

Corporate Governance Report

Last Update: July 2, 2025
NIHON KOHDEN CORPORATION

Representative: Hirokazu Ogino, Representative Director, President and Chief Executive Officer

Contact: Fumio Izumida, Operating Officer, General Manager of Corporate Strategy Division

Securities Code: 6849

<https://www.nihonkohden.com/>

The corporate governance of NIHON KOHDEN CORPORATION is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Nihon Kohden's Management Philosophy is "we contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees" as a medical electronics manufacturer.

To realize its Management Philosophy, the Company aims at achieving sustained growth and establishing reliance as a company that is highly evaluated by the customers, shareholders, clients 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.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code] Updated

The Company will comply with all principles of the Corporate Governance Code and work on the following principle in the future.

[Principle 4.11 Prerequisites for Board Effectiveness] international diversity

The Company set the maximum number of directors at seventeen and appoints several independent outside directors. The Board consists of directors from diverse backgrounds in expertise and experience. Currently, two female directors and one foreign director are included in a total of eleven directors. The Company continues to work on achieving the diversity in view of its appropriate size of the Board and the size of its overseas business. The Company sets a target for appointment of female directors, management operating officers, and operating officers of 4 persons or more by April 2026 (4 persons as of June 30, 2025) and 30% or more by June 30, 2030 (14.3% as of June 30, 2025).

[Disclosure Based on the Principles of the Corporate Governance Code] Updated

[Principle 1.4 Cross-Shareholdings]

Policy with respect to cross-shareholdings:

To realize its mid- to long-term sustainable growth, Nihon Kohden considers that the collaboration with various companies is necessary during the course of R&D, production, logistics, sales, services and financing. From this standpoint, Nihon Kohden Group holds shares of companies in the comprehensive view of the

business relationship and business strategy. The Board examines the objective of cross-shareholdings of each share on an annual basis from the following perspectives: i) increasing asset efficiency, ii) avoiding the risk of share price fluctuations based on its capital cost, and iii) the necessity of the collaboration with the Company. The Company will reduce shareholdings when the Board determines the objective of cross-shareholdings is inadequate. In FY2024, the Company sold all shares of one company and a part of shares of one company as a result of a review at the Board. The Company holds shares of ten companies at the end of March 2025.

Standards with respect to voting rights:

The Company exercises voting rights based on the judgment criteria of whether investee's sustainable growth and improvement of mid- to long-term corporate value as well as the Company's and the Company shareholders' economic return in the mid- to long-term can be expected. The Company will vote against a relevant resolution when an adverse effect on investee's financial strength can be expected or an illegal activity is discovered. The Company also exercises voting rights appropriately through the dialogue with investee if needed.

[Principle 1.7 Related Party Transactions]

The Company establishes the following procedures with respect to related party transactions, in order to ensure that such transactions do not harm the interests of the Company or the common interests of its shareholders.

- When the Company engages in transactions with its directors or corporations whose representatives are its directors (excluding its wholly owned subsidiaries), the Company shall obtain approval of the Board in accordance with the Board of Directors Rules as well as complying with laws.
- The Company monitors related party transactions regularly by requiring directors and operating officers to submit the written confirmation regarding related party transactions.

[Supplementary Principle 2.4.1 Ensuring diversity in the promotion of core human resources]

Policies for ensuring diversities:

By respecting diversity and creating a workplace environment in which each individual can demonstrate his/her full potential, Nihon Kohden seeks to improve job fulfillment, create new value, invigorate the organization, and enhance corporate value. The Company has traditionally hired and promoted employees based on their abilities and performance, regardless of gender, nationality, or work history.

As part of its efforts to promote diversity, equity, and inclusion, the Company has formulated a Plan of Action under the Act on Promotion of Women's Participation and Career Advancement in the Workplace. By advancing the development of a workplace where women can play an active role and realizing comfortable and creating fulfilling workplaces for not just women but all employees of Nihon Kohden, the Company is implementing concrete measures to ensure that each employee can demonstrate their abilities to the fullest.

Voluntary and measurable goals for ensuring diversity:

The ratio of female managers*¹: 12% or more by April 2026 (8.0% as of March 31, 2025)

Appointment of female directors, management operating officers, and operating officers*²: 4 persons or more by April 2026 (4 persons as of June 30, 2025)

*The ratio of female directors, management operating officers, and operating officers: 30% or more by June 30, 2030 (14.3% as of June 30, 2025)

The ratio of foreign nationals in CxO or higher positions at overseas subsidiaries: 50% or more by April 2026 (47.1% as of March 31, 2025)

The ratio of mid-career hires in management positions*¹: 40% or more (46.1% as of March 31, 2025)

*1: The figure is the number of employees at the filing company.

*2: The figure is the number of directors, management operating officers, and operating officers at the filing company.

Policies for human resource development and internal environment development to ensure diversity, and the status of their implementation:

Policy

Nihon Kohden promotes the development of human resources that embody the Core Values that serve as the guidelines for the Group's actions. The Company also aims to create a globally consistent and coherent human resource management system, including human resource development and personnel systems. In its Three-year Business Plan, Nihon Kohden identified 'Fostering a Corporate Culture of Pride in Contributing to

Healthcare' as one of our material issues for sustainability, and set five KPIs. As a KPI for human resource development, the Company sets a target of over 45 cumulative hours of education per person for three years in Japan. The learning and education hours in FY2024 were 28.9 hours per person.

In addition, considering the changing values of work and the penetration of new work styles, the Company promotes initiatives to ensure that employees are highly motivated and can realize various career paths and work styles.

Please check the Company website for more information about its core values:

https://www.nihonkohden.com/information/philosophy/beacon2030.html#beacon2030_08

Status of implementation

i) Implementation of Management Philosophy training

Nihon Kohden established the Core Values Promotion Project in Japan through an internal open recruitment process. The project members from various divisions and job categories are creating and developing measures to disseminate Nihon Kohden's Management Philosophy and Core Values. The overseas subsidiaries are also developing various unique measures to promote understanding of the Core Values and penetration of Nihon Kohden's DNA in each country, in addition to the Management Philosophy training. The Company will disseminate its Management Philosophy and Core Values through implementing the Management Philosophy training.

ii) Promotion of diversity, equity, and inclusion

Nihon Kohden dedicates a great deal of effort to promoting diversity, equity, and inclusion. The Company is implementing initiatives not only to help female employees thrive in the workplace, but also to fully leverage the skills and talents of our diverse pool of human resources in all aspects of our business, regardless of gender, age, nationality, race or disability.

Please check the Company website for more information:

<https://www.nihonkohden.com/sustainability/engagement/employees/diversity.html>

iii) Review of personnel system

Since April 2021, Nihon Kohden has introduced a new role-based (job-based) personnel system for management positions. In addition to developing management level employees through management courses, the Company facilitates the promotion of highly specialized personnel through expert courses. The Company has also introduced a new personnel system for general employees in April 2023. Through a role grading system based on the size of the work roles expected of each employee, the Company will create opportunities for ambitious and skilled employees to actively take on challenges and grow themselves.

