

Consolidated Financial Highlights for First Half of FY2013

(From April 1, 2013 to September 30, 2013)

1. Consolidated Financial Results for First Half of FY2013
2. Forecast for FY2013
3. Business Strategy

November 7, 2013

Fighting Disease with Electronics

Consolidated Financial Results for First Half of FY2013

Fighting Disease with Electronics



1) Consolidated Financial Results for the 1st Half of FY2013

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

	First half FY2012	First half FY2013		
		Forecast	Actual	YoY (%)
Sales	60,581	66,000	67,148	10.8
Domestic Sales	49,804	-	53,249	6.9
Overseas Sales	10,777	-	13,899	29.0
Operating income	5,410	5,700	5,299	- 2.0
Ordinary income	5,189	5,700	5,787	11.5
Net income	3,134	3,700	3,464	10.5

Currency Effect:
+¥1.8 billion (+17%)

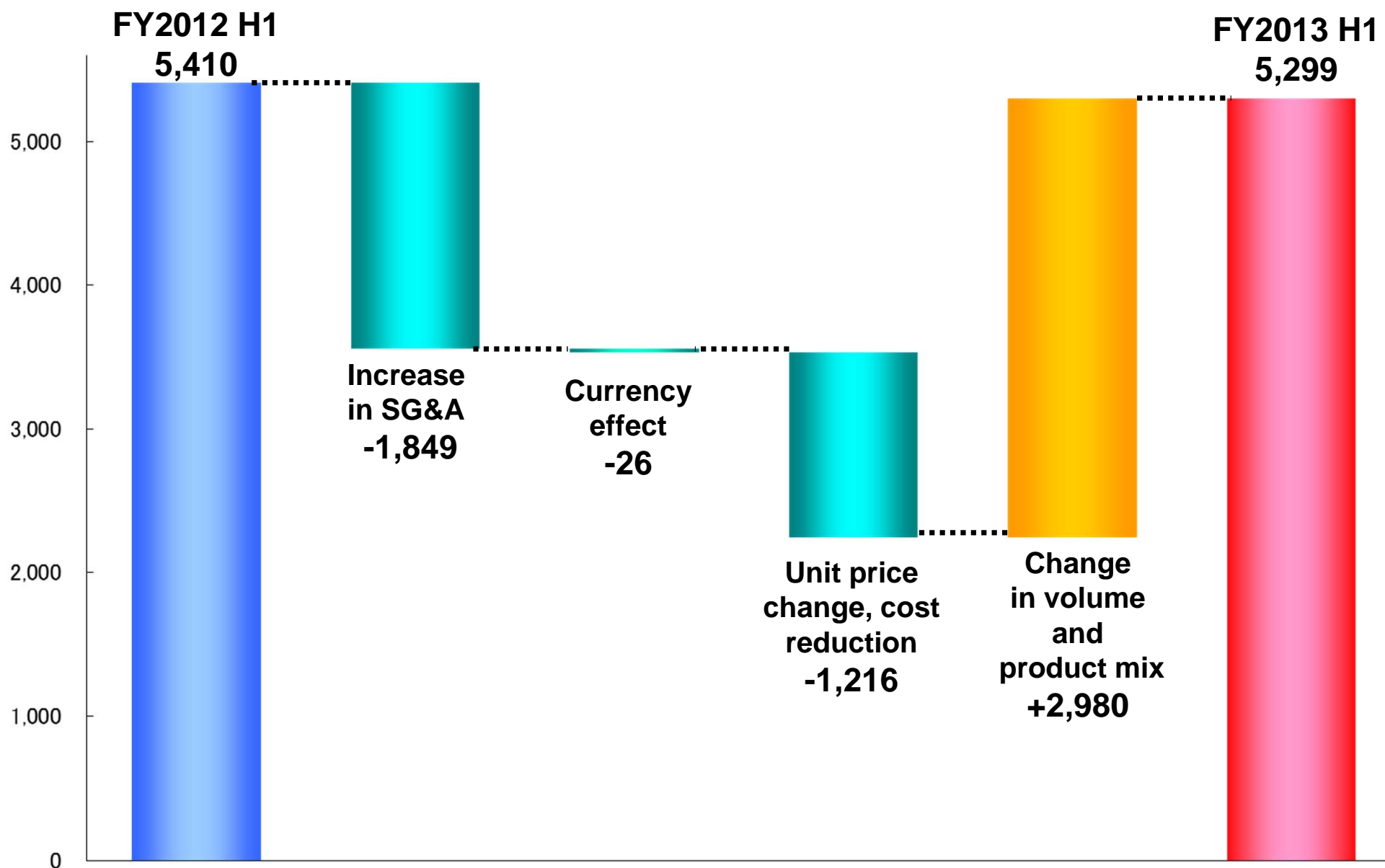
Gross Margin Ratio
50.5% in FY2012 H1
→ 49.4% in FY2013 H1
SG&A Ratio
41.6% in FY2012 H1
→ 41.5% in FY2013 H1

Foreign exchange gains:
¥0.3 billion

Average exchange rate	First half FY2012	First half FY2013
1 US Dollar	80 yen	97.6 yen
1 EURO	101 yen	128.4 yen

