

Summary Report on Financial Results for the Third Quarter of the Year Ending March 31, 2009

February 4, 2009

Company name: Fukuda Denshi Co., Ltd.

Security code no.: 6960

(<http://www.fukuda.co.jp>)

Listing: JASDAQ

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(Amounts less than one million yen are discarded)

1. Consolidated financial results for the third quarter of the year ending March 31, 2009 (April 1, 2008 through December 31, 2008)

(1) Consolidated operating results (cumulative)

(Percentages represent increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Third quarter of the year ending March 31, 2009	62,507	-	4,401	-	4,364	-	2,443	-
Third quarter of the year ended March 31, 2008	62,425	0.2	3,652	(20.0)	3,846	(21.0)	2,308	(10.7)

	Net income per share	Fully diluted net income per share
	yen	yen
Third quarter of the year ending March 31, 2009	126.93	-
Third quarter of the year ended March 31, 2008	120.00	-

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Third quarter of the year ending March 31, 2009	98,196	73,865	75.2	3,837.04
Year ended March 2008	99,585	73,833	74.1	3,835.32

(Reference) Shareholders' equity:

Third quarter of the year ending March 31, 2009: 73,855 million yen

Year ended March 2008: 73,821 million yen

2. Dividends

Record date	Dividends per share				
	End of the First Quarter	End of the Second Quarter	End of the Third Quarter	End of the Term	Annual
	yen	yen	yen	yen	yen
Year ended March 2008	-	40.00	-	40.00	80.00
Year ending March 2009	-	40.00	-	-	-
Year ending March 2009 (estimate)	-	-	-	40.00	80.00

Note: There have been no revisions of dividend projections in the current quarter.

3. Forecast of consolidated financial results for the year ending March 2009 (April 1, 2008 through March 31, 2009)

(Percentages represent increases or decreases from the previous year for the full-year figures.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	90,000	1.6	5,300	(1.3)	5,500	(3.2)	3,020	(4.9)	156.94

Note: There have been no revisions of consolidated earnings projections' numerical values in the current quarter.

4. Others

(1) Change in significant subsidiaries during the term (change in specific subsidiaries involving change in the scope of consolidation): None

(2) Application of simplified accounting method and accounting principles specific to the preparation of consolidated quarterly financial statements: Yes

Note: For details, please refer to **4. Others** in the “Qualitative Information and Financial Statements” section on page 6.

(3) Change in accounting principles and procedures, presentation related to the preparation of consolidated quarterly financial statements (described in changes in basic significant matters regarding the preparation of consolidated quarterly financial statements)

(i) Changes owing to adoption of revised accounting standards or such like: Yes

(ii) Changes other than (i) above: Yes

Note: For details, please refer to **4. Others** in the “Qualitative Information and Financial Statements” section on page 6.

(4) Number of outstanding issues (common stock)

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

Third quarter of the year ending March 31, 2009: 19,588,000 shares

Year ended March 31, 2008: 19,588,000 shares

2) Number of treasury shares at the end of the period

Third quarter of the year ending March 31, 2009: 340,025 shares

Year ended March 31, 2008: 340,139 shares

3) Average number of shares during the period (accumulated consolidated quarterly period)

Third quarter of the year ending March 31, 2009: 19,247,894 shares

Third quarter of the Year ended March 31, 2008: 19,241,033 shares

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

1. The forecasted financial results described above are based on information available as of February 4, 2009. Actual results may differ from the results projected and presented hereby for a variety of reasons.

2. With respect to the preconditions for the forecasts of financial results, please refer to “3. Qualitative information about consolidated earnings forecast for the fiscal year ending March 2009” in the “Qualitative Information and Financial Statements” section on page 6.

3. Effective from the consolidated fiscal year ending March 2009, the Company adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Report No. 12) and the “Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting” (ASBJ Implementation Guidance No. 14). Consolidated quarterly financial statements are prepared in conformity with the “Regulations of Consolidated Quarterly Financial Statements.”

Pursuant to the provision of Article 7, Paragraph 1, Item 5 of the Supplementary Provisions of the “Cabinet Office Ordinance on Partial Amendment of the Regulations on Terminology, Format and Preparation Method of Financial Statements, etc.” (Cabinet Office Ordinance No. 50, August 7, 2008), the Company adopted the revised Regulations of Consolidated Quarterly Financial Statements for the consolidated third quarter under review (from October 1, 2008 to December 31, 2008) and the accumulated period up to the consolidated third quarter under review (from April 1, 2008 to December 31, 2008).

