

Consolidated Financial Highlights for FY2024

(From April 1, 2024 to March 31, 2025)

1. Consolidated Financial Results for FY2024
2. Forecast for FY2025
3. Business Strategy

NIHON KOHDEN CORPORATION

(Ticker Code: 6849)

May 15, 2025

* The Company corrected the Financial Condition on page 13 on May 20, 2025. The corrections are underlined.

Fighting Disease with Electronics



NIHON KOHDEN

Consolidated Financial Results 1 for FY2024

1) Consolidated Financial Results for FY2024

	FY2023 Actual	FY2024		Actual	YoY (%)	(Amounts of less than ¥1 million are rounded down)
		Original forecast announced May 13, 2024	Revised forecast announced Nov 7, 2024			
Sales	221,986	229,000	227,000	225,424	1.5	
Domestic Sales	142,370	147,000	147,000	145,237	2.0	
Overseas Sales	79,615	82,000	80,000	80,187	0.7	-4% on a local currency basis (-2% on a local currency basis excluding impact of change in fiscal term of Defibtech in FY2023*)
Gross Profit (Gross Profit Margin)	111,346 50.2%	118,000 51.5%	116,300 51.2%	117,157 52.0%	5.2	In-house sales ratio: FY2023 73.5% → FY2024 73.6%
Operating Income (Operating Income Margin)	19,591 8.8%	23,000 10.0%	20,500 9.0%	20,713 9.2%	5.7	SG&A: ¥91.7 bil → ¥96.4 bil SG&A Ratio: 41.4% → 42.8%
Ordinary Income	25,589	23,000	18,000	20,373	-20.4	Foreign exchange gains/losses: ¥5.37 bil gains → ¥0.95 bil losses
Income Attributable to Owners of Parent	17,026	16,000	12,000	14,098	-17.2	Recorded gain on sale of investment securities and loss on devaluation of investment securities
Average exchange rate	FY2023	FY2024	FY2024	FY2024		
1 US Dollar	143.9 yen	140 yen	149 yen	152.4 yen		
1 EURO	156.8 yen	150 yen	160 yen	163.5 yen		

* Defibtech, LLC changed its fiscal term from end on December 31 to end on March 31, according to the reorganization of U.S. subsidiaries. In FY2023, Nihon Kohden consolidated the 15 months of Defibtech's operating results from January 1, 2023, to March 31, 2024.

- Overall sales increased 1.5% over FY2023 to ¥225.4 billion. Domestic sales increased 2% to ¥145.2 billion. Overseas sales increased 0.7% to ¥80.1 billion, a 4% decline on a local currency basis, and a 2% decline on a local currency basis excluding the impact of the change in the fiscal term of Defibtech, LLC in FY2023.
- Operating income increased 5.7% to ¥20.7 billion due to higher gross profit margin. Ordinary income decreased 20.4% to ¥20.3 billion, reflecting foreign exchange losses compared to gains in FY2023. Income attributable to owners of parent decreased 17.2% to ¥14 billion, as gain on sales of investment securities and loss on devaluation of investment securities were recorded.

2) Measures Implemented in FY2024

- ✓ In Japan, sales of Consumables & Services and AEDs increased favorably. Sales of locally purchased products decreased.
- ✓ Internationally, sales increased on a yen basis, while sales decreased on a local currency basis. Sales in North America increased favorably, while sales in Asia & Other and Europe fell short of its forecasts.
- ✓ Gross profit margin improved due to decrease in inventory devaluation, higher selling prices, and favorable product mix.
- ✓ SG&A expenses remained within its expectations excluding currency effects. Personnel expenses increased due to strengthening of human resources and wage increases.

Posted record high sales, supported by yen depreciation / Increased operating income

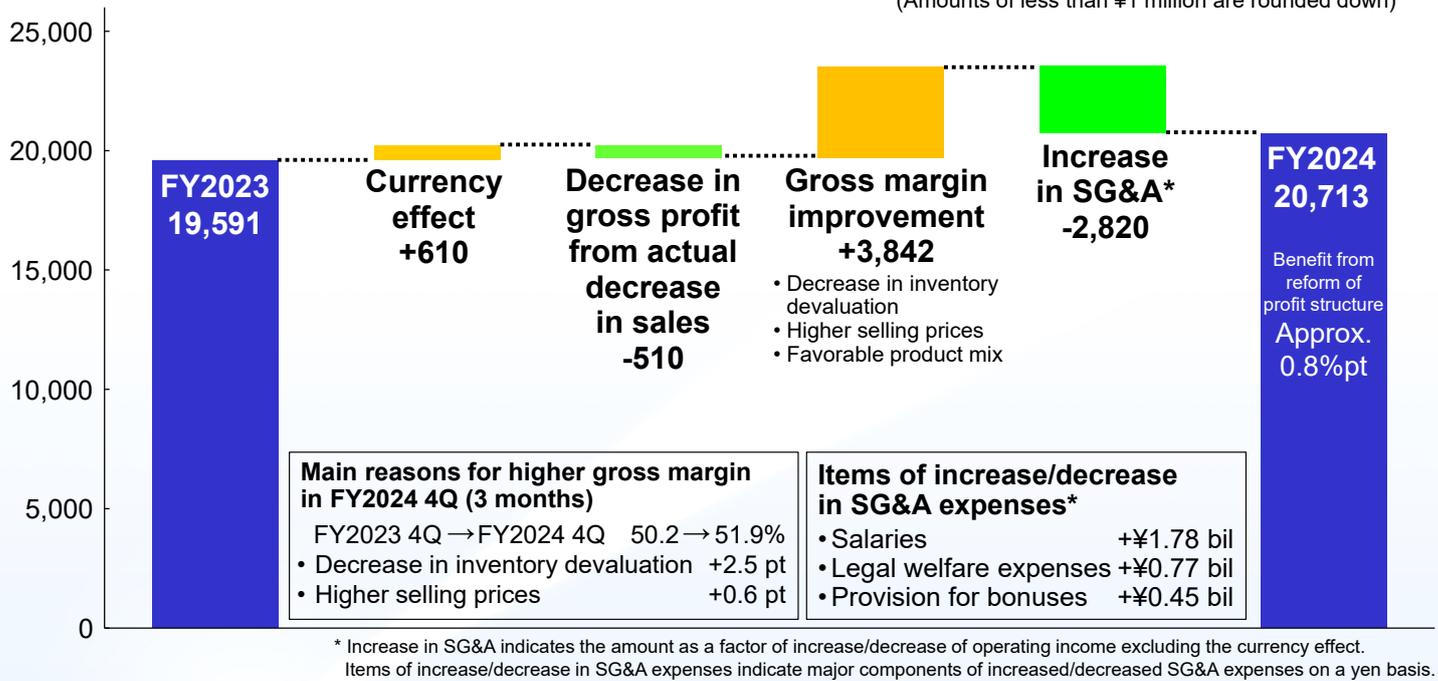
	FY2022	FY2023		FY2024	FY2026 Targets
Overseas Sales Ratio	34.3%	35.9%	✓ Sales in Asia & Other, Europe, and Latin America decreased.	35.6%	38.7%
Consumables and Services Sales Ratio	47.3%	47.9%	✓ Sales of consumables increased both in Japan and internationally.	49.7%	50%
In-house Sales Ratio	72.4%	73.5%	✓ Sales of locally purchased products decreased in Japan.	73.6%	75%
Gross Profit Margin	51.3%	50.2%	✓ Inventory devaluation decreased, higher selling prices, and favorable product mix.	52.0%	53%
SG&A Ratio	41.1%	41.4%	✓ Increased due to missing actual overseas sales forecasts, negative currency effect, and wage increases.	42.8%	38%
(Ref) OP/employee	¥3.67 mil	¥3.33 mil		¥3.48 mil ^{*1}	1.5 times or more ^{*2}

*1 Excluding Ad-Tech's employees. *2 Compared to FY2023.

- In Japan, sales of Consumables & Services and AEDs increased favorably. On the other hand, domestic sales were below its original forecast, as sales of locally purchased products decreased. Internationally, sales in North America increased favorably, while sales in Asia & Other and Europe fell short of its forecasts.
- Operating income increased due to higher gross profit margin. SG&A ratio increased due to missing actual overseas sales forecasts, negative currency effect, and wage increases. The improvement of personnel productivity remains as an issue.

