

# 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*



NIHON KOHDEN

# **1 Consolidated Financial Results for the First Half of FY2025**

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# 1) Consolidated Financial Results for the 1<sup>st</sup> Half of FY2025

	First half FY2024	First half FY2025	YoY (%)	(Amounts of less than ¥1 million are rounded down)
Net Sales	102,784	108,120	5.2	
Domestic Sales	66,243	66,880	1.0	+18% on a local currency basis (+11% on a local currency basis excluding impact of consolidation of Ad-Tech)
Overseas Sales	36,541	41,240	12.9	
Gross Profit (Gross Profit Margin)	51,906 50.5%	56,798 52.5%	9.4	In-house sales ratio: FY2024 1H 71.5% → FY2025 1H 73.5%
Operating Income (Operating Income Margin)	5,114 5.0%	6,741 6.2%	31.8	SG&A: ¥46.7 bil → ¥50.0 bil SG&A Ratio: 45.5% → 46.3%
Ordinary Income	2,139	6,732	214.7	Foreign exchange losses: ¥3,327 mil → ¥156 mil
Income Attributable to Owners of Parent	463	4,524	876.7	

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

- Overall sales increased 5.2% over the 1<sup>st</sup> half of FY2024 to ¥108.1 billion. Domestic sales increased 1.0% to ¥66.8 billion. Overseas sales increased 12.9% to ¥41.2 billion, an 18% growth on a local currency basis, and an 11% growth on a local currency basis excluding the impact of the consolidation of Ad-Tech.
- Operating income increased 31.8% to ¥6.7 billion. Ordinary income increased 214.7% to ¥6.7 billion and income attributable to owners of parent increased 876.7% to ¥4.5 billion, reflecting lower foreign exchange losses.
- Operating income for the 1<sup>st</sup> half fell short of the Company's internal plan, as sales of locally purchased products were lower than expected in Japan and overseas sales also fell short of its expectations, mainly in Latin America and Asia & Other in the 2<sup>nd</sup> quarter (three months). We expect to be able to recover in the 2<sup>nd</sup> half of FY2025.

## 2) Highlights of the 1<sup>st</sup> 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%

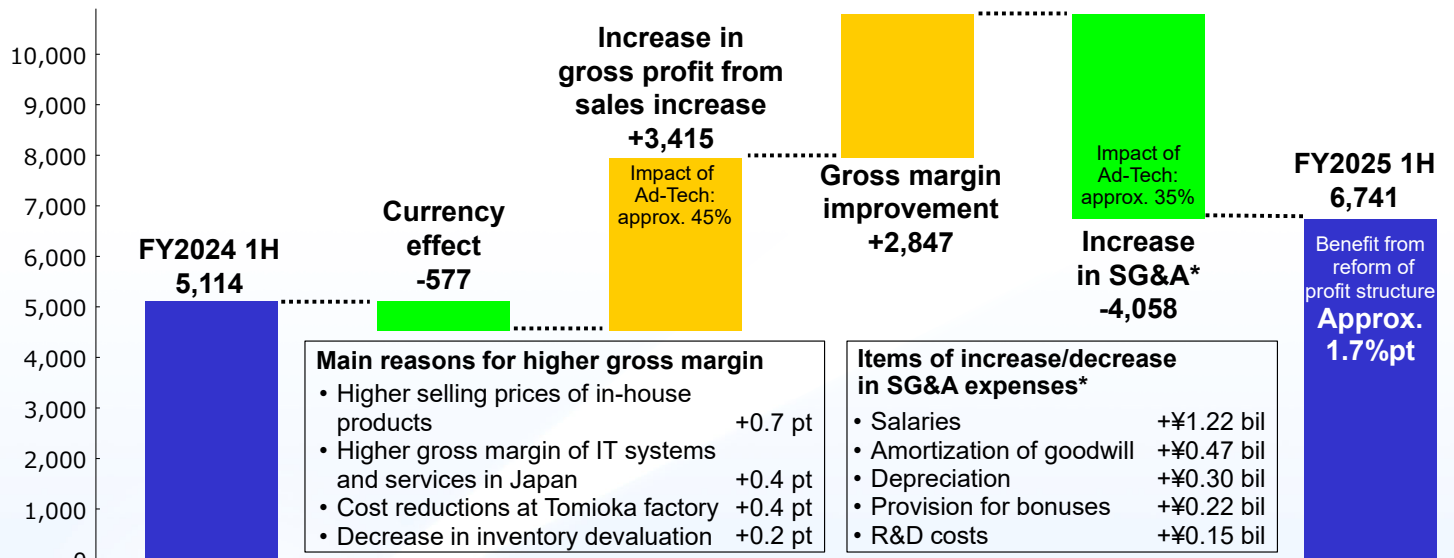
- Operating income increased due to increased sales and the consolidation of Ad-Tech as well as favorable gross profit margin reflecting higher selling prices and cost reductions of in-house products and a decrease in inventory devaluation.

