NIHON KOHDEN

NIHON KOHDEN REPORT 2025

Illuminating Medicine for Humanity

Contents

How to use this report

☰ To the table of contents page
⮌ To page just shown
◀ To previous page
▶ To next page

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 1945, 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.

October 2021

Takuo Aoyagi, PhD, received American Society of Anesthesiologists Honorary Member Award

Nihon Kohden engineer, the late Takuo Aoyagi, PhD, received the Honorary Member Award from the American Society of Anesthesiologists (ASA). The award celebrates a physician, scientist, or eligible member, who has attained outstanding eminence in anesthesiology or related fields. The award has been presented to eight individuals over the past 40 years, and Dr. Aoyagi is the first Japanese person to receive this award.

(¥billion) 200.0 / 150.0 / 100.0 / 50.0 / 0

FY1970
Net Sales
¥4.4 billion

FY2000
Net Sales
¥66.7 billion
Domestic Sales ¥59.4 billion
Overseas Sales ¥7.3 billion

FY2024
Net Sales
¥225.4 billion
Domestic Sales ¥145.2 billion
Overseas Sales ¥80.1 billion

1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2020

1950

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.

1960

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.

1970

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.

1980

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.

1990

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.

2000

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

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

2010

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.

2020

July 2023
Launched the **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.

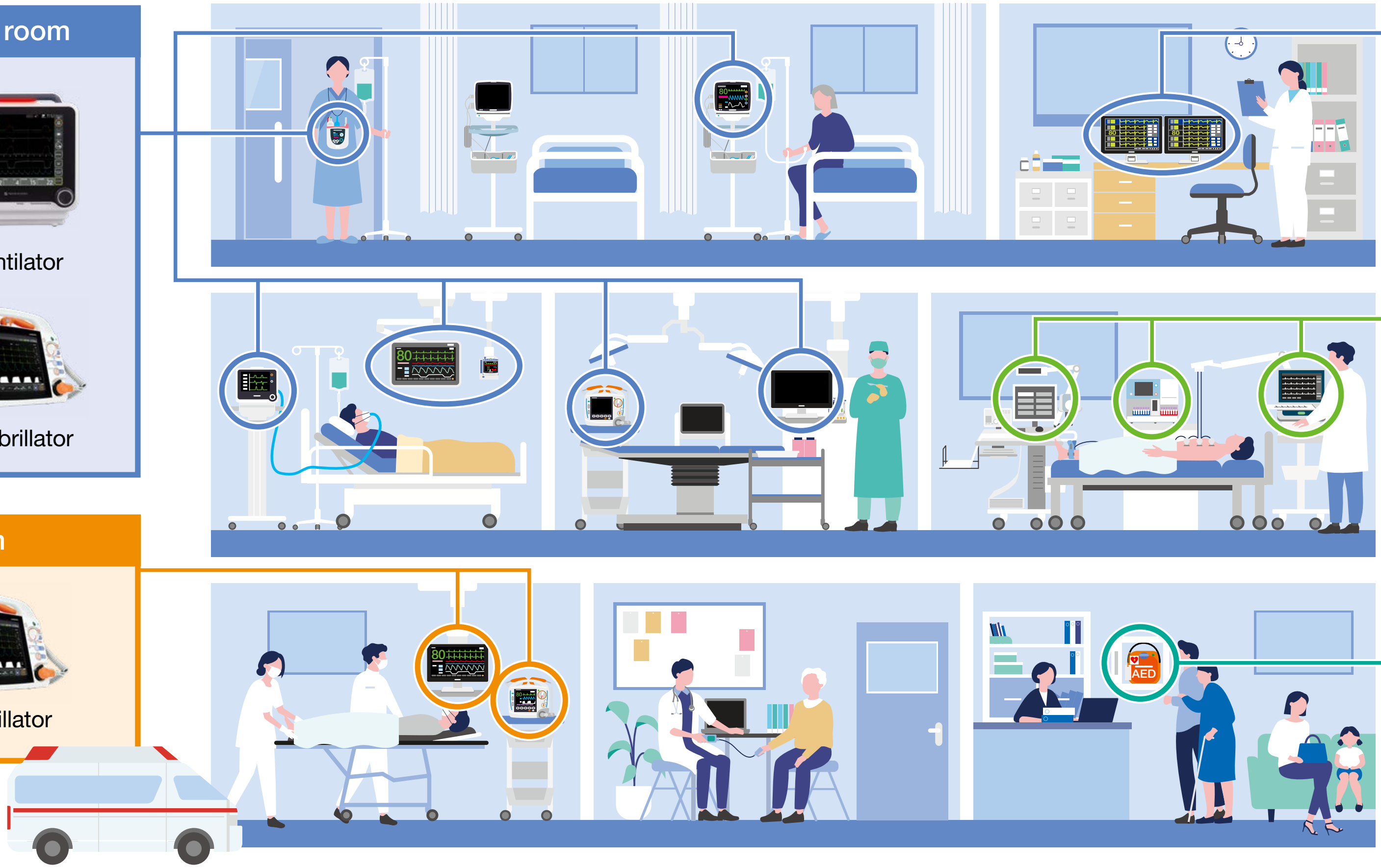
AED

Ward, ICU, Operating room

Ventilator

Patient monitor

Defibrillator



Nurse station

Patient monitor

Laboratory

Electroencephalograph

Electrocardiograph

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 provides the only AEDs developed and manufactured in Japan*. Nihon Kohden is working to realize a society in which everybody can use an AED without hesitation and so increase the lifesaving rate.

* As of March 2025

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.

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.

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.

Patient monitors

Patient monitors continuously display vital signs such as ECG (electrocardiogram), 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.

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.

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 indicate 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.

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 **253**% (FY2024)

Human Capital
- **Diverse employees**
  Number of employees **6,114**
  Of which, Overseas 1,807 people (As of March 31, 2025)

Intellectual Capital
- **Proactive R&D investment**
  R&D costs ¥**6.8** billion (FY2024)
- **Innovative technological development capabilities**
  Number of new products released **8** items (FY2024)

Manufacturing Capital/Social Capital
Number of bases in Japan and overseas

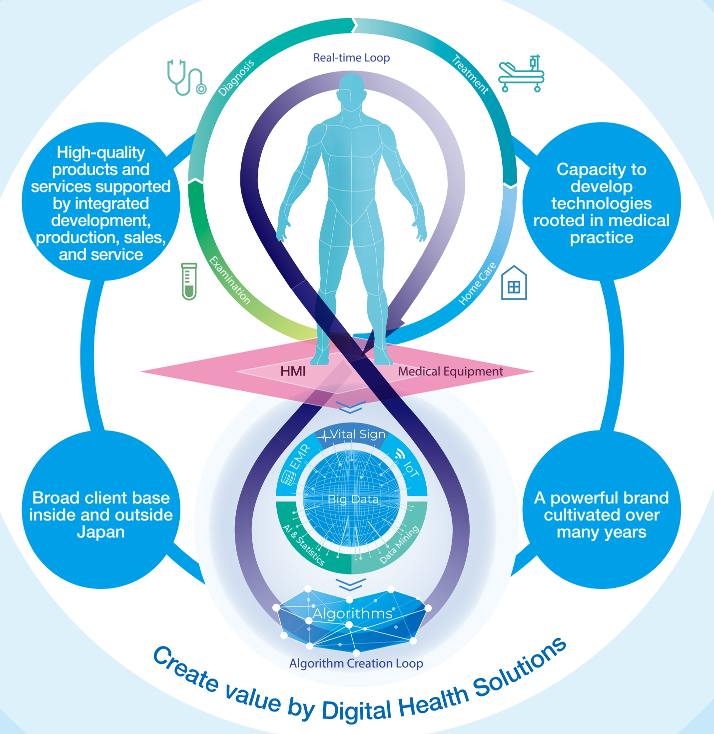
In Japan	**111** sales offices
Overseas	**31** group companies

Areas in which products deployed: Over **120** countries (As of March 31, 2025)

Natural Capital
CO_2 emissions per unit of sales **4.80** t-CO_2/¥100 million (FY2024)

Recycling rate **95.6**% (FY2024)

2030 VALUE CREATION COMPASS



OUTPUT

Targets of the Three-year Business Plan

FY2026 ending March 2027

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

Results in FY2024

Physiological Measuring Equipment
Net Sales ¥46.8 billion; Composition ratio 20.8%
EEG-1260 Electroencephalograph

Patient Monitors
Net Sales ¥84.9 billion; Composition ratio 37.7%
BSM-5700 Bedside Monitor

Treatment Equipment
Net Sales ¥53.1 billion; Composition ratio 23.6%
AED-3250 Automated External Defibrillator

Other Medical Equipment
Net Sales ¥40.4 billion; Composition ratio 17.9%
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

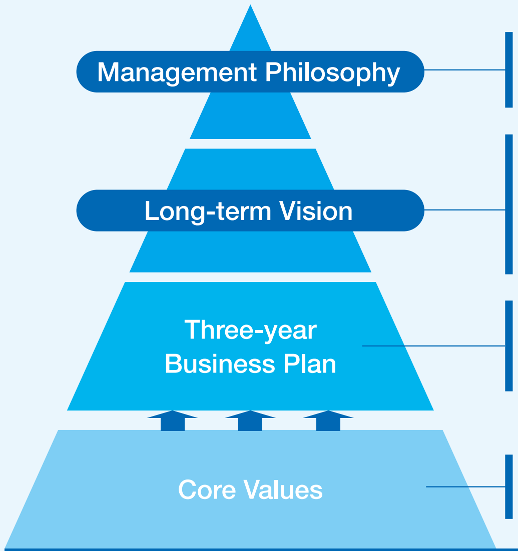
Natural Capital
- Realize carbon neutrality
- Promote circular economy

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.

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



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

Long-term Vision: BEACON 2030 — Illuminating Medicine for Humanity

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

Targets for FY2029 Operating margin: 15% Overseas sales ratio: 45%

Three-year Business Plan:

Apr. 2027 - Mar. 2030 BEACON 2030 Phase III : Realize BEACON 2030

Apr. 2024 – Mar. 2027 BEACON 2030 Phase II : Invest for growth

Apr. 2021 – Mar. 2024 BEACON 2030 Phase I : Strengthen foundation

Core Values: Core Values are shared by Nihon Kohden staff worldwide, which help to connect them and contribute to promoting our Management Philosophy, Long-term Vision, and Three-year Business Plan.

Integrity / Humbleness / Diversity / Initiative / Customer Centric / Goal Oriented / Creativity

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

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.

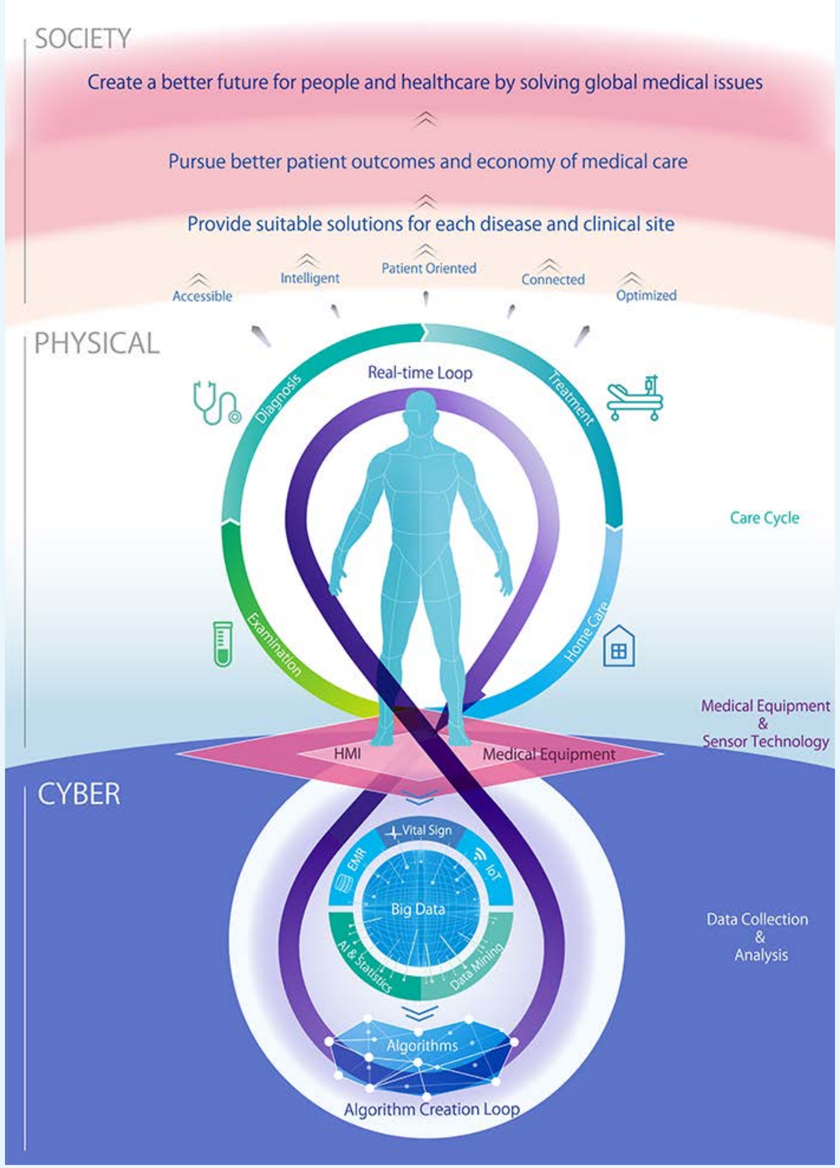
● Value creation from data gathered through clinical sites

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 a 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.



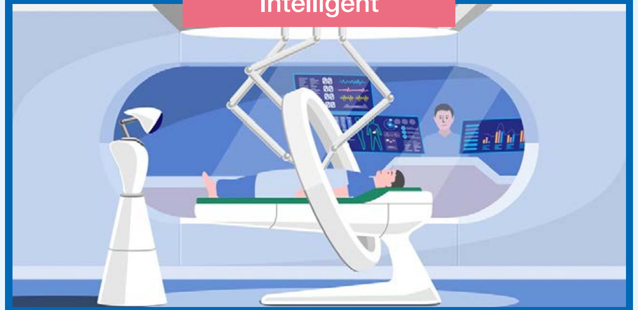
Long-term Vision BEACON 2030 Illuminating Medicine for Humanity

Vision towards 2030 for the Future

Nihon Kohden 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.

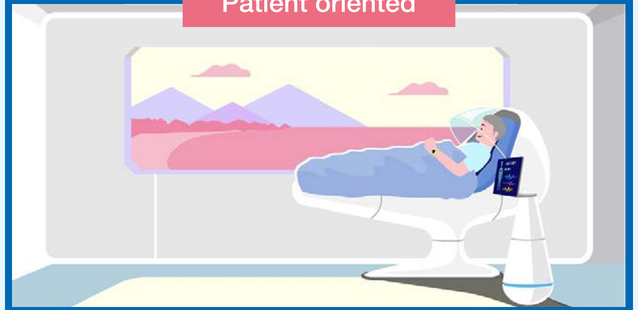
For further details on each aspect of our vision for the future, please refer to our website.
Future of the World

Intelligent



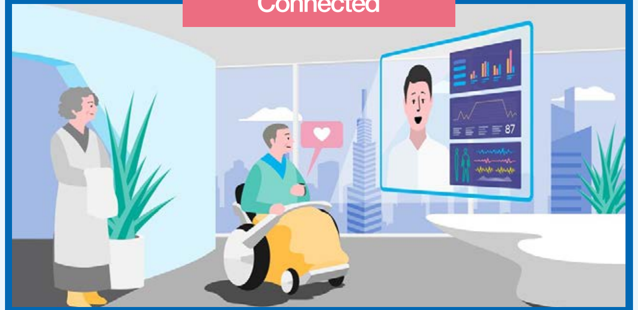
Can we eliminate human error in operating rooms with advances in technology?

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

We will strongly drive forward the transformation to realize our Long-term Vision in the 2nd 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.

The business environment surrounding the Company is becoming increasingly uncertain due to factors such as higher geopolitical risks and the U.S. tariff policies, and the global competitive landscape is undergoing dramatic change. In April 2024, we started our 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."

With strong determination, we will pursue our transformation into a global MedTech company to realize our Long-term Vision toward 2030: Create a better future for people and healthcare by solving global medical issues.

Review of FY2024

In FY2024, the 1st year of our Three-year Business Plan, we launched a series of new high-value-added products and services. We launched the TEC-1000, defibrillators for hospitals, both in Japan and internationally, and also introduced several digital health solutions (DHS) products developed in Japan and the U.S. In Japan, we launched dashboard software for monitoring patient condition, the QH-101N, a medical device remote monitoring system, the MD Linkage portal, and clinical assistant service for small and mid-sized hospitals, PrimeBridge. In the U.S., we began offering a remote ICU solution, RemoteSense, developed by Nihon Kohden Digital Health Solutions, LLC. We regard the launch of our first-generation DHS products, which we identified as a focus area in our Three-year Business Plan, as a significant step forward toward realizing our Long-term Vision.

Furthermore, we established Nihon Kohden Vietnam Company Limited in May 2024 to facilitate smooth application for medical device registration and sales expansion in Vietnam. In India, to meet growing demand for reagents driven by increased installation of hematology instruments, we began full-scale operations at a new factory in September 2024, thereby enhancing our production capacity.

Message from Management

In addition, as one of key initiatives for future growth, we consolidated Ad-Tech Medical Instrument Corporation in the U.S. by acquiring 71.4% shares of the parent company of Ad-Tech in November 2024. Ad-Tech holds a strong market share in intracranial electrodes, and this acquisition is expected to strengthen our business foundation in the U.S. and expand our consumables business. Moreover, by acquiring highly invasive electrode technology, we will be able to offer advanced solutions. We are committed to transforming our neurology business since our founding into a higher profit segment and creating our unique customer value.

TEC-1000,
Defibrillators for hospitals

QH-101N,
Dashboard software for monitoring patient condition
for general wards/critical care units

RemoteSense,
Remote ICU solution

Progress of the Three-year Business Plan, BEACON 2030 Phase II (Key Initiatives and Results in FY2024)

In FY2024, we implemented six key measures to achieve the three indicators outlined in our Three-year Business Plan, BEACON 2030 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 income 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 1.5% in FY2024

■ Enhance product competitiveness

As the need to establish a timely supply structure for our products becomes increasingly important, we are working to shorten Time to Market, the period from product planning to market launch, and improve productivity across the entire supply chain. We are implementing PLM/MES* systems that promote the digitalization of our technology development and production infrastructure, with some systems scheduled to start operations in 2025.

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

Message from Management

■ Focus on growth of North America Business

Our large-scale monitoring solutions for network systems have been highly evaluated and have led to a five-year partnership agreement for patient monitors with Houston Methodist, one of the major IDNs* in Texas, the U.S. We also launched a mid-range ventilator, the NKV-440, developed by Nihon Kohden OrangeMed, LLC. We received large orders for several hundred ventilators from one of major IDNs and acquired an Authority to Operate from the Department of Defense. Through these efforts, we are focusing on expanding our market share in the U.S.

* IDN: Integrated Delivery Network.

2 Profitability

Operating income margin **9.2%** in FY2024

■ Implement the reform of the profit structure

FY2026 Target
OPM improvement **5%pt**

✓ 80 bps improvement in FY2024, Expected 250 bps in FY2025, 500 bps in FY2026
✓ Completed development of most of the measures and current estimates suggest 70% of the target is expected to be realized by the end of FY2026.
✓ Further accelerate implementing measures in three key areas to improve profitability.

Area	Theme	Details of measures	FY2026 Target
Product mix	Sale pricing	•Reviewing pricing policies both in Japan and overseas	Apx. 2 %
	Review of product line-up	•Reviewing and optimizing the number of products •Increasing in-house sales ratio	
Productivity	Improving personnel productivity, including by utilizing generative AI	•Improving operational efficiency by introducing generative AI: 1.4 mil hours per year •Focusing on core jobs and reallocating resources: 900 k hours per year •Reducing the increase of headcount and overtime hours	Apx. 2 %
	Reducing other expenses	•Reducing infrastructure costs such as utility costs, rent, and communication expenses, and reviewing traveling costs	
Supply chain	Optimizing parts procurement	•Refining price negotiations with suppliers •Promoting Value Analysis/Value Engineering	Apx. 1 %

In the area of the product mix, we revised service fees and raised selling prices for products and consumables mainly in Japan. These efforts have begun to show positive effects on the improvement of gross profit margin, and we will continue to strengthen our efforts in FY2025 and beyond.

In terms of productivity, we are enhancing the operational efficiency of each employee, reducing overtime hours, and building an environment that enables employees to focus on their core jobs. We have installed 2,000 licenses of generative AI and started the development and operation of various applications. Although investments were made upfront in FY2024, we expect to contribute to improved productivity in FY2025 and beyond by restraining the increase of headcount. We are also proceeding with zero-based cost management.

In terms of supply chain, we are working to reduce costs amid rising raw material prices by leveraging data analytics in price negotiations with suppliers, revising product designs, and adopting components with high cost-efficiency.

■ Advance global supply chain management

To establish a multi-plant production structure, the construction of the new plant in Tsurugashima, which will become a mother factory for consumables, began in July 2024, with operations scheduled to start in 2026. Additionally, preparations for medical device production have commenced at the new reagent factory in India, and production of some patient monitors has begun at Defibtech, LLC in the U.S.

3 Capital efficiency

ROE **7.8%** in FY2024

■ Introduce Nihon Kohden's own return on investment capital (ROIC) formula

We are promoting the use of ROIC in investment decision-making and organizational management. In FY2024, we held study sessions for executives and general managers, and examined and simulated methods for calculating ROIC to be used in preparing performance forecasts and plans, initiating a trial implementation.

■ Reduce cash conversion cycle (CCC)

CCC target: 190 days ⇒ result: 225 days in FY2024

Although our efforts to reduce inventories of finished goods and parts and to reduce the devaluation of inventories have led to a decline in inventory, it remains at a high level. We will continue to optimize inventory levels and collect debt faster, working to shorten the CCC.

Message from Management

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, we cooperated with related organizations by inviting local doctors to training sessions in Japan to reduce the neonatal mortality rate and serious complications in Indonesia. Through the widespread use of the neonatal resuscitation monitor developed by Nihon Kohden, we support appropriate neonatal resuscitation practices.
To contribute to solving environmental issues, we started certifying our products and services with the Green Product Labels in March 2024. Our products and services are certified based on four evaluation ranks according to their level of contribution to reducing environmental impact. In addition, we also added a business impact assessment to the disclosure based on TCFD*1 recommendations. As a result of these efforts, we received an A- rating for the first time in the area of Water Security from the environmental non-profit organization, CDP. In FY2025, we will advance the collection of Scope 3 data from Japan and overseas to obtain SBT*2 certification.
To contribute to solving social issues, we are further strengthening group governance by ensuring the diversity and internationality of the Board of Directors and further enhancing its supervisory functions. We introduced a CxO framework in April 2024 and appointed two female directors and one foreign director in June 2024, bringing the ratio of independent outside directors to 50%. We have also reviewed the remuneration for executives and introduced a performance-linked stock remuneration plan. The evaluation items include consolidated operating income margin, consolidated ROE, and relative TSR*3.