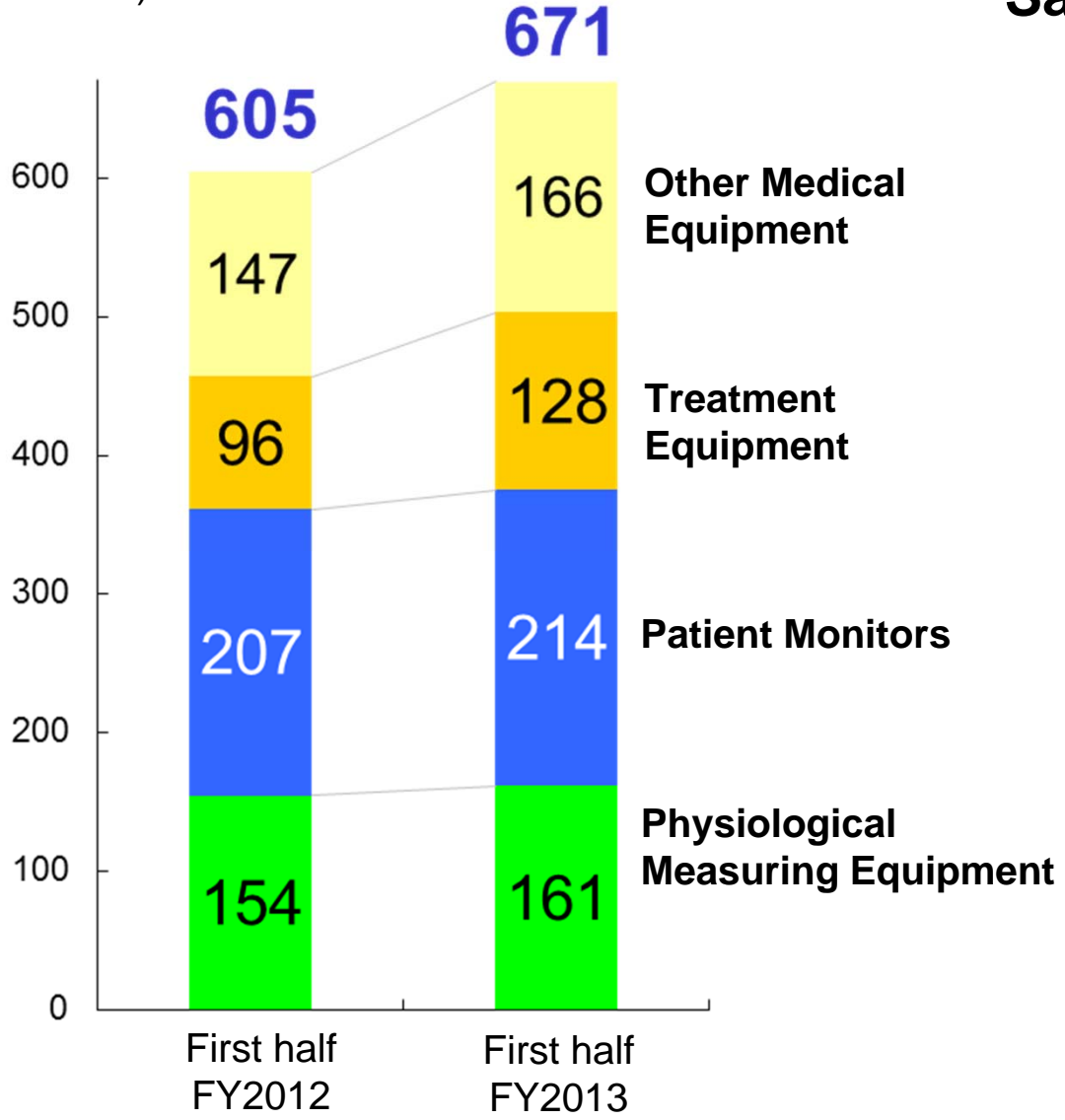
2) Breakdown of Operating Income

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



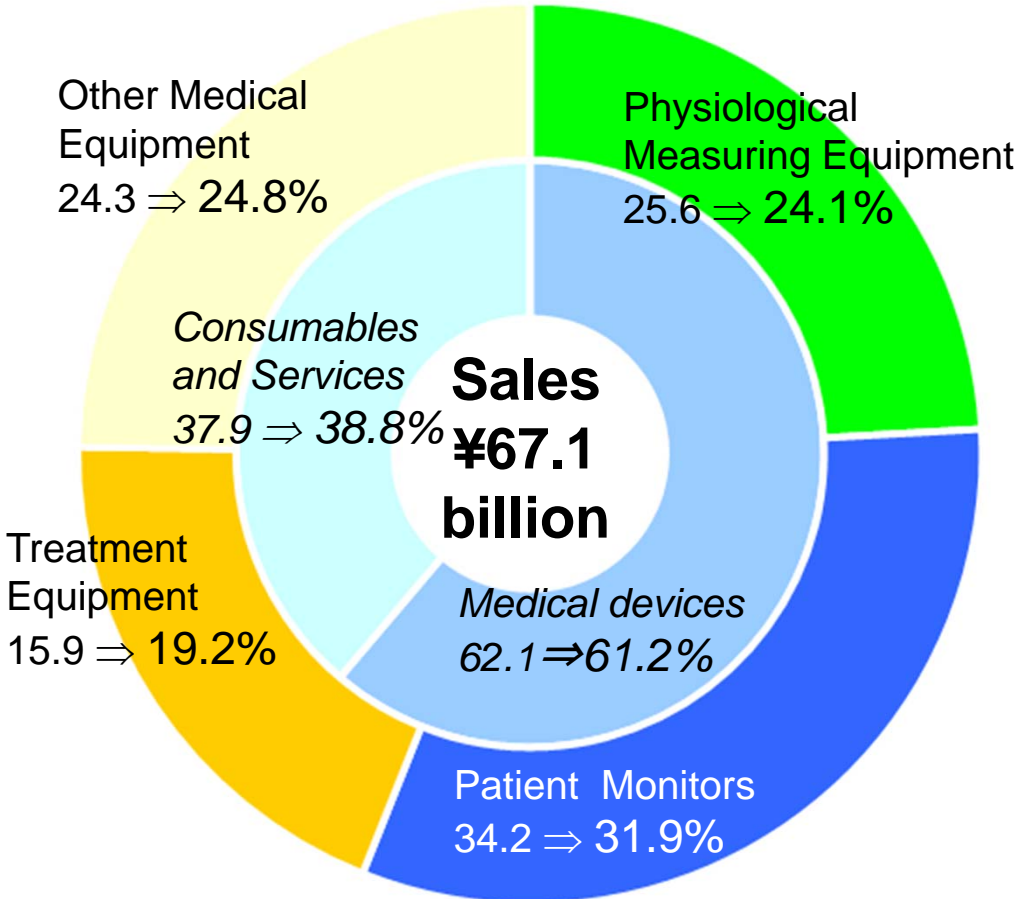
3) Sales by Product Category

(¥100 million)