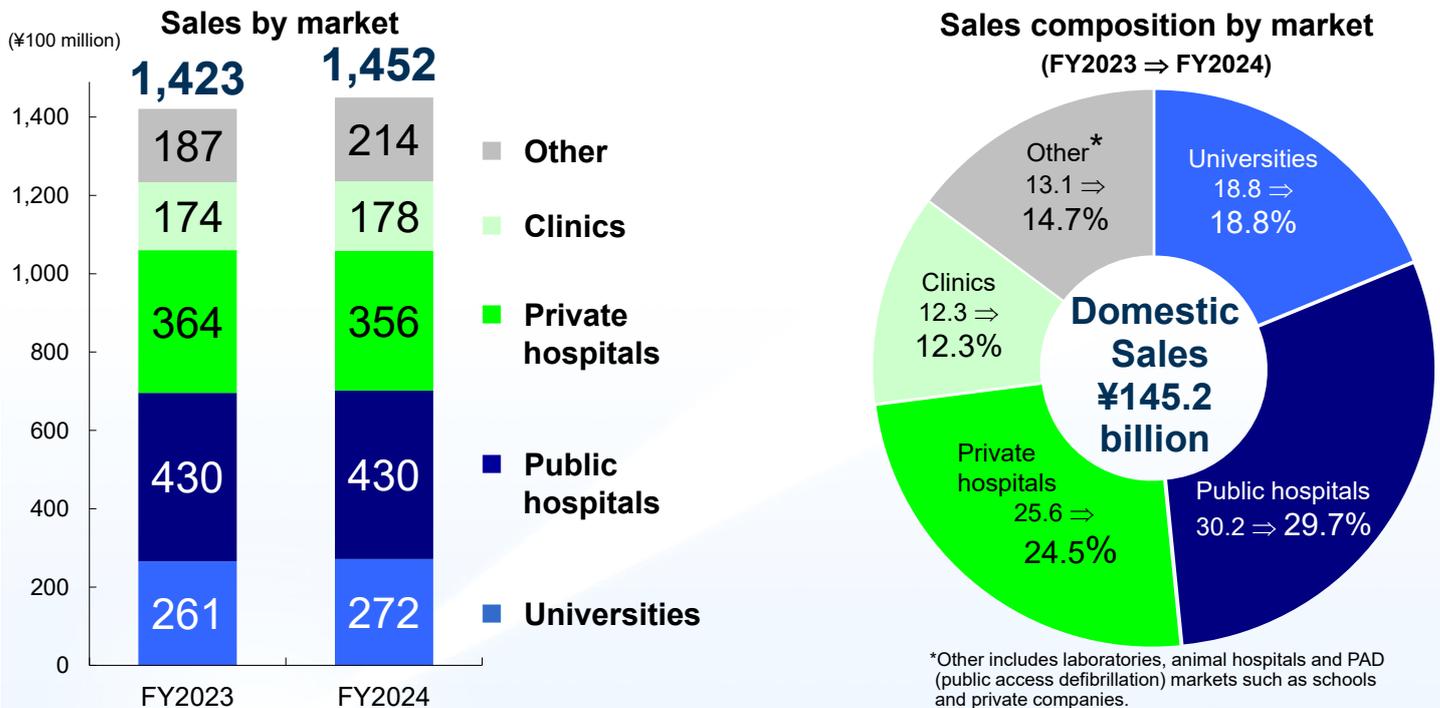
3) Breakdown of Operating Income

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



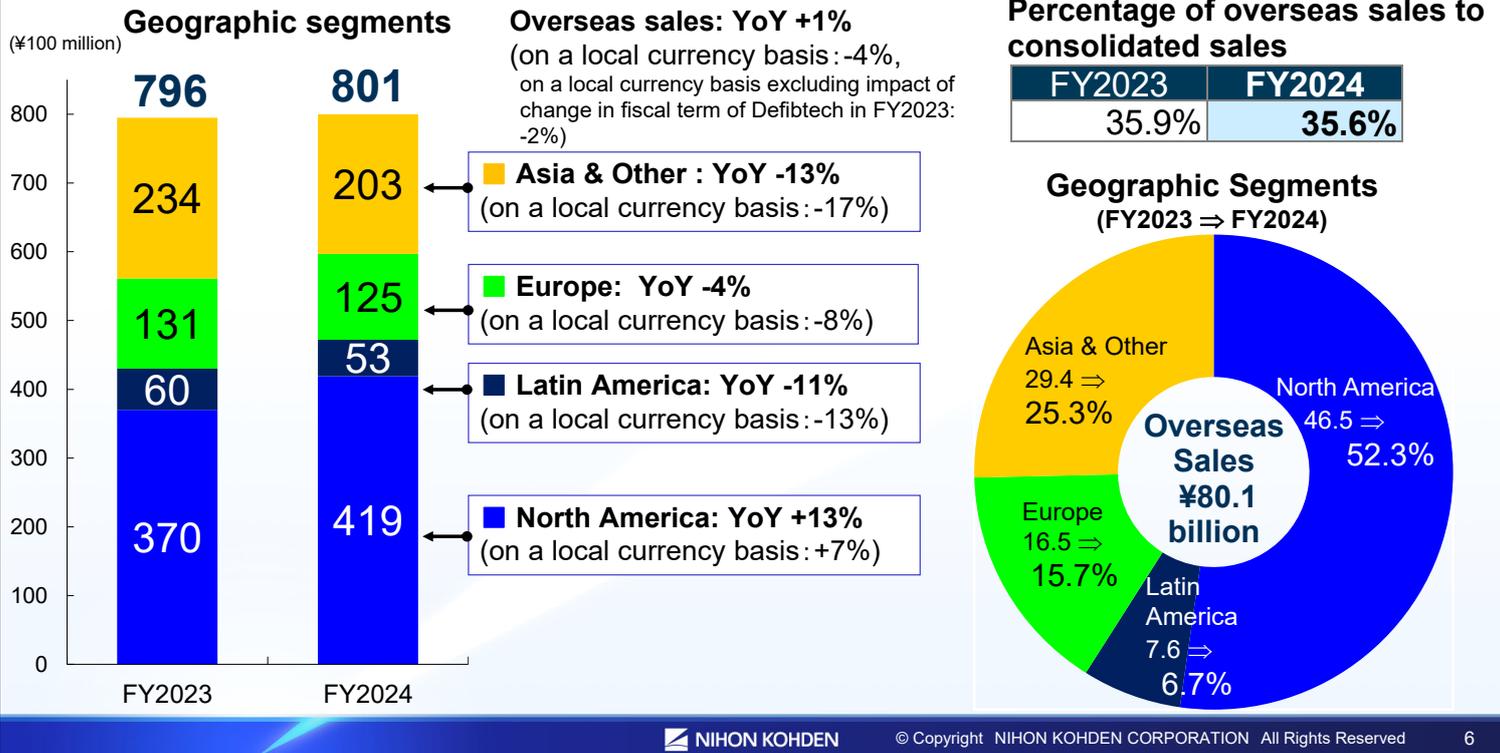
- FY2024 operating income increased to ¥20.7 billion from ¥19.5 billion in FY2023.
- Currency effect had a positive impact of ¥0.6 billion.
- Decrease in gross profit from actual decrease in sales was ¥0.5 billion.
- The improvement in gross profit margin was a positive impact of ¥3.8 billion due to decrease in inventory devaluation, higher selling prices, and favorable product mix.
- SG&A expenses were a negative factor worth ¥2.8 billion due to strengthening of human resources and wage increases.

4) Domestic Sales



- Domestic sales increased by ¥2.9 billion to ¥145.2 billion.
- Sales of AEDs increased favorably in the PAD (public access defibrillation) market, as replacement demand for AEDs recovered. Sales in the university and clinic markets increased, while sales in the public hospital market remained flat. Sales in the private hospital market decreased compared to the strong growth due to large orders in FY2023.

