

Consolidated Financial Highlights
for First Half of FY2007
(From April 1, 2007 to September 30, 2007)

NIHON KOHDEN CORPORATION

(6849)

November 22, 2007



Consolidated Financial Results

for First Half of FY2007

1) Consolidated Financial Results for the 1st Half of FY2007

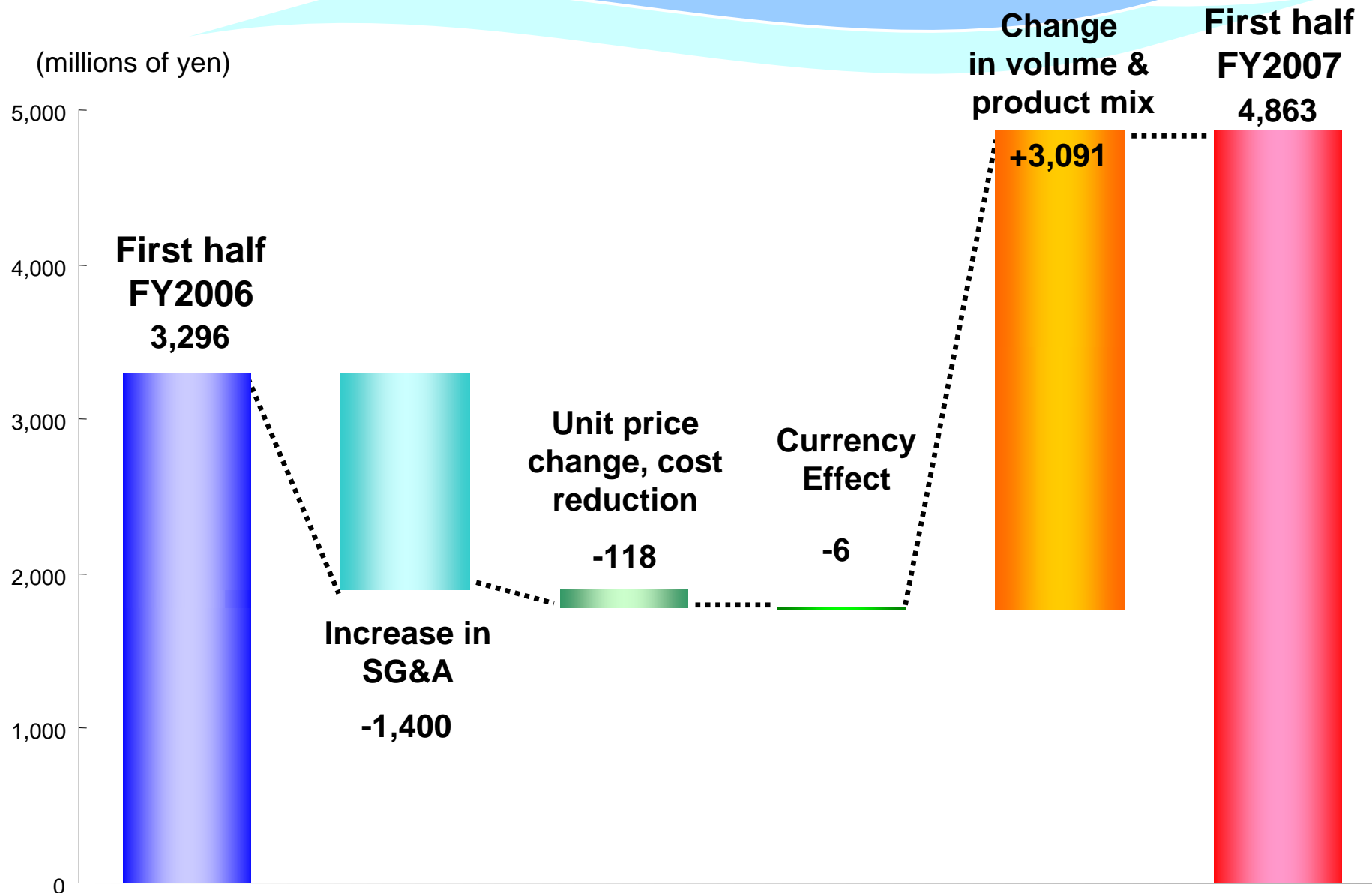
Sales, operating profit, ordinary profit and net income reached record highs

