

Consolidated Financial Highlights for the First Quarter of FY2013

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



NIHON KOHDEN CORPORATION
(Ticker Code: 6849)

August 1, 2013

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

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

	FY2012 1Q	FY2013 1Q	YoY (%)
Net Sales	27,775	30,415	9.5
Domestic Sales	22,784	24,310	6.7
Overseas Sales	4,991	6,105	22.3
Operating Income	2,167	1,552	-28.4
Ordinary Income	1,853	2,010	8.4
Net Income	1,060	1,316	24.2

Currency Effect
+ ¥0.7 billion (+14.7%)

Gross Margin Ratio
FY2012 1Q ⇒ FY2013 1Q
52.1% 49.9%

SG&A Ratio
FY2012 1Q ⇒ FY2013 1Q
44.3% 44.8%

Average Exchange Rate	(2012/6)	(2013/6)
1 US Dollar	81	96.9
1 EURO	105	127.1

2) Highlights of FY2013 1Q

Net Sales : +9.5%

- **Japan**: Sales in the hospital market and the clinic market increased favorably. AED sales also increased. Sales of all product categories increased.
- **International**: Sales of all product categories increased with yen depreciation. Acquisition of Defibtech contributed to AEDs sales.

Operating Income : -28.4%

- Gross margin ratio declined due to an unfavorable sales mix and because yen depreciation raised import prices.
- SG&A expenses increased due to planned increase in R&D and sales force.

Ordinary Income : +8.4%

- Foreign exchange gains of ¥292 million were recorded due to yen depreciation.

3) Topics (i)

Launch of new competitive products

Physiological measuring equipment

Exercise stress test electrocardiograph, STS-2100

Useful for diagnosis of ischemic cardiac disease, cardiac rehabilitation and exercise therapy



Electrocardiograph, ECG-2350

Developed and manufactured in China (international)



Patient monitors

Portable receiving terminal, ZT-210P

Shows waveforms and data from transmitters which do not have a display



Hematology analyzers

Clinical chemistry analyzer, CHM-4100

Analyzer for hemoglobin A1c (HbA1c) and C-Reactive Protein (CRP) for point of care testing



3) Topics (ii)

Strong sales growth in India and Middle East with enhanced sales and service network

India

- Sales of hematology analyzers and patient monitors showed strong growth

Middle East

- Local sales staff were allocated in major countries
- Sales of all product categories increased significantly



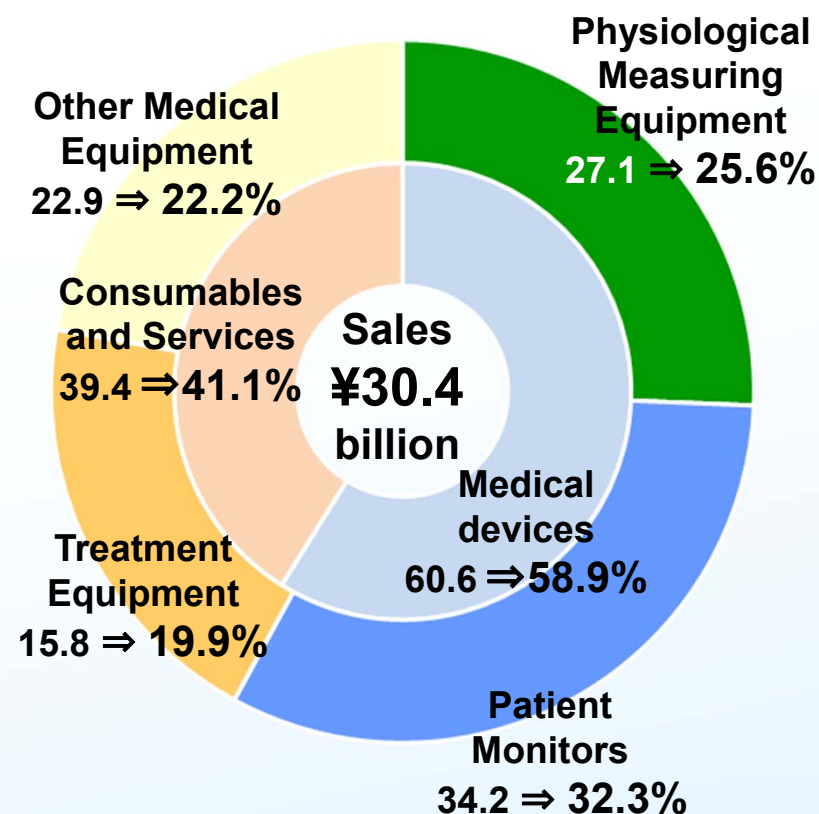
4) Sales by Product Category

(Sales, millions of yen)

