Our commitment to originality ensures we provide unique products to the world.

Originality. Innovation. Marketing power. These are the distinguishing features of Daiken Medical. They enable us to deliver cutting edge medical technology to the medical frontlines through an integrated production and sales system. Based on our hands-on approach (hard facts first) philosophy, our research teams, armed with original, innovative technologies, proactively enter the medical frontlines of hospitals and universities with the aim of creating custom solutions to various issues through research and mutual discussion. This R&D style enables us to reflect “live feedback from the frontlines” and create innovative products using the data gathered from our research for our product development.

For many products, especially those related to anesthesiology and prevention of infection, Daiken Medical stands amongst the market leaders with a large market share. All of our products are original, innovative and patented. Our strength lies in to our consistent ability to anticipate needs. One example is Syринjector, a device used to inject medicinal solutions into the body at a constant rate. This revolutionary product uses atmospheric force as the infusion pump’s operating principle, thus completely overcoming the shortfalls of existing balloon-type pumps, where infusion pressure becomes unstable as the balloon deflates. Backed by multiple patents, Syринjector dramatically increased our market share, which at the time of launch was dominated by large international manufacturers. It now stands at the top of the domestic market.

We are able to develop such products because we work at the frontlines of medical care, and we have close cooperative relationships with Physicians and health care worker engaged in cutting edge research. Once we understand a problem cited by Physicians, we immediately create a working prototype. This prototype is then installed at the hospitals where it is tested and used. We collect feedback during several with professionals involved with the product. Through this feedback loop, the product development cycles are accelerated, ensuring continuous improvement.

Our commitment to originality ensures we provide unique products to the world.

**Message from the President**

**History**

- **1990** Launched *FitFix* (Suction container for operation)
- **1995** Launched *Wet Mat* (Disinfectant/sterilization mat for hospitals)
- **1997** Launched *Syrinjector* (Infuser)
- **1999** Completed and commenced operations at new head office (Current Product Development Research Center)
- **2002** Launched *Epidural Catheter Kit* (Epidural Anesthesia), *Syringe Pump* (Small light motorized Pump), *Balloonjector* (Infuser with big capacity), and *Bronchial Catheter Tube* (One-lung ventilation tube)
- **2003** Received Good Design Award from Japan Institute of Design Promotion (JDP) for *Syringe Pump* and launched *Syrinjector PCA Set* (Infuser)
- **2004** Acquired certifications of ISO9001 & ISO13485
  - Launched *QinPot* (Suction container for sick room)
- **2005** Started Brain cooling device with Okayama University Hospital.
  - Awarded Technology Prize for *FitFix* by science & Technology Agency.
  - Launched *Infusion Pump* (Horizontal infusion pump)
- **2007** Relocated head office functions to Doshomachi, Chuo-ku, Osaka

**1990**

- Started as a full-Scale Medical Device Manufacturer

**1999**

- Set up R & D & Assembly Facilities in OSAKA
is subsequently re-engineered and improved. In creating our products, we pull from the diversity of Daiken Medical technologies. These include mechanical, electronic, and medical. This is the secret behind Daiken's ability to problem solve medical technology issues. We repeat this process over and over to improve our existing products and develop new ones. It is the "Winning formula" that underpins our competitive power.

Daiken Medical is now entering a new stage of growth. We are currently engaged in a domain that forms a small component of medical care and generates minimal sales even overseas. Specifically, we are developing micro-pumps using micro electro mechanical systems (MEMS) technologies. Through this work, we hope to replace existing products, such as syringe pumps and infusers, and make a concerted effort to enter completely new domains, local and international. Over the course of time, one thing that has not and will not change is our commitment to Innovation. Consistently supplying cutting edge medical devices that enhance medical delivery, saving and improving people's lives, this is the Daiken Medical Philosophy. We remain committed to making invaluable products to enhance medical delivery today and for the foreseeable future.

Keiichi Yamada
President, COO
These devices deliver drugs intravenously by squeezing the tube of the infusion set, which is connected to an infusion bag or container filled with the medicinal solution to be administered. Infusion pumps are used in intensive care units, hospital wards, because the control capacity for medicinal solution administration is low in comparison with syringe pumps.

This infuser device is used to inject medicinal solutions at a constant rate by applying the contractile force of a balloon as the compression method. It is used when relatively large volumes of medicinal solution are to be administered. Mostly, it is connected to a catheter in order to reduce post-surgery pain, by delivering local anesthetic or pain relievers in small or continuous doses.

This device is used to deliver medicinal solutions precisely and continuously by controlling the flange of the syringe plunger filled with syringe solution. It is used in surgery rooms, intensive care units, particularly in the treatment of newborn babies and seriously ill patients. It is suited to administration of drugs in small amounts and high concentrations over long time periods.
This aspirator is used in surgery rooms, in cases where body fluid drainage volumes are relatively large. Fitted inside the main plastic body is a disposable coagulant-filled liner, through which fluids, such as blood and sputum, are suction-drained. After coagulation, each liner is incinerated to prevent infection caused by contact with drained fluids.

