

Summary Report on Financial Results for the Fiscal Year Ended March 31<sup>st</sup>, 2025  
(Japan GAAP)

May 15<sup>th</sup>, 2025

Stock Listing: TSE-Standard Market

Company name: Fukuda Denshi Co., Ltd.

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Scheduled date for the ordinary general meeting of shareholders: June 27<sup>th</sup>, 2025

Scheduled date for commencement of dividend payment: June 30<sup>th</sup>, 2025

Scheduled date for filing the securities report: June 27<sup>th</sup>, 2025

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 31<sup>st</sup>, 2025 (April 1<sup>st</sup>, 2024 through March 31<sup>st</sup>, 2025)

(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 <sup>st</sup> , 2025	139,007	(0.9)	25,874	(2.4)	26,633	(1.3)	18,605	(0.5)
Year ended March 31 <sup>st</sup> , 2024	140,323	4.2	26,506	10.0	26,990	7.6	18,693	8.2

(Note 1) Comprehensive income

Fiscal year ended March 31<sup>st</sup>, 2025: 18,160 million yen / (20.0) %

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

	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 <sup>st</sup> , 2025	645.41	-	10.6	12.4	18.6
Year ended March 31 <sup>st</sup> , 2024	622.44	-	11.3	13.0	18.9

(Reference) Profit or loss on equity method investments:

Fiscal year ended March 31<sup>st</sup>, 2025: - million yen

Fiscal year ended March 31<sup>st</sup>, 2024: - million yen

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 31 <sup>st</sup> , 2025	221,321	181,652	82.1	6,301.01
Year ended March 31 <sup>st</sup> , 2024	209,064	169,008	80.8	5,863.22

(Reference) Shareholders' equity:

Fiscal year ended March 31<sup>st</sup>, 2025: 181,652 million yen

Fiscal year ended March 31<sup>st</sup>, 2024: 169,008 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 <sup>st</sup> , 2025	33,019	(17,053)	(5,810)	67,348
Year ended March 31 <sup>st</sup> , 2024	23,914	(14,779)	(17,066)	57,198

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 <sup>st</sup> , 2024	-	80.00	-	105.00	185.00	5,492	29.7	3.3
Year ended March 31 <sup>st</sup> , 2025	-	85.00	-	110.00	195.00	5,669	30.2	3.2
Year ending March 31 <sup>st</sup> , 2026 (Forecast)	-	90.00	-	90.00	180.00		30.5	

(Note)

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

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

The detail of second quarter dividend for the Year ended March 31<sup>st</sup>, 2025: ordinary dividend 60.00 yen, extra dividend 25.00 yen

The detail of year-end dividend for the Year ended March 31<sup>st</sup>, 2025: ordinary dividend 65.00 yen, extra dividend 45.00 yen

The detail of second quarter dividend of Year ending March 31<sup>st</sup>, 2026 (Forecast): ordinary dividend 65.00 yen, extra dividend 25.00 yen

The detail of year-end dividend of Year ending March 31<sup>st</sup>, 2026 (Forecast): ordinary dividend 65.00 yen, extra dividend 25.00 yen

3. Forecast of consolidated financial results for fiscal year ending March 31<sup>st</sup>, 2026 (April 1<sup>st</sup>, 2025 through March 31<sup>st</sup>, 2026)

	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	137,000	(1.4)	24,000	(7.2)	24,000	(9.9)	17,000	(8.6)	589.68

(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) Significant changes in the scope of consolidation during the current fiscal year: None

(2) 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

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares at the year-end (including treasury shares)

Fiscal year ended March 31<sup>st</sup>, 2025: 37,747,300 shares

Fiscal year ended March 31<sup>st</sup>, 2024: 37,747,300 shares

(ii) Number of shares of treasury shares at the year-end:

Fiscal year ended March 31<sup>st</sup>, 2025: 8,918,234 shares

Fiscal year ended March 31<sup>st</sup>, 2024: 8,922,061 shares

(iii) Average number of shares during the period

Fiscal year ended March 31<sup>st</sup>, 2025: 28,827,756 shares

Fiscal year ended March 31<sup>st</sup>, 2024: 30,032,196 shares

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31<sup>st</sup>, 2025 (April 1<sup>st</sup>, 2024 through March 31<sup>st</sup>, 2025)

(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 <sup>st</sup> , 2025	87,097	0.1	15,402	6.1	22,796	7.5	18,667	9.4
Year ended March 31 <sup>st</sup> , 2024	86,987	5.7	14,516	17.0	21,205	14.6	17,057	15.3

	Earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31 <sup>st</sup> , 2025	647.55	-
Year ended March 31 <sup>st</sup> , 2024	567.96	-

(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 <sup>st</sup> , 2025	193,244	142,861	73.9	4,955.47
Year ended March 31 <sup>st</sup> , 2024	177,590	130,713	73.6	4,534.70

(Reference) Shareholders' equity:

Fiscal year ended March 31<sup>st</sup>, 2025: 142,861 million yen

Fiscal year ended March 31<sup>st</sup>, 2024: 130,713 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 31<sup>st</sup>, 2026 under the "1. Operating results" section on page 8.

We have scheduled a financial results meeting for analysts on May 22<sup>nd</sup>, 2025. 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 <sup>st</sup> , 2024	Year ended March 31 <sup>st</sup> , 2025	Comparison with the previous year	
	Amount	Amount	Change	Rate of change (%)
Net sales (million yen)	140,323	139,007	(1,316)	(0.9)
Operating Profit (million yen)	26,506	25,874	(631)	(2.4)
Ordinary Profit (million yen)	26,990	26,633	(357)	(1.3)
Profit attributable to owners of parent (million yen)	18,693	18,605	(87)	(0.5)
Earnings per share (yen)	622.44	645.41	22.97	3.7

Although the Japanese economy has been gradually recovering during the current consolidated 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 rising resource prices influenced by the international situation and the global trade friction.

In the medical industry, it is now necessary to continue building systems to prepare for emerging infectious disease 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 achieved consolidated “Net sales” of 139,007 million yen (down 0.9% year-on-year basis), “Operating profit” of 25,874 million yen (down 2.4% year-on-year basis), “Ordinary profit” of 26,633 million yen (down 1.3% year-on-year basis), and “Profit attributable to owners of parent” of 18,605 million yen (down 0.5% 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 <sup>st</sup> , 2024		Year ended March 31 <sup>st</sup> , 2025		Comparison with the previous year	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	Change (million yen)	Rate of change (%)
Physiological diagnostic equipment	30,664	21.9	28,549	20.5	(2,115)	(6.9)
Patient monitoring equipment	9,722	6.9	9,782	7.0	60	0.6
Medical treatment equipment	59,706	42.5	61,951	44.6	2,244	3.8
Consumables and other products	40,229	28.7	38,724	27.9	(1,505)	(3.7)
Total	140,323	100.0	139,007	100.0	(1,316)	(0.9)

#### A. Physiological diagnostic equipment segment

The sales of ultrasound diagnostic systems and vascular screening system, locally procured goods decreased.

As a result, consolidated “Net sales” were 28,549 million yen (down 6.9% year-on-year basis).

B. Patient monitoring equipment segment

Consolidated “Net sales” of patient monitoring equipment were 9,782 million yen (up 0.6% 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 61,951 million yen (up 3.8% 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 38,724 million yen (down 3.7% year-on-year basis).

(2) Overview of financial situation

Situation of the assets, liabilities and net assets at the consolidated fiscal year ended March 31<sup>st</sup>, 2025.

“Total assets” increased 12,257 million yen from the end of the previous fiscal year to reach 221,321 million yen. The main factor is the increase of 12,152 million yen in “Cash and deposits”.

“Total liabilities” decreased 386 million yen from the end of the previous fiscal year to reach 39,669 million yen. The main factor is the decrease of 1,051 million yen in “Retirement benefit liability”.

“Net assets” increased 12,643 million yen from the end of the previous fiscal year to reach 181,652 million yen. The main factor is the increase of 13,080 million yen in “Retained earnings” despite the decrease of 1,002 million yen in “Valuation difference on available-for-sale securities”.

(3) Overview of cash flows

Consolidated cash flows

	Year ended March 31 <sup>st</sup> , 2024	Year ended March 31 <sup>st</sup> , 2025	Change
Cash flows from operating activities (million yen)	23,914	33,019	9,105
Cash flows from investing activities (million yen)	(14,779)	(17,053)	(2,273)
Cash flows from financing activities (million yen)	(17,066)	(5,810)	11,255
Effect of exchange rate changes (million yen)	190	(5)	(196)
Increase (decrease) in cash and cash equivalents (million yen)	(7,741)	10,150	17,891
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	-	-
Cash and cash equivalents at the end of the fiscal year (million yen)	57,198	67,348	10,150

(Cash flows from operating activities)

In the consolidated fiscal year, the “Cash flows from operating activities” increased 9,105 million yen from the end of previous fiscal year to reach 33,019 million yen. Including “Profit before income taxes” of 27,127 million yen, and “Depreciation” of 10,549 million yen.

(Cash flows from investing activities)

The “Cash flows from investing activities” decreased 2,273 million yen from the end of previous fiscal year to reach minus 17,053 million yen. Including “Purchase of property, plant and equipment” amounted to 12,496 million yen.

(Cash flows from financing activities)

The “Cash flows from financing activities” increased 11,255 million yen from the end of previous fiscal year to reach minus 5,810 million yen. Including “Dividends paid” amounted to 5,519 million yen.

As a result, “Cash and cash equivalents at the end of the fiscal year” increased 10,150 million yen from the end of previous fiscal year to reach 67,348 million yen.

(Reference) Trends in cash flow indicators

	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2022	Year ended March 31 <sup>st</sup> , 2023	Year ended March 31 <sup>st</sup> , 2024	Year ended March 31 <sup>st</sup> , 2025
Shareholders' equity ratio (%)	72.0	76.7	78.8	80.8	82.1
Market value-based shareholders' equity ratio (%)	66.2	60.4	62.4	95.5	83.2
Years needed to repay debts	0.1	0.1	0.1	0.1	0.1
Interest coverage ratio	554.5	621.2	619.9	692.2	657.2

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 31<sup>st</sup>, 2026

	Year ended March 31 <sup>st</sup> , 2025	Year ending March 31 <sup>st</sup> , 2026	Comparison with the previous year	
	Amount	Amount	Change	Rate of change (%)
Net sales (million yen)	139,007	137,000	(2,007)	(1.4)
Operating Profit (million yen)	25,874	24,000	(1,874)	(7.2)
Ordinary Profit (million yen)	26,633	24,000	(2,633)	(9.9)
Profit attributable to owners of parent (million yen)	18,605	17,000	(1,605)	(8.6)
Earnings per share (yen)	645.41	589.68	(55.73)	(8.6)



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 137,000 million yen, consolidated “Operating profit” of 24,000 million yen, consolidated “Ordinary profit” of 24,000 million yen, and consolidated “Profit attributable to owners of parent” of 17,000 million yen for the fiscal year ending March 31<sup>st</sup>, 2026.

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 emerging infectious disease, etc., 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 adaption both at home and abroad.

### 3. Consolidated financial statements and Notes

#### (1) Consolidated balance sheets

	(Million yen)	
	Previous fiscal year (as of March 31 <sup>st</sup> , 2024)	Current fiscal year (as of March 31 <sup>st</sup> , 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	60,222	72,374
Notes receivable - trade	2,129	1,308
Accounts receivable - trade	34,641	33,215
Electronically recorded monetary claims - operating	4,447	4,544
Merchandise and finished goods	11,362	9,513
Work in process	240	234
Raw materials and supplies	4,054	3,548
Other	2,076	2,443
Allowance for doubtful accounts	(38)	(43)
Total current assets	119,136	127,139
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,392	31,865
Accumulated depreciation and impairment	(7,636)	(8,121)
Buildings and structures, net	18,755	23,744
Machinery, equipment and vehicles	2,867	3,045
Accumulated depreciation and impairment	(1,683)	(1,965)
Machinery, equipment and vehicles, net	1,183	1,080
Tools, furniture and fixtures	51,662	56,590
Accumulated depreciation and impairment	(33,617)	(36,193)
Tools, furniture and fixtures, net	18,045	20,397
Land	9,989	9,937
Leased assets	3,465	3,454
Accumulated depreciation and impairment	(2,216)	(2,329)
Leased assets, net	1,249	1,124
Construction in progress	2,351	120
Total property, plant and equipment	51,575	56,405
Intangible assets	1,862	1,777
Investments and other assets		
Investment securities	15,496	14,740
Deferred tax assets	2,769	2,242
Insurance funds	16,576	17,350
Other	1,654	1,675
Allowance for doubtful accounts	(6)	(8)
Total investments and other assets	36,489	36,000
Total non-current assets	89,928	94,182
Total assets	209,064	221,321

(Million yen)

	Previous fiscal year (as of March 31 <sup>st</sup> , 2024)	Current fiscal year (as of March 31 <sup>st</sup> , 2025)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,611	11,737
Electronically recorded obligations - operating	4,753	3,851
Short-term borrowings	1,750	1,750
Lease liabilities	287	279
Income taxes payable	3,856	4,360
Provision for product warranties	149	149
Provision for bonuses	3,816	3,508
Provision for bonuses for directors (and other officers)	547	538
Other	7,659	9,045
Total current liabilities	34,431	35,219
Non-current liabilities		
Lease liabilities	1,474	1,288
Provision for share awards for directors (and other officers)	249	351
Provision for Employee Stock Ownership Plan Trust	358	365
Provision for retirement benefits for directors (and other officers)	201	159
Retirement benefit liability	2,031	979
Other	1,308	1,305
Total non-current liabilities	5,624	4,449
Total liabilities	40,056	39,669
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,621	4,621
Capital surplus	17,506	17,506
Retained earnings	167,359	180,440
Treasury shares	(27,266)	(27,258)
Total shareholders' equity	162,220	175,309
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,594	4,591
Foreign currency translation adjustment	578	572
Remeasurements of defined benefit plans	613	1,179
Total accumulated other comprehensive income	6,787	6,343
Total net assets	169,008	181,652
Total liabilities and net assets	209,064	221,321

(2) Consolidated income statements and consolidated comprehensive income statements

Consolidated income statements

(Million yen)

	Previous fiscal year (from April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	Current fiscal year (from April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Net sales	140,323	139,007
Cost of sales	65,875	65,190
Gross profit	74,447	73,816
Selling, general and administrative expenses	47,941	47,942
Operating profit	26,506	25,874
Non-operating income		
Interest income	95	98
Dividend income	219	252
Commission for insurance office work	38	72
Gain on investments in investment partnerships	91	92
Insurance claim income	18	166
Other	182	204
Total non-operating income	646	885
Non-operating expenses		
Interest expenses	34	50
Foreign exchange losses	106	39
Loss on cancellation of leases	4	7
Other	16	29
Total non-operating expenses	161	126
Ordinary profit	26,990	26,633
Extraordinary income		
Gain on sale of non-current assets	6	125
Gain on sale of investment securities	-	331
Surrender value of insurance policies	199	103
Total extraordinary income	206	561
Extraordinary losses		
Extra retirement payments	83	-
Loss on sale of non-current assets	15	34
Impairment losses	73	17
Loss on valuation of investment securities	29	14
Office relocation expenses	8	-
Loss on sale of golf club membership	0	-
Total extraordinary losses	210	67
Profit before income taxes	26,986	27,127
Income taxes – current	8,769	7,942
Income taxes - deferred	(476)	579
Total income taxes	8,293	8,521
Profit	18,693	18,605
Profit attributable to owners of parent	18,693	18,605

Consolidated comprehensive income statements

(Million yen)

	Previous fiscal year (from April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	Current fiscal year (from April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Profit	18,693	18,605
Other comprehensive income		
Valuation difference on available-for-sale securities	3,199	(1,002)
Foreign currency translation adjustment	380	(6)
Remeasurements of defined benefit plans, net of tax	425	565
Total other comprehensive income	4,006	(444)
Comprehensive income	22,699	18,160
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,699	18,160

## (3) Consolidated statements of changes in net assets

Previous fiscal year (from April 1<sup>st</sup>, 2023 to March 31<sup>st</sup>, 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

Current fiscal year (from April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,621	17,506	167,359	(27,266)	162,220
Changes during period					
Dividends of surplus			(5,524)		(5,524)
Profit attributable to owners of parent			18,605		18,605
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				9	9
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	13,080	7	13,088
Balance at end of period	4,621	17,506	180,440	(27,258)	175,309

	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	5,594	578	613	6,787	169,008
Changes during period					
Dividends of surplus					(5,524)
Profit attributable to owners of parent					18,605
Purchase of treasury shares					(2)
Disposal of treasury shares					9
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	(1,002)	(6)	565	(444)	(444)
Total changes during period	(1,002)	(6)	565	(444)	12,643
Balance at end of period	4,591	572	1,179	6,343	181,652



## (4) Consolidated statements of cash flows

	(Million yen)	
	Previous fiscal year (from April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	Current fiscal year (from April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Cash flows from operating activities		
Profit before income taxes	26,986	27,127
Depreciation	9,725	10,549
Impairment losses	73	17
Increase (decrease) in allowance for doubtful accounts	25	6
Increase (decrease) in provision for bonuses	(143)	(309)
Increase (decrease) in provision for bonuses for directors (and other officers)	1	(9)
Increase (decrease) in provision for product warranties	34	0
Increase (decrease) in retirement benefit liability	137	204
Increase (decrease) in provision for share awards for directors (and other officers)	35	101
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(16)	(42)
Interest and dividend income	(315)	(351)
Interest expenses	34	50
Loss (gain) on sale of non-current assets	3	(91)
Loss (gain) on investments in investment partnerships	(91)	(92)
Loss (gain) on sale of investment securities	-	(331)
Loss (gain) on cancellation of insurance policies	(199)	(103)
Decrease (increase) in trade receivables	(8)	2,153
Decrease (increase) in inventories	95	2,377
Increase (decrease) in trade payables	(2,689)	(1,194)
Increase (decrease) in accrued consumption taxes	(374)	(597)
Other, net	(770)	743
Subtotal	32,544	40,208
Interest and dividends received	272	303
Interest paid	(34)	(50)
Income taxes paid	(8,867)	(7,443)
Net cash provided by (used in) operating activities	23,914	33,019

	(Million yen)	
	Previous fiscal year (from April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	Current fiscal year (from April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Cash flows from investing activities		
Decrease (increase) in time deposits	2	(2,002)
Proceeds from collection of short-term loans receivable	15	15
Purchase of property, plant and equipment	(13,464)	(12,496)
Proceeds from sales of property, plant and equipment	19	289
Purchase of intangible assets	(659)	(395)
Purchase of short-term and long-term investment securities	(1,155)	(1,219)
Proceeds from sale and redemption of short-term and long-term investment securities	1,637	1,020
Purchase of insurance funds	(2,299)	(2,917)
Proceeds from maturity of insurance funds	1,291	2,246
Other, net	(166)	(1,594)
Net cash provided by (used in) investing activities	(14,779)	(17,053)
Cash flows from financing activities		
Purchase of treasury shares	(11,258)	(2)
Proceeds from sale of treasury shares	10	9
Dividends paid	(5,492)	(5,519)
Repayments of lease liabilities	(325)	(297)
Net cash provided by (used in) financing activities	(17,066)	(5,810)
Effect of exchange rate change on cash and cash equivalents	190	(5)
Net increase (decrease) in cash and cash equivalents	(7,741)	10,150
Cash and cash equivalents at beginning of period	64,939	57,198
Cash and cash equivalents at end of period	57,198	67,348

(5) Notes to consolidated financial statement

(Notes regarding the premise for going concern)

Not applicable.

(Notes regarding changes in Accounting Policies)

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 from the beginning 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 current consolidated fiscal year. This change in accounting policies was applied retrospectively to the consolidated financial statements for 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 previous fiscal year or the entire previous fiscal year.

(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 1<sup>st</sup>, 2023 to March 31<sup>st</sup>, 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	-	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.

(ii) Current fiscal year (from April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025)

(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	28,165	8,523	61,951	37,215	135,855	-	135,855
Overseas Sales	384	1,259	-	1,508	3,152	-	3,152
Revenue from Contracts with Customers	28,549	9,782	61,951	38,724	139,007	-	139,007
Sales to external customers	28,549	9,782	61,951	38,724	139,007	-	139,007
Internal sales or transfers	-	-	-	-	-	-	-
Total	28,549	9,782	61,951	38,724	139,007	-	139,007
Segment Profit	4,782	1,687	13,066	6,338	25,874	-	25,874
Segment assets	19,822	7,458	59,083	26,054	112,418	108,903	221,321
Other items							
Depreciation	533	182	9,110	723	10,549	-	10,549
Increase in Property, plant and equipment and intangible assets	887	304	12,150	1,203	14,545	-	14,545

\*1. Adjustment of segment assets of 108,903 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 1<sup>st</sup>, 2023 to March 31<sup>st</sup>, 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".

