

**Consolidated Financial Results**  
**for the 1st Quarter of the Fiscal Year Ending March 31, 2008**

**NIHON KOHDEN CORPORATION (6849)**

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**1. Consolidated Financial Highlights for the 1<sup>st</sup> Quarter of FY2007 (From April 1, 2007 to June 30, 2007)**

**(1) Consolidated Operating Results**

(Amounts are rounded down to the nearest million yen)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>FY2007 1Q (3 months)</b>	<b>23,274</b>	<b>6.2</b>	<b>1,309</b>	<b>16.9</b>	<b>1,656</b>	<b>37.0</b>	<b>753</b>	<b>50.9</b>
FY2006 1Q (3 months)	21,923	16.7	1,119	182.6	1,209	136.1	499	48.5
FY2006	96,679	—	7,973	—	8,448	—	5,052	—

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
<b>FY2007 1Q (3 months)</b>	<b>17.11</b>	—
FY2006 1Q (3 months)	11.26	—
FY2006	114.12	—

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
<b>FY2007 1Q (3 months)</b>	<b>72,446</b>	<b>49,142</b>	<b>67.3</b>	<b>1,107.41</b>
FY2006 1Q (3 months)	70,828	45,598	63.9	1,020.66
FY2006	75,894	48,864	63.9	1,101.41

**(3) Consolidated Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>FY2007 1Q (3 months)</b>	<b>1,547</b>	<b>-540</b>	<b>-1,252</b>	<b>10,785</b>
FY2006 1Q (3 months)	-21	-472	-45	10,310
FY2006	5,882	-3,050	-2,591	11,027

**2. (Reference) Forecast for FY2007 (From April 1, 2007 to March 31, 2008)**

There is no revision of the forecast for FY2007 announced on May 18, 2007.

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share - Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim	48,400	2.7	3,500	6.2	3,600	1.2	2,100	2.5	47.69
Full year	101,000	4.5	8,700	9.1	8,800	4.2	5,500	8.9	124.89

\*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.

### 3. Review of Operations

During the term under review (April 1, 2007 to June 30, 2007), National Health Insurance reform in Japan continued its progress and medical equipment suppliers continued to face a severe business environment.

**Japan:** Sales of Patient Monitors increased, primarily supported by sales growth of high-end bedside monitors and clinical information systems. Sales of Medical Supplies also increased steadily. Physiological Measuring Equipment sales decreased from the prior year quarter when we had large-scale orders for diagnostic information systems. The decrease in sales of Treatment Equipment was primarily due to lower ventilators sales. As a result, domestic sales decreased 0.7% over the first quarter of FY2006, to ¥17,331 million.

**International:** Sales growth in Patient Monitors and Medical Supplies was favorably impacted by sales in the Americas. Patient Monitor sales in North America increased and the balance of large-scale orders in Latin America, which was carried forward from the prior year, was partially shipped. Sales in Europe were up with good performance in all product categories, with hematology analyzers and Medical Supplies being especially strong. As a result, international sales increased 33.1% over the prior year quarter, to ¥5,942 million.

Overall sales during the term under review grew 6.2% over the prior year quarter to ¥23,274 million and operating profit rose 16.9% to ¥1,309 million. Ordinary profit increased 37.0% to ¥1,656 million with favorable currency effects and net income increased 50.9% to ¥753 million.

### 4. Consolidated Sales results by product segment

(Millions of yen)

	Three months ended June 30, 2007			FY2006	
	Amount	Change (%)	Composition (%)	Amount	Composition (%)
Physiological Measuring Equipment	3,716	-7.5	16.0	16,481	17.0
Patient Monitors	4,687	19.3	20.1	19,673	20.3
Treatment Equipment	3,270	-6.4	14.1	13,488	14.0
Medical Supplies	7,845	15.9	33.7	29,407	30.4
Other Medical Equipment	3,754	1.1	16.1	17,627	18.3
Total	23,274	6.2	100.0	96,679	100.0
(Reference) Overseas Sales	5,942	33.1	25.5	21,928	22.7

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets (Summary)

(Millions of yen)