### 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.

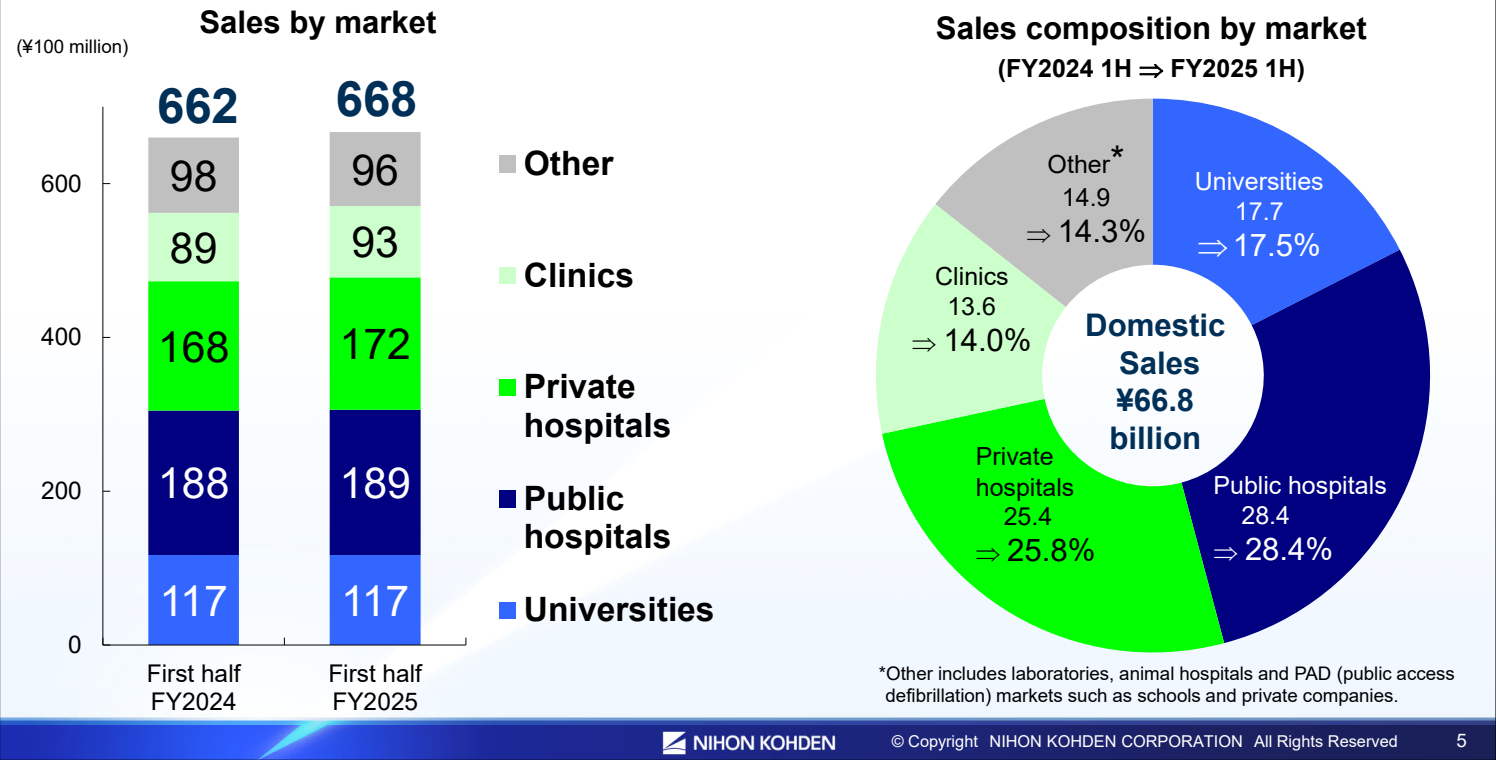
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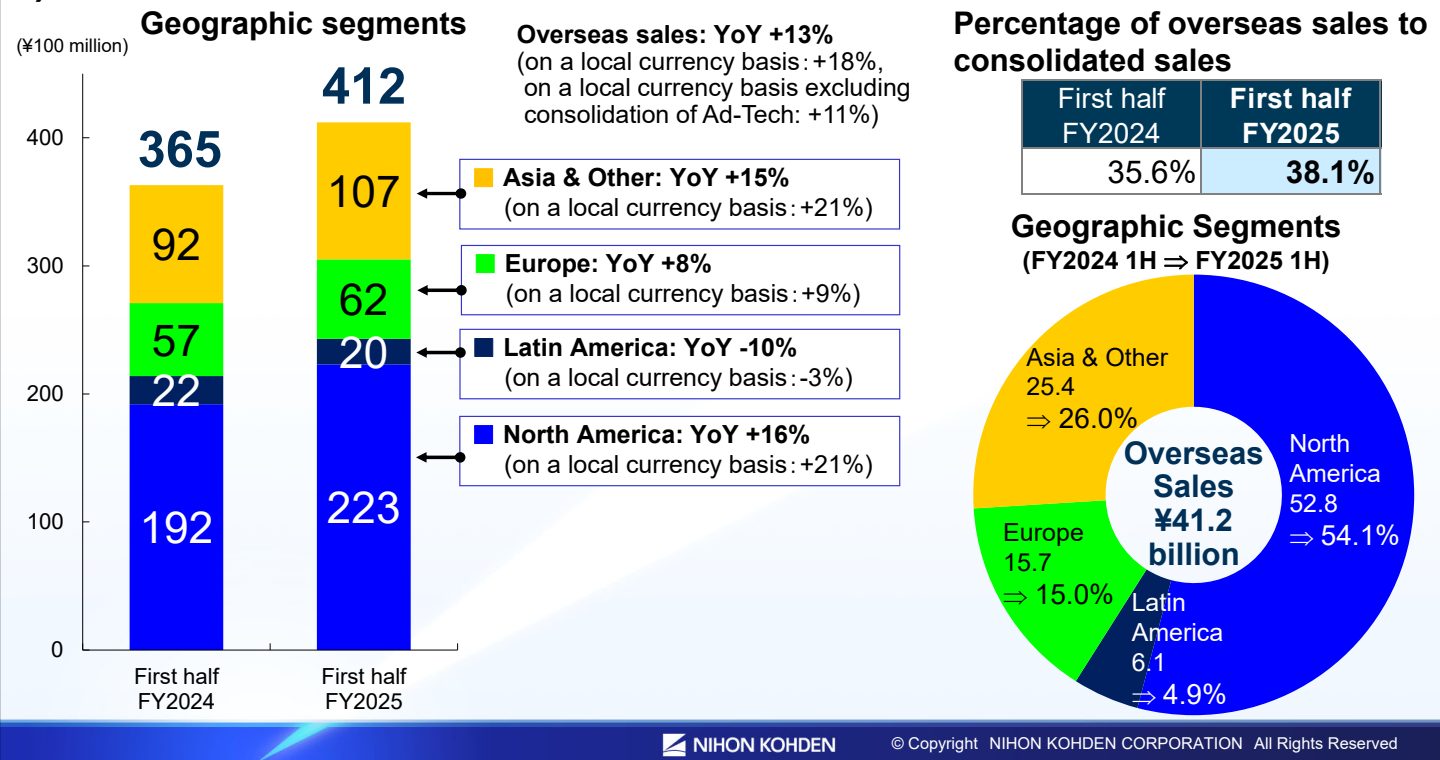
- In the 1<sup>st</sup> half of FY2025, operating income increased to ¥6.7 billion from ¥5.1 billion in the 1<sup>st</sup> half of FY2024.
- Currency effect had a negative impact of ¥0.5 billion.
- The increase in gross profit from increased sales was ¥3.4 billion, of which, around 45% was due to the impact of the consolidation of Ad-Tech.
- Gross margin improvement was a positive factor worth ¥2.8 billion, due to higher selling prices and cost reductions of in-house products as well as a decrease in inventory devaluation.
- Due to wage increases, SG&A expenses were a negative factor worth ¥4.0 billion, of which, around 35% was the impact of the consolidation of Ad-Tech, including amortization of goodwill.

## 4) Domestic Sales



- Domestic sales increased by ¥0.6 billion to ¥66.8 billion.
- Sales increased because the Company focused on its consumables and services business as well as strengthening its marketing and service capabilities, while capital expenditure in hospitals was cautious due to the deterioration of their business sentiment.
- Sales in the clinic, private hospital, and public hospital markets increased. Sales in the university market remained flat.

