

Summary Report on Financial Results for Fiscal Year Ended March 2013
(Japan GAAP)

May 15th, 2013
Listing: OSE-JASDAQ

Company name: Fukuda Denshi Co., Ltd.
Code No.: 6960 (<http://www.fukuda.co.jp>)
Representative: Daijiro Shirai, President & COO
Inquiries: Shuichi Fukuda, Executive Director / Senior Manager of Accounting & Finance Department
– Senior Manager of Information Technology Department
Tel: +81-3-3815-2121 (main)
Scheduled date for the ordinary general meeting of shareholders: June 27th, 2013
Scheduled date for commencement of dividend payment: June 28th, 2013
Scheduled date for filing the securities report: June 27th, 2013
Supplementary material development: Yes (for analysts)
Financial results meeting: Yes

(Amounts less than one million yen are rounded down)
(The number with parenthesis shows negative figure)

1. Consolidated financial results for fiscal year ended March 2013 (April 1st, 2012 through March 31st, 2013)

(1) Consolidated operating results (% represent increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2013	96,239	4.0	10,240	11.4	10,435	10.7	6,462	22.7
Year ended March 2012	92,524	2.6	9,192	14.6	9,423	17.2	5,266	28.1

(Note) Comprehensive income

Fiscal year ended March 2013: 6,982 million yen / 14.6%

Fiscal year ended March 2012: 6,091 million yen / 69.1 %

	Net income per share	Fully diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Year ended March 2013	415.47	-	8.1	9.4	10.6
Year ended March 2012	311.84	-	6.9	9.0	9.9

(Reference) Profit or loss on equity method investments:

Fiscal year ended March 2013: (321) million yen

Fiscal year ended March 2012: (16) million yen

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2013	114,646	82,082	71.6	5,306.30
Year ended March 2012	107,025	77,846	72.7	4,866.46

(Reference) Shareholders' equity:

Fiscal year ended March 2013: 82,082 million yen

Fiscal year ended March 2012: 77,846 million yen

(3) Consolidated cash flows statement

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	million yen	million yen	million yen	million yen
Year ended March 2013	12,199	(10,929)	(2,396)	21,461
Year ended March 2012	8,513	(8,706)	(3,512)	22,635

2. Dividends

	Annual Dividend					Total dividends (for the year)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the term	Annual			
	yen			yen	yen	million yen	%	%
Year ended March 2012	-	40.00	-	55.00	95.00	1,567	30.5	2.1
Year ended March 2013	-	40.00	-	85.00	125.00	1,930	30.1	2.5
Year ending March 2014 (Forecast)	-	40.00	-	85.00	125.00		31.2	

(Note)

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 ended March 2013; ordinary dividend 40.00 yen, extra dividend 45.00 yen

The detail of year-end dividend of Year ending March 2014 (Forecast); ordinary dividend 40.00 yen, extra dividend 45.00 yen

3. Forecast of consolidated financial results for fiscal year ending March 2014 (April 1st, 2013 through March 31st, 2014)
(% represent increases or decreases 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	98,500	2.3	10,300	0.6	10,300	(1.3)	6,200	(4.1)	400.80

(Note)

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.

4. Others

(1) Changes in significant subsidiaries during the current fiscal year: None

(2) Changes in accounting policies and procedures

(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)

The case above falls under Article 14-7 of the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (when it is difficult to distinguish changes in accounting policies from changes in accounting projections). For details, please refer to “(5) Notes to consolidated financial statements (Changes in accounting policies) under the section “4. Consolidated financial statements” on page 29.

(3) Number of outstanding shares (common stock)

(i) Number of outstanding shares at the year-end (including “Treasury stock”)

Fiscal year ended March 2013: 19,588,000 shares

Fiscal year ended March 2012: 19,588,000 shares

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

Fiscal year ended March 2013: 4,119,095 shares

Fiscal year ended March 2012: 3,591,515 shares

(iii) Average number of shares during the period

Fiscal year ended March 2013: 15,553,736 shares

Fiscal year ended March 2012: 16,888,899 shares

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for fiscal year ended March 2013 (April 1st, 2012 through March 31st, 2013)

(1) Non-consolidated operating results (% represent increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2013	59,638	6.3	5,031	46.0	6,893	38.2	4,805	41.3
Year ended March 2012	56,111	0.5	3,445	8.3	4,988	11.0	3,401	11.0

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 2013	308.99	-
Year ended March 2012	201.41	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2013	95,349	60,450	63.4	3,907.89
Year ended March 2012	88,279	57,881	65.6	3,618.41

(Reference) Shareholders' equity:

Fiscal year ended March 2013: 60,450 million yen

Fiscal year ended March 2012: 57,881 million yen

* Status of Auditing Processes

At the time of disclosure of this report, review procedures for the consolidated 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 "(1) Analysis of operation results" under the "1. Operating results & financial situation" section on page 7.

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1. Operating results & financial situation

(1) Analysis of operation results

(i) Overview of the business for the current consolidated fiscal year

	Year ended March 2012	Year ended March 2013	Comparison with the previous year	
	Amount	Amount	Change	Rate of change (%)
Net sales (million yen)	92,524	96,239	3,714	4.0
Operating income (million yen)	9,192	10,240	1,048	11.4
Ordinary income (million yen)	9,423	10,435	1,011	10.7
Net income (million yen)	5,266	6,462	1,195	22.7
Net income per share (yen)	311.84	415.47	103.63	33.2

During the fiscal year ended March, 2013, an increase in stock prices and weakening of the yen were observed in the Japanese economy due to high expectations for the economic and financial policy implemented by the new administration that took office at the end of 2012. Expectations for economic recovery have been building up since positive signs were observed in companies' earnings and consumer spending.

However, overseas, the future of the economy remains uncertain due to the financial problems in Europe and concern about an economic slowdown in emerging economies.

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

As a result, the Group posted consolidated "Net sales" of 96,239 million yen (up 4.0% year-on-year basis) for this consolidated fiscal year. With regard to incomes, consolidated "Operating income" totaled 10,240 million yen (up 11.4% year-on-year basis) and consolidated "Ordinary income" totaled 10,435 million yen (up 10.7% year-on-year basis) and the "Net income" totaled 6,462 million yen (up 22.7% on a year-on-year basis).

Consolidated "Net sales", consolidated "Operating income", consolidated "Ordinary income" and "Net income" all marked a record high.

(ii) Overview of each segment for the current consolidated fiscal year

Business segment	Year ended March 2012		Year ended March 2013		Comparison with the previous year	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	Change (million yen)	Rate of change (%)
Physiological diagnostic equipment	26,837	29.0	27,602	28.7	765	2.9
Patient monitoring equipment	8,741	9.5	9,264	9.6	523	6.0
Medical treatment equipment	37,304	40.3	38,519	40.0	1,215	3.3
Consumables and other products	19,641	21.2	20,851	21.7	1,210	6.2
Total	92,524	100.0	96,239	100.0	3,714	4.0

A. Physiological diagnostic equipment segment

Sales of electrocardiographs and vascular screening systems continued to increase, sales of blood-cell counters recovered.

As a result, consolidated “Net sales” were 27,602 million yen (up 2.9% year-on-year basis).

B. Patient monitoring equipment segment

Sales of patient monitoring equipment increased.

As a result, consolidated “Net sales” were 9,264 million yen (up 6.0% year-on-year basis).

C. Medical treatment equipment segment

The business of renting medical equipment for home treatment continued to increase. Sales of ventilators recovered in the fourth quarter to a level that made up for the decrease seen until the third quarter. But the sales of Automated External Defibrillators (AEDs) and pacemakers decreased.

As a result, consolidated “Net sales” were 38,519 million yen (up 3.3% year-on-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 20,851 million yen (up 6.2% year-on-year basis).

(iii) Outlook for fiscal year ending March 2014

	Year ended March 2013	Year ending March 2014	Comparison with the previous year	
	Amount	Amount	Change	Rate of change (%)
Net sales (million yen)	96,239	98,500	2,260	2.3
Operating income (million yen)	10,240	10,300	59	0.6
Ordinary income (million yen)	10,435	10,300	(135)	(1.3)
Net income (million yen)	6,462	6,200	(262)	(4.1)
Net income per share (yen)	415.47	400.80	(14.67)	(3.5)

While the Japanese economy is expected to recover thanks to the effects of the government’s economic and financial policy, there is concern about the stagnation of the European economy and an economic slowdown in emerging economies, in addition to fears of a consumption tax hike and the risk of higher prices of import products as well as resources.

In the medical environment, difficult situations are expected to continue due to the shortage of doctors and nurses and also the change in patients’ needs.

Considering such circumstances, the Group will enhance cooperation among its affiliate companies more than ever and work on further improving the corporate value by maximizing the profit synergy.

The Group expects consolidated “Net sales” of 98,500 million yen, consolidated “Operating income” of 10,300 million yen, consolidated “Ordinary income” of 10,300 million yen, and consolidated “Net income” of 6,200 million yen for the fiscal year ending March 2014.

Forecast shown in this material are just an outlook judged or assumed based on the information available at the moment, changes will be promptly disclosed when necessary.

(2) Analysis of financial situation

(i) Assets, liabilities and net assets

“Total assets” increased 7,621 million yen from the end of the previous fiscal year to reach 114,646 million yen. The main factors are the increase of 3,516 million yen in “Investment securities”, 1,947 million yen in “Buildings and structures, net” and 1,029 million yen in “Intangible assets”, despite a decrease of 1,482 million yen in “Securities”.

“Total liabilities” increased 3,384 million yen from the end of the previous fiscal year to reach 32,564 million yen. The main factors are the increase of 1,273 million yen in “Notes and accounts payable-trade” and 1,247 million yen in “Income taxes payable”, despite a decrease of 72 million yen in “Provision for product warranties”.