Please check the Company website for more information:

<https://www.nihonkohden.com/sustainability/engagement/employees/development.html>

iv) Promotion of working style reforms

The Company has been implementing Working Style Reforms to enable greater flexibility in work styles, improve the work-life balance of employees, and maximize results without relying on long working hours.

Please check the Company website for more information:

<https://www.nihonkohden.com/sustainability/engagement/employees/reform.html>

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

To make sure that the Company performs the role as the asset owners by increasing the investment management expertise, the Company sets the basic policy for pension asset management and establishes the Pension Asset Management Committee which includes qualified persons such as general managers of financial and human resource department.

[Principle 3.1 Full Disclosure]

i) Management Philosophy, business strategies and business plans

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, Nihon Kohden announced a Long-term Vision, BEACON 2030, for the next ten years to 2030, in September 2020. The Company aims to create a better future for people and healthcare by solving global medical issues. The Company steadily implements its Three-year Business Plan, BEACON 2030 Phase II, covering from FY2024 to FY2026, in order to achieve its sustainable growth and enhance its corporate value.

Please check the Company website for more information: <https://www.nihonkohden.com/>

ii) Basic views and guidelines on corporate governance

Please check 1. Basic Views in this report.

iii) Board policies and procedures in determining the remuneration of directors

Please check [Director Remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods in this report.

iv) Board policies and procedures in the appointment/dismissal of directors

Policy

Director nomination is considered based on the following matters: the Board is well balanced in knowledge, experience, and abilities as a whole; the Board can make appropriate and quick decisions; and individual directors have excellent character, insight, and high ethical standards. The nomination policy of directors (excluding Audit & Supervisory Committee members) is stipulated in the Corporate Governance Guideline and of Audit & Supervisory Committee members is stipulated in the Auditing Standards conducted by the Audit & Supervisory Committee. The dismissal policy of directors is stipulated in the Corporate Governance Guideline.

Procedure

In accordance with the policy above, nominations and dismissals of directors, which are submitted to a general shareholders meeting, are proposed by the Nomination & Remuneration Committee, which is a voluntary advisory committee under the Board, and are approved by the Board.

v) Explanations with respect to the individual appointments and dismissals

When the Company proposes the appointments or dismissals of the directors as an agenda at a general shareholders meeting, the Company discloses the reasons for the individual appointments and dismissals of directors in the Convocation Notice.

Please check the Company website for more information:

<https://www.nihonkohden.com/ir/stock/meeting.html>

[Supplementary Principles 3-1-3 Initiatives on sustainability]

Initiatives on sustainability:

In its Three-year Business Plan, BEACON 2030 Phase II, to promote its practice of Sustainability Management, Nihon Kohden has partially reviewed its material issues and KPIs, which were set out in the Phase I. The Company also works on solving medical, environmental, and social issues through its business and corporate activities. The Company aims to realize a sustainable society and increase its corporate value by further strengthening the coordination between business strategy and sustainability strategy, and creating both economic and social value.

Please check the Company website for more information on its sustainability promotion structure:

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

As addressing climate change is the most critical social issues facing the global society and one of the most significant management issues for Nihon Kohden, the Company expressed its support for TCFD (Task Force on Climate-related Financial Disclosures) in May 2022. The Company will address climate change with integrity to realize carbon neutrality and promote circular economy as stated in its material issues and disclose information in line with the TCFD recommendations.

Please check the Company website for its information on Governance, Strategy, Risk Management, and Metrics and Targets relating to climate change.

<https://www.nihonkohden.com/sustainability/environment/tcfd.html>

Investments in human capital and intellectual properties:

Human capital

In its Management Philosophy, Long-term Vision, and Three-year Business Plan, the Company has defined human resources as the source of value creation for Nihon Kohden. In its Three-year Business Plan, Nihon Kohden has also identified 'Fostering a Corporate Culture of Pride in Contributing to Healthcare' as one of our material issues for sustainability, and set 'Enhancing Employee Engagement' as one of the KPIs. In addition to implementing activities based on the KPIs, the Company has reviewed the progress of these activities regularly and disclosed the results annually in its Integrated Report and on its website.

https://www.nihonkohden.com/sustainability/engagement/employees/work_environment.html

<https://www.nihonkohden.com/sustainability/engagement/employees/development.html>

Intellectual Property

The policy for Nihon Kohden's intellectual property is that we enhance our freedom to operate and potential to develop business by acquiring new intellectual properties according to our business strategy while respecting third party rights and striving to prevent infringement. In its Three-year Business plan, Nihon Kohden undertakes R&D investments in patient monitors, ventilators, and digital health solutions. The Company has identified the following items as material issues for sustainability: i) Developing and Providing Sensors which are Gentle on the Patient, and ii) Advancing Alarm Management. The total amount of R&D costs is planned to be around ¥23.5 billion over three years. For further details on intellectual property, please refer to our website.

<https://www.nihonkohden.com/sustainability/governance/intellectual.html>

[Supplementary Principles 4-1-1 Scope of the matters delegated to the management]

The Board resolves the matters pursuant to the Companies Act and makes a decision on the execution of important business for the Nihon Kohden Group as well as supervising directors' performance of their duties in accordance with Board of Directors Rules and Standards for Procedures for Requesting Deliberations and Making Decisions. Content of the matters delegated to the Management Council, president and operating officers are clearly specified in Standards for Procedures for Requesting Deliberations and Making Decisions.

[Principle 4-9 Independence Standards and Qualification for Independent Directors]

The Company appoints six independent outside directors in order to enhance transparency and soundness of the management. 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.

[Supplementary Principles 4-10-1 Mandates and role of Nomination Committee and Remuneration Committee]

The Company has voluntarily established a Nomination & Remuneration Committee which has equivalent functions to a separate Nomination Committee and Remuneration Committee, to ensure the transparency and objectivity of the management. All three committee members including the committee chair are appointed from outside directors.

Please check [Voluntary Establishment of Nomination/Remuneration Committee] in II-1. Organizational Composition and Operation in this report for more information.

[Supplementary Principles 4-11-1 Balance, diversity, and size of the Board as a whole]

Balance between knowledge, experience and skills of the Board as a whole, and diversity and board size:
The Board consists of directors from diverse backgrounds in expertise and experience. The Company keeps an appropriate number of directors, no more than seventeen in accordance with Articles of Incorporation, so that the Board can operate efficiently and effectively, taking into consideration company size and business characteristics.

The Company enhances transparency and soundness of the management by appointing several independent outside directors.

Combination of skills, etc. that each director possesses

The Board consists of eleven members including six independent outside directors with expertise. The Company strives to ensure diversity by appointing two female directors and one foreign director. Directors utilize their knowledge, experience, and abilities to make decisions and supervise the execution of business in order to realize the Long-term Vision and the Three-year Business Plan.