*1 TCFD: Task Force on Climate-related Financial Disclosures.
*2 SBT: 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.
*3 (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)

Toward the 2nd Year of Our Three-year Business Plan, BEACON 2030 Phase II

To achieve the Three-year Business Plan and address key management issues through cross-functional organization, we appointed COO, CSO, and CAO to assist CEO*4 in April 2025. They are responsible for driving operational excellence, promoting global business strategies, and building a robust administration infrastructure. The Company has also newly established the Neurology Business Division to create synergies with Ad-Tech. In addition, to enhance employees' motivation and morale toward contributing to medium- to long-term business performance and corporate value of Nihon Kohden, the Company has also introduced an Employee Stock Ownership Plan. FY2025 is a pivotal year for achieving the Three-year Business Plan. We are committed to aligning closely with our shareholders as we work toward realizing a sustainable society and enhancing long-term corporate value.

*4 CEO: Chief Executive Officer, COO: Chief Operating Officer, CSO: Chief Strategy Officer, CAO: Chief Administrative Officer.

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 FY2024 was 31 yen per share, including the interim dividend of 15 yen per share. The full-year dividend for FY2025 will be 32 yen per share. In FY2024, each share of common stock was split into two shares and the Company cancelled 5.5 million shares of its treasury shares in July 2024. In addition, by the end of March 2025, the Company acquired 10 billion yen of its own shares, the largest amount in the Company's history. As a result, the consolidated total return ratio was 107%. We will maintain our shareholder return target of a consolidated total return ratio of 35% or more. 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 income 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.

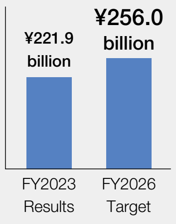
Three-year Business Plan, BEACON 2030 Phase II

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 Income 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%**

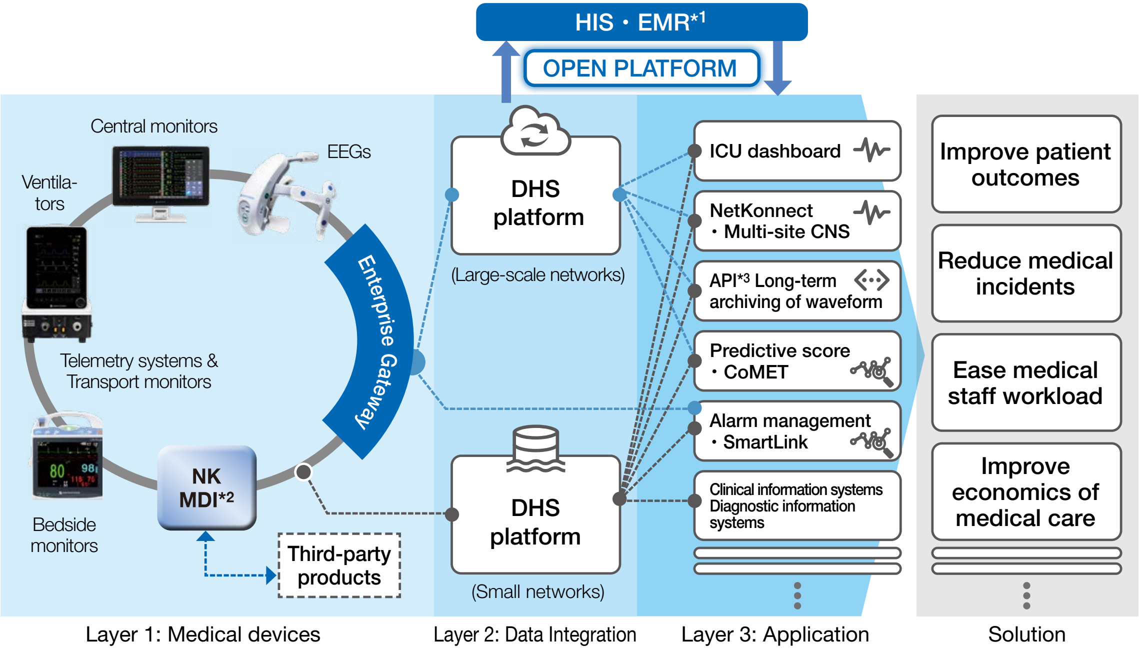
Breakdown of sales by region/product category and growth drivers

			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, which started in FY2024, we are advancing the development of various solutions based on the platforms and technological capabilities established during Phase I. In FY2024, we launched a series of software and services developed in Japan and the U.S. into the market.

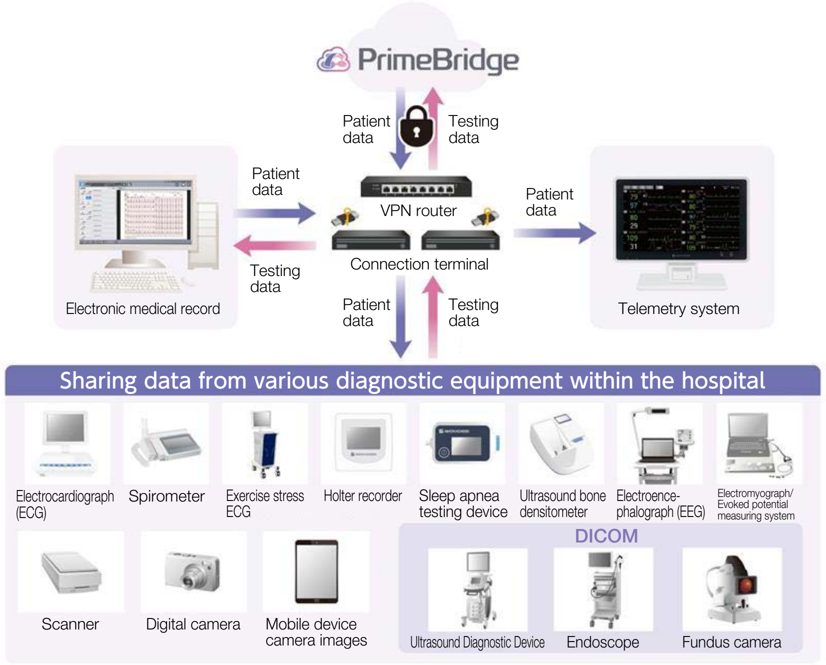
The QH-101N is dashboard software for monitoring patient condition, which calculates EWS*4 based on patients' vital signs such as respiratory rate, SpO_2, blood pressure, body temperature, and pulse rate obtained from electronic medical records. These data are aggregated and displayed on electronic medical record terminals and support the RRS*5, which is to be established to prevent sudden changes or deterioration in patient conditions within the hospital. The software for critical care units can also aggregate and display SOFA scores*6 obtained from electronic medical records and clinical information systems. EWS and SOFA scores are indicators that enable efficient detection of patient severity, and we expect that early intervention will lead to improved prognoses and bed utilization in clinical practice. We will continue to expand our clinical support applications, aiming to contribute to improving patient outcomes and the economics of medical care.

QH-101N, dashboard software for monitoring patient condition
Left: For general wards Right: For critical care units

*4 EWS: Early Warning Scores quantify patients' vital signs to identify acutely ill patients.
*5 RRS: Rapid Response System is designed to detect and respond to signs of sudden deterioration in inpatient conditions.
*6 SOFA scores: Sequential Organ Failure Assessment scores assess the degree of systemic organ dysfunction by scoring six variables: respiratory, coagulation, liver, cardiovascular, central nervous system, and renal function, each on a five-point scale.

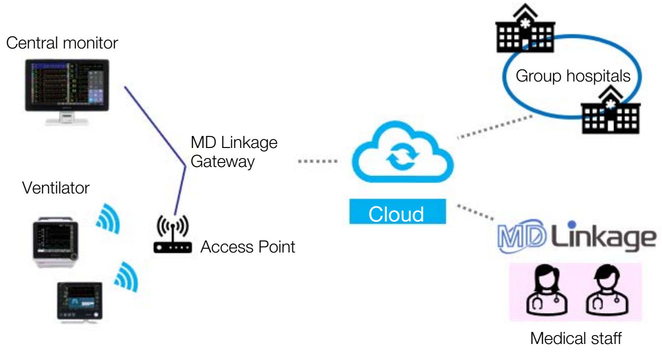
Development of Our Digital Health Solutions (DHS) Vision

PrimeBridge, a clinical assistant service for small and mid-sized hospitals, enables centralized, cross-departmental management and sharing of medical information such as patient data and testing data within the hospital. The service can also be accessed from outside the hospital. As a cloud service, it is expected to reduce maintenance costs and the risk of data loss. In addition, by linking electronic medical records and medical devices with patient data, the service is expected to contribute to improved operational efficiency, medical safety, and quality of medical care in clinical practice.



PrimeBridge system configuration

Furthermore, we launched the MD Linkage portal, a medical device remote monitoring system. This system sends maintenance information on medical devices to the cloud and provides prompt support in the event of equipment errors or failures, thereby reducing downtime and the time required for management. This allows more time to be dedicated to patient care, and we expect it will contribute to improving the quality of medical care and enhancing patient satisfaction.



Network configuration image of MD Linkage portal

In the U.S., we started offering RemoteSense, a remote ICU solution, developed by Nihon Kohden Digital Health Solutions, LLC, as a subscription model. This solution allows users to refer to the status of patients in ICUs at several medical institutions via a web browser and has already been adopted at several facilities.

RemoteSense, Remote ICU solution

To realize our Long-term Vision, BEACON 2030, we will continue to contribute to improving patient outcomes, easing medical staff workload, and improving the economics of medical care through the promotion of digital transformation (DX) in healthcare.

Consolidated Ad-Tech Medical Instrument Corporation in the U.S. as Subsidiary

Nihon Kohden is focusing on enhancing product competitiveness and expanding its consumables and services business under the Three-year Business Plan, BEACON 2030 Phase II. Particularly, by positioning the North American market as a focus area and prioritizing the allocation of management resources, the Company is accelerating global business growth.

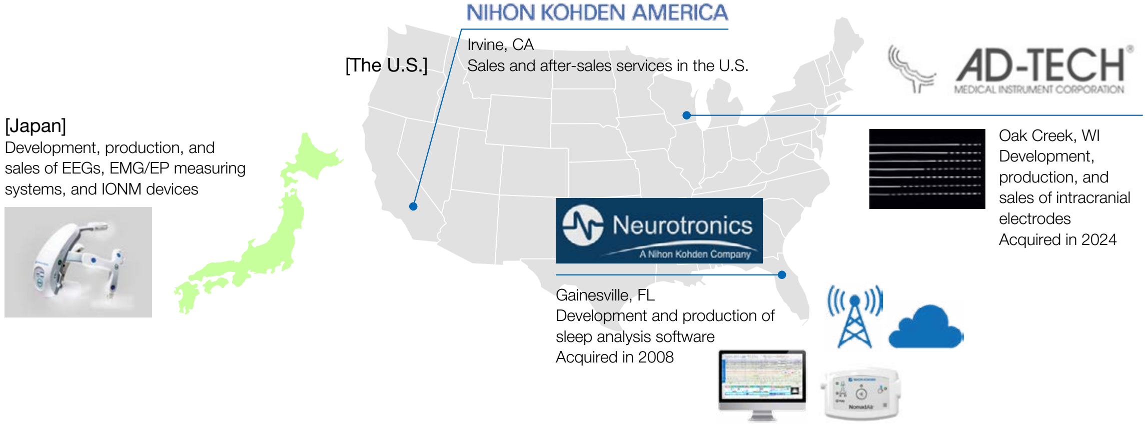
In November 2024, Nihon Kohden acquired 71.4% shares of NeuroAdvanced Corp., the parent company of Ad-Tech Medical Instrument Corporation in the U.S., and consolidated them as subsidiaries.

Since its founding in 1983, Ad-Tech has developed, produced, and sold intracranial electrodes such as depth electrodes and subdural electrodes, which are used for surgical treatment of drug-resistant epilepsy. They have gained an excellent reputation among neurosurgeons in 60 or more countries around the world.

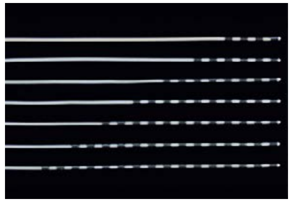
In addition, Nihon Kohden has provided Ad-Tech products to medical institutions in Japan for more than 30 years. There is a high affinity between Nihon Kohden's neurology products and Ad-Tech's intracranial electrodes, and by acquiring Ad-Tech's know-how for technology and production of consumables used in invasive testing and treatment, the Company aims to further strengthen its core HMI*1 technology. The Company also expects that the expansion of its consumable portfolio will lead to a stable and consistent revenue base and growth.

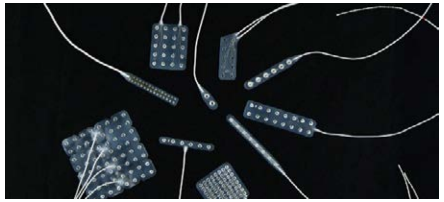
Globally, it is estimated that there are 50 million patients with epilepsy, of whom 15 million are drug-resistant patients and 5 million, 10% of the total, require surgical treatment. In the U.S., as cutting-edge research on diagnosis and treatment of epilepsy is conducted, Nihon Kohden established the Neurology Business Division in April 2025 to strengthen collaboration with not only Ad-Tech but also medical institutions and research institutions. Overseeing neurology-related operations, including the development department in Japan as well as Ad-Tech and Neurotronics, LLC in the U.S., Nihon Kohden aims to provide the optimal care cycle solution for each patient, from examination, diagnosis, and treatment to prognosis in the neurology area.

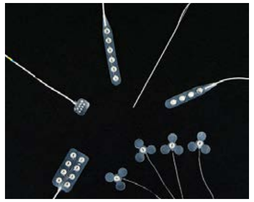
Development, Production, and Sales Structure of Neurology Products in Japan and the U.S.

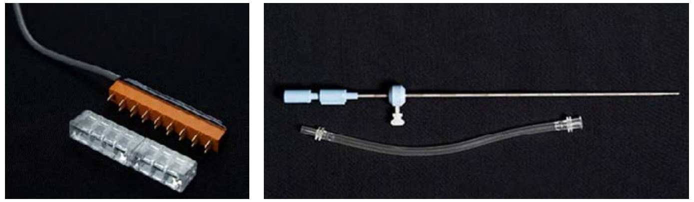


Ad-Tech's Products Line-up


Depth electrodes


Subdural electrodes


IONM*2 electrodes


Placement accessories, connection systems, and brain biopsy needles

*1 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.

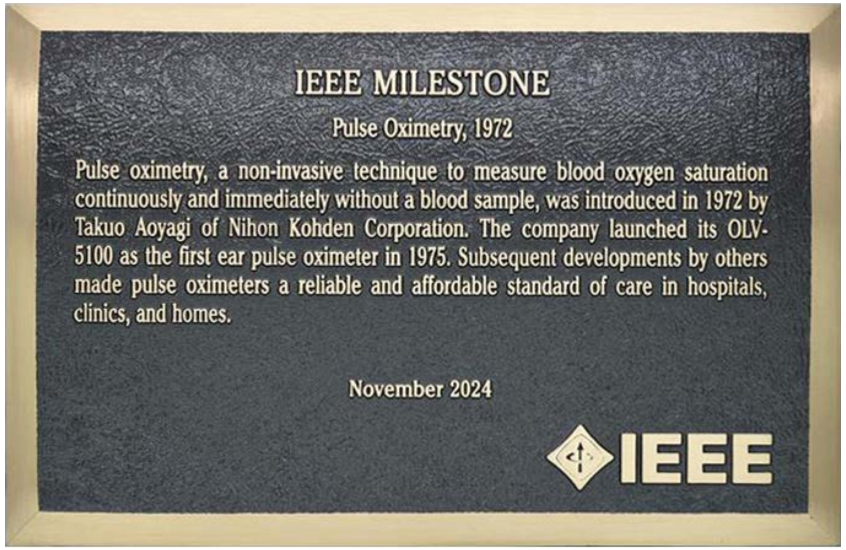
*2 IONM: Intraoperative neurophysiological monitoring.

The Principle of Pulse Oximetry invented by Nihon Kohden's Engineer, the Late Dr. Takuo Aoyagi and Others was recognized an IEEE Milestone

In November 2024, the principle of the pulse oximetry invented by Nihon Kohden's engineer, the late Dr. Takuo Aoyagi 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.
Pulse oximeter, a non-invasive technique to measure blood oxygen saturation continuously and immediately without a blood sample, of which principle was invented in 1972 by Dr. Aoyagi and a domestic patent application was submitted in 1974. Nihon Kohden launched the world's first ear oximeter in 1975. Currently, pulse oximeters are used in operating rooms, emergency care, intensive care, and home healthcare, making them an indispensable device in clinical practice. In addition, the usefulness of pulse oximeters was reaffirmed worldwide during the COVID-19 pandemic.

For further details, please refer to our website.
Takuo Aoyagi and the pulse oximeter
Accomplishments recognized by IEEE Milestone (description on plaque)

IEEE Milestone Dedication Ceremony



IEEE Milestone plaque

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

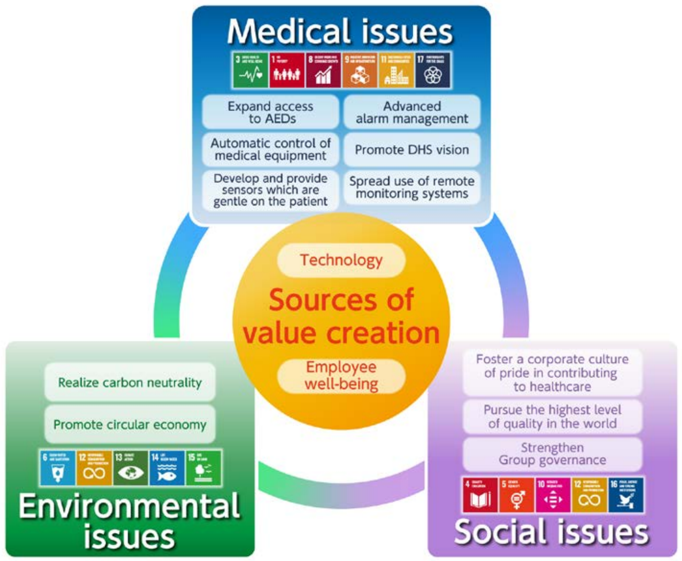
As a medical equipment manufacturer, Nihon Kohden strives to contribute to a sustainable society and enhance its corporate value, by taking on the challenges of solving social issues such as fighting disease and improving health through its business and corporate activities.

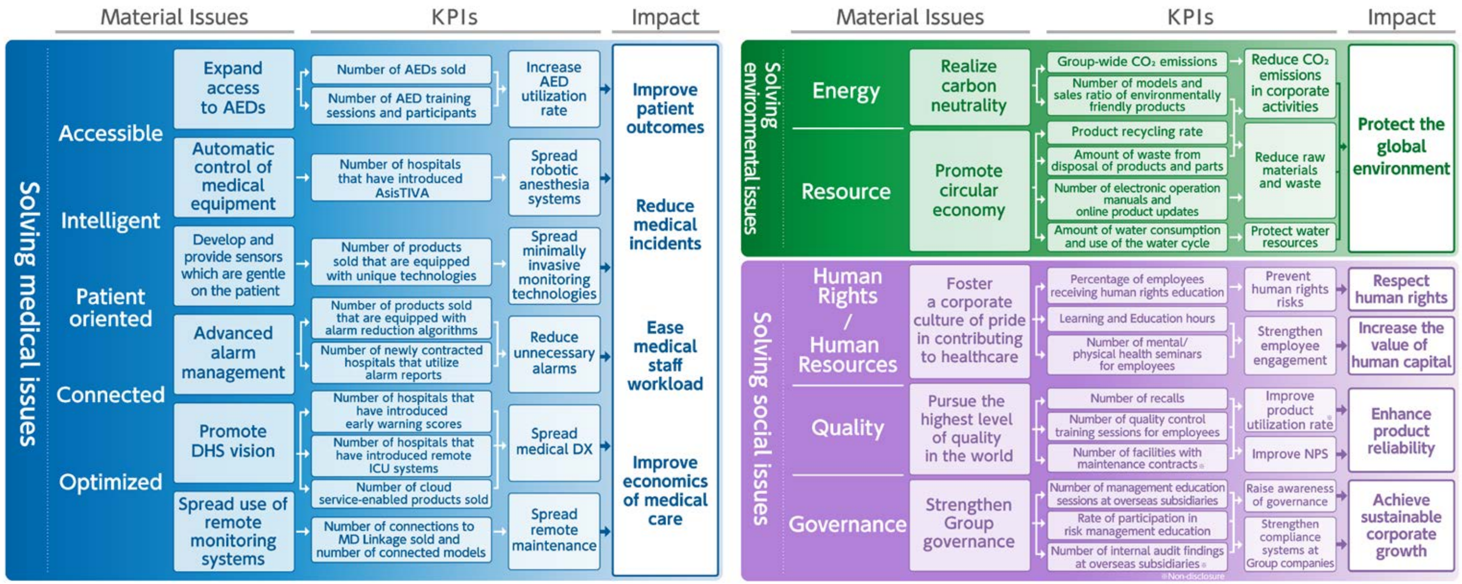
Sustainability at Nihon Kohden

In recent years, activities aimed at achieving the UN Sustainable Development Goals (SDGs) have been promoted in order to respond to various cross-border social issues. The medical care we are involved in is becoming more and more complex due to various 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. Under these circumstances, 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, covering FY2021 to FY2023, Nihon Kohden incorporated sustainability into its basic policy for the first time. The Company identified a total of 12 non-financial material issues related to the SDGs and has worked on addressing these issues.

In FY2024, we started the Three-year Business Plan, BEACON 2030 Phase II, and moved into the phase of the practice of sustainability management. We partially reviewed our material issues and KPIs based on the results and issues in Phase I. We will also 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
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 (Progress rate 31%)
	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%)
	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%
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%)
	Spread robotic anesthesia systems	Cumulative number of licenses sold in Japan for 3 years: 580-month licenses	86-month licenses (Rate of progress 15%)

Sustainability Policy

Materiality	KPI	Targets/Actual	Results in FY2024
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%)
	Spread minimally invasive monitoring technologies (esCCO, iNIBP)	Annual market share of products with these technologies in Japan after 3 years: 45%	Scheduled for release in autumn
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%)
	Number of new contract hospitals that utilize alarm reports*5	Cumulative number of new contract hospitals in Japan for 3 years: 600 hospitals	177 hospitals (Rate of progress 30%)
	Reduce unnecessary alarms	Cumulative number of hospitals with improved operations in Japan for 3 years (No numerical target (follow-up item))	66 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%)
	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%)
	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%)
	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%)
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%)
	Spread remote maintenance	Cumulative number of notifications by MD Linkage in Japan for 3 years (No numerical target (follow-up item))	4,217 cases

Sustainability Policy

Environmental Issues

Materiality	KPI	Targets/Actual	Results in FY2024
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
	Number of models and sales ratio of environmentally friendly products	• Cumulative number of newly released models worldwide for 3 years: 6 models • Cumulative sales ratio of products worldwide for 3 years: 22.5%	• 2 models (Rate of progress 33%) • 20.8%
	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
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
	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
	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%)
	Reduce raw materials and waste	• Cumulative paper reduction through electronic operation manuals over 3 years (No numerical target (follow-up item)) • Cumulative CD-ROM reduction by online product updates over 3 years (No numerical target (follow-up item))	• 1,419 pages (Total number of pages in electronic operation manuals) • 0 CD-ROMs
	Amount of water consumption and use of water cycle	Disclose target after designation	Continuing discussions with related departments to set water resource targets
	Protect water resources	Disclose target after designation	Continuing discussions with related departments to set water resource targets

Sustainability Policy

Social Issues

The results for items marked with * are not disclosed.