“Net assets” increased 4,236 million yen from the end of the previous fiscal year to reach 82,082 million yen. The main factors are the increase of 4,962 million yen in “Retained earnings” and 504 million yen in “Valuation difference on available-for-sale securities” at the end of current period, despite the increase of 1,266 million yen in “Treasury stock”.

(ii) Consolidated cash flows

	Year ended March 2012	Year ended March 2013	Change
Cash flows from operating activities (million yen)	8,513	12,199	3,686
Cash flows from investing activities (million yen)	(8,706)	(10,929)	(2,222)
Cash flows from financing activities (million yen)	(3,512)	(2,396)	1,115
Effect of exchange rate changes (million yen)	(8)	(48)	(40)
Increase (decrease) in cash and cash equivalents (million yen)	(3,713)	(1,174)	2,539
Cash and cash equivalents at the end of the fiscal year (million yen)	22,635	21,461	(1,174)

(Cash flows from operating activities)

In the consolidated fiscal year, the “Cash flows from operating activities” were 12,199 million yen, up 3,686 million yen from the previous year. Including “Income before income taxes” of 11,021 million yen and “Depreciation” of 5,539 million yen.

(Cash flows from investing activities)

“The cash flows from investing activities” were minus 10,929 million yen, down 2,222 million yen from the previous year. Including purchase of “Property, plant and equipment” amounted to 7,108 million yen, purchase of “Securities” and “Investment securities” amount of 4,124 million yen.

(Cash flows from financing activities)

“The cash flows from financing activities” were minus 2,396 million yen, up 1,115 million yen from the previous year, mainly because of the payment of “Purchase of treasury stock” of 1,438 million yen and the “Cash dividends paid” of 1,498 million yen.

As a result, “Cash and cash equivalents at the end of the fiscal year” was 21,461 million yen, down 1,174 million yen compared to the end of the previous fiscal year.

(Reference) Trends in cash flow indicators

	Year ended March 2009	Year ended March 2010	Year ended March 2011	Year ended March 2012	Year ended March 2013
Shareholders' equity ratio (%)	73.9	73.9	73.4	72.7	71.6
Market value-based shareholders' equity ratio (%)	36.4	38.8	42.8	37.1	45.9
Years needed to repay debts	0.2	0.2	0.1	0.3	0.2
Interest coverage ratio	275.5	419.6	589.6	389.3	450.8

Note: Shareholders' equity ratio = Shareholders' equity ÷ Total assets

Market value-based shareholders' equity ratio = Market capitalization ÷ Total assets

Years needed to repay debts = Interest-bearing debts ÷ Operating cash flows

Interest coverage ratio = Operating cash flows ÷ Interest payments

*Each indicator is calculated using consolidated financial data.

*Market capitalization is calculated by multiplying stock closing prices at the end of the fiscal year by the number of outstanding shares (excluding treasury stock) at the end of the fiscal year.

*Interest-bearing debts represent total debts recorded in the consolidated balance sheets on which interest is paid.

*For interest payments, data on interest expenses in the consolidated cash flow statement are used.

(3) Basic policies for profit distribution, and dividend for fiscal year ended March 2013 and fiscal year ending 2014

The Company regards the returning of profits to shareholders as one of its key managerial measures, and makes it a basic policy to continuously provide shareholders with stable returns with 30% consolidated payout ratio, by improving and reinforcing its corporate structure and expanding competitive businesses while securing the necessary internal reserves.

Year-end dividend of 85 yen per share (ordinary dividend 55 yen, extra dividend 30 yen) will be paid for the fiscal year ended March 2013. For the fiscal year ending March 2014, annual dividend per share is expected to be 125 yen per share, including interim.

(4) Business risks

(i) Effect of medical administration

The Japanese Government has been pushing forward with its policies of improving the quality of medical care and curtailing the medical costs, and the remuneration for medical services, and the official reimbursement prices for drugs and specific insurance medical materials are revised every two years. Changes in the governmental health care policies may lead to intensified competition within the market and lowered sales prices, thus adversely affecting the operating results and financial standing of the Group.

(ii) Legal regulations

The manufacture and sales of medical equipment are subject to regulations prescribed in the Pharmaceutical Affairs Law, and it may take a certain period of time for a new medical equipment to be investigated and finally approved for sale. In addition, some medical equipment requires clinical trials, thus taking a long period of time before it is launched in the market.

If the current regulations are revised, new ones are introduced, or any other unpredictable regulatory change is made in the future, it is likely that this will adversely affect the operating results and financial standing of the Group.

(iii) High dependence on certain business partners with which continuation of transactions is unsure

The Company imports and sells ventilators, pacemakers, defibrillators, heart catheters and other devices and equipment. We strive to ensure that we can continue making transactions. If any problem arises that will make it impossible to continue stable transactions with the exporters, the operating results and

financial standing of the Group will be adversely affected. To prevent this, sufficient care has been taken not to depend too heavily on a few specific companies for the supply of those equipments.

(iv) Product quality

The Group manufactures the products under a rigorous quality control system that is strictly in conformance with the international standards including ISO. If any quality problem arises due to unforeseen failure or defect of a product, suspension of sale and recall of such product may be ordered by the authorities concerned, adversely affecting the operating results and financial standing of the Group.

(v) Risks accompanying overseas businesses

The Group not only supplies products to distributors overseas, but also has its own overseas sales, development and production bases. Hence, it is possible that unforeseen changes to laws and regulations in foreign countries, as well as terrorist acts, natural disasters, or other incidents could adversely affect the Company's business performance and financial position.

(vi) Effects to the group from the tremendous disaster

The Group has domestic and overseas bases; the impact to the business activities from the effect of the earthquake and electric-power shortages raised concerns. These may affect the Group's operating results and financial condition.

(vii) Important business relationships between the Company and its executives or shareholders with voting rights

Basic policy on relations with related parties

Relationship with Atomic Sangyo Co., Ltd.

Fukuda Denshi's shareholder Atomic Sangyo Co., Ltd. holds 14.47% of the Company's voting rights (as of March 31st, 2013). Kotaro Fukuda, director of the Company, and his close relatives own 100% of the shares in Atomic Sangyo.

Atomic Sangyo produces and sells electrocardiogram recording paper, and also engages in the business of renting real estate. The Company purchases recording paper and accounting slips and rents offices from Atomic Sangyo.

Decisions on the prices of recording paper and accounting slips are based on negotiations and consideration of market prices, and payment terms are the same as those generally adopted in the marketplace.

Office rental contracts are based on actual transactions in nearby locations.

2. The Fukuda Denshi Group

The Group consists of the company, 55 subsidiaries and 2 affiliates; the Fukuda Denshi Group is engaged mainly in manufacturing, purchasing and sales of medical electronic equipment, and conducts related logistics and services operations.

The relationship between Group companies and business segments are as follows:

- Physiological diagnostic equipment segment

Production, purchase and sales of electrocardiographs; phonocardiographs; polygraphs; ultrasound diagnostic imaging systems; and other items which convert physical phenomena generated by physiological functions, such as electric potentials caused by heart action, cardiac sound, pulse waves, blood pressure, respiration, and organic movement, into electric signals which are then measured and recorded.

<Major companies involved>

Production: Fukuda Denshi Co., Ltd.; Fukuda Denshi Fine Tech Sendai Co., Ltd. and Beijing Fukuda Denshi Medical Instruments Co., Ltd.

Purchase: Fukuda Denshi Co., Ltd.

Sales: Fukuda Denshi Co., Ltd.; Fukuda Life Tech Co., Ltd.; Fukuda Denshi Hokkaido and other sales subsidiaries; Fukuda Denshi USA, Inc.; Beijing Fukuda Denshi Medical Instruments Co., Ltd. and Fukuda Denshi Switzerland AG

- Patient monitoring equipment segment

Production, purchase, and sales of patient monitors that monitor various physiological parameters over a long period of time. They are used for serious cases after patients' have undergone operations and for patients with acute cardiac disease.

<Major companies involved>

Production: Fukuda Denshi Co., Ltd.; Fukuda Denshi Fine Tech Sendai Co., Ltd.; Beijing Fukuda Denshi Medical Instruments Co., Ltd.

Purchase: Fukuda Denshi Co., Ltd.

Sales: Fukuda Denshi Co., Ltd.; Fukuda Denshi Hokkaido and other sales subsidiaries; Fukuda Denshi USA, Inc.; Beijing Fukuda Denshi Medical Instruments Co., Ltd.

- Medical treatment equipment segment

Production, purchase and sales of defibrillators, which are used to resuscitate patients with cardiac arrest and which treat abnormal heart rhythm by delivering electric impulses to the heart; pacemakers; ventilators, which help patients with respiratory insufficiency breathe easier; and other equipment.

<Major companies involved>

Production: Fukuda Denshi Co., Ltd.; Fukuda Denshi Fine Tech Sendai Co., Ltd.

Purchase: Fukuda Denshi Co., Ltd.