Please check the Company website for the director skills matrix that lists the knowledge, experience, and abilities of the directors:

<https://www.nihonkohden.com/information/company/officer.html#skillsmatrix>

[Supplementary Principles 4-11-2 Concurrent positions]

The Company discloses where candidates of directors hold concurrent positions each year in the Convocation Notice and the Annual Securities Report.

[Supplementary Principles 4-11-3 Board Evaluation]

The Company analyzed and evaluated the effectiveness of the Board for FY2024 to clarify issues and improvement of the Board and further improve the function of the Board. The Company concluded that overall effectiveness of the Board was ensured based on the results below. The Company also started evaluating the effectiveness of the Audit & Supervisory Committee in FY2022.

The method of the Board evaluation:

The Company conducted self-evaluations of all directors including an Audit & Supervisory Committee members in an anonymous survey related to (1) the size and constitution of the Board, (2) the operation of the Board, (3) the supporting system for outside directors, (4) the decision-making process, and (5) the communication with stakeholders. The Board discussed the results of evaluations and issues for further improvements.

The results of the Board evaluation:

In terms of size, composition, and operations of the Board, the ratio of outside directors became 50% in FY2024, as two female outside directors and one foreign outside director were appointed. 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 FY2024, based on the FY2023 evaluation results, the Company strengthened its sophisticated company-wide risk management framework mainly by the initiative of the Risk Management Committee which confirmed the status of responses to important risks such as information security and implemented measures such as strengthening the Computer Security Incident Response Team (CSIRT) and education programs. The Company also strengthened the support systems for outside directors by conducting factory tours and study sessions regarding the Three-year Business Plan. In addition, the Company has implemented measures to deepen the understanding of outside directors by providing executive summaries to enhance the reporting content at meetings of the Board of Directors. On the other hand, while the pre-explanation of the agenda of the Board meetings was improved, the Board members shared the following issues: the need for further improvement of meeting materials and the quality of deliberations at meetings of the Board of Directors, as well as the need to hold further in-depth discussions on the Company's risk management.

Measures to improve the effectiveness of the Board:

Because outside directors have become the majority of the Board after approval of the Ordinary General Meeting of Shareholders held in June 2025, the Company will further enhance the supervisory functions of the Board of Directors. In addition to continuing past improvement measures, based on FY2024 evaluation results, the Company will further strengthen the 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 such as geopolitical risks and laws and regulations related to medical devices. 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 growth of corporate value and for an enhancement of corporate governance.

[Supplementary Principles 4-14-2 Training policy for directors (including Audit & Supervisory Committee members)]

The Company provides directors with training opportunities for acquiring necessary knowledge and skills as well as understanding the roles and responsibilities. Training opportunities are provided when they are appointed and thereafter at the Company's expense. In-house training and facility tours for acquiring necessary knowledge on the Company's business are included.

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

Information Disclosure Policy:

The Company has established the Information Disclosure Policy in order to maintain appropriate, timely and fair information disclosure and has operated the information disclosure structure in accordance with the Information Disclosure Rules.

Please check V. Other in this report and the IR page of the Company website for more information:

<https://www.nihonkohden.com/ir/policy.html>

Organizational structures of IR:

The Company has appointed the president and general manager of the Corporate Strategy Division as persons in charge of information disclosure in accordance with the Information Disclosure Rules in order to ensure the consistency and transparency of the information disclosure. The Corporate Strategy Division, which bears responsibility for IR activities, endeavors to realize constructive dialogue with shareholders and enhance information disclosure by collecting necessary information in cooperation with relevant departments such as finance, sales operations, and R&D.

Measures to promote opportunities for dialogue:

Dialogue with individual investors

The Company holds meetings for individual investors, at which the speakers are the general manager of the Corporate Strategy Division or a person in charge of IR in order to give investors a more in-depth understanding of our operations and strategies. The Company also endeavors to enhance information disclosure by publishing the company overview, financial results, and company history on its website for individual investors. In FY2024, the Company held one in-person meeting and two online meetings for individual investors. The Company also had interactive dialogue with individual investors through exhibiting patient monitors and AEDs and conducting short presentations at the IR fair for individual investors. In terms of dialogue with individual shareholders, the Company conducts a shareholder survey every year and uses feedback from shareholders as a reference for our future IR activities. The Company introduced new products and the new reagent factory in India in the shareholder newsletter for the 1st half of FY2024 and reported on the progress of its Three-year Business Plan and the consolidation of Ad-Tech as a subsidiary in the FY2024 shareholder newsletter. In March 2025, the Company also held an AED training session and product tour for individual shareholders.

Dialogue with shareholders and institutional investors

The president, general manager of the Corporate Strategy Division, and persons in charge of IR have meetings with institutional investors in Japan and overseas by making periodic visits to investors, accepting visits as requested, and by phone. The Company holds briefings in a hybrid manner of in-person and online to explain financial results to institutional investors and analysts, at which the speaker is the president, in the 2nd quarter and 4th quarter, as well as holding online conference, at which the speaker is the general manager of the Corporate Strategy Division, in the 1st quarter and 3rd quarter. In December 2024, the Company also held a small meeting about Ad-Tech, which the Company consolidated as a subsidiary in November 2024, in a hybrid manner aiming at realizing constructive dialogue.

Relay investor feedback to management:

The Corporate Strategy Division, which bears responsibility for IR activities, relays the views of shareholders and investors through dialogue to directors, management operating officers, operating officers, and relevant departments for sharing and using information.

In FY2024, the Company promoted initiatives; implementing its Three-year Business Plan and enhancing disclosure on the progress, making investments for growth and share buybacks in line with its capital policy and cash allocation policy, holding an meeting about Ad-Tech in the U.S., introducing an Employee Stock Ownership Plan, implementing and monitoring recurrence prevention measures in response to the compliance matter, enhancing sustainability information disclosure including assessment of business impact based on the TCFD recommendations, enhancing IR information disclosure, and strengthening its governance such as ensuring the independence and diversity of the Board of Directors.

Control insider information:

The Company has adopted a quiet period in which it will not respond to comments or questions in order to prevent information leaks of financial information and to ensure fairness in its information disclosure practices in accordance with the Information Disclosure Policy. Measures to control insider information when engaging in dialogue are provided in the Information Disclosure Rules and thoroughly notified to the management and employees.

Implementation of Dialogues with Shareholders

In FY2024, the Company had around 430 meetings with institutional investors, including around 170 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 Company's Three-year Business Plan

which started from FY2024, capital policies including investment for growth such as M&A and shareholder returns, and initiatives to strengthen corporate governance and embrace sustainability.
Please check the Company website for more information:
<https://www.nihonkohden.com/sustainability/engagement/investors/communication.html>

[Actions to Implement Management that is Conscious of Cost of Capital and Stock Price]

Contents of Disclosure	Updated	Disclosure of Initiatives (Update)
Availability of English Disclosure	Updated	Available
Date of Disclosure Update	Updated	July 2, 2025

Explanation of Actions	Updated
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Nihon Kohden aims to increase ROE to enhance corporate and shareholder value. The Company sets its target consolidated ROE at 12%, which exceeds its cost of capital, in its Three-year Business Plan, BEACON 2030 Phase II. The Company currently estimates that its cost of capital is around 8%, which figure is reviewed every year.

In order to achieve the target, the Company will focus on improving its profitability by implementing its Three-year Business Plan. The Company will also improve working capital by introducing Nihon Kohden's own ROIC formula and reducing the cash conversion cycle through measures such as reduction of inventories and faster debt collection, as well as establishing investment decision criteria and enhancing shareholder return.

The Company discloses its actions to implement management that is conscious of cost of capital and stock price in the Annual Securities Report and presentation of the Three-year Business Plan.

Please check the Company website for more information:

<https://www.nihonkohden.com/ir/library/ar.html> (Annual Securities Report in FY2024 ended March 2025)

* The Annual Securities Report in English is published at the end of July every year.

<https://www.nihonkohden.com/ir/library/result.html> (Consolidated Financial Highlights presentation for FY2024 ended March 2025)

2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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[Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage
The Master Trust Bank of Japan, Ltd. (trust account)	28,056,300	17.20%
State Street Bank and Trust Company 505103	9,913,399	6.07%
Custody Bank of Japan, Ltd. (trust account)	8,815,600	5.40%
Saitama Resona Bank, Ltd.	8,057,500	4.94%
CGML PB CLIENT ACCOUNT / COLLATERAL	7,447,300	4.56%
GIC PRIVATE LIMITED - C	6,244,273	3.82%
JP Morgan Chase Bank 380055	5,527,080	3.38%
JP Morgan Chase Bank 385151	4,648,400	2.85%
National Mutual Insurance Federation of Agricultural Cooperatives	2,710,000	1.66%
MUFG Bank, Ltd.	2,650,260	1.62%

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

[Status of Major Shareholders] Above is as of March 31, 2025. The Company holds 7,897 thousand shares of treasury stock in addition to those listed above. Each shareholding ratio is calculated excluding treasury stock. Reports of Possession of Large Volume with respect to the Company's shares were submitted as follows. However, they are not included in [Status of Major Shareholders] above because the number of actual shares that they hold as of March 31, 2025 cannot be confirmed.

1. Company Name: Resona Asset Management Co., Ltd. and one other. (as of March 31, 2023)
Number of Shares Held: 6,040 thousand shares, Shareholding Ratio: 6.85%
* Effective July 1, 2024, each share of common stock was split into two shares. The number of shares held before the stock split is shown above.
2. Company Name: ValueAct Japan Master Fund, L.P. and one other. (as of December 18, 2023)
Number of Shares Held: 4,418 thousand shares, Shareholding Ratio: 5.01%
* Effective July 1, 2024, each share of common stock was split into two shares. The number of shares held before the stock split is shown above.
3. Company Name: Sumitomo Mitsui Trust Bank, Limited and two others. (as of June 14, 2024)
Number of Shares Held: 5,053 thousand shares, Shareholding Ratio: 5.73%
* Effective July 1, 2024, each share of common stock was split into two shares. The number of shares held before the stock split is shown above.
4. Company Name: MUFG Bank, Ltd. and two others. (as of July 22, 2024)
Number of Shares Held: 8,144 thousand shares, Shareholding Ratio: 4.76%
5. Company Name: Sprucegrove Investment Management Ltd. (as of January 14, 2025)
Number of Shares Held: 19,627 thousand shares, Shareholding Ratio: 11.48%

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From 100 billion yen to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances which may have Material Impact on Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with an audit and supervisory committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	17
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors Updated	11
Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shigeru Kawatsuhara	From another company											
Sumie Morita	From another company											
Danny Risberg	From another company											
Mamoru Morita	From another company								○			
Kazuo Shimizu	CPA											
Ikumi Sato	Attorney						○					

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)

- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Updated

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Shigeru Kawatsuhara		○	—	Mr. Shigeru Kawatsuhara has abundant knowledge and broad experience as a management of a global company. The Company has appointed him as an outside director anticipating he will provide his objective and neutral advice and his supervision of management from an independent standpoint by applying his expertise and experience he has accumulated to date. The Company judged that there's no conflict of interest between general shareholders and him, so that the Company has designated him as an independent director.
Sumie Morita		○	—	Ms. Sumie Morita, after many years of working primarily on product development in the fields of telecommunications and information networks for overseas markets, had been engaged in corporate management from a global perspective as a corporate executive. She is currently a university professor specializing in information engineering. The Company has appointed her as an outside director anticipating she will provide her objective and neutral advice and her supervision of management from an independent standpoint by applying her expertise and experience she has accumulated to date. The Company judged that there's no conflict of interest between general shareholders and her, so that the Company has designated her as an independent director.

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Danny Risberg		○	—	Mr. Danny Risberg has entrepreneurial experience and had been engaged in corporate management, primarily in the medical device industry, for many years. He is also well-versed in activities as a representative of industry associations. The Company has appointed him as an outside director anticipating he will provide his objective and neutral advice and his supervision of management from an independent standpoint by applying his expertise and experience as a global business executive he has accumulated to date. The Company judged that there's no conflict of interest between general shareholders and him, so that the Company has designated him as an independent director.
Mamoru Morita			Mr. Mamoru Morita is currently Strategic Expert, Nuclear Energy Business Unit of Hitachi, Ltd. Although There has been a transaction between the Company and Hitachi, Ltd., mainly with Hitachi General Hospital. The transaction amount accounted for less than 1% of the Company's consolidated revenue in FY2024. Disclosure is omitted because the Company considers that the transaction amount is unlikely to affect the judgment of shareholders and investors.	Mr. Mamoru Morita, after many years of experience in business development and corporate strategy, had been involved in company management from a global perspective as an Executive Officer. The Company has appointed him as an outside director anticipating he will provide his objective and neutral advice and his supervision of management from an independent standpoint by applying his expertise and experience he has accumulated to date. The Company judged that there's no conflict of interest between general shareholders and him, so that the Company has designated him as an independent director.

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Kazuo Shimizu	○	○	—	Although Mr. Kazuo Shimizu has not been engaged in corporate management in any capacity other than as an outside director or outside Audit & Supervisory Board member, he 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 his expertise and experience he has accumulated to date. The Company judged that there's no conflict of interest between general shareholders and him, so that the Company has designated him as an independent director.
Ikumi Sato	○	○	Ms. Ikumi Sato is currently a partner of Nozomi Sogo Attorneys at Law. The Company has outsourced its internal reporting hotline and employee questionnaire surveys on compliance to Nozomi Sogo Attorneys at Law, however, disclosure is omitted because the Company considers that the amount of compensation paid to the firm is unlikely to affect the judgment of shareholders and investors.	Although Ms. Ikumi Sato has not been engaged in corporate management in any capacity other than as an outside director or outside Audit & Supervisory Board member, she 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 her expertise and experience she has accumulated to date. The Company judged that there's no conflict of interest between general shareholders and her, so that the Company has designated her as an independent director.

