



Consolidated Financial Highlights for FY2010

(From April 1, 2010 to March 31, 2011)

1. **Consolidated Financial Results
for FY2010**
2. **Forecast for FY2011**
3. **Basic Strategy**

May 18, 2011

Fighting Disease with Electronics



Consolidated Financial Results for FY2010

1) Consolidated Financial Results for FY2010

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

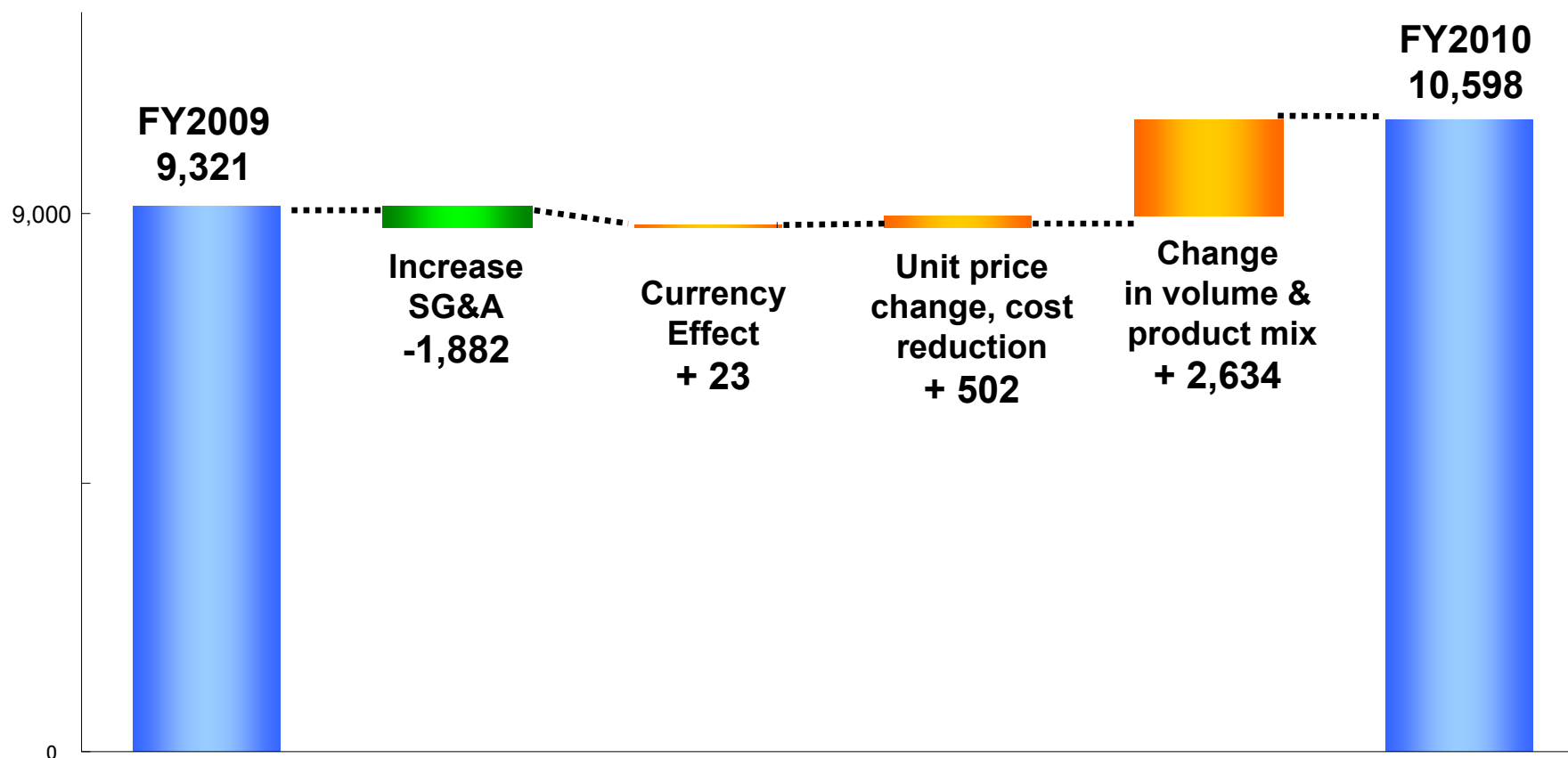
	FY2009	FY2010			
		Original Forecast (announced on May.11, 2010)	Revised Forecast (announced on Nov. 4, 2010)	Actual	YoY (%)
Sales	107,013	112,000	112,000	113,380	5.9
Domestic Sales	87,439	90,000	91,000	93,046	6.4
Overseas Sales	19,574	22,000	21,000	20,333	3.9
Operating Income	9,321	10,000	10,000	10,598	13.7
Ordinary Income	9,343	10,000	10,000	10,569	13.1
Net Income	5,917	6,300	6,300	6,573	11.1

← **Currency Effect**
- ¥1.5 billion (-8%)

Average Exchange Rate	FY2009	FY2010
1 US Dollar	93 yen	86 yen
1 EURO	131 yen	113 yen

