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Medium-Term Business Plan

(03/2008 – 03/2012)

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Notice Regarding Forward-Looking Statements

This presentation contains statements about the Company's plans, forecasts, strategies, and beliefs related to its future performance. Such forward-looking statements were prepared based on judgments of the Company's management according to information available when this presentation was prepared. Readers are asked not to rely completely on performance forecasts contained herein, and understand that actual results may differ from such forecasts.

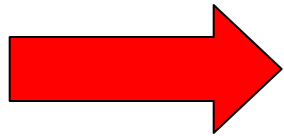
Financial results reported herein have not been audited.

Medium-Term Business Plan



Main differences compared with previous medium-term plan (announced April 2006)

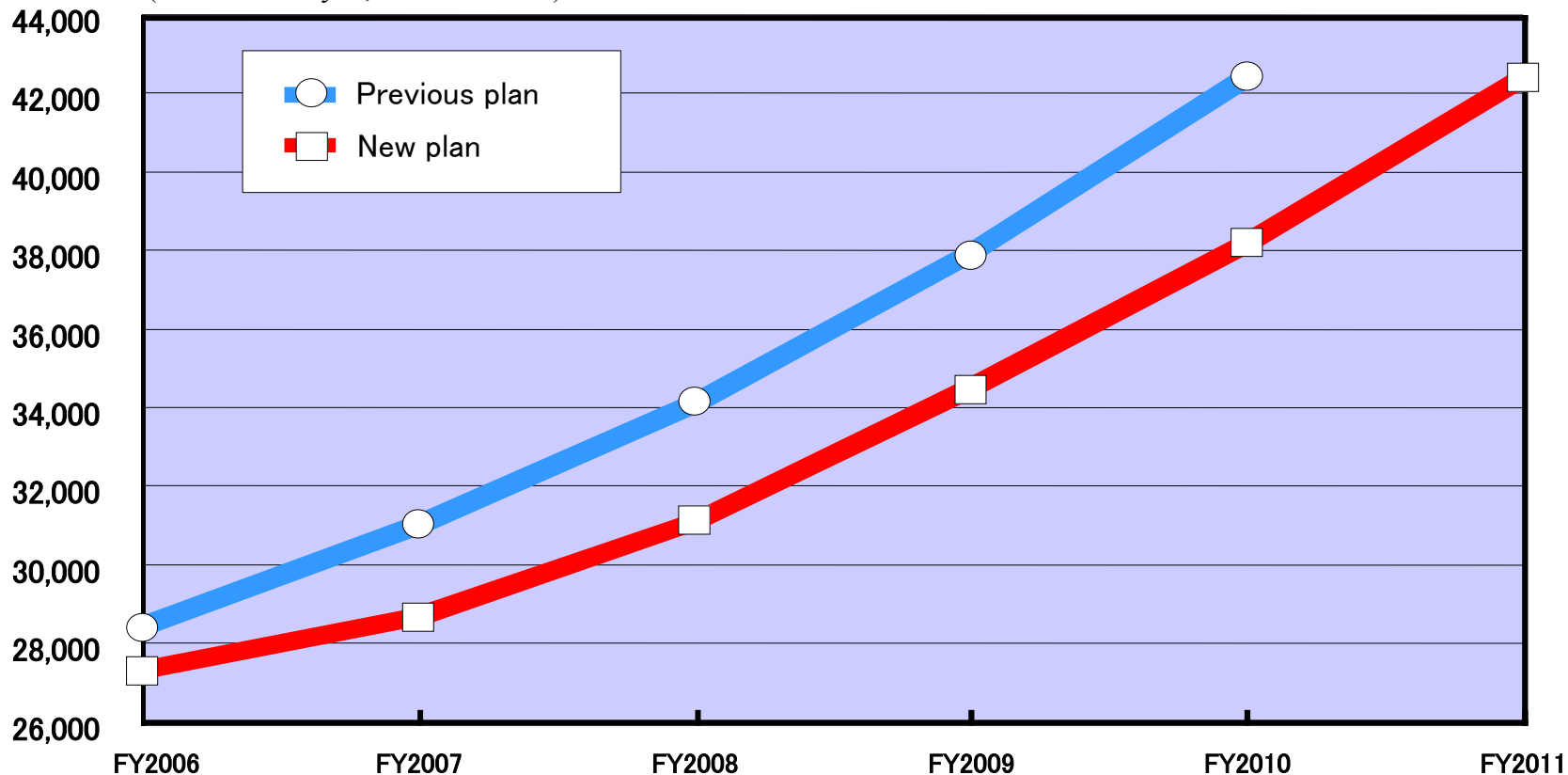
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- **Reposition according to current situation**
- **Reassess timing and location of capital investments**
- **Reassess manufacturing methods for new equipment**

Comparison with Previous Announcement (Net Sales)

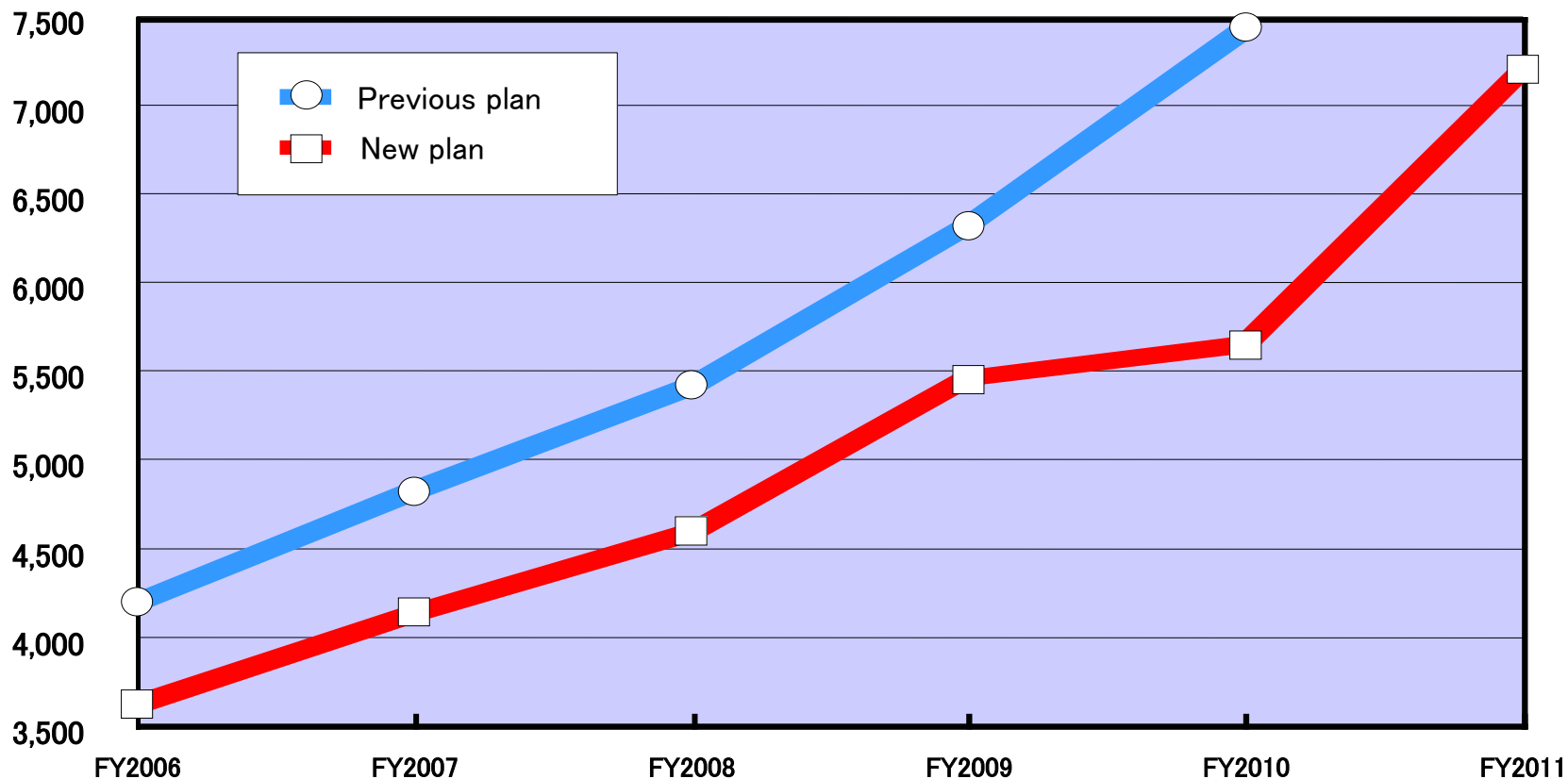
(Unit: million yen, rounded down)



