

Consolidated Financial Highlights for the First Half of FY2025

(From April 1, 2025 to September 30, 2025)

- 1. Consolidated Financial Results
for the First Half of FY2025**
- 2. Forecast for FY2025**
- 3. Business Strategy**

NIHON KOHDEN CORPORATION

(Ticker Code: 6849)
November 10, 2025

Fighting Disease with Electronics



1 Consolidated Financial Results for the First Half of FY2025

1) Consolidated Financial Results for the 1st Half of FY2025

	First half FY2024	First half FY2025	YoY (%)
Net Sales	102,784	108,120	5.2
Domestic Sales	66,243	66,880	1.0
Overseas Sales	36,541	41,240	12.9
Gross Profit (Gross Profit Margin)	51,906 50.5%	56,798 52.5%	9.4
Operating Income (Operating Income Margin)	5,114 5.0%	6,741 6.2%	31.8
Ordinary Income	2,139	6,732	214.7
Income Attributable to Owners of Parent	463	4,524	876.7

(Amounts of less than ¥1 million are rounded down)

+18% on a local currency basis
(+11% on a local currency basis excluding impact of consolidation of Ad-Tech)

In-house sales ratio: FY2024 1H 71.5% → FY2025 1H 73.5%

SG&A: ¥46.7 bil → ¥50.0 bil
SG&A Ratio: 45.5% → 46.3%

Foreign exchange losses:
¥3,327 mil → ¥156 mil

Average Exchange Rate	(2024/9)	(2025/9)
1 US Dollar	153.6 yen	146.7 yen
1 EURO	166.3 yen	166.8 yen

2) Highlights of the 1st Half of FY2025

Net Sales : +5.2%

- **Japan**: Sales increased, because the Company focused on its consumables and services business, while capital expenditure in hospitals was cautious. Sales of locally purchased products decreased as the Company focused on selling in-house products.
- **International**: Sales in North America, Europe, and Asia & Other increased favorably. Sales achieved double-digit growth on a comparable basis excluding the currency effect and the impact of the consolidation of Ad-Tech.

Operating Income : +31.8%

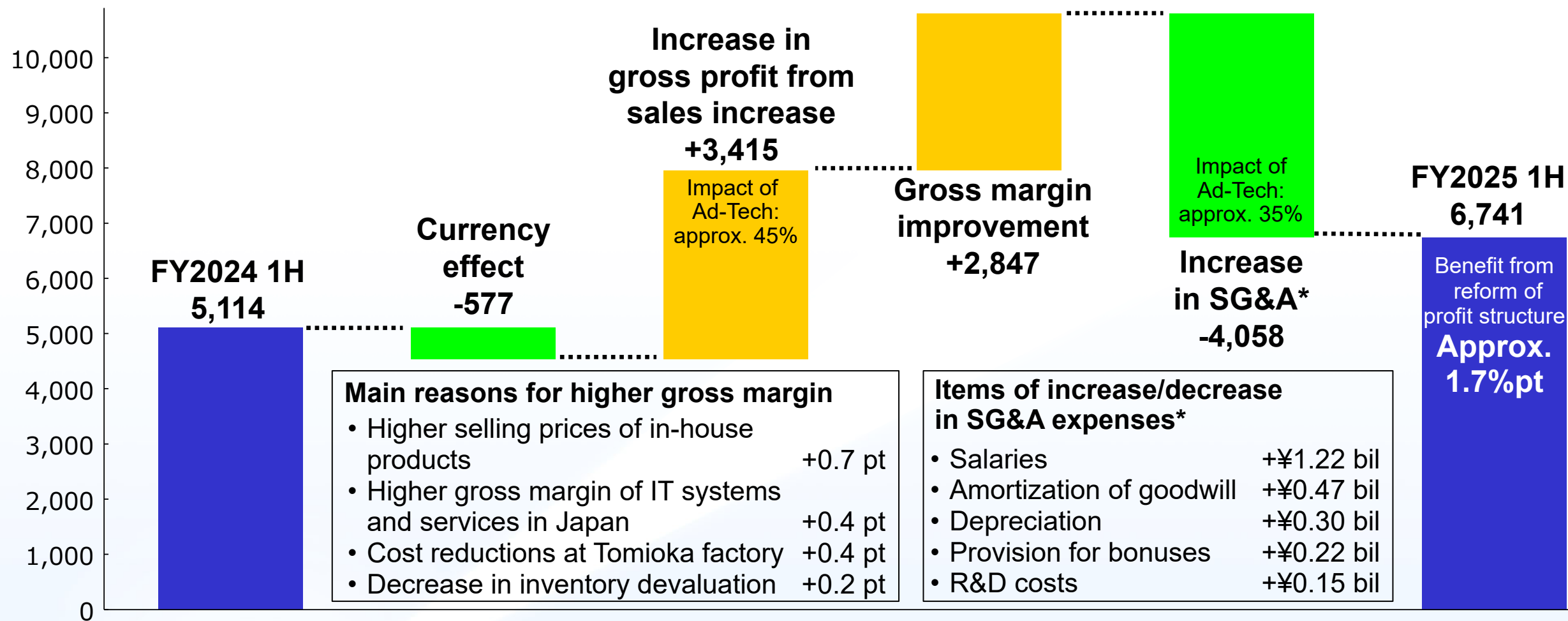
- Operating income increased due to increased sales and the consolidation of Ad-Tech as well as favorable gross profit margin reflecting higher selling prices and cost reductions of in-house products and a decrease in inventory devaluation.

Ordinary Income : +214.7%

- Foreign exchange losses decreased.

3) Breakdown of Operating Income

(Amounts of less than ¥1 million are rounded down)