	June 30, 2007	June 30, 2006	Change		March 31, 2007
	Amount	Amount	Amount	%	Amount
<b>Assets</b>					
Current assets					
Cash	10,816	10,312	504	4.9	11,060
Trade notes and accounts receivable	26,277	27,394	-1,116	-4.1	28,805
Inventories	14,673	14,888	-214	-1.4	15,008
Other current assets	3,564	3,332	231	7.0	4,033
Total current assets	55,332	55,928	-595	-1.1	58,908
Fixed assets					
Tangible fixed assets	9,197	8,619	578	6.7	9,314
Intangible fixed assets	1,017	758	259	34.2	1,043
Investments and other assets	6,898	5,522	1,376	24.9	6,627
Total fixed assets	17,114	14,900	2,213	14.9	16,985
<b>Total assets</b>	<b>72,446</b>	70,828	1,618	2.3	75,894
<b>Liabilities</b>					
Current liabilities					
Trade notes and accounts payable	15,246	16,702	-1,455	-8.7	16,121
Short-term debt	1,989	3,493	-1,503	-43.1	2,522
Other current liabilities	5,443	4,734	708	15.0	7,732
Total current liabilities	22,679	24,930	-2,250	-9.0	26,376
Non-current liabilities					
Long-term debt	46	15	30	191.5	111
Other non-current liabilities	578	283	294	103.9	541
Total non-current liabilities	624	299	325	108.6	653
<b>Total liabilities</b>	<b>23,303</b>	25,229	-1,925	-7.6	27,029
<b>NET assets</b>					
Stockholders' equity					
Common stock	7,544	7,544	—	—	7,544
Additional paid-in capital	10,485	10,485	0	0.0	10,485
Retained earnings	30,802	26,824	3,977	14.8	30,709
Treasury stock	-1,757	-1,015	-741	—	-1,755
Total stockholders' equity	47,075	43,839	3,235	7.4	46,983
Valuation and translation adjustments					
Net unrealized gain on other securities	1,533	1,453	80	5.5	1,468
Deferred gains on hedges	2	-0	3	—	0
Foreign currency translation adjustments	156	-51	207	—	49
Total valuation and translation adjustments	1,692	1,401	290	20.7	1,519
Minority interests	375	357	17	5.0	361
<b>Total net assets</b>	<b>49,142</b>	45,598	3,544	7.8	48,864
<b>Total liabilities and net assets</b>	<b>72,446</b>	70,828	1,618	2.3	75,894

**(2) Consolidated Statements of Income (Summary)**

(Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Change		Year ended March 31, 2007
	Amount	Amount	Amount	%	Amount
Net sales	23,274	21,923	1,351	6.2	96,679
Cost of sales	11,848	11,257	590	5.2	49,246
Gross profit	11,425	10,665	760	7.1	47,432
Selling, general and administrative expenses	10,116	9,545	571	6.0	39,458
Operating profit	1,309	1,119	189	16.9	7,973
Non-operating profit	389	136	253	185.9	815
Non-operating expenses	42	46	-4	-9.4	341
Ordinary profit	1,656	1,209	447	37.0	8,448
Extraordinary profit	—	2	-2	—	33
Extraordinary expenses	—	108	-108	—	171
Income before income taxes and minority interests	1,656	1,103	553	50.1	8,310
Income taxes	889	585	303	—	3,202
Minority interests	14	18	-4	-22.7	55
Net income	753	499	254	50.9	5,052

**(3) Consolidated Statements of Cash Flows (Summary)**

(Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Year ended March 31, 2007
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	1,656	1,103	8,310
Depreciation and amortization	447	348	1,698
Increase in allowance	-1,699	- 780	835
(Increase) decrease in trade notes and accounts receivable	2,776	2,905	1,599
(Increase) decrease in inventories	334	- 806	-926
Increase in trade notes and accounts payable	-875	- 646	-1,228
Other, net	-1,091	- 2,145	-4,405
Net cash provided by operating activities	1,547	- 21	5,882
<b>Cash flows from investing activities</b>			
Capital expenditures and others	-543	- 509	-3,117
Other, net	2	37	67
Net cash used in investing activities	-540	- 472	-3,050
<b>Cash flows from financing activities</b>			
Increase (decrease) in debt	-649	480	-580
Dividends paid to stockholders	-601	- 497	-1,238
Other, net	-1	- 29	-772
Net cash used in financing activities	-1,252	- 45	-2,591
Effect of exchange rate changes on cash and cash equivalents	3	45	-17
Net increase (decrease) in cash and cash equivalents	-241	- 493	223
Cash and cash equivalents at beginning of term	11,027	10,804	10,804
Cash and cash equivalents at end of term	10,785	10,310	11,027

## 6. Overseas Sales

Three months ended June 30, 2006

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	1,742	1,238	1,372	109	4,463
Consolidated sales	—	—	—	—	21,923
Percentage of overseas sales to consolidated sales (%)	7.9	5.7	6.3	0.5	20.4

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: USA, Venezuela, Colombia and Guatemala

Europe: Germany, Italy, Spain, France and Russia

Asia: China, Korea, Vietnam, Thailand and India