

Summary Report on Financial Results for the First Quarter of the Year Ending March 2013
(Japan GAAP)

July 31st, 2012
Listing: OSE-JASDAQ

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Scheduled date for filing the quarterly report: August 7th, 2012
Scheduled date for commencement of dividend payment: -
Supplementary material development: None
Financial results meeting: None

(Amounts less than one million yen are rounded down)

(The number with parenthesis shows negative figure)

1. Consolidated financial results for the first quarter of the year ending March 2013 (April 1st, 2012 through June 30th, 2012)

(1) Consolidated operating results (cumulative)

(% represents increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
First quarter of the year ending March 2013	20,093	(0.4)	1,501	(5.9)	1,569	(8.1)	843	40.8
First quarter of the year ended March 2012	20,183	2.6	1,594	16.3	1,706	12.6	598	(38.2)

(Note) Comprehensive income

First quarter of the year ending March 2013: 503 million yen / (32.1) %

First quarter of the year ended March 2012: 741 million yen / 64.2 %

	Net income per share	Fully diluted net income per share
	Yen	yen
First quarter of the year ending March 2013	53.22	—
First quarter of the year ended March 2012	34.83	—

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net Assets per Share
	million yen	million yen	%	Yen
First quarter of the year ending March 2013	103,148	76,032	73.7	4,940.70
Year ended March 2012	107,025	77,846	72.7	4,866.46

(Reference) Shareholders' equity:

First quarter of the year ending March 2013: 76,032 million yen

Year ended March 2012: 77,846 million yen

2. Dividends

	Yearly Dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	End of the term	Annual
	yen	yen	yen	yen	yen
Year ended March 2012	—	40.00	—	55.00	95.00
Year ending March 2013	—				
Year ending March 2013 (forecast)		40.00	—	55.00	95.00

(Note) Revisions to recent dividend forecast: None

The detail of year-end dividend of Year ended March 2012; ordinary dividend 40.00 yen, extra dividend 15.00 yen

The detail of year-end dividend of Year ending March 2013 (Forecast); ordinary dividend 40.00 yen, extra dividend 15.00 yen

3. Forecast of consolidated financial results for the year ending March 2013 (April 1st, 2012 through March 31st, 2013)

(% represents increase or decrease from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	94,000	1.6	9,400	2.3	9,400	(0.3)	5,100	(3.2)	328.41

(Note) Revisions to recent business forecast: None

Since the Group's operating results tend to take a peak at the fourth quarter and it is difficult to give a forecast every six months based on rational calculation, the consolidated forecast at the second quarter is not disclosed.

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries involving changes in the scope of consolidation): None

(2) Application of special accounting methods for the preparation of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting projections and restatement

(i) Changes in accounting policies associated with revision of accounting standards: Yes

(ii) Changes other than (i) above: None

(iii) Changes in accounting projections: Yes

(iv) Restatement: None

(Note) For details, please refer to “(3) Change in accounting policies, accounting projections and restatement” under the “2. Summary information” section on page 6.

(4) Number of outstanding shares (common stock)

(i) Number of outstanding shares at the end of the period (including treasury stock)

First quarter of the year ending March 2013: 19,588,000 shares

Year ended March 2012: 19,588,000 shares

(ii) Number of shares of treasury stock at the end of the period:

First quarter of the year ending March 2013: 4,199,035 shares

- Year ended March 2012: 3,591,515 shares
- (iii) Average number of shares during the period (accumulated consolidated quarter)
- First quarter of the year ending March 2013: 15,844,600 shares
- First quarter of the year ended March 2012: 17,196,630 shares

* Status of Auditing Processes

At the time of disclosure of this report, review procedures for the quarterly financial statements pursuant to the Financial Instruments and Exchange Law had not been completed.

* Explanation about the appropriate use of the forecasts of financial results, and other noteworthy matters

1. The forecasted financial results described above are based on information available at the time of announcement. Actual results may differ from the results projected and presented hereby for a variety of reasons.
2. With respect to the preconditions for the forecast of financial results, please refer to “(3) Qualitative information about consolidated earnings forecast” under the “1. Qualitative Information about consolidated earnings results for the quarter under review” section on page 5.

