NIHON KOHDEN

NIHON KOHDEN REPORT 2026

Illuminating Medicine for Humanity

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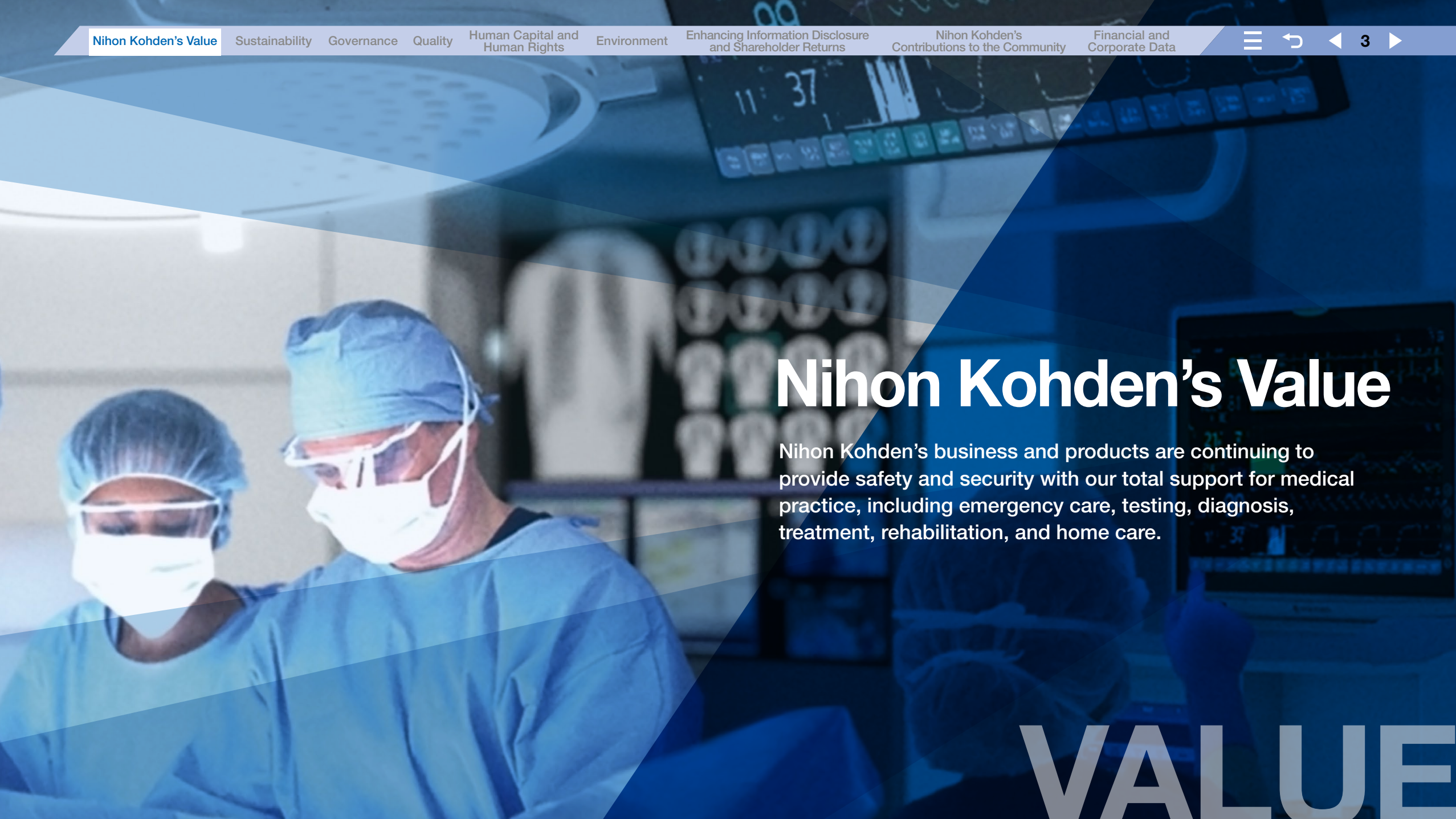


Nihon Kohden's Value

Nihon Kohden's business and products are continuing to provide safety and security with our total support for medical practice, including emergency care, testing, diagnosis, treatment, rehabilitation, and home care.

VALUE

Management Philosophy

We contribute to the world by fighting disease
and improving health with advanced technology,
and create a fulfilling life for our employees.

At the time of founding
Nihon Kohden started with only twelve staff

Founder Yoshio Ogino

ME (Medical Electronics or Medical Engineering) is the union of medicine and engineering.
ME is a common abbreviation in recent years but the founders of Nihon Kohden began working in medical electronics around 1944, long before this phrase was born.

The neuromuscular tissue of a small bird was the impetus behind the founding of Nihon Kohden.
The late Dr. Yoshio Ogino, founder of Nihon Kohden, was doing research in electrical engineering when one day he happened to see an experiment involving stimulation of the neuromuscular tissue of a small bird. He was struck by the wonder of biology and remarked that "to measure part of a living body requires several hundred times the sensitivity and at least two decimal places more than the equipment developed by the leading electrical engineering experts in Japan."
He wondered if it might be possible to apply a higher level of engineering to the subtleties of biology and study the human body.
And furthermore, if this union of medicine and engineering could be used for saving human life.
With this powerful inspiration, he studied medicine and in August 1951 founded Nihon Kohden.

With the unshakable conviction that "curing disease is something that transcends politics and national borders, and we will never have any regret putting all our energy into this goal."
Nihon Kohden produced a number of state-of-the-art medical electronic equipment.

As medicine evolved, Nihon Kohden's products branched out into many areas. However, the original vision did not change and it still inspires the Company's engineers.

Medical electronic equipment developed by the Company has been used in clinical practice in more than 120 countries and saved a lot of lives of patients.
We continue to leverage its core strengths: capacity to develop technologies rooted in medical practice; broad client base inside and outside Japan; high-quality products and services, and development, production, sales, and service systems to support them; and powerful brand cultivated over many years. Moving forward, the Company will continue to create and provide value for patients and medical professionals, contributing to the world by fighting disease and improving health with advanced technology.

Trajectory of Nihon Kohden

Since its foundation in August 1951, Nihon Kohden has grown steadily by tackling healthcare issues and contributing to society through the development, production, sale, and service of medical devices.

December 1951
Launched the **world's first** all AC-powered direct-writing electroencephalograph, the ME-1D

Birth of an electroencephalograph driven by a battery-less AC power source that changed the world

Most of the EEG devices in use in Japan at that time were imported devices powered by a battery to avoid interference from AC noise. These products had problems with battery exhaustion during patient examinations causing the interruption of recording and failure to record important EEG phenomenon. Maintenance of the battery was also another problem. The ME-1D, featuring reduced noise interference and improved operability, enabled more effective EEG testing and contributed to reduction of the burden on patients/ medical staff.

April 1967
Launched **Japan's first** intensive care monitor, the ICU-80

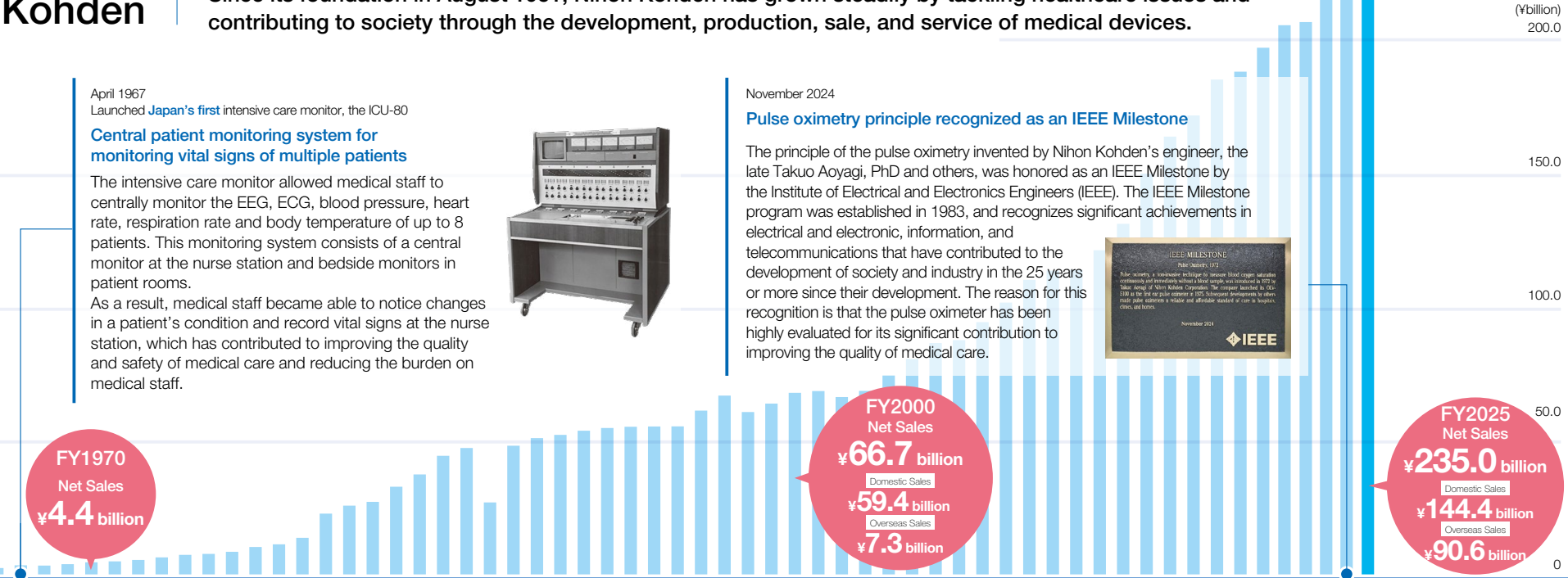
Central patient monitoring system for monitoring vital signs of multiple patients

The intensive care monitor allowed medical staff to centrally monitor the EEG, ECG, blood pressure, heart rate, respiration rate and body temperature of up to 8 patients. This monitoring system consists of a central monitor at the nurse station and bedside monitors in patient rooms.
As a result, medical staff became able to notice changes in a patient's condition and record vital signs at the nurse station, which has contributed to improving the quality and safety of medical care and reducing the burden on medical staff.

November 2024

Pulse oximetry principle recognized as an IEEE Milestone

The principle of the pulse oximetry invented by Nihon Kohden's engineer, the late Takuo Aoyagi, PhD and others, was honored as an IEEE Milestone by the Institute of Electrical and Electronics Engineers (IEEE). The IEEE Milestone program was established in 1983, and recognizes significant achievements in electrical and electronic, information, and telecommunications that have contributed to the development of society and industry in the 25 years or more since their development. The reason for this recognition is that the pulse oximeter has been highly evaluated for its significant contribution to improving the quality of medical care.



1950s

March 1952
Launched the **world's first** electric ophthalmodynamometer, the MOB-1.

June 1955
Launched the **world's first** electrocardiograph with electronic recording, the MC-1C.

1960s

September 1960
Launched **Japan's first** multi-purpose monitoring recorder (polygraph), the RM-150.

August 1965
Launched **Japan's first** battery-powered defibrillator, the MDV-1.

1970s

March 1974
Applied for patent in Japan for the **world's first** pulse oximetry.

November 1976
Launched the **world's first** telemetry systems, the WEP-6000.

1980s

February 1984
Launched the **world's first** all telemetry fetal monitor, the OMF-7201.

April 1985
Launched the **world's first** combined respiration monitor, the OMR-7101.

1990s

December 1990
Launched **Japan's first** digital ECG telemetry monitor, the WEP-8430/8440.

March 1991
Launched the **world's first** digital multi-parameter telemetry bedside monitor, the BSM-8502.

2000s

May 2003
Launched the **world's first** mainstream-method CO_2 sensor to be used for non-intubated patients.

June 2009
Launched **Japan's first** automated external defibrillator, the AED-2100.

2010s

August 2018
Launched the **world's first** mid-range bedside monitor that can display echo images by connecting an ultrasound probe, the CSM-1700.

June / September 2019
Launched the **Company's first** ventilators, the NKV-330 and NKV-550.

2020s

July 2023
Launched **Japan's first** syringe pump control software for assisting with total intravenous anesthesia, the ROP-1680, AsisTIVA.

August 2024
Launched dashboard software for monitoring patient condition to prevent sudden changes or deterioration in patient condition through early warning scores, the QH-101N.

Introduction of Nihon Kohden's Business

Nihon Kohden is a manufacturer of medical equipment.

Nihon Kohden's business and products are continuing to provide safety and security with our total support for medical practice, including emergency care, testing, diagnosis, treatment, rehabilitation, and home care.

Station, airport, gym, large commercial facility, etc.

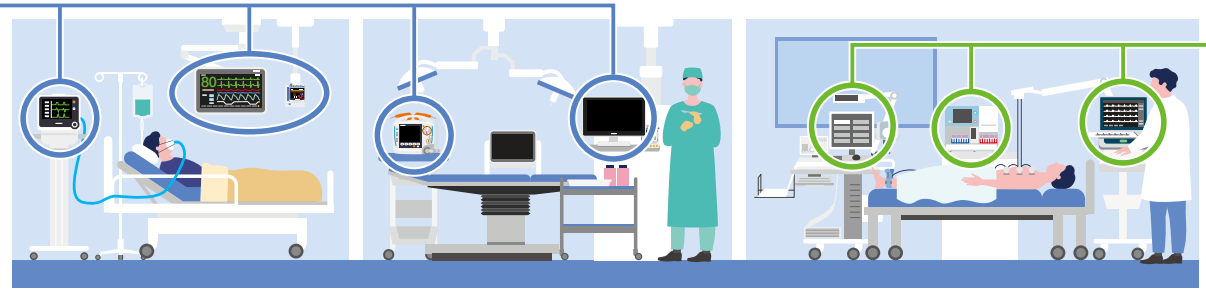
AED

Ward, ICU, Operating room

Ventilator

Patient monitor

Defibrillator



Nurse station

Patient monitor

Laboratory

Electroen-cephalograph

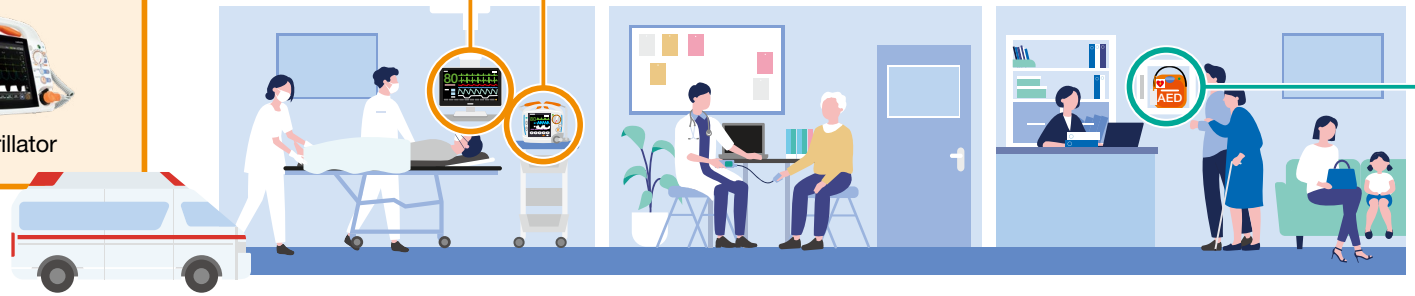
Electrocar-diograph

Hematology analyzer

Emergency room

Patient monitor

Defibrillator



Waiting room

AED

Main Products of Nihon Kohden

AEDs

An AED delivers an electric shock to the heart when ventricular fibrillation is occurring to restore it to its normal rhythm. Nihon Kohden develops and manufactures AEDs. The Company is Japan's first manufacturer of domestically produced AEDs. Nihon Kohden is working to realize a society in which everybody can use an AED without hesitation and so increase the lifesaving rate.

Patient monitors

Patient monitors continuously display vital signs such as ECG (electrocardiograph), body temperature, SpO_2 (arterial oxygen saturation), and NIBP (non-invasive blood pressure). These devices are deployed in various medical settings such as operating rooms, intensive care units, and general wards. Nihon Kohden offers a wide range of patient monitors, from simple monitors for family doctors to in-hospital transport monitors and advanced monitoring systems with centralized monitoring functions.

Electroencephalographs

The electroencephalograph is indispensable for diagnosing epilepsy, cerebrovascular accidents, sleep disorders, and other neurological conditions. Nihon Kohden's electroencephalographs have a high market share worldwide. One product attracting attention is an EEG headset that can easily measure brain waves even in challenging environments, such as in intensive treatment or in emergencies. It enables rapid diagnosis and treatment and is an important tool to improve survival rates and prognosis of patients.

Electrocardiographs

The electrocardiograph, the most common testing equipment for diagnosing heart disease, is widely used in various medical settings. Nihon Kohden supports medical professionals in the diagnosis of heart disease with equipment designed for ease of handling and capable of customization according to site and test specific requirements. Nihon Kohden's electrocardiographs provide users with digitized examination data and a variety of analytic information based on our unique technology.

Ventilators

Our first in-house ventilators were launched in 2019. Through unique technologies and a variety of ventilation modes, these devices provide safe artificial respiration management suitable for various medical settings. We also develop our original masks which fit the skeletal structure of patients. These masks aim at improving quality of life (QOL) for patients by improving the fit with the face and patient comfort.

Hematology Instruments

In the IVD field, we have developed Hematology analyzer and devices that measure HbA1c*1, an indicator of diabetes, as well as CRP*2, which indicates the degree of inflammation in the body. We pursue to explore unique technologies that enable accurate measurement with a small amount of blood, as well as operability and functionality that support medical professionals. We also develop and produce various in-house reagents.

*1 HbA1c: Hemoglobin A1c.
*2 CRP: C-reactive Protein.

Pulse oximeters

An SpO_2 probe continuously measures the oxygen saturation (SpO_2) of arterial blood without blood sampling. The principle was invented in 1974 by the late Dr. Takuo Aoyagi, who passed away in 2020, a Nihon Kohden engineer. This revolutionary technology that enables painless and continuous measurement in real time is now indispensable for monitoring patient conditions in clinical settings around the world.

CO_2 sensors

cap-ONE is a CO_2 sensor developed for safer respiratory management which measures the amount of CO_2 in expiration. Weighing only 4 g, this ultra-compact and lightweight sensor can also be used with newborn babies. In addition, we have developed a mask that permits CO_2 measurement while supplying oxygen, which reduces the burden on patients and contributes in reducing medical costs.

Corporate Value Creation Model

Through its business activities based on its Management Philosophy, Nihon Kohden is working to address social issues and offer value to society as well as attain sustainable development and enhance the corporate value of the Group.

Realization of the Company's Management Philosophy

BEACON 2030

Long-term Vision

Illuminating Medicine for Humanity

Operating Margin	Overseas Sales Ratio
15%	45%

Changes in the external environment of healthcare that Nihon Kohden Focuses On

Social Issues
- Demographic changes
- Changes in structure of diseases
- Climate change/Natural disasters

Medical Issues
- Sustainability of health service provision
- Ensuring quality of medical care
- Shortage of medical staff and review of work style
- Correction of healthcare disparities

Trends in the Medical Device Industry
- Promoting digital transformation (DX) in healthcare
- Increase in supply chain risks
- Promotion of well-being
- Tightening of laws/regulations

INPUT

Main Investment Capital

Financial Capital
- **Sound financial structure**

Current ratio **360**% (FY2025)

Human Capital
- **Diverse employees**

Number of employees **6,116**

Of which, Overseas 1,834 people (As of March 31, 2026)

Intellectual Capital
- **Proactive R&D investment**

R&D expenses ¥**7.4** billion (FY2025)

- **Innovative technological development capabilities**

Number of new products released **8** items (FY2025)

Manufacturing Capital/ Social Capital

Number of bases in Japan and overseas

In Japan **109** sales offices

Overseas **32** group companies

Areas in which products deployed Over **120** countries (As of March 31, 2026)

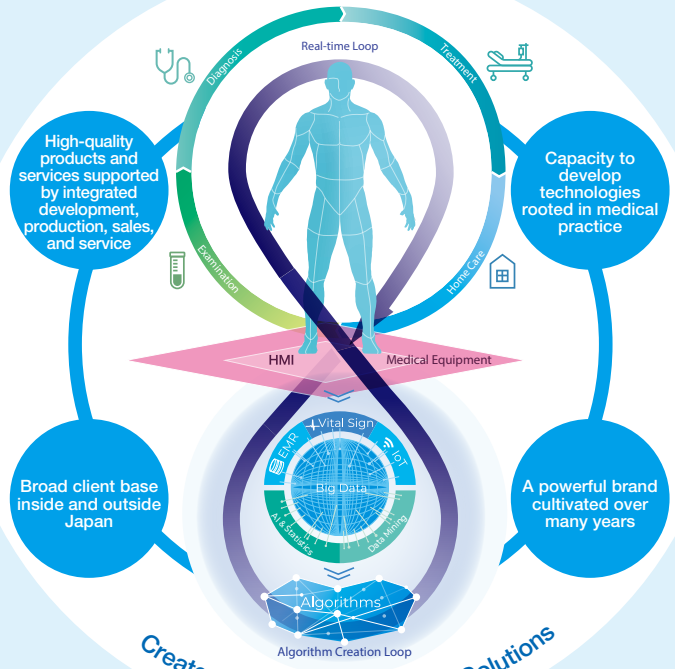
Natural Capital

CO_2 emissions per unit of sales

4.64 t-CO_2/¥100 million (FY2025)

Recycling rate **96.2**% (FY2025)

2030 VALUE CREATION COMPASS



Create value by Digital Health Solutions

OUTPUT

Targets of the Three-year Business Plan

FY2026 ending March 2027

Sales	¥256 billion
Domestic Sales	¥157 billion
Overseas Sales	¥99 billion
(Overseas Sales Ratio)	(38.7%)
Operating income	¥38.5 billion
(Operating margin)	(15%)
Net income	¥25 billion
ROE	12%

Results in FY2025

Physiological Measuring Equipment

Net Sales ¥53.6 billion | Composition ratio 22.8%

EEG-1290 Electroencephalograph

Patient Monitors

Net Sales ¥84.2 billion | Composition ratio 35.8%

WEP-1600 Telemetry System

Treatment Equipment

Net Sales ¥56.2 billion | Composition ratio 23.9%

NKV-440 Ventilator

Other Medical Equipment

Net Sales ¥40.9 billion | Composition ratio 17.5%

MEK-9200 Automated Hematology Analyzer

OUTCOME

Creating Social Value

Financial Capital
- Investment funds for sustainable growth
- Return to shareholders

Human Capital
- Human resources who take pride in their contribution to healthcare
- Respect for human rights
- Improving well-being

Intellectual Capital
- Technologies such as AI and green technology, that are the source of value co-creation

Social Capital
- Improve patient outcomes
- Reduce medical incidents
- Ease medical staff workload
- Improve economics of medical care

Natural Capital
- Realize carbon neutrality
- Promote circular economy

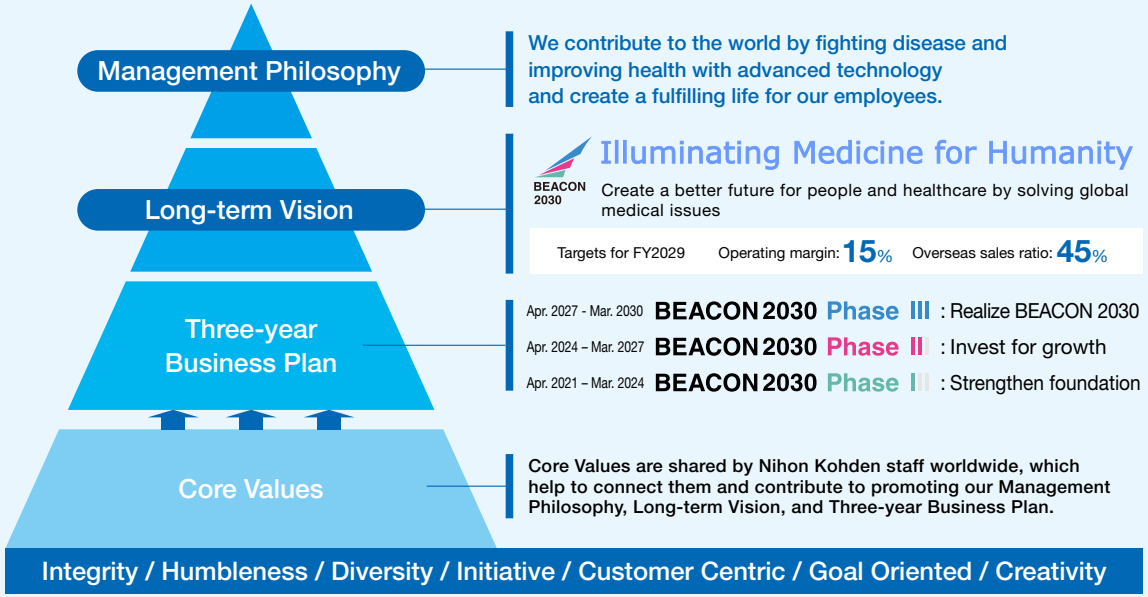
Production Capital
- Value chain which pursues the highest level of quality in the world

Long-term Vision BEACON 2030 Illuminating Medicine for Humanity

Based on its Management Philosophy that we contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees, in 2020, Nihon Kohden set out its Long-term Vision, BEACON 2030, for the next 10 years to 2030. The Company aims to create a better future for people and healthcare by solving global medical issues. Its Long-term Vision embodies our strong passion: in an ever-changing medical environment, we strive to become a beacon that lights the path forward to the future of people and healthcare around the world by creating new value based on the philosophy we have upheld since our founding.

To realize its Long-term vision, Nihon Kohden has set three transformations to be realized as a company-wide management policy through 2030. We promote these transformations divided into three phases of three years.

Positioning of Management Philosophy, Long-term Vision, Three-year Business Plan, and Core Values



Vision Statement

Illuminating Medicine for Humanity

Create a better future for people and healthcare by solving global medical issues

1 Illuminate the future of medicine through our understanding of humanity

We will seek better patient outcomes and economy of medical care by remaining a close partner with healthcare professionals and patients around the world, and by leveraging our problem-solving capabilities rooted in clinical expertise.

2 Illuminate the lives of many by co-creating unprecedented value

We will realize the optimal care cycle for each patient, by utilizing our core strength in Human Machine Interface technology with advanced digital technology and data collected from medical sites.

3 Illuminate the potential of our people and organization by embracing new challenges

We will build an open-minded and creative team of individuals around the world who take pride in their contribution to healthcare and their mission to solve global medical issues facing humankind.

Three Transformations to realize its Long-term Vision

1 Transform into a global company creating high added value

- Promote overseas business strategies emphasizing high growth and improved profitability
- Develop sophisticated value propositions and cultivate new businesses areas in domestic business
- Create new business models by utilizing our global business foundation

2 Create a solution business providing superior customer value

- Create a business model that helps solve medical issues
- Realize a value creation model that creates value from data, by utilizing our core strength in Human Machine Interface technology

3 Establish a global organization founded on Operational Excellence

- Establish an organizational and governance system in line with our corporate strategy
- Establish a development, production and sales system based on Global Supply Chain Management
- Strengthen global business deployment capabilities by establishing a Center of Excellence

* Human Machine Interface is the user interface that connects human and machine. For Nihon Kohden, this refers to sensor technology, signal processing technology, and data analysis technology.

Long-term Vision BEACON 2030 Illuminating Medicine for Humanity

Value Creation Compass toward 2030

■ **Toward Better Patient Outcomes and Improving the Economy of Medical Care**

The Value Creation Compass is our new value creation model that represents how Nihon Kohden will work to solve medical and social issues by 2030. Nihon Kohden will combine our original technologies and clinical expertise with advanced technology in collaboration with global partners, to create valuable solutions that help solve issues in clinical sites.

● Patient outcomes and economy of medical care

We aim to create value that addresses global medical issues of achieving better patient outcomes and improving the economy of medical care.

● Suitable solutions for each disease and clinical site

We aim to provide the optimal care cycle solution for each patient, from examination, diagnosis, and treatment to home care.

● HMI technology and medical equipment

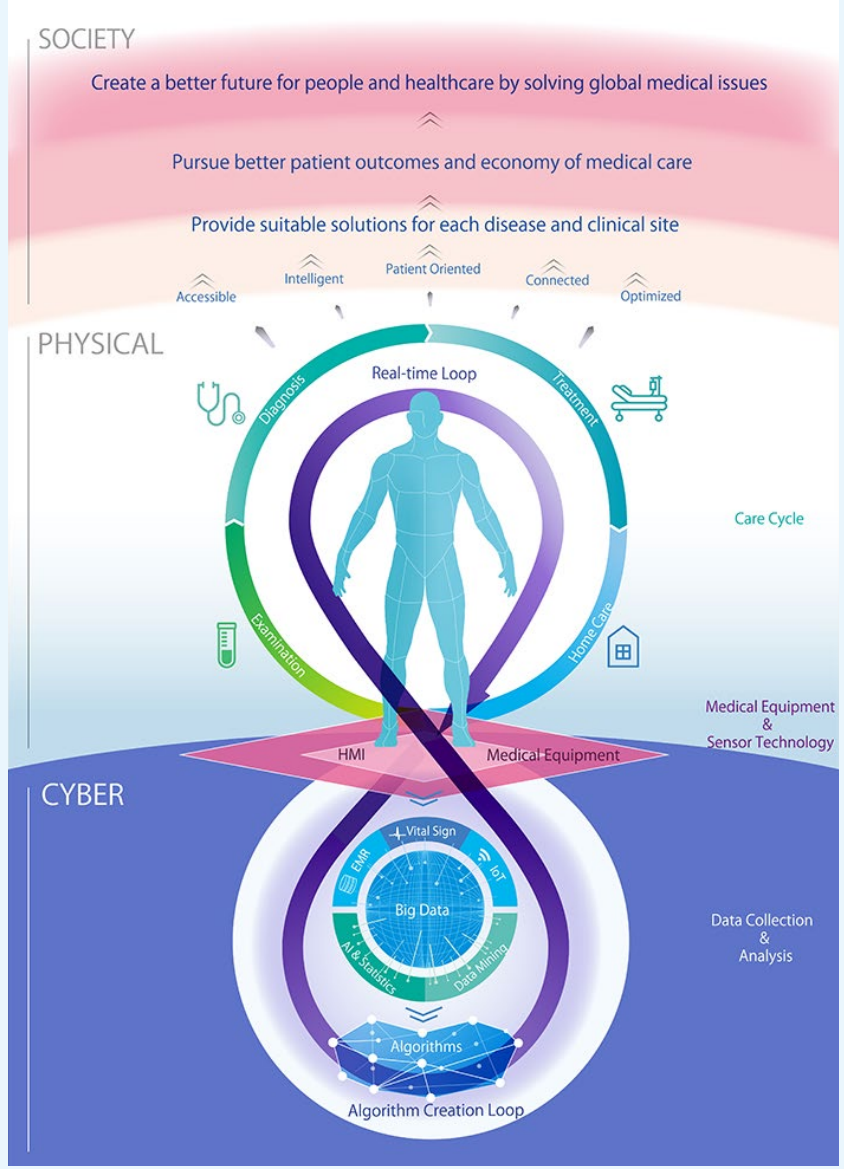
HMI technology is one of our core strengths and serves as an important touchpoint with patients throughout their clinical journey. HMI technology and medical equipment give us access to patients and clinical sites which enable us to create value.

● Value creation from data gathered through clinical sites

Nihon Kohden will develop a data integration platform and pioneer algorithms to create new value from information. Vital sign data, IoT data and EMR information will be integrated as big data. Algorithms for clinical prediction models will be developed using AI and data analysis.

● Real time loop to respond to clinical needs

By combining HMI technology and medical equipment used in the medical field, and new algorithms created from big data analysis, we provide solutions that can respond to clinical needs in real time.



* HMI: Human Machine Interface is the user interface that connects human and machine. For Nihon Kohden, this refers to sensor technology, signal processing technology, and data analysis technology.

Long-term Vision BEACON 2030 Illuminating Medicine for Humanity

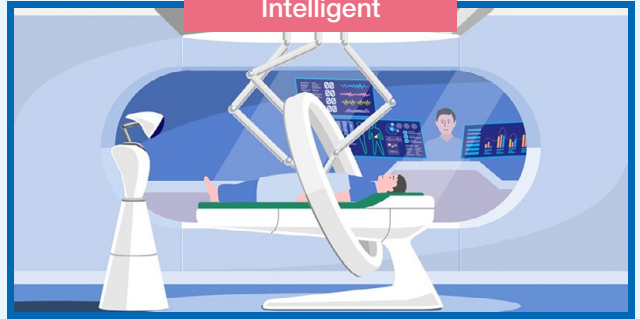
Vision towards 2030 for the Future

Nihon Kohden challenges itself to realize five visions for the future through its Value Creation Compass.
Building on our core HMI technology and the diverse data generated in clinical settings, we will collaborate with research institutions and partners around the world to pioneer algorithms that address medical issues. Through these initiatives, we will provide unique solutions for solving medical issues and contribute to stronger collaboration across regional healthcare systems.

For further details on each aspect of our vision for the future, please refer to our website.

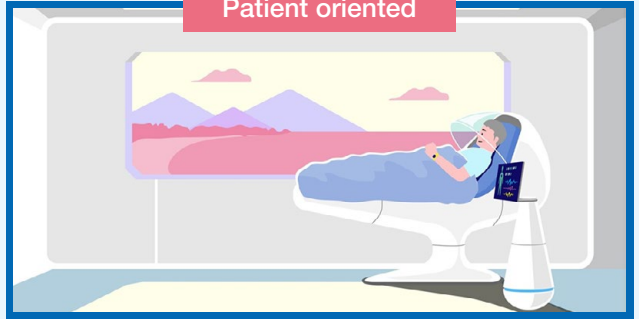
Future of the World

Intelligent



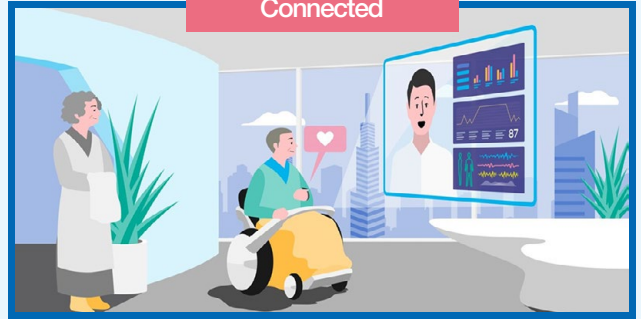
Can we eliminate human error in operating rooms with advances in technology?

Patient oriented



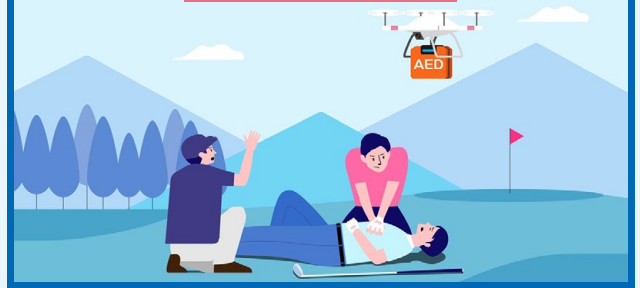
How do we design ICUs where patients can recover in peace and with dignity?

Connected



Can we connect medicine and life, so that people can enjoy their time wherever they desire?

Accessible



How do we bridge the final distance between AEDs and people to save every life possible?

Optimized

How can we create a medical system with both quality and efficiency so that patients, families, and healthcare professionals all thrive?

Message from Management

**With strong determination,
Nihon Kohden will pursue our transformation
into a global MedTech company
toward the final year of the Three-year Business Plan,
BEACON 2030 Phase II.**

Representative Director,
President and Chief Executive Officer

Introduction

We would like to express our sincere gratitude for your continued understanding and support of the corporate activities of the Nihon Kohden Group.
Although BEACON 2030 Phase II, our Three-year Business Plan, has entered its final year, we will steadily implement the reform of the profit structure, invest in growth areas, and advance toward the realization of our Long-term Vision toward 2030.
With strong determination, we will pursue our transformation into a global MedTech company to create a better future for people and healthcare by solving global medical issues.

The global economic outlook is expected to remain uncertain due to geopolitical risks, as well as higher oil prices and difficulties in procuring parts and components. As a medical equipment manufacturer, we have a social responsibility to ensure the stable supply of high-quality medical equipment around the world. In response to the significant changes in global SCM*1 since the COVID-19 pandemic, we have strengthened procurement by negotiating prices with suppliers and reviewing our supply chain. We are also pursuing VA/VE*2 initiatives, including product redesign and manufacturing process improvements, to reduce costs. In April 2026, we established the Production & Logistics Operations to integrate our production and logistics functions. Through this integration, we will further strengthen our global SCM, optimize inventory control, and focus on ensuring a stable supply of products.

*1 SCM: Supply Chain Management.
*2 VA/VE: Value Analysis/Value Engineering.

Review of FY2025

In FY2025, the 2nd year of our Three-year Business Plan, our business performance reflected higher net sales but lower operating income. In Japan, sales of third-party products decreased, while sales of in-house products increased. Overseas sales achieved double-digit growth, as sales in all regions increased favorably. On the profit side, operating income decreased, as domestic sales decreased and SG&A expenses increased. Overseas sales ratio, consumables and services sales ratio, and in-house sales ratio were above the Company's target, mainly due to the impact of the consolidation of Ad-Tech. Meanwhile, improving profitability through top-line growth remained an issue, as SG&A ratio increased due to sales falling short of forecasts.

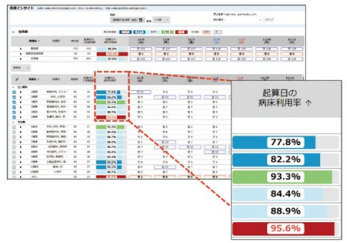
Message from Management

The shortage of healthcare professionals and the deteriorating financial condition of medical institutions are common issues worldwide. As a result, interest in and investment in medical DX*3 are increasing to improve operational efficiency and economics of medical care. One of our key strengths lies in our HMI*4 technology, and we are striving to realize a value creation model that creates value from data, by utilizing our core strength in HMI technology. By building a data platform that integrates data acquired from medical equipment and enables its utilization as big data, and by providing clinical support applications, we will strengthen our solution offerings that contribute to improving patient outcomes and economics of medical care.

In FY2025, we launched several DHS*5 products in Japan and overseas, including the QP-841N on-site alarm analytics software, the QP-842N admission and discharge management software, and an alarm solution, AlarmSense. As we steadily build our solution business toward 2030, we will accelerate our transition to solution-based business models that contribute to medical safety, patient outcomes, and operational efficiency.

*3 DX: Digital Transformation.
*4 HMI: Human Machine Interface is the user interface that connects human and machine. For Nihon Kohden, this refers to sensor technology, signal processing technology, and data analysis technology.
*5 DHS: Digital Health Solutions.

QP-841N
On-site alarm analytics software



QP-842N
Admission and discharge management software

AlarmSense
Alarm solution

Progress of the Three-year Business Plan, BEACON 2030 Phase II (Key Initiatives and Results in FY2025)

In the Three-year Business Plan, BEACON 2030 Phase II, we are implementing the reform of the profit structure and making investments in growth areas, and working on our transformation into a global MedTech company. In FY2025, we implemented six key measures to achieve the three indicators outlined in Phase II.

3 Indicators and 6 Key Measures

1 Growth

Sales CAGR FY2023 - FY2026 **5%**

- Enhance product competitiveness
- Focus on growth of North America Business

2 Profitability

Operating margin in FY2026 **15%**

- Implement the reform of the profit structure
- Advance global supply chain management

3 Capital efficiency

ROE in FY2026 **12%**

- Introduce Nihon Kohden's own ROIC formula
- Reduce cash conversion cycle

Practice of Sustainability Management: Medical issues | Environmental issues | Social issues

1 Growth

Sales growth **4.3%** in FY2025

From a growth perspective, our ventilator business achieved remarkable growth overseas. In North America, we secured the leading market share in mask-type ventilators. Although we experienced temporary lost sales opportunities, mainly in Asia & Other, due to delays in complying with laws and regulations, these issues have now been largely resolved. We also decided to discontinue providing Abbott products, whose profitability was an issue, effective on December 31, 2026. To strengthen our business structure overseas, we established Nihon Kohden Advanced Technology Center, India in September 2025,

Message from Management

and one of our sales subsidiaries started operations in Saudi Arabia in January 2026. We consolidated DOWELL Co., Ltd., which has continued R&D and sales of IT systems to support medical staff, as one of our subsidiaries in February 2026. There is a high affinity between its systems and our Solution Business (ITS+DHS)*6. Nihon Kohden aims to develop next-generation perioperative solutions by combining both companies' extensive clinical expertise and experience with advanced digital technologies.

*6 ITS: IT Solution, DHS: Digital Health Solution.

