



Consolidated Financial Highlights for FY2011

(From April 1, 2011 to March 31, 2012)

- 1. Consolidated Financial Results for FY2011**
- 2. Forecast for FY2012**
- 3. Progress of Mid-term Business Plan**

May 16, 2012

Fighting Disease with Electronics



Consolidated Financial Results for FY2011

1) Consolidated Financial Results for FY2011

(Amounts of less than ¥1 million are rounded down)

	FY2010	FY2011			
		Original Forecast (announced on May.11, 2011)	Revised Forecast (announced on Nov. 7, 2011)	Actual	YoY (%)
Sales	113,380	120,000	120,000	120,718	6.5
Domestic Sales	93,046	96,000	98,000	99,706	7.2
Overseas Sales	20,333	24,000	22,000	21,011	3.3
Operating income	10,598	11,000	11,000	12,027	13.5
Ordinary income	10,569	11,000	11,000	12,193	15.4
Net income	6,573	7,100	7,100	7,621	16.0

Currency Effect
- ¥0.9 billion (-4.5%)

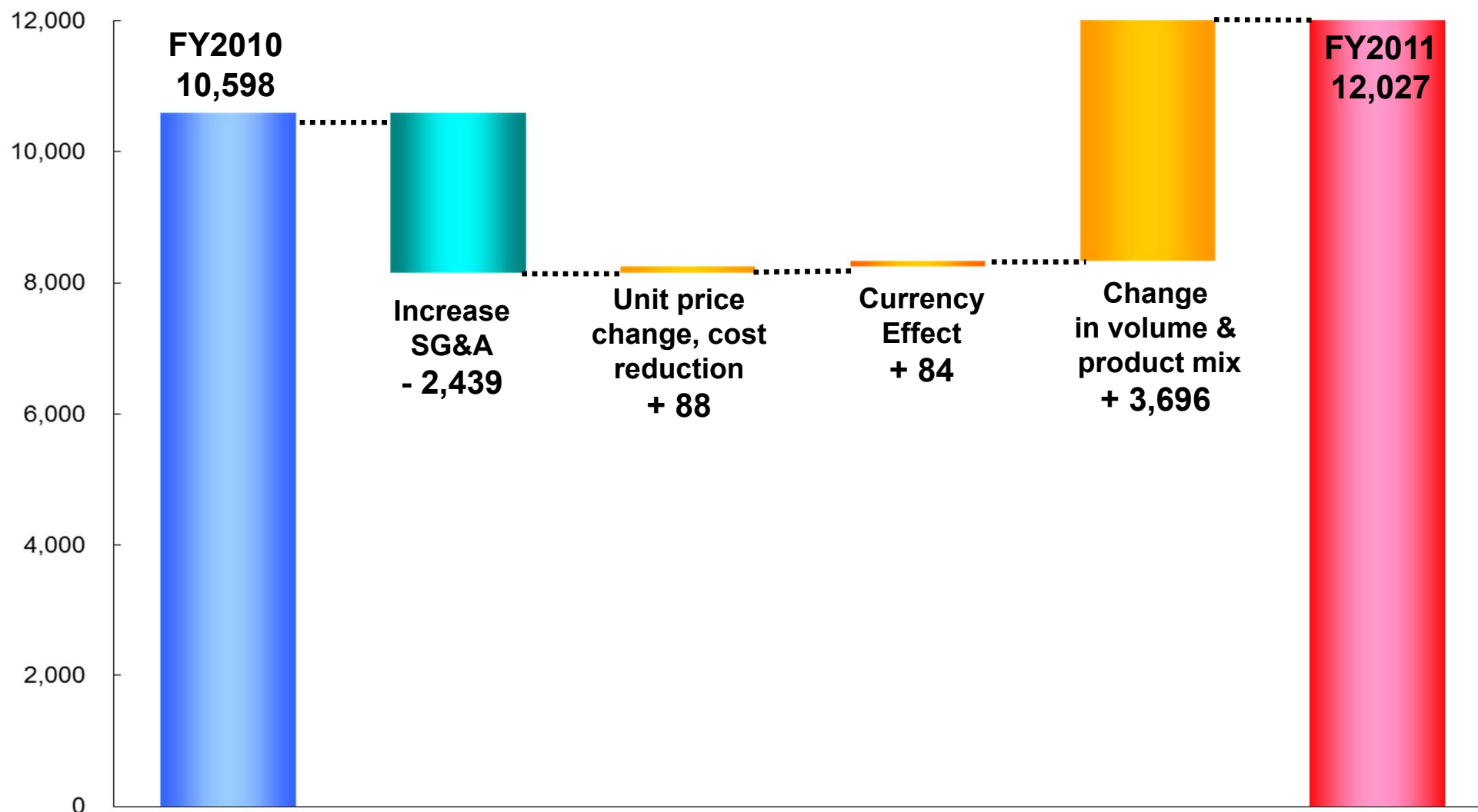
Gross Margin Ratio
FY2010 ⇒ FY2011
50.4% 50.3%

SG&A Ratio
FY2010 ⇒ FY2011
41.1% 40.3%

Average exchange rate	FY2010	FY2011
1 US Dollar	86 yen	79 yen
1 EURO	113 yen	110 yen