	FY2012 1Q	FY2013 1Q	YoY (%)
Physiological Measuring Equipment	7,518	7,799	3.7
Patient Monitors	9,503	9,826	3.4
Treatment Equipment	4,393	6,044	37.6
Other Medical Equipment	6,360	6,745	6.1
Total Sales	27,775	30,415	9.5
(Reference)			
Consumables and Services	10,951	12,503	14.2

Sales composition by product category

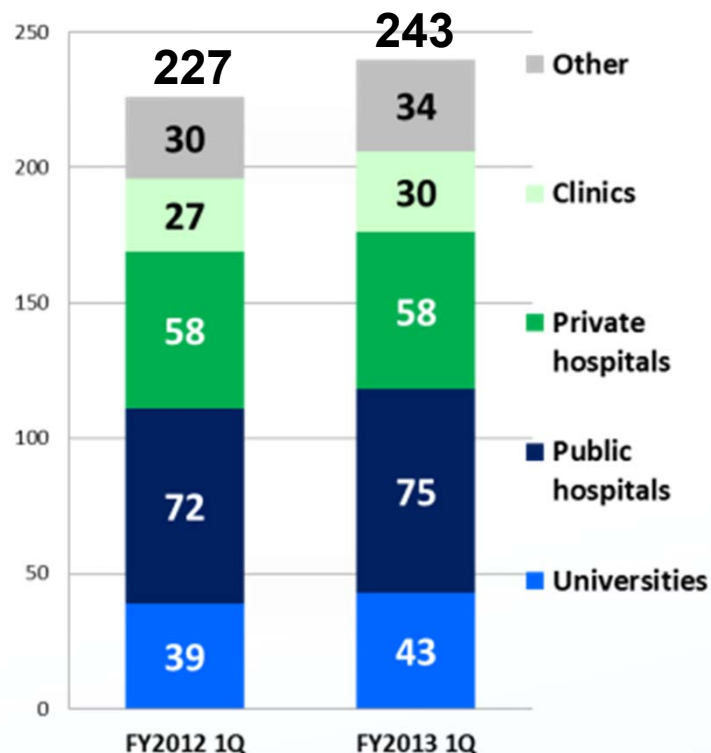
(FY2012 1Q ⇒ FY2013 1Q)



5) Domestic Sales

Sales by Market

(¥100 million)



Sales by Product Category

(Sales, millions of yen)