2 Profitability

Operating margin **8.0%** in FY2025

■ **Implement the reform of the profit structure**

FY2026 Target

OPM improvement **5%pt**

✓ Improvement: 80 bps in FY2024 ⇒ 300 bps (YoY +220 bps) in FY2025
✓ Expected 450 bps (YoY +150 bps) in FY2026
✓ Continuing to implement measures in three key areas to improve profitability

Area	Theme	Measures in FY2026	FY2026 Target
Product mix	Sale pricing	•Reviewing pricing policies such as raising selling prices in Japan and internationally	Apx. 2 %
	Review of product line-up	•Reviewing product line-up	
Productivity	Improving personnel productivity, including by utilizing generative AI	•Restraining increase of headcount through improving productivity by utilizing generative AI Improved operational efficiency: 380k hours/year in FY24 ⇒ 1,990k hours/year in FY25 Target: over 2.5 mil hours/year in FY26	Apx. 2 %
	Reducing other expenses	• Introducing new CRM*7 / Enhancing call center functions to improve productivity • Reviewing license fees, contracts for company vehicles and parking facilities	
Supply chain	Optimizing parts procurement	• Continuing price negotiations and reviewing suppliers under inflation • Promoting Value Engineering at factories in Japan, U.S., and China	Apx. 1 %

*7 CRM: Customer Relationship Management including Sales Force Automation function

From a profitability perspective, the effects of raising selling prices in Japan have begun to materialize. Productivity improvements through the use of generative AI have also progressed, reducing workload by approximately 3,600 hours per month in the translation of technical documents for licensing applications in each country. Cost reductions are also being achieved through measures such as the relocation or consolidation of offices and the review of various contracts. Although the reform of the profit structure has delivered certain results, the SG&A ratio remains at a high level due to factors such as sales falling short of forecasts, higher raw material prices, and wage increases.

3 Capital efficiency

ROE **8.1%** in FY2025

From a capital efficiency perspective, we are promoting the internal adoption of Nihon Kohden's own Return on Invested Capital (ROIC) formula and will strengthen monitoring at subsidiaries in North America. Inventory levels remain high, as inventories temporarily increased in preparation for the start of operations of PLM/MES*8 systems and the Tsurugashima Production Center. We need to secure inventories of parts and components to continue the supply of in-house products and consumables, due to shortages of memory components, higher oil prices, and difficulties in procuring parts and components caused by conflicts in the Middle East. Nevertheless, we will strengthen initiatives to optimize inventory levels.

*8 PLM: Product Life-cycle Management, MES: Manufacturing Execution System.

Implementing Sustainability Management

Practice of Sustainability Management | Medical issues | Environmental issues | Social issues

In Phase II, the phase of the practice of sustainability management, we are embracing sustainability as the essence of our business activities and are working on solving medical, environmental, and social issues. To contribute to solving medical issues, as part of our efforts to expand access to AEDs, we launched affordable models of fully automatic AEDs in Japan. At Expo 2025 Osaka, Kansai, Japan, we provided medical equipment such as electrocardiographs and defibrillators, and supported AED installation, training programs, and an emergency transport assistance system.

Message from Management

In addition, we engaged in awareness-raising activities through publications by SHOGAKUKAN Inc. and KODANSHA Ltd. A supplementary educational material that we supported in its editorial supervision received the Gold Prize in the "Media-Integrated Advertising Category" of the Japan Magazine Advertising Awards. Furthermore, we have been accelerating initiatives to promote AED awareness and improve survival rates, including our sponsorship as a premium partner of the rugby team SAYAMA SECOM RUGGUTs, with the aim of realizing a society in which anyone can use an AED without hesitation.
To contribute to solving environmental issues, we newly certified six products under the Green Product Label. These products are expected to contribute to reducing energy consumption and CO_2 emissions in medical institutions. At the Tsurugashima Production Center, which began operations in March 2026, we are implementing circular environmental initiatives such as the use of renewable energy and rainwater utilization to achieve a manufacturing facility with reduced environmental impact.
To contribute to solving social issues, as stated in our Management Philosophy, "We contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees," we have positioned human resources as the foundation of the Company since our founding. We are focusing on developing human resources with a deep understanding of clinical practice through the establishment of multi-layered career development programs. We have also formulated the Core Values, which systematizes the values that all employees around the world should uphold in their daily work. Through our corporate philosophy education, we are fostering a unified organizational culture in which all employees, including foreign employees, work together as one team.
In Japan, following the discontinuation of providing Abbott products, effective on December 31, 2026, we implemented the Career Change Support and Next Career Support Programs. This initiative has not only created opportunities for employees to pursue new careers and life paths, but has also fostered a greater willingness to take on new challenges in a changing era, thereby contributing to further strengthening organizational capabilities.

Toward the Final Year of Our Three-year Business Plan, BEACON 2030 Phase II

While we have been steadily strengthening our business structure for mid- to long-term growth, there are gaps between our actual performance and our numerical targets for all three indicators: growth, profitability, and capital efficiency. In FY2026, which is the final year of this plan, we will implement our six key measures. We will focus on selling in-house products, consumables, and services. However, overall sales are expected to decline due to the discontinuation of Abbott products. We will improve our profitability by focusing on the growth of our North America Business and the reform of the profit structure. In response to rapid changes in the business environment that were not anticipated at the time of planning, we will pursue further business growth and improve our profit structure. We will also strengthen our organizational structure and capabilities in preparation for the final year of Phase II and the next Three-year Business Plan.

Continue Stable Dividends over the Long-Term

Nihon Kohden recognizes that returning profits to shareholders is one of management's most important tasks. The basic policy is to make investments for future business expansion and enhance shareholder returns as well as securing a sound financial foundation.
The Company decided to pay a year-end dividend of 16 yen per share. As a result, the full-year dividend for FY2025 increased by 1 yen to 32 yen per share, including the interim dividend of 16 yen per share. As the Company also acquired 5 billion yen of its own shares, the consolidated total return ratio was 70% in FY2025. The full-year dividend for FY2026 will be increased 1 yen to 33 yen per share.
From FY2026, we have introduced the Business Unit Structure based on a matrix organization that integrates business and functional axes. By delivering products that respond promptly to market needs, we will strengthen our global competitive advantage while accelerating our transition to solution-based business models. Through these initiatives, we aim to achieve sustainable growth and enhance corporate value.
We appreciate your continued support.

Three-year Business Plan, BEACON 2030 Phase II

Faced with a rapidly changing global situation and a difficult business environment, in BEACON 2030 Phase II, Nihon Kohden implements the reform of the profit structure, makes investments in growth areas, and establishes collaborations between new business models and existing businesses.

3 Indicators and 6 Key Measures

Implement the reform of the profit structure and make investments in growth areas, and accelerate our transformation into a global MedTech company

1 Growth

Sales CAGR FY2023 - FY2026 **5%**

- Enhance product competitiveness
- Focus on growth of North America Business

2 Profitability

Operating margin in FY2026 **15%**

- Implement the reform of the profit structure
- Advance global supply chain management

3 Capital efficiency

ROE in FY2026 **12%**

- Introduce Nihon Kohden's own ROIC formula
- Reduce cash conversion cycle

Practice of Sustainability Management: Medical issues | Environmental issues | Social issues

For further details, please refer to our website.

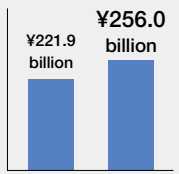
Three-year Business Plan, BEACON 2030 Phase II

FY2026 Targets

Net Sales	¥256.0 bil
Domestic Sales	¥157.0 bil
Overseas Sales (Overseas Sales Ratio)	¥99.0 bil (38.7%)
Gross Profit Margin	53%
Operating Income (Operating Margin)	¥38.5 bil (15%)
Income Attributable to Owners of Parent	¥25.0 bil
ROIC	12%
ROE	12%

Sales targets by region and product category for FY2026 ending March 2027

Sales targets



FY2023-26 CAGR **5%**

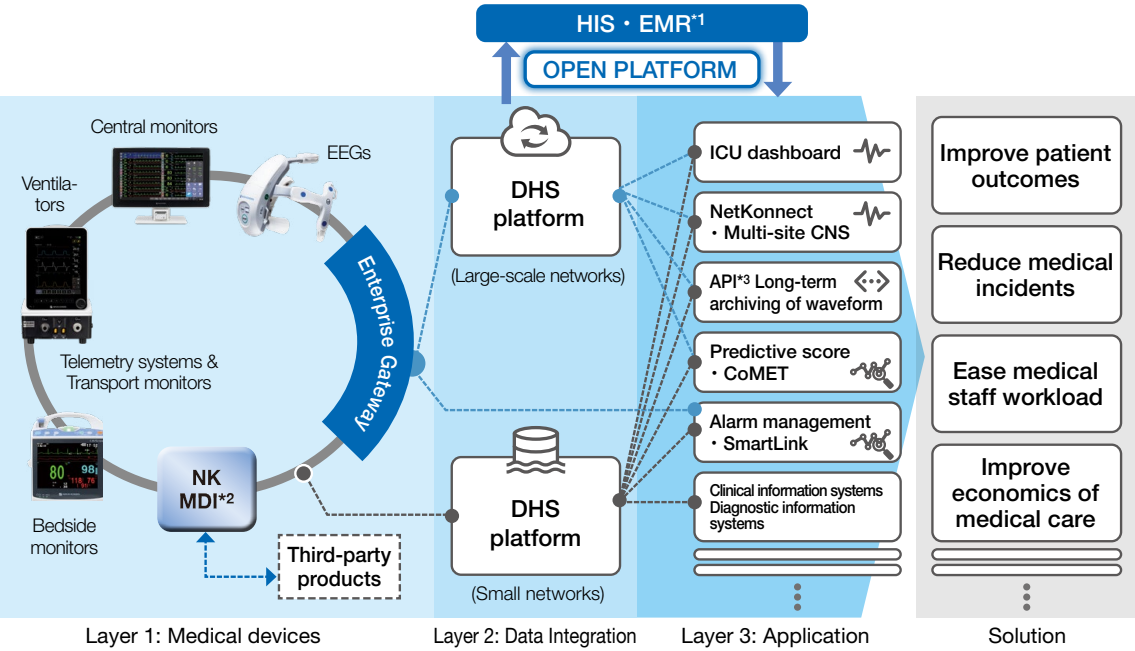
Breakdown of sales by region/product category and growth drivers

			FY2023-26 CAGR	
Region	Japan	¥157.0 billion	3%	Sustains stable growth
	North America	¥50.0 billion	11%	Positioned as a growth driver
	Latin America	¥6.0 billion	0%	
	Europe	¥14.0 billion	2%	
	Asia & Other	¥29.0 billion	7%	
Product category	Physiological Measuring Equipment	¥53.0 billion	4%	
	Patient Monitors	¥98.0 billion	5%	Focusing on as core business
	Treatment Equipment	¥63.0 billion	7%	Expanding ventilator business
	Other Medical Equipment	¥42.0 billion	2%	
	Consumables and Services		Mid-single digit	
	Solutions		Mid-single digit	

* Exchange rate assumptions: ¥140 to the U.S. dollar, ¥150 to the euro.

Development of Our Digital Health Solutions (DHS) Vision

Nihon Kohden is promoting the Digital Health Solutions (DHS) Vision to realize its Long-term Vision toward 2030, BEACON 2030.



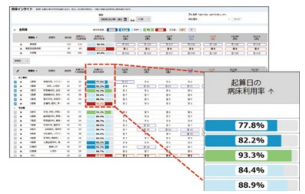
Overview of our DHS Vision

*1 HIS: Hospital Information System, EMR: Electronic Medical Record.
*2 MDI: Medical Device Integration.
*3 API: Application Programming Interface.

In the Three-year Business Plan, BEACON 2030 Phase II, we are advancing the development of various solutions based on the platforms and technological capabilities established during Phase I. In FY2025, following the previous year, we launched a series of software and services developed in Japan and the U.S. into the market.

In Japan, we launched the QP-841N on-site alarm analytics software, which supports alarm management in hospital wards, and the QP-842N admission and discharge management software. Frequent alarms in hospital wards have become a medical issue, as they increase the risk of missing alarms that genuinely require clinical attention, a phenomenon known as alarm fatigue. The QP-841N visualizes and analyzes alarm trends within hospital wards and supports continuous improvement activities based on data. By helping identify the root causes of alarms and support improvement efforts, the software is expected to contribute to enhancing medical safety and easing medical staff workload.
In addition, recent revisions to Japan's medical service fee system have increasingly recognized initiatives that facilitate early patient discharge and home-based recovery, creating a need for hospitals to optimize length of hospital stay and improve hospital bed occupancy rate. The QP-842N acquires, aggregates, and visualizes information necessary for hospital bed management in real time, thereby helping ease medical staff workload, enhance medical safety, and improve hospital management.

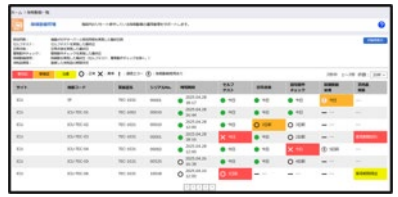
QP-841N
On-site alarm analytics software



QP-842N
Admission and discharge management software

Development of Our Digital Health Solutions (DHS) Vision

Furthermore, we added Defibrillator Management Content to the MD Linkage portal, our medical device remote monitoring system. This latest content enables the centralized remote management of defibrillator time synchronization and device administration through a cloud-based portal, eliminating the need for healthcare professionals to perform these tasks individually while making rounds within the hospital. By providing real-time web-based access to inspection results, consumables expiration dates, and device usage histories, the system helps reduce the time required for medical equipment management, enabling healthcare professionals to devote more time to patient care. Through these capabilities, we expect it will contribute to improving medical safety and advancing the digital transformation (DX) of medical equipment management.



Defibrillator Management Content

In the U.S., we are also expanding the adoption of digital health solutions (DHS) products developed by Nihon Kohden Digital Health Solutions, LLC. RemoteSense, a remote monitoring solution, enables healthcare providers to centrally monitor the real-time status of patients across multiple medical institutions. It supports patient monitoring during nighttime hours, when shortages of physicians and nurses are particularly acute, as well as the establishment of centralized monitoring systems for hospital groups operating multiple facilities. In FY2025, RemoteSense was adopted and highly evaluated by well-known medical institutions such as UMass Memorial Health, because it contributes to improving operational efficiency and medical safety. By offering the solution through a subscription-based model, we aim to facilitate smooth implementation while continuously enhancing the service, thereby driving wider adoption.

RemoteSense
Remote monitoring solution

AlarmSense, an alarm solution, provides cross-functional analysis of alarm data across an entire hospital and individual wards to help reduce alarm fatigue. Through data-driven improvement initiatives, it continuously reduces non-actionable alarms, contributing to enhanced medical safety while enabling healthcare professionals to focus more on patient care. Together with the QP-841N, which is marketed in Japan, it will form part of Nihon Kohden Group's global portfolio of alarm management solutions.

AlarmSense
Alarm solution

Live View Panel Pro, which supports the remote diagnosis of epilepsy, sleep apnea syndrome, and other conditions, provides specialists with an integrated view that enables them to monitor and assess the condition of multiple patients in real time, facilitating efficient neurological care across and beyond medical institutions. In the U.S., the shortage of neurology specialists has increased the need to establish an environment that enables specialists to leverage their expertise remotely. By incorporating feedback from top-end hospitals into its specifications and features and optimizing the user interface, we aim to improve specialists' operational efficiency and support faster clinical decision-making, ultimately contributing to better patient outcomes.

Live View Panel Pro
for advanced remote neurology monitoring

To realize its Long-term Vision, BEACON 2030, Nihon Kohden will continue to contribute to improving patient outcomes, easing medical staff workload, and improving the economics of medical care through the spread of medical digital transformation (DX).

Decision to Discontinue Providing Abbott Products

In September 2025, Nihon Kohden decided to terminate the distribution partnership agreement with Abbott Medical Japan LLC on the expiration date of December 31, 2026, with the consent of both companies. Nihon Kohden has worked on introduction, sales, and after-sales service of Abbott products in Japan for the past 38 years. After reviewing the Company's business portfolio as part of its transformation into a global company creating high added value to realize its Long-term Vision toward 2030, the Company made this decision, because the decline in profitability of Abbott products was an issue. From October 1, 2025 to December 31, 2026, Nihon Kohden will transfer its sales and after-sales service operations to Abbott in a phased manner. Nihon Kohden will discontinue providing all Abbott products on December 31, 2026.
In line with this matter, the Company implemented the Career Change Support Program for employees engaged in the Company's Abbott business as well as the Next Career Support Program for employees above a certain age in Japan, beginning in December 2025. A total of 152 employees participated in these programs.
Going forward, Nihon Kohden will further focus on providing its in-house products, consumables, and services. The Company also aims to achieve medium- to long-term growth in domestic business by strengthening its sales capabilities in growth areas such as ventilators and digital health solutions (DHS).

EP catheter

Ablation catheter

Pacemaker

DOWELL Co., Ltd. Becomes a Consolidated Subsidiary

In February 2026, Nihon Kohden acquired the shares of DOWELL Co., Ltd., making it a consolidated subsidiary. The Company aims to create a better future for people and healthcare by solving global medical issues in its Long-term Vision, BEACON 2030. In its Value Creation Compass toward 2030, Nihon Kohden also aims at value creation from data gathered through clinical sites and strives to develop a data integration platform and pioneer algorithms to create new value from information. Over the years, DOWELL has continued R&D and sales of IT systems to support operations in operating rooms and examination rooms, resulting in gaining a high reputation and market share in Japan.
Since its founding in 1996, DOWELL has been deeply rooted in medical practice and has continued R&D and sales of IT systems to support medical staff such as physicians and nurses. They have gained an excellent reputation through supporting operations in Japanese operating rooms, where advanced IT systems are in use. There is a high affinity between DOWELL's IT systems and the Company's Solution Business (ITS+DHS)*, and the Company expects that leveraging the strengths of both companies will lead to the generation of new value within the field of medical practice.
By delivering IT solutions that support enhanced data usage and greater operational efficiency in medical practice, both Nihon Kohden and DOWELL will contribute to enhancing the quality and economics of medical care. Nihon Kohden aims to enhance its corporate value and solve medical and social issues through developing next-generation perioperative solutions by combining both companies' original technologies and clinical expertise cultivated over the years with advanced technologies.

* ITS: IT Solution, DHS: Digital Health Solution.

Think beyond DOWELL

Tsurugashima Production Center Started Operations

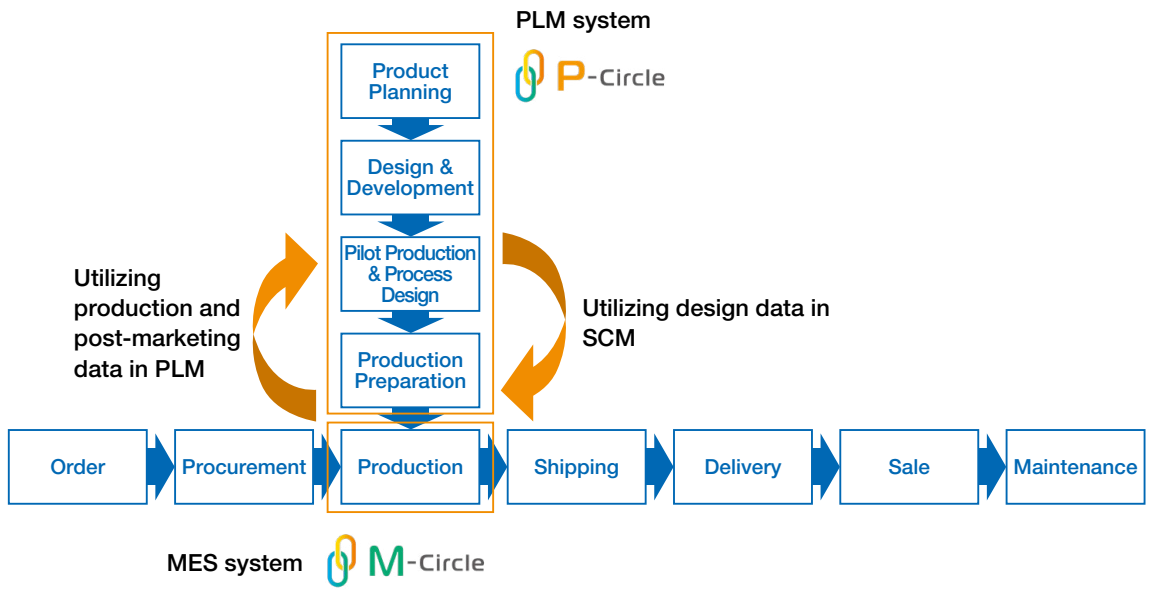
Under the Three-year Business Plan, BEACON 2030 Phase II, Nihon Kohden has positioned "Advance global supply chain management" as one of its key measures and is building a multi-plant production structure. In March 2026, the Tsurugashima Production Center started operations as the mother factory for consumables, including sensors. As we focus on expanding sales of disposable consumables and growing our consumables business overseas, we are strengthening our automated production capabilities and expanding our consumables product line-up to meet growing global demand.
In the construction and operation of the facility, Nihon Kohden places emphasis on balancing its business activities with environmental conservation based on its Environmental Philosophy and Environmental Policy. The facility incorporates environmentally conscious features, including solar power generation systems and effective rainwater utilization, promoting the use of renewable energy and resource recycling while reducing its environmental impact through sustainable building design. As a result of these initiatives, the facility has received the highest rating, ZEB*, under the ZEB certification program. Prior to commencing operations, environmental assessments of the surrounding area were conducted to better understand the facility's dependencies and impacts on natural capital from the perspectives of factory operations and coexistence with the natural and local environment. (For further details, please refer to **the Biodiversity page**.) We will continue to strengthen our efforts to conserve biodiversity and promote the sustainable use of water resources, while further enhancing our consideration of natural capital.

* ZEB: Net Zero Energy Building. A building that achieves an annual net zero balance of primary energy consumption through energy saving and on-site energy generation while maintaining a comfortable indoor environment.

Tsurugashima Production Center

Implementation of PLM/MES* Systems

Under the Three-year Business Plan, BEACON 2030 Phase II, Nihon Kohden has positioned "Enhance product competitiveness" as a key measure to achieve growth, one of the three indicators for accomplishing the plan, and is working to establish a system that enables the timely supply of products.
To advance our global supply chain management, we have promoted the introduction of PLM/MES systems that promote the digitalization of our technology development and production infrastructure as part of our corporate DX initiatives. We started operation of the PLM system in September 2025 and the MES system in November 2025. We aim to shorten the development time for new products and improve productivity by optimizing processes throughout the product life cycle by keeping the operation of both systems on track.



* PLM: Product Life-cycle Management, MES: Manufacturing Execution System.

Initiatives to Leverage Generative AI

Making Generative AI a Foundation for the Way We Work

Recognizing that the quality and safety of medical equipment are directly linked to patients' lives, Nihon Kohden is actively promoting the use of generative AI under responsible governance while also addressing the risks of not adopting this technology. Under the Three-year Business Plan, BEACON 2030 Phase II, we are advancing corporate DX and Digital Health Solutions (DHS), and the effective use of generative AI is a key enabler of these transformations.

The generative AI development promotion department, which was established in April 2024 with just seven members, developed and began operating 12 proprietary generative AI tools in FY2025 to advance and improve the efficiency of internal operations. Specifically, by developing in-house generative AI translation tools and improving business workflows in the translation of technical documents for licensing applications in each country, we significantly reduced annual outsourcing costs. In addition, we addressed one of the key issues faced by medical equipment manufacturers in ensuring compliance with international standards such as ISO and JIS. By combining generative AI-based translation with document analysis in a proprietary AI tool, we reduced the time required to prepare data for gap analyses of revised standards, which had previously required highly specialized expertise, from approximately one month to as little as three minutes. Going forward, we will continue to shorten Time to Market, the period from product planning to product launch.

In FY2025, 87% of employees holding generative AI licenses used the technology in their daily work, with total annual usage reaching approximately 44 million interactions. This high adoption rate and growth in usage were achieved through company-wide knowledge sharing and the establishment of standardized practices, representing an advanced example of enterprise-wide implementation of generative AI.

Key Applications of Generative AI:

- Internal Chatbot (KohdenGPT)
- Product Q&A Chatbot for customer support
- AI Tool for verifying product interoperability
- Risk management table creation support tool
- Sales negotiation training Apps
- Sales activity report analysis tool
- Generative AI development support tool
- Generative AI utilization dashboard

Results in FY2025

Metrics	Performance
Utilization rate among employees holding generative AI licenses	87% (47% in FY2024)
Annual usage	Apx. 44 million interactions
Time saved	Apx. 1,990k hours (253% of the initial target of 787k hours)

Initiatives	Results
Improving efficiency and reducing costs in the translation of technical documentation for country-specific regulatory submissions	• Workload: reduced from approx. 7,300 hours/month to approx. 3,700 hours/month • Shortened the time required to launch new products in overseas markets
Enhancing and accelerating gap analysis for revisions to international standards such as ISO and JIS	• Time required to prepare data for gap analyses: reduced from approx. one month to approx. three minutes • Shortening of Time to Market (the period from product planning to product launch)

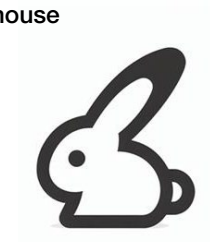
Initiatives to Leverage Generative AI

Responsible Use of Generative AI and Human Resource Development

To facilitate the deployment of generative AI across the Nihon Kohden Group, we established the Guideline for Generative AI Utilization in February 2025. Based on three pillars: clarifying standards for handling confidential information, systematizing approved generative AI tools, and establishing a management framework in collaboration with the ICT Committee, we are creating an environment that encourages the safe and effective use of generative AI rather than restricting it.
For human resource development, we have established a three-tiered education program, ranging from basic training for all executives and employees to advanced ethics and strategy training for managers. In addition, to embed the use of generative AI in daily operations, we held 26 Generative AI Cafés in FY2025, where employees voluntarily shared best practices. We also provided 373 individualized support sessions throughout the year, continuously supporting practical, job-specific use of generative AI. As a result of these initiatives, the utilization rate among employees holding generative AI licenses increased significantly from 47% in the previous fiscal year to 87%.

● Proprietary Applications Developed In-house

Product Q&A Chatbot



Rapi, a shortcut key-driven generative AI tool

Voice Input App for Sales Reports

Product Interoperability Verification App

Sales Negotiation Skills Training App

Generative AI Utilization Dashboard

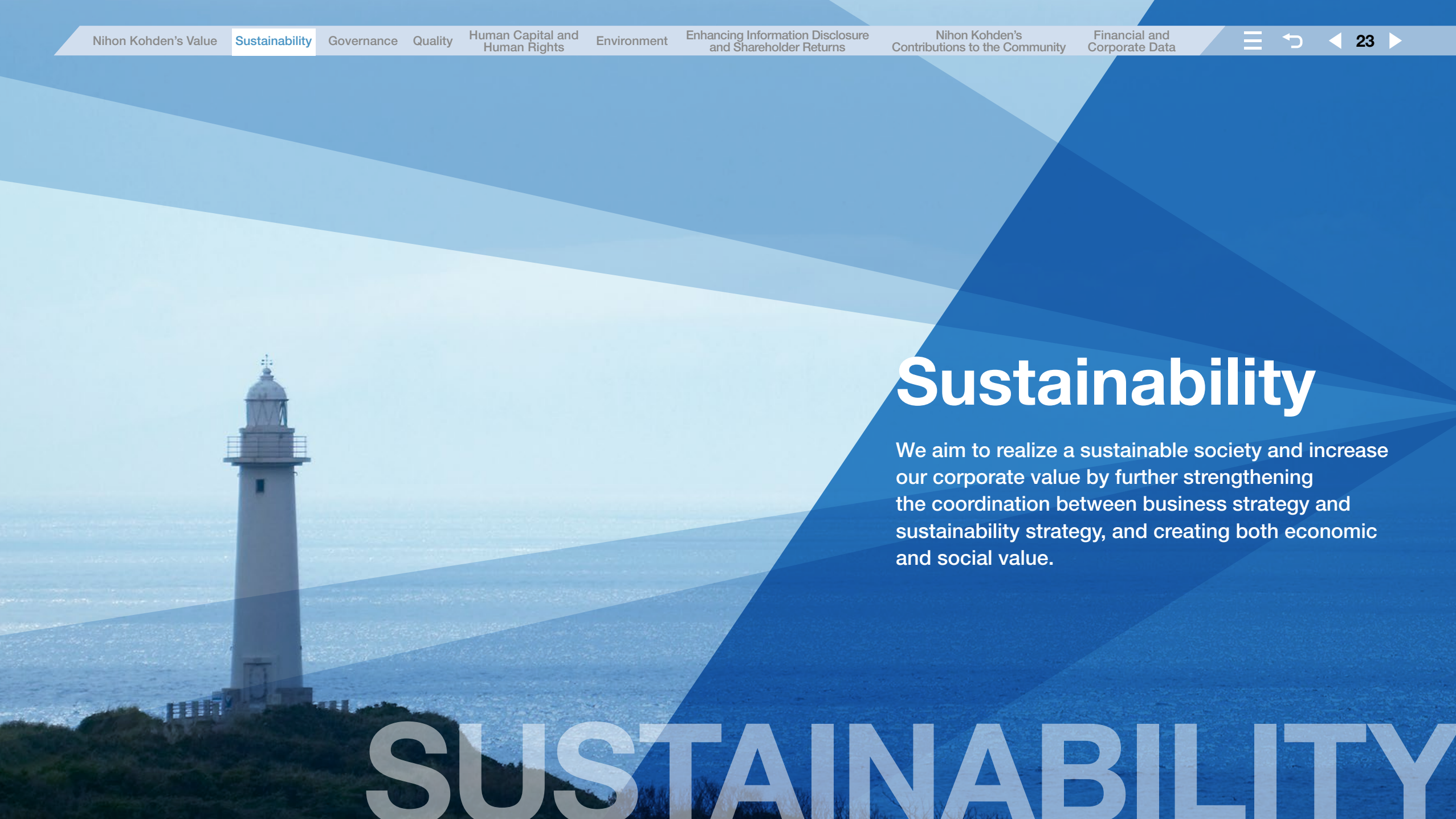
Initiatives for FY2026

In FY2026, Nihon Kohden will leverage the results of operational efficiency improvements achieved through the use of generative AI to drive the creation of corporate value.

- **Cost structure reform**
  Promote reductions in outsourcing expenses and software-related costs
- **Acceleration of product development**
  Shorten Time to Market through company-wide use of generative AI development tools
- **Challenges in medical generative AI**
  Develop new solutions that support clinical decision-making by leveraging internal expertise and governance frameworks, and deploy technical support tools for overseas subsidiaries

Nihon Kohden positions generative AI as a strategic foundation for realizing its Long-term Vision: Create a better future for people and healthcare by solving global medical issues. Going forward, we will continue our efforts to ensure that each employee can effectively harness generative AI and deliver new value to the future of healthcare.

● Generative AI Café



Sustainability

We aim to realize a sustainable society and increase our corporate value by further strengthening the coordination between business strategy and sustainability strategy, and creating both economic and social value.

SUSTAINABILITY

Sustainability Policy

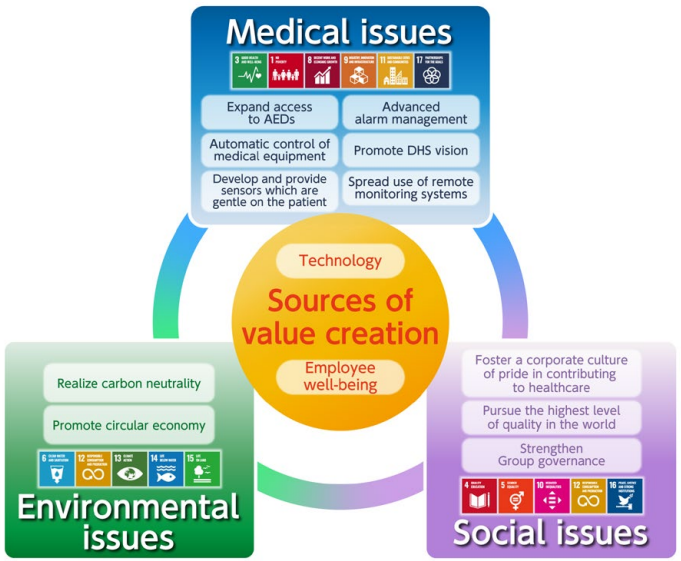
As a medical equipment manufacturer, Nihon Kohden strives to contribute to a sustainable society and enhance its corporate value, by taking on the challenges of solving social issues such as fighting disease and improving health through its business and corporate activities.

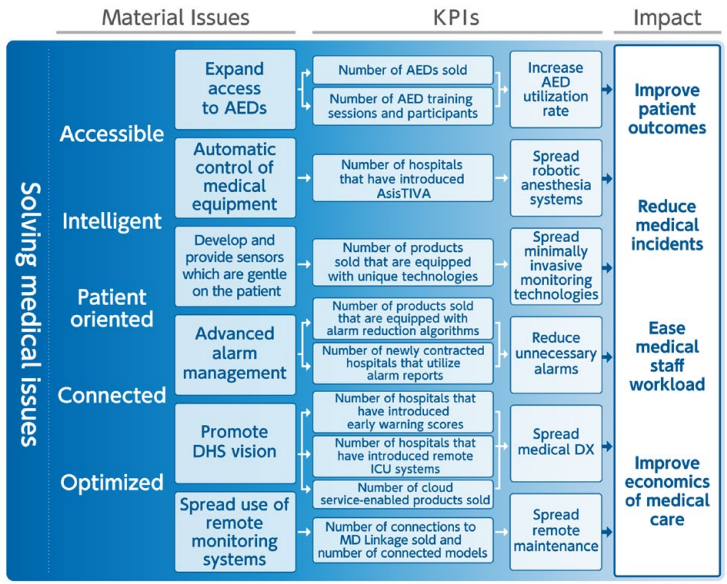
Sustainability at Nihon Kohden

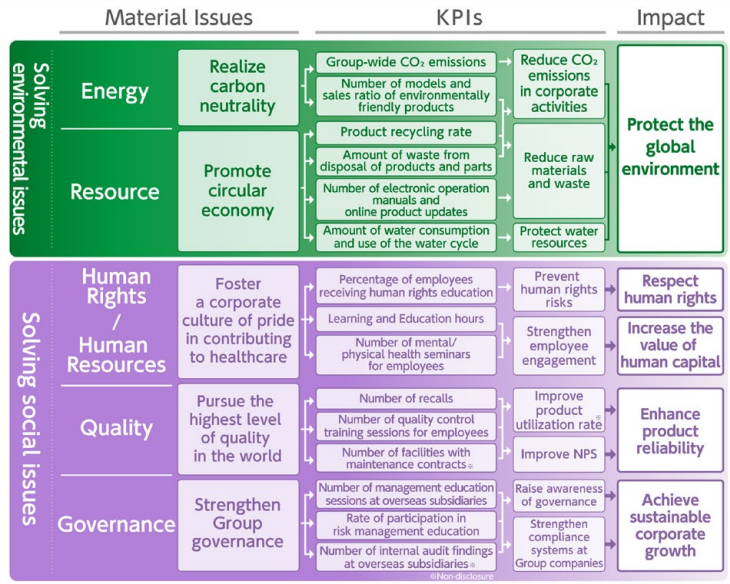
In 2015, the United Nations adopted the Sustainable Development Goals (SDGs) to address various cross-border social issues, and efforts to achieve these goals have since been promoted worldwide. The medical care we are involved in is facing various and increasingly complex problems such as the aging society in developed countries, rising medical costs, lack of basic medical care in emerging countries, and widening medical disparities, and companies, as members of society, are expected to contribute to solving these issues.

Nihon Kohden formulated its Long-term Vision, BEACON 2030 in 2020, and aims to contribute to solving global social issues and achieving the SDGs through its business and corporate activities. Under the previous Three-year Business Plan, Nihon Kohden incorporated sustainability into its basic policy for the first time. In the Three-year Business Plan, BEACON 2030 Phase II, we moved into the phase of the practice of sustainability management. We will work on solving medical, environmental, and social issues through embracing sustainability as the essence of our business activities.

We continuously aim to realize a sustainable society and increase our corporate value by further strengthening the coordination between business strategy and sustainability strategy, and creating both economic and social value.







Sustainability Policy

Material Issues and KPIs for Sustainability

The targets, results, and progress rates for each KPI are shown in the table below. Nihon Kohden has created the SDGs Matrix, which identifies the main SDGs goals and targets to which its material issues and KPIs for sustainability can contribute. The Company is promoting a strategic approach that incorporates a sustainability perspective into its management. Nihon Kohden will continue to link its business activities to solving social issues and contribute to creating a sustainable society.

For further details, please refer to our website.
Material Issues and KPIs

Medical Issues

Materiality	KPI	Targets/Actual	Results in FY2024	Results in FY2025
Expand access to AEDs	Number of AEDs unit sales	Cumulative number of unit sales of products worldwide for 3 years: 377k units	117k units Japan 64k units Overseas 53k units (Rate of progress 31%)	115k units Japan 58k units Overseas 57k units [Cumulative number] 232k units Japan 122k units Overseas 110k units (Rate of progress 62%)
	Number of AED training sessions and participants	・Cumulative number of AED training sessions in Japan for 3 years: 1,750 lectures ・Cumulative number of AED training participants in Japan for 3 years: 17,500 people	・613 lectures 40 public training sessions 458 on-site training sessions 115 online training sessions (Rate of progress 35%) ・6,797 people (Rate of progress 39%)	・493 lectures 32 public training sessions 374 on-site training sessions 87 online training sessions [Cumulative number] 1,106 lectures 72 public training sessions 832 on-site training sessions 202 online training sessions (Rate of progress 63%) ・6,549 people [Cumulative number] 13,346 people (Rate of progress 76%)

Sustainability Policy

Materiality	KPI	Targets/Actual	Results in FY2024	Results in FY2025
Expand access to AEDs	Increase AED utilization rate	Actual utilization rate of AEDs in Japan and the U.S. for 3 years (No numerical target (follow-up item)) * Utilization rate is the rate of out-of-hospital cardiac arrests responded to by laypersons using AEDs (all AEDs, including our products). Data cited from: Fire and Disaster Management Agency of the Japan Ministry of Internal Affairs and Communications website, U.S. AHA journals, etc.	Japan 4.9% U.S. 11.7%	Japan 5.2% U.S. 12.6%
Automatic control of medical equipment	Number of hospitals that have introduced AsisTIVA*1	Cumulative number of hospitals that have newly introduced the software in Japan for 3 years: 45 hospitals	9 hospitals (Rate of progress 20%)	15 hospitals [Cumulative number] 24 hospitals (Rate of progress 53%)
	Spread robotic anesthesia systems	Cumulative number of licenses sold in Japan for 3 years: 580-month licenses	86-month licenses (Rate of progress 15%)	167-month licenses [Cumulative number] 253-month licenses (Rate of progress 44%)
Develop and provide sensors which are gentle on the patient	Number of unit sales of products with our unique technologies (esCCO*2, synECi18*3, iNIBP*4)	Cumulative number of unit sales of products with these technologies worldwide for 3 years: 90k units	34k units Japan 22k units Overseas 12k units (Rate of progress 38%)	33k units Japan 21k units Overseas 12k units [Cumulative number] 68k units Japan 43k units Overseas 24k units (Rate of progress 75%)
	Spread minimally invasive monitoring technologies (esCCO, iNIBP)	Annual market share of products with these technologies in Japan after 3 years: 45%	44.8%	Scheduled to be disclosed in autumn

Sustainability Policy

Materiality	KPI	Targets/Actual	Results in FY2024	Results in FY2025
Advanced alarm management	Number of unit sales of products equipped with alarm reduction algorithms	Cumulative number of unit sales of products with the algorithms in Japan for 3 years: 4,500 units	1,448 units (Rate of progress 32%)	1,241 units [Cumulative number] 2,689 units (Rate of progress 60%)
	Number of newly contracted hospitals that utilize alarm reports*5	Cumulative number of newly contracted hospitals in Japan for 3 years: 600 hospitals	177 hospitals (Rate of progress 30%)	202 hospitals [Cumulative number] 379 hospitals (Rate of progress 63%)
	Reduce unnecessary alarms	Cumulative number of hospitals with improved operations in Japan for 3 years (No numerical target (follow-up item))	66 hospitals	86 hospitals [Cumulative number] 152 hospitals
Promote DHS vision	Number of hospitals that have introduced early warning scores*6 (Dashboard software for monitoring patient condition)	Cumulative number of hospitals that have newly introduced the software in Japan for 3 years: 50 hospitals	0 hospitals (Rate of progress 0%)	4 hospitals [Cumulative number] 4 hospitals (Rate of progress 8%)
	Number of hospitals that have introduced remote ICU systems	Cumulative number of hospitals that have newly introduced the systems in Japan for 3 years: 5 hospitals	0 hospitals (Rate of progress 0%)	2 hospitals [Cumulative number] 2 hospitals (Rate of progress 40%)
	Number of unit sales of products with cloud services (PrimePartner*7, LAVITA*8)	Cumulative number of unit sales of products in Japan for 3 years: 600 units	191 units (Rate of progress 32%)	234 units [Cumulative number] 425 units (Rate of progress 71%)
	Spread medical DX (Early warning scores, remote ICU systems, products with cloud services)	Cumulative number of hospitals that have newly introduced the products in Japan for 3 years: 680 hospitals	191 hospitals (Rate of progress 28%)	256 hospitals [Cumulative number] 447 hospitals (Rate of progress 66%)

Sustainability Policy

Materiality	KPI	Targets/Actual	Results in FY2024	Results in FY2025
Spread remote monitoring systems	Number of models and unit sales of products connected to MD Linkage*9	・Cumulative number of newly connected models worldwide for 3 years: Over 4 models ・Cumulative number of newly connected units worldwide for 3 years: Over 4,700 units	・1 model (Rate of progress 25%) ・713 units (Rate of progress 15%)	・1 model [Cumulative number] 2 models (Rate of progress 50%) ・745 units [Cumulative number] 1,458 units (Rate of progress 31%)
	Spread remote maintenance	Cumulative number of notifications by MD Linkage in Japan (No numerical target (follow-up item))	4,217 cases	4,098 cases

Environmental Issues

Materiality	KPI	Targets/Actual	Results in FY2024	Results in FY2025
Realizing carbon neutrality	Group-wide CO_2 emissions	Obtain SBT certification in FY2026	・Third-party verification conducted for Scope 1 and 2 both in Japan and internationally, and Scope 3 only in Japan ・Compilation of Scope 3 data from overseas sites	Promoted the calculation of Scope 3 emissions and the development of calculation methods utilizing generative AI to obtain SBT certification in FY2026
	Number of models and sales ratio of environmentally friendly products	・Cumulative number of newly released models for 3 years: 6 models ・Cumulative sales ratio of products worldwide for 3 years: 22.5%	・2 models (Rate of progress 33%) ・20.8%	・2 models [Cumulative number] 4 models (Rate of progress 67%) ・21.3% [Cumulative number] 21.1%
	Reduce CO_2 emissions in corporate activities	・CO_2 emission in FY2026: 44% reduction compared to FY2020 ・CO_2 emission per unit of sales in FY2026: 56% reduction compared to FY2020	・CO_2 emission: 45.6% reduction compared to FY2020 ・CO_2 emission per unit of sales: 51.8% reduction compared to FY2020	・CO_2 emission: 48.2% reduction compared to FY2020 ・CO_2 emission per unit of sales: 56.0% reduction compared to FY2020

Sustainability Policy

Materiality	KPI	Targets/Actual	Results in FY2024	Results in FY2025
Promote circular economy	Product recycling rate	Designation and operation of recycling scheme	Continuing discussions with partner companies and related departments to establish a recycling scheme	Conducting market research and continuing discussions with related departments to establish a recycling scheme
	Amount of waste from disposal of products and parts	Retirement of products and parts in FY2026: Equal to or less than actual results in FY2023	17.3% reduction compared to FY2023	14.3% reduction compared to FY2023
	Number of electronic operation manuals and online product updates	・Number of models with electronic operation manuals in 3 years: 9 models ・Number of models with online updates achieved in 3 years: 3 models	・Number of models with electronic operation manuals: 4 models (Rate of progress 44%) ・Number of models with online updates achieved: 1 model (Rate of progress 33%)	・Number of models with electronic operation manuals: 6 models [Cumulative number] 10 models (Rate of progress 111%) ・Number of models with online updates achieved: 3 models [Cumulative number] 4 models (Rate of progress 133%)
	Reduce raw materials and waste	・Cumulative paper reduction through electronic operation manuals for 3 years (No numerical target (follow-up item)) ・Cumulative CD-ROM reduction by online product updates for 3 years (No numerical target (follow-up item))	・Cumulative paper reduction through electronic operation manuals: 293k sheets*11 ・Cumulative CD-ROM reduction by online product updates: 0 CD-ROMs	・Cumulative paper reduction through electronic operation manuals: 558k sheets ・Cumulative CD-ROM reduction by online product updates: 0 CD-ROMs
	Amount of water consumption and use of water cycle	Disclose targets and results after designation Please refer to our website		
	Protect water resources			

Sustainability Policy

Social Issues

The results for items marked with * are not disclosed.