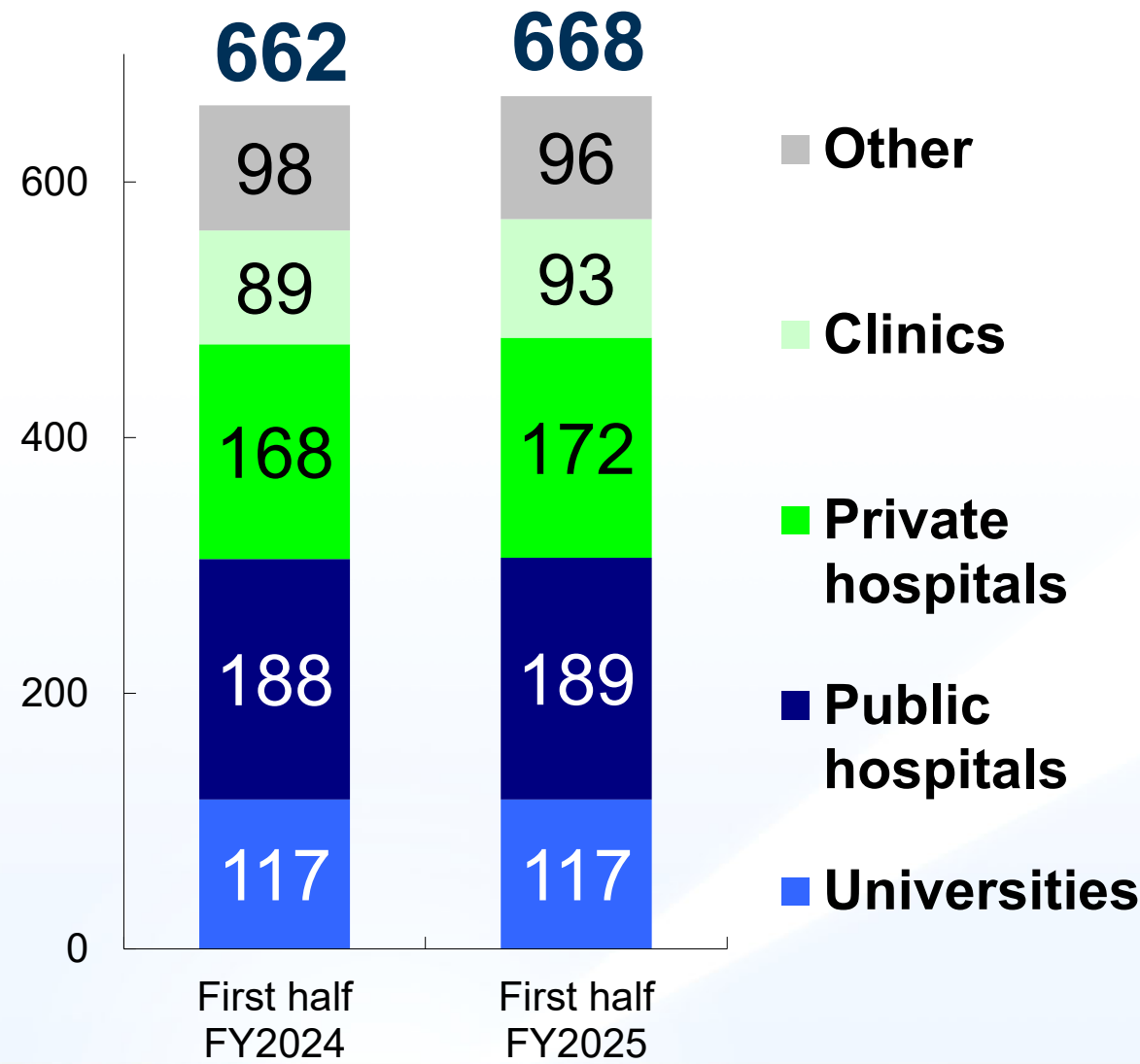


*Increase in SG&A indicates the amount as a factor of increase/decrease of operating income excluding the currency effect.
Items of increase/decrease in SG&A expenses indicate major components of increased/decreased SG&A expenses on a yen basis.

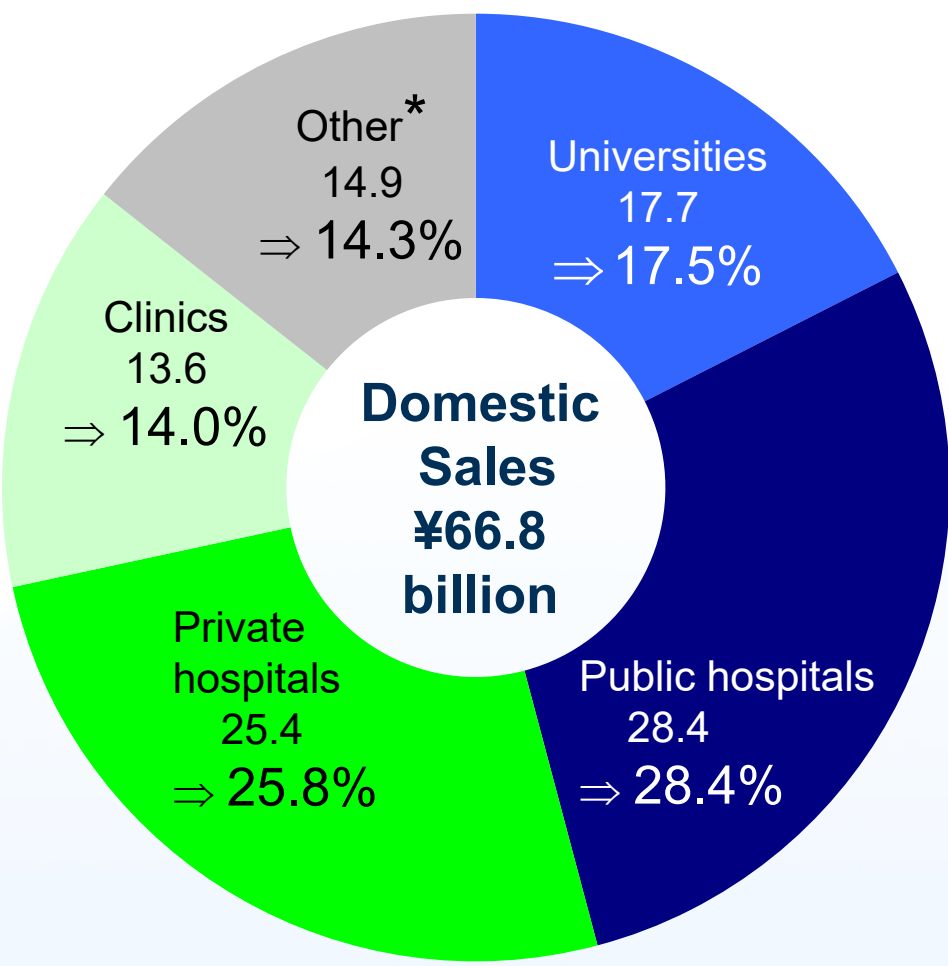
4) Domestic Sales

Sales by market

(¥100 million)



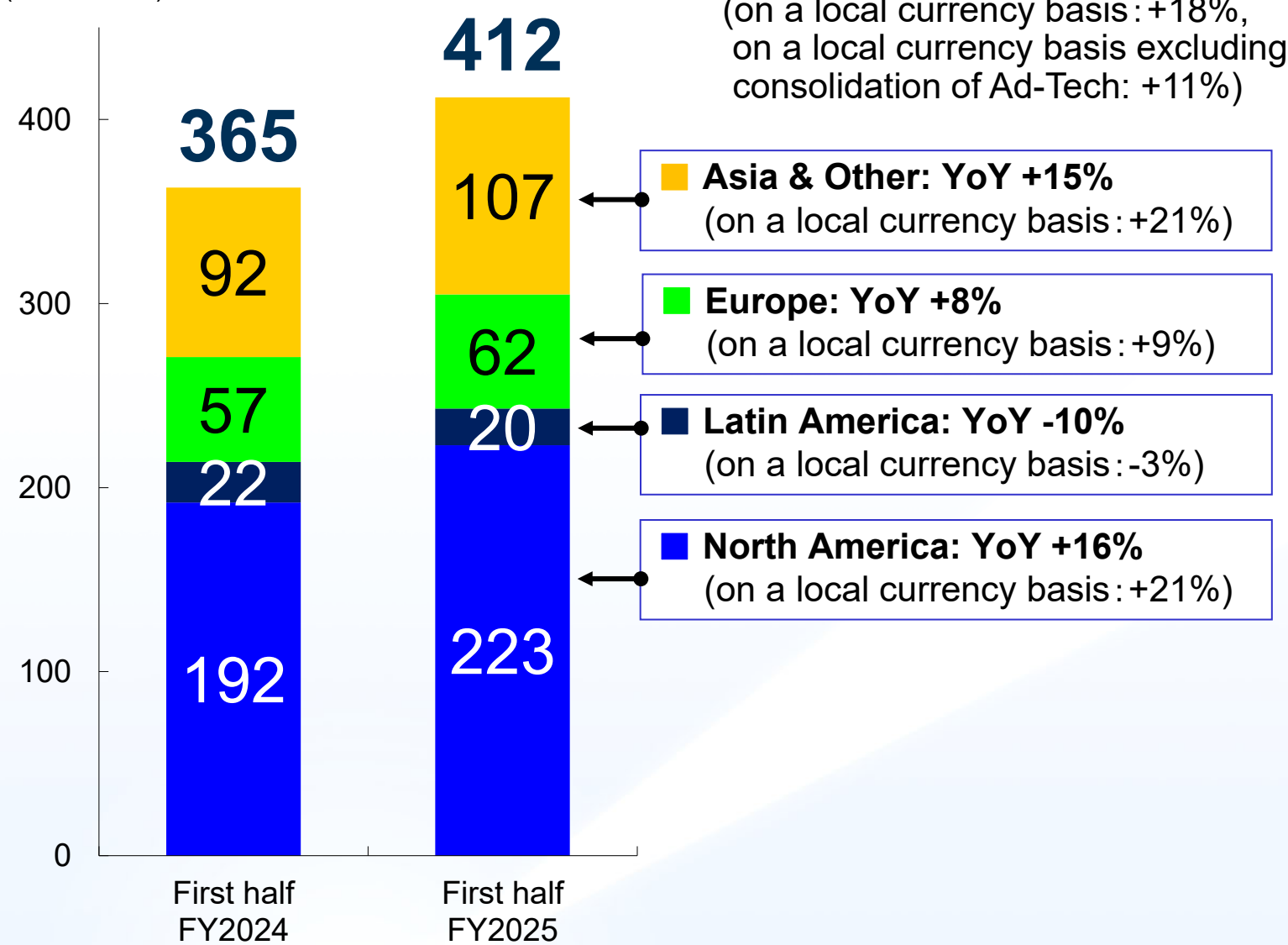
Sales composition by market
(FY2024 1H ⇒ FY2025 1H)