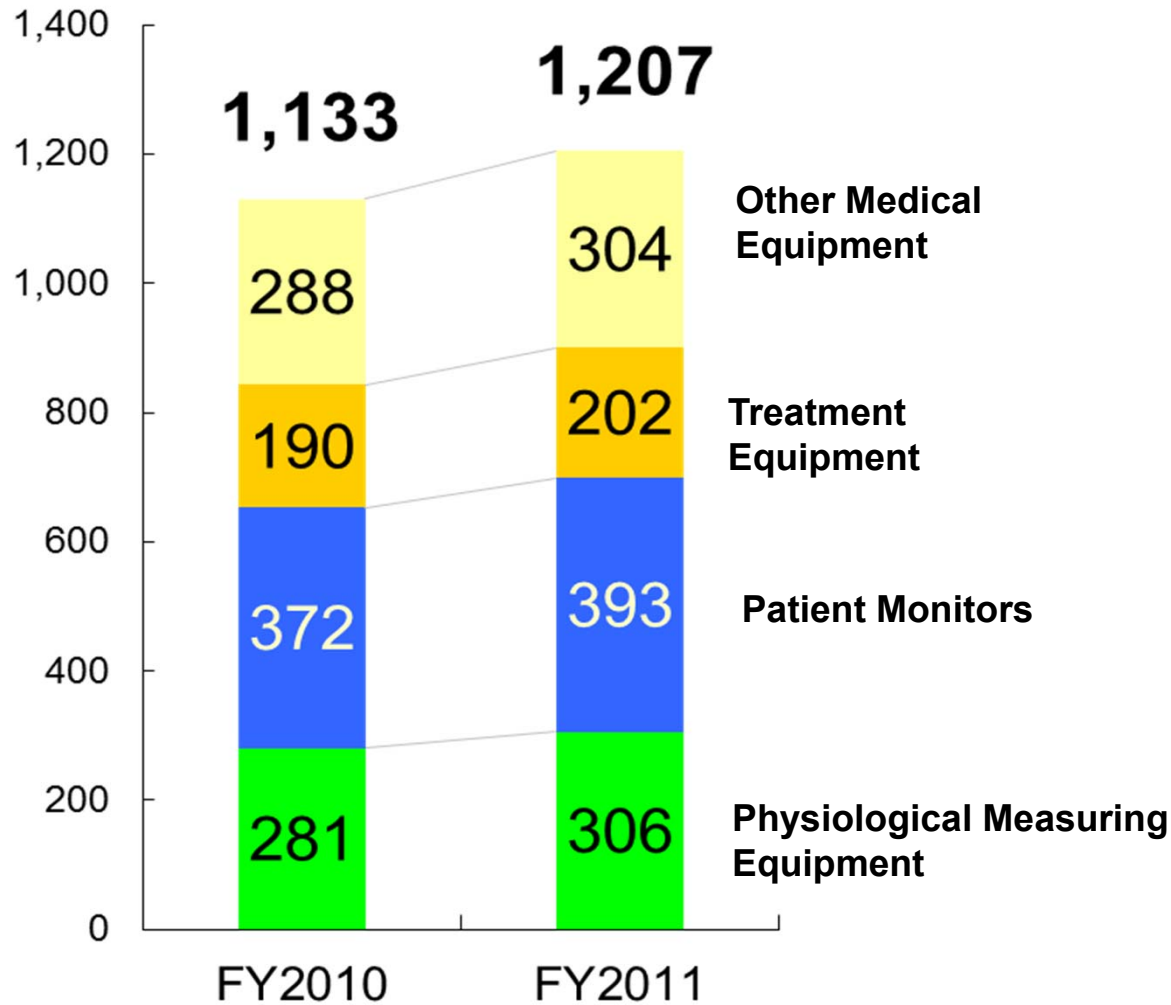
2) Breakdown of Operating Income

(Amounts of less than ¥1 million are rounded down)



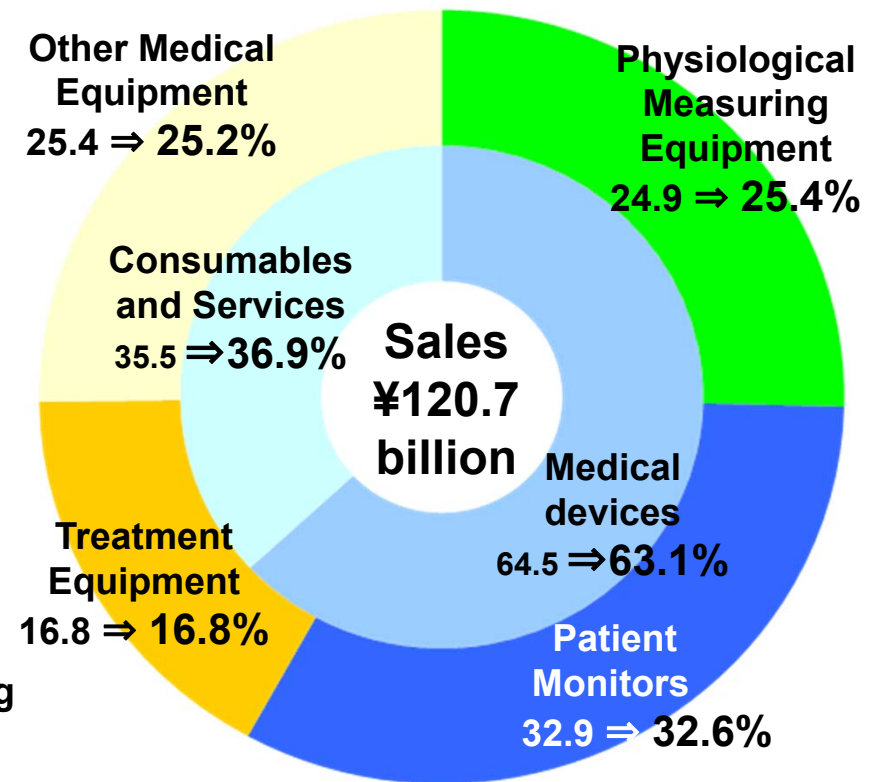
3) Sales by Product Category

(¥100 million)



Sales composition by product category

(FY2010⇒FY2011)



3.1) Physiological Measuring Equipment

(Sales, millions of yen)

	FY2010	FY2011	YoY (%)
Electroencephalographs	7,498	7,645	2.0
Electrocardiographs	6,346	6,527	2.9
Polygraphs for Cath Lab	7,268	7,415	2.0
Other Physiological Measuring Equipment (Diagnostic Information System and Others) ※	7,075	9,088	28.4
Physiological Measuring Equipment	28,189	30,676	8.8
Domestic Sales	22,961	25,021	9.0
Overseas Sales	5,227	5,655	8.2

Sales of diagnostic information systems 'PrimeVita' showed strong growth.

※ Other Physiological Measuring Equipment includes diagnostic information system and other company's products.



Electroencephalographs
EEG-1200



Electrocardiographs
ECG-2500



Polygraphs for Cath Lab
RMC-4000

3.2) Patient Monitors

(Sales, millions of yen)

	FY2010	FY2011	YoY (%)
Patient Monitors	37,274	39,352	5.6
Domestic Sales	27,403	29,529	7.8
Overseas Sales	9,870	9,822	-0.5

- Sales of clinical information systems showed strong growth.
- Consumable sales such as SpO₂ probes also increased robustly.



Telemetry systems

WEP-5200 series



Bedside monitors

BSM-6000 series



Transmitter with LCD

ZS-530P

3.3) Treatment Equipment

(Sales, millions of yen)

	FY2010	FY2011	YoY (%)
Defibrillators (for Hospital and Ambulance)	4,080	4,397	7.7
AED (Automated External Defibrillator)	5,180	5,455	5.3
Pacemakers / ICD	3,292	3,429	4.1
Ventilators	2,816	2,552	-9.4
Other Treatment Equipment	3,701	4,454	20.3
Treatment Equipment	19,073	20,288	6.4
Domestic Sales	16,883	17,858	5.8
Overseas Sales	2,189	2,430	11.0
(Ref.) AED Unit sales	25,300	25,600	1.2
Domestic unit Sales	22,900	24,100	5.2

New imported products contributed sales increase.



Vagus nerve stimulation therapy systems



Irrigation catheters



Defibrillators
TEC-8300



AED
AED-2150



Pacemakers
Nuance DR RF



Ventilators
HAMILTON-C2

3.4) Other Medical Equipment

(Sales, millions of yen)

	FY2010	FY2011	YoY (%)
Hematology Analyzers	6,020	6,686	11.1
Transformers, Imaging Systems, ※ Medical equipment for study and others	22,822	23,714	3.9
Other Medical Equipment	28,843	30,400	5.4
Domestic Sales	25,798	27,297	5.8
Overseas Sales	3,045	3,103	1.9

Sales of hematology analyzers and reagent increased favorably in China and India.