This aspirator is used in hospital wards, in cases where body fluid drainage volumes are relatively small. Fitted inside the main plastic body is a disposable coagulant-filled liner, through which fluids, such as blood and sputum, are suction-drained. After coagulation, each liner is incinerated to prevent infection caused by contact with drained fluids.

This infuser pump is used to inject medicinal solutions at a constant rate by applying atmospheric force as the compression method. The use of atmospheric force enables more stable flows in comparison with using balloons. Connecting a patient-controlled analgesia (PCA) device to Syrinjector enables patients to self-administer by pressing a button when feeling post-surgery pain.

This aspirator is used in surgery rooms, intensive care units, in cases where body fluid drainage volumes are relatively large. It is a single-unit sealed container made of plastic coagulant with a lid section and a bottle section. When drained fluid is collected in the bottle through suction, the lid is pressed to introduce coagulant, enabling the fluid to be solidified without opening the unit. Because each container is subsequently incinerated, nobody comes into direct contact with the fluid, so the risk of infection is extremely low.

This is a sterilized water-making unit that medical practitioners in operating rooms, intensive care units, hospital wards, use to wash their hands hygienically. There is no storage tank or complex piping, and water is filtered just before reaching the spout, enabling the supply was sterilized water without risk of bacterial infection or biofilm.
Developing medical devices that deliver high added value

**Micro-pumps based on MEMS technologies**

The use of micro-pumps enables development of high-value-added medical devices that are more functional, more compact, and lower priced than existing products. In addition to alleviating the cost burden of medical institutions, this facilitates creation of exceptional devices that can be used for at-home and emergency medical care, thus contributing to early discharge from hospital and improvements in Quality of life (QOL) of patients.

In addition to existing domains, we are conducting R&D on new products fitted with various micro-pumps targeting new fields, and we are broadening our horizons beyond Japan to include European and North American markets.

*MEMS (micro electro mechanical systems): Precision devices that integrate a variety of mechanical, electronic, optical, chemical, and other functions.*

High-performance, low-cost micro-pump drug solution infusion equipment development

**Compact liquid medicine injector that excels in terms of safety and mobility**

At present, the most common infusion method is to use an infusion bag hanging on a stand, with the liquid medicine administered through the force of gravity. When the patient needs to walk, however, there are various risks. For example, the stand may topple, the infusion needle may fall out, or an excess amount of solution may be infused. To resolve these issues, we started developing liquid medicine injectors using micro-pumps.

*[Features of liquid medicine injectors using micro-pumps]*

- Prevents accidents caused by excessive injection amounts
- The injection system can be made more compact, requiring minimal space
- Maintenance time/effort is greatly reduced, as the pump section is disposable

Cooperation with medical institutions

- Joint research agreement with “Fraunhofer”, Europe’s largest applied research institute
- Future targets: Deploy micro-pumps to expanding existing domains and enter new medical realms

Bringing medical technologies to general consumer market

**COOPDECH Body Warm Supporter**

Daiken Medical is currently selling “Body warm”, a sheet that is used to cover a patient’s body to prevent body temperature from decreasing during surgery. “Body warm” is a nonwoven fabric sheet that enhances heat insulation. Blended with high-heat-absorption fiber (acrylate fiber), it absorbs body sweat and moisture to generate heat through adsorption. Sales have been increasing year by year.

Recently, we developed COOPDECH Body Warm Supporter for general consumer market. It retains all of the functions of “Body warm”, which is used on the medical frontlines, plus various other features. To ensure proper heat insulation, it employs far infrared radiation fibers to discharge moisture to the outside, thus creating a comfortable space, as well as a pile knitting structure for warmth retention. COOPDECH Body Warm Supporter is also deodorized, and can be used both indoors and outdoors to protect against the cold. Indeed, it can be used in numerous scenarios in all four seasons. By selling COOPDECH Body Warm Supporter to general consumers, we hope to increase name recognition and brand image.

*[AMED: Japan Agency for Medical Research and Development]*
Financial Highlights

### Note:
1. EBITDA = Operating income + Depreciation expense,  
   EBITDA margin = EBITDA ÷ Net sales
2. Per-share information takes into account the share split.
3. The above figures are based on accounting standards of the respective period.

