

NIHON KOHDEN CORPORATION (6849)

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

1. Consolidated Financial Highlights for FY2006 (From April 1, 2006 to March 31, 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	%
FY2006	96,679	7.0	7,973	7.5	8,448	4.5	5,052	-12.7
FY2005	90,367	7.8	7,414	3.1	8,083	6.0	5,788	-11.8

	Net income per share- Basic	Net income per share - Diluted	Return on Equity	Ordinary profit to total assets	Operating profit Margin
	yen	yen	%	%	%
FY2006	114.12	—	10.7	11.3	8.2
FY2005	128.56	—	13.5	11.5	8.2

Note: Investment income for equity method: FY2006: 46 million yen FY2005: 40 million yen

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2006	75,894	48,864	63.9	1,101.41
FY2005	73,510	45,540	62.0	1,025.40

(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
FY2006	5,882	-3,050	-2,591	11,027
FY2005	7,801	-1,514	-2,597	10,804

2. Dividends

	Dividends per share			Total dividend payment amount	Pay-out ratio (consolidated)	Dividend to net assets (consolidated)
	Interim	Year end	Total			
	yen	yen	yen	Millions of yen	%	%
FY2005	13.00	13.00	26.00	1,152	20.2	2.7
FY2006	15.00	15.00	30.00	1,325	26.3	2.8
FY2007 (Forecast)	17.00	17.00	34.00	—	27.2	—

3. Forecast for FY2007 (From April 1, 2007 to March 31, 2008)

	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

Note: Percentage figures in the above tables indicate increase/decrease over the corresponding period of previous year.

4. Other

(1) Change in Scope of consolidation: Yes

New: 2

Eliminated: 2

(2) Changes in Accounting Rules, Procedures, Presentation Method, etc. for the Consolidation Financial Statement: Yes

(3) Number of outstanding shares (Common Stock)

Number of outstanding shares at the end of the period:

FY2006: 45,765,490

FY2005: 45,765,490

Number of treasury stocks:

FY2006: 1,727,745

FY2005: 1,439,613

5. Consolidated Sales Results of FY 2006 and Forecast for FY 2007 by Product Segment

(Millions of yen)

	FY2006 (Actual)			FY2007 (Forecast)	
	Amount	Growth rate (%)	Composition (%)	Amount	Growth rate (%)
Physiological Measuring Equipment	16,481	7.0	17.0	17,000	3.1
Patient Monitors	19,673	4.4	20.3	21,300	8.3
Treatment Equipment	13,488	8.2	14.0	13,800	2.3
Medical Supplies	29,407	6.5	30.4	30,200	2.7
Other Medical Equipment	17,627	9.9	18.3	18,700	6.1
Total	96,679	7.0	100.0	101,000	4.5
(Reference) Overseas Sales	21,928	17.9	22.7	24,600	12.2

(Reference) Non-Consolidated Financial Highlights

1. Non-Consolidated Financial Highlights for FY2006 (From April 1, 2006 to March 31, 2007)

(1) Non-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	%
FY2006	62,231	7.2	6,387	7.8	7,675	4.5	5,310	-9.5
FY2005	58,061	15.9	5,925	21.4	7,346	21.9	5,867	4.6

	Net income per share- Basic	Net income per share - Diluted
	yen	yen
FY2006	119.94	—
FY2005	130.74	—

(2) Non-Consolidated Financial Conditions

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2006	67,734	44,558	65.8	1,011.83
FY2005	66,444	41,427	62.3	933.02

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

	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	31,900	5.8	3,200	17.7	3,700	3.3	2,400	-2.4	54.50
Full year	65,000	4.4	6,900	8.0	7,600	-1.0	4,900	-7.7	111.27

Note: Percentage figures in the above tables indicate increase/decrease over the corresponding period of previous year.

* 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.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets (Summary)

(Millions of yen)