Sales composition by product category

(FY2012 H1 ⇒ FY2013 H1)



3.1) Physiological Measuring Equipment

(Sales, millions of yen)

	First half FY2012	First half FY2013	YoY (%)
Electroencephalographs	4,008	4,224	5.4
Electrocardiographs	3,345	3,432	2.6
Polygraphs for Cath Lab	4,107	4,323	5.3
Other Physiological Measuring Equipment *	4,020	4,212	4.8
Physiological Measuring Equipment	15,481	16,193	4.6
Domestic Sales	12,647	12,774	1.0
Overseas Sales	2,833	3,418	20.6

Sales of polygraphs for cath labs increased

Sales of EEG and ECG increased favorably in all areas

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



Electroencephalographs
EEG-1250



Electrocardiographs
ECG-2500



Polygraphs for cath labs
RMC-4000

3.2) Patient Monitors

(Sales, millions of yen)

	First half FY2012	First half FY2013	YoY (%)
Patient Monitors	20,738	21,435	3.4
Domestic Sales	15,399	15,558	1.0
Overseas Sales	5,338	5,877	10.1

Sales of consumables such as sensors increased

Sales in Americas, Asia and Other increased favorably



Bedside monitors
BSM-6000 series



Central monitors
CNS-6201



Transmitters
ZS-630P, ZS-611P



SpO₂ probes



Oxygen mask with CO₂ monitoring



ECGs Electrodes

Consumables

3.3) Treatment Equipment

(Sales, millions of yen)

	First half FY2012	First half FY2013	YoY (%)
Defibrillators (for Hospital and Ambulance)	1,892	2,139	13.1
AEDs (Automated External Defibrillator)	3,211	5,609	74.7
Pacemakers / ICDs	1,224	1,503	22.8
Ventilators	1,020	923	- 9.6
Other Treatment Equipment	2,284	2,708	18.6
Treatment Equipment	9,634	12,884	33.7
Domestic Sales	8,618	10,174	18.1
Overseas Sales	1,015	2,710	166.8
(Ref.) AED Unit Shipments	17,300	34,100	97.1
Domestic unit Sales	16,400	19,700	20.1

Domestic:
AED Sales increased strongly as a wide range of models were well received and attracted demand for replacement of older models



AED-2150, 2151, 2152

Overseas:
AED sales increased strongly in all area

- Acquisition of Defibtech
- Increased AED demand in Taiwan after public access defibrillation allowed



Sales of pacemakers and ICDs increased from FY2012 H1 weak sales due to downward revision of reimbursement prices

Sales of vagus nerve stimulation therapy systems and irrigation catheters increased



Defibrillators
TEC-8300



AED
AED-2150



Pacemakers
Nuance DR RF




Ventilators
HAMILTON-C1

3.4) Other Medical Equipment

(Sales, millions of yen)

	First half FY2012	First half FY2013	YoY (%)
Hematology Analyzers	3,578	3,982	11.3
Transformers, Imaging Systems, Medical equipment for study and others *	11,141	12,653	13.6
Other Medical Equipment	14,727	16,635	13.0
Domestic Sales	13,138	14,742	12.2
Overseas Sales	1,589	1,893	19.1

Domestic:
Sales of hematology analyzers increased favorably. Contribution by new product CHM-4100



MEK-7300 MEK-6500 CHM-4100

Overseas:
Sales of hematology analyzers and reagents increased favorably in all areas, especially India

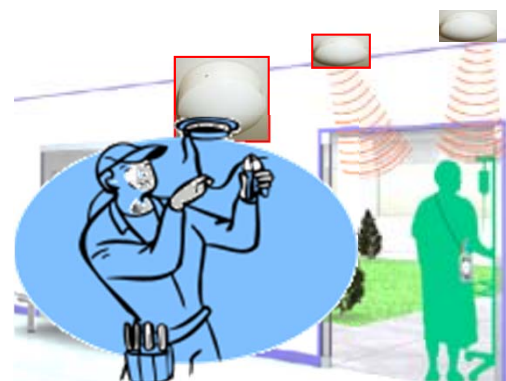
* Includes consumables, installation and maintenance service which are not applicable to other categories.