Sales: Fukuda Denshi Co., Ltd.; Fukuda Life Tech Co., Ltd.; Fukuda Denshi Hokkaido and other sales subsidiaries

- Consumables and other products segment

Production, purchase and sales of recording paper, accessories and parts for medical electronic equipment

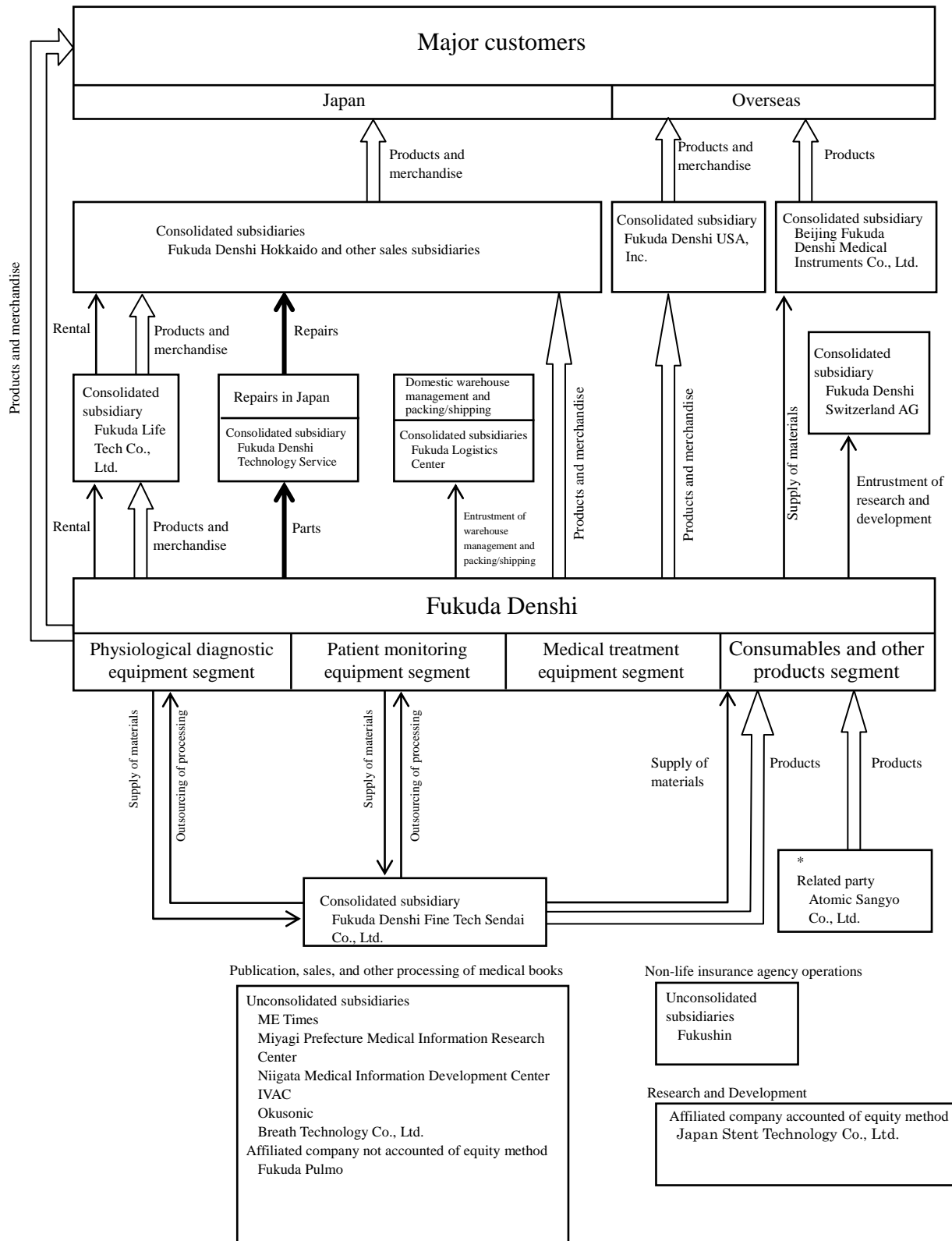
<Major companies involved>

Production: Fukuda Denshi Co., Ltd.; Fukuda Denshi Fine Tech Sendai Co., Ltd.

Purchase: Fukuda Denshi Co., Ltd.

Sales: Fukuda Denshi Co., Ltd.; Fukuda Life Tech Co., Ltd.; Fukuda Denshi Hokkaido and other sales subsidiaries

Diagram of the Group's business structure



* Related party Atomic Sangyo Co., Ltd. manufactures recording paper for medical electronic equipment and supplies it to Fukuda Denshi's other products and accessories segment.

3. Management policy

(1) Basic policies for corporate management

Since established in 1939, the Company has contributed significantly to the advancement of people's health through the production and sale of a wide range of medical equipment, centering on respiratory and circulatory systems such as electrocardiographs, under our corporate philosophy to "Contribute to medical advances by fulfilling our social mission and developing medical equipment."

Responding to significant changes in the social environment, medical equipment has increasingly been expected to play roles not only in the conventional diagnostics and treatment of diseases but also in the maintenance and improvement of health and the enhancement of quality of life (QOL).

Against this backdrop, under the slogan of "safety, reliability and comfort," the Company will make every effort to raise the quality of products to offer to customers, develop products that provide differentiation from our competitors, and carry out product strategies that meet varying medical needs, aiming to become a company that is trusted by customers.

(2) Targeted management indices

The Company targets consolidated "Net sales" of 100,000 million yen or more and consolidated "Ratio of ordinary income to net sales" of 8% or more by the fiscal year ending March 2015. The Company selects the consolidated "Ratio of ordinary income to net sales" as its major management index in order to become a high-profit-earner. The Company plans to work on increasing the capital efficiency by continuously using created cash flow for growth investment with the aim of improving the corporate value, and continue to provide shareholders with stable returns.

(3) Medium to long-term management strategies

As its medium-term goal, the Group aims to contribute to the progress of an aging society by establishing business strategy based on the customer-first principle and building a strong management structure with an efficient organizational operation management.

By continuously working on the Group's issue and promoting innovation strategy based on the needs of the market, we aim to support the community healthcare and improve the quality and efficiency of medical services, leading us to further development.

The basic management strategies for the new three-year medium term business plan starting from the fiscal year ending March 2014 are as follows:

(i) Business strategies

Strategic investment to the field with high growth potential

Efficient and effective research and development by strengthening the cooperation between sales department and development department

Promoting the expansion of businesses by domain; and

Improving productivity with company-wide approach aiming for total optimization

(ii) Sales strategies

Strengthening comprehensive support to acute care market and clinics; and

Strengthening community-based support for homecare market;

(iii) Improvement of the management system

To strengthen the corporate governance and compliance structure;

To revitalize the overall organization through personnel training and education for employees; and

To enhance the group management system.

(iv) Increase of the corporate value

To establish a stable earnings structure and return profits to shareholders;

Actively address environmental issues; and

Contribute for the society through the development of electronic medical equipment, and environmental issues.

(4) Issues to be addressed

In Japan, various medical system reforms have been carried out, including: the revision of official reimbursement prices for medical treatment fees, drug prices and specific medical materials covered by insurance and an increasing adoption of the comprehensive medical fee payment system, called diagnosis procedure combination (DPC).

Given the above and possible future reforms, we expect our market environment to remain severe. Against this backdrop, the Company will continue to strive to raise its corporate value, develop products that provide differentiation from our rivals, strengthen the maintenance service and supplies sales businesses, make investments for enhancing the sales system, and reduce costs to become more price competitive than our rival manufacturers at home and abroad.

Furthermore, the Company will continuously strengthen and maintain its quality control and safety management systems so that customers can use our products without anxiety, and improve the internal control system to ensure managerial soundness and transparency.

(5) Other important managerial matters of the Company

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.

Also, in accordance with the resolution adopted at the meeting of the Board of Directors held on November 30th, 2012; 80,000 common shares which amounted to 191 million yen were disposed to The Chiba Kogyo Bank, Ltd., by third-party allotment on December 17th, 2012.

As a result, the value of the "Treasury stock" was 8,847 million yen at the end of fiscal year under review.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Assets		
Current assets		
Cash and deposits	24,267	24,201
Notes and accounts receivable-trade	*3 26,297	*3 26,963
Securities	1,482	-
Merchandise and finished goods	6,624	6,916
Work in process	142	165
Raw materials and supplies	1,455	1,981
Deferred tax assets	1,958	2,130
Other	1,370	1,955
Allowance for doubtful accounts	(36)	(49)
Total current assets	63,562	64,265
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,886	11,117
Accumulated depreciation and impairment loss	(5,342)	(5,625)
Buildings and structures, net	3,544	5,491
Machinery, equipment and vehicles	686	928
Accumulated depreciation and impairment loss	(467)	(530)
Machinery, equipment and vehicles, net	218	397
Tools, furniture and fixtures	25,105	26,175
Accumulated depreciation and impairment loss	(16,444)	(17,156)
Tools, furniture and fixtures, net	8,660	9,018
Land	6,650	6,859
Lease assets	315	516
Accumulated depreciation and impairment loss	(178)	(260)
Lease assets, net	137	256
Construction in progress	904	137
Total property, plant and equipment	20,117	22,160
Intangible assets	1,378	2,408
Investments and other assets		
Investment securities	*1 8,583	*1 12,103
Deferred tax assets	2,572	2,480

	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Insurance funds	5,803	7,863
Other	5,049	3,374
Allowance for doubtful accounts	(24)	(10)
Allowance for investment loss	(18)	-
Total investments and other assets	21,967	25,812
Total noncurrent assets	43,463	50,381
Total assets	107,025	114,646

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,925	16,198
Short-term loans payable	1,700	1,850
Lease obligations	79	88
Income taxes payable	1,347	2,594
Provision for bonuses	2,171	2,254
Provision for directors' bonuses	139	134
Provision for product warranties	484	411
Other	3,422	3,747
Total current liabilities	24,270	27,279
Noncurrent liabilities		
Long-term loans payable	742	1,038
Lease obligations	115	223
Provision for retirement benefits	2,917	2,858
Provision for directors' retirement benefits	185	217
Other	948	946
Total noncurrent liabilities	4,909	5,285
Total liabilities	29,179	32,564
Net assets		
Shareholders' equity		
Capital stock	4,621	4,621
Capital surplus	10,027	10,047
Retained earnings	70,189	75,152
Treasury stock	(7,580)	(8,847)
Total shareholders' equity	77,257	80,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	640	1,145
Foreign currency translation adjustment	(51)	(36)
Total accumulated other comprehensive income	588	1,108
Total net assets	77,846	82,082
Total liabilities and net assets	107,025	114,646

