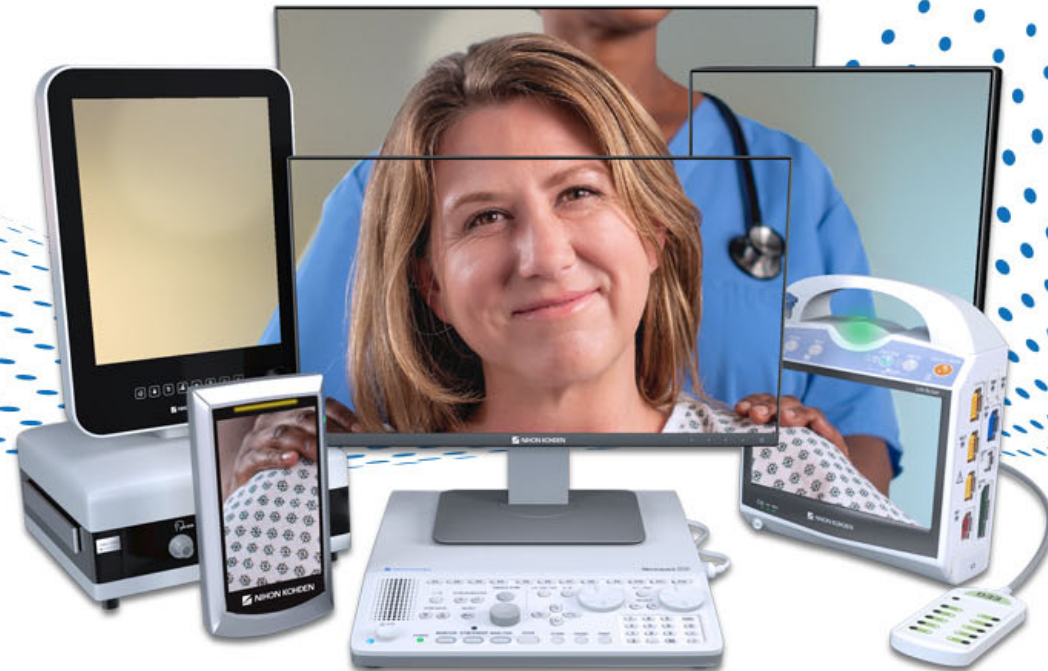


U.S. Business Strategy

March 10, 2022



Presenter

Eiichi Tanaka

Director, Operating Officer, General Manager of U.S. Operations,
Nihon Kohden America President & CEO

Shuhei Morinaga

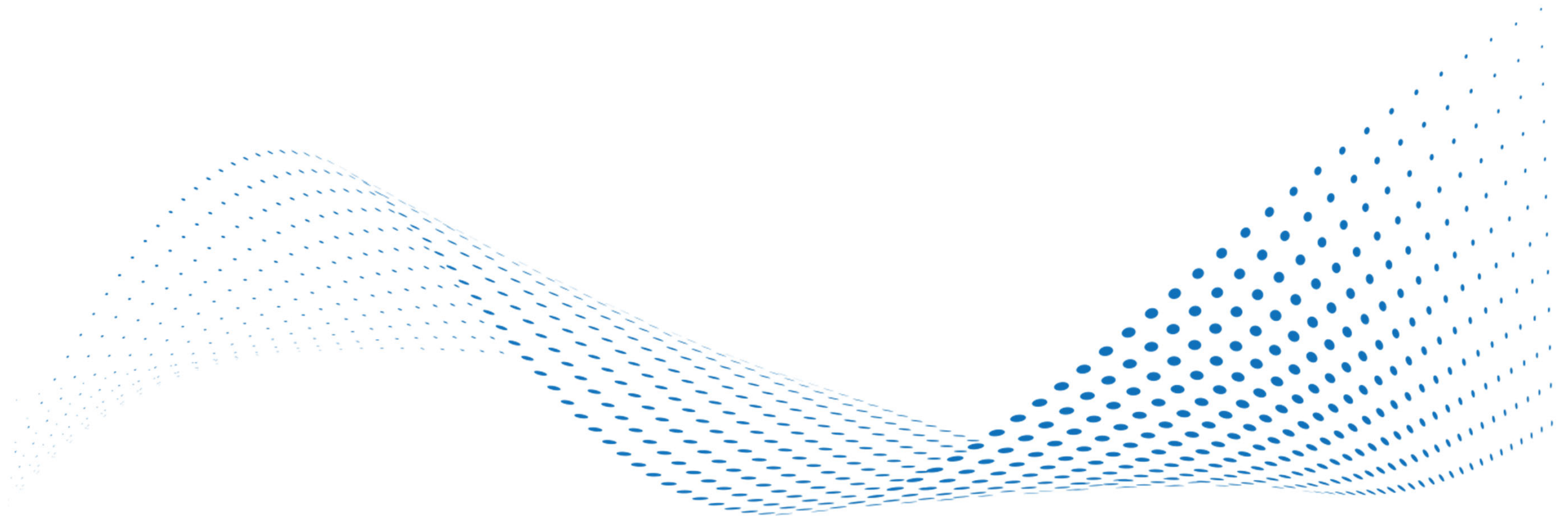
Operating Officer, Deputy General Manager of U.S. Operations,
Nihon Kohden America SEVP & CPO

Shinya Hama

Nihon Kohden America COO

Keichiro Yoshizawa

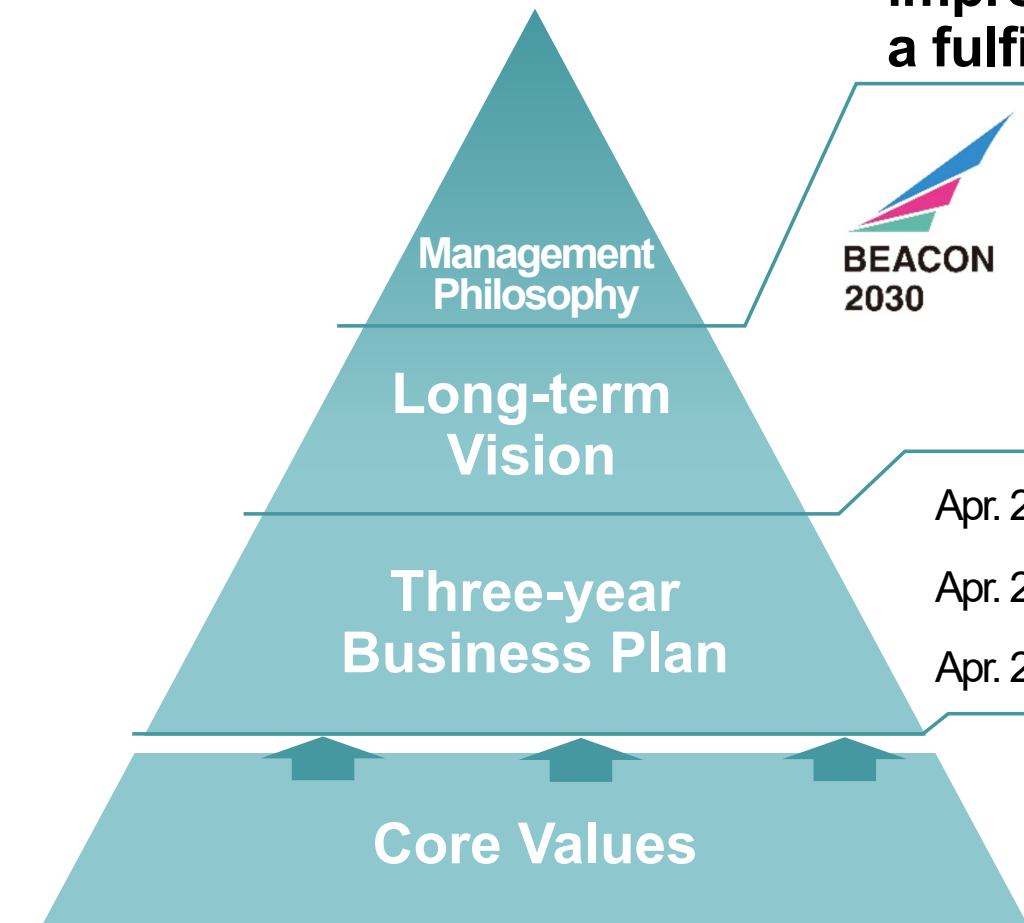
General Manager of Corporate Strategy Division



Long-term vision, Three-year business plan, Global medical device market, Sales in Americas

Long-term Vision and Three-year Business Plan

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



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%
---------------------------	------------------	------------	----------------------	------------

- 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

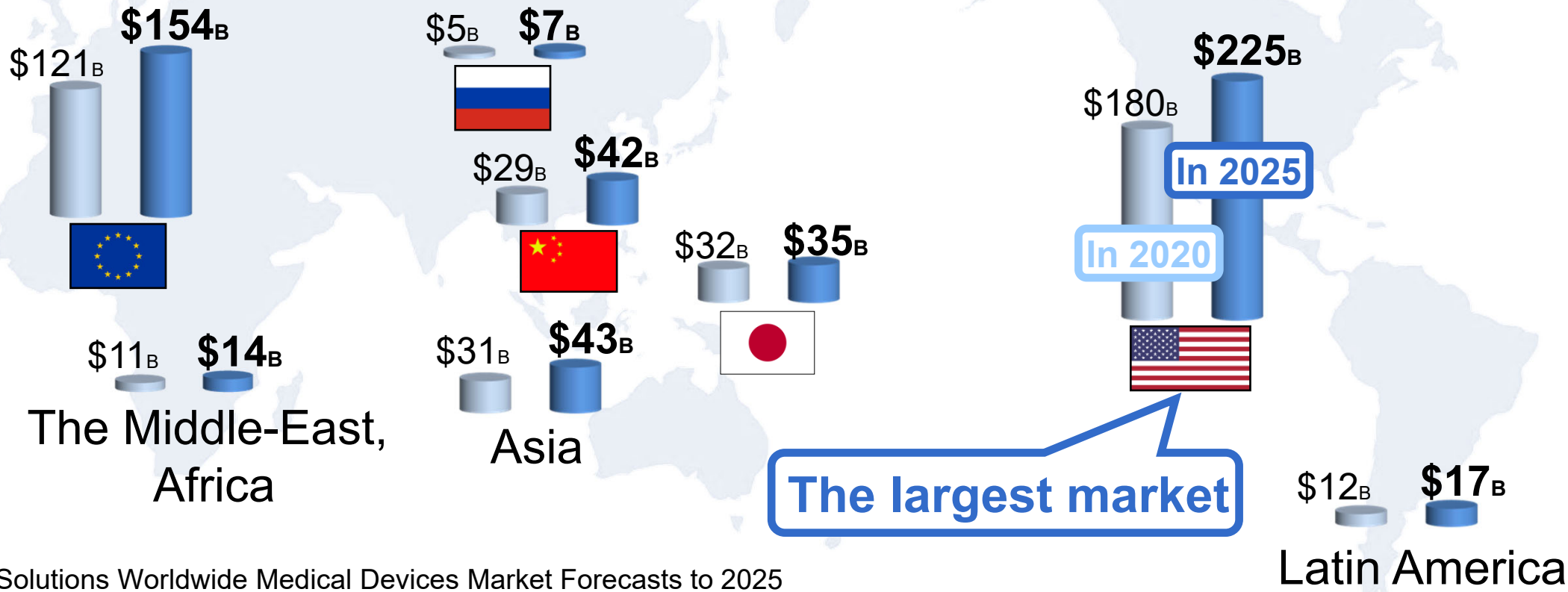
Core values are shared by Nihon Kohden staff worldwide, helping to connect them and contributing to the promotion of our management philosophy, long-term vision, and three-year business plan.