Materiality	KPI	Targets/Actual	Results in FY2024	Results in FY2025
Foster a corporate culture of pride in contributing to healthcare	Percentage of employees receiving human rights education	Implementation rate of human rights education for employees in Japan: 100% each fiscal year	100%	99.2%
	Prevent human rights risks	Awareness of harassment consultation counter in Japan: Over 90% in FY2026	93.4%	94.8%
	Learning and education hours	Cumulative hours of education in Japan for 3 years: Over 49 hours*10 per person * Hours of education by job level provided by the Phoenix Academy (Human Resources Development Center). This training content will enable new employees and managers to acquire the knowledge and skills required for each level. This does not include education hours held by each R&D, sales, and service department.	28.9 hours per person (Rate of progress 59%)	19.1 hours per person [Cumulative number] 48.0 hours per person (Rate of progress 98%)
	Number of mental/physical health seminars for employees	Cumulative number of seminars held in Japan for 3 years: 9 times	2 times (Rate of progress 22%)	3 times [Cumulative number] 5 times (Rate of progress 56%)
	Strengthen employee engagement	Employee satisfaction in Japan: Improved every fiscal year	Decreased by 1.5 points	Decreased by 3.1 points
Pursue the highest level of quality in the world	Number of recalls	Number of recalls: Reduce every fiscal year	3 cases (Increased 1 case compared to FY2023)	1 case (Decreased 2 cases compared to FY2024)
	Improve product utilization rate*	Compliance rate of recall countermeasure periods (Non-disclosure)	–	–
	Number of quality control training sessions for employees	Implementation rate of training sessions according to education plan: Over 80% every fiscal year	89%	85%
	Number of facilities with maintenance contracts*	Cumulative number of maintenance contract hospitals worldwide for 3 years (Non-disclosure)	–	–
	Improve NPS®	NPS® score after 3 years: -1.0 in Japan, over 65 in North America	Japan -4.1 points*12 U.S. 62 points	Japan -7.7 points U.S. 72 points

Sustainability Policy

The results for items marked with * are not disclosed.

Materiality	KPI	Targets/Actual	Results in FY2024	Results in FY2025
Strengthen Group governance	Number of management education sessions at overseas subsidiaries	Cumulative number of education sessions for 3 years: 4 times	1 time (Rate of progress 25%)	2 times [Cumulative number] 3 times (Rate of progress 75%)
	Rate of participation in risk management education	Rate of participation in risk management education in Japan: 100% every fiscal year	100%	100%
	Raise awareness of governance	Number of internal surveys conducted: Once per year	1 time	1 time
	Number of findings from internal audits of overseas subsidiaries*	Cumulative number of findings from internal audits for 3 years (Non-disclosure)	–	–
	Strengthen compliance systems at Group companies	Number of major compliance incidents: 0 cases	0 cases	0 cases

*1 AsisTIVA (syringe pump control software for assisting total intravenous anesthesia): This software, a part of a robotic anesthesia system, administers a controlled dose of anesthetics (sedatives, analgesics, muscle relaxants) by syringe pump using the patient's vital signs (BIS, TOF) obtained from patient monitors during total intravenous anesthesia operations.
*2 esCCO (estimated Continuous Cardiac Output): Nihon Kohden's unique technology which can estimate cardiac output continuously and painlessly based on ECG and pulse waves obtained from pulse oximetry. Previously, cardiac output could not be measured without inserting a catheter into the pulmonary artery. With our advanced technology and routinely monitored parameters, we can provide non-invasive and continuous estimates without causing any pain or strain to the patient.
*3 Synthesized 18-lead ECG: Synthesized 18-lead ECG uses the 12-lead ECG waveforms to mathematically derive the waveforms of the right chest leads (V3R, V4R, V5R) and back (V7, V8, V9).
The measurement procedure is the same as the standard 12-lead ECG but more information can be obtained. 18-lead synthesized ECG is expected to be useful in detecting right ventricular infarction and posterior infarction.
*4 iNIBP (non-invasive blood pressure measurement algorithm): Nihon Kohden's unique non-invasive blood pressure measurement algorithm using a linear inflation technology that completes the measurement while the cuff is inflating. This algorithm was developed to lessen the burden and stress on patients and medical personnel involved in blood pressure measurement. Compared to previous measurement methods, it can measure faster and does not apply more pressure than necessary, reducing the burden and stress on the patient.
*5 Alarm report: This is a report that objectively evaluates the type and frequency of alarms based on alarm information from telemetry systems and central monitors. This report is expected to contribute to improving the medical environment by reducing the occurrence of false alarms.
*6 Early warning score: This is an indicator that quantifies a patient's vital signs and contributes to early detection of sudden deterioration risks.
*7 PrimePartner (Clinical Assistant Service): This is a service that aggregates and stores data such as blood tests and ECG tests at clinics on a cloud server, making it accessible via electronic medical records.
*8 LAVITA (Medical and nursing care network system): This is a network system that can easily collect patient vital data, automatically send it to a cloud server, and share information in real time with various people such as medical workers and social workers. By collaborating with various medical institutions through LAVITA, it is possible to provide the support needed for comprehensive community care.
*9 MD Linkage (Medical device remote monitoring system): This is a network system that automatically sends error messages and self-test information generated by medical devices to our server via a remote terminal. By automatically detecting equipment abnormalities and failures and notifying us, we can respond quickly and contribute to reducing product downtime.
*10 Based on the actual results for FY2024, the target has been revised upward.
*11 The results have been revised due to changes in the calculation methodology.
*12 The results have been revised.

Sustainability Policy

Sustainability Promotion Structure

To promote sustainability, Nihon Kohden has established the Sustainability Promotion Committee, composed of the president, management operating officers, operating officers, and general managers, and Sustainability Promotion Meeting, composed of the representatives of 19 divisions. Nihon Kohden has also established the Advisory Board consisting of four external experts to incorporate outside perspectives on sustainability activities.

The Sustainability Promotion Committee holds a meeting twice a year and formulates the policies and directions. The Sustainability Promotion Meeting is held twice a year or more to establish and promote annual plans based on the policies and directions formulated by the Sustainability Promotion Committee and reports on the progress of those plans to the Sustainability Promotion Committee. Members of the Sustainability Promotion Meeting, who represent the departments in charge of each materiality, report on the progress of sustainability activities and exchange opinions with other members at regular meetings. The Company strives to implement sustainability activities in its daily business operations, in close coordination with the Risk Management Committee, Compliance Committee, Quality Control Committee, and Environmental Committee. The Advisory Board Meeting is held twice a year to discuss and advise on overall sustainability promotion.

Furthermore, in order to raise awareness of the SDGs within the Company, we take actions such as educating employees in Japan and overseas through webinars.

External Sustainability Advisors

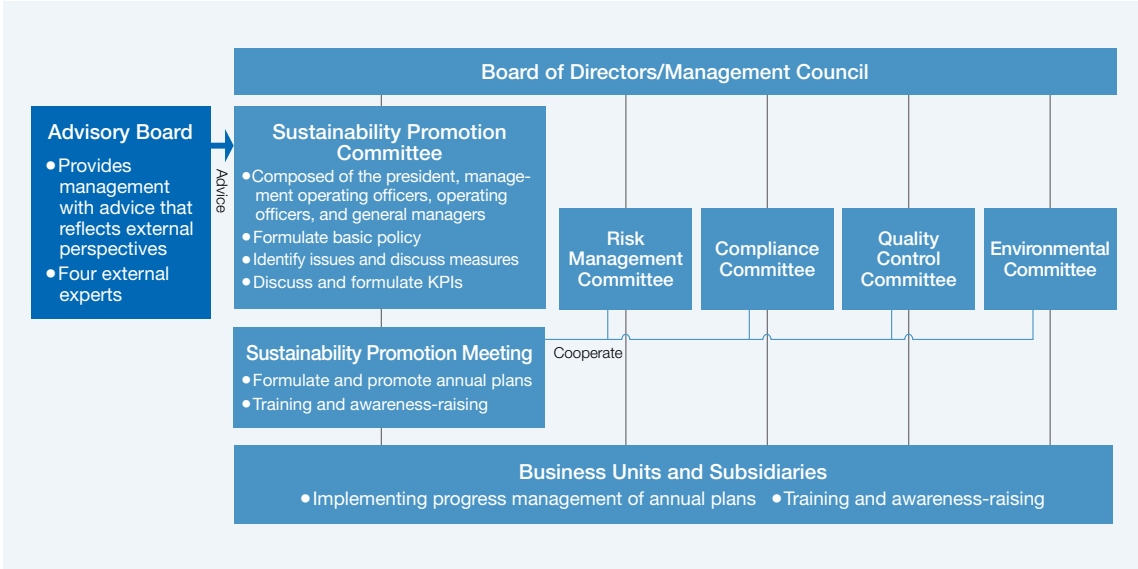
Hikaru Kobayashi
Advisor
Research Center for Advanced Science and Technology
The University of Tokyo

Kuniko Shoji
Senior Fellow
Kanagawa University of Human Services

Mika Takaoka
Professor
College of Business
Rikkyo University

Hidemitsu Sasaya
ESG/SDGs Consultant

Sustainability Promotion Structure Chart



Joined UN Global Compact

In July 2015, Nihon Kohden signed on to the United Nations Global Compact. By engaging in corporate activities that adhere to the Ten Principles of the United Nations Global Compact in four areas of human rights, labor, the environment, and anti-corruption, Nihon Kohden seeks to earn the trust of society and to contribute to a sustainable society.

THE GLOBAL COMPACT
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Governance

We enhance corporate governance by establishing a management structure aiming at improving the soundness, transparency, and efficiency of management.

GOVERNANCE

Enhancing Corporate Governance

Nihon Kohden strives to strengthen its corporate governance with the aim of continually enhancing its corporate value.

Message from Operating Officer

To realize its Management Philosophy and increase corporate value over the mid- to long-term, Nihon Kohden considers enhancing its governance structure to improve the soundness, transparency, and efficiency of management to be an important management issue, and is working to strengthen corporate governance. The Company focuses on the independence and diversity of the Board of Directors, including gender and nationality. In FY2025, the Board consisted of five inside directors and six outside directors, including two female directors and one foreign director, resulting in independent outside directors accounting for the majority of the Board. Outside directors bring expertise from a wide range of fields, including global management, AI and technology, finance and accounting, and legal affairs, thereby fostering an environment in which they can express their opinions freely and candidly. This encourages active discussions from diverse perspectives and contributes to strengthening the management oversight function and improving its quality. Going forward, the Company will continue to enhance the effectiveness of the Board of Directors and strive to strengthen corporate governance and enhance corporate value.

Eri Watanabe
Operating Officer,
General Manager of Corporate Strategy Division

Basic Views on Corporate Governance

To realize the Company's Management Philosophy, Nihon Kohden aims at achieving sustained growth and establishing reliance as a company that is highly evaluated by the customers, shareholders, suppliers, and society in all aspects including products, sales, service, technology, financial strength, quality of employees, and other points.
In order to realize this management basic policy and increase corporate value over the mid- to long-term, the Company recognizes that enhancing corporate governance, by establishing a management structure aiming at improving the soundness, transparency, and efficiency of management, is an important management issue.

Corporate Governance Structure

Nihon Kohden has adopted a Company with an Audit & Supervisory Committee structure to achieve the following: enhancement of supervisory functions, improvement of soundness and transparency of management, and acceleration of management decision making. The Company has six independent outside directors, who account for a majority of the Board of Directors as of the end of June 2026. The Company takes measures such as appointment of independent outside directors and introduction of an operating officer system as well as cooperation among the Audit & Supervisory Committee, the Internal Auditing Department, and the Accounting Auditor. The Company believes the management monitoring functions work sufficiently.
The Company registered six outside directors as independent directors, who have no conflict of interest between general shareholders and them, to the Tokyo Stock Exchange. Outside directors attend the important meetings such as the Management Council as necessary. They also provide opinions from an objective and neutral standpoint if necessary and supervise the Company's management.

Enhancing Corporate Governance

■ Board of Directors

The Board consists of a total of eleven directors (including two female directors and one foreign director); eight directors excluding Audit & Supervisory Committee members (including four outside directors) and three Audit & Supervisory Committee members (including two outside directors). Independent outside directors constitute the majority of the Board. The Board has monthly meetings in order to resolve the matters pursuant to the Companies Act and make decisions on the execution of important business for the Nihon Kohden Group as well as supervise directors' performance of their duties.

■ Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three directors, including two outside directors and one full-time member. Each Audit & Supervisory Committee member conducts audit activities in accordance with the audit policy, audit plan, and division of duties which were formulated by the Audit & Supervisory Committee. Each Audit & Supervisory Committee member attends the important meetings such as the Management Council. Each Audit & Supervisory Committee member audits the performance of the directors' duties by investigating the conduct of business operations and status of assets at the Company's main offices through office visits or web meetings as well as by investigating reports on audit results from the Internal Auditing Department. The Audit & Supervisory Committee cooperates with the Accounting Auditor and the Internal Auditing Department. The full-time member of the Audit & Supervisory Committee has accumulated abundant experience within the Company and possesses a considerable degree of knowledge about corporate governance and risk management.

■ Management Council

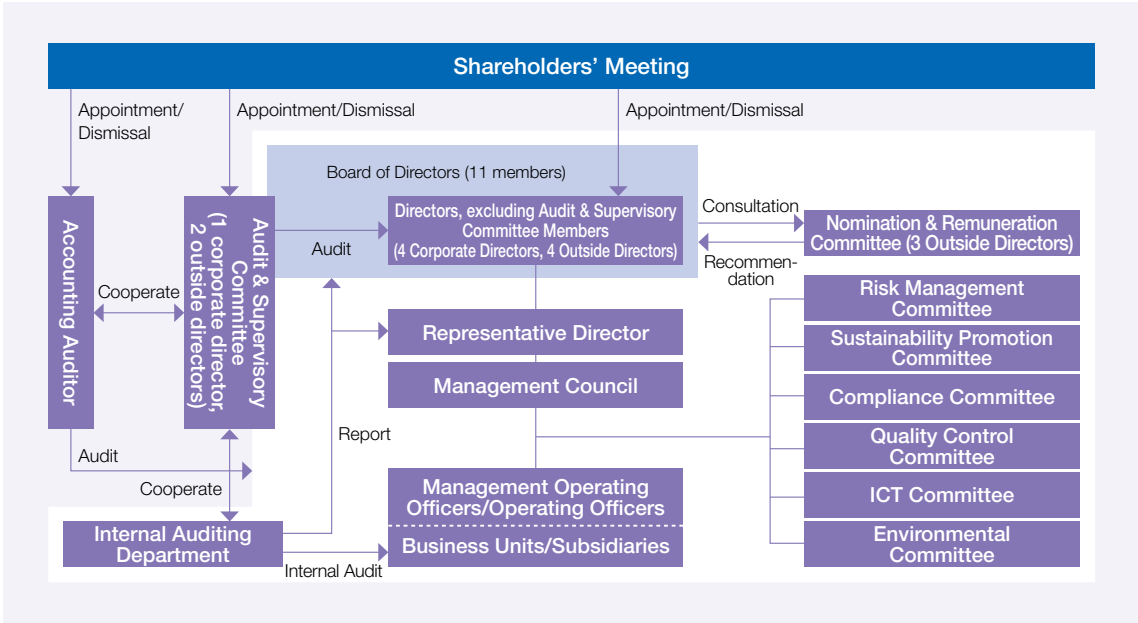
Meetings of the Management Council, at which directors, management operating officers, and operating officers attend, are held once or twice a month in order to undertake the management activities based on the policy approved by the Board as well as aiming at prompt decision making and flexible business operation. The Company has introduced an operating officer system that provides a clear segregation between managerial decision making and supervisory functions on the one hand and the execution of operations on the other, and there are sixteen management operating officers and operating officers (including two female operating officers) who are not serving concurrently as directors.

■ Nomination & Remuneration Committee

The Company has established a Nomination & Remuneration Committee, which is a voluntary advisory committee under the Board, to ensure the transparency and objectivity of the management. The Committee consists of three outside directors and the committee chair is also appointed from outside directors. The Nomination & Remuneration Committee deliberates the proposal of the candidates, the remuneration of directors and succession plans in response to requests from the Board, and submits the recommendations to the Board.

For further details, please refer to our website.
Corporate Organizational Structure

Corporate Organization and Internal Control System



Enhancing Corporate Governance

Board of Directors Evaluation

Nihon Kohden conducted self-evaluations of all directors in a survey with anonymized aggregation related to the size, constitution, and operation of the Board. The Board discussed the results of evaluations and issues for further improvements.

As a result of the evaluation, in terms of size, composition, and operations of the Board, two female outside directors and one foreign outside director were appointed and the ratio of outside directors became majority in FY2025. It was confirmed that the diversity and internationality of the Board of Directors have been ensured and that the structures necessary to enable appropriate performance of the Board's supervisory functions have been established. It was also concluded that the Board operates effectively with an open atmosphere that enables inside and outside directors to engage in candid discussion.

In FY2025, based on the FY2024 evaluation results, the Company strengthened its sophisticated company-wide risk management framework through reporting from the Risk Management Committee to the Board of Directors on the status of responses to important risks. The Company also streamlined routine reporting items to enable the Board of Directors to appropriately allocate deliberation time according to the importance of Board agenda items. On the other hand, the Board members shared the following issues: the need to hold further in-depth discussions on the Company's risk management, as well as the need for preparing meeting materials which concisely and clearly organize the information necessary for decision-making. To further enhance the supervisory functions of the Board of Directors, in addition to continuing past improvement measures, based on FY2025 evaluation results, the Company will further strengthen the company-wide risk management framework through appropriate reviewing and reporting from the Risk Management Committee to the Board of Directors on the status of responses to important risks identified by the Committee, as well as specific mitigation measures. The Company will also improve the management of the Board meetings by preparing meeting materials which concisely and clearly organize the information necessary for decision-making, and by appropriately allocating deliberation time according to the importance of agenda items.

The Company will practice sustainability management, as well as continuing to improve overall effectiveness of the Board aiming at the growth of corporate value and for an enhancement of corporate governance.

Audit & Supervisory Committee Evaluation

Nihon Kohden has evaluated and analyzed the effectiveness of the Audit & Supervisory Committee since FY2022, and discussed issues and future improvement measures with the aim of improving the reliability and quality of the committee's activities and enhancing the effectiveness of audits.

In FY2025, after the seventeen evaluation items and their details were explained to all directors serving as Audit & Supervisory Committee members, their evaluations and opinions were collected through discussions, and they discussed the evaluation of the Committee's effectiveness, as well as any other issues and future improvement measures and key themes.

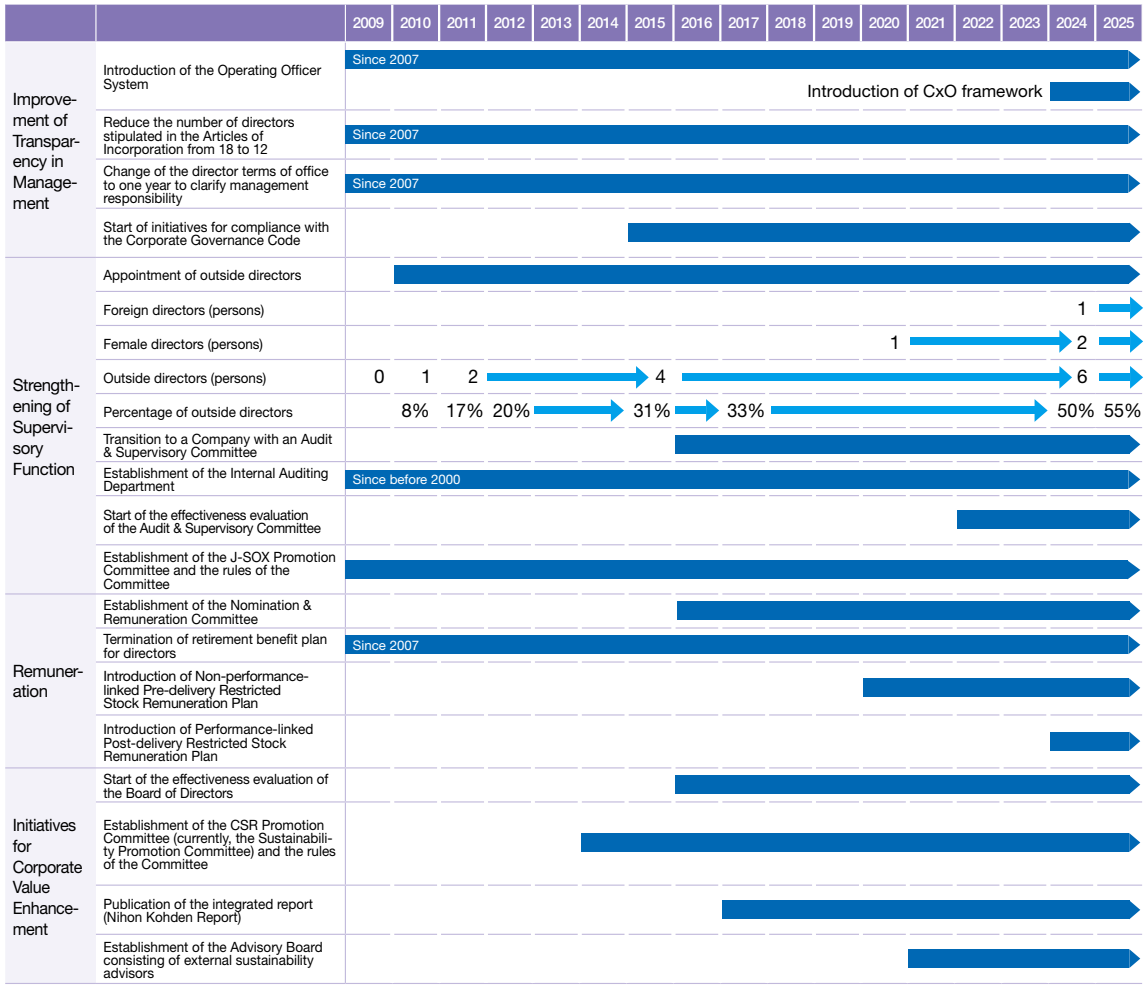
As a result of the evaluation, it was confirmed that the Audit & Supervisory Committee operates effectively, in each of the items such as the size, composition, and operations of the Committee, and that the overall effectiveness of the Committee activities is ensured with an open atmosphere that enables inside and outside members to engage in candid discussions. The Committee also incorporated the issues identified in the evaluation in FY2024 into the priority audit items for FY2025. To enhance the monitoring of the risk management framework, the Committee promoted a shared understanding of the current situation and key issues through interviews and exchanges of opinions with the Risk Management Supervisory Division. To enhance the effectiveness of collaboration between three types of audits; internal audits, audits by the Audit & Supervisory Committee, and audits by the Accounting Auditors, the Committee strived to improve both efficiency and audit quality by deepening mutual understanding of audit plans and risk perceptions through joint meetings of the three parties. Through these initiatives, continuous improvements in effectiveness were confirmed throughout the year.

On the other hand, the effectiveness of IT governance and frameworks was identified as one of the important themes in the future. As the corporate digital transformation (DX) is advancing and becoming increasingly sophisticated, and the importance of cybersecurity measures is also increasing, the need to continuously monitor these developments was confirmed.

The Company will make ongoing efforts to improve the overall effectiveness of the Audit & Supervisory Committee to enhance the Committee's reliability and quality with the aim of continuously increasing corporate value and strengthening corporate governance.

Enhancing Corporate Governance

Changes in Corporate Governance Structure



Nomination of Outside Directors

The Company appoints outside directors who meet the independence criteria set by the Tokyo Stock Exchange and have a wealth of knowledge and experience in their fields, and can provide advice and supervise the management from their objective and neutral position.

Ms. Sumie Morita has abundant knowledge and broad experience in corporate management from a global perspective as a corporate executive and information engineering specialist. The Company has appointed her as an outside director anticipating she will provide objective and neutral advice, and supervise management from an independent standpoint by applying the expertise and experience she has accumulated to date.

Mr. Danny Risberg has abundant knowledge and broad experience as a management of a global company and through activities in industry associations. The Company has appointed him as an outside director anticipating he will provide objective and neutral advice, and supervise management from an independent standpoint by applying the expertise and experience as a global business executive he has accumulated to date.

Mr. Mamoru Morita has abundant knowledge and broad experience in corporate management from a global perspective as a corporate executive. The Company has appointed him as an outside director anticipating he will provide objective and neutral advice, and supervise management from an independent standpoint by applying the expertise and experience he has accumulated to date.

Mr. Takayoshi Mimura has abundant knowledge and broad experience as a management of a global company and through activities in industry associations. The Company has appointed him as an outside director anticipating he will provide objective and neutral advice, and supervise management from an independent standpoint by applying the expertise and experience he has accumulated to date.

Mr. Kazuo Shimizu has abundant knowledge and broad experience of finance and accounting as a Certified Public Accountant. The Company has appointed him as an outside director serving as an Audit & Supervisory Committee member anticipating his management audit and supervision from an independent standpoint by applying the expertise and experience he has accumulated to date. He is a Certified Public Accountant and Tax Accountant, and possesses a considerable degree of knowledge about finance and accounting.

Ms. Ikumi Sato is closely acquainted with corporate legal affairs as an attorney. The Company has appointed her as an outside director serving as an Audit & Supervisory Committee member anticipating her management audit and supervision from an independent standpoint by applying the expertise and experience she has accumulated to date.

Enhancing Corporate Governance

Remuneration of Directors

To increase business performance and shareholder value, as well as improving management transparency and increasing mid- to long-term growth and profitability, the Company has established a policy for determining the amounts and methods of calculation of Directors' remuneration as follows. The Decision Policy was determined by a resolution of the Board of Directors after receiving a report from the Nomination & Remuneration Committee, a voluntary advisory committee under the Board.
Remuneration of directors shall be linked to shareholder value so as to function effectively as an incentive for continuously improving the Company's corporate value. Remuneration of each director shall be determined at an appropriate level based on their respective responsibilities.

Remuneration of directors (excluding directors serving as Audit & Supervisory Committee members and outside directors) shall consist of a base salary as fixed monthly compensation, bonuses as performance-based compensation reflecting short-term business performance, and restricted stock remuneration as an incentive to continuously improve the Company's corporate value over the mid- to long-term.
Remuneration of Audit & Supervisory Committee members and outside directors, who are responsible for supervisory functions, shall consist of the fixed monthly compensation only.

Remuneration to Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors)

Name	Type		Content/Calculation Method	Payment Method
Base salary by position	Monetary compensation	Fixed compensation	● Determined based on the Director's position, responsibilities, and years served as a Director, comprehensively taking into consideration the levels of other companies, the Company's business performance, and the level of employee salaries.	Paid monthly
Annual bonuses	Monetary compensation	Performance-linked compensation	● Payment rate is determined based on the result of the Company's business performance and individual evaluation of a previous fiscal year Calculated based on a variable payment rate of 0% to 200% Performance indicators for the Company's business performance: Consolidated operating income Performance indicators for individual evaluation: Degree of achievement of annual business performance targets, mid- to long-term strategies, and ESG targets	Paid annually
Mid- to long-term incentive	Non-monetary compensation	Fixed compensation	● Non-performance-linked Pre-delivery Restricted Stock Remuneration Allotted the number of shares of the Company's common stock, which is determined based on the Director's position.	Paid annually
Mid- to long-term incentive	Non-monetary compensation	Performance-linked compensation	● Performance-linked Post-delivery Restricted Stock Remuneration Incentives to strengthen remuneration governance and further improve corporate value to achieve Three-year Business Plan, BEACON 2030 Phase II. Calculated in accordance with the payment rate determined based on consolidated operating margin, consolidated ROE, and relative TSR*. Payment rate varies from 0% to 200% Evaluation weight: consolidated operating margin 30% + consolidated ROE 30% + relative TSR 40%	Paid annually

* (Total shareholder return of the Company at the end of the relevant fiscal year) ÷ (Average of total shareholder return of other companies in the same industry for the period corresponding to the calculation period of total shareholder return of the Company)

Enhancing Corporate Governance

■ **The fixed monthly compensation**

The fixed monthly compensation shall be determined based on the director's position, responsibilities, and years served as director, comprehensively taking into consideration the level of other companies, the Company's business performance, and the level of employee salaries.

■ **Performance-linked compensation**

Performance-linked compensation shall consist of bonuses and restricted stock (performance-linked post-delivery type) that reflect key performance indicators (KPI) to raise awareness of the need to improve the Company's business performance in each fiscal year. As regards bonuses, the target performance indicators and their values shall be in line with the Medium-term Business Plan and set at the time of the formulation of the plan. The target values shall be reviewed as appropriate in accordance with the report of the Nomination & Remuneration Committee in response to environmental changes. The degree of achievement of the target values shall be used as a common evaluation index for all directors. Individual evaluations shall be conducted according to each director's area of responsibility. The amount of bonuses shall be calculated based on a variable payment rate of 0% to 200% and the bonuses shall be paid at a fixed time each year. As regards restricted stock remuneration (performance-linked post-delivery type), the performance indicators and their values shall be in line with the Medium-term Business Plan and set at the time of the formulation of the plan. The target values shall be reviewed as appropriate in accordance with the report of the Nomination & Remuneration Committee in response to the environmental changes. The degree of achievement of target values shall be used as a common evaluation index for all directors. The number of shares to be allotted shall be calculated based on a variable payment rate of 0% to 200%, and the shares shall be allotted annually at a fixed time each year.

The method of determining performance evaluation indicators and payout ratio for FY2024 to FY2026 in the event that the plan is introduced is as follows. Provided, however, that if the consolidated operating margin for the period is less than 10%, the payout ratio in the period will be 0%.

The Method of Determining Payout Ratio of Performance-linked Post-delivery Restricted Stock Remuneration

	Valuation weight	Performance evaluation indicators
Financial target evaluation	30%	Consolidated operating margin
	30%	Consolidated ROE
Corporate value evaluation	40%	Relative TSR*

* (Total shareholder return of the Company at the end of the relevant fiscal year) ÷ (Average of total shareholder return of other companies in the same industry for the period corresponding to the calculation period of total shareholder return of the Company)

■ **Restricted Stock Remuneration**

As regards restricted stock remuneration (non-performance-linked pre-delivery type and performance-linked post-delivery type), the Company shall, in principle, allot shares of the Company's common stock every year, after concluding an agreement on allotting restricted stock between the Company and each director (excluding Audit & Supervisory Committee members and outside directors). As regards non-performance-linked pre-delivery type, the Company shall allot the number of shares of the Company's common stock determined based on the position of the allottee. As regards performance-linked post-delivery type, the Company shall allot the number of shares of the Company's common stock determined based on the degree of achievement of numerical targets for business performance. For both of non-performance-linked pre-delivery type and performance-linked post-delivery type, to encourage the sharing of value with shareholders over the mid- to long-term, the transfer restriction period shall be from the grant date of the restricted stock to the date when each director retires from the position of director or operating officer.

Enhancing Corporate Governance

■ The ratio by types of compensation for directors (excluding Audit & Supervisory Committee members and outside directors)

The ratio by types of compensation for directors shall be reviewed by the Nomination & Remuneration Committee, based on the remuneration levels of benchmark companies whose business scale is similar to the Company. The weighting of performance-based compensation shall be higher for the higher positions. While respecting the report by the Nomination & Remuneration Committee, the Board of Directors shall determine the details of remuneration for each director within the range of the ratio by types of compensation indicated in the report. The amount of remuneration shall be determined by resolution of the Board of Directors, which shall have the authority to determine the amount of basic salaries for each director as well as the evaluation and allocation of performance-based compensation based on the performance of the business for which each director is responsible. The Board of Directors shall consult the Nomination & Remuneration Committee on the draft remuneration plan and obtain a report from the Committee to ensure that the Board exercises its authority appropriately. The Board of Directors shall also resolve the number of shares to be allocated to each director as restricted stock remuneration based on the report of the Nomination & Remuneration Committee.
In determining the content of remuneration for each director (excluding Audit & Supervisory Committee members), the Nomination & Remuneration Committee shall conduct a multifaceted review of the draft remuneration plan, including consistency with the Decision Policy. As a general rule, the Board of Directors shall defer to the report of the Nomination & Remuneration Committee and determine that the proposed remuneration complies with the Decision Policy.

■ The remuneration of Audit & Supervisory Committee members

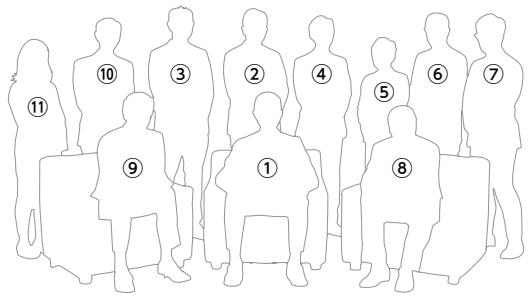
The remuneration of Audit & Supervisory Committee members shall consist of fixed monthly compensation only from the perspective of placing importance on the independence and objectivity of management. The amount of remuneration for each director is determined by consultation among the Audit & Supervisory Committee members.

The Total Amount of Remuneration of Directors in FY2025

Category	Total amount of remuneration (million yen)	Total amount of remuneration by type (million yen)			Number of directors (persons)
		Fixed monthly compensation	Performance-based compensation (bonuses)	Restricted stock remuneration	
Directors (excluding Audit & Supervisory Committee members and outside directors)	203	143	37	21	6
Directors serving as Audit & Supervisory Committee members (excluding outside directors)	25	25	—	—	1
Outside directors	69	69	—	—	7

(Note) The number of directors receiving restricted stock remuneration is four.
The restricted stock remuneration was the amount recorded as an expense in FY2025 as non-performance-linked pre-delivery type. As regards performance-linked post-delivery type, the payout ratio was 0% because the consolidated operating margin in FY2025 was less than 10%.
The 65th general shareholders' meeting held on June 28, 2016 approved the following:
i) with respect to the amount of remuneration to directors of the Company excluding directors serving as Audit & Supervisory Committee members, total amount shall be within the limit of 400 million yen (including the amount of remuneration to outside directors which shall be within the limit of 80 million yen, which was revised by the resolution of the 73rd general shareholders' meeting held on June 26, 2024),
ii) with respect to the amount of remuneration to Audit & Supervisory Committee members, total amount shall be within the limit of 80 million yen.
The 69th general shareholders' meeting held on June 25, 2020 approved the following:
The maximum amount of monetary compensation receivables to be paid to directors (excluding directors serving as Audit & Supervisory Committee members and outside directors) in respect of restricted stock (non-performance-linked pre-delivery type) shall be within the limit of 100 million yen.
The 73rd general shareholders' meeting held on June 26, 2024 approved the following:
The maximum amount of monetary compensation receivables to be paid to directors (excluding directors serving as Audit & Supervisory Committee members and outside directors) in respect of restricted stock (performance-linked post-delivery type) shall be within the limit of 300 million yen.