* The Company sets immateriality standards relating to attribute information that compensation (f) amounts less than ¥10 million in the case of an individual and amounts less than 1% of the total revenue in the case of an organization for the current fiscal year, the amount of business transactions (h) accounts for less than 1 percent of the Company's consolidated revenue for the current fiscal year, and donation (j) amounts less than ¥10 million for the current fiscal year.

[Supervisory Committee]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Supervisory Committee	3	1	1	2	Inside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee

Appointed

Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

Full-time employees in the Audit & Supervisory Committee Secretariat assist with Audit & Supervisory Committee's duties. Based on its basic policy of internal control, personnel changes of the Audit & Supervisory Committee Secretariat shall require the consent of the Audit & Supervisory Committee. The Audit & Supervisory Committee Secretariat is independent from the directors' (excluding Audit & Supervisory Committee members) line of command when they work under the instruction of the Audit & Supervisory Committee.

Cooperation among Supervisory Committee, Accounting Auditors and Internal Audit Departments

Updated

- Cooperation between the Audit & Supervisory Committee & Accounting Auditor
The Audit & Supervisory Committee cooperates closely with the Accounting Auditor by receiving explanation of auditing plans and quarterly audit results, exchanging opinions, and attending audits for main offices and subsidiaries in Japan and overseas conducted by the Accounting Auditor. The Audit & Supervisory Committee also shared information and exchanged opinions with the Accounting Auditors in the process of selecting the Company's key audit matters (KAM).

- Cooperation between the Audit & Supervisory Committee and Internal Auditing Department
The Audit & Supervisory Committee meets regularly with the Internal Auditing Department (eight full-time members) to exchange information and enhance cooperation. The Internal Auditing Department conducts audits of business operations and evaluates the effectiveness of internal control over financial reporting. In conducting audits of business operations, the Internal Auditing Department regularly verifies and evaluates the status of compliance, as well as appropriateness and effectiveness of business operations at the Company and its subsidiaries. The Internal Auditing Department also provides advice, suggestions, and recommendations for improvement to the audited departments as necessary. In the event of fraud or errors, the Internal Auditing Department identifies the causes and the current situations, as well as verifying and evaluating management systems to support the development of a structure to prevent recurrence. The Internal Auditing Department reports the internal audit results to the Representative Director/President and the Audit & Supervisory Committee each time an internal audit is conducted. Internal audit results and the progress of improvements are reported to the Board of Directors every quarter. In addition, the full-time Audit & Supervisory Committee member participates in meetings of the Internal Audit Department to strengthen cooperation in day-to-day operations.

[Voluntary Establishment of Nomination/Remuneration Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee

Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination & Remuneration Committee	Nomination & Remuneration Committee
All Committee Members	3	3
Full-time Members	0	0
Inside Directors	0	0
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation **Updated**

The Company has established a Nomination & Remuneration Committee voluntarily which has equivalent function to a Nomination Committee and a Remuneration Committee. The purpose of the Committee is to ensure a higher level of fairness, objectivity, and transparency in the decision-making process for the nomination and remuneration of the management in order to contribute to the sustainable development, and the improvement of profitability and productivity of the Company in the mid- to long-term. Currently, committee members consist of three members: Mr. Shigeru Kawatsuhara, Mr. Kazuo Shimizu, and Ms. Ikumi Sato. Mr. Shigeru Kawatsuhara is the committee chair. The committee chair of the Nomination & Remuneration Committee is to be elected from among independent outside directors, and the majority of committee members are to be independent outside directors. The Committee Secretariat is the Human Resources Department.

The Nomination & Remuneration Committee deliberates the proposal of the candidates, the remuneration of directors and the succession plan in response to requests from the Board, and submits the proposals to the Board. The roles and responsibilities of the Committee are as follows:

Nomination of directors and operating officers:

In response to requests from the Board of Directors, the Nomination & Remuneration Committee deliberates on and submits to the Board of Directors proposals concerning the appointment and dismissal of directors, the appointment and dismissal of the Chief Executive Officer, and the selection and dismissal of the representative directors. It also deliberates on the policy for the appointment and dismissal of operating officers and confirms the procedures for the appointment and dismissal of each candidate for operating officer.

Remuneration of directors and operating officers:

In response to requests from the Board of Directors, the Nomination & Remuneration Committee deliberates on and proposes to the Board of Directors policies and detailed recommendations for determining the amounts and calculation methods of remuneration for directors. It also deliberates on the policies for determining the amount and calculation methods of remuneration for operating officers and confirms the procedures to be followed in determining remuneration for operating officers.

Succession plan:

The Nomination & Remuneration Committee deliberates on the policies and details of fostering successors to the Chief Executive Officer and other executives, and submits the proposals to the Board.

In FY2024, the Nomination & Remuneration Committee was held ten times and the attendance rate of all members was 100% (Mr. Shigeru Kawatsuhara and Mr. Kazuo Shimizu attended all ten meetings, and Ms. Ikumi Sato attended all six meetings which held after the appointment on June 26, 2024).

[Independent Directors]

Number of Independent Directors	6
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Matters relating to Independent Directors

The Company registers all outside directors who meet the independence criteria as independent 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.

[Incentives]

Incentive Policies for Directors	Introduction of a performance-linked compensation system, Other
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Supplementary Explanation Updated

Remuneration of directors (excluding directors serving as Audit & Supervisory Committee members and outside directors) shall consist of bonuses as performance-linked 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.

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 FY2024 performance indicator selected as the basis for calculating the amount of bonuses is consolidated operating income. Amounts of bonuses are calculated based on the degree of achievement of the consolidated operating income target as well as individual evaluation (degree of achievement of annual business performance targets, mid-to long-term strategies, and ESG targets) according to each director's area of responsibility, and the variable payment rate is 0% to 200%. 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 performance indicators selected as the basis for calculating the amount of restricted stock remuneration (performance-linked post-delivery type) for FY2024, FY2025, and FY2026 are consolidated operating income margin, consolidated ROE, and relative TSR. 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. In FY2024, the payout ratio was 0% because the consolidated operating income margin was less than 10%.

Recipients of Stock Options	None
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Supplementary Explanation

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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The Company discloses the total amount of the directors' remuneration in the Convocation Notice and the Annual Securities Report.

The amount paid to six directors excluding directors serving as Audit & Supervisory Committee members and outside directors was 246 million yen (fixed monthly compensation of 174 million yen, performance-linked compensation (bonuses) of 47 million yen, and restricted stock remuneration of 24 million yen).

The amount paid to one director serving as an Audit & Supervisory Committee member excluding outside directors was 25 million yen.

The amount paid to eight outside directors was 57 million yen.