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

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Net sales	92,524	96,239
Cost of sales	*1 49,071	*1 50,912
Gross profit	43,452	45,326
Selling, general and administrative expenses	*2 *3 34,260	*2 *3 35,085
Operating income	9,192	10,240
Non-operating income		
Interest income	71	74
Dividends income	126	144
Foreign exchange gains	-	162
Compensation income	66	37
Other	157	203
Total non-operating income	422	621
Non-operating expenses		
Interest expenses	21	26
Foreign exchange losses	26	-
Equity in losses of affiliates	16	321
Loss on investments in partnership	90	66
Other	35	10
Total non-operating expenses	190	425
Ordinary income	9,423	10,435
Extraordinary income		
Gain on sales of noncurrent assets	*4 4	*4 2
Gain on sales of investment securities	4	398
Subsidy income	-	116
Surrender value of insurance	373	70
Other	9	-
Total extraordinary income	392	587
Extraordinary loss		
Loss on sales of noncurrent assets	*5 0	*5 0
Impairment loss	*6 38	*6 1
Loss on valuation of investment securities	307	-
Loss on valuation of golf club membership	1	-
Loss on disaster	*7 61	-
Other	42	-

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Total extraordinary losses	452	1
Income before income taxes and minority interests	9,363	11,021
Income taxes-current	3,301	4,445
Income taxes-deferred	795	114
Total income taxes	4,096	4,559
Income before minority interests	5,266	6,462
Net income	5,266	6,462

Consolidated statements of comprehensive income

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Income before minority interests	5,266	6,462
Other comprehensive income		
Valuation difference on available-for-sale securities	697	504
Foreign currency translation adjustment	127	15
Total other comprehensive income	*1 825	*1 520
Comprehensive income	6,091	6,982
Comprehensive income attributable to Comprehensive income attributable to owners of the parent	6,091	6,982

(3) Consolidated statements of changes in net assets

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	4,621	4,621
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	4,621	4,621
Capital surplus		
Balance at the beginning of current period	9,982	10,027
Changes of items during the period		
Disposal of treasury stock	45	19
Total changes of items during the period	45	19
Balance at the end of current period	10,027	10,047
Retained earnings		
Balance at the beginning of current period	66,303	70,189
Changes of items during the period		
Dividends from surplus	(1,375)	(1,495)
Employees' bonuses and welfare funds	(5)	(4)
Net income	5,266	6,462
Total changes of items during the period	3,885	4,962
Balance at the end of current period	70,189	75,152
Treasury stock		
Balance at the beginning of current period	(5,047)	(7,580)
Changes of items during the period		
Purchase of treasury stock	(2,954)	(1,438)
Disposal of treasury stock	422	171
Total changes of items during the period	(2,532)	(1,266)
Balance at the end of current period	(7,580)	(8,847)
Total shareholders' equity		
Balance at the beginning of current period	75,859	77,257
Changes of items during the period		
Dividends from surplus	(1,375)	(1,495)
Employees' bonuses and welfare funds	(5)	(4)
Net income	5,266	6,462
Purchase of treasury stock	(2,954)	(1,438)
Disposal of treasury stock	467	191

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Total changes of items during the period	1,398	3,716
Balance at the end of current period	77,257	80,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(57)	640
Changes of items during the period		
Net changes of items other than shareholders' equity	697	504
Total changes of items during the period	697	504
Balance at the end of current period	640	1,145
Foreign currency translation adjustment		
Balance at the beginning of current period	(179)	(51)
Changes of items during the period		
Net changes of items other than shareholders' equity	127	15
Total changes of items during the period	127	15
Balance at the end of current period	(51)	(36)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(236)	588
Changes of items during the period		
Net changes of items other than shareholders' equity	825	520
Total changes of items during the period	825	520
Balance at the end of current period	588	1,108
Total net assets		
Balance at the beginning of current period	75,623	77,846
Changes of items during the period		
Dividends from surplus	(1,375)	(1,495)
Employees' bonuses and welfare funds	(5)	(4)
Net income	5,266	6,462
Purchase of treasury stock	(2,954)	(1,438)
Disposal of treasury stock	467	191
Net changes of items other than shareholders' equity	825	520
Total changes of items during the period	2,223	4,236

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Balance at the end of current period	77,846	82,082

Note for statements of changes in shareholders' equity:

Bounties and welfare funds for employees were provided by a subsidiary in China in accordance with local laws and regulations.

(4) Consolidated statements of cash flows

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	9,363	11,021
Depreciation and amortization	5,963	5,539
Impairment loss	38	1
Loss on disaster	61	-
Increase (decrease) in allowance for investment loss	(300)	(18)
Increase (decrease) in allowance for doubtful accounts	(15)	(2)
Increase (decrease) in provision for bonuses	(18)	79
Increase (decrease) in provision for directors' bonuses	(6)	(5)
Increase (decrease) in provision for product warranties	97	(72)
Increase (decrease) in provision for retirement benefits	(240)	(59)
Increase (decrease) in provision for directors' retirement benefits	0	32
Interest and dividends income	(198)	(218)
Interest expenses	21	26
Loss (gain) on sales of noncurrent assets	(4)	(1)
Loss (gain) on sales of investment securities	(4)	(398)
Loss (gain) on valuation of investment securities	307	-
Loss (gain) on cancellation of insurance contract	(373)	(70)
Subsidy income	-	(116)
Equity in (earnings) losses of affiliates	16	321
Decrease (increase) in notes and accounts receivable-trade	(3,699)	(602)
Decrease (increase) in inventories	(852)	(767)
Increase (decrease) in notes and accounts payable-trade	2,183	910
Increase (decrease) in accrued consumption taxes	(33)	(161)
Other, net	574	(223)
Subtotal	12,881	15,216
Interest and dividends income received	184	201
Interest expenses paid	(21)	(27)
Payments for loss on disaster	(217)	-
Income taxes paid	(4,312)	(3,190)

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Net cash provided by (used in) operating activities	8,513	12,199
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(1,067)	491
Purchase of property, plant and equipment	(5,203)	(7,108)
Purchase of intangible assets	(535)	(934)
Purchase of short-term and long term investment securities	(2,977)	(4,124)
Proceeds from sales of short-term and long term investment securities	1,704	2,500
Purchase of insurance funds	(1,419)	(2,178)
Proceeds from maturity of insurance funds	827	198
Purchase of investments in subsidiaries	-	(79)
Payments of loans receivable	(132)	(38)
Proceeds from compensation	-	116
Other, net	97	228
Net cash provided by (used in) investing activities	(8,706)	(10,929)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	300	150
Proceeds from long-term loans payable	121	295
Purchase of treasury stock	(2,954)	(1,438)
Proceeds from sales of treasury stock	466	191
Cash dividends paid	(1,371)	(1,498)
Repayments of lease obligations	(74)	(96)
Net cash provided by (used in) financing activities	(3,512)	(2,396)
Effect of exchange rate change on cash and cash equivalents	(8)	(48)
Net increase (decrease) in cash and cash equivalents	(3,713)	(1,174)
Cash and cash equivalents at beginning of period	26,348	22,635
Cash and cash equivalents at end of period	*1 22,635	*1 21,461

(5) Notes to Consolidated Financial Statement

(Notes regarding the assumption for going concern)

Not applicable

(Basic significant matters regarding the preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 49

Major consolidated subsidiaries are as follows:

Fukuda Life Tech Co., Ltd.

Fukuda Denshi Hokkaido

(2) Names and other details of major unconsolidated subsidiaries

Of the subsidiaries, ME Times, Fukushin and four (4) other companies were not included in the scope of consolidation, because their business sizes are small, and their “Total assets”, “Net sales”, “Net income and loss” (amount corresponding to the owned interest), “Retained earnings” (amount corresponding to the owned interest) had no material effect on the consolidated financial statements.

2. Application of equity method

(1) Number of affiliated companies accounted for by equity method : 1

Name of affiliated companies accounted for by equity method:

Japan Stent Technology Co., Ltd.

(2) Names and other details of unconsolidated subsidiaries and affiliates that are not accounted for by equity method

The six (6) unconsolidated subsidiaries and the affiliate company Fukuda Pulmo had no material effect on consolidated income and loss and “Retained earnings”, and they were not important as a whole in terms of material influence on the consolidated interim financial statements. Accordingly, we did not apply equity method accounting to them.

3. Accounting period, etc. of consolidated subsidiaries

The accounts of consolidated subsidiaries Fukuda Denshi USA, Inc.; and Fukuda Denshi Switzerland AG close on December 31 of each year. In the preparation of consolidated financial statements, consolidated subsidiaries’ financial statements as of the said date were used, and with respect to significant transactions that occurred between the said date and the consolidated book-closing, adjustments necessary for consolidation are made.

4. Accounting standards

(1) Valuation standards and methods for principle assets

(i) Securities

Held-to-maturity securities;

- Amortized cost method (straight-line method)

Other securities

Marketable securities;

- Stated at fair value based on the market price as of the end of current fiscal year.

(Unrealized holding gains or losses are reported in a component of net assets, while the cost of securities sold is calculated by the moving average method.)

Non-marketable securities;

- Stated at cost based on the moving average method.