Board of Directors



① **Hirokazu Ogino**
Representative Director,
President and Chief Executive Officer

② **Eiichi Tanaka**
Corporate Director,
Executive Vice President,
Chief Operating Officer,
General Manager of Domestic Business Headquarters

③ **Yasuhiro Yoshitake**
Corporate Director,
Executive Operating Officer,
Chief Strategy Officer
In charge of International Business Foundation and Global Business Strategy

④ **Kazuhiro Kato**
Corporate Director,
Senior Operating Officer,
Chief Administrative Officer,
General Manager of Corporate Administration Operations,
Chief Compliance Officer

⑤ **Sumie Morita**
Outside Director

⑥ **Danny Risberg**
Outside Director

⑦ **Mamoru Morita**
Outside Director

⑧ **Takayoshi Mimura**
Outside Director

⑨ **Fumio Izumida**
Corporate Director,
Full-time Audit & Supervisory Committee Member

⑩ **Kazuo Shimizu**
Outside Director,
Audit & Supervisory Committee Member

⑪ **Ikumi Sato**
Outside Director,
Audit & Supervisory Committee Member

Board of Directors

Hirokazu Ogino

Representative Director
President and Chief Executive Officer

Served as Director for 14 years
Attendance at Board Meetings 17/17 (100%)

Date of birth: May 28, 1970
Apr. 1995 Joined the Company
Apr. 2007 President of Nihon Kohden Europe GmbH
Apr. 2011 General Manager of Marketing Strategy Department
Jun. 2011 Operating Officer
Jun. 2012 Corporate Director
Apr. 2013 General Manager of International Operations
Jun. 2013 Senior Operating Officer
Oct. 2013 CEO of Nihon Kohden America, Inc.
Jun. 2015 Representative Director, President and COO
Jun. 2017 Representative Director, President and Chief Executive Officer (current position)

Eiichi Tanaka

Corporate Director
Executive Vice President,
Chief Operating Officer,
General Manager of Domestic Business Headquarters

Served as Director for 9 years
Attendance at Board Meetings 17/17 (100%)

Date of birth: July 15, 1962
Apr. 1985 Joined the Company
Apr. 2002 General Manager of Marketing & Business Development Department
Oct. 2003 President of Nihon Kohden America, Inc.
Apr. 2008 General Manager of General Affairs and Human Resources Department
Jun. 2008 Operating Officer
Apr. 2011 General Manager of Accessories & Consumables Business Operations
Apr. 2013 Corporate Director & Senior Operating Officer of Nihon Kohden Tomioka Corporation
Apr. 2014 President of Nihon Kohden Tomioka Corporation
Apr. 2017 General Manager of Import Business Operations
Jun. 2017 Corporate Director (current position)
Apr. 2019 General Manager of Corporate Strategy Division
Apr. 2020 General Manager of US Operations
Apr. 2022 Senior Operating Officer
Jan. 2024 President of Nihon Kohden North America, Inc.
Apr. 2024 Chief Regional Officer - North America, General Manager of North America Business Operations
Apr. 2025 Executive Operating Officer, Chief Operating Officer
Apr. 2026 Executive Vice President, General Manager of Domestic Business Headquarters (current position)

Yasuhiro Yoshitake

Corporate Director
Executive Operating Officer,
Chief Strategy Officer,
In charge of International Business Foundation and Global Business Strategy

Served as Director for 9 years
Attendance at Board Meetings 16/17 (94%)

Date of birth: March 20, 1966
Apr. 1988 Joined the Company
Oct. 2003 President of Nihon Kohden Europe GmbH
Apr. 2007 General Manager of Sales Promotion Division, International Operations
Apr. 2008 Managing Director of Nihon Kohden Trading (Shanghai) Co., Ltd.
Apr. 2011 General Manager of China Operations
Jun. 2011 Operating Officer
Apr. 2013 General Manager of Asia and Middle East Operations
Apr. 2015 General Manager of International Business Operations
Jun. 2017 Corporate Director (current position)
Feb. 2019 President and CEO of Nihon Kohden America, Inc.
Apr. 2022 Senior Operating Officer
Apr. 2024 Chief Regional Officer - International
Apr. 2025 Executive Operating Officer, Chief Strategy Officer (current position)

Kazuhiro Kato

Corporate Director
Senior Operating Officer,
Chief Administrative Officer,
General Manager of Corporate Administration Operations,
Chief Compliance Officer

Served as Director for 1 year
Attendance at Board Meetings 12/12 (100%)

Date of birth: November 26, 1965
Apr. 1989 Joined Saitama Bank, Ltd.
Apr. 2019 Operating Officer, in charge of Internal Audit, Saitama Resona Bank, Limited
Apr. 2021 Senior Operating Officer, in charge of Internal Audit, Saitama Resona Bank, Limited
Apr. 2022 Corporate Director (serving as an Audit & Supervisory Committee Member) of Saitama Resona Bank, Limited
Mar. 2024 Retired as Corporate Director (serving as an Audit & Supervisory Committee Member) of Saitama Resona Bank, Limited
Apr. 2024 Joined the Company
In charge of Internal Auditing Department
Apr. 2025 Senior Operating Officer, Chief Administrative Officer, General Manager of Corporate Administration Operations, Chief Compliance Officer (current position)
Jun. 2025 Corporate Director (current position)

Board of Directors

Sumie Morita

Outside Director | Independent Director

Served as Director for 2 years
Attendance at Board Meetings 17/17 (100%)

Date of birth: May 8, 1960

Apr. 1983	Joined Fujitsu Limited
Jul. 2005	Project Manager of SEI CMMI L3 Certification Project Promotion Department, Communications Division, Fujitsu Limited
Sep.2006	General Manager of Next Generation Network BT21CN Project Promotion Department, Fujitsu Limited
Oct. 2008	Project General Manager of Network Product Global Product Planning Department, Fujitsu Limited
Oct. 2010	General Manager of Department of Network Product Software Development for Transmission Device for North America, Fujitsu Limited
Apr. 2014	Chief Research Officer of Manufacturing Technology Laboratory of Fujitsu Laboratories Ltd.
Nov. 2015	Chief Research Officer of Software Research Laboratory of Fujitsu Laboratories Ltd. Senior Director of Common Software Technology Department, Fujitsu Limited
Jan. 2018	Joined Fujitsu General Limited, Chief Manager of Air Conditioning System Development Department
Apr. 2019	Corporate Executive of Fujitsu General Limited (in charge of Air Conditioning System Development)
Apr. 2022	Professor at Department of Information and Computer Science, Faculty of Systems Science and Technology, Akita Prefectural University (current position)
Mar. 2023	Outside Director of Sumitomo Heavy Industries, Ltd. (current position)
Jun. 2024	Outside Director of the Company (current position)
Jun. 2025	Outside Director of Bunka Shutter Co., Ltd. (current position)

Mamoru Morita

Outside Director | Independent Director

Served as Director for 1 year
Attendance at Board Meetings 12/12 (100%)

Date of birth: April 12, 1959

Apr. 1983	Joined Hitachi, Ltd.
Apr. 2015	General Manager of Strategy Planning Division of Hitachi, Ltd.
Apr. 2016	Vice President and Executive Officer, General Manager of Strategy Planning Division of Hitachi, Ltd.
Apr. 2020	Senior Vice President and Executive Officer, CSO, General Manager of Strategy Planning Division, General Manager of Future Investment Division of Hitachi, Ltd.
Apr. 2022	Senior Vice President and Executive Officer, CSO, General Manager of Strategy Planning Division of Hitachi, Ltd.
Apr. 2024	Executive Advisor of Hitachi, Ltd.
Apr. 2025	Strategic Expert, Nuclear Energy Business Unit of Hitachi, Ltd.
Jun. 2025	Outside Director of the Company (current position)
Aug. 2025	Corporate Director, Managing Partner of Shinka Tech Partners Co., Ltd. (current position)
Oct. 2025	Senior Advisor of McKinsey & Company Japan (current position)
Nov. 2025	Advisor of Sojitz Corporation (current position)

Danny Risberg

Outside Director | Independent Director

Served as Director for 2 years
Attendance at Board Meetings 17/17 (100%)

Date of birth: November 20, 1962

Jul. 1995	Established Suruga Inc.
Aug. 1996	Established Metran America Inc.
Jul. 1999	Joined Respironics Inc., as Director APAC responsible for overseeing Asia-Pacific and International Division
Apr. 2005	Joined Fuji Respironics Co., Ltd., President and CEO, with responsibility for overseeing Asia-Pacific and International Division
May 2009	Executive Officer of the Healthcare Business Division and COO of Philips Electronics Japan, Ltd.
Jan. 2010	President and CEO, Chairman and CEO of Philips Electronics Japan, Ltd.
Apr. 2010	Chairman of Medical Devices and IVD Committee at the European Business Council in Japan
Jun. 2010	Director of Japan Medical Imaging and Radiological Systems Industries Association
Jun. 2012	Vice Chairman of Japan Medical Imaging and Radiological Systems Industries Association
Feb. 2014	Chairman of the European Business Council in Japan
Mar. 2017	Chairman and Director of Philips Electronics Japan, Ltd.
Mar. 2018	Retired as Chairman and Director of Philips Japan, Ltd.
May 2018	Deputy Co-Chair of EU-Japan Business Round Table
Sep.2018	President and Representative Director of Baxter Limited
Oct. 2018	Director of American Medical Devices and Diagnostics Manufacturers' Association
Dec.2022	Retired as President and Representative Director of Baxter Limited
Jun. 2024	Outside Director of the Company (current position)

Takayoshi Mimura

New | Outside Director | Independent Director

Date of birth: June 18, 1953

Apr. 1977	Joined Terumo Corporation
Jun. 2002	Executive Officer of Terumo Corporation
Jun. 2003	Director and Executive Officer of Terumo Corporation
Jun. 2004	Director and Senior Executive Officer of Terumo Corporation
Jun. 2007	Director and Managing Executive Officer of Terumo Corporation
Apr. 2008	Director and Managing Executive Officer of Terumo Corporation, Group President of General Hospital Business Group, responsible for Domestic Sales Dept. of Terumo Corporation
Jun. 2009	Director and Managing Executive Officer of Terumo Corporation, Regional Representative for China and Asia of Terumo Corporation
Apr. 2010	Director and Managing Executive Officer of Terumo Corporation, Chief Representative for China of Terumo Corporation
Jun. 2010	Director and Senior Managing Executive Officer of Terumo Corporation
Aug. 2011	President and CEO of Terumo (China) Holding CO., Ltd.
Apr. 2017	Chairman of the Board of Terumo Corporation
Jun. 2021	Chairman of The Japan Federation of Medical Devices Associations
Apr. 2022	Director and Advisor of Terumo Corporation
Jun. 2022	Advisor of Terumo Corporation Outside Director of AUTOBACS SEVEN CO., LTD. Member of the Board (Outside Director) of Mitsui Chemicals, Inc. (current position)
Jun. 2023	Member of the Board (Outside Director) of Niterra Co., Ltd. (current position)
Jun. 2026	Outside Director of the Company (current position)

Board of Directors

Fumio Izumida

New

Corporate Director (Full-time Audit & Supervisory Committee Member)

Date of birth: June 24, 1964

Apr. 1987	Joined the Company
Apr. 2011	President of Nihon Kohden America, Inc.
Apr. 2015	General Manager of International Support Department, Customer Service Operations
Apr. 2016	General Manager of Sales & Marketing Department, International Business Operations
Apr. 2017	President of Nihon Kohden Europe GmbH
Apr. 2022	Operating Officer, General Manager of Corporate Strategy Division
Apr. 2026	In charge of Internal Auditing
Jun. 2026	Corporate Director (Full-time Audit & Supervisory Committee Member) (current position)

Kazuo Shimizu

Outside Director | Independent Director

Audit & Supervisory Committee Member

Served as Director for 6 years
Attendance at Board Meetings 17/17 (100%)
Attendance at Audit & Supervisory Committee Meetings 19/19 (100%)

Date of birth: May 16, 1959

Apr. 1983	Joined Nippon Yusen Kabushiki Kaisha
Oct. 1989	Joined Asahi Audit Corporation (currently KPMG AZSA LLC)
Oct. 1992	Joined Shimizu Susumu Certified Tax Accountant Office
Mar. 1993	Registered as a certified public accountant
May 1994	Registered as a certified tax accountant
Jan. 2003	Joined Ernst & Young Shinnihon Tax (currently Ernst & Young Tax Co.)
Sep.2013	Joined Shimizu Accounting Office, Representative Partner of Ryoh-koh Audit Corporation (current position)
Jun. 2020	Outside Director (Audit & Supervisory Committee Member) of the Company (current position)

Ikumi Sato

Outside Director | Independent Director

Audit & Supervisory Committee Member

Served as Director for 2 years
Attendance at Board Meetings 17/17 (100%)
Attendance at Audit & Supervisory Committee Meetings 19/19 (100%)

Date of birth: December 25, 1963

Apr. 1990	Joined Aizawa Kenji Law Office, Registered as an attorney (Tokyo Bar Association)
Mar. 1992	Cancelled registration in Tokyo Bar Association for travel to the U.S.
Sep.1995	Joined Miki & Yoshida Law and Patent Office, Registered as an attorney, State of New York, USA, Re-registered as an attorney (Daini Tokyo Bar Association)
Jan. 2011	Joined Sanders & Dempsey L.L.P. (currently Squire Patton Boggs (US) L.L.P.) (Tokyo Office)
Mar. 2013	Joined Yabuki Law Offices
Apr. 2017	Deputy Chair of Daini Tokyo Bar Association
Apr. 2018	Executive Governor of Japan Federation of Bar Associations
Apr. 2019	Member of Information Disclosure and Personal Information Protection Commission, the Ministry of Internal Affairs and Communications (current position)
Jun. 2019	Director of Japan Aerobic Federation (current position) Outside Audit & Supervisory Board Member of DAI-DAN CO., LTD.
Jan. 2021	Joined Nozomi Sogo Attorneys at Law (current position)
Apr. 2021	Executive Governor of Japan Attorneys National Pension Fund Councilor to Asset Management Committee of National Pension Fund Association
Jun. 2021	Outside Director of DAI-DAN CO., LTD. (current position)
Jun. 2022	Outside Audit & Supervisory Board Member of TAIYO HOLDINGS CO., LTD.
Jun. 2024	Outside Director (Audit & Supervisory Committee Member) of TAIYO HOLDINGS CO., LTD. (current position) Outside Director (Audit & Supervisory Committee Member) of the Company (current position)

Board of Directors

Director Skills Matrix

The Board of Directors consists of eleven members including six independent outside directors with expertise. Directors utilize their knowledge, experience, and abilities to make decisions and supervise the business executions in order to realize the Long-term Vision and the Three-year Business Plan.
In addition to the expertise and experience of each director, all directors are engaged in management from the perspective of sustainability. The Company continues its efforts to further strengthen sustainability.

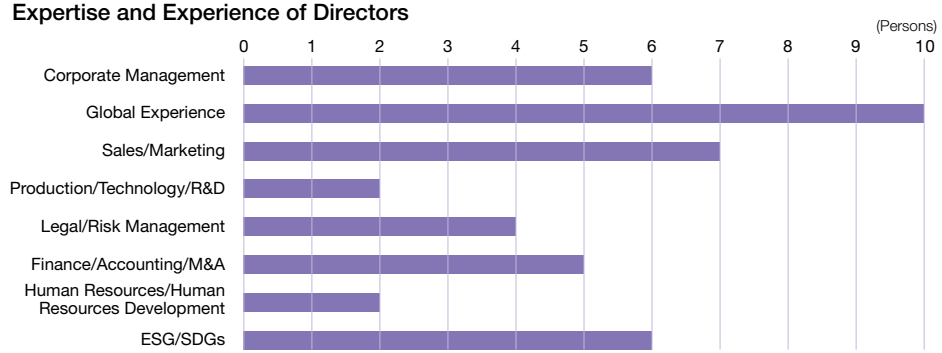
As of June 25, 2026

Name	Gender	Position		Age	Term of Office	Corporate Management	Global Experience	Sales/ Marketing	Production/ Technology/ R&D	Legal/Risk Management	Finance/ Accounting/ M&A	Human Resources/ Human Resources Development	ESG/ SDGs
Hirokazu Ogino	Male	Representative Director, President and Chief Executive Officer (CEO)		56	14 years	●	●	●			●		●
Eiichi Tanaka	Male	Corporate Director, Executive Vice President, Chief Operating Officer (COO)		63	9 years	●	●	●	●			●	
Yasuhiro Yoshitake	Male	Corporate Director, Executive Operating Officer, Chief Strategy Officer (CSO)		60	9 years	●	●	●					
Kazuhiro Kato	Male	Corporate Director, Senior Operating Officer, Chief Administrative Officer (CAO)		60	1 year		●	●		●	●		●
Sumie Morita	Female	Outside Director	Outside Director	66	2 years		●		●				●
Danny Risberg	Male	Outside Director	Outside Director	63	2 years	●	●	●					
Mamoru Morita	Male	Outside Director	Outside Director	67	1 year		●				●		●
Takayoshi Mimura	Male	Outside Director, Nomination & Remuneration Committee Member	Outside Director	73	—	●	●	●			●		
Fumio Izumida	Male	Corporate Director, Full-time Audit & Supervisory Committee Member		62	—	●	●	●		●			●
Kazuo Shimizu	Male	Outside Director, Audit & Supervisory Committee Member, Nomination & Remuneration Committee Member	Outside Director	67	6 years					●	●		
Ikumi Sato	Female	Outside Director, Audit & Supervisory Committee Member, Nomination & Remuneration Committee Member	Outside Director	62	2 years		●			●		●	●

Definition of Skills Matrix

Skills	Definition of Skills
Corporate Management	Experience as president or equivalent at other companies or group subsidiaries
Global Experience	Global business experience including overseas assignments
Sales/Marketing	Business experience and management experience in sales and marketing
Production/Technology/R&D	Business experience, management experience and possession of expertise in production, technology, and R&D
Legal/Risk Management	Business experience in legal and risk management, Attorney
Finance/Accounting/M&A	Business experience in finance, accounting, and M&A, Certified Public Accountant, CFO experience
Human Resources/Human Resources Development	Business experience, management experience, and possession of expertise in human resources and human resources development
ESG/SDGs	Business experience, management experience, and possession of expertise in sustainability including ESG and SDGs

Expertise and Experience of Directors



Messages from Outside Directors

The following are messages from the six outside directors and the overview of meetings of outside directors to exchange opinions.

Toward global value creation through a co-creative healthcare ecosystem

Sumie Morita
Outside Director
Professor at Department of Information and Computer Science,
Faculty of Systems Science and Technology,
Akita Prefectural University

We are now in the final year of the Three-year Business Plan, BEACON 2030 Phase II, as we work to realize our Long-term Vision, BEACON 2030, which aims to achieve an operating margin of 15% and an overseas sales ratio of 45%. I am encouraged to see the Company's global strategy steadily taking shape through initiatives such as the launch of Digital Health Solutions (DHS) products and the initiation of solution deployment at Nihon Kohden Advanced Technology Center, India. In addition, the Board of Directors has continued its discussions on improving capital efficiency with a focus on ROIC, and the Company has also strengthened its management foundation to enhance corporate value.
I believe that, in BEACON 2030 Phase III, the Company's next Three-year Business Plan, it will be important to further advance the development of a co-creative healthcare ecosystem that extends beyond the provision of products to accelerate the transformation of our business model through the use of data and AI. While envisioning future scenarios that address medical issues in each region around the world, I will support, in my supervisory role, the Company's transformation into a global high-value added company and contribute to the sustainable enhancement of corporate value.

Building resilience while delivering value

Danny Risberg
Outside Director

As I continue to serve on the Nihon Kohden's Board of Directors, my respect for our people, our mission, and the future we are building together grows deeper each year. Over the past two years, I have gained a greater appreciation for the dedication of our employees and their commitment to supporting customers and patients.
At a time when healthcare providers around the world face increasing financial, workforce, and operational challenges, Nihon Kohden's mission remains as relevant as ever. Through our products, services, and innovation, we help healthcare professionals deliver care when and where it matters most.
As a Board, we understand that trust must be earned every day. Governance, compliance, transparency, and integrity are the foundation of sustainable value creation and must remain at the center of how we operate. We are committed to earning and maintaining the trust of our shareholders and all stakeholders through responsible decision-making and consistent execution. Execution remains equally important. Through the continued advancement of the Company's BEACON 2030 vision, we are building on our strengths, preparing for future opportunities, and creating long-term value for patients, healthcare providers, shareholders, and society.
While challenges remain, Nihon Kohden's strong foundation, clear purpose, and dedicated people give me confidence in our future. By staying true to our values and working together, I believe we will continue to contribute to healthcare and achieve sustainable growth. It is a privilege to serve alongside my fellow directors, the management team, and all employees as we continue this journey with humility, determination, and confidence.

Messages from Outside Directors

Initiatives for global sustainable growth and corporate value

Mamoru Morita
Outside Director

It has been one year since I joined the Board of Directors. During that time, significant changes have taken place both in Japan and internationally. In Japan, healthcare providers have faced increasing pressure to control spending amid efforts to restrain healthcare costs. Internationally, geopolitical tensions and armed conflicts have intensified and the shift from free trade toward more regionalized economic blocs has become increasingly apparent. In the U.S., healthcare reforms have also significantly altered the market landscape.
Under these circumstances, Nihon Kohden continues to address global medical issues through the power of technology. I believe FY2025 has also been a year when each department made efforts to realize Nihon Kohden's founding conviction: "curing disease is something that transcends politics and national borders, and we will never have any regret putting all our energy into this goal." The Board of Directors has also overseen and supported management, drawing on its diverse perspectives and expertise to realize this conviction, enhance corporate value over the mid-to long-term, and achieve sustainable growth. Going forward, we continue striving to support Nihon Kohden's further growth and enhance corporate value in order to live up to the trust placed in us by all stakeholders.

Toward a new stage of growth

Takayoshi Mimura
Outside Director

I am honored to have been appointed as a member of the Board of Directors of Nihon Kohden. Today, the world is facing a crude oil supply crisis due to higher geopolitical risks, including the conflicts in the Middle East, prompting rapid changes in industrial structures. As a result, society has entered a state of uncertainty. Naturally, the medical device industry is also required to adopt perspectives and make judgments that differ from those of the past. However, even during the COVID-19 pandemic, there has never been such attention focused on maintaining a stable supply of medical devices. Precisely because we are in such an environment, we must build an even stronger governance structure than ever before while enhancing risk management. I myself have worked in the medical device industry for more than 40 years. Drawing on the knowledge I have gained over that time, I intend to provide oversight of management with the interests of all stakeholders in mind, thereby contributing to Nihon Kohden's new stage of growth.

Messages from Outside Directors

Solving medical issues through data and AI

Kazuo Shimizu

Outside Director (Audit & Supervisory Committee Member)
Representative Partner of Ryoh-koh Audit Corporation

FY2026 marks the final year of our Three-year Business Plan, BEACON 2030 Phase II. Nihon Kohden made strategic acquisitions, started operations at the Tsurugashima Production Center, and invested in integrated IT systems for manufacturing management. This fiscal year is a year of challenge in which we seek to translate these growth investments into improved profitability. While sales in North America are growing and the ratio of overseas sales is approaching 45%, risks such as a potential closure of the Strait of Hormuz and the continuing impact of armed conflicts have highlighted the urgent need to rebuild our supply chain. Amid this uncertain external environment, the Company has set out a vision for enhancing corporate value by transforming medical devices into platforms and solving issues faced by healthcare professionals and patients through data and AI.
As a member of the Audit & Supervisory Committee, I will continue to oversee the reasonableness of the management execution based on this strategy.

Risk-taking and governance supporting global expansion of DHS business

Ikumi Sato

Outside Director (Audit & Supervisory Committee Member)
Attorney, Nozomi Sogo Attorneys at Law

Nihon Kohden has made enhancing product competitiveness one of its key measures and is making focused investments in Digital Health Solutions (DHS). The DHS business develops application software that utilizes big data, such as patient vital signs and alarm data, collected from our products and a wide range of other medical devices, to address issues in the operations of medical institutions. This application software provides solutions to issues in medical institutions. We have established a dedicated DHS team in the U.S. to accurately identify healthcare needs and regulatory requirements and to enable the rapid development and enhancement of these solutions. As we expand the DHS business globally, including in Japan, different risk-taking decisions will be required in response to the conditions of each market.
While supporting management's appropriate risk-taking, I will fulfill my supervisory responsibilities by carefully assessing whether such decisions contribute to the enhancement of corporate value and sustainable growth.

Messages from Outside Directors

Meetings of Outside Directors to Exchange Opinions

■ Overview

Nihon Kohden has been holding regular meetings for outside directors to exchange opinions and build a common understanding since FY2016.

Aims	The purpose of the Meetings is to exchange views with independent outside directors on the results of the Board effectiveness evaluation and the progress of improvement initiatives. By sharing the Board's issues and areas for improvement, the Meetings help strengthen the Board's functions and further enhance its effectiveness.
Members	Six independent outside directors, including two members of the Audit & Supervisory Committee, and the Board of Directors secretariat
Dates for Meetings	In FY2025, two meetings were held in May 2025 and January 2026.
Agenda	May The results of the evaluation of the effectiveness of the Board of Directors Jan. Update on the progress in improving the Board's effectiveness

■ Content of Meetings

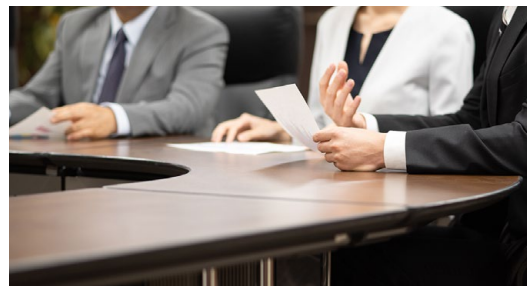
Regarding the main agenda item, the results of the evaluation of the effectiveness of the Board of Directors, the board members exchanged their opinions on the following topics.

FY2025

- Visualization of candidate-specific evaluations and details in successor development
- Need for experience and training to cultivate a perspective for management talent development
- Utilization of qualitative information and third-party assessments regarding the evaluation of the effectiveness of the Board of Directors

■ Outside Directors' Free Discussions

Since FY2021, we have held free discussion sessions without predefined themes. Two discussions were held in FY2025, and discussions are also scheduled to be held two to three times in FY2026. These sessions have proven highly valuable, enabling outside directors to engage in open discussions and deepen their mutual understanding on a wide range of topics, including the functioning of the Board of Directors and the role of outside directors, responses to potential deviations from the Three-year Business Plan, and measures for sales recovery, logistics improvement, and the development of competitive products.



Ensuring Thorough Compliance

We practice fair and legitimate business activities with high ethics.

Message from Operating Officer

Under the Management Philosophy, Nihon Kohden has established the Nihon Kohden Charter of Conduct, the Nihon Kohden Code of Ethics and Conduct, and the Compliance Promotion Policies. In FY2017, we introduced the Global Compliance Program, incorporating the Anti-Corruption Policies. Across the entire Group, including overseas subsidiaries, we are working to ensure a compliance framework based on global standards. I have served as Chief Compliance Officer (CCO), the officer responsible for this program, since FY2025.

As Chief Compliance Officer, I am responsible for managing, operating, and executing Nihon Kohden's compliance promotion framework, developing the organizational structure and talent, and fostering an organizational culture in an integrated manner. Specifically, we have assigned Divisional/Local Compliance Officers to each domestic and international department and subsidiary to establish an effective promotion framework rooted in frontline operations. Additionally, I continuously disseminate messages and important information related to compliance, and we have established direct reporting lines from Divisional/Local Compliance Officers, thereby enabling the early identification of risks and prompt response and strengthening governance through global collaboration.

In the Three-year Business Plan, BEACON 2030 Phase II, which started in FY2024, we have established "Strengthen compliance systems at Group companies" as a KPI under the material issue of "Strengthen Group governance," and set a target of "zero occurrence of major compliance incidents." To achieve this target, we identify high-priority compliance risks both in Japan and internationally and work to reduce potential risks through focused education and awareness measures. We will continue to strengthen these initiatives going forward.

Kazuhiro Kato
Corporate Director,
Senior Operating Officer,
Chief Administrative Officer,
General Manager of Corporate Administration Operations,
Chief Compliance Officer

As uncertainty and complexity further increase, we are in a business environment where conventional approaches alone are no longer sufficient. In such a context, we are expected not merely to adhere to existing rules but also to have the ability to exercise autonomous and flexible judgment depending on the situation. Therefore, we clearly define fundamental principles and emphasize a principle-based approach. All executives and employees will be guided by "Integrity" including honesty, sincerity, and high ethical standards, which is one of our Core Values, and we will further reinforce its practice across our global operations.

Further strengthening compliance is essential for Nihon Kohden to maintain the trust of society and sustainably enhance corporate value. Under strong leadership, we will continue to work together across the Group to realize our Management Philosophy.

Our Compliance Policies

Nihon Kohden and all of its subsidiaries are fully committed to a program of sound ethics and rigorous legal compliance. This effort helps protect the trust of our most valuable assets: our customers, business partners, and other stakeholders. Nihon Kohden's commitment to ethical and responsible actions is embodied by its Charter of Conduct and Code of Ethics and Conduct.

Ensuring Thorough Compliance

Compliance Organizational Framework

The Company has a global compliance program effective in all regions in which it conducts business. In order to ensure thorough compliance, the Company has created the Compliance Organizational Framework as shown in the figure on the right: The Compliance Committee is an organization consisting of directors, officers, and senior managers designated by the Board of Directors. The Compliance Committee ensures and enhances compliance by the followings:

(i) Establishing and amending the Company's compliance policies;
(ii) Supervising, evaluating, assessing, reviewing, and continuously improving the compliance program of the Company;
(iii) Coping with important compliance issues; and
(iv) Studying, assessing, addressing, and implementation of responses to other compliance matters.

The Chief Compliance Officer (CCO) is responsible for management, operation, and implementation of the compliance program throughout the Company. The Divisional/Local Compliance Officers are empowered and authorized to implement, ensure, and enhance the compliance program in each division or subsidiary. The CCO carefully selects these individuals and regularly communicates with them to verify that global policies are implemented.

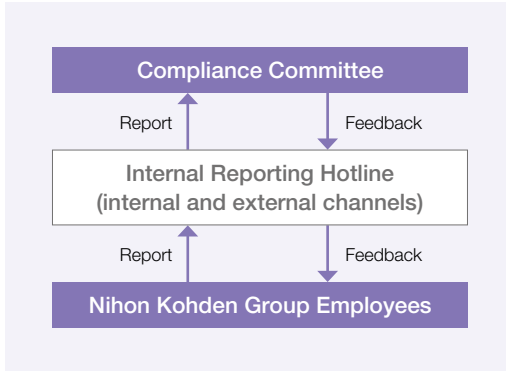
Compliance Training

Every year, the Company conducts compliance training for all executives and employees at the workplace level in each division and subsidiary in Japan and overseas (approx. 6,100 participants in FY2025). Executives and employees first conduct self-study using prescribed materials to check their level of understanding. Subsequently, they read the materials and discuss them with colleagues in order to deepen their understanding of compliance. As necessary, Local Compliance Officers in overseas subsidiaries provide additional training in accordance with local laws, regulations, and policies in each country. In addition, compliance study sessions are held in each division according to business, such as harassment, the Fair Competition Code of the Medical Devices Industry in Japan, and sales activities. Furthermore, since FY2021, we have conducted training sessions led by external experts for all managers of branch offices and Sales Operations, focusing on high-priority compliance risks.

Internal Reporting System

Nihon Kohden mandates that executives and employees report any compliance-related issues they engage in, witness, or suspect through their chain of command. If reporting through regular channels is difficult, they are required to report through the internal reporting system. The Company has established internal and external reporting channels, including a hotline operated by external lawyers. Individuals who make reports in good faith through the internal reporting system will not face any form of retaliation, sanctions, or other disadvantages. Additionally, to alleviate any concerns on the part of the employees making reports, the Company accepts anonymous reports. In response to the revised Whistleblower Protection Act, which took effect in Japan in June 2022, the Company has established new rules to strengthen the protection of whistleblowers and further enhance its internal reporting system.

Internal Reporting Hotline



Ensuring Thorough Compliance

Preventing Corruption

The Nihon Kohden Code of Ethics and Conduct prohibits any act of illegal bribery or corrupt act towards Japanese and foreign public officials and ensures compliance with laws and regulations preventing corruption in every region in which Nihon Kohden engages in business, including bribery- and corruption-related laws in Japan, the Foreign Corrupt Practices Act (FCPA) in the United States, and the Bribery Act in the United Kingdom. Furthermore, Nihon Kohden has established the Anti-Corruption Policies, which prescribe detailed rules and procedures to prevent bribery, and ensures thorough adherence thereto. In April 2026, the Company revised the Anti-Corruption Policies in light of the revised APEC Kuala Lumpur Principles*. In this revision, we have further strengthened the rules regarding relationships with healthcare professionals and have clarified a risk-based management approach and trading rules with distributors, thereby reinforcing an anti-corruption framework that is more globally aligned and consistent.
The Company also asks business partners, including overseas distributors, to understand and cooperate with Nihon Kohden's anti-corruption efforts and provides them with the Nihon Kohden Code of Ethics and Conduct and educational materials related to anti-corruption. In response to the bribery case involving former employees of the Company that occurred in Japan in January 2021, Nihon Kohden has strengthened internal controls by reviewing the procedures for considering donations and implementing IT controls to pre-order processes.
The Company has also conducted regular monitoring through compliance awareness surveys targeting all employees. Additionally, the Company has established mutual pledge to compliance with dealers and conducted periodic questionnaires. The Company has also established a whistleblowing channel for third-parties to ensure thorough compliance.

* Kuala Lumpur Principles: Ethical principles established under the framework of the Asia-Pacific Economic Cooperation (APEC) that the medical device industry should follow in its relationships with healthcare professionals and patients.

Initiatives for Global Compliance

Nihon Kohden introduced the Global Compliance Program in FY2017 and is working to ensure thorough compliance throughout the Group, including overseas sales subsidiaries. In FY2025, we held training for managers of overseas sales subsidiaries, quarterly online meetings for Local Compliance Officers, and conducted risk assessments for all overseas subsidiaries. Additionally, we identified categories with high compliance risk for each overseas subsidiary and set action plans to mitigate these risks, jointly monitoring their progress with the headquarters and the subsidiaries.

For further details, please refer to our website.
Our Commitment to Compliance

Formulated the Global Business Management Policy

As the role of our overseas subsidiaries has become more important under transforming into a global high-value-added company, we have worked to strengthen the organizational risk management capabilities of each company. In October 2021, we formulated the Global Business Management Policy to support risk management related to finance and accounting, personnel and labor affairs, compliance, and internal information security, with the aim of preventing occurrence and recurrence of fraud and misconduct. This Policy was first implemented in 24 overseas subsidiaries and is now applied to 26 subsidiaries of the Company. To further strengthen each company's risk management capabilities, we not only periodically review and enhance the contents of the Policy but also review the status of risk management implementation at each subsidiary's board of directors to ensure its effective application. We work closely with each company to ensure the Policy's effective adoption through these initiatives.

Developing a Company-wide Risk Management Framework

We aim to build a cross-functional and integrated risk management framework under the Risk Management Committee.

Message from Operating Officer

We recognize that appropriately assessing risks from a company-wide perspective and implementing response measures that consider their impact and risk-taking are critical for Nihon Kohden to continue operating soundly and smoothly while contributing to society. Today, the risks surrounding a company include natural disasters, geopolitical risks, innovation in digital technologies such as generative AI, and sophisticated cyberattacks, which have become more diverse and complex, further increasing the importance of risk management.

Nihon Kohden's Risk Management Committee focuses on visualizing potential risks and examining response measures. In FY2025, the Risk Management Committee, held twice a year, conducted deliberations and reviewed response measures for significant risks requiring company-wide responses, thereby developing a sophisticated company-wide risk management framework.

Going forward, we continue to strengthen and continuously improve the group-wide risk management framework to build a resilient management foundation capable of responding appropriately to changes in the environment, aiming to establish a sustainable corporate structure.

Eri Watanabe
Operating Officer,
General Manager of Corporate Strategy Division

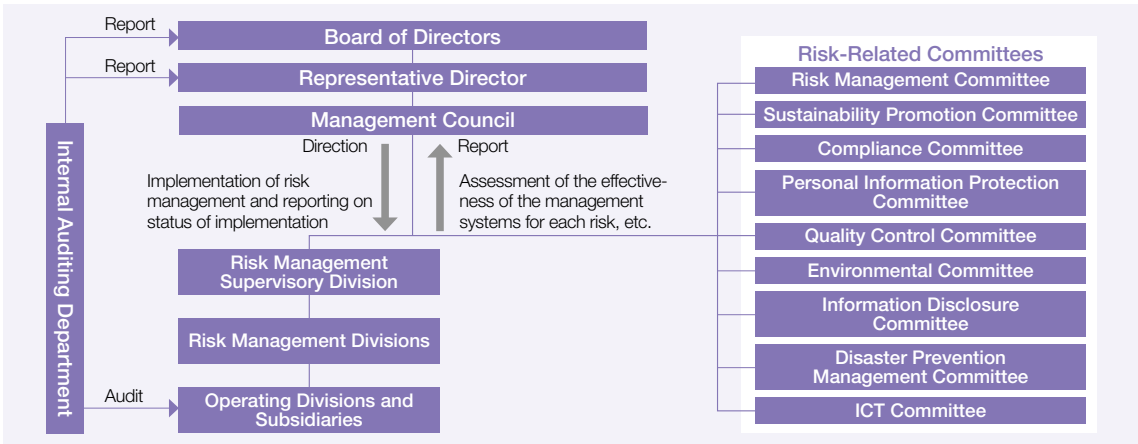
Approach to Risk Management

To ensure the sound and smooth operation of business, Nihon Kohden has established a management framework to prevent risks in overall business operations and has prescribed methods for dealing with risks when they occur.

Risk Management Framework

The Board of Directors is responsible for establishing basic policies concerning risk management in the overall Group business operations and ascertaining the improvement and promotion status of the Group-wide risk management framework. The Risk Management Supervisory Division is tasked with improving and promoting the overall risk management system of the Nihon Kohden Group. The risks present in the execution of business activities have been classified into nine types, and the Risk Management Divisions and Risk-Related Committees have been assigned to each risk type. The Risk Management Divisions provide training and support to operating divisions and subsidiaries with regard to their assigned risk types and report the system improvement and promotion status to the Risk Management Supervisory Division. The Risk-Related Committees report to the Board of Directors and Management Council on matters including assessments of management system appropriateness, validity, and effectiveness for related risk types. Additionally, focusing on significant risks identified by the Risk Management Committee, we collaborate with risk management officers in each department to periodically evaluate risks and review response measures. The Internal Auditing Department reports to the Representative Director and the Board of Directors on risks discovered during audits.

Risk Management Framework



Developing a Company-wide Risk Management Framework

Promoting Risk Management

Nihon Kohden's offices, subsidiaries, and the departments in the head office conduct self-assessment of risk management regarding compliance and others using divisional inspection sheets. The Risk Management Supervisory Division verifies the progress of risk management system implementation and future responses, and reports the assessment results to the Board of Directors. Overseas subsidiaries also report to the Board of Directors on the development and progress of their risk management systems and measures to strengthen the implementation.

In FY2025, as in FY2024, the Risk Management Committee reported significant risks identified to the Board of Directors and continued its efforts to enhance the company-wide risk management framework. For the identification of significant risks, we have evaluated the degree of impact on management and frequency of occurrence for each risk scenario by using risk maps. We have also identified severe risks based on risk assessment sheets prepared by each department and formulated response policies for each significant risk. Additionally, e-learning on risk management including information security was conducted for the Group's executives and employees. Regarding compliance, we made efforts to strengthen the global compliance system, and workplace study sessions were held in each department and subsidiary of the Group. Nihon Kohden ensures the thorough dissemination of the Nihon Kohden Code of Ethics and Conduct and the practice of compliance.

Status of Response to Significant Risks

The Risk Management Committee has identified significant risks. The Committee has also appointed the relevant departments for risk management and response, and formulated action plans to address each risk. The progress of these action plans is regularly reviewed and reported to the Board of Directors.

In FY2025, we have added M&A risks, risks associated with the use of AI, and human rights risks as new significant risks and implemented measures to address them. We have also enhanced security at our overseas offices and have developed a Factory Security Incident Response Team (FSIRT). In response to supply chain risks, we are working on optimizing inventory management and maintaining a stable supply system. With regard to the Business Continuity Plan (BCP), we have reviewed the structure of the Emergency Response Headquarters established at the head office and conducted regular trainings so that we can respond quickly and appropriately in the event of an emergency. Through these measures, the Company has strengthened its ability to respond to risks such as natural disasters and has established a system that balances business continuity with the safety of employees.

Risk Types

The Risk Management Regulations, which set forth the basic policies for risk management, classify risks into the nine types of risk shown in the table below.

Risk Types

Risk	Description
Compliance Risks	Risk of losses due to failure to comply with laws and regulations, etc.
Quality Control Risks	Risk of losses due to problems related to the safety or reliability of our products or services
System Risks	Risk of losses due to failure, malfunction or unauthorized use of networks and computer systems used in internal IT infrastructure, products and services
Disaster and Accident Risks	Risk of losses due to interruption of business operations caused by disasters or accidents
Environmental Risks	Risk of losses due to occurrence of environmental pollution, etc., caused by insufficiency in reduction of environmental impact or prevention of environmental pollution
Financial and Accounting Risks	Risk of losses due to change in value of assets held or inappropriate accounting practices
Information Disclosure Risks	Risk of losses due to inappropriate disclosure of information
Strategic Risks	Risk of losses due to incorrect business strategies
Human Rights Risks	Risk of being liable for compensatory damages or decrease in its corporate value due to human rights violations by the Company or its business partners

Developing a Company-wide Risk Management Framework

Response in the Event of a Risk

The response to be taken when a risk occurs has been set forth in the regulations established for each risk type.

Disaster Risk Management

■ **Basic Approach**

Medical equipment on which people's lives depend needs to be supplied continually and stably even in the event of a large-scale disaster. To fulfill our responsibilities as a medical equipment manufacturer, Nihon Kohden has established a system to ensure the continued supply of products and services while ensuring the safety of employees and their families in the event of a disaster.

As part of this effort, Nihon Kohden has formulated a Business Continuity Plan (BCP) and conducted periodic company-wide education and training. In FY2025, the Company conducted evacuation drills, safety confirmation drills, as well as online joint training and review at domestic sales branch offices to ensure that employees can take appropriate action in the event of an emergency in accordance with the Disaster First Response Manual.

The Nihon Kohden Group conducts its business activities not only in Japan but also around the world. In the event of natural disasters and shortages of water or other resources associated with climate change, terrorism, war, the spread of infectious diseases, or cyberattacks and other unforeseen circumstances in each region, the procurement of parts, the supply of products, and sales and service activities may be disrupted, which could have an impact on the operating results and financial condition of the Nihon Kohden Group. The Company procures raw materials and parts used for its products not only in Japan but also around the world. In the event of a supply issue at a supplier, the Company takes measures, including the consideration of alternative parts, to ensure that the production of its products is not affected.

For further details, please refer to our website.
Disaster Risk Management

Human Rights Risk Management

■ **Basic Approach**

To appropriately manage human rights risks, such as unfair discrimination or harassment, poor working environments, unfair wages, excessive work, slave labor, forced labor, and child labor, Nihon Kohden established the Nihon Kohden Group Human Rights Policy and Human Rights Policy Rules in December 2020. To realize one of our key material issues for sustainability, which is to foster a corporate culture of pride in contributing to healthcare, we have been promoting corporate activities with consideration for human rights risks in accordance with the Policy.

As part of these efforts, the Human Rights Due Diligence Implementation Project has been established to develop a framework for identifying and assessing human rights risks, conducting human rights risk assessment questionnaires for Group companies and all suppliers in Japan and overseas. Through these surveys, we have identified human rights issues and risks throughout the supply chain. We have made proposals to business partners identified as having high risks for future countermeasures and improvements through additional surveys and interviews. In FY2025, to strengthen our response to human rights risks, we revised the questionnaire items to make them easier to understand and identified particularly high-risk items, thereby improving the accuracy of our assessments. Moving forward, we will continue to work together with our business partners to prevent and mitigate risks.

For further details, please refer to our website.
Respect for Human Rights

Information Risk Management

■ **Basic Approach**

The Nihon Kohden Group utilizes various IT systems in its overall business and strives to manage information by implementing security and backup measures, and preventing the leakage of confidential and personal information. The Company established the guideline on the use of generative AI in February 2025 and has provided education and training to all executives and employees. The Company also takes various security measures to protect its products and services that use communication networks. To enhance the security of its products and services as well as strengthen its response to security incidents, the Company

Developing a Company-wide Risk Management Framework

has established the Product Security Incident Response Team (PSIRT) in April 2022. The Company has also established and implemented the Product Security Policy in May 2023. Furthermore, in October 2024, we have publicly disclosed our product security initiatives. Moving forward, we will continue these efforts to ensure that customers can use our products and services with confidence.