5) Overseas Sales



- Overseas sales increased by ¥0.5 billion to ¥80.1 billion.
- Overseas sales increased on a yen basis due to currency effect. Sales on a local currency basis decreased due to lower sales in Asia & Other and Latin America, as well as the impact of a change in the fiscal term of Defibtech, LLC according to the reorganization of subsidiaries in the U.S. in FY2023.
- Sales in North America increased by ¥4.9 billion to ¥41.9 billion, a 7% growth on a local currency basis. Sales of patient monitors, ventilators, and neurology products achieved double-digit growth, while sales of AEDs decreased.
- Sales in Latin America decreased by ¥0.7 billion to ¥5.3 billion, a 13% decline on a local currency basis. Sales in Costa Rica and Columbia decreased compared to the strong performance in FY2023, while sales in Brazil increased favorably.
- Sales in Europe decreased by ¥0.6 billion to ¥12.5 billion, an 8% decline on a local currency basis. Sales in the U.K. and the Netherlands decreased, while sales in Germany and Italy increased.
- Sales in Asia & Other decreased by ¥3.1 billion to ¥20.3 billion, a 17% decline on a local currency basis. Sales decreased mainly in China. Sales in the Middle East & Africa also decreased compared to the strong growth due to large orders in Morocco in FY2023.

6) Sales by Product Category

(Sales, millions of yen)

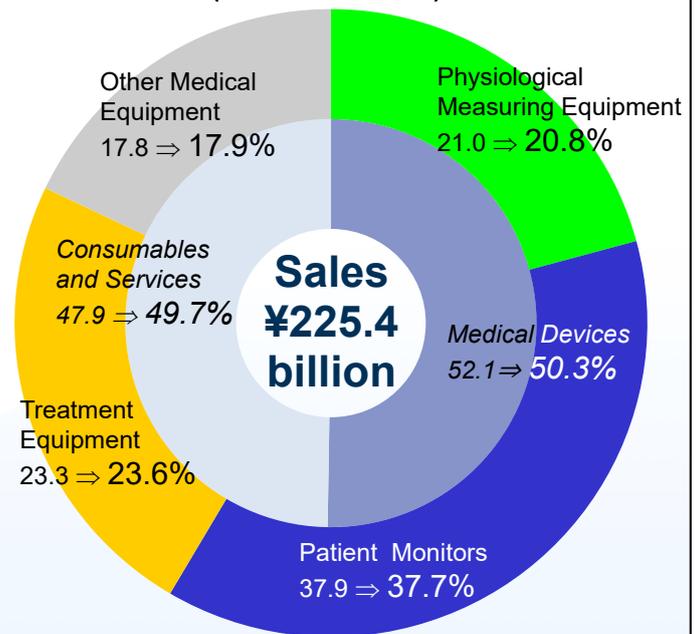
	FY2023	FY2024	YoY (%)
Physiological Measuring Equipment	46,517 (46%)	46,874 (43%)	0.8
Patient Monitors	84,130 (60%)	84,965 (65%)	1.0
Treatment Equipment	51,665 (43%)	53,184 (44%)	2.9
Other Medical Equipment	39,673 (43%)	40,400 (45%)	1.8
Total	221,986 (50%)	225,424 (52%)	1.5

(Reference)

Medical Devices	115,638 (50%)	113,304 (54%)	-2.0
Consumables and Services	106,347 (50%)	112,119 (50%)	5.4

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

Sales composition by product category
(FY2023 ⇒ FY2024)



- Sales by product category are shown above.
- Sales of Consumables and Services increased 5.4% to ¥112.1 billion. Sales increased favorably both in Japan and internationally, as the Company focused on its Consumables and Services Business. Gross profit margins by product category are shown above.

6.1) Physiological Measuring Equipment

	FY2023	FY2024	YoY (%)	(Sales, millions of yen)
Electroencephalographs	10,032	10,544	5.1	
Electrocardiographs	6,656	6,280	-5.7	
Polygraphs for Cath Lab	17,163	17,841	4.0	
Diagnostic Information Systems	7,106	6,343	-10.7	
Other Physiological Measuring Equipment*	5,558	5,864	5.5	
Physiological Measuring Equipment	46,517	46,874	0.8	
Domestic Sales	35,745	36,247	1.4	
Overseas Sales	10,771	10,627	-1.3	

Sales of EEGs achieved double-digit growth. Sales of polygraphs for cath lab and ECGs also increased. Sales of diagnostic information systems decreased compared to the strong growth in FY2023.

Sales of EEGs and ECGs decreased in Asia & Other, especially in China. Sales of EEGs achieved double-digit growth in North America and Latin America.

*Includes products of other companies.



NIHON KOHDEN

© Copyright NIHON KOHDEN CORPORATION All Rights Reserved

8

- Sales of Physiological Measuring Equipment increased 0.8% to ¥46.8 billion.
- Domestic sales increased 1.4% to ¥36.2 billion. Sales of EEGs achieved double-digit growth driven by EMG electrodes for neuromuscular monitoring and replacement demand for EEGs. Sales of polygraphs for cath lab and ECGs also increased. Sales of diagnostic information systems decreased compared to the strong growth in FY2023.
- Overseas sales decreased 1.3% to ¥10.6 billion. Sales of EEGs and ECGs decreased in Asia & Other, especially in China. Sales of EEGs achieved double-digit growth in North America and Latin America.

6.2) Patient Monitors

	FY2023	FY2024	YoY (%)	(Sales, millions of yen)
Patient Monitors	84,130	84,965	1.0	
Clinical Information Systems	7,093	5,585	-21.3	
Domestic Sales	47,289	46,194	-2.3	
Overseas Sales	36,840	38,771	5.2	

Sales of clinical information systems decreased compared to the strong growth in FY2023. Sales of consumables such as sensors increased.

Sales in North America achieved double-digit growth and sales in Europe also increased. Sales in Aisa & Other and Latin America decreased.



- Sales of Patient Monitors increased 1% to ¥84.9 billion.
- Domestic sales decreased 2.3% to ¥46.1 billion. Sales of clinical information systems decreased compared to the strong growth in FY2023, while sales of consumables such as sensors increased.
- Overseas sales increased 5.2% to ¥38.7 billion. Sales in North America achieved double-digit growth, and sales in Europe also increased. Sales in Asia & Other and Latin America decreased.

6.3) Treatment Equipment

	FY2023	FY2024	YoY (%)
Defibrillators (for Hospital and Ambulance)	8,878	8,335	-6.1
AEDs (Automated External Defibrillator)	25,385	24,451	-3.7
Pacemakers / ICDs	2,573	2,446	-5.0
Ventilators	6,964	9,688	39.1
Other Treatment Equipment	7,863	8,263	5.1
Treatment Equipment	51,665	53,184	2.9
Domestic Sales	27,135	30,766	13.4
Overseas Sales	24,530	22,417	-8.6
(Ref.) AED Unit Sales	132,300	117,000	-11.6
Domestic Unit Sales	46,000	63,800	38.7

(Sales, millions of yen)

Domestic: Sales of both medical devices and consumables increased.
International: Sales decreased in all regions, especially in China.

Domestic: Sales achieved double-digit growth, as replacement demand for AEDs recovered and consumables increased favorably.
International: Sales of Defibtech AEDs decreased due to inventory adjustment at distributors as well as the impact from the change in the fiscal term.

Domestic: Sales achieved double-digit growth driven by a mask-type ventilator.
International: Sales of a mask-type ventilator increased significantly in North America and sales in Aisa & Other and Latin America also increased favorably.



Defibrillator
TEC-1000



Fully automatic AED
AED-3250



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

NIHON KOHDEN

© Copyright NIHON KOHDEN CORPORATION All Rights Reserved

10

- Sales of Treatment Equipment increased 2.9% to ¥53.1 billion. Domestic sales increased 13.4% to ¥30.7 billion, while overseas sales decreased 8.6% to ¥22.4 billion.
- Sales of defibrillators decreased 6.1% to ¥8.3 billion. In Japan, sales of both medical devices and consumables increased. Internationally, sales decreased in all regions, especially in China.
- The overall sales volume of AEDs was 117,000 units, and sales decreased 3.7% to ¥24.4 billion. Domestic sales achieved double-digit growth, as replacement demand for AEDs recovered and sales of consumables increased favorably. Overseas sales decreased due to inventory adjustment at distributors in each region as well as the impact from the change in the fiscal term.
- Sales of ventilators increased 39.1% to ¥9.6 billion. Domestic sales achieved double-digit growth driven by a mask-type ventilator. Internationally, sales of a mask-type ventilator increased significantly in North America. Sales in Asia & Other and Latin America also increased favorably.

