

Consolidated Financial Highlights for the Third Quarter of FY2025 ending March 31, 2026

Consolidated Financial Results for FY2025 3Q
Forecast for FY2025
Toward Enhancing Corporate Value over the Medium- to Long-term

NIHON KOHDEN CORPORATION

(Securities Code: 6849)

February 5, 2026

Fighting Disease with Electronics



1) Executive Summary

FY2025 3Q YTD

Increased sales / Decreased income YoY

Overall sales +3.5%; Domestic sales -0.9%, Overseas sales +11.3%, Operating income -16.5%

■ Sales:

Domestic sales decreased mainly in the public hospital market, as capital expenditure in medical institutions was more cautious than expected in 3Q. Sales of AEDs also decreased due to inventory adjustment at distributors

Overseas sales achieved double-digit growth thanks to favorable sales in North America, Europe, and Asia & Other. Sales also increased favorably on a local currency basis excluding the impact of the consolidation of Ad-Tech

■ Operating income

decreased as domestic sales decreased and SG&A expenses increased due to wage increases and R&D investment

■ Net income

Extra payments for early retirements of ¥2.4 bn were recorded as extraordinary losses

FY2025 Forecast

■ Sales:

Revised downward by ¥5 bn to ¥235 bn

Domestic sales are revised downward by ¥5 bn. Aiming to secure 4Q sales at the same level as FY24 4Q by focusing on consumables and services business as well as delivery and installation of IT system solutions toward the end of the fiscal year

Overseas sales are reaffirmed on a yen basis and revised downward on a local currency basis in North America / Asia & Other

■ Operating income

is revised downward by ¥4 bn to ¥20 bn, reflecting lower-than-expected sales and gross margin.

Aiming to secure gross margin of 52% or more by focusing on selling in-house products as well as restraining the increase of SG&A expenses in 4Q

- Overall sales increased and income decreased year-on-year in the nine months of FY2025.
- Domestic sales decreased, as capital expenditure in medical institutions was more cautious than expected in the 3rd quarter. Sales of AEDs in the PAD (public access defibrillation) market also decreased due to inventory adjustment at distributors.
- Overseas sales achieved double-digit growth thanks to favorable sales in North America, Europe, and Asia & Other. Sales also increased favorably on a local currency basis excluding the impact of the consolidation of Ad-Tech.
- Operating income decreased as domestic sales decreased and SG&A expenses increased.
- Based on the results for the nine months of FY2025 and recent performance trends, the Company revised its FY2025 full-year forecasts for overall sales to ¥235 billion and operating income to ¥20 billion. Overall sales and gross margin are expected to be lower than the Company's previous forecasts.

2) Consolidated Operating Results for the 3rd Quarter of FY2025

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

	FY2024 3Q YTD	FY2025 3Q YTD	YoY (%)		FY2024 3Q	FY2025 3Q	YoY (%)
Net sales	158,476	164,013	3.5		55,692	55,892	0.4
Domestic sales	101,153	100,192	- 0.9		34,909	33,312	- 4.6
Overseas sales	57,323	63,820	11.3	+13% on a local currency basis (+7% on a local currency basis excluding impact of consolidation of Ad-Tech)	20,782	22,580	8.7
Gross profit (Gross margin)	82,431 52.0%	85,086 51.9%	3.2		30,525 54.8%	28,287 50.6%	- 7.3
SG&A expenses (SG&A ratio)	71,496 45.1%	75,952 46.3%	6.2		24,704 44.3%	25,895 46.3%	4.8
Operating income (Operating margin)	10,935 6.9%	9,134 5.6%	- 16.5		5,820 10.5%	2,392 4.3%	- 58.9
Ordinary income	13,506	11,882	- 12.0	Foreign exchange gains: ¥2.0 bn → ¥2.4 bn	11,366	5,150	- 54.7
Income attributable to owners of parent	8,137	6,408	- 21.2	Extraordinary losses: Extra payments for early retirements ¥2.4 bn	7,674	1,884	- 75.4

Average exchange rate (yen)

1 USD/1 EUR

152.0/164.7 148.6/170.9

149.4/162.0 152.2/178.1

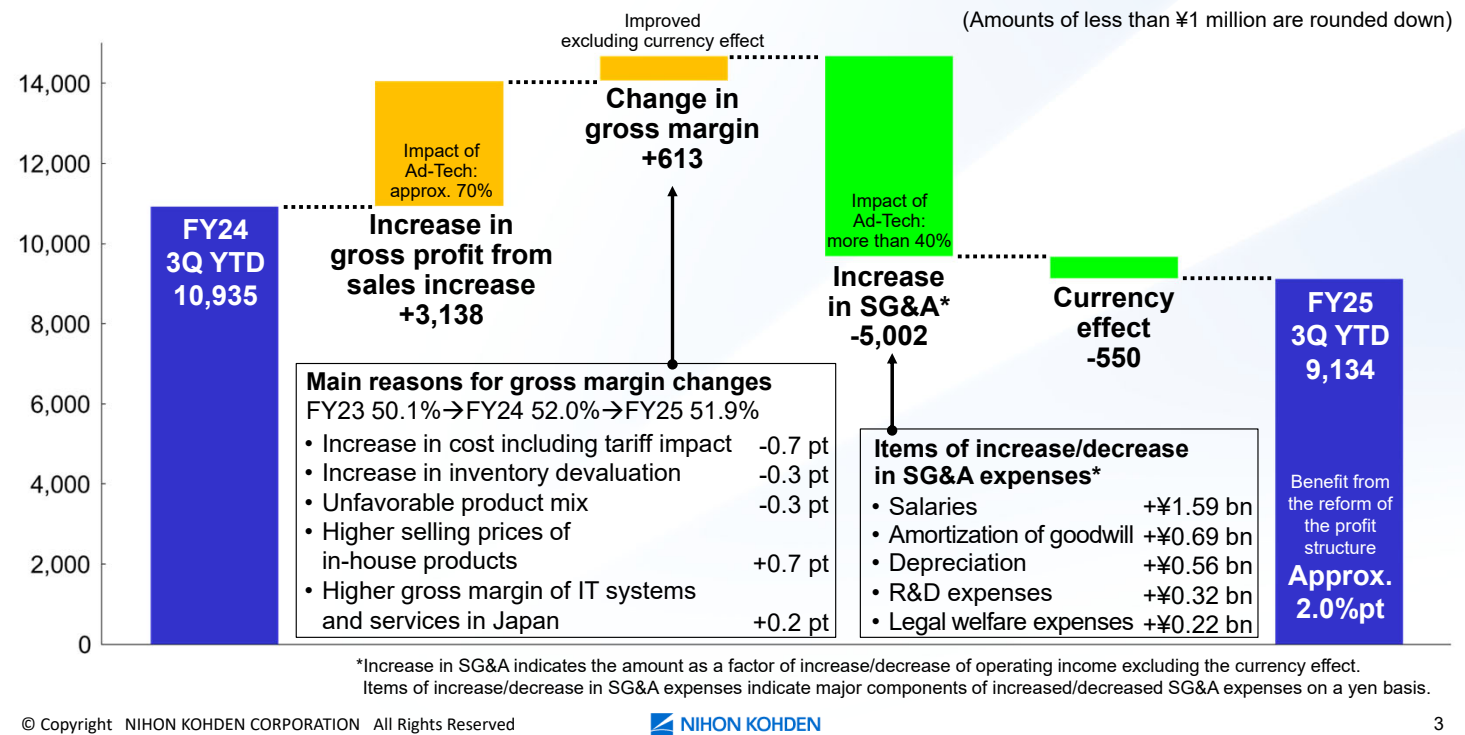
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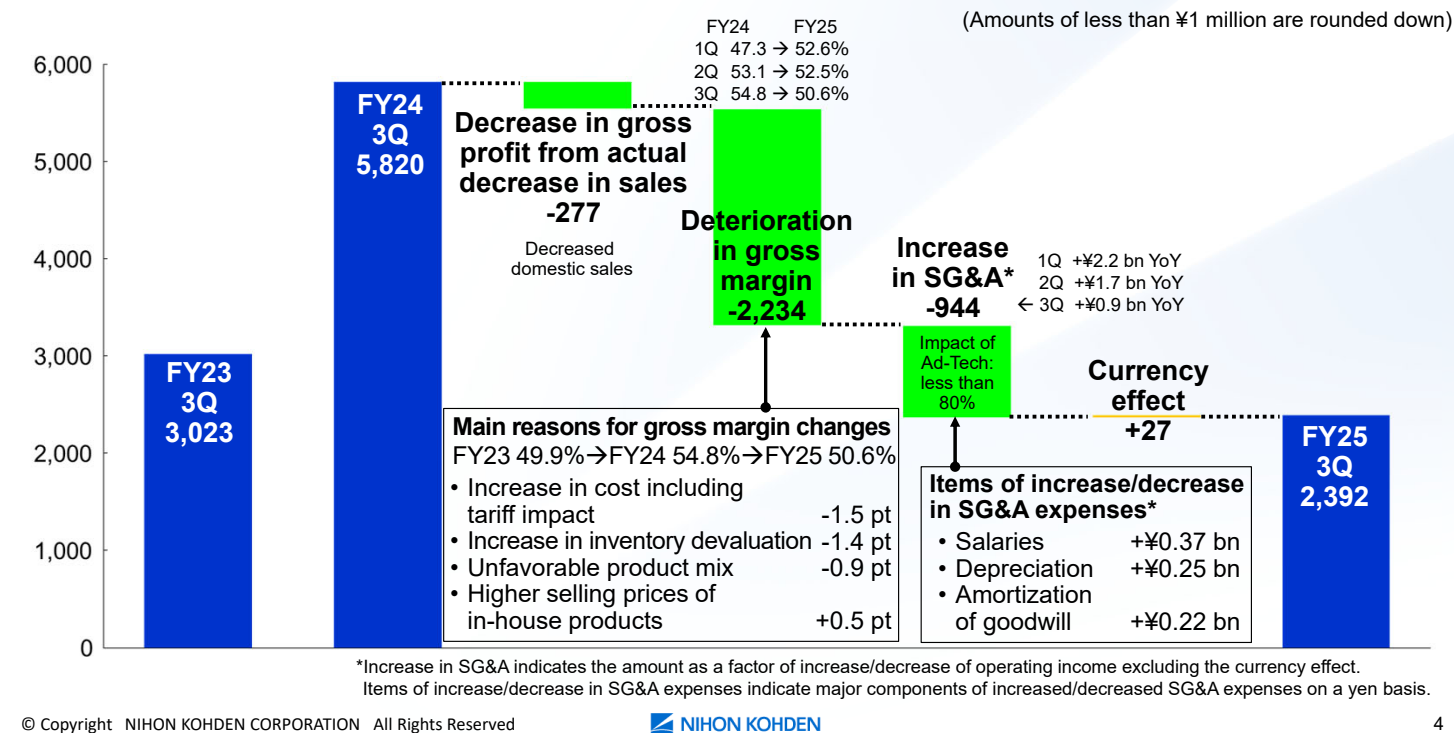
- The operating results for the nine months and the 3rd quarter of FY2025 are shown above.