For further details, please refer to our website.

Information System Risk Management

■ Obtaining Third-Party Certification

To further strengthen its information security framework, Nihon Kohden has obtained third-party certifications. In July 2005, the Company obtained PrivacyMark certification. In January 2015, Nihon Kohden also obtained certification under JIS Q 27001 (ISO/IEC 27001) for its Information Security Management System (ISMS). The initial scope of ISMS certification covered the provision of remote services for certain system products sold by the Nihon Kohden Group in Japan. In 2025, the scope of ISMS certification was expanded in a phased manner to include the design and development of cloud-based medical information systems such as the PrimePartner and PrimeBridge, as well as the maintenance and support of the cloud environment.

Nihon Kohden Corporation obtained PrivacyMark certification from JIPDEC.

■ Product Security Policy

To realize our Quality Policy: "Maintaining high customer satisfaction with the purchase of a Nihon Kohden product through its entire life cycle," Nihon Kohden has established and is implementing a basic policy to ensure cybersecurity throughout the total product life cycle from development to production, sales, and after sales service.

For further details, please refer to our website.

Product Security Policy

Nihon Kohden Product Security Framework

■ Information and Cybersecurity Policy and Framework

Nihon Kohden's basic policy on information and cybersecurity is to establish a secure, reliable, and future-ready IT infrastructure to ensure business continuity and maintain and enhance the trust of customers and society. Under this policy, the Infrastructure & Cybersecurity Department of the Corporate Digital Transformation Division is responsible for formulating security policies and planning and promoting various measures, in collaboration with the ICT Committee, which consists of executives and general managers of key divisions. By establishing a governance framework led by management, we strengthen company-wide and cross-organizational security management.

Led by the ICT Committee chair and the Corporate Digital Transformation Division, we also build a global security framework covering Japan and the U.S. In collaboration with the Computer Security Incident Response Teams (CSIRTs) in each country, we work to establish a consistent level of security in Japan and overseas while continuously strengthening our rapid incident response capabilities and proactive security measures.

Developing a Company-wide Risk Management Framework

■ Information and Cybersecurity Initiatives

Through close collaboration between the IT departments at our offices in the U.S., Europe, and Japan and the headquarters departments, we promote security assessments and measures based on globally consistent standards and shared understanding. Taking into account the evaluation criteria of the Cybersecurity Measures Evaluation System for Strengthening Supply Chains, which is scheduled to be introduced by the Ministry of Economy, Trade and Industry in Japan at the end of FY2026, we have built a cross-functional system to assess internal security measures and have steadily implemented specific measures to mitigate risks.

In cooperation with an external Security Operations Center (SOC) service provider, we have also established a 24/7 risk monitoring system in Japan and overseas, thereby maintaining the capability to detect and respond to cyberattacks and suspicious activities at an early stage. Through the establishment of our security framework and ongoing efforts, we have experienced no major information security incidents during the past three years. Going forward, we continue to strengthen our proactive measures and monitoring system.

■ Information and Cybersecurity Education

We have provided annual e-learning training on information and cybersecurity for all executives and employees, including those at overseas sites. The training has been provided to all employees who use the groupware (excluding certain subsidiaries in Europe and the U.S.), with a participation rate of 95% in Japan and 100% overseas. To enable employees to acquire and review fundamental security knowledge at any time, we have made a security handbook available on our intranet, thereby creating an environment for day-to-day learning.

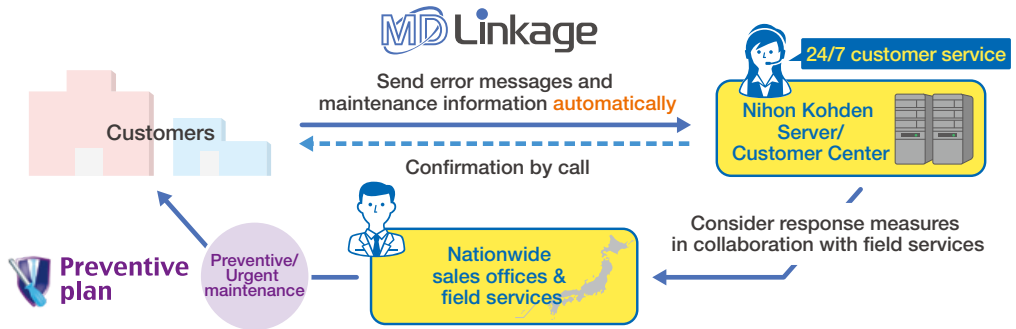
We have also conducted exercises simulating targeted email attacks every other month (six times in each country in FY2025) to foster practical cybersecurity awareness. Through these exercises, we have reinforced awareness of the signs of cyberattacks and appropriate initial action. Employees who inadvertently opened simulated emails have received additional individual training to prevent recurrence and improve their cybersecurity literacy on a practical and ongoing basis.

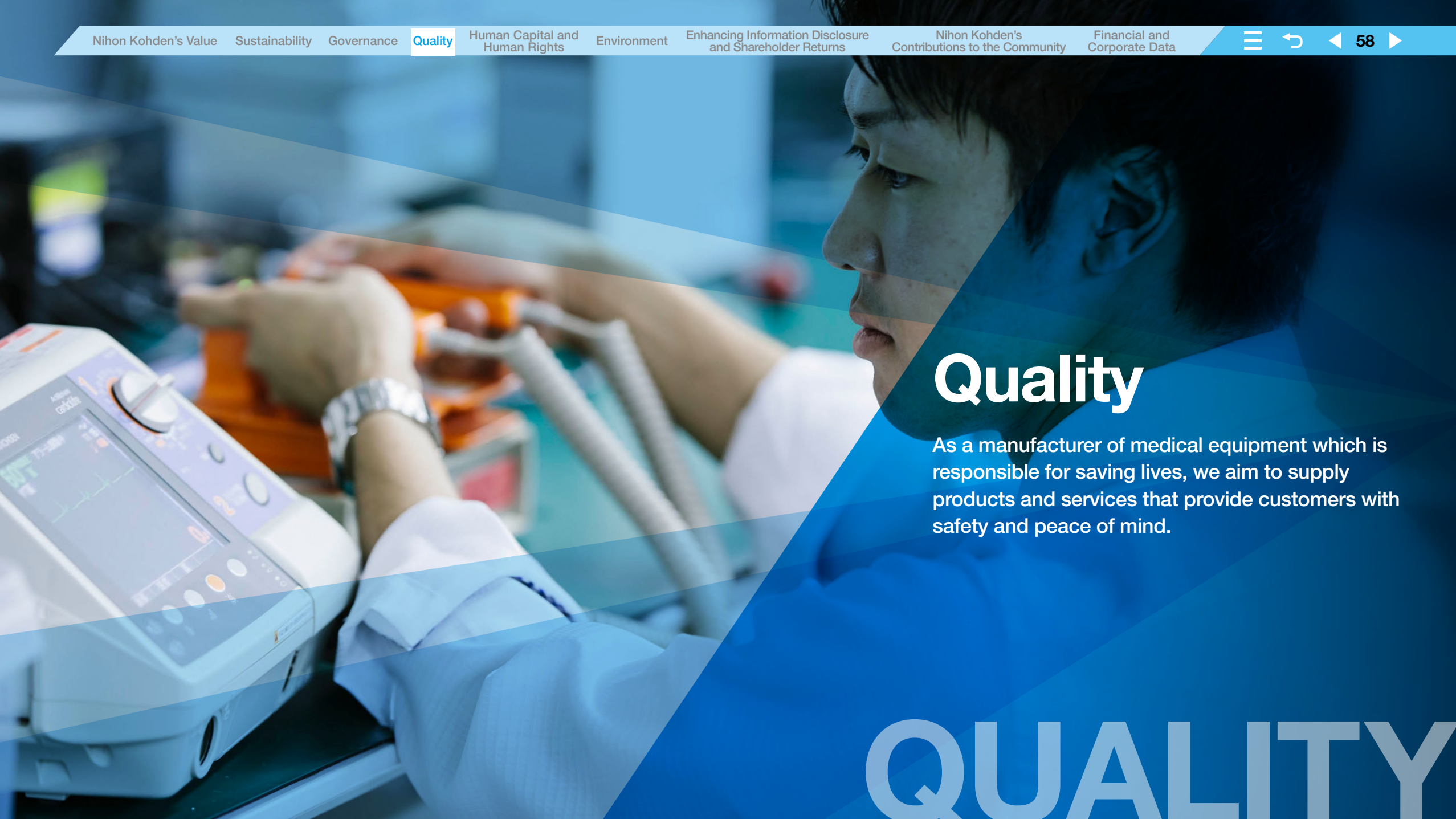
Through these initiatives, we continue to enhance the effectiveness of governance and prevent risks related to information and cybersecurity.

Response as a Medical Equipment Manufacturer

As a medical equipment manufacturer, Nihon Kohden focuses on product and service risk control to avoid accidents related to its products and services. In the event of accidents, troubles, or emergencies occurring at our customers, business partners, or any of the Nihon Kohden Group's business locations, we have established and operated a reporting system to promptly implement countermeasures and minimize damage or harm.

Furthermore, to enable both prevention and rapid response, we have established and operated a system to collect information quickly and accurately from clinical practice, as well as a framework for appropriately disseminating necessary information.





Quality

As a manufacturer of medical equipment which is responsible for saving lives, we aim to supply products and services that provide customers with safety and peace of mind.

QUALITY

Quality Management

As a manufacturer of medical equipment which is responsible for saving lives, we aim to supply products and services that provide customers with safety and peace of mind.

Message from Operating Officer

Yoshiyuki Fujita
Senior Operating Officer,
Chief Quality & Regulatory Officer,
General Manager of Corporate Quality Management Operations

Quality is an essential element in ensuring the safety and performance of products and is a key management factor that supports customer confidence and trust. At the same time, it serves as one of the foundations of management's commitment to "keeping healthcare running without interruption." In recent years, the quality requirements for medical equipment have expanded to encompass areas such as cybersecurity and environmental sustainability, and the regulations related to medical equipment are rapidly becoming more sophisticated and complex.
Furthermore, rising geopolitical tensions, particularly in the Middle East, have further increased uncertainty in the business environment, affecting areas such as raw material procurement, logistics, and energy costs. Under these circumstances, design changes and component substitutions—which are essential for compliance with medical equipment regulations—directly lead to procurement risk and supply constraints. The product supply disruptions caused by delays in responding to regulatory requirements that became apparent in FY2025 clearly demonstrated that ensuring quality solely through the production process is not sufficient to support a stable product supply. In addition to our traditional efforts to build quality into products at the development stage, it has become essential to incorporate resilience against changes in the external environment from a much earlier stage.
Through my experience as the Chief Quality & Regulatory Officer (CQRO) responsible for overseeing quality and regulatory compliance, I have come to strongly recognize that quality is a management element essential for sustaining both product compliance and product supply in the face of changes in the external environment.
Rather than relying solely on the ability to respond to on-site situations in individual development and production processes, I believe it is essential to take a comprehensive view of the entire product lifecycle from the product planning stage onward and embed quality and regulatory compliance considerations into each process—design, procurement, production, and supply—as a means of mitigating potential risks.
Accordingly, the Company does not leave quality solely to frontline operations; rather, we view it as a key priority that management must proactively address while focusing on shortening Time to Market (TTM: the period from product planning to market launch).
As we move toward the culmination of our Long-term Vision, BEACON 2030, we will evolve quality management from "a management system for maintaining compliance" into "a management foundation for continuing to support healthcare even amid changes." Through this transformation, we will lay the groundwork for the next Three-year Business Plan. By proactively addressing regulatory requirements, enhancing cross-functional visibility of quality risks, and strengthening business continuity with geopolitical risks in mind, we will continue to refine quality as a source of medium- to long-term corporate value creation.
"Continuing to provide peace of mind to healthcare professionals, even in an era where uncertainty has become the norm." This is precisely our responsibility as we regard quality as a core element of our management foundation.

Quality Policy

Medical devices used in advanced medical care require the highest level of quality and safety. Nihon Kohden has set the following quality policy.

Quality Policy

Maintaining high customer satisfaction with the purchase of a Nihon Kohden product through its entire life cycle.

Quality Management

Quality Targets

In FY2025, Nihon Kohden conducted one recall for products manufactured and distributed in Japan, resulting in inconvenience to medical professionals.
We will continue making company-wide efforts to prevent the recurrence and build up a record of "Zero Recall Days."
In FY2026, the following initiatives will be implemented as quality targets.

(1) We will build a global quality management system to strengthen regulatory compliance and post-marketing monitoring in each country.

In response to the increasing demand for high-quality medical equipment at the global level, Nihon Kohden has established its QMS that has strengthened legal and regulatory compliance and post-marketing monitoring in each country or region where its products are sold. We will continue to thoroughly collect and share information on medical equipment-related laws and regulations in each country/region to shorten the time required for global product registration and ensure the timely supply of products. We will also further upgrade our post-marketing monitoring system and provide feedback on the information obtained for the improvement of internal processes and products to improve the quality of our products and services more rapidly.

(2) We will improve software design quality and manufacturing quality to enhance Customer Experience (CX).

To enhance CX, we will work to improve daily operations, increase efficiency as well as speed, and respond to customer feedback in an appropriate and timely manner. In addition to third-party evaluations of software design, we will continue to work to reduce product failures after shipment by analyzing problems in the product manufacturing process and taking measures to prevent their recurrence.
Nihon Kohden has obtained ISO 9001:2015 certification for its quality management system and ISO 13485:2016 certification for medical devices and in vitro diagnostic medical devices. The Company has also obtained numerous certifications and accreditations including the Medical Device Single Audit Program (MDSAP)* certification. Our Reliability Center has obtained laboratory accreditation in accordance with ISO 17025:2017. In addition, the Company complies with the Medical Device Regulation (MDR) and the In Vitro Diagnostic Medical Device Regulation (IVDR) in Europe.

* MDSAP is a program to realize a single survey on the compliance and validity of QMS surveys introduced by medical device regulatory authorities in five countries: the U.S., Canada, Brazil, Australia, and Japan.

(3) We will work to reduce the repair rate to ensure stable operation of our products.

To ensure the stable operation of products used by our customers, we will continue our efforts to reduce repair and re-repair rates. We will also provide replacement devices promptly during repairs and work to shorten lead times for repair parts and repair turnaround times.

(4) We will work on human resource development to achieve quality targets and improve CX.

To achieve the above quality targets and improve CX, we will develop human resources by providing practical training across all Nihon Kohden departments.

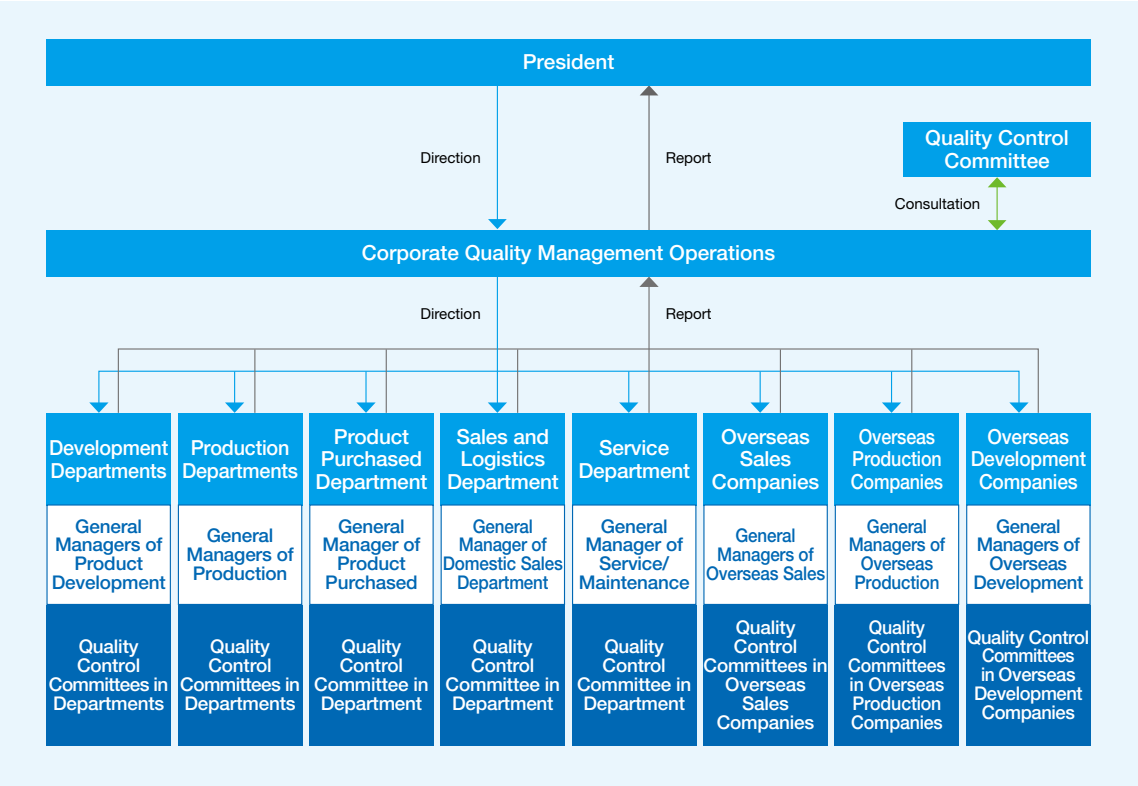
Quality Management

Management System

■ Strengthen Our Global Quality Management System

Nihon Kohden is working to strengthen its quality management system and regulatory affairs functions for obtaining approval in each country in order to supply products globally in a timely manner.

Quality Management System



ISO 9001/ISO 13485 Certification in the Nihon Kohden Group

	ISO 9001 Quality Management System	ISO 13485 Medical Device Sector Standard
Nihon Kohden Corporation*	○	○
Nippon Bio-Test Laboratories Inc.	○	-
DOWELL Co., Ltd.	○	-
Nihon Kohden America, LLC	-	○
Defibtech, LLC	-	○
Nihon Kohden OrangeMed, LLC	-	○
Neurotronics, LLC	-	○
Nihon Kohden Digital Health Solutions, LLC	-	○
Ad-Tech Medical Instrument Corporation	○	○
Nihon Kohden Europe GmbH	-	○
Nihon Kohden Firenze S.r.l.	○	○
Software Team Srl	○	○
Shanghai Kohden Medical Electronic Instrument Corp.	○	○
Nihon Kohden Malaysia Sdn. Bhd.	-	○
Nihon Kohden India Pvt. Ltd.	○	○
Nihon Kohden Middle East FZE	○	○

* Including Nihon Kohden Tomioka in the scope of certification.

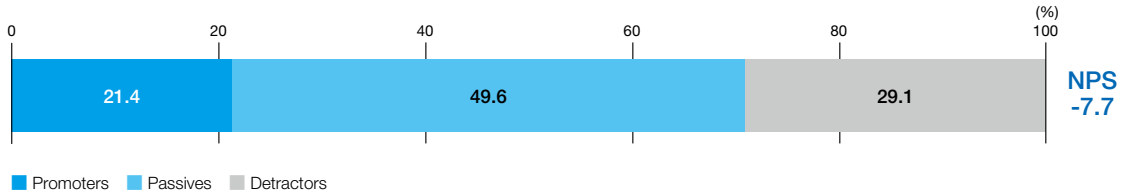
Quality Management

Net Promoter Score (NPS®) Surveys

Nihon Kohden had set one of the material issues in the Three-year Business Plan, BEACON 2030 Phase II, as "Pursue the highest level of quality in the world," and established the Net Promoter Score (NPS®) as a KPI. The improvement of NPS® has been a KPI since the period of the previous Three-year Business Plan, and the NPS® survey was conducted for the fifth time in FY2025. The overall NPS® survey score was -5.3 points in FY2021, -4.0 points in FY2022, -8.4 points in FY2023, -4.1 points in FY2024, and -7.7 points in FY2025, a decrease of 3.6 points from the previous fiscal year. In particular, the scores in areas such as "Brand image" and "Degree of understanding of customer needs" indicated that further improvement is needed. On the other hand, the score for categories such as "Ease of obtaining information on products and services" and "Support at the time of delivery and installation" received high ratings.
Through the NPS® survey, we will continue to further enhance the points that have been highly evaluated by our customers and actively improve the points that need improvement. As a partner to medical professionals, we will continue to be a company that works together with them to solve issues facing the medical field.

* The NPS® survey is conducted to quantify the degree of attachment to and trust in a company or brand, which has traditionally been difficult to measure, in order to evaluate the customer's experience at the point of contact with the company and apply it to improvements through future business activities. Since the NPS® survey has a high correlation with business growth rates, it is used by listed companies in the U.S. and Europe and is attracting attention in Japan as a new indicator alongside customer satisfaction.
NPS® is calculated by the following method.
Customers were asked to rate the service on a 10-point scale, with 9 to 10 being "promoters," 7 to 8 being "passives," and 0 to 6 being "detractors." The percentage of promoters (%) to the total number of respondents was subtracted from the percentage of detractors (%), and the resulting number is the NPS® value, which is expressed between -100 and +100.
NPS® is a registered trademark of Bain & Company, Fred Reichheld, and NICE Systems, Inc.
Net Promoter System, Bain & Company's Website
https://www.bain.com/consulting-services/customer-strategy-and-marketing/customer-loyalty/

NPS® Survey Results in FY2025 (Overall Score)

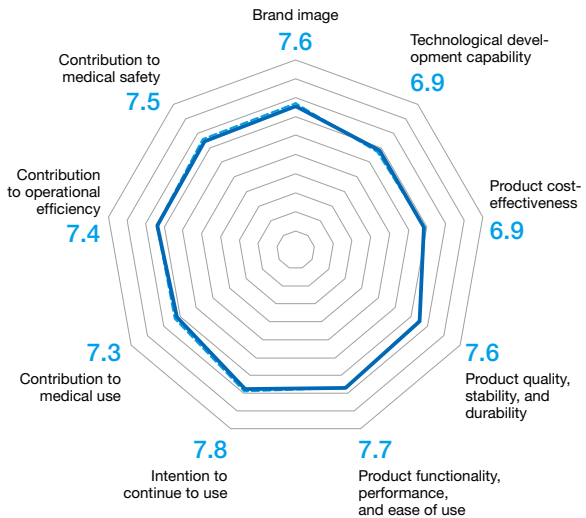


* Percentages may not total 100% due to rounding.

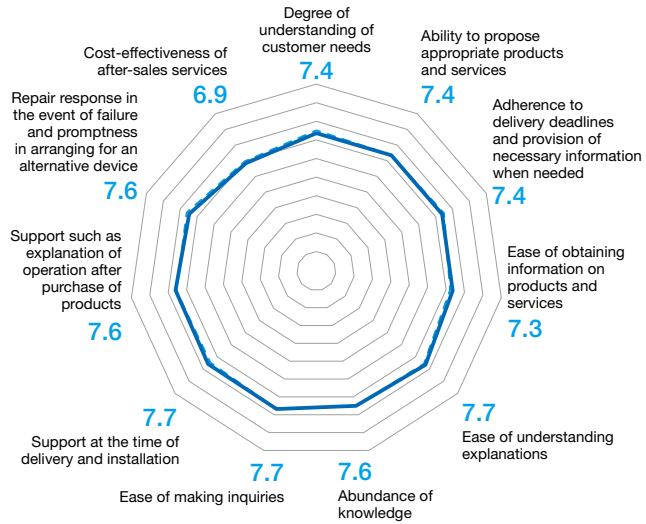
NPS® Survey Results in FY2025 (Individual Scores) * 10-point scale for each item

FY2025 — FY2024 - -

Corporate Image and Contribution to Customer Value



Satisfaction with Sales and Services



Quality Management

Support for Customers' Safety Management

Nihon Kohden strives to ensure safety even after product delivery by supporting customers' safety management and the dissemination of medical technologies.
The Company has assigned specialized Medical Equipment Safety Advisers (MESA) throughout Japan, who have received accreditation as Medical Device Information Communicators (MDIC)*, to hold training sessions on the proper use of its products. In addition to in-person training sessions, we also provide online-based training and audio-narrated slide materials. Through the training materials, we delivered essential safety information to many medical facilities and healthcare professionals in FY2025.

FY2025 Results

- 1,390 sessions (In-person training: 1,172 times, providing materials (including video files): 218 times)
- 26,045 participants
  (In-person training: 23,485 participants, non-in-person training: 2,560 participants)
- 669 facilities

Main training topics

- Safety workshops for use of patient monitors, defibrillators, ventilators and AEDs
- Safety workshops for electrical safety, safety management of medical devices, and alarm report for patient monitors

* MDIC is an accreditation program established by the Japanese Society of Medical Instrumentation (JSMI) to cultivate personnel who can contribute to patient safety and the improvement of healthcare quality.

Product Cybersecurity

■ Product and Service Safety Program

Nihon Kohden implements its Product Security Policy throughout the entire product lifecycle, from development to post-sales support. By providing customers with information advisories and information on the End of Life (EOL) and the End of Support (EOS), we help ensure that customers can use our products safely and securely throughout their lifecycle.

For further details, please refer to **the Information Risk Management page** and our website.

Product Security Measures

Information System Risk Management

Employee Safety

Nihon Kohden has established the Safety and Health Committee to promote accident prevention and the development of a healthy environment in the workplace, in compliance with the Labor Standards Act and the Industrial Safety and Health Act. The Safety and Health Committee holds monthly meetings to deliberate on health and safety proposals submitted by each department and engages in activities for safety and health improvement.
In addition to the Safety and Health Committee, the Company has also established the Infectious Disease Prevention Committee to conduct employee training, surveys, discussions, and awareness raising activities regarding infection prevention.
Company vehicles used by employees are equipped with collision avoidance systems, lane departure warning systems, automatic high-beam switching systems, and drive recorders as standard equipment, and studless tires are provided as needed. All company vehicles are generally leased for a period of five years, and are updated with the latest safety equipment, while also promoting the use of hybrid vehicles to reduce environmental impact.
In addition, for employees working in regions with severe cold weather, we promote the reduction of traffic accidents by arranging vehicles equipped for cold climates. Due to the revision of the Road Traffic Act enforcement regulations, which mandates alcohol checks using breathalyzers before and after driving from December 2023, we have implemented a vehicle management system at all domestic business sites. This system ensures the proper operation of driver's license verification, driving logs, and pre- and post-driving alcohol checks.
Beginning in FY2026, we will revise the repair and management framework for company vehicles to ensure vehicle safety and establish a more responsive maintenance system. Through these efforts, we aim to further reduce traffic accident risks and enhance employee safety.
In addition, we have introduced an employee safety confirmation system that enables us to quickly verify the safety of our employees in the event of a disaster. This system enhances our initial emergency response capabilities and strengthens our business continuity plan (BCP) framework. By establishing a system that enables the rapid confirmation of employees' safety and the prompt issuance of response instructions in the event of a disaster, we enhance both employee safety and business continuity, thereby strengthening the Company's overall resilience.
Through these initiatives, Nihon Kohden will continue to ensure the safety and well-being of its employees while strengthening its business foundation and earning the trust of society through a robust business continuity framework.

Ensuring Fair Trade Practices

We aim to achieve fair business practices across the entire value chain including our business partners as full participants.

Message from Operating Officer

To sustainably provide medical devices to its customers around the world, Nihon Kohden is committed to stable procurement of parts and materials through communication with its business partners. We ask all partners to understand and comply with the Nihon Kohden Procurement Policy and the Nihon Kohden Sustainable Procurement Standards, and to cooperate with our supplier questionnaire to support sustainable business relationships and strengthen collaboration. We sincerely appreciate their continued support.
During the COVID-19 pandemic, we came to recognize that medical equipment is closely linked to national security as one means of preventing the collapse of healthcare systems. In recent years, uncertainty in the global business environment has increased due to developments such as the situations in Ukraine and the Middle East. To fulfill our responsibility to ensure supply even in such an unstable environment, it is essential to maintain an organizational structure that can adapt flexibly to changing circumstances.
Beginning in FY2026, Nihon Kohden has established an organizational structure that reinforces collaboration between the Production Departments and the Supply Chain Management (SCM) Departments, thereby strengthening a fully integrated global SCM system encompassing procurement, production, logistics, and inventory management. We are also strengthening resilience through activities such as selecting recommended parts that achieve a balance of high quality, appropriate cost, and reliable delivery (QCD), and enhancing visibility into logistics. Under this system, we will continue our efforts to develop and deliver superior products while ensuring high standards of quality and safety by building strong and trusting relationships with our business partners. Through these initiatives, we contribute to supporting healthcare professionals and maintaining a safe and secure healthcare delivery system.

Kentaro Yageta
Operating Officer,
General Manager of Production & Logistics Operations

Approach to Sustainable Procurement

Nihon Kohden is committed to conducting sound and fair purchasing practices and promoting fair trade across the entire value chain including our business partners. To further reinforce sustainability in procurement and strengthen our collaboration with our business partners, we have implemented internal training on sustainable procurement and shared the concept with our business partners to foster understanding and cooperation.

Procurement Policy and Procurement Standards

We have established the Nihon Kohden Procurement Policy and the Nihon Kohden Sustainable Procurement Standards to broadly communicate and embed its procurement principles both within the company and externally. The Nihon Kohden Procurement Policy outlines our fundamental approach to procurement, while the Nihon Kohden Sustainable Procurement Standards specify the expectations we ask our business partners to meet in promoting sustainability through procurement. Through these standards, we aim to build strong relationships with our business partners and contribute to the realization of a truly prosperous and sustainable society.
In April 2023, we issued a Partnership Building Declaration to foster new partnerships by promoting collaboration, coexistence, and mutual prosperity with supply chain partners and other companies that share our commitment to value creation.

For further details, please refer to our website.
Procurement Policy and Procurement Standards

Ensuring Fair Trade Practices

Adherence to the Nihon Kohden Sustainable Procurement Standards

Nihon Kohden provides regular compliance training to all employees to ensure they maintain a correct understanding and awareness of sound and fair business practices. Procurement-related departments conduct annual training on relevant laws and regulations, such as the Fair Competition Code and the Subcontract Act. In FY2025, 47 employees participated in these sessions.
We maintain mutual communication with our business partners and ask for their understanding and compliance with the Nihon Kohden Sustainable Procurement Standards. We also request their cooperation in conducting self-assessments regarding their initiatives related to the environment, quality, and other aspects of sustainability.
In FY2025, we again requested the cooperation of our business partners in completing the Supplier Questionnaire to confirm their understanding of and adherence to the Nihon Kohden Sustainable Procurement Standards. The results, including each partner's initiatives and feedback, are shared internally and utilized to promote fair and responsible procurement.

Supplier Questionnaire

Nihon Kohden administers a questionnaire to all its business partners to promote sustainability in cooperation with its business partners.
As in FY2024, the survey continued to cover Environment, Human Rights, Quality Management, Health and Safety, and Governance. We shared a feedback sheet summarizing the questionnaire results with business partners who participated in the survey, enabling them to utilize the results in their future initiatives.
In FY2025, we reviewed and improved the operation of the questionnaire. Based on suppliers' response status and their responses to higher-risk questions, we worked to enable more effective discussions with our business partners on appropriate improvement measures. This enables us not only to assess the status of our business partners' sustainability initiatives but also to identify potential risks and issues at an early stage. Through dialogue, we aim to mitigate risks and build strong, trusting relationships.
Going forward, we will continue to review and improve the operation of the questionnaire, strengthen collaboration with our business partners to drive more focused improvements in higher-risk areas, and advance our sustainability efforts. (FY2025 response rate: 65.5%)

Questionnaire Results in FY2025

Overall	Sustainability and CSR efforts have made steady progress.
Environment	Efforts to establish and operate environmental management systems and to ensure compliance with environmental laws and regulations are progressing steadily. There remains room for improvement in areas such as management systems, climate change initiatives, and resource utilization.
Human Rights	Suppliers' efforts to respect human rights have generally been implemented appropriately, and no significant violations have been identified.
Quality Management	Efforts to ensure the safety of products and services and stable supply are generally progressing appropriately. Measures to address quality issues have also been implemented appropriately.
Health and Safety	Necessary safety measures are generally in place, including health and safety policies and systems. Occupational accident tracking and internal audits have also been conducted appropriately.
Governance	Governance has progressed through initiatives such as the evaluation of Board effectiveness, while opportunities remain to further strengthen ESG-related expertise. Compliance with laws and regulations and information management have generally been implemented appropriately. Efforts to enhance information security are also being promoted.

Human Capital and Human Rights

We respect the human rights of all stakeholders and strive to foster a corporate culture of pride in contributing to healthcare.

PEOPLE

Initiatives to Enhance the Value of Human Capital

We believe that each employee's ability to maximize their potential and fully demonstrate their capabilities leads to sustainable personal and organizational growth. We will foster an organizational culture in which diverse human resources can play an active role.

Message from Operating Officer

Under our Management Philosophy, "we contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees," Nihon Kohden is committed to realizing a sustainable society and enhancing corporate value over the medium to long term. The source of this value creation is our human capital represented by each and every employee.

The environment surrounding healthcare is becoming increasingly uncertain due to rapid technological innovation, more sophisticated regulatory and quality requirements, and increasingly diverse social issues. In such an era, a company's competitiveness depends on human resources who can respond to change, think independently, and act with expertise and a strong sense of ethics. To address this, we have identified "Foster a corporate culture of pride in contributing to healthcare" as one of our material issues. Guided by the Core Values, which serve as the common values for employees worldwide, we have promoted human resource development, Diversity, Equity and Inclusion (DE&I), health management, and working style reforms to build a workplace where employees can take on new challenges with confidence and continue to grow. We believe it is essential that these initiatives become firmly embedded as part of our corporate culture through changes in each employee's mindset and behavior, enabling our human resources to perform at their best and enhancing corporate value over the medium to long term. As a General Manager of the Human Resources Development Operations, I believe it is my mission to align our talent strategy with our management and business strategies and to continue building an environment that enables every employee to maximize their potential.

Going forward, I will continue to advance these efforts from the human resources perspective so that every employee can experience the satisfaction of contributing to healthcare and society through their own personal growth.

Kei Tagawa
Operating Officer,
General Manager of Human Resources Development Operations,
Senior Manager of Human Resources Department

Basic Approach to Human Resource Development

In an ever-changing medical environment, Nihon Kohden strives to become the beacon that lights the path forward to the future of people and healthcare around the world through creating new values with the philosophy we have upheld since our founding. With strong passion in our hearts, Nihon Kohden aims at realizing our Long-term Vision for 2030. Human resources are essential for realizing our Long-term Vision and the source of value creation for Nihon Kohden. We seek individuals who share Nihon Kohden's Management Philosophy and Long-term Vision, and embody its Core Values (Integrity, Humbleness, Diversity, Initiative, Customer Centric, Goal Oriented, Creativity). We will also endeavor to create an environment that fosters employees with high ethical standards, ambition, curiosity, and empathy who can autonomously and continuously grow and undertake the challenges of new value creation.

The Core Values Awards, launched in FY2023 to instill the Core Values among employees and provide opportunities to relate the Values to individual tasks, have been held three times to date. Through the awards, we solicited episodes embodying the Core Values in business operations, and these stories revealed activities conscious of these Core Values across a wide range of functions, including customer service, product development, and production sites.

To realize our Long-term Vision, we have identified "Foster a corporate culture of pride in contributing to healthcare" as one of our material issues for sustainability in the Three-year Business Plan, BEACON 2030 Phase II. We set a target of over 49 cumulative learning and education hours per person*1 for three years in Japan. The result in FY2025 was 19.1 hours per person. A total of 520 people*2 attended leadership training in FY2025.

*1 Learning and education hours in training programs organized by the Phoenix Academy (Human Resources Development Center), aimed at acquiring the knowledge and skills required for each level of employees, such as new hires and managers. Not including learning and education hours in training held by the R&D, sales, and service departments.

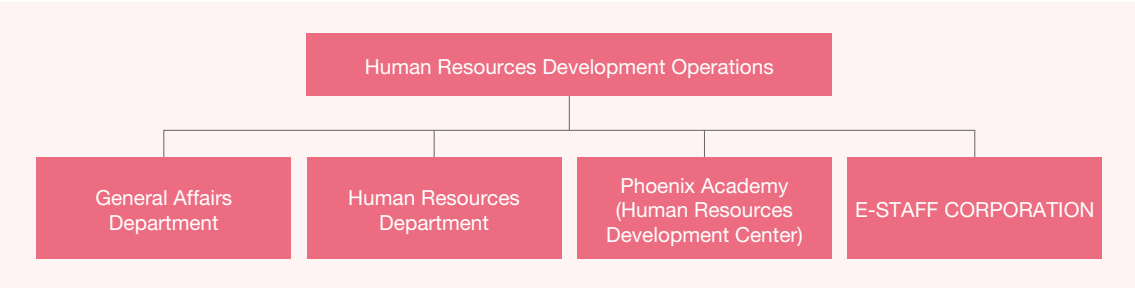
*2 The total number of participants in various training programs designed for senior managers, managers, and assistant managers, as well as the Management Position Challenge Training, the G4 Challenge Training, and the Management Position Upskilling Program.

Initiatives to Enhance the Value of Human Capital

Human Resource Management System

The Human Resources Development Operations comprises the General Affairs Department, the Human Resources Department, the Phoenix Academy (Human Resources Development Center), and E-STAFF CORPORATION. The Human Resources Department is responsible for formulating and implementing comprehensive talent strategies, and it develops and implements specific initiatives for Diversity, Equity and Inclusion (DE&I). The Phoenix Academy (Human Resources Development Center) handles the dissemination of the Core Values, including overall employee education. To promote health management of employees, the General Affairs Department, the Human Resources Department, and E-STAFF CORPORATION work in collaboration across organizational boundaries.

Structure of Human Resource Management Promotion System



For further details, please refer to our website.
Human Resource Development

■ Targets and Results for Ensuring Diversity in Core Human Resources

	Current status (As of March 31, 2026)	Target	Achievement period
The ratio of female managers*1	8.5%	12% or more	March 2028
The ratio of male employees taking childcare leave*1	82.1%	70% or more	March 2028
Appointment of female directors, management operating officers, and operating officers*2	2 female directors, 2 female operating officers	4 persons or more	Maintain the current status
The ratio of female directors, management operating officers, and operating officers*2	14.8% *4	30% or more	End of June 2030
The ratio of foreign nationals in CxO*3 or higher positions at overseas subsidiaries	51.6%	50% or more	Maintain the current status
The ratio of mid-career hires in management positions*1	47.3%	40% or more	Maintain the current status

*1 Employees at the parent company.
*2 Directors, management operating officers, and operating officers at the parent company.
*3 C-suite such as CEO, COO, CTO, CFO.
*4 As of June 30, 2026.

■ Differences in Wages between Male and Female Workers

Ratio of Women's Wages to Men's Wages in FY2025

Total workers	71.1%
Permanent employees	73.7%
Part-time and fixed-term contract employees	46.0%

* Parent company only. The figure is calculated in accordance with the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015).

There are no gender differences in the Company's wage structure or system. However, there are differences between men and women in terms of job classifications and management ratios, resulting in differences in wages. In order to realize the Company's goal of "becoming an organization where each individual can maximize their potential and fully demonstrate his/her full potential," we will work on measures to promote DE&I, such as increasing the ratio of female managers.

Initiatives to Enhance the Value of Human Capital

International Training Program

The International Training Program aims to provide employees with the knowledge, experience, and adaptability needed to succeed in global settings. Through the program, we provide opportunities for long-term study at overseas language schools, practical training at overseas sites, research institutions, or companies, and study at overseas universities or research institutions. In FY2025, one employee participated in long-term language study or on-the-job training at overseas offices for approx. nine months. As of March 2026, 29 foreign employees work at offices in Japan, and 46 Japanese employees* work at overseas offices. We will continue to expand and enhance this program to develop a greater number of globally capable personnel with advanced skills.

* Excluding Japanese employees hired locally.

Voice

Experiencing Nihon Kohden's contribution to global healthcare through the International Training Program

I participated in this program because I believe that, for Nihon Kohden to achieve its transformation into a truly global company, employees in technical functions, including those involved in research and development like myself, must have a clear understanding of global markets and the realities of clinical practice around the world. During the field training component of the program, I spent five months visiting six countries, primarily developing nations in Southeast Asia. Working alongside members of our overseas subsidiaries, I visited hospitals across Asia and interviewed local healthcare professionals to better understand the unique medical issues in developing countries. Witnessing firsthand the dedication of healthcare professionals who strive every day for their patients despite unstable infrastructure with frequent power outages and limited budgets that restrict access to medical equipment gave me the opportunity to think deeply about what is needed to deliver our technologies more effectively to healthcare settings in developing countries.
Drawing on the experience I gained through this program, I hope to contribute to the advancement of global healthcare by pursuing technologies that are not only suited to developed markets but also beneficial to healthcare settings in developing countries.

Yuto Hinata
CR Team,
R&D Center CR Development Department,
Technology Development Division

■ Spread of Management Philosophy and Core Values at Overseas Subsidiaries

Nihon Kohden believes that it is important for employees of the Nihon Kohden Group with different cultural and linguistic backgrounds around the world to act in accordance with common goals and the Core Values. In 2019, the Company started an education program on its Management Philosophy using common educational materials across the Group. By systematically learning about the history of the Company's foundation and Management Philosophy, employees deepen their understanding of the Company and their work. In addition, Nihon Kohden has developed measures to promote the understanding and implementation of the Core Values in each country since 2021, aiming to embed Nihon Kohden's DNA.
The Global HR meeting has also been held at least once a year, bringing together human resources and education managers from each Nihon Kohden Group company to share measures for spreading the Management Philosophy and the Core Values, as well as initiatives to develop human resources, foster corporate culture, and improve employee engagement. In addition, Nihon Kohden promotes various measures that put understanding into practice, including the Core Values Promotion Project, discussions on the Core Values with the participation of all employees, the release of videos of episodes in which overseas employees embody the Core Values, and employee recognition through the Core Values Award. Going forward, we will continue to embed the Management Philosophy and the Core Values across the Group in a systematic manner.