(Amounts of less than ¥1 million are rounded down)

	First half FY2006	First half FY2007		
		Previous Forecast*	Actual	YoY (%)
Sales	47,113	48,400	50,730	7.7
Operating Profit	3,296	3,500	4,863	47.5
Ordinary Profit	3,558	3,600	4,918	38.2
Net Income	2,049	2,100	2,938	43.4

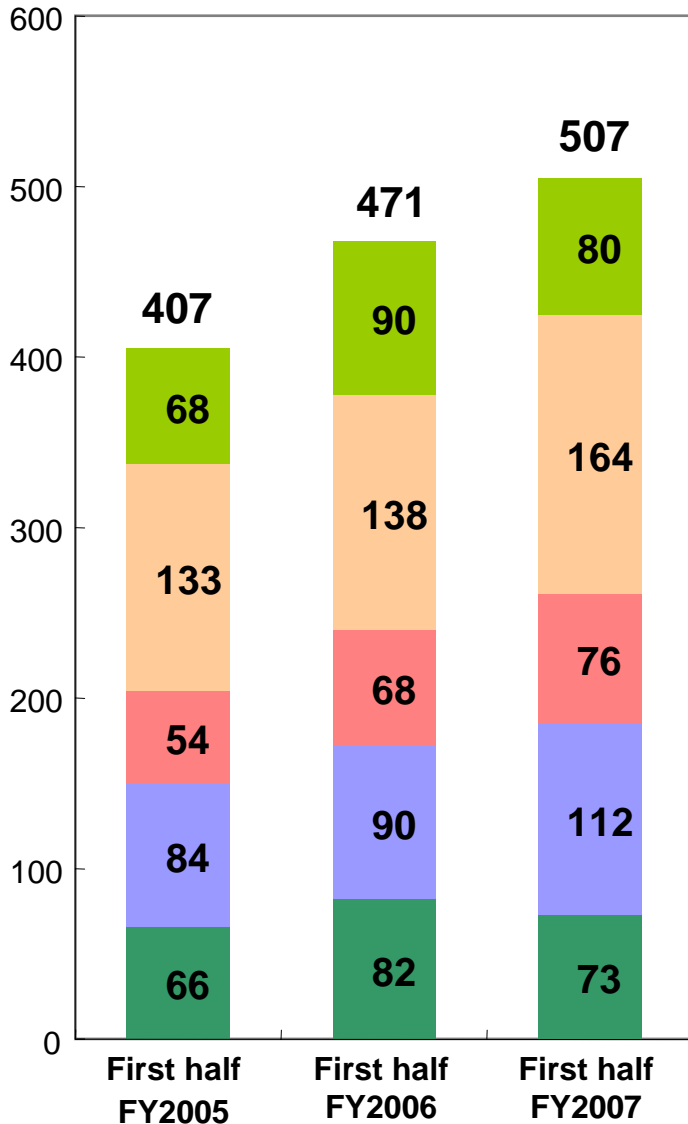
Note: Nihon Kohden announced a revision of forecast for Financial Results for the First Half of FY2007 on November 5, 2007.