Automated hematology analyzers
MEK-6500



Clinical chemistry analyzer
CHM-4100

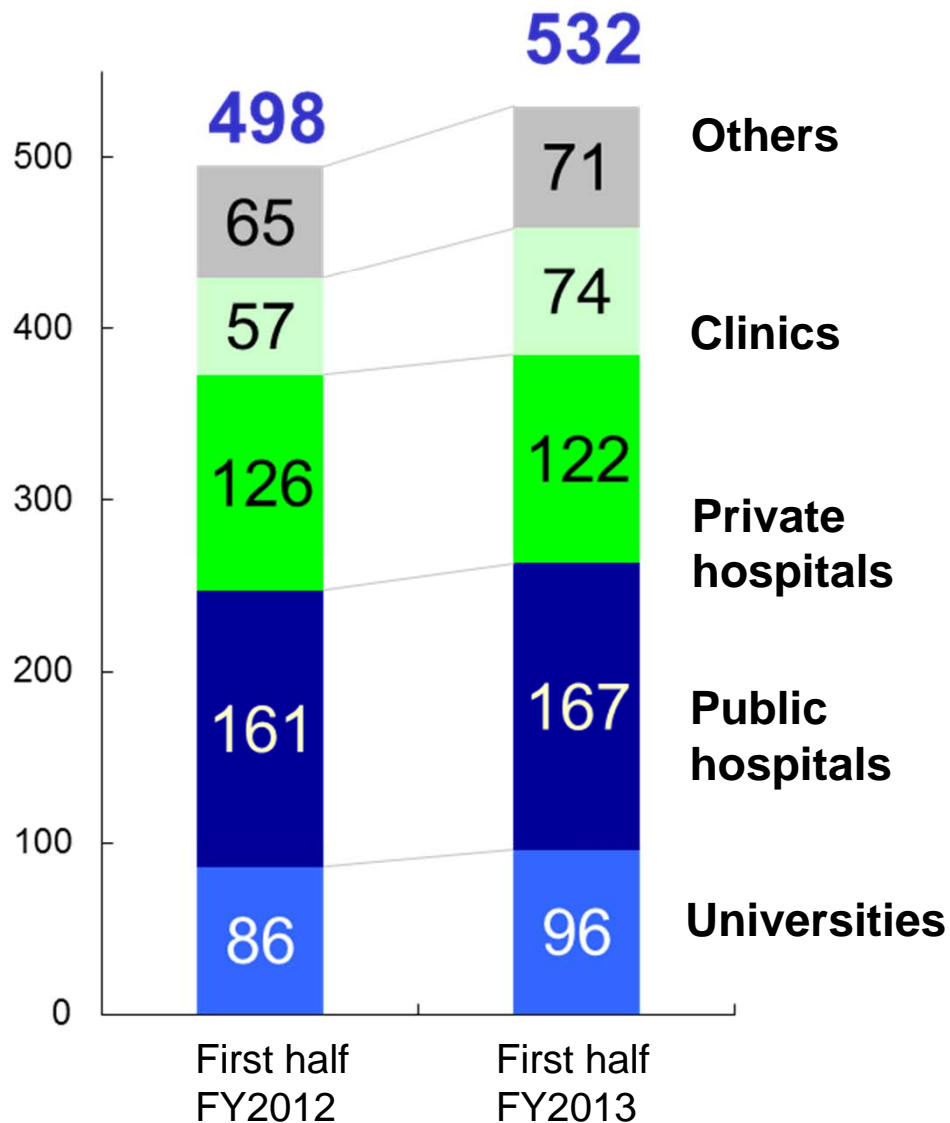


Installation and maintenance services

4) Domestic Sales

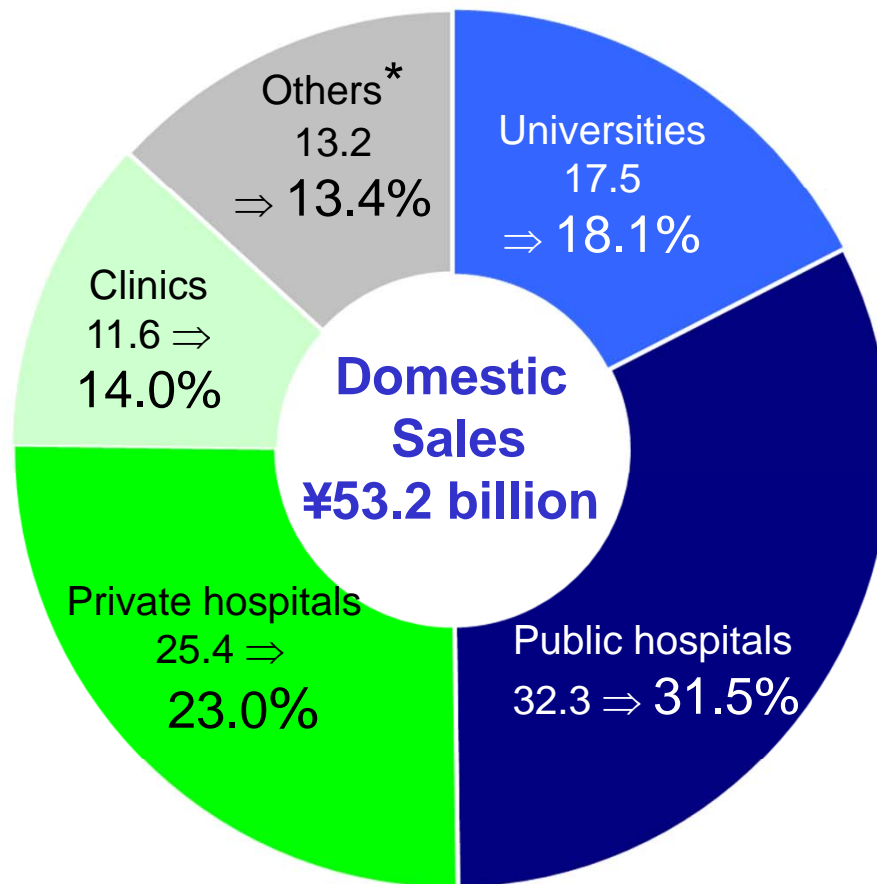
Sales by market

(¥100 million)



Sales composition by market

(FY2012 H1 ⇒ FY2013 H1)