## 5) Overseas Sales



- Overseas sales increased by ¥4.7 billion to ¥41.2 billion.
- Sales in North America, Europe, and Asia & Other increased favorably. Overseas sales achieved double-digit growth on a comparable basis excluding the currency effect and the impact of the consolidation of Ad-Tech.
- Sales in North America increased by ¥3.1 billion to ¥22.3 billion, a 21% growth on a local currency basis, posting a significant increase in sales of neurology products including Ad-Tech as well as favorable sales of ventilators. Sales of Patient Monitors decreased compared to the strong growth in the 1<sup>st</sup> half of FY2025.
- Sales in Latin America decreased by ¥0.2 billion to ¥2.0 billion, a 3% decline on a local currency basis, as sales in Mexico and Colombia decreased.
- Sales in Europe increased by ¥0.5 billion to ¥6.2 billion, a 9% growth on a local currency basis, as sales in Italy, Turkey, and Spain increased favorably.
- Sales in Asia & Other increased by ¥1.5 billion to ¥10.7 billion, a 21% growth on a local currency basis, as sales in Thailand and Vietnam showed strong growth and sales in the Middle East & Africa also increased significantly due to large orders in Morocco.

## 6) Sales by Product Category

(Sales, millions of yen)

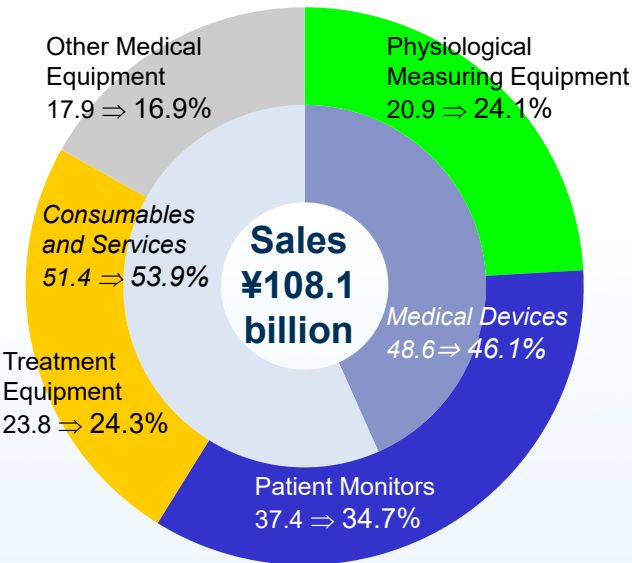
	First half FY2024	First half FY2025	YoY (%)
Physiological Measuring Equipment	21,474 (40%)	<b>26,053</b> <b>(45%)</b>	21.3
Patient Monitors	38,478 (64%)	<b>37,559</b> <b>(65%)</b>	- 2.4
Treatment Equipment	24,444 (42%)	<b>26,287</b> <b>(45%)</b>	7.5
Other Medical Equipment	18,387 (46%)	<b>18,220</b>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

(Reference)

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

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

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



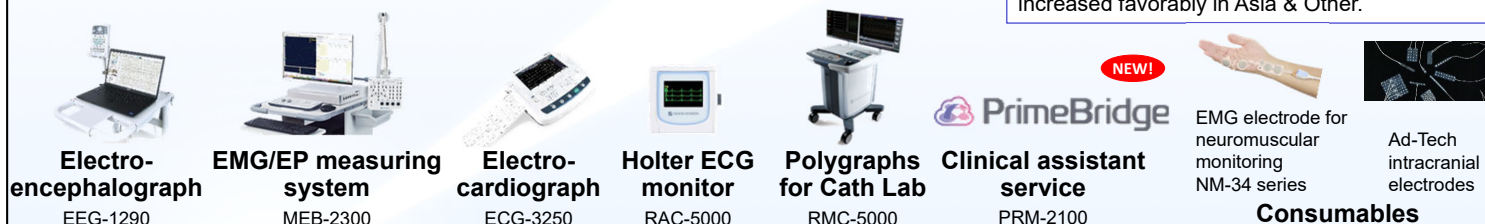
- Sales by product category are shown above.
- Sales of Physiological Measuring Equipment achieved double-digit growth and sales of Treatment Equipment also increased favorably. Sales of Patient Monitors and Other Medical Equipment decreased.
- Sales of Consumables and Services increased 10.3% to ¥58.2 billion due to the impact of the consolidation of Ad-Tech. The sales ratio of Consumables and Services also increased to 53.9%.
- Gross profit margins by product category are shown above.



## 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	
Diagnostic Information Systems	2,296	2,587	12.7	
Other Physiological Measuring Equipment *	2,701	3,010	11.4	Sales of diagnostic information systems and polygraphs for cath lab achieved double-digit growth. Sales of EEGs also increased favorably. Sales of ECGs decreased.
<b>Physiological Measuring Equipment</b>	<b>21,474</b>	<b>26,053</b>	<b>21.3</b>	
<b>Domestic Sales</b>	<b>16,659</b>	<b>17,892</b>	<b>7.4</b>	
<b>Overseas Sales</b>	<b>4,814</b>	<b>8,161</b>	<b>69.5</b>	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.


\*Includes products of other companies.




- Sales of Physiological Measuring Equipment increased 21.3% to ¥26.0 billion.
- Domestic sales increased 7.4% to ¥17.8 billion. Sales of polygraphs for cath lab as well as diagnostic information systems achieved double-digit growth. Sales of EEGs also increased favorably driven by strong sales of EMG electrodes for neuromuscular monitoring. Sales of ECGs decreased.
- Overseas sales increased 69.5% to ¥8.1 billion. Sales of EEGs increased favorably in North America and Asia & Other on a comparable basis excluding the impact of the consolidation of Ad-Tech. Sales of ECGs also increased in Asia & Other.

## 6.2) Patient Monitors


	First half FY2024	First half FY2025	YoY (%)	(Sales, millions of yen)
Patient Monitors	38,478	37,559	- 2.4	<p>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.</p> <p>+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 &amp; Other increased significantly due to large orders in Morocco and Saudi Arabia.</p>
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	




**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



**Consumables**  
SpO<sub>2</sub> probe for esCCO measurement  
cap-ONE mask  
ECG electrodes

- Sales of Patient Monitors decreased 2.4% to ¥37.5 billion.
- Domestic sales decreased 3.1% to ¥19.9 billion. Sales of telemetry systems and transmitters decreased compared to the strong growth in the 1<sup>st</sup> half of FY2024. Sales of clinical information systems increased favorably. Sales of bedside monitors and consumables such as sensors also increased.
- Overseas sales decreased 1.6% to ¥17.5 billion, a 3% growth on a local currency basis. Sales in North America, Latin America, and Europe decreased compared to the strong growth in the 1<sup>st</sup> half of FY2024. Sales in Asia & Other increased significantly due to large orders in Morocco and Saudi Arabia.