2) Breakdown of Operating Profit



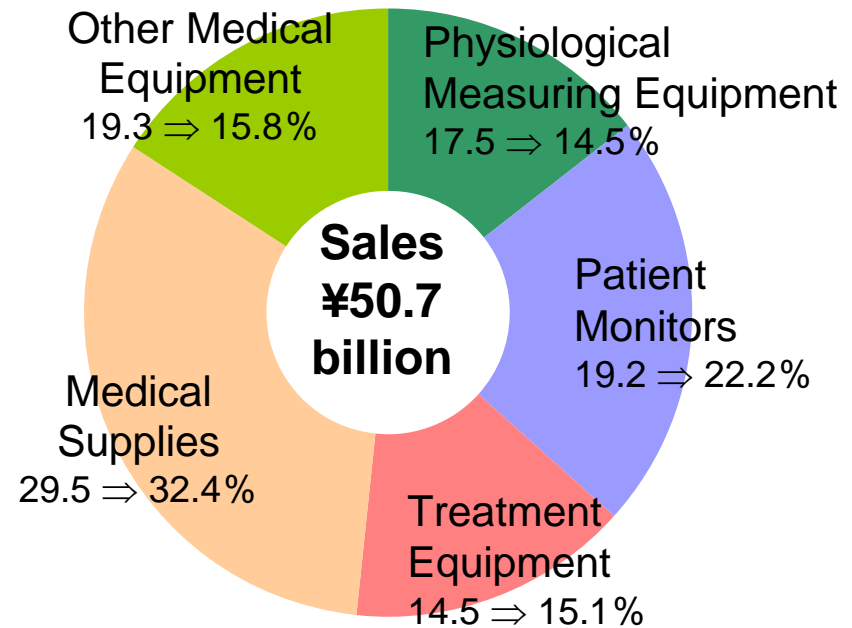
3) Sales by Product Category

(¥100 million)



- Other Medical Equipment
- Medical Supplies
- Treatment Equipment
- Patient Monitors
- Physiological Measuring Equipment

Sales by product category
(First half FY2006 ⇒ First half FY2007)



3.1) Physiological Measuring Equipment

(Sales, millions of yen)

	First half FY2006	First half FY2007	YoY (%)
Electroencephalographs	3,252	3,270	0.6
Electrocardiographs	3,300	2,787	-15.5
Polygraphs	1,701	1,299	-23.6
Physiological Measuring Equipment	8,252	7,356	-10.9



**Intraoperative
monitoring system**
MEE-1208/16/32



Electrocardiographs
ECG-1250



Polygraphs
RMC-4000

3.2) Patient Monitors

(Sales, millions of yen)

	First half FY2006	First half FY2007	YoY (%)
Patient Monitors	9,065	11,276	24.4



Bedside monitors

BSM-9101



Central monitors

CNS-9701

3.3-1) Treatment Equipment

(Sales, millions of yen)

	First half FY2006	First half FY2007	YoY (%)
Defibrillators	3,821	4,574	19.7
Pacemakers	1,690	1,713	1.4
Ventilators	846	901	6.5
Other Treatment Equipment	447	452	1.2
Treatment Equipment	6,804	7,640	12.3