6.4) Other Medical Equipment

	FY2023	FY2024	YoY (%)	(Sales, millions of yen)
Hematology Instruments	12,246	13,217	7.9	
Imaging Systems and Others *	27,427	27,182	-0.9	
Other Medical Equipment	39,673	40,400	1.8	
Domestic Sales	32,200	32,028	-0.5	
Overseas Sales	7,473	8,371	12.0	

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

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

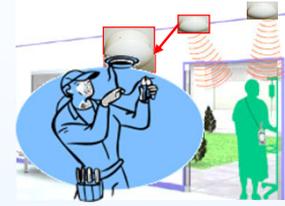
Sales of hematology instruments and reagents achieved double-digit growth in Europe and Latin America.



Automated hematology analyzer
MEK-9200



Automated hematology and ESR analyzer
MEK-1305



Installation and maintenance services

NIHON KOHDEN

© Copyright NIHON KOHDEN CORPORATION All Rights Reserved

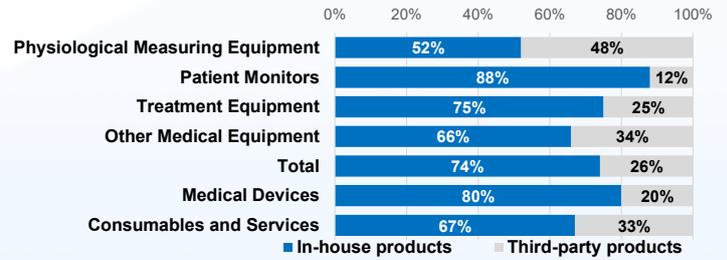
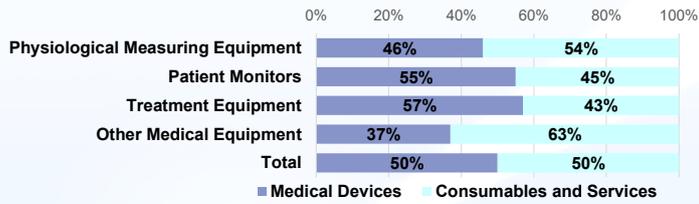
11

- Sales of Other Medical Equipment increased 1.8% to ¥40.4 billion.
- Domestic sales decreased 0.5% to ¥32.0 billion. Sales of locally purchased products decreased as the Company focused on selling in-house products. Sales of hematology instruments and reagents, and sales of maintenance services for medical devices increased favorably.
- Overseas sales increased 12% to ¥8.3 billion. Sales of hematology instruments and reagents achieved double-digit growth in Europe and Latin America.

(Ref.) FY2024 Regional Sales by Product Category / Sales Ratio

(Amounts of less than ¥0.1 billion are rounded down)

	Overall Sales	Domestic Sales	Overseas Sales				
			Total	North America	Latin America	Europe	Asia & Other
Physiological Measuring Equipment	46.8 (+1%)	36.2 (+1%)	10.6 (-1%)	5.0 (+18%)	0.5 (+22%)	1.9 (+6%)	3.0 (-27%)
Patient Monitors	84.9 (+1%)	46.1 (-2%)	38.7 (+5%)	25.5 (+17%)	2.0 (-31%)	4.9 (+6%)	6.1 (-17%)
Treatment Equipment	53.1 (+3%)	30.7 (+13%)	22.4 (-9%)	10.3 (+1%)	1.6 (+1%)	4.2 (-23%)	6.2 (-13%)
Other Medical Equipment	40.4 (+2%)	32.0 (-1%)	8.3 (+12%)	0.9 (+29%)	1.1 (+14%)	1.4 (+26%)	4.8 (+5%)
Total	225.4 (+2%)	145.2 (+2%)	80.1 (+1%)	41.9 (+13%)	5.3 (-11%)	12.5 (-4%)	20.3 (-13%)



7) Financial Condition

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

	FY2023	FY2024	Change		FY2023	FY2024	Change
Current Assets	184,333	183,085	-1,248	Current Liabilities	49,901	72,296	22,394
Inventories	57,787	56,174	-1,612	Interest-bearing Debt	579	26,030	25,450
Property, Plant & Equipment	25,418	29,270	3,851	Non-current Liabilities	2,249	4,685	2,436
Intangible Assets	4,852	27,653	22,801	Net Assets	181,082	181,294	212
Investments & Other Assets	18,628	18,266	-361				
Total Assets	233,233	258,276	25,042	Total Liabilities & Net Assets	233,233	258,276	25,042
Inventory Turnover	6.3 months	6.2 months		Equity Ratio	77.6%	69.5%	

Consolidated Ad-Tech as a subsidiary in November 2024

[Increase of intangible assets]

Goodwill	+¥12.0 bil
Other intangible assets	+¥10.7 bil

[Increase of current liabilities]

Interest-bearing debt (short-term loans payable)	+¥25.4 bil
---	------------

- Total assets increased by ¥25.0 billion to ¥258.2 billion.
- As Nihon Kohden consolidated Ad-Tech as a subsidiary in November 2024, goodwill, other intangible assets, and short-term loans payable increased.
- Inventory turnover was 6.2 months, as inventories of both products and parts decreased.

8) Cash Flows

	FY2023	FY2024	Change	(Amounts of less than ¥1 million are rounded down)																				
I . Cash flows from operating activities	15,607	15,286	-321	<table border="1"> <thead> <tr> <th></th> <th>FY2023</th> <th>FY2024</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Income before income taxes</td> <td>29,369</td> <td>21,570</td> <td>-7,799</td> </tr> <tr> <td>Decrease (increase) in accounts receivable</td> <td>-4,088</td> <td>716</td> <td>+4,805</td> </tr> <tr> <td>Increase (decrease) in accounts payable</td> <td>-4,933</td> <td>-271</td> <td>+4,661</td> </tr> <tr> <td>Income taxes paid</td> <td>-6,495</td> <td>-9,749</td> <td>-3,254</td> </tr> </tbody> </table>		FY2023	FY2024	Change	Income before income taxes	29,369	21,570	-7,799	Decrease (increase) in accounts receivable	-4,088	716	+4,805	Increase (decrease) in accounts payable	-4,933	-271	+4,661	Income taxes paid	-6,495	-9,749	-3,254
	FY2023	FY2024	Change																					
Income before income taxes	29,369	21,570	-7,799																					
Decrease (increase) in accounts receivable	-4,088	716	+4,805																					
Increase (decrease) in accounts payable	-4,933	-271	+4,661																					
Income taxes paid	-6,495	-9,749	-3,254																					
II . Cash flows from investing activities	-5,208	-25,138	-19,930	<table border="1"> <thead> <tr> <th></th> <th>FY2023</th> <th>FY2024</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Purchase of property, plant and equipment</td> <td>-3,626</td> <td>-7,126</td> <td>-3,499</td> </tr> <tr> <td>Purchase of shares of subsidiaries resulting in change in scope of consolidation</td> <td>—</td> <td>-18,869</td> <td>-18,869</td> </tr> </tbody> </table>		FY2023	FY2024	Change	Purchase of property, plant and equipment	-3,626	-7,126	-3,499	Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-18,869	-18,869								
	FY2023	FY2024	Change																					
Purchase of property, plant and equipment	-3,626	-7,126	-3,499																					
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-18,869	-18,869																					
Free cash flows	10,398	-9,852	-20,251																					
III . Cash flows from financing activities	-6,968	2,550	9,518	<table border="1"> <thead> <tr> <th></th> <th>FY2023</th> <th>FY2024</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Net increase (decrease) in short-term borrowings</td> <td>161</td> <td>25,374</td> <td>+25,212</td> </tr> <tr> <td>Purchase of treasury shares</td> <td>-1,124</td> <td>-10,001</td> <td>-8,876</td> </tr> <tr> <td>Decrease (increase) in deposits paid</td> <td>—</td> <td>-7,687</td> <td>-7,687</td> </tr> </tbody> </table>		FY2023	FY2024	Change	Net increase (decrease) in short-term borrowings	161	25,374	+25,212	Purchase of treasury shares	-1,124	-10,001	-8,876	Decrease (increase) in deposits paid	—	-7,687	-7,687				
	FY2023	FY2024	Change																					
Net increase (decrease) in short-term borrowings	161	25,374	+25,212																					
Purchase of treasury shares	-1,124	-10,001	-8,876																					
Decrease (increase) in deposits paid	—	-7,687	-7,687																					
Effect of exchange rate change on cash and cash equivalents	2,458	485	-1,972																					
Net increase (decrease) in cash and cash equivalents	5,889	-6,816	-12,705																					
Cash and cash equivalents at end of period	49,877	43,061	-6,816																					
ROE	9.8%	7.8%																						

- Cash and cash equivalents at the end of the period decreased by ¥6.8 billion to ¥43.0 billion.
- The purchase of shares according to the consolidation of Ad-Tech as a subsidiary amounted to ¥18.8 billion. Additionally, a deposit paid in preparation for the future acquisition of the remaining 28.6% shares was ¥7.6 billion.
- Purchase of treasury shares was ¥10.0 billion.