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

The Global Medical Device Market is expanding

5% CAGR, U.S. and emerging markets drive growth

In 2020 **\$427B** (¥47.0T) **+\$119B** (¥13.1T) In 2025 **\$546B** (¥60.1T)

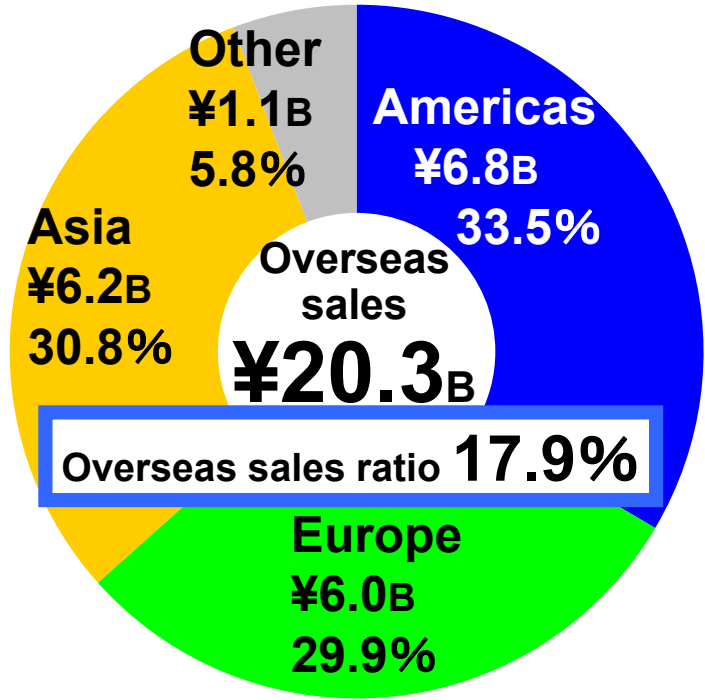


The largest market

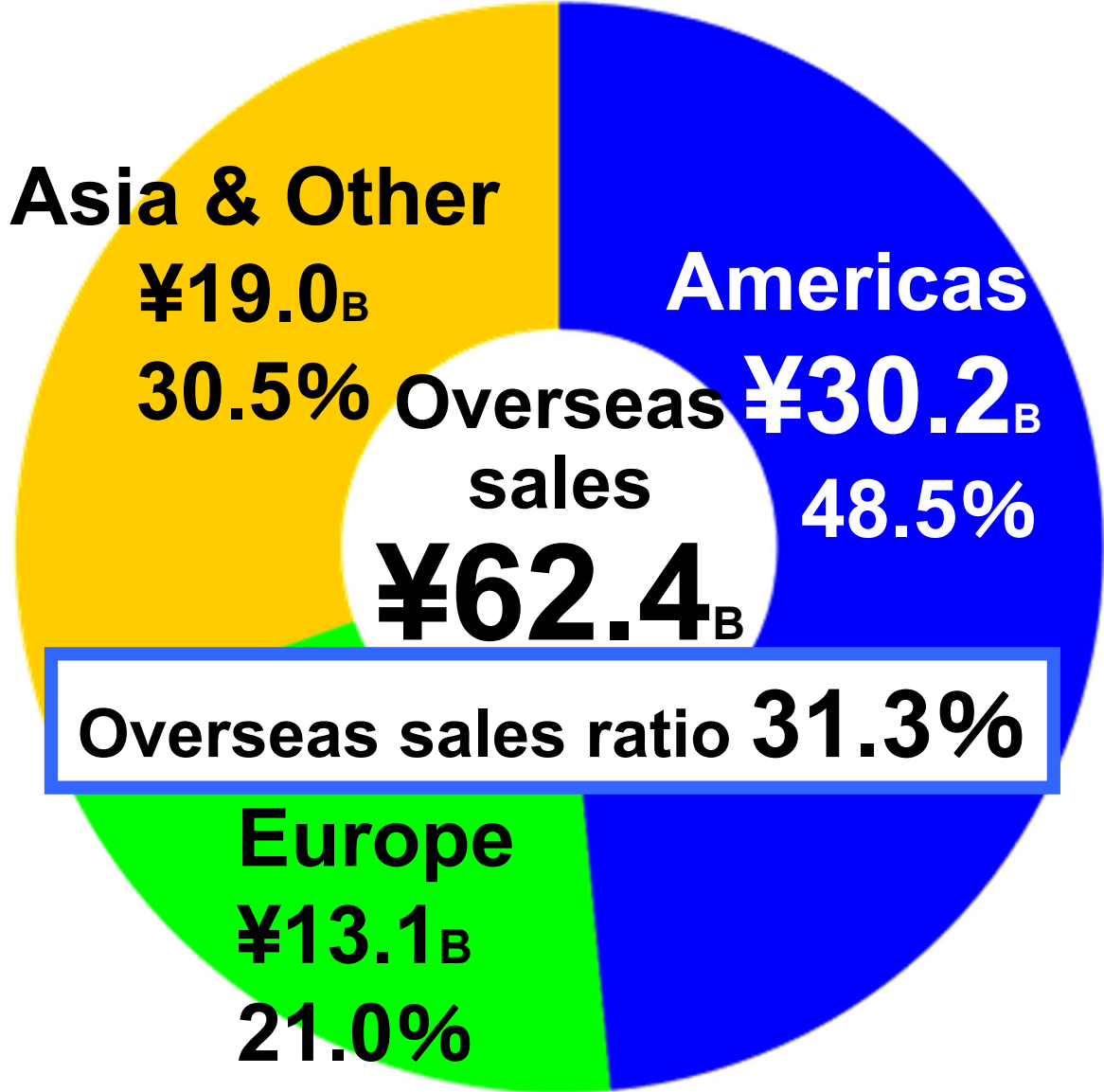
Source: Fitch Solutions Worldwide Medical Devices Market Forecasts to 2025

Overseas Sales

FY2010



FY2020

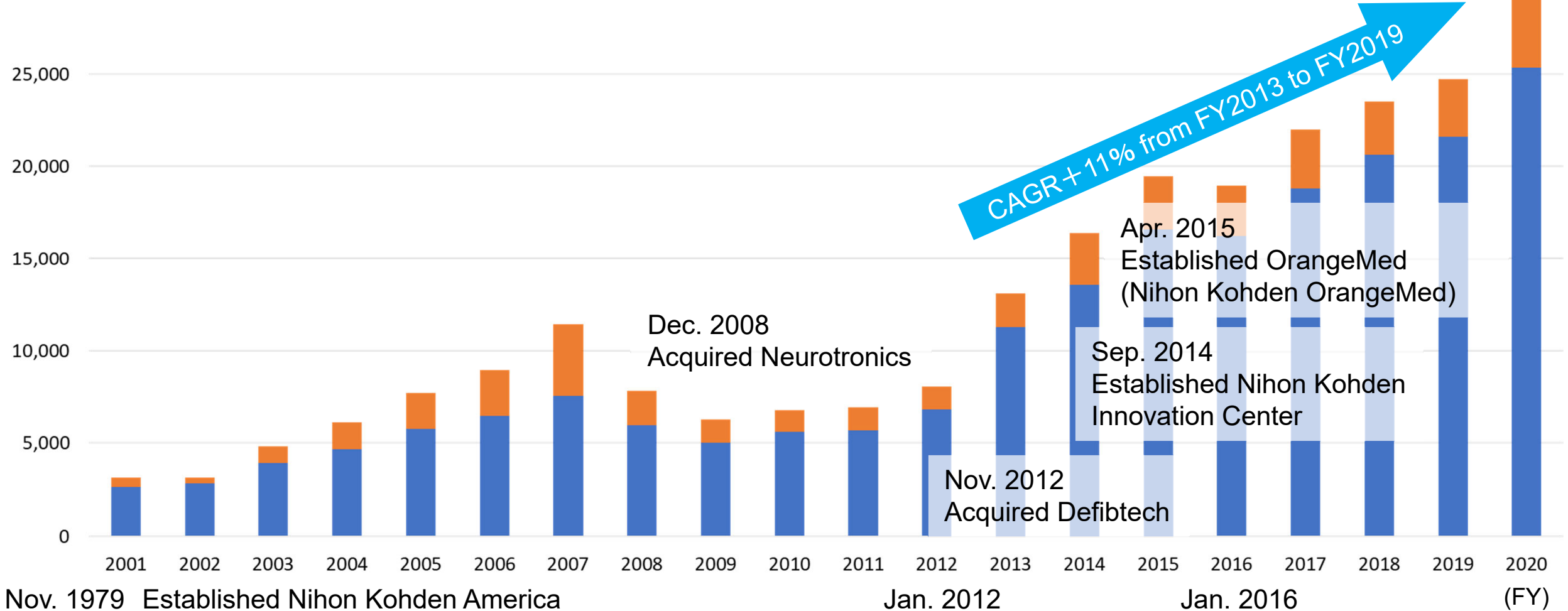


* Effective FY2020, Asia and Other are reclassified into Asia & Other.