3.1) Breakdown of Operating Income for FY2025 3Q YTD



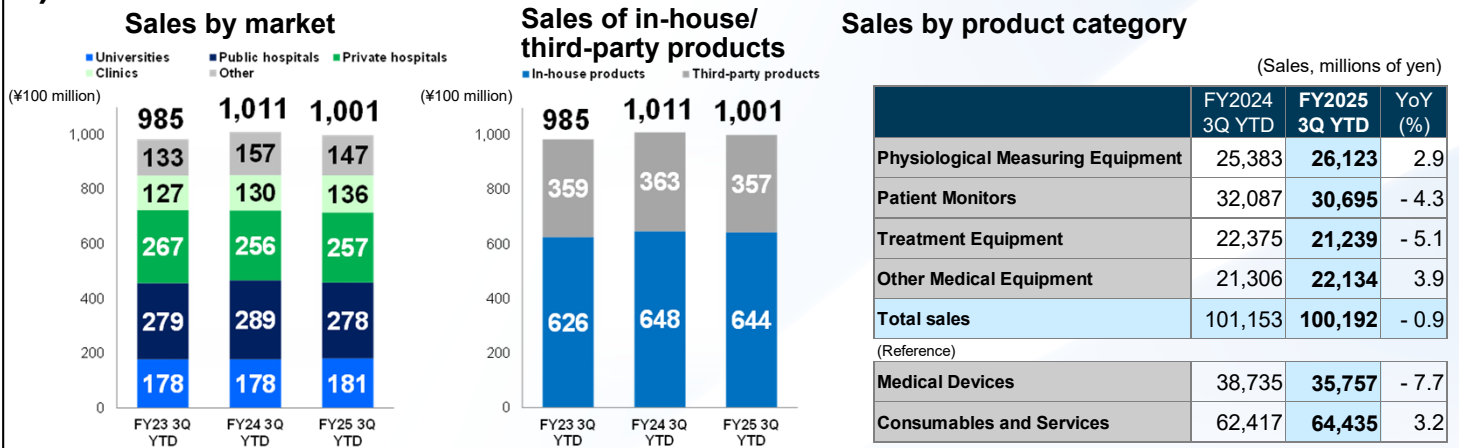
- The analysis of the reasons for a decrease in operating income for the nine months of FY2025 is shown above.
- Increase in gross profit from sales increase was ¥3.1 billion, of which, around 70% was due to the impact of the consolidation of Ad-Tech.
- Gross margin was 10 bps lower than the same period of FY2024; however, excluding the negative currency effect, it improved due to higher selling prices of in-house products as well as higher gross margin of IT systems and services in Japan.
- Due to wage increases and R&D investment, SG&A expenses were a negative factor worth ¥5.0 billion, of which, more than 40% was the impact of the consolidation of Ad-Tech, including amortization of goodwill.
- Currency effect had a negative impact of ¥0.5 billion.

3.2) Breakdown of Operating Income for FY2025 3Q



- The analysis of the reasons for a decrease in operating income for the 3rd quarter of FY2025 is shown above.
- The decrease in gross profit from actual decrease in sales was a negative factor worth ¥0.2 billion, primarily due to decreased domestic sales.
- Deterioration in gross margin was a negative factor worth ¥2.2 billion, due to an increase in cost, an increase in inventory devaluation, and unfavorable product mix. Although the gross margin fell short of the same period of FY2024 of 54.8% and our internal plan of 52% or more, initiatives such as raising selling prices both in Japan and internationally continue to be effective.
- We could restrain the increase of SG&A expenses, excluding the impact of the consolidation of Ad-Tech.

4) Domestic Sales



[Markets] Sales in the public hospital market decreased. Sales of AEDs in the PAD market decreased due to inventory adjustment at distributors. Sales in the university, private hospital, and clinic markets increased.

[Products] **In-house/third-party products:** Sales of locally purchased products and ablation catheters decreased. Sales of in-house medical devices decreased, while sales of in-house consumables and services increased.

Physiological Measuring Equipment: Sales of polygraphs for cath lab increased favorably. Sales of neurology products and diagnostic information systems also increased. Sales of ECGs decreased.

Patient Monitors: Sales of telemetry systems and transmitters decreased compared to the strong growth in FY24 3Q YTD. Sales of bedside monitors increased.

Treatment Equipment: Sales of ablation catheters, ventilators, and AEDs decreased.

Other Medical Equipment: Sales of installation and maintenance services for medical devices, and hematology instruments and reagents increased favorably. Sales of locally purchased products decreased.