## 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
<b>Treatment Equipment</b>	<b>24,444</b>	<b>26,287</b>	<b>7.5</b>
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



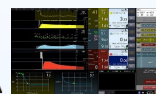
**Pacemaker**  
Zenex MRI



**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

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- Sales of Treatment Equipment increased 7.5% to ¥26.2 billion. Domestic sales increased 0.2% to ¥14.6 billion. Overseas sales increased 18.5% to ¥11.6 billion.
- Sales of defibrillators increased due to favorable sales of consumables in Japan as well as favorable overseas sales, especially in Europe and Asia & Other.
- The overall sales volume of AEDs was 60,100 units, and sales increased 5.8% to ¥12.1 billion. Domestic sales increased favorably thanks to continued replacement demand and the launch of new products. Overseas sales increased in all regions.
- Sales of ventilators increased 25.7% to ¥4.7 billion. Domestic sales decreased as business deals are more concentrated in the 2<sup>nd</sup> half of FY2025 than usual. Overseas sales increased significantly in North America, Latin America, and Europe, especially driven by sales growth of a mask-type ventilator in North America.

## 6.4) Other Medical Equipment

	First half FY2024	First half FY2025	YoY (%)	(Sales, millions of yen)
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	

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

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.

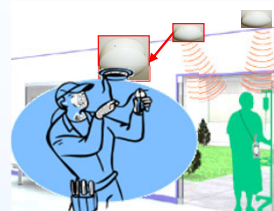
Sales of hematology instruments and reagents decreased in Europe and Latin America compared to the strong growth in FY2024 1H.



Automated hematology  
analyzer  
MEK-9200



Automated hematology  
and ESR analyzer  
MEK-1305



Installation and  
maintenance services

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- Sales of Other Medical Equipment decreased 0.9% to ¥18.2 billion.
- Domestic sales increased 0.1% to ¥14.3 billion. Sales of installation and maintenance services for medical devices increased favorably and sales of hematology instruments and reagents also increased. Sales of locally purchased products decreased as the Company focused on selling in-house products.
- Overseas sales decreased 4.3% to ¥3.9 billion. Sales of hematology instruments and reagents decreased in Europe and Latin America compared to the strong growth in the 1<sup>st</sup> half of FY2024.

## 7) Financial Condition

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

	FY2024	First half FY2025	Change		FY2024	First half FY2025	Change
Current Assets	183,085	<b>173,324</b>	- 9,760	Current Liabilities	72,296	<b>68,369</b>	- 3,926
Inventories	56,174	<b>60,077</b>	3,902	Interest-bearing Debt	26,030	<b>25,669</b>	- 361
Property, Plant & Equipment	29,270	<b>28,753</b>	- 517	Non-current Liabilities	4,685	<b>4,394</b>	- 290
Intangible Assets	27,653	<b>25,212</b>	- 2,441	Net Assets	181,294	<b>173,815</b>	- 7,479
Investments & Other Assets	18,266	<b>19,289</b>	1,022				
<b>Total Assets</b>	258,276	<b>246,579</b>	- 11,696	<b>Total Liabilities &amp; Net Assets</b>	258,276	<b>246,579</b>	- 11,696
Inventory Turnover (months)	6.2	<b>6.6</b>		Equity Ratio	69.5%	<b>70.5%</b>	

### [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

- Total assets decreased by ¥11.6 billion to ¥246.5 billion due to a decrease in notes and accounts receivable.
- Inventory turnover was 6.6 months, as inventories of finished goods temporarily increased in preparation for starting operation of PLM/MES systems and the new plant in Tsurugashima.

## 8) Cash Flows

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

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

(Billions of yen)

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

- Cash and cash equivalents at the end of the period increased by ¥6.4 billion to ¥49.5 billion.

## 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

- Capital investments, depreciation, and R&D costs were ¥1.7 billion, ¥2.1 billion, and ¥3.3 billion, respectively.
- There is no change to our forecast for full-year capital investments. The forecasts for depreciation and R&D costs were revised to ¥5.0 billion and ¥7.4 billion, respectively.

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## 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.

- The global economic outlook remained uncertain due to escalating protectionism and fragmentation as well as prolonged uncertainty caused by higher geopolitical risks and policy trends in each country.
- In Japan, business sentiment in medical institutions declined and proportion of operating deficits increased due to price and wage inflation.
- Internationally, policy trends in the U.S. and Europe should be monitored carefully. In China, new standards and preferential treatment for domestically produced products are to be enforced. In emerging countries, there are further moves towards protectionism and tightening of regulatory requirements for medical devices.
- The Company is required to react promptly to such rapid changes in the global business environment and to meet the growing needs of medical institutions for solutions which contribute to improving the quality and efficiency of medical care.

## 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		
<b>Net Sales</b>	225,424	240,000	240,000	6.5	
<b>Domestic Sales</b>	145,237	149,800	149,400	2.9	- ¥0.4 bil from original forecast
<b>Overseas Sales</b>	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)
<b>Gross Profit</b> (Gross Profit Margin)	117,157 52.0%	126,000 52.5%	126,100 52.5%	7.6	
<b>Operating Income</b> (Operating Income Margin)	20,713 9.2%	24,000 10.0%	24,000 10.0%	15.9	
<b>Ordinary Income</b>	20,373	24,000	24,000	17.8	
<b>Income Attributable to Owners of Parent</b>	14,098	15,000	12,500	- 11.3	
<b>Percentage of Overseas Sales</b>	35.6%	37.6%	37.8%		

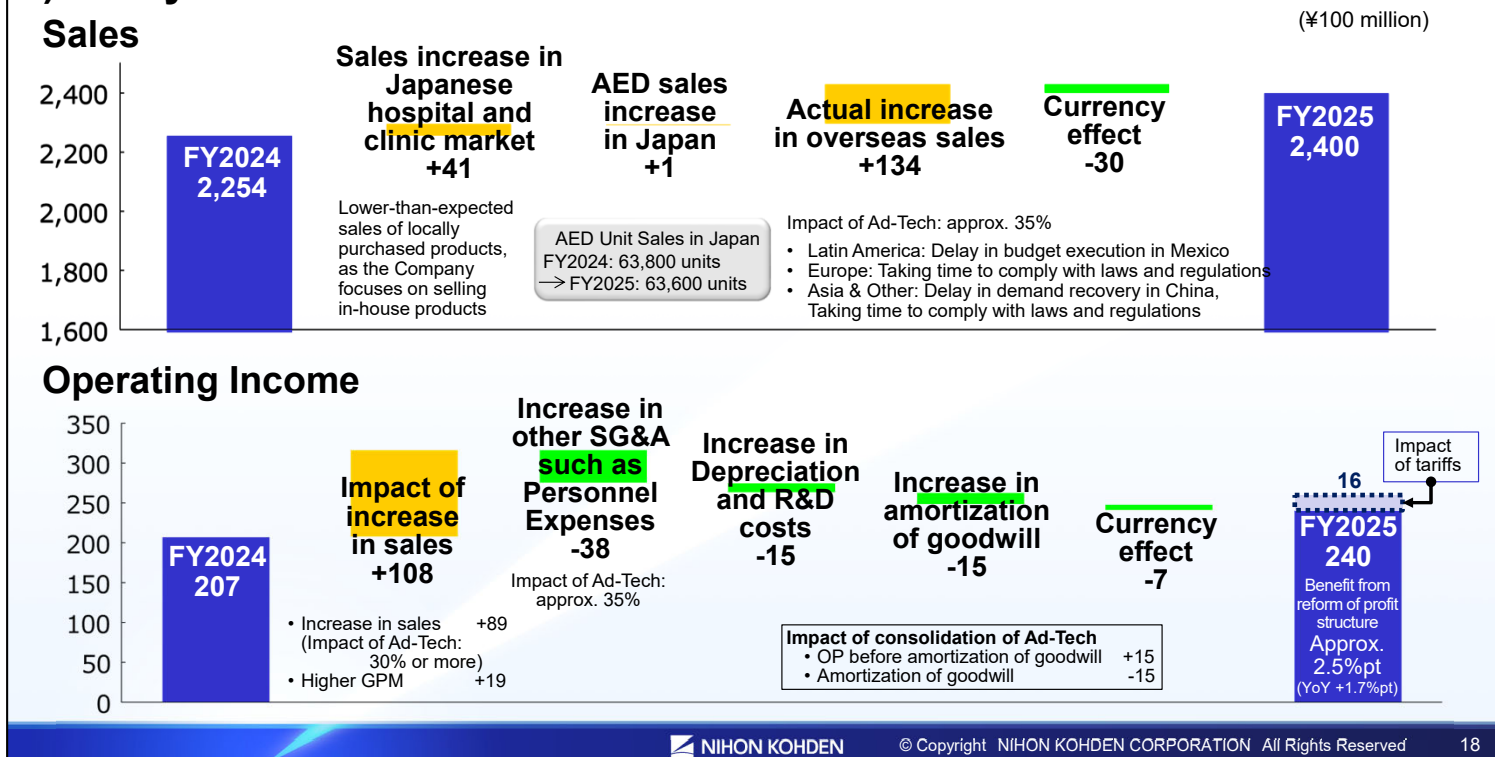
Breakdown of overseas sales by region				
	FY2024 Actual	FY2025 Original forecast announced May 13	FY2025 Revised forecast announced Nov 10	YoY (%)
<b>North America</b>	41,900	47,500	49,500	18.1
<b>Latin America</b>	5,388	5,900	5,700	5.8
<b>Europe</b>	12,554	13,400	13,200	5.1
<b>Asia &amp; Other</b>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

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

- Overall sales are expected to increase 6.5% over FY2024 to ¥240 billion and domestic sales are expected to increase 2.9% to ¥149.4 billion. Overseas sales are expected to increase 13% to ¥90.6 billion, an 11% growth on a comparable basis excluding the currency effect and the impact of the consolidation of Ad-Tech.
- Domestic sales are expected to fall short of the Company's original forecast by ¥0.4 billion, reflecting lower-than-expected sales of locally purchased products. Overseas sales are expected to exceed the original forecast by ¥0.4 billion, reflecting greater-than-expected depreciation of yen in currency translation.
- The full-year forecast for operating income remains unchanged at ¥24 billion as originally planned. Although operating income fell short of its internal plan in the 1<sup>st</sup> half, the Company continues to improve gross profit margin and restrain the increase of SG&A expenses through the reform of the profit structure of the entire Group. The full-year forecast for income attributable to owners of parent was revised to ¥12.5 billion, as the Company will record some expenses as extraordinary losses due to the implementation of the Career Change Support Program and Next Career Support Program for Employees.
- The assumed exchange rates for the 2<sup>nd</sup> half are 146 yen to the U.S. dollar and 168 yen to the euro.

### 3) Analysis of FY2025 Forecast



- We revised the figure of sales increase in Japanese hospital and clinic market to ¥4.1 billion. The Company continues to enhance sales activities and receive orders for medical equipment and IT systems that contribute to improving the quality and efficiency of medical care, while capital expenditure in medical institutions is still cautious. We revised the full-year sales of AEDs to increase by ¥0.1 billion and the volume of sales to 63,600 units.
- As for overseas sales, the actual increase in sales and negative currency effect will be ¥13.4 billion and ¥3 billion, respectively. In the 2<sup>nd</sup> half, sales of Patient Monitors are expected to recover and sales of neurology products and ventilators are also expected to increase favorably in North America, as the Company expected at the beginning of the fiscal year. On the other hand, sales in Europe and Asia & Other are now expected to be below the original expectations, because it takes time to comply with laws and regulations in relation to matters such as radio equipment and transport of batteries, as well as the delay in the recovery of demand for medical devices in China.
- The Company aims at achieving the target for operating income by continuing to restrain the increase of SG&A expenses, while the positive impact of the increase in sales is expected to be smaller than originally anticipated due to lower-than-expected actual sales excluding the positive currency effect.

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

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

	FY2024 Actual	Original forecast announced May 13	FY2025 Revised forecast announced Nov 10	Composition ratio (%)	YoY (%)
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
<b>Total</b>	<b>225,424</b>	<b>240,000</b>	<b>240,000</b>	<b>100.0</b>	<b>6.5</b>

(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

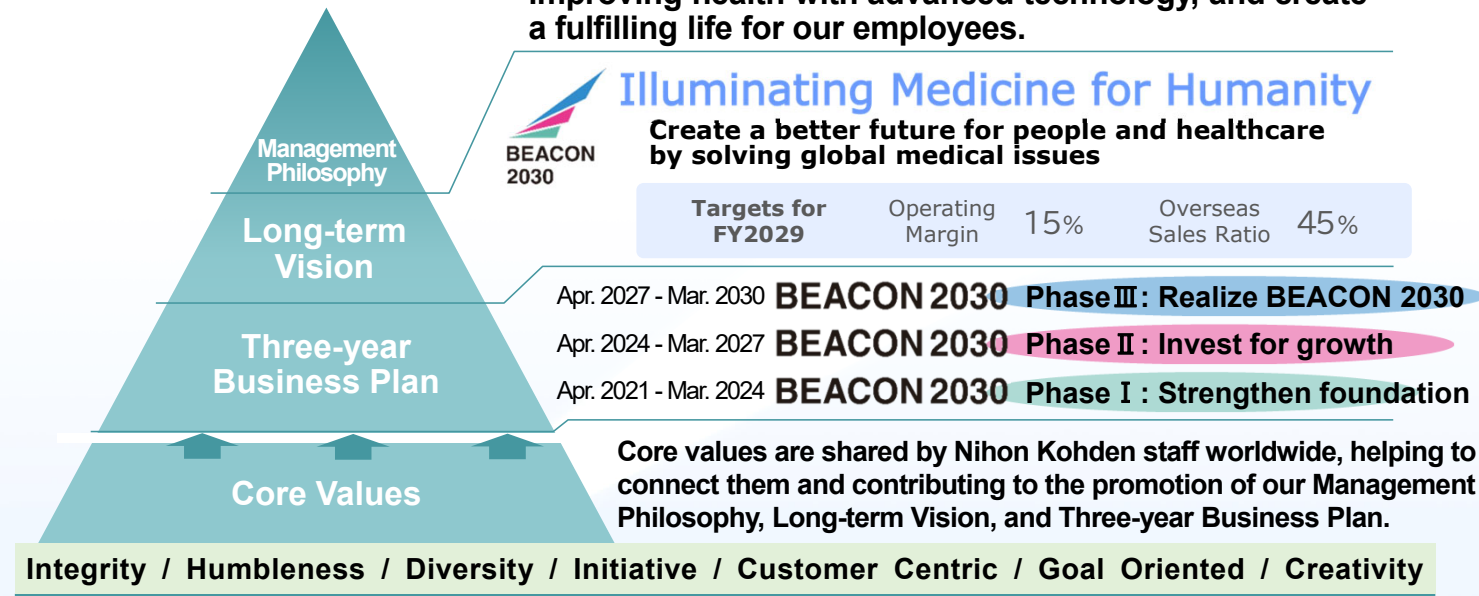
- The consolidated sales forecast by product category has been revised based on the 1<sup>st</sup>-half results.
- The sensitivity to foreign exchange rates is as shown above.

