

# Consolidated Financial Highlights for FY2025 ended March 31, 2026

1. Consolidated Financial Results for FY2025
2. Forecast for FY2026
3. Business Strategy

NIHON KOHDEN CORPORATION

(Securities Code: 6849)

May 15, 2026

*Fighting Disease with Electronics*



# **1 Consolidated Financial Results for FY2025**

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# 1) Executive Summary

**FY2025**

## Increased sales / Decreased income YoY

Overall sales +4.3%; Domestic sales -0.6%, Overseas sales +13.1%, Operating income -9.5%

### ■ Sales:

**Domestic sales** increased excluding lower sales of locally purchased products and Abbott products. Sales of AEDs decreased due to inventory adjustment at distributors. Sales of diagnostic information systems and clinical information systems achieved double-digit growth. Sales of in-house consumables and services also increased

**Overseas sales** increased in all regions driven by double-digit growth in North America. 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 investments as well as higher depreciation caused by M&A and capital investments

	FY2023	FY2024		FY2025	FY2026 Targets
Overseas Sales Ratio	35.9%	35.6%	✓ Favorable growth in North America, Impact of consolidation of Ad-Tech	38.6%	38.7%
Consumables and Services Sales Ratio	47.9%	49.7%	✓ Impact of consolidation of Ad-Tech	50.7%	50%
In-house Sales Ratio	73.5%	73.6%	✓ Lower sales of locally purchased products and Abbott products in Japan, Impact of consolidation of Ad-Tech	75.2%	75%
Gross Profit Margin	50.2%	52.0%	✓ Increase in cost including tariffs, Increase in inventory devaluation	51.8%	53%
SG&A Ratio	41.4%	42.8%	✓ Increased due to missing actual sales forecasts, wage increases, R&D investments, and higher depreciation	43.8%	38%
(Ref.) OP/employee	¥3.33 mil	¥3.48 mil		¥3.11 mil*1	1.5 times or more*2

\*1 Excluding DOWELL's employees. \*2 Compared to FY2023.

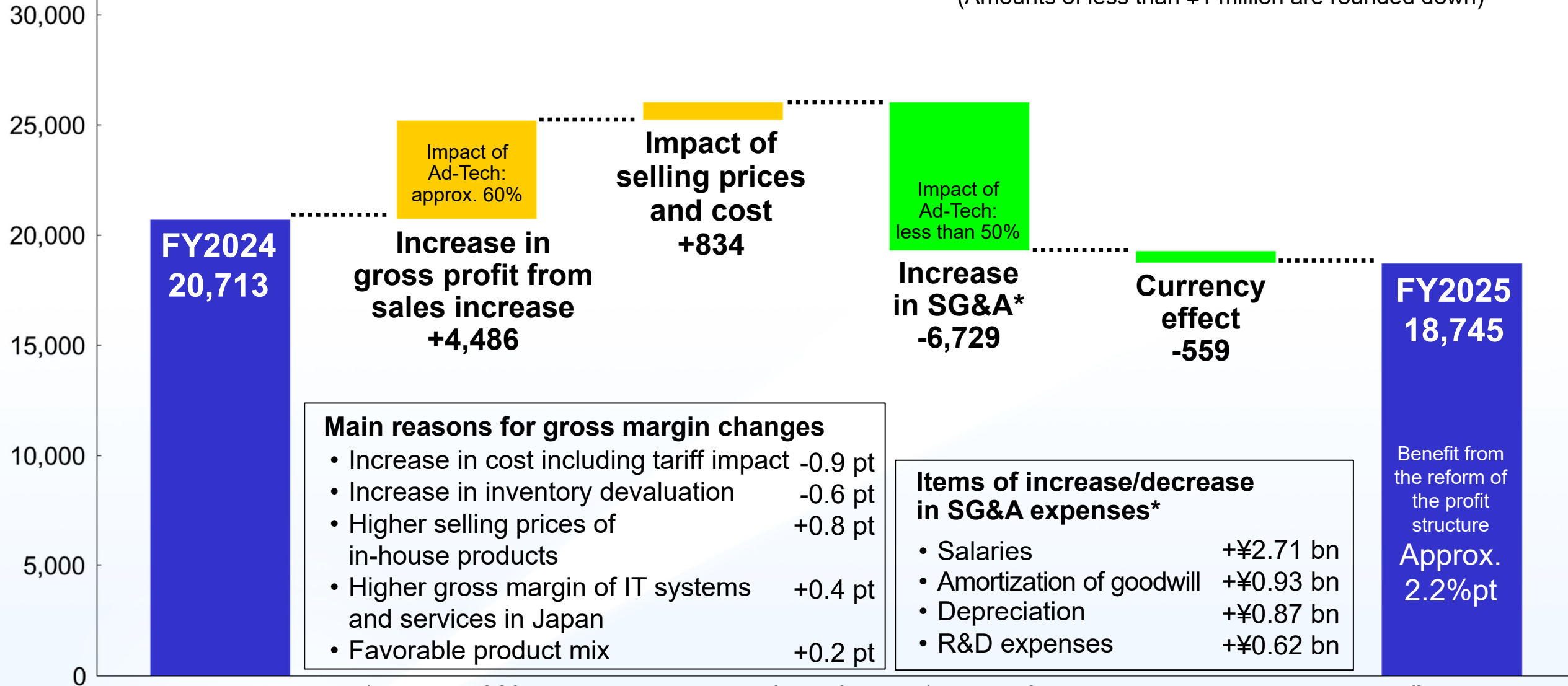
## 2) Consolidated Operating Results for FY2025