- Domestic sales decreased as capital expenditure in medical institutions was cautious, while sales of consumables and services increased.
- Sales in the public hospital market decreased. Sales of AEDs in the PAD (public access defibrillation) market also decreased due to inventory adjustment at distributors. Sales in the university, private hospital, and clinic markets increased.
- Although sales of both our in-house products and third-party products decreased, sales of our in-house products remained above the levels achieved in the same period of FY2023.
- Sales of Patient Monitors and Treatment Equipment decreased, while sales of Physiological Measuring Equipment and Other Medical Equipment increased.
- In Physiological Measuring Equipment, sales of polygraphs for cath lab increased favorably. Sales of neurology products and diagnostic information systems also increased.
- In Patient Monitors, sales of telemetry systems and transmitters decreased compared to the strong growth in the same period of FY2024. Sales of bedside monitors increased.
- In Treatment Equipment, sales of ablation catheters, ventilators, and AEDs decreased.
- In Other Medical Equipment, sales of installation and maintenance services for medical devices, and hematology instruments and reagents increased favorably.

5) Overseas Sales

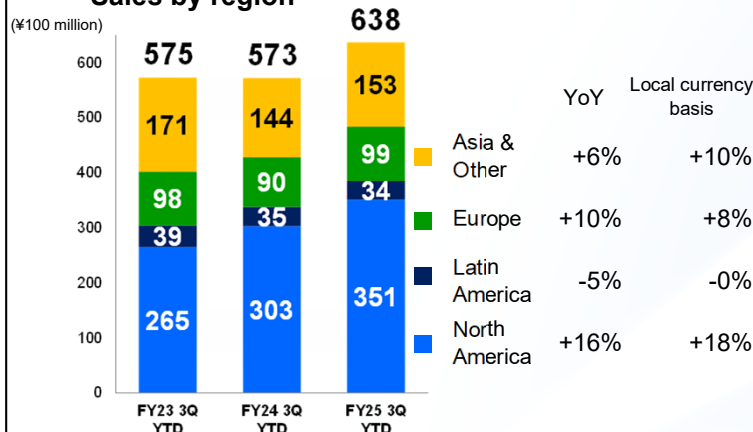
Overseas sales: YoY +11%

(on a local currency basis: +13%,
on a local currency basis excluding consolidation of Ad-Tech: +7%)

Overseas sales ratio

FY2024 3Q YTD	FY2025 3Q YTD
36.2%	38.9%

Sales by region



Sales by product category

(Sales, millions of yen)

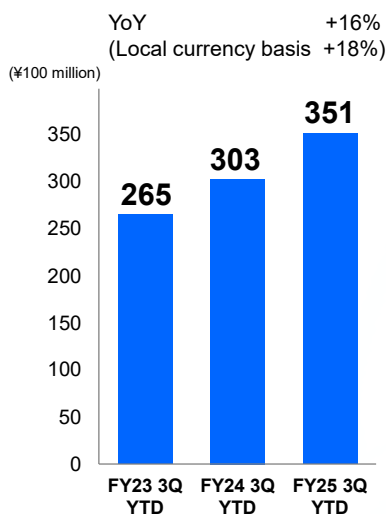
	FY2024 3Q YTD	FY2025 3Q YTD	YoY (%)	Local currency basis (%)
Physiological Measuring Equipment	7,569	12,443	64.4	67
Patient Monitors	28,491	26,848	- 5.8	- 4
Treatment Equipment	15,162	18,762	23.7	26
Other Medical Equipment	6,099	5,766	- 5.5	- 3
Total sales	57,323	63,820	11.3	13
(Reference)				
Medical Devices	38,311	39,919	4.2	7
Consumables and Services	19,012	23,901	25.7	26

- [Region]** Sales achieved double-digit growth thanks to favorable sales in North America, Europe, and Asia & Other. Sales also increased on a local currency basis excluding the impact of the consolidation of Ad-Tech.
- [Products]** Sales of Physiological Measuring Equipment increased significantly driven by neurology products including Ad-Tech. Sales of Treatment Equipment also increased significantly driven by strong sales of ventilators and double-digit growth of AEDs. Sales of Patient Monitors decreased compared to the strong growth in FY24 3Q YTD mainly in North America and Europe, while sales in Asia & Other achieved double-digit growth.

- Overseas sales achieved double-digit growth thanks to favorable sales in North America, Europe, and Asia & Other. Sales also increased on a local currency basis excluding the impact of the consolidation of Ad-Tech. The overseas sales ratio increased to 38.9%.
- Sales of Physiological Measuring Equipment increased significantly, driven by neurology products including Ad-Tech. Sales of Treatment Equipment also increased significantly driven by strong sales of ventilators and double-digit growth of AEDs. Sales of Patient Monitors decreased compared to the strong growth in the same period of FY2024 mainly in North America and Europe, while sales in Asia & Other achieved double-digit growth.

5.1) Sales in North America

- Double-digit growth on yen basis / local currency basis, High-single-digit growth on local currency basis excluding impact of consolidation of Ad-Tech
- Strong growth of Physiological Measuring Equipment and Treatment Equipment, Decline in sales of Patient Monitors compared to double-digit growth in FY24 3Q YTD



[Product Category] * YoY on a local currency basis

- **Physiological Measuring Equipment:** over 100% growth
Double-digit growth on local currency basis excluding impact of consolidation of Ad-Tech. Strong growth of home sleep recorders
- **Patient Monitors:** high-single-digit decline
Decline in 1H/3Q compared to double-digit growth in FY24 1H/3Q due to cautious stance in decision-making process for business negotiations. Favorable growth of consumables such as sensors
- **Treatment Equipment:** high-30% growth
Strong growth of ventilators and AEDs: Strong growth of mask-type / intubated type ventilators, Expanded market share of AEDs

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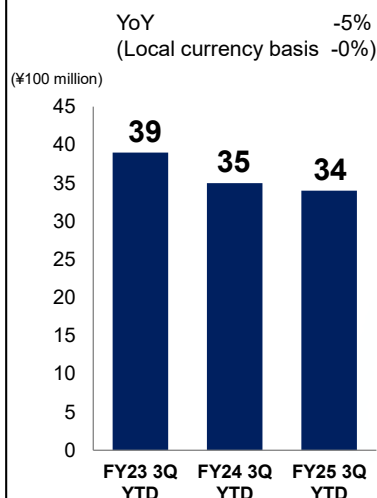


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- Sales in North America achieved double-digit growth both on a yen basis and on a local currency basis. Sales also showed a high-single-digit growth on a local currency basis excluding the impact of the consolidation of Ad-Tech.
- Sales of Physiological Measuring Equipment achieved double-digit growth, excluding the impact of the consolidation of Ad-Tech. Sales of home sleep recorders increased significantly due to the withdrawal of competitors.
- Sales of Patient Monitors decreased in the 1st half and 3rd quarter compared to double-digit growth in the same period of FY2024. This is attributable to medical institutions taking a more cautious approach to decision-making in business negotiations due to uncertainty regarding proposed budget cuts to public health insurance. Sales of consumables such as sensors increased favorably.
- In Treatment Equipment, sales of ventilators and AEDs increased significantly. Both the mask-type and the intubated-type ventilators increased favorably. We also successfully gained market share for AEDs in the U.S.

5.2) Sales in Latin America

- **FY25 3Q YTD: Decreased mainly in Mexico**
- **FY25 3Q: Double-digit growth on yen basis / local currency basis thanks to large orders in Paraguay**



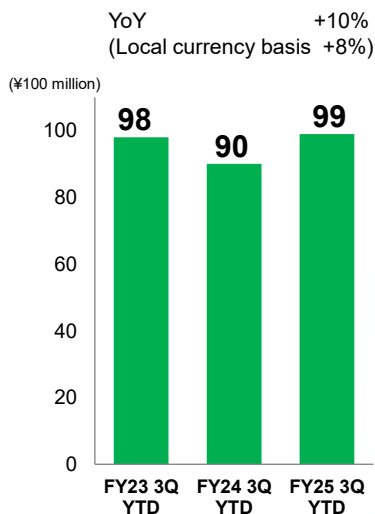
[Product Category] * YoY on a local currency basis

- **Physiological Measuring Equipment:** mid-teen decline
Decline in sales of neurology products. Favorable growth of ECGs
- **Patient Monitors:** mid-teen decline
Decline mainly in Mexico
- **Treatment Equipment:** low-20% growth
Significant growth of ventilators thanks to large orders in Paraguay.
Double-digit growth of AEDs
- **Other Medical Equipment:** mid-single-digit growth
Growth of maintenance services for medical devices in Mexico

- Sales in Latin America decreased, mainly in Mexico. In the third quarter (three months), sales in Latin America increased year-on-year both on a yen basis and on a local currency basis due to large orders in Paraguay. We also expect double-digit growth in the 4th quarter.
- Sales of Patient Monitors and Physiological Measuring Equipment decreased, while sales of Treatment Equipment increased favorably.