9) Capital Investments and R&D Costs

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

	FY2023 Actual	FY2024		Actual	Change	FY2025 Plan	Change
		Original Forecast announced May 13, 2024	Revised Forecast announced Nov 7, 2024				
Capital Investments	4,978	10,300	10,300	9,519	4,541	9,400	-119
Depreciation	3,704	4,500	4,400	4,067	363	4,900	833
R&D costs	6,996	7,500	7,400	6,826	-170	7,200	374

● FY2024 capital investments

Molds for new products, measuring equipment and jigs, products for demonstration, IT systems, production equipment, establishment of new plant in Tsurugashima City

● 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

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)

PLM/MES:

Planned to start operation in FY2025

Construction: **Started in July 2024** and
will be completed at end of 2025
Operation: Planned to start in 2026

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

- Capital investments were ¥9.5 billion, as the Company progressed the introduction of PLM/MES systems and the construction of a new plant in Tsurugashima City. Depreciation was ¥4.0 billion. Capital investments and depreciation fell short of the Company's forecasts due to a delay in investment in molds for new products.
- R&D costs were ¥6.8 billion, which were below the costs for FY2023 and below the Company's forecasts, as a part of development resources was allocated to upgrading recently launched products and adding new functions.
- In FY2025, capital investments will decrease by ¥0.1 billion to ¥9.4 billion, depreciation will increase by ¥0.8 billion to ¥4.9 billion, and R&D costs will increase by ¥0.4 billion to ¥7.2 billion. The construction of the new plant in Tsurugashima City is progressing as planned. We also plan to start operations of PLM/MES systems.

2

Forecast for FY2025

1) Business Environment

The global economic outlook is expected to be increasingly uncertain due to the U.S. tariff policies as well as geopolitical risks.

Japan

Securing medical staff and promoting their work style reforms.

- 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 environment as well as optimizing the number of hospital beds

International

U.S. and Europe

- In the U.S., medical institutions' finance showed a trend of improvement, future policy trends should be monitored carefully.
- In Europe, political turmoil in some countries.
- Withdrawal of foreign companies from the ventilator market.

Emerging Markets

- Impact of the anti-corruption campaign and economic slowdown in China.
- Moves to protectionism in each country.
- Tightening of regulatory requirements for medical devices.

- The global economic outlook is expected to be increasingly uncertain due to the U.S. tariff policies as well as geopolitical risks.
- In Japan, business sentiment in medical institutions has declined due to price and wage inflation, while the Japanese Government has implemented urgent support for medical institutions.
- Internationally, in the U.S., medical institutions' finance has shown a trend of improvement, while future policy trends should be monitored carefully. In some emerging countries, there are 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) Impact of tariffs on FY2025 forecasts

Incorporated

- Increase in COGS in FY2025: approx. ¥2.5 bil due to direct tariff burden on imports to the U.S.

Not incorporated

- Effects of measures such as price transfers and change of production locations
- Impact of tariffs on capital expenditure by medical institutions

Measures

1. Review of selling prices. Change to alternate parts and components
2. Expand local production of patient monitors in the U.S.
3. Strengthen production capability of ventilators in Japan

Main products for U.S.	Production locations	Exports for outside U.S. (No impact of tariffs)
Physiological Measuring Equipment	<ul style="list-style-type: none"> • Japan: EEGs, EMG/EP measuring systems, consumables such as electrodes • U.S.: sleep recorders, intracranial electrodes 	<ul style="list-style-type: none"> • Intracranial electrodes
Patient Monitors	<ul style="list-style-type: none"> • Japan: products and consumables such as sensors • U.S.: DHS products 	<ul style="list-style-type: none"> • DHS products
AEDs	<ul style="list-style-type: none"> • U.S.: products and consumables (Some parts imported from China, etc.) 	<ul style="list-style-type: none"> • Products and consumables (excluding Japan)
Ventilators	<ul style="list-style-type: none"> • U.S.: NKV-550/440/330 (Some parts imported from China, Japan, etc.) 	<ul style="list-style-type: none"> • NKV-550/440

- In terms of the impact of the U.S. tariff policies, the Company incorporates an increase in the cost of goods sold worth around ¥2.5 billion as a direct tariff burden into its FY2025 forecasts. On the other hand, the Company does not incorporate the effect of measures such as price transfers and change of production locations, or the impact of the tariffs on capital expenditure by medical institutions.
- To mitigate tariffs, we will review selling prices and change to alternate parts and components in the short term. In the medium term, we will expand local production of patient monitors in the U.S. In Japan, we will also strengthen production capability of ventilators for countries outside the U.S.

3) Forecast for FY2025

	FY2024 Actual	FY2025 Forecast	YoY (%)
Sales	225,424	240,000	6.5
Domestic Sales	145,237	149,800	3.1
Overseas Sales	80,187	90,200	12.5
Gross Profit (Gross Profit Margin)	117,157 52.0%	126,000 52.5%	7.5
Operating Income (Operating Income Margin)	20,713 9.2%	24,000 10.0%	15.9
Ordinary Income	20,373	24,000	17.8
Income Attributable to Owners of Parent	14,098	15,000	6.4
Percentage of Overseas Sales	35.6%	37.6%	

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

+20% on a local currency basis
(+14% on a local currency basis excluding
impact of consolidation of Ad-Tech)

53.5% excluding impact of tariffs

Breakdown of overseas sales by region

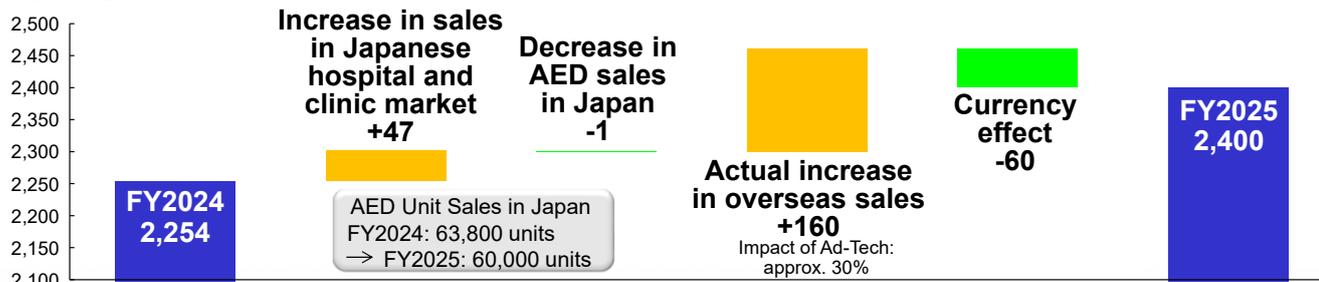
	FY2024 Actual	FY2025 Forecast	YoY(%)
North America	41,900	47,500	13.4
Latin America	5,388	5,900	9.5
Europe	12,554	13,400	6.7
Asia & Other	20,344	23,400	15.0
Total	80,187	90,200	12.5

- The Company forecasts its overall sales, domestic sales, and overseas sales for FY2025 to be: a 6.5% increase to ¥240 billion, a 3.1% increase to ¥149.8 billion, and a 12.5% increase to ¥90.2 billion, respectively. Overseas sales are expected to be a 14% increase on a local currency basis excluding the impact of consolidation of Ad-Tech.
- In Japan, sales of IT solutions are expected to recover, while sales of catheters are expected to decline.
- In North America, demand for AEDs is expected to recover. The Company will also focus on expanding sales of ventilators, for which demand is increasing, as well as neurology products, which are expected to benefit from synergy effects with Ad-Tech. The Company will also continue to enhance its proposals for patient monitors by adding digital health solutions. In the Rest of World, demand for medical equipment will remain steady in Latin America and Southeast Asia.
- Gross profit margin is expected to be 52.5%. Operating income is expected to increase 15.9% to ¥24 billion. The forecasts for ordinary income and income attributable to owners of parent are shown above.