Qualitative Information and Financial Statements

1. Qualitative information about consolidated operating results

During the first three quarters of the consolidated term under review, the uncertainty of the financial market, originating in the U.S., expanded to the real economy. In Japan, the economy slowed down, as exemplified by the influence that the worsening of corporate earnings had on capital investment, production and the employment environment.

In the medical equipment industry, medical system reforms were pushed forward with, including expansion of the comprehensive medical fee payment system, called DPC (diagnosis procedure contribution), at medical institutions, which led to a further division of functions between hospitals and clinics and an expansion in the field of home medical treatment. There were also changes in the environment, including misgivings about the consolidation of and reduction in the number of public hospitals and patients restraining their visit to hospitals to seek medical advice.

Under such circumstances, the Group posted consolidated net sales [P1] of 62,507 million yen (up 0.1% from the corresponding period of the previous year), operating income of 4,401 million yen (up 20.5%), ordinary income of 4,364 million yen (up 13.5%) and net income of 2,443 million yen (up 5.8%) in the third quarter to date.

(1) Physiological diagnostic equipment segment

Sales of retinal cameras and systems to test respiratory function continued to increase. However, sales of ultrasound diagnostic imaging systems fell both at home and abroad.

As a result, consolidated sales were 16,325 million yen (down 1.2% from the corresponding period of the preceding year).

(2) Patient monitoring equipment segment

Sales declined both at home and abroad.

As a result, consolidated sales were 3,845 million yen (down 22.0%)

(3) Medical treatment equipment segment

Sales in the business of renting medical equipment for home treatment (including oxygen-concentrator devices, equipment used to treat sleep apnea syndrome and homecare ventilators) and automated external defibrillators (AEDs) continued to increase. Turnover of pacemakers dropped owing to a reduction in official reimbursement rates, though their sales volume remained unchanged.

As a result, sales were 27,038 million yen (up 6.8%).

(4) Other products and accessories segment

In this segment, we mainly handle recording paper, disposable electrodes and accessories and consumables used for devices handled by the other segments.

Sales of this segment were 15,297 million yen (down 2.2%)

2. Qualitative information about consolidated financial situation

Total assets were 98,196 million yen at the end of the third quarter under review, down 1,388 million yen from the end of the previous fiscal year.

The decrease is mainly due to a decline of 4,912 million yen in trade notes and accounts receivables, a drop of 373 million yen in raw materials and supplies, a decrease of 522 million yen in intangible fixed assets and a fall of 1,299 million yen in investments and other assets despite an increase of 1,841 million yen in cash and deposits, an increase of 1,350 million yen in merchandise and products and a rise of 1,234 million yen in tangible fixed assets.

Liabilities amounted to 24,331 million yen, down 1,421 million yen from the end of the previous fiscal year.

The decrease is mainly due to a decline of 302 million yen in short-term borrowings and a drop of 791 million yen in allowance for bonuses to employees.

Net assets were 73,865 million yen, up 32 million yen from the end of the previous fiscal year.

The increase is primarily attributable to an increase of 893 million yen in retained earnings despite a decrease of 774 million yen in evaluation difference on other securities.

3. Qualitative Information about consolidated earnings forecast for the fiscal year ending March 2009

There are misgivings about a further business downturn in Japan due to declines in production and exports, reflecting the worsening of the global economy resulting from the financial crisis that originated in the U.S. and rapid foreign exchange fluctuations. The environment surrounding the medical service is getting harsher, exemplified by the consolidation of and reduction in the number of public hospitals and patients restraining their visits to hospitals to seek medical advice.

In consideration of this situation, there is no change in the forecast of financial results for the full fiscal year, released on May 19, 2008.

4. Others

(1) Change in significant subsidiaries during the term (change in specific subsidiaries involving change in the scope of consolidation)

Not Applicable.

(2) Application of simplified accounting method and accounting principles specific to the preparation of consolidated quarterly financial statements

1) Simplified accounting treatment

Tax expenses of consolidated subsidiaries are calculated by multiplying the quarterly net income before taxes by the effective income tax rate after tax effect accounting application in the statement of income of the previous fiscal year.

Corporate tax adjustments are included in corporate, inhabitants' and enterprise taxes.

- 2) Accounting principles specific to the preparation of consolidated quarterly financial statements
Not Applicable.

(3) Change in accounting principles and procedures, presentation related to the preparation of consolidated quarterly financial statements:

- (i) Effective from the consolidated fiscal year ending March 2009, the Company adopted the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan Report No. 12, March 14, 2007) and the "Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting" (ASBJ Implementation Guidance No. 14, March 14, 2007). Consolidated quarterly financial statements are prepared in conformity with the "Regulations of Consolidated Quarterly Financial Statements."