5.3) Sales in Europe

- **FY25 3Q YTD: Increased favorably, especially in Italy, Turkey, and the Netherland**



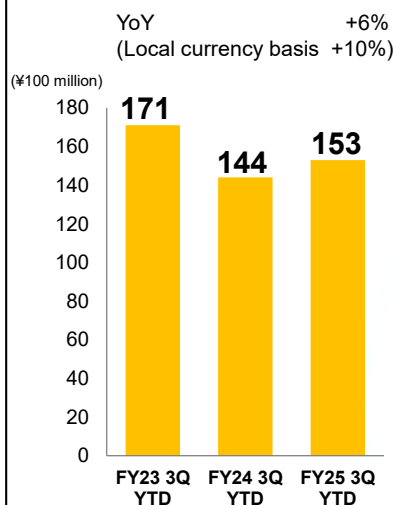
[Product Category] * YoY on a local currency basis

- **Physiological Measuring Equipment:** mid-20% growth
Favorable growth of neurology products on local currency basis excluding impact of consolidation of Ad-Tech
- **Patient Monitors:** mid-single-digit decline
Decline mainly in Germany
- **Treatment Equipment:** high-20% growth
Strong growth of ventilators and defibrillators. Double-digit growth of AEDs
- **Other Medical Equipment:** high-teen decline
Decline in sales of hematology instruments and reagents

- Sales in Europe increased favorably, especially in Italy, Turkey, and the Netherlands.
- Sales of Treatment Equipment and Physiological Measuring Equipment increased significantly. Sales of Patient Monitors and Other Medical Equipment decreased.

5.4) Sales in Asia & Other

- **FY25 3Q YTD:** Increased favorably, especially in Southeast Asia such as Thailand, Vietnam, and the Middle East & Africa such as Morocco, South Africa
- **FY25 3Q:** Decreased due to taking time to comply with laws and regulations



[Product Category] * YoY on a local currency basis

- **Physiological Measuring Equipment:** low-teen growth
Favorable growth of neurology products and ECGs
- **Patient Monitors:** low-20% growth
Received large orders in Morocco.
Favorable growth in Southeast Asia and India
- **Treatment Equipment:** high-single-digit growth
Favorable growth of defibrillators. Steady growth of AEDs
- **Other Medical Equipment:** mid-single-digit decline
Decline in sales of hematology instruments. Favorable growth of reagents

- Sales in Asia & Other increased favorably, mainly in Southeast Asia and the Middle East & Africa. In the third quarter (three months), sales in Asia & Other decreased year-on-year mainly due to taking time to comply with laws and regulations, mainly in the Middle East & Africa.
- Sales of Patient Monitors and Physiological Measuring Equipment achieved double-digit growth. Sales of Treatment Equipment also increased favorably. Sales of Other Medical Equipment decreased.

(Ref.) Sales / Gross Margin by Product Category

(Sales, millions of yen)

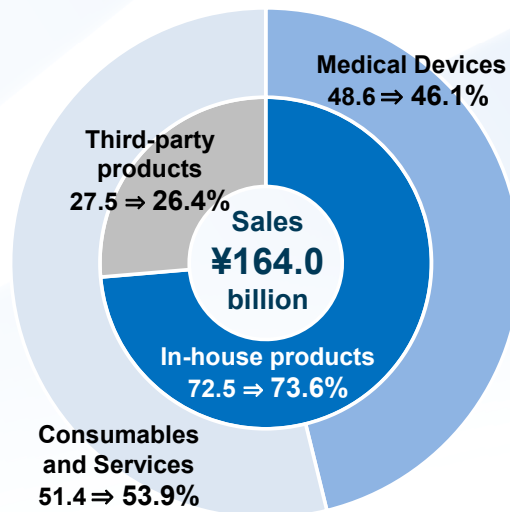
	FY2024 3Q YTD	FY2025 3Q YTD	YoY (%)
Physiological Measuring Equipment	32,953 (41%)	38,566 (44%)	17.0
Patient Monitors	60,579 (65%)	57,543 (64%)	- 5.0
Treatment Equipment	37,538 (44%)	40,001 (44%)	6.6
Other Medical Equipment	27,405 (47%)	27,901 (48%)	1.8
Total sales	158,476 (52%)	164,013 (52%)	3.5

(Reference)

Medical Devices	77,046 (54%)	75,677 (53%)	- 1.8
Consumables and Services	81,430 (50%)	88,336 (51%)	8.5

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

Sales composition
by product category
(FY2024 3Q YTD ⇒ FY2025 3Q YTD)



- Sales and gross margin by product category are shown above.
- Both in-house sales ratio and consumables and services sales ratio increased.

(Ref.) Breakdown of Sales by Product Category

(Billions of yen)

Physiological Measuring Equipment	FY2024 3Q YTD	FY2025 3Q YTD
Neurology Products	7.4	11.6
ECGs (Electrocardiographs)	4.5	4.4
Polygraphs for Cath Lab	13.1	14.1
Diagnostic Information Systems	3.5	3.7
Other Physiological Measuring Equipment *	4.1	4.7

*Includes products of other companies.

Treatment Equipment	FY2024 3Q YTD	FY2025 3Q YTD
Defibrillators (for Hospital and Ambulance)	5.8	6.0
AEDs (Automated External Defibrillator)	17.1	18.1
Pacemakers / ICDs	1.8	1.9
Ventilators	6.4	8.1
Other Treatment Equipment	6.2	5.6

Patient Monitors	FY2024 3Q YTD	FY2025 3Q YTD
Patient Monitors	60.5	57.5
Clinical Information Systems	2.9	3.0

Other Medical Equipment	FY2024 3Q YTD	FY2025 3Q YTD
Hematology Instruments	9.5	9.4
Imaging Systems and Others *	17.8	18.4

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

- A breakdown of sales by product category is shown above.

6) Financial Position

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

	FY2024	FY2025 3Q YTD	Change
Current assets	183,085	170,128	- 12,957
Inventories	56,174	62,033	5,858
Property, plant & equipment	29,270	31,798	2,527
Intangible assets	27,653	25,526	- 2,127
Investments & other assets	18,266	19,309	1,042
Total assets	258,276	246,762	- 11,513

Inventory turnover (months)	6.2	6.7	
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[Reasons for decrease of current assets]

- Notes and accounts receivable decreased by ¥13.7 bn.
- Inventories increased by ¥5.8 bn.
Inventories of finished goods temporarily increased by ¥4.3 bn in preparation for starting operation of PLM/MES* systems and new plant in Tsurugashima.

	FY2024	FY2025 3Q YTD	Change
Current liabilities	72,296	46,717	- 25,579
Interest-bearing debt	26,030	50	- 25,980
Non-current liabilities	4,685	27,511	22,826
Interest-bearing debt	—	22,950	22,950
Net assets	181,294	172,534	- 8,760
Total liabilities & net assets	258,276	246,762	- 11,513

Equity ratio	69.5%	69.9%	
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[Reasons for decrease of current liabilities]

Interest-bearing debt (short-term borrowings) decreased by ¥25.9 bn.

[Reasons for increase of non-current liabilities]

Interest-bearing debt (long-term borrowings) increased by ¥22.9 bn.

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

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- Inventory turnover was 6.7 months, as inventories of finished goods temporarily increased in preparation for starting operation of PLM/MES systems and the new plant in Tsurugashima.