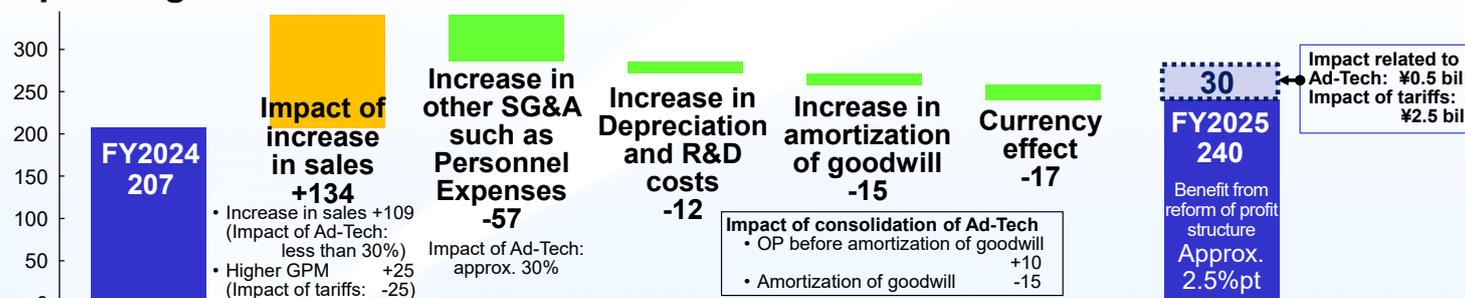
4) Analysis of FY2025 Forecast

(¥100 million)

Sales



Operating Income



- As for domestic sales, sales in the hospital and clinic markets are expected to increase by ¥4.7 billion. Sales of AEDs are expected to decrease by ¥0.1 billion. The forecast for AED unit sales is 60,000 units.
- As for overseas sales, the actual increase in sales will be ¥16 billion, around 30% of which are affected by the consolidation of Ad-Tech. Negative currency effect will be ¥6 billion.
- As for operating income, the positive impact of the increase in sales will be ¥13.4 billion, which consists of a positive impact of ¥10.9 billion due to the sales increase and a positive impact of ¥2.5 billion from the higher gross profit margin due to the review of the Company's pricing policies. The negative impact of the increase in other SG&A such as personnel expenses will be ¥5.7 billion. The Company will focus on improving personnel productivity through the reform of the profit structure of the entire Group, while SG&A expenses are expected to increase due to wage increases. Depreciation and R&D costs will increase by ¥1.2 billion. Operating income before amortization of goodwill due to the consolidation of Ad-Tech will be ¥1 billion and amortization of goodwill will be ¥1.5 billion. Currency effect will have a negative impact of ¥1.7 billion.

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

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

	FY2024	FY2025	Composition ratio (%)	YoY
	Actual	Forecast		(%)
Physiological Measuring Equipment	46,874	53,200	22.2	13.5
Patient Monitors	84,965	89,000	37.1	4.7
Treatment Equipment	53,184	56,600	23.6	6.4
Other Medical Equipment	40,400	41,200	17.1	2.0
Total	225,424	240,000	100.0	6.5

(Reference)

Medical Devices	113,304	120,800	50.3	6.6
Consumables and Services	112,119	119,200	49.7	6.3

Average Exchange Rate

	FY2024 Actual	FY2025 Forecast
1 US Dollar	152.4 yen	140 yen
1 EURO	163.5 yen	156 yen

Estimated Exchange Rate Fluctuations for Full Fiscal Year

	Sales	Operating Income
US Dollar	0.47 bil yen	0.12 bil yen
EURO	0.06 bil yen	0.02 bil yen

- The consolidated sales forecast by product category is shown above.
- The forecast for FY2025 is based on an exchange rate of 140 yen to the U.S. dollar and 156 yen to the euro.
- The estimated exchange rate fluctuations are shown above.

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

- 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 2nd 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

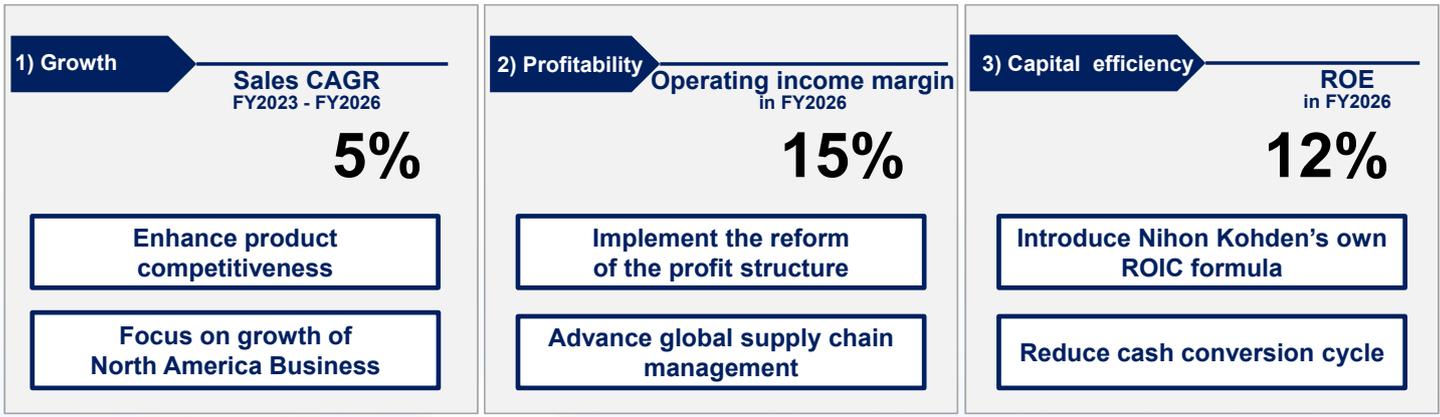
3 Establish a global organization founded on Operational Excellence

- 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



Practice of Sustainability Management

- Medical issues
- Environmental issues
- Social issues

- In the Three-year Business Plan, BEACON 2030 Phase II, 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 implementing six key measures including “Enhance product competitiveness”, “Focus on growth of North America Business”, and “Implement the reform of the profit structure”.

1) Growth Sales growth 1.5% in FY2024	2) Profitability OPM 9.2% in FY2024	3) Capital efficiency ROE 7.8% in FY2024
<p>Enhance product competitiveness</p> <ul style="list-style-type: none"> ✓ Launched new high-value-added products and services <ul style="list-style-type: none"> • Defibrillators for hospitals • Dashboard software for monitoring patient condition • Remote ICU solution, etc. <p>Focus on growth of North America Business</p> <ul style="list-style-type: none"> ✓ Signed a comprehensive partnership agreement with a major IDN^{*1} for patient monitors ✓ Acquired ATO^{*2} for ventilators from DoD^{*3} ✓ Consolidated Ad-Tech as a subsidiary 	<p>Implement the reform of the profit structure</p> <ul style="list-style-type: none"> ✓ 80 bps improvement in profit margin in FY2024 ✓ Estimates suggest 70% of the target of 500 bps improvement is expected to be realized by the end of FY2026 <p>Advance global supply chain management</p> <ul style="list-style-type: none"> ✓ Promote the introduction of PLM/MES systems^{*4} ✓ India: Started full operation of new reagent factory, preparation for production of medical equipment ✓ Started construction of new plant in Tsurugashima City 	<p>Introduce Nihon Kohden's own ROIC formula</p> <ul style="list-style-type: none"> ✓ Held ROIC sessions, Started calculating and managing NK's ROIC in each subsidiary ✓ Calculate and confirm ROIC when formulating forecasts <p>Reduce cash conversion cycle</p> <ul style="list-style-type: none"> ✓ Strengthen procurement and production management functions mainly at the newly established Production Operations ✓ CCC remained at 225 days compared to 232 days in FY2023 and forecast of 190 days, while inventories of finished goods and parts decreased

*1 IDN: Integrated Delivery Network. *2 ATO: Authority to Operate. *3 DoD: Department of Defense. *4 PLM: Product Life-cycle Management, MES: Manufacturing Execution System.

- The review of the 1st year is shown above.
- In terms of growth, we launched a series of new high-value-added products and services. In North America, which is a market that we are focusing on, we signed a comprehensive agreement with a major IDN for patient monitors and acquired an Authority to Operate for ventilators from the Department of Defense.
- In terms of profitability, as we worked on implementing the reform of the profit structure and advancing our global supply chain management, operating income margin improved.
- In terms of capital efficiency, we started calculating and managing Nihon Kohden's own ROIC formula. The Company missed reducing the cash conversion cycle, while inventories of parts and products, which had been on an increasing trend, decreased.