※ It includes consumables, installation and maintenance services which are not applicable to another categories.



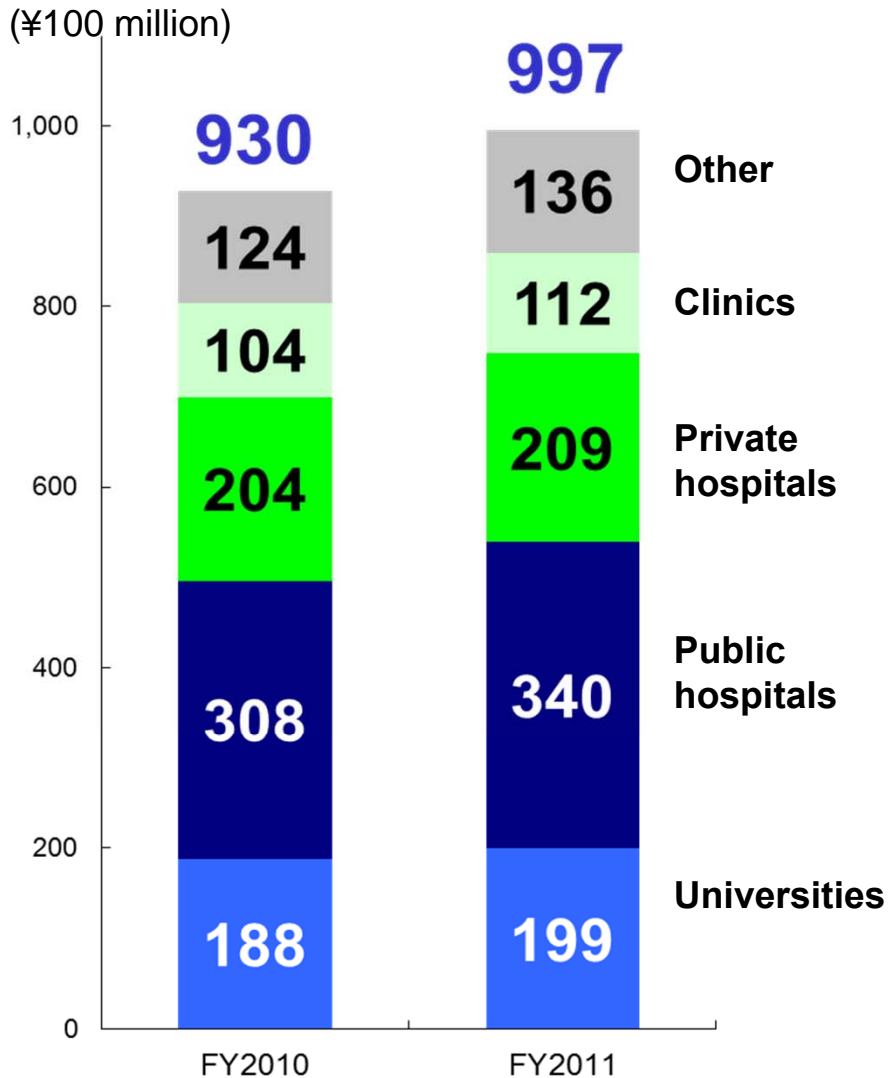
Automated hematology analyzers
MEK-7300



Multi-channel telemetry system
WEB-1000

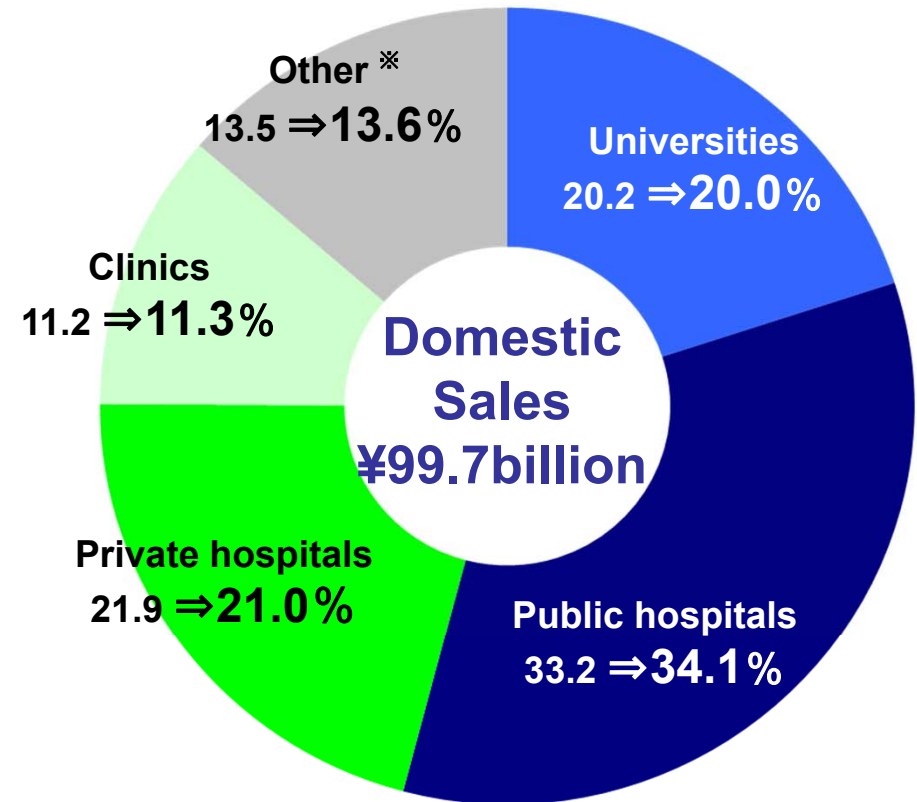
4) Domestic Sales

Sales by market



Sales composition by market

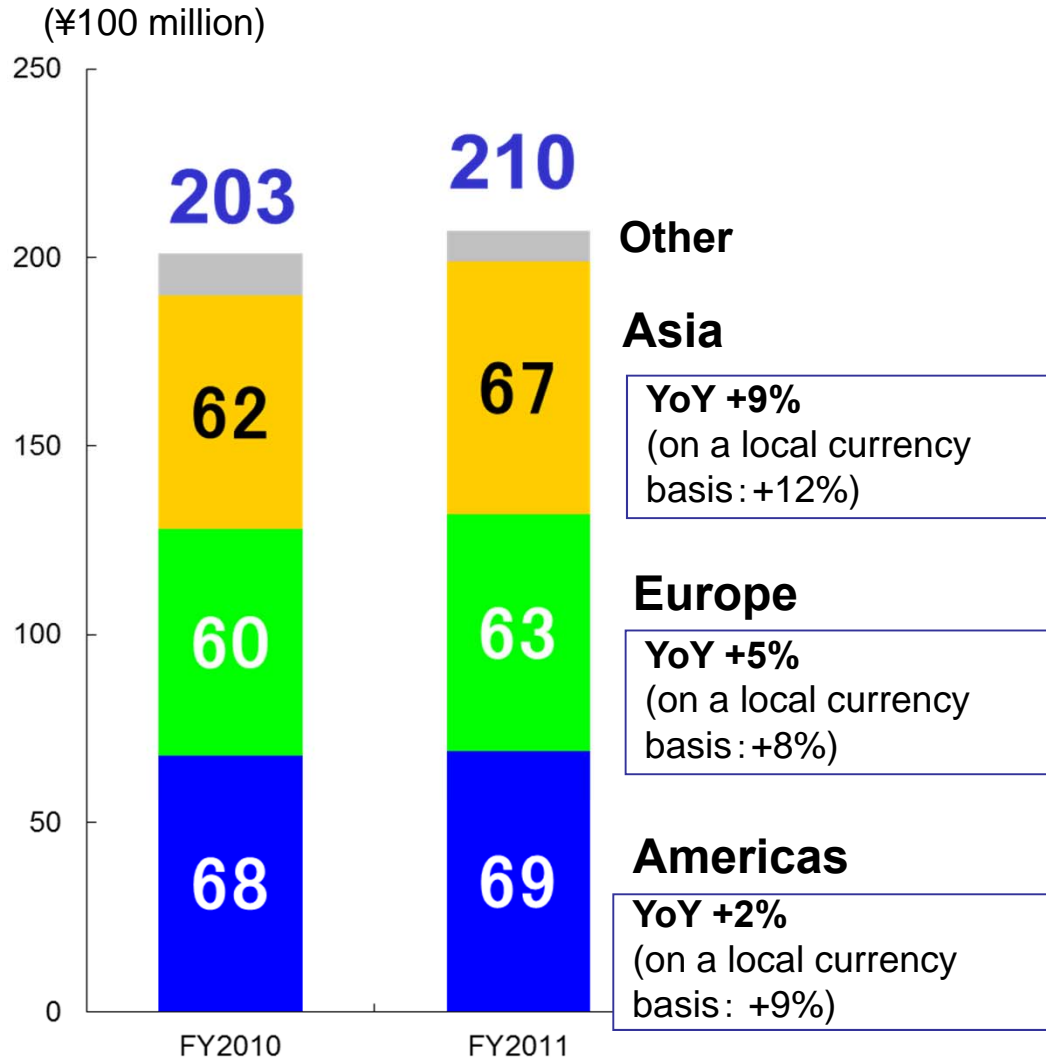
FY2010⇒FY2011



Note: Other markets include laboratories, animal hospitals, and PAD (public access defibrillation) markets such as schools and private companies.

5) Overseas Sales

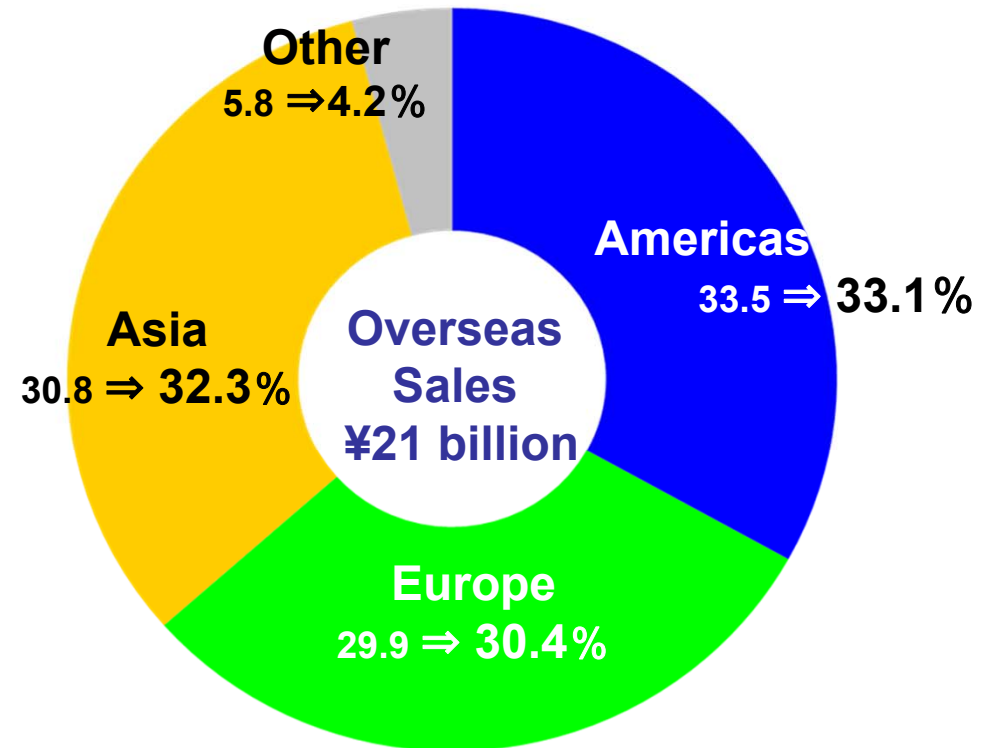
Geographic segments



Percentage of overseas sales to consolidated sales

FY2010	FY2011
17.9%	17.4%

Geographic segments FY2010⇒FY2011



6) Financial Condition

(Amounts of less than ¥1 million are rounded down)

	FY2010	FY2011	Change
Current assets	75,366	82,742	7,376
Fixed assets	17,129	16,660	-468
Total assets	92,495	99,403	6,907
Current liabilities	29,673	30,714	1,040
Non-current fixed liabilities	528	778	249
Total liabilities	30,201	31,492	1,290
Net assets	62,294	67,911	5,616
Total liabilities & Net assets	92,495	99,403	6,907

Trade notes and accounts receivable:
+ ¥4.8 billion (B/S ¥42.2 billion)

Certificate of Deposit :
+ ¥2.5 billion (B/S ¥12 billion)

7) Cash Flows

(Amounts of less than ¥1 million are rounded down)

	FY2010	FY2011	Change
I .Cash flows from operating Activities	5,892	7,559	1,666
II .Cash flows from investing Activities	-1,874	-2,338	-464
Free Cash Flows	4,018	5,220	1,202
III .Cash flows from financing Activities	-1,536	-2,726	-1,189
Effect of exchange rate change on cash and cash equivalents	-3	1	4
Net increase (decrease) in cash and cash equivalents	2,477	2,495	17
Cash and cash equivalents at end of period	18,808	21,304	2,495

Income before income taxes

FY2010 10,292
 FY2011 12,181
 Change + 1,888

Increase (decrease) in short-term debt

FY2010 231
 FY2011 - 658
 Change - 890

8) Capital Investments & R&D Costs

(Amounts of less than ¥1 million are rounded down)

	FY2010	FY2011			Change	FY2012 Plan
		Original Forecast (announced on May.11, 2011)	Revised Forecast (announced on Nov. 7, 2011)	Actual		
Capital Investments	1,804	2,700	2,600	2,063	259	3,400
Depreciation	2,694	3,200	3,000	2,849	154	3,200
R&D costs	5,105	5,400	5,400	5,583	478	5,800

- **FY2011 Actual:**

- **Capital Investments**

Molds for new products, Measuring equipment and Products for demonstration

- **FY2012 Plan:**

- **Capital Investments**

Molds for new products, Products for demonstration, Expansion of production capacity (¥0.4 billion) and Enhancement of ERP system (¥0.3 billion)

Forecast for FY2012

1) Business Environment

Japan

Upward revision of medical service fees in April 2012

- Ease the burden for hospital doctors
- Improve home medical/long-term care
- Innovate medical care for cancers and dementia

Regional Medical Care Revival Plan
(FY2009 to FY2013)

FY2009 Supplemental Budget ¥235bil

FY2010 Supplemental Budget ¥210bil

FY2011 Supplemental Budget ¥ 72bil

Total ¥517bil

In the medical equipment industry, cross-border M&A deals and new entrants increase.

International

U.S.

Economy will be on recovery path.

Europe

Uncertainty over Europe's debt crisis continues.

Emerging Countries

Solid economic growth is expected in China and India.

2) Forecast for FY2012

(Amounts of less than ¥1 million are rounded down)

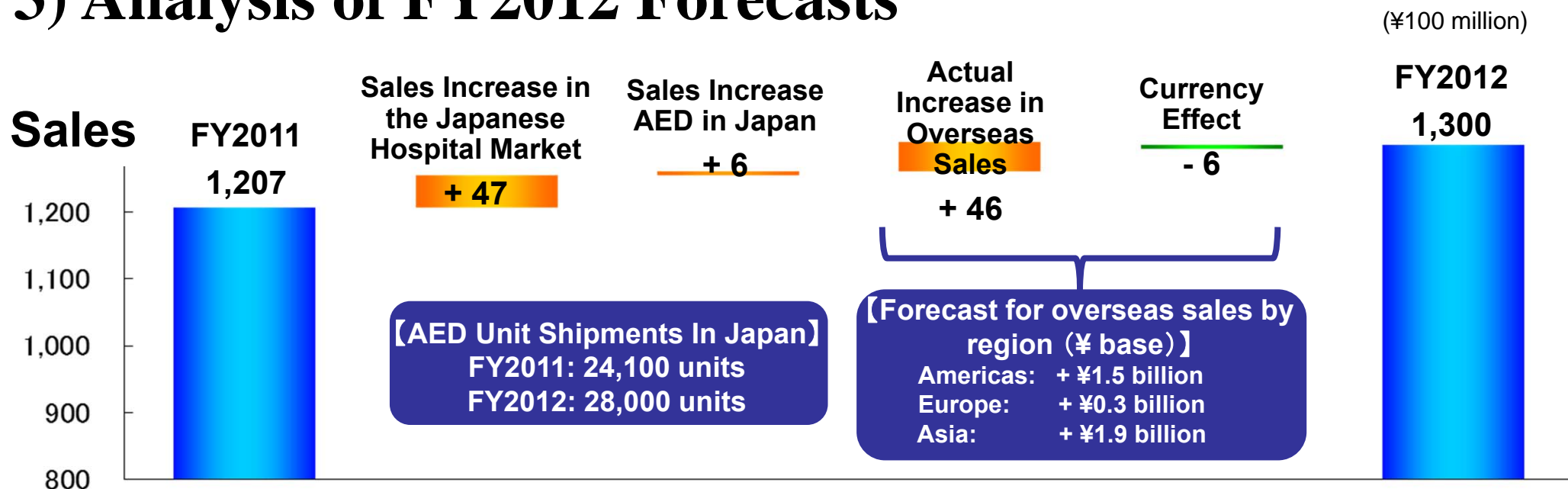
	FY2011	FY2012	YoY (%)
Sales	120,718	130,000	7.7
Domestic Sales	99,706	105,000	5.3
Overseas Sales	21,011	25,000	19.0
Operating Income	12,027	13,000	8.1
Ordinary Income	12,193	13,000	6.6
Net Income	7,621	7,900	3.7

Percentage of Overseas Sales	17.4%	19.2%
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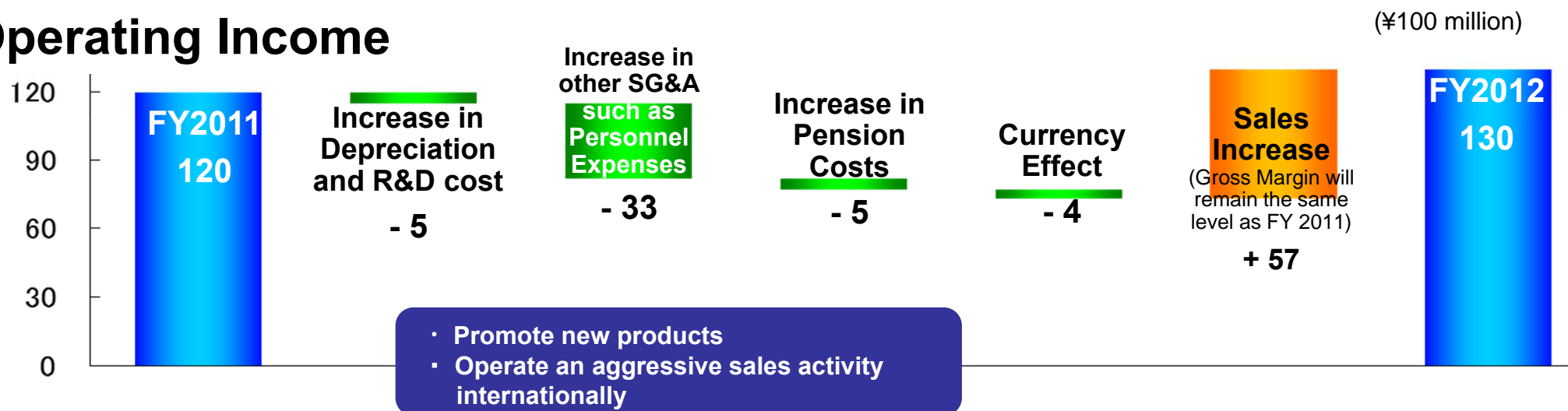
Average Exchange Rate

1 US Dollar	79 yen	80 yen
1 EURO	110 yen	100 yen

3) Analysis of FY2012 Forecasts



Operating Income

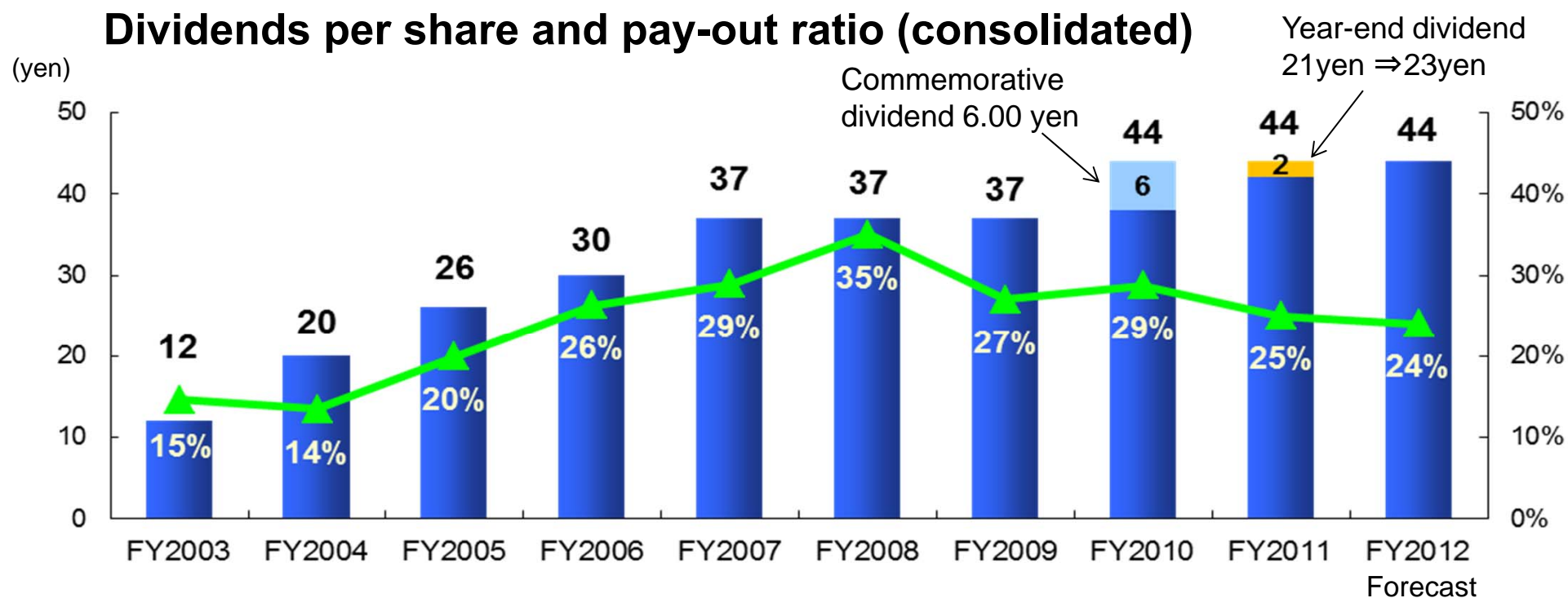


4) Dividend Policy

Basic Dividend Policy

Continue a stable dividend for a long period as well as increase retained earnings for the enhancement of business structure and future business expansion

Rough indication: Consolidated payout ratio of 30%



(Ref.)

Consolidated Forecast for FY2012 by Product Category

(Amounts of less than ¥1 million are rounded down)

	FY2011	FY2012	YoY (%)
Physiological Measuring Equipment	30,676	32,650	6.4
Patient Monitors	39,352	43,550	10.7
Treatment Equipment	20,288	21,550	6.2
Other Medical Equipment	30,400	32,250	6.1
Total	120,718	130,000	7.7
(Reference)			
Consumables and Services	44,525	47,550	6.8

Progress of Mid-term Business Plan

1) Progress of Mid-term Business Plan (i)

¥billion	FY2011 actual	FY2012 target	FY2012 forecast	Difference
Sales	120.7	130.0	130.0	± 0
Domestic	99.7	97.5	105.0	+7.5
Overseas	21.0	32.5	25.0	-7.5
Operating income	12.0	13.0	13.0	± 0
ROE	11.7%	12.0%	—	

- Hospital capital spending increased after upward revision of medical service fees in April 2010.
- Consumables and maintenance services business increased favorably.

Exchange Rate: 1 US Dollar
1 Euro

90 yen
130yen

80 yen
100yen

Breakdown of overseas sales by region

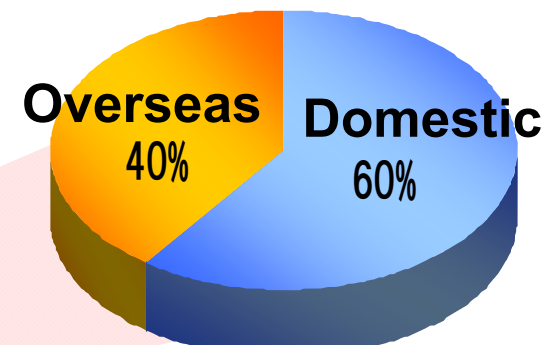
Americas	6.9	9.4	8.5	-0.9
Europe	6.3	8.8	6.7	-2.1
Asia	6.7	13.0	8.7	-4.3
Other	0.8	1.3	1.1	-0.2

- Negative currency effect.
- Business in North America and Europe is in line with the plan's target on a local currency basis.
- SFDA approval took longer.
- Sales growth is slower in emerging markets.

SPEED UP III 1) Progress of Mid-term Business Plan (ii)

Long-term Vision (April 2010 to March 2020)

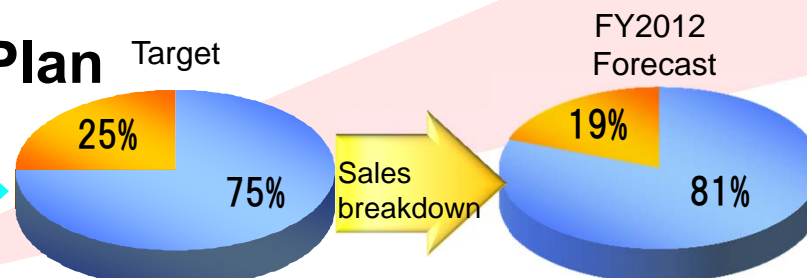
The CHANGE 2020
-The Global Leader of Medical Solutions-



Mid-term Business Plan

(FY2010 to FY2012)

SPEED UP III



As the last year of *SPEED UP III*, FY2012 is the year to implement measures for its 2020 Long-term Vision and develop a next Mid-term Business Plan which starts FY2013 (announcement will be May 2013)

3) Expand and Strengthen Core Business Areas

Developed markets

Emerging economies

EEGs

ECGs

Patient monitors

Defibrillators

Hematology Analyzers

Sensor technology (etCO2, SpO2, NIBP, esCCO, aEEG, etc.)

IT solution

Nihon Kohden is the only patient monitor maker with its own sensor technology.

