

Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2007

NIHON KOHDEN CORPORATION (6849)

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1. Preparation of quarterly financial statements

- (1) Adopted the simplified accounting methods: Yes
 Some simplified methods are applied in accounting standards for reserves, allowances and others.
- (2) Changes in accounting method from the most recent fiscal year: None
- (3) Changes in scope of consolidation and application of equity method: Yes
 Consolidation (New): 2 (Eliminated): 2
 Equity method (New): 0 (Eliminated): 0

2. Consolidated Financial Highlights for the 3rd Quarter of FY2006 (From April 1, 2006 to December 31, 2006)

(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 3Q (9 months)	69,579	13.7	4,941	23.2	5,368	18.2	3,054	-3.2
FY2005 3Q (9 months)	61,197	8.0	4,012	11.2	4,541	16.1	3,156	-8.7
FY2005	90,367		7,414		8,083		5,788	

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
FY2006 3Q (9 months)	68.92	—
FY2005 3Q (9 months)	71.20	—
FY2005	128.56	—

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

(2) Consolidated Sales Results by Product Segment

(Millions of yen)

	Nine months ended December 31, 2006			FY2005	
	Amount	Change (%)	Composition (%)	Amount	Composition (%)
Physiological Measuring Equipment	11,892	16.3	17.1	15,407	17.1
Patient Monitors	13,932	15.7	20.0	18,838	20.8
Treatment Equipment	10,009	15.6	14.4	12,468	13.8
Medical Supplies	21,365	6.0	30.7	27,606	30.5
Other Medical Equipment	12,381	22.4	17.8	16,046	17.8
Total	69,579	13.7	100.0	90,367	100.0
(Reference) Overseas Sales	15,817	16.5	22.7	18,593	20.6

(3) Consolidated Financial Conditions

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2006 3Q (9 months)	72,549	47,804	65.4	1,070.44
FY2005 3Q (9 months)	67,407	42,855	63.6	966.80
FY2005	73,510	45,540	62.0	1,025.40

(4) 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 3Q (9 months)	4,244	- 2,452	- 1,665	11,108
FY2005 3Q (9 months)	3,076	- 707	- 483	8,874
FY2005	7,801	- 1,514	- 2,597	10,804

(Reference) Forecast for FY2006 (From April 1, 2006 to March 31, 2007)

There is no revision of the forecast for FY2006 announced on November 20, 2006.

	Net sales	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen
Full year	97,700	9,000	5,400

Note: Estimated net income per share (full year): 119.87 yen

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

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets (Summary)

(Millions of yen)

	December 31, 2006		December 31, 2005		March 31, 2006		Change
	Amount	(%)	Amount	(%)	Amount	(%)	(Dec 31, 2006 - Mar 31, 2006)
ASSETS							
Current Assets							
Cash	11,143		8,899		10,847		295
Trade notes and accounts receivable	25,167		25,354		29,568		- 4,401
Inventories	15,904		16,035		14,082		1,822
Other current assets	3,604		3,061		3,951		- 347
Total current assets	55,819	76.9	53,351	79.1	58,450	79.5	- 2,631
Fixed Assets							
Tangible fixed assets	8,983		8,279		8,540		442
Intangible fixed assets	852		621		698		154
Investments and other assets	6,894		5,155		5,821		1,073
Total fixed assets	16,730	23.1	14,056	20.9	15,060	20.5	1,670
Total Assets	72,549	100.0	67,407	100.0	73,510	100.0	- 960
LIABILITIES							
Current Liabilities							
Trade notes and accounts payable	15,960		14,834		17,349		- 1,389
Short-term debt	2,713		5,070		3,002		- 288
Other current liabilities	5,440		3,786		6,944		- 1,503
Total current liabilities	24,114	33.2	23,691	35.2	27,296	37.1	- 3,181
Non-current liabilities							
Long-term debt	122		20		16		105
Liabilities for retirement	—		23		—		—
Other non-current liabilities	508		516		319		188
Total non-current liabilities	631	0.9	561	0.8	336	0.4	294
Total liabilities	24,745	34.1	24,252	36.0	27,632	37.5	- 2,887
MINORITY INTERESTS							
Minority interests	—		300	0.4	337	0.5	—
STOCKHOLDERS' EQUITY							
Common stock	—		7,544		7,544		—
Additional paid-in capital	—		10,484		10,485		—
Retained earnings	—		24,383		26,990		—
Net unrealized gain on other securities	—		1,560		1,596		—
Foreign currency translation adjustments	—		- 105		- 61		—
Treasury stock	—		- 1,011		- 1,014		—
Total stockholders' equity	—		42,855	63.6	45,540	62.0	—
Total Liabilities, Minority Interests and Stockholders' Equity	—		67,407	100.0	73,510	100.0	—
NET ASSETS							
Stockholders' equity							
Common stock	7,544		—		—		—
Additional paid-in capital	10,485		—		—		—
Retained earnings	28,696		—		—		—
Treasury stock	- 1,019		—		—		—
Total stockholders' equity	45,707	63.0	—		—		—
Valuation and Translation Adjustments							
Net unrealized gain on other securities	1,677		—		—		—
Deferred hedge gain (loss)	7		—		—		—
Foreign currency translation adjustments	53		—		—		—
Total Valuation and Translation Adjustments	1,738	2.4	—		—		—
Minority interests	358	0.5	—	—	—	—	—
Total Net Assets	47,804	65.9	—	—	—	—	—
Total Liabilities and Net Assets	72,549	100.0	—	—	—	—	—