Defibrillators

TEC-7700



Pacemakers

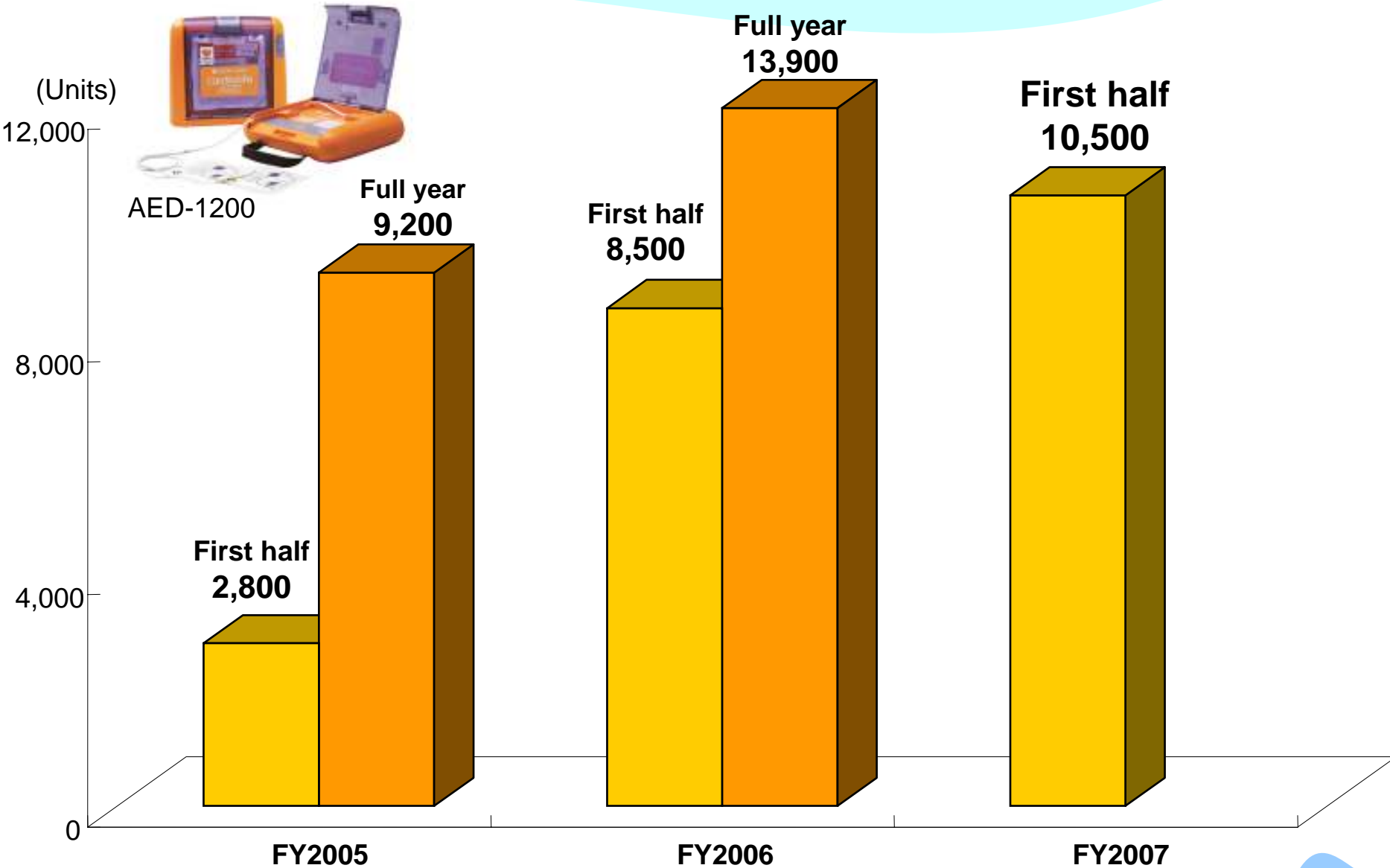
Protos DR



Ventilators

RAPHAEL color

3.3-2) AED Unit Shipments



3.4) Medical Supplies

(Sales, millions of yen)

	First half FY2006	First half FY2007	YoY (%)
Consumables	11,033	13,501	22.4
Maintenance Service	2,864	2,952	3.1
Medical Supplies	13,897	16,453	18.4



Finger probes

TL-201T



Disposable electrodes

N-03IS3

3.5) Other Medical Equipment

(Sales, millions of yen)

	First half FY2006	First half FY2007	YoY (%)
Other Medical Equipment	9,094	8,003	-12.0
Hematology Analyzers	1,868	2,186	17.0