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# 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.



- In its Long-term Vision, BEACON 2030, Nihon Kohden aims to create a better future for people and healthcare by solving global medical issues.
- The Three-year Business Plan, which started from FY2024, is the 2<sup>nd</sup> phase in realizing our 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

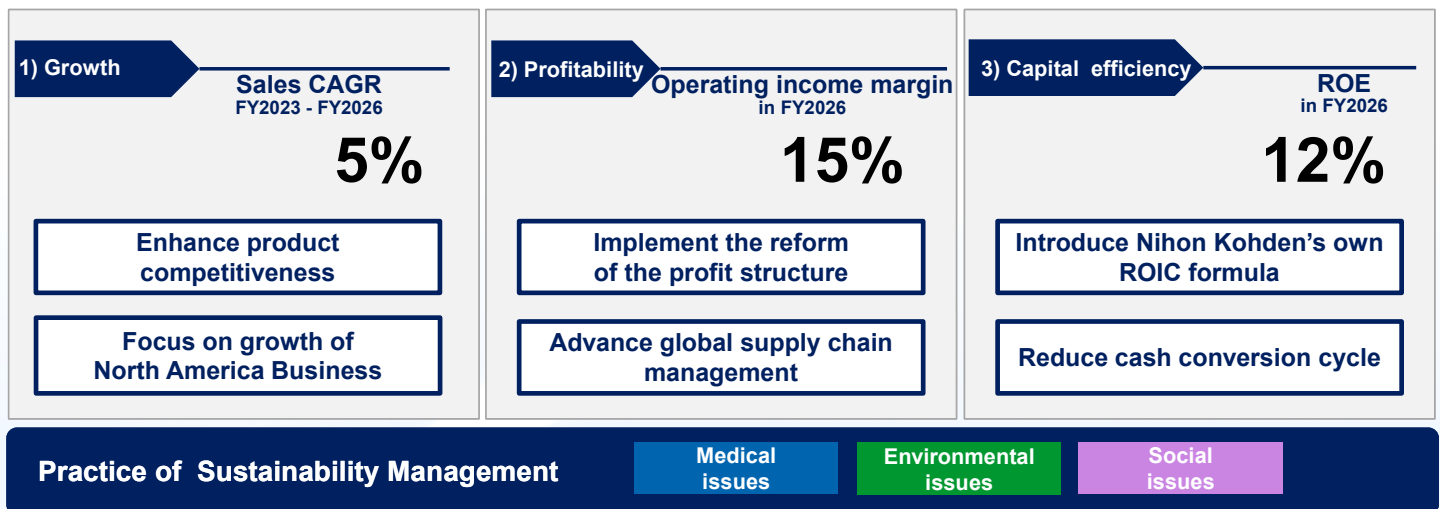
- Establish an organizational and governance system in line with our corporate strategy
- Establish a development, production and sales system based on Global Supply Chain Management
- Strengthen global business deployment capabilities by establishing a Center of Excellence

\* 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.

- The Company has set three transformations in its Long-term Vision, BEACON 2030. First, “Transform into a global company creating high added value”, second, “Create a solution business providing superior customer value”, and third, “Establish a global organization founded on operational excellence”.
- There is no change in the direction Nihon Kohden is aiming for as we look toward 2030, despite global trends changing drastically. Rather, we believe that the importance of these three transformations for establishing a medium- to long-term competitive advantage for Nihon Kohden is increasing.



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



- In the Three-year Business Plan, the Company will implement the reform of the profit structure and make investments in growth areas, and accelerate our transformation into a global MedTech company.
- The Company aims to achieve targets for three indicators: growth, profitability, and capital efficiency, by conducting six key measures including "Enhance product competitiveness", "Focus on growth of North America Business", and "Implement the reform of the profit structure".



## New products and services in FY2025

## Solution Business (ITS+DHS)

## AlarmSense alarm solutions

- 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



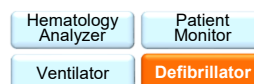
Launched in the U.S. in FY2025 2Q  
Planned to launch in Europe in FY2025 3Q

## MD Linkage medical device remote monitoring system



- 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

Launched in Japan in FY2025 1Q



## 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



- To enhance product competitiveness, we launched a series of new products and services as shown above.
- In Solution Business, we developed and started alarm solutions in the U.S., which analyze and display alarm trends across hospitals on the dashboard. We expect to reduce alarm fatigue for medical staff.
- We also added Defibrillator Management Contents into MD Linkage, our medical device remote monitoring system. We expect that it will improve operational efficiency and medical safety through accurate time synchronization and regular checks of self-test results and consumables expiration dates.
- In the 2<sup>nd</sup> half of FY2025, we will launch new models of transmitters in Japan, which are compact and lightweight, and offer longer time battery life.

## 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.

- In Japan, we have decided to terminate the distribution partnership agreement for Abbott products, which we have provided for the past 38 years, effective on the expiration date of December 31, 2026, with the consent of both companies.
- After reviewing the Company's business portfolio as part of its transformation into a global company creating high added value to realize its Long-term Vision toward 2030, the Company made this decision, because the decline in profitability of Abbott products was an issue. In the future, we aim to achieve medium- to long-term growth in domestic business by further focusing on providing our in-house products, consumables, and services, as well as strengthening our sales capabilities in new growth areas such as ventilators and digital health solutions.  
The impact of this matter on the consolidated results for FY2025 is expected to be minor. The impact on the consolidated results for FY2026 is currently under review and will be released in May 2026.
- In addition, the Company will implement the Career Change Support Program and Next Career Support Program for Employees. The Company expects around 200 applicants and will record some expenses of around ¥2.4 billion as extraordinary losses. SG&A expenses are expected to decline by around ¥2.3 billion in FY2026.