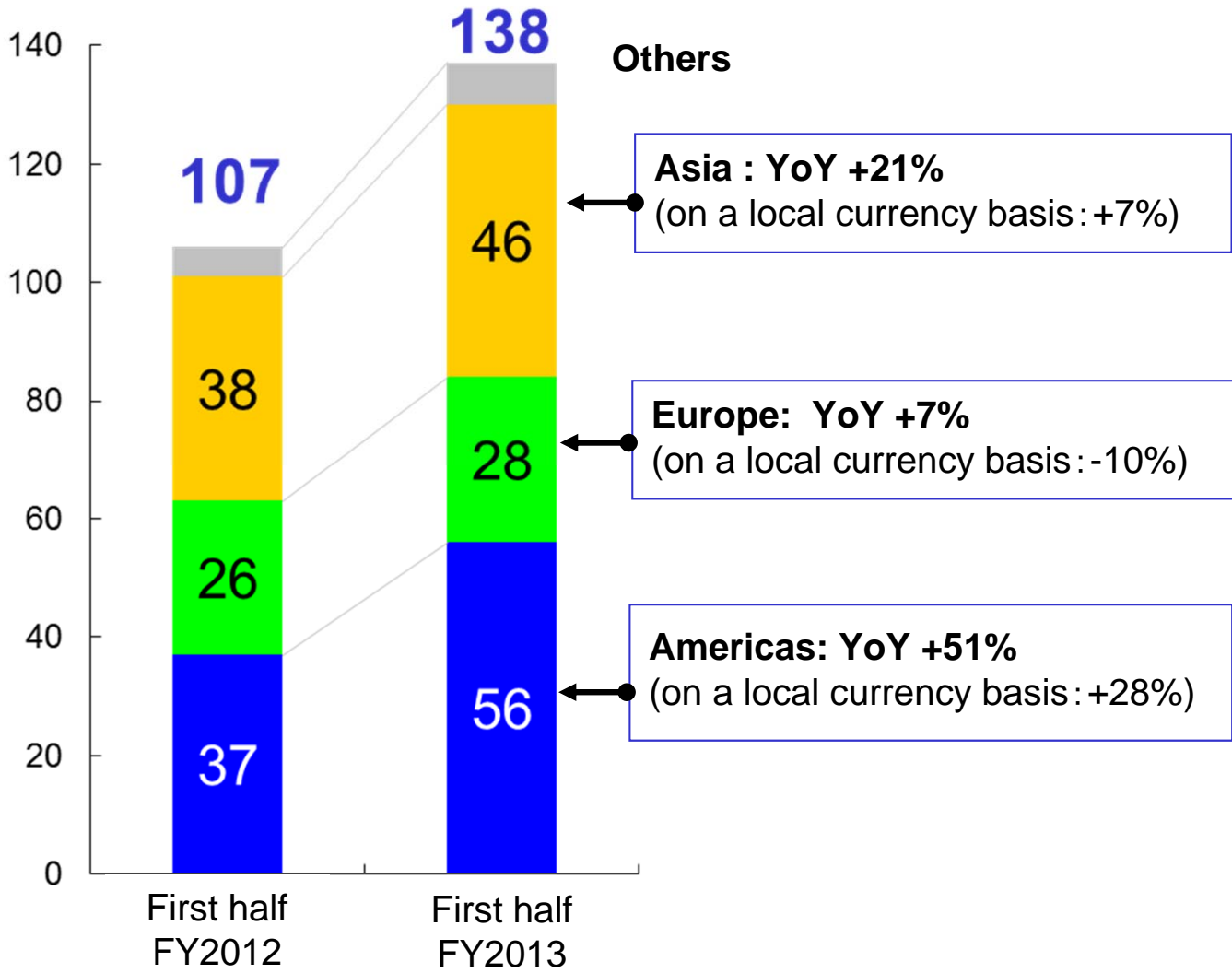


* Others include laboratories, animal hospitals and PAD (public access defibrillation) markets such as schools and private companies.

5) Overseas Sales

Geographic Segments

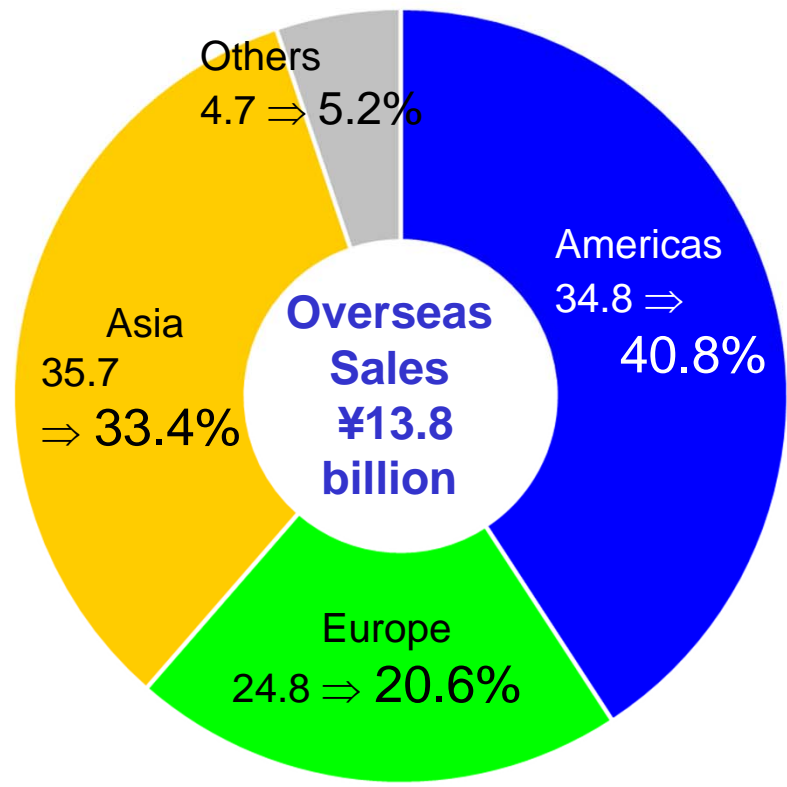
(¥100 million)



Percentage of overseas sales to consolidated sales

First half FY2012	First half FY2013
17.8%	20.7%

Geographic Segments (FY2012 H1 ⇒ FY2013 H1)



6) Financial Condition

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

	FY2012	First half FY2013	Change
Current Assets	95,181	90,364	- 4,816
Fixed Assets	21,619	21,982	363
Total Assets	116,800	112,347	- 4,453
Current Liabilities	39,028	31,178	- 7,849
Non-current Fixed Liabilities	1,515	1,580	64
Total Liabilities	40,544	32,758	- 7,785
Net Assets	76,256	79,588	3,331
Total Liabilities & Net Assets	116,800	112,347	- 4,453