Materiality	KPI	Targets/Actual	Results in FY2024
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%
	Prevent human rights risks	Awareness of harassment consultation counter in Japan: Over 90% in FY2026	93.4%
	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%)
	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%)
	Strengthen employee engagement	Employee satisfaction in Japan: Improved every fiscal year	Decreased by 1.5 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)
	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%
	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 -8.3 points U.S. 62 points

Sustainability Policy

The results for items marked with * are not disclosed.

Materiality	KPI	Targets/Actual	Results in FY2024
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%)
	Rate of participation in risk management education	Rate of participation in risk management education: 100% every fiscal year	100%
	Raise awareness of governance	Number of internal surveys conducted: Once per year	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

*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.

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 three 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 four times a year 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.

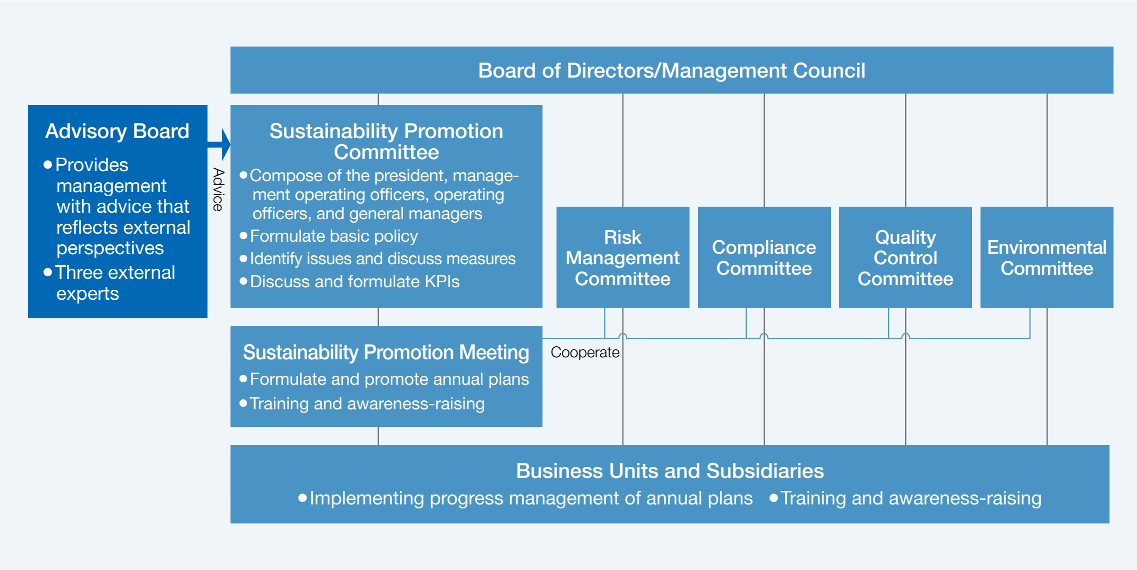
External Sustainability Advisors

Hikaru Kobayashi
Adviser
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

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 anticorruption, 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

Fumio Izumida
Operating Officer,
General Manager of Corporate Strategy Division

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.
Under the Three-year Business Plan, BEACON 2030 Phase II, which started in FY2024, we appointed two female directors and one foreign director from the perspectives of enhancing the independence and neutrality of the Board of Directors and ensuring its diversity, and the ratio of outside directors was increased to 50%, further strengthening the management oversight function. In addition, as we executed the largest M&A in our history in FY2024, we continued to promote the dissemination and implementation of the Global Business Management Policy.
We consider these efforts crucial for building trust with our stakeholders and transforming and developing Nihon Kohden as a global company.
Going forward, we will continue to manage our business with a focus on sustainability, striving to enhance corporate value while working towards realizing our Management Philosophy and Long-term Vision.

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 2025. 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 many years of experience in finance and accounting departments and possesses a considerable degree of knowledge about finance and accounting.

■ Management Council

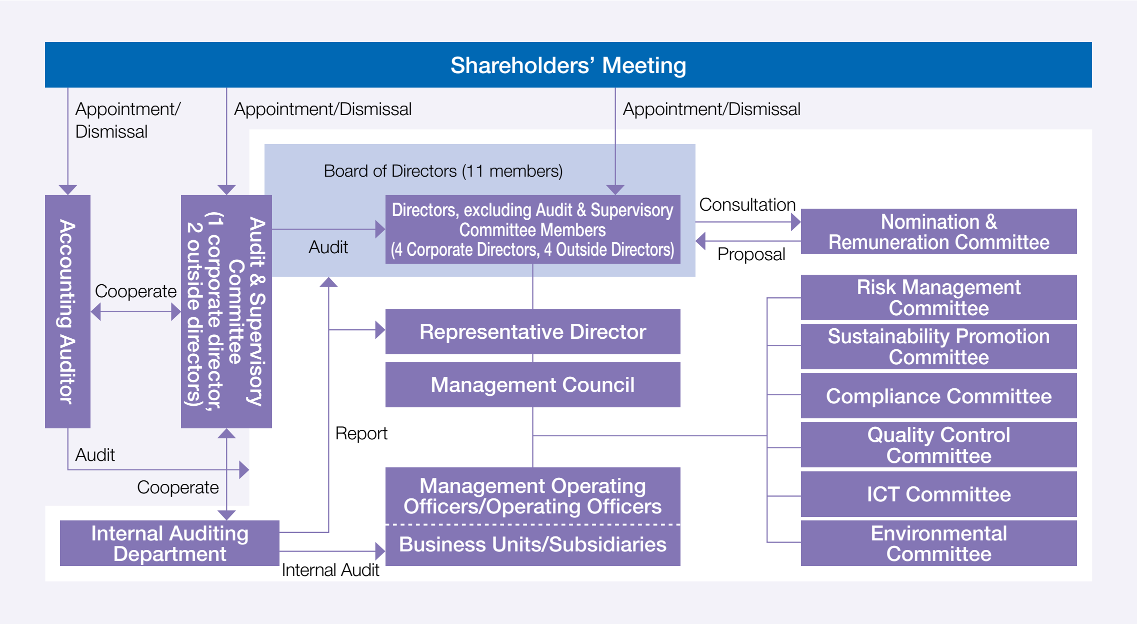
Meetings of the Management Council, at which directors, management operating officers, and operating officers attend, are held once or twice a month in order to undertake the management activities based on the policy approved by the Board as well as aiming at prompt decision making and flexible business 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 seventeen 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 proposals 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 an anonymous survey 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, 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.

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 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 FY2024, after explaining the 17 evaluation items and their details to all directors serving as Audit & Supervisory Committee members, evaluations and opinions were gathered through a discussion-based approach. These discussions facilitated deeper dialogue and consensus-building on issues, improvement measures, and important themes for the future.

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 active discussions held in an open atmosphere that enables inside and outside members to speak freely.

On the other hand, enhancing the monitoring of the risk management system and strengthening the effectiveness of the tripartite audit coordination framework were identified as issues going forward. The Audit & Supervisory Committee has been monitoring the risk management system to date. However, as the Board of Directors and the Risk Management Committee are promoting the enhancement of the company-wide risk management framework, the Committee discussed the need to reassess the appropriateness of its monitoring methods and improve them according to circumstances. Regarding the tripartite audit coordination framework, it was mutually confirmed that, in addition to individual collaboration among the three parties, their joint meetings will be held to improve the effectiveness and efficiency of audits.

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

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Improvement of Transparency in Management	Introduction of the Operating Officer System	Since 2007														Introduction of CxO framework		
	Reduce the number of directors stipulated in the Articles of Incorporation from 18 to 12	Since 2007																
	Change of the director terms of office to one year to clarify management responsibility	Since 2007																
	Start of initiatives for compliance with the Corporate Governance Code																	
Strengthening of Supervisory Function	Appointment of outside directors																	
	Foreign directors (persons)																1	
	Female directors (persons)												1				2	
	Outside directors (persons)	0	1	2				4									6	
	Percentage of outside directors		8%	17%	20%			31%		33%							50%	55%
	Transition to a Company with an Audit & Supervisory Committee																	
	Establishment of the Internal Auditing Department	Since before 2000																
	Start of the effectiveness evaluation of the Audit & Supervisory Committee																	
	Establishment of the J-SOX Promotion Committee and the rules of the Committee																	
Remuneration	Establishment of the Nomination & Remuneration Committee																	
	Termination of retirement benefit plan for directors	Since 2007																
	Introduction of Non-performance-linked Pre-delivery Restricted Stock Remuneration Plan																	
	Introduction of Performance-linked Post-delivery Restricted Stock Remuneration Plan																	
Initiatives for Corporate Value Enhancement	Start of the effectiveness evaluation of the Board of Directors																	
	Establishment of the CSR Promotion Committee (currently, the Sustainability Promotion Committee) and the rules of the Committee																	
	Publication of the integrated report (Nihon Kohden Report)																	
	Establishment of the Advisory Board consisting of external sustainability advisors																	

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.

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 objective and neutral advice, and supervise management from an independent standpoint by applying the expertise and experience he has accumulated to date.

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, 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 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		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
		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 income margin, consolidated ROE, and relative TSR*. Payment rate varies from 0% to 200% Evaluation weight: consolidated operating income 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 income 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 income 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

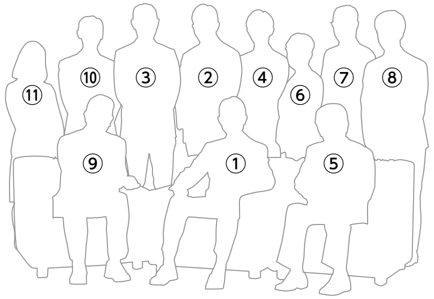
The remuneration of Audit & Supervisory Committee members shall consist of fixed monthly compensation only from the perspective of placing importance on the independence and objectivity of management. The amount of remuneration for each director is determined by consultation among the Audit & Supervisory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

The Total Amount of Remuneration of Directors in FY2024

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)	246	174	47	24	6
Directors serving as Audit & Supervisory Committee members (excluding outside directors)	25	25	—	—	1
Outside directors	57	57	—	—	8

(Note) The number of directors receiving restricted stock remuneration is three. (One non-resident of Japan is not eligible for payment).
The restricted stock remuneration was the amount recorded as an expense in FY2024 as non-performance-linked pre-delivery type. As regards performance-linked post-delivery type, the payout ratio was 0% because the consolidated operating income margin in FY2024 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 Operating Officer,
Chief Operating Officer

③ **Yasuhiro Yoshitake**
Corporate Director,
Executive Operating Officer,
Chief Strategy Officer,
Chief Regional Officer - International

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

⑤ **Shigeru Kawatsuhara**
Outside Director

⑥ **Sumie Morita**
Outside Director

⑦ **Danny Risberg**
Outside Director

⑧ **Mamoru Morita**
Outside Director

⑨ **Shigeru Hirata**
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 13 years
Attendance at Board Meetings 16/16 (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)

Yasuhiro Yoshitake

Corporate Director

Executive Operating Officer,
Chief Strategy Officer,
Chief Regional Officer - International

Served as Director for 8 years
Attendance at Board Meetings 16/16 (100%)

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 (current position)
Apr. 2025 Executive Operating Officer, Chief Strategy Officer (current position)

Eiichi Tanaka

Corporate Director

Executive Operating Officer,
Chief Operating Officer

Served as Director for 8 years
Attendance at Board Meetings 16/16 (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 (current position)

Kazuhiro Kato

New

Corporate Director

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

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

Shigeru Kawatsuhara

Outside Director | Independent Director

Served as Director for 9 years
Attendance at Board Meetings 16/16 (100%)
Attendance at Audit & Supervisory Committee Meetings 7/7 (100%)

Date of birth: February 14, 1952

Apr. 1975 Joined Toko, Inc.
Apr. 2002 Senior Manager of Sales Department 1, Sales Operations, Toko, Inc.
Apr. 2004 General Manager of Sales Center, Toko, Inc.
Jun. 2005 Corporate Director and General Manager of Sales Center, Toko, Inc.
Apr. 2008 President of Toko, Inc.
May 2014 Chairman of Toko, Inc.
Mar. 2015 Senior Advisor of Toko, Inc.
Apr. 2016 Part-time Advisor of Toko, Inc.
Jun. 2016 Outside Director (Audit & Supervisory Committee Member) of the Company
Jun. 2024 Outside Director of the Company (current position)

Danny Risberg

Outside Director | Independent Director

Served as Director for 1 year
Attendance at Board Meetings 11/11 (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)

Sumie Morita

Outside Director | Independent Director

Served as Director for 1 year
Attendance at Board Meetings 11/11 (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

New | Outside Director | Independent Director

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. (current position)
Jun. 2025 Outside Director of the Company (current position)

Board of Directors

Shigeru Hirata

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

Served as Director for 4 years
Attendance at Board Meetings 16/16 (100%)
Attendance at Audit & Supervisory Committee Meetings 19/19 (100%)

Date of birth: May 12, 1961
Apr. 1985 Joined the Company
Apr. 2011 General Manager of General Affairs & Human Resources Department
Jun. 2011 Operating Officer
Apr. 2014 General Manager of Human Resources Department
Apr. 2016 General Manager of Finance Department
Apr. 2020 Deputy General Manager of Global Corporate Administration Operations and General Manager of Finance Department
Jun. 2021 Corporate Director (Full-time Audit & Supervisory Committee Member) (current position)

Kazuo Shimizu

Outside Director | Independent Director

Audit & Supervisory Committee Member

Served as Director for 5 years
Attendance at Board Meetings 16/16 (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 1 year
Attendance at Board Meetings 11/11 (100%)
Attendance at Audit & Supervisory Committee Meetings 12/12 (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 execution of business 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.

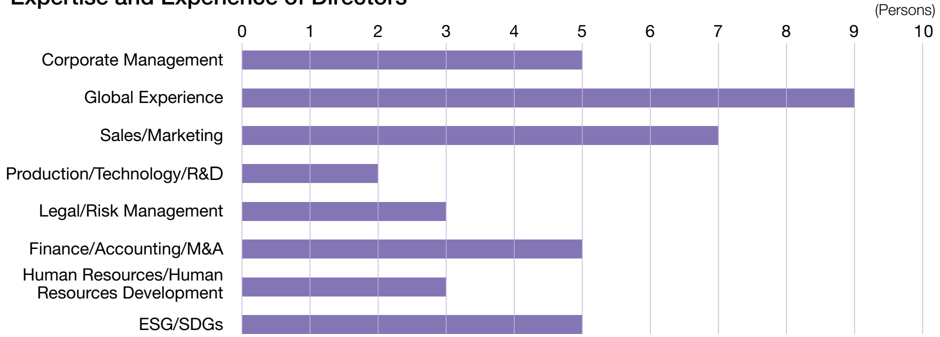
As of June 26, 2025

Name	Gender	Position	Outside	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)		55	13 years	●	●	●			●		●
Eiichi Tanaka	Male	Corporate Director, Executive Operating Officer, Chief Operating Officer (COO)		62	8 years	●	●	●	●			●	
Yasuhiro Yoshitake	Male	Corporate Director, Executive Operating Officer, Chief Strategy Officer (CSO), Chief Regional Officer - International (CRO-I)		59	8 years	●	●	●					
Kazuhiro Kato	Male	Corporate Director, Senior Operating Officer, Chief Administrative Officer (CAO)		59	—		●	●		●	●		●
Shigeru Kawatsuhara	Male	Outside Director, Nomination & Remuneration Committee Member	Outside Director	73	9 years	●	●	●					
Sumie Morita	Female	Outside Director	Outside Director	65	1 year		●		●				●
Danny Risberg	Male	Outside Director	Outside Director	62	1 year	●	●	●					
Mamoru Morita	Male	Outside Director	Outside Director	66	—		●				●		●
Shigeru Hirata	Male	Corporate Director, Full-time Audit & Supervisory Committee Member		64	4 years			●			●	●	
Kazuo Shimizu	Male	Outside Director, Audit & Supervisory Committee Member, Nomination & Remuneration Committee Member	Outside Director	66	5 years					●	●		
Ikumi Sato	Female	Outside Director, Audit & Supervisory Committee Member, Nomination & Remuneration Committee Member	Outside Director	61	1 year		●			●		●	●

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.

Pursuing sound and sustainable management even in a climate of increasing uncertainty

Shigeru Kawatsuhara

Outside Director

The external environment has been undergoing drastic changes not seen in recent years, such as Russia's invasion to Ukraine, the economic slowdown in China, the tensions in the Middle East, the frequent occurrence of extreme weather events, and, more recently, the so-called "Trump shock."
Meanwhile, Nihon Kohden has continued to advance the reform of the profit structure, a project that includes self-initiated measures, to build a structure that is less susceptible to changes in the external environment. We have also been proactively pursuing business expansion through M&A, including the consolidation of Ad-Tech Medical Instrument Corporation in the U.S. as a subsidiary.
We recognize that we are now entering the most critical and challenging time in achieving our Three-year Business Plan. With this awareness, I will continue to devote myself even more sincerely than before to providing supervision and recommendations as an outside director, so that the Company can achieve sound and sustainable growth.

Building an ecosystem for a global company creating high added value

Sumie Morita

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

In line with the three transformations set to realize our Long-term Vision, which aims for an operating income margin of 15% and an overseas sales ratio of 45%, we started the Three-year Business Plan, BEACON 2030 Phase II, in FY2024. I particularly believe that the first step toward transforming into a global company creating high added value is the ability to create new business models. In today's Japan, where individual companies are limited in their ability to solve issues independently, building a co-creative healthcare platform and a global co-creation network will enhance our competitiveness. In addition, to promote the establishment of such an organization, Operational Excellence in a Center of Excellence (COE) is essential as the foundation, and the combined use of classical approaches such as Lean Six Sigma* and modern approaches utilizing data and AI is also crucial.
I will continue to envision future scenarios for our global company creating high added value and, while taking the global situation into account, contribute through supervision to building an ecosystem for realizing co-creative healthcare.

* Lean Six Sigma: a methodology to improve operational efficiency and quality, integrating Lean, which focuses on eliminating waste, and Six Sigma, which uses statistical methods to reduce variation and provide consistent quality.

Messages from Outside Directors

A year of insight: toward further growth

Danny Risberg

Outside Director

Upon completing my first year as a member of the Nihon Kohden Board of Directors, I feel very positive about our shared mission and values. Over the past year, I have gained a deeper understanding of the people, operations, and strengths that have brought us to where we are today.
Despite the global challenges facing businesses and society, I remain confident in the potential that lies ahead. To realize this potential, I believe we must continue to focus on executing our strategy, uphold our commitment to operational excellence, and stay open to change and growth.
Our path forward is about refining what has made us successful while embracing what we aspire to become - a company that consistently delivers on its commitments, serves patients and society with integrity, and stands out as a truly exceptional organization.
I am motivated to keep working together with passion and purpose, striving not only to meet but to exceed our goals and expectations.

Generating cash through growth investment

Mamoru Morita

Outside Director
Strategic Expert, Nuclear Energy Business Unit, Hitachi, Ltd.

I am honored to have been appointed as an outside director of Nihon Kohden, a company fighting disease and improving health with advanced technology. I hold in high regard the Company's history of contributing to society and creating corporate value through innovation centered on technology.
To further accelerate the enhancement of corporate value, I believe that generating cash through strategic investment is essential. Amid the current significant fluctuations in geopolitical risks and economic environments, global growth investment and the resulting cash generation are challenging. However, drawing on my experience in planning and executing strategies to generate cash through sales and profit growth, I will contribute to enhancing corporate value.
I will strive to connect the Company's founding belief "curing disease is something that transcends politics and national borders, and we will never have any regret putting all our energy into this goal" to the creation of corporate value and to increase Nihon Kohden's value with all stakeholders, primarily our shareholders.

Messages from Outside Directors

Turning changes in the external environment into opportunities for growth through a flexible mindset

Kazuo Shimizu

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

In FY2024, in addition to proactive M&A, Nihon Kohden carried out capital investments, including the construction of a new plant in Tsurugashima and the introduction of PLM/MES* systems. By region, profitability in North America Business Operations, which are one of its issues, has shown signs of improvement, and future growth is anticipated. We are also shifting toward our Digital Health Solutions (DHS) Business that solves medical issues through digital technologies and innovation.
We are allocating funds to growth areas as set in our Three-year Business Plan, while also working to enhance profitability by improving personnel productivity and optimizing the supply chain.
At the same time, the impacts of rising nationalism in various countries, particularly in the U.S., are unpredictable. We therefore need to have a mindset that identifies such risks and turns them into opportunities for growth. I also believe that it is important to revise our targets flexibly in response to changes in the environment.
As an outside director serving as an Audit & Supervisory Committee member, I will continue to supervise the execution by the management team from an investor's perspective, without being biased toward a short-term vision.

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

Enhancing global-standard governance toward becoming a global company

Ikumi Sato

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

For over half a century, Nihon Kohden has continued to provide various medical devices to people fighting disease as a leading company in medical electronics. To continue delivering quality medical devices to even more people than ever, the Company is now growing into a global company.
We recognize that in order for the Company to achieve sustainable growth and improve corporate value, it is essential to promptly and lawfully comply with a wide range of stringent standards and legal systems in each country, and to enhance our corporate governance structure of global standards.
As one of the outside directors serving as an Audit & Supervisory Committee member, I will continue to strive to maintain the enhanced discussions within the Company's Board of Directors and Audit & Supervisory Committee and the effectiveness of these bodies. At the same time, I will take various opportunities to confirm that the management team's decisions at the Company are contributing to the enhancement of corporate value.

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	With a membership composed entirely of independent outside directors, these meetings are held on a regular basis and are designed to exchange opinions and build common understanding from an independent and objective standpoint. The meetings aim at encouraging outside directors to engage in lively discussions at the Board Meetings.
Members	Six independent outside directors, including two members of the Audit & Supervisory Committee
Dates for Meetings	In FY2024, two meetings were held in May 2024 and February 2025.
Agenda	May The results of the evaluation of the effectiveness of the Board of Directors Feb. 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.

FY2024

- Clarification of the background and numerical basis of the agendas necessary for decision-making
- Appropriate allocation of reporting and discussion time based on the importance of each agenda item
- Simplification of meeting materials and streamlining of report content

In addition, since FY2021, we have held free discussions, to exchange opinions without setting limits on themes. Two discussions were held in FY2024, and discussions are also scheduled to be held two to three times in FY2025. The meetings are very meaningful as they allow outside directors to freely debate and share each other's recognition on various topics such as the Long-term Vision, Nihon Kohden's risks, and Nihon Kohden's initiatives in overseas business.

Ensuring Thorough Compliance

We practice fair and legitimate businesses activities with high ethics.