Automated hematology analyzers
MEK-6400

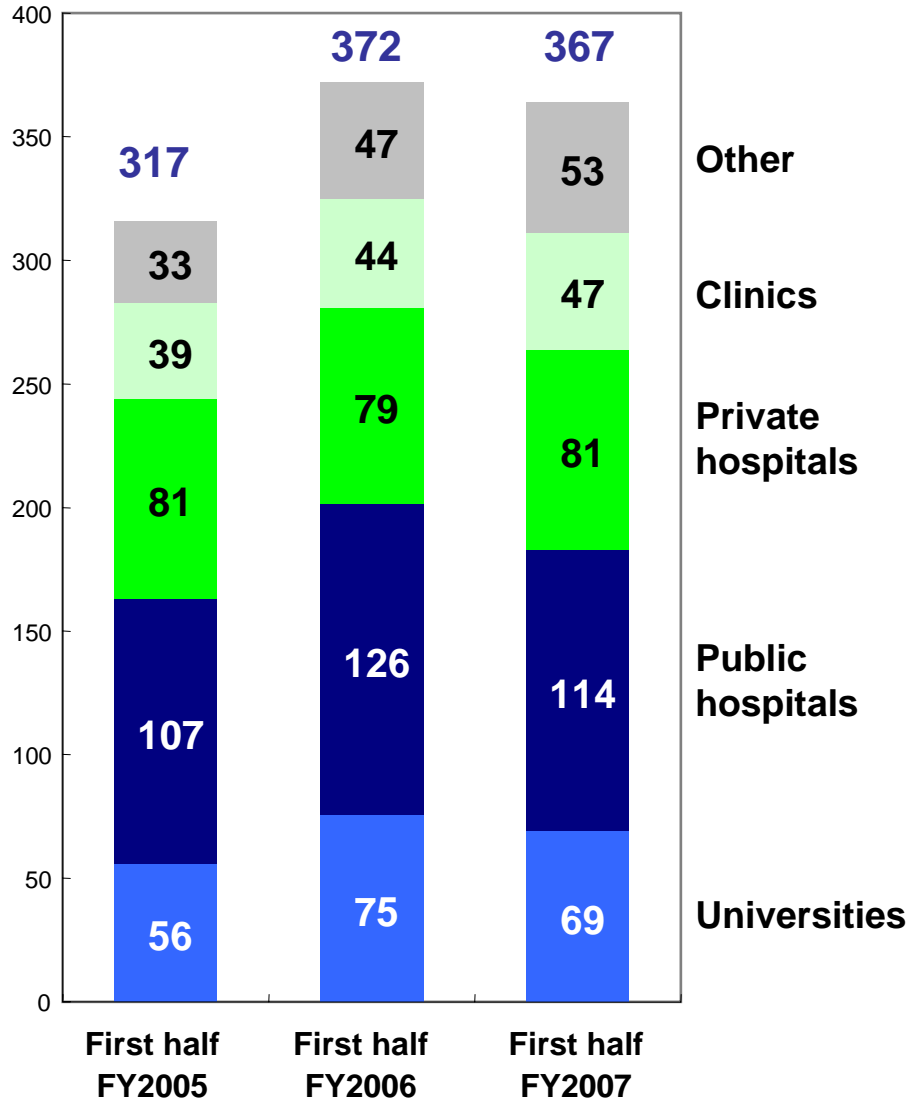


Clinical support system
Prime park

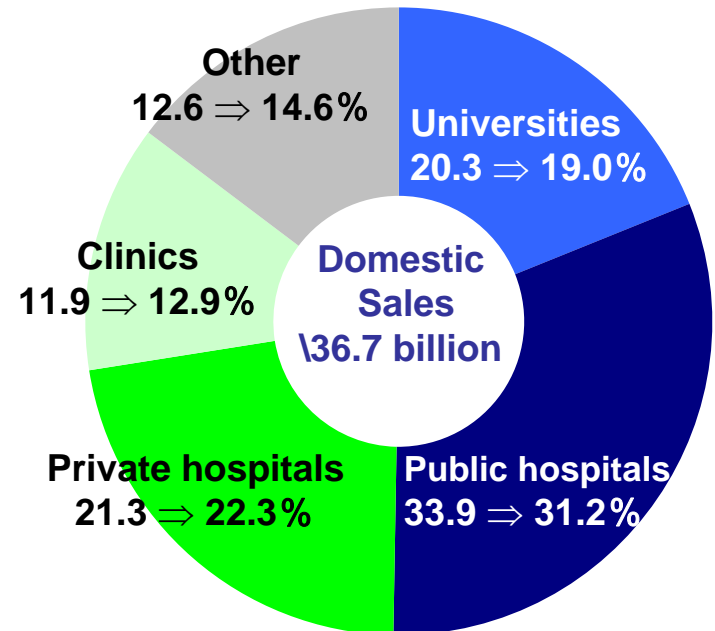
4) Domestic Sales

Sales by market

(¥100 million)