*Other includes laboratories, animal hospitals and PAD (public access defibrillation) markets such as schools and private companies.

5) Overseas Sales

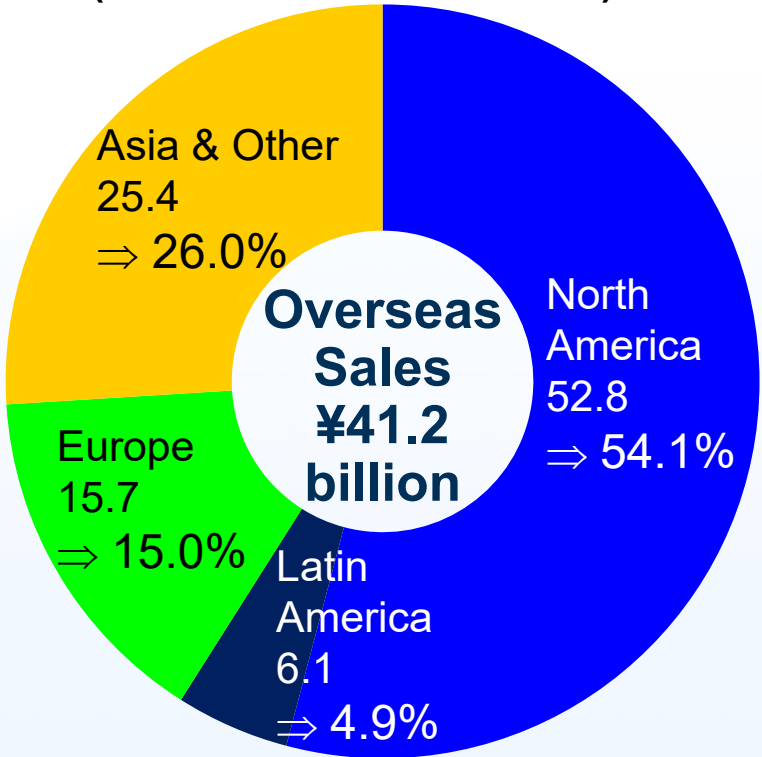
Geographic segments
(¥100 million)



Percentage of overseas sales to consolidated sales

First half FY2024	First half FY2025
35.6%	38.1%

Geographic Segments
(FY2024 1H ⇒ FY2025 1H)



6) Sales by Product Category

(Sales, millions of yen)

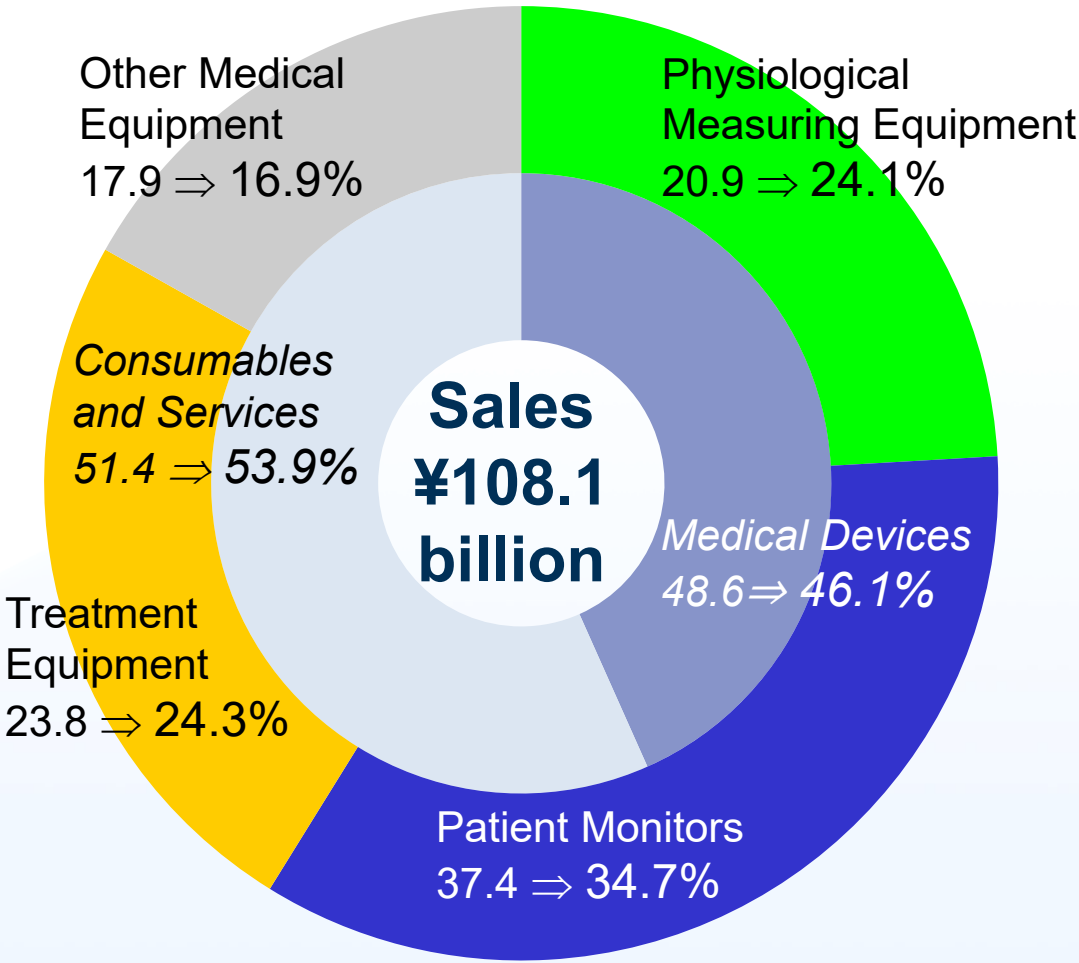
	First half FY2024	First half FY2025	YoY (%)
Physiological Measuring Equipment	21,474 (40%)	26,053 (45%)	21.3
Patient Monitors	38,478 (64%)	37,559 (65%)	- 2.4
Treatment Equipment	24,444 (42%)	26,287 (45%)	7.5
Other Medical Equipment	18,387 (46%)	18,220 (49%)	- 0.9
Total Sales	102,784 (51%)	108,120 (53%)	5.2

(Reference)

Medical Devices	49,966 (52%)	49,877 (54%)	- 0.2
Consumables and	52,818 (50%)	58,242 (51%)	10.3

*The figures in parentheses in the table are gross profit margins.