Message from Operating Officer

Kazuhiro Kato

Corporate Director,
Senior Operating Officer,
Chief Administrative Officer,
General Manager of Corporate Administration Operations,
Chief Compliance 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. Since FY2017, we have also added the Anti-Corruption Policies and implemented the Global Compliance Program, ensuring thorough compliance across the entire Group, including overseas subsidiaries. I have served as Chief Compliance Officer (CCO), a position established as part of this program, since FY2025. As Chief Compliance Officer, I am responsible for managing, operating, and executing Nihon Kohden's compliance promotion framework, which includes developing the organizational structure, employee training, and fostering a corporate culture that emphasizes compliance. As part of the organizational structure, we have appointed Divisional/Local Compliance Officers in each domestic and international department and subsidiary, which ensures the promotion and strict enforcement of compliance within each department and subsidiary. Additionally, as Chief Compliance Officer, I regularly disseminate messages and information related to compliance, and we have established a system for direct reporting from Divisional/Local Compliance Officers, ensuring close collaboration and effective management of compliance-related activities.

In the Three-year Business Plan, BEACON 2030 Phase II, which started in FY2024, we have set a target of "zero occurrence of major compliance incidents." We have focused on reducing potential risks through measures such as employee training for high-priority compliance risks both in Japan and internationally. We will continue these efforts in FY2025. We are in the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) era, where the environment is rapidly changing and unpredictable. In such a context, with regard to compliance as well, merely adhering to traditional rules is insufficient. We must also be flexible and responsive to environmental changes regarding compliance. Therefore, it is important to establish fundamental principles and adopt a principle-based approach. We will emphasize "Integrity" including honesty, sincerity, and high ethical standards, one of our Core Values, as a core principle, and work to ensure that compliance is more deeply ingrained among all executives and employees than ever before.
To ensure that Nihon Kohden remains a trusted company in society, we remain firmly committed to realizing our Management Philosophy and enhancing corporate value.

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.

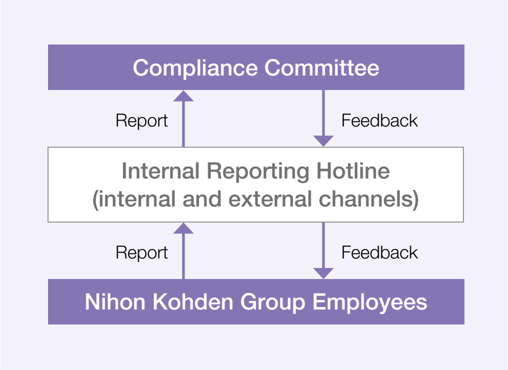
Compliance Training

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. 5,900 participants in FY2024). 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 Pharmaceutical and Medical Device Act, and sales activities. Furthermore, since FY2021, we have conducted training sessions led by external experts for all managers of branch offices and Domestic Business 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. 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 whistle-blowing channel for third-parties to ensure thorough compliance.

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 FY2024, 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, continuing from the previous year, 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

Fumio Izumida
Operating Officer,
General Manager of Corporate Strategy Division

Appropriately assessing risks from a company-wide perspective and formulating 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 are not only internal but also include natural disasters, cyber-attacks, geopolitical risks, and other emerging threats that have become more diverse and complex with the advancement of the economy and technology.

Nihon Kohden established the Risk Management Committee in FY2023, appointing an operating officer as its chair to initiate activities. The Committee primarily focuses on visualizing potential risks and examining response measures. In FY2024, to identify and address potential risks as early as possible, we conducted individual hearings with department heads. The results were reviewed at the Risk Management Committee, held twice a year, to identify new significant risks requiring company-wide responses and to formulate corresponding measures, thereby developing a sophisticated company-wide risk management framework. To achieve the goals of the Three-year Business Plan, BEACON 2030 Phase II, and realize our Long-term Vision, we will continue to strengthen these efforts and strive to further reduce risks.

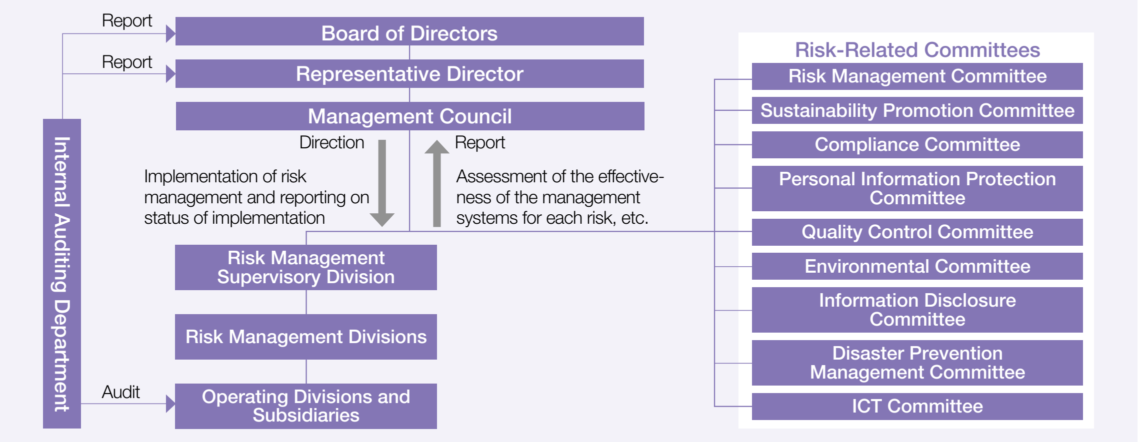
Approach to Risk Management

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 Directors 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 results of the self-assessment 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 FY2024, as in FY2023, 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 practice of compliance by thoroughly disseminating the Nihon Kohden Code of Ethics and Conduct, which serves as the Group's behavioral standard.

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.

We have established a global quality management system to address quality risks and a Computer Security Incident Response Team (CSIRT) to tackle information security risks, respectively. To mitigate compliance risks, we are enhancing employees' awareness and knowledge through compliance training.

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.

Developing a Company-wide Risk Management Framework

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 which 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

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 FY2024, the Company conducted evacuation drills, safety confirmation drills, as well as training of the disaster response at the head quarters, 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, or the spread of infectious diseases 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

Developing a Company-wide Risk Management Framework

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 greater consideration for human rights risks in accordance with the Human Rights Policy.

As part of these efforts, the Human Rights Due Diligence Implementation Project has been established to build and operate the framework, conducting human rights risk assessment questionnaires within the Company and for our suppliers. In FY2022, based on the results of the questionnaire, we conducted a human rights risk assessment considering the impact on management of human rights issues and identified key human rights issues and risks. In FY2023, we confirmed and proposed future countermeasures for business partners with high human rights risks through additional fact-finding surveys and interviews. Furthermore, in FY2024, we expanded the scope of the supplier questionnaire to include all domestic and international suppliers, striving to gain a broader understanding of human rights risks. 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 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 established a Product Security Incident Response Team (PSIRT) in April 2022. The Company has also established and implemented a Product Security Policy in May 2023. Furthermore, in October 2024, we 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 enhance information security, Nihon Kohden has also obtained outside certification. We obtained PrivacyMark certification in July 2005 and Information Security Management System (ISMS) JIS Q 27001 (ISO/IEC 27001) certification in January 2015; the scope of ISMS certification covers remote service operations for certain system products sold in Japan by the Nihon Kohden Group.

Nihon Kohden Corporation obtained PrivacyMark certification from JIPDEC.

Developing a Company-wide Risk Management Framework

■ 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.

1. Compliance with Laws and Regulations

Nihon Kohden complies with all applicable laws and regulations of each country and region.

2. Structure

Nihon Kohden has established a product security structure and takes appropriate actions including providing necessary information and alerts to our customers and all other stakeholders.

3. Education

Nihon Kohden provides education and training on product security to all executive officers and employees throughout the Nihon Kohden Group in a timely manner, with the goal of increasing their awareness of product security.

4. Product Development

Nihon Kohden develops plans for ensuring security throughout the total product life cycle of each product. We also design and manufacture our products to minimize cybersecurity risk.

5. Post-market Response

Nihon Kohden collects information on security vulnerabilities affecting our products in a timely manner as well as implementing risk management and other appropriate measures to evaluate, eliminate, and control cybersecurity risk and other risks.

6. Information Sharing and Disclosure

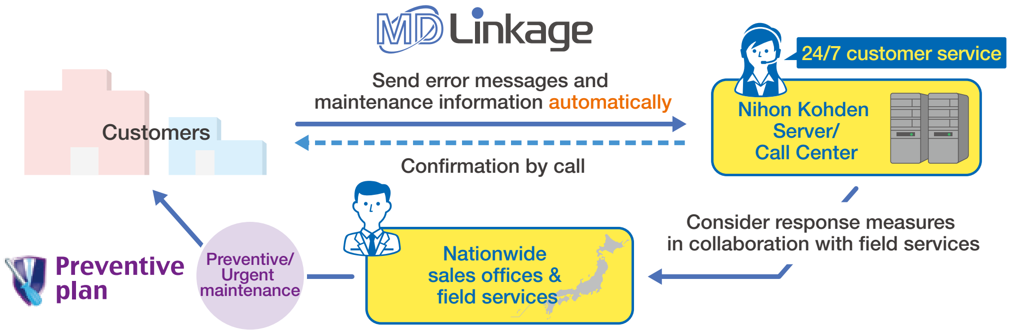
Nihon Kohden shares security information required by our customers as appropriate, including information about end of life of medical equipment, the status of our response to vulnerabilities, recovery procedures, and mitigation and remedial measures. We also provide coordinated disclosure of security vulnerability information in a secure manner by cooperating with government agencies and Information Sharing Analysis Organizations (ISAOs) as necessary.

The measures in this security policy by themselves are not sufficient to protect patients' and customers' information and financial assets from cybersecurity threats. In addition to product security measures, we can protect the assets of patients and customers from threats such as cyber risks only by implementing comprehensive and multi-layered security measures.

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

In order for Nihon Kohden to provide solutions to global medical issues, Chief Quality & Regulatory Officer (CQRO) is responsible for maintaining the Company's compliance with laws and regulations related to medical devices in each country and ensuring the safe and effective solution delivery processes and product quality.

To enhance the agility of the organizational structure established in the previous Three-year Business Plan, we have dissolved the three supervisory divisions under the Corporate Quality Management Operations, which were responsible for maintaining the Quality Management System (QMS), improving product quality, and monitoring the quality of our globally operating subsidiaries, in the second year of the Three-year Business Plan, BEACON 2030 Phase II. This reorganization has resulted in a more open and flat organization.

Underlying this reorganization is the need to strengthen resilience against unforeseen events that may occur in the course of our quality-related activities. Personnel assignments have also been revised to strengthen the functions regarding audits by each country's government and certification bodies, checks on Nihon Kohden Group companies, and post-marketing monitoring of products. In addition, the sections that evaluate the safety and reliability of developed products, which had been placed in the Technology Development Department, were reorganized into the Corporate Quality Management Operations. This will promote the exchange of human resources, with a view to handling the new Tsurugashima Factory. It will also strengthen the overall structure of the Corporate Quality Management Operations to improve product quality and shorten the Time to Market (TTM), time from product planning to market launch, required for the supply of products and services to the market.

There are continuing concerns about the impact on product quality due to changes in distribution channels of manufacturing materials, triggered by tariff policies in the U.S., as well as the tightening of regulations related to move to prefer domestically produced products in some countries. In order to respond flexibly to these various situation changes, we need to make prompt decisions and refine our quality monitoring at manufacturing sites in each country.

Within the Company, we have undergone QMS audits by the governments in various countries and are committed to continual quality improvement. Unfortunately, we had to recall our patient monitors, ventilators, and automated chest compression devices. We apologize for the concern and inconvenience caused to our customers. While company-wide efforts were made to promptly repair and improve the products and prevent any health issues from occurring, we will continue to correct the product development process and upgrade the QMS to prevent the recurrence of recalls.

To realize Nihon Kohden's Quality Policy shown below, we will operate an appropriate QMS, ensure compliance with laws and regulations in our development, production, sales, and maintenance activities, and promote the sustainability of continuous improvement. These actions of each employee are based on Nihon Kohden's pursuit of the highest level of quality in the world, and we are confident that this will be reflected in our products.

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 FY2024, Nihon Kohden conducted three recalls for products manufactured and distributed in Japan, resulting inconvenience to medical professionals.
We are making company-wide efforts to prevent the recurrence and to build up a record of "Zero Recall Days".
In FY2025, 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 devices at the global level, Nihon Kohden has established its QMS that has strengthened 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 device-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 customer service as well as software design and manufacturing quality to pursue customer value.

To enhance services for our customers, 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 its medical devices and in vitro diagnostics. 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 shorten downtime and reduce failure rates to achieve high product availability.

To increase the utilization rates of products used by our customers, we will continue to work to reduce the failure and re-repair rates. We will also promote the prompt provision of replacement devices in the event of malfunctions and the reduction of delivery times of repair parts and repair times.

(4) We will work on human resource development to achieve quality targets and pursue customer value.

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

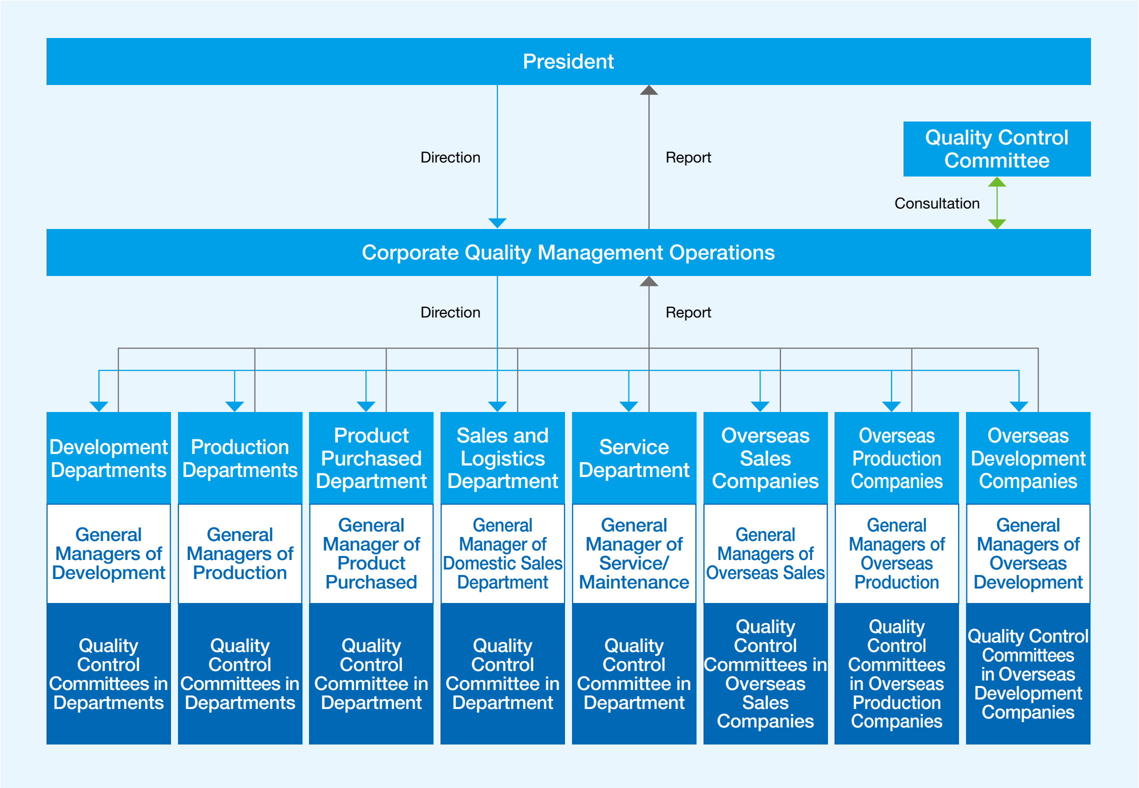
Quality Management

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
	Certification Date	Certification Date
Nihon Kohden Corporation*	January 1995	February 2003
Nippon Bio-Test Laboratories Inc.	May 2014	-
Nihon Kohden America, LLC	-	March 2016
Defibtech, LLC	-	February 2004
Nihon Kohden OrangeMed, LLC	-	June 2019
Neurotronics, LLC	-	October 2009
Nihon Kohden Digital Health Solutions, LLC	-	June 2022
Ad-Tech Medical Instrument Corporation	July 1999	September 2000
Nihon Kohden Europe GmbH	November 1995	November 1995
Nihon Kohden Firenze S.r.l.	December 1995	December 1999
Software Team Srl	July 2013	July 2013
Shanghai Kohden Medical Electronic Instrument Corp.	December 1995	December 2003
Nihon Kohden Malaysia Sdn. Bhd.	-	April 2015
Nihon Kohden India Pvt. Ltd.	August 2018	August 2018
Nihon Kohden Middle East FZE	July 2020	June 2020

* Including Nihon Kohden Tomioka in the scope of certification.

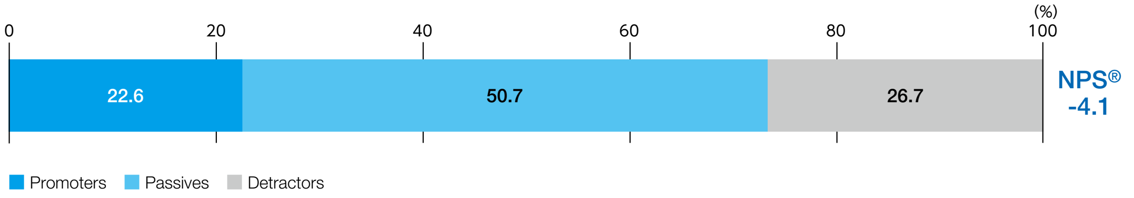
Quality Management

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 fourth time in FY2024. The overall NPS® survey score was -5.3 points in FY2021, -4.0 points in FY2022, and temporarily declined to -8.4 points in FY2023, but improved to -4.1 points in FY2024. In the evaluation of individual scores related to "Corporate Image and Contribution to Customer Value," the score for "Product cost effectiveness" was improved. On the other hand, the score for "Technology development capability" continued to need improvement. Survey items are reviewed from time to time in light of changes in social demands and customer needs. Beginning with the FY2024 survey, we have added "Environmental considerations such as resource and energy conservation" and "Product design and appearance" to the survey items in an effort to more accurately grasp customer opinions and requests. 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 Satmetrix Systems (now NICE).
Net Promoter System, Bain & Company's Website
https://www.bain.com/consulting-services/customer-strategy-and-marketing/customer-loyalty/

NPS® Survey Results in FY2024 (Overall Score)

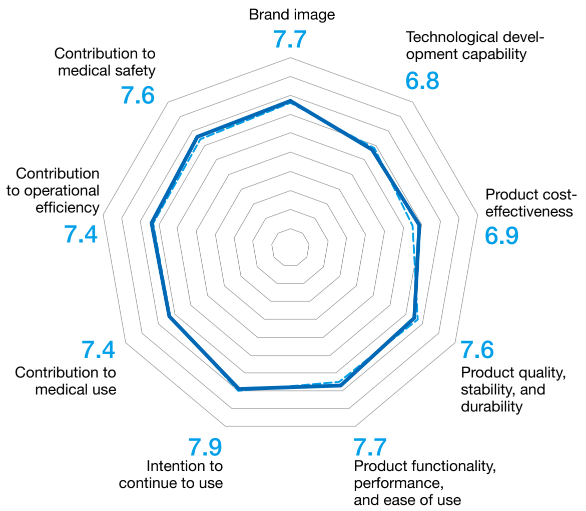


NPS® Survey Results in FY2024 (Individual Scores)

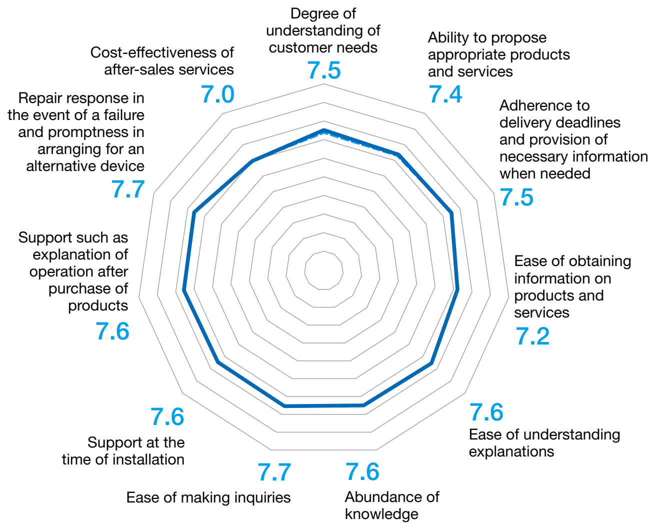
* 10-point scale for each item

FY2024 FY2023

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 FY2024.

FY2024 Results	
1,535 sessions (In-person training: 1,239 times, providing materials (including video files): 284 times, online-based training sessions: 12 times)	29,425 participants (In-person training: 23,537 participants, non-in-person training: 5,888 participants) 691 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

To realize our Quality Policy, 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 **the Information Risk Management page** and our website.

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.
Through these efforts, Nihon Kohden strives to ensure both employee safety and environmental friendliness.

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

Yutaka Inano
Operating Officer,
Chief Manufacturing Officer,
General Manager of Production Operations,
President of Nihon Kohden Tomioka Corporation

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.
In recent years, social demand for sustainability initiatives in collaboration with the supply chain has been increasing. As strengthening partnerships with our business partners become even more important, we will continue working together to reduce environmental impacts and fulfill our social responsibility toward a sustainable future.
Nihon Kohden is reinforcing collaboration between the Production Departments and the Supply Chain Management (SCM) Departments to establish a fully integrated global supply chain management system encompassing procurement, production, logistics, and inventory management. 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.

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 FY2024, 60 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 FY2024, we conducted a Supplier Questionnaire with an expanded scope, replacing the Sustainability Questionnaire that had been administered annually until the previous fiscal year. Responses to the Supplier Questionnaire are used to confirm our partners' 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 promote sustainability in cooperation with our business partners.
Until FY2023, the survey focused on key suppliers* in Japan and overseas. In FY2024, we expanded the scope of the survey to include all domestic and overseas suppliers. The survey enables us to assess the status of our business partners' sustainability initiatives and identify potential issues at an early stage. Through ongoing dialogue, we aim to discuss appropriate countermeasures, mitigate risks, and build strong, trusting relationships with our business partners.
In FY2024, the survey covered five categories: Environment, Human Rights, Quality Management, Health and Safety, and Governance. Based on the questionnaire responses, we confirmed the following status of initiatives. (Response rate: 68.0%)

Environment	Efforts to address climate change and reduce environmental impact have been weak.
Human Rights	Although systems are being established and various measures are being implemented, issues remain in terms of understanding the actual situation.
Quality Management	Efforts are being promoted to ensure the safety of products and services and the development of a safe delivery system.
Health and Safety	Necessary safety measures are in place, including policies and systems.
Governance	The survey was conducted in the three areas of governance, compliance, and information security. Measures are being taken not only for governance and compliance, but also for cybersecurity.

We shared a feedback sheet with suppliers who participated in the survey, enabling them to utilize the results in their future initiatives.
We will continue to strengthen collaboration with our suppliers to advance our sustainability efforts.

* Suppliers with large purchase amounts, suppliers of parts for major and strategic devices, and suppliers of non-substitutable parts.