BEACON 2030 Phase II Measures for the 2nd year

Growth

Enhance product competitiveness

Established Neurology Business Division
Creating synergies b/w Japan and U.S. team

- Aim to expand our market share by strengthening promotions with combination of medical devices and consumables and collaboration between two companies' clinical sales reps
- R&D of new products based on hearing customer needs

[Japan]

Development, production, and sales of EEGs, EMG/EP measuring systems, and IONM* devices



* IONM: Intraoperative neurophysiological monitoring.

NIHON KOHDEN AMERICA

Irvine, CA
Sales and after-sales services in U.S.



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



NEW!



Oak Creek, WI
Development, production, and sales of intracranial electrodes
Acquired in 2024



- I would like to explain the measures we will take in the 2nd year.
- We will focus on creating synergies with Ad-Tech, which Nihon Kohden consolidated as a subsidiary in 2024. We newly established the Neurology Business Division in April 2025, aiming to expand our market share by strengthening promotions with a combination of medical devices and consumables and collaboration between two companies' clinical sales reps. We will also accelerate R&D of new products both in Japan and the U.S., based on hearing customer needs in the U.S., which is a cutting-edge market.

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

- ✓ **Strengthen marketing and service capabilities, creating customer value** which contributes to improving medical safety, patient outcomes, and operating efficiency.
Focus on solution business (ITS+DHS) and consumables & services business.
- ✓ **Continue to review pricing policies** such as raising selling prices of products and consumables.
- ✓ Sales of IT solutions are expected to recover, while sales of catheters are expected to decline due to the spread of PFA.

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

- ✓ Neurology Products: **Expand consumables business** by adding Ad-Tech. **Expand market share of home sleep recorders.**
- ✓ Patient Monitors: Make differentiation through DHS products such as **remote ICU solution and alarm solution.**
- ✓ AEDs: Sales are expected to recover as inventory adjustment at distributors was settled down.
- ✓ Ventilators: **Expand market share** by strengthening local production, sales, and service capabilities, and ties with the major IDN/GPO.

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

- ✓ China: Early market penetration of new products (patient monitors/ventilators). Restructure of distributor network.
- ✓ India: **Preparing to manufacture medical devices** at new reagent factory. **Planning to establish an offshore development center.**
- ✓ Middle East & Africa: **Planning to start operation of sales subsidiary in Saudi Arabia.**
- ✓ Southeast Asia: Obtaining in-house sales licenses in each country.

* IDN: Integrated Delivery Network,
GPO: Group Purchase Organization,
DoD: Department of Defense,
VA: Veterans Affairs.

- In Japan, we will enhance customer value propositions that lead to resolve issues faced by medical institutions with difficult finance conditions. We focus on expanding our Solutions Business and Consumables & Services Business. We also continue to review our pricing policies such as raising selling prices.
- In North America, we aim at double-digit sales growth supported by increasing competitiveness for each business: neurology products, patient monitors, AEDs, and ventilators, while the future policy trends in the U.S. should be monitored carefully.
- In Rest of World, sales are expected to increase. In China, we aim at sales growth on a comparable basis by focusing on early market penetration of new products and restructuring distributor network. In India, we will prepare for manufacturing medical devices and establish an offshore development center. We also plan to start operations at a sales subsidiary in Saudi Arabia. In Southeast Asia, we will change our product registration from local distributors to our subsidiaries.

FY2026 Target
OPM improvement 5%pt

- ✓ 80 bps improvement in FY2024, Expected 250 bps in FY2025, 500 bps in FY2026
- ✓ 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 FY2024
Product mix	Sale pricing	<ul style="list-style-type: none"> ✓ Reviewing pricing policies both in Japan and overseas 	<p>Apx. 2%</p>	<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 ✓ International: Started raising selling prices of products in certain regions ✓ 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 	<p>Apx. 2%</p>	<ul style="list-style-type: none"> ✓ Decreased overtime hours by 10% compared to FY2023 ✓ Upfront investments such as installing licenses of generative AI in FY2024 are expected to contribute to improved productivity from FY2025 by restraining the increase of headcount ✓ Reviewed a zero-based cost management under inflation
	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 	<p>Apx. 1%</p>	<ul style="list-style-type: none"> ✓ Continued price negotiations under inflation ✓ Additional cost reduction measures such as shifting to electronic operation manuals are under consideration.

* Image of estimated margin improvement as of the end of FY2024.

- 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 FY2024, we realized around 80 bps improvement, which exceeded our expectations. We will further accelerate the implementation of measures in three key areas to improve profitability.
- In the area of the product mix, we continue to review our pricing policies such as raising selling prices both in Japan and internationally.
- In terms of productivity, upfront investments such as introducing licenses of generative AI in FY2024 are expected to contribute to improved productivity in FY2025 and beyond by restraining the increase of headcount. We are also seeing the effects of reducing infrastructure costs such as communication expenses by proceeding with zero-based cost management.
- In terms of supply chain, we aim to realize the effects of price negotiations with suppliers as soon as possible. We are also focusing on cost reduction through Value Engineering. In addition, we will also promote additional cost reduction measures such as shifting to electronic operation manuals.

FY2024: Created operational efficiencies equivalent to 380k hours per year (FY2026 target: 1.4 mil hours per year)

Entire Company

- ✓ **Installed 2,000 licenses of generative AI**
 - Formulated rules for inputting information into generated AI and guidelines for using generative AI
 - Held weekly training sessions to share case studies of utilization

<Number of uses>
378k times (Apr 24 - Mar 3)
- ✓ **Developed an application for document translation and OCR* reading with shortcut keys**

<Number of uses>
23k times (Feb 25 - Mar 25)

* OCR: Optical Character Recognition

For Sales & Services

- ✓ **Developed product QA chatbot**
 - Automatically answers questions about our products by referring to operation manuals

<Number of uses>
58k times (May 24 - Mar 25)



For Engineering

- ✓ **Developed add-ins for Excel** (Examples of utilization)
 - Risk analysis for adverse events related to medical equipment
 - Classification and analysis of customer inquiries to call centers

<Number of uses>
32k times (Sep 24 - Mar 25)
- ✓ **Started to install licences to support programming for development**
 - Expected to reduce development man-hours and improve the quality of medical equipment

**FY2025: Expand use cases both in Japan and internationally
Develop apps for sales & services, and engineering**

- To promote the utilization of generative AI, we have installed 2,000 licenses and also have developed in-house applications.
- In addition, we started utilization of an application for document translation and OCR reading with shortcut keys and a product QA chatbot.
- In terms of the add-in for Excel, we started risk analysis for adverse events related to medical equipment as well as classification and analysis of customer inquiries to call centers. As we also started introducing licenses to support programming for development, we expect to reduce development man-hours and improve the quality of medical equipment.
- The number of use cases is also increasing across the entire Company. We estimate that we created operational efficiencies equivalent to 380k hours per year in FY2024.
- We continue to work on expanding use cases both in Japan and internationally as well as developing in-house applications.

Introduce Nihon Kohden's own ROIC formula

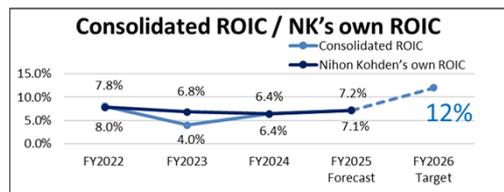
✓ Start to calculate and manage NK's ROIC in each subsidiary, Planned to create ROIC indicator dashboard

$$\text{Consolidated ROIC} = \frac{\text{NOPAT}}{\text{Invested capital} + \text{interest-bearing liabilities} + \text{shareholders' equity}}$$

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

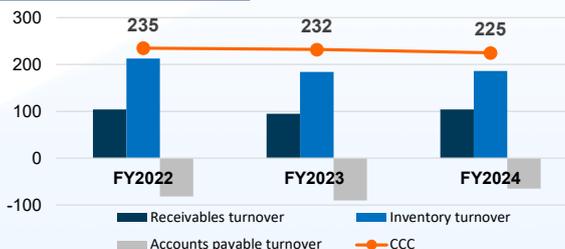


- ✓ Cost of capital rose to approx. 8% from approx. 6%. Calculated by WACC in addition to CAPM, as debt increased due to the consolidation of Ad-Tech as a subsidiary.
- ✓ Adopted NPV and IRR as investment decision criteria, and set target of IRR at 12% in Phase II. Investment decisions will be made based 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