Sales in the Americas

■ Sales in the U.S.
■ Sales in Latin America

30,000 (millions of yen)

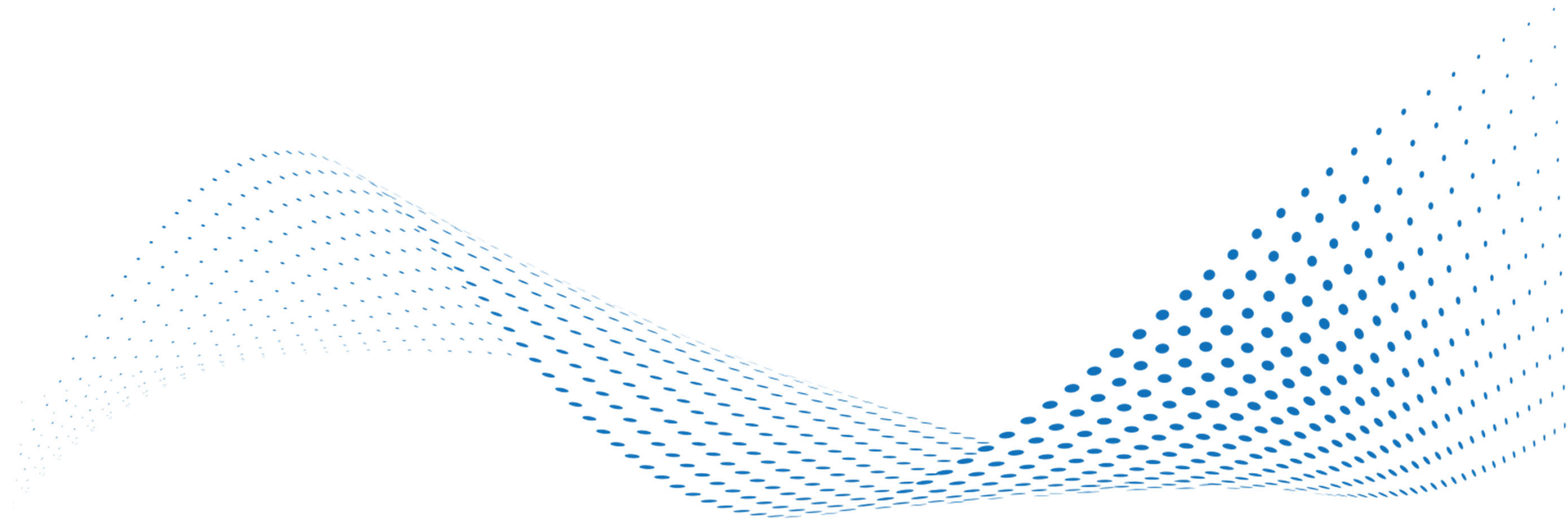


Nov. 1979 Established Nihon Kohden America
 Sep. 1999 Established NKUS Lab
 (Nihon Kohden Digital Health Solutions)

Jan. 2012
 Established Nihon
 Kohden Du Brasil

Jan. 2016
 Established Nihon
 Kohden Mexico

Nov. 2013
 Established Nihon Kohden Latin America

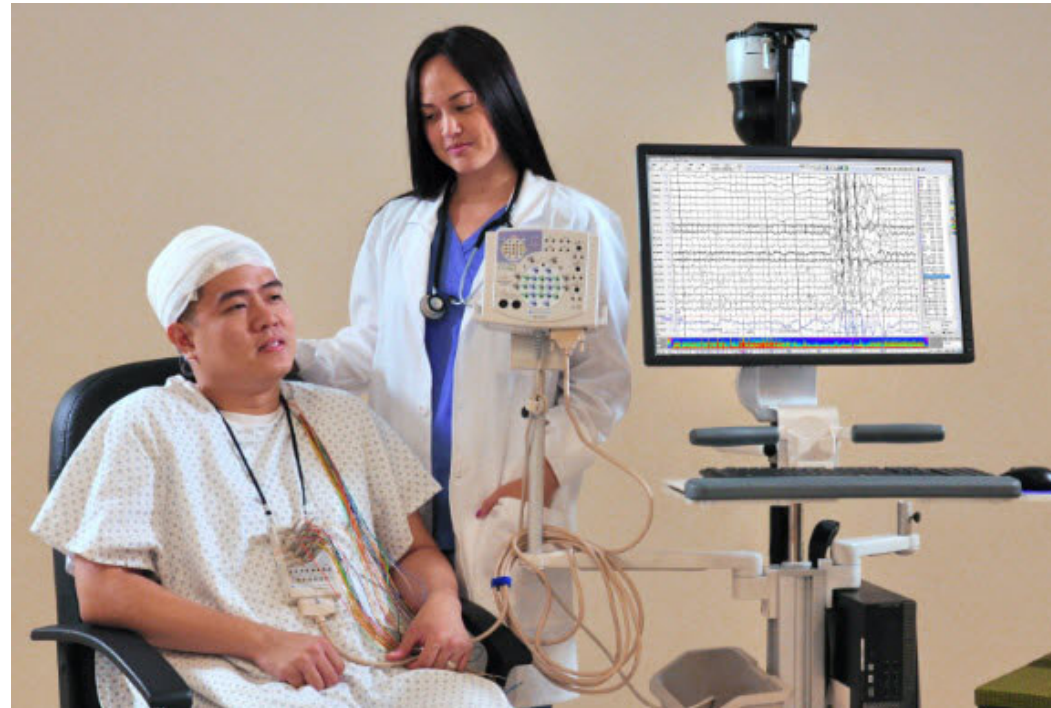


U.S. Business Strategy

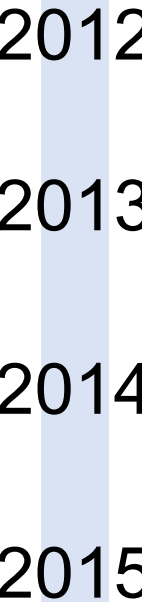
Contents

1. U.S. health insurance program and U.S. business position in Nihon Kohden
2. Introduction of 7 subsidiaries in the U.S. / Takuo Aoyagi, PhD, received American Society of Anesthesiologists Honorary Member Award
3. Basic strategy and tactics in Nihon Kohden America / Large deals with IDNs
4. Product strategy to realize long-term vision / Acquired AMP3D
5. Growth strategy in the U.S. and sustainable contribution to customers

1. U.S. health insurance program and U.S. business position in Nihon Kohden



Health Insurance Program after Obamacare in 2010

- 
- 2012 HRRP: Hospital Readmissions Reduction Program
 - 2013 HVBP: Hospital Value-Based Purchasing Program
 - 2014 HACRP: Hospital-Acquired Condition Reduction Program
 - 2015 MACRA: Medicare Access and CHIP Reauthorization Act

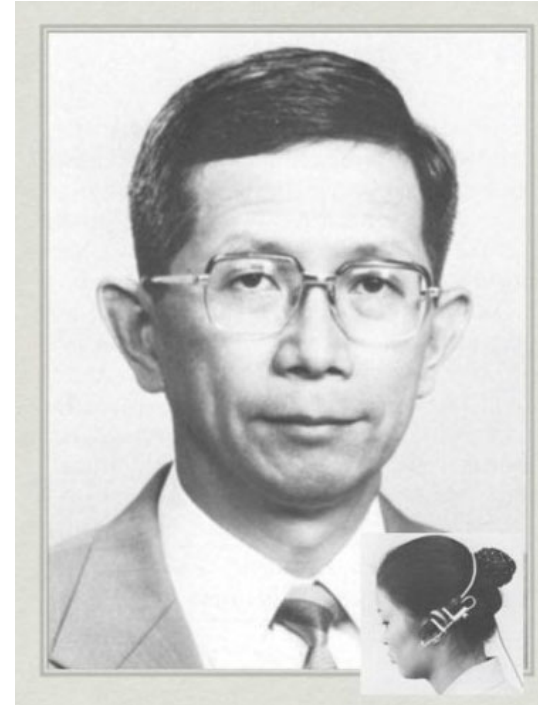
Promotion of **Value-Based Medicine** in acute care

Maximize patient outcomes



Optimize healthcare costs

2. Introduction of 7 subsidiaries in the U.S. / Takuo Aoyagi, PhD, received American Society of Anesthesiologists Honorary Member Award





Outline of Nihon Kohden America

Establishment: Nov. 1979

The Company's first overseas subsidiary

Head office: Irvine, CA

Employee number: Approx. 410 as of Dec. 2021

Regions: U.S., Canada

Products: Patient monitors, Neurology products, Ventilators, AEDs, ECGs, Patient Data Platform



7 subsidiaries in the U.S. Operations

 **NIHON KOHDEN**

Nihon Kohden OrangeMed, Inc.

Santa Ana, CA
Development,
production and
sales of
ventilators



 **NIHON KOHDEN**

Digital Health Solutions, Inc.

Irvine, CA
Development of innovative and
high-value added solutions
based on data from medical
devices such as patient monitors



AMP3D

Charlottesville, VA
R&D of algorithms and
software for patient
condition management
Acquired in 2021

NIHON KOHDEN AMERICA

 **Neurotronic**
A Nihon Kohden Company

Gainesville, FL
Development and
production of
sleep analysis
software
Acquired in 2008



**NIHON KOHDEN
INNOVATION CENTER**

Cambridge, MA
Exploration of innovative
research themes with
universities, hospitals
and venture companies

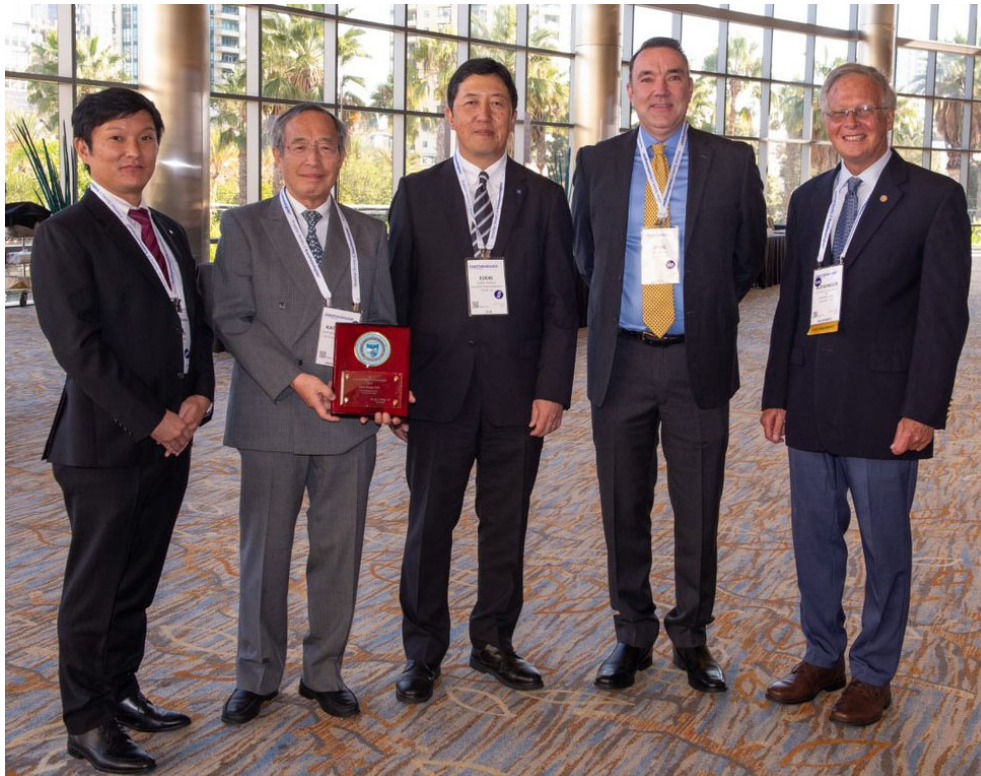


Guilford, CT
Development, production,
and sales of resuscitation
products such as AEDs
and automated chest
compression devices
Acquired in 2012