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

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

As stated in our Management Philosophy, "we create a fulfilling life for our employees," Nihon Kohden regards the people working within its organization as valuable assets, referring to them as "human capital." Therefore, I believe it is my responsibility to foster a corporate culture in which each employee can maximize their potential, fully demonstrate their abilities, and grow into individuals who take pride in contributing to healthcare.

In FY2023, we introduced a role-based personnel system for general employees, establishing a foundation that enables each individual to actively pursue their career goals and be evaluated appropriately. Furthermore, we are strengthening our efforts in talent development and organizational culture building, guided by the Core Values, which represent the shared values of all employees worldwide and serve as the foundation for realizing our Long-term Vision.

By further strengthening our efforts, we will continue to build a foundation for the Nihon Kohden Group to achieve sustainable development and the creation of its competitiveness. At the same time, the entire Company will work together to realize our Management Philosophy and Long-term Vision.

Kenji Furukawa

Senior Operating Officer, Chief Human Capital Officer, General Manager of Human Resources Development Operations

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 will recruit human resources 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 environments that foster employees with high ethical standards, ambition, curiosity, and empathy who can autonomously and continuously grow and undertake the challenges of new value creation.

In FY2024, as in the previous year, we continued to hold the Core Values Award, with the aim of instilling the Core Values among employees and providing opportunities to relate the Values to individual tasks. When we solicited episodes embodying the Core Values in business operations, we received numerous stories that revealed activities conscious of these Core Values across all areas of work, including customer interactions, product development, and production sites. These episodes have become valuable examples showing how employees incorporate the value standards into their daily tasks. 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 FY2024 was 28.9 hours per person. A total of 635 people*2 attended leadership training in FY2024.

*1 Based on the actual results for FY2024, the target was revised upward.
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.

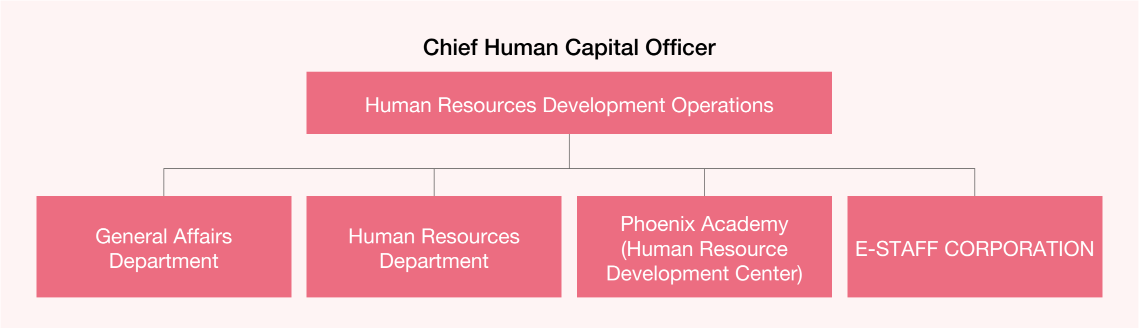
*2 The total number of participants in various training programs designed for senior managers, managers, and assistant managers, as well as the Management Position Challenge Training.

Initiatives to Enhance the Value of Human Capital

Human Resource Management System

With the introduction of the CxO framework in April 2024, Nihon Kohden appointed a Chief Human Capital Officer to oversee human resource development across the entire Nihon Kohden Group and established the Human Resources Development Operations, which comprises the General Affairs Department, the Human Resources Department, the Phoenix Academy (Human Resource Development Center), and E-STAFF CORPORATION. The Human Resources Department is responsible for comprehensive talent strategies and develops and implements specific initiatives for Diversity, Equity and Inclusion (DE&I). The Phoenix Academy (Human Resource Development Center) handles the dissemination of the Core Values and overall employee education. In promoting health management of employees, the General Affairs Department, the Human Resources Department, and E-STAFF CORPORATION work in collaboration.

Structure of Human Resource Management Promotion System



For further details, please refer to our website.
Relationship with Employees

■ Targets and Results for Ensuring Diversity in Core Human Resources

	Current status (As of March 31, 2025)	Target	Achievement period
The ratio of female managers*1	8.0%	12% or more	April 2026
The ratio of male employees taking childcare leave*1	58.7%	30% or more	Maintain the current status
Appointment of female directors, management operating officers, and operating officers*2	2 female directors,*4 2 female operating officers	4 persons or more	Maintain the current status
The ratio of female directors, management operating officers, and operating officers*2	14.3% *4	30% or more	End of June 2030
The ratio of foreign nationals in CxO*3 or higher positions at overseas subsidiaries	47.1%	50% or more	April 2026
The ratio of mid-career hires in management positions*1	46.1%	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, 2025.

■ Differences in Wages between Male and Female Workers

Ratio of Women's Wages to Men's Wages in FY2024

Total workers	70.6%
Permanent employees	75.2%
Part-time and fixed-term contract employees	63.8%

* 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 experience, knowledge, and adaptability needed to succeed in global settings. Through the program, we provide employees with opportunities for long-term study at overseas language schools, on-the-job training at overseas offices, practical training at overseas research institutions or companies, and study at overseas universities or research institutions.

In FY2024, three employees participated in long-term language study or on-the-job training at overseas offices for approx. nine months. As of March 2025, 28 foreign employees work at offices in Japan, and 49 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 medical care through the International Training Program (Overseas Challenge Program)

I joined Nihon Kohden with a strong desire to be involved in work that contributes to human life. I have mainly engaged in the planning and marketing of Software as a Service (SaaS) business. In the process, I felt the need to deepen my understanding of overseas business, so I applied for the international training program. The experience I gained at Nihon Kohden Digital Health Solutions, LLC, one of the U.S. subsidiaries where I received my training, has been invaluable. I was impressed by the professionalism of each of the local and expatriate employees, and their commitment to their work with a high level of perspective and a sense of responsibility. Upon returning to Japan, I will use this experience to expand and promote the Digital Health Solutions (DHS) business.

My goal is to provide better products and services to protect the health and lives of people around the world. As a member of Nihon Kohden, I will make the most of the knowledge and experience I have gained through this training to support the future of medicine.

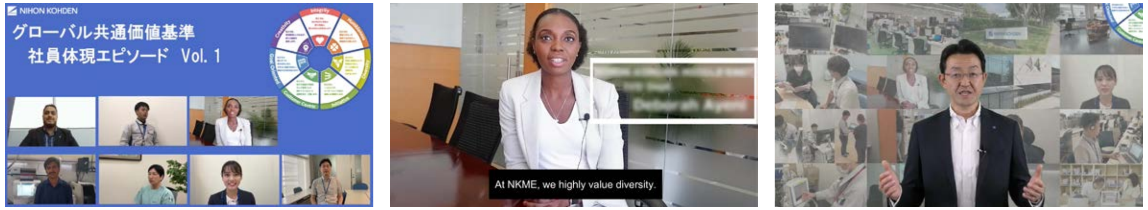
Rikiya Ohashi
CX Planning Section,
Business Promotion Department,
Solution Business Division

Initiatives to Enhance the Value of Human Capital

■ 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 backgrounds of various cultures and languages around the world to act in accordance with common goals and the Core Values. In 2019, the Company started a group-wide education program on its Management Philosophy by using common educational materials. By systematically learning about the history of the Company's foundation and Management Philosophy, this program provides an opportunity to deepen employees' understanding of the Company and its work, as well as their appreciation of the Company's attractiveness. With the aim of promoting the understanding, embedding, and implementation of the newly established Core Values, Nihon Kohden has developed various unique measures in each country since 2021, aiming to instill Nihon Kohden's DNA.

The Global HR meeting has also been held biannually, bringing together human resources and education managers from each Group company to share each country's unique measures for spreading the Management Philosophy and the Core Values among employees, as well as to exchange opinions on new employee training, the fostering of corporate culture, measures to improve employee engagement and other issues. In December 2022, to further promote the Core Values, Nihon Kohden established the Core Values Promotion Project in Japan through an internal open recruitment system. The project members from various divisions and job categories studied "how to help employees around the world understand and practice the Core Values," and developed measures to achieve this goal. The Project entered its second phase in July 2024. We are continuing our promotional activities to realize the Core Values by holding discussions on the Core Values with the participation of all employees and releasing videos of episodes in which overseas employees embody the Core Values.



Videos sharing episodes that embody the Core Values

■ Core Values

For further details, please refer to our website.

Human Resource Development

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

In accordance with Act on the Promotion of Women's Active Engagement in Professional Life, Nihon Kohden has formulated an action plan and promoted the development of a workplace environment in which women can play an active role. 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 April 2021, we formulated an action plan for five years to March 31, 2026, and 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%.

女性が活躍しています!

In FY2024, the ratio of female managers in all managerial positions in FY2024 was 8.0%, down by 0.1 percentage points from the previous fiscal year. The ratio of female executives was 14.3% (two female outside directors and two female operating officers as of June 30, 2025).

To encourage male employees taking childcare leave, in addition to awareness raising activities by utilizing the Company Newsletter, we have formulated and distributed a guidebook for male employees to help them balance childcare and work. We have also conducted individual consultations regarding childcare leave. 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 efforts, the ratio of male employees taking childcare leave in FY2024 was 58.7%, far exceeding the Company's target. Additionally, we have introduced a spousal maternity leave system as our unique system to support male employees' participation in childcare, and the combined utilization rate of this system and childcare leave was 88.8%. We 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.

Initiatives to Enhance the Value of Human Capital

■ Women's Activity Promotion Program

To achieve a 12% ratio of female managers, we have continued to implement the Women's Activity Promotion Program since FY2022. In FY2023, we started training for young female employees, aiming to support their efforts to balance work and personal life while building their own unique careers and developing leadership skills. We also provided guidance to their supervisors to encourage active involvement in supporting the career development of their team members.

In FY2024, we held a total of 20 dialogue sessions for female employees in leadership roles who are candidates for management positions, featuring role model female managers and executives. These sessions aimed to increase motivation to pursue management positions.

■ Networking Events

The Beacon Terrace, an employee networking event operated by volunteer female employees, was launched in FY2021 and has been held continuously since then, with many employees participating. In FY2023, the event provided a space for employees of all genders to engage in discussions on themes such as "Products" and "Careers and Work Styles." In FY2024, under the theme of "Products and Services," female employees from the R&D departments and the sales departments led discussions on product applications, specifications, and services, exploring new possibilities for customer value that Nihon Kohden could offer.

■ 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 support participants in resolving career development challenges and fostering personal growth. 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 encourage them to set ambitious goals. Since FY2021, the program has been expanded to include male employees, supporting the development of a wider range of talent. In FY2024, many employees participated in the program as mentees and mentors, including those working at overseas subsidiaries.

■ LGBTQ Support Initiatives

In FY2024, Nihon Kohden conducted its first training session to raise awareness and understanding of LGBTQ issues. A total of 63 participants attended this training program, mainly from the human resources, general affairs, and legal departments. These departments are closely involved in shaping company policies and workplace environments. The training aimed to foster understanding of sexual diversity and explore potential workplace initiatives. In the training, participants gained foundational knowledge about LGBTQ issues through lectures delivered by instructors from a certified NPO. They also engaged in group discussions on potential initiatives that could be implemented at both the company-wide and workplace levels, providing an opportunity to reflect on new challenges related to advancing our DE&I efforts.

We will continue our efforts to promote understanding of LGBTQ issues and other forms of diversity by organizing training sessions and sharing relevant information, with the goal of creating an inclusive and supportive workplace environment where all employees can work with confidence and peace of mind.

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 FY2024, the annual paid leave usage rate was 56.2% (11.5 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 FY2024, the number of non-mandated paid leave days taken per employee was 2.0 days.

■ Support Systems and Initiatives for Childcare

As part of the efforts to support employees in balancing work with childcare and nursing care, regardless of gender, 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.
In addition to the expansion of systems related to working arrangements, the Company has provided partial wage subsidies for the first month of childcare leave since FY2022, offering financial support to help employees balance work and childcare responsibilities.

■ Career Support Initiatives

In order to improve "Employee satisfaction" and "Develop human resources who can succeed globally," which were listed as KPIs of its material issues for sustainability in the previous Three-year Business Plan, Nihon Kohden launched a career support program called "NK Career Support" in FY2023. In November 2023, as one of its career support measures, the Company launched an e-learning program to provide opportunities for career development learning, with over 2,000 employees completing the program.
Additionally, we have reviewed and consolidated our career support measures for employees and developed a roadmap for future initiatives. To help employees build their career plans, we released the NK Career Path as a reference guide and the NK Job Encyclopedia, which outlines internal job roles.
We will continue to develop training programs and systems that support the autonomous 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

Starting in FY2023, Nihon Kohden introduced a new role-based (job-based) personnel system for general employees, shifting to a grading system based on the significance of expected roles in their work. As part of the measures to support the implementation of this new system, the Company launched the Management Position (Manager) Challenge Training for employees who have not yet been appointed to management roles. The training program helps employees acquire the knowledge, skills, and mindset required for management, enabling them to proactively develop their abilities for promotion.
Furthermore, in FY2024, we launched a new G4 (Leader) Challenge Training for employees who are candidates for leaders. This training program focuses on enhancing leadership, communication abilities, and problem-solving skills 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 FY2024: 257 in Management Position Challenge Training, 100 in G4 Challenge Training)

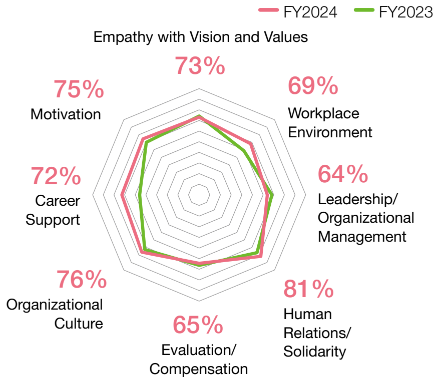
For further details, please refer to our website.
Reforming Working Styles

Employee Wellbeing

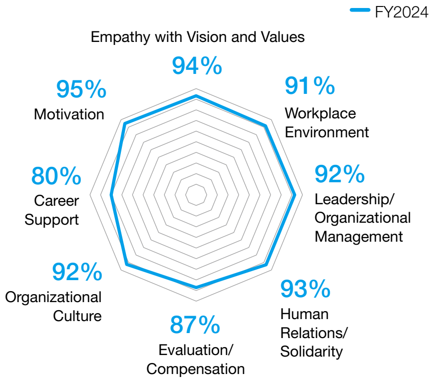
■ Employee Satisfaction Survey

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 FY2024, 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. Based on the results of the FY2023 survey, we promoted the NK Career Support program to assist employees in autonomous career development and implemented company-wide initiatives to improve productivity. As a result, improvements were observed in the categories of "Career Support" and "Workplace Environment." Furthermore, in FY2024, the same survey was conducted for the first time with approx. 1,000 employees from 20 overseas subsidiaries. The results confirmed high levels of satisfaction across all eight categories.
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.

■ 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

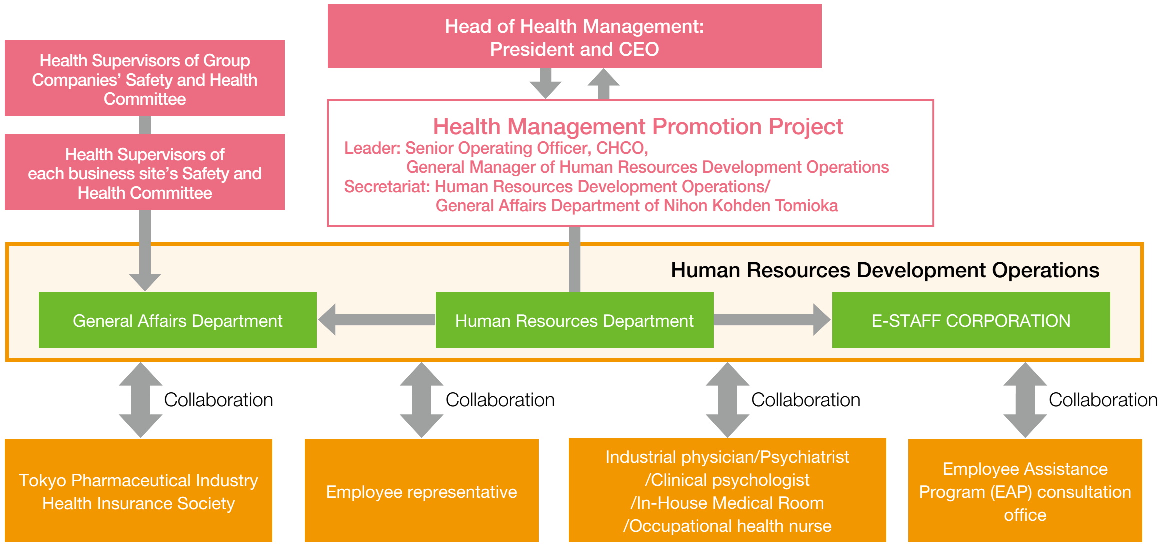
The Nihon Kohden Group, under the Management Philosophy that we contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees, aims to create a better future for people and healthcare by solving global medical issues in its Long-term Vision, BEACON 2030. In order to address medical, environmental and social issues through the promotion of sustainability, the health and wellbeing 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 has been implementing various initiatives based on its annual goals and plans to promote employee health. Based on the reports on the content and progress of these initiatives, the Company established a Health Management Promotion System led by the CEO and CHCO and launched the Health Management Promotion Project in May 2024, to advance cross-organizational activities.
The domestic departments responsible for health management collaborate with industrial physicians, nursing professionals such as public health nurses, counselors, occupational health staff, and the Health Insurance Society to provide personalized health management services tailored to each employee. Additionally, our cross-organizational efforts are being made to prevent and remedy lifestyle-related diseases, reduce smoking rates, enhance the activity (productivity) index, and hold health seminars, among other initiatives.

Health Management Promotion System



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, expanded eligibility to include temporary employees, and extended 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. According to the internal survey conducted in August 2024, the employee smoking rate was 18.3%, a decrease of 0.8 percentage points from the previous survey. 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 can also access this service online. As a result of the approx. three-month smoking cessation program, the number of employees who successfully quit smoking has increased.

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 promoting initiatives that contribute to a healthier society, such as offering company-paid outpatient visits to smoking cessation clinics as part of optional health examinations.

Health seminar initiatives

In FY2024, two health seminars were conducted by in-house public health nurses. The themes were "Female Hormones and Mental and Physical Care - Turning Menopause into an Opportunity" and "Male Menopause Seminar - Health Management Strategies for Business Professionals." Each seminar was attended by over 100 employees from various age groups and genders. These seminars provided an opportunity to deepen understanding of health management not only for oneself, but also for family members and colleagues, 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 conducts stress management tests (stress checks) and works on early detection and prevention of mental health issues through both self-care and line care. In FY2024, in addition to workplace-specific training, we conducted self-care training and line-care training sessions to help individual employees and teams utilize the test results effectively. Mental health education is also provided as part of training programs 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, supporting the creation of a safe and comfortable working environment.

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

Initiatives to Enhance the Value of Human Capital

Harassment Prevention Initiatives

Nihon Kohden aims to contribute to the world by fighting disease and improving health with advanced technology and 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 prevent harassment and ensure prompt resolution when it occurs, we have established an internal harassment consultation, and in addition, set up an external consultation to ensure that anyone can feel comfortable seeking advice. When a consultation is received, we make every effort to ensure that the privacy of the individuals involved is strictly protected, and that they are clearly informed that they will not be treated unfavorably in any way due to the content of the consultation or their cooperation in confirming the facts, so that they can feel secure in seeking advice. In FY2024, there were 20 harassment consultations and five grievance consultations.
E-learning programs have also been conducted regularly for both general employees and managers to promote a proper understanding of harassment, with 4,211 participants (100% participation rate) in FY2024. In addition, we provide harassment training for newly appointed managers to ensure a proper understanding of harassment and its prevention, aiming to create a comfortable workplace environment.

TOPICS

In March 2025, Nihon Kohden was certified for the first time as a “Health & Productivity Management Outstanding Organization 2025 (Large Enterprise Category)” under the recognition program established by the Ministry of Economy, Trade and Industry (METI) in Japan. This certification program, administered by the Japan Health Council, aims to make companies that actively promote excellent health management more visible. It helps create an environment where such companies can be socially recognized by employees, job seekers, business partners, and financial institutions.
To ensure that each employee takes pride in their contribution to healthcare and continuously tackles global medical issues, we will implement our Management Philosophy and foster a culture of health.

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, public interest in corporate human rights initiatives has 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

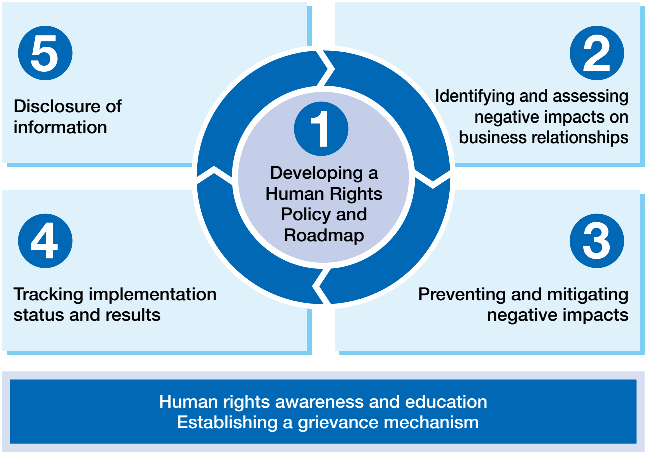
Human Rights Due Diligence

Nihon Kohden has established a human rights due diligence structure to identify, prevent, and mitigate negative impacts on human rights.

In FY2023, based on the questionnaire results, we conducted additional fact-finding surveys and interviews with suppliers identified as having high human rights risks. Through these efforts, we confirmed future measures and proposed strategies to mitigate these risks. Additionally, we established a human rights consultation hotline for our suppliers and customers to receive consultation on human rights issues in the supply chain. Furthermore, we have developed a roadmap for the next three years and set up key performance indicators (KPIs) to guide our efforts. In FY2024, the scope of our supplier questionnaire was expanded from our key suppliers* to all suppliers of domestic and overseas Group companies excluding some overseas subsidiaries. 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.

* Suppliers of orders with large purchase amounts, suppliers who provide parts for major and strategic models, and suppliers who provide non-substitutable parts.

Overview of Our Human Rights Due Diligence



Respect for Human Rights

■ Human Rights Risk Assessment and Identification

In promoting sustainability initiatives through its business activities, Nihon Kohden closely engages with all stakeholders, including customers, shareholders and investors, business partners, local communities, and employees. Therefore, a wide range of human rights risk issues can be anticipated, such as discrimination and harassment based on race or gender, excessive working hours, child labor, leakage of personal information, and environmental pollution.

To address these risks, the Company conducts an impact assessment of human rights issues. We focused on approx. 30 human rights issues for impact assessment based on 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). After assessing the impact of these issues, 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. We will regularly reevaluate these critical key human rights issues to prevent or mitigate negative impacts.

For further details, please refer to our website.
Human Rights Impact Assessment/Human Rights Risk Assessment

■ Monitoring by Questionnaire Survey and Promoting Risk Reduction Measures

As a measure to reduce and mitigate human rights risks, Nihon Kohden conducts annual questionnaire survey and monitoring of Group companies and suppliers in Japan and overseas. The Company also systematically promotes its initiatives for risk reduction. In FY2024, the scope of the survey was expanded to cover all suppliers of domestic and overseas Group companies excluding some overseas subsidiaries to identify and address a wider range of human rights risks.