For further details, please refer to our website.

Core Values

Videos sharing episodes that embody the Core Values

■ Core Values

Initiatives to Enhance the Value of Human Capital

Diversity, Equity and Inclusion (DE&I) Promotion

Policy for Diversity Promotion Activities

By respecting diversity and creating a workplace environment in which each individual can demonstrate his/her full potential, we seek to improve job fulfillment, create new value, invigorate the organization, and enhance corporate value.

Nihon Kohden has established Diversity as one of its Core Values and promotes Diversity, Equity and Inclusion (DE&I) to realize its Long-term Vision, BEACON 2030. We will develop the new potential of our teams by leveraging diversity based on empathy and trust. We respect the individuality of each person and strive to create a workplace environment where a diverse range of people can work with vigor and enthusiasm, regardless of age, disability, nationality, race, gender, sexual orientation, gender identity, gender expression, other diverse attributes, values, or work styles.

■ **Promotion of Women's Participation and Career Advancement**

To create a workplace environment in which women can play an active role, Nihon Kohden has formulated and implemented an action plan in accordance with Act on the Promotion of Women's Active Engagement in Professional Life. Nihon Kohden has also promoted initiatives to realize a comfortable and fulfilling work environment for not just women but all employees of Nihon Kohden, so that each employee can demonstrate their abilities to the fullest. We obtained the Women's Participation Promotion Act certification mark known as Eruboshi from the Minister of Health, Labour and Welfare in 2021.

In FY2025, we reassessed the progress of our initiatives to date and identified key issues, and formulated a new integrated action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children. Under this action plan, we aim to achieve a ratio of at least 12% female managers and a childcare leave utilization rate of at least 70% among male employees by the end of FY2027.

In FY2025, the ratio of female managers in all managerial positions was 8.5%, an increase of 0.5 percentage points from the previous fiscal year. The ratio of female executives was 14.8% (two female outside directors and two female operating officers as of June 30, 2026).

To encourage male employees to take childcare leave, we have prepared and distributed a guidebook for male employees to help them balance childcare and work and offered individual consultation upon request. Moreover, partial wage support is provided for the first month after the start of childcare leave from FY2022 to alleviate financial concerns during childcare leave. As a result of these continued efforts and the resulting changes in employee awareness, the ratio of male employees taking childcare leave in FY2025 was 82.1%, an increase of 23.4 percentage points from the previous fiscal year. Additionally, we have introduced a spousal maternity leave system as a company-specific program to support male employees' participation in childcare, and the combined utilization rate of this system and childcare leave was 102.8%. Going forward, in addition to these initiatives, we will further promote the use of childcare leave by introducing measures such as a trial childcare leave support allowance, while continuing to develop an environment where any employee who wishes to take childcare leave can do so more easily, regardless of their workplace or job category.

Initiatives to Enhance the Value of Human Capital

■ Women's Activity Promotion Program

To achieve a 12% or more ratio of female managers, we have continued to implement the Women's Activity Promotion Program since FY2022. In FY2025, separate training programs were conducted for young female employees and female employees in leadership roles. The program for young female employees, attended by 22 participants, was designed to support their efforts to balance work and personal life while building their own unique careers and enhancing their leadership capabilities. For employees in leadership roles, a total of nine dialogue sessions were held with experienced female managers serving as role models, providing opportunities for participants to reflect on their future career development, including opportunities for promotion to managerial positions. A total of 20 employees participated in these sessions. We also provided training programs to supervisors of participants in both groups to encourage active involvement in supporting the career development of their team members.

■ Networking Events

The Beacon Terrace, an employee networking initiative led by volunteer female employees, was launched in FY2021 and has been held continuously since then, with many employees participating. In FY2025, building on ideas generated through previous networking sessions, we focused on the psychological burden experienced by patients and their families during the use of medical devices and engaged in in-depth discussions on the usability and design of our products. Employees with parenting experience shared their observations of situations in which children, especially infants, were frightened by medical devices or removed them because of discomfort. Based on these experiences, a proposal was made to improve the design of the SpO_2 probe, with the aim of reducing patients' anxiety and easing the burden on healthcare professionals.
These ideas, which originated from employees' perspective as parents, were compiled into product improvement proposals and presented to the development and product planning teams.

■ Mentor System

Since FY2015, Nihon Kohden has implemented a mentoring program, originally designed for newly appointed managers and mid-career female employees. Mentors with extensive knowledge and professional experience provide support for participants' career development and growth opportunities. The program aims to broaden participants' perspectives and strengthen their internal networks through dialogue with mentors, cultivate personal qualities, sound judgment, and leadership skills, and support the development of a stronger sense of purpose and goals. Since FY2021, the program has been expanded to include male employees, and in FY2025, 11 employees from locations in Japan and overseas participated in the program.

■ LGBTQ Support Initiatives

Nihon Kohden promotes initiatives aimed at fostering greater understanding and awareness, with the goal of creating an inclusive and supportive workplace environment where all employees can work with confidence and peace of mind. In FY2025, we conducted a four-month awareness initiative through our internal newsletter for all employees, covering topics such as basic understanding of LGBTQ issues, global and Japanese trends, and the prevention of SOGI harassment. Going forward, we will continue to promote understanding through initiatives such as training programs and ongoing information sharing.

For further details, please refer to our website.
DE&I (Diversity, Equity & Inclusion) Promotion

Initiatives to Enhance the Value of Human Capital

Improving Employee Engagement (Working Style Reforms and Career Support)

To realize one of the material issues for sustainability identified in the Three-year Business Plan, "Foster a corporate culture of pride in contributing to healthcare," Nihon Kohden is working to enhance employee engagement. Based on the results of the Employee Satisfaction Survey conducted since FY2021, we are focusing on improving the "workplace environment" and enhancing "career support."

■ Initiatives to Improve the Workplace Environment and Work-life Balance

To improve the workplace environment, Nihon Kohden is working to enhance operational efficiency and promote flexible work styles. Aiming to maximize results without relying on long working hours and to achieve a better work-life balance, we are engaged in work style reform initiatives. As part of these efforts, we have implemented systems such as the Flextime System and Teleworking System to support flexible working arrangements. In FY2025, the annual paid leave usage rate was 56.7% (11.7 days taken per employee). In addition to statutory paid leave, Nihon Kohden offers its unique paid leave programs, such as the Accumulated Paid Leave Program and the Special Paid Leave Program. In FY2025, the number of non-mandated paid leave days taken per employee was 1.7 days.

■ Support Systems and Initiatives for Childcare and Family Caregiving

Nihon Kohden regularly reviews its existing systems related to working arrangements, including the Childcare/Nursing Care Leave System, the Short-time Work System, the Shift-hour Work System, the Teleworking System, and the Flextime System, as appropriate. Regarding teleworking, the default arrangement is working from home. However, in cases such as caregiving, the Company allows teleworking from locations other than home as an exception, demonstrating flexibility in response to individual needs.
As part of our financial support for employees taking childcare leave, the Company has provided partial wage subsidies for the first month of childcare leave, offering financial support to help employees balance work and childcare responsibilities. In FY2025, we advanced discussions not only on support for employees taking childcare leave but also on support for their teams and workplaces. As a trial initiative launched in April 2026, we introduced a Childcare Leave Workplace Support Allowance for workplaces where an employee takes childcare leave for 30 days or longer. This initiative aims to establish a framework for the planned handover of responsibilities during childcare leave and reduce the workload of other team members, thereby creating an environment in which employees feel more comfortable requesting childcare leave and can devote themselves to childcare with peace of mind.
To support employees in balancing work and family caregiving, we newly prepared a guidebook outlining the Company's support systems in FY2025 and made it available on the intranet. We also conducted a company-wide survey to better understand employees' caregiving situations and followed up with individual interviews and consultations for the 31 employees who requested individual consultations.

■ Career Support Initiatives

In order to improve "Employee satisfaction" and "Develop human resources who can succeed globally," Nihon Kohden launched a career support program called "NK Career Support" in FY2023. As part of this initiative, we have developed resources to help employees plan their careers, including the NK Career Path and the NK Job Encyclopedia. In FY2025, we introduced Career Month, an annual initiative held from July through September to encourage employees to reflect on and actively consider their careers. During the Career Month, we expanded age-specific career development training programs, held roundtable discussions with employees who have global work experience, and provided individual career counseling through an external professional organization. A total of 425 employees participated in the counseling sessions.
We will continue to enhance training programs and systems that support employees' self-directed career development of each employee, encouraging them to proactively shape their career paths and envision their own growth. The Company strives to create an environment where employees can work with a sense of fulfillment and vitality.

Image of NK Job Encyclopedia

Initiatives to Enhance the Value of Human Capital

■ Launching the Management Position Challenge Training and G4 (Leader) Challenge Training

In FY2023, Nihon Kohden launched the Management Position (Manager) Challenge Training for employees who have not yet been appointed to management roles, designed to support the acquisition of competencies required for the advancement. In FY2024, we launched the G4 (Leader) Challenge Training for employees who are candidates for leaders, with the aim of enhancing their abilities to help participants deliver results on the front lines of the workplace.
Through these training programs, employees have the opportunity to learn and grow before assuming new roles, contributing to the development of a strong middle management base and the Company's sustainable growth. Moving forward, we will continue to provide talent development programs that support employees' self-fulfillment and long-term organizational success.
(Total number of participants until FY2025: 374 in Management Position (Manager) Challenge Training, 204 in G4 (Leader) Challenge Training)

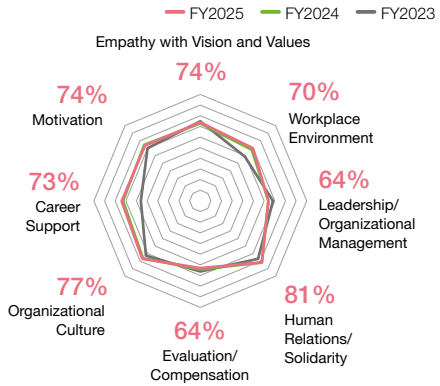
For further details, please refer to our website.
Reforming Working Styles

Employee Well-being

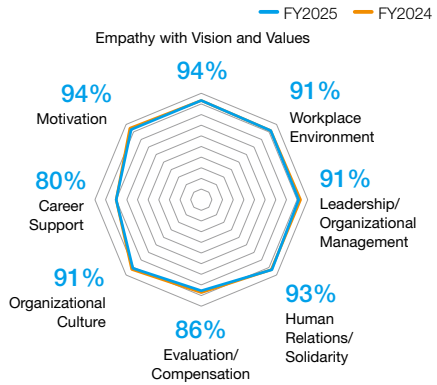
■ Employee Satisfaction Survey

Nihon Kohden has set employee satisfaction as a KPI in order to "foster a corporate culture of pride in contributing to healthcare," which is one of its material issues for sustainability. In FY2025, an employee satisfaction survey was conducted for approx. 4,500 employees of the Nihon Kohden Group in Japan. The survey consisted of 48 items across eight categories, and the ratio of positive responses was calculated for each category. The survey results and employee feedback will be shared with executives and management, and will be reflected in both company-wide measures and specific departmental initiatives.
In FY2025, under the Leadership/Organizational Management category, we began introducing executives in the Company Newsletter, sharing their backgrounds, leadership philosophies, and perspectives. This initiative has helped foster employees' understanding of and affinity with the management team, contributing to more active organizational communication. Under the Performance Evaluation/ Compensation category, we reviewed the operation of the personnel evaluation system for the Domestic Sales and Area Service Departments and standardized the evaluation items and criteria. This has promoted the standardization of goal setting and improved the objectivity and transparency of evaluations, thereby advancing a more credible and widely accepted evaluation process. Going forward, we will establish and implement Goal-Setting Guidelines for employees in the sales administration and planning & administrative functions. By improving the appropriateness of goal setting and the quality of evaluations, we aim to enhance overall organizational performance.
Overseas, we have also conducted employee satisfaction surveys using the same framework as in Japan since FY2024. In FY2025, the survey covered approximately 780 employees across 20 Group companies, confirming high satisfaction levels across all eight categories.
Going forward, Nihon Kohden will continue to enhance the cycle of identifying issues based on employee satisfaction survey results, implementing improvement measures, and evaluating their effectiveness. At the same time, through integrated implementation across domestic and overseas Group companies, we will strive to further improve employee satisfaction and strengthen organizational capabilities.

■ The Ratio of Positive Respondents
(All employees of the Nihon Kohden Group in Japan)



■ The Ratio of Positive Respondents
(Employees from 20 overseas subsidiaries)



Initiatives to Enhance the Value of Human Capital

Health Management of Employees

■ Concept

The Nihon Kohden Group aims to address social issues through the implementation of its Management Philosophy. To this end, we believe that the health of each employee, which forms the foundation of our management, is essential. In our Long-term Vision, we aim to "create a better future for people and healthcare by solving global medical issues." To ensure that each employee takes pride in their contribution to healthcare and continuously tackles global medical issues, we will actively participate in health management initiatives and embody the Long-term Vision ourselves. By demonstrating our commitment to society, we will implement our Management Philosophy and foster a culture of health.

The Nihon Kohden Group Health Management Declaration

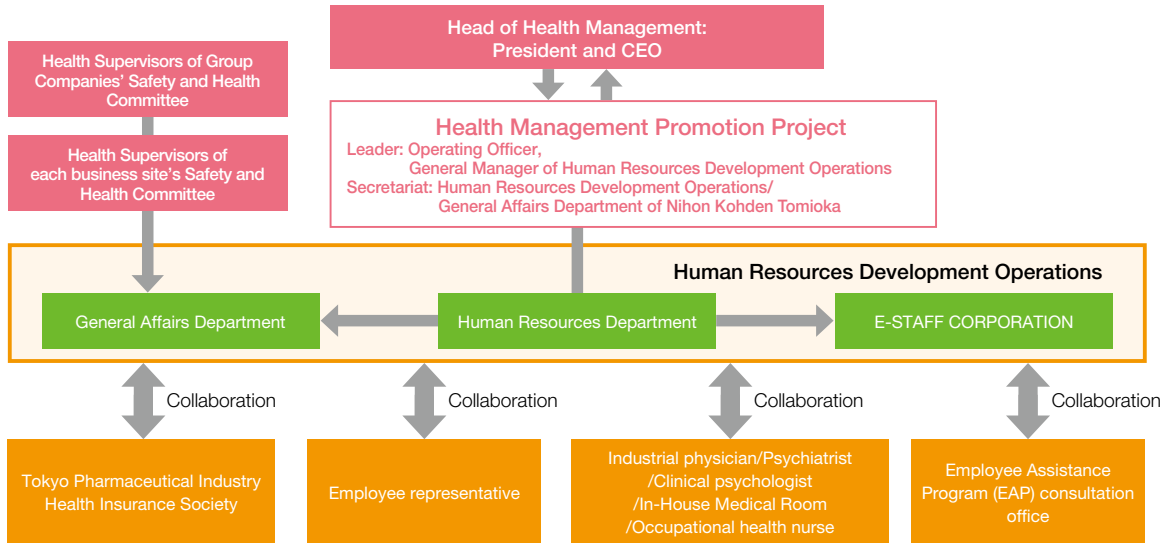
The Nihon Kohden Group, under the Management Philosophy that we contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees, aims to create a better future for people and healthcare by solving global medical issues in its Long-term Vision, BEACON 2030. In order to address medical, environmental and social issues through the promotion of sustainability, the health and well-being of each and every employee, which is the source of our business activities and value creation, is of utmost importance. We are committed to practicing health management and fostering a culture of health so that each employee can take pride in contributing to healthcare and create a better future for people and healthcare.

Hirokazu Ogino
Representative Director
President and Chief Executive Officer
Nihon Kohden Corporation

■ Establishment of Health Management Promotion Project

Nihon Kohden recognizes the promotion of employee health as one of its key management issues and implements health initiatives based on its annual goals and plans. Under the Health Management Promotion System, led by the President and the executives responsible for human resources, the Company launched the Health Management Promotion Project in 2024 to drive cross-organizational activities.
In collaboration with industrial physicians/nursing professionals, occupational health staff such as counselors, and the Health Insurance Society, Nihon Kohden provides personalized health management services tailored to the needs of each employee. At the same time, the Company promotes organization-wide health initiatives such as the prevention of lifestyle-related diseases, reduction of smoking rates, reducing presenteeism, and the provision of health seminars.

Health Management Promotion System

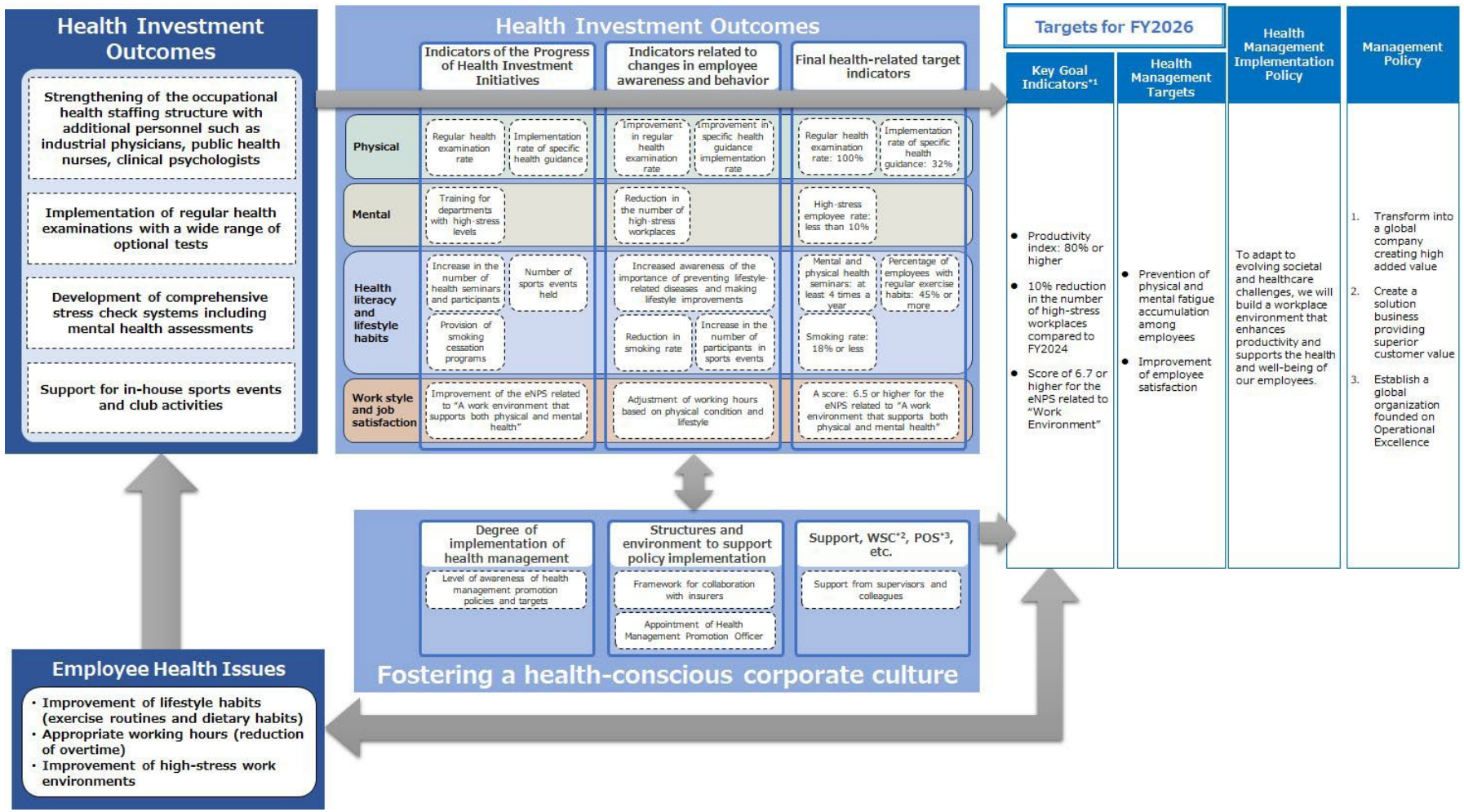


Initiatives to Enhance the Value of Human Capital

■ Nihon Kohden Group Health Management Strategy Map

Nihon Kohden facilitates employee health management by identifying health-related issues among its workforce and planning and implementing initiatives to address them. These initiatives are closely aligned with our management policies. We have developed the following Health Management Strategy Map that illustrates the flow from health issues to health investments and their outcomes.
This strategy map helps visualize our efforts to support the health and well-being of each employee and facilitates continuous improvement through the PDCA cycle. We aim to enhance corporate value by integrating health management into our overall business strategy.

For further details, please refer to our website.
Nihon Kohden Group Health Management Strategy Map



*1 Key Goal Indicator: A metric that measures the achievement level of a company's ultimate goals. In health management, it is used as a performance indicator to show how employees' health and engagement contribute to corporate performance.
*2 WSC (Workplace Social Capital): An index that evaluates interpersonal relationships such as trust and mutual support in the workplace.
*3 POS (Perceived Organizational Support): An index that measures the degree of organizational support perceived by employees, such as the quality of the relationship between employees and the company.

Initiatives to Enhance the Value of Human Capital

■ Physical Health

Introduction of health support payment

For employees of domestic Group companies, Nihon Kohden provides access to a structured support system that enables early detection of potential health risks, including regular health examinations and an on-site medical clinic staffed by an industrial physician. To further promote the health of employees and their families, we have increased the partial coverage of expenses for optional tests during annual health examinations (health support payment*) since FY2021, and extended eligibility to temporary employees and coverage to family health examinations for dependents.

* Examples of tests covered by health support payment: Various cancer examinations, stomach examinations, osteoporosis examinations, hepatitis virus examinations, abdominal ultrasound examinations, brain examinations, dental examinations, comprehensive medical examinations, smoking cessation outpatient services, etc.

Initiatives to promote non-smoking efforts

In April 2019, Nihon Kohden joined the Consortium of Companies Promoting Non-Smoking Efforts, which was established by companies based in Tokyo, and has been implementing non-smoking promotion activities. In November 2024, we began providing smoking cessation guidance through a commissioned physician (respiratory specialist) at the medical office of Nishi-Ochiai Office. Employees at remote locations also receive this service online. Through the approx. three-month smoking cessation program, the number of employees who successfully quit smoking has increased. According to the internal survey in August 2025, the employee smoking rate was 17.8%, a decrease of 0.5 percentage points from the previous survey.
Our non-smoking initiatives are designed not only to protect the health of our employees and their families, but also to respond to the social demand for stronger measures against secondhand smoke. We will continue contributing to a healthier society through initiatives such as financial assistance for outpatient visits to smoking cessation clinics.

Health seminar initiatives

In FY2025, three health seminars were conducted by in-house public health nurses. Based on employees' requests, the seminars covered "Sleep Strategies for Business Professionals," "Women's Health Screenings: Understanding the Options and Choosing What's Right for You," and "Maintaining Mental and Physical Well-being Without Overextending Yourself: Self-Care Habits You Can Start Today." They were attended by many employees from various age groups and genders. These seminars provided an opportunity to deepen their understanding of health management for themselves, their colleagues, and their families, contributing to greater health awareness across the workplace.

■ Mental Health

Support for mental health

In collaboration with industrial physicians specializing in mental health, Nihon Kohden works on the prevention and early detection of mental health issues through stress management tests (stress checks), supporting both self-care and line care. In FY2025, we conducted line-care training for workplaces identified as having particularly high health risks among high-stress workplaces. In addition, we conducted self-care training as part of our health seminars, strengthening our support system from both organizational and individual perspectives. Mental health education is also provided for new managers and new employees. For employees experiencing mental health issues, the Company provides continuous follow-up support, including consultations with industrial physicians upon returning to work, participation in a rehabilitation work program, and regular follow-up meetings with industrial physicians. Furthermore, we provide a system that allows employees to consult with an in-house counselor who is a clinical psychologist at any time, promoting the creation of a safe and comfortable working environment.

For further details, please refer to our website.
Health Management of Employees

Effect of Health Management

Nihon Kohden continuously monitors indicators such as stress checks, health examination attendance rates, smoking rates, and employee satisfaction to quantitatively assess the progress of its health management initiatives toward achieving the targets for the final health-related indicators on the Health Management Strategy Map. Through these indicators, we evaluate the effectiveness of our initiatives and drive further improvements.

For further details, please refer to our website.
Effect of Health Management

Respect for Human Rights

We strive to contribute to a sustainable society by promoting respect for human rights.

Basic Approach to Respect for Human Rights

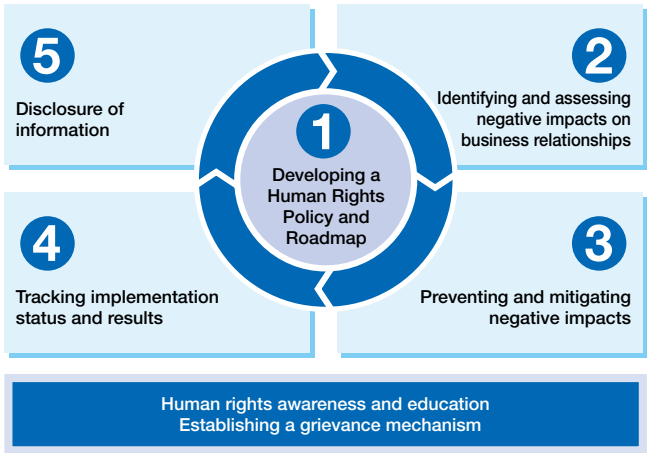
In the Nihon Kohden Charter of Conduct, which sets forth the standards of behavior to be observed by the Company and its executives and employees, Nihon Kohden states that the Company has respect for human rights at all times. The Nihon Kohden Code of Ethics and Conduct provides specific guidelines for actions to be taken to ensure respect for human rights.
In July 2015, the Company signed the United Nations (UN) Global Compact, aiming to remain a company trusted by society and to contribute to the creation of a sustainable society through corporate activities in accordance with the Ten Principles of the UN Global Compact in the four areas of human rights, labor, the environment, and anti-corruption.
With the globalization of corporate activities in recent years, social expectations for corporate human rights initiatives have been growing. As it is extremely important for Nihon Kohden to respect the human rights of its stakeholders, we established the Nihon Kohden Group Human Rights Policy in December 2020. By following the Policy and promoting initiatives to respect human rights, we will contribute to the realization of a sustainable society.

For further details, please refer to our website.
Respect for Human Rights

Human Rights Due Diligence

Nihon Kohden has established a human rights due diligence framework to identify, prevent, and mitigate negative impacts on human rights.
We conduct surveys covering all suppliers of our domestic and overseas Group companies (excluding certain overseas subsidiaries). In addition, we have established a human rights consultation hotline for our suppliers and customers, promoting efforts to respect human rights throughout the supply chain.
In FY2025, to further strengthen our response to human rights risks, we reviewed the survey questionnaire, revising the questions to make them clearer and easier to understand, while also identifying high-risk questionnaire items.
We will continue to foster understanding of Nihon Kohden's commitment to respect for human rights and promote sustainability efforts in cooperation with our supply chain.

Overview of Our Human Rights Due Diligence



Respect for Human Rights

■ Human Rights Risk Assessment and Identification

To address potential human rights risks that may arise through its interactions with diverse stakeholders during business activities, Nihon Kohden conducts an impact assessment of human rights issues. We focused on and assessed approximately 30 human rights issues with reference to the United Nations Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, the Stakeholder Engagement Program of the Caux Round Table Japan Committee, and the Handbook for Management that Respects Human Rights formulated by the Japan Business Federation (KEIDANREN). Based on this assessment, we identified "Excessive and unreasonable working hours" as well as "Sexual harassment, power harassment, and harassment related to pregnancy, childcare, and nursing care, etc." as the Group's key human rights issues. To address these key human rights issues, we are promoting measures to reduce risks across Group companies in Japan and overseas. We will continue to review our assessment on a regular basis and work to prevent or mitigate negative impacts.

For further details, please refer to our website.

Human Rights Impact Assessment/Human Rights Risk Assessment

Initiatives to Respect Human Rights

In accordance with the Nihon Kohden Group Human Rights Policy, the Group is working to prevent all forms of discrimination and harassment. In FY2025, no human rights violations or harassment leading to disciplinary dismissal from employment occurred.

■ Structure

Nihon Kohden's human rights initiatives are discussed by the Sustainability Promotion Committee, which is chaired by the president, and the results of the discussions are shared with and reported to the Board of Directors. The Corporate Strategy Division and the Human Resources Department play a central role in implementing human rights initiatives within the Company.

Deliberative body	Sustainability Promotion Committee (Key human rights-related matters discussed by the Committee are submitted to and reported to the Board of Directors in accordance with the Standards for Procedures for Requesting Deliberations and Making Decisions.)
Secretariat	Corporate Strategy Division, Human Resources Department

■ Human Rights Education and Training for Employees

Nihon Kohden has been conducting e-learning programs for all executives and employees to prevent harassment and ensure compliance with labor-related laws and regulations. In FY2025, the numbers of executives and employees who participated in harassment education and in human rights training were 4,070 and 4,435, respectively. Through these training programs, we aim to foster a deeper understanding of human rights risks and human rights policies, while also promoting understanding of sexual minorities (such as LGBTQ individuals), and fostering a workplace culture that supports the elimination of discrimination based on gender identity and sexual orientation.

We also strive to prevent human rights violations before they occur through training for newly appointed managers that includes sessions on harassment prevention and procedures for responding to harassment reports and consultations.

Respect for Human Rights

■ Initiatives to Prevent Harassment

Nihon Kohden aims to remain an ethical company that is widely trusted by society. To this end, in its Ethical Company Declaration, the Company affirms its commitment to respecting the human rights of all individuals, refraining from any acts that infringe on personal dignity or involve unfair discrimination. The Company also strives to prevent harassment by explicitly prohibiting it in the Nihon Kohden Code of Ethics and Conduct, Nihon Kohden Group Human Rights Policy, and Employment Regulations.

To respect employees' human rights and ensure a safe and comfortable workplace environment, we established and published the Basic Policy on Customer Harassment in December 2025. Based on this Policy, we provide internal training to raise awareness of the Policy and promote understanding of appropriate responses.

To prevent harassment and ensure prompt resolution when it occurs, we have also established an internal harassment consultation desk and internal reporting system, as well as an external harassment consultation desk to offer consultations on various human rights issues, including different forms of harassment, as well as labor issues involving sexual minorities (such as LGBTQ individuals) and foreign employees. Employees may use these consultation desks and reporting system anonymously, and the privacy of the individuals involved is strictly protected to ensure that reporters do not suffer any unfavorable treatment. To address concerns raised through these consultations, we conduct fact-finding investigations and confirm the facts regarding the details of the consultation, with the consent of the persons themselves. Appropriate measures are then taken, including corrective actions, awareness-raising to improve the work environment, and educational efforts to prevent recurrence. These matters are shared and countermeasures are discussed at quarterly meetings of the Compliance Committee. In FY2025, there were 25 harassment consultations and nine grievance consultations.

E-learning programs on harassment have been conducted regularly for both general employees and managers, with 4,070 participants (100% participation rate) in FY2025. Harassment training for newly appointed managers enhances their understanding of appropriate responses to various forms of harassment, including customer harassment, thereby helping prevent harassment and create a comfortable workplace environment.

Additionally, we established a human rights consultation hotline for our suppliers and customers in October 2023 to receive inquiries and consultations regarding human rights issues in the supply chain. Through this initiative, we strive to protect human rights throughout the supply chain.

■ Considerations for Social Minorities

Nihon Kohden is committed to fostering a deeper understanding of diverse identities, including sexual orientation, gender identity, and gender expression. We are also committed to eliminating prejudice and discrimination against LGBTQ individuals and other social minorities. Through these initiatives, we aim to create a comfortable and fulfilling work environment where diversity is respected, and all employees have the opportunity to thrive. For further details on DE&I promotion initiatives, please refer to the **Initiatives to Enhance the Value of Human Capital page.**

Initiatives throughout the Supply Chain

Nihon Kohden is actively working to promote respect for human rights throughout the supply chain, including its business partners. The Company prohibits child labor and forced labor in the Nihon Kohden Procurement Policy and the Nihon Kohden Sustainable Procurement Standards.

To ensure compliance with our Nihon Kohden Sustainable Procurement Standards, we conduct an annual questionnaire survey and monitoring to reduce and mitigate human rights risks through ongoing communication with our business partners. The questionnaire consists of five categories, including "human rights." In FY2024, the survey scope was expanded to include all suppliers of domestic and overseas Group companies excluding some overseas subsidiaries. In FY2025, we revised the questionnaire items to make them easier to understand, while identifying high-risk items and strengthening our response to human rights risks. Through additional surveys, interviews, and feedback based on the questionnaire results, we engage in dialogue with our suppliers and support them in reducing risks.

For further details, please refer to our website.

Adherence to the Nihon Kohden Sustainable Procurement Standards

Environment

We strive to realize our environmental philosophy and carbon neutrality through our business activities and the actions of our employees.

ENVIRONMENT

Environmental Philosophy and Policy

We are continuously advancing our environmental initiatives through our business activities and the actions of individual employees to realize a sustainable and carbon-neutral society.

Message from Operating Officer

Kei Tagawa
Operating Officer,
General Manager of Human Resources Development Operations,
Senior Manager of Human Resources Department

As global environmental challenges, including climate change, become increasingly severe, the role that companies are expected to play in realizing a sustainable society has become more important than ever. We are keenly aware of this responsibility.

Under our Sustainability Philosophy, "what Nihon Kohden can do for precious lives," Nihon Kohden has contributed to protecting people's lives and health through healthcare while working to preserve the global environment that forms the foundation for that commitment. To help pass on a sustainable society to future generations, we have identified "Realize carbon neutrality" and "Promote circular economy" as material issues for sustainability. We believe that further strengthening our environmental management is a critical mission.

To "Realize carbon neutrality," we are promoting the reduction of our greenhouse gas emissions through a range of initiatives across our business sites, including energy conservation measures, improvements in equipment efficiency, the replacement of company vehicles with fuel-efficient hybrid vehicles (HVs), and the expanded use of renewable energy. Additionally, to obtain the Science Based Targets (SBT) certification during FY2026, we are expanding our understanding of greenhouse gas emissions across the entire supply chain while advancing emissions reductions throughout the Nihon Kohden Group.

In addition, as a medical equipment manufacturer, we are contributing to the reduction of our customers' environmental impact by providing environmentally friendly products and services, while supporting the decarbonization of society as a whole. Under the Green Product Label certification structure, started in March 2024, products and services that are demonstrated through life cycle assessment (LCA) to have lower environmental impacts compared to existing models are certified in four-tier assessment ranking.

To "Promote circular economy," we are working to reduce environmental impacts across the entire product life cycle through the effective use of limited resources. From the design stage onward, we incorporate considerations such as resource efficiency, extended product life, and recyclability, while promoting the 3R's of reduce/reuse/recycle and reducing waste throughout our business activities. Going forward, we will further strengthen collaboration across our supply chain and promote resource circularity initiatives throughout the Nihon Kohden Group.

We are also advancing environmental initiatives at our production sites. At the Tsurugashima Production Center, which began operations in March 2026, we are promoting the use of renewable energy and resource circularity through initiatives such as the installation of solar power generation systems and the effective use of rainwater, while working to reduce our environmental impact through facility designs with careful consideration for the natural environment. As a result of these efforts, we have achieved the highest rating, "ZEB"* for the facility under the Net Zero Energy Building (ZEB) certification program. Prior to the start of the Center's operations, ecological surveys of the surrounding area were conducted to assess the facility's dependencies and impacts on natural capital, with the aim of ensuring that factory operations coexist harmoniously with the natural and local environment. We will further strengthen our commitment to natural capital, including the conservation of biodiversity and the sustainable use of water resources.

Environmental initiatives are a critical issue essential to the sustainable growth of companies. Going forward, Nihon Kohden will continue to address environmental challenges while achieving business growth, thereby contributing to the realization of a sustainable society. We sincerely appreciate the continued understanding and support of all our stakeholders.

* Net Zero Energy Building (ZEB): A building that achieves an annual net zero balance of primary energy consumption through a combination of energy conservation and on-site renewable energy generation, while maintaining a comfortable indoor environment.

Environmental Philosophy and Policy

Environmental Philosophy

Established: September 1, 2015

In its business activities and the actions of its employees, Nihon Kohden works towards the conservation and qualitative improvement of the earth's priceless environment so that all people can enjoy a healthy environment.

Environmental Policy

Established: April 1, 2017

Based on its Management Philosophy and the Environmental Philosophy, Nihon Kohden will continuously improve its environmental management systems to enhance its environmental performance. The environmental policies are as follows:

1. Provide environmentally friendly products

In carrying out development, manufacturing, marketing, after-sales service, and support for medical electronic devices, we provide environmentally friendly products and services.
We contribute to reduction of greenhouse gas emissions and to sustainable use of limited resources by realizing energy and resource savings, and eliminating the use of hazardous substances throughout the product life cycle.

2. Promote energy conservation and reduction of waste in business activities

In all of our business activities, we continually work together with our supply chain to introduce low-carbon and high-efficiency technologies, and improvement activities, strive to promote energy conservation, reduce waste through the 3R's of reduce/reuse/recycle, reduce greenhouse gas emissions over the medium- to long-term, and prevent environmental pollution.

3. Comply with environmental laws, regulations, ordinances, and agreements

In all of our business activities, we comply with all laws, regulations, ordinances, and agreements that concern the environment in Japan and overseas, and carry out our responsibilities to stakeholders such as responding to issues such as climate change, water resource protection and conservation of biodiversity as a global company.

4. Promote environmental education

In regard to environmental issues, we promote appropriate education and educational activities to deepen the insight of our employees and stakeholders and enable individual productivity improvements to be linked to environmental improvement activities.

Environmental Management System Certification ISO 14001

The Tomioka Factory obtained ISO 14001:1996 certification in October 2001 and underwent a transitional review for ISO 14001:2004 in October 2005. Our head office and production department were integrated and registered for joint certification in January 2007.
In 2017, we completed the transition to ISO 14001:2015 and underwent expansion inspections at the Advanced Technology Center and the Tomioka Second Factory.
In addition, the Asaka Office and the Eastern Japan Logistics Center obtained new ISO 14001 certification in 2019 and in 2022, respectively.
Currently, we conduct environmental activities at the Ochiai/Tokorozawa Site: head office and development divisions; Tsurugashima Site*: distribution of consumables and repair and maintenance of medical electronic equipment; Kawamoto Site*: development of consumables and safety/reliability testing of medical electronic equipment; and Tomioka Site: manufacturing and spare parts supply.

* In April 2026, the Tsurugashima Site and the Kawamoto Site were integrated into the Tsurugashima/Kawamoto Site. An audit for ISO 14001 certification of the integrated Tsurugashima/Kawamoto Site is scheduled for November 2026. Until the audit is completed, the ISO 14001 certifications currently held by each site will remain valid.

Environmental Management

Medium- to Long-term Environmental Targets <The entire Nihon Kohden Group>

Established: April 1, 2026

Under the Long-term Vision, BEACON 2030, the Three-year Business Plan, BEACON 2030 Phase II, and the Nihon Kohden Group Environmental Policy, Nihon Kohden has set environmental targets with milestone years of FY2050, FY2035, FY2030, and FY2026. Based on these targets, we are working to reduce greenhouse gas emissions and minimize our environmental impact, aiming to achieve carbon neutrality by 2050.

Environmental Target for FY2050

- We aim at zero greenhouse gas emissions throughout the entire product life cycle (carbon neutrality by 2050) by reducing greenhouse gas emissions from business activities, providing environmentally friendly products, and cooperating with business partners in the supply chain.

Environmental Target for FY2035

- We will set environmental targets for FY2035 based on SBT*1 and take action to achieve them with the aim of realizing carbon neutrality by 2050.
  (These targets will be revised when the target values based on SBT are finalized*2.)
  (Based on Japan's NDC*3, we aim at reducing by 60% in FY2035 and 73% in FY2040, compared to FY2013, respectively.)

Environmental Target for FY2030

- As a response to water resource protection, we will set and achieve water usage reduction targets in our business activities while promoting water recycling and circulation.
- To achieve a nature-positive approach, we will evaluate the impact of our business and corporate activities on biodiversity, promote initiatives that consider biodiversity conservation and sustainable use of resources, and disclose nature-related information based on the TNFD*4 recommendations.

*1 Science Based Targets are greenhouse gas emissions reduction targets set by each company for 5 to 10 years in the future in line with the levels sought under the Paris Agreement.
*2 The Company plans to set SBT in FY2026.
*3 NDC (Nationally Determined Contribution): Ambitious greenhouse gas reduction targets set by countries, aligned with the global 1.5°C target and a linear pathway to net-zero by 2050.
*4 The Taskforce on Nature-related Financial Disclosures is an international framework for assessing and reporting the impacts and dependencies of corporate economic activities on the natural environment and biodiversity.