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

	FY2024	FY2025	YoY (%)		FY2024 4Q	FY2025 4Q	YoY (%)
<b>Net sales</b>	225,424	<b>235,099</b>	4.3		66,947	<b>71,086</b>	6.2
<b>Domestic sales</b>	145,237	<b>144,406</b>	- 0.6		44,083	<b>44,213</b>	0.3
<b>Overseas sales</b>	80,187	<b>90,693</b>	13.1	+14% on a local currency basis (+8% on a local currency basis excluding impact of consolidation of Ad-Tech)	22,863	<b>26,872</b>	17.5
<b>Gross profit</b> (Gross margin)	117,157 52.0%	<b>121,726</b> 51.8%	3.9		34,725 51.9%	<b>36,640</b> 51.5%	5.5
<b>SG&amp;A expenses</b> (SG&A ratio)	96,444 42.8%	<b>102,981</b> 43.8%	6.8		24,947 37.3%	<b>27,029</b> 38.0%	8.3
<b>Operating income</b> (Operating margin)	20,713 9.2%	<b>18,745</b> 8.0%	- 9.5		9,778 14.6%	<b>9,610</b> 13.5%	- 1.7
<b>Ordinary income</b>	20,373	<b>22,544</b>	10.7	Foreign exchange gains/losses: ¥0.9 bn losses → ¥3.4 bn gains	6,866	<b>10,661</b>	55.3
<b>Income attributable to owners of parent</b>	14,098	<b>14,513</b>	2.9	Extraordinary losses: Extra payments for early retirements ¥2.4 bn	5,961	<b>8,104</b>	36.0
Average exchange rate (yen) 1 USD/1 EUR	152.4/163.5	150.5/174.2			153.5/160.2	155.0/184.1	

# 3.1) Breakdown of Operating Income for FY2025

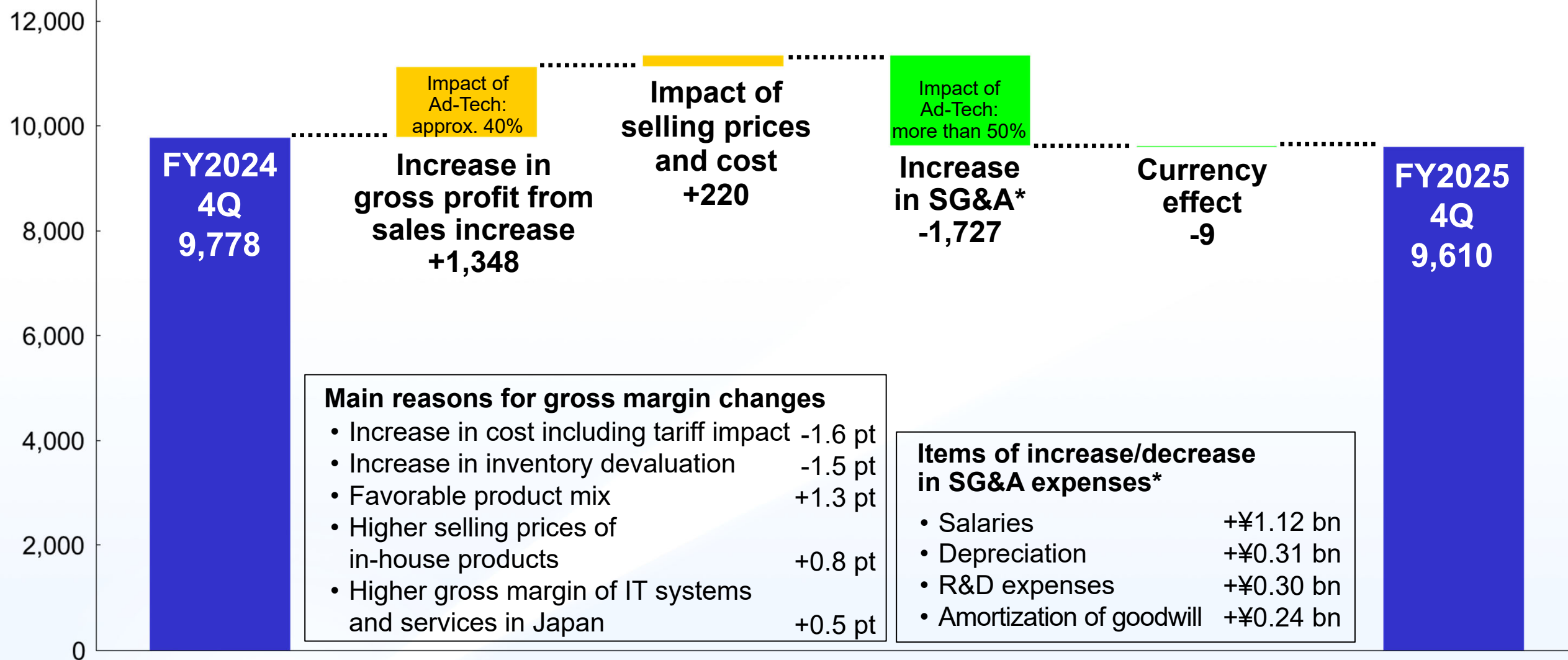
(Amounