

08 | Performance and Corporate Information



Global Headquarters and R&D center

Financial Summary	8-1
Non-Financial Summary	8-2
Company and Stock Information	8-3

8-1 Financial Summary

(Consolidated)

	39th Fiscal Year FYE June 2015	40th Fiscal Year FYE June 2016	41st Fiscal Year FYE June 2017	42nd Fiscal Year FYE June 2018	43rd Fiscal Year FYE June 2019	44th Fiscal Year FYE June 2020	45th Fiscal Year FYE June 2021	46th Fiscal Year FYE June 2022	47th Fiscal Year FYE June 2023	48th Fiscal Year FYE June 2024 (Current Consolidated Fiscal Year)
Revenue (million yen)	35,323	39,511	42,709	50,124	57,216	56,546	61,507	77,748	90,101	107,547
Operating income excluding goodwill amortization, etc. (million yen)	8,034	10,004	10,797	13,774	15,317	12,595	12,944	16,893	19,934	24,168
EBITDA (million yen)	9,994	12,291	13,350	16,660	18,778	16,794	17,764	22,712	26,742	31,856
Operating income (million yen)	7,976	10,002	10,795	13,773	15,168	12,445	12,795	15,239	18,030	22,135
Operating income margin (%)	22.6	25.3	25.3	27.5	26.5	22.0	20.8	19.6	20.0	20.6
Ordinary income (million yen)	8,399	9,521	10,941	13,740	14,833	12,310	13,196	16,326	17,635	21,968
Net income attributable to parent company shareholders (million yen)	5,828	6,907	7,725	10,042	11,237	9,178	9,984	10,857	13,106	15,808
Comprehensive income (million yen)	7,940	4,126	9,490	10,623	11,335	9,251	10,753	17,297	16,280	22,873
Total assets (million yen)	51,049	50,286	63,246	72,104	84,358	93,729	115,427	155,127	172,644	191,614
Net assets (million yen)	32,592	32,263	44,659	53,599	65,450	71,975	92,938	121,130	134,300	151,961
Equipment investment (million yen)	3,784	3,836	5,169	8,183	9,702	11,361	11,764	8,933	14,456	12,570
Depreciation and goodwill amortization (million yen)	1,959	2,286	2,552	2,886	3,460	4,198	4,819	6,439	7,513	8,464
R&D expenses (million yen)	3,230	3,886	4,496	5,052	6,036	6,579	7,524	8,869	9,723	11,662
Net assets per share (yen)	126.97	127.47	173.11	207.34	251.37	276.13	349.18	439.80	487.12	556.71
Earnings per share (yen)	22.73	27.31	30.43	38.88	43.29	35.25	38.25	40.01	48.25	58.20
Equity ratio (%)	63.8	64.1	70.6	74.3	77.6	76.8	80.5	77.0	76.6	78.9
ROE (Return On Equity) (%)	20.0	21.3	20.1	20.4	18.9	13.4	12.1	10.2	10.4	11.2
ROIC (Return On Invested Capital) (%)	-	-	-	-	20.0	13.5	11.7	10.9	10.7	12.1
Price earnings ratio (x)	46.1	45.5	42.0	53.9	61.3	87.0	69.4	51.2	58.3	38.8
Cash flows from operating activities (million yen)	6,666	8,622	10,257	11,717	11,720	11,166	8,920	17,302	19,138	34,708
Cash flows from investing activities (million yen)	-3,249	-3,841	-5,268	-10,537	-10,849	-10,389	-16,327	-18,703	-15,135	-21,222
Cash flows from financing activities (million yen)	-1,311	-4,552	1,598	-3,749	267	-850	10,110	11,368	-2,342	-13,878
Cash and equivalents, end of period (million yen)	13,344	12,935	19,992	17,494	18,777	18,554	21,358	32,321	34,884	35,658
(Reference) Consolidated dividend payout ratio (%)	25.0	27.5	25.0	25.0	25.0	25.0	30.0	30.0	30.0	35.0
Number of employees/consolidated (persons)	5,233	5,545	6,220	6,998	7,810	8,761	9,409	10,435	10,187	9,371

1. The Company conducted a two-for-one split of its common shares on August 1, 2015, January 1, 2018, and July 1, 2019. Accordingly, the net assets per share and net profit per share are calculated on the assumption that such split of shares was conducted at the beginning of FYE June 2015.

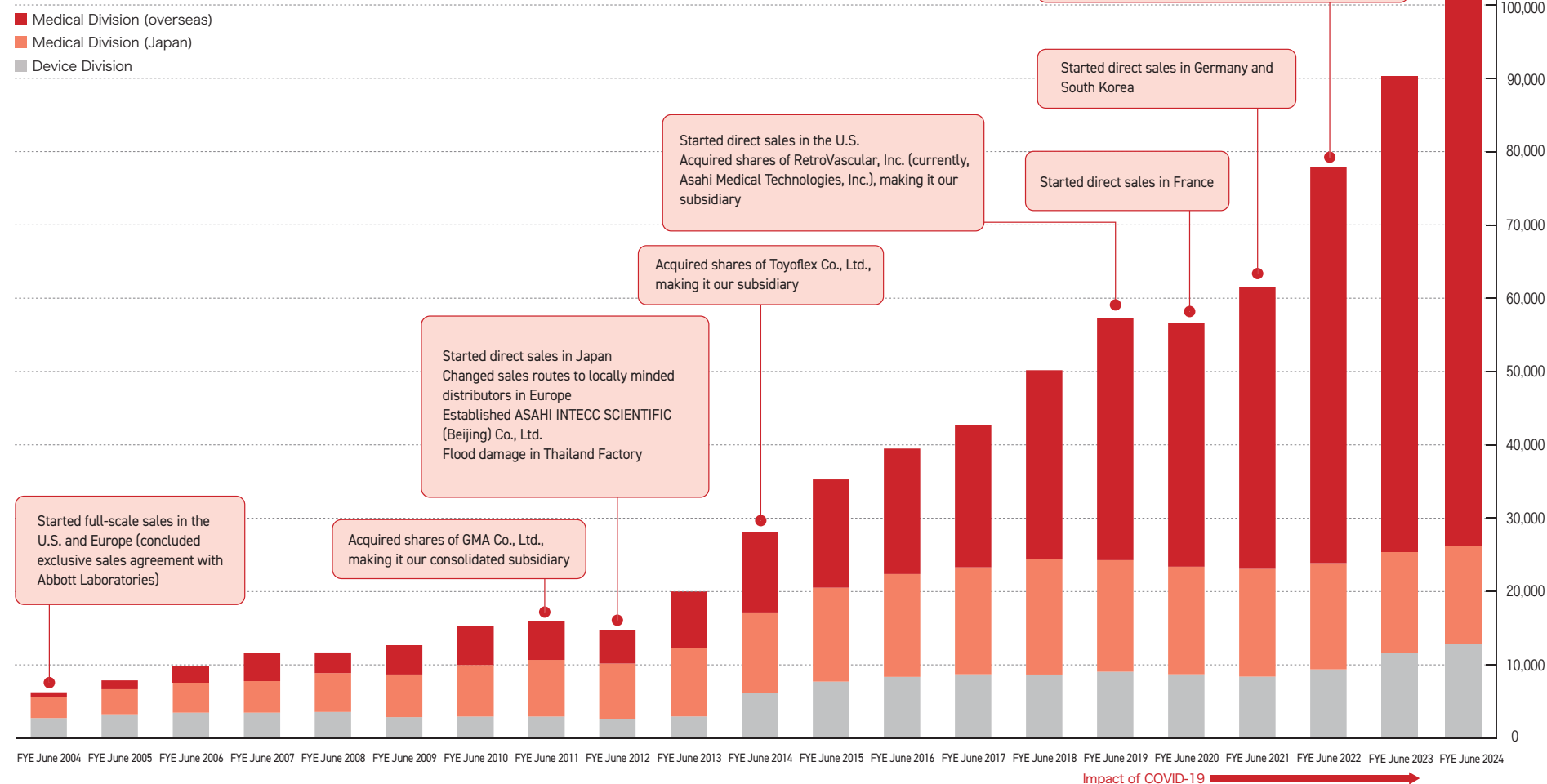
2. ROIC (Return On Invested Capital) is calculated based on the following formula. ROIC is not disclosed for the 42nd fiscal year or earlier.

ROIC = net operating income after tax / invested capital (working capital + fixed assets (average of beginning and ending balances))

8-1 Financial Summary

Trend of Revenue by Segment

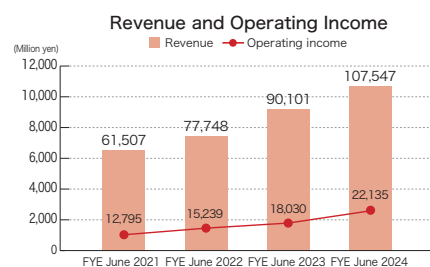
The Medical Division has grown significantly owing to improved performance in the overseas market.



8-1 Financial Summary

» Revenue and Operating Income

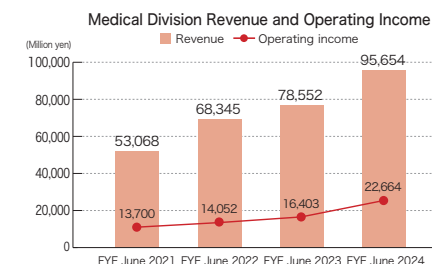
Revenue of our Group for the fiscal year under review amounted to 107,547 million yen (an increase of 19.4% year on year), thanks to our efforts to keep pace with the increase in the number of cases following the recovery from the COVID-19 pandemic and advance market share expansion, as well as the exchange rate impact of stronger foreign currencies, which significantly increased overseas revenue. Gross profit totaled 69,053 million yen (an increase of 17.4% year on year), owing to the increase in revenue. Operating profit was 22,135 million yen (an increase of 22.8% year on year), despite an increase in selling, general and administrative expenses, such as an increase in sales-related expenses, including expenses for sales promotion primarily in the overseas market and expenses associated with net sales growth, as well as an increase in R&D expenses for reinforcing development and performance-based bonus payments. Ordinary income was 21,968 million yen (an increase of 24.6% year on year) mainly due to an increase in foreign exchange losses. Profit attributable to parent company shareholders was 15,808 million yen (an increase of 20.6% year on year), despite a decrease in disaster insurance income.



» Revenue by Business Segment

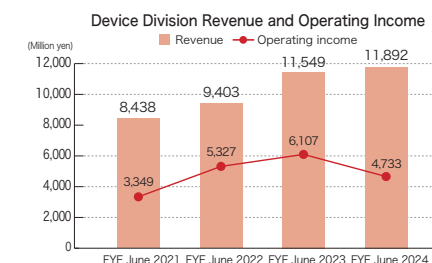
① Medical Division

In the Medical Division, revenue increased, thanks to our efforts to keep pace with the increase in the number of cases following the recovery from the COVID-19 pandemic and advance market share expansion, as well as the exchange rate impact of stronger foreign currencies, which significantly increased overseas revenue. In the domestic market, revenue increased mainly owing to increased sales in the non-cardiovascular field, including peripheral vascular products and gastrointestinal products, and OEM transactions, in addition to strong results, particularly for PCI guide wires, in the cardiovascular field. Additionally, we achieved deliveries of two ANSUR surgery support robots as our new initiatives. In the overseas market, revenue increased in all fields of cardiovascular, non-cardiovascular, and OEM transactions. In the cardiovascular field, revenue performed strongly in all regions, primarily for PCI guide wires and penetration catheters. In the non-cardiovascular field, revenue increased in all regions mainly owing to the effects of the launch of new peripheral vascular products such as "CROSSLEAD" in the U.S. market and an increase of abdominal products in the U.S. and Chinese markets. Revenue from OEM transactions slightly increased, mainly owing to the exchange rate impact of stronger foreign currencies and the growth of new transactions in the U.S., despite a decrease in transactions with China in the cardiovascular field. As a result, revenue totaled 95,654 million yen (an increase of 21.8% year on year). Segment profit amounted to 22,664 million yen (an increase of 38.2% year on year).



② Device Division

In the Device Division, revenue increased primarily for medical components. As for medical components, revenue increased mainly owing to an increase in endoscope-related components transactions in the domestic market, and the exchange rate impact of stronger foreign currencies and an increase in transactions with China in the overseas market. As for industrial components, revenue increased mainly owing to the exchange rate impact of stronger foreign currencies and an increase in OA equipment-related transactions in the overseas market, despite a decrease in construction-related transactions mainly in the domestic market. As a result, revenue totaled 11,892 million yen (an increase of 3.0% year on year). Segment profit amounted to 4,733 million yen (a decrease of 22.5% year on year) due to a decrease in intersegment transactions and trends in operating rates.



8-1 Financial Summary

■ Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Assets		
Current assets		
Cash and deposit	34,884	35,658
Bills/accounts receivable	14,678	17,676
Electronically recorded monetary claims – operating	1,728	1,913
Securities	2,000	3,000
Merchandise and finished goods	10,077	9,282
Work in process	13,473	12,298
Raw materials and supplies	7,807	7,763
Others	5,842	7,609
Allowance for doubtful accounts	–231	–505
Total current assets	90,261	94,696
Fixed Assets		
Tangible fixed assets		
Buildings and structures	33,678	46,109
Accumulated depreciation	–12,054	–14,523
Buildings and structures, net	21,623	31,585
Machinery, equipment and vehicles	31,830	36,239
Accumulated depreciation	–21,330	–25,683
Machinery, equipment, and vehicles, net	10,500	10,555
Land	6,678	7,257
Construction in progress	8,472	4,207
Others	13,168	14,463
Accumulated depreciation	–6,761	–7,940
Others, net	6,407	6,523
Total tangible fixed assets	53,683	60,129
Intangible assets		
Goodwill	7,737	6,910
Others	10,632	10,048
Total intangible assets	18,369	16,959
Investments and other assets		
Investment securities	6,177	15,185
Shares of subsidiaries and associates	220	220
Deferred tax assets	929	989
Others	3,096	3,538
Allowance for doubtful accounts	–93	–105
Total investments and other assets	10,329	19,828
Total fixed assets	82,383	96,917
Total assets	172,644	191,614

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Liabilities		
Current liabilities		
Bills payable/accounts payable	2,856	2,289
Electronically recorded obligations – operating	883	625
Short-term debt	10,361	5,615
Account payable – other	2,043	4,038
Accrued corporate tax, etc.	2,309	2,683
Provision for bonuses	1,784	2,700
Others	6,076	11,542
Total current liabilities	26,316	29,494
Fixed liabilities		
Long-term debt	3,892	1,087
Deferred tax liabilities	3,921	4,643
Provision for retirement benefits for Directors (and other officers)	19	19
Retirement benefit liability	2,496	2,851
Asset retirement obligations	15	17
Others	1,683	1,539
Total fixed liabilities	12,028	10,157
Total liabilities	38,344	39,652
Net assets		
Shareholders' equity		
Capital stock	18,860	18,860
Capital surplus	21,727	21,779
Retained earnings	78,867	90,742
Treasury stock	–7	–7
Total shareholders' equity	119,448	131,375
Accumulated other comprehensive income		
Valuation difference on available for-sale securities	2,033	2,689
Foreign currency translation adjustment	10,867	17,142
Re-measurements of defined benefit plans	–36	9
Total accumulated other comprehensive income	12,864	19,841
Noncontrolling interests	1,987	744
Total net assets	134,300	151,961
Total liabilities and net assets	172,644	191,614

■ Consolidated Statements of Income

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Revenue	90,101	107,547
Cost of sales	31,268	38,494
Gross profit	58,832	69,053
Selling, general, and administrative expenses		
Freight-out	3,027	2,748
Provision of allowance for doubtful accounts	43	169
Salaries and bonuses	9,407	11,280
Director remuneration	779	767
Bonuses for Directors (and other officers)	—	246
Provision of allowance for bonuses	882	1,291
Retirement benefit expenses	308	479
Depreciation	2,578	2,943
R&D expenses	9,723	11,662
Others	14,050	15,329
Total selling, general, and administrative expenses	40,802	46,917
Operating income	18,030	22,135
Non-operating income		
Interest income	50	102
Dividend income	73	91
Subsidy income	7	79
Others	177	242
Total non-operating income	308	515
Non-operating expense		
Interest expenses	308	226
Foreign exchange loss	298	379
Others	96	77
Total non-operating expense	703	683
Ordinary income	17,635	21,968
Extraordinary gain		
Gain on sale of investment securities	—	21
Disaster insurance income	305	—
Total extraordinary gain	305	21
Extraordinary loss		
Loss on valuation of investment securities	196	99
Provision of allowance for doubtful accounts	—	100
Others	1	0
Total extraordinary loss	197	199
Profit before income taxes and others	17,743	21,789
Income taxes – current	4,715	5,630
Income taxes – deferred	–248	263
Total income taxes	4,467	5,893
Net income	13,276	15,895
Profit attributable to noncontrolling interests	170	87
Profit attributable to parent company shareholders	13,106	15,808

8-1 Financial Summary

■ Consolidated Statement of Comprehensive Income (Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Net income	13,276	15,895
Other comprehensive income		
Valuation difference on available-for-sale securities	161	656
Foreign currency translation adjustment	2,968	6,274
Re-measurements of defined benefit plans	-126	45
Total other comprehensive income	3,003	6,977
Comprehensive income	16,280	22,873
(Breakdown)		
Comprehensive income attributable to parent company shareholders	16,015	22,684
Profit attributable to non-controlling interests	264	188

■ Consolidated Statements of Changes in Shareholders' Equity (Previous Consolidated Fiscal Year) (Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Noncontrolling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	18,860	21,727	69,018	-7	109,599	1,872	7,898	89	9,860	1,670	121,130
Changes during the period											
Dividends of surplus			-3,256		-3,256						-3,256
Profit attributable to parent company shareholders			13,106		13,106						13,106
Acquisition of treasury stock				-0	-0						-0
Purchase of shares of consolidated subsidiaries											
Net changes in items other than shareholders' equity						161	2,968	-126	3,003	316	3,320
Total changes during the period	—	—	9,849	-0	9,849	161	2,968	-126	3,003	316	13,169
Balance at the end of the period	18,860	21,727	78,867	-7	119,448	2,033	10,867	-36	12,864	1,987	134,300

■ Consolidated Statements of Changes in Shareholders' Equity (Current Consolidated Fiscal Year) (Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Noncontrolling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	18,860	21,727	78,867	-7	119,448	2,033	10,867	-36	12,864	1,987	134,300
Changes during the period											
Dividends of surplus			-3,933		-3,933						-3,933
Profit attributable to parent company shareholders			15,808		15,808						15,808
Acquisition of treasury stock				-0	-0						-0
Purchase of shares of consolidated subsidiaries		52			52						52
Net changes in items other than shareholders' equity						656	6,274	45	6,977	-1,243	5,733
Total changes during the period	—	52	11,874	-0	11,927	656	6,274	45	6,977	-1,243	17,660
Balance at the end of the period	18,860	21,779	90,742	-7	131,375	2,689	17,142	9	19,841	744	151,961

■ Consolidated Statements of Cash flows (Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Cash flows from operating activities		
Profit before income taxes and others	17,743	21,789
Depreciation	7,513	8,464
Increase (decrease) in allowance for doubtful accounts	33	273
Increase (decrease) in provision for bonuses	383	837
Increase (decrease) in retirement benefit liability	145	261
Interest income and dividend income	-124	-193
Interest expenses	308	226
Amortization of goodwill	1,198	1,255
Loss (gain) on valuation of investment securities	196	99
Disaster insurance income received	-305	—
Increase (decrease) in trade and other receivables	-340	-2,345
Increase (decrease) in inventories	-2,793	4,456
Increase (decrease) in trade and other payables	-256	-973
Increase (decrease) in accounts payable	291	563
Increase (decrease) in advances received	741	4,346
Increase (decrease) in accrued income	254	-337
Others	-1,088	1,289
Subtotal	23,902	40,014
Interest and dividends received	95	185
Interest paid	-261	-167
Insurance income received	305	—
Income taxes paid	-4,903	-5,323
Cash flows from operating activities	19,138	34,708
Cash flows from investing activities		
Purchase of securities	—	-3,000
Proceeds from redemption of securities	—	2,000
Purchase of investment securities	-1,123	-8,334
Purchase of tangible fixed assets	-12,291	-9,877
Purchase of intangible assets	-422	-667
Others	-1,298	-1,342
Cash flows from investing activities	-15,135	-21,222
Cash flows from financing activities		
Net increase (decrease) in short-term debt	5,165	-6,500
Proceeds from long-term loans payable	—	1,500
Repayment of long-term loans payable	-3,927	-3,202
Dividends paid	-3,256	-3,933
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	-1,355
Repayments of lease obligations	-322	-385
Others	0	0
Cash flows from financing activities	-2,342	-13,878
Effect of exchange rate change on cash and cash equivalents	902	1,164
Increase (decrease) in cash and cash equivalents	2,563	773
Cash and cash equivalents at beginning of period	32,321	34,884
Cash and cash equivalents at end of period	34,884	35,658