New products in FY2011 and FY2012



January 2012 (Japan)



March 2012 (International)



1st half of FY2012 (plan)



March 2012 (Japan)




FY2012 (plan)



1st half of FY2012 (Japan, plan)




1st half of FY2012 (plan)



October 2011 (International)



January 2012 (international), April 2012 (Japan)



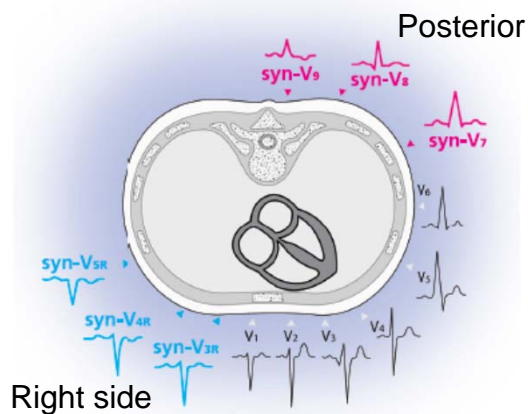
December 2011 (Japan)

① ECG - differentiated by derived 18-lead ECG

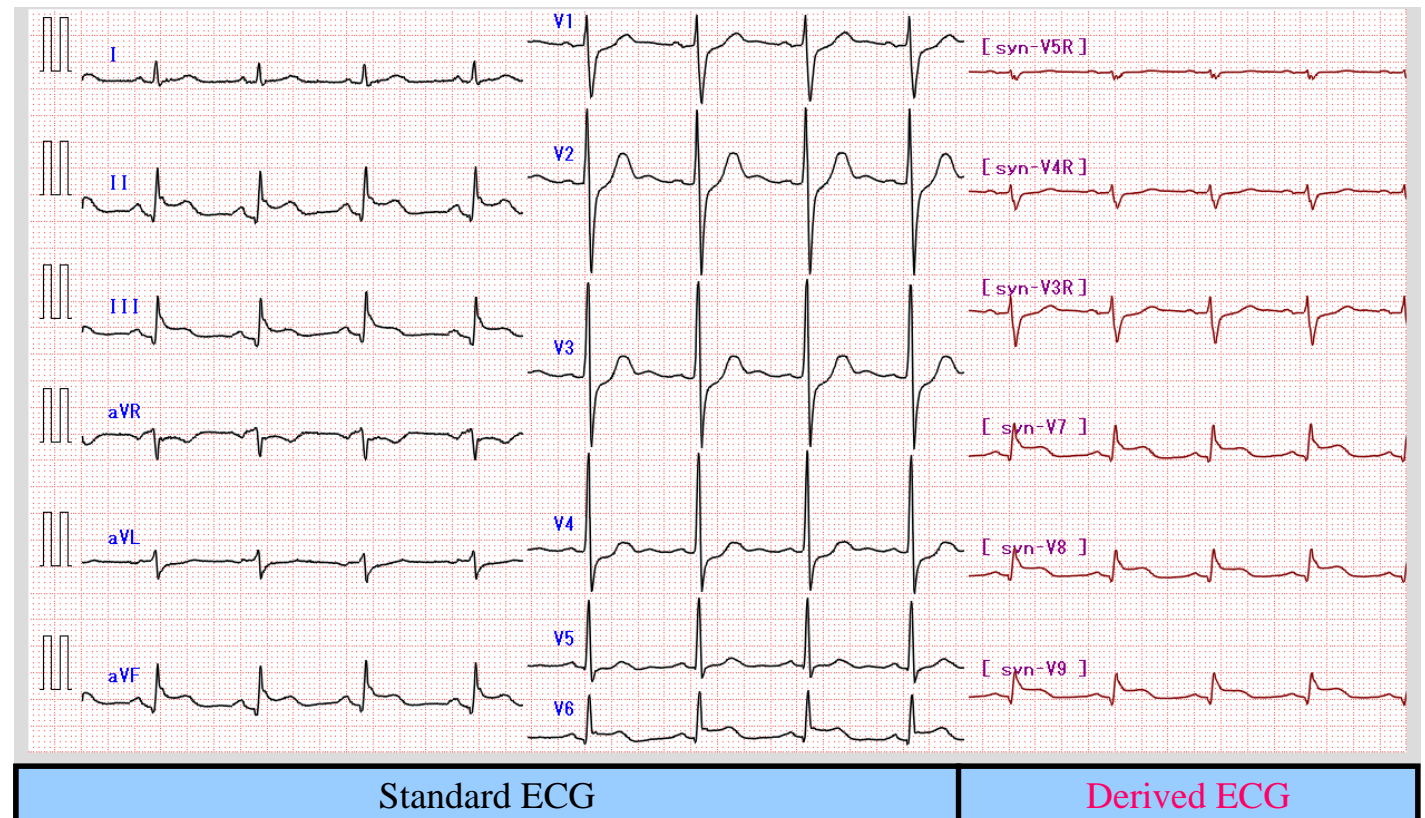
Derived 18-lead ECG



Measuring standard 18-lead ECG is cumbersome because it requires replacing the electrodes on the posterior.



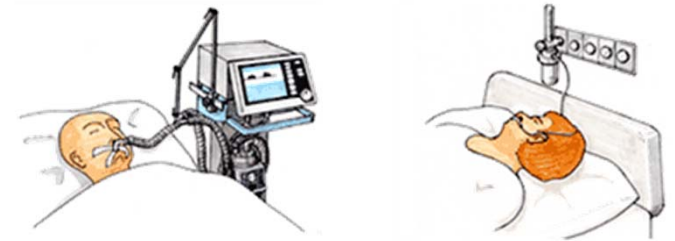
- 18-lead ECG is a measurement method to derive 6-lead ECG, right-side leads V3R–V5R and posterior leads V7–V9, from the standard 12-lead ECG.
- This can help detect right ventricular infarction and posterior infarction which are difficult to find from the standard 12-lead ECG.



② Patient Monitor- differentiated by CO₂ sensor

Growing importance of CO₂ monitoring

- In 2010, AHA* recommends the continuous waveform capnography during CPR.
- In 2010, ASA* mandates CO₂ monitoring for moderate and deep sedation (effective July 2011).



Expand adapter line-up by leveraging our unique CO₂ sensor technology

One of the world's
smallest and lightest
Mainstream CO₂ sensor



Airway
adapter



Adult/pediatric
Infant/neonatal

Oral/nasal
adapter



Adult

Oxygen mask
with CO₂
monitoring



Infant/pediatric
1st half of FY2012
(plan)

World's first

- World's first oxygen mask with mainstream CO₂ monitoring
- The mask eliminates carbon dioxide rebreathing and ensures stable oxygen supply with CO₂ monitoring.