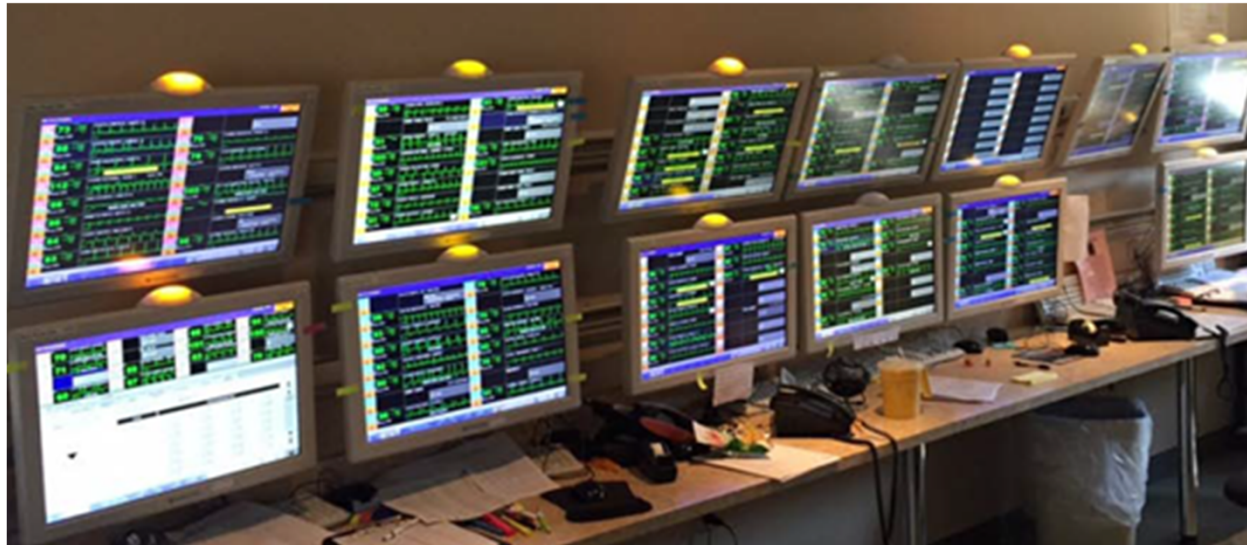
Takuo Aoyagi, PhD, received American Society of Anesthesiologists Honorary Member Award

Celebrating a physician, scientist, or eligible member, who has attained outstanding eminence in anesthesiology or related fields.



San Diego Oct. 10, 2021

3. Basic strategy and tactics in Nihon Kohden America / Large deals with IDNs



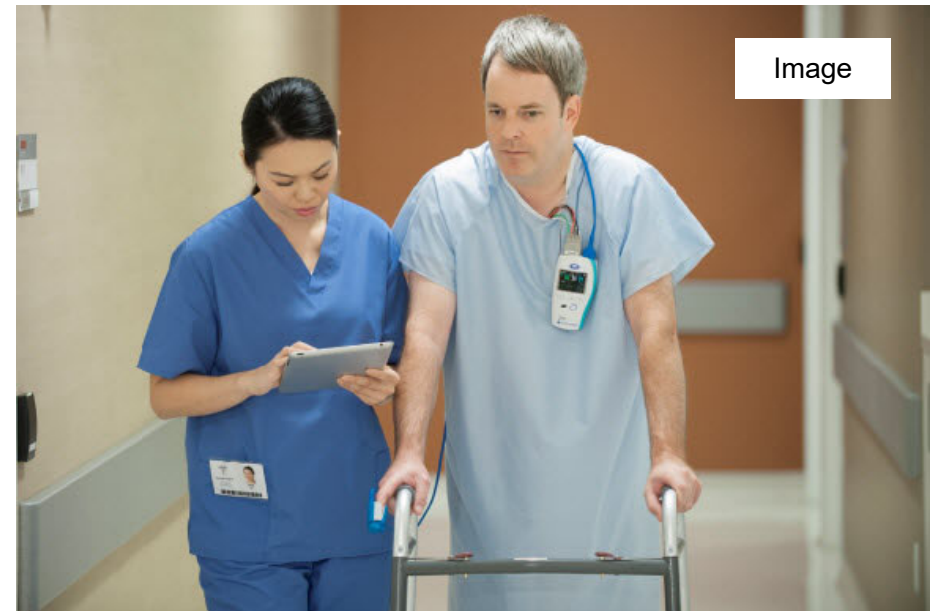
Opening of Pavilion, new clinical facility of Penn Medicine

Hospital of the university of Pennsylvania established as the U.S.'s first medical school in 1765

Opening of Pavilion, a new clinical facility on Oct. 30, 2021

The move from the old facility to the new facility was a big event in Pennsylvania and a project that could not be allowed to fail for Nihon Kohden

- Contributed to the successful opening through delivery & installation and training over several months as well as support for several days
- Highly trusted by university executives
- A picture of the first patient transported with our BSM-1700 was posted on the front page of the local newspaper on the next day



Reference: The Philadelphia Inquirer

<https://www.inquirer.com/news/penn-medicine-pavilion-tower-opening-20211030.html>

IDN market requiring high technologies, products, and services

IDN : Integrated Delivery Network

Healthcare provider of both medical services and health insurance
in the U.S. widely and locally

Number of IDNs in the U.S.: Approx. 570 groups as of 2022 * estimated by the Company

Installed our patient monitors to 18 of the top 25 groups

Signed comprehensive agreement with 3 groups of the top 25 groups

**Aim to enhance business activities in IDN market
by further strengthening relationship with IDN*
where we have a sole source bid qualification**

4. Product strategy to realize long-term vision / Acquired AMP3D



Product strategy for expanding U.S. business

Patient monitors



Mid-range bedside monitors CSM-1500/1700
Planned to launch in FY2021 H2

Ventilators



NKV-550
Start full-scale promotion

NKDHS

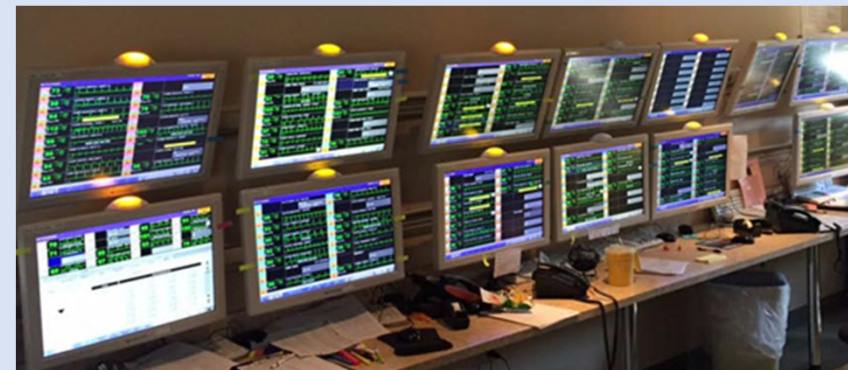
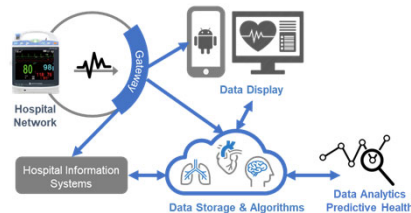


NK NETWORK CARE



Providing products and functions to improve
Patient Outcomes, Operating Efficiency, Incident Prevention
in the workflow in clinical practice

Data platform



Mid-range bedside monitor CSM-1500/1700 series

Received FDA approval
in Jul. 2021

Planned to launch
in FY2021 H2



Enhance
product
cybersecurity

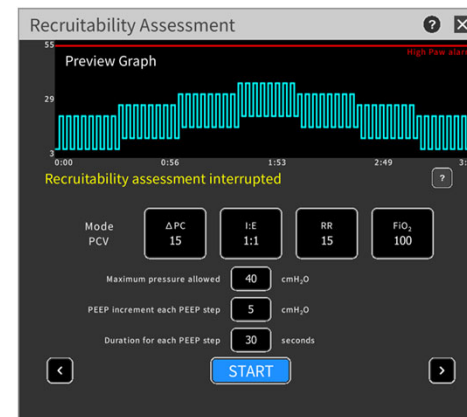
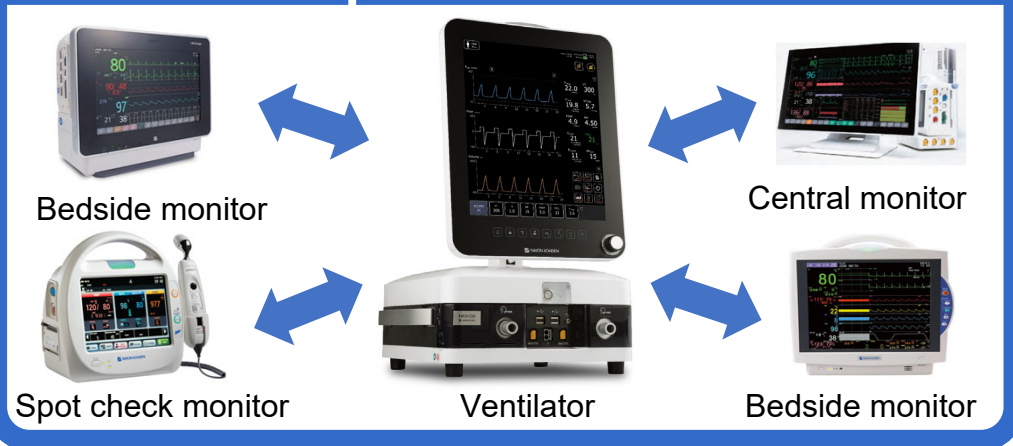
Start full-scale promotion of NKV-550 ventilator



Protective Control®

Enables operation from out of ward

Enhance connectivity
with patient monitors



Gentle Lung®

Provides useful applications in clinical practice based on the concept of lung-protective ventilation