- The number of directors receiving restricted stock remuneration is three. (One non-resident of Japan is not eligible for payment).

- 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 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.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company has established the policy on determining the amounts and methods of calculation of directors' remuneration which would further link with performance and shareholder value as well as aiming at the transparency of management and ensuring growth and profitability in mid- to long-term.

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 Audit & Supervisory Committee members and outside directors) shall consist of a base salary as fixed monthly compensation, bonuses as performance-linked 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.

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 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 is as follows. Provided, however, that if the consolidated operating income margin for the period is less than 10%, the payout ratio in the period will be 0%.

Payment ratio = (Coefficient linked to the degree of achievement of the consolidated operating income margin target x 30%) + (Coefficient linked to the degree of achievement of the consolidated ROE target x 30%) + (Coefficient linked to the degree of achievement of the relative TSR target x 40%)

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 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.

The ratio by types of compensation for directors (excluding Audit & Supervisory Committee members and outside 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-linked 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-linked 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 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.

[Supporting System for Outside Directors]

The Corporate Strategy Division and Audit & Supervisory Committee Secretariat are in charge of supporting outside directors by assisting in their duties and communications. The Company provides periodic information such as monthly business reports of departments and Group companies to outside directors. When the Company holds the meeting of the Board or the Management Council, the Corporate Strategy Division delivers related materials to them and explains agenda items of the meetings to them in advance.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Updated

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Updated

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Kazuo Ogino	Honorary Chairman	External business activity (not involved in management)	Part time with compensation	June 25, 2015	One year (one year contract at the time of renewal)
Takashi Tamura	Advisor	External business activity (not involved in management)	Part time with compensation	June 26, 2025	One year (one year contract at the time of renewal)

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Updated

2

Others

Updated

The date when former role of Kazuo Ogino ended is the date of retirement of the Representative Director and Chairman of the Board.

The date when former role of Takashi Tamura ended is the date of retirement of the Representative Director.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration

Decisions (Overview of Current Corporate Governance System)

Updated

i) Overview of Current System

The Board of Directors:

As of the submission date of this report, 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). The Board has monthly meetings in order to resolve the matters pursuant to the Companies Act and makes decisions on the execution of important business for the Nihon Kohden Group as well as supervise directors' performance of their duties. The Board of Directors was held sixteen times in FY2024. Each director's attendance is as follows:

Hirokazu Ogino 16/16 (100%)

Born in May 1970/Joined the Company in April 1995

Takashi Tamura 16/16 (100%)

Born in March 1959/Joined the Company in April 1983

Tadashi Hasegawa 16/16 (100%)

Born in June 1959/Joined the Company in April 2014

Eiichi Tanaka 16/16 (100%)

Born in July 1962/Joined the Company in April 1985

Yasuhiro Yoshitake 16/16 (100%)

Born in March 1966/Joined the Company in April 1988

Shigeru Kawatsuhara 16/16 (100%)

Born in February 1952/

Appointed as Outside Director of the Company in June 2016

Hidemitsu Sasaya 16/16 (100%)

Born in May 1953/

Appointed as Outside Director of the Company in June 2022

Sumie Morita 11/11 (100%)

Born in May 1960/

Appointed as Outside Director of the Company in June 2024

Danny Risberg 11/11 (100%)	Born in November 1962/ Appointed as Outside Director of the Company in June 2024
Shigeru Hirata 16/16 (100%)	Born in May 1961/Joined the Company in April 1985
Kazuo Shimizu 16/16 (100%)	Born in May 1959/ Appointed as Outside Director of the Company in June 2020
Ikumi Sato 11/11 (100%)	Born in December 1963/ Appointed as Outside Director of the Company in June 2024
*Following was appointed on June 26, 2025;	Mamoru Morita Born in April 1959 Appointed as Outside Director of the Company in June 2025
<p>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 as described in the [Supervisory Committee] section in this report. The full-time member of the Audit & Supervisory Committee has many years of experience in finance and accounting departments and possesses a considerable degree of knowledge about finance and accounting.</p> <p>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.</p> <p>Nomination & Remuneration Committee: The Company has established a Nomination & Remuneration Committee, which is a voluntary advisory committee under the Board, to ensure transparency and objectivity of the management. The Committee consists of three outside directors and the committee chair is also appointed from outside directors. 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 provide opinions from an objective and neutral standpoint if necessary and supervise the Company's management.</p> <p>ii) Measures to strengthen the function of Audit & Supervisory Committee Please check [Supervisory Committee] above in this report</p> <p>iii) Accounting auditor The Company has appointed Crowe Toyo & Co. as an Accounting Auditor. The continuous audit period is forty nine years. Engagement partners of the firm are Mr. Takashi Miura and Mr. Takahisa Tachizawa. Ten certified public accountants and eight other persons in the firm assist the auditing of the Company.</p>	

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted a Company with Audit & Supervisory Committee structure to achieve the following: enhancement of supervisory function through possession of voting rights at the meeting of the Board by Audit & Supervisory Committee members, improvement of soundness and transparency of management by increasing ratio of outside directors, and acceleration of management decision making by having options to delegate the authorities for the business execution. 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, Internal Auditing Department and Accounting Auditor. The Company believes the management monitoring functions work sufficiently.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholders Meetings and Smooth Exercise of Voting Rights Updated

	Supplementary Explanations
Early Notification of General Shareholders Meeting	The Company strives to send notices as early as possible by streamlining related work. The Company sent Convocation Notice regarding the 74 th Ordinary General Meeting of Shareholders four days earlier than the statutory due date. The Company disclosed Convocation Notice electronically on the Company website on May 27, 2025, and on Timely Disclosure Network (TDnet) operated by the Tokyo Stock Exchange on May 28, 2025.
Scheduling AGMs Avoiding the Peak Day	The 74 th Ordinary General Meeting of Shareholders was held on June 26, 2025.
Allowing Electronic Exercise of Voting Rights	The Company adopted electronic exercise of voting rights since the 65 th Ordinary General Meeting of Shareholders held on June 28, 2016.
Participation in Electronic Voting Platform	The Company adopted electronic voting platform since the 65 th Ordinary General Meeting of Shareholders held on June 28, 2016.
Providing Convocation Notice in English	The Convocation Notice in English was posted on the Company website on May 27, 2025, and on Timely Disclosure Network (TDnet) on May 28, 2025.
Other	The Convocation Notice, extraordinary reports (the results of the exercise of the voting rights on the items for resolution), and chairperson's presentation video have been posted on the Company website.