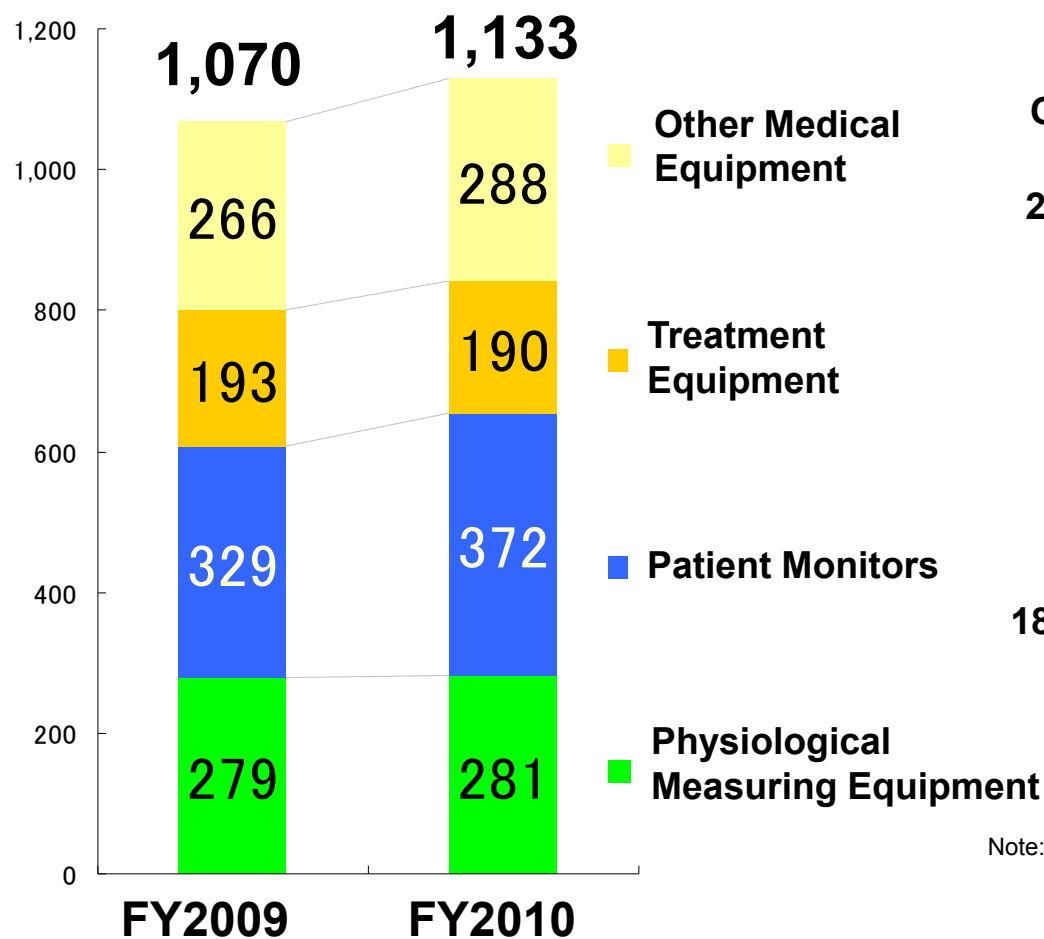
2) Breakdown of Operating Income

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

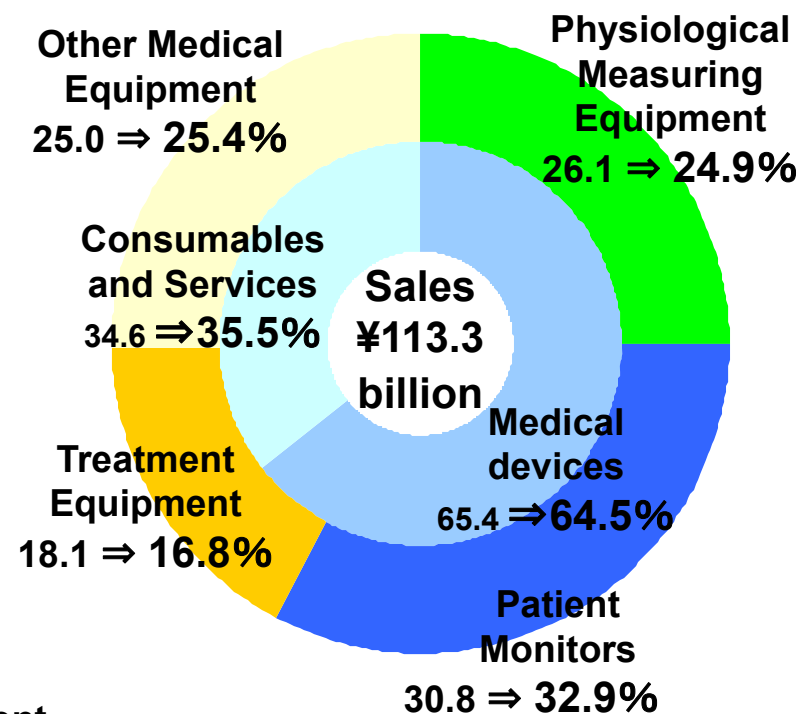


3) Sales by Product Category

(¥100 million)



Sales composition by product category
(FY2009⇒FY2010)



Note: Effective FY2010, consumables and maintenance services, which were previously classified under "Medical Supplies", have been classified under the relevant "Physiological Measuring Equipment", "Patient Monitors", "Treatment Equipment" or "Other Medical Equipment" categories. Figures for FY2009 have been reclassified in this way to reflect the growth rate of each individual category.

3.1) Physiological Measuring Equipment

(Sales, millions of yen)

	FY2009	FY2010	YoY (%)
Electroencephalographs	7,099	7,498	5.6
Electrocardiographs	6,109	6,346	3.9
Polygraphs for Cath Lab	7,312	7,268	-0.6
Other Physiological Measuring Equipment	7,455	7,075	-5.1
Physiological Measuring Equipment	27,976	28,189	0.8
Domestic Sales	22,299	22,961	3.0
Overseas Sales	5,676	5,227	-7.9

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



Electroencephalographs
EEG-1200



Electrocardiographs
ECG-1400



Polygraphs
RMC-4000

3.2) Patient Monitors

(Sales, millions of yen)

	FY2009	FY2010	YoY (%)
Patient Monitors	32,993	37,274	13.0
Domestic Sales	24,516	27,403	11.8
Overseas Sales	8,477	9,870	16.4



Telemetry systems

WEP-5200 series



Bedside monitors

BSM-6000 series



Transmitter with LCD

ZS-530P

3.3) Treatment Equipment

(Sales, millions of yen)

	FY2009	FY2010	YoY (%)
Defibrillators (for Hospital and Ambulance)	4,835	4,080	-15.6
AED (Automated External Defibrillator)	6,198	5,180	-16.4
Pacemakers / ICD	3,468	3,292	-5.1
Ventilators	2,476	2,816	13.8
Other Treatment Equipment	2,372	3,701	56.1
Treatment Equipment	19,352	19,073	-1.4
Domestic Sales	16,498	16,883	2.3
Overseas Sales	2,853	2,189	-23.3
(Ref.) AED Unit sales	30,500	25,300	-17.0
Domestic unit Sales	29,800	22,900	-23.2



AED
AED-2100



Pacemakers
Kiklos DR



Ventilators
HAMILTON-C2



Artificial ear
Cochlear implants

3.4) Other Medical Equipment

(Sales, millions of yen)

	FY2009	FY2010	YoY (%)
Hematology Analyzers	5,844	6,020	3.0
Trasformers, Imaging Systems, Medical equipment for study and others ※	20,847	22,822	9.5
Other Medical Equipment	26,691	28,843	8.1
Domestic Sales	24,124	25,798	6.9
Overseas Sales	2,567	3,045	18.6

※ It includes consumable, installation and maintenance service which are not applicable to another categories.