For investments in the investment enterprise limited Liability association and similar associations (deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Law), the net amount corresponding to the ownership percentage is used, based on the most recent financial statements available as of the reporting date and other material stipulated in the partnership contract.

(ii) Inventories

The cost method (the amounts stated in the balance sheets are calculated by writing down the book values based on lower profitability) is used as a valuation standard.

- Merchandise and finished goods
 - Mainly stated at cost determined by the first-in, first-out method.
- Work in process
 - Mainly stated at cost based on the specific cost method.
- Raw materials
 - Mainly stated at cost based on the gross average method.
- Supplies
 - Stated at cost based on the last purchase price method.

(2) Depreciation method for significant depreciable assets

(i) Property, plant and equipment (excluding lease assets)

Depreciated primarily by the declining balance method. However, buildings (except for building attachments) acquired on or after April 1, 1998 were depreciated using the straight-line method.

In addition, the expected lifetime are as follows:

Buildings and structures:	3 to 60 years
Machinery and delivery equipment:	4 to 17 years
Tools, instruments and fixture:	2 to 20 years

Assets with an acquisition cost of 100,000 yen or more but less than 200,000 yen were evenly amortized over a three-year period.

Of the tools, instruments and fixtures, the oxygen concentrator devices (assets for rental) were depreciated using the straight-line method with the estimated rental period (four years) used as the number of depreciation years.

(ii) Intangible assets (excluding lease assets)

Depreciated by the straight-line method.

Software for internal use is amortized by the straight-line method over its useful life of five years.

As for software for sale in the market, the Company records the larger of an amortization based on projected sales volume for the effective sales period (no longer than three years) or a uniform amortization over the effective remaining sales period.

(iii) Lease assets

Lease assets in finance lease transactions

We adopted the same depreciation method applied to self-owned "Noncurrent assets".

Lease assets in finance lease transactions that do not transfer ownership

The straight-line method is used, based on the assumption that the useful life is the lease term and the residual value is zero.

Finance lease transactions that do not transfer ownership and for which the inception of the lease predates March 31, 2008 continue to be accounted for in a similar manner with the ordinary rental transactions.

(3) Basis for provision of allowances

(i) Allowance for doubtful accounts

To prepare for losses incurred by bad debts, the amount of potential loss is calculated by using the historical loss ratio in the case of general loans or receivables. Potential loss for specific loans or receivables, for which we have concerns regarding their collectability, is calculated by assessing the possibility of collection for each individual account.

(ii) Provision for bonuses

To prepare for the payment of bonuses to employees, an amount corresponding to current fiscal year's portion of estimated bonus payments was reserved.

(iii) Provision for directors' bonuses

To prepare for the payment of bonuses to directors and corporate auditors, an amount corresponding to current fiscal year's portion of estimated bonus payments was reserved.

(iv) Provision for retirement benefits

To prepare for the payment of retirement benefits for employees, the amount recognized as accruing at the end of current fiscal year was reserved, based on the estimated retirement benefit obligation and pension assets at the end of current fiscal year.

Prior service costs are amortized, using the straight-line method over a certain number of years (10 years), which are less than the average remaining years of service of the employees when they incurred.

Actuarial differences are amortized, using the straight-line basis over a certain number of years (10 years), which are less than the average remaining years of service of the employees when they incurred, from the fiscal year after the one in which they arise.

(v) Provision for directors' retirement benefits

To prepare for the payment of retirement benefits to directors and corporate auditors, some consolidated subsidiaries reserve the estimated amount to be paid at the end of the fiscal year, in accordance with the internal regulations.

(vi) Provision for product warranties

To prepare for the expenses incurred by the free repair to be implemented after the delivery of the products, estimated amount of the repair expenses was reserved on the basis of the estimated proportion of such expenses to net sales and the estimated amount of such expenses for individual products.

(4) Standards for translation of important foreign currency-based assets or liabilities into Japanese yen

Monetary credits and debts denominated in foreign currencies are translated into yen based on the current exchange rates at the end of each fiscal year. Differences arising from such translation are stated as profits or losses. Assets, liabilities, revenue and expenses of overseas subsidiaries, and other financial items are translated into yen based on the current exchange rates at the end of each fiscal year. The resulting differences are recorded as "Foreign currency translation adjustment" account and "Minority interests", under "Net assets".

(5) Cash in consolidated cash flow statements

Cash (cash and cash equivalents) in the consolidated statements of cash flows consists of cash on hand, readily-available deposits, and short-term investments with a maturity not exceeding three months at the time of purchase that are readily convertible to cash and not exposed to significant risk in value fluctuations.

(6) Other important matters for preparation of consolidated financial statements

Accounting treatment of consumption tax and other taxes

Consumption tax and other taxes are excluded from profits and losses.

(Changes in accounting policies)

(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 "Property, plant and equipment" acquired after April 1st, 2012, effective from the first quarter under review.

The effect of this change on the "Operating income", "Ordinary income" and "Net income before taxes" for fiscal year under review is minimal.

(Consolidated balance sheets)

*1. Unconsolidated subsidiaries and affiliated companies:

	(Million yen)	
	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Investment securities (Stocks)	348	841

2. Discount on bills:

	(Million yen)	
	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Discount on export bills	54	38

*3. Accounting for matured notes:

Accounting for matured notes is based on the date when the notes have been exchanged. In addition, since the last day for the consolidated financial accounting fiscal year was a Bank holiday, the next amount of matured notes are included in this Consolidated Balance Sheets.

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Notes receivable-trade	310	304

(Consolidated statements of income)

*1. The year-end inventory balance is the amount after the devaluation of the book value arising from the decline in profitability, and the next loss on valuation of inventories is included in cost of sales.

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
	13	81

*2. Major items and amounts of Selling, general and administrative expenses are as follows:

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Salaries, allowance, and other monies for directors and employees	12,140	12,386
Bonuses and provision of allowance for bonuses	3,193	3,278
Provision of allowance for retirement benefits to directors	38	39
Retirement benefit expenses	720	918
Depreciation	1,471	922
Provision of allowance for bonuses to directors	130	134

*3. Research and development expenses included in the general and administrative expenses and Manufacturing expenses:

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
	3,332	3,400

*4. Breakdown of gains on sale of noncurrent assets:

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Machinery and delivery equipment	3	2
Tools, instruments and fixtures	1	0
total	4	2

*5. Breakdown of losses on sale of noncurrent assets:

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Buildings and structures	-	0
Machinery and delivery equipment	0	0
Tools, instruments and fixtures	-	0
Total	0	0

*6. Impairment losses:

Previous fiscal year (April 1st, 2011 to March 31st, 2012)

The Group booked the following assets as "Impairment loss".

Location of assets	Use of assets	Type of assets
Bunkyo-ku, Tokyo	Operational assets	Tools, instruments and fixtures
Nasu, Tochigi Prefecture	Idle assets	Land property

The Company groups its operations by business segment, and consolidated subsidiaries form their grouping with each company or office as one unit. "Impairment losses" on "Leased real estate" and "Idle assets" are recognized separately.

Because of a decrease in cash flows caused by a declined "Operating income" and a fall of the market price, we have written down the book values of the above assets to recoverable values. These write-offs have resulted in "Impairment losses" (of 38 million yen), which were booked as "Extraordinary losses".

These "Impairment losses" consist of the losses on "Tools, instruments and fixtures" of 12 million yen, on "Land property" of 17 million yen, and on "Others" of 8 million yen.

The recoverable value was assessed according to the net sale value, and the market prices were evaluated according to roadside land prices or the assessed value of "Noncurrent asset tax", with reasonable adjustments.

Current fiscal year (April 1st, 2012 to March 31st, 2013)

The Group booked the following assets as impairment loss.

Location of assets	Use of assets	Type of assets
Bunkyo-ku, Tokyo	Operational assets	Tools, instruments and fixtures

The Company groups its operations by business segment, and consolidated subsidiaries form their grouping with each company or office as one unit. "Impairment losses" on "Leased real estate" and "Idle assets" are recognized separately.

Because of a decrease in cash flows caused by a declined "Operating income" and a fall of the market price, we have written down the book values of the above assets to recoverable values. These write-offs have resulted in "Impairment losses" (of 1 million yen), which were booked as "Extraordinary losses".

These "Impairment losses" consist of the losses on "Tools, instruments and fixtures" of 1 million yen.

The recoverable value was assessed according to the net sale value, and the market prices were evaluated according to roadside land prices or the assessed value of "Noncurrent asset tax", with reasonable adjustments.

*7. Losses from disaster

Previous fiscal year (April 1st, 2011 to March 31st, 2012)

"Losses from disaster" is the loss from the Great East Japan Earthquake which occurred in March 2011.

Please check the details below.

(Million yen)

Production transfer, development cost for replacements, and others	61
total	61

Current fiscal year (April 1st, 2012 to March 31st, 2013)

Not applicable.