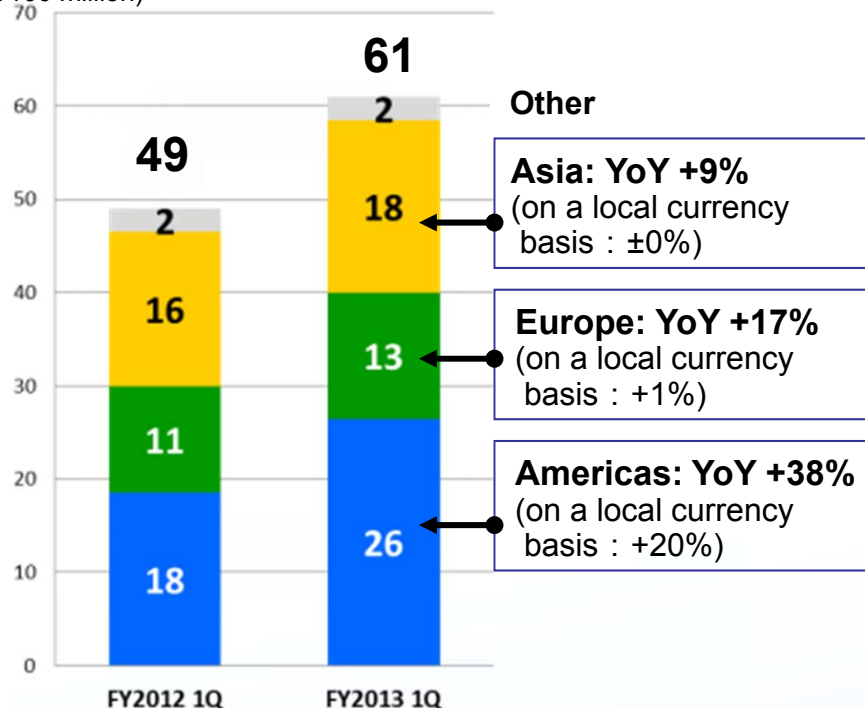
	FY2012 1Q	FY2013 1Q	YoY (%)
Physiological Measuring Equipment	6,055	6,280	3.7
Patient Monitors	7,151	7,255	1.4
Treatment Equipment	3,917	4,838	23.5
Other Medical Equipment	5,659	5,935	4.9
Total Sales	22,784	24,310	6.7

- 【Market】** Both the hospital market and the clinic market remained favorable. Sales in other markets grew with AEDs.
- 【Product】** **Physiological Measuring Equipment:** Sales of EEGs, polygraphs for cath labs and diagnostic information systems increased.
- Patient Monitors:** Sales of clinical information systems and consumables such as sensors increased.
- Treatment Equipment:** Sales of AEDs showed strong growth as new models were well received and attracted demand for replacement of older models.
- Other Medical Equipment:** Sales of hematology analyzers increased as new model were well received.

6) Overseas Sales

Geographic segments

(¥100 million)



Sales by Product Category

(Sales, millions of yen)

	FY2012 1Q	FY2013 1Q	YoY (%)
Physiological Measuring Equipment	1,463	1,518	3.8
Patient Monitors	2,352	2,571	9.3
Treatment Equipment	475	1,205	153.5
Other Medical Equipment	700	809	15.6
Total Sales	4,991	6,105	22.3

Currency Effect + ¥0.7 billion (+14.7%)

[Region] Americas: Sales in the U.S. showed strong growth and sales in Latin America also increased.

Europe: Comparable sales in Europe were nearly flat year on year.

This was due to weak sales in Russia compared to a strong first quarter of FY2012.

Asia: Sales in India and Middle East showed strong growth as the Company strengthened its local business structure. Sales in China decreased as a reflection of cooler Japan-China relations.

[Product] Physiological Measuring Equipment: Sales of EEGs increased in Europe and Asia. Sales of ECGs increased in the Americas and Europe.

Patient Monitors: Sales in the Americas showed strong growth with yen depreciation. Sales in Asia were flat. Strong sales growth in India and Middle East offset weak sales in China. Sales in Europe decreased.

Treatment Equipment: Sales of Nihon Kohden's AEDs increased favorably. Acquisition of Defibtech also contributed.

Other Medical Equipment: Sales of hematology analyzers increased favorably in all areas.

7) Depreciation & R&D Costs

(Millions of yen)

	FY2012 1Q	FY2013 1Q	Change	FY2012 Actual	FY2013 Plan
Depreciation	624	663	39	2,853	3,500
R&D costs	1,213	1,430	217	6,424	7,300

● **FY2013 Plan:**

Capital Investments

Molds for new products, products for demonstration, expansion of production capacity (¥0.5 billion) and enhancement of ERP system (¥0.5 billion).

(Ref.) Consolidated Forecast for FY2013 by Product Category

(Millions of yen)

	FY2012 Actual	FY2013 Forecast	YoY (%)
Physiological Measuring Equipment	33,871	36,900	8.9
Patient Monitors	43,661	47,900	9.7
Treatment Equipment	21,604	26,250	21.5
Other Medical Equipment	33,400	33,950	1.6
Total	132,538	145,000	9.4
(Reference)			
Consumables and Services	49,149	52,200	6.2

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.