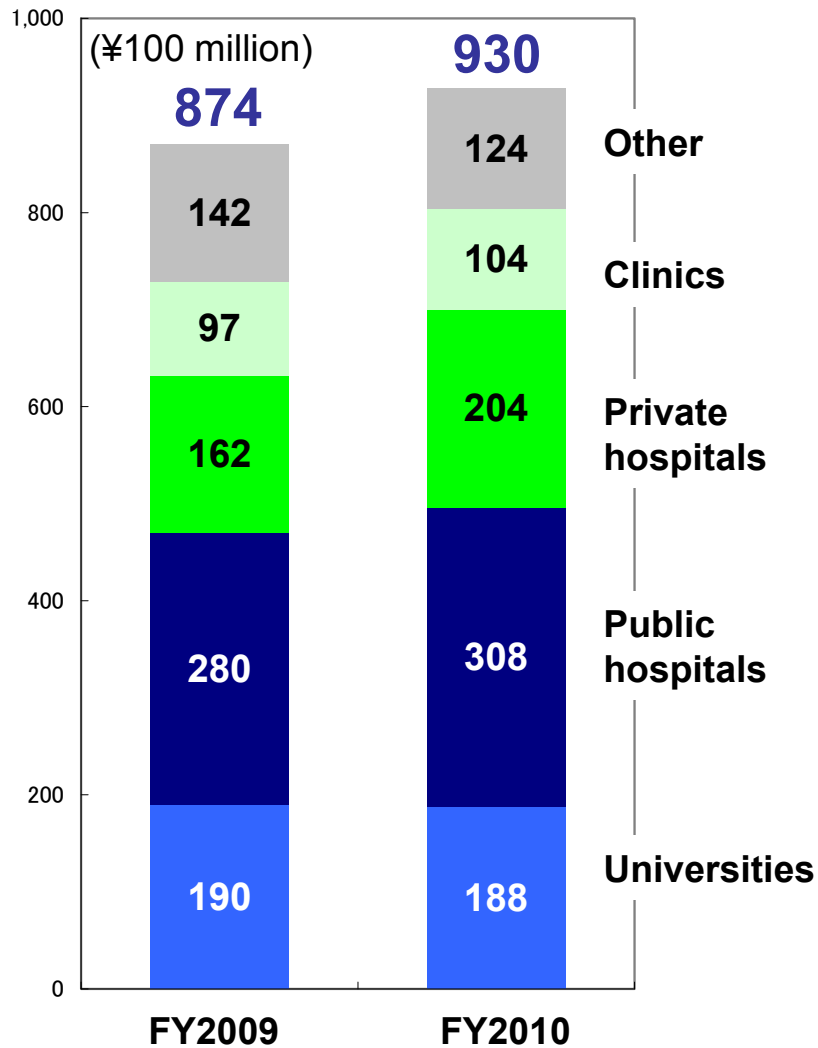
Automated hematology analyzers
MEK-6400



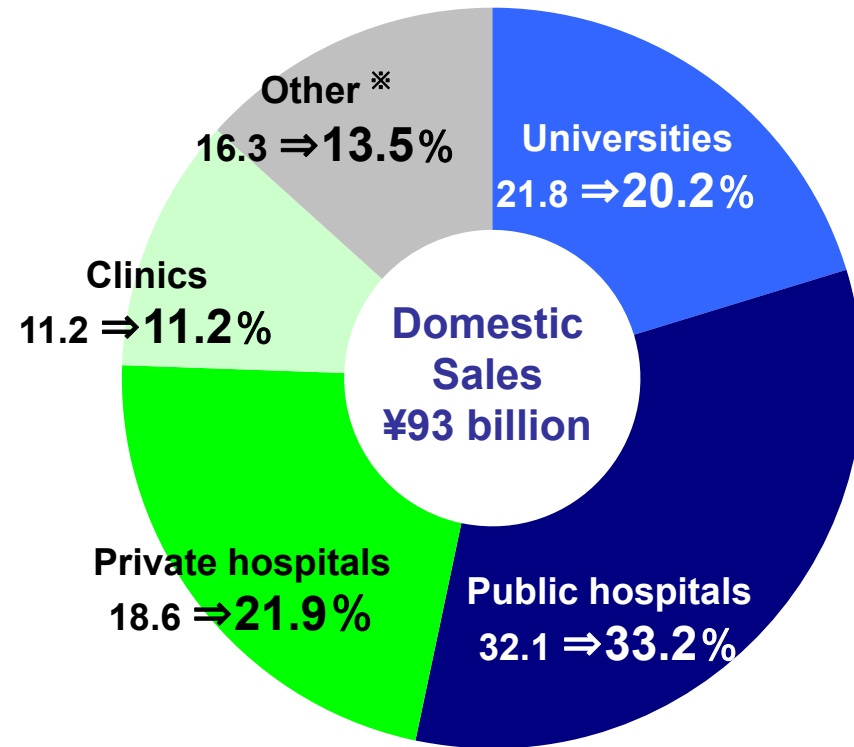
Multi-channel telemetry system
WEB-1000

4) Domestic Sales

Sales by market



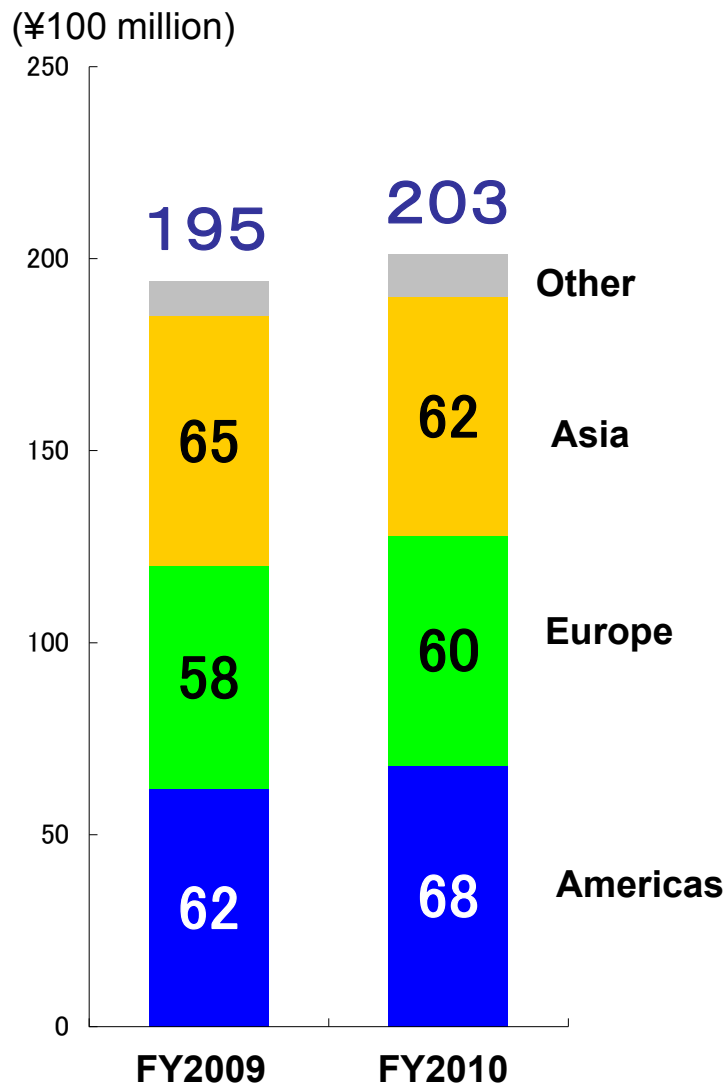
Sales composition by market
FY2009 ⇒ FY2010