7) Cash Flows

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

(Billions of yen)

	FY2024 3Q YTD	FY2025 3Q YTD	Change
I . Net cash flows from operating activities	6,291	12,477	6,185
II . Net cash flows from investing activities	- 23,233	- 6,472	16,760
Free cash flows	- 16,941	6,004	22,945
III . Net cash flows from financing activities	4,585	- 7,038	- 11,624
Effect of exchange rate change on cash and cash equivalents	536	1,062	526
Net increase (decrease) in cash and cash equivalents	- 11,818	28	11,847
Cash and cash equivalents at end of period	38,058	43,089	5,030

	FY24 3Q YTD	FY25 3Q YTD	Change
Income before income taxes	13.2	9.8	-3.3
Decrease (increase) in accounts receivable	10.0	15.4	+5.4
Income taxes paid	-9.6	-7.5	+2.0
	FY24 3Q YTD	FY25 3Q YTD	Change
Purchase of property, plant and equipment	-3.5	-4.6	-1.1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-18.8	—	+18.8
	FY24 3Q YTD	FY25 3Q YTD	Change
Net increase (decrease) in short-term borrowings	25.2	-25.9	-51.2
Proceeds from long-term borrowings	—	25.5	+25.5
Decrease (increase) in deposits paid	-7.6	7.2	+14.9
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	-7.4	-7.4

- Cash and cash equivalents at the end of the period were ¥43 billion.

8) Capital Investment and R&D Expenses

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

	FY2024 3Q YTD	FY2025 3Q YTD	Change	FY2024 Actual	FY2025	
					Original forecast announced May 13	Revised forecast announced Nov 10
Capital investment	4,984	5,853	868	9,519	9,400	9,400
Depreciation	2,959	3,393	434	4,067	4,900	5,000
R&D expenses	4,948	5,271	322	6,826	7,200	7,400

● FY2025 capital investment 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 bn < **FY2022: ¥0.3 bn, FY2023: ¥0.5 bn, FY2024: ¥0.9 bn**
FY2025: ¥0.8 bn, FY2026~: ¥0.5 bn

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

Establishment of new plant in Tsurugashima City

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

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

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

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- There are no changes to our forecasts for full-year capital investments, depreciation, and R&D expenses, respectively.

9) Forecast for FY2025

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

	FY2024	FY2025			YoY (%)
	Actual	Original forecast announced May 13	Revised forecast announced Nov 10	Revised forecast announced Feb 5	
Net sales	225,424	240,000	240,000	235,000	4.2
Domestic sales	145,237	149,800	149,400	144,400	- 0.6
Overseas sales	80,187	90,200	90,600	90,600	13.0
Gross profit (Gross margin)	117,157 52.0%	126,000 52.5%	126,100 52.5%	122,100 52.0%	4.2
SG&A expenses (SG&A ratio)	96,444 42.8%	102,000 42.5%	102,100 42.5%	102,100 43.4%	5.9
Operating income (Operating margin)	20,713 9.2%	24,000 10.0%	24,000 10.0%	20,000 8.5%	- 3.4
Ordinary income	20,373	24,000	24,000	22,000	8.0
Income attributable to owners of parent	14,098	15,000	12,500	12,500	- 11.3
Overseas sales ratio	35.6%	37.6%	37.8%	38.6%	

← +14% on a local currency basis
+8% on a local currency basis excluding
impact of consolidation of Ad-Tech

Average exchange rate (yen) 1 USD/1 EUR 152.4/163.5 140/156 146/167 150/174

*The assumed exchange rates for FY25 4Q are 154 yen to the U.S. dollar and 184 yen to the euro.

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- Based on the results for the nine months of FY2025 and recent performance trends, the Company revised its forecast for FY2025.
- The FY2025 full-year forecasts for overall sales, domestic sales, and overseas sales were revised to ¥235,000 million, ¥144,400 million and ¥90,600 million, respectively.

10) Reasons for Revisions

Net sales [down ¥5 bn from previous forecast]	Domestic sales [down ¥5 bn]	<ul style="list-style-type: none"> Revised downward by ¥5 bn, ¥0.8 bn YoY decline <ul style="list-style-type: none"> Hospital / clinic market: Greater-than-expected restrictions and delays in budgets Revised downward by ¥3.9 bn to ¥0.2 bn growth from ¥4.1 bn growth AED: Inventory adjustment at distributors *FY24: 63,800 units → FY25: 58,100 units Revised downward by ¥1.1 bn to ¥1.0 bn decline from ¥0.1 bn growth 4Q: Aiming to secure sales at the same level as FY24 4Q by focusing on consumables and services business as well as delivery and installation of IT system solutions toward the end of the fiscal year
	Overseas sales [unchanged]	<ul style="list-style-type: none"> Making every effort for shipping, delivery, and installation by the end of the fiscal year, while decision-making process for business negotiations for patient monitors has become more cautious in North America and it also takes time to comply with laws and regulations mainly in Asia & Other
Operating income [down ¥4 bn] Ordinary income [down ¥2 bn] Net income [unchanged]	<ul style="list-style-type: none"> Revised downward reflecting lower-than-expected sales and gross margin. Reaffirmed SG&A expenses 4Q: Aiming at sales/income growth by securing gross margin of 52% or more and restraining the increase of SG&A expenses through focusing on selling in-house products and implementing the reform of the profit structure 	

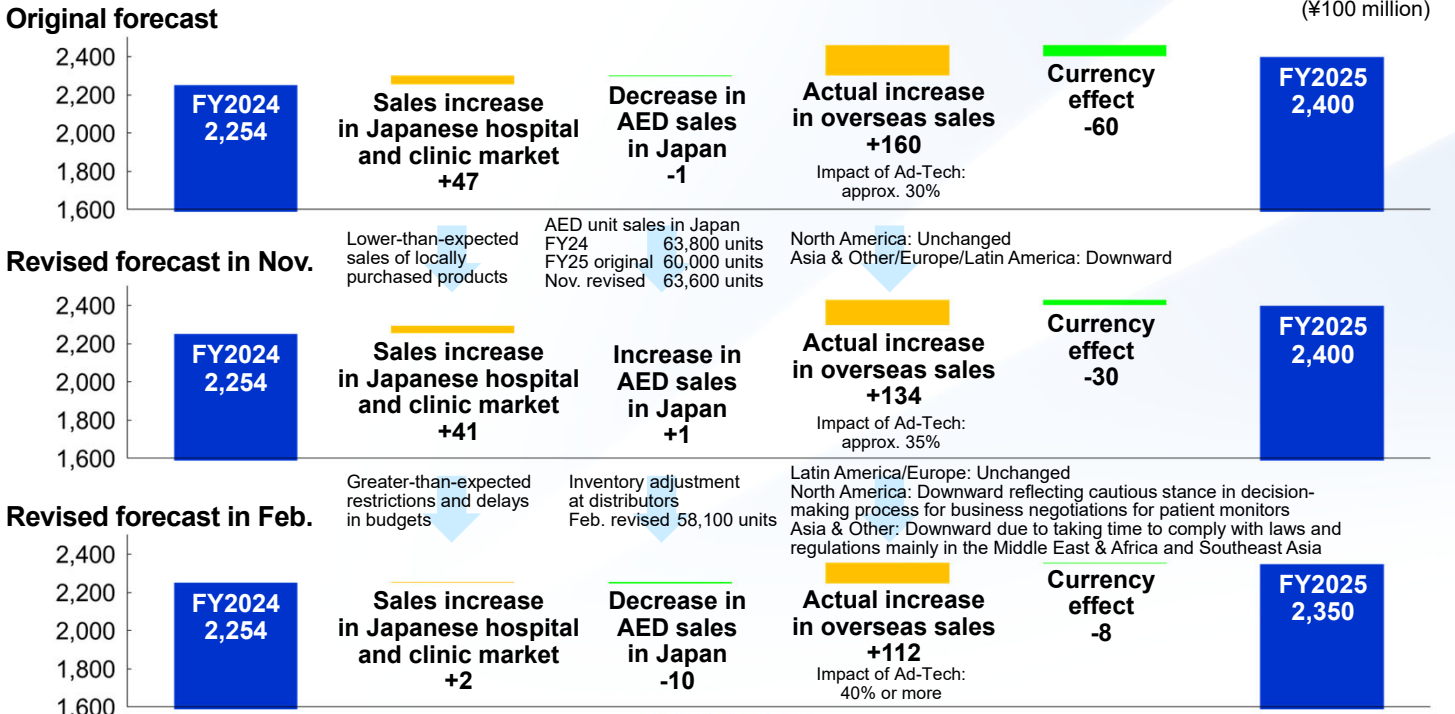
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- In Japan, budget executions of universities and public hospitals are usually concentrated at the end of the fiscal year. However, in FY2025, there were greater-than-expected postponements of and restraints on their spending due to deterioration of their business sentiment. Domestic sales are expected to fall short of the Company's previous forecast, due in part to lower-than-expected sales of AEDs caused by inventory adjustment at distributors. The Company aims to secure sales in the 4th quarter at the same level as in the same period of FY2024 by continuing to expand sales of consumables and services as well as by strengthening sales activities and securing orders for medical equipment and IT systems that contribute to improving the quality and efficiency of medical care. Sales of Patient Monitors are expected to increase year-on-year in the 4th quarter.
- Overseas sales will be affected by greater-than-expected depreciation of the yen in currency translation. The entire Group makes every effort to complete shipping, delivery, and installation by the end of the fiscal year, while the decision-making process for business negotiations for patient monitors has become more cautious in North America and the Company needs to comply with laws and regulations, mainly in Asia & Other. Sales of Patient Monitors in North America are expected to increase year-on-year in the fourth quarter, as orders are above the same period of FY2024.
- Because overall sales and gross margin are expected to be lower than the Company's previous forecasts, operating income is expected to be ¥20,000 million. The Company strives to restrain the increase of SG&A expenses through the reform of the profit structure of the entire Group. Ordinary income is expected to be ¥22,000 million, reflecting foreign exchange gains. Income attributable to owners of parent remains unchanged at ¥12,500 million.

