

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
Year ended March 2011	yen —	yen 40.00	yen —	yen 40.00	yen 80.00
Year ending March 2012	—	40.00			
Year ending March 2012 (estimate)			—	40.00	80.00

(Note) Revisions to recent dividend forecast: None

3. Forecast of consolidated financial results for the year ending March 2012 (April 1st, 2011 through March 31st, 2012)

(% represents increase or decrease from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	90,000	(0.2)	8,100	1.0	8,100	0.8	4,200	2.2	244.23

(Note) Revisions to recent business forecast: None

4. Others

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

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

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

(i) Changes in accounting policies associated with revision of accounting standards: None

(ii) Changes arising from other factors: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of outstanding issues (common stock)

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

Second quarter of the year ending March 2012: 19,588,000 shares

Year ended March 2011: 19,588,000 shares

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

Second quarter of the year ending March 2012: 2,391,395 shares

Year ended March 2011: 2,391,355 shares

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

Second quarter of the year ending March 2012: 17,196,622 shares

Second quarter of the year ended March 2011: 18,468,102 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 at the time of announcement. Actual results may differ from the results projected and presented hereby for a variety of reasons.
2. With respect to the preconditions for the forecast of financial results, please refer to “(3) Qualitative information about consolidated earnings forecast” under the “1. Qualitative Information about consolidated earnings results for the quarter under review” section on page 5.

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

(1) Qualitative Information about consolidated operating results

There are still concerns about the Japanese economy in the second quarter cumulative period due to the continuing impact of the Great East Japan Earthquake, but efforts toward restoration have been progressing gradually, and signs of recovery in production activity, etc. have been seen. However, against the background of economic stagnation in the United States, the financial problems in Europe and other issues, the yen is continuing to rise and stock prices are continuing to fall; therefore, the future of the economy is still uncertain.

In the medical environment industry, the remuneration for medical services was positively changed for the first time in ten years in April 2010, so an improvement of the business environment is expected, but while providing high-quality products and services, management efficiency and rationalization are still required to go forward.

As a result, the Group posted consolidated net sales of 42,634 million yen (down 1.7% on a year-to-year basis), operating income of 4,167 million yen (up 1.6% on a year-to-year basis), ordinary income of 4,391 million yen (up 6.3% on a year-to-year basis), and a net income of 2,613 million yen (up 6.9% on a year-to-year basis) in the second quarter.

A. Physiological diagnostic equipment segment

Sales of blood-cell counters and vascular screening systems increased.

But the sales of electrocardiographs decreased.

As a result, consolidated net sales were 11,679 million yen (down 2.1% on a year-to-year basis).

B. Patient monitoring equipment segment

Sales continued to increase.

As a result, consolidated net sales were 3,695 million yen (up 8.6% on a year-to-year basis).

C. Medical treatment equipment segment

The business of renting medical equipment for home treatment continued to increase.

But the sales of ventilators, pacemakers and catheters decreased.

As a result, consolidated net sales were 17,799 million yen (down 2.3% on a year-to-year basis).

D. Consumables and other products segment

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

Consolidated net sales for this segment were 9,459 million yen (down 3.4% on a year-to-year basis).

(2) Qualitative information about consolidated financial situation

Total assets were 101,938 million yen at the end of the second quarter under review, down 1,117 million yen from the end of the previous fiscal year.

The main factors are a decrease of 2,314 million yen in “cash and deposits” and a decrease of 2,801 million yen in “trade notes and account receivable” despite an increase of 926 million yen in “merchandise and products” and an increase of 2,711 million yen in “investments and other assets.”

Liabilities amounted to 24,346 million yen, down 3,086 million yen from the end of the previous fiscal year.

This is primarily because of a decrease of 536 million yen in “trades notes and account payable”, a decrease of 976 million yen in “income tax payable etc.”, and a decrease of 315 million yen in “allowance for bonuses to employees”.

Net assets were 77,592 million yen, up 1,968 million yen from the end of the previous fiscal year.

The increase is primarily because of an increase of 1,920 million yen in “retained earnings”.

(3) Qualitative information about consolidated earnings forecast

Regarding the economic environment, the undershoot trend in the economy is becoming increasingly apparent, including the impact of the Great East Japan Earthquake and economic uncertainties in the United States and Europe; therefore, an uncertain situation is forecast to continue. In the environment surrounding the Group, there are concerns about the impact of the economic recession, but we will continue to closely monitor market trends and offer high value-added products based on the customer-first principle.

Because the result of the second quarter exceeded our forecast, we have amended the forecasts for the second quarter cumulative period of the year ending March 2012 and full business year ending March 2012. Please refer to the “Notice of an Amendment to the Forecast of the Financial Results” released separately on October 24th for details.