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

5) Overseas Sales

Geographic segments

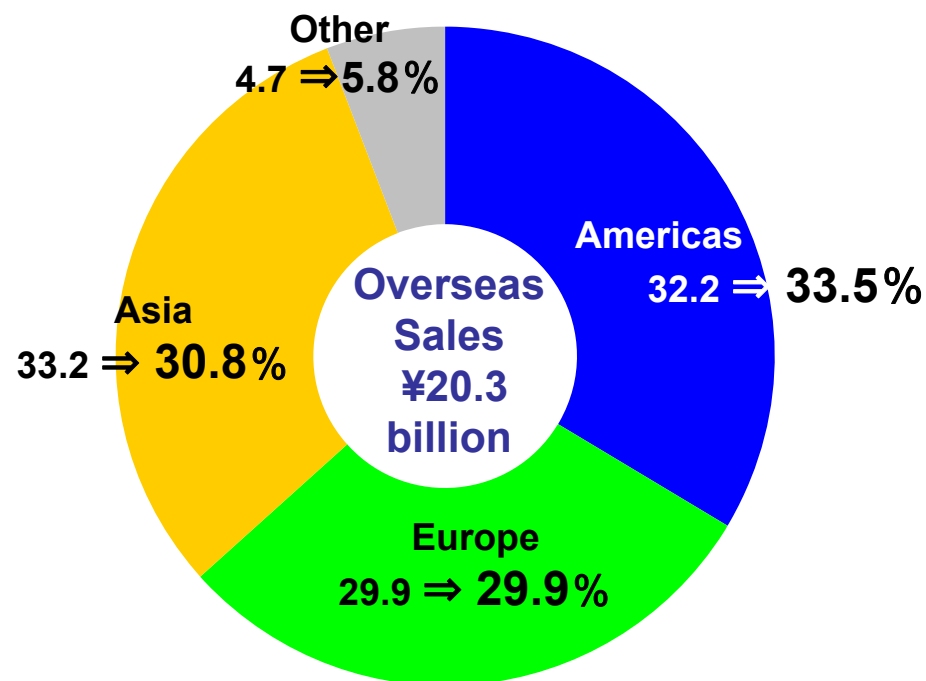


Percentage of overseas sales to consolidated sales

FY2009	FY2010
18.3%	17.9%

Geographic segments

FY2009⇒FY2010



6) Financial Condition

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

	FY2009	FY2010	Change
Current assets	69,685	75,366	5,680
Fixed assets	18,315	17,129	-1,185
Total assets	88,000	92,495	4,495
Current liabilities	29,722	29,673	-49
Non-current fixed liabilities	329	528	198
Total liabilities	30,051	30,201	149
Net assets	57,949	62,294	4,345
Total liabilities & Net assets	88,000	92,495	4,495

Trade notes and accounts receivable:
+ ¥2.1 billion (B/S ¥37.3 billion)

Certificate of Deposit :
+ ¥2 billion (B/S ¥9.5 billion)

Tangible fixed assets:
- ¥0.5 billion (B/S ¥8.8billion)
Intangible fixed assets:
- ¥0.2 billion (B/S ¥ 4 billion)
Investments and others assets:
- ¥0.3 billion (B/S ¥4.2 billion)

7) Cash Flows

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

	FY2009	FY2010	Change
I .Cash flows from operating Activities	10,679	5,892	-4,786
II .Cash flows from investing Activities	-2,810	-1,874	935
Free Cash Flows	7,869	4,018	-3,850
III .Cash flows from financing Activities	-2,850	-1,536	1,314
Effect of exchange rate change on cash and cash equivalents	114	-3	-118
Net increase (decrease) in cash and cash equivalents	5,133	2,477	-2,655
Cash and cash equivalents at end of period	16,331	18,808	2,477

Decrease (increase) in inventories

FY2009 636

FY2010 - 778

Change -1,415

Increase (decrease) in trade notes and accounts payable

FY2009 2,172

FY2010 669

Change - 1,502

Increase (decrease) in short-term debt

FY2009 -1,211

FY2010 231

Change +1,442

8) Capital Investments & R&D Costs

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

	FY2009	FY2010			Change	FY2011 Plan
		Original Forecast (announced on May .11 2010)	Revised Forecast (announced on Nov. 4 2010)	Actual		
Capital Investments	3,154	2,700	2,600	1,804	-1,350	2,700
Depreciation	2,507	3,100	3,000	2,694	187	3,200
R&D costs	4,418	5,200	5,000	5,105	687	5,400

- **FY2010 Actual Capital Investments**

Molds for new products, Measuring equipment, products for demonstration, and Enhancement of ERP system

- **FY2011 Plan:**

- **Capital Investments**

Molds for new products, products for demonstration, Enhancement of ERP system (¥0.6 billion), and Private Electric Generator (¥60 million)

- **R&D**

Increase investment in R&D for new technologies and products

Forecast for FY2011

1) Business Environment

- As the overall global economy moderately recovered, demand for medical equipment remains solid.
- In Japan, acute care hospitals are likely to continue stable capital spending, following upward revision of medical treatment fees and the progress of the regional medical care revival plan.
- Restoration of medical care systems in affected areas will proceed gradually, while there is uncertainty about the effects of the electrical power supply shortage in the Tohoku and Kanto areas, as well as harmful rumors about Japanese products.

【 Our International Business 】

In the U.S., our business remains solid performance.

In Europe, major countries remains solid performance, while there is concern about financial crisis.

Emerging markets, such as China and India, are expected to continue high growth.

【 Our Domestic Business 】

In the acute care market, our business remains solid performance.

2) Forecast for FY2011

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

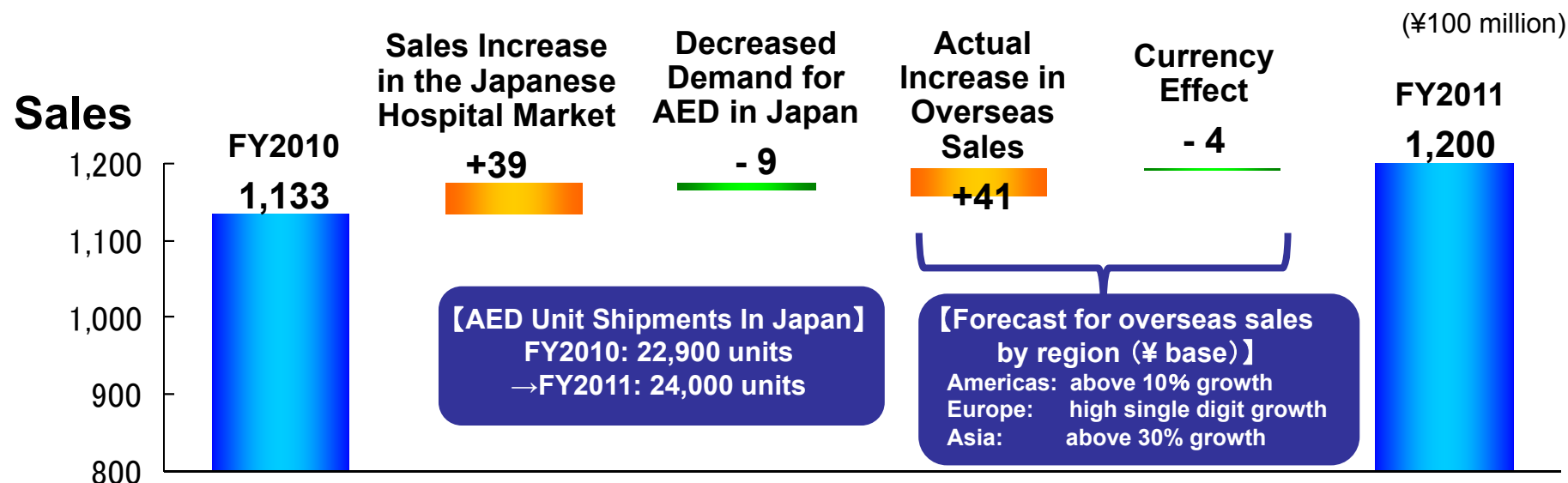
	FY2010	FY2011	YoY (%)
Sales	113,380	120,000	5.8
Domestic Sales	93,046	96,000	3.2
Overseas Sales	20,333	24,000	18.0
Operating Income	10,598	11,000	3.8
Ordinary Income	10,569	11,000	4.1
Net Income	6,573	7,100	8.0