(Consolidated statements of comprehensive income)

*1. Amount of Reclassification adjustments and Tax effects for other comprehensive income

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Valuation difference on available-for-sale securities:		
Amount incurred in current fiscal year	832	312
Amount of Reclassification adjustments	249	-
Before adjusting tax benefit	1,082	312
Amount of tax benefit	(384)	192
Valuation difference on available-for-sale securities	697	504
Foreign currency translation adjustment :		
Amount incurred in current fiscal year	127	15
Other comprehensive income	825	520

(Consolidated statements of changes in net assets)

Previous fiscal year (from April 1st, 2011 to March 31st, 2012)

1. Type and total number of issued shares and type and number of shares of treasury stock

	Number of shares at the beginning of previous fiscal year (1,000 shares)	Increase in number of shares for previous fiscal year (1,000 shares)	Decrease in number of shares for previous fiscal year (1,000 shares)	Number of shares at the end of the previous fiscal year (1,000 shares)
Number of issued shares				
Common stock	19,588	-	-	19,588
Total	19,588	-	-	19,588
Treasury stock				
Common stock (Note)	2,391	1,400	200	3,591
Total	2,391	1,400	200	3,591

Note: (i) At the meeting convened on November 14th, 2011 the Board of Directors issued a resolution regarding the introduction of "Stock Benefit Trust (J-ESOP)" (hereinafter "the Plan"). With the introduction of the Plan, we disposed 50 thousand shares of our "Treasury stock" to Trust & Custody Services Bank, Ltd. (hereinafter "Trust Account"), dated in 2nd March, 2012. As of March 31st, 2012, according to the purpose, the 50 thousand shares which the Trust Account own, are included in the number of our "Treasury stock".

(ii) The increase of 1,400 thousand shares in "Treasury stock" of common stock reflects the increase of 1,400 thousand shares of tender offer of "Treasury stock", and 0 thousand shares owing to the acquisition of "Treasury stock".

(iii) The decrease of 200 thousand shares in "Treasury stock" of common stock reflects the disposal by third-party allotment.

2. Stock acquisition rights and treasury stock acquisition rights

Not applicable.

3. Dividends

(1) Dividend payment amount

(Resolution)	Type of shares	Total dividend amount (million yen)	Dividends per share (in yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 29 th , 2011	Common stock	687	40	March 31 st , 2011	June 30 th , 2011
Board of Directors' meeting held on October 31 st , 2011	Common stock	687	40	September 30 th , 2011	December 5 th , 2011

(2) Of the dividends whose record date belongs to the current fiscal year, and those whose effective date of the dividends will be in the next fiscal year

(Resolution)	Type of shares	Total dividend amount (million yen)	Source for dividends	Dividends per share (in yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 28 th , 2012	Common stock	879	Retained earnings	55	March 31 st , 2012	June 29 th , 2012

(Note): With the introduction of "Stock Benefit Trust (J-ESOP)", the 50 thousand shares Trust & Custody Services Bank, Ltd. owns are included in the number of our "Treasury stock". According to the accounting, 2 million yen are excluded from the total amount of dividend calculation.

Current fiscal year (from April 1st, 2012 to March 31st, 2013)

1. Type and total number of issued shares and type and number of shares of treasury stock

	Number of shares at the beginning of current fiscal year (1,000 shares)	Increase in number of shares for current fiscal year under (1,000 shares)	Decrease in number of shares for current fiscal year (1,000 shares)	Number of shares at the end of the current fiscal year (1,000 shares)
Number of issued shares				
Common stock	19,588	-	-	19,588
Total	19,588	-	-	19,588
Treasury stock				
Common stock (Note)	3,591	607	80	4,119
Total	3,591	607	80	4,119

Note: (i) As of March 31st, 2013, according to the purpose, the 50 thousand shares which the Trust Account own, are included in the number of our "Treasury stock".

(ii) The increase of 607 thousand shares in "Treasury stock" of common stock reflects the increase of 607 thousand shares of tender offer of "Treasury stock", and 0 thousand shares owing to the acquisition of "Treasury stock".

(iii) The decrease of 80 thousand shares in "Treasury stock" of common stock reflects the disposal by third-party allotment.

2. Stock acquisition rights and treasury stock acquisition rights

Not applicable.

3. Dividends

(1) Dividend payment amount

(Resolution)	Type of shares	Total dividend amount (million yen)	Dividends per share (in yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 28 th , 2012	Common stock	879	55	March 31 st , 2012	June 29 th , 2012
Board of Directors' meeting held on October 31 st , 2012	Common stock	615	40	September 30 th , 2012	December 10 th , 2012

(Note): With the introduction of "Stock Benefit Trust (J-ESOP)", the 50 thousand shares Trust & Custody Services Bank, Ltd. owns are included in the number of our "Treasury stock". According to the accounting, 2 million yen are excluded from the total amount of dividend calculation.

(2) Of the dividends whose record date belongs to the current fiscal year, and those whose effective date of the dividends will be in the next fiscal year

(Resolution)	Type of shares	Total dividend amount (million yen)	Source for dividends	Dividends per share (in yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27 th , 2013	Common stock	1,314	Retained earnings	85	March 31 st , 2013	June 28 th , 2013

(Note): With the introduction of "Stock Benefit Trust (J-ESOP)", the 50 thousand shares Trust & Custody Services Bank, Ltd. owns are included in the number of our "Treasury stock". According to the accounting, 4 million yen are excluded from the total amount of dividend calculation.

(Consolidated statements of cash flows)

*1. Relationship between the balance of cash and cash equivalents at the end of the fiscal year and amounts stated in the consolidated balance sheets:

	(Million yen)	
	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Cash and deposits	24,267	24,201
Time deposits with a deposit period of over three months	(1,631)	(2,739)
Cash and cash equivalents	22,635	21,461

2. Details of important non-fund transactions:

The amounts of assets and liabilities in finance lease transactions

	(Million yen)	
	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
The amounts of assets and liabilities in finance lease transactions	67	188

(Lease transactions)

Disclosure of lease transactions is omitted, as there is no significant necessity of such disclosure in the summary report on financial results.

(Financial Products)

Disclosure of financial products is omitted, as there is no significant necessity of such disclosure in the summary report on financial results.

(Securities)

Disclosure of securities is omitted, as there is no significant necessity of such disclosure in the summary report on financial results.

(Derivative transactions)

Previous fiscal year (from April 1st, 2011 to March 31st, 2012) and current fiscal year (from April 1st, 2012 to March 31st, 2013):

There are no applicable items, as the Group did not use derivative transactions.

(Retirement benefits)

Disclosure of retirement benefits is omitted, as there is no significant necessity of such disclosure in the summary report on financial results.

(Stock options, etc.)

Previous fiscal year (from April 1st, 2011 to March 31st, 2012):

Not applicable.

Current fiscal year (from April 1st, 2012 to March 31st, 2013):

Not applicable.

(Tax effect accounting)

Disclosure of tax effect accounting is omitted, as there is no significant necessity of such disclosure in the summary report on financial results.

(Real estates including rentals)

Disclosure of real estates including rentals is omitted, as there is no significant necessity of such disclosure in the summary report on financial results.

(Segment information, etc)

a. Segment information

1. Reportable Segments

The reportable segments of the Fukuda Denshi Group are the constituent units of the Company for which separate financial information can be obtained, and they are the subject of regular examinations by the Board of Directors aimed at helping the board to decide the allocation of management resources and evaluate the performance of the Group.

The Company has set up divisions for each product and service in the corporate headquarters, and each of the divisions formulates comprehensive strategies for the product or service it handles, and develops its own business activities.

We have 4 reportable segments based on our headquarter divisions which are “Physiological diagnostic equipment segment”, “Patient monitoring equipment segment”, “Medical treatment equipment segment”, and “Consumables and other products segment”.

In the “Physiological diagnostic equipment segment”, we mainly handle electrocardiographs, ultrasound diagnostic imaging systems and blood cell counters. In the “Patient monitoring equipment segment”, we handle patient monitors. In the “Medical treatment equipment segment”, we mainly handle defibrillators,

ventilators, pacemakers, catheters, and business of renting medical equipment for home treatment. In the “Consumables and other products segment”, we mainly handle consumables used for devices handled by the above segments, as well as maintenance and repair services.

2. Methods to calculate the sales, gains (or losses), assets, liabilities and other numbers of the reportable segments

The accounting policies for the reportable segments are basically the same as those described in “Basic significant matters regarding the preparation of consolidated financial statements”.

Reported segment profit is based on the amount of “Operating income”.

3. Information regarding sales, gains (or losses), assets, liabilities and other amounts by reportable segments

(i) Previous fiscal year (from April 1st, 2011 to March 31st, 2012) (Million yen)

	Reporting Segments				Total	Adjustments *1	Consolidated financial statements *2
	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products			
Net sales							
Sales to external customers	26,837	8,741	37,304	19,641	92,524	-	92,524
Internal sales or transfers	-	-	-	-	-	-	-
Total	26,837	8,741	37,304	19,641	92,524	-	92,524
Segment profit	2,295	612	4,576	1,707	9,192	-	9,192
Segment assets	13,601	5,602	26,789	10,929	56,923	50,102	107,025
Other items							
Depreciation	582	189	4,764	426	5,963	-	5,963
Equity in losses of affiliates	-	-	(16)	-	(16)	-	(16)
Amount of investment to affiliated company accounted of equity method	-	-	283	-	283	-	283
Increase in Property, plant and equipment and intangible assets	770	250	4,146	563	5,731	-	5,731

*1. Adjustment of segment assets of 50,102 million yen include extra investment funds (cash etc.), long-term investments (“Investment securities” etc.), and etc. which does not allocated to each reportable segments

*2. Segment profit equals to “Operating income” of consolidated financial statements.

(ii) Current fiscal year (from April 1st, 2012 to March 31st, 2013)

(Million yen)

	Reporting Segments				Total	Adjustments *1	Consolidated financial statements *2
	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products			
Net sales							
Sales to external customers	27,602	9,264	38,519	20,851	96,239	-	96,239
Internal sales or transfers	-	-	-	-	-	-	-
Total	27,602	9,264	38,519	20,851	96,239	-	96,239
Segment profit	2,658	771	4,941	1,868	10,240	-	10,240
Segment assets	15,269	5,961	28,299	11,957	61,488	53,158	114,646
Other items							
Depreciation	409	137	4,683	309	5,539	-	5,539
Equity in losses of affiliates	-	-	(321)	-	(321)	-	(321)
Amount of investment to affiliated company accounted of equity method	-	-	681	-	681	-	681
Increase in Property, plant and equipment and intangible assets	1,406	472	6,492	1,062	9,434	-	9,434

*1. Adjustment of segment assets of 53,158 million yen include extra investment funds (cash etc.), long-term investments (“Investment securities” etc.), and etc. which does not allocated to each reportable segments

*2. Segment profit equals to “Operating income” of consolidated financial statements.

b. Related Information

(i) Previous fiscal year (from April 1st, 2011 to March 31st, 2012)

1. Information about each products and services

Information about each products and services is omitted, as categories of products and services are identical to segment information.