Pursuant to the proviso of Article 7, Paragraph 1, Item 5 of the Supplementary Regulations of the "Cabinet Office Ordinance on Partial Amendment of the Regulations on Terminology, Format and Preparation Method of Financial Statements, etc." (Cabinet Office Ordinance No. 50, August 7, 2008), the Company adopted the revised Regulations of Consolidated Quarterly Financial Statements for the consolidated third quarter under review (from October 1, 2008 to December 31, 2008) and the accumulated period up to the consolidated third quarter under review (from April 1, 2008 to December 31, 2008).

- (ii) Change in valuation standards and methods for inventories

Previously, ordinary inventories held for the purpose of sales were mainly stated at cost determined by the first-in, first-out method. With the application of the "Accounting Standards for Measurement of Inventories" (ASBJ Report No. 9, July 5, 2006), inventories are primarily stated at cost determined by the first-in first-out method (with regard to the amounts stated in the balance sheets, the method of book value devaluation based on decline in profitability is used), effective from the first quarter.

The effect of this change on operating income, ordinary income and quarterly net income before taxes in the accumulated period up to the third quarter under review is insignificant.

- (iii) Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated financial Statement"

Effective from the first quarter, the Company adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated financial Statement" (ASBJ Practical Solution No. 18, May 17, 2006), and made revisions necessary for consolidated settlement of accounts.

The effect of this change on operating income, ordinary income and quarterly net income before taxes in the accumulated period up to the third quarter under review is insignificant.

- (iv) Application of accounting standard for lease transactions

Previously, finance lease transactions in which the ownership of the leased properties did not transfer to the lessees underwent the same accounting treatment as ordinary lease transactions. Since the “Accounting Standard for Lease Transactions” (ASBJ Report No. 13, June 17, 1993 (First Sectional Committee of the Business Accounting Council), amended on March 30, 2007) and the “Implementation Guidance on the Accounting Standard for Lease Transactions” (ASBJ Implementation Guidance No. 16, January 18, 1994 (Accounting Committee of the Japanese Institute of Certified Public Accountants), amended on March 30, 2007) became applicable from the consolidated quarterly financial statements concerning the consolidated fiscal years starting on or after April 1, 2008, the Company adopted these accounting standards and used the accounting method for ordinary lease transactions, effective from the first quarter under review.

Depreciation of leased assets concerning finance lease transactions in which the ownership of the leased properties does not transfer to the lessees is calculated using the straight-line method over the lease terms without residual value.

Finance lease transactions in which the ownership of the leased properties does not transfer to the lessees and that started before the first year of the application of the lease accounting standards and similar regulations, undergo the same accounting treatment as ordinary lease transactions, the same as they did before.

The effect of this change on operating income, ordinary income and quarterly net income before taxes in the accumulated period up to the third quarter under review is insignificant.

5. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

In million yen

	End of the consolidated third quarter under review (As of December 31, 2008)	Summarized balance sheets related to the previous fiscal year (As of March 31, 2008)
Assets		
Current assets		
Cash and deposits	24,381	22,540
Trade notes and accounts receivable	18,798	23,710
Securities	998	999
Merchandise and products	12,005	10,655
Work in progress	173	84
Raw materials and supplies	2,272	2,646
Other	4,268	3,168
Allowance for doubtful accounts	(203)	(308)
Total current assets	62,696	63,497
Fixed assets		
Tangible fixed assets	19,730	18,496
Intangible fixed assets	2,773	3,295
Investments and other assets		
Other	13,045	14,345
Allowance for doubtful accounts	(49)	(49)
Total investments and other assets	12,996	14,296
Total fixed assets	35,500	36,088
Total assets	98,196	99,585
Liabilities		
Current liabilities		
Trade notes and accounts payable	12,415	12,465
Short-term borrowings	3,197	3,500
Income tax payable, etc.	795	884
Allowance for bonuses to employees	875	1,666
Other allowance	89	210
Other	2,509	2,620
Total current liabilities	19,883	21,347
Fixed liabilities		
Long-term loans borrowings	66	183
Allowance for retirement benefits	3,202	3,097
Other allowance	180	197
Negative goodwill	0	1
Other	998	925
Total fixed liabilities	4,448	4,404
Total liabilities	24,331	25,752

In million yen

	End of the consolidated third quarter under review (As of December 31, 2008)	Summarized balance sheets related to the previous fiscal year (As of March 31, 2008)
Net assets		
Shareholders' equity		
Common stock	4,621	4,621
Capital surplus	9,982	9,982
Retained earnings	60,366	59,473
Treasury stock	(766)	(766)
Total shareholders' equity	74,204	73,311
Valuation and translation adjustments		
Evaluation difference on other securities	(327)	447
Foreign currency translation adjustment account	(21)	63
Total valuation and translation adjustments	(349)	510
Minority interests	10	11
Total net assets	73,865	73,833
Total liabilities and net assets	98,196	99,585