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Previous plan	28,400	31,030	34,180	37,890	42,430	
New plan	*27,293	28,670	31,150	34,450	38,200	42,400


* Actual result

Comparison with Previous Announcement (Net Income)



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Previous plan	4,201	4,820	5,420	6,320	7,440	
New plan	*3,621	4,140	4,600	5,450	5,650	7,200

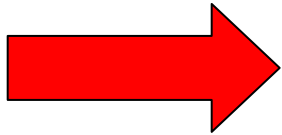
* Actual result



Main differences compared with previous medium-term plan (announced April 2006)

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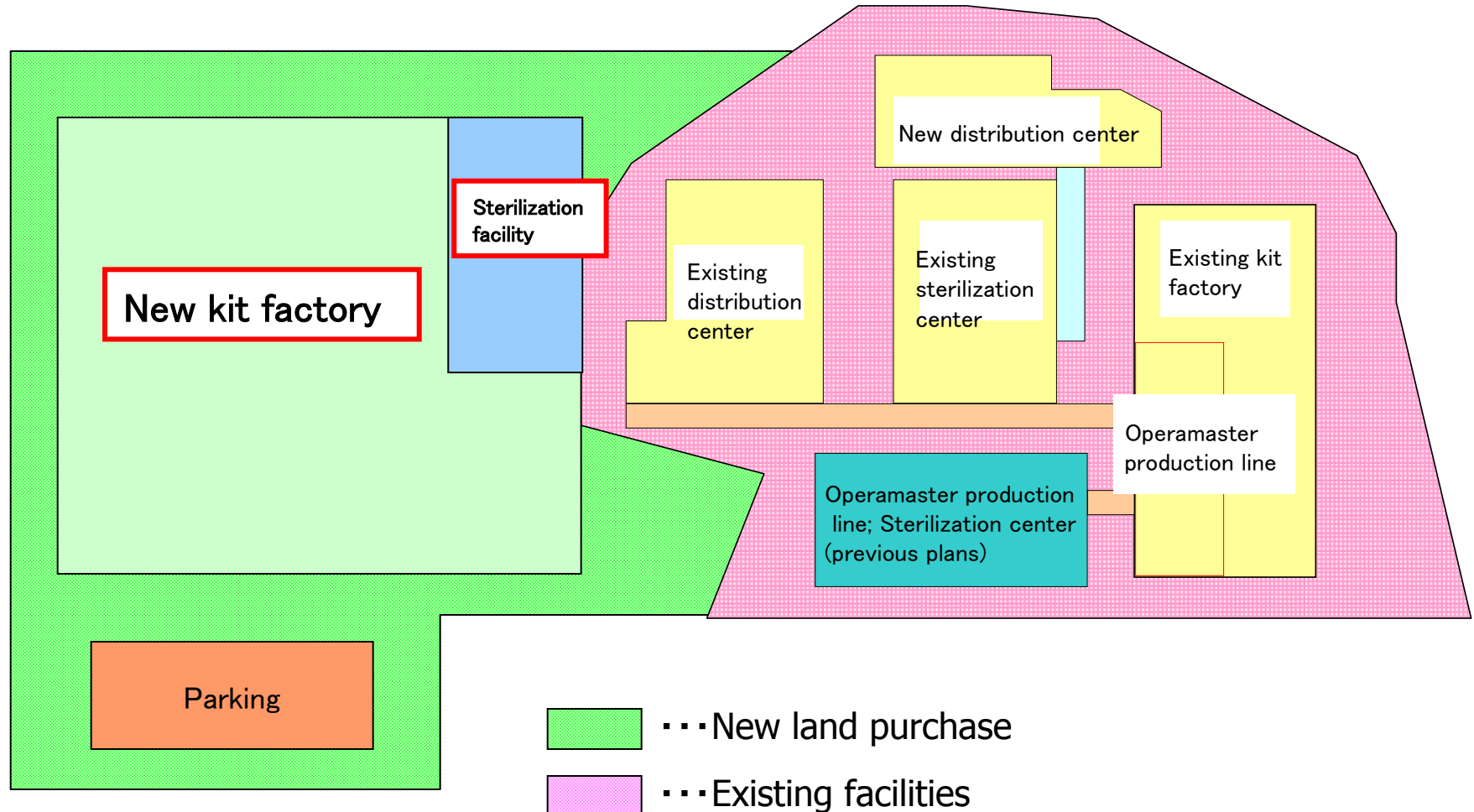
- **Reposition according to current situation**



- **Reassess timing and location of capital investments**

- **Reassess manufacturing methods for new equipment**

Capital Investment Plan





Comparison with Previous Announcement (Net Sales)

