

August 2, 2012

[Summary] Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2013 (Japan GAAP)

NIHON KOHDEN CORPORATION (6849)

Stock Exchange Listing: 1st section Tokyo Stock Exchange
 Head Office: Tokyo
 Representative: Fumio Suzuki, President and COO
 Contact: Fumio Hirose, Operating Officer, General Manager, Corporate Planning Dept.
 Phone: +81 / 3 - 5996 - 8003 (URL <http://www.nihonkohden.co.jp>)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Highlights for the 1st Quarter of FY2012 (From April 1, 2012 to June 30, 2012)

(1) Consolidated Operating Results

Note: Percentages indicate increase/decrease over the corresponding period in the previous fiscal year.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2012 1Q (3 months)	27,775	11.3	2,167	106.3	1,853	79.0	1,060	66.5
FY2011 1Q (3 months)	24,952	5.9	1,050	-8.2	1,035	23.1	637	41.4

Note: Comprehensive income: FY2012 1Q: 995 million yen (47.9%) FY2011 1Q: 672 million yen (476.8%)

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
FY2012 1Q (3 months)	24.14	—
FY2011 1Q (3 months)	14.50	—

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2012	96,665	67,896	70.2	1,544.68
As of March 31, 2012	99,403	67,911	68.3	1,544.87

Reference: Equity Capital: FY2012 1Q: 67,861 million yen FY2011: 67,869 million yen

2. Dividends

	Dividends per share				
	First quarter	Interim (Second quarter)	Third quarter	Year-end	Full-year
	yen	yen	yen	yen	yen
FY2011	—	21.00	—	23.00	44.00
FY2012	—	—	—	—	—
FY2012 (Forecast)	—	22.00	—	22.00	44.00

Note: Revise of dividends forecast: None

3. Consolidated forecast for FY2012 (From April 1, 2012 to March 31, 2013)

	Net sales		Operating income		Ordinary income		Net income		Net income per share - Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	60,000	8.5	5,000	20.6	4,700	22.5	2,800	21.3	63.73
Full year	130,000	7.7	13,000	8.1	13,000	6.6	7,900	3.7	179.82

Note: Revise of consolidated forecast: Yes

* Earnings forecasts and other forward-looking statements in this release are based on information currently available and certain assumptions that the Company believes are reasonable. Therefore, they do not constitute a guarantee that they will be realized. Actual results may differ from such estimates due to unforeseen circumstances.

4. Review of Operations

During the term under review (April 1, 2012 to June 30, 2012), the Japanese medical treatment fees were revised upward in April 2012 to ensure delivery of emergency and perinatal care and improve home care. This was in line with the government's 2025 future vision of medical/long-term care services which was presented in the Comprehensive Reform of Social Security and Tax. Internationally, demand for medical equipment remained steady in the United States and emerging countries, while the financial anxiety created difficult market conditions in Europe.

Under these circumstances, the Company implemented key strategies including expanding and strengthening core business areas and strengthening technological development capacity under its 3-year Business Plan, SPEED UP III, of which the final year is the term under review.

Japan: Both the hospital market and the clinic market remained favorable and AED sales increased in the PAD market. This resulted in increased sales of all product categories. Sales of Patient Monitors showed strong growth, supported by good sales of bedside monitors and consumables such as sensors. In Physiological Measuring Equipment, sales of EEGs, ECGs, polygraphs for cath labs and diagnostic information systems increased. As a result, domestic sales increased 11.0% over the first quarter of FY2011, to ¥22,784 million.

International: Sales of Physiological Measuring Equipment and Patient Monitors showed strong growth. Sales of hematology analyzers also increased favorably. In the Americas, sales in the U.S. showed strong growth and sales in Latin America also increased. Sales in Europe decreased mainly due to unfavorable foreign currency impacts. Sales in Germany and Turkey declined against a strong first quarter of FY2011. In Asia, sales in China showed strong growth and sales in India also increased favorably. As a result, international sales increased 12.6% over the first quarter of FY2011, to ¥4,991 million.

Overall sales during the term under review increased 11.3% over the first quarter of FY2011 to ¥27,775 million. Gross margin improved due to a favorable sales mix and increased production efficiency. As a result, operating income increased 106.3% to ¥2,167 million, ordinary income increased 79.0% to ¥1,853 million and net income increased 66.5% to ¥1,060 million over the first quarter of FY2011.

