

# Consolidated Financial Highlights for the Third Quarter of FY2012

(From April 1, 2012 to December 31, 2012)



**NIHON KOHDEN CORPORATION**

**February 5, 2013**

***Fighting Disease with Electronics***

# 1) Consolidated Financial Results for the 3<sup>rd</sup> Quarter of FY2012

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

	FY2011 3Q 9 months	FY2012 3Q 9 months	YoY (%)
<b>Net Sales</b>	82,846	<b>90,902</b>	9.7
<b>Domestic Sales</b>	67,467	<b>74,900</b>	11.0
<b>Overseas Sales</b>	15,379	<b>16,002</b>	4.1
<b>Operating Income</b>	6,683	<b>7,923</b>	18.6
<b>Ordinary Income</b>	6,328	<b>8,543</b>	35.0
<b>Net Income</b>	3,575	<b>5,157</b>	44.3

← Currency Effect  
- ¥0.3 billion (- 2%)

Average Exchange Rate	(2011/12)	(2012/12)
<b>1 US Dollar</b>	79 yen	<b>80 yen</b>
<b>1 EURO</b>	111 yen	<b>102 yen</b>

## 2) Highlights of 3Q FY2012

### Net Sales : +9.7%

- Japan: Sales in the hospital market increased favorably.  
Sales of all product categories increased.
- International:  
Sales achieved double-digit growth in the Americas and Asia.  
Sales in Europe decreased due to the difficult market condition and unfavorable foreign currency impacts.

### Operating Income : +18.6%

- Operating income achieved double-digit growth due to the increased sales volumes.

### Ordinary Income : +35.0%

- Foreign exchange gains of ¥245 million were recorded due to the weak yen.

# 3) Topics

## New products in 3Q FY2012

### Patient monitors



#### Transmitters with OLED 「ZS-630P」

Palm-size portable waterproof transmitters which can measure ECG, respiration and SpO<sub>2</sub>

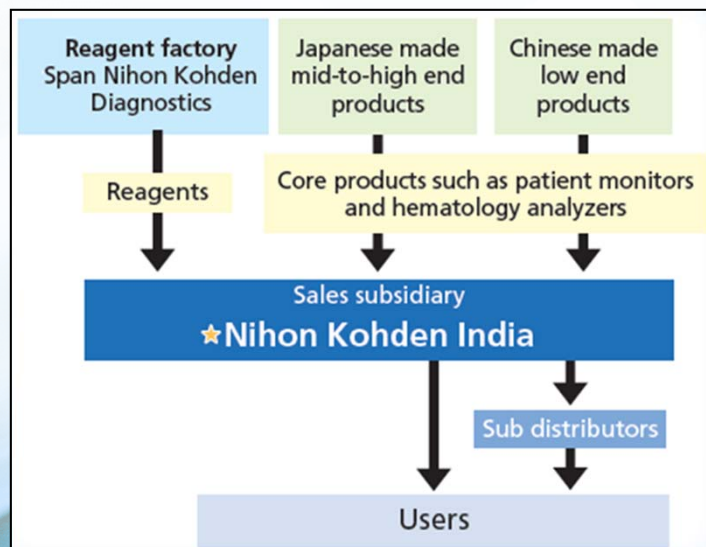
### Hematology analyzers



#### Automated hematology Analyzers 「MEK-6500」

Automatic 19 parameter analyzer with WBC 3 part diff designed for the clinic markets.

## Sales in India surged by strengthening its sales and service network



- Nihon Kohden India was established in March 2011 and it has expanded local distributor network.
- Sales in India achieved 1.8 times from 3Q FY2011, supported by strong sales of patient monitors and hematology analyzers.