At domestic and overseas Group companies, we have promoted risk reduction measures concerning "Excessive and unreasonable working hours" as well as "Sexual harassment, power harassment, and harassment related to pregnancy, childcare, and nursing care, etc." which have been identified as key human rights issues. We have conducted additional fact-finding surveys and interviews for suppliers identified as having high risks to confirm future measures and proposed strategies to mitigate the risks.

Risk	Measure
Excessive and unreasonable working hours	To reduce excessive and unreasonable working hours, such as long working hours and consecutive working days without adequate rest, we started full-scale implementation of the Flextime System and Teleworking System in January 2023 to promote flexible work arrangements. In addition, to improve workforce productivity, annual overtime quotas are set for all departments, and measures are implemented throughout the year to manage and reduce overtime work. We mitigate the risk of long working hours by setting individual and monthly overtime quotas with the attendance management system, monitoring monthly overtime status, and sending alert e-mails when overtime quotas are exceeded.
Sexual harassment, power harassment, harassment related to pregnancy, childcare, and nursing care, etc.	In addition to providing harassment education through e-learning for all executives and employees, we conduct annual training for newly appointed managers on how to appropriately handle harassment reports and consultations. By continuing these training programs, we aim to reduce the risk of harassment.

Respect for Human Rights

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 FY2024, 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

■ Consultation Counter and Internal Reporting System

Nihon Kohden has established a harassment consultation counter and internal reporting system to offer consultations on various human rights issues, including sexual harassment, power harassment, and maternity harassment, as well as labor issues involving sexual minorities (such as LGBTQ individuals) and foreign employees. Employees can access the consultation counter and reporting system anonymously, and their privacy is strictly protected and carefully handled to ensure that they do not suffer any unfavorable treatment. To provide relief to individuals seeking the consultation, we conduct fact-finding investigations regarding the details of the consultation received, with the consent of the persons themselves. When the facts are confirmed, appropriate measures are taken, including corrective actions, awareness-raising to improve the work environment, and educational efforts to prevent recurrence. These matters are shared at quarterly meetings of the Compliance Committee, where countermeasures are discussed.
Additionally, we established a human rights consultation hotline for our suppliers and customers in October 2023 to receive consultation on human rights in the supply chain.

■ 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 FY2024, the numbers of executives and employees who participated in harassment education and in human rights training were 4,211 and 4,213, respectively. Through these training programs, we aim to promote understanding of human rights risks and human rights policies, deepen awareness of sexual minorities (such as LGBTQ individuals), and foster a workplace culture that supports the elimination of discrimination based on gender identity and sexual orientation.
We also strive to prevent human rights violations through training for newly appointed managers that includes sessions on harassment prevention and procedures for responding to harassment reports and consultations.

■ 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.**

Respect for Human Rights

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 place importance on ongoing communication with our business partners and are committed to reducing and mitigating human rights risks. We conduct an annual questionnaire survey and monitoring of all suppliers of Group companies in Japan and overseas. 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 addition to our key suppliers*. Through additional fact-finding surveys, interviews, and feedback based on the questionnaire results, we engage in dialogue with our suppliers and support them in reducing risks.

* Suppliers of orders with large purchase amounts, suppliers who provide parts for major and strategic devices, and suppliers who provide non-substitutable parts.

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 strengthening our environmental activities through our business activities and the actions of employees to realize a sustainable and carbon-neutral society.

Message from Operating Officer

My role as the Operating Officer in charge of environmental affairs is to ensure that our business activities consider the global environment, thereby realizing Nihon Kohden's commitment to coexisting with the environment as stated in our Sustainability Philosophy. Under this Philosophy, we aim to contribute to human lives and all life on Earth through our business activities and social contribution efforts.

Nihon Kohden's business is to develop, produce, sell, and maintain medical devices used in healthcare settings. However, our business activities inevitably have some negative impacts on the natural environment. I believe it is crucial for each employee to fully recognize this fact and take responsible actions to protect the global environment and improve quality in all aspects of our business activities.

In the Three-year Business Plan, BEACON 2030 Phase II, we have identified "Realize carbon neutrality" and "Promote circular economy" as material issues for sustainability and are addressing environmental issues.

Kenji Furukawa
Senior Operating Officer, Chief Human Capital Officer, General Manager of Human Resources Development Operations

To "Realize carbon neutrality," we are working to reduce greenhouse gas emissions through the use of renewable energy, the introduction of energy-saving equipment, the optimization of production equipment operations, and the transition to fuel-efficient company vehicles.

Additionally, to obtain the Science Based Targets (SBT) certification by FY2026, we are expanding the scope of greenhouse gas emissions calculations to include domestic and overseas offices and the entire supply chain, while pursuing third-party verification to enhance the reliability of environmental performance data.

Furthermore, as part of our efforts in product development, we are committed to providing products and services that consider the global environment. The Green Product Label certification structure, which started in March 2024, has been expanded to certify products and services that reduce environmental impacts, such as CO_2 emissions, compared to existing models, in four-tier assessment ranking.

At the new Tsurugashima Factory, currently under construction, we are preparing to introduce solar panels and utilize rainwater. The entire Group will continue to engage in business activities that are sensitive to the global 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.
The Asaka Office and the Eastern Japan Logistics Center obtained new certification in 2019 and in January 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.

Environmental Management

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

Established: April 1, 2025

Nihon Kohden has set environmental targets for FY2050, FY2035, FY2030, and FY2025. 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 FY2025

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. (Target values are based on environmental targets at 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)

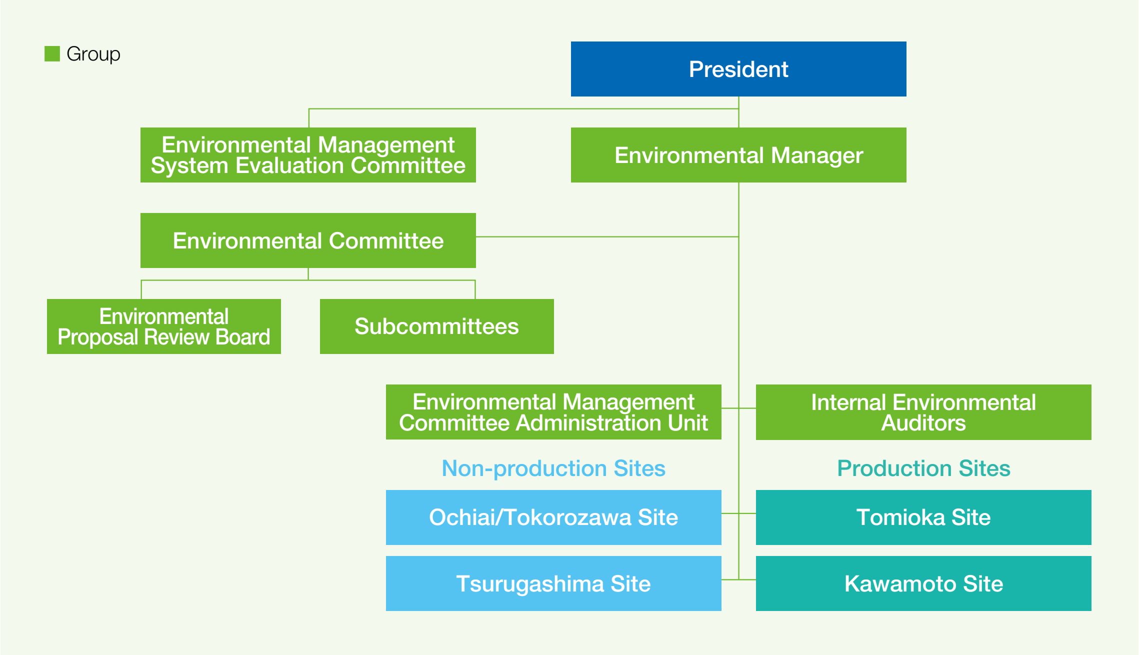
3. **Continuously reduce energy consumption and CO_2 emissions in our business activities to realize carbon neutrality**
In consideration of the increase due to growth in sales, production, and site reorganization, reduce the energy usage on a per unit basis by 2.6% and the CO_2 emissions on a per unit basis by 2.1%, year-on-year.

4. **Promote circular economy**
Promote the 3R's of reduce/reuse/recycle and achieve the following: 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.

*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)



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 according to the following policy.

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 purchase of toxic substance-free products**

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). Rate of achievement: ✓✓✓ 100% achievement, ✓✓ At least 80% achievement, ✓ Less than 80% achievement

Environmental Goal	FY2024 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, Kawamoto, and Tsurugashima), we worked to improve productivity based on operational targets and promoted reduction in 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 defect rates and reduce CO_2 emissions in the production processes. 2-3. Manage water usage linked to production volume to reduce the volume of water consumed in the production process.	✓✓✓	2-1. We achieved the targets based on product assessment plans and evaluation sheets by developing 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 reducing CO_2 emissions in the production processes. 2-3. At the Tomioka site, we achieved our targets by 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 a carbon-free society	In consideration of the increase due to growth in sales and production, as well as the decrease due to changes in crude oil conversion and CO_2 emission factors, reduce the energy usage on a per unit basis by 12.3% and the CO_2 emissions on a per unit basis by 12.5%, year-on-year.	✓✓	We reduced the energy consumption intensity by 11.5%, and the CO_2 emission intensity by 11.2% compared to the previous fiscal year. Although electricity and gas consumption for air conditioning increased due to temperature influences, we reviewed the operation methods of production facilities, introduced an energy management system (EMS) at the Advanced Technology Center, and transitioned to fuel-efficient company vehicles. Although the targets were not achieved, these efforts led to improvements compared to the previous fiscal year.
4. Contribute to creating a recycling-oriented society	Promote the 3R's of reduce/reuse/recycle and achieve the following: In consideration of the increase in sales and production, limit the year-on-year increase in total waste emissions to 2.3%, limit the year-on-year rise in waste emissions on a per unit basis to 0.1%, and achieve a recycling rate of 95.1% or more.	✓✓✓	The total waste emissions were reduced by 1.9%, the waste emissions on a per unit basis decreased by 3.4%, and the recycling rate was 95.6%, achieving the targets.

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 four times 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. The short-term (to FY2023), medium-term (to FY2026), and long-term (to FY2029) timeframes were revised to short-term (to FY2027), medium-term (to FY2030), and long-term (to FY2050), and we have calculated the business impact of risks and opportunities under the 1.5°C/2°C scenario* and the 4°C scenario*.

* 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

1.5°C to 2°C Scenario

Major Risks and Opportunities	Business Impact	Time Horizon	Proposed Countermeasures
Introduction of carbon tax and emissions trading ● Risk: Loss of sales opportunities in environmentally developed markets ● Risk: Deterioration in earnings due to higher carbon prices ● Risk: Legislation for use of renewable energy and reduction of electricity use	Small	Medium- to long-term	● Use of renewable energy to reduce CO_2 emissions ● Adoption of energy-efficient production facilities ● Promotion of environmentally friendly products with high CO_2 reduction effects
Increase in demand for environmentally friendly products ● Risk: Loss of sales opportunities due to not meeting customer requirements ● Opportunity: Sales opportunities due to increased demand for relevant products	Risk: Small Opportunity: Small	Short-term	● Strengthening the development of environmentally friendly products ● Selection of low environmental impact parts and delivery methods
Increase in demand for digital health solutions with low environmental impact ● Risk: Increase in investment costs for R&D and capital equipment ● Risk: Decrease in competitiveness when companies with superior climate change solutions enter the market ● Opportunity: Business opportunities through integration and analysis of vital sign data and clinical support applications	Risk: Small Opportunity: Small	Short- to Medium-term	● Reduction of CO_2 emissions through promotion of telemedicine and tele-ICU ● Creation of business opportunities through new initiatives such as automatic control of medical equipment
Higher prices for raw materials such as resin used in product housings ● Risk: Higher production costs	Small	Short- to Long-term	● Adoption of common platforms in product development and production processes ● Cost reduction by reducing part counts and optimizing components ● Optimization of sales prices
Stakeholder assessment ● Risk: Deterioration of procurement costs (Deterioration of financing conditions and divestment by financial institutions and investors)	Small	Medium- to Long-term	● Establishment of environmental target such as CO_2 emissions reduction ● Improvement of evaluation by external organizations through enhanced information disclosure

4°C Scenario

Major Risks and Opportunities	Business Impact	Time Horizon	Proposed Countermeasures
Extreme natural disasters such as torrential rains and floods ● Risk: Significant disruption to product supply, sales and service activities ● Risk: Disruption to health and safety of employees and their families ● Opportunity: Expansion of disaster medical needs	Risk: Small Opportunity: Small	Short- to Long-term	● Business Continuity Plan (BCP) for the entire supply chain ● Reducing risks by securing raw material suppliers, supply systems, and transportation routes; providing support to suppliers; and purchasing from multiple suppliers ● Relocation of offices with high flood risk
Insufficient supply of water and other resources ● Risk: Stagnation in production of products and consumables that use water and other resources ● Opportunity: Expansion of sales opportunities for products with low water usage	Risk: Small Opportunity: Small	Short- to Long-term	● Reuse of water resources discharged in the production of hematology reagents ● Development and provision of products that use less water resources
Increase in infectious diseases ● Risk: Suspension of production, delays in supply chain, disruption of healthcare systems ● Opportunity: Enhancement of healthcare systems for disasters and emergencies	Risk: Medium Opportunity: Medium	Short- to Long-term	● Expansion of product supply, sales and service structures ● Focus on medical devices and DX in medical fields ● Promotion multi-plant operation

* Business Impact: Impact on operating profit: Large: Over 3 billion yen, Medium: Over 500 million yen, Small: Less than 500 million yen.

Disclosure based on TCFD Recommendations

Risk Management

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

A cross-organizational TCFD response project was initiated and has 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, which is one of the material environmental issues for sustainability, 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 promoting initiatives accordingly.

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 FY2024, we achieved a 45.6% reduction in CO_2 emissions and a 51.8% reduction in CO_2 emissions per unit of sales compared to FY2020, achieving our targets.

As part of our efforts to reduce energy consumption and CO_2 emissions, we have been gradually switching to renewable energy at our offices in Japan since FY2017. In FY2024, approx. 47% of our offices in Japan introduced renewable energy. We aim to switch to 100% renewable energy at all of our offices in Japan by 2030.

At the Advanced Technology Center, we introduced an energy management system (EMS) to optimize energy use. In particular, electricity consumption decreased even during summer and winter peak periods. On an annual basis, we achieved an approx. 2% reduction compared to the previous fiscal year, and we were able to confirm the effectiveness of our energy-saving measures.

Furthermore, we are continuing to update facilities with consideration for energy-saving, such as switching to LED lighting and high-efficiency air conditioning systems, and introducing hybrid company vehicles. In addition to reviewing the operation of production facilities, we are also focusing on promoting energy-saving measures at each office and on awareness-raising activities for employees.

Moreover, to reduce flood risk at our offices and improve energy efficiency, we relocated three offices in Japan in FY2024. At production sites, we are promoting water use efficiency by reducing toilet water flow and other measures. At the new plant in Tsurugashima, scheduled to start operations in FY2026, we are preparing to introduce solar panels and utilize rainwater.

As part of our social contribution through business activities, we are engaged in developing energy-saving, compact, and lightweight products that are environmentally friendly, aiming for a cumulative sales ratio of 22.5% for environmentally friendly products over three years. In FY2024, we achieved a sales ratio of 20.8% for environmentally friendly products. Regarding the amount of waste from disposal of products and parts, we aim to maintain the amount of the products and parts retirement in FY2026 at or below the same level as the FY2023 results. In FY2024, we achieved a 17.3% reduction compared to FY2023.

We will continue to provide environmentally friendly products and collaborate with our supply chain. We will aim to identify our environmental issues and promote measures to obtain SBT certification.

Disclosure based on TCFD Recommendations

		FY2022	FY2023	FY2024
Global Warming Prevention	Scope 1 (t-CO_2)	4,539	4,250	4,155
	Scope 2 (t-CO_2)	4,828	3,644	4,097
	Greenhouse gas emissions (t-CO_2)	9,367	7,894	8,252
Energy Saving	Total input energies (GJ)	240,393	214,220	216,874
Waste Reduction	Total waste emissions (t)	732.5	824.2	808.4
	In-house recycling rate (%)	97.4	95.5	95.6
Environmentally Friendly Products	New registration of environmentally friendly products (registrations)	4	1	4

The figures for Global Warming Prevention and Energy Saving are the combined totals for the scope of ISO14001 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 and Tokorozawa site, Tomioka site, Tsurugashima site, Kawamoto site.

Water Intake (m^3)	FY2022	FY2023	FY2024
Water supply	62,657	62,545	58,360
Surface water of rivers and lakes	0	0	0
Other (such as rainwater, seawater, well water, spring water)	0	0	0
Total amount	62,657	62,545	58,360
Water Intake (m^3)	**FY2022**	**FY2023**	**FY2024**
Sewerage	39,738	44,433	41,763
Rivers	8,186	8,085	8,047
Other (such as watering the ground surface)	0	0	0
Total amount	47,923	52,518	49,810

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

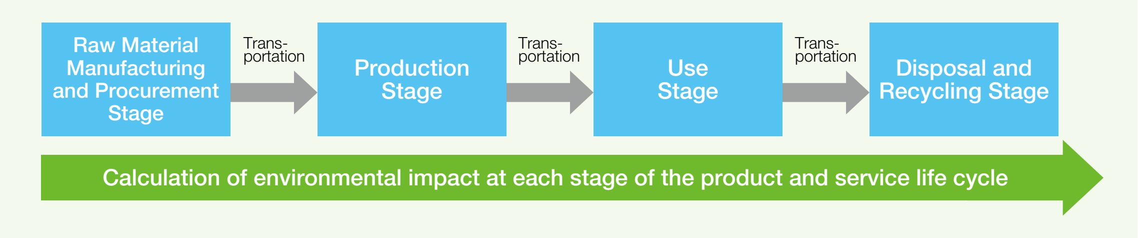
Nihon Kohden recognizes that natural capital, including climate and biodiversity, is essential to our business activities and may also be impacted by our business activities. The conservation of the global environment, including measures to address climate change, is a critical social issue facing global 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.

Building a Circular Society

Promotion of Life Cycle Assessment (LCA)

LCA is a method for quantitatively assessing the environmental impact of products or services during their entire lifecycle, from raw material extraction and processing to manufacturing, distribution, usage and disposal. Nihon Kohden launched the Green Product Label certification structure in March 2024 and has been conducting LCA and environmental assessments for our products and services. We aim to reduce environmental impact through our business activities by expanding environmentally friendly products.

Life Cycle Assessment Image Diagram



Enhancement of Environmentally Friendly Products

Nihon Kohden has developed and provided Environmentally Friendly Products that take the global environment into consideration, as one of our efforts to contribute to society through our business activities.

Green Product Label Certification Structure

In March 2024, we launched an initiative to certify products and services that meet the standards, based on LCA* or environmental assessments, with the Green Product Label, a self-declared environmental label compliant with ISO 14021 Type II. Following a review and approval process, 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 10% compared to existing products. Products and services meeting the Company's internal environmental assessment standards are also certified with no stars.

As of April 2025, 22 products have been certified. Bedside monitors CSM-1501/1502 have been certified with three stars, and the automated external defibrillator AED-3100 has been certified with two stars.

* LCA (Life Cycle Assessment) is a method for quantitatively assessing the environmental impact of products or services during their entire lifecycle, from raw material extraction and processing to manufacturing, distribution, usage, and disposal of products.

Three Stars Certified Products

Bedside monitors, CSM-1000 series, Lifescope G5 (CSM-1501/1502)

Assessment Results

CO_2 emission per unit of the CSM-1501 and CSM-1502 are reduced by 63.4% and 56.9%, respectively, compared to the existing model, the CSM-1901.

Two Stars Certified Products

Automated external defibrillator, AED-3100 series, Cardiolife (AED-3100)

Assessment Results

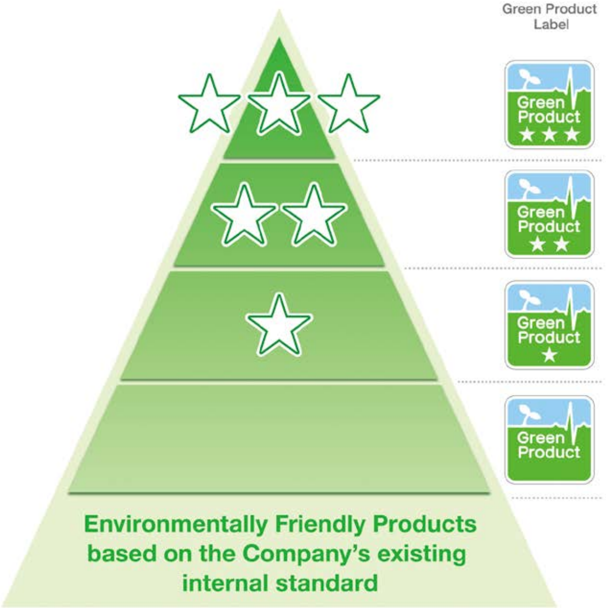
CO_2 emission per unit of the AED-3100 is reduced by 28.4% compared to the existing model, the AED-2100.

No Stars Certified Products' Environmental Assessment Standards

Confirmation of improvement in four or more of the following items:

- Miniaturization of the product
- Weight reduction of the product
- Energy saving
- Reduction in the number of parts used
- Efficiency in disassembly
- Reduction in the mass of packaging materials (paper)
- Reduction in the mass of packaging materials (plastic)
- Reduction in the mass of packaging materials (metal)

Green Product Label Rating Ranking



Standards for the Green Product Label

(Three Stars) Products and services which are certified as reducing CO_2 emissions by ***50% or more*** compared to existing products through the implementation of LCA

(Two Stars) Products and services which are certified as reducing CO_2 emissions by ***25% or more*** compared to existing products through the implementation of LCA

(One Star) Products and services which are certified as reducing CO_2 emissions by ***10% or more*** compared to existing products through the implementation of LCA

(No Stars) a) Products and services which are certified as reducing CO_2 emissions by ***1% to 10%*** compared to existing products through the implementation of LCA

b) Products and services which are certified as having a lower environmental impact compared to existing products based on the Company's internal environmental assessments

For further details, please refer to our website.

Green Product Label Certification Structure

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 FY2024, the full-year dividend was 31 yen, resulting in a consolidated total return ratio of 107%, including the acquisition of own shares of 10 billion yen from August 2024 to March 2025.

Effective July 1, 2024, each share of common stock was split into two shares. The Company also cancelled 5.5 million shares of its treasury shares on July 19, 2024.

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 2025, we exhibited a fully automatic AED, a defibrillator for hospitals, a mid-to low-end bedside monitor, dashboard software for monitoring patient condition, and a clinical assistant service for small and mid-sized hospitals. 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 our website.

■ 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 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.

Enhancing Information Disclosure and Shareholder Returns

■ Company briefings for individual investors and events for shareholders

We hold company briefings for individual investors and events for shareholders so that they can understand our management strategy and business operations, thereby extending their long-term support. In FY2024, we held two in-person meetings and two online meetings. At the IR fair for individual investors, we set up a booth and engaged in interactive dialogue with attendees by showcasing our patient monitors and AEDs, as well as short presentations.