Enables comprehensive vital sign data management by linkage with other Nihon Kohden's products

Vision Statement in Long-term vision, BEACON 2030

Illuminating Medicine for Humanity

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



**BEACON
2030**

1. Illuminate the future of medicine through our understanding of humanity

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

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

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

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

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

Three transformations for BEACON 2030

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

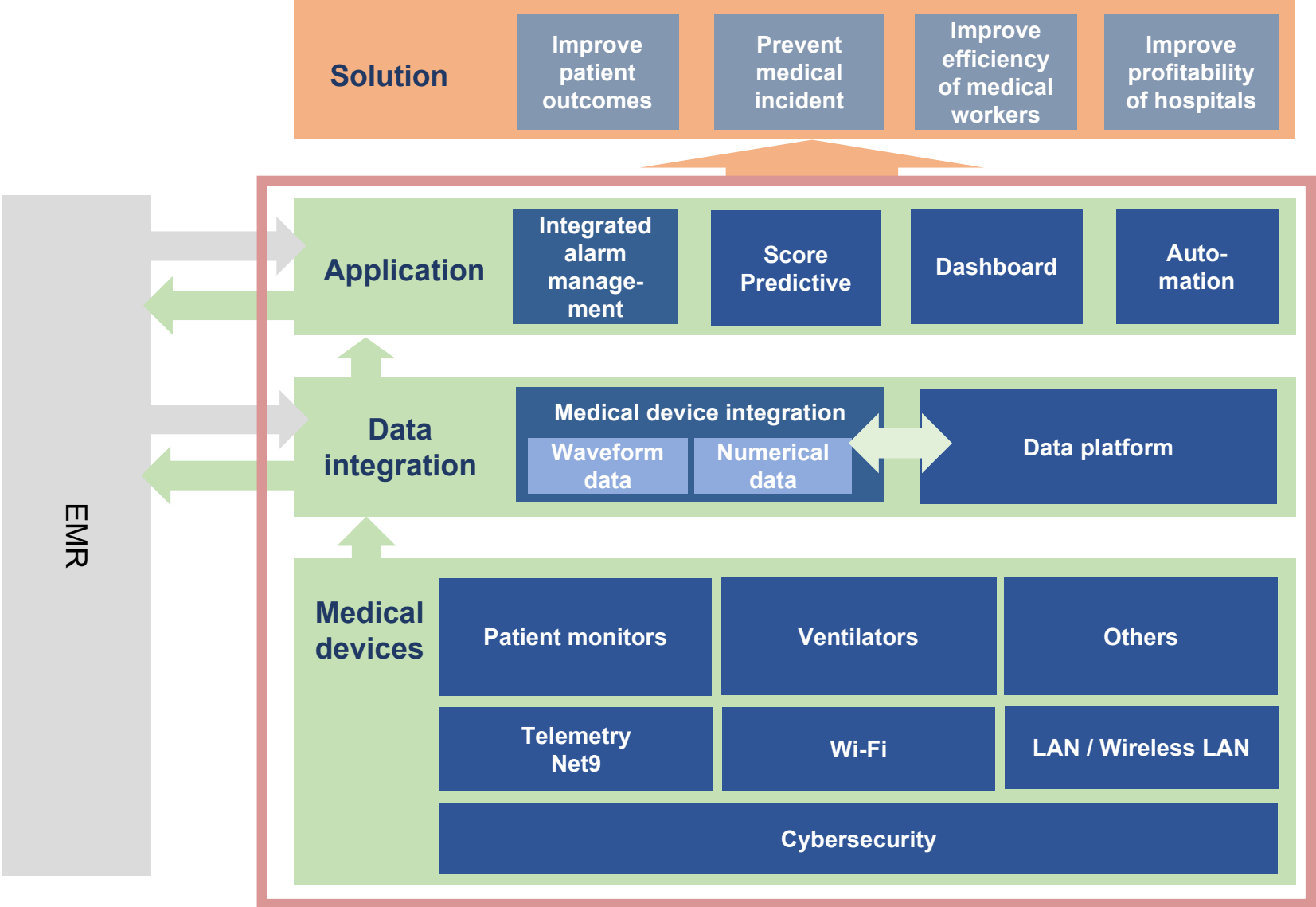
2 Create a solution business providing superior customer value

- **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

Nihon Kohden's Digital Health Solutions Vision



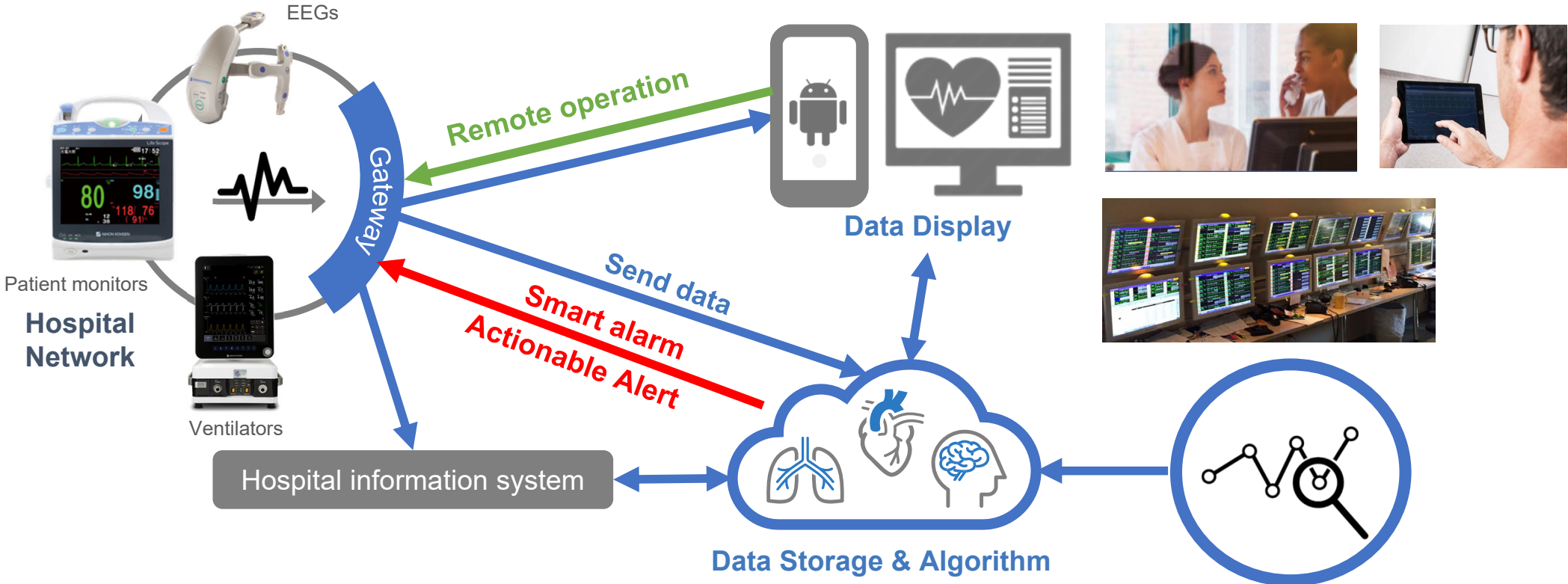
NK Digital Health Platform

Support medical workers' decision making by consolidating continuous / non-continuous vital sign data

Improve Patient Outcomes

Improve Operating Efficiency

Prevent Medical Incidents



NKDHS's product: Enterprise Gateway NK-HiQ™

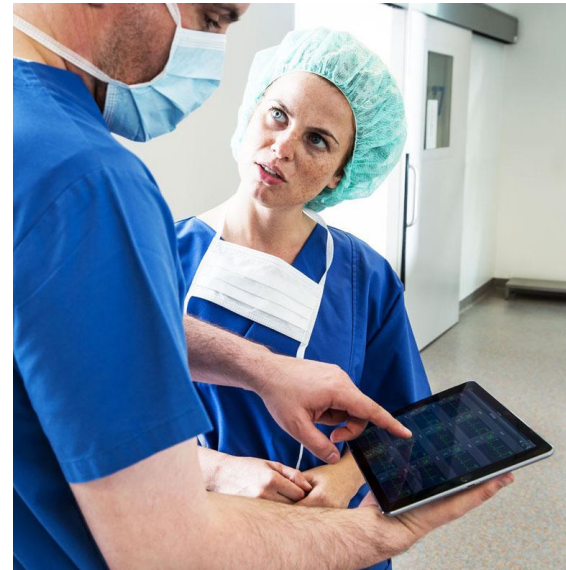
- Consolidates and manages data from Nihon Kohden's monitoring network and the hospital network
- Provides several applications which are useful in clinical practice



NKDHS's product: Mobile Viewer App ViTrac®

Enables remote viewing of historical data / real-time data

Support for timely decision making by medical workers



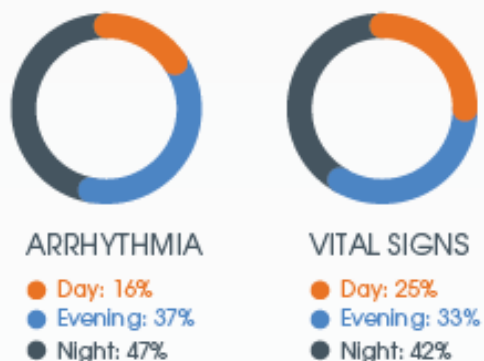
ViTrac

NKDHS's product: Alarm Management Report AWARE®

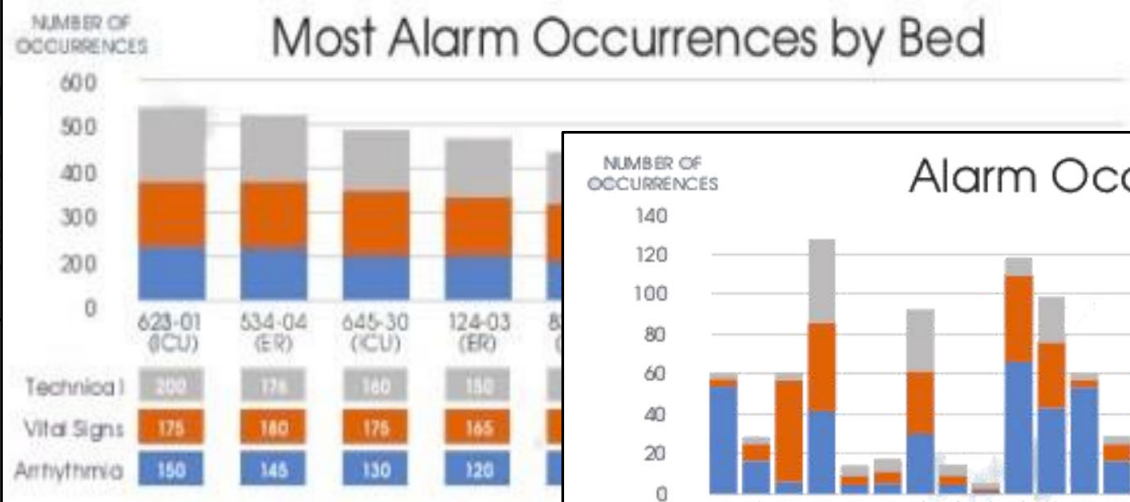
Quantitative analysis and reporting of alarms