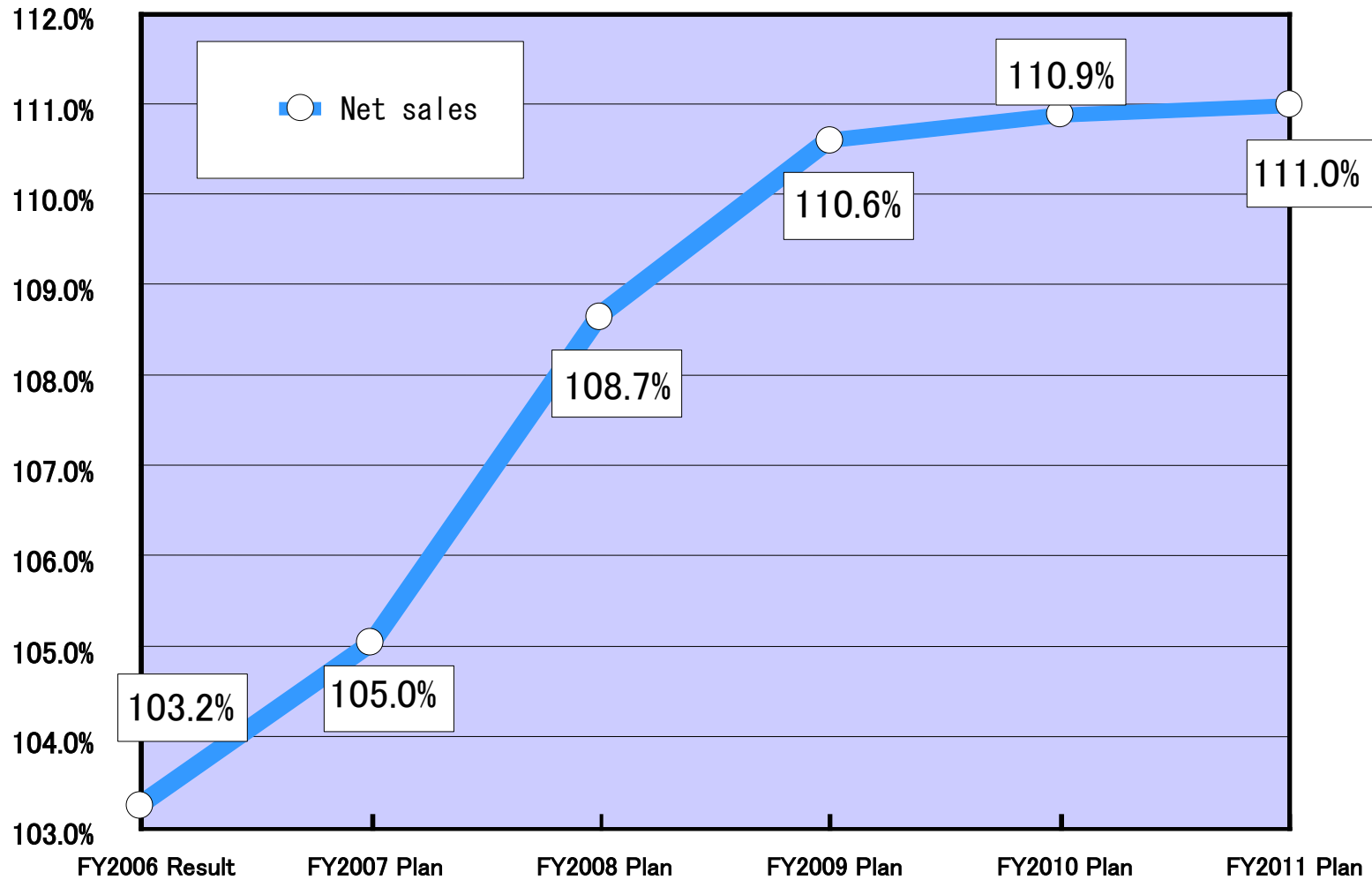
	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
New plan		<ul style="list-style-type: none">• Capital investment related to PT Hogy	<ul style="list-style-type: none">• Purchase industrial-use land (from FY2007)• Production system	<ul style="list-style-type: none">• Sterilization facility, Operamaster facility• Buildings	
Previous announcement			<ul style="list-style-type: none">• Sterilization center, buildings	<ul style="list-style-type: none">• Operamaster production line	

Medium-Term Business Plan
(Consolidated)
03/2008-03/2012

Profit/Loss Plan

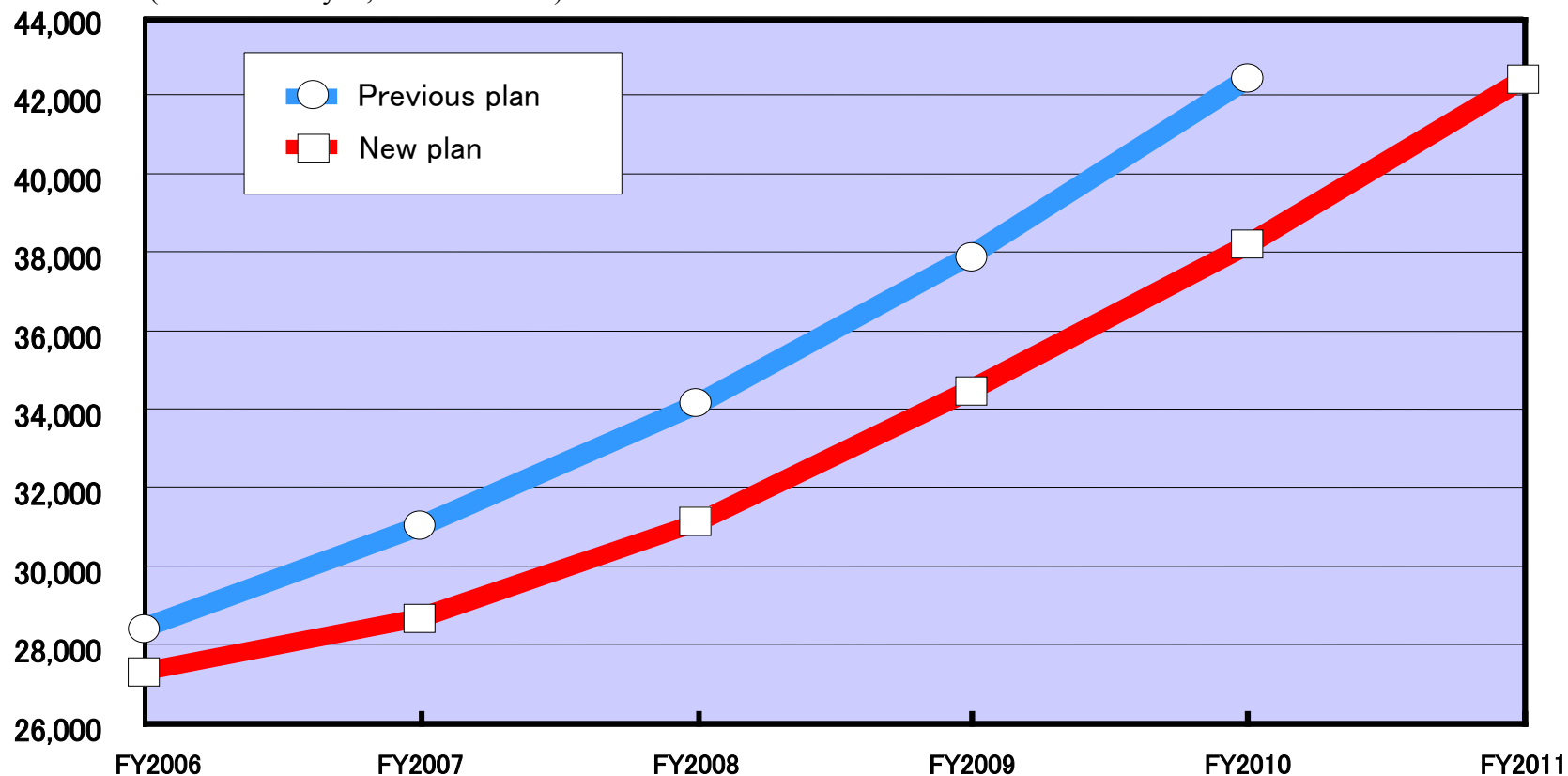
(Unit: million yen, rounded down)	Fiscal 2007 Plans	Fiscal 2008 Plans	Fiscal 2009 Plans	Fiscal 2010 Plans	Fiscal 2011 Plans
Net sales	28,670	31,150	34,450	38,200	42,400
Operating income	7,000	7,750	9,200	9,800	12,150
Ordinary income	6,990	7,750	9,200	9,800	12,150
Net income	4,140	4,600	5,450	5,650	7,200
EPS (total shares)	254.02 yen	281.50 yen	333.51 yen	345.75 yen	440.61 yen
EPS (minus treasury shares)	276.12 yen	295.28 yen	349.85 yen	362.69 yen	462.18 yen
ROE	8.4%	8.5%	9.2%	8.9%	10.6%
Note: Depreciation of large-scale investments estimated to begin			• Purchase industrial-use land	• New sterilization center • New Operamaster production line	