* AHA: American Heart Association

* ASA: American Society of Anesthesiologists

② Patient Monitor- differentiated by esCCO

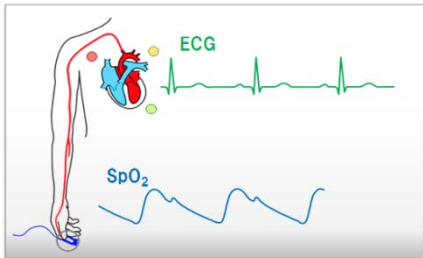


(estimated Continuous Cardiac Output)

New non-invasive CCO measurement method using ECG and pulse oximetry

World's first

esCCO is a new non-invasive measurement method utilizing routine clinical monitors



- No infection risk
- No pain
- Easy to measure



Clinical studies conducted and initial sales launched in Europe.

*Not launched in Japan.



Worldwide promotion

esCCO promoted to doctors in different countries at WFSA World Congress of Anaesthesiologists in Argentina in March.

Preparing for clinical research in the US to receive FDA approval.

③ AED business

As the only domestic AED maker, introduce new AEDs to meet customer needs

PAD (Public Access Defibrillation) market

Emergency and medical institution market

Wide use



Voice instructions only

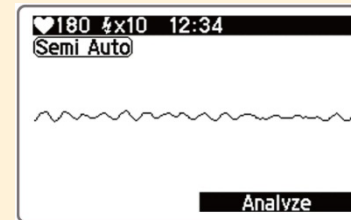
AED-2100

Illustrated guidance



AED-2150

ECG waveform display



AED-2151

Semi-auto mode: Trained medical staff can start ECG analysis. (*for medical professionals only)



AED-2152

AED remote tracking system for safety-management



Customer can review information such as AED error, pad expiration date and battery charge.

AED + mobile device



Send AED information



Notice by email

Check by internet



Japan : FY2011 actual **24,100** units → FY2012 forecast **28,000** units

Overseas : Increase sales in emergency and medical institution market

3) Stable growth of domestic business

Both upward revision of medical service fees in this April and the regional medical care revival plan continue to focus on acute care.

Enhance business in acute care market

Launch new products

Emergency care



Radarcirc ECG
March 2012



AED-2152
April 2012



Patient Monitor
for ambulance

1st half of FY2012 (plan)



Defibrillator

NICU・Pediatric care



Compact EEG
with aEEG*
analysis
software

1st half of FY2012 (plan)



Oxygen mask with
CO₂ monitoring



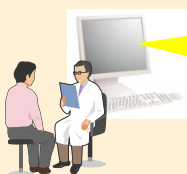
Metran
HFO ventilator

May 2012

Provide IT system solutions corresponding to demand for IT systems in hospitals

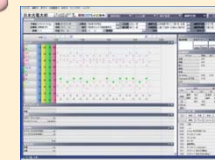
Laboratory

Diagnostic information system facilitates laboratory workflow by collecting data from different measuring equipment.



Acute care

OR support system facilitates operating room workflow.



EMR

*aEEG (amplitude-integrated EEG) is the most commonly used digital trend for newborns.

4) Expand business in U.S.

Patient Monitor

Product differentiation

In general wards **Prefense™** UPMC Shadyside



Aim at installing in well-known hospitals and creating ripple effects in related hospitals

40 units NTX

In acute care

Oxygen mask with CO₂ monitoring



We are preparing for clinical research to receive FDA approval.

Strengthen sales network

- Partner with Group Purchase Organizations
- Renew contract with *Premier* and sign contract with *HealthTrust*
- Strengthen direct sales force

Neurology

Approach top 50 hospitals

Strengthen competitiveness by responding to needs of top U.S. hospitals

U.S. News Best Hospitals: Neurology & Neurosurgery

#1 Johns Hopkins Hospital #6 Cleveland Clinic



They chose our long-term epilepsy monitoring systems

Growing cEEG* neuro ICU Monitoring Market

Neuroscience Institute at Florida Hospital



• The hospital chose our cEEG monitoring system for its new neuro ICU unit.

- Collaborate in creating training program for cEEG
- Get a reference site for cEEG



Strong relationships with world's top hospitals positively affect global neurology business



*cEEG (continuous EEG) monitoring is becoming the standard of care in the Neuro ICU.

5) Expand Business in Emerging Markets

Expand sales & service networks

Establish sales office in Dubai

FY2012 (plan)

Consolidate 3 Chinese subsidiaries

July 2012 (plan)

Unify R&D, Production, Sales and Service in one subsidiary to accelerate and streamline business operations



Establish Nihon Kohden India

March 2011

Enhance sales structure in Southeast Asia

FY2012 (plan)

- Strengthen assistance to distributors
- Consider another sales office

Establish Nihon Kohden Do Brasil

January 2012

New products for emerging markets

Chinese made low-end products



Differentiate by esCCO & CO₂












FY2012 (plan)



6) Expand Business in China

Hybrid Japanese & Chinese products

Offer “hybrid” products that are inexpensive, flexible specs and high quality by the combination of Japanese and Chinese products.

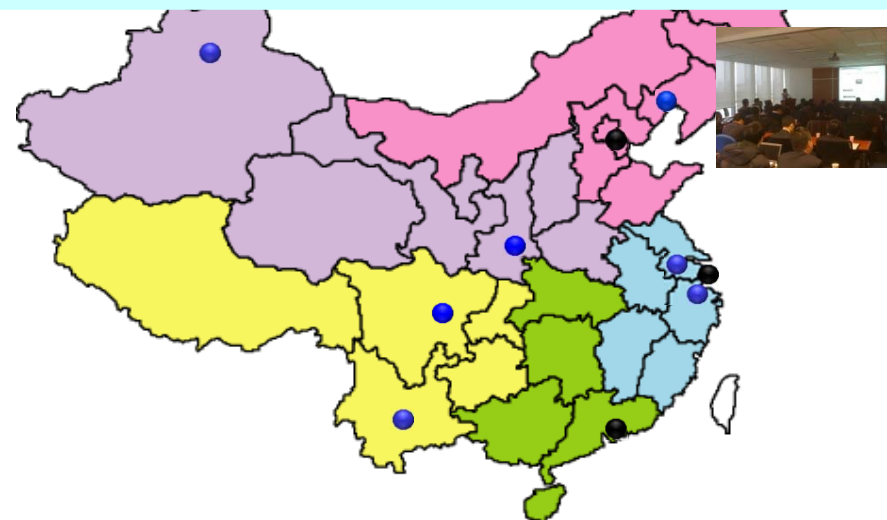
Mid to high end market Made in Japan + Made in China	EEGs Defibrillators & AEDs	ECGs	Hematology Analyzers
	Patient Monitors  Bedside monitors Telemetry	 ECGs	 5-part diff
	 Central monitors	 ECG data mgmt. system ECG Holter	 Reagents
Upper low end market	Expand locally-produced low-end products		
	 Bedside monitors	 ECGs FY2012 (plan)	 3-part diff

Enhance sales and service networks

• Establish sales and service office

In addition to Beijing, Shanghai and Guangzhou, Xian and Chengdu in 2011, Shenyang, Nanjing, Hangzhou, Kunming and Urumqi in 2012

• Host clinical seminars and build up reference sites in each region



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