Sales composition
by product category
(FY2024 1H ⇒ FY2025 1H)




6.1) Physiological Measuring Equipment

	First half FY2024	First half FY2025	YoY (%)	(Sales, millions of yen)
Electroencephalographs	4,760	7,780	63.4	+11% excluding impact of consolidation of Ad-Tech.
Electrocardiographs	3,025	3,002	- 0.8	
Polygraphs for Cath Lab	8,690	9,672	11.3	Sales of diagnostic information systems and polygraphs for cath lab achieved double-digit growth. Sales of EEGs also increased favorably. Sales of ECGs decreased.
Diagnostic Information Systems	2,296	2,587	12.7	
Other Physiological Measuring Equipment *	2,701	3,010	11.4	
Physiological Measuring Equipment	21,474	26,053	21.3	Sales of EEGs showed strong growth in North America and Asia & Other, excluding impact of consolidation of Ad-Tech. Sales of ECGs also increased favorably in Asia & Other.
Domestic Sales	16,659	17,892	7.4	
Overseas Sales	4,814	8,161	69.5	


*Includes products of other companies.




Electro-encephalograph
EEG-1290




EMG/EP measuring system
MEB-2300




Electro-cardiograph
ECG-3250




Holter ECG monitor
RAC-5000




Polygraphs for Cath Lab
RMC-5000



Clinical assistant service
PRM-2100



EMG electrode for neuromuscular monitoring NM-34 series



Ad-Tech intracranial electrodes

Consumables


6.2) Patient Monitors

	First half FY2024	First half FY2025	YoY (%)
Patient Monitors	38,478	37,559	- 2.4
Clinical Information Systems	1,822	1,998	9.7
Domestic Sales	20,630	19,990	- 3.1
Overseas Sales	17,847	17,568	- 1.6


(Sales, millions of yen)

Sales of telemetry systems and transmitters decreased compared to the strong growth in FY2024 1H. Sales of clinical information systems increased favorably. Sales of bedside monitors and consumables such as sensors also increased.


+3% on a local currency basis.
Sales in North America, Latin America, and Europe decreased compared to the strong growth in FY2024 1H. Sales in Asia & Other increased significantly due to large orders in Morocco and Saudi Arabia.




Bedside monitors
CSM-1500/1700




Bedside monitor
BSM-5700




Telemetry system
WEP-1600




Central monitor
CNS-2101




Dashboard software for monitoring patient condition
QH-101N



SpO₂ probe for esCCO measurement



cap-ONE mask



ECG electrodes

Consumables

6.3) Treatment Equipment

(Sales, millions of yen)

	First half FY2024	First half FY2025	YoY (%)
Defibrillators (for Hospital and Ambulance)	3,890	4,066	4.5
AEDs (Automated External Defibrillator)	11,495	12,158	5.8
Pacemakers / ICDs	1,258	1,357	7.8
Ventilators	3,769	4,738	25.7
Other Treatment Equipment	4,030	3,966	- 1.6
Treatment Equipment	24,444	26,287	7.5
Domestic Sales	14,648	14,682	0.2
Overseas Sales	9,795	11,604	18.5
(Ref.) AED Unit Sales (units)	54,700	60,100	9.9
Domestic Unit Sales (units)	29,500	33,600	13.9

Domestic: Sales increased thanks to favorable sales of consumables.

International: Sales in Europe and Asia & Other increased favorably.

Domestic: Sales increased thanks to continued replacement demand and the launch of new products.

International: Sales increased in all regions.

Domestic: Sales decreased as business deals are more concentrated in FY2025 2H than usual.

International: Sales increased significantly in North America, Latin America, and Europe, especially driven by sales growth of a mask-type ventilator in North America.



Defibrillator
TEC-1000



Fully automatic AED
AED-3200



Pacemaker
Zenex MRI



Ventilators
NKV-550/440/330

AsisTIVA



Syringe pump control software for assisting
with total intravenous anesthesia
ROP-1680



Automated chest
compression device
ARM XR ACC

6.4) Other Medical Equipment

	First half FY2024	First half FY2025	YoY (%)
Hematology Instruments	6,516	6,371	- 2.2
Imaging Systems and Others *	11,871	11,848	- 0.2
Other Medical Equipment	18,387	18,220	- 0.9
Domestic Sales	14,304	14,314	0.1
Overseas Sales	4,083	3,906	- 4.3

(Sales, millions of yen)

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

Sales of hematology instruments and reagents decreased in Europe and Latin America compared to the strong growth in FY2024 1H.

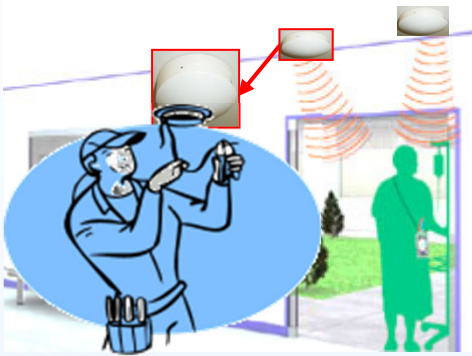
*Includes consumables, installation and maintenance services which are not part of other categories.



Automated hematology analyzer
MEK-9200



Automated hematology and ESR analyzer
MEK-1305



Installation and maintenance services

7) Financial Condition

(Amounts of less than ¥1 million are rounded down)

	FY2024	First half FY2025	Change
Current Assets	183,085	173,324	- 9,760
Inventories	56,174	60,077	3,902
Property, Plant & Equipment	29,270	28,753	- 517
Intangible Assets	27,653	25,212	- 2,441
Investments & Other Assets	18,266	19,289	1,022
Total Assets	258,276	246,579	- 11,696

Inventory Turnover (months)	6.2	6.6	
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	FY2024	First half FY2025	Change
Current Liabilities	72,296	68,369	- 3,926
Interest-bearing Debt	26,030	25,669	- 361
Non-current Liabilities	4,685	4,394	- 290
Net Assets	181,294	173,815	- 7,479
Total Liabilities & Net Assets	258,276	246,579	- 11,696

Equity Ratio	69.5%	70.5%	
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[Reasons for the decrease of current assets]

- **Notes and accounts receivable decreased by ¥12.5 bil.**
- **Inventories increased by ¥3.9 bil.**

Inventories of finished goods temporarily increased by ¥3.8 bil in preparation for starting operation of PLM/MES systems and new plant in Tsurugashima.