Net Sales Growth Rate



Comparison with Previous Announcement (Net Sales)

(Unit: million yen, rounded down)

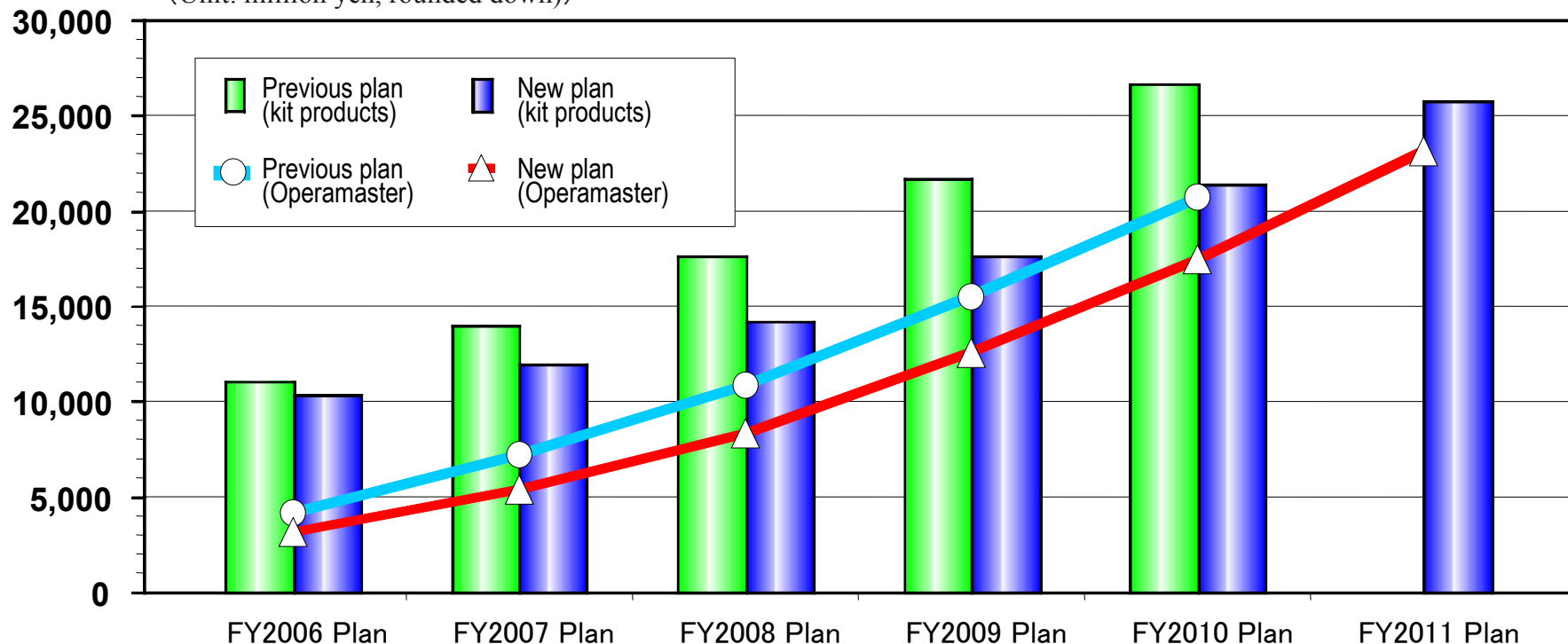


	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Previous plan	28,400	31,030	34,180	37,890	42,430	
New plan	*27,293	28,670	31,150	34,450	38,200	42,400

* Actual result

Comparison with Previous Announcement (Net Sales of Kit products and Operamaster)

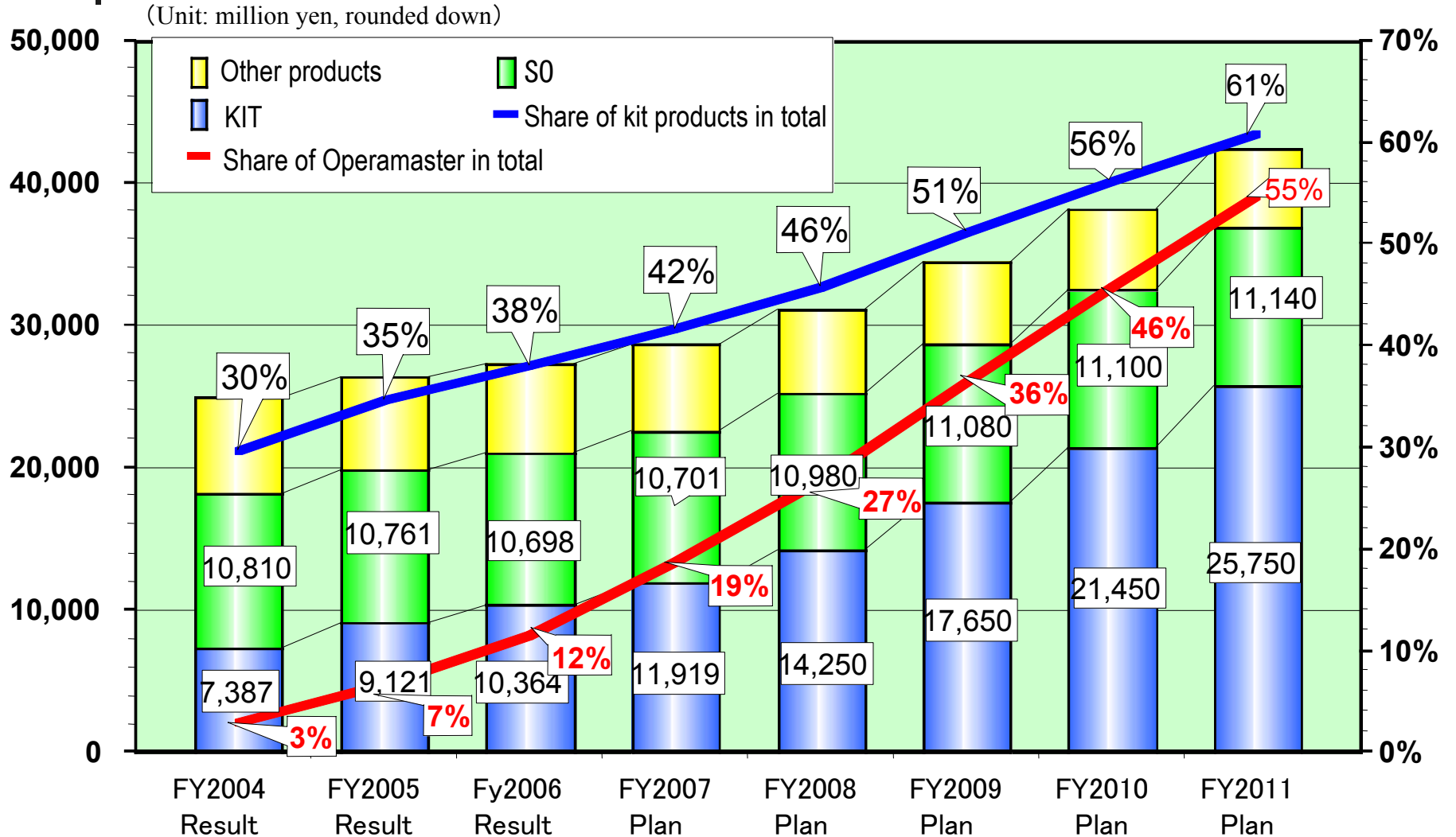
(Unit: million yen, rounded down)