## North America: Strengthen ties with the major IDN/GPO & DoD/VA\*<sup>1</sup> 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**<sup>\*2</sup>

### DHS Products

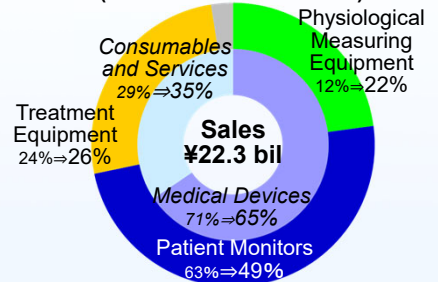
#### Umass Memorial Health adopted RemoteSense remote monitoring solution

- 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.

- In North America, Ad-Tech became a wholly owned subsidiary in July 2025. Sales and income are generally in line with expectations. We are continuing to focus on creating synergies.
- In our fast-growing Ventilator Business, we have continued to sign new contracts with major IDNs/GPOs. We estimate that our market share of mask-type ventilators in the U.S. was 30% or more in 2024.
- In our Patient Monitoring Business, we are enhancing our proposals in combination with DHS products. The RemoteSense, a remote monitoring solution, has been adopted and highly evaluated by well-known hospitals such as Umass Memorial Health, because it contributes to improving operational efficiency and medical safety. We continue to enhance our presence in North America.

**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

### **2025 Established Advanced Technology Center**

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

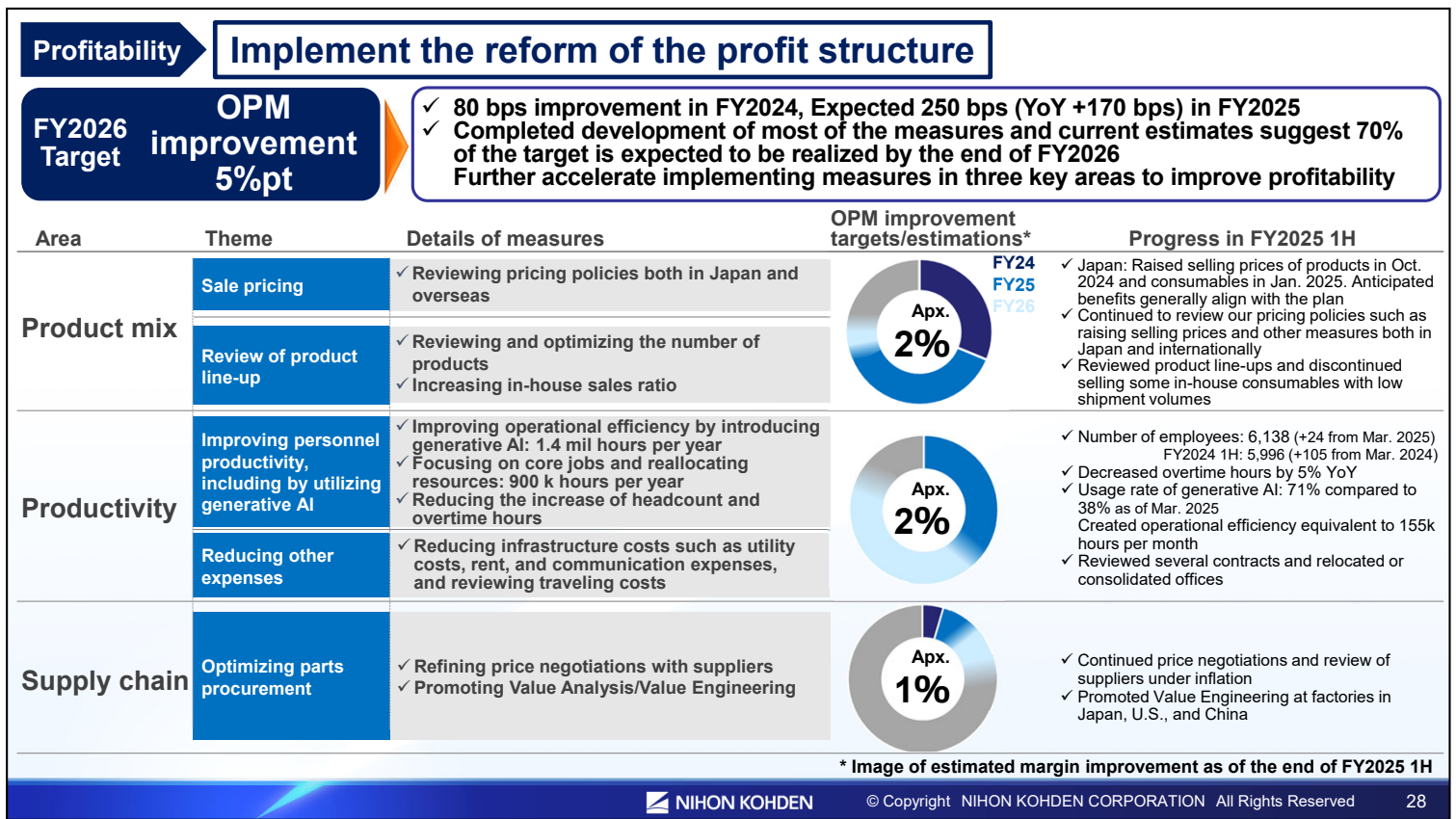
## Middle East & Africa

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

### **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

- In Rest of World, we have established an Advanced Technology Center in the rapidly growing Indian market. We will accelerate to develop DHS products and bolster our development and maintenance capabilities for corporate IT systems.
- We have also established a sales subsidiary in Saudi Arabia and are preparing to strengthen our sales and service activities, including support for local distributors in the Middle East.



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- The progress of the reform of the profit structure is shown above.
- We aim at improving operating income margin by 500 bps by FY2026 ending March 2027 through implementing the reform of the profit structure. In the 1<sup>st</sup> half of FY2025, we realized around 170 bps improvement compared to the 1<sup>st</sup> half of FY2024. In the FY2025 full-year forecast, we also expect around 170 bps improvement, which is in line with our original expectations. We will further accelerate the implementation of measures in three key areas to improve profitability.
- In the area of the product mix, in addition to raising selling prices both in Japan and internationally, we are strengthening our control over selling prices.
- In terms of productivity, the usage rate of generative AI has increased significantly. We are working to restrain the increase of headcount and overtime hours by improving operational efficiency. We have reviewed several contracts and expect to see the effects of the relocation or consolidation of offices in the 2<sup>nd</sup> half of FY2025.
- In terms of supply chain, we continue price negotiations with suppliers and the review of suppliers. We are also focusing on cost reduction through promoting Value Engineering at factories in Japan, the U.S., and China.