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1. Qualitative Information about consolidated earnings results for the quarter under review

(1) Qualitative Information about consolidated operating results

In the First quarter cumulative period, signs of recovery have been seen in the Japanese economy as a result of the demand for restoration from the Great East Japan Earthquake. On the other hand, the future of the economy remains uncertain due to the economic stagnation caused from the financial problems in Europe, the ongoing appreciation of the yen and sluggish stock prices.

In the medical environment industry, the remuneration for medical treatments has increased slightly from April, but an effective and efficient reformed management is still required to go forward.

As a result, the Group posted a consolidated net sales of 20,093 million yen (down 0.4% on a year-to-year basis), operating income of 1,501 million yen (down 5.9% on a year-to-year basis), ordinary income of 1,569 million yen (down 8.1% on a year-to-year basis), and a net income of 843 million yen (up 40.8 % on a year-to-year basis) in the first quarter.

A. Physiological diagnostic equipment segment

While vascular screening systems and the introduction of new ultrasound diagnostic systems increased the sales, sales of OEM in large-quantity decreased.

As a result, consolidated net sales were 4,649 million yen (down 6.6% on a year-to-year basis).

B. Patient monitoring equipment segment

Due to a decline in sales in large-quantity compared from the previous year, sales of this segment decreased.

As a result, consolidated net sales were 1,217 million yen (down 33.2% on a year-to-year basis).

C. Medical treatment equipment segment

The business of renting medical equipment for home treatment and sales of Automated External Defibrillators (AEDs) increased.

As a result, consolidated net sales were 9,286 million yen (up 6.7% on a year-to-year basis).

D. Consumables and other products segment

In this segment, we mainly handle recording paper, disposable electrodes, and consumables used for devices handled in the above segments, as well as maintenance and repair services.

Consolidated net sales for this segment were 4,940 million yen (up 5.6% on a year-to-year basis).

(2) Qualitative information about consolidated financial situation

Total assets were 103,148 million yen at the end of the first quarter under review, down 3,877 million yen from the end of the previous fiscal year.

The main factors are a decrease of 5,668 million yen in “trade notes and account receivable” despite an increase of 758 million yen in “cash and deposits” and an increase of 693 million yen in “merchandise and products”.

Liabilities amounted to 27,116 million yen, down 2,063 million yen from the end of the previous fiscal year.

This is primarily because of a decrease of 1,909 million yen in “trades notes and account payable”.

Net assets were 76,032 million yen, down 1,813 million yen from the end of the previous fiscal year.

The decrease is primarily because of a decrease of 347 million yen in “Valuation difference on available-for-sale securities” and an increase of 1,438 million yen in “Treasury stock”.

(3) Qualitative information about consolidated earnings forecast

Due to the steady sales achievement until the first quarter, there is no change at this moment in the forecast of the financial results for the full fiscal year which we announced on May 15th, 2012.

The forecasted financial results described in this material are based on information available at the time of announcement. Actual results may differ from the results projected and presented hereby for a variety of reasons.

2. Summary information

(1) Change in significant subsidiaries during the period

Not applicable.

(2) Application of special accounting methods for the preparation of the consolidated quarterly financial statements

Not applicable.

(3) Change in accounting policies, accounting projections, and restatement

(Change in accounting policies that are difficult to separate from changes in accounting projections)

According to the revision of the Corporation Tax Act, the Company and its consolidated subsidiaries in Japan changed the method of depreciation to the one based on the revised Corporation Tax Act for tangible fixed assets acquired after April 1st, 2012, effective from the first quarter under review.

The effect of this change on the operating income, ordinary income and quarterly net income before taxes for the first quarter under review is minimal.

3. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	End of the first quarter under review (as of June 30 th , 2012)
Assets		
Current assets		
Cash and deposits	24,267	25,026
Notes and accounts receivable-trade	26,297	20,628
Short-term investment securities	1,482	1,182
Merchandise and finished goods	6,624	7,317
Work in process	142	177
Raw materials and supplies	1,455	1,789
Other	3,328	3,400
Allowance for doubtful accounts	(36)	(32)
Total current assets	63,562	59,490
Noncurrent assets		
Property, plant and equipment	20,117	20,784
Intangible assets	1,378	1,615
Investments and other assets		
Other	22,009	21,300
Allowance for doubtful accounts	(24)	(25)
Allowance for investment loss	(18)	(18)
Total investments and other assets	21,967	21,257
Total noncurrent assets	43,463	43,657
Total assets	107,025	103,148
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,925	13,015
Short-term loans payable	1,700	1,700
Income taxes payable	1,347	576
Provision for bonuses	2,171	1,002
Provision for product warranties	484	484
Other provision	139	40
Other	3,502	5,355
Total current liabilities	24,270	22,174
Noncurrent liabilities		
Long-term loans payable	742	746
Provision for retirement benefits	2,917	2,903
Other provision	185	187
Other	1,064	1,103
Total noncurrent liabilities	4,909	4,941
Total liabilities	29,179	27,116

	Previous fiscal year (as of March 31 st , 2012)	End of the first quarter under review (as of June 30 th , 2012)
Net assets		
Shareholders' equity		
Capital stock	4,621	4,621
Capital surplus	10,027	10,027
Retained earnings	70,189	70,152
Treasury stock	(7,580)	(9,018)
Total shareholders' equity	77,257	75,782
Accumulated other comprehensive Income		
Valuation difference on available-for-sale securities	640	293
Foreign currency translation adjustment	(51)	(43)
Total accumulated other comprehensive income	588	249
Total net assets	77,846	76,032
Total liabilities and net assets	107,025	103,148

(2) Consolidated quarterly income statements and consolidated quarterly comprehensive income statements

Consolidated quarterly income statements
(First quarter of the consolidated term)

	(Million yen)	
	First quarter of the previous consolidated term (from April 1 st , 2011 to June 30 th , 2011)	First quarter of the consolidated term (from April 1 st , 2012 to June 30 th , 2012)
Net sales	20,183	20,093
Cost of sales	10,348	10,200
Gross profit	9,834	9,892
Selling, general and administrative expenses	8,240	8,391
Operating income	1,594	1,501
Non-operating income		
Interest income	10	24
Dividends income	76	80
Foreign exchange gains	-	33
Other	34	23
Total non-operating income	121	162
Non-operating expenses		
Interest expenses	4	5
Foreign exchange losses	3	-
Equity in losses of affiliates	-	83
Other	1	4
Total non-operating expenses	9	94
Ordinary income	1,706	1,569
Extraordinary income		
Gain on sales of noncurrent assets	1	0
Surrender value of insurance	-	45
Total extraordinary income	1	46
Extraordinary loss		
Loss on sales of noncurrent assets	0	0
Impairment loss	17	0
Loss on valuation of investment securities	53	-
Loss on disaster	36	-
Total extraordinary losses	108	0
Income before income taxes and minority interests	1,599	1,615
Income taxes-current	740	807
Income taxes-deferred	259	(35)
Total income taxes	1,000	772
Income before minority interests	598	843
Net income	598	843

Consolidated quarterly comprehensive income statements
(First quarter of the consolidated term)

	(Million yen)	
	First quarter of the previous consolidated term (from April 1 st , 2011 to June 30 th , 2011)	First quarter of the consolidated term (from April 1 st , 2012 to June 30 th , 2012)
Income before minority interests	598	843
Other comprehensive income		
Valuation difference on available-for-sale securities	20	(347)
Foreign currency translation adjustment	122	7
Total other comprehensive income	142	(339)
Comprehensive income	741	503
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	741	503

(3) Note concerning premise of going concern
Not applicable.

(4) Note when there is a significant fluctuation in the amount of shareholders' equity

The Board of Directors approved on the acquisition of Fukuda Denshi's own shares under the Article 156 of the Companies Act of Japan applied as mutatis mutandis stipulated under the Article 165(3) of the same Law during its meeting held on May 31st, 2012, and as of June 1st, 2012, 607,500 common shares have been acquired through a fixed price trading at J-NET Market of Osaka Securities Exchange which amounted to 1,437 million yen.

As a result, the value of the treasury stock was 9,018 million yen at the end of the first quarter under review.

*This English translation is for reference purposes only. The original Japanese version will prevail as the official authoritative version.