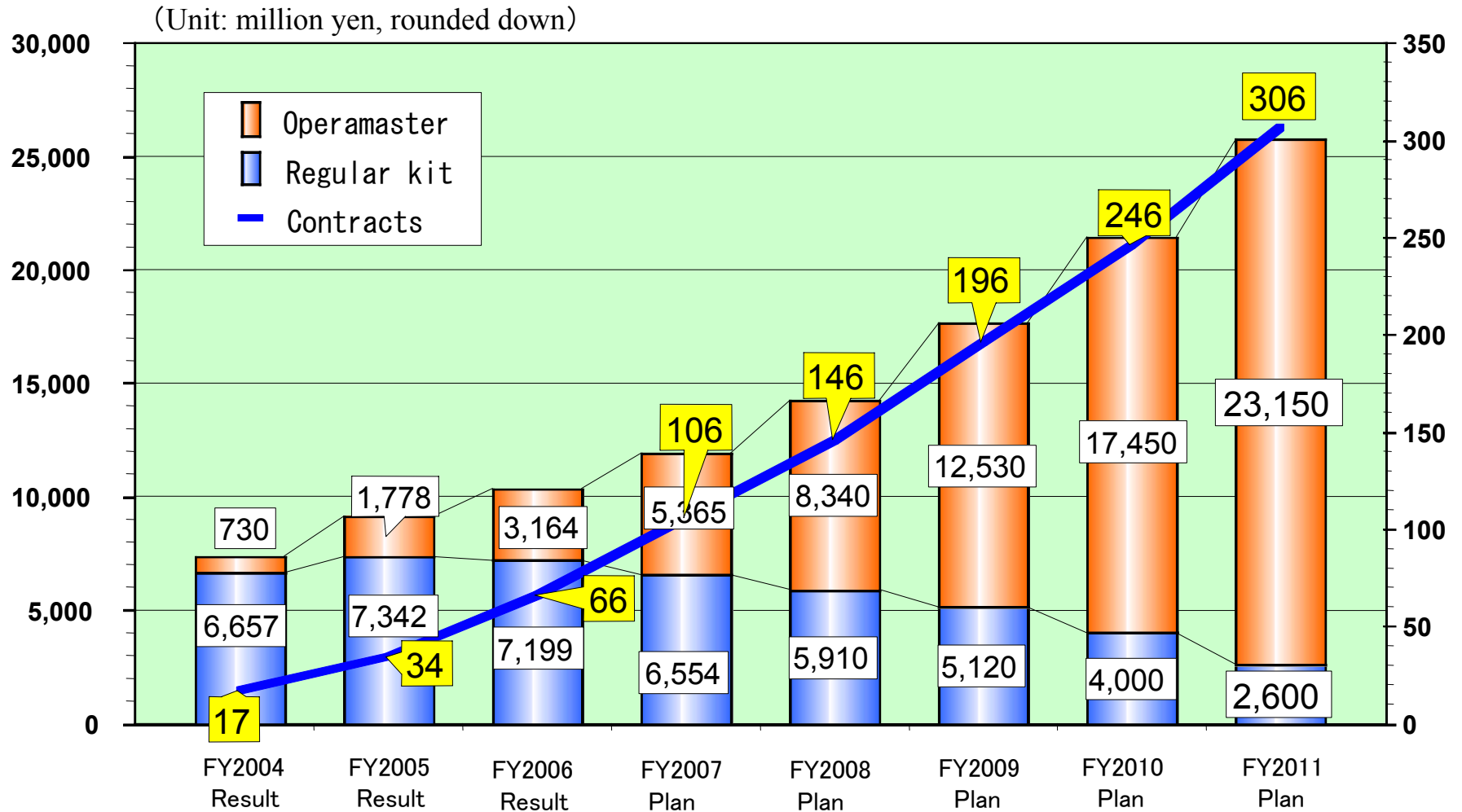
	FY2006 Plan	FY2007 Plan	FY2008 Plan	FY2009 Plan	FY2010 Plan	FY2011 Plan
Previous plan (kit products)	11,090	14,000	17,600	21,700	26,700	
New plan (kit products)	*10,364	11,919	14,250	17,650	21,450	25,750
Previous plan (Operamaster)	4,160	7,220	10,870	15,510	20,720	
New plan (Operamaster)	*3,164	5,365	8,340	12,530	17,450	23,150