Sales composition by market (First half FY2006 ⇒ First half FY2007)

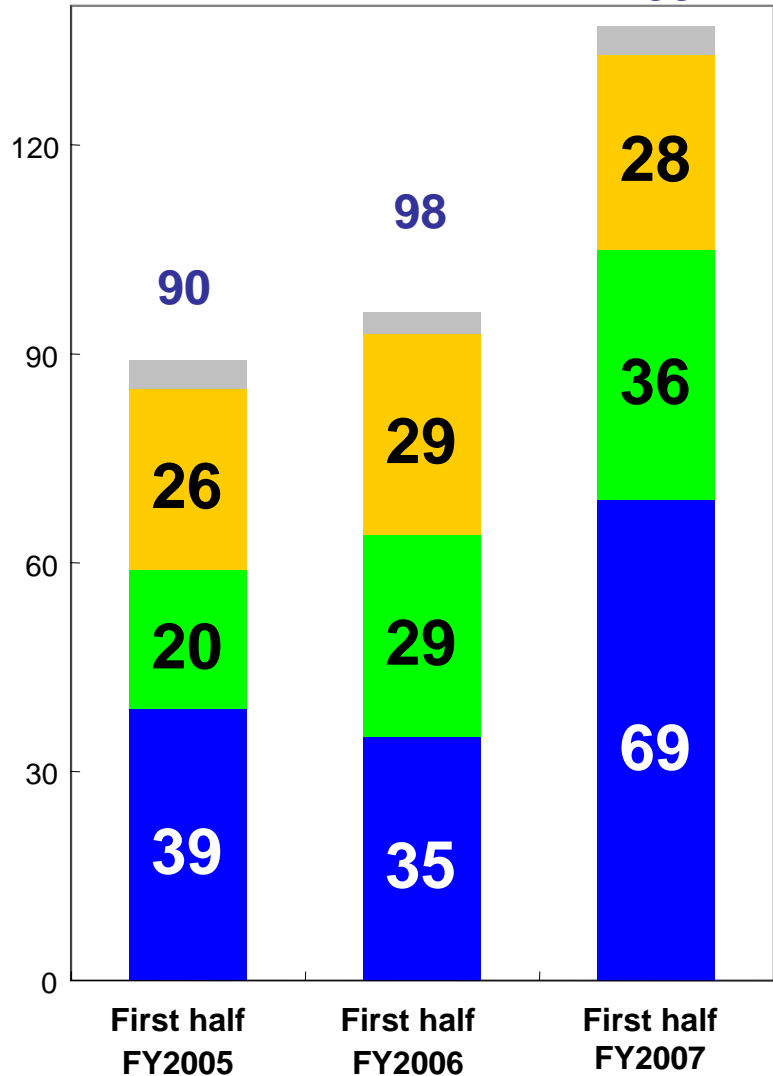


5) Overseas Sales

Geographic Segments

(¥100 million)

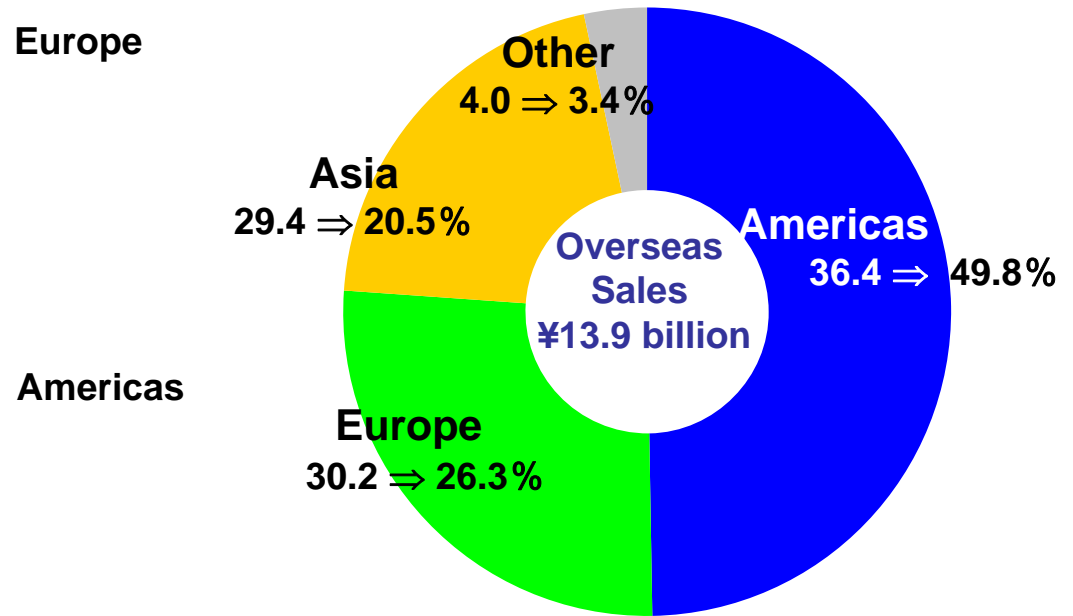
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Percentage of overseas sales to consolidated sales

