

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

January 31st, 2013
Listing: OSE-JASDAQ

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Scheduled date for filing the quarterly report: February 8th, 2013
Scheduled date for commencement of dividend payment: -
Supplementary material development: None
Financial results meeting: None

(Amounts less than one million yen are rounded down)

(The number with parenthesis shows negative figure)

1. Consolidated financial results for the Third quarter of the year ending March 2013 (April 1st, 2012 through December 31st, 2012)

(1) Consolidated operating results (cumulative)

(% represents increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Third quarter of the year ending March 2013	66,246	4.5	6,343	1.7	6,384	(1.1)	3,654	3.3
Third quarter of the year ended March 2012	63,376	(1.1)	6,235	5.8	6,456	8.2	3,537	(0.8)

(Note) Comprehensive income

Third quarter of the year ending March 2013: 3,097 million yen / (21.3) %

Third quarter of the year ended March 2012: 3,933 million yen / 25.7 %

	Net income per share	Fully diluted net income per share
	Yen	yen
Third quarter of the year ending March 2013	234.54	—
Third quarter of the year ended March 2012	205.69	—

(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 2013	103,889	78,197	75.3	5,055.16
Year ended March 2012	107,025	77,846	72.7	4,866.46

(Reference) Shareholders' equity:

Third quarter of the year ending March 2013: 78,197 million yen

Year ended March 2012: 77,846 million yen

2. Dividends

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

(Note) Revisions to recent dividend forecast: None

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

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

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

(% represents increase or decrease from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	94,000	1.6	9,400	2.3	9,400	(0.3)	5,100	(3.2)	327.90

(Note) Revisions to recent business forecast: None

*Notes

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

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

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

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

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

(iii) Changes in accounting projections: Yes

(iv) Restatement: None

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

(4) Number of outstanding shares (common stock)

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

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

Year ended March 2012: 19,588,000 shares

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

Third quarter of the year ending March 2013: 4,119,095 shares

Year ended March 2012: 3,591,515 shares

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

Third quarter of the year ending March 2013: 15,579,185 shares

Third quarter of the year ended March 2012: 17,196,617 shares

* Status of Auditing Processes

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

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

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

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

(1) Qualitative Information about consolidated operating results

In the third quarter cumulative period, signs of recovery have been seen in the Japanese economy as a result of the demand for restoration from the Great East Japan Earthquake. On the other hand, the future of the economy remains uncertain due to the financial problems in Europe and concern of economic slowdown in emerging economies.

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

As a result, the Group posted a consolidated net sales of 66,246 million yen (up 4.5% on a year-to-year basis), operating income of 6,343 million yen (up 1.7% on a year-to-year basis), ordinary income of 6,384 million yen (down 1.1% on a year-to-year basis), and a net income of 3,654 million yen (up 3.3 % on a year-to-year basis) in the third quarter.

A. Physiological diagnostic equipment segment

While the sales of ultrasound diagnostic systems and vascular screening systems continued to increase, sales of blood-cell counters decreased.

As a result, consolidated net sales were 17,319 million yen (up 3.9% on a year-to-year basis).

B. Patient monitoring equipment segment

Sales of patient monitoring equipment increased.

As a result, consolidated net sales were 5,426 million yen (up 2.7% on a year-to-year basis).

C. Medical treatment equipment segment

While the business of renting medical equipment for home treatment and sales of Automated External Defibrillators (AEDs) continued to increase, sales of ventilators decreased.

As a result, consolidated net sales were 28,228 million yen (up 4.3% 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 in the above segments, as well as maintenance and repair services.

Consolidated net sales for this segment were 15,271 million yen (up 6.4% on a year-to-year basis).

(2) Qualitative information about consolidated financial situation

Total assets were 103,889 million yen at the end of the third quarter under review, down 3,136 million yen from the end of the previous fiscal year.

The main factors are a decrease of 6,523 million yen in “Notes and accounts receivable-trade” despite an increase of 1,860 million yen in “Property, plant and equipment” and an increase of 946 million yen in “Merchandise and finished goods”.

Liabilities amounted to 25,691 million yen, down 3,487 million yen from the end of the previous fiscal year.

This is primarily because of a decrease of 1,620 million yen in “Notes and accounts payable-trade” and decrease of 1,161 million yen in “Provision for bonuses”.

Net assets were 78,197 million yen, up 351 million yen from the end of the previous fiscal year.

The main factors are an increase of 2,154 million yen in “Retained earnings” despite an increase of 1,266 million yen in “Treasury stock” and a decrease of 559 million yen in “Valuation difference on available-for-sale securities”.