* Actual result

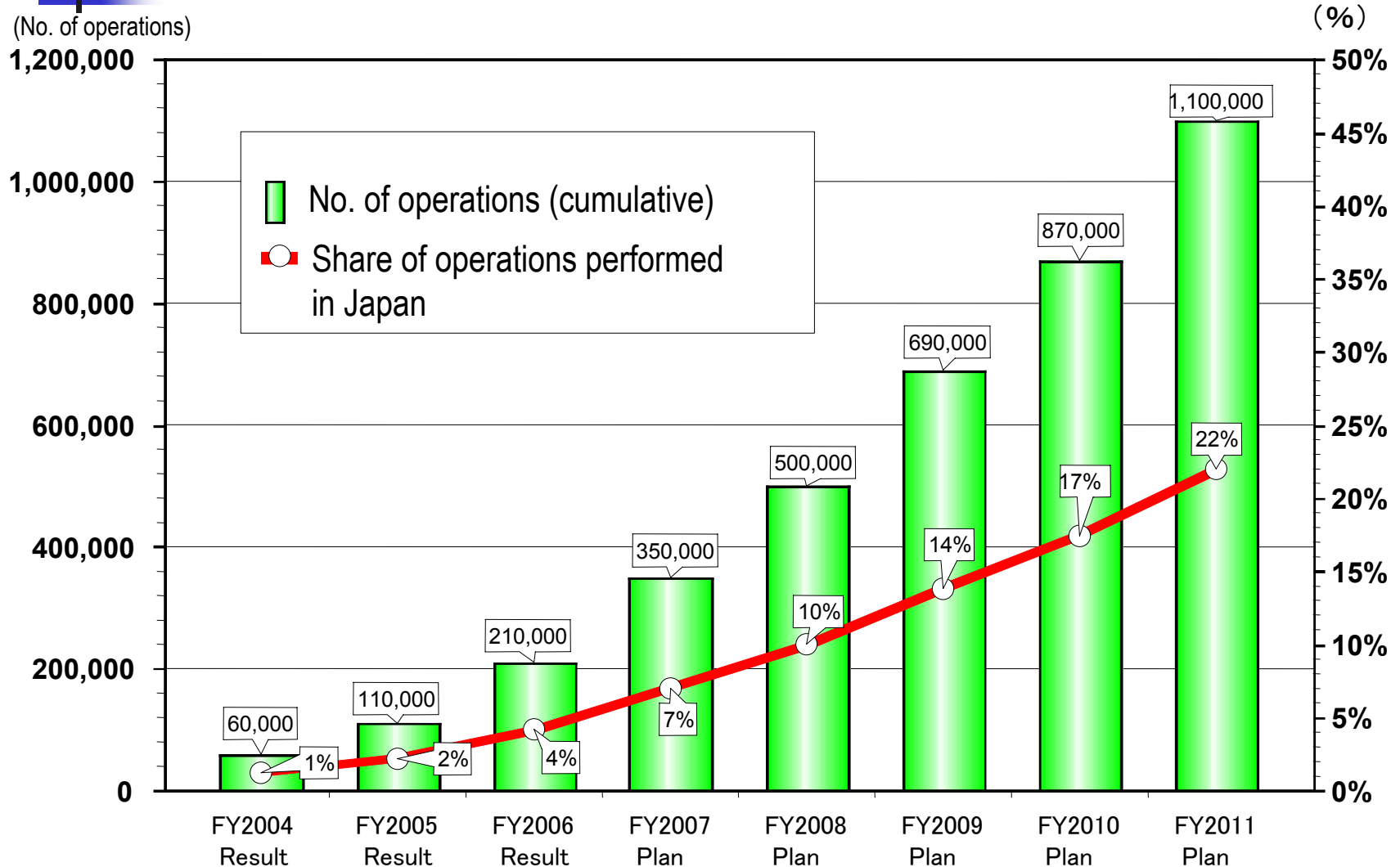
Sales Plan for Major Products



Sales Plan for Operamaster

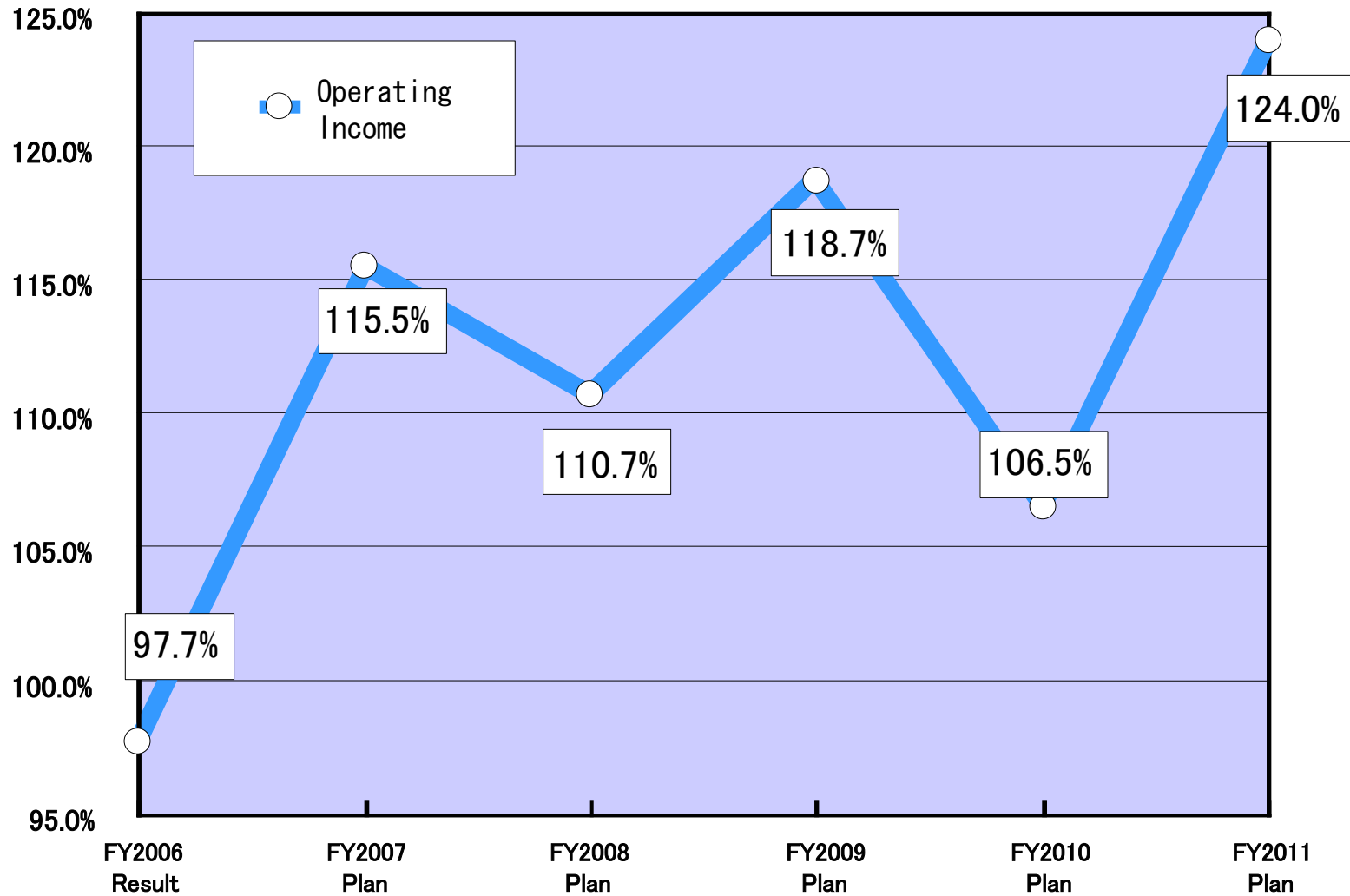


Operations Performed through Operamaster Contracts (Plan)