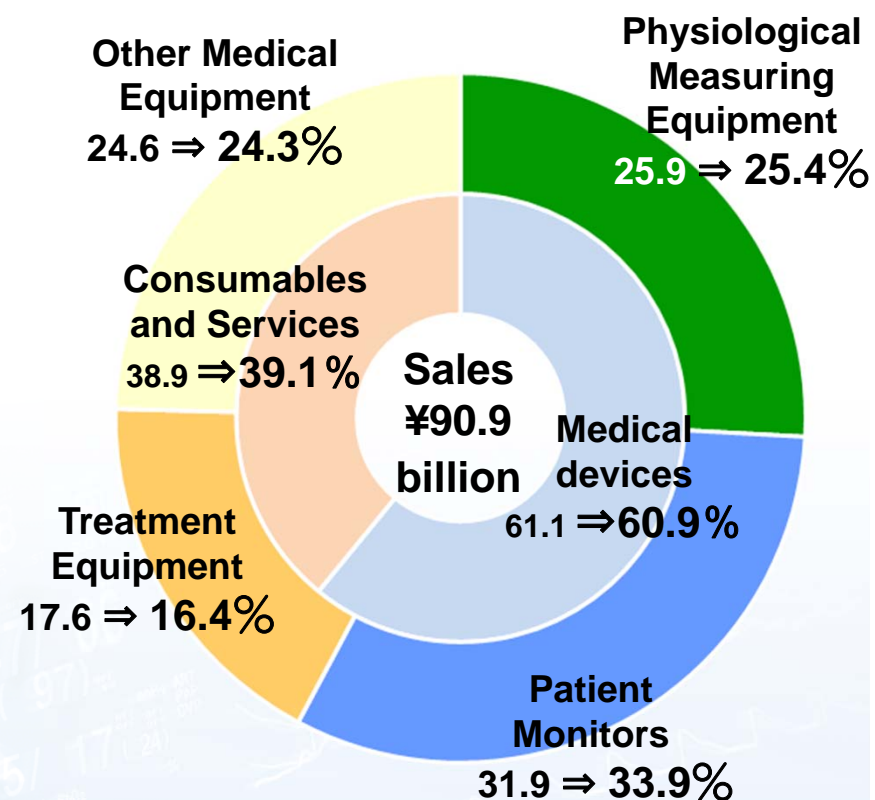
# 4) Sales by Product Category

(Sales, millions of yen)

	FY2011 3Q 9 months	FY2012 3Q 9 months	YoY (%)
Physiological Measuring Equipment	21,435	<b>23,082</b>	7.7
Patient Monitors	26,448	<b>30,789</b>	16.4
Treatment Equipment	14,595	<b>14,945</b>	2.4
Other Medical Equipment	20,367	<b>22,083</b>	8.4
<b>Total Sales</b>	<b>82,846</b>	<b>90,902</b>	<b>9.7</b>
(Reference)			
Consumables and Services	32,200	<b>35,528</b>	10.3

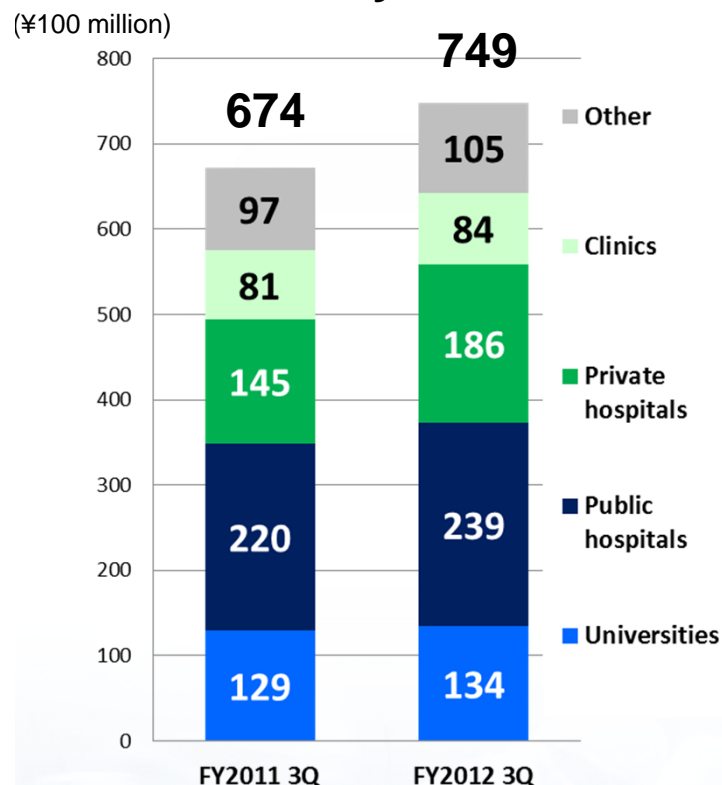
## Sales composition by product category

(FY2011 3Q ⇒ FY2012 3Q)



# 5) Domestic Sales

## Sales by market



## Sales by Product Category

(Sales, millions of yen)

	FY2011 3Q 9 months	FY2012 3Q 9 months	YoY (%)
Physiological Measuring Equipment	17,250	18,884	9.5
Patient Monitors	19,408	22,951	18.3
Treatment Equipment	12,699	13,267	4.5
Other Medical Equipment	18,109	19,797	9.3
<b>Total Sales</b>	<b>67,467</b>	<b>74,900</b>	<b>11.0</b>

### 【Market】

Sales in the hospital market, particularly the private hospital market, increased favorably. AED sales increased in other markets.