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

8) Cash Flows

(Amounts of less than ¥1 million are rounded down)

	First half FY2024	First half FY2025	Change
I . Cash flows from operating activities	7,888	11,740	3,852
II . Cash flows from investing activities	- 3,366	- 2,001	1,365
Free cash flows	4,521	9,739	5,217
III . Cash flows from financing activities	- 5,034	- 3,179	1,854
Effect of exchange rate change on cash and cash equivalents	- 672	- 84	587
Net increase (decrease) in cash and cash equivalents	- 1,185	6,474	7,659
Cash and cash equivalents at end of period	48,692	49,535	843

(Billions of yen)

	FY2024 1H	FY2025 1H	Change
Income before income taxes	1.9	6.7	+4.8
Decrease (increase) in accounts receivable	14.1	13.4	-0.7
Decrease (increase) in inventories	0.8	-4.1	-4.9
Increase (decrease) in accounts payable	-2.3	-0.9	+1.3
Income taxes paid	-5.3	-3.7	+1.6

9) Capital Investments and R&D Costs

(Amounts of less than ¥1 million are rounded down)

	First half FY2024	First half FY2025	Change	FY2024	FY2025	
					Original forecast announced May 13	Revised forecast announced Nov 10
Capital Investments	3,341	1,721	- 1,620	9,519	9,400	9,400
Depreciation	1,925	2,164	238	4,067	4,900	5,000
R&D Costs	3,186	3,339	152	6,826	7,200	7,400

● FY2025 capital investments plan

Molds for new products, measuring equipment and jigs, products for demonstration, and production equipment

Introduction of PLM/MES* systems

Capital Investments: approx. ¥3.0 bil < **FY2022: ¥0.3 bil, FY2023: ¥0.5 bil, FY2024: ¥0.9 bil**
FY2025: ¥0.8 bil, FY2026~ : ¥0.5 bil

PLM: Started operation in Sep. 2025
MES: Started operation in Nov. 2025

Establishment of new plant in Tsurugashima City

Total investments: approx. ¥11 bil < **FY2022: ¥2.3 bil (Acquisition of the site)**
~FY2024: ¥4.1 bil, FY2025: ¥3.2 bil
(Building and facilities)
FY2026~ : ¥1.4 bil (Facilities)

Construction: Started in July 2024
Completed in Oct. 2025
Operation: Planned to start in 2026

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

2

Forecast for FY2025

1) Business Environment

The global economic outlook is uncertain due to escalating protectionism and fragmentation, and prolonged uncertainty caused by geopolitical risks and policy trends in each country.

Japan

Securing medical staff and promoting reforms in their work style.

- Medical service fees rose by 0.88% in June 2024. Higher basic fees for wage increase, promoting DX in medical fields, infection control measures, and task shifting.

Deepening integrated community care systems. Differentiating medical institution functions and strengthening collaboration.

- Funds for securing comprehensive medical and long-term care in the community: FY2025 budget ¥90.9 bil for medical care

Deterioration of medical institutions' business due to price and wage inflation.

- Urgent support for medical institutions' business: FY2025 budget ¥131.1 bil for improving productivity and workplace environments as well as optimizing the number of hospital beds

International

U.S. and Europe

- In the U.S., future policy trends such as proposed budget cuts to public health insurance should be monitored carefully.
- In Europe, demand for medical devices is recovering moderately, while policy trends in each country should be monitored carefully.

Emerging Markets

- New standards and preferential treatment for domestically produced products are to be enforced in China.
- Moves to protectionism and tightening of laws and regulatory requirements for medical devices in each country.

2) Forecast for FY2025

	FY2024	FY2025		YoY	(Amounts of less than ¥1 million are rounded down)
	Actual	Original forecast announced May 13	Revised forecast announced Nov 10	(%)	
Net Sales	225,424	240,000	240,000	6.5	
Domestic Sales	145,237	149,800	149,400	2.9	- ¥0.4 bil from original forecast
Overseas Sales	80,187	90,200	90,600	13.0	+ ¥0.4 bil from original forecast +17% on a local currency basis (+11% on a local currency basis excluding impact of consolidation of Ad-Tech)
Gross Profit (Gross Profit Margin)	117,157 52.0%	126,000 52.5%	126,100 52.5%	7.6	
Operating Income (Operating Income Margin)	20,713 9.2%	24,000 10.0%	24,000 10.0%	15.9	
Ordinary Income	20,373	24,000	24,000	17.8	
Income Attributable to Owners of Parent	14,098	15,000	12,500	- 11.3	
Percentage of Overseas Sales	35.6%	37.6%	37.8%		

Average Exchange Rate

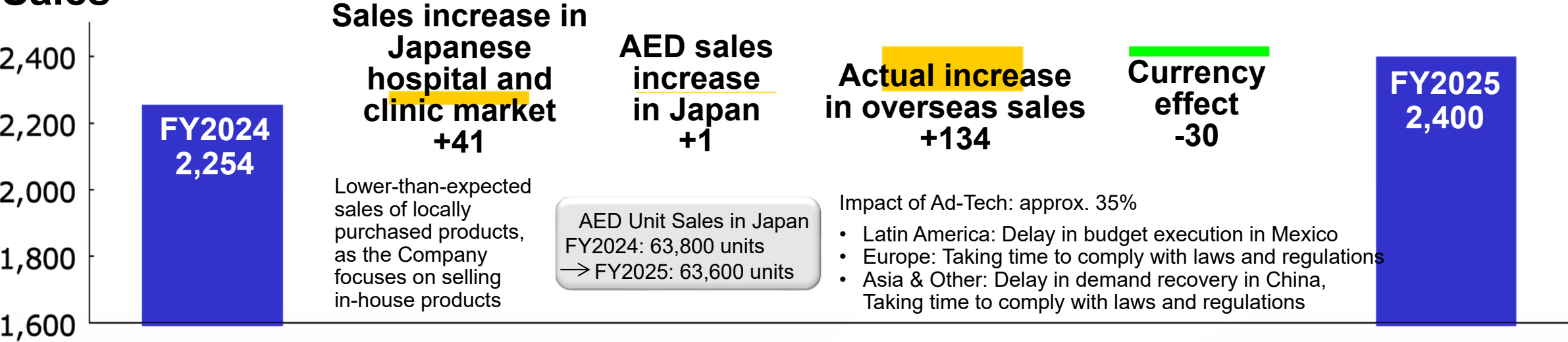
1 US Dollar	152.4 yen	140 yen	146 yen	FY2025 2H 146 yen
1 EURO	163.5 yen	156 yen	167 yen	168 yen

Breakdown of overseas sales by region				
	FY2024	FY2025		YoY
	Actual	Original forecast announced May 13	Revised forecast announced Nov 10	(%)
North America	41,900	47,500	49,500	18.1
Latin America	5,388	5,900	5,700	5.8
Europe	12,554	13,400	13,200	5.1
Asia & Other	20,344	23,400	22,200	9.1
Total	80,187	90,200	90,600	13.0

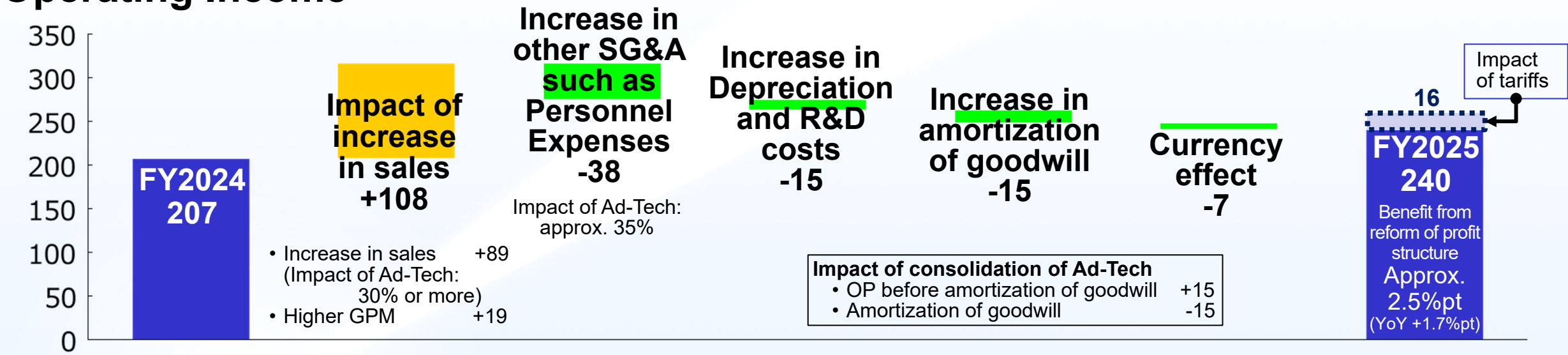
3) Analysis of FY2025 Forecast

(¥100 million)