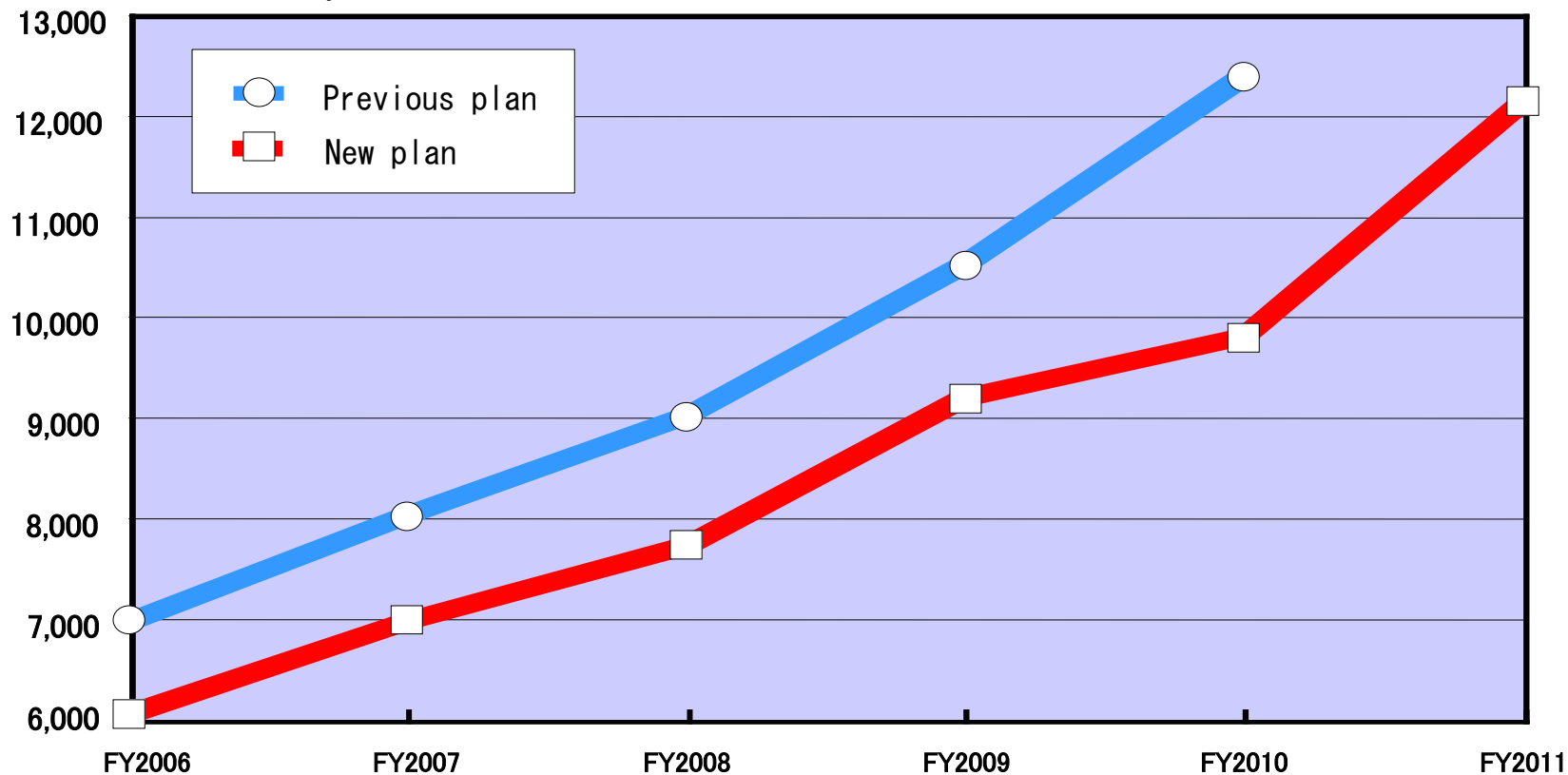
Note: Assumes 5 million operations performed in Japan each year.

Operating Income Growth Rate



Comparison with Previous Announcement (Operating Income)

(Unit: million yen, rounded down)

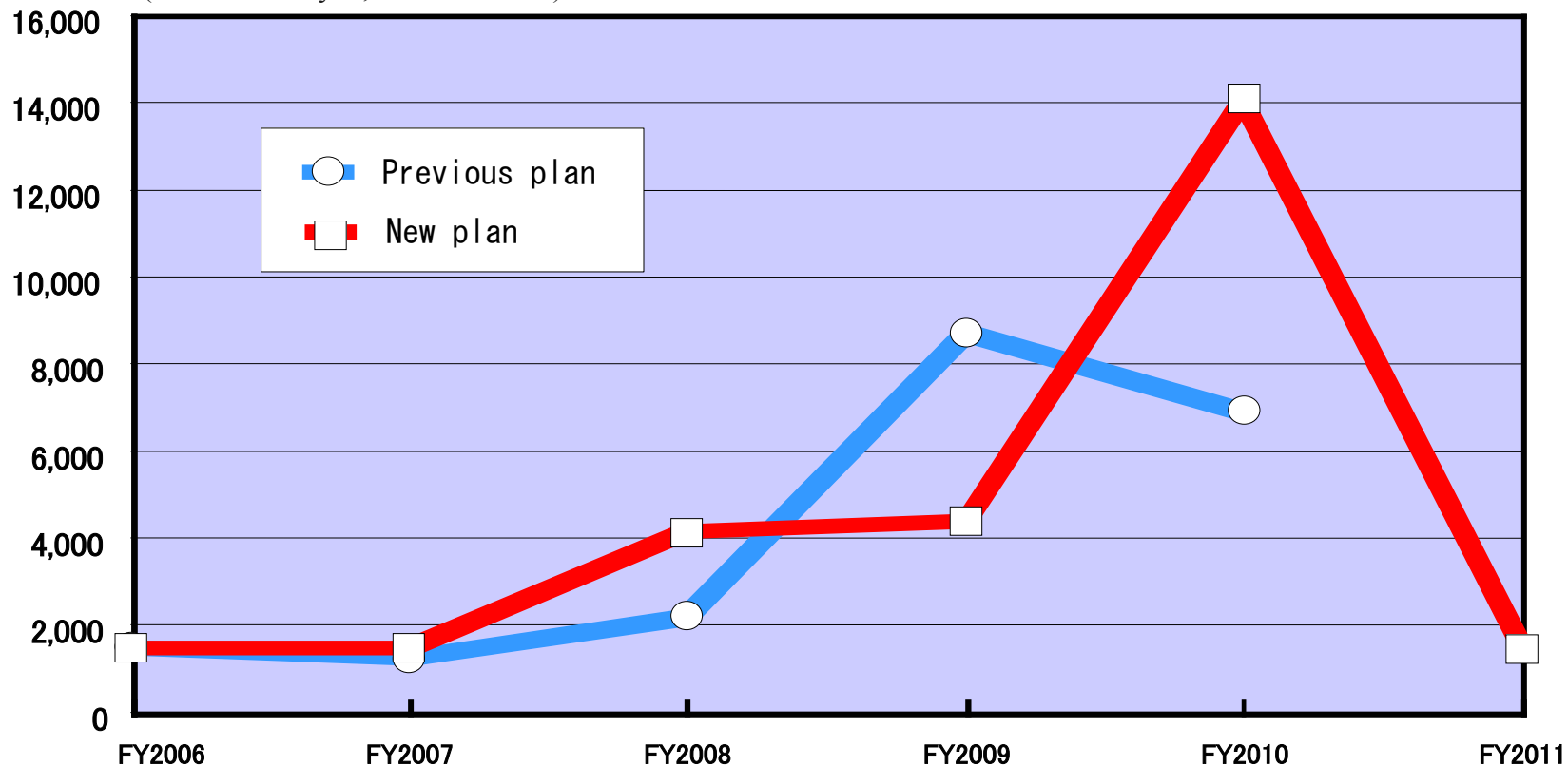


	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Previous Plan	7,006	8,030	9,020	10,520	12,390	
New Plan	*6,058	7,000	7,750	9,200	9,800	12,150