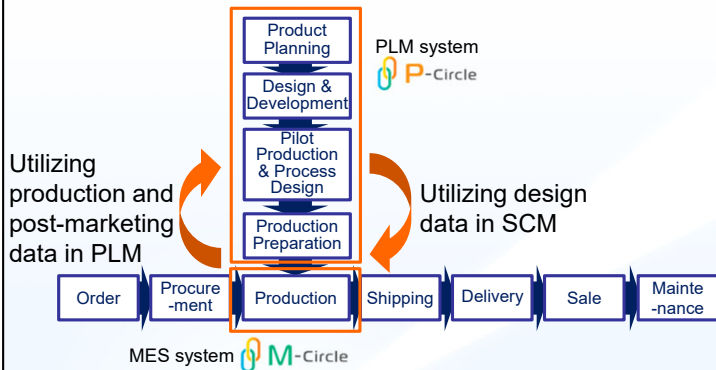
## PLM/MES Systems

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



- To advance our global supply chain management, we have promoted the introduction of PLM/MES systems as part of our corporate DX initiatives. We started operation of the PLM system in September 2025 and the MES system in November 2025. We aim to shorten the development time for new products and improve productivity by optimizing processes throughout the product lifecycle by keeping the operation of both systems on track.
- The construction of our new plant in Tsurugashima City, which is for production of consumables such as sensors and R&D of automated production technology, was completed in October 2025. We are preparing to start operations in 2026.

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

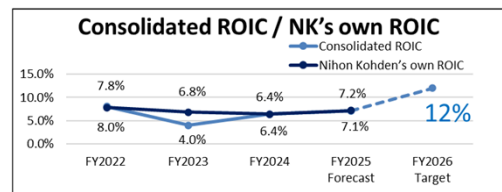
$$\text{Consolidated ROIC} = \frac{\text{NOPAT}}{\text{Invested capital}}$$

\* Invested capital = interest-bearing liabilities + shareholders' equity

**Nihon Kohden's own ROIC calculation formula**

$$\frac{\text{Operating income}}{\text{Invested capital (future investment* + accounts receivable + inventory + property, plant and equipment - accounts payable)}}$$

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



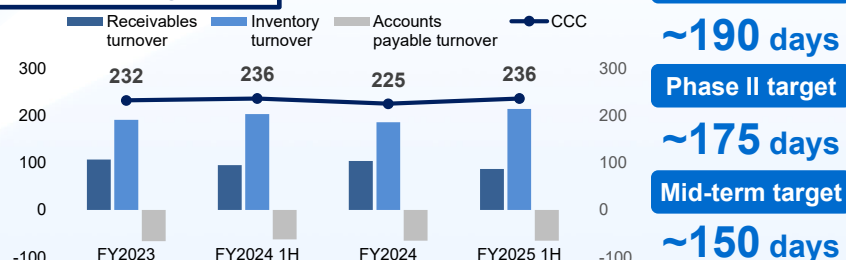
- ✓ Cost of capital: approx. 8%, calculated by CAPM and WACC
- ✓ Adopted NPV and IRR as investment decision criteria and set target of IRR at 12% in Phase II. Investment decisions have been made based on business strategies and the Three-year Business Plan. The Board of Directors verifies the progress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

- ✓ 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



- As an action on cost of capital-conscious management, we started introducing Nihon Kohden's own ROIC formula. The accounting department visualizes Nihon Kohden's own ROIC in each R&D, production, sales, and administration division, as well as providing feedback for improvement in profitability and capital efficiency. To achieve ROE of 12%, we continue to improve profitability and capital efficiency.
- The cash conversion cycle remained flat year-on-year as of the end of September 2025, because we temporarily increased inventories of finished goods in preparation for starting operation of PLM/MES systems and new plant in Tsurugashim City. We continue to enhance inventory control by improving the accuracy of demand forecasts to optimize supply and demand balance, as well as faster debt collection.

# 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%

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

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

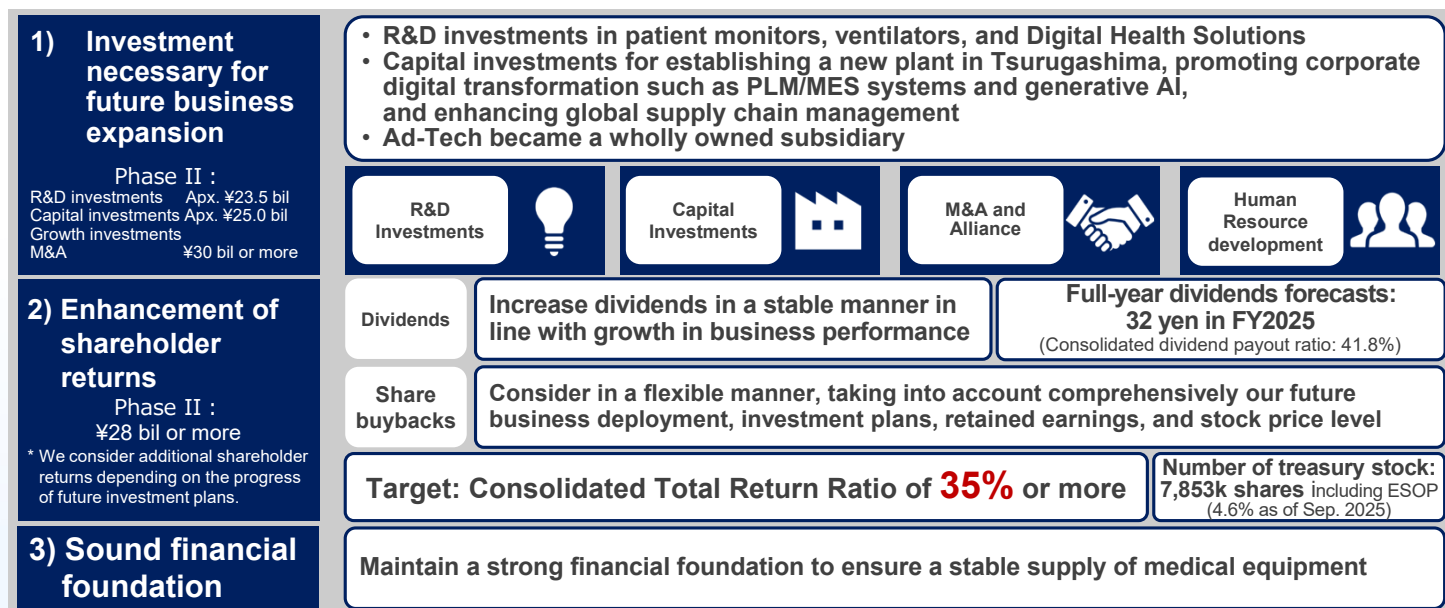
\* Exchange rate assumptions: ¥140 to the U.S. dollar, ¥150 to the euro

- Management targets for FY2026 are shown above.
- As the impact of the discontinuation of providing Abbott products is currently under review, the FY2026 forecast will be released in May 2026.



# Capital Policy

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



- Our capital policy is shown above.
- 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.
- The 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.
- The full-year dividend for FY2025 will be 32 yen per share and the payout ratio will be 41.8%.

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