

Summary Report on Financial Results for the First Quarter of the Year Ending March 2011  
(Japan GAAP)

July 30, 2010  
Listing: JASDAQ

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Supplementary material development: None  
Financial results meeting: None

(Amounts less than one million yen are discarded)

1. Consolidated financial results for the First quarter of the year ending March 2011 (April 1, 2010 through June 30, 2010)

(1) Consolidated operating results (cumulative)

(% represents increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
First quarter of the year ending March 2011	19,680	1.1	1,371	61.4	1,516	61.2	969	783.4
First quarter of the year ended March 2010	19,467	(2.9)	849	(18.5)	940	(17.6)	109	(82.6)

	Net income per share	Fully diluted net income per share
	yen	yen
First quarter of the year ending March 2011	52.47	—
First quarter of the year ended March 2010	5.70	—

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
First quarter of the year ending March 2011	100,730	75,762	75.2	4,102.35
Year ended March 2010	102,909	76,049	73.9	4,117.89

(Reference) Shareholders' equity:

First quarter of the year ending March 2011: 75,762 million yen  
Year ended March 2010: 76,049 million yen

## 2. Dividends

Record date	Yearly Dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	End of the term	Annual
	yen	yen	yen	yen	yen
Year ended March 2010	—	40.00	—	40.00	80.00
Year ending March 2011	—				
Year ending March 2011 (estimate)		40.00	—	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 2011 (April 1, 2010 through March 31, 2011)

(Percentages represent increases or decreases from the previous year for the full-year figures and from the second quarter of the previous year for the consolidated second quarter figures)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Second Quarter	41,000	(1.4)	2,800	(0.1)	2,800	(3.5)	1,400	25.7	75.81
Full-year	89,500	1.5	7,000	0.0	7,000	(0.1)	3,500	0.0	189.52

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

## 4. Others (For details, please refer to "2. Other information" on page 6)

### (1) Change in significant subsidiary companies during the quarter under review: None

Note: Possible changes in a specified subsidiary company with a changes of scope of consolidation for the accounting period of this quarter.

### (2) Application of a simplified and specified accounting procedure: Yes

Note: Possible application of a simplified and a specified accounting procedure to the preparation of consolidated quarterly financial statements

### (3) Change in accounting principles, procedures, and presentation

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

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

Note: Possible changes in accounting principles, procedures, presentation, etc related to the preparation of consolidated quarterly financial statements (described in changes in basis of preparation for the consolidated quarterly financial statements)

### (4) Number of outstanding issues (common stock)

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

First quarter of the year ending March 2011: 19,588,000 shares

Year ended March 2010: 19,588,000 shares

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

First quarter of the year ending March 2011: 1,119,957 shares

Year ended March 2010: 1,119,910 shares

#### (iii) Average number of shares during the period (accumulated consolidated quarter)

First quarter of the year ending March 2011: 18,468,068 shares

First quarter of the year ended March 2010: 19,247,945 shares

\* Implementation status of quarterly review procedures

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

\* Explanation about 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 July 30, 2010. Actual results may differ from the results projected and presented hereby for a variety of reasons.
2. With respect to the preconditions for the forecast of financial results, please refer to “(3) Qualitative information about earnings forecast” under the “1. Qualitative Information about consolidated earnings results for the quarter under review” section on page 6.

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

### (1) Qualitative Information about consolidated operating results

Although the Japanese economy showed signs of recovery in some segments during this first quarter of the consolidated period, there are concerns about the worldwide economic slump due to the financial crisis in Europe, and the severe economic environment is expected to continue with low stock prices and high Yen.

In the medical environment industry, the remuneration for medical services was positively changed for the first time in ten years, and the business environment surrounding medical institutions is expected to improve. However, concern that patients may become less likely to seek medical treatment posed by the self-pay ratio increased, the future of the industry still remains uncertain.

Under such circumstances, the Group posted consolidated net sales of 19,680 million yen (up 1.1% year-on-year), operating income of 1,371 million (up 61.4%), ordinary income of 1,516 million yen (up 61.2%) and a net income of 969 million yen (up 783.4 %) in the first quarter.

#### A. Physiological diagnostic equipment segment

Sales of electrocardiographs and blood cell counters increased.