5. Consolidated Sales Results by Product Category

	(Millions of yen)	
	Three months ended June 30, 2012	
	Amount	Growth rate (%)
Physiological Measuring Equipment	7,518	+ 14.0
Patient Monitors	9,503	+ 17.5
Treatment Equipment	4,393	+ 5.1
Other Medical Equipment	6,360	+ 4.5
Total	27,775	+ 11.3
Domestic Sales	22,784	+ 11.0
Overseas Sales	4,991	+ 12.6
(Reference) Overseas Sales		
Americas	1,889	+ 23.4
Europe	1,176	- 16.3
Asia	1,669	+ 27.4
Other	254	+ 38.3

6. Consolidated Forecast for FY2012

The Company reaffirms its sales forecast for the first half of FY2012 as recent performance trends are in line with estimates. As income in the first quarter of FY2012 exceeded the Company's estimates, forecasts for operating income, ordinary income and net income in the first half of FY2012 are revised upward from the previous forecasts.

Based on economic uncertainty such as a strong yen and financial anxiety in Europe, the Company's forecasts for FY2012 full-term remain unchanged.

The Company's forecast for FY2012 is based on an exchange rate of 80 yen to the dollar and 100 yen to the euro.

7. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2012	June 30, 2012
ASSETS		
Current assets:		
Cash	9,342	14,189
Trade notes and accounts receivable	42,249	34,586
Marketable Securities	12,000	11,500
Merchandise and finished goods	10,452	11,354
Work in process	1,304	1,424
Raw materials and supplies	2,395	2,437
Other current assets	5,364	4,620
Allowance for doubtful receivables	-366	-291
Total current assets	82,742	79,822
Fixed assets:		
Tangible fixed assets	8,516	8,422
Intangible fixed assets		
Goodwill	757	740
Other intangible fixed assets	2,764	2,626
Total intangible fixed assets	3,522	3,367
Investments and other assets		
Investments in securities	2,555	2,955
Other investments and other assets	2,125	2,148
Allowance for doubtful receivables	-59	-51
Total investments and other assets	4,622	5,052
Total fixed assets	16,660	16,842
Total assets	99,403	96,665
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	20,068	18,485
Short-term debt	620	923
Accrued income taxes	2,189	1,827
Reserve for bonuses	2,460	650
Provision for product warranties	428	429
Other current liabilities	4,946	5,523
Total current liabilities	30,714	27,838
Non-current liabilities:		
Long-term debt	3	3
Reserve for retirement benefits	405	587
Long-term accounts payable	191	170
Other non-current liabilities	177	169
Total non-current liabilities	778	930
Total liabilities	31,492	28,768
NET ASSETS		
Stockholders' equity:		
Common stock	7,544	7,544
Additional paid-in capital	10,487	10,487
Retained earnings	52,768	52,819
Treasury stock	-2,020	-2,020
Total stockholders' equity	68,779	68,830
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	45	37
Foreign currency translation adjustments	-955	-1,006
Total accumulated other comprehensive income	-910	-969
Minority interests	41	35
Total net assets	67,911	67,896
Total liabilities and net assets	99,403	96,665

(2) Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Net sales	24,952	27,775
Cost of sales	12,376	13,311
Gross profit	12,575	14,464
Selling, general and administrative expenses	11,525	12,296
Operating income	1,050	2,167
Non-operating income		
Interest income	3	20
Dividend income	46	46
Reversal of allowance for doubtful accounts	13	63
Other, net	32	85
Total non-operating income	95	215
Non-operating expenses		
Interest expenses	5	5
Foreign exchange losses	63	508
Other, net	41	15
Total non-operating expenses	110	529
Ordinary income	1,035	1,853
Extraordinary income		
Gain on sales of noncurrent assets	—	1
Total extraordinary income	—	1
Extraordinary expenses		
Loss on sales of noncurrent assets	0	—
Loss on retirement of noncurrent assets	2	1
Total extraordinary expenses	2	1
Income before income taxes and minority interests	1,033	1,853
Income taxes	392	793
Income before minority interests	640	1,060
Minority interests in income (loss)	3	-0
Net income	637	1,060

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Income before minority interests	640	1,060
Other comprehensive income		
Valuation difference on available-for-sale securities	32	-8
Foreign currency translation adjustment	-0	-56
Total other comprehensive income	32	-64
Comprehensive Income	672	995
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	671	1,001
Comprehensive income attributable to minority interests	1	-5