2. Information by geographical area

(1) Sales

Information about “Sales” is omitted because our domestic “Sales” accounted for more than 90% of consolidated “Sales”.

(2) Property, plant and equipment

Information about "Property, plant and equipment" is omitted because domestic "Property, plant and equipment" accounted for more than 90 % of "Property, plant and equipment" of consolidated "Property, plant and equipment".

3. Information by each major customer

Information about each major customer is omitted because "Sales" for each major customer accounted for less than 10 % of consolidated "Sales".

(ii) Current fiscal year (from April 1st, 2012 to March 31st, 2013)

1. Information about each products and services

Information about each products and services is omitted, as categories of products and services are identical to segment information.

2. Information by geographical area

(1) Sales

Information about "Sales" is omitted because our domestic "Sales" accounted for more than 90% of consolidated "Sales".

(2) Property, plant and equipment

Information about "Property, plant and equipment" is omitted because domestic "Property, plant and equipment" accounted for more than 90 % of "Property, plant and equipment" of consolidated "Property, plant and equipment".

3. Information by each major customer

Information about each major customer is omitted because "Sales" for each major customer accounted for less than 10 % of consolidated "Sales".

c. Information about impairment loss for noncurrent assets by reportable segments

(i) Previous fiscal year (from April 1st, 2011 to March 31st, 2012)

(Million yen)

	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products	Elimination / Corporate	Total
Impairment loss	6	2	8	4	17	38

(ii) Current fiscal year (from April 1st, 2012 to March 31st, 2013)

(Million yen)

	Physiological diagnostic equipment	Patient monitoring equipment	Medical treatment equipment	Consumables and other products	Elimination / Corporate	Total
Impairment loss	0	0	0	0	-	1

d. Information about amortization and depreciation expense on goodwill of each reportable segment

(i) Previous fiscal year (from April 1st, 2011 to March 31st, 2012)

Not applicable

(ii) Current fiscal year (from April 1st, 2012 to March 31st, 2013)

Not applicable

e. Information about gain on negative goodwill of each reportable segment

(i) Previous fiscal year (from April 1st, 2011 to March 31st, 2012)

Not applicable

(ii) Current fiscal year (from April 1st, 2012 to March 31st, 2013)

Not applicable

(Transactions with related parties)

Disclosure of transactions with related parties is omitted, as there is no significant necessity of such disclosure in the summary report on financial results.

(Business combinations, etc)

Current fiscal year (from April 1st, 2012 to March 31st, 2013)

Not applicable

(Per share information)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Net assets per share	4,866.46 yen	5,306.30 yen
Net income per share	311.84 yen	415.47 yen
Fully diluted net income per share	Not stated, as there is no potential dilution.	Not stated, as there is no potential dilution.

Note: The basis for calculation of net income per share:

Item	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Net income (million yen)	5,266	6,462
Amount not belonging to ordinary shareholders (million yen)	-	-
Net income in relation to common stock (million yen)	5,266	6,462
Average number of shares during the fiscal year (1,000 shares)	16,888	15,553

(Significant subsequent events)

Not applicable.

5. Non-consolidated financial statements

(1) Balance sheets

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Assets		
Current assets		
Cash and deposits	12,137	11,593
Notes receivable-trade	31	22
Accounts receivable-trade	22,315	24,072
Securities	1,482	-
Merchandise and finished goods	2,978	2,973
Work in process	35	32
Raw materials and supplies	1,149	1,479
Advance payments-trade	156	214
Prepaid expenses	375	436
Deferred tax assets	658	735
Short-term loans receivable from subsidiaries and affiliates	3,239	1,935
Accounts receivable-other	225	541
Other	170	204
Allowance for doubtful accounts	(1,348)	(1,072)
Total current assets	43,606	43,168
Noncurrent assets		
Property, plant and equipment		
Buildings	6,397	8,433
Accumulated depreciation	(3,607)	(3,826)
Buildings, net	2,789	4,607
Structures	319	489
Accumulated depreciation	(266)	(285)
Structures, net	52	203
Machinery and equipment	114	181
Accumulated depreciation	(68)	(81)
Machinery and equipment, net	45	100
Vehicles	54	68
Accumulated depreciation	(49)	(43)
Vehicles, net	5	25
Tools, furniture and fixtures	23,306	24,372
Accumulated depreciation	(14,894)	(15,670)

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Tools, furniture and fixtures, net	8,411	8,701
Land	5,691	5,691
Lease assets	83	83
Accumulated depreciation	(60)	(77)
Lease assets, net	22	6
Construction in progress	904	137
Total property, plant and equipment	17,924	19,474
Intangible assets		
Leasehold right	5	5
Software	880	731
Software in progress	-	1,226
Other	302	302
Total intangible assets	1,188	2,265
Investments and other assets		
Investment securities	8,235	11,275
Stocks of subsidiaries and affiliates	3,677	4,475
Investments in capital	1	1
Investments in capital of subsidiaries and affiliates	423	423
Long-term loans receivable	124	88
Long-term loans receivable from employees	5	7
Long-term loans receivable from subsidiaries and affiliates	1,369	2,976
Long-term prepaid expenses	19	23
Deferred tax assets	1,937	1,827
Long-term time deposits	4,100	2,500
Insurance funds	5,803	7,644
Other	263	260
Allowance for doubtful accounts	(102)	(762)
Allowance for investment loss	(300)	(300)
Total investments and other assets	25,560	30,441
Total noncurrent assets	44,672	52,180
Total asset	88,279	95,349
Liabilities		
Current liabilities		
Accounts payable-trade	11,633	12,918

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Short-term loans payable	1,700	1,850
Lease obligations	17	6
Accounts payable-other	2,133	2,467
Income taxes payable	208	1,585
Advances received	76	53
Deposits received	10,458	11,681
Provision for bonuses	833	885
Provision for directors' bonuses	49	53
Provision for product warranties	462	385
Other	107	22
Total current liabilities	27,680	31,908
Noncurrent liabilities		
Long-term loans payable	742	1,038
Lease obligations	6	-
Provision for retirement benefits	1,149	1,132
Long-term accounts payable-other	819	819
Total noncurrent liabilities	2,717	2,989
Total liabilities	30,397	34,898
Net assets		
Shareholders' equity		
Capital stock	4,621	4,621
Capital surplus		
Legal capital surplus	8,946	8,946
Other capital surplus	1,081	1,100
Total capital surpluses	10,027	10,047
Retained earnings		
Legal retained earnings	1,171	1,171
Other retained earnings		
Reserve for business expansion	300	300
Reserve for advanced depreciation of noncurrent assets	53	53
General reserve	37,500	37,500
Retained earnings brought forward	11,148	14,459
Total retained earnings	50,173	53,484
Treasury stock	(7,580)	(8,847)

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	Current fiscal year (as of March 31 st , 2013)
Total shareholders' equity	57,241	59,305
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	639	1,144
Total valuation and translation adjustments	639	1,144
Total net assets	57,881	60,450
Total liabilities and net assets	88,279	95,349

(2) Statements of income

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Net sales		
Net sales of finished goods	14,019	15,609
Net sales of goods	32,212	33,340
Other sales	9,879	10,688
Total net sales	56,111	59,638
Cost of sales		
Beginning finished goods	987	1,246
Cost of products manufactured	10,488	11,168
Total	11,476	12,415
Finished goods transfer to other account	1,785	2,628
Ending finished goods	1,246	1,451
Cost of finished goods sold	8,443	8,335
Beginning goods	1,228	1,731
Cost of purchased goods	26,816	27,216
Total	28,044	28,947
Goods transfer to other account	172	72
Ending goods	1,731	1,521
Cost of goods sold	26,141	27,352
Other cost	4,226	4,765
Total cost of sales	38,811	40,453
Gross profit	17,300	19,185
Selling, general and administrative expenses		
Advertising expenses	589	626
Packing and transportation expenses	575	580
Service and repair expenses	548	632
Provision of allowance for doubtful accounts	193	384
Salaries and allowances	2,121	2,178
Bonuses	261	316
Provision for bonuses	576	617
Retirement benefit expenses	190	207
Provision for directors' bonuses	49	53
Commission fee	702	895
Insurance expenses	784	819

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Rent expenses	254	233
Research and development expenses	3,256	3,333
Depreciation	1,194	636
Other	2,553	2,638
Total selling, general and administrative expenses	13,854	14,154
Operating income	3,445	5,031
Non-operating income		
Interest income	104	103
Dividends income	1,217	1,227
Real estate rent	280	320
Foreign exchange gains	29	232
Other	94	121
Total non-operating income	1,726	2,006
Non-operating expenses		
Interest expenses	67	75
Loss on investments in partnership	90	66
Other	26	1
Total non-operating expenses	183	143
Ordinary income	4,988	6,893
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Gain on sales of investment securities	4	398
Surrender value of insurance	373	70
Total extraordinary income	378	468
Extraordinary loss		
Loss on sales of noncurrent assets	—	0
Impairment loss	17	-
Loss on valuation of investment securities	307	-
Loss on disaster	43	-
Other	41	-
Total extraordinary losses	409	0
Income before income taxes	4,956	7,361
Income taxes-current	1,070	2,330
Income taxes-deferred	485	226

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Total income taxes	1,555	2,556
Net income	3,401	4,805

Manufacturing statement

Item	Note No.	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)		Current fiscal year (April 1 st , 2012 to March 31 st , 2013)			
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)		
I. Materials expenses			8,749	62.0	9,318	60.8	
II. Labor expenses			2,457	17.4	2,632	17.2	
III. Other expenses							
Subcontracted designing expenses and trial manufacture expenses		1,503		1,938			
Others		1,405	2,908	20.6	1,423	3,362	22.0
Total manufacturing expenses			14,115	100.0		15,312	100.0
Work in process inventories at the beginning of the fiscal year			10			35	
Transfer from other accounts	*1		41			22	
Total			14,167			15,370	
Work in process inventories at the end of the fiscal year			35			32	
Transfer to other accounts	*2		3,643			4,169	
Product manufacturing costs			10,488			11,168	

Cost calculation method

The Company calculates cost of products by way of job-order cost system (projection). Cost variances are allocated to “Cost of sales”, “Products” and “Work in process” at the end of the fiscal year.