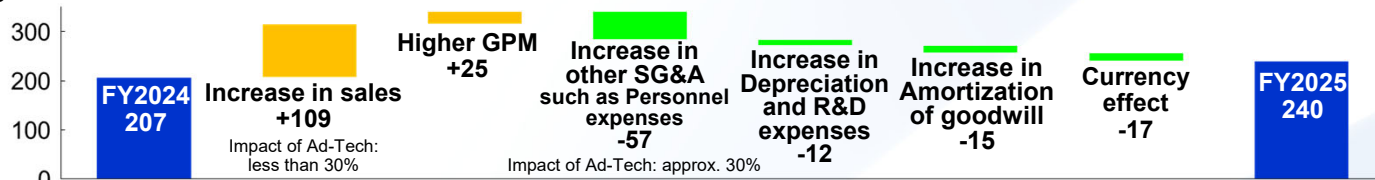
(Ref.) Analysis of FY2025 Sales Forecast



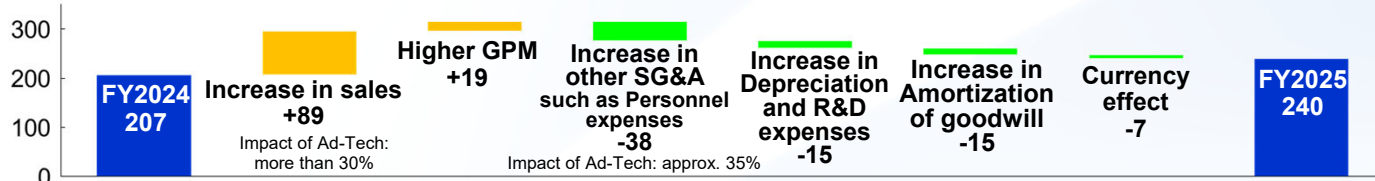
(Ref.) Analysis of FY2025 Operating Income Forecast

(¥100 million)

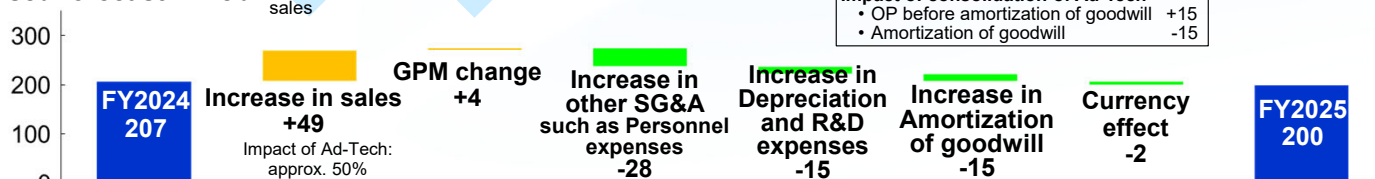
Original forecast



Revised forecast in Nov.



Revised forecast in Feb.



(Ref.) Consolidated Forecast for FY2025 by Region/Product Category

Effect of Exchange Rates

Overseas sales by region (Amounts of less than ¥1 million are rounded down)

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

Sales by product category

	FY2024	FY2025				YoY (%)
	Actual	Original forecast announced May 13	Revised forecast announced Nov 10	Revised forecast announced Feb 5	Composition ratio (%)	
Physiological Measuring Equipment	46,874	53,200	54,600	54,100	23.0	15.4
Patient Monitors	84,965	89,000	86,600	85,600	36.4	0.7
Treatment Equipment	53,184	56,600	58,100	55,300	23.5	4.0
Other Medical Equipment	40,400	41,200	40,700	40,000	17.1	- 1.0
Total	225,424	240,000	240,000	235,000	100.0	4.2

(Reference)

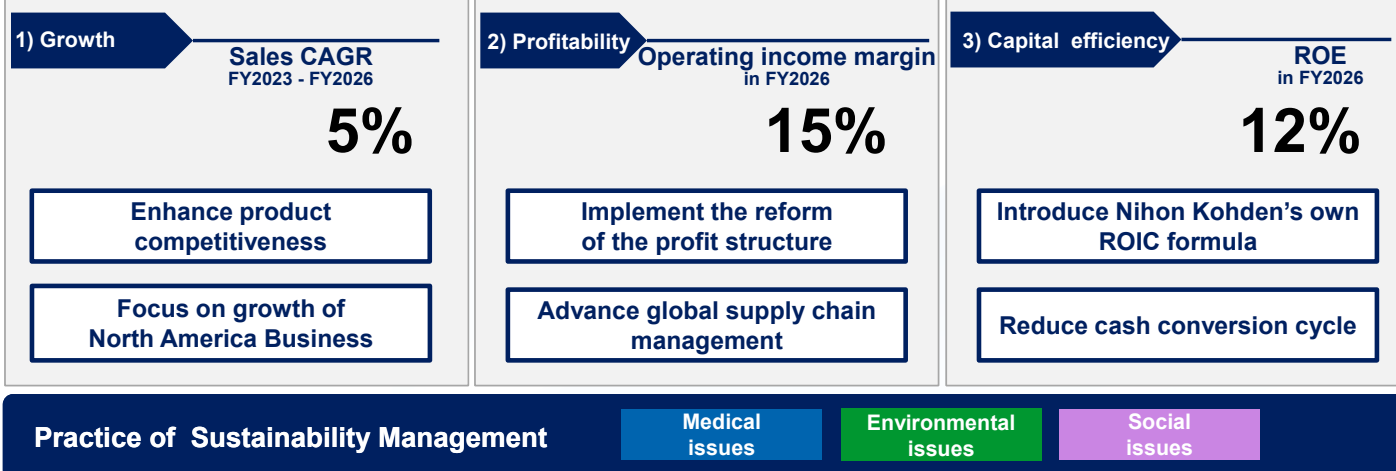
Medical Devices	113,304	120,800	117,600	114,700	48.8	1.2
Consumables and Services	112,119	119,200	122,400	120,300	51.2	7.3