Support for reducing burden on medical workers by appropriate alarm management

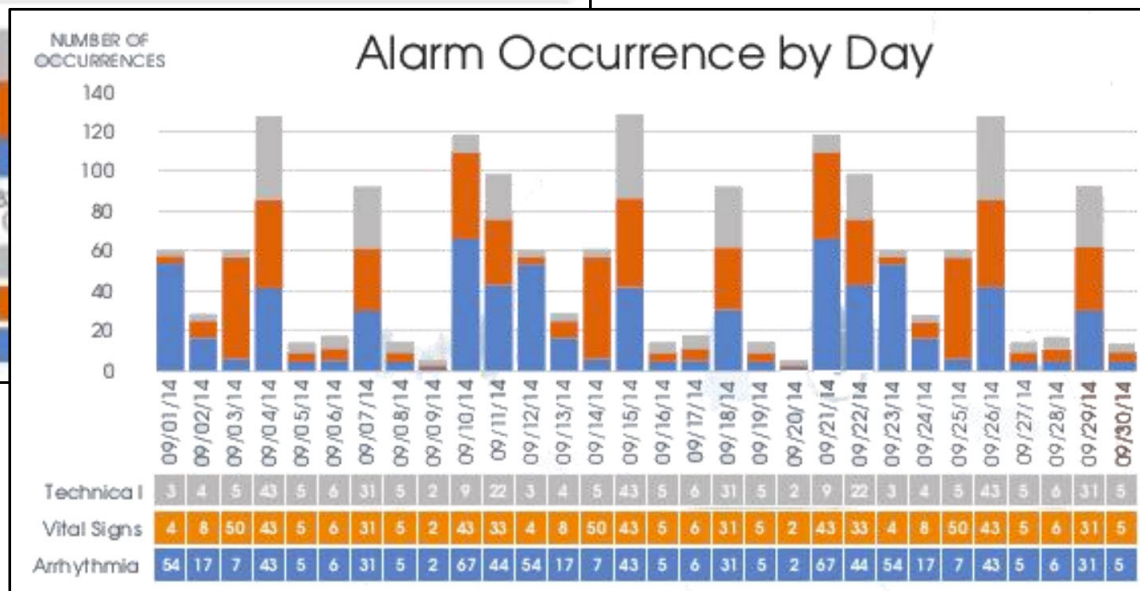
Total Alarm Occurrence by Shift



Most Alarm Occurrences by Bed



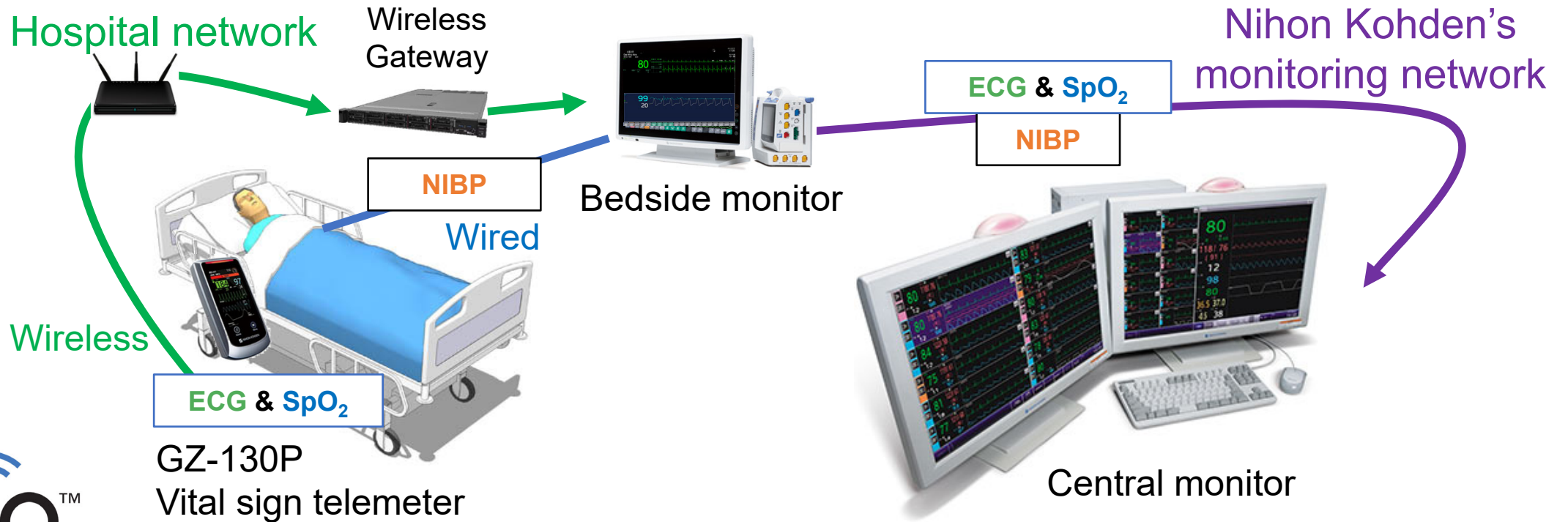
Alarm Occurrence by Day



AWARE®

NKDHS's product: Wi-Fi Device Controller NK-HiQ™ View

- Wirelessly transmits data obtained from vital sign telemeters to Nihon Kohden's monitoring network via access points in the hospital network
- Enables consolidation and management of wired and wireless data on one patient monitor



NK-HiQ™
Wireless Gateway

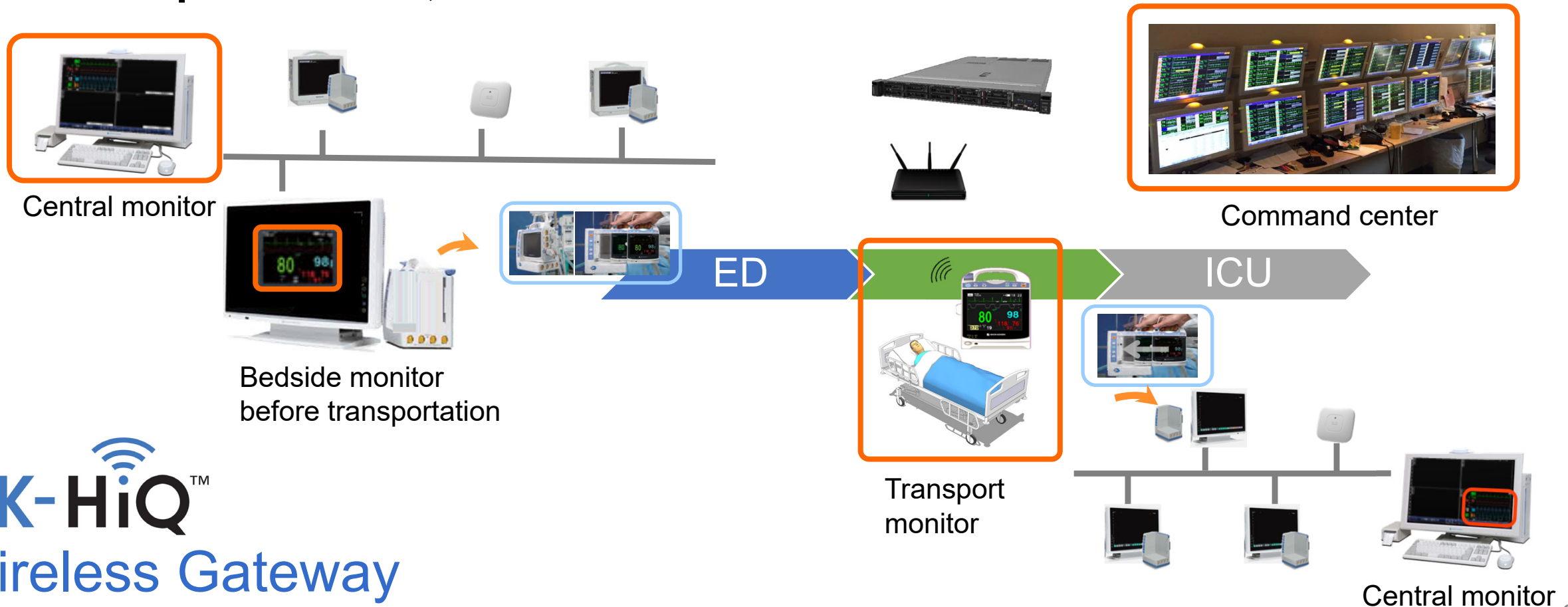
GZ-130P
Vital sign telemeter

Central monitor

Backfill function enables storage of vital sign data continuously and seamlessly even if Wi-Fi is interrupted.

NKDHS's product: Wi-Fi Device Controller WLAN Transport

- Wirelessly and continuously transmits data during patient transportation
- Enables patient monitoring on bedside monitors before transportation, on the transport monitor, and on central monitors in the command center



NK-HiQ™
Wireless Gateway

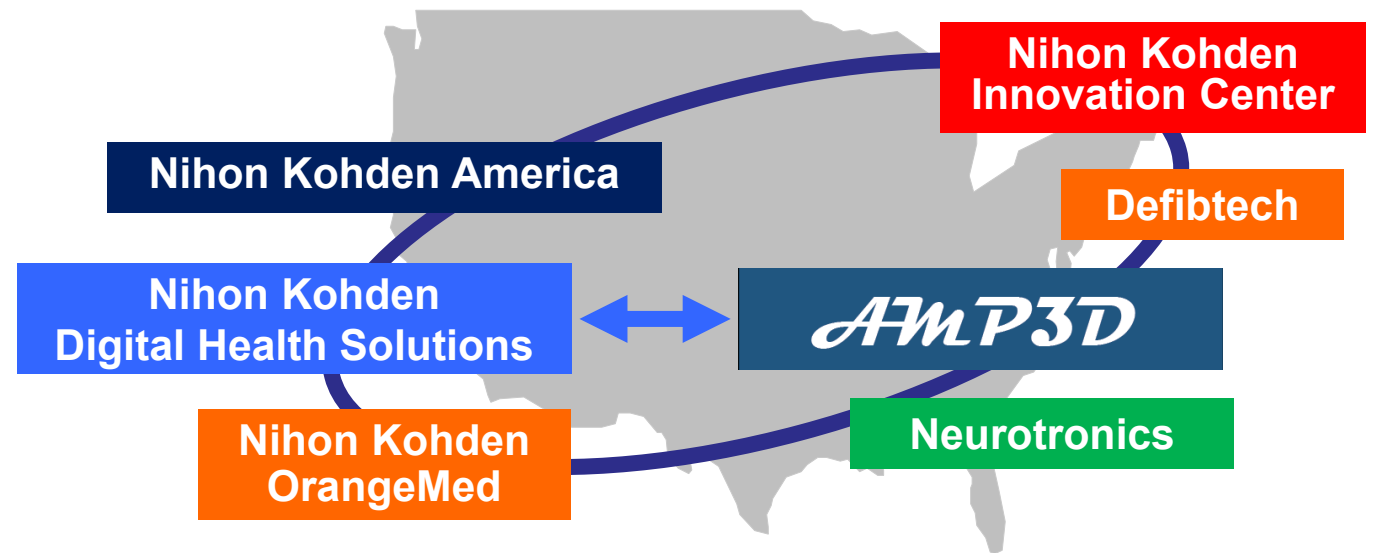
NKDHS acquired AMP3D in Aug. 2021



ADVANCED MEDICAL PREDICTIVE DEVICES, DIAGNOSTICS AND DISPLAYS, INC.

