

## Consolidated Financial Results for the 1st 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 other
- (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): 1 | (Eliminated): 1 |
| Equity method | (New): 1 | (Eliminated): 0 |

#### 2. Consolidated Financial Highlights for the 1<sup>st</sup> Quarter of FY2006 (From April 1, 2006 to June 30, 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	%
<b>FY2006 Q1 (3 months)</b>	<b>21,923</b>	<b>16.7</b>	<b>1,119</b>	<b>182.6</b>	<b>1,209</b>	<b>136.1</b>	<b>499</b>	<b>48.5</b>
FY2005 Q1 (3 months)	18,782	3.1	396	-24.0	512	-22.9	336	13.9
FY2005	90,367		7,414		8,083		5,788	

	Net income per share Basic	Net income per share Diluted
	Yen	Yen
<b>FY2006 Q1 (3 months)</b>	<b>11.26</b>	—
FY2005 Q1 (3 months)	7.58	—
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)

	Three months ended June 30, 2006			FY2005	
	Amount	Change (%)	Composition (%)	Amount	Composition (%)
Physiological Measuring Equipment	<b>4,017</b>	<b>39.0</b>	<b>18.3</b>	15,407	17.1
Patient Monitors	<b>3,928</b>	<b>3.8</b>	<b>17.9</b>	18,838	20.8
Treatment Equipment	<b>3,493</b>	<b>36.5</b>	<b>15.9</b>	12,468	13.8
Medical Supplies	<b>6,768</b>	<b>2.3</b>	<b>30.9</b>	27,606	30.5
Other Medical Equipment	<b>3,715</b>	<b>26.8</b>	<b>17.0</b>	16,046	17.8
Total	<b>21,923</b>	<b>16.7</b>	<b>100.0</b>	90,367	100.0
(Reference) Overseas Sales	<b>4,463</b>	<b>- 5.6</b>	<b>20.4</b>	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
<b>FY2006 Q1 (3 months)</b>	<b>70,828</b>	<b>45,598</b>	<b>63.9</b>	<b>1,022.66</b>
FY2005 Q1 (3 months)	64,457	39,825	61.8	897.98
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
<b>FY2006 Q1 (3 months)</b>	<b>- 21</b>	<b>-472</b>	<b>-45</b>	<b>10,310</b>
FY2005 Q1 (3 months)	1,534	- 362	848	8,787
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 May 19, 2006.

	Net sales	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim	44,300	2,900	1,400
Full year	93,100	8,300	5,200

Note: Estimated net income per share (full year): 117.31 yen

\*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. Consolidated Financial Statements**
**(1) Consolidated Balance Sheets (Summary)**

(Millions of yen)

	June 30, 2006		June 30, 2005		March 31, 2006		(June 30, 2006 - March 31, 2006)
	Amount	(%)	Amount	(%)	Amount	(%)	Change
<b>ASSETS</b>							
Current Assets							
Cash	10,312		8,810		10,847		- 535
Trade notes and accounts receivable	27,394		23,772		29,568		- 2,174
Inventories	14,888		14,700		14,082		806
Other current assets	3,332		2,987		3,951		- 618
Total current assets	55,928	79.0	50,271	78.0	58,450	79.5	- 2,522
Fixed Assets							
Tangible fixed assets	8,619		8,499		8,540		78
Intangible fixed assets	758		669		698		60
Investments and other assets	5,522		5,016		5,821		- 298
Total fixed assets	14,900	21.0	14,185	22.0	15,060	20.5	- 159
<b>Total Assets</b>	<b>70,828</b>	<b>100.0</b>	<b>64,457</b>	<b>100.0</b>	<b>73,510</b>	<b>100.0</b>	<b>- 2,682</b>
<b>LIABILITIES</b>							
Current Liabilities							
Trade notes and accounts payable	16,702		13,818		17,349		- 646
Short-term debt	3,493		5,679		3,002		491
Other current liabilities	4,734		3,708		6,944		- 2,209
Total current liabilities	24,930	35.2	23,206	36.0	27,296	37.1	- 2,365
Non-current liabilities							
Long-term debt	15		21		16		- 0
Liabilities for retirement	—		824		—		—
Other non-current liabilities	283		270		319		- 36
Total non-current liabilities	299	0.4	1,116	1.7	336	0.4	- 37
<b>Total liabilities</b>	<b>25,229</b>	<b>35.6</b>	<b>24,322</b>	<b>37.7</b>	<b>27,632</b>	<b>37.5</b>	<b>- 2,402</b>
<b>MINORITY INTERESTS</b>							
Minority interests	—		308	0.5	337	0.5	—
<b>STOCKHOLDERS' EQUITY</b>							
Common stock	—		7,544		7,544		—
Additional paid-in capital	—		10,484		10,485		—
Retained earnings	—		22,075		26,990		—
Net unrealized gain on other securities	—		862		1,596		—
Foreign currency translation adjustments	—		- 171		- 61		—
Treasury stock	—		- 969		- 1,014		—
<b>Total stockholders' equity</b>	<b>—</b>		<b>39,825</b>	<b>61.8</b>	<b>45,540</b>	<b>62.0</b>	<b>—</b>
<b>Total Liabilities, Minority Interests and Stockholders' Equity</b>	<b>—</b>		<b>64,457</b>	<b>100.0</b>	<b>73,510</b>	<b>100.0</b>	<b>—</b>
<b>NET ASSETS</b>							
Stockholders' equity							
Common stock	7,544		—		—		—
Additional paid-in capital	10,485		—		—		—
Retained earnings	26,824		—		—		—
Treasury stock	- 1,015		—		—		—
Total stockholders' equity	43,839	61.9	—		—		—
Valuation and Translation Adjustments							
Net unrealized gain on other securities	1,453		—		—		—
Deferred hedge gain (loss)	0		—		—		—
Foreign currency translation	- 51		—		—		—
Total Valuation and Translation Adjustments	1,401	2.0	—		—		—
<b>Minority interests</b>	<b>357</b>	<b>0.5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Net Assets</b>	<b>45,598</b>	<b>64.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Liabilities and Net Assets</b>	<b>70,828</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