### 【Product】

**Physiological Measuring Equipment:** Sales of EEGs, ECGs and polygraphs for cath labs showed strong growth.

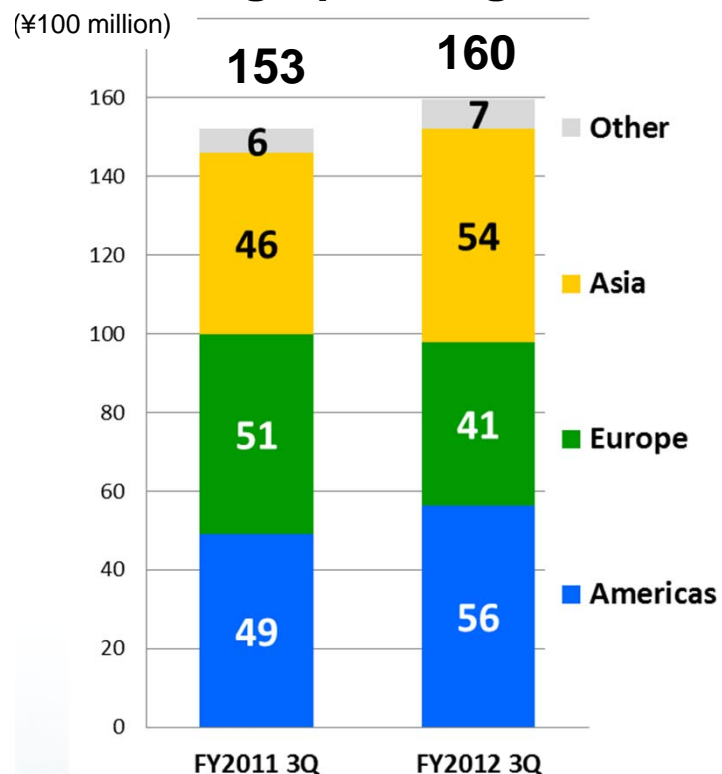
**Patient Monitors:** Sales increased significantly, supported by good sales of bedside monitors and clinical information systems.

**Treatment Equipment:** AED sales showed strong growth as three new models were introduced. Sales of pacemakers and ICDs decreased due to downward revision of reimbursement prices.

**Other Medical Equipment:** Sales of hematology analyzers increased as a new model was introduced.

# 6) Overseas Sales

## Geographic segments



## Sales by Product Category

(Sales, millions of yen)

	FY2011 3Q 9 months	FY2012 3Q 9 months	YoY (%)
Physiological Measuring Equipment	4,185	4,198	0.3
Patient Monitors	7,039	7,838	11.3
Treatment Equipment	1,895	1,678	-11.5
Other Medical Equipment	2,258	2,286	1.3
<b>Total Sales</b>	<b>15,379</b>	<b>16,002</b>	<b>4.0</b>

Currency Effect - ¥0.3 billion (- 2%)

### 【Region】

**Americas:** Sales in the U.S. showed strong growth while sales in Latin America decreased.

**Europe:** Sales in Europe decreased due to the difficult market condition and unfavorable foreign currency impacts.

**Asia:** Sales in China, India and South East Asia showed strong growth. Sales in Middle East decreased.

### 【Product】

**Physiological Measuring Equipment:** Sales in Asia increased. Sales in Europe decreased.

**Patient Monitors:** Sales in the Americas and Asia increased favorably.

**Treatment Equipment:** Sales of defibrillators decreased in all 3 areas.

**Other Medical Equipment:** Sales of hematology analyzers showed strong growth in Asia. Sales of locally purchased products decreased in Europe.

# 7) Depreciation & R&D Costs

(Millions of yen)

	FY2011 3Q 9 months	FY2012 3Q 9 months	Change	FY2011 Actual	FY2012	
					Original Forecast (May 10 announced)	Revised Forecast (Nov. 2 announced)
Depreciation	2,041	2,032	-8	2,849	3,200	3,200
R&D costs	4,111	4,570	458	5,583	5,800	6,100

## FY2012 H2 Capital Investments Plan

- Molds for new products, measuring equipment and jigs, products for demonstration, expansion of production capacity (¥0.4 billion), enhancement of ERP system (¥0.2 billion)



# 8) Forecast for FY2012

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

	FY2011 Actual	FY2012		YoY (%)
		Original Forecast (May 10 announced)	Revised Forecast (Nov. 2 announced)	
<b>Net Sales</b>	120,718	130,000	<b>130,000</b>	7.7
<b>Domestic Sales</b>	99,706	105,000	<b>106,500</b>	6.8
<b>Overseas Sales</b>	21,011	25,000	<b>23,500</b>	11.8
<b>Operating Income</b>	12,027	13,000	<b>13,000</b>	8.1
<b>Ordinary Income</b>	12,193	13,000	<b>13,000</b>	6.6
<b>Net Income</b>	7,621	7,900	<b>7,900</b>	3.7

Percentage of Overseas Sales                      17.4%                      19.2%                      **18.1%**

#### Average Exchange Rate

1 US Dollar	79 yen	80 yen	<b>79 yen</b>
1 EURO	110 yen	100 yen	<b>100 yen</b>

Note: As of Feb. 5, based on the assumed exchange rates of 88 yen to the dollar and 113 yen to the euro for the fourth quarter, the average rates will be 82 yen to the dollar and 105 yen to the euro for FY2012.

# (Ref.) Consolidated Forecast for FY2012 by Product Category

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

	FY2011 Actual	FY2012		YoY (%)
		Original Forecast (May 10 announced)	Revised Forecast (Nov. 2 announced)	
Physiological Measuring Equipment	30,676	32,650	<b>32,500</b>	5.9
Patient Monitors	39,352	43,550	<b>45,200</b>	14.9
Treatment Equipment	20,288	21,550	<b>20,950</b>	3.3
Other Medical Equipment	30,400	32,250	<b>31,350</b>	3.1
<b>Total</b>	120,718	130,000	<b>130,000</b>	7.7

(Reference)

Consumables and Services	44,525	47,550	<b>47,650</b>	7.0
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## Disclaimer:

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