Sales



Operating Income



(Ref.) Consolidated Forecast for FY2025 by Product Category/ Effect of Exchange Rates

(Amounts of less than ¥1 million are rounded down)

	FY2024	FY2025			YoY (%)
	Actual	Original forecast announced May 13	Revised forecast announced Nov 10	Composition ratio (%)	
Physiological Measuring Equipment	46,874	53,200	54,600	22.8	16.5
Patient Monitors	84,965	89,000	86,600	36.1	1.9
Treatment Equipment	53,184	56,600	58,100	24.2	9.2
Other Medical Equipment	40,400	41,200	40,700	16.9	0.7
Total	225,424	240,000	240,000	100.0	6.5

(Reference)

Medical Services	113,304	120,800	117,600	49.0	3.8
Consumables and Services	112,119	119,200	122,400	51.0	9.2

Estimated Exchange Rate Fluctuations for Full Fiscal Year

	Sales	Operating Income
US Dollar	0.44 bil yen	0.09 bil yen
EURO	0.06 bil yen	0.02 bil yen

3

Business Strategy

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%

Management
Philosophy

Long-term
Vision

Three-year
Business Plan

Core Values

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

Three Transformation 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

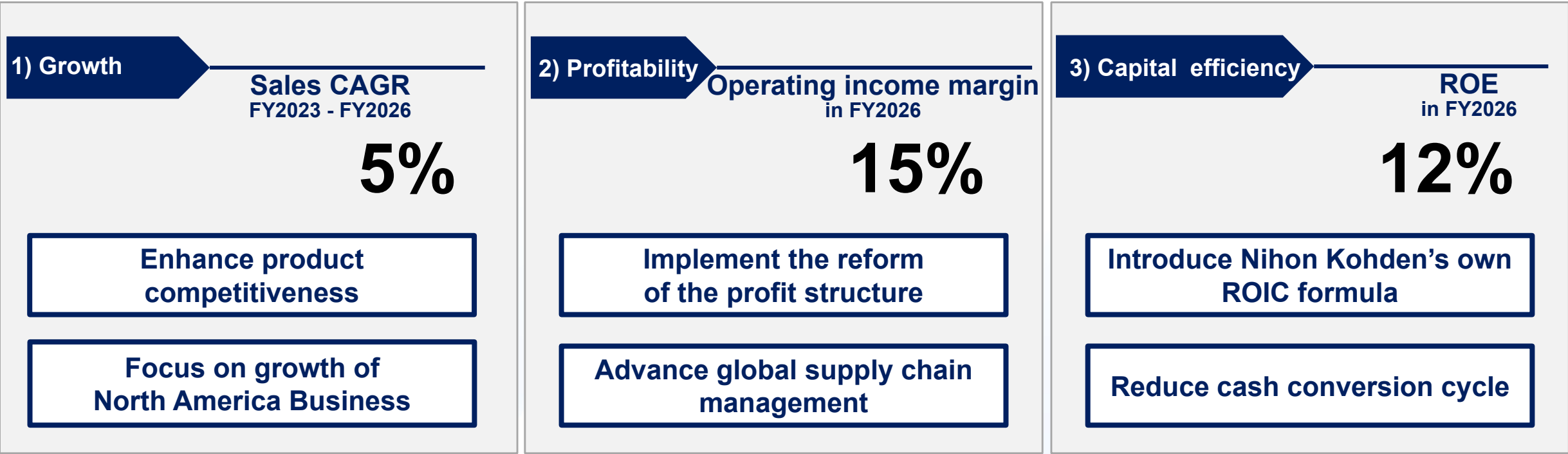
- Create a business model that helps solve medical issues
- Realize a value creation model that creates value from data, by utilizing our core strength in Human Machine Interface* technology

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

* 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.

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



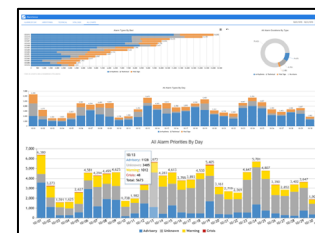
New products and services in FY2025

Solution Business (ITS+DHS)

AlarmSense alarm solutions

Launched in the U.S. in FY2025 2Q
Planned to launch in Europe in FY2025 3Q

- Analyze and display alarm trends across the hospital for up to 90 days on the dashboard
- Reduce alarm fatigue for medical staff and contribute to medical safety by identifying false alarms and optimizing alarm thresholds

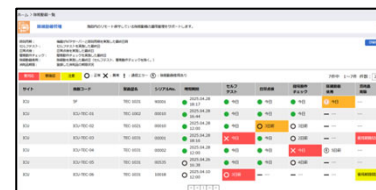
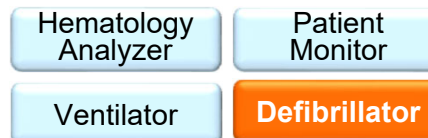


MD Linkage medical device remote monitoring system



Launched in Japan
in FY2025 1Q

- Added **Defibrillator Management Content**
Improve operational efficiency and medical safety through accurate time synchronization and regular checks of self-test results and consumable expiration dates



Live View Panel Pro for advanced remote neurology monitoring

Launched in the U.S.
in FY2025 1Q

Clinical assistant service PRM-2100



Launched in Japan
in FY2024 4Q

Patient Monitoring Business

New models of transmitters

Planned to launch in
Japan in FY2025 2H

Treatment Equipment Business

Fully automatic AED AED-3200

Launched in Japan
in FY2025 1Q



Japan: Strengthen the customer base and achieve sustainable growth by enhancing customer value propositions

Discontinuation of providing Abbott products in Japan

(Sales) FY2024: ¥24.4 billion
FY2025 1H: ¥13.3 billion

Decided to terminate distribution partnership agreement on expiration date of Dec. 31, 2026, with the consent of both companies, after reviewing our business portfolio as part of **our transformation into a global company creating high added value** to realize our Long-term Vision toward 2030

- ✓ Transfer of operations in a phased manner from Oct. 2025 to Dec. 2026
- ✓ **Focusing on providing in-house products, consumables, and services**
Strengthening sales capabilities in growth areas such as ventilators and DHS

[Future outlook] FY2025: Minor
FY2026: Currently under review and scheduled to be announced in May 2026

Implementation of Career Change / Next Career Support Program for Employees

Estimated number of applicants: Approx. 200 in total for both programs
Application period: Dec. 1 to Dec. 23, 2025 (tentative) Retirement date: Jan. 31, 2026 (tentative)

[Future outlook] FY2025: Extraordinary losses of approx. ¥2.4 bil will be recorded.
FY2026: SG&A expenses are expected to decrease by approx. ¥2.3 bil.