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

(Millions of yen)

	Three months June 30, 2006		Three months June 30, 2005		Change Amount	Year ended March 31, 2006	
	Amount	(%)	Amount	(%)		Amount	(%)
Net sales	21,923	100.0	18,782	100.0	3,140	90,367	100.0
Cost of sales	11,257	51.4	9,678	51.5	1,579	47,407	52.5
Gross profit	10,665	48.6	9,103	48.5	1,561	42,960	47.5
Selling, general and administrative expenses	9,545	43.5	8,707	46.4	838	35,545	39.3
Operating profit	1,119	5.1	396	2.1	723	7,414	8.2
Non-operating profit	136	0.6	198	1.0	- 62	937	1.0
Non-operating expenses	46	0.2	83	0.4	- 36	269	0.3
Ordinary profit	1,209	5.5	512	2.7	696	8,083	8.9
Extraordinary profit	2	0.0	13	0.1	- 10	205	0.2
Extraordinary expenses	108	0.5	—	—	108	27	0.0
Income before income taxes and minority interests	1,103	5.0	525	2.8	577	8,260	9.1
Income taxes	585		175		410	2,429	
Minority interests	18		14		3	43	
Net income	499	2.3	336	1.8	162	5,788	6.4

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

(Millions of yen)

	Three months June 30, 2006		Three months June 30, 2005		Change	Year ended March 31, 2006	
	Amount	(%)	Amount	(%)		Amount	(%)
<b>Cash flows from operating activities</b>							
Income before income taxes and minority interests	1,103		525		577	8,260	
Depreciation and amortization	348		358		- 10	1,592	
Increase in allowance	- 780		- 831		50	- 542	
(Increase) decrease in trade notes and accounts receivable	2,905		5,652		- 2,746	- 909	
(Increase) decrease in inventories	- 806		- 65		- 740	552	
Increase in trade notes and accounts payable	- 646		- 3,020		2,373	511	
Other, net	- 2,145		- 1,085		- 1,059	- 1,663	
Net cash provided by operating activities	- 21		1,534		- 1,555	7,801	
<b>Cash flows from investing activities</b>							
Capital expenditures and others	- 509		- 392		- 117	- 1,755	
Other, net	37		30		7	241	
Net cash used in investing activities	- 472		- 362		- 110	- 1,514	
<b>Cash flows from financing activities</b>							
Increase (decrease) in debt	480		1,359		- 878	- 1,350	
Dividends paid to stockholders	- 497		- 499		2	- 1,150	
Other, net	- 29		- 11		- 18	- 96	
Net cash used in financing activities	- 45		848		- 894	- 2,597	
Effect of exchange rate changes on cash and cash equivalents	45		53		- 8	402	
Net increase (decrease) in cash and cash equivalents	- 493		2,074		- 2,568	4,091	
Cash and cash equivalents at beginning of	10,804		6,712		4,091	6,712	
Cash and cash equivalents at end of term	10,310		8,787		1,523	10,804	

#### 4. Overseas Sales

Three months ended June 30, 2005

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	2,391	956	1,297	81	4,726
Consolidated sales					18,782
Percentage of overseas sales to consolidated sales (%)	12.7	5.1	6.9	0.5	25.2

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

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., Colombia, Chile, Brazil
Europe:	Germany, Italy, Spain, France, Turkey
Asia:	China, Korea, Iraq, Vietnam, India