### Fiscal Year

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<tbody>
<tr>
<td>Net sales</td>
<td>5,181</td>
<td>5,739</td>
<td>6,242</td>
<td>6,515</td>
<td>7,068</td>
<td>7,635</td>
<td>8,033</td>
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<tr>
<td>Operating income</td>
<td>707</td>
<td>835</td>
<td>974</td>
<td>1,014</td>
<td>1,260</td>
<td>1,389</td>
<td>1,621</td>
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<tr>
<td>Ordinary income</td>
<td>635</td>
<td>819</td>
<td>951</td>
<td>1,014</td>
<td>1,250</td>
<td>1,401</td>
<td>1,623</td>
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<tr>
<td>Net income</td>
<td>369</td>
<td>487</td>
<td>555</td>
<td>404</td>
<td>787</td>
<td>881</td>
<td>1,097</td>
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<tr>
<td>Net cash provided by operating activities (Thousands of yen)</td>
<td>613,181</td>
<td>551,536</td>
<td>920,778</td>
<td>254,180</td>
<td>1,211,669</td>
<td>995,060</td>
<td>1,140,020</td>
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<td>Net cash used in investing activities (Thousands of yen)</td>
<td>(185,557)</td>
<td>(240,512)</td>
<td>(246,384)</td>
<td>(253,066)</td>
<td>(113,093)</td>
<td>(157,368)</td>
<td>(383,115)</td>
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<td>Net cash used in providing financing activities (Thousands of yen)</td>
<td>(213,494)</td>
<td>(318,781)</td>
<td>(329,161)</td>
<td>156,875</td>
<td>(843,844)</td>
<td>(788,644)</td>
<td>(586,106)</td>
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### At Fiscal Year-End

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<tr>
<td>Total assets</td>
<td>6,908</td>
<td>7,200</td>
<td>7,861</td>
<td>7,814</td>
<td>7,964</td>
<td>8,233</td>
<td>8,768</td>
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<tr>
<td>Net assets</td>
<td>3,281</td>
<td>3,688</td>
<td>4,149</td>
<td>4,400</td>
<td>5,069</td>
<td>5,501</td>
<td>5,840</td>
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### Per Share Data

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<tr>
<td>Diluted net income</td>
<td>15.68</td>
<td>16.35</td>
<td>18.60</td>
<td>27.00</td>
<td>26.16</td>
<td>29.00</td>
<td>36.29</td>
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<td>Dividends</td>
<td>2.75</td>
<td>4.25</td>
<td>5.50</td>
<td>5.75</td>
<td>10.75</td>
<td>12.00</td>
<td>15.00</td>
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<tr>
<td>Net assets</td>
<td>112.89</td>
<td>126.89</td>
<td>140.63</td>
<td>148.56</td>
<td>168.60</td>
<td>181.67</td>
<td>194.56</td>
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### Financial Ratios (%)

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<tr>
<td>Return on assets (ROA)</td>
<td>5.6</td>
<td>6.9</td>
<td>7.4</td>
<td>5.2</td>
<td>10.0</td>
<td>10.9</td>
<td>12.9</td>
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<tr>
<td>Return on equity (ROE)</td>
<td>13.7</td>
<td>14.0</td>
<td>14.2</td>
<td>9.5</td>
<td>16.6</td>
<td>16.7</td>
<td>19.4</td>
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<tr>
<td>Equity ratio</td>
<td>47.5</td>
<td>51.2</td>
<td>52.8</td>
<td>56.3</td>
<td>63.6</td>
<td>66.8</td>
<td>66.5</td>
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### Employees (Persons)

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<tr>
<td></td>
<td>110</td>
<td>117</td>
<td>123</td>
<td>127</td>
<td>134</td>
<td>145</td>
<td>169</td>
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**CORPORATE PROFILE**

**COMPANY NAME**
DAIKEN MEDICAL CO., LTD.

**SECURITY CODE**
7775

**HEAD OFFICE**
3-6-1, Doshomachi, Chuo-ku, Osaka-City, Osaka 541-0045, Japan

**DATE OF ESTABLISHMENT**
November, 1968

**REPRESENTATIVE**
Mitsuru Yamada, Chairman, CEO
Keiichi Yamada, President, COO

**CAPITAL**
¥495 million (As of March 31, 2015)

**LISTING**
First Section, Tokyo Stock Exchange

**SHARES ISSUED AND OUTSTANDING**
31,840 thousand (As of March 31, 2015)

**NUMBER OF EMPLOYEES**
279 (full-time: 169; part-time, etc.: 110) (As of March 31, 2015)

**OFFICES**
Sapporo, Sendai, Saitama, Tokyo, Yokohama, Nagoya, Kanazawa, Osaka, Hiroshima, Fukuoka (As of March 31, 2015)

**MANUFACTURING FACILITY**
Izumi Assembly Center (Izumi City, Osaka Prefecture)

**R&D FACILITIES**
Product Development Research Center (Izumi City, Osaka Prefecture); New Market Development Dept. (Kawasaki City, Kanagawa Prefecture)