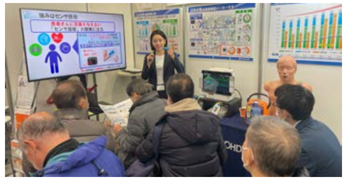
■ AED training sessions and product tours for individual shareholders

In March 2025, the Company held an AED training session and product tour.

Some of the questions and comments from participating shareholders are as follows:

- I'm interested in knowing how many AEDs are currently installed across Japan, and how I can find AED locations in case of an emergency.
- I'd like to understand which hospital departments your sales representatives typically work with during business negotiations.
- The AED training session was very informative. It included not only explanations but also hands-on practice, which I found very valuable.
- I enjoyed seeing the wide range of medical devices. It was a very fulfilling experience.

In-person meeting held at the Nomura IR Asset Management Fair 2025 in Tokyo



Short presentation at the Nihon Kohden Booth

CPR and AED training

Product tour

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 healthcare.
- I hope the Company will continue to hold company briefings for shareholders, both in-person and online.
- I expect stable dividends and consistent earnings.
- 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 by making visits to investors, accepting visits as requested, and by phone.

Status of Dialogue with Shareholders

In FY2024, the Company had approx. 430 meetings with institutional investors, including approx. 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 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.

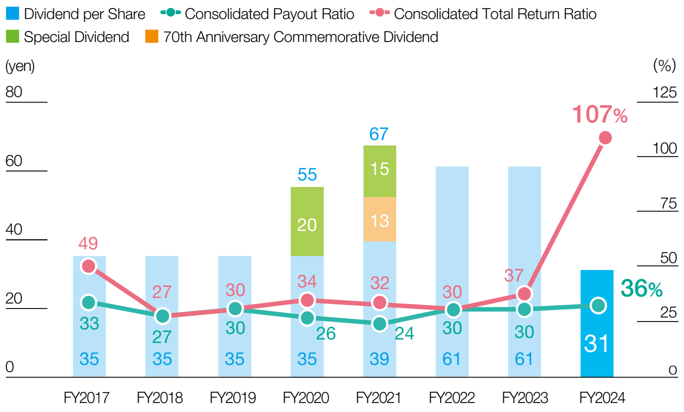
Relay Investor Feedback to Management

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



Number of Dialogues with Institutional and Individual Investors in FY2024

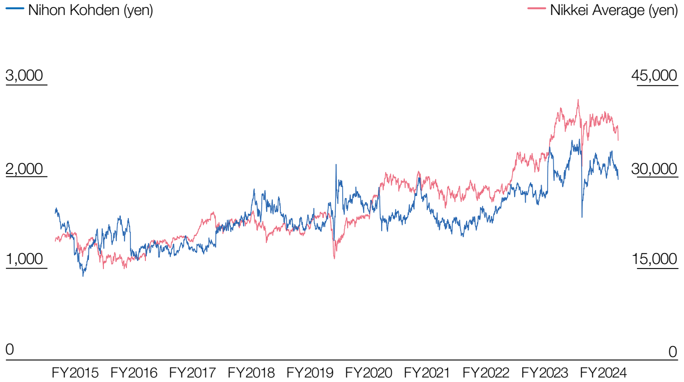
- Meetings with institutional investors and securities analysts:
  Approx. 430 meetings including approx. 170 meetings with shareholders
- Number of responses to annual shareholder survey (Postcard/WEB): **321**
- Company briefings for individual investors (3 sessions):
  Live viewing: Approx. 480 viewers,
  In-person: Approx. 65 attendees,
  On-demand viewing: Approx. 4,700 viewers
- Nihon Kohden's introduction video series for individual investors:
  Approx. 1,950 views

Major Shareholders (as of March 31, 2025)

Shareholders	Number of Shares Held (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,056	17.20
State Street Bank and Trust Company 505103	9,913	6.07
Custody Bank of Japan, Ltd. (Trust Account)	8,815	5.40
Saitama Resona Bank, Ltd.	8,057	4.94
CGML PB CLIENT ACCOUNT/COLLATERAL	7,447	4.56
GIC Private Limited - C	6,244	3.82
JP Morgan Chase Bank 380055	5,527	3.38
JP Morgan Chase Bank 385151	4,648	2.85
National Mutual Insurance Federation of Agricultural Cooperatives	2,710	1.66
MUFG Bank, Ltd.	2,650	1.62

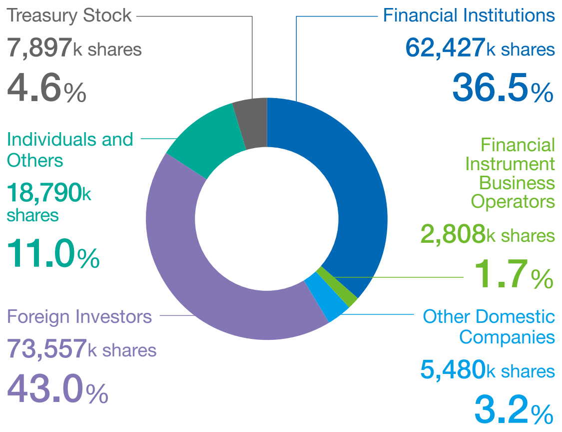
(Note) The above list excludes Nihon Kohden's treasury stock of 7,897 thousand shares. Each shareholding ratio is calculated excluding treasury stock.

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.

Ownership Breakdown (as of March 31, 2025)



TOPICS

In December 2024, Nihon Kohden was selected as the highest AAA grade for its website in the 2024 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 3,975 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 Blossom Japan, FTSE Blossom Japan Sector Relative Index*1

Created by the global index provider FTSE Russell, the FTSE4Good Index Series, FTSE Blossom Japan, and FTSE 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 Blossom Japan for four consecutive years since 2017 and for four consecutive years since 2022.
The Company has also become a constituent of the FTSE Blossom Japan Sector Relative Index for four 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.

FTSE4Good

FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

■ MSCI Nihonkabu ESG Select Leaders Index*2

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

The MSCI Nihonkabu ESG Select Leaders Index is an ESG comprehensive index created by MSCI and designed to represent the performance of companies that have high Environmental, Social, and Governance ("ESG") ratings relative to their sector peers.
Nihon Kohden has been selected as a constituent of the MSCI Nihonkabu ESG Select Leaders Index for two consecutive years since 2024.

■ MSCI Japan Empowering Women (WIN) Select Index*2

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

The MSCI Japan Empowering Women (WIN) Select Index is a stock price index created by MSCI and is composed of companies that promote a high level of gender diversity and women's participation and advancement in the workforce. Nihon Kohden has been selected as a constituent of the MSCI Japan Empowering Women (WIN) Select Index for six consecutive years since 2020.

■ 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., a 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 and 2024.

Corporate ESG Performance
Prime
RATED BY ISS ESG

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

In February 2025, Nihon Kohden received a B rating in the area of Climate Change and an A- rating in the area of Water Security from CDP, an organization that investigates and evaluates the environmental initiatives of companies and municipalities.

CDP Discloser 2024

*1 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 Blossom Japan, and FTSE 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 Blossom Japan, and FTSE Blossom Japan Sector Relative Index are used by a wide variety of market participants to create and assess responsible funds and other products.
*2 The inclusion of NIHON KOHDEN CORPORATION in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, or promotion of NIHON KOHDEN CORPORATION by MSCI or its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

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

Celebrating the 20th Anniversary of Public Access Defibrillation in Japan

In Japan, it has been 20 years since AEDs (Automated External Defibrillators) were approved for public use. AEDs were officially approved for use not only by medical professionals but also by ordinary citizens on July 1, 2004. This milestone marked the first major step toward the nationwide installation of AEDs. Nihon Kohden started its AED business in 2002, prior to approval for public use, and launched Japan's first domestically-produced AEDs in Japan in 2009. Since then, in addition to developing the functions of AEDs, Nihon Kohden has continued various initiatives to promote AED awareness, ensuring that even those with no experience handling medical devices can use AEDs without hesitation in emergency situations.

■ **Collaboration in AED Drone Demonstration for Remote Area Medical Support**

In March 2025, Nihon Kohden collaborated in a demonstration experiment involving AED-equipped drones aimed at supporting emergency medical care in remote areas of Hokuto City, Yamanashi Prefecture. The project was conducted by Hokuto City, TOPPAN Inc., TOPPAN Digital Inc., and AERODYNE JAPAN Co., Ltd. As the sole manufacturer of domestically-produced AEDs in Japan, Nihon Kohden has been dedicated to the promotion of CPR and installation of AEDs. Through ongoing efforts, the Company strives to make AEDs accessible as quickly as possible in emergencies—ultimately aiming to help Japan become a global leader in life-saving practices.

Demonstration Experiment (courtesy of TOPPAN Inc.)

■ **Full collaboration in producing the "Parent-Child AED Experience Kit," a supplement to "Kindergarten" magazine published by SHOGAKUKAN Inc.**

Nihon Kohden fully collaborated in producing the "Parent-Child AED Experience Kit," a supplement to "Kindergarten" magazine for young children published by SHOGAKUKAN Inc. 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 importance of AEDs and the need to take action in life-saving situations are also conveyed in the magazine's feature article.

The October/November 2024 issue of "Kindergarten" magazine published by SHOGAKUKAN Inc.

■ **Exhibited an AED Awareness Booth at the Tokorozawa Citizens Festival**

In October 2024, Nihon Kohden exhibited an AED awareness booth at the Tokorozawa Citizens Festival. This was Nihon Kohden's second time exhibiting at the event, with the goals of increasing AED usage and enhancing public recognition of the Company. As 2024 marked the 20th anniversary of AEDs being approved for public use in Japan, the booth also featured a display of past AED models and introduced the history of AED development. The hands-on AED experience was a great success, attracting many participants, ranging from children to adults. Through these efforts, Nihon Kohden hopes to make AEDs feel more familiar to the public and contribute to increased usage rates.

Exhibition at the Tokorozawa Citizens Festival

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

In the first year of BEACON 2030 Phase II, sales in Japan and Asia & Other fell short of its original forecast. Gross profit margin improved due to a decrease in inventory devaluation, higher selling prices, and favorable product mix. SG&A expenses increased due to strengthening of human resources, wage increases, and foreign exchange impacts. Operating income was ¥20.7 billion, with an operating income margin of 9.2% and ROE of 7.8%. Operating income exceeded the forecast that had been revised downward in November 2024 from its original forecast. On the other hand, the cash conversion cycle was 225 days, which was shorter than FY2023, but did not reach the target of 190 days. As a result, sales growth and improvement of profitability remained as financial issues for the future.

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

Initiatives in the 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 income 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

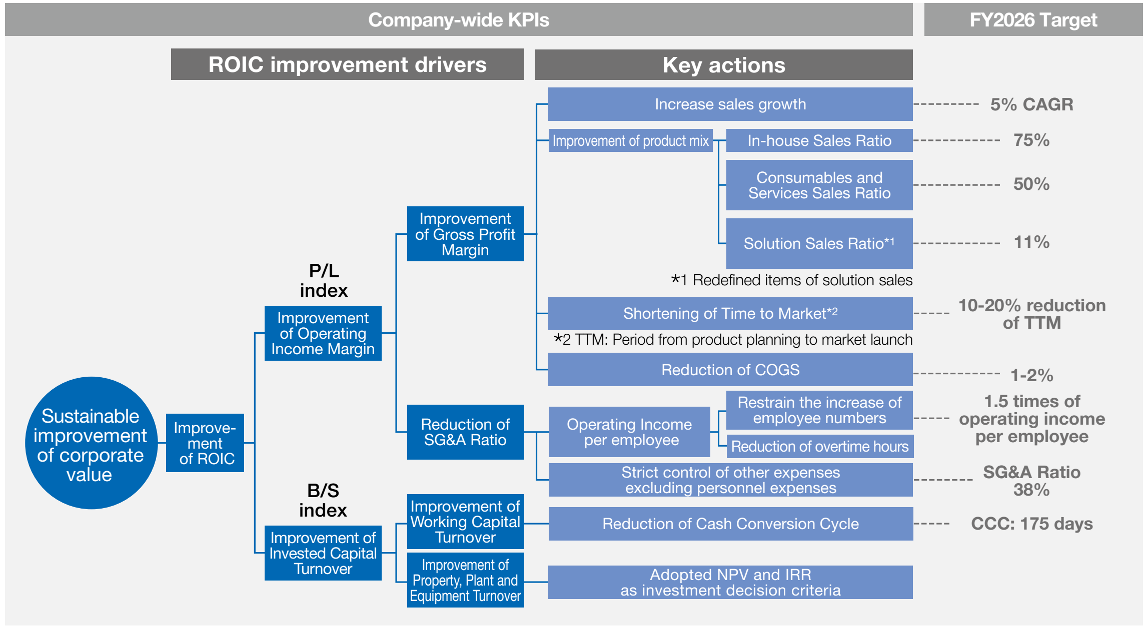
In implementing the reform of the profit structure, we aim to improve the operating income margin by a total of 5%pt: approximately 2%pt through product mix, 2%pt through productivity improvement, and 1%pt through the supply chain. In the first year, we completed development of measures and realized around 0.8%pt improvement. We currently estimate that around 70% of the targeted 5%pt improvement will be realized. In the area of the product mix, we improved gross profit margin by reviewing our pricing policies both in Japan and internationally and streamlining the product line-up. In terms of productivity, we achieved creating operational efficiencies equivalent to 380k hours per year, reducing the increase of headcount and overtime hours by installing 2,000 licenses of generative AI. In the supply chain, we work to reduce the costs of goods sold by refining price negotiations with suppliers and strengthening value engineering under inflation.

Message from Director Responsible for Accounting (Chief Administrative Officer)

2. Introduce Nihon Kohden's Own ROIC Formula

To achieve the cost of capital-conscious management, we have started introducing Nihon Kohden's own Return on Invested Capital (ROIC) formula. BEACON 2030 Phase II is the stage of investing for growth, and we aim at achieving the targets of ROIC of 12% and ROE of 12% by focusing on improving working capital, selecting investments per investment decision criteria and managing their progress, and enhancing shareholder returns. In FY2024, the cost of capital rose to approximately 8% from approximately 6% as debt increased due to higher risk-free rate and beta. Going forward, we start to calculate and manage Nihon Kohden's ROIC in each subsidiary and promote penetration of ROIC in the entire Group by creating ROIC indicator dashboard.

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 mainly at the Production Operations, which was newly established in April 2024. In FY2024, CCC remained at 225 days compared to the target of 190 days, while inventories of finished goods and parts decreased.
We will promote to penetrate ROIC management, while advancing production, inventory, and sales management and enhancing inventory control by improving the accuracy of demand forecasts to optimize supply and demand balance, as well as faster debt collection.

Capital 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 specific 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. The indicator and target for shareholder returns is a consolidated total return ratio of 35% or more. 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. In accordance with this policy, the Company acquired ¥10 billion of own shares, and the consolidated total return ratio was 107% in FY2024.

Message from Director Responsible for Accounting (Chief Administrative Officer)

Introduction of Performance-linked Stock Remuneration Plan and Employee Stock Ownership Plan

To strengthen remuneration governance as well as providing incentives to further improve the Company's corporate value and achieve the targets of the Three-year Business Plan, the Company introduced a new performance-linked stock remuneration plan in FY2024. Eligible persons of this plan are the Company's Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors) and Management Operating Officers/Operating Officers. The allotment of shares is determined based on the achievement of the financial targets of the Three-year Business Plan, BEACON 2030 Phase II: consolidated operating income margin, consolidated return on equity (ROE), and relative total shareholder return (TSR). By allotting shares based on the degree of achievement of targets, we aim to share the Company's corporate value with our shareholders and motivate the Company's executives to contribute to stock price appreciation. In FY2024, the payout ratio was 0% because the consolidated operating income margin was less than 10%. Nihon Kohden has also introduced an Employee Stock Ownership Plan in May 2025, to enhance employees' motivation and morale toward contributing to medium- to long-term business performance and corporate value of the Company.

Cash Allocation Policy

In BEACON 2030 Phase II, the total operating cash flow is expected to be ¥80 billion or more. Growth investment including M&A is planned to be ¥30 billion or more. The Company has adopted Net Present Value (NPV) and Internal Rate of Return (IRR) as investment decision criteria and started evaluating new investment projects in FY2022. In FY2024, we accelerated investments in areas such as DHS which have synergies with existing businesses, including the consolidation of Ad-Tech as a subsidiary, which has a high affinity with the Company's neurology products. Capital investments are planned to be around ¥25 billion. We started to establish a new plant in Tsurugashima City, Saitama Prefecture, as well as promoting corporate digital transformation (corporate DX) through the introduction of PLM/MES systems. The Company plans shareholder returns of ¥28 billion or more over three years and will consider additional shareholder returns depending on the progress of its future investment plans.

Resilience & Sustainability

The global economic outlook is expected to be increasingly uncertain due to the U.S. tariff policies as well as geopolitical risks. In Japan, business sentiment in medical institutions has declined due to price and wage inflation, while the Japanese Government has implemented urgent support for medical institutions. In the U.S., while hospital finance showed a trend of improvement, the impact of tariffs and the health insurance system should be monitored carefully. There will be further moves towards protectionism and tightening regulatory requirements for medical devices in emerging countries. We expect a severe business environment will continue. To respond quickly and appropriately to changes in this environment, we recognize the need for a solid financial foundation that can ensure a stable supply of medical devices - in other words, the importance of increasing our financial resilience. While ensuring resilience, we will make proactive investments for future growth, and at the same time, position the return of profits to shareholders as our most important policy. We will strike an optimal balance between these objectives.

We aim to enhance corporate value through sustainable management. 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
- April 2010 to March 2020: The CHANGE 2020
- April 2021 to March 2030: BEACON 2030

Medium-term Business Plan
- April 2013: Strong Growth 2017
- April 2017: TRANSFORM 2020
- April 2021 to March 2024: BEACON 2030 Phase I
- April 2024 to March 2027: BEACON 2030 Phase II

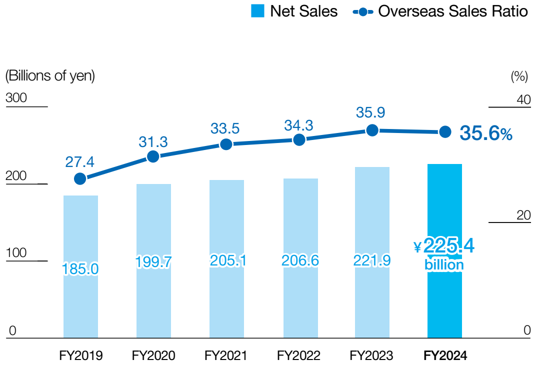
(Millions of yen unless otherwise stated)

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business results												
Net sales	153,194	160,803	165,522	166,285	174,249	178,799	185,007	199,727	205,129	206,603	221,986	225,424
Operating income	17,547	15,921	16,438	13,585	14,517	15,044	15,503	27,094	30,992	21,120	19,591	20,713
Income attributable to owners of parent*1	12,346	11,142	10,516	9,149	9,154	11,191	9,854	18,243	23,435	17,110	17,026	14,098
Financial position												
Current assets*2	106,515	118,389	112,929	119,235	120,687	132,211	129,020	156,140	171,875	172,500	184,333	183,085
Current liabilities*2	41,248	45,654	42,901	45,006	44,601	48,346	40,319	50,608	50,804	46,568	49,901	72,296
Total assets*2	130,917	146,755	144,270	152,806	157,910	169,717	167,786	193,030	210,201	216,728	233,233	258,276
Net assets	88,512	99,304	97,671	103,887	109,355	116,087	121,774	138,986	156,381	167,604	181,082	181,294
Cash flows												
Cash flows from operating activities	9,383	12,505	10,765	11,356	10,843	9,819	9,217	13,945	25,699	(2,513)	15,607	15,286
Cash flows from investing activities	(4,421)	(4,689)	(7,802)	(6,344)	(3,346)	(3,258)	(4,607)	(2,946)	(4,303)	(7,647)	(5,208)	(25,138)
Free cash flow	4,962	7,815	2,962	5,011	7,497	6,561	4,609	10,999	21,396	(10,161)	10,398	(9,852)
Cash flows from financing activities	(3,436)	(3,267)	(9,488)	(3,517)	(4,628)	(3,074)	(3,054)	(3,007)	(7,300)	(7,485)	(6,968)	2,550
Cash and cash equivalents	28,808	34,113	27,283	28,560	31,285	34,697	35,913	44,356	60,095	43,988	49,877	43,061
Per share information												
Net income (Yen)*3	281.03	126.83	120.12	106.81	106.92	131.43	115.72	214.21	276.51	203.28	101.23	84.88
Dividends (Yen)*4	70.0	70.0	35.0	35.0	35.0	35.0	35.0	55.0	67.0	61.0	61.0	31.0
Other												
R&D costs	7,108	5,745	5,910	6,466	7,226	7,243	6,731	6,357	5,711	6,200	6,996	6,826
Number of employees (Persons)	4,495	4,616	4,776	4,934	5,031	5,169	5,357	5,531	5,639	5,751	5,891	6,114
Number of shares issued at end of year (Thousands of shares)*5	45,765	45,765	89,730	89,730	89,730	88,730	88,730	88,730	88,730	88,230	88,230	170,961
Common Stock Price (fiscal year-end) (Yen)*6	4,115	3,275	2,798	2,489	2,961	3,290	4,060	3,230	2,951	3,590	4,004	2,003
Price Book Value Ratio (times)	2.04	2.90	2.45	2.05	2.31	2.41	2.84	1.98	1.59	1.80	1.86	1.82
Key performance indicators												
ROE (%)	15.0	11.9	10.7	9.1	8.6	9.9	8.3	14.0	15.9	10.6	9.8	7.8
Operating income margin (%)	11.5	9.9	9.9	8.2	8.3	8.4	8.4	13.6	15.1	10.2	8.8	9.2
Dividend payout ratio (%)	24.9	27.6	29.1	32.8	32.7	26.6	30.2	25.7	24.2	30.0	30.1	36.2

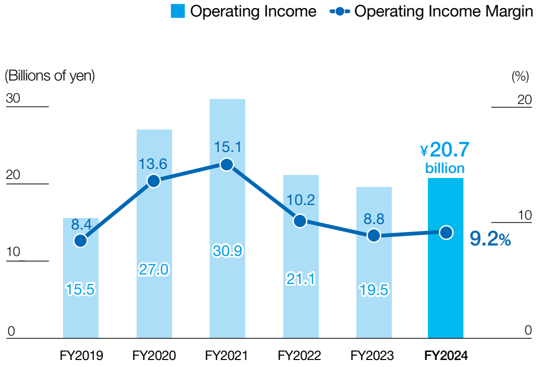
*1 The figures for FY2014 or earlier periods represent net income.
*2 Since the beginning of FY2018 ended March 31, 2019, the Company has applied the partial amendments to the Accounting Standard for Tax Effect Accounting (ASBJ No. 28, February 16, 2018). These accounting standards apply to FY2017 figures 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