North America: Strengthen ties with the major IDN/GPO & DoD/VA*1 and improve brand awareness and profitability

- ✓ Neurology Products: Ad-Tech became a wholly owned subsidiary in July 2025, Sales/income of Ad-Tech are generally in line with the plan. Increasing demand for **home sleep recorders**
- ✓ Patient Monitors: Make differentiation through enhancing proposals of DHS products such as **remote monitoring solution and alarm solution**
- ✓ AED: Sales recovery as inventory adjustments at distributors settled down
- ✓ Ventilators: Continued to sign new contracts with major IDNs/GPOs,
Our market share of mask-type ventilators in the U.S. was 30% or more in 2024*2

DHS Products

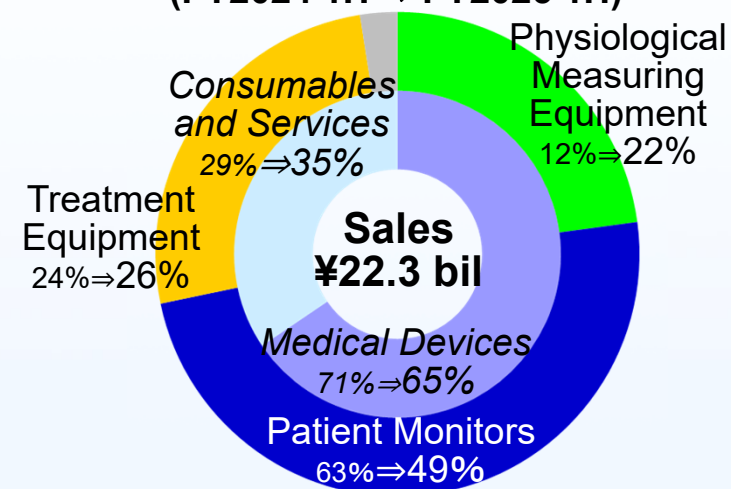
Umass Memorial Health adopted **RemoteSense remote monitoring solution**

- 24/7 remote monitoring for approx. 50 patients across six ICUs
- Streamlining operations by seamless integration with existing hospital information systems



Sales composition of DHS products: approx. 9% in Patient Monitors (FY2025 1H)

Sales composition by product category in North America (FY2024 1H ⇒ FY2025 1H)



*1 IDN: Integrated Delivery Network, GPO: Group Purchase Organization, DoD: Department of Defense, VA: Veterans Affairs. *2 Company's estimate.

Rest of world: Comply with laws and regulations related to medical equipment and strengthen local R&D, production, sales, and service capabilities

India

- 2008 Established joint venture company for production and sales of reagents
- 2011 Established sales subsidiary
- 2015 Consolidated reagent joint venture company as wholly owned subsidiary
- 2017 Absorbed reagent subsidiary into sales subsidiary
- 2024 Started operation of new reagent factory

NEW!

2025 Established Advanced Technology Center

- ✓ Accelerate development of DHS products
- ✓ Bolster development and maintenance capabilities for corporate IT systems

Middle East & Africa

- 2012 Established sales subsidiary in Dubai, UAE
- 2017 Established sales branch in Kenya
- 2021 Started operation of reagent factory in Dubai, UAE

NEW!

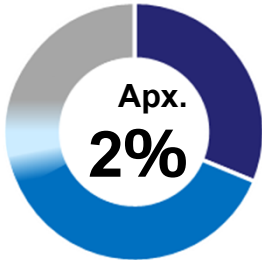
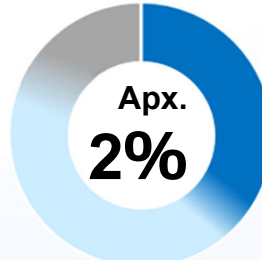
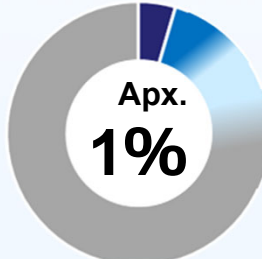
2025 Established sales subsidiary in Saudi Arabia

- ✓ Prepare to strengthen sales and service activities, including support for local distributors in Saudi Arabia and neighboring countries

Implement the reform of the profit structure

FY2026
TargetOPM
improvement
5%pt

- ✓ 80 bps improvement in FY2024, Expected 250 bps (YoY +170 bps) in FY2025
 - ✓ 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	OPM improvement targets/estimations*	Progress in FY2025 1H
Product mix	Sale pricing	<ul style="list-style-type: none"> ✓ Reviewing pricing policies both in Japan and overseas 		<ul style="list-style-type: none"> ✓ Japan: Raised selling prices of products in Oct. 2024 and consumables in Jan. 2025. Anticipated benefits generally align with the plan ✓ Continued to review our pricing policies such as raising selling prices and other measures both in Japan and internationally ✓ Reviewed product line-ups and discontinued selling some in-house consumables with low shipment volumes
	Review of product line-up	<ul style="list-style-type: none"> ✓ Reviewing and optimizing the number of products ✓ Increasing in-house sales ratio 		
Productivity	Improving personnel productivity, including by utilizing generative AI	<ul style="list-style-type: none"> ✓ 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 		<ul style="list-style-type: none"> ✓ Number of employees: 6,138 (+24 from Mar. 2025) FY2024 1H: 5,996 (+105 from Mar. 2024) ✓ Decreased overtime hours by 5% YoY ✓ Usage rate of generative AI: 71% compared to 38% as of Mar. 2025 Created operational efficiency equivalent to 155k hours per month ✓ Reviewed several contracts and relocated or consolidated offices
	Reducing other expenses	<ul style="list-style-type: none"> ✓ Reducing infrastructure costs such as utility costs, rent, and communication expenses, and reviewing traveling costs 		
Supply chain	Optimizing parts procurement	<ul style="list-style-type: none"> ✓ Refining price negotiations with suppliers ✓ Promoting Value Analysis/Value Engineering 		<ul style="list-style-type: none"> ✓ Continued price negotiations and review of suppliers under inflation ✓ Promoted Value Engineering at factories in Japan, U.S., and China

* Image of estimated margin improvement as of the end of FY2025 1H

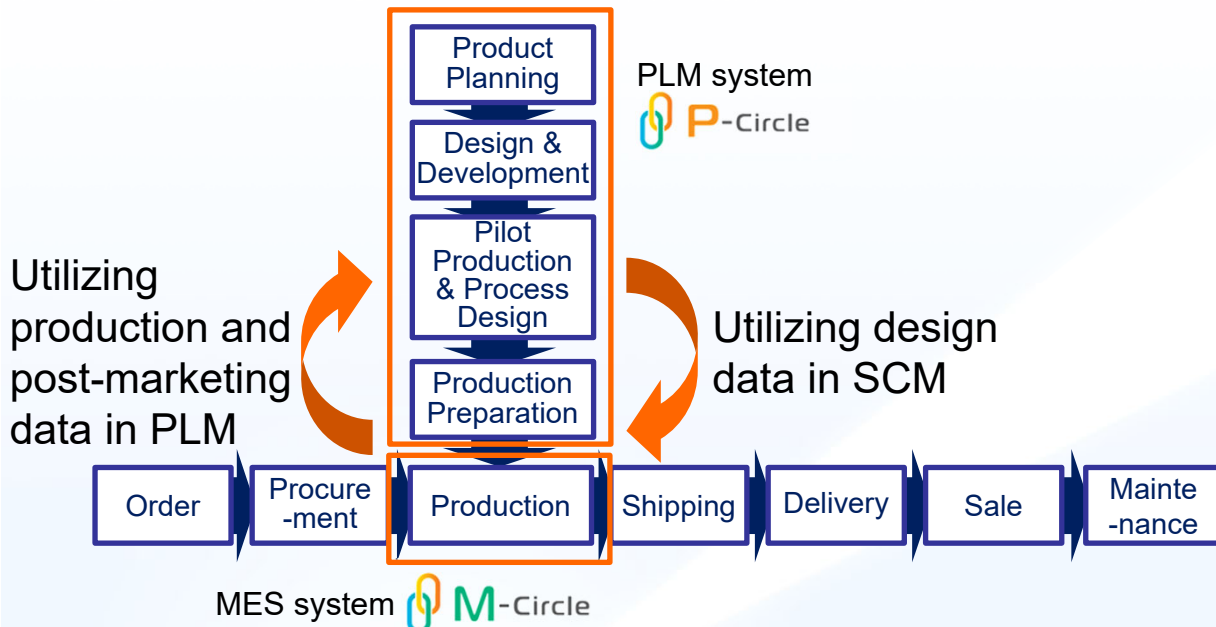
PLM/MES Systems

Promoting corporate DX in R&D and production departments

NEW!