Percentage of Overseas Sales 17.9% 20.0%

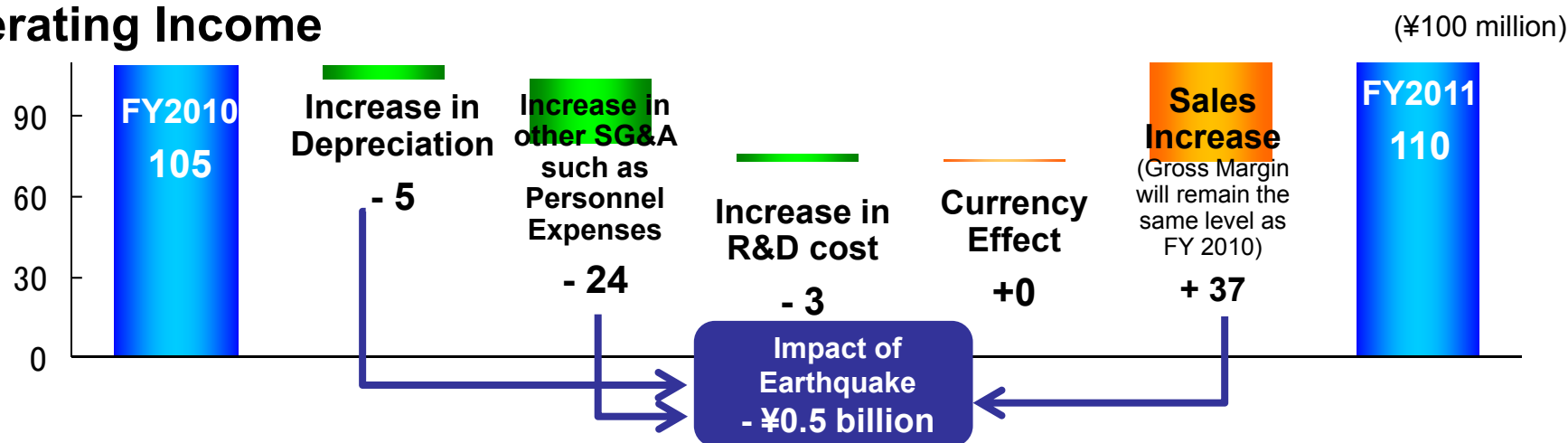
Average Exchange Rate

1 US Dollar	86 yen	85 yen
1 EURO	113 yen	110 yen

3) Analysis of FY2011 Forecasts



Operating Income



4) Impact of the Great East Japan Earthquake

Situation of damage

- There was no serious damage to the buildings and facilities. The plant is operating normally.
- Business operation in affected areas also returned to normal, except the evacuation area around the Fukushima nuclear plant.

Impact on FY2011 forecast

[Full Year]

- Regarding the impact on sales, parts shortage may affect production of some products, but it will be resolved within one year.
- Regarding the impact on earnings, the Company expects cost increase of parts and expenses to avert power shortage, such as purchase of private electric generator and nighttime production.

[1st Quarter]

The impact on earnings will be minor, as necessary parts and components are secured.

[2nd Quarter]

Parts shortage may affect production of some models of defibrillators for hospitals and EEGs, but it will be resolved within the 2nd-half of FY2011.

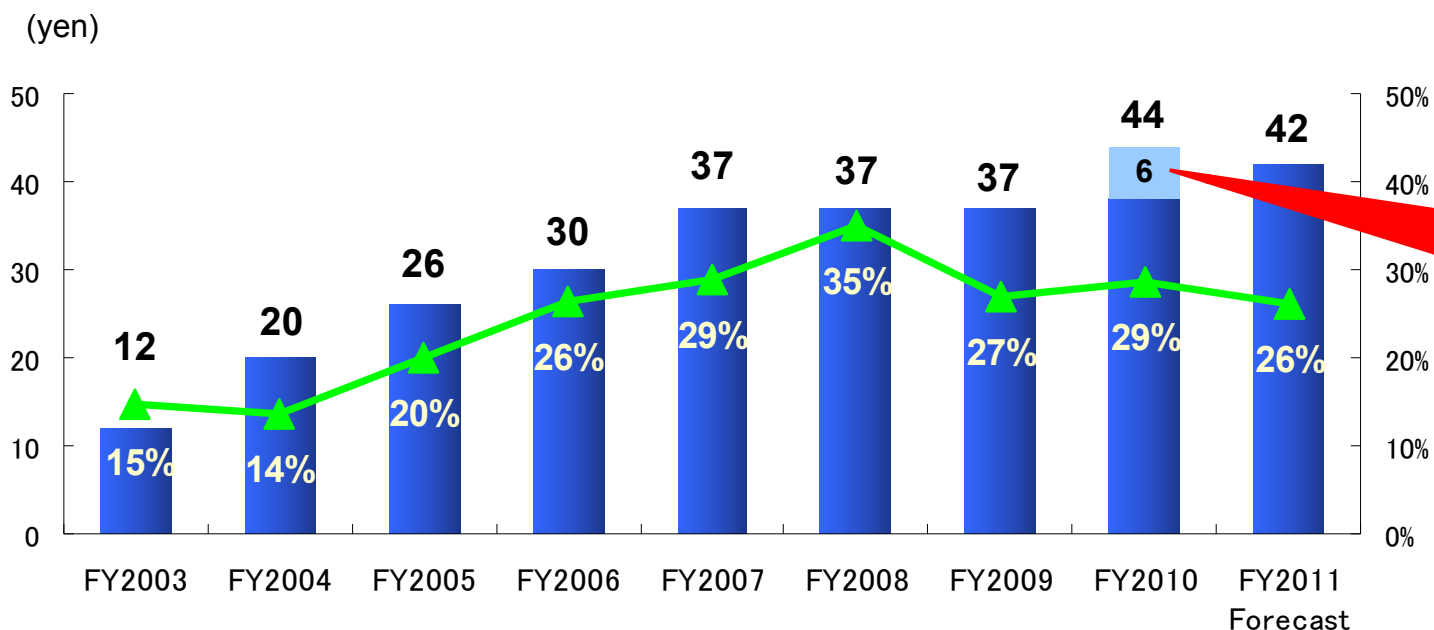
5) Dividend Policy

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%

Dividends per share and pay-out ratio (consolidated)



Include commemorative dividend 6.00 yen

(Ref.)