Sales of air sterilization and deodorization equipment decreased due to the backlash of the demand for the new type of influenza during last fiscal year.

As a result, consolidated net sales were 4,756 million yen.

#### B. Patient monitoring equipment segment

Sales in the domestic market increased due to the introduction of new products.

As a result, consolidated net sales were 1,315 million yen.

#### C. Medical treatment equipment segment

The business of renting medical equipment for home treatment and the sales of ventilators increased.

The sales of pacemakers decreased due to the revisions of the official reimbursement prices.

Sales of Automated External Defibrillators (AEDs) declined, affected by the business downturn.

As a result, consolidated net sales were 8,860 million yen.

#### D. Other products segment

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

Consolidated net sales for this segment were 4,747 million yen.

Since it has become possible to calculate for each segment the total accessories used with the equipment which had been included in "D. Other products and accessories segment" in the previous fiscal year, from this first quarter the method has been changed to total them in the consolidated sales in their respective segments.

As a result of this change, the consolidated net sales of

(i) Physiological diagnostic equipment segment increased 534 million yen

(ii) Patient monitoring equipment segment increased 214 million yen

(iii) Medical treatment equipment segment increased 406 million yen

(iv) Other products segment decreased 1,155 million yen

compared with the figures under the previous method.

### (2) Qualitative information about consolidated financial situation

Total assets were 100,730 million yen at the end of the first quarter under review, down 2,178 million yen from the end of the previous fiscal year.

The main factors are a decrease of 4,059 million yen in "trade notes and account receivable" and a decrease of 943 million yen in "investment and other assets" despite an increase of 1,476 million yen in "cash and deposits" and increase of 714 million yen in "merchandise and products".

Liabilities amounted to 24,968 million yen, down 1,891 million yen from the end of the previous fiscal year.

This is primarily because of a decrease of 1,424 million yen in "trade notes and account payable"

Net assets were 75,762 million yen, down 287 million yen from the end of the previous fiscal year.  
The decrease is primarily because of a decrease of 514 million yen in “evaluation difference on other securities” despite an increase of 230 million yen in “retained earnings”.

(3) Qualitative information about consolidated earnings forecast

In the medical equipment industry, while the business environment surrounding the medical institutions is expected to improve due to the positive change in the remuneration for medical services, there are also concerns about the consultation behavior of patients and the end of investment in the new type of influenza. It is expected; therefore, that the industry’s business environment will continue to be harsh.

However, there is no change at this moment in the forecast of the financial results for the full fiscal year.

2. Other information

(1) Change in significant subsidiaries during the year under review

Not applicable.

(2) Application of a simplified and specified accounting procedure

(i) 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.

(ii) Specific accounting procedure

Not applicable.

(3) Change in accounting principles, procedures, and presentation

(i) Application of accounting standards - Accounting standards related to asset retirement obligations

From this first quarter of the consolidated accounting period, we have applied the “Accounting standards related to asset retirement obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and the “Guidelines for the application of accounting standards related to asset retirement obligations” (ASBJ Guidance No. 21, March 31, 2008).

As a result of this change, the operating income and net income both decreased by 1 million yen and the quarterly net income before taxes decreased by 22 million yen.

(ii) Changes in accounting policies - Allowance for product warranty

Previously, the expenses for the free repair were booked as they arose. Following the implementation of the ERP system, it has been made possible to make a reasonable estimation of the expenses to be incurred in the future on the basis of the previous records of such expenses. To optimize the period of profit/loss and make the financial structure healthier, the estimated amount of expenses to be incurred in the future was reserved as allowance starting from the consolidated fiscal year under review.

As a result of this change, gross profit, operating income, ordinary income, and net income before taxes decreased by 270 million yen, respectively.

As a reasonable estimation of the above expenses was made possible at the end of the previous consolidated fiscal year, allowance for product warranty was not calculated for the previous first quarter of the consolidated fiscal year.