	March 31, 2007		March 31, 2006		Change
	Amount	%	Amount	%	Amount
ASSETS					
Current Assets					
Cash	11,060		10,847		+ 212
Trade notes and accounts receivable	28,805		29,568		- 762
Inventories	15,008		14,082		+ 926
Other current assets	4,033		3,951		+ 82
Total current assets	58,908	77.6	58,450	79.5	+ 457
Fixed Assets					
Tangible fixed assets	9,314		8,540		+ 773
Intangible fixed assets	1,043		698		+ 345
Investments and other assets	6,627		5,821		+ 806
Total fixed assets	16,985	22.4	15,060	20.5	+ 1,925
Total Assets	75,894	100.0	73,510	100.0	+ 2,383
LIABILITIES					
Current Liabilities					
Trade notes and accounts payable	16,121		17,349		- 1,227
Short-term debt	2,522		3,002		- 479
Other current liabilities	7,732		6,944		+ 787
Total current liabilities	26,376	34.7	27,296	37.1	- 919
Non-current liabilities					
Long-term debt	111		16		+ 94
Other non-current liabilities	541		319		+ 221
Total non-current liabilities	653	0.9	336	0.4	+ 316
Total liabilities	27,029	35.6	27,632	37.5	- 603
MINORITY INTERESTS					
Minority interests	—	—	337	0.5	—
STOCKHOLDERS' EQUITY					
Common stock	—	—	7,544	10.3	—
Additional paid-in capital	—	—	10,485	14.3	—
Retained earnings	—	—	26,990	36.7	—
Net unrealized gain on other securities	—	—	1,596	2.2	—
Foreign currency translation adjustments	—	—	-61	-0.1	—
Treasury stock	—	—	-1,014	-1.4	—
Total stockholders' equity	—	—	45,540	62.0	—
Total Liabilities, Minority Interests and Stockholders' Equity	—	—	73,510	100.0	—
NET ASSETS					
Stockholders' equity					
Common stock	7,544	9.9	—	—	—
Additional paid-in capital	10,485	13.8	—	—	—
Retained earnings	30,709	40.5	—	—	—
Treasury stock	-1,755	-2.3	—	—	—
Total stockholders' equity	46,983	61.9	—	—	—
Valuation and Translation Adjustments					
Net unrealized gain on other securities	1,468	1.9	—	—	—
Deferred hedge gain (loss)	0	0.0	—	—	—
Foreign currency translation adjustments	49	0.1	—	—	—
Total Valuation and Translation Adjustments	1,519	2.0	—	—	—
Minority interests	361	0.5	—	—	—
Total Net Assets	48,864	64.4	—	—	—
Total Liabilities and Net Assets	75,894	100.0	—	—	—

(2) Consolidated Statements of Income (Summary)

(Millions of yen)

	Year ended March 31, 2007		Year ended March 31, 2006		Change
	Amount	%	Amount	%	Amount
Net sales	96,679	100.0	90,367	100.0	+ 6,311
Cost of sales	49,246	50.9	47,407	52.5	+ 1,839
Gross profit	47,432	49.1	42,960	47.5	+ 4,472
Selling, general and administrative expenses	39,458	40.9	35,545	39.3	+ 3,913
Operating profit	7,973	8.2	7,414	8.2	+ 558
Non-operating profit	815	0.8	937	1.0	- 121
Non-operating expenses	341	0.4	269	0.3	+ 71
Ordinary profit	8,448	8.7	8,083	8.9	+ 365
Extraordinary profit	33	0.1	205	0.2	- 171
Extraordinary expenses	171	0.2	27	0.0	+ 144
Income before income taxes and minority interests	8,310	8.6	8,260	9.1	+ 49
Income taxes	3,202	3.3	2,429	2.7	+ 798
Minority interests	55	0.1	43	0.0	+ 11
Net income	5,052	5.2	5,788	6.4	- 735

(3) Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Year ended March 31, 2007		Year ended March 31, 2006		Change
	Cash flows from operating activities				
Income before income taxes and minority interests	8,310		8,260		+ 49
Depreciation and amortization	1,698		1,592		+ 106
Increase in allowance	824		-542		+ 1,367
(Increase) decrease in trade notes and accounts receivable	1,599		-909		+ 2,509
(Increase) decrease in inventories	-926		552		- 1,478
Increase in trade notes and accounts payable	-1,228		511		- 1,739
Other, net	-712		-247		- 465
Subtotal	9,565		9,217		+ 348
Interstet and dividends received	84		153		- 68
Interstet paid	-87		-69		- 17
Income taxes paid	-3,680		-1,500		- 2,180
Net cash provided by operating activities	5,882		7,801		- 1,918
Cash flows from investing activities					
Net cash used in investing activities	-3,050		-1,514		- 1,536
Cash flows from financing activities					
Increase (decrease) in debt	-580		-1,350		+ 769
Dividends paid to stockholders	-1,238		-1,150		- 87
Purchase of treasury stock	-740		-55		- 685
Other, net	-31		-41		+ 10
Net cash used in financing activities	-2,951		-2,597		+ 6
Effect of exchange rate changes on cash and cash equivalents	-17		402		- 420
Net increase (decrease) in cash and cash equivalents	223		4,091		- 3,868
Cash and cash equivalents at beginning of term	10,804		6,712		+ 4,091
Cash and cash equivalents at end of term	11,027		10,804		+ 223

7. Overseas Sales

Year ended March 31, 2006

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	7,732	4,633	5,379	848	18,593
Consolidated sales					90,367
Percentage of overseas sales to consolidated sales(%)	8.6	5.1	6.0	0.9	20.6

Year ended March 31, 2007

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	8,941	6,898	5,317	771	21,928
Consolidated sales					96,679
Percentage of overseas sales to consolidated sales (%)	9.2	7.1	5.5	0.8	22.7

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

2. Effective this fiscal year, Turkey is reclassified into Europe, it was previously classified into Asia.

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

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

Europe: Germany, Italy, Spain, France, Russia and Turkey

Asia: China, Korea, Iraq, Vietnam and India