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

2. Summary information

- (1) Change in significant subsidiaries during the period
Not applicable.
- (2) Application of special accounting methods for the preparation of the consolidated quarterly financial statements
Not applicable.
- (3) Change in accounting policies, accounting estimates, and restatement
Not applicable.

3. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(Million yen)

	Previous fiscal year (as of March 31 st , 2011)	Fiscal year under review (as of September 30 th , 2011)
Assets		
Current assets		
Cash and deposits	26,912	24,597
Trade notes and account receivable	22,572	19,770
Securities	1,199	799
Merchandise and products	5,897	6,823
Work in progress	40	161
Raw materials and supplies	1,386	1,825
Other	3,619	4,048
Allowance for doubtful accounts	(54)	(56)
Total current assets	61,574	57,971
Fixed assets		
Tangible fixed assets	19,687	19,757
Intangible fixed assets	1,746	1,451
Investments and other assets		
Other	20,386	23,095
Allowance for doubtful accounts	(21)	(18)
Allowance for investment loss	(318)	(318)
Total investments and other assets	20,047	22,759
Total fixed assets	41,481	43,967
Total assets	103,056	101,938
Liabilities		
Current liabilities		
Trade notes and account payable	12,760	12,223
Short-term borrowings	1,400	1,410
Income tax payable, etc.	2,383	1,406
Allowance for bonuses to employees	2,185	1,870
Allowance for product warranty	386	350
Other allowances	303	68
Other	3,017	2,193
Total current liabilities	22,437	19,523
Long-term liabilities		
Long-term borrowings	620	620
Allowance for retirement benefits	3,158	3,055
Other allowances	184	165
Other	1,032	981
Total long-term liabilities	4,995	4,823
Total liabilities	27,433	24,346

	Previous fiscal year (as of March 31 st , 2011)	Fiscal year under review (as of September 30 th , 2011)
Net assets		
Shareholders' equity		
Common stock	4,621	4,621
Capital surplus	9,982	9,982
Retained earnings	66,303	68,224
Treasury stock	(5,047)	(5,048)
Total shareholders' equity	75,859	77,779
Other accumulated comprehensive income		
Evaluation difference on other securities	(57)	(136)
Foreign currency translation adjustment account	(179)	(51)
Total of other accumulated comprehensive income	(236)	(187)
Total net assets	75,623	77,592
Total liabilities and net assets	103,056	101,938

(2) Consolidated quarterly statements of income/ Consolidated quarterly statements of comprehensive income

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

	(Million yen)	
	Second quarter of the previous consolidated term (from April 1 st , 2010 to September 30 th , 2010)	Second quarter of the consolidated term (from April 1 st , 2011 to September 30 th , 2011)
Net sales	43,356	42,634
Cost of sales	22,929	21,918
Gross profit	20,427	20,716
Selling, general and administrative expenses	16,325	16,548
Operating income	4,101	4,167
Non-operating income		
Interest income	12	34
Dividend income	85	81
Compensation received	31	66
Other	89	88
Total non-operating income	219	270
Non-operating expenses		
Interest expenses	10	10
Foreign exchange losses	23	10
Provision of allowance for investment loss	48	-
Loss on investment in partnership	88	22
Other	18	2
Total non-operating expenses	188	46
Ordinary income	4,132	4,391
Extraordinary gains		
Gains on sale of fixed assets	0	2
Gains on sale of investment securities	63	-
Gains on reversal of allowance for doubtful accounts	156	-
Gains on insurance surrender	187	-
Other	13	-
Total extraordinary gains	421	2
Extraordinary losses		
Losses on sale of fixed assets	0	0
Losses on disposal of fixed assets	7	-
Impairment losses	0	38
Loss on valuation of investment securities	62	59
Loss from disaster	-	52
Losses on application of accounting standards related to asset retirement obligations	21	-
Other	2	-
Total extraordinary losses	94	151
Quarterly net income before taxes	4,458	4,242
Corporate, inhabitants' and enterprise taxes	2,138	1,595
Corporate tax adjustments	(125)	33
Total income taxes	2,013	1,628
Quarterly net income before minority interests in earnings of consolidated subsidiaries	2,445	2,613
Net income	2,445	2,613

Consolidated quarterly statement of comprehensive income
(Second quarter of the consolidated term)

(Million yen)

	Second quarter of the previous consolidated term (from April 1 st , 2010 to September 30 th , 2010)	Second quarter of the consolidated term (from April 1 st , 2011 to September 30 th , 2011)
Income before minority interests	2,445	2,613
Other comprehensive income		
Valuation difference on available-for-sale securities	(825)	(79)
Foreign currency translation adjustments	(25)	127
Total of other total comprehensive income	(851)	48
Quarterly comprehensive income	1,594	2,662
(Breakdown)		
Comprehensive income attributable to the parent company	1,594	2,662
Comprehensive income attributable to minority shareholders	—	—

(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.