2. IR Activities Updated

	Supplementary Explanations	Explanations by representative directors
Preparation and Publication of Disclosure Policy	Disclosure policy has been established and disclosed on the Company website: https://www.nihonkohden.com/ir/disclosure.html	
Regular Investor Briefings for Individual Investors	The Company holds company briefings organized by securities companies and explains its management strategy and business operations. The meeting presentation materials and summary of Q&A have been posted on the Company website for enhancing information disclosure. In FY2024, the Company held one in-person meeting and two online meetings with individual investors. The Company also held an AED training session and product tour for individual shareholders.	No
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds briefings in a hybrid manner of in-person and online to explain financial results to institutional investors and analysts, at which the speaker is the president, in the 2 nd quarter and 4 th quarter. The Company also organizes conference calls, at which the speaker is the general manager of the Corporate Strategy Division, in the 1 st quarter and 3 rd quarter.	Yes
Regular Investor Briefings for Overseas Investors	The Company visits overseas shareholders and institutional investors to explain the financial results and its management strategy.	Yes
Posting of IR Materials on Website	The Company website (https://www.nihonkohden.co.jp/) carries a host of information, including earnings releases, timely disclosure materials, the Annual Securities Reports, presentation materials of financial results, Convocation Notice, reports for shareholders, overview of corporate governance, and Integrated Report. English translations of	

	Supplementary Explanations	Explanations by representative directors
	the quarterly financial results, Annual Securities Reports, presentations of financial results, corporate governance reports, Convocation Notice, results of exercise of voting rights at the Shareholders Meeting and other materials are also available on the website.	
Establishment of Department and/or Manager in Charge of IR	The Corporate Strategy Division is in charge of IR. The general manager of the Corporate Strategy Division has been appointed as person in charge of information disclosure.	

3. Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	It is stated in the Nihon Kohden Charter of Conduct, which codifies the basic criteria for business conduct, and the Nihon Kohden Code of Ethics and Conduct, which stipulates the way of conduct to be observed from the point of view of compliance with laws.
Implementation of Environmental Activities, CSR Activities etc.	Nihon Kohden's Management Philosophy is "we contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees" as a medical electronics manufacturer. Nihon Kohden's sustainability activities are based on realizing its philosophy and the implementation of the Nihon Kohden Charter of Conduct. The Company's sustainability activities have been posted on its website and described in Integrated Report.
Development of Policies on Information Provision to Stakeholders	It is stated in the Nihon Kohden Charter of Conduct, which codifies the basic criteria for business conduct, and the Nihon Kohden Code of Ethics and Conduct, which stipulates the way of conduct to be observed from the point of view of compliance with laws.
Other	In order to encourage women's career development, we are providing a mentor program, trainee program which provides short-term experience of work in other departments, exchange meetings for female employees, and a seminar for managers. These initiatives will provide opportunities to support female managers, build female employee networks, and raise awareness of female participation for the next generation. As a result of encouraging women's career development through relevant seminars and training courses, as of March 2025, the ratio of female managers was 8.0% in the filing company. Two female outside directors have been appointed since June 2024. Two female operating officers have been appointed since April 2021. As of June 30, 2025, the ratio of female directors, management operating officers, and operating officers is 14.3%. As a result of advancing the development of a workplace where women can play an active role, the Company has obtained the Women's Participation Promotion Act certification mark called Eruboshi from the Minister of Health, Labour and Welfare in FY2021. In the Plan of Action newly formulated in FY2021, the Company set a target of increasing the ratio of female managers to at least 12% and the ratio of male employees taking childcare leave to at least 30% by the end of March 2026. As a result of promoting awareness and penetration of various systems to support childcare, the ratio of male employees who took childcare leave in FY2024 was 58.7%, exceeding the Company's target. In addition, the Company has introduced a spousal maternity leave system as its unique system to support male childcare, and the combined take-up rate of this system with childcare leave was 88.8%. The Company will continue to develop an environment where any employee who wishes to take childcare leave can do so, regardless of their workplace or job category.

	<p>The Company has developed an environment where employees can balance work with childcare and it has obtained the right to use the next-generation certification mark called Kurumin from the Minister of Health, Labour and Welfare, in recognition of the Company's efforts to support employees' childcare needs. The Company will continue to actively promote women's participation and career advancement in the workplace and provide support for balancing work with family and childcare.</p>
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IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development Updated

The Company shall work to improve the internal control system in accordance with the following basic policy for establishment of internal control system.

1. System to Ensure Compliance by Directors and Employees of the Company Group with Laws and the Articles of Incorporation in the Execution of Their Duties

In order to ensure fair and appropriate corporate activities, the Company has thoroughly notified Nihon Kohden Charter of Conduct, which codifies the basic criteria for business conduct, and Nihon Kohden Code of Ethics and Conduct, which stipulates the way of conduct to be observed from the point of view of compliance with laws, to directors and employees by training and promotion activities.

The Compliance Committee and compliance officers at departments and Group companies promote the implementation of compliance.

The Company has established an internal compliance hotline for reporting and consultation in order to find and cure unfair practices as early as possible.

The Company stands against antisocial forces that threaten the order and safety of civil society, and has no relationship with them.

2. System for Storing and Managing Information Related to the Execution of Duties by Directors

Information related to the execution of duties by directors are stored and managed appropriately during the storage period set for each information in accordance with Standards for Procedures for Requesting Deliberations and Making Decisions. Documents are stored and made available for inspection depending on recording media.

3. Risk Management of Possible Losses

The Company has established the risk management system for managing risks associated with overall operations of the Company Group in accordance with Risk Management Rules in order to ensure the sound and appropriate business operations. The group-wide risk management system regularly evaluates risks and review countermeasures, focusing on significant risks identified by the Risk Management Committee, in collaboration with the risk management manager in each department. The Company shall work to improve the effectiveness of the system. The risk management department implements group-wide risk management, assigning responsibility for each risk associated with operational execution to specific departments.

In the event of an emergency, such as a natural disaster, emergency response measures shall be implemented with regard to internal rules such as BCP.

4. System to Ensure Efficient Business Execution by Directors

Meetings of the Management Council, at which directors, management operating officers, and operating officers attend, are held once or twice a month 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.

The Company will endeavor to ensure the effective business execution by establishing internal rules to clarify the allocation of duties, authority, responsibility and execution procedures of each director, management operating officer, operating officer and council.

5. System to Ensure Proper Business Execution of the Company Group

The Company has established the management system to ensure the proper business execution of the Company Group in accordance with the internal rules, assigning responsibility for the appropriate management of each Group company to specific departments, receiving the periodic report regarding the business performance and other important matters from each Group company, and requiring Group companies to obtain prior approval from the Company before conducting important matters.

The Internal Auditing Department is in charge of auditing the Company and Group companies.

The Company has established the internal control system to ensure the reliability of financial statements under the Financial Instruments and Exchange Act and will assess and improve the system continuously.

6. Matters concerning directors and employees assisting the Audit & Supervisory Committee, the independence of such directors and employees from other directors, excluding Audit & Supervisory Committee members, and ensuring the effectiveness of instructions from the Audit & Supervisory Committee to such directors and employees.

The Audit & Supervisory Committee Secretariat assists with the Audit & Supervisory Committee's duties when the Audit & Supervisory Committee requests or instructs.