* Actual result

Comparison with Previous Announcement (Capital Investments)

(Unit: million yen, rounded down)

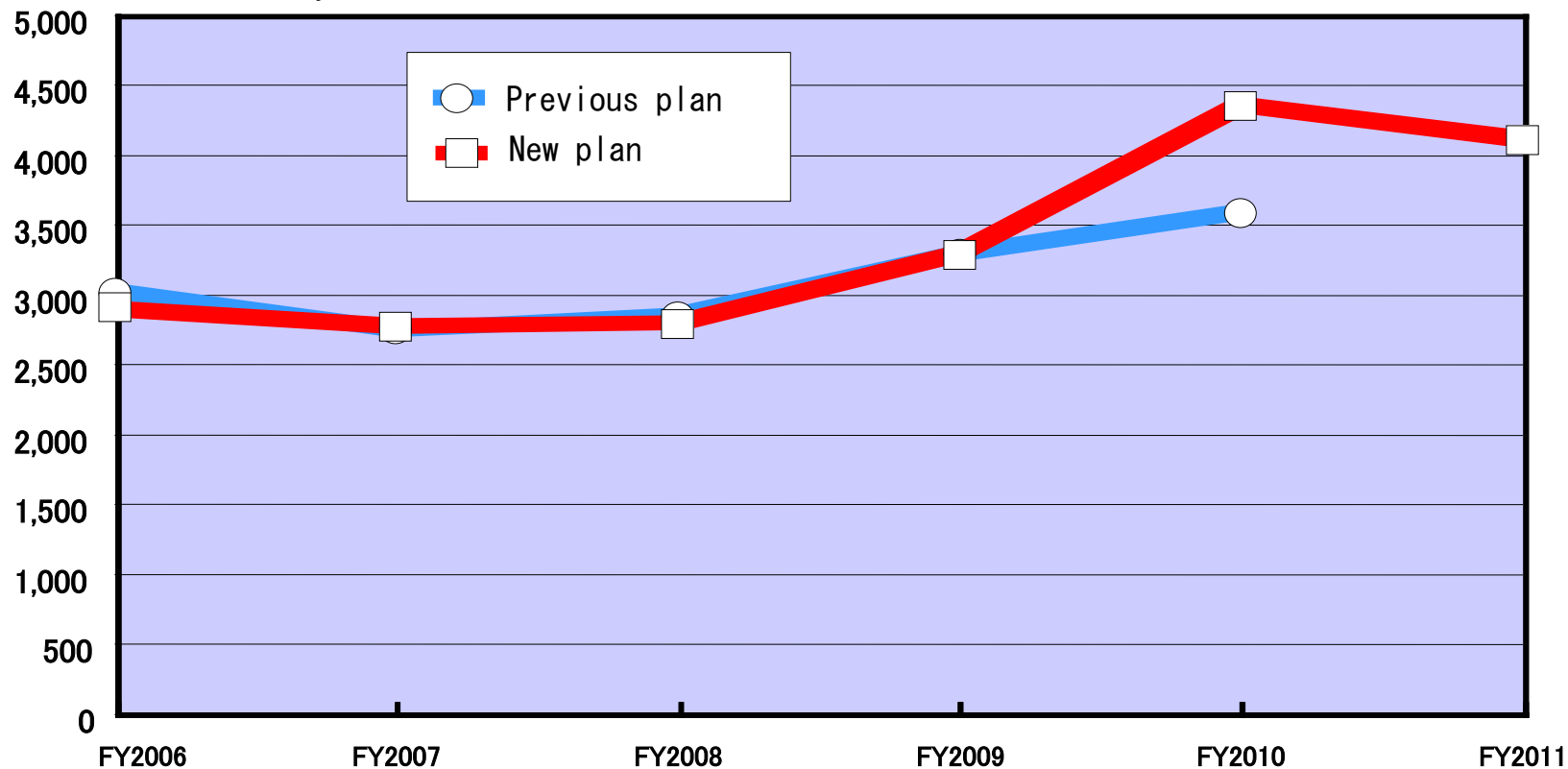


	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Previous plans	1,512	1,230	2,230	8,730	6,930	
New plans	*1,471	1,474	4,120	4,390	14,100	1,440

* Actual result

Comparison with Previous Announcement (Depreciation)

(Unit: million yen, rounded down)



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Previous plans	3,022	2,760	2,850	3,300	3,590	
New plans	*2,914	2,776	2,792	3,287	4,356	4,112

* Actual result



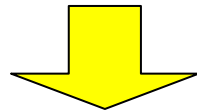
Future Issues with Current Equipment

- Increase in production
- Increase in component types
- Increase in type and number of embedded components
- Need to address changes in embedding and packaging methods
- Insufficient picking and sorting personnel
- Insufficient packaging personnel
- Insufficient sterilization capability

New Factory Concept

We will promote further automation of manufacturing methods in order to maximize safety.

- Concept: Use automation to permit unstaffed manufacturing and zero defects
- Automate picking and sorting tasks
- Automate and enhance efficiency of packaging task
 - ✓ Target zero defects and further quality improvements
 - ✓ Reduce production personnel
- Further reduce delivery times to enhance efficiency
- Strengthen adaptability to change
- Continuously reinforce profitability and production capacity



Continuously reinforce profitability and production capacity

Capital Investment Plan

(Unit: million yen, rounded down)	Fiscal 2007 Plan	Fiscal 2008 Plan	Fiscal 2009 Plan	Fiscal 2010 Plan	Fiscal 2011 Plan
Total capital investment	1,474	4,120	4,390	14,100	1,440
Major Large-scale investment		<ul style="list-style-type: none"> ▪ Capital investment related to PT Hogy 	<ul style="list-style-type: none"> ▪ Purchase industrial-use land (from FY2007) ▪ Production system 	<ul style="list-style-type: none"> ▪ Sterilization facility, Operamaster facility ▪ Buildings 	
Total depreciation	2,776	2,792	3,287	4,356	4,112
Cost of manufacturing	1,951	1,864	2,247	3,203	2,812
SG & A expenses	824	928	1,040	1,153	1,300

Capital Investment Plan