*1. Breakdown of transfer from other accounts

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Current assets and others (Trial manufacture and research in progress)	41	22
Others	0	0
Total	41	22

*2. Breakdown of transfer to other accounts

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Research and development expenses	2,659	3,038
Current assets and others (Trial manufacture and research in progress)	22	36
Others	961	1,093
Total	3,643	4,169

(3) Statements of changes in net assets

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	4,621	4,621
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	4,621	4,621
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	8,946	8,946
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	8,946	8,946
Other capital surplus		
Balance at the beginning of current period	1,036	1,081
Changes of items during the period		
Disposal of treasury stock	45	19
Total changes of items during the period	45	19
Balance at the end of current period	1,081	1,100
Total capital surplus		
Balance at the beginning of current period	9,982	10,027
Changes of items during the period		
Disposal of treasury stock	45	19
Total changes of items during the period	45	19
Balance at the end of current period	10,027	10,047
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	1,171	1,171
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	1,171	1,171
Other retained earnings		
Reserve for business expansion		
Balance at the beginning of current period	300	300

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	300	300
Reserve for advanced depreciation of noncurrent assets		
Balance at the beginning of current period	49	53
Changes of items during the period		
Amount of change in reserve assets due to tax rate changes compression	4	-
Total changes of items during the period	4	-
Balance at the end of current period	53	53
General reserve		
Balance at the beginning of current period	37,500	37,500
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	37,500	37,500
Retained earnings brought forward		
Balance at the beginning of current period	9,126	11,148
Changes of items during the period		
Dividends from surplus	(1,375)	(1,495)
Net income	3,401	4,805
Amount of change in reserve assets due to tax rate changes compression	(4)	-
Total changes of items during the period	2,021	3,310
Balance at the end of current period	11,148	14,459
Total retained earnings		
Balance at the beginning of current period	48,147	50,173
Changes of items during the period		
Dividends from surplus	(1,375)	(1,495)
Net income	3,401	4,805
Total changes of items during the period	2,025	3,310
Balance at the end of current period	50,173	53,484
Treasury stock		
Balance at the beginning of current period	(5,047)	(7,580)

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Changes of items during the period		
Purchase of treasury stock	(2,954)	(1,438)
Disposal of treasury stock	422	171
Total changes of items during the period	(2,532)	(1,266)
Balance at the end of current period	(7,580)	(8,847)
Total shareholders' equity		
Balance at the beginning of current period	57,703	57,241
Changes of items during the period		
Dividends from surplus	(1,375)	(1,495)
Net income	3,401	4,805
Purchase of treasury stock	(2,954)	(1,438)
Disposal of treasury stock	467	191
Total changes of items during the period	(461)	2,063
Balance at the end of current period	57,241	59,305
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(57)	639
Changes of items during the period		
Net changes of items other than shareholders' equity	697	504
Total changes of items during the period	697	504
Balance at the end of current period	639	1,144
Deferred gains or losses on hedges		
Balance at the beginning of current period	(57)	639
Changes of items during the period		
Net changes of items other than shareholders' equity	697	504
Total changes of items during the period	697	504
Balance at the end of current period	639	1,144
Total net assets		
Balance at the beginning of current period	57,645	57,881
Changes of items during the period		
Dividends from surplus	(1,375)	(1,495)
Net income	3,401	4,805
Purchase of treasury stock	(2,954)	(1,438)

(Million yen)

	Previous fiscal year (April 1 st , 2011 to March 31 st , 2012)	Current fiscal year (April 1 st , 2012 to March 31 st , 2013)
Disposal of treasury stock	467	191
Net changes of items other than shareholders' equity	697	504
Total changes of items during the period	235	2,568
Balance at the end of current period	57,881	60,450

(4) Notes to Non-consolidated Financial Statement

(Notes regarding the assumption for going concern)

Not applicable

(Significant accounting policies)

1. Valuation standards and methods for securities

(1) Held-to-Maturity Securities

- Amortized cost method (straight-line method)

(2) Shares of subsidiaries and affiliates

- Stated at cost based on the moving average method

(3) Other securities

Marketable securities

- Stated at fair value based on the market price as of the end of the fiscal year.

(Unrealized holding gains or losses are reported in a component of "Net assets", with the cost of "Securities" sold is calculated by the moving average method.)

Non-marketable securities

- Stated at cost based on the moving average method.

For investments in the investment enterprise limited Liability association and similar associations (deemed to be "Securities" pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Law), the net amount corresponding to the ownership percentage is used, based on the most recent financial statements available as of the reporting date and other materials stipulated in the partnership contract.

2. Valuation standards and methods for inventories

The cost method (the amounts stated in the balance sheets are calculated by writing down the book values based on lower profitability) is used as a valuation standard.

Merchandise and finished goods

- Stated at cost determined by the first-in, first-out method.

Work in process

- Stated at cost based on the specific cost method.

Raw materials

- Stated at cost determined by the gross average method.

Supplies

- Stated based on the last purchase price method.

3. Depreciation method for noncurrent assets

(1) Property, plant and equipment (excluding lease assets)

Depreciated by the declining balance method. However, buildings (except for building attachments) acquired on or after April 1, 1998 were depreciated using the straight-line method.

In addition, the lifetime are as follows:

Buildings: 3 to 50 years

Structures: 10 to 60 years

Machinery and equipment: 8 to 17 years

Vehicles and delivery equipment: 4 to 6 years

Tools, instruments and fixtures: 2 to 20 years

Assets with an acquisition cost of 100,000 yen or more but less than 200,000 yen were evenly amortized over a three-year period.

Of the tools, instruments and fixtures, the oxygen concentrator devices (assets for rental) were depreciated by the straight-line method with the estimated rental period (four years) as a depreciation year.

(2) Intangible assets (excluding “Lease assets”)

Depreciated by the straight-line method.

Software for internal use is amortized by the straight-line method over its useful life of five years.

As for software for sale in the market, the Company records the larger of an amortization based on projected sales volume for the effective sales period (no longer than three years) or a uniform amortization over the effective remaining sales period.

(3) Lease assets

“Lease assets” in finance lease transactions that do not transfer ownership

The straight-line method is used, based on the assumption that the useful life is the lease term and the residual value is zero.

4. Basis for provision of allowances

(1) Allowance for doubtful accounts

To prepare for losses incurred by bad debts, the amount of potential loss is calculated by using the historical loss ratio in the case of general loans or receivables. Potential losses for specific loans or receivables, for which we have concerns regarding their collectability, are calculated by assessing the possibility of collection for each individual account.

(2) Provision for bonuses

To prepare for the payment of bonuses to employees, we reserve an amount corresponding to current fiscal year’s portion of estimated bonus payments to employees.

(3) Provision for director’s bonuses

To prepare for the payment of bonuses for directors and corporate auditors, we reserve an amount corresponding to current fiscal year’s portion of estimated bonus payments to directors and corporate auditors.

(4) Provision for retirement benefits

To prepare for the payment of retirement benefits for employees, the amount recognized as accruing at the end of current fiscal year was reserved, based on estimated retirement benefit obligation and pension assets at the end of current fiscal year.

Past service liabilities are amortized, using the straight-line basis over a certain number of years (10 years), which are less than the average remaining years of service of the employees when they incurred.

Actuarial differences are amortized, using the straight-line basis over a certain number of years (10 years), which are less than the average remaining years of service of the employees when they incurred, from the fiscal year after the one in which they arise.

(5) Provision for product warranties

To prepare for the expenses incurred by free repair to be implemented after the delivery of the products, an estimated amount of the repair expenses was reserved on the basis of the estimated proportion of such expenses to net sales and the estimated amount of such expenses for individual products.

(6) Allowance for investment loss

In view of the financial position of subsidiaries, the Company recorded an allowance for investment loss in preparation for any loss expected to be incurred by investing in subsidiaries.

5. Other important matters for preparation of financial statements

Accounting treatment of consumption tax, and other taxes, etc.

The Consumption tax and other taxes, etc. are excluded from profits and losses.

(Changes in accounting policies)

(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 changed the method of depreciation to the one based on the revised Corporation Tax Act for “Property, plant and equipment” acquired after April 1st, 2012, effective from fiscal year under review.

The effect of this change on the “Operating income”, “Ordinary income” and “Net income before taxes” for fiscal year under review is minimal.

6. Others

(1) Changes of directors

(i) Representative Director

Not applicable

(ii) Other directors

• Director to retire

Director: Mr. Kenji Ozaki (Office of the president)

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