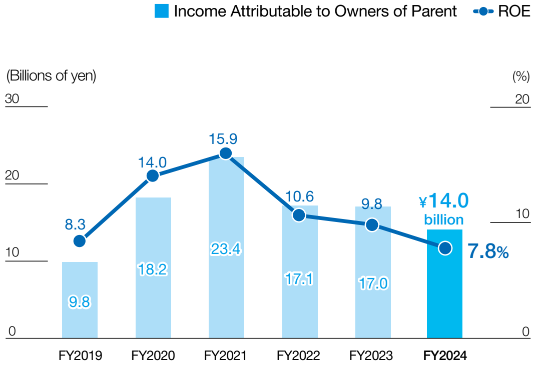
Net Sales/Overseas Sales Ratio



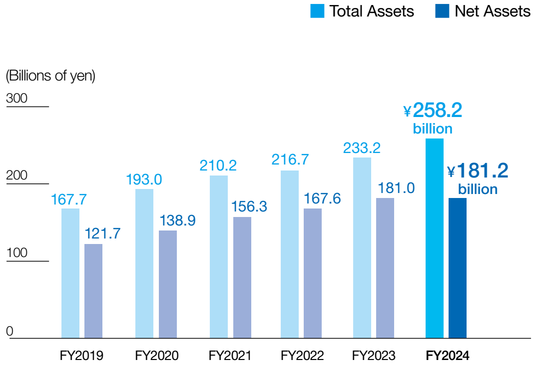
Operating Income/Operating Income Margin



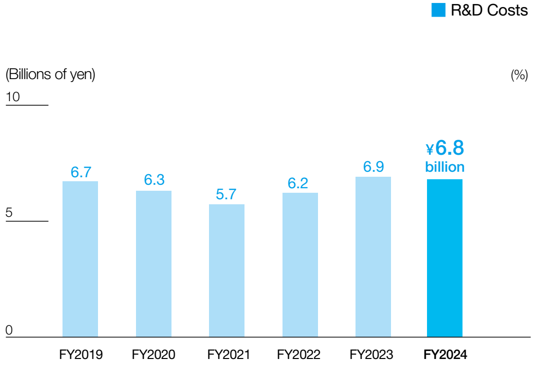
Income Attributable to Owners of Parent/ROE



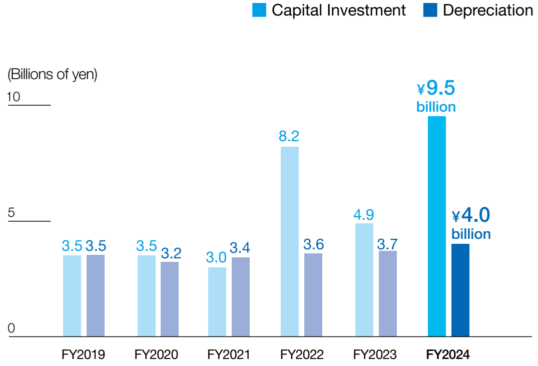
Total Assets/Net Assets



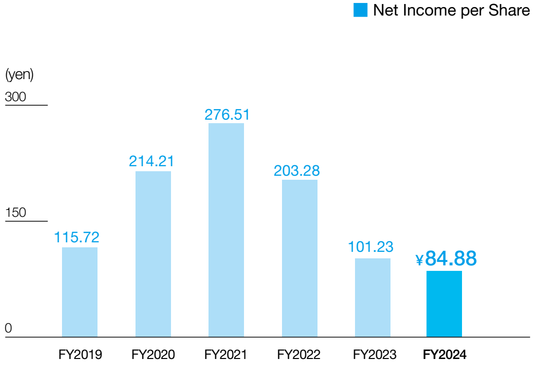
R&D Costs



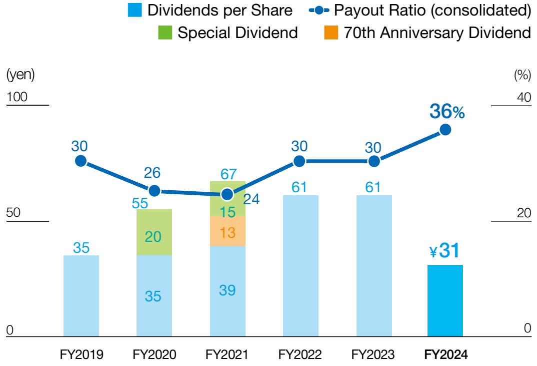
Capital Investment/Depreciation



Net Income per Share*



Dividends per Share*/Payout Ratio (consolidated)

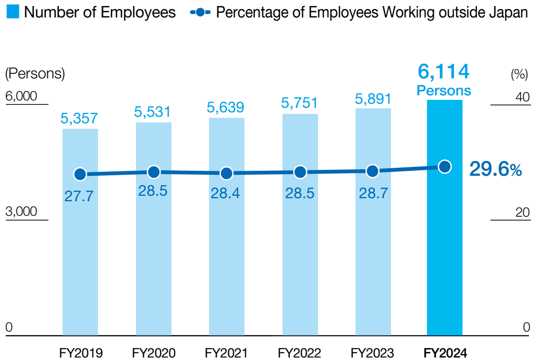


* Effective July 1, 2024, each share of common stock was split into two shares. Net income per share is calculated on the assumption that the stock split was implemented at the beginning of FY2023.

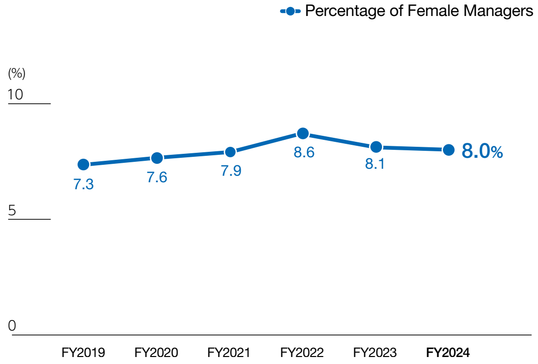
* Effective July 1, 2024, each share of common stock was split into two shares. For FY2023 and earlier, the actual dividend amounts before the stock split is shown.

Financial/Non Financial Summary

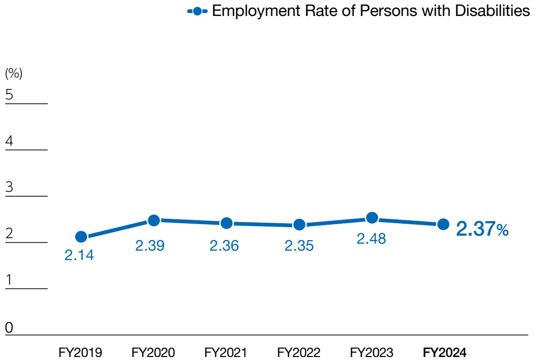
Number of Employees (Consolidated)/ Percentage of Employees Working outside Japan



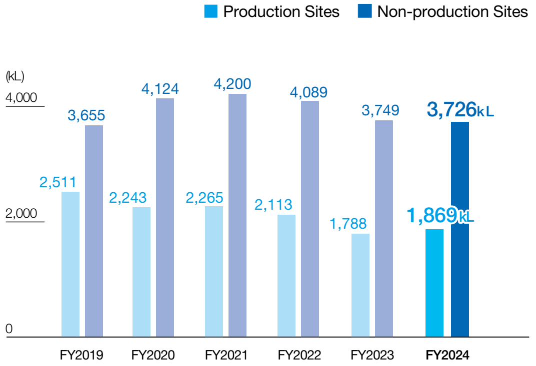
Percentage of Female Managers*1



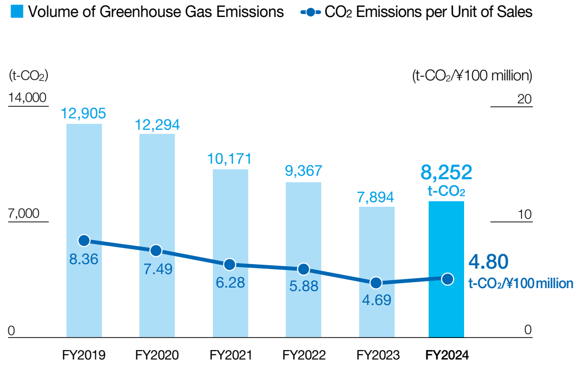
Employment Rate of Persons with Disabilities*1



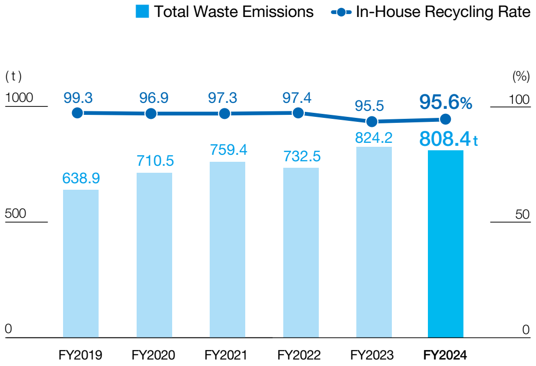
Total Energy Consumption (Barrels of Oil Equivalent (BOE))*2



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



Total Waste Emissions/ In-House Recycling Rate*3



*1 The percentage of female managers and the employment rate of persons with disabilities are figures for the parent company.
*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

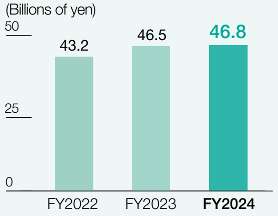
Overview by Product Category (Consolidated)

Physiological Measuring Equipment

Sales ¥46.8 billion | % change YoY +0.8%

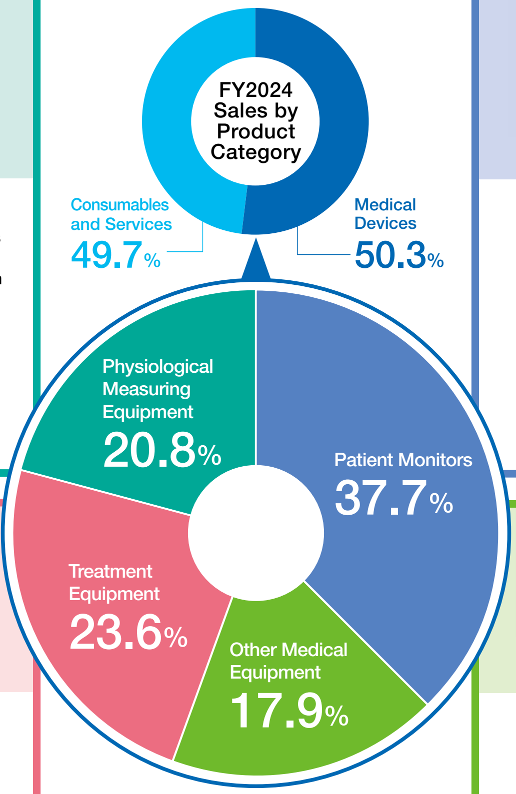
This category includes electroencephalographs (EEG), evoked potential and electromyogram measuring systems, electrocardiographs (ECG), polygraphs for cath lab, diagnostic information systems, related consumables such as recording paper, electrodes and EP catheters, and maintenance services.

Electroencephalograph EEG-1260



Japan
Sales of EEGs achieved double-digit growth. Sales of polygraphs for cath lab and ECGs also increased. Sales of diagnostic information systems decreased compared to the strong growth in FY2023.

International
Sales of EEGs and ECGs decreased in Asia & Other, especially in China.

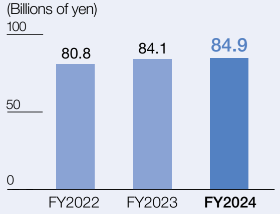


Patient Monitors

Sales ¥84.9 billion | % change YoY +1.0%

Bedside Monitor BSM-5700

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.



Japan
Sales of clinical information systems decreased compared to the strong growth in FY2023, while sales of consumables such as sensors increased.

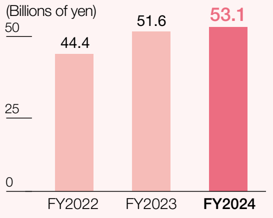
International
Sales in North America achieved double-digit growth and sales in Europe also increased. Sales in Asia & Other and Latin America decreased.

Treatment Equipment

Sales ¥53.1 billion | % change YoY +2.9%

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.

Automated External Defibrillator AED-3250



Japan
Sales of AEDs showed double-digit growth, as replacement demand for AEDs recovered. Sales of ventilators also achieved double-digit growth driven by a mask-type ventilator.

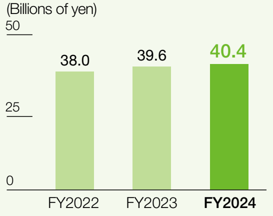
International
Sales of Defibtech AEDs decreased due to inventory adjustment at distributors as well as the impact from the change in the fiscal term. Sales of ventilators increased significantly in North America in addition to favorable sales in Asia & Other and Latin America.

Other Medical Equipment

Sales ¥40.4 billion | % change YoY +1.8%

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.



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

International
Sales of hematology instruments and reagents achieved double-digit growth in Europe and Latin America.

Management's Discussion and Analysis

Business Environment

In FY2024, the global economic outlook remained uncertain due to higher geopolitical risks, while tight monetary policy eased in the U.S. and Europe. In Japan, each medical institution strove to implement task shifting and improve its operational efficiency, as work style reforms for medical staff took effect in April 2024 and medical treatment fees were revised in June 2024. However, business sentiment in medical institutions declined due to price and wage inflation. Internationally, hospital capital expenditure in China was still cautious due to the impacts of the anticorruption campaign and economic slowdown. In the U.S., hospital finance showed a trend of improvement as the number of testing and surgical procedures increased. Medical institutions both in Japan and internationally have promoted 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 medical care.

Review of Operations

Nihon Kohden implemented its Three-year Business Plan, BEACON 2030 Phase II, which started from FY2024. 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." The Company launched a series of its new high-value-added products and services such as mid- to low-end bedside monitors and defibrillators for hospitals both in Japan and internationally, as well as dashboard software for monitoring patient condition and clinical assistant service for small and mid-sized hospitals in Japan. The Company also started to provide a locally developed remote ICU solution in the U.S. The Company strengthened its overseas business structure through establishing Nihon Kohden Vietnam Company Limited in May 2024, starting full operation of a new reagent factory in India in September 2024, and acquiring 71.4% shares of a parent company of Ad-Tech Medical Instrument Corporation in November 2024. As a result, overall sales increased 1.5% over FY2023 to ¥225.4 billion.

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. As a result of these initiatives, domestic sales increased. Sales of AEDs increased favorably in the PAD (public access defibrillation) market. Sales in the university and clinic markets increased, while sales in the public hospital market remained flat. Sales in the private hospital market decreased compared to the strong growth due to large orders in FY2023. Sales of Treatment Equipment achieved double-digit growth and sales of Physiological Measuring Equipment also increased. Sales of Patient Monitors and Other Medical Equipment decreased. As a result, domestic sales increased 2.0% over FY2023 to ¥145.2 billion.

■ International

Overseas sales increased on a yen basis due to the currency effect. Sales on a local currency basis decreased due to lower sales in Asia & Other and Latin America, as well as the impact of a change in the fiscal term of Defibtech, LLC according to the reorganization of subsidiaries in the U.S. in FY2023. In North America, sales of patient monitors, ventilators, and neurology products achieved double-digit growth, while sales of AEDs decreased. Sales in Latin America decreased mainly in Costa Rica and Columbia compared to the strong performance in FY2023, while sales in Brazil increased favorably. Sales in Europe decreased, mainly in the U.K. and the Netherlands, although sales in Germany and Italy increased. Sales in Asia & Other decreased, mainly in China. Sales in the Middle East & Africa also decreased compared to the strong growth due to large orders in Morocco in FY2023. Sales of Other Medical Equipment increased favorably and sales of Patient Monitors also increased. Sales of Treatment Equipment and Physiological Measuring Equipment decreased. As a result, international sales increased 0.7% over FY2023 to ¥80.1 billion.

* In the previous year, Defibtech, LLC changed its fiscal term from end on December 31 to end on March 31, according to the reorganization of U.S. subsidiaries. In FY2023 ended March 31, 2024, Nihon Kohden consolidated the fifteen months of Defibtech's operating results from January 1, 2023 to March 31, 2024.

Management's Discussion and Analysis

Operating Results by Reporting Segments

Japan	Sales increased 1.8% to ¥146.5 billion and segment income increased 6.4% to ¥21.9 billion in FY2024.
North America	Sales increased 6.9% to ¥44.8 billion and segment loss was ¥0.9 billion in FY2024 (segment loss of ¥2.2 billion in FY2023).
Rest of World	Sales decreased 5.7% to ¥33.9 billion and segment income decreased 19.1% to ¥1.8 billion in FY2024.

Cost of Sales, SGA Expenses, Operating Income, and Income Attributable to Owners of Parent

Cost of sales decreased 2.1% over FY2023 to ¥108.2 billion. The gross profit margin increased by 1.8 percentage points to 52.0% due to a decrease in inventory devaluation, higher selling prices, and favorable product mix, and the gross profit on sales increased by 5.2% over FY2023 to ¥117.1 billion. SGA expenses increased 5.1% over FY2023 to ¥96.4 billion due to strengthening of human resources, wage increases. The ratio of SGA expenses rose 1.4 percentage points to 42.8% due to missing actual overseas sales forecasts, negative currency effect, and wage increases. R&D costs decreased ¥0.17 billion year on year to ¥6.8 billion. The ratio of R&D costs to sales decreased 0.2 percentage points to 3.0%. As a result, operating income increased 5.7% to ¥20.7 billion. Ordinary income decreased 20.4% to ¥20.3 billion reflecting foreign exchange losses compared to gains in FY2023. Income attributable to owners of parent decreased 17.2% to ¥14.0 billion, as gains on sale of investment securities and losses on devaluation of investment securities were recorded as extraordinary income and extraordinary losses, respectively.

Assets, Liabilities, and Equity

■ Assets

Total assets at the end of FY2024 increased by ¥25.0 billion compared to the end of the previous fiscal year. Current assets decreased by ¥1.2 billion compared with the end of the previous fiscal year. This was mainly due to a decrease in inventory. Fixed assets increased by ¥26.2 billion compared with the end of the previous fiscal year. This was mainly due to an increase in goodwill and other intangible assets resulting from the acquisition of NeuroAdvanced Corp., as well as an increase in construction in progress for the construction of a new plant in Tsurugashima, while investment securities decreased due to the sale of shares.

■ Liabilities and Equity

Total liabilities increased by ¥24.8 billion compared to the end of the previous fiscal year. This was mainly due to a decrease in accrued income taxes and an increase in short-term loans to acquire shares of NeuroAdvanced Corp. Total net assets increased by ¥0.2 billion compared to the end of the previous fiscal year. This was mainly due to an increase in retained earnings, acquisition of treasury shares, etc. Equity ratio decreased by 8.1 percentage points to 69.5%.

■ Cash Flows

Funds provided by operating activities decreased by ¥0.3 billion year-on-year to ¥15.2 billion. This is mainly due to income before income taxes of ¥21.5 billion, a decrease in inventories of ¥2.4 billion, a decrease in notes and accounts receivables of ¥0.7 billion, and a decrease in notes and accounts payables of ¥0.2 billion. Funds used in investing activities increased by ¥19.9 billion year-on-year to ¥25.1 billion. This is mainly due to the purchase of property, plant and equipment of ¥7.1 billion, the purchase of intangible assets of ¥1.5 billion, and the purchase of shares of subsidiaries resulting in a change in the scope of consolidation of ¥18.8 billion (payment of consideration for the acquisition of shares of ¥15.9 billion, repayment of loans of the new consolidated subsidiary resulting from acquisition of ¥3.2 billion, and an increase in cash and cash equivalents of the new consolidated subsidiary of ¥0.3 billion). Funds used in financing activities amounted to ¥2.5 billion (expenditure of ¥6.9 billion in the previous year). This is mainly due to an increase in short-term loans of ¥25.3 billion, purchase of treasury shares of ¥10.0 billion, and cash dividends paid of ¥5.1 billion. Cash and cash equivalents at the end of FY2024 decreased by ¥6.8 billion to ¥43.0 billion compared with the end of the previous fiscal year.

■ ROE

ROE in FY2024 was 7.8%, below the target of 12%. This was due to a decrease in ordinary income caused by foreign exchange losses and a decline in the net profit margin due to reduced extraordinary income.

Company Information

Company Overview (As of March 31, 2025)

Common Name	NIHON KOHDEN
Official Name	NIHON KOHDEN CORPORATION
Incorporated	August 7, 1951
Capital Stock	¥7,544 million
Net Sales (Consolidated)	¥225.4 billion (Fiscal year ended March 31, 2025)
Type of Business	Development, production, and sales of medical electronic equipment
Employees (Consolidated)	6,114 persons

Stock Overview (As of March 31, 2025)

Number of Shares Authorized	395,944,000 shares
Number of Shares Issued	170,961,960 shares
Number of Shareholders	6,054 persons

Subsidiaries: 36 companies (As of March 31, 2025)

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.

Development, Production, Sales, and Sales Promotion
Nihon Kohden Tomioka Corporation
Nippon Bio-Test Laboratories Inc.
Beneficks Corporation
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
Advanced Medical Predictive Devices, Diagnostics and Displays, LLC*
Neurotronics, LLC
Nihon Kohden Innovation Center, LLC
Software Team Srl

Group General Affairs and Staffing
E-Staff Corporation
E-Staff Insurance Services Corporation*

Other
NeuroAdvanced Corporation
Two SPCs (special purpose companies)

* As of April 1, 2025, E-Staff Insurance Services Corporation was absorbed into E-Staff Corporation, and Advanced Medical Predictive Devices, Diagnostics and Displays, LLC was absorbed into Nihon Kohden Digital Health Solutions, LLC, respectively.

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 37 companies of the Nihon Kohden Group, i.e., Nihon Kohden Corporation and its 36 consolidated subsidiaries (as of March 31, 2025).

Period From April 1, 2024 to March 31, 2025

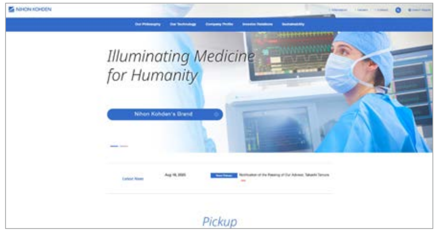
* Partly including information on our activities performed before or after the aforementioned period.

Nihon Kohden Website

Corporate Website

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

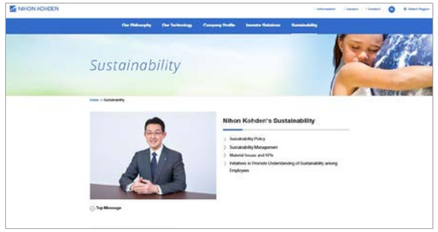
https://www.nihonkohden.com/index.html



Sustainability Page

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

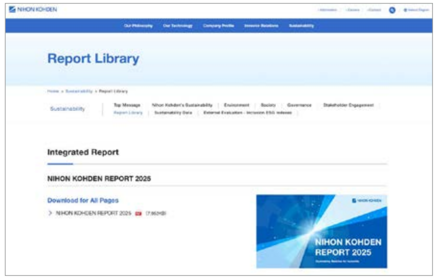
https://www.nihonkohden.com/sustainability.html



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 2025 (next publication: expected to be issued in September 2026)

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