### 3. Consolidated quarterly financial statements

#### (1) Consolidated quarterly balance sheets

(Million yen)

	End of the consolidated first quarter under review (as of June 30, 2010)	Summarized balance sheets related to the previous fiscal year (as of March 31, 2010)
<b>Assets</b>		
Current assets		
Cash and deposits	30,106	28,630
Trade notes and account receivable	20,022	24,082
Securities	1,199	1,099
Merchandise and products	7,634	6,920
Work in progress	176	86
Raw materials and supplies	1,685	1,664
Other	3,356	3,015
Allowance for doubtful accounts	(96)	(212)
<b>Total current assets</b>	<b>64,085</b>	<b>65,285</b>
Fixed assets		
Tangible fixed assets	20,226	20,144
Intangible fixed assets	2,227	2,344
Investments and other assets		
Other	14,506	15,405
Allowance for doubtful accounts	(16)	(18)
Allowance for investment loss	(298)	(251)
<b>Total investments and other assets</b>	<b>14,191</b>	<b>15,134</b>
<b>Total fixed assets</b>	<b>36,644</b>	<b>37,623</b>
<b>Total assets</b>	<b>100,730</b>	<b>102,909</b>
<b>Liabilities</b>		
Current liabilities		
Trade notes and account payable	12,411	13,836
Short-term borrowings	1,833	1,950
Income tax payable, etc.	720	1,497
Allowance for bonuses to employees	1,175	1,654
Allowance for product warranty	270	303
Other allowances	29	117
Other	3,933	2,834
<b>Total current liabilities</b>	<b>20,374</b>	<b>22,195</b>
Long-term liabilities		
Allowance for retirement benefits	3,345	3,397
Other allowances	155	173
Other	1,093	1,094
<b>Total long-term liabilities</b>	<b>4,593</b>	<b>4,664</b>
<b>Total liabilities</b>	<b>24,968</b>	<b>26,859</b>

	End of the consolidated first quarter under review (as of June 30, 2010)	Summarized balance sheets related to the previous fiscal year (as of March 31, 2010)
Net assets		
Shareholders' equity		
Common stock	4,621	4,621
Capital surplus	9,982	9,982
Retained earnings	63,904	63,674
Treasury stock	(2,501)	(2,501)
Total shareholders' equity	76,007	75,777
Valuation and translation adjustments		
Evaluation difference on other securities	(102)	411
Foreign currency translation adjustment account	(142)	(139)
Total valuation and translation adjustments	(245)	272
Total net assets	75,762	76,049
Total liabilities and net assets	100,730	102,909



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

(Million yen)

	First quarter of the previous consolidated term (from April 1, 2009 to June 30, 2009)	First quarter of the consolidated term (from April 1, 2010 to June 30, 2010)
Net sales	19,467	19,680
Cost of sales	10,264	10,049
Gross profit	9,203	9,631
Selling, general and administrative expenses	8,353	8,260
Operating income	849	1,371
Non-operating income		
Interest income	4	6
Dividend income	82	81
Foreign exchange profit	—	56
Other	21	54
Total non-operating income	108	199
Non-operating expenses		
Interest expenses	7	5
Foreign exchange losses	7	—
Provision of allowance for investment loss	—	46
Other	2	2
Total non-operating expenses	17	54
Ordinary income	940	1,516
Extraordinary gains		
Gains on sale of fixed assets	3	0
Gains on sale of investment securities	—	63
Gains on reversal of allowance for doubtful accounts	46	116
Gains on insurance surrender	116	7
Gain on insurance adjustment	22	—
Other	2	—
Total extraordinary gains	191	187
Extraordinary losses		
Loss on prior period adjustment	129	—
Losses on sale of fixed assets	0	0
Losses on disposal of fixed assets	9	3
Impairment losses	4	0
Loss on valuation of investment securities	657	7
Losses on application of accounting standards related to asset retirement obligations	—	21
Other	7	—
Total extraordinary losses	808	32
Quarterly net income before taxes	323	1,670
Corporate, inhabitants' and enterprise taxes	404	920
Corporate tax adjustments	(190)	(219)
Total income taxes	213	701
Quarterly net income before minority interests in earnings of consolidated subsidiaries	109	969
Minority interests in earnings of consolidated subsidiaries	0	—
Net income	109	969

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

(4) Note when there is a significant fluctuation in the amount of shareholders' equity  
Not applicable.