7) Capital Investments and R&D Costs

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

	First half FY2012	First half FY2013	FY2012	FY2013	
				Original Forecast announced May 8	Revised Forecast announced Nov 1
Capital Investments	1,207	1,443	3,143	3,900	5,700
Depreciation	1,295	1,400	2,853	3,500	3,500
R&D costs	2,866	3,267	6,424	7,300	7,300

FY2013 H1 Actual Capital Investments

- Molds for new products, measuring equipment and jigs, products for demonstration

FY2013 H2 Capital Investments Plan

- Molds for new products, products for demonstration, and enhancement of ERP system (¥0.5 billion)
- **New investment in a new production facility (¥1.8 billion)**

Increase efficiency and production volume

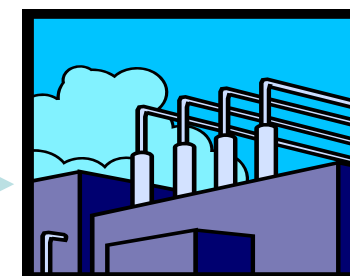


1st plant:
approx. 19,000m²



2nd plant: approx.
10,000m²

Integrate
major
production
functions



New plant
approx. 26,000m²

Forecast for FY2013

Fighting Disease with Electronics

1) Business Environment

Japan

Japanese government 2025 future vision of medical/long-term care services

- Differentiate medical providers
- Enhance home medical care and cooperation among medical and nursing care

Promote medical innovation

- Accelerate regulatory procedures for medical device approval
- Promote export of Japanese healthcare
- Launch Japanese version of NIH

Regional Medical Care Revival Plan

- Total budget : ¥605 billion
- Extension of term is allowed if the plan starts by the end of March, 2014

International

U.S.

Economy will be on recovery path

Europe

Uncertainty over Europe's debt crisis continues

Emerging Countries

- Solid growth expected in Asia and Latin America
- Effect of cooler Japan and China relations will ease

2) Forecast for FY2013

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

	FY2012	FY2013 Forecast	YoY (%)
Sales	132,538	145,000	9.4
Domestic Sales	110,215	113,500	3.0
Overseas Sales	22,322	31,500	41.1
Operating income	13,484	15,000	11.2
Ordinary income	14,658	15,000	2.3
Net income	9,151	9,500	3.8

Outlook of gross margin and SG&A expenses

- Gross margin ratio will improve in FY2013 H2 from FY2013 H1 because we expect sales increase of core products such as patient monitors
- SG&A expenses will be the same level as its original forecast

Percentage of overseas sales 16.8% **21.7%**

Revision of exchange rate

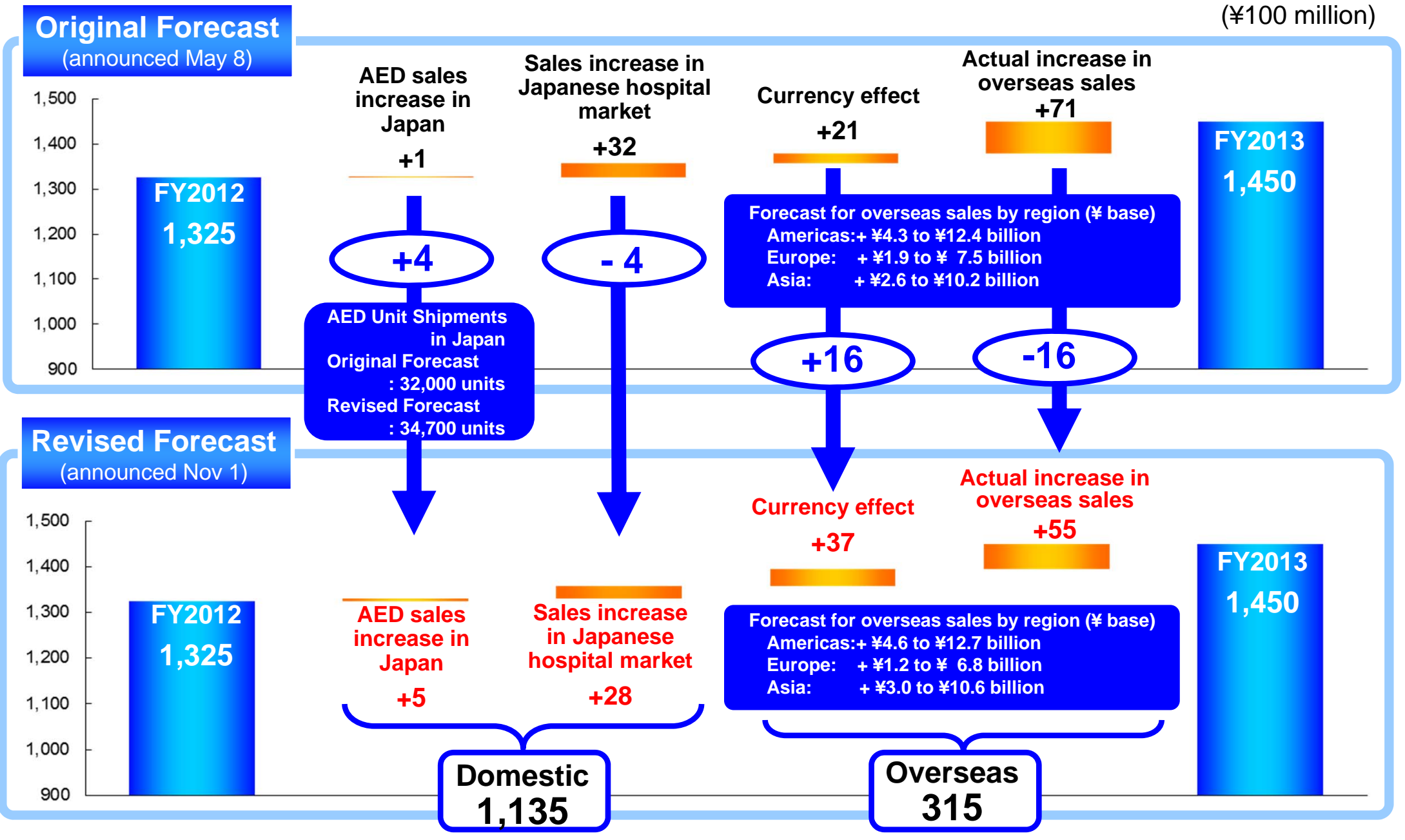
Average exchange rate

1 US Dollar	83 yen
1 EURO	106 yen

(announced May 8)	(announced Nov 1)	(FY2013 H2)
90 yen	98 yen	98 yen
118 yen	130 yen	132 yen