	First half FY2005	First half FY2006	First half FY2007
Other			
Asia			
Europe			
Americas			
Total	22.1%	21.0%	27.5%

Geographic Segments (First half FY2006 ⇒ First half FY2007)



- 1) Effective last fiscal year, Turkey has been reclassified into Europe, it was previously classified into Asia
- 2) Sales in Americas include a large deal amounting to ¥2.2 billion in 1st half FY2007.

6) Financial Condition

(millions of yen)

	First half FY2006	FY2006	First half FY2007	Change
Current assets	56,455	58,908	56,485	-2,422
Fixed assets	15,819	16,985	16,825	-160
Total assets	72,274	75,894	73,310	-2,583
Current liabilities	24,454	26,376	21,772	-4,603
Non-current fixed liabilities	607	653	527	-125
Total liabilities	25,062	27,029	22,300	-4,729
Net assets	47,211	48,864	51,010	2,145
Total liabilities & Net assets	72,274	75,894	73,310	-2,583

Trade notes and
accounts receivable:
-2,613

Dealings at the end of the
fiscal year are more than
dealings at the end of the
first half.

Trade notes and
accounts payable:
-2,802

7) Cash Flows

(millions of yen)

	First half FY2006	First half FY2007	Change
I. Cash flows from operating activities	2,693	5,021	2,327
II. Cash flows from investing activities	-1,301	-1,073	227
Free Cash Flows	1,392	3,948	2,555
III. Cash flows from financing activities	-831	-1,567	-736
Effect of exchange rate changes on cash and cash equivalents	38	-4	-43
Net increase (decrease) in cash and cash equivalents	599	2,375	1,776
Cash and cash equivalents at end of year	11,404	13,403	1,999

Income before income taxes and minority interests	
First half FY2006	3,411
First half FY2007	4,981
Change	+1,569
(Increase) decrease in inventories	
First half FY2006	-746
First half FY2007	1,687
Change	+2,434
Decrease in trade notes and accounts payable	
First half FY2006	-1,429
First half FY2007	-2,802
Change	-1,373

Decrease in short-term debt	
First half FY2006	-208
First half FY2007	-795
Change	-587

8) Capital Investments & R&D Costs

(millions of yen)

	FY2006	FY2007		Change
		Actual (First half)	Plan (Full year)	
Capital Investments	2,986	819	4,000	1,014
Depreciation	1,698	944	2,100	402
R&D Costs	4,756	2,318	4,900	144

First half FY2007 Actual Capital Investments:

Ordinary replacement of facilities,
Molds for new products

Second half FY2007 Capital Investments Plan:

Molds for new products,
Production facility for hematology analyzer reagents,
Reconstruction of main information systems

9) Forecast for Fiscal 2007 (i)

(millions of yen)