(2) Consolidated Statements of Income (Summary)

(Millions of yen)

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Change	Year ended March 31, 2006	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Amount	Composition (%)
Net sales	69,579	100.0	61,197	100.0	8,382	90,367	100.0
Cost of sales	35,497	51.0	31,230	51.0	4,266	47,407	52.5
Gross profit	34,082	49.0	29,966	49.0	4,115	42,960	47.5
Selling, general and administrative expenses	29,140	41.9	25,954	42.4	3,186	35,545	39.3
Operating profit	4,941	7.1	4,012	6.6	929	7,414	8.2
Non-operating profit	617	0.9	713	1.2	- 96	937	1.0
Non-operating expenses	190	0.3	185	0.4	5	269	0.3
Ordinary profit	5,368	7.7	4,541	7.4	827	8,083	8.9
Extraordinary profit	31	0.0	200	0.3	- 168	205	0.2
Extraordinary expenses	190	0.2	34	0.0	155	27	0.0
Income before income taxes and minority interests	5,210	7.5	4,707	7.7	502	8,260	9.1
Income taxes	2,118		1,520		597	2,429	
Minority interests	37		29		7	43	
Net income	3,054	4.4	3,156	5.2	- 102	5,788	6.4

(3) Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Change	Year ended March 31, 2006	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Amount	Composition (%)
Cash flows from operating activities							
Income before income taxes and minority interests	5,210		4,707		502	8,260	
Depreciation and amortization	1,268		1,175		93	1,592	
Increase in allowance	- 242		- 1,296		1,054	- 542	
(Increase) decrease in trade notes and accounts receivable	5,189		3,479		1,709	- 909	
(Increase) decrease in inventories	- 1,822		- 1,400		- 421	552	
Increase in trade notes and accounts payable	- 1,390		- 2,004		613	511	
Other, net	- 3,968		- 1,584		- 2,384	- 1,663	
Net cash provided by operating activities	4,244		3,076		1,168	7,801	
Cash flows from investing activities							
Capital expenditures and others	- 2,476		- 744		- 1,731	- 1,755	
Other, net	24		37		- 13	241	
Net cash used in investing activities	- 2,452		- 707		- 1,744	- 1,514	
Cash flows from financing activities							
Increase (decrease) in debt	- 398		703		- 1,101	- 1,350	
Dividends paid to stockholders	- 1,261		- 1,092		- 169	- 1,150	
Other, net	- 5		- 94		89	- 96	
Net cash used in financing activities	- 1,665		- 483		- 1,181	- 2,597	
Effect of exchange rate changes on cash and cash equivalents	176		275		- 99	402	
Net increase (decrease) in cash and cash equivalents	303		2,161		- 1,858	4,091	
Cash and cash equivalents at beginning of term	10,804		6,712		4,091	6,712	
Cash and cash equivalents at end of term	11,108		8,874		2,233	10,804	

4. Overseas Sales

Nine months ended December 31, 2006

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	6,067	4,966	4,223	560	15,817
Consolidated sales					69,579
Percentage of overseas sales to consolidated sales (%)	8.7	7.1	6.1	0.8	22.7

Nine months ended December 31, 2005

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	5,691	3,337	4,033	512	13,574
Consolidated sales					61,197
Percentage of overseas sales to consolidated sales (%)	9.3	5.5	6.6	0.8	22.2

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

2. Effective FY2006, 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 Brazil

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

Asia: China, Korea, Iraq, Vietnam and India