27.2%	27.2%	-	-	-	(1.1%)

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	3,152	-	-	+78	
Infusion Pumps	508	1,030	1,601	2,104	536	1,113	-	-	+83	
Electric Power Operated Pumps	66	132	202	262	58	105	-	-	(26)	
Hand Washing Equipment	159	333	494	678	139	296	-	-	(37)	
Other	137	253	403	513	127	245	-	-	(7)	
Sales	2,361	4,824	7,406	9,750	2,395	4,914	-	-	+89	
Suction Devices	+7.4%	+7.8%	+5.9%	+6.4%	+3.0%	+2.5%	-	-	-	
Infusion Pumps	(0.2%)	+2.3%	+5.2%	+4.8%	+5.4%	+8.1%	-	-	-	
Electric Power Operated Pumps	+56.5%	+47.2%	+33.3%	+5.5%	(11.9%)	(20.3%)	-	-	-	
Hand Washing Equipment	+2.8%	+15.5%	+16.1%	+16.0%	(12.5%)	(11.1%)	-	-	-	
Other	+34.1%	+17.1%	+13.9%	+8.3%	(7.8%)	(2.9%)	-	-	-	
Sales (YoY)	+7.5%	+8.3%	+7.4%	+6.7%	+1.4%	+1.9%	-	-	-	
Suction Devices	63.0%	63.7%	63.5%	63.5%	64.0%	64.2%	-	-	-	
Infusion Pumps	21.5%	21.4%	21.6%	21.6%	22.4%	22.7%	-	-	-	
Electric Power Operated Pumps	2.8%	2.7%	2.7%	2.7%	2.5%	2.2%	-	-	-	
Hand Washing Equipment	6.8%	6.9%	6.7%	7.0%	5.8%	6.0%	-	-	-	
Other	5.8%	5.3%	5.5%	5.2%	5.3%	5.0%	-	-	-	
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	

Sales by Product Category (Million Yen)	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	1,619	-	-	+33
Infusion Pumps	508	521	570	503	536	577	-	-	+55
Electric Power Operated Pumps	66	65	69	60	58	46	-	-	(18)
Hand Washing Equipment	159	174	160	184	139	156	-	-	(17)
Other	137	115	150	109	127	118	-	-	+3
Sales	2,361	2,462	2,581	2,343	2,395	2,518	-	-	+55
Suction Devices	+7.4%	+8.1%	+2.5%	+7.8%	+3.0%	+2.1%	-	-	-
Infusion Pumps	(0.2%)	+4.9%	+10.8%	+3.6%	+5.4%	+10.7%	-	-	-
Electric Power Operated Pumps	+56.5%	+38.8%	+13.0%	(37.9%)	(11.9%)	(28.9%)	-	-	-
Hand Washing Equipment	+2.8%	+30.2%	+17.5%	+15.8%	(12.5%)	(9.9%)	-	-	-
Other	+34.1%	+1.6%	+9.0%	(8.5%)	(7.8%)	+2.9%	-	-	-
Sales (YoY)	+7.5%	+9.1%	+5.7%	+4.6%	+1.4%	+2.3%	-	-	-
Suction Devices	63.0%	64.4%	63.1%	63.4%	64.0%	64.3%	-	-	-
Infusion Pumps	21.5%	21.2%	22.1%	21.5%	22.4%	22.9%	-	-	-
Electric Power Operated Pumps	2.8%	2.7%	2.7%	2.6%	2.5%	1.9%	-	-	-
Hand Washing Equipment	6.8%	7.1%	6.2%	7.9%	5.8%	6.2%	-	-	-
Other	5.8%	4.7%	5.8%	4.7%	5.3%	4.7%	-	-	-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-

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 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		
Cash and Deposit	2,488	2,657	2,516	2,739	2,637	3,156	-	-	-	+499
Accounts Receivables	2,504	2,583	2,693	2,479	2,465	2,501	-	-	-	(82)
Inventory	1,567	1,577	1,487	1,438	1,463	1,381	-	-	-	(196)
Other	101	83	141	74	104	112	-	-	-	+28
Current Assets	6,662	6,903	6,838	6,730	6,671	7,152	-	-	-	+249
Tangible Assets	4,056	4,036	4,021	3,986	3,961	3,948	-	-	-	(87)
Intangible Assets	8	8	14	13	13	13	-	-	-	+4
Investments and Other Assets	294	301	300	275	275	274	-	-	-	(109)
Fixed Assets	4,359	4,345	4,336	4,275	4,250	4,236	-	-	-	(109)
Total Assets	11,022	11,248	11,175	11,006	10,922	11,388	-	-	-	+139
Accounts Payables	1,173	1,164	1,113	1,066	1,073	1,040	-	-	-	(123)
Short-Term Debt	1,200	1,200	1,400	1,080	1,280	920	-	-	-	(280)
Current Portion of Long-Term Debt	659	649	419	389	359	489	-	-	-	(160)
Other	536	592	591	803	683	579	-	-	-	(13)
Current Liabilities	3,569	3,607	3,525	3,339	3,397	3,030	-	-	-	(576)
Long-Term Debt	898	793	708	623	538	1,053	-	-	-	+260
Other	25	23	22	20	19	18	-	-	-	(5)
Fixed Liabilities	924	817	730	643	557	1,071	-	-	-	+254
Total Liabilities	4,493	4,424	4,255	3,983	3,954	4,102	-	-	-	(322)
Shareholders' Equity	6,505	6,797	6,889	6,990	6,935	7,254	-	-	-	+456
Other	23	26	29	32	32	31	-	-	-	+5
Net Assets	6,528	6,824	6,919	7,022	6,967	7,286	-	-	-	+462
Total Liabilities & Net Assets	11,022	11,248	11,175	11,006	10,922	11,388	-	-	-	+139
Equity Capital	6,505	6,797	6,889	6,990	6,935	7,254	-	-	-	+457
Interest-Bearing Debt	2,758	2,643	2,528	2,093	2,178	2,463	-	-	-	(179)
Net Debt	269	(14)	11	(645)	(458)	(693)	-	-	-	(679)
Equity Ratio	59.0%	60.4%	61.7%	63.5%	63.5%	63.7%	-	-	-	-
Net Debt-to-Equity Ratio	4.1%	(0.2%)	0.2%	(9.2%)	(6.6%)	(9.6%)	-	-	-	-
ROE (12 months)	11.8%	12.3%	13.6%	14.6%	15.4%	15.1%	-	-	-	-
ROA (12 months)	10.2%	10.9%	12.0%	13.2%	13.7%	13.6%	-	-	-	-
Days for Inventory Turnover	101	100	90	91	96	86	-	-	-	-
Quick Ratio	140%	145%	148%	156%	150%	187%	-	-	-	-
Current Ratio	187%	191%	194%	202%	196%	236%	-	-	-	-

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	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		
Operating Cash Flow	-	602	-	1,555	-	473	-	-	-	(129)
Investing Cash Flow	-	(110)	-	(168)	-	(76)	-	-	-	+34
Operating Cash Flow and Investing Cash Flow	-	491	-	1,386	-	397	-	-	-	(94)
Financing Cash Flow	-	(350)	-	(1,163)	-	20	-	-	-	+370

Source: Company Data, WRJ Calculation

Disclaimer

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.

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