Estimated Exchange Rate Fluctuations for Full Fiscal Year

	Sales	Operating Income
US Dollar	0.42 bn yen	0.11 bn yen
EURO	0.06 bn yen	0.02 bn yen

Toward Enhancing Corporate Value over the Medium- to Long-term

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



- We have previously mentioned that the Company's growth momentum is increasing through the implementation of our initiatives in our Long-term Vision and Three-year Business Plan. In particular, demand for medical DX is growing around the world. Additionally, the withdrawal of competitors is creating increased demand for ventilators and neurology products.
- On the other hand, we recognize that one of our current issues is the significant quarterly performance volatility caused by the trend of capital expenditure in medical institutions and budget executions by the Government in each country, despite our ongoing efforts to transition from a business model centered on capital expenditure to a solution based business or recurring business focused on consumables, services, and DHS products.
- Due to external and internal factors, overall sales fell short of expectations, which has hindered the improvement in SG&A expense ratio and cash conversion cycle. This inability to quantitatively assess the effects of the reform of the profit structure is also considered a factor that lowers the predictability of profitability improvement.
- Therefore, to enhance the Company's corporate value in the Medium- to Long term, it is essential to focus on Growth as a priority among the three indicators in the Three-year Business Plan, and to effectively combine sustainable sales growth with realizing the effects of the reform of the profit structure.

Growth Focus on stable growth in Japan

Market growth rate
Approx. 1~2%

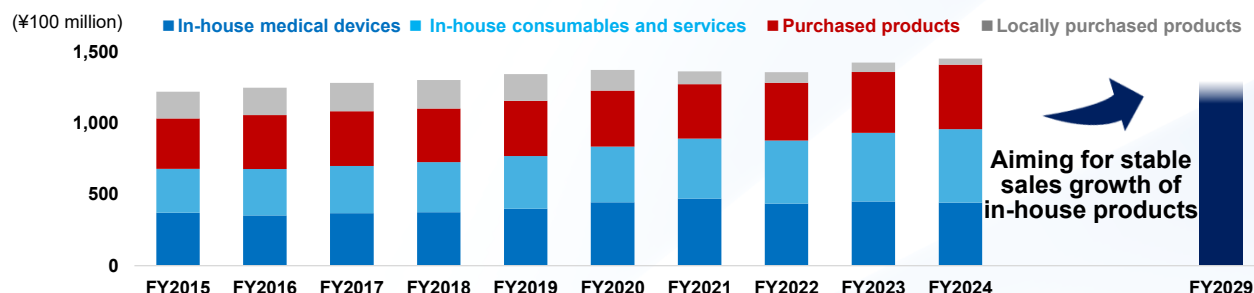
Phase II sales target
CAGR 3%

FY2015 - FY2024
10-year sales CAGR
+1.8%

In-house products +3.5%
Medical devices +1.8%
Consumables & services +5.3%
(Ratio of consumables and services: 54%, FY24)

Purchased products +2.5%

Locally purchased products -14%



Medical devices

- Maintaining and expanding higher market share of each product by capturing replacement demand steadily

Consumables and services

- Improving CX* and medical safety by promoting genuine consumables and expanding maintenance services plans



ITS + DHS

- Promoting medical DX* and contributing to improving quality and economy of medical care
- Planned to consolidate DOWELL, Co., Ltd. as a subsidiary (as of Feb. 2026)

[Transfer of operations for Abbott products] Completed approx. 15% as of Dec. 31, 2025 and planned to complete approx. 65% as of Mar. 31, 2026

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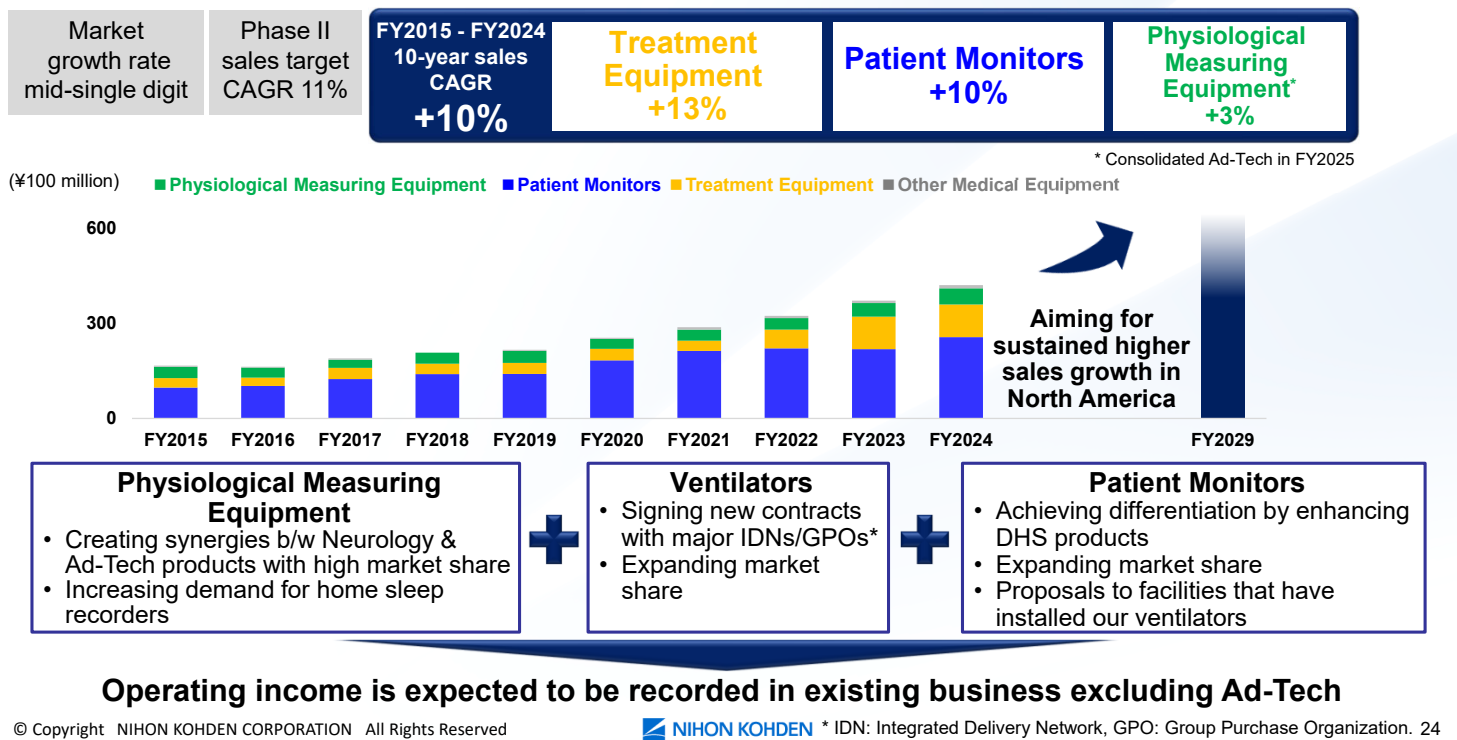
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* CX: Customer experience, DX: Digital transformation.

