

Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2009

NIHON KOHDEN CORPORATION (6849)

Stock Exchange Listing: 1st section Tokyo Stock Exchange
 Head Office: Tokyo
 Representative: Fumio Suzuki, President and COO
 Contact: Takeshi Akahane, Corporate Director, General Manager, Corporate Planning Dept.
 Phone: +81 / 3 - 5996 - 8003 (URL <http://www.nihonkohden.co.jp>)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Highlights for the 1st Quarter of FY2008 (From April 1, 2008 to June 30, 2008)

(1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2008 1Q (3 months)	26,732	—	1,938	—	2,276	—	1,202	—
FY2007 1Q (3 months)	23,274	6.2	1,309	16.9	1,656	37.0	753	50.9

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
FY2008 1Q (3 months)	27.37	—
FY2007 1Q (3 months)	17.11	—

Note: Percentages indicate increase/decrease over the corresponding period in the previous fiscal year.

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2008 1Q (3 months)	77,792	52,327	66.8	1,183.39
FY2007	80,630	51,814	63.8	1,170.31

Reference: Equity Capital: FY2008 1Q: 51,993 million yen FY2007: 51,418 million yen

2. Dividends

	Dividends per share				
	First quarter	Interim (Second quarter)	Third quarter	Year-end	Full-year
	yen	yen	yen	yen	yen
FY2007	—	17.00	—	20.00	37.00
FY2008	—	—	—	—	—
FY2008 (Forecast)	—	18.00	—	19.00	37.00

Note: Revise of dividends forecast: None

3. Consolidated forecast for FY2008 (From April 1, 2008 to March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		Net income per share - Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	52,500	—	3,200	—	3,200	—	1,900	—	43.24
Full year	109,500	4.5	8,700	-11.4	8,700	-8.9	5,300	-5.9	120.63

Note: Revise of consolidated forecast: Yes

*The above estimates are based on information available on the date of this report's announcement. Actual results may differ from such estimates due to unforeseen circumstances.

4. Review of Operations

During the term under review (April 1, 2008 to June 30, 2008), as part of the National Health Insurance reform, the Japanese government set the reduction in medical service fee and introduced two new programs in April - one is the special healthcare check program for metabolic syndrome and the other is the medical insurance program for over age 75. Medical equipment suppliers continued to face a severe business environment.

Japan: Domestic sales showed strong growth as the Company continued to focus on promoting IT system solution for hospitals and launched new initiatives for changing environments such as spread of AEDs and the growing point-of-care testing market. In the university market and public hospital market, sales of Patient Monitors increased, primarily supported by sales growth of bedside monitors and new central monitors. Sales of Medical Supplies also increased steadily. In the PAD (public access defibrillation) market, sales of AEDs increased significantly as the Company enhanced its indirect sales channels, in addition to its direct sales force. As a result, domestic sales increased 22.6% over the first quarter of FY2007, to ¥21,252 million.

International: While sales of Physiological Measuring Equipment and Patient Monitors increased, sales of Medical Supplies, Treatment Equipment, and hematology analyzers decreased from the prior year quarter when we had large-scale orders. As a result, international sales decreased 7.8% over the prior year quarter, to ¥5,479 million.

Overall sales during the term under review increased 14.9% over the prior year quarter to ¥26,732 million and operating income rose 48.0% to ¥1,938 million. Ordinary income increased 37.5% to ¥2,276 million and net income increased 59.7% to ¥1,202 million over the prior year quarter.

5. Consolidated Sales Results by Product Segment

(Millions of yen)

	Three months ended June 30, 2008	
	Amount	Growth rate (%)
Physiological Measuring Equipment	3,890	4.7
Patient Monitors	5,306	13.2
Treatment Equipment	4,628	41.5
Medical Supplies	8,274	5.5
Other Medical Equipment	4,631	23.4
Total	26,732	14.9
(Reference) Overseas Sales	5,479	-7.8

6. Revise of Consolidated Forecast for FY2008

Based on recent performance trends, Nihon Kohden has revised up the forecast for FY2008, previously announced on May 12, 2008.

