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NIHON KOHDEN CORPORATION (6849)

Stock Exchange Listing: 1st section Tokyo Stock Exchange
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Notice regarding Acquisition of Whole Shares of Advanced Medical Predictive Devices, Diagnostics and Displays, Inc. (U.S. Company)

On July 26, 2021 (U.S. time), Nihon Kohden Digital Health Solutions, Inc. (“NKDHS”), the U.S. local development subsidiary of Nihon Kohden, decided to acquire 100% shares of Advanced Medical Predictive Devices, Diagnostics and Displays, Inc. (“AMP3D”) in the U.S. Nihon Kohden will increase the capital of NKDHS on July 30, 2021. After the capital increase, NKDHS will become a specified subsidiary of Nihon Kohden as NKDHS’s capital will be equivalent to 10% or more of Nihon Kohden’s capital.

1. Reason for Acquisition of Shares

Nihon Kohden aims to create a better future for people and healthcare by solving global medical issues in its long-term vision, BEACON 2030. In its three-year business plan, BEACON 2030 Phase I starting from April 2021, the Company has defined digital health solutions (DHS) as a new business and is working on the improvement of patient outcomes and the economy of medical care.

AMP3D, with its expertise and wealth of knowledge rooted in clinical practice in the U.S., is developing technologies for computational algorithms to understand the condition and status of patients and software to inform healthcare professionals of patient information.

Both Nihon Kohden and AMP3D reached an agreement on this transaction because there is a high affinity between the Company’s DHS vision and AMP3D’s software, and because the Company expects to strengthen its technological development capabilities in the DHS field by combining its core human machine interface (HMI) technology with AMP3D’s algorithms and software technology.

The CoMET® (Continuous Monitoring of Event Trajectories), developed by AMP3D, consists of unique calculation algorithm models that utilize data from patients’ vital sign data, medical records and clinical tests, and display software of patient trajectories that can monitor the condition of multiple patients. It is a Software-as-a-Service (SaaS) that contributes to the management of patients’ conditions and the improvement of communication among medical professionals.

Based on its HMI technology, Nihon Kohden not only has strong core capabilities in development of patient monitors, ventilators, and IT systems, the Company also has strengths in the development of non-invasive and innovative parameters.

By combining technologies of two companies, Nihon Kohden expects to strengthen its technological development capabilities and accelerate the development of innovative analysis algorithms in the DHS field. In the U.S., pioneering research such as prediction and early detection of changes in patient conditions using vital sign data and information obtained from medical equipment is conducted. Nihon Kohden also expects to strengthen its local R&D capability and collaborate with leading research and development institutions in the U.S.

2. NKDHS's Profile

(1) Name	Nihon Kohden Digital Health Solutions, Inc.
(2) Location	California, U.S.A.
(3) Name and title of representative	President and CEO, Harsh Dharwad
(4) Date of establishment	September 23, 1999
(5) Date of capital increase	July 30, 2021 (planned)
(6) Business	Development of medical electronic equipment and software
(7) Capital	Before capital increase: \$500 thousands (¥55 million) After capital increase: \$12,500 thousands (¥1,375 million)
(8) Major shareholders	100% held by Nihon Kohden Corporation

Note: The above amount in yen is based on an exchange rate of 110 yen to the U.S. dollar.

3. AMP3D's Profile

(1) Name	Advanced Medical Predictive Devices, Diagnostics and Displays, Inc.
(2) Location	Virginia, U.S.A.
(3) Name and title of representative	President and CEO, Kevin L. Passarello
(4) Date of establishment	April 25, 2013
(5) Business	Research and development of algorithms and software for patient condition management

Note: As AMP3D does not disclose financial statements, the Company refrains from disclosing details based on the confidentiality agreement between the related parties. With respect to the acquisition price, appropriate due diligence has been conducted by third party organizations and sufficient procedures have been implemented to verify the appropriateness of the price.

4. Schedule

Date of conclusion of the agreement: July 26, 2021 (U.S. time)

Date of share transfer: August 6, 2021 (planned)

* The execution of the share transfer is subject to the fulfillment of the preconditions stipulated in the stock purchase agreement.

5. Effect on Operating Results of Nihon Kohden

The effect of this transaction on the consolidated results for the fiscal year ending March 31, 2022 will be minor.