Consolidated Forecast for FY2011 by Product Category

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

	FY2010	FY2011	YoY (%)
Physiological Measuring Equipment	28,189	29,600	5.0
Patient Monitors	37,274	41,050	10.1
Treatment Equipment	19,073	19,700	3.3
Other Medical Equipment	28,843	29,650	2.8
Total	113,380	120,000	5.8

(Reference)

Medical Supplies	40,236	42,500	5.6
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Basic Strategy

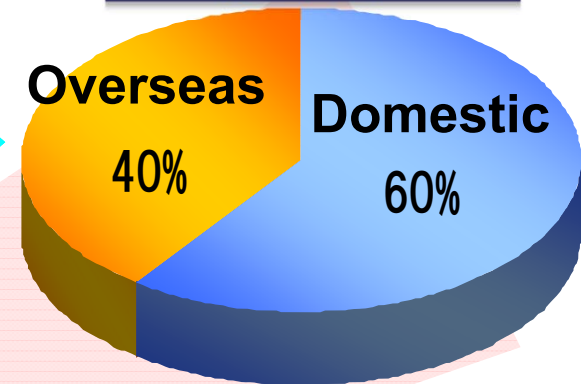
1) Long-term Vision & Mid-term Business Plan

Long-term Vision (From April, 2010 to March, 2020)

The CHANGE 2020

-The Global Leader of Medical Solutions-

¥200 billion

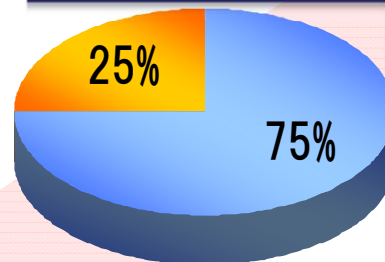


Fiscal year ending
March 2020

Mid-term Business Plan **¥130 billion**

(From FY2010 to FY2012)

SPEED UP III



FY 2012

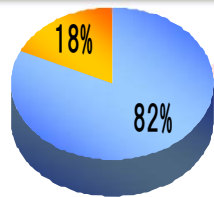
**Japanese government's
New Growth Strategy**

Life Innovation

||

Foster the industry related to medical, nursing care, and other health - related services and create jobs: creating new markets of ¥50 trillion and 2.8 million jobs.

Sales ¥107 billion



FY 2009

June, 2010

Targets to reach by 2020

2) Target for FY2012

	FY2009 actual	FY2010 actual	FY2011 Forecast	FY2012	3 years growth
Sales	¥107.0 billion	¥113.3 billion	¥120.0 billion	¥130.0 billion	21.5%
Domestic	¥87.4 billion	¥93.0 billion	¥96.0 billion	¥97.5 billion	11.5%
Overseas	¥19.5 billion	¥20.3 billion	¥24.0 billion	¥32.5 billion	66.0%
Operating Income	¥9.3 billion	¥10.5 billion	¥11.0 billion	¥13.0 billion	39.5%
ROE	10.6%	10.9%		12.0 %	

Breakdown of overseas sales by region

Americas	¥6.2 billion	¥6.8 billion	+above 10%	¥9.4 billion	49.2%
Europe	¥5.8 billion	¥6.0 billion	+high single digit	¥8.8 billion	50.1%
Asia	¥6.5 billion	¥6.2 billion	+above 30%	¥13.0 billion	99.8%
Other	¥0.9 billion	¥1.1 billion		¥1.3 billion	43.2%

※ Mid-term Business Plan "SPEED UP III" is based on an exchange rate of 90 yen to the dollar and 130 yen to the euro

3) New Mid-term Business Plan Key Strategies

SPEED UP III

1. **Promote quality improvement activities**
2. **Strengthen technological development capacity**
3. **Expand and strengthen core business areas**
4. **Accelerate globalization of the Company**
5. **Develop new business**
6. **Consolidate corporate fundamentals**

4) Key Strategies

① Promote quality improvement activities

Quality Policy

The good quality of our product must be maintained to keep our customer satisfied for a long time

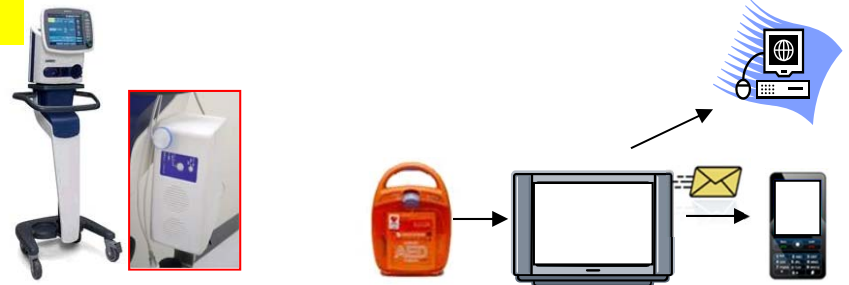
R&D	Rigid safety evaluation test
Production	Reduce the level of defectiveness of high-volume products
Sales & Services	<ul style="list-style-type: none">▪ Quick response to product defects▪ Apply user feedback into development

- Establish a new department dedicating the quality improvement of treat equipment

Products development which help medical safety

Products under development are

- A new system for preventing medical errors in using ventilators
- AED remote tracking system



② Strengthen technological development capacity

Combine core technologies

Product differentiation

EEGs & patient monitors

Examine brain wave in NICU·ICU

Space-saving EEG suited to Usage environment

- Incorporate vital signs data of bedside monitors
- EEG Trend Display to help the user analyze the EEG wave form (such as aEEG)

In 1st half of FY2011
(domestic)



Defibrillator & patient monitors

ILCOR* consensus recommends
12-lead ECG in an ambulance

High-end Defibrillator enhanced a monitoring function

- Reinforce the cooperation between ambulance and hospital
(12-lead ECG data transfer to hospital)

In 1st half of FY2011
(international)