The Company forecasts overall sales, operating income, ordinary income and net income for the first half of FY2008 to be ¥52,500 million (up 3.5% over the first half of FY2007), ¥3,200 million (down 34.2%), ¥3,200 million (down 34.9%) and ¥1,900 (down 35.3%), respectively.

The Company forecasts overall sales, operating income, ordinary income and net income for FY2008 to be ¥109,500 million (up 4.5% over the FY2007), ¥8,700 million (down 11.4%), ¥8,700 million (down 8.9%) and ¥5,300 (down 5.9%), respectively.

The Company's forecast for FY2008 is based on an exchange rate of 105 yen to the dollar and 150 yen to the euro.

Exchange rate fluctuations will not have much impact on operating income because the Company's import and export business are roughly balanced.

(Consolidated Forecast for FY2008 by Product Segment)

(Millions of yen)

	FY2008 (Forecast)	
	Amount	Growth rate (%)
Physiological Measuring Equipment	17,400	2.3
Patient Monitors	23,200	6.0
Treatment Equipment	18,500	16.6
Medical Supplies	34,100	2.7
Other Medical Equipment	16,300	-3.3
Total	109,500	4.5
(Reference) Overseas Sales	25,300	-1.5

7. Consolidated Financial Statements

(1) Consolidated Balance Sheets (Summary)

(Millions of yen)

	June 30, 2008	March 31, 2008
	Amount	Amount
ASSETS		
Current Assets:		
Cash	11,962	8,303
Trade notes and accounts receivable	30,167	30,941
Marketable Securities	—	5,500
Inventories	14,623	14,442
Other current assets	3,964	4,750
Allowance for doubtful receivables	-249	-219
Total current assets	60,468	63,718
Fixed Assets:		
Tangible fixed assets	9,826	9,587
Intangible fixed assets	1,279	1,222
Investments and other assets		
Investments in securities	3,969	3,665
Other investments and other assets	2,529	2,717
Allowance for doubtful receivables	-281	-281
Total investments and other assets	6,217	6,100
Total fixed assets	17,323	16,911
Total Assets	77,792	80,630
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	16,162	18,016
Short-term debt	1,780	1,336
Accrued income taxes	788	2,122
Accrued bonuses	562	2,079
Other current liabilities	5,665	4,687
Total current liabilities	24,959	28,242
Non-current liabilities:		
Long-term debt	25	28
Long-term accounts payable	202	271
Other non-current liabilities	277	273
Total non-current liabilities	504	573
Total liabilities	25,464	28,815
NET ASSETS		
Stockholders' equity:		
Common stock	7,544	7,544
Additional paid-in capital	10,485	10,485
Retained earnings	35,256	34,932
Treasury stock	-2,012	-2,012
Total stockholders' equity	51,273	50,950
Valuation and translation adjustments:		
Net unrealized gain on other securities	675	494
Foreign currency translation adjustments	43	-26
Total valuation and translation adjustments	719	468
Minority interests	334	395
Total Net Assets	52,327	51,814
Total Liabilities and Net Assets	77,792	80,630

(2) Consolidated Statements of Income

(Millions of yen)

	Three months ended
	June 30, 2008
	Amount
Net sales	26,732
Cost of sales	13,574
Gross profit	13,157
Selling, general and administrative expenses	11,219
Operating income	1,938
Non-operating income	
Interest income	11
Dividend income	53
Exchange gain	227
Other, net	93
Total non-operating income	385
Non-operating expenses	
Interest expenses	9
Equity in losses of affiliates	15
Other, net	21
Total non-operating expenses	46
Ordinary income	2,276
Extraordinary income	
Reversal of allowance for doubtful accounts	6
Total extraordinary income	6
Extraordinary expenses	
Loss on disposal of property, plant and equipment	8
Total extraordinary expenses	8
Income before income taxes and minority interests	2,275
Income taxes	1,057
Minority interests	15
Net income	1,202