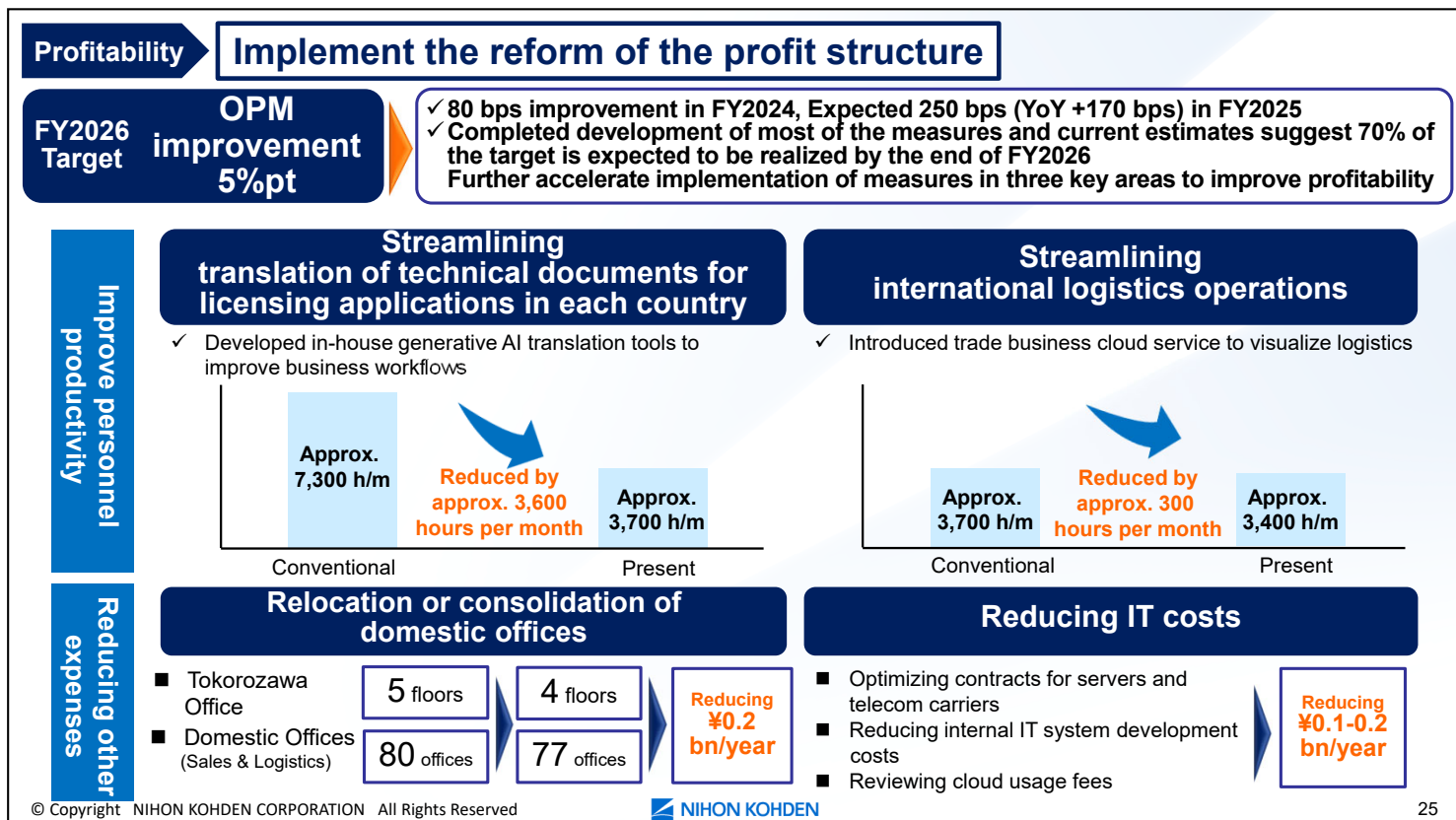
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- In Japan, capital expenditure in medical institutions has been more restrained than expected. However, we were able to achieve stable sales growth over the past 10 years and improve our profitability through increasing sales of in-house products, consumables, and services.
- We will further increase sales of in-house products by utilizing the resources made available by the discontinuation of Abbott products.
- We will continue to maintain and expand our high market share in medical devices, while expanding our consumables and services business. Additionally, we aim to enhance customer experience and achieve sustained stable growth through strengthening our IT and digital health solutions business, which is essential for medical DX.

Growth Focus on higher growth in North America



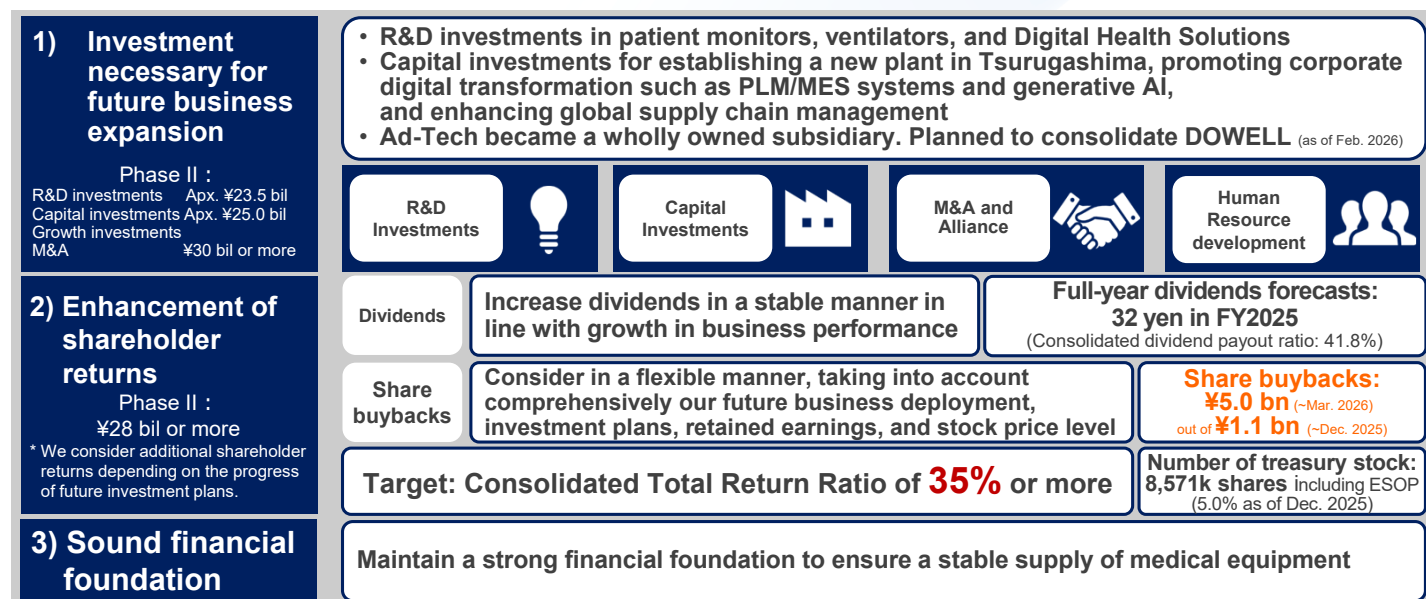
- In North America Business, which is our growth driver, we aim for sustained higher growth.
- We have achieved a sales CAGR of 10% over the past 10 years in North America. Notably, the Treatment Equipment Business has been rapidly expanding after the launch of ventilators.
- Demand for neurology products is also increasing due to the withdrawal of competitors in addition to the effects from the acquisition of Ad-Tech.
- We have enhanced our solution capabilities for patient monitoring systems for major IDNs by expanding our line-up of DHS products. We aim at a sustained increase in market share for patient monitors, as the development of new customers triggered by ventilators is also progressing, while there is a cautious stance in the decision-making process for business negotiations at this moment.



- In the reform of the profit structure aiming for improving profitability, we confirm that steady effects are beginning to emerge in the area of improving personnel productivity and reducing other expenses.
- In terms of improving personnel productivity, we have achieved the results shown above by streamlining the translation work required for licensing applications in each country as well as by improving the efficiency of international logistics operations.
- In terms of reducing other expenses, we have achieved cost savings of several hundred million yen through the relocation or consolidation of domestic offices and the review of contracts and usage fees related to internal IT systems.
- We continue to aim at a 500 bps improvement in operating income through the reform of the profit structure, while there are gaps between sales target and results as well as impacts from price and wage inflations more than expected.

Capital Policy

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



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- 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 Company plans to acquire up to ¥5 billion of its own shares in FY2025.
- It is very regrettable that we need to revise downward the full-year forecast, as domestic sales and overseas sales fell short of the forecasts due to both external and internal factors in the 3rd quarter. However, we aim to recover in the 4th quarter and continue the momentum to the final year of the Three-year Business Plan.

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