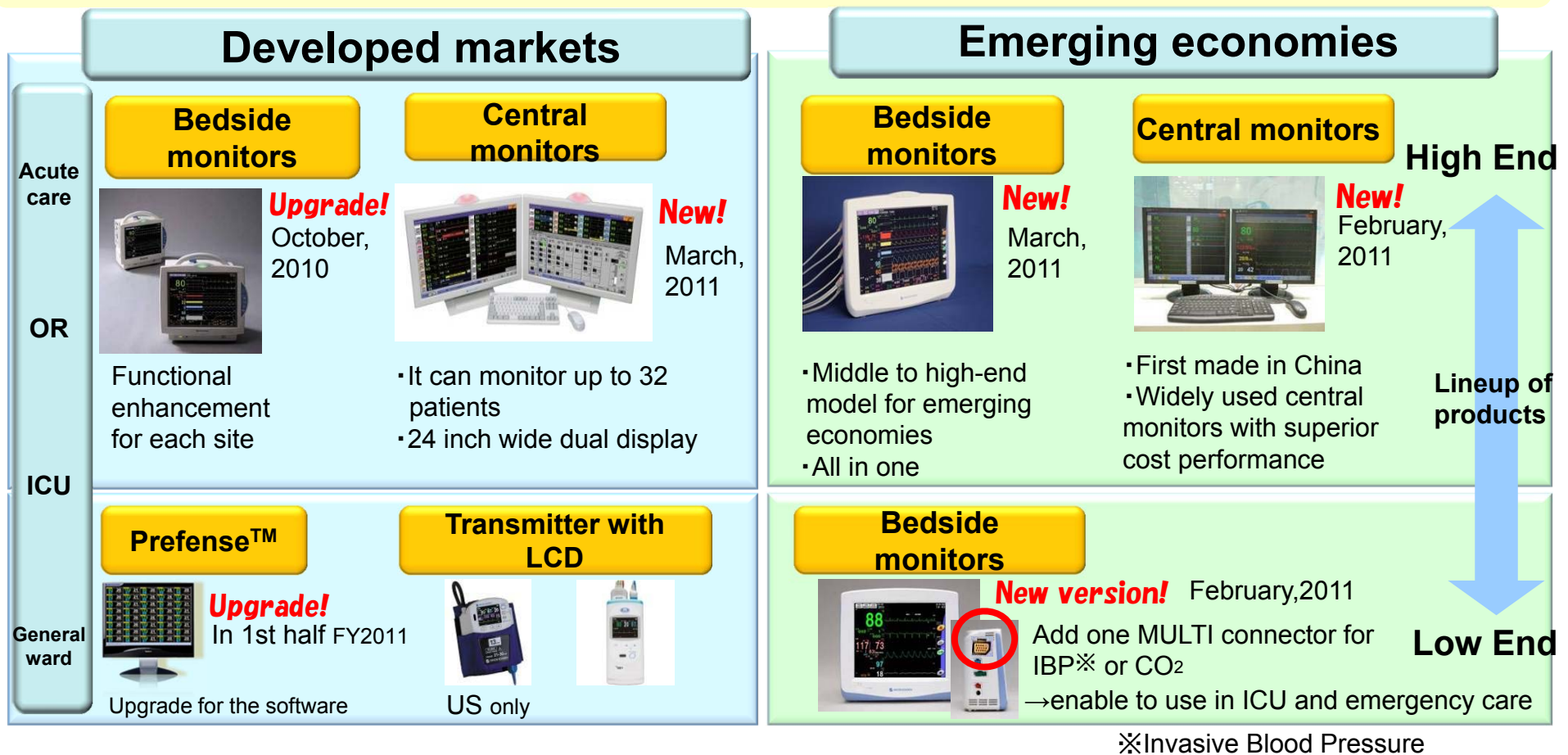
*ILCOR (International Liaison
Committee On Resuscitation)



③ Expand and strengthen core business areas

i) Patient Monitor Business

Enhance line-up for each Developed markets and Emerging economies



ii) System Solution Business

System Development that are tailored to local markets

Diagnostic Information System

Laboratory

Data management of ECGs, EEGs, ultra sounds and endoscope

Clinical Information System

Acute care units, Operation room

Data management of patient monitors and ventilators

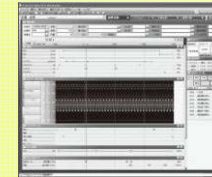
Japan



PrimeVita

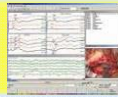


Diorami



Prime Gaia

U.S.



Neuro Workbench

HL/7*interface

Europe

Polaris.one

HL/7*interface

China



Cardio Net

HL/7*interface (plan)

OR support system

CAP-500 (plan)

HIS (Hospital Information Network)

※ Health Level Seven is a standard for exchanging information between medical applications.

iii) U.S. and European markets

Europe

- Expand line-up that are tailored to the demands of local markets

Patient Monitors



Defibrillator for ambulance



12-lead ECG data transfer

- Strengthen sales networks

Strengthen sales networks in Russia June 2010

Establish Nihon Kohden UK Sept. 2010

U.S.

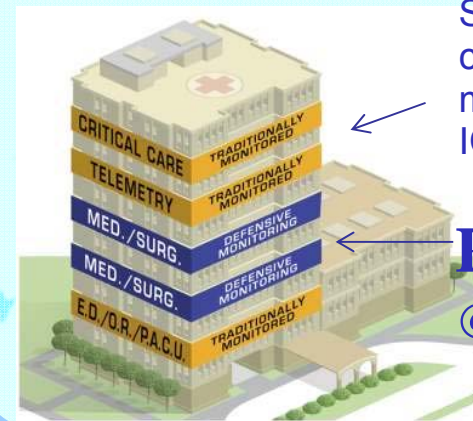
Patient Safety Study at Vanderbilt University Medical Center indicates Prefense™ can improve quality of care and avoid cost