(3) Qualitative information about consolidated earnings forecast

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

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

2. Summary information

(1) Change in significant subsidiaries during the period

Not applicable.

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

Not applicable.

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

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

According to the revision of the Corporation Tax Act, the Company and its consolidated subsidiaries in Japan changed the method of depreciation to the one based on the revised Corporation Tax Act for “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 quarterly net income before taxes for the third quarter under review is minimal.

3. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(Million yen)

	Previous fiscal year (as of March 31 st , 2012)	End of the third quarter under review (as of December 31 st , 2012)
Assets		
Current assets		
Cash and deposits	24,267	24,295
Notes and accounts receivable-trade	26,297	19,773
Short-term investment securities	1,482	30
Merchandise and finished goods	6,624	7,570
Work in process	142	212
Raw materials and supplies	1,455	2,082
Other	3,328	3,477
Allowance for doubtful accounts	(36)	(39)
Total current assets	63,562	57,404
Noncurrent assets		
Property, plant and equipment	20,117	21,977
Intangible assets	1,378	2,111
Investments and other assets		
Other	22,009	22,424
Allowance for doubtful accounts	(24)	(10)
Allowance for investment loss	(18)	(18)
Total investments and other assets	21,967	22,395
Total noncurrent assets	43,463	46,485
Total assets	107,025	103,889
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,925	13,304
Short-term loans payable	1,700	1,900
Income taxes payable	1,347	808
Provision for bonuses	2,171	1,010
Provision for product warranties	484	537
Other provision	139	105
Other	3,502	2,886
Total current liabilities	24,270	20,552
Noncurrent liabilities		
Long-term loans payable	742	845
Provision for retirement benefits	2,917	2,883
Other provision	185	207
Other	1,064	1,202
Total noncurrent liabilities	4,909	5,138
Total liabilities	29,179	25,691

	Previous fiscal year (as of March 31 st , 2012)	End of the third quarter under review (as of December 31 st , 2012)
Net assets		
Shareholders' equity		
Capital stock	4,621	4,621
Capital surplus	10,027	10,047
Retained earnings	70,189	72,343
Treasury stock	(7,580)	(8,847)
Total shareholders' equity	77,257	78,165
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	640	80
Foreign currency translation adjustment	(51)	(48)
Total accumulated other comprehensive income	588	32
Total net assets	77,846	78,197
Total liabilities and net assets	107,025	103,889

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

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

	(Million yen)	
	Third quarter of the previous consolidated term (from April 1 st , 2011 to December 31 st , 2011)	Third quarter of the consolidated term (from April 1 st , 2012 to December 31 st , 2012)
Net sales	63,376	66,246
Cost of sales	32,403	34,495
Gross profit	30,973	31,751
Selling, general and administrative expenses	24,737	25,407
Operating income	6,235	6,343
Non-operating income		
Interest income	50	52
Dividends income	118	134
Foreign exchange gains	-	29
Compensation income	66	-
Other	107	124
Total non-operating income	343	341
Non-operating expenses		
Interest expenses	15	18
Foreign exchange losses	50	-
Equity in losses of affiliates	-	262
Loss on investments in partnership	22	5
Other	33	14
Total non-operating expenses	122	300
Ordinary income	6,456	6,384
Extraordinary income		
Gain on sales of noncurrent assets	3	1
Gain on sales of investment securities	4	-
Subsidy	-	116
Surrender value of insurance	55	70
Total extraordinary income	63	188
Extraordinary loss		
Loss on sales of noncurrent assets	0	0
Impairment loss	38	1
Loss on valuation of investment securities	69	-
Loss on disaster	56	-
Other	2	-
Total extraordinary losses	167	1
Income before income taxes and minority interests	6,352	6,570
Income taxes-current	2,322	2,536
Income taxes-deferred	493	380
Total income taxes	2,815	2,916
Income before minority interests	3,537	3,654
Net income	3,357	3,654

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

	(Million yen)	
	Third quarter of the previous consolidated term (from April 1 st , 2011 to December 31 st , 2011)	Third quarter of the consolidated term (from April 1 st , 2012 to December 31 st , 2012)
Income before minority interests	3,537	3,654
Other comprehensive income		
Valuation difference on available-for-sale securities	274	(559)
Foreign currency translation adjustment	122	3
Total other comprehensive income	396	(556)
Comprehensive income	3,933	3,097
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,933	3,097

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

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

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

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 the third quarter under review.

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