- Head office: Virginia, U.S.
- Establishment: 2013
- Representative: Kevin L. Passarello (President and CEO)
- Business: R&D of algorithms and software for patient condition management

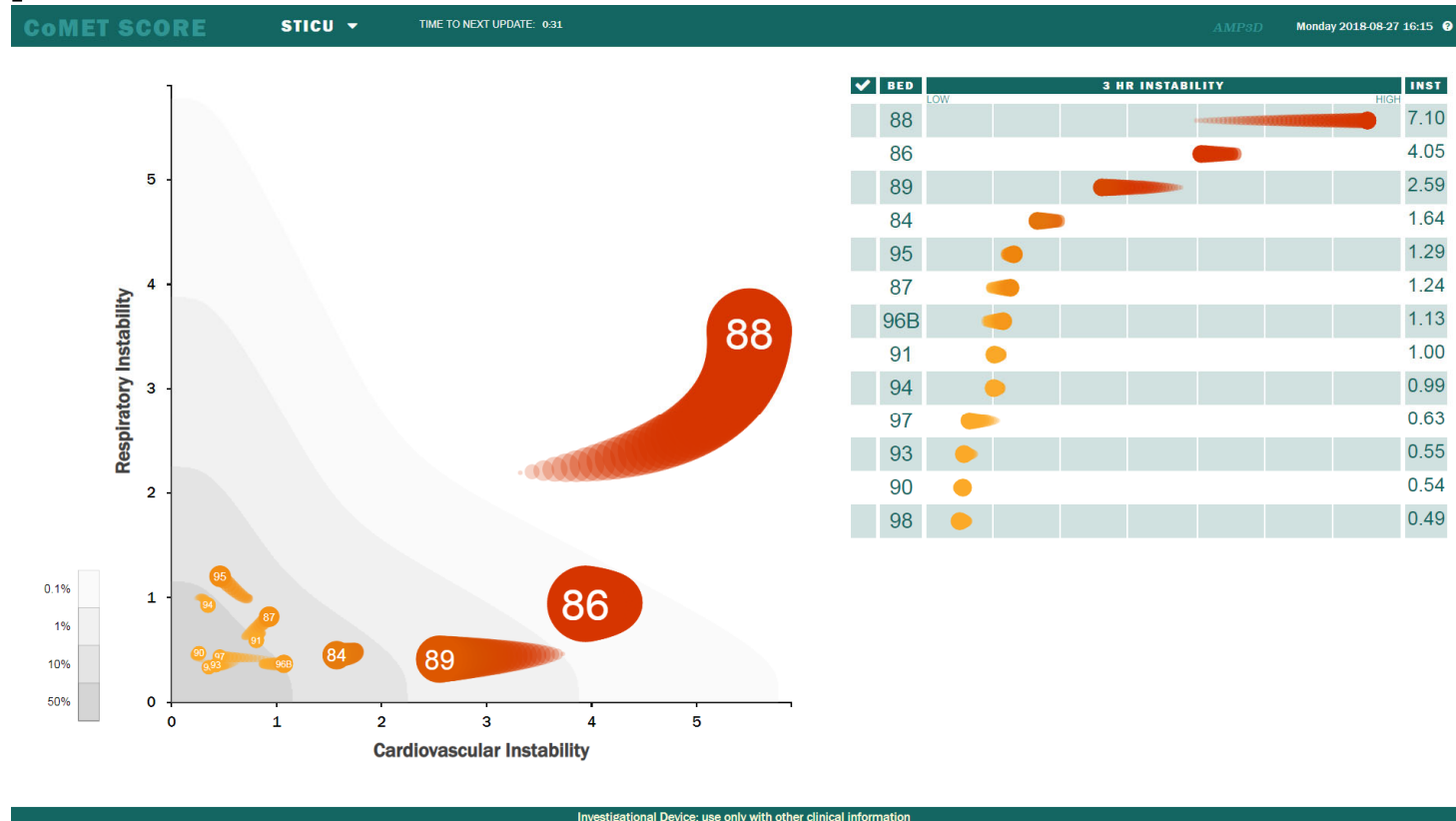
- High affinity with our DHS (digital health solution) vision
- Strengthening of the local R&D capability



CoMET® Continuous Monitoring of Event Trajectories

AMP3D's CoMET[®] (Continuous Monitoring of Event Trajectories)

- Unique calculation algorithm models that utilize data from patients' vital sign data and clinical tests
- Display software for patient trajectories that can monitor the condition of multiple patients



NEW!

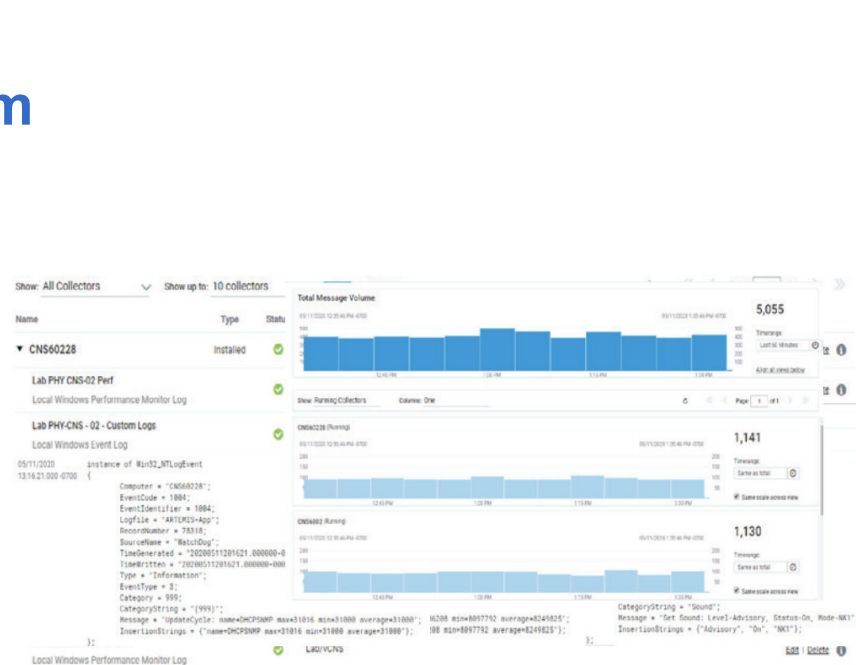
NK NETWORK CARE Service

- 24-hour monitoring of security threats in hospitals' networks
- Provides support when issues are detected

• **NMS:**
Network Management System
Monitoring network

• **SIEM:**
Security Information
and Event Management
Collecting events and logs

• **NTA:**
Network Threat Appliance
Monitoring threats and terminating network connection



5. Growth strategy in the U.S. and sustainable contribution to customers



Expand business by functional integration and unification of 7 local subsidiaries

NK Digital Health Platform

- Genuine contribution to improving patient outcomes and economy of medical care by utilizing data and algorithms for clinical prediction

NIHON KOHDEN
INNOVATION CENTER

NIHON KOHDEN
Digital Health Solutions, Inc.

AMP3D

Neurotronics
A Nihon Kohden Company

- Develop and commercialize **new algorithms** with leading-edge research institutions

Create synergy through the sales force in Nihon Kohden America

- **Develop algorithms in the neurology area**
- Increase our presence in the U.S.

NIHON KOHDEN
Nihon Kohden OrangeMed, Inc.

- **Improve patient outcomes** by promoting lung-protective ventilation
- Expand product line-up

defibtech

- Raise awareness in **pre-hospital market**
- Manufacture EMS-1052 defibrillator in the U.S.

Market size of vital sensors in the U.S. in 2020

SpO₂ probe

\$849 mil
2016-2020 CAGR:
7%



NIBP cuff

\$216 mil
2016-2020 CAGR:
12%



CO₂ sensor

\$40 mil
2016-2020 CAGR:
17%



* Each of the above data is an estimate made by the Company.

**Raise awareness in the global market
by gaining market share of consumables in the U.S.**

Enhance recurring business in the U.S.