3) Analysis of FY2013 Sales Forecast

(¥100 million)



(Ref.) Consolidated Forecast FY2013 by Product Segment

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

	FY2012	FY2013		YoY (%)
		Original Forecast announced May 8	Revised Forecast announced Nov 1	
Physiological Measuring Equipment	33,871	36,900	36,400	7.5
Patient Monitors	43,661	47,900	48,000	9.9
Treatment Equipment	21,604	26,250	26,800	24.1
Other Medical Equipment	33,400	33,950	33,800	1.2
Total	132,538	145,000	145,000	9.4
(Reference)				
Consumables and Services	49,149	52,200	53,000	7.8

Business Strategy

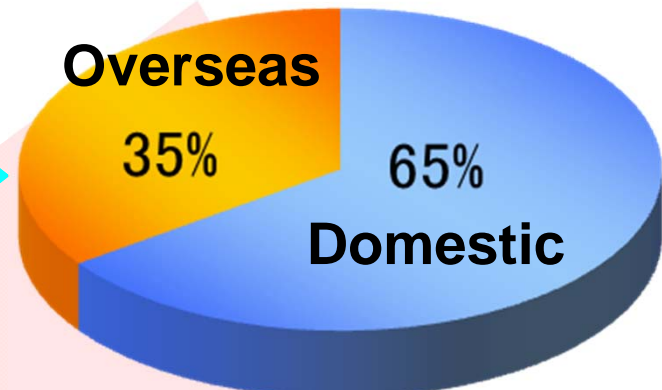
Fighting Disease with Electronics



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

Long-term Vision (April 2010 to March 2020)

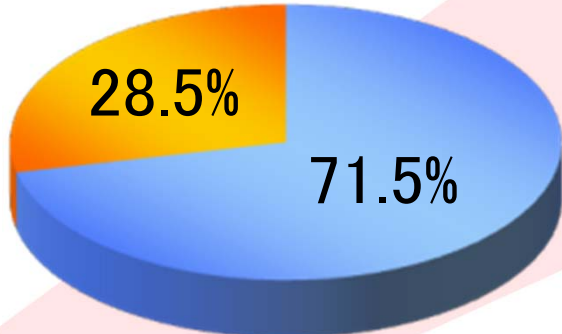
The CHANGE 2020
-The Global Leader of Medical Solutions-



2nd Stage

Strong Growth 2017

(April 2013 to March 2017)

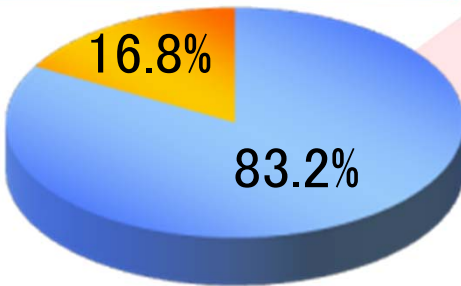


Fiscal year ending March 2020

Sales	¥200 billion
Operating Income	¥25 billion
Operating income ratio 12.5%	

1st Stage

SPEED UP III



FY2012

Sales **¥132.5 billion**
 Operating Income **¥13.4 billion**
 Operating income ratio **10.2%**

FY2016

Sales	¥170 billion
Operating Income	¥18 billion
Operating income ratio 10.6%	

2) Targets for FY 2016 ending March 2017

¥billion	FY2012 actual	FY2016 target	4 year CAGR
Sales	132.5	170.0	6.4%
Domestic	110.2	121.5	2.5%
Overseas	22.3	48.5	21.4%
Operating income	13.4	18.0	7.5%
ROE	12.7%	13.0%	
Exchange Rate: 1 US Dollar 1 Euro	83 yen 106yen	90 yen 118yen	

Breakdown of overseas sales by region

Americas	8.0	19.5	24.6%
Europe	5.6	10.0	15.5%
Asia	7.5	17.0	22.5%
Other	1.0	2.0	17.2%

3) Key Strategies of Mid-term Business Plan

Strong
Growth
2017

Pursue the highest level of quality in the world

Strengthen technological development capabilities

Strengthen business expansion by region

Achieve further growth in core businesses

Develop new businesses

Consolidate corporate fundamentals

4) Strategy for FY 2013

(i) Achieve further growth in core businesses

Developed markets

Emerging economies

Diagnostic Equipment

Neurology

Cardiology

Hematology

Patient monitors

Treatment equipment

Sensor technology

(etCO₂, SpO₂, NIBP, esCCO, aEEG, derived 18-lead ECG, etc.)