Personnel changes of the Audit & Supervisory Committee Secretariat shall require prior consent of the Audit & Supervisory Committee.

The Audit & Supervisory Committee Secretariat is independent from the directors', excluding Audit & Supervisory Committee members, line of command when they work under the instruction of the Audit & Supervisory Committee.

7. System for Reporting to the Audit & Supervisory Committee by Directors, excluding Audit & Supervisory Committee members, and Employees of the Company Group

Directors, excluding Audit & Supervisory Committee members, and employees of the Company Group shall promptly report to the Audit & Supervisory Committee concerning matters that may cause serious damage to the Company Group, material violations of laws and the Articles of Incorporation, unfair practices as well as results of internal audit.

The Audit & Supervisory Committee may request reports of directors, excluding Audit & Supervisory Committee members, and employees of the Company Group as necessary.

Directors, excluding Audit & Supervisory Committee members, or employees who report to the Audit & Supervisory Committee will not be subjected to disadvantageous treatment because of such report.

The Audit & Supervisory Committee audits the performance of the directors', excluding Audit & Supervisory Committee members, duties by attending the important meetings such as the Management Council.

8. System to Ensure Effective Audit by the Audit & Supervisory Committee

Representative directors have periodic meetings with the Audit & Supervisory Committee and exchange opinions regarding challenges that the Company should deal with, the audit environment of the Audit & Supervisory Committee, and other important audit issues.

The Audit & Supervisory Committee shall maintain close contact and share information with the Accounting Auditor and Internal Auditing Department in order to ensure effective audit of the Company and Group companies.

The Company will promptly reimburse expenses invoiced by Audit & Supervisory Committee members that are deemed necessary for the execution of their duties in accordance with Auditing Standards Conducted by the Audit & Supervisory Committee.

2. Basic Views on Eliminating Anti-Social Forces

i) Basic Views on Eliminating Anti-Social Forces

The Company stands against antisocial forces that threaten the order and safety of civil society, and has no relationship with them as described in basic policy for establishment of internal control system.

ii) Status of Eliminating Any Relationships with Anti-Social Forces

The Company stands against antisocial forces that threaten the order and safety of civil society, and has no relationship with them. This is stipulated in the Nihon Kohden Charter of Conduct and thoroughly notified to the management and employees. The General Affairs Department is in charge of handling of anti-social forces and assigns a person responsible for preventing undue claims and collecting relevant information from police and companies in community. The Company has also built a system to take prompt action in cooperation with police, attorneys and other outside expert organizations if such cases occur.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	None
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Supplementary Explanation

2. Other Matters Concerning to Corporate Governance System **Updated**

The status of the company system for the timely disclosure of corporate information of the Company is as follows:

i) Basic stance on information disclosure

The Company Group stands committed to broadly engaging its shareholders as well as society as a whole. In this regard, the company discloses corporate information in a responsible and fair manner and adheres to highly transparent management practices as outlined in the Nihon Kohden Charter of Conduct. In accordance with this commitment and as stated in its Information Disclosure Policy, information related to the Nihon Kohden Group is disclosed in a timely, responsible, fair and clear manner in order to deepen the understanding and trust of all stakeholders, including customers, shareholders and local communities, and to attain a reasonable valuation from financial markets.

ii) Internal system for timely disclosure

1) The Company conducts timely disclosure in accordance with the "Rules on Timely Disclosure of Corporate Information by Issuer of Listed Securities and the Like" set out by the Tokyo Stock Exchange and its "Information Disclosure Rules." The Company has established the Information Disclosure Committee as well as rules and systems for timely disclosure, which it properly oversees and manages.

2) The general manager of the Corporate Strategy Division has been appointed as person in charge of information disclosure. The Corporate Strategy Division controls material information when a decision or event that affects investment judgments occurs. The Accounting department controls financial information. Both departments have always cooperated to control related information.

3) Timely disclosure information is released by person in charge of information disclosure after it is approved by the Board or the Management Council or confirmed by the president.

The Board convenes once a month to fulfill its managerial decision making and supervisory functions. The Management Council is held once or twice a month to decide important issues relating to business executions based on the policy approved by the Board. An extraordinary meeting is held as needed in the Board Meeting or Management Council.

4) Information is released to the public through the Timely Disclosure Network (TDnet) operated by the Tokyo Stock Exchange. Information made public through TDnet is also posted on the Company website promptly and distributed to the press club as necessary.

Information Disclosure Policy

i) Basic Policy

The Company Group stands committed to broadly engaging its shareholders as well as society as a whole. In this regard, the company discloses corporate information in a responsible and fair manner and adheres to highly transparent management practices as outlined in the Nihon Kohden Charter of Conduct. In accordance with this commitment, information related to the Company Group is disclosed in a timely, responsible, fair and clear manner in order to deepen the understanding and trust of all stakeholders, including customers, shareholders and local communities, and to attain a reasonable valuation from financial markets.

ii) Information Disclosure

The Company discloses information in compliance with Japan's Companies Act, Financial Instruments and Exchange Act, other related laws, and the disclosure rules of the Tokyo Stock Exchange. Information that is beneficial to fostering greater understanding of the Company, but which is not subject to these laws and rules, is also proactively and fairly disclosed to every extent possible. Material information which is subject to fair

disclosure rules is managed appropriately, and is not disclosed selectively to certain securities market professionals.

iii) Internal Framework

The Company has established an Information Disclosure Committee as well as rules and systems for timely disclosure, which it properly oversees and manages.

iv) Information Disclosure Methods

Information which is subject to timely disclosure rules is released to the public through the Timely Disclosure Network (TDnet) operated by the Tokyo Stock Exchange. Information made public through TDnet is also promptly posted on the Company website. Information that is deemed important but which is not subject to timely disclosure rules is also disclosed in a timely, responsible and fair manner through press releases issued to media outlets and publications on the Company website. If the Company determines that its director or employee has unintentionally disclosed material, nonpublic information to a securities market professional, such information is promptly disclosed on the Company website (If such information is deemed to be subject to timely disclosure rules, public disclosure will be made through TDnet). If the Company determines that it is not appropriate to disclose such information, the Company may take action such as withholding public disclosure on condition that the party who received such information agrees to bear obligations of confidentiality and non-trading of the Company's shares until such information can be publicly disclosed.

v) Forward-Looking Statements

Information provided by the Company may contain future outlooks and strategies, such as earnings forecasts appearing in financial statements released in accordance with timely disclosure rules. Actual performance may differ from initial forecasts because this information contains uncertainties and risks related to economic trends, industry trends and exchange rates, among other factors.

vi) Quiet Period

The Company has adopted a quiet period in which it will not respond to comments or questions from the day after the closure of its accounting period to the date it presents its financial statements in order to prevent information leaks of financial information (including both annual and quarterly) and to ensure fairness in its information disclosure practices. However, in the event that the Company's earnings forecast is found to greatly deviate from initial projections during this quiet period, the company will disclose such information in compliance with timely disclosure rules.