May 2010

increased recognition

Multiple contracts by leverage from Prefense™

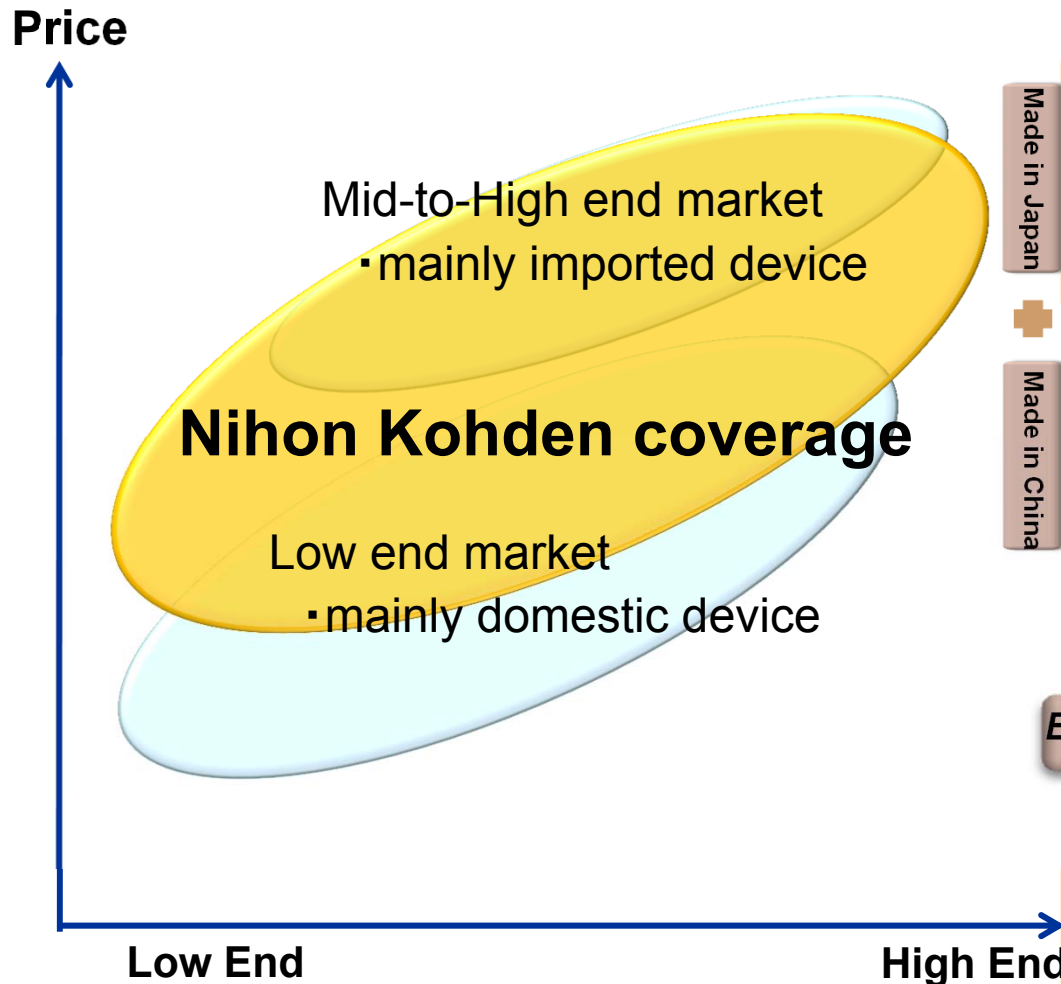


Synergy effects lead to contract of patient monitoring systems @ ICU, CCU

Prefense™ @ general ward

iv) Chinese Market

Expand product line-up



Mid-to-High end market

	Patient monitors	ECGs	Hematology Analyzers
Made in Japan	Under application for SFDA Bedside monitors New! May 2011(plan) Telemetry	New! Aug. 2010 ECGs	New! Aug. 2010 5-parts
Made in China	New! Feb. 2011 Central Monitors	New! Jan. 2011 ECG data management system New! April 2011 ECG Holter	New! Aug. 2010 Reagents

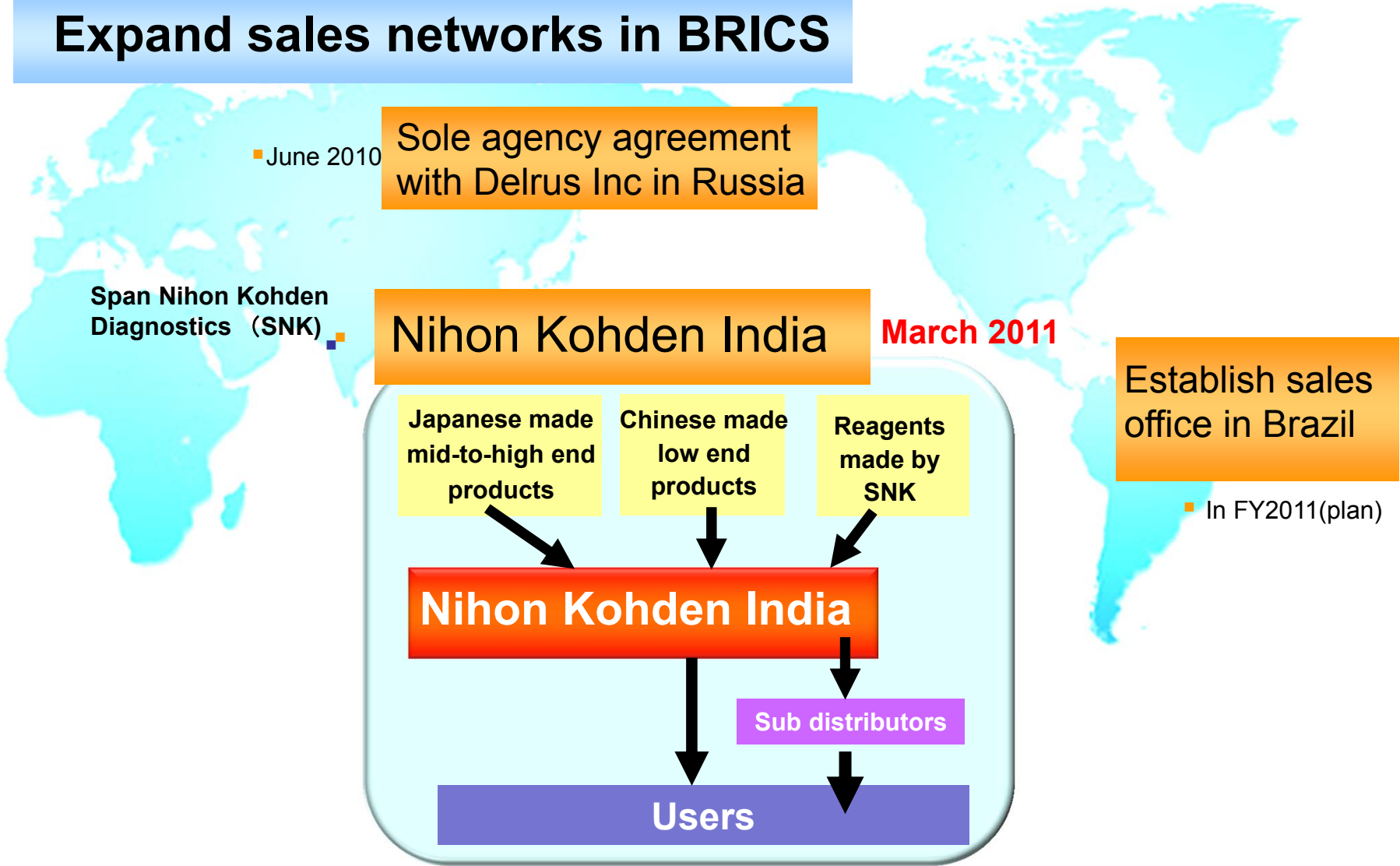
Upper low end market

Expand locally-produced low-end products

Under application for SFDA	New! May 2010 ECGs	March 2010 3-parts
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v) Emerging Markets

Expand sales networks in BRICS



Disclaimer:

Contents described in this document are based on the Company's best judgments at the time it was prepared and do not constitute a guarantee or promise that the Company will achieve its numerical targets or implement the measures.