(ii) Current fiscal year (from April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025)

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 1<sup>st</sup>, 2023 to March 31<sup>st</sup>, 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

(ii) Current fiscal year (from April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025)

(Million yen)

	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products	Elimination / Corporate	Total
Impairment loss	8	0	3	3	1	17

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

(i) Previous fiscal year (from April 1<sup>st</sup>, 2023 to March 31<sup>st</sup>, 2024)

Not applicable

(ii) Current fiscal year (from April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025)

Not applicable

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

(i) Previous fiscal year (from April 1<sup>st</sup>, 2023 to March 31<sup>st</sup>, 2024)

Not applicable

(ii) Current fiscal year (from April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025)

Not applicable

(Per share information)

	Previous fiscal year (from April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	Current fiscal year (from April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Net assets per share	5,863.22yen	6,301.01yen
Earnings per share	622.44yen	645.41yen
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” (247 thousand shares at the start of the fiscal year and 243 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” (249 thousand shares at the start of the fiscal year and 245 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 basis for calculation of earnings per share:

Item	Previous fiscal year (from April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	Current fiscal year (from April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Profit attributable to owners of parent (million yen)	18,693	18,605
Amount not belonging to ordinary shareholders (million yen)	-	-
Profit attributable to owners of parent in relation to common shares (million yen)	18,693	18,605
Average number of shares during the fiscal year (1,000 shares)	30,032	28,827

(Significant subsequent events)

(Absorption-type merger of consolidated subsidiary)

Fukuda Denshi Co., Ltd. (hereinafter mentioned as "the Company") resolved at the Board of Directors meeting held on December 26<sup>th</sup>, 2024 to conduct an absorption-type merger with the Company's wholly-owned subsidiary Fukuda Life Tech CO., Ltd. (hereinafter mentioned as "Life Tech") concluded an absorption-type merger on the same date on effective date of April 1<sup>st</sup>, 2025.

A summary of the merger as follows:

#### 1. Purpose of the absorption-type merger

Life Tech has been engaged in business activities specializing in home care services. In order to enhance the efficiency of our decision-making processes, improve organizational operations, and strengthen corporate governance through centralized management and optimal allocation of management resources, the Company have decided to absorb Life Tech, which is a wholly-owned subsidiary of the Company.

## 2. Overview of Merger

### (1) Schedule of Merger

- Date of resolution by the Company's Board of Directors    December 26<sup>th</sup>, 2024
- Date of execution of the merger agreement                      February 3<sup>rd</sup>, 2025
- Effective date    April 1<sup>st</sup>, 2025

Since the Merger is a simplified absorption-type merger under Article 796, Paragraph 2 of the Companies Act, the Company will not hold a general meeting of shareholders regarding the approval of the merger agreement.

### (2) Method of Merger

In the absorption merger method with the Company as the surviving company, Life Tech was dissolved.

### (3) Details of the allocation related to the merger

Since Life Tech is a wholly-owned subsidiary of the Company, there will be no allotment of shares or other cash as a result of the merger.

### (4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in connection with the Merger

Not applicable

## 3. Overview of accounting treatment

In accordance with the "Accounting Standards for Business Combinations" (ASBJ Statement No. 21, January 16<sup>th</sup>, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16<sup>th</sup>, 2019), the Company accounted as a transaction under common control.

## 4. Others

### Changes of directors

#### (i) Representative Director

Not applicable

#### (ii) Other directors

- New director candidate  
Director: Ms. Keiko Abe

\*Ms. Keiko Abe is a candidate as an Outside Director as stipulated in Article 2 (15) of the Companies Act.

#### (iii) Effective from

June 27<sup>th</sup>, 2025

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

\* The original disclosure in Japanese was released on May 15<sup>th</sup>, 2025 at 17:00 (GMT+9)