IT solution

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

New products in FY2012 and FY2013



EEG,
EEG-1250
August 2012
launch



Exercise
stress test
ECGs,
STS-2100
July 2013
launch
(Japan)



Automated
hematology
analyzers,
MEK-6500
January 2013
launch



Transmitters
with OLED,
ZS-630P
ZS-611P
2013 launch



AED-2150/2151/2152
April 2012 launch

Electrode junction
box with 256
channels,
JE-120A
June 2012
launch



ECGs,
ECG-2350
2013 launch
(intl)



Clinical
chemistry
analyzer,
CHM-4100
July 2013
launch(Japan)



Portable receiving
terminal, ZT-210P
June 2013 launch
(Japan)



Defibtech AEDs
Acquired Nov 2012

Patient Monitors

Launch highly competitive transport monitors and bedside monitors

Transport monitors

Seamless monitoring throughout the care cycle

OR



Can use as OR bedside monitor input box

Transport



- Compact, lightweight
- Continuous monitoring and seamless patient record

ICU/ Ward



Can use as a stand-alone monitor in ICU or Ward

Launch in FY2013 (plan)

High-end bedside monitors (OR/ICU)



OR



ccu



- Enhanced functions for each site such as NICU
- New functions for clinical decision support

Launch in FY2013 (plan)



Patient Monitors

Launch products that ensure medical safety and improve operating efficiencies



Anytime Anywhere View monitoring data of multiple patients on mobile device



Mobile viewer, QP-989P
June 2013 launch



Beside patient View waveforms and data from transmitters which do not have a display



Portable receiving terminal, ZT-210P
June 2013 launch (Japan)

Raise brand recognition through unique technologies

* **esCCO**:
estimated Continuous Cardiac Output



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

One of **the world's smallest and lightest** mainstream CO₂ sensor



Clinical research to receive FDA and PMDA approval

Collecting clinical data of esCCO at San Francisco VA Medical Center

Worldwide promotion



esCCO and CO₂ seminars at Asian hospitals



Cardiology Products

- Expand product line-up
- Raise brand recognition with derived 18-lead ECG



Resting ECGs



Developed and manufactured in China (international)
ECG-2350

Derived 18-lead ECG *



- Clinical studies in Japan and overseas
- Worldwide promotion

Long-term ECGs



Long-term Holter ECG, RAC-2503

Compact, lightweight, 7-day ECG recording

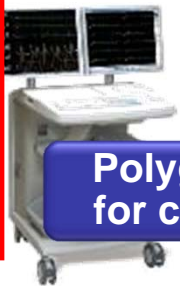
Exercise stress ECGs



Exercise stress ECG, STS-2100

For diagnosing ischemic heart disease, cardiac rehabilitation

Polygraphs for cath lab



Cardiac Stimulator for diagnosis, SEC-5104



American Heart Association



Korean Society of Emergency Medicine

Rapid diagnostic test by flexible layout and simple operation

* Synthesized 18-lead ECG derives 6-lead ECG, right-side leads and posterior leads, from the standard 12-lead ECG

(ii) Strengthen business expansion by region

Japan: Create solutions for a national future vision of medical and nursing care services in 2025

Enhance business in acute care hospital

Patient Monitor



Cardiology products



Treatment Equipment



Information System

Clinical information system

Prime Gaia

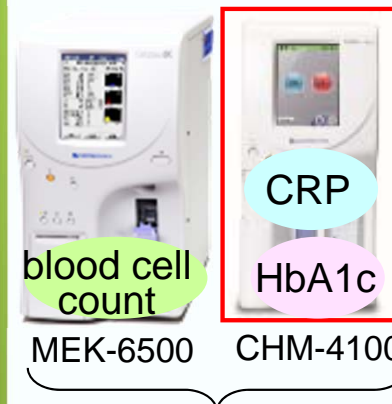
Diagnostic information system

PrimeVitaPlus

Community medical relations

Approach affiliated hospitals and clinics

Hematology Instruments



- Number of testing for lifestyle diseases will increase in clinic market
- Nihon Kohden's first HbA1c Analyzer for diagnosing diabetes**

Total solutions for testing blood cell count, CRP and HbA1c



Small and medium size hospitals

PrimeCreat



Clinics

Prime Linc

Establish a stronger presence in **the U.S.** which is a center of leading-edge medical treatment

Patient Monitor

- Launch new products
- Get multiple contracts led by Prefense™



Patient monitoring systems in ICU, CCU and other sites

Prefense™ in general wards

- Reinforce direct-sales force and strengthen ties with GPOs

Neurology

- Focus on U.S. top 50 hospitals



Cleveland Clinic

- Strong relationship with well-known hospitals and doctors affect business in emerging markets



Workshop by Dr. Kimura, Iowa university at Argentine society of rehabilitation

Resuscitation



New Products



CO₂ Sensor study at the Children's Hospital of Philadelphia

Strengthen technological development capabilities {

- Co-development and clinical study with academia
- Find advanced technology through fund investment*

In-hospital

Pre-hospital

* Emergent Medical Partners II L.P.: Investment fund led by Dr. Thomas J. Fogarty, an internationally recognized cardiovascular surgeon

Increase market share in **emerging markets** as a key growth driver

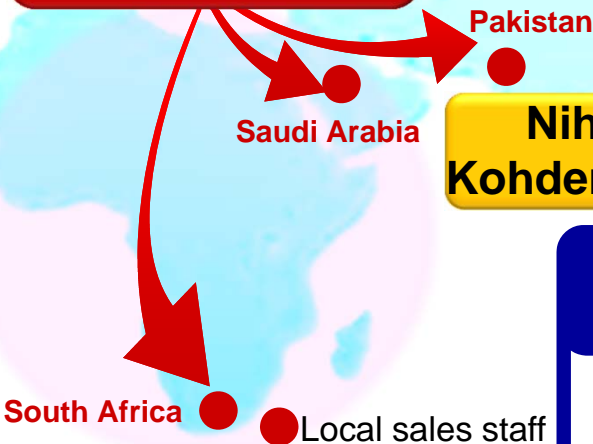
Strengthen business structure

**Nihon Kohden
Middle East**

**Shanghai
Kohden**

China

- Enhance R&D and production
- Expand export to emerging markets



**Nihon
Kohden India**

South East Asia

NKS Bangkok

Started operation
October 2013

**Nihon Kohden
Singapore**

Establish NKS Bangkok
as a subsidiary of
Nihon Kohden Singapore

**Nihon Kohden
Latin America**

**Nihon Kohden
Do Brasil**

Latin America

Establish Nihon Kohden
Latin America in Columbia
to expand sales across
Latin America excluding
Brazil

November 2013

Middle East, Africa

Local sales staff
allocated in
major countries

2013

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.