(2) Consolidated quarterly statements of income

(First three quarters of the consolidated term)

In million yen

	First three quarters of the consolidated term (April 1, 2008 to December 31, 2008)
Net sales	62,507
Cost of sales	34,358
Gross profit	28,149
Selling, general and administrative expenses	23,747
Operating income	4,401
Non-operating income	
Interest income	15
Dividend income	155
Other	161
Total non-operating income	332
Non-operating expenses	
Interest expenses	45
Foreign exchange losses	282
Other	42
Total non-operating expenses	369
Ordinary income	4,364
Extraordinary gains	
Gains on sale of fixed assets	7
Gains on insurance surrender	590
Gains on reversal of allowance for doubtful accounts	27
Gains on reversal of allowance for loss on business liquidation	59
Other	1
Total extraordinary gains	685
Extraordinary losses	
Losses on sale of fixed assets	16
Losses on disposal of fixed assets	114
Losses on devaluation of investment securities	767
Impairment losses	14
Other	1
Total extraordinary losses	913
Quarterly net income before taxes	4,136
Corporate, inhabitants' and enterprise taxes	1,678
Corporate tax adjustments	13
Total corporate taxes, etc.	1,691
Minority interests in earnings of consolidated subsidiaries	1
Quarterly net income	2,443

Effective from the fiscal year ending March 2009, the Company adopted the “Standard for Quarterly Financial Reporting” (ASBJ Report No. 12, March 14, 2007) and the “Implementation Guidance on the Standard for Quarterly Financial Reporting” (ASBJ Implementation Guidance No. 14, March 14, 2007). Consolidated quarterly financial statements are prepared in conformity with the “Regulations of Consolidated Quarterly Financial Statements.”

Pursuant to the provision of Article 7, Paragraph 1, Item 5 of the Supplementary Regulations of the “Cabinet Office Ordinance on Partial Amendment of the Regulations on Terminology, Format and Preparation Method of Financial Statements, etc.” (Cabinet Office Ordinance No. 50, August 7, 2008), the Company adopted the revised Regulations of Consolidated Quarterly Financial Statements for the consolidated third quarter under review (from October 1, 2008 to December 31, 2008) and the accumulated period up to the consolidated third quarter under review (from April 1, 2008 to December 31, 2008).

(3) Note concerning premise of going concern

Not applicable.

(4) Segment information

a. Segment information by business type

First three quarters of the consolidated term under review (from April 1 to December 31, 2008)

Segment information by business type is omitted because the amounts of sales and operating income of the medical electronic equipment business account for over 90 percent of the total sales and total operating income of all segments.

b. Segment information by geographic area

First three quarters of the consolidated term under review (from April 1 to December 31, 2008)

Segment information by geographic area is omitted because the amount of sales in Japan accounts for over 90 percent of the total sales of all segments.

c. Overseas sales

First three quarters of the consolidated term under review (from April 1 to December 31, 2008)

Overseas sales are omitted because such sales accounted for less than 10 percent of consolidated sales.

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

Not applicable.

Reference

Financial statements related to the corresponding quarter of the previous fiscal year

(1) (Summary) Consolidated quarterly statements of income

Category	First three quarters of the previous consolidated term (April 1, 2007 to December 31, 2007)
	Amount (million yen)
I Net sales	62,425
II Cost of sales	35,078
Gross profit	27,346
III Selling, general and administrative expenses	23,693
Operating income	3,652
IV Non-operating income	338
V Non-operating expenses	145
Ordinary income	3,846
VI Extraordinary gains	630
VII Extraordinary losses	259
Quarterly net income before taxes	4,216
Tax expenses	1,905
Minority interests in income	1
Quarterly net income	2,308

(2) Segment information

[Segment information by business type]

First three quarters of the previous consolidated term (from April 1, 2007 to December 31, 2007)

Segment information by business type is omitted because the amounts of sales and operating income of the medical electronic equipment business account for over 90 percent of the total sales and total operating income of all segments.

[Segment information by geographic area]

First three quarters of the previous consolidated term (from April 1, 2007 to December 31, 2007)

Segment information by geographic area is omitted because the amounts of sales and assets in Japan account for over 90 percent of the total sales and total assets of all segments.

[Overseas sales]

First three quarters of the previous consolidated term (from April 1, 2007 to December 31, 2007)

Overseas sales are omitted because such sales accounted for less than 10 percent of consolidated sales.

6. Other information

Not applicable.