	FY2006	FY2007		YoY (%)
		Previous Forecast (Announced May 18)	Revised Forecast (Announced Nov 12)	
Sales	96,679	101,000	102,800	6.3
Operating Profit	7,973	8,700	9,500	19.1
Ordinary Profit	8,448	8,800	9,600	13.6
Net Income	5,052	5,500	6,000	18.7
Overseas Sales	21,928	24,600	26,100	19.0
Percentage of overseas sales to consolidated sales	22.7%	24.4%	25.4%	

9) Forecast for Fiscal 2007 (ii)

(millions of yen)

	FY2006	FY2007		YoY (%)
		Previous Forecast (Announced May 18)	Revised Forecast (Announced Nov 12)	
Physiological Measuring Equipment	16,481	17,000	16,500	0.1
Patient Monitors	19,673	21,300	22,100	12.3
Treatment Equipment	13,488	13,800	15,300	13.4
Medical Supplies	29,407	30,200	32,100	9.2
Other Medical Equipment	17,627	18,700	16,800	-4.7
Total	96,679	101,000	102,800	6.3



Basic Strategy

1) Management Vision & Policy

Vision

Increase Nihon Kohden's global brand recognition in medical electronic equipment

Policy

- i) Raise corporate value by securing reasonable profits
- ii) Gain customer confidence
- iii) Develop original technologies & products
- iv) Emphasize core businesses and capture global market share
- v) Increase globalization of business
- vi) Expand into new business lines
- vii) Undertake structural reform
- viii) Strengthen business across the organization
- ix) Promote CSR

2) Long-term Management Goal

Achieve by FY2012

Net Sales ¥140 billion

Operating Margin 10%

Overseas Sales Ratio 30%

3) Mid-term Business Plan

	FY2006 Actual	FY2007 Plan	FY2009 Goal	3 years growth
Net Sales	¥96.6 billion	¥102.8 billion	¥113 billion	16.9%
Overseas Sales Ratio	22.7%	25.4%	27.0%	
Operating Profit	¥7.9 billion	¥9.5 billion	¥10.2 billion	27.9%
Operating Margin	8.2%	9.2%	9.0%	
ROE	10.7%		12.0%	
Inventory Turnover Rate*	6.4 times		7.4 times	

* Net Sales/Average Inventories as of ends of June, September, December, and March

4) Key Subjects in FY2007

Product Strategy -Focus on our strength-

- Enhance our system network products contributing to installation of information technology in medical facilities
- Develop our original AED as the only domestic defibrillator maker

Domestic Sales Strategy

- Enhance sales activities focusing on system solutions business
- Promote AED and enhance after-sales service business in PAD market
- Enhance support service business for medical safety

International Sales Strategy

- Promote new products: high-end patient monitors, veterinary hematology analyzers
- Restructure sales and service network to expand our business in China

Strengthen Business Foundation

- Enhance human resources for technology development as well as sales & after-sales service
- Restructure main information systems for better operating effectiveness

5) New Products Launch in FY2007

Physiological Measuring Equipment

Patient Monitors

Defibrillators / AED Hematology Analyzers

Intraoperative monitoring system

Domestically released in May 2007
(Already released in the US)
MEE-1208/16/32



Electroencephalographs

Domestically released in July 2007
(Only in Japan)
EEG-1218/24



Bedside monitors

Internationally released in June 2007
(Already released in Japan)
BSM-9100



Clinical information system

To be released in Japan in second half
(Only in Japan)
Prime-Gaia

AED

Domestically released in Oct. 2007
(Only in Japan)
AED-1200



Light weight, compact

Veterinary hematology analyzers

Internationally released in June 2007
(To be released in Japan in second half)
MEK-6450



Continue to provide value-added products on a timely basis

(Reference) Promote AED penetration in PAD market



Installation Sites

Transportation

Airplanes, Airports, Stations, Tour buses, Taxis

A E D training



Government and Community Centers

City offices, City halls, Conference halls, Libraries, Parliament house, Courts

Schools and Stadiums

Schools, Universities, Gymnasiums, Health clubs

Support marathons



Stores and Retail Facilities

Shopping malls, Convenience stores, Theaters, Banks, Hotels

Corporate Offices

Offices, Factories, Recreation facilities



Disclaimer:

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