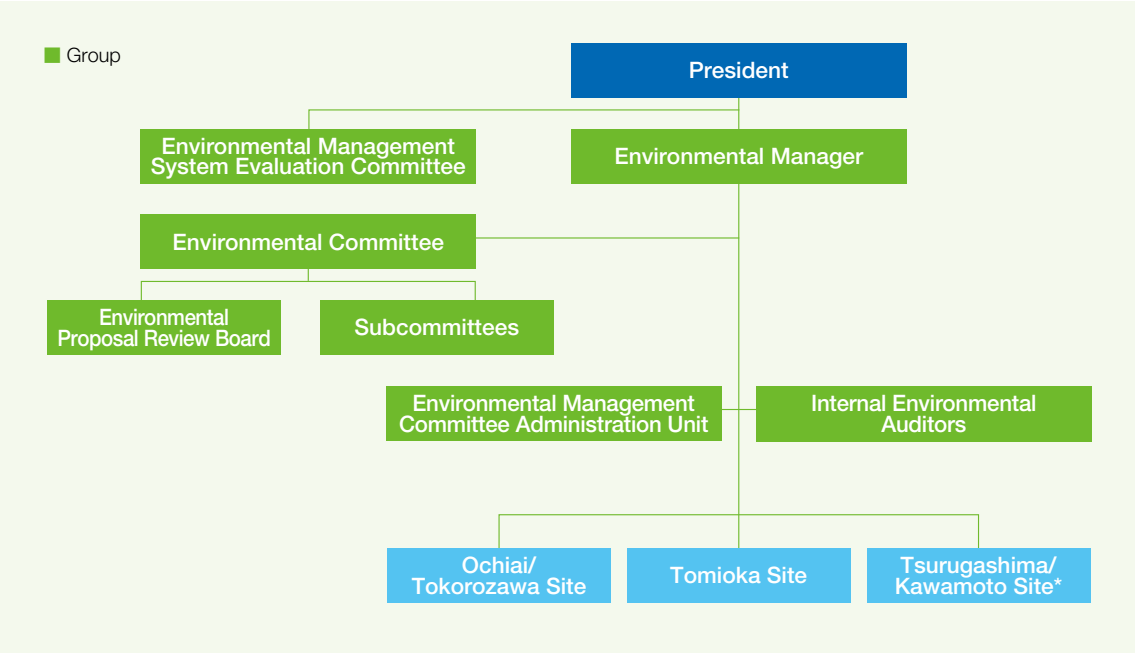
Environmental Targets for FY2026

1. **Enhance production efficiency and reduce environmental impact by implementing the reform of our profit structure**
   Reduce environmental impact, including energy use, CO_2 emissions, and waste emissions generated throughout the product life cycle (Scope 1, 2, and 3*5), by setting specific targets in line with the operations of each site and division and raising productivity.
2. **Reduce environmental impact and prevent pollution in our business activities**
   2-1. Promote the development of environmentally friendly products and achieve targets based on product assessment plans and evaluation tables for all newly developed products.
   2-2. Reduce CO_2 emissions in production processes by enhancing manufacturing quality, particularly through lower defect rates.
   2-3. Manage water usage linked to production volume to reduce the volume of water consumed in the production process.
   (The target values in Sections 2-1 through 2-3 are based on the site environmental goals.)
3. **Continuously reduce energy consumption and CO_2 emissions in our business activities to realize carbon neutrality**
   3-1. In consideration of the site reorganization, reduce the energy usage on a per unit basis by 2.9% and the CO_2 emissions on a per unit basis by 7.6% year-on-year.
   3-2. Begin collecting data on energy consumption and CO_2 emissions at the Tsurugashima Production Center.
4. **Promote circular economy**
   Promote the 3R's of reduce/reuse/recycle and achieve the following:
   4-1. In consideration of the site reorganization, reduce total waste emissions by 1.4% and waste emissions on a per unit basis by 0.3% year-on-year, and achieve a recycling rate of 95.4% or more.
   4-2. Begin collecting data on waste emissions at the Tsurugashima Production Center.

*5 Scope 1: All direct emissions from the Company's use of fuel.
Scope 2: Indirect emissions from the use of energy (mainly electricity) produced by other companies.
Scope 3: Other indirect emissions in the Company's supply chain.

Environmental Management

Environmental Management System (EMS)



* In April 2026, the Tsurugashima Site and the Kawamoto Site were integrated into the Tsurugashima/Kawamoto Site.

Green Procurement

As part of our efforts to provide environmentally friendly products to the market based on the Environmental Philosophy of the Nihon Kohden Group, we promote "Green Procurement" of products, parts, and materials which have a low environmental impact.
In FY2025, we revised our guidelines to align with the latest legal and regulatory requirements in response to recent regulatory developments and evolving societal expectations. We will continue to promote green procurement.

1. **Prioritize purchasing from suppliers conducting ambitious environmental conservation activities while also excelling in areas that include quality, pricing, delivery times, and services.**
2. **Prioritize the procurement and purchase of products, parts, and materials with a low environmental impact.**

For further details, please refer to our website.
Green Procurement

Environmental Management

Targets and Results of the Environmental Management Program

* Four ISO 14001 certified sites (Ochiai/Tokorozawa, Tomioka, Kawamoto, Tsurugashima sites). Rate of achievement: ✓✓✓ 100% achievement, ✓✓ At least 80% achievement, ✓ Less than 80% achievement

Environmental Goal	FY2025 Targets	Rate of Achievement	Result
1. Enhance production efficiency and reduce environmental impact by improving operational efficiency	Reduce environmental impact, including energy use, CO_2 emissions, and waste emissions generated throughout the product life cycle (Scope 1, 2, and 3), by setting specific targets in line with the operations of each site and division and raising productivity.	✓✓	At each site (Ochiai/Tokorozawa, Tomioka, Tsurugashima, and Kawamoto sites), we promoted initiatives to improve productivity based on operational targets, and as a result, achieved a reduction in our environmental impact.
2. Reduce environmental impact and prevent pollution in our business activities	2-1. Promote the development of environmentally friendly products and achieve targets based on product assessment plans and evaluation tables for all newly developed products. 2-2. Reduce CO_2 emissions in the production processes through initiatives to improve manufacturing quality (such as reducing defect rates). (Target values are based on the environmental goals for the Tomioka and Kawamoto sites.) 2-3. Manage water usage linked to production volume to reduce the volume of water consumed in the production process. (Tomioka site)	✓✓✓	2-1. We achieved the targets based on product assessment plans and evaluation sheets by promoting the development of new environmentally friendly products, focusing on resource conservation, energy efficiency, and resource recycling. 2-2. At the Tomioka and Kawamoto sites, we achieved our targets by steadily reducing CO_2 emissions in the production processes. 2-3. At the Tomioka site, we achieved our targets by properly managing the volume of water usage linked to production volume.
3. Continuously reduce energy consumption and CO_2 emissions in our business activities to realize carbon neutrality	In consideration of the growth in sales and production, as well as the site reorganization, reduce energy consumption on a per unit basis by 2.6% and CO_2 emissions on a per unit basis by 2.1% year-on-year.	✓✓✓	We reduced energy consumption on a per unit basis by 6.6%, and CO_2 emissions on a per unit basis by 12.4% year-on-year. Amid the impact of production expansion and site reorganization, we promoted initiatives at each site to reduce energy consumption and CO_2 emissions. To reduce energy consumption, we implemented a range of initiatives in addition to energy-saving activities. These efforts included the installation of LED lighting, the replacement of air-conditioning equipment, optimization of electricity usage through an Energy Management System (EMS), and optimized operation of warehouse air-conditioning systems based on temperature conditions and operational requirements. Through these efforts, we reduced electricity consumption. In addition to these initiatives, we reduced CO_2 emissions by switching to electricity plans powered by renewable energy at the Tomioka Factory, Tomioka Second Factory, and the Eastern Japan Logistics Center.
4. Promote circular economy	Promote the 3R's of reduce/reuse/recycle and achieve the following: In consideration of the growth in sales and production, as well as the site reorganization, limit the year-on-year increase in total waste emissions to 8.8%, limit the year-on-year rise in waste emissions on a per unit basis to 2.2%, and achieve a recycling rate of 95.8% or more. * In December 2025, we revised our targets for total waste emissions, waste emissions on a per-unit basis, and the recycling rate in response to changes in our business environment, including increased production, workplace reorganization, and relocation to a new factory. Accordingly, we revised the targets established at the beginning of the fiscal year. The original targets were as follows: "In consideration of the increase in sales, production, and site reorganization, limit the year-on-year increase in total waste emissions to 6.3%, limit the year-on-year rise in waste emissions on a per unit basis to 0.8%, and achieve a recycling rate of 95.3% or more."	✓✓	We limited the year-on-year increase in total waste emissions to 7.0%, achieving our revised target of no more than an 8.8% increase. Our waste emissions on a per unit basis increased by 2.6% year on year, narrowly missing our revised target of no more than a 2.2% increase, but remained broadly in line with the target range. The recycling rate was 96.2%, exceeding the target of at least 95.8%. Amid the impact of production expansion and site reorganization, we worked to promote the 3R's of reduce/reuse/recycle. The increase was attributable to the temporary rise in waste emissions resulting from the relocation to a new factory and site reorganization. At the same time, we worked to reduce waste emissions and promote resource circularity through initiatives such as the reuse of unused products and packaging materials.

Disclosure Based on TCFD Recommendations

Endorsement of TCFD Recommendations

As addressing climate change is one of the most critical social issues facing global society and one of the most significant management issues for us, Nihon Kohden expressed its support for the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) in 2022 and disclosed related information in line with the TCFD recommendations. Going forward, we will continue to promote climate change measures aimed at achieving the material issues for sustainability outlined in the Three-year Business Plan, BEACON 2030 Phase II, including "Realize carbon neutrality" and "Promote circular economy." Additionally, we will work on expanding information disclosure in line with the TCFD recommendations.

Governance

To promote sustainability, Nihon Kohden has established the Sustainability Promotion Committee and Sustainability Promotion Meeting. In addition, Nihon Kohden has established the Advisory Board consisting of external experts to incorporate outside perspectives on sustainability activities including measures to address climate change. The Sustainability Promotion Committee (held twice a year) formulates the policies and directions including measures on climate change. The Sustainability Promotion Meeting (held at least twice a year) establishes and promotes annual plans based on the policies and directions formulated by the Sustainability Promotion Committee and reports on the progress of those plans to the Sustainability Promotion Committee. The Advisory Board Meeting (held twice a year) discusses and advises on overall sustainability promotion, including actions on climate change.

Strategy

In October 2024, Nihon Kohden re-evaluated risks and opportunities related to climate change, mainly by management and members of the Sustainability Promotion Committee and Sustainability Promotion Meeting. Under the 1.5°C/2°C scenario* and the 4°C scenario*, we have calculated the impact that risks and opportunities would have on our business over the short-term (to FY2027), medium-term (to FY2030), and long-term (to FY2050) timeframes.

* 1.5°C scenario is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
2°C scenario is to limit the global average temperature increase to 2°C above pre-industrial levels.
4°C scenario estimates the global average temperature increase to be 4°C above pre-industrial levels.

For further details, please refer to our website.

Disclosure based on TCFD Recommendations

Notice regarding disclosure of information in line with TCFD recommendations

1.5°C to 2°C scenario and 4°C scenario

Disclosure Based on TCFD Recommendations

Risk Management

For details on the overall risk management of the Nihon Kohden Group's operations, please refer to **the Developing a Company-wide Risk Management Framework page.**

A cross-organizational TCFD response project was initiated and has been operated since October 2021 to identify and assess climate change risks affecting the Nihon Kohden Group. The TCFD response project has periodically reviewed climate change risks and response measures, and the identified risks and response measures have been discussed, approved, and monitored for progress by the Sustainability Promotion Committee, with reports made to the Board of Directors.

For further details, please refer to our website.

Disclosure based on TCFD Recommendations: Risk Management

Financial Impact Assessment

Metrics and Targets

In the Three-year Business Plan, BEACON 2030 Phase II, to realize carbon neutrality is positioned as one of the material environmental issues for sustainability. To make this a reality, we have set KPIs for "Group-wide CO_2 emissions," "Number of models and sales ratio of environmentally friendly products," and "Reduce CO_2 emissions in corporate activities," and are systematically promoting initiatives.

To reduce CO_2 emissions, we have set targets of a 44% reduction in CO_2 emissions in FY2026 compared to FY2020, and a 56% reduction in CO_2 emissions per unit of sales (Scope 1 and 2 within ISO 14001 certified sites). In FY2025, we achieved a 48.2% reduction in CO_2 emissions and a 56.0% reduction in CO_2 emissions per unit of sales compared to FY2020, achieving our targets.

We implemented energy conservation initiatives in a planned and systematic manner at each business site, thereby reducing our total CO_2 emissions. At the Eastern Japan Logistics Center, we implemented rigorous energy-saving measures in our day-to-day operations, including suspending operation of the building-wide air-conditioning system when warehouse temperature and humidity conditions allowed. As a result, we reduced electricity consumption by 17.5% compared with the previous fiscal year.

We also reduced electricity consumption at the Nishi-Ochiai Office by 10.2% compared with the previous fiscal year through the installation of LED lighting and the replacement of air-conditioning equipment. At the Advanced Technology Center, we leveraged the Energy Management System (EMS) introduced in the previous fiscal year to visualize energy consumption and continuously optimize energy use. As a result, we reduced electricity consumption by 3% compared with the period before the system was introduced, confirming the effectiveness of energy-saving measures tailored to the specific conditions of each business site.

As part of our Group-wide energy conservation initiatives, we continued replacing company vehicles with hybrid vehicles, reducing annual gasoline and diesel fuel consumption by 6.3%.

We have been gradually switching to renewable energy at our business sites in Japan since FY2017. In July 2025, we switched to electricity plans powered by renewable energy at the Tomioka Factory and Tomioka Second Factory, and in October 2025 at the Eastern Japan Logistics Center, reducing CO_2 emissions by approximately 560 t-CO_2.

In FY2025, renewable energy had been adopted at approx. 53.6% of our business sites in Japan. We aim to transition all domestic sites under our operational control to 100% renewable energy by 2030.

The Tsurugashima Production Center, which began operations in March 2026, was constructed with environmental considerations integrated from the planning stage as a production facility aimed at achieving carbon neutrality and harmony with nature. With careful consideration given to the natural environment surrounding the site, the facility was designed to blend into its surroundings, including through the use of recycled wood louvers on its exterior. The facility incorporates high-efficiency equipment to reduce energy consumption, solar power generation systems to utilize renewable energy, and rainwater harvesting to promote the efficient use of water resources. These initiatives enabled the facility to achieve the highest level of the Net Zero Energy Building (ZEB) certification, "ZEB."*

* Net Zero Energy Building (ZEB): A building that achieves an annual net zero balance of primary energy consumption through a combination of energy conservation and on-site renewable energy generation, while maintaining a comfortable indoor environment.

Disclosure Based on TCFD Recommendations

As part of our social contribution through business activities, we are also engaged in developing environmentally friendly products featuring enhanced energy efficiency and more compact, lightweight designs. We have set a target for environmentally friendly products to account for 22.5% of cumulative sales over three-year period. In FY2025, the ratio reached 21.3%.
In addition, we worked to reduce the amount of waste from disposal of products and parts. Against our target of maintaining the amount of the products and parts retirement in FY2026 at or below the same level as the FY2023 results, we achieved a 14.3% reduction in FY2025 compared to FY2023.
Going forward, we will continue to expand the provision of environmentally friendly products and deepen collaboration with our supply chain. We will also steadily advance our climate change initiatives through the acquisition of SBT certification in FY2026.

		FY2023	FY2024	FY2025
Global Warming Prevention	Scope 1 (t-CO_2)	4,250	4,155	3,893
	Scope 2 (t-CO_2)	3,644	4,097	3,830
	Greenhouse gas emissions (t-CO_2)	7,894	8,252	7,723
Energy Saving	Total input energies (GJ)	214,220	216,874	214,592
Waste Reduction	Total waste emissions (t)	824.2	808.4	865.4
	In-house recycling rate (%)	95.5	95.6	96.2
Environmentally Friendly Products	New registration of environmentally friendly products (registrations)	1	4	5

The figures for Global Warming Prevention and Energy Saving are the combined totals for the scope of ISO 14001 certification, including the parent company, and domestic sales branches.
The figures for Waste Reduction are for the scope of ISO 14001 certification, including the parent company.
The figures for Environmentally Friendly Products are the number of product series launched in that fiscal year.
* Scope of ISO 14001 certification: Ochiai/Tokorozawa site, Tomioka site, Tsurugashima site, Kawamoto site.

Water Intake (m^3)	FY2023	FY2024	FY2025
Water supply	62,545	58,360	58,819
Surface water of rivers and lakes	0	0	0
Other (such as rainwater, seawater, well water, spring water)	0	0	0
Total amount	62,545	58,360	58,819
Water Discharge (m^3)	**FY2023**	**FY2024**	**FY2025**
Sewerage	44,433	41,763	41,752
Rivers	8,085	8,047	7,616
Other (such as watering the ground surface)	0	0	0
Total amount	52,518	49,810	49,368

The figures for Water Intake and Water Discharge are the combined total for the scope of ISO 14001 certification, including the parent company, and the domestic sales branches.

Biodiversity

Initiatives Related to Biodiversity

Nihon Kohden recognizes that natural capital, including climate and biodiversity, is essential to our business activities and may also be impacted by our business activities. The conservation of the global environment, including measures to address climate change, is a critical social issue facing global society and one of the most significant management issues for us. Therefore, we strive to avoid and minimize the negative impacts of our business activities, aiming for a society in harmony with nature. Specific biodiversity-related initiatives are currently under discussion by the Sustainability Promotion Committee.

At the Tsurugashima Production Center in Tsurugashima City, Saitama Prefecture, which began operations in March 2026, we promoted the development of the facility in accordance with our Environmental Philosophy and Policy, placing a strong emphasis on balancing our business activities with environmental conservation. Furthermore, in line with Saitama Prefecture's commitment to environmentally conscious facility development, Nihon Kohden is working to establish production sites that are in harmony with the local environment. We conduct sustainable business operations with a focus on resource circularity by utilizing renewable energy through the installation of solar panels and promoting the efficient use of water resources, including the use of rainwater for toilet flushing.

In February 2026, we conducted an ecological survey of the area surrounding the Tsurugashima Production Center with Hikaru Kobayashi, our advisor and Research Advisor at the Research Center for Advanced Science and Technology, the University of Tokyo, and Kanako Toyosada, Professor in the Department of Environmental Science, International College of Arts and Sciences, Fukuoka Women's University. Adjacent to Tsurugashima Green Park, the Center is situated in a rich natural environment that supports diverse wildlife, including Otagaya Forest, a popular nature walking area, as well as biotopes and lotus ponds that provide habitat for a variety of bird species.

Recognizing the characteristics of the surrounding environment, Nihon Kohden will identify and give due consideration to the impacts of its production activities on local ecosystems, while operating its facilities in harmony with the local community.

Ecological survey around the Tsurugashima Production Center

Tsurugashima Production Center

Promoting Environmentally Friendly Products to Build a Circular Economy

Green Product Label Certification Through Life Cycle Assessment (LCA)

Nihon Kohden uses Life Cycle Assessment (LCA) and environmental assessments for quantitatively assessing the environmental impacts of its products and services throughout their life cycle—from raw material extraction and manufacturing to product use and disposal. Products and services that meet the standards are certified under our self-declared Green Product Label, which conforms to ISO 14021 Type II. Products and services are certified in a four-tier assessment ranking based on their contribution to reducing environmental impacts, such as CO_2 emissions, compared to existing products and services. LCA is conducted for products and services, with certifications of three stars for CO_2 emission reductions of 50% or more, two stars for 25% or more, one star for 10% or more, and no stars for 1% to less than 10% compared to existing products. Products and services meeting the Company's internal environmental assessment standards are also certified with no stars.

In FY2025, a total of six products were certified: bedside monitors CSM-1701 / CSM-1702 received three stars; the defibrillator TEC-1031 and the automated external defibrillator AED-3200 received two stars; and the transmitters ZS-730P / ZS-720P received one star.

FY2025 Certified Products

Three Stars Certified Products

Bedside monitors, CSM-1000 series, Lifescope G7 (CSM-1701/1702)

Assessment Results (Compared to the existing model, the CSM-1901)

CO_2 emissions
CSM-1701: 56.2% reduction
CSM-1702: 51.4% reduction

Annual electrical energy consumption
CSM-1701: 62.3% reduction (Reduced by 410.4 kWh)
CSM-1702: 52.9% reduction (Reduced by 348.3 kWh)

Two Stars Certified Products

Defibrillator, TEC-1000 series, Cardiolife (TEC-1031)

Assessment Results (Compared to the existing model, the TEC-5631)

CO_2 emissions
29.8% reduction

Annual electrical energy consumption
52.7% reduction (Reduced by 38.6 kWh)

Automated external defibrillator, AED-3200 series, Cardiolife (AED-3200)

Assessment Results (Compared to the existing model, the AED-2100)

CO_2 emissions
43.6% reduction

Annual electrical energy consumption
decreases slightly, as standby power accounts for most of the electricity consumption.

One Star Certified Products

Transmitters, ZS-720P

Assessment Results (Compared to the existing model, the ZS-620P)

CO_2 emissions
13.6% reduction

Annual battery consumption (AA alkaline primary battery)
8.3% reduction (Reduced by four batteries)

Transmitters, ZS-730P

Assessment Results (Compared to the existing model, the ZS-630P)

CO_2 emissions
10.8% reduction

Annual battery consumption (AA alkaline primary battery)
41.8% reduction (Reduced by 46 batteries)

Enhancing Information Disclosure and Shareholder Returns

Our management is highly transparent through appropriate information disclosure and we strive for stable long-term returns to shareholders.

DISCLOSURE OF INFORMATION

Enhancing Information Disclosure and Shareholder Returns

Our management is highly transparent through appropriate information disclosure and we strive for stable long-term returns to shareholders.

Shareholder Returns Policy

Nihon Kohden recognizes that returning profits to shareholders is one of management's most important tasks. The basic policy on distribution of profits and dividends is to make investments for future business expansion and enhance shareholder returns as well as securing a sound financial foundation. The priority for distribution of profits is i) investment necessary for future business expansion used in R&D investments, capital investments, M&A or alliances, and development of human resources, and ii) shareholder returns. In terms of shareholder returns, the Company will increase dividends in a stable manner in line with growth in business performance. Share buybacks are conducted in a flexible manner, taking into account comprehensively the Company's future business deployment, investment plans, retained earnings, and stock price level. The indicator and target for shareholder returns is a consolidated total return ratio of 35% or more.

In FY2025, the full-year dividend was increased by 1 yen to 32 yen, resulting in a consolidated total return ratio of 70%, including the acquisition of own shares of 5 billion yen from December 2025 to March 2026. The Company also cancelled 3 million shares of its treasury shares on June 18, 2026.

Information Disclosure Policy

The Nihon Kohden Charter of Conduct requires that we aim for highly transparent management by fair and proper disclosure of corporate information to shareholders and society. We disclose Nihon Kohden Group-related information in a timely, appropriate, fair, and easy-to-understand manner. We seek to deepen understanding and trust from all stakeholders and gain appropriate evaluation of the Company.

Shareholder and Investor Engagement

■ General shareholders' meeting

We hold our general shareholders' meeting on a date that does not conflict with those of other companies to ensure that shareholders can attend. On the day of the meeting, we exhibit medical devices and explain the features to shareholders. At the shareholders' meeting held in June 2026, we exhibited fully automatic AEDs, a ventilator, a telemetry system, transmitters, on-site alarm analytics software, admission and discharge management software, as well as SEEG electrodes*. We have posted a video of the presentation by the Chairman on the day on our website. For foreign shareholders, convocation notices, notice of resolutions, and voting results are translated into English and posted on the external website.

* SEEG (stereo-electroencephalography) records and analyzes electroencephalograms three-dimensionally by inserting multiple thin electrodes into the deep brain to localize the focus of epilepsy.

■ Earnings presentations/Business strategy briefing

Nihon Kohden holds briefings in a hybrid manner of in-person and online to explain financial results to institutional investors and analysts in the 2nd quarter and 4th quarter, as well as holding online conferences in the 1st quarter and 3rd quarter, where we discuss the Company's performance and strategy. Videos of the presentations, materials, and Q&A summaries are posted on our website and made available to all shareholders and investors. In March 2026, the Company also held a meeting about its Digital Health Solution (DHS) Vision in an online manner. Business leaders in Japan and North America explained the progress of the DHS Vision toward realizing our Long-term Vision.

Enhancing Information Disclosure and Shareholder Returns

■ Company briefings for individual investors and events for shareholders

We hold company briefings for individual investors so that they can understand our management strategy and business operations, and extend their long-term support. In FY2025, we held one in-person meeting and two online meetings. The Company deepened individual investors' understanding of its products through displaying patient monitors and AEDs, and demonstrations of their features and usage at the in-person meeting.
The following are questions and comments received from participating investors.

- I think the Company's Management Philosophy and its business which contributes to medical care are excellent.
- Although business sentiment in medical institutions in Japan is deteriorating, how do you see their capital expenditure in medical equipment?
- What are the key risks to achieve high growth in North America?
- I hope the Company will continue to focus on developing innovative products and improving profitability.
- The Company appears to have strong cash-generating capabilities. How do you view further enhancing shareholder returns?
- What are the key priorities in implementing sustainability management?

In-person meeting held in Tokyo with the cooperation of the Securities Analysts Association of Japan

Online meeting at Nomura IR Asset Management Fair 2026

TOPICS

Comments from individual shareholders

Nihon Kohden conducts an annual shareholder survey with the aim of improving communications with shareholders and bolstering our IR activities. Some of the comments we received in the latest survey are as follows:

- I found the explanation of the Three-year Business Plan to be thorough and helped deepen my understanding.
- I would like to continue supporting Nihon Kohden's growth and contributions to medical care.
- I hope the Company will continue to hold company briefings for shareholders, both in-person and online.
- I expect consistent earnings and stable dividends.
- The shareholder newsletter was easy to understand, with information clearly and concisely presented.

■ Relationship with Shareholders and Institutional Investors

The President, Operating Officers, General Manager of the Corporate Strategy Division, and persons in charge of IR have meetings with institutional investors in Japan and overseas through visits to investors, meetings at our offices upon request, and online meetings.

Status of Dialogue with Shareholders

In FY2025, the Company had approx. 425 meetings with institutional investors, including approx. 160 meetings with shareholders. The topics of the dialogues were quarterly financial results and forecasts, as well as mid- to long-term growth strategies, including the progress of the Three-year Business Plan which started in FY2024, growth investments such as M&A, capital allocation policies including shareholder returns, and initiatives to strengthen corporate governance and embrace sustainability.

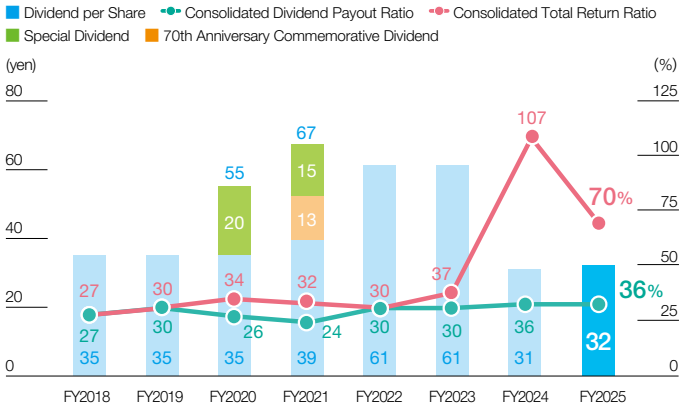
Relay Investor Feedback to Management

The Corporate Strategy Division, which bears responsibility for IR activities, relays the views of shareholders and investors acquired through dialogue to the management (Directors, Management Operating Officers, and Operating Officers) and relevant departments for sharing and using information.

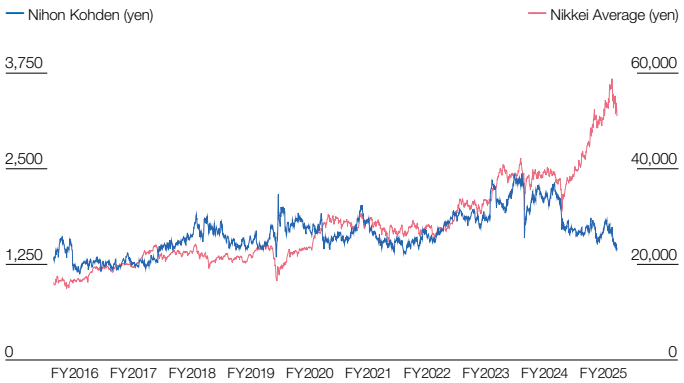
For further details, please refer to our website.
Constructive Dialogue with Shareholders and Investors

Enhancing Information Disclosure and Shareholder Returns

Change in Dividend per Share, Consolidated Dividend Payout Ratio, and Consolidated Total Return Ratio



Change in Share Price

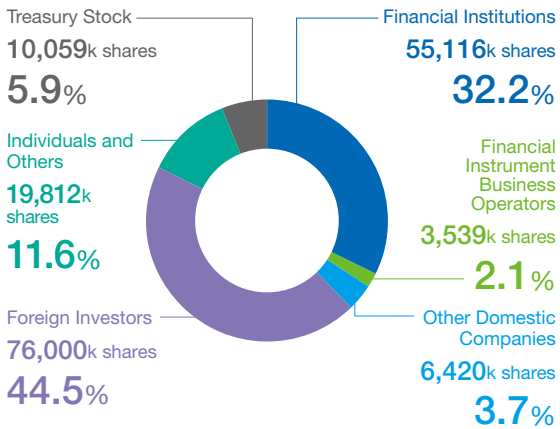


* Effective July 1, 2024, each share of common stock was split into two shares. For the above share prices, trading values before the split date have also been adjusted retroactively.

Number of Dialogues with Institutional and Individual Investors in FY2025

- Meetings with institutional investors and securities analysts:
  Approx. 425 meetings including approx. 160 meetings with shareholders
- Number of responses to annual shareholder survey (Postcard/WEB): **331**
- Company briefings for individual investors (3 sessions):
  Live viewing: Approx. 1,045 viewers,
  In-person: Approx. 40 attendees,
  On-demand viewing: Approx. 4,200 viewers
- Nihon Kohden's introduction video series for individual investors:
  Approx. 1,100 views

Ownership Breakdown (as of March 31, 2026)



Major Shareholders (as of March 31, 2026)

Shareholders	Number of Shares Held (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,724	14.74
Custody Bank of Japan, Ltd. (Trust Account)	8,085	5.02
Saitama Resona Bank, Ltd.	7,957	4.94
JP Morgan Chase Bank 380055	7,839	4.87
GIC Private Limited – C	6,244	3.88
State Street Bank and Trust Company 505103	6,139	3.81
GOVERNMENT OF NORWAY	5,934	3.68
JP Morgan Chase Bank 385166	3,076	1.91
National Mutual Insurance Federation of Agricultural Cooperatives	2,710	1.68
MUFG Bank, Ltd.	2,650	1.64

(Note) The above list excludes Nihon Kohden's treasury stock of 10,059 thousand shares. Each shareholding ratio is calculated excluding treasury stock. The above treasury shares don't include 930 thousand shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets under the Employee Stock Ownership Plan.

TOPICS

In December 2025, Nihon Kohden was selected as the highest AAA grade for its website in the 2025 All Japanese Listed Companies' Website Ranking Survey by Nikko Investor Relations Co., Ltd. In this survey, Nikko Investor Relations evaluated 168 items from the following three points of view: understandability, usability/accessibility, and variety of information. The survey targeted the websites of all 3,937 listed companies and its results were announced as a ranking. Nihon Kohden will continue to enhance the Company IR site and work to improve IR activities by disclosing timely and easy-to-understand information to shareholders and investors.

External Evaluation

Nihon Kohden is committed to enhancing sustainability initiatives and improving information disclosure to increase corporate value.

External Evaluation

■ FTSE4Good Index Series, FTSE JPX Blossom Japan Index, FTSE JPX Blossom Japan Sector Relative Index*

Created by the global index provider FTSE Russell, the FTSE4Good Index Series, FTSE JPX Blossom Japan Index, and FTSE JPX Blossom Japan Sector Relative Index are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. FTSE Russell evaluates companies in the areas of corporate governance, health and safety, anti-corruption, and climate change, and its constituent companies meet various criteria related to environment, society, and corporate governance.

Nihon Kohden, as a result of assessment according to the FTSE Russell ESG rating criteria, has been a constituent of the FTSE4Good Index Series and the FTSE JPX Blossom Japan Index for five consecutive years since 2017 and for five consecutive years since 2022.

The Company has also become a constituent of the FTSE JPX Blossom Japan Sector Relative Index for five consecutive years since 2022, which is designed by FTSE Russell to measure the performance of Japanese companies demonstrating relatively excellent ESG practices in each sector.

* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Nihon Kohden Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, FTSE JPX Blossom Japan Index, and FTSE JPX Blossom Japan Sector Relative Index. Created by the global index and data provider FTSE Russell, the Index is designed to measure the performance of companies demonstrating strong Environmental, Social, and Governance (ESG) practices. FTSE4Good Index Series, FTSE JPX Blossom Japan Index, and FTSE JPX Blossom Japan Sector Relative Index are used by a wide variety of market participants to create and assess responsible funds and other products.

FTSE4Good

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

■ ISS ESG Corporate Rating

The ISS ESG Corporate Rating is a sustainability rating by ISS ESG, the responsible investment arm of Institutional Shareholder Services Inc., one of the world's leading proxy advisory firm. The rating is based on ESG (Environment, Social, and Governance) factors.

Nihon Kohden has been rated as "Prime" in the Health Care Equipment & Supplies industry in 2021, 2024, and 2026.

Corporate ESG Performance Prime RATED BY ISS ESG

■ CDP Rating in the Areas of Climate Change and Water Security

In the FY2025 survey, Nihon Kohden received a B rating in the area of Climate Change, an A- rating in the area of Water Security, and an A- rating in the Supplier Engagement Assessment from CDP, an organization that investigates and evaluates the environmental initiatives of companies and municipalities.

Climate CDP 2025 B | Water CDP 2025 A-

■ Health & Productivity Management Outstanding Organization 2026 (Large Enterprise Category)

The Health & Productivity Management Outstanding Organization 2026 (Large Enterprise Category) is a recognition program established by Japan's Ministry of Economy, Trade and Industry (METI) to honor companies that demonstrate outstanding health and productivity management practices. The program recognizes organizations that address regional health challenges and promote health improvement initiatives advanced by the Japan Health Council. Nihon Kohden was certified under this program for the second consecutive year in 2026, following its initial recognition in 2025.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Nihon Kohden's Contributions to the Community

We strive to be a good corporate citizen respecting all cultures and customs through active contribution to the community.

REGIONAL CONTRIBUTION

Contributions to the Community Through the Promotion of AEDs

■ Nihon Kohden's initiatives at EXPO 2025 Osaka, Kansai, Japan

Nihon Kohden supported the first aid and emergency medical services at EXPO 2025 Osaka, Kansai, Japan, which was held from April to October 2025.

At EXPO 2025 Osaka, Kansai, Japan, where "Life" was the central theme, a comprehensive medical system was established to ensure the safety and well-being of visitors to the Expo. Nihon Kohden supplied medical devices used for diagnosis and treatment in these facilities as an equipment supplier. Also, as a member of the AED Foundation of Japan we provided support for the installation & training of AEDs which even members of the general public can use to deliver a lifesaving electrical shock, as well as support for the emergency medical evacuation system.

Through these initiatives, we confirmed four life-saving cases involving the use of AEDs during the EXPO period.

Nihon Kohden devices installed at the EXPO site

- Entire site: [AEDs 76 Emergency Tents 50 PLS-1000 Pulse Checkers 10]
- Clinics: [Defibrillators 3 Electrocardiographs 3]
- First Aid Stations: [Electrocardiographs 5]
- Ambulances: [Defibrillators 4]

In addition, Nihon Kohden collaborated with the Ministry of Health, Labour and Welfare "Introducing Japan's Advanced Medical Technology" event. Through this initiative, Nihon Kohden's "Robotic Anesthesia System" was introduced as one of the cutting-edge technologies developed by Japanese companies. We hope this collaboration will contribute to increasing the presence and supporting the growth of the Japanese pharmaceuticals and medical device industries in Japan and globally. Nihon Kohden will continue working to reduce the burden on anesthesiologists and improve medical safety and create a better future for people and healthcare by solving global medical issues.

For further details, please refer to our website.

Nihon Kohden initiatives at EXPO 2025 OSAKA, KANSAI, JAPAN

■ The "Parent-Child AED Experience Kit," a supplement to "Kindergarten" magazine published by SHOGAKUKAN Inc. received the Gold Prize in the "Media-Integrated Advertising Category" at the 67th Japan Magazine Advertising Awards

The "Parent-Child AED Experience Kit," a special supplement included with the October/November 2024 issue of "Kindergarten", a magazine for young children published by SHOGAKUKAN Inc. and developed with the full collaboration of Nihon Kohden, received the Gold Prize in the Media-Integrated Advertising Category at the 67th Japan Magazine Advertising Awards. The awards are organized by the Japan Magazine Advertising Association to recognize outstanding magazine advertisements and advertising campaigns.

The kit was created to closely match the actual size of Nihon Kohden's AEDs. It faithfully reproduces key design features, such as the mechanism that opens the lid when a lever is pulled and the internal switches. Because the kit also includes voice prompts, users can practice placing electrode pads on a poster depicting the human body, delivering electrical shocks, and chest compressions. The project was recognized for effectively introducing AEDs in an easy-to-understand manner in the magazine's feature article while also providing an enjoyable learning experience through the included paper-assembly kit.

Nihon Kohden will continue various initiatives to promote AED awareness and advance accessible life-saving education so that anyone can use an AED without hesitation in emergency situations.

Financial and Corporate Data

We aim at further growth while maintaining and strengthening our stable financial base, even in the changing business environment.

FINANCIAL INFORMATION

Message from Director Responsible for Accounting (Chief Administrative Officer)

Review of the Second Year of the Three-year Business Plan, BEACON 2030 Phase II

In FY2025, the second year of BEACON 2030 Phase II, Nihon Kohden steadily implemented various measures to strengthen its earnings base amid significant changes in the business environment both in Japan and internationally. In Japan, we concentrated on enhancing sales activities which match each market: the acute care hospital market, the small and mid-sized hospital market, and the clinic market. We also focused on strengthening our marketing and service capabilities, creating value which contributed to improving medical safety, patient outcomes, and operating efficiency. While we focused on our consumables and services business, domestic sales decreased by 0.6% from FY2024 due to restraining sales of locally purchased products and lower sales of Abbott products. Internationally, sales in all regions performed favorably, increasing by 13.1% from FY2024. Even excluding the currency effect and the impact of the consolidation of Ad-Tech, the business maintained its underlying growth. In terms of profitability, although higher sales, appropriate pricing, and an improved product mix contributed positively, COGS including the impact of tariffs increased and SG&A expenses also increased due to wage increases, expanded R&D investments, and higher depreciation caused by M&A and capital investments. As a result, operating income decreased 9.5% over FY2024 to ¥18.7 billion, with an operating margin of 8.0% and ROE of 8.1%. In addition, the cash conversion cycle was 215 days, an improvement over FY2024, but did not reach the target of 190 days. Based on these results, we recognize accelerating sales growth, further improving profitability, and enhancing capital efficiency as key issues. Going forward, we will further strengthen our efforts to achieve the Three-year Business Plan by enhancing the profitability of our domestic business while capturing overseas growth opportunities, and by ensuring that management focused on capital efficiency.

Kazuhiro Kato
Corporate Director,
Senior Operating Officer,
Chief Administrative Officer,
General Manager of Corporate Administration Operations,
Chief Compliance Officer

Three-year Business Plan, BEACON 2030 Phase II

Based on issues from the previous Three-year Business Plan, we have set three indicators and are implementing six key measures. We aim to achieve each target: a sales CAGR of 5% for "Growth," an operating margin of 15% for "Profitability," and ROE of 12% for "Capital efficiency." To achieve these numerical targets, we implement six key measures, including "Implement the reform of the profit structure," "Introduce Nihon Kohden's own ROIC formula," and "Reduce cash conversion cycle."