Sep. 2025 Started operation of PLM system

Nov. 2025 Started operation of MES system



* PLM: Product Life-cycle Management, MES: Manufacturing Execution System, SCM: Supply Chain Management

Construction of new plant in Tsurugashima City

Production of consumables such as sensors and R&D of automated production technology

Mar. 2023

Acquired plant site

Jul. 2024

Started construction

Oct. 2025

Completed construction

2026

Planned to start operation



Introduce Nihon Kohden's own ROIC formula

- ✓ Visualize NK's own ROIC in each R&D, production, sales, and administration division, and provide feedback for improvement in profitability and efficiency

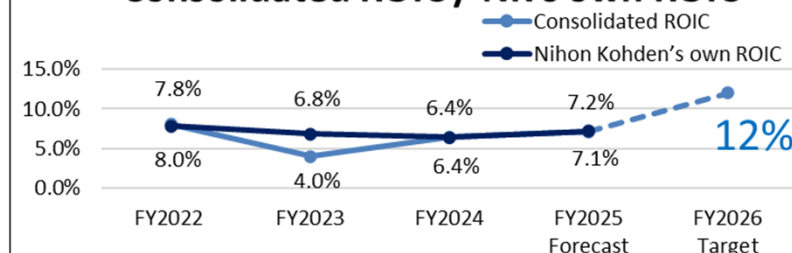
Consolidated ROIC = NOPAT ÷ Invested capital
 * Invested capital = interest-bearing liabilities + shareholders' equity

Nihon Kohden's own ROIC calculation formula

Operating income
 Invested capital (future investment* + accounts receivable
 + inventory + property, plant and equipment - accounts payable)

* R&D costs and personnel expenses in last three years

Consolidated ROIC / NK's own ROIC



- ✓ Cost of capital: approx. 8%, calculated by CAPM and WACC
- ✓ Adopted NPV and IRR as investment decision criteria and set target of IRR at 12% in Phase II. Investment decisions have been made based on business strategies and the Three-year Business Plan. The Board of Directors verifies the progress and effectiveness of investment projects beyond a certain amount every year.

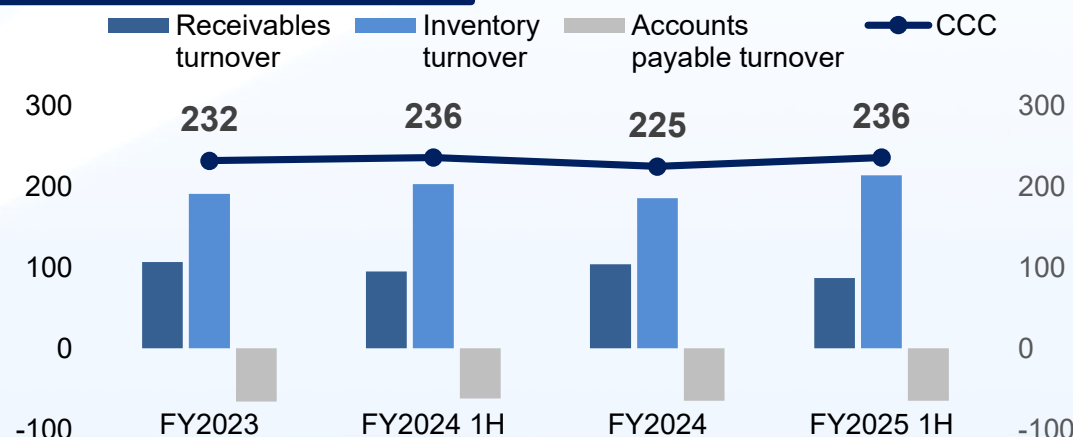
* CAPM: Capital Asset Pricing Model. WACC: Weighted Average Cost of Capital. NPV: Net Present Value. IRR: Internal Rate of Return

Reduce cash conversion cycle

- ✓ Increased inventories of finished goods temporarily in preparation for starting operation of PLM/MES systems and new plant in Tsurugashima

- ✓ Optimize supply and demand balance by improving the accuracy of demand forecasts based on S&OP. Collect debt faster

* S&OP: Sales and Operations Planning



FY2024 target

~190 days

Phase II target

~175 days

Mid-term target

~150 days

Targets for FY2026 ending March 2027

As the impact of discontinuation of providing Abbott products is currently under review, the FY2026 forecast will be released in May 2026.

	FY2023 Actual	FY2026 Target
Net Sales	¥221.9 bil	¥256.0 bil
Domestic Sales	¥142.3 bil	¥157.0 bil
Overseas Sales (Overseas Sales Ratio)	¥79.6 bil (35.9%)	¥99.0 bil (38.7%)
Consumables and Services Sales Ratio	47.9%	50%
In-house Sales Ratio	73.5%	75%
Solution Sales Ratio	11%	11%
Gross Profit Margin	50.2%	53%
Operating Income (Operating Income Margin)	¥19.5 bil (8.8%)	¥38.5 bil (15%)
Income Attributable to Owners of Parent	¥17.0 bil	¥25.0 bil
ROIC	4.0%	12%
ROE	9.8%	12%

* Solution business, software/program, and maintenance services are included.

Sales by Region			
	Net Sales		CAGR
	FY2023 Actual	FY2026 Target	
Japan	¥142.3 bil	¥157.0 bil	3%
North America	¥37.0 bil	¥50.0 bil	11%
Latin America	¥6.0 bil	¥6.0 bil	0%
Europe	¥13.1 bil	¥14.0 bil	2%
Asia & Other	¥23.4 bil	¥29.0 bil	7%





Sales by Product Category			
	Net Sales		CAGR
	FY2023 Actual	FY2026 Target	
Physiological Measuring Equipment	¥46.5 bil	¥53.0 bil	4%
Patient Monitors	¥84.1 bil	¥98.0 bil	5%
Treatment Equipment	¥51.6 bil	¥63.0 bil	7%
Other Medical Equipment	¥39.6 bil	¥42.0 bil	2%

Investment Plans		
	Phase I Actual	Phase II Target
Capital investments	¥16.2 bil	Apx. ¥25.0 bil
R&D investments	¥18.9 bil	Apx. ¥23.5 bil

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

Capital Policy

Make investments for future business expansion and enhance shareholder returns as well as securing a sound financial foundation.

<div>1) Investment necessary for future business expansion</div> <div>Phase II : R&D investments Apx. ¥23.5 bil Capital investments Apx. ¥25.0 bil Growth investments M&A ¥30 bil or more</div>	<div><div><div><div>R&D Investments</div><div></div></div><div><div>Capital Investments</div><div></div></div><div><div>M&A and Alliance</div><div></div></div><div><div>Human Resource development</div><div></div></div></div><div><div>Dividends</div><div>Increase dividends in a stable manner in line with growth in business performance</div></div><div><div>Share buybacks</div><div>Consider in a flexible manner, taking into account comprehensively our future business deployment, investment plans, retained earnings, and stock price level</div></div><div><div>Target: Consolidated Total Return Ratio of 35% or more</div><div>Number of treasury stock: 7,853k shares including ESOP (4.6% as of Sep. 2025)</div></div></div>
<div>2) Enhancement of shareholder returns</div> <div>Phase II : ¥28 bil or more</div> <div><div>* We consider additional shareholder returns depending on the progress of future investment plans.</div></div>	
<div>3) Sound financial foundation</div>	<div>Maintain a strong financial foundation to ensure a stable supply of medical equipment</div>

Disclaimer:

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