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



FY2025 target

~190 days

Phase II target

~175 days

Mid-term target

~150 days

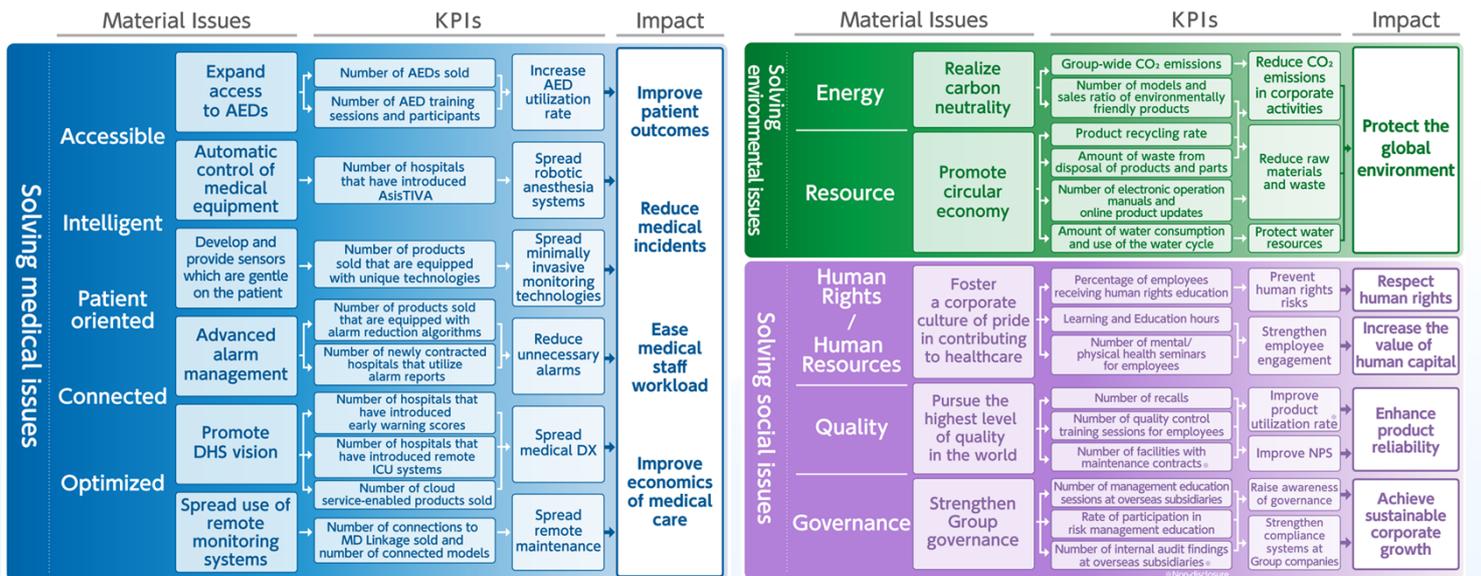
* S&OP: Sales and Operations Planning

- As an action on cost of capital-conscious management, we started introducing Nihon Kohden's own ROIC formula. We start to calculate and manage Nihon Kohden's ROIC in each subsidiary and will promote penetration of ROIC in the Group by creating ROIC indicator dashboard.
- We currently estimate that the cost of capital is around 8%. To achieve ROE of 12%, we continue to improve profitability and capital efficiency.
- The cash conversion cycle was shortened compared to FY2023 but missed the target of 190 days. We will enhance inventory control by improving the accuracy of demand forecasts to optimize supply and demand balance, as well as faster debt collection.

Set target of material issues and KPIs in Phase II

Measures in FY2025

- ✓ E: Continue to acquire Scope3 data to obtain Science Based Targets certification in FY2026
- ✓ S: Expand products and services which contribute to easing medical staff workload and improving economics of medical care
- ✓ G: Appointed COO/CSO/CAO to assist CEO, majority of independent outside directors (planned), introduced Employee Stock Ownership Plan



- Our measures for practicing Sustainability Management are as shown above.
- In terms of the environment, we continue to acquire Scope3 data to obtain Science Based Targets certification in FY2026.
- To contribute to solving medical issues, we will strive to expand our products and services that contribute to easing medical staff workload and improving the economics of medical care.
- To further strengthen group governance, we appointed Chief Operating Officer, Chief Strategy Officer, and Chief Administrative Officer to assist Chief Executive Officer in April 2025. The proportion of independent outside directors on the Board of Directors will be majority, subject to approval at the General Meeting of Shareholders to be held in June 2025. The Company has also introduced an Employee Stock Ownership Plan with the aim of contributing to increasing its medium- to long-term business performance and corporate value.

Targets for FY2026 ending March 2027

Aiming at sales CAGR of 5%, operating income margin of 15%, ROE of 12%

	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

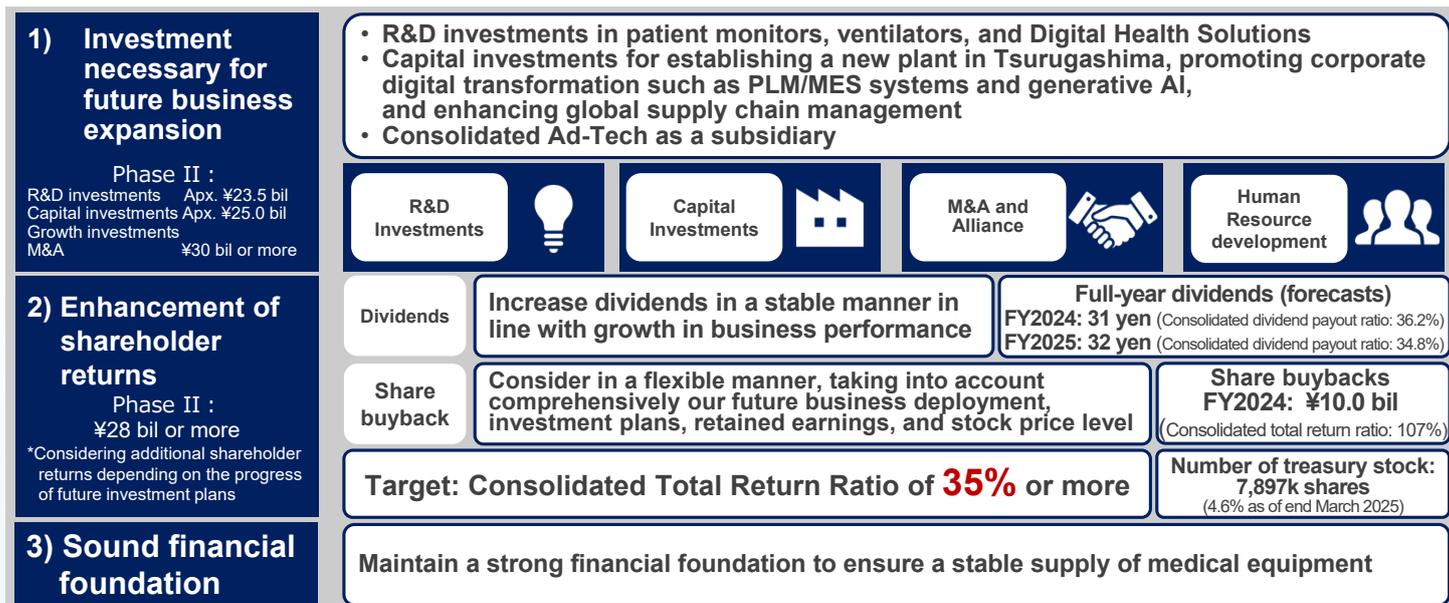
* Solution business, software/program, and maintenance services are included.

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

- Management targets for FY2026 are shown above.

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.
- In FY2024, the total return ratio will be 107%, as the Company acquired ¥10 billion of its own shares.
- In consideration of business performance, the full-year dividend for FY2025 will be increased 1 yen to 32 yen per share and the payout ratio will be 34.8%.

Disclaimer:

The contents of this document are based on the Company's best judgments at the time it was prepared and do not constitute a guarantee or promise that the Company will achieve its numerical targets or implement the measures described therein.

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

These documents have been translated from Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail.

- We see the changes in the global business environment as an opportunity. With strong determination, we will drive forward the transformation and aim to achieve the targets in the Three-year Business Plan.