1. Implement the Reform of the Profit Structure

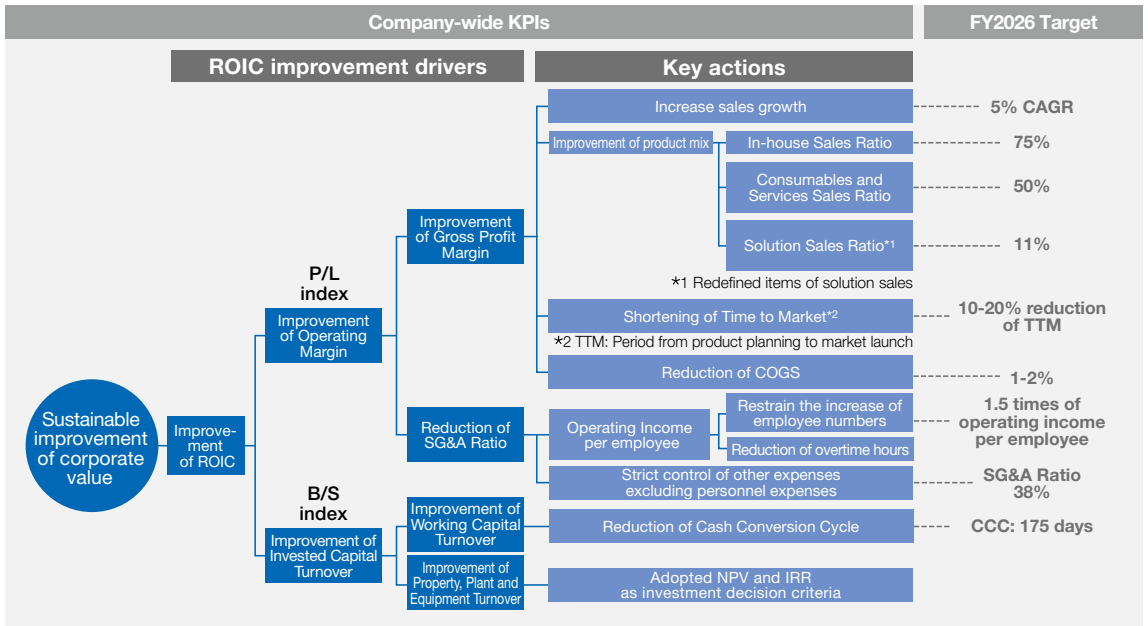
In implementing the reform of the profit structure, we have set a target of improving the operating margin by a total of 5%pt through three pillars: product mix improvement, productivity enhancement, and supply chain optimization (approximately 2%pt, 2%pt, and 1%pt, respectively). In FY2025, we steadily implemented the measures and realized an approximately 3%pt improvement. We currently estimate that approximately 90% of the final target will be realized. In the area of the product mix, we improved gross margin through a shift toward a more profitable product portfolio resulting from strategic reviews of our pricing policies both in Japan and internationally and optimization of the product line-up. In terms of productivity, we achieved operational efficiencies equivalent to approximately 1.99 million hours per year by accelerating the use of digital technologies, including installing generative AI (approximately 2,000 licenses). This enabled us to reduce headcount increases and overtime hours, helping establish a foundation for sustainable productivity improvement. In the area of the supply chain, we steadily reduce the costs of goods sold by further refining the price negotiation process with suppliers and strengthening value engineering in response to the inflationary environment. Going forward, we will further strengthen our earnings capacity through the enhancement and establishment of these measures to achieve sustainable profit growth.

Message from Director Responsible for Accounting (Chief Administrative Officer)

2. Introduce Nihon Kohden's Own ROIC Formula

To maximize corporate value and shareholder value by achieving the cost of capital-conscious management, we have set Return on Equity (ROE) as a key management indicator and are working to penetrate Nihon Kohden's own Return on Invested Capital (ROIC) formula. Under the Three-year Business Plan, BEACON 2030 Phase II, while positioning it as a phase for accelerating growth investments, we have set improving capital efficiency as a key management theme and aim to achieve both ROIC and ROE of 12%, exceeding our cost of capital. We currently estimate that our cost of capital is around 8%, which is reviewed every year. We have adopted Net Present Value (NPV) and Internal Rate of Return (IRR) as investment decision criteria since FY2022. We set an IRR of 12%, which exceeds our cost of capital, as the benchmark for investment approval. The Board of Directors regularly verifies the progress and results of investment projects above a certain scale to ensure the effectiveness of investment discipline. We are also continuously working to improve ROIC by optimizing capital allocation through improving working capital efficiency, selecting investment projects and managing their execution, and enhancing shareholder returns. Going forward, we will start full-scale calculation and management of Nihon Kohden's ROIC in each subsidiary and accelerate the penetration of ROIC in the entire Group by creating an ROIC indicator dashboard to establish a consistent framework for indicator management from management to frontline operations.

Planned to set KPIs in each subsidiary/division to penetrate Nihon Kohden's ROIC



3. Reduce Cash Conversion Cycle

To reduce the cash conversion cycle (CCC), we have enhanced inventory control and refined supply and demand management mainly at the Production Operations, which was newly established in April 2024. In FY2025, the CCC was 215 days compared to the target of 190 days, as we strategically increased inventories in preparation for the start of operations of PLM/MES* systems and the Tsurugashima Production Center. In FY2026, we will prioritize ensuring a stable supply and secure a certain level of inventory of parts and components, in light of changes in the external environment, including shortages of memory components, higher oil prices, and increasing uncertainty in the procurement environment for parts and components caused by conflicts in the Middle East. From the perspective of improving capital efficiency, we will work to normalize the CCC by continuing to implement measures, including improving inventory turnover and accelerating receivables collection. Inventory control will be enhanced through improved demand forecast accuracy, enabling a better balance between supply and demand. Through these measures, we aim to restore CCC to 195 days by the end of FY2026. Going forward, we will continue to strengthen our sustainable cash generation capability by enhancing working capital management while pursuing the optimal balance between stable supply and capital efficiency.

* PLM: Product Life-cycle Management, MES: Manufacturing Execution System.

Message from Director Responsible for Accounting (Chief Administrative Officer)

Capital Policy

Nihon Kohden recognizes that the sustainable enhancement of shareholder value is one of management's important tasks and promotes optimal capital allocation under a disciplined capital policy. In distributing profits and dividends, we place emphasis on balancing investments for future business expansion with shareholder returns while securing a sound financial foundation. Specifically, we give top priority in capital allocation to i) investment necessary for future business expansion used in R&D investments, capital investments, M&A or alliances, and development of human resources, and ii) the enhancement of shareholder returns.

Our basic policy on shareholder returns is a consolidated total return ratio of 35% or more. We place emphasis on continuing to increase dividends in a stable manner in line with growth in business performance. Share buybacks are conducted in a flexible manner, taking into account comprehensively our business strategy, investment plans, financial position, and stock price level. Based on these policies, we acquired ¥5 billion of own shares, and the consolidated total return ratio was 70% in FY2025. Going forward, we aim to maximize mid- to long-term shareholder value by enhancing both corporate value through growth investments and shareholder returns.

Cash Allocation Policy

In BEACON 2030 Phase II, we expect to generate cumulative operating cash flow of ¥80 billion or more, which will serve as the source of funding for the optimal allocation between growth investments and shareholder returns. Growth investment including M&A is planned to be ¥30 billion or more, and we ensure that investment decisions place emphasis on capital efficiency. Specifically, we have adopted Net Present Value (NPV) and Internal Rate of Return (IRR) as investment evaluation indicators since FY2022 and set an IRR of 12%, which exceeds our cost of capital, as the investment criteria. Under these policies, we further strengthen our growth foundation by steadily executing investments in areas that are expected to generate synergies with existing businesses, including the consolidation of Ad-Tech as a subsidiary, which has a high affinity with the neurology area, and the consolidation of DOWELL Co., Ltd. as a subsidiary in FY2025. Capital investments are planned to be approximately ¥25 billion. Along with the commencement of operations at the Tsurugashima Production Center, we are enhancing productivity and advancing corporate DX through the implementation and operation of PLM/MES systems. We expect shareholder returns of ¥28 billion or more over three years and will flexibly consider additional shareholder return measures, taking into account the progress of our future investment plans and financial position. By ensuring the execution of growth investments under disciplined investment criteria while optimizing the balance between growth investments and shareholder returns, we aim to improve capital efficiency and maximize mid- to long-term corporate value.

Resilience & Sustainability

The outlook for the business environment surrounding the Nihon Kohden Group remains uncertain due to escalating global protectionism and fragmentation as well as heightened and prolonged uncertainty caused by the impact of geopolitical risks and of policy trends in each country. In Japan, business sentiment in medical institutions remains weak and an increasing number of medical institutions have seen a deterioration in ordinary income due to price and labor cost inflation, while medical institutions strive to implement task shifting and improve their operational efficiency. Internationally, business operations continue to face elevated risks due to tighter regulations and changes in economic conditions in each country. In addition, as improvements in the quality and efficiency of medical care are increasingly required, responding to medical digital transformation, which includes data health, telemedicine, and utilization of AI and ICT, has become essential. In this external environment, establishing robust business and financial foundations that support the stable supply of medical equipment—in other words, strengthening our resilience—is essential for us to achieve sustainable growth. In particular, we will enhance our resilience to changes in the environment by stabilizing the supply chain, strengthening our earnings structure, and advancing our operations through the use of digital technologies. Building on this, we will steadily execute strategic investments for future growth while positioning the enhancement of shareholder returns as an important management policy and pursuing the optimal balance between growth investments and shareholder returns. In addition, we place sustainability management at the core of our corporate value creation, striving to achieve both business growth and the resolution of social issues through healthcare. Even as the external environment remains challenging, we will strengthen our resilience and build a foundation for sustainable growth in an integrated manner. To meet the expectations of all stakeholders, our executives and employees will unite and commit fully to these efforts. We appreciate your continued support.

Financial/Non-financial Summary

Long-term Vision	The CHANGE 2020 (April 2010 to March 2020)							BEACON 2030 (April 2021 to March 2030)				
Medium-term Business Plan		Strong Growth 2017 (April 2013)			TRANSFORM 2020 (April 2017)			BEACON 2030 Phase I (April 2021 to March 2024)			BEACON 2030 Phase II (April 2024 to March 2027)	

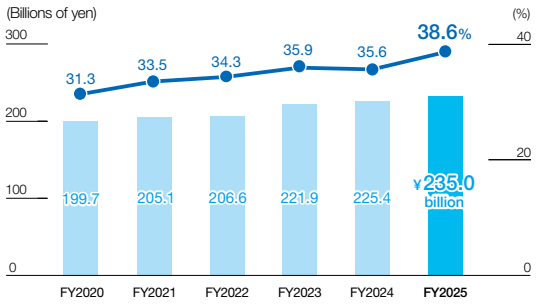
(Millions of yen unless otherwise stated)

Fiscal year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business results												
Net sales	160,803	165,522	166,285	174,249	178,799	185,007	199,727	205,129	206,603	221,986	225,424	235,099
Operating income	15,921	16,438	13,585	14,517	15,044	15,503	27,094	30,992	21,120	19,591	20,713	18,745
Income attributable to owners of parent*1	11,142	10,516	9,149	9,154	11,191	9,854	18,243	23,435	17,110	17,026	14,098	14,513
Financial position												
Current assets*2	118,389	112,929	119,235	120,687	132,211	129,020	156,140	171,875	172,500	184,333	183,085	177,808
Current liabilities*2	45,654	42,901	45,006	44,601	48,346	40,319	50,608	50,804	46,568	49,901	72,296	49,428
Total assets*2	146,755	144,270	152,806	157,910	169,717	167,786	193,030	210,201	216,728	233,233	258,276	256,538
Net assets	99,304	97,671	103,887	109,355	116,087	121,774	138,986	156,381	167,604	181,082	181,294	179,824
Cash flows												
Cash flows from operating activities	12,505	10,765	11,356	10,843	9,819	9,217	13,945	25,699	(2,513)	15,607	15,286	21,055
Cash flows from investing activities	(4,689)	(7,802)	(6,344)	(3,346)	(3,258)	(4,607)	(2,946)	(4,303)	(7,647)	(5,208)	(25,138)	(8,285)
Free cash flow	7,815	2,962	5,011	7,497	6,561	4,609	10,999	21,396	(10,161)	10,398	(9,852)	12,770
Cash flows from financing activities	(3,267)	(9,488)	(3,517)	(4,628)	(3,074)	(3,054)	(3,007)	(7,300)	(7,485)	(6,968)	2,550	(11,599)
Cash and cash equivalents	34,113	27,283	28,560	31,285	34,697	35,913	44,356	60,095	43,988	49,877	43,061	45,637
Per share information												
Net income (Yen)*3	126.83	120.12	106.81	106.92	131.43	115.72	214.21	276.51	203.28	101.23	84.88	89.25
Dividends (Yen)*4	70.0	35.0	35.0	35.0	35.0	35.0	55.0	67.0	61.0	61.0	31.0	32.0
Other												
R&D expenses	5,745	5,910	6,466	7,226	7,243	6,731	6,357	5,711	6,200	6,996	6,826	7,453
Number of employees (Persons)	4,616	4,776	4,934	5,031	5,169	5,357	5,531	5,639	5,751	5,891	6,114	6,116
Number of shares issued at end of year (Thousands of shares)*5	45,765	89,730	89,730	89,730	88,730	88,730	88,730	88,730	88,230	88,230	170,961	170,961
Common Stock Price (fiscal year-end) (Yen)*6	3,275	2,798	2,489	2,961	3,290	4,060	3,230	2,951	3,590	4,004	2,003	1,455
Price Book Value Ratio (times)	2.90	2.45	2.05	2.31	2.41	2.84	1.98	1.59	1.80	1.86	1.82	1.30
Key performance indicators												
ROE (%)	11.9	10.7	9.1	8.6	9.9	8.3	14.0	15.9	10.6	9.8	7.8	8.1
Operating margin (%)	9.9	9.9	8.2	8.3	8.4	8.4	13.6	15.1	10.2	8.8	9.2	8.0
Dividend payout ratio (%)	27.6	29.1	32.8	32.7	26.6	30.2	25.7	24.2	30.0	30.1	36.2	35.9

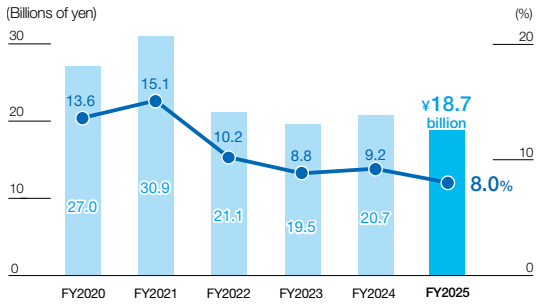
*1 The figures for FY2014 represent net income.
*2 Since the beginning of FY2018 ended March 31, 2019, the Company has applied the partial amendments to the Accounting Standard for Tax Effect Accounting (ASBJ No. 28, February 16, 2018). These accounting standards apply to FY2017 figures retrospectively.
*3 Effective April 1, 2015, and July 1, 2024, each share of common stock was split into two shares. The Company calculates net income per share on the assumption that the stock splits were conducted at the beginning of FY2014 and FY2023.
*4 Effective April 1, 2015, and July 1, 2024, each share of common stock was split into two shares. The figures represent dividends per share based on the number of shares before the said stock splits.
*5 Effective April 1, 2015, and July 1, 2024, each share of common stock was split into two shares.
*6 Stock price at the end of FY2014 is ex-stock split. Stock price at the end of FY2023 calculated on the assumption that the stock split was implemented at the beginning of FY2023 is ¥2,002.

Financial/Non-financial Summary

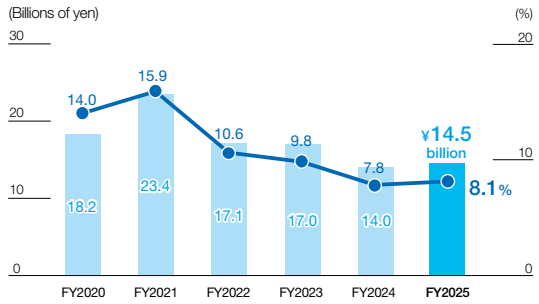
Net Sales/Overseas Sales Ratio



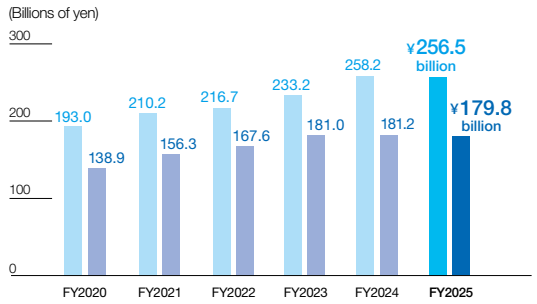
Operating Income/Operating Margin



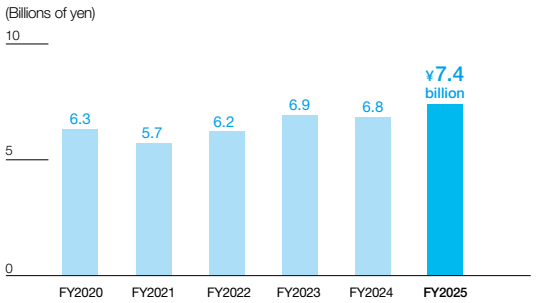
Income Attributable to Owners of Parent/ROE



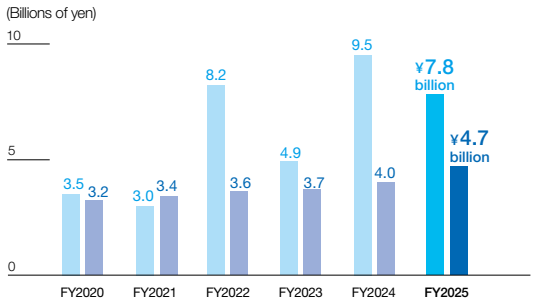
Total Assets/Net Assets



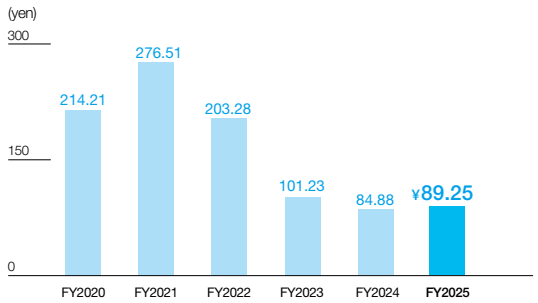
R&D Expenses



Capital Investment/Depreciation

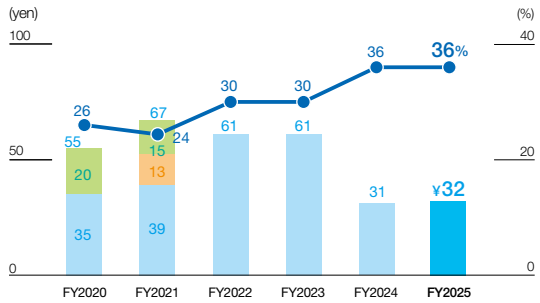


Net Income per Share*



* Effective July 1, 2024, each share of common stock was split into two shares. Net income per share is calculated on the assumption that the stock split was implemented at the beginning of FY2023.

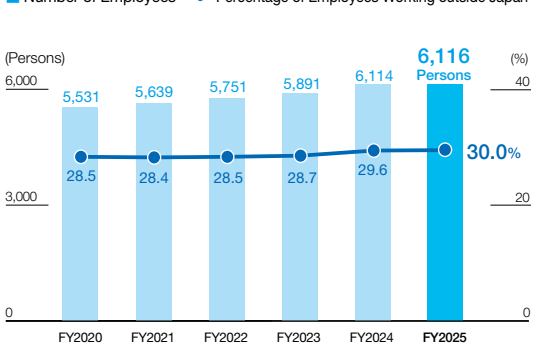
Dividends per Share*/Payout Ratio (consolidated)



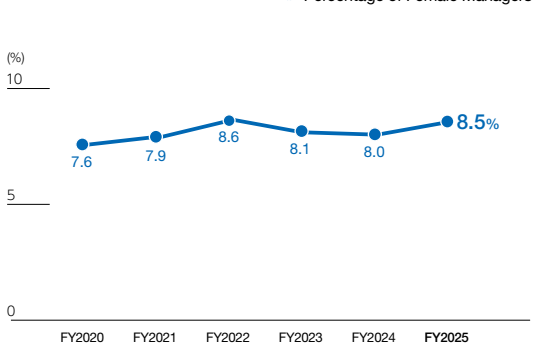
* Effective July 1, 2024, each share of common stock was split into two shares. For FY2023 and earlier, the actual dividend amounts before the stock split is shown.

Financial/Non-financial Summary

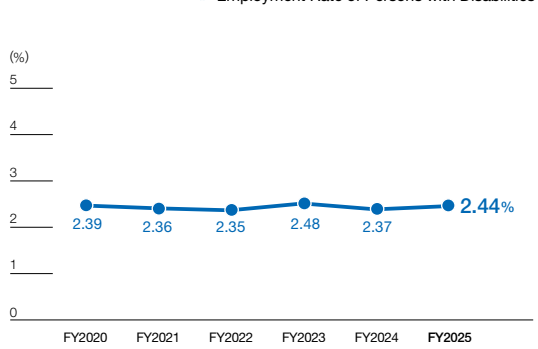
Number of Employees (Consolidated)/ Percentage of Employees Working outside Japan



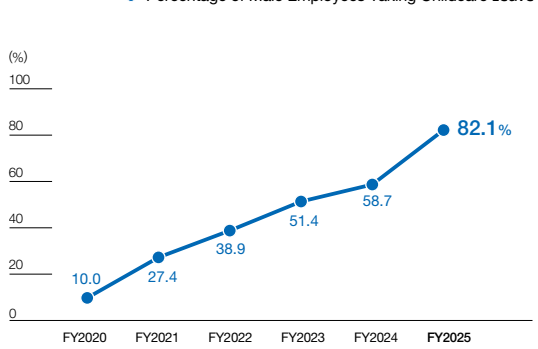
Percentage of Female Managers*1



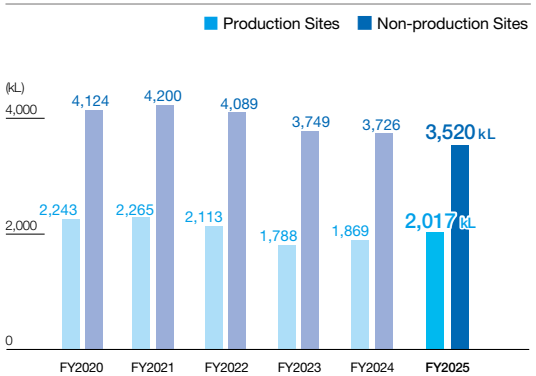
Employment Rate of Persons with Disabilities*1



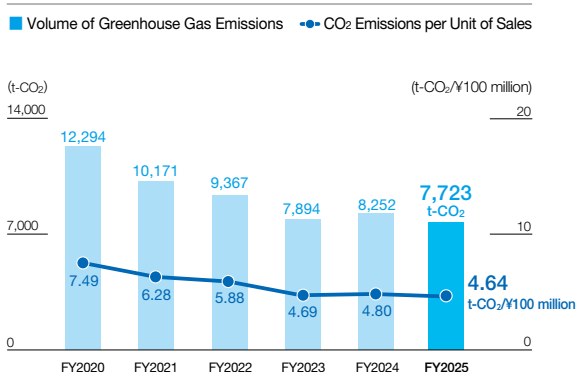
Percentage of Male Employees Taking Childcare Leave*1



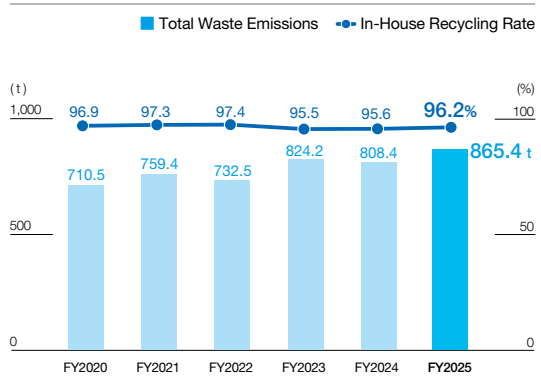
Total Energy Consumption (Barrels of Oil Equivalent (BOE))*2



Volume of Greenhouse Gas Emissions/ CO_2 Emissions per Unit of Sales*2



Total Waste Emissions/ In-House Recycling Rate*3



*1 The figures for each fiscal year are the totals for the parent company and domestic sales branches.
*2 The figures for total energy consumption and volume of greenhouse gas emissions/CO_2 emissions per unit of sales are the combined totals for the scope of ISO 14001 certification, including the parent company, and the domestic sales branches.
*3 The total waste emissions/in-house recycling rate for FY2020 are combined totals for the scope of ISO 14001 certification, including the parent company, and the Eastern Japan Logistics Center.

Business Report

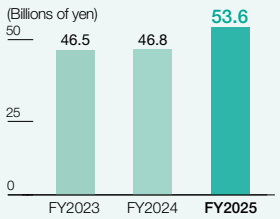
Overview by Product Category (Consolidated)

Physiological Measuring Equipment

Sales ¥53.6 billion
% change YoY +14.4%

This category includes electroencephalographs (EEG), evoked potential and electromyogram measuring systems, electrocardiographs (ECG), polygraphs for cath lab, diagnostic information systems, related consumables such as recording paper, electrodes and EP catheters, and maintenance services.

Electroencephalograph EEG-1290



Japan: Sales of diagnostic information systems achieved double-digit growth and sales of neurology products increased favorably. Sales of ECGs and polygraphs for cath lab decreased.

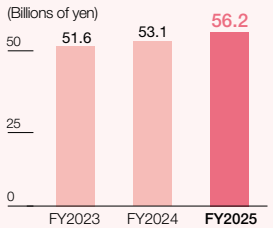
International: Sales of neurology products including Ad-Tech increased significantly. Sales of ECGs also increased.

Treatment Equipment

Sales ¥56.2 billion
% change YoY +5.8%

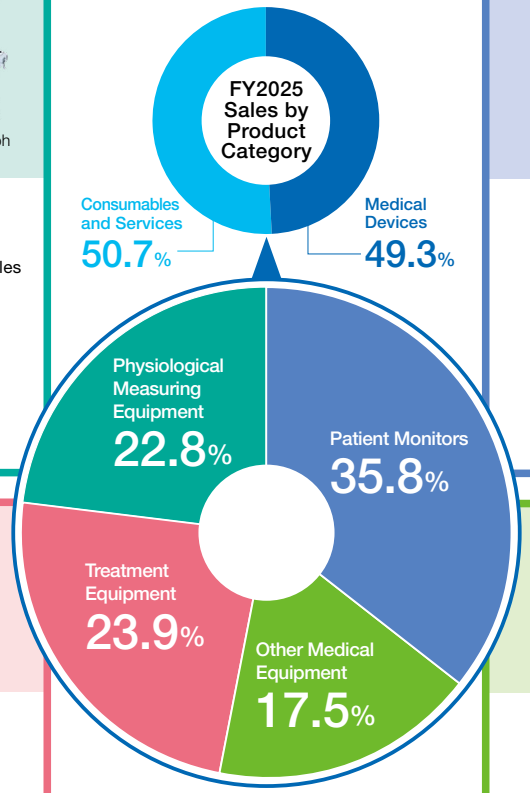
This category includes defibrillators, AEDs (Automated External Defibrillators), ventilators, pacemakers, anesthesia machines, cochlear implants, automated chest compression devices, related consumables such as AED pads, batteries, and ablation catheters, and maintenance services.

Ventilator NKV-440



Japan: Sales of Abbott's ablation catheters decreased. Sales of AEDs and defibrillators also decreased. Sales of ventilators increased favorably.

International: Sales of ventilators increased significantly in North America, Europe, and Latin America, in addition to favorable sales in Asia & Other. Sales of defibrillators achieved double-digit growth and sales of AEDs also increased favorably.

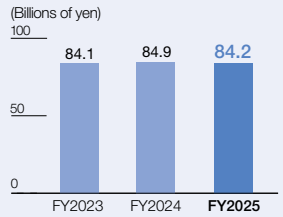


Patient Monitors

Telemetry System WEP-1600

This category includes patient monitors such as central monitors, bedside monitors, wireless monitors, remote access software and other equipment, clinical information systems, related consumables such as electrodes and sensors, and maintenance services.

Sales ¥84.2 billion
% change YoY -0.8%



Japan: Sales of telemetry systems and transmitters decreased. Sales of clinical information systems achieved double-digit growth and sales of bedside monitors also increased.

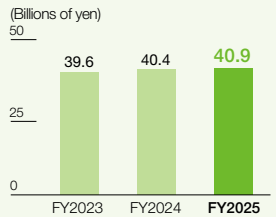
International: Sales in North America and Europe decreased compared to the strong growth in FY2024, while sales in Asia & Other achieved double-digit growth.

Other Medical Equipment

Automated Hematology Analyzer MEK-9200

This category includes hematology analyzers, clinical chemistry analyzers, ultrasound diagnostic equipment and others, consumables such as test reagents, and installation and maintenance services.

Sales ¥40.9 billion
% change YoY +1.3%



Japan: Sales of installation and maintenance services for medical devices increased favorably and sales of hematology instruments and reagents also increased. Sales of locally purchased products decreased.

International: Sales of hematology instruments and reagents decreased mainly in Europe and Asia & Other.

* The Company discontinued providing cochlear implants in March 2026. The Company also decided to discontinue providing Abbott products such as EP catheters, pacemakers, and ablation catheters by December 31, 2026.

Management's Discussion and Analysis

Business Environment

In FY2025, the global economic outlook remained uncertain due to escalating protectionism and fragmentation as well as prolonged uncertainty caused by geopolitical risks and policy trends in each country. In Japan, business sentiment in medical institutions declined and the proportion of operating deficits increased due to price and wage inflation, while each medical institution strove to implement task shifting and improve its operational efficiency. Internationally, overall demand for medical equipment remained steady, while there was uncertainty regarding proposed budget cuts to public health insurance in the U.S. and the effects of the economic slowdown in China. Medical institutions both in Japan and internationally have been promoting medical digital transformation, which includes data health, telemedicine, and utilization of AI and ICT, because they need to urgently improve the quality and efficiency of their medical care.

Review of Operations

Nihon Kohden implemented its Three-year Business Plan, BEACON 2030 Phase II. The Company aims to achieve targets for three indicators: growth, profitability, and capital efficiency, by implementing six key measures including "Enhance product competitiveness," "Focus on growth of North America Business," and "Implement the reform of the profit structure." In Japan, the Company launched an affordable model of fully automatic AEDs, a mid-range ventilator, and transmitters, as well as SEEG electrodes*1 developed by Ad-Tech. The Company also introduced on-site alarm analytics software, and admission and discharge management software as part of its line-up of DHS (digital health solution) products that utilize data obtained from medical devices in Japan. In addition, the Company started to provide a locally developed alarm solution in the U.S. After reviewing its business portfolio, the Company decided to discontinue providing Abbott products by December 31, 2026. To strengthen its business structure, the Company established Nihon Kohden Advanced Technology Center, India as one of its R&D subsidiaries in September 2025 and Nihon Kohden Arabia RHQ LLC, one of its sales subsidiaries, started operations in Saudi Arabia in January 2026. In Japan, the Company started operation of the PLM system in September 2025 and the MES system*2 in November 2025, and the Tsurugashima Production Center also started operations in March 2026. In addition, the Company consolidated DOWELL Co., Ltd. as one of its subsidiaries in February 2026. As a result, overall sales increased 4.3% over FY2024 to ¥235.0 billion.

*1 SEEG (stereo-electroencephalography) records and analyzes electroencephalograms three-dimensionally by inserting multiple thin electrodes into the deep brain to localize the focus of epilepsy.
*2 PLM: Product Life-cycle Management, MES: Manufacturing Execution System.

Sales by Region

■ Japan

Nihon Kohden concentrated on enhancing sales activities which match each market; the acute care hospital market, the small and mid-sized hospital market, and the clinic market. The Company also focused on its consumables and services business as well as strengthening its marketing and service capabilities, creating customer value which contributed to improving medical safety, patient outcomes, and operating efficiency. Domestic sales decreased due to restraining sales of locally purchased products and lower sales of Abbott products. Sales of AEDs decreased in the PAD (public access defibrillation) market mainly due to inventory adjustment at distributors. Sales in the public hospital market also decreased, while sales in the university, private hospital, and clinic markets increased. Sales of Treatment Equipment and Patient Monitors decreased, while sales of Physiological Measuring Equipment and Other Medical Equipment increased. As a result, domestic sales decreased 0.6% over FY2024 to ¥144.4 billion.

Management's Discussion and Analysis

■ International

Overseas sales achieved double-digit growth, because sales in all regions increased favorably. Overseas sales also increased favorably on a comparable basis excluding the currency effect and the impact of the consolidation of Ad-Tech. Sales in North America showed double-digit growth, posting a significant increase in sales of neurology products including Ad-Tech as well as favorable sales of ventilators and AEDs. Sales of Patient Monitors decreased compared to the strong growth in FY2024, while sales in the fourth quarter achieved double-digit growth. Sales in Latin America increased both on a yen basis and on a comparable basis, as sales in the fourth quarter achieved double-digit growth. Sales increased mainly in Paraguay and Peru. Sales in Europe increased favorably, especially in Turkey, the U.K., and Italy. Sales in Asia & Other increased favorably, especially in Southeast Asia, India, and the Middle East & Africa. Sales of Physiological Measuring Equipment and Treatment Equipment increased significantly. Sales of Patient Monitors and Other Medical Equipment decreased. As a result, international sales increased 13.1% over FY2024 to ¥90.6 billion.

Operating Results by Reportable Segments

Japan	Sales decreased 0.9% to ¥145.1 billion and segment income decreased 35.7% to ¥14.0 billion in FY2025.
North America	Sales increased 19.4% to ¥53.6 billion and segment income was ¥2.8 billion in FY2025 (Segment loss of ¥0.9 billion in FY2024).
Rest of World	Sales increased 6.9% to ¥36.3 billion and segment income increased 20.4% to ¥2.2 billion in FY2025.
Segment Income	Total segment income excluding the unrealized gains on inventories and amortization of goodwill and intangible assets decreased 16.0% to ¥19.2 billion in FY2025.

* The amounts are aggregated by region, based on the location of the Company or its consolidated subsidiaries.

Cost of Sales, SG&A Expenses, Operating Income, and Income Attributable to Owners of Parent

Cost of sales increased 4.7% over FY2024 to ¥113.3 billion. The gross margin decreased by 0.2 percentage points to 51.8% due to higher costs and increased inventory devaluation, and the gross profit on sales increased by 3.9% over FY2024 to ¥121.7 billion. SG&A expenses increased 6.8% over FY2024 to ¥102.9 billion due to wage increases and R&D investments as well as higher depreciation caused by M&A and capital investments. The ratio of SG&A expenses rose 1.0 percentage points to 43.8% due to sales falling short of forecasts, wage increases, R&D investments, and higher depreciation. R&D expenses increased ¥0.6 billion year on year to ¥7.4 billion. The ratio of R&D expenses to sales increased 0.2 percentage points to 3.2%. As a result, operating income decreased 9.5% to ¥18.7 billion. Ordinary income increased 10.7% to ¥22.5 billion, reflecting foreign exchange gains compared to losses in FY2024. Income attributable to owners of parent increased 2.9% to ¥14.5 billion, as extra payments for early retirements were recorded as extraordinary losses.

Management's Discussion and Analysis

Assets, Liabilities, and Equity

■ Assets

Total assets at the end of FY2025 decreased by ¥1.7 billion compared with the end of the previous fiscal year. Current assets decreased by ¥5.2 billion compared with the end of the previous fiscal year. This was mainly due to a decrease in securities, notes receivable and accounts receivable. Fixed assets increased by ¥3.5 billion compared with the end of the previous fiscal year. This was mainly due to an increase in buildings and structures as the Tsurugashima Production Center started operations.

■ Liabilities and Equity

Total liabilities decreased by ¥0.2 billion compared with the end of the previous fiscal year. This was mainly due to a decrease in accrued income taxes and a decrease in short-term borrowings and an increase in long-term borrowings resulting from the refinancing of borrowings. Total net assets decreased by ¥1.4 billion compared with the end of the previous fiscal year. This was mainly due to a decrease in capital surplus and non-controlling interests resulting from the additional acquisition of shares of NeuroAdvanced Corp., as well as the acquisition of own shares. Equity ratio increased by 0.6 percentage points to 70.1%.

■ Cash Flows

Funds obtained as a result of operating activities increased by ¥5.7 billion year-on-year to ¥21.0 billion. This is mainly due to income before income taxes of ¥19.9 billion, depreciation and amortization of ¥4.7 billion, a decrease in notes and accounts receivables of ¥3.3 billion, and income taxes paid of ¥7.6 billion. Funds used in investing activities decreased by ¥16.8 billion year-on-year to ¥8.2 billion. This is mainly due to the purchase of property, plant and equipment of ¥5.7 billion, the purchase of intangible assets of ¥2.1 billion, and the purchase of shares of subsidiaries resulting in a change in the scope of consolidation of ¥0.5 billion. Funds used as a result of financing activities amounted to ¥11.5 billion (income of ¥2.5 billion in the previous fiscal year). This is mainly due to a decrease in short-term loans resulting from the refinancing of borrowings of ¥25.9 billion, as well as proceeds from long-term borrowings of ¥25.5 billion, purchase of treasury shares of ¥6.6 billion, and cash dividends paid of ¥5.2 billion. Cash and cash equivalents at the end of FY2025 increased by ¥2.5 billion to ¥45.6 billion compared with the end of the previous fiscal year.

■ ROE

ROE in FY2025 was 8.1%, below the target of 12%, but improved from 7.8% in FY2024. This was due to an increase in financial leverage resulting from the use of liabilities, despite a decline in the net profit margin.

Company Information

Company Overview (As of March 31, 2026)

Common Name	NIHON KOHDEN
Official Name	NIHON KOHDEN CORPORATION
Incorporated	August 7, 1951
Capital Stock	¥7,544 million
Net Sales (Consolidated)	¥235.0 billion (Fiscal year ended March 31, 2026)
Type of Business	Development, production, and sales of medical electronic equipment
Employees (Consolidated)	6,116 persons

Stock Overview (As of March 31, 2026)

Number of Shares Authorized	395,944,000 shares
Number of Shares Issued	170,961,960 shares
Number of Shareholders	8,761 persons

Subsidiaries: 37 companies (As of March 31, 2026)

Management and Control of Subsidiaries in the U.S.
Nihon Kohden North America, Inc.

Sales and Promotion
Nihon Kohden America, LLC
Nihon Kohden Mexico S.A. de C.V.
Nihon Kohden Latin America S.A.S.
Nihon Kohden Do Brasil Ltda.
Nihon Kohden Europe GmbH
Nihon Kohden Deutschland GmbH
Nihon Kohden France Sarl
Nihon Kohden Iberica S.L.
Nihon Kohden Italia S.r.l.
Nihon Kohden UK Ltd.
Nihon Kohden Singapore Pte Ltd.
Nihon Kohden (Thailand) Co., Ltd.
Nihon Kohden Vietnam Company Limited
Nihon Kohden Korea, Inc.
Nihon Kohden Arabia RHQ LLC

Development, Production, Sales, and Sales Promotion
Nihon Kohden Tomioka Corporation
Nippon Bio-Test Laboratories Inc.
Beneficks Corporation
DOWELL Co., Ltd.
Shanghai Kohden Medical Electronic Instrument Corp.
Defibtech, LLC
Nihon Kohden OrangeMed, LLC
Ad-Tech Medical Instrument Corporation
Nihon Kohden Malaysia Sdn. Bhd.
Nihon Kohden India Pvt. Ltd.
Nihon Kohden Middle East FZE
Nihon Kohden Firenze S.r.l.

Development of Medical Electronic Equipment and Software
Nihon Kohden Digital Health Solutions, LLC
Neurotronics, LLC
Nihon Kohden Innovation Center, LLC
Software Team Srl
Nihon Kohden Advanced Technology Center, India

Group General Affairs and Staffing
E-Staff Corporation

Other
NeuroAdvanced Corporation
Two SPCs (special purpose companies)

Company Information

Editorial Policy

Nihon Kohden issues the integrated report with the aim of clearly communicating our efforts towards achieving a sustainable society through our business activities and enhancing our group's sustainable corporate value for our stakeholders, thereby creating new opportunities for dialogue.

Scope of Report

Organization This report covers 38 companies of the Nihon Kohden Group, i.e., Nihon Kohden Corporation and its 37 consolidated subsidiaries (as of March 31, 2026).

Period From April 1, 2025 to March 31, 2026

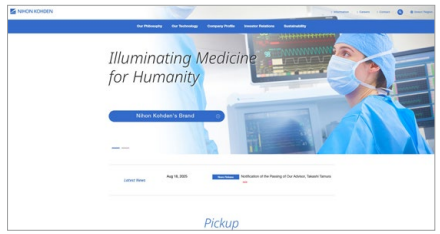
* Partly including information on our activities performed before or after the aforementioned period.

Nihon Kohden Website

Corporate Website

Please visit the following website for corporate information about Nihon Kohden.

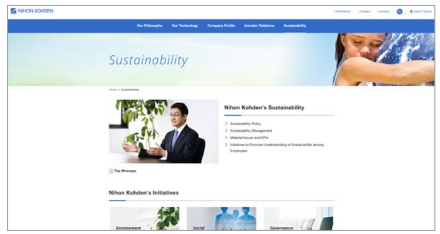
https://www.nihonkohden.com/index.html



Sustainability Page

Please visit the following website for Nihon Kohden's various activities to promote sustainability.

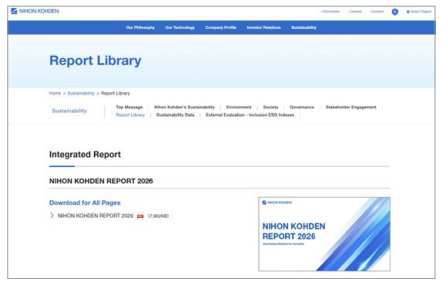
https://www.nihonkohden.com/sustainability.html



Integrated Report

Please visit the following website for past Nihon Kohden Reports, CSR Reports, and Environmental Reports.

https://www.nihonkohden.com/sustainability/report-library.html



Disclaimer

This report includes not only past and present facts about Nihon Kohden but also future projections such as plans and outlooks as of the publication date. These future projections are based on assumptions and judgments made from information available at the time of writing, and actual results or events in future business activities may differ from these projections due to changes in various conditions. We kindly ask readers to understand this.

These documents have been translated from Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail.

Publication Date

September 2026 (next publication: expected to be issued in September 2027)

How to Publish

Nihon Kohden has limited the publication of this report to its website since FY2021, in light of the progress in digitalization and environmental protection considerations.

Published by

Corporate Strategy Division, Nihon Kohden Corporation