SpO₂

- Strengthen the link with sales strategy for patient monitors and transmitters
- Prepare for receiving FDA approval and building clinical evidence for esCCO*¹

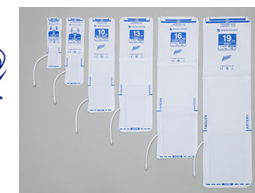
es^{timated}
CCO



NIBP

- Achieve differentiation through iNIBP*² which reduces invasiveness and measurement time
- Promote disposable cuffs to prevent infection

iNIBP
Linear Inflation Technology



EtCO₂

- Promote use in the resuscitation field and strengthen offerings of mainstream CO₂ monitoring products
- Prepare for verifying the contribution to safety of anesthesia outside OR



TOF
EMG

- Promote safety and economy of neuromuscular monitoring
- View and manage data for these parameters together with other vital sign data on patient monitors



*1 esCCO: estimated Continuous Cardiac Output

*2 iNIBP: The Company's unique blood pressure measurement algorithm

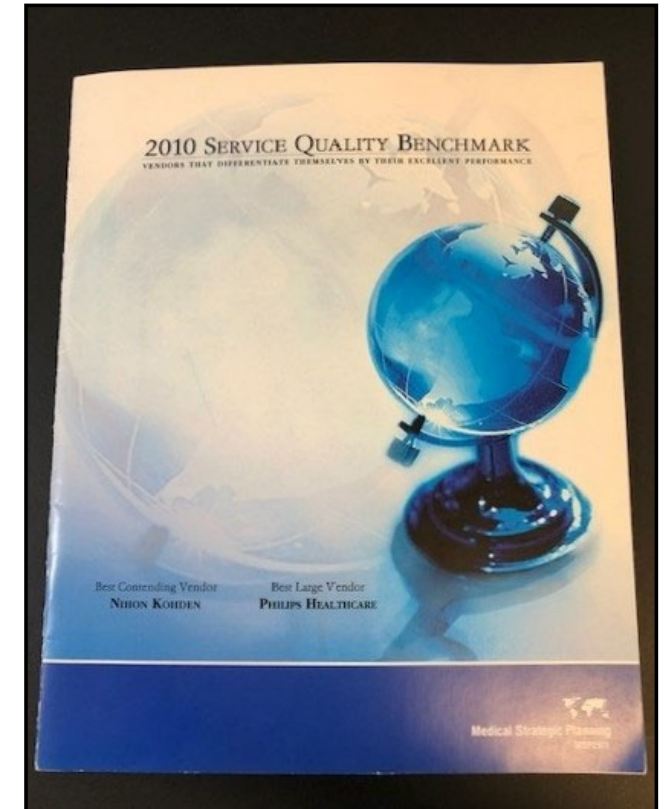
**Aim to increase supply of vital sensors in the U.S
by enhancing cooperation b/w Japan and U.S. team**

Higher scores of service quality

Highest ranking for 5 years from 2005 to 2010

Overall scores were higher by 0.5pts compared to other vendors

Overall Product Reliability	Nihon Kohden 8.7
Vendor Timely Installation	Nihon Kohden 9.1
Quality of Service Manual	Nihon Kohden 8.7
Call Center Knowledge	Nihon Kohden 9.0
Parts Arrival Time	Nihon Kohden 9.2
% Problems Fixed on 1 st Visit	Nihon Kohden 87%

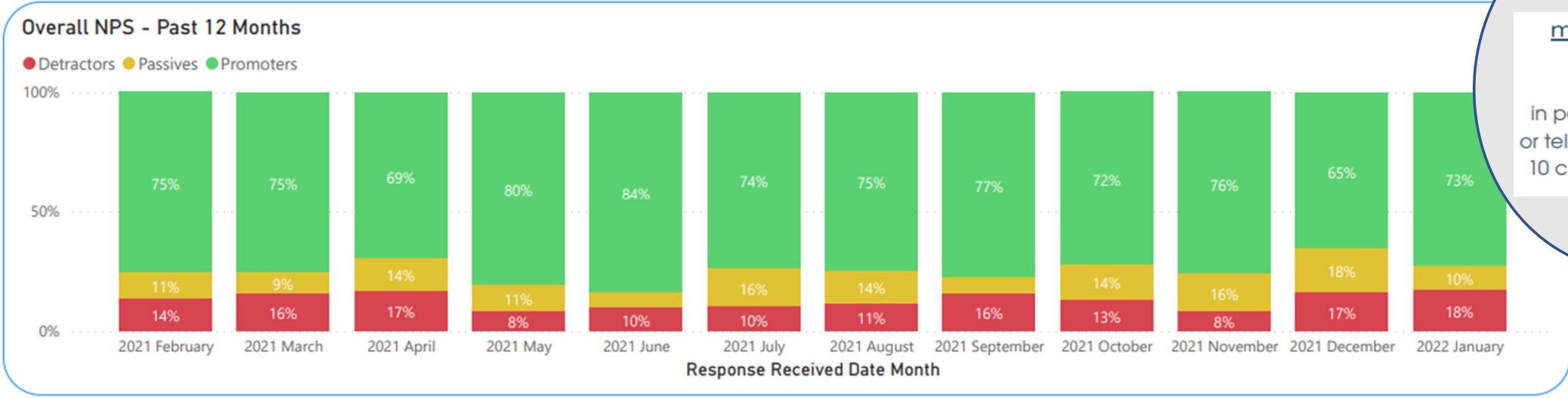


Source: Medical Strategy Planning

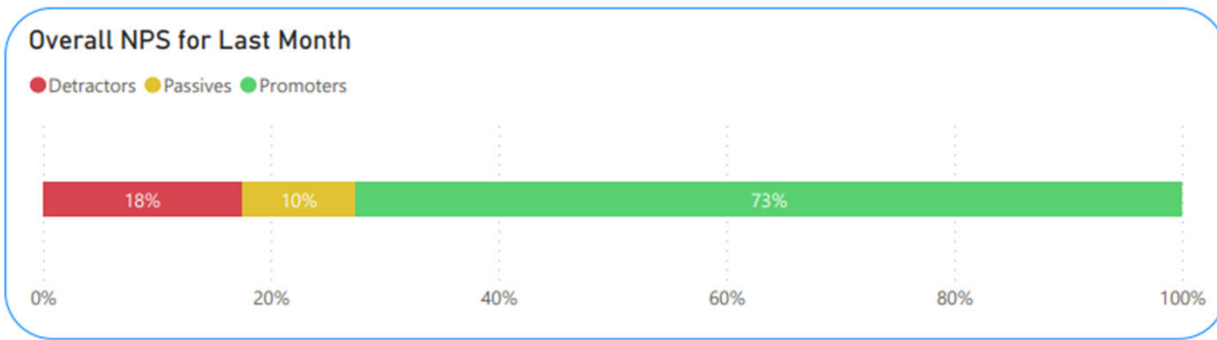
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Higher customer satisfaction due to higher service quality

- Highest customer satisfaction ranking for 13 consecutive years*¹
- NPS*² Average positive response in 2021: 75%
Positive response in Jan. 2022: 73%



md buyline
RATED #1
 in patient monitoring or telemetry more than 10 consecutive years*



*1 Research of telemetry monitor by MD Buyline, Inc. (2019Q4)
 *2 NPS (Net Promoter Score): Index to measure customer loyalty. NPS indicates the degree of customers' attachment to products or services

Increase presence by utilizing SNS



Utilize SNS as part of downstream marketing activities and human capital acquisition

During transport, it is important to maintain a high standard of care regardless of the patient's acuity level or location. Learn more about Nihon Kohden's BSM-1700: <https://b.link/e4rkja>



Steve Speeding and 170 others 6 comments

Vice President HR Nihon Kohden
If you want to work where your work really matters, join us at Nihon Kohden!
<http://nihonkohden.hrmdirect.com/employment/job-openings.php>

Like · 2 | Reply · 2 Replies

Load previous replies

Nihon Kohden America Author 2mo ...
18,112 followers

Karthick Lakshmi Narayanan Hi there, you can find more information here: <https://www.nihonkohden.com/careers/>

Like | Reply

Laura Flaker, MSN, RN (She/Her) • 3rd+
Sr. Clinical Practice Consultant at UnitedHealthcare: Community Integra...
Such an amazing company!!

Like · 2 | Reply · 1 Reply

Nihon Kohden America Author 2mo ...
18,112 followers

Thanks for the kind words, Laura!

Like | Reply

Sandeep Pillai • 2nd
Service Engineer (Respiratory and Cardiac Care) at MSI Philips Healthc...
I am a fan of smart connector, the way this connector worked it feels like USB port on patient monitor.

Like · 2 | Reply

The NKV-550 ventilator is designed to provide all the essential capabilities required by clinicians for ventilating adult, pediatric and neonatal patients. Learn more: <https://b.link/trdjnt>



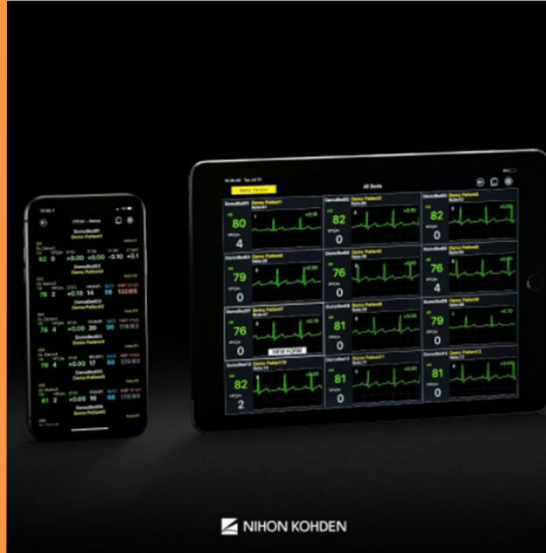
Josh Shave and 141 others 1 comment

Most relevant ▾

David Ashi • 3rd+
VP: Global Sales and Marketing / Executive Staff Member at Dawar Tech...
Great looking system!

Like · 1 | Reply

Developed for use with iOS, Android, and Windows devices, the ViTrac® remote viewing application offers a secure method for remotely viewing a range of Nihon Kohden-generated patient data. Learn more here: <https://b.link/dyhtzv>



Josh Shave and 102 others 5 comments

Mohamed Thafer Esmail • 3rd+
Service Engineer في شركة النخبة الدولية للأجهزة الطبية والمختبرية
That's great news 🙌

Like · 1 | Reply · 1 Reply

Nihon Kohden America Author 2mo ...
18,112 followers



Like | Reply

Francisco Núñez Jorquera • 3rd+
Clinical and Applications Specialist
Por fin abierto a otros SO
[See translation](#)

Like · 1 | Reply · 1 Reply

Nihon Kohden America Author 2mo ...
18,112 followers



Like | Reply

Italo Grossi Castro • 3rd+
Products and applications Specialist in Neurology
Muy buen app!!!!

Like · 1 | Reply

The VitalEEG™ is a low channel-count, wireless EEG headset that can be rapidly deployed by any ER or ICU nurse and remotely monitored by an EEG technologist or physician. Learn more: <https://b.link/4knjji>



Steve Speeding and 116 others 8 comments

Does this device have a camera to allow for viewing the patient's behavior?
Like · 2 | Reply · 2 Replies
Load previous replies

Nihon Kohden America Author 2mo ...
18,112 followers
Let us know if we can provide you with more information 🙌

Sheri Basham • 2nd
Clinical Application Specialist at Nihon Kohden America
Dustin Rochestie check this out!

Nihon Kohden America Author 2mo ...
18,112 followers

KRISTIE KILGORE • 3rd+
Circulating Nurse at EYE SURGERY CENTER OF NORTH DALLAS
Cool

Sheila Medlin • 3rd+
Primary Neuro Tech / Respiratory Therapist
Love this

Like · 1 | Reply · 1 Reply

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Information on products (including products under development) in this document is not intended to make any advertisement or promotion.