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2008
Cash flows from operating activities:	
Income before income taxes and minority interests	2,275
Depreciation and amortization	552
Increase in provision	-1,488
Interest and dividend income	-64
Interest expenses	9
Exchange (gain) loss	30
Loss on sales and retirement of property, plant and equipment	8
(Increase) decrease in trade notes and accounts receivable	1,406
(Increase) decrease in inventories	-100
Increase (decrease) in trade notes and accounts payable	-1,884
Other, net	792
Sub total	1,537
Interest and dividend received	61
Interest paid	-12
Income taxes paid	-2,007
Net cash provided by operating activities	-422
Cash flows from investing activities:	
Proceeds from sale of investments in securities	1
Purchase of investments in securities	-14
Proceeds from sale of property, plant and equipment	1
Capital expenditures	-795
Purchase of intangible assets	-224
Other, net	18
Net cash used in investing activities	-1,012
Cash flows from financing activities:	
Increase (decrease) in short-term debt	403
Payments on long-term debt	-2
Dividends paid to stockholders	-816
Other, net	-0
Net cash used in financing activities	-417
Effect of exchange rate changes on cash and cash equivalents	10
Net increase in cash and cash equivalents	-1,841
Cash and cash equivalents at beginning of term	13,797
Cash and cash equivalents at end of term	11,955

(4) Overseas Sales
Three months ended June 30, 2008

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	2,056	1,543	1,625	255	5,479
Consolidated sales					26,732
Percentage of overseas sales to consolidated sales (%)	7.7	5.8	6.1	1.0	20.5

Note: 1. Overseas sales comprise sales of the Company and its consolidated subsidiaries in countries and regions other than Japan.

2. The major countries or regions in the respective divisions are as follows:

Americas : U.S.A., Brazil, Mexico and Colombia

Europe : Germany, France, Spain, Italy and Russia

Asia : China, Singapore, Korea, Vietnam and Thailand

(Reference)
(1) Consolidated Statements of Income (Summary)

(Millions of yen)

	Three months ended June 30, 2007
	Amount
Net sales	23,274
Cost of sales	11,848
Gross profit	11,425
Selling, general and administrative expenses	10,116
Operating income	1,309
Non-operating income	389
Non-operating expenses	42
Ordinary income	1,656
Extraordinary income	—
Extraordinary expenses	—
Income before income taxes and minority interests	1,656
Income taxes	889
Minority interests	14
Net income	753

(2) Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Three months ended June 30, 2007
Cash flows from operating activities	
Income before income taxes and minority interests	1,656
Depreciation and amortization	447
Increase in allowance	-1,699
(Increase) decrease in trade notes and accounts receivable	2,776
(Increase) decrease in inventories	334
Increase in trade notes and accounts payable	-875
Other, net	-1,091
Net cash provided by operating activities	1,547
Cash flows from investing activities	
Capital expenditures and others	-543
Other, net	2
Net cash used in investing activities	-540
Cash flows from financing activities	
Increase (decrease) in debt	-649
Dividends paid to stockholders	-601
Other, net	-1
Net cash used in financing activities	-1,252
Effect of exchange rate changes on cash and cash equivalents	3
Net increase (decrease) in cash and cash equivalents	-241
Cash and cash equivalents at beginning of term	11,027
Cash and cash equivalents at end of term	10,785

(3) Overseas Sales

Three months ended June 30, 2007

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	2,832	1,653	1,204	252	5,942
Consolidated sales	—	—	—	—	23,274
Percentage of overseas sales to consolidated sales (%)	12.2	7.1	5.2	1.1	25.5

Note: 1. Overseas sales comprise sales of the Company and its consolidated subsidiaries in countries and regions other than Japan.

2. The major countries or regions in the respective divisions are as follows:

Americas : U.S.A., Venezuela, Colombia and Guatamala

Europe : Germany, France, Spain, Italy and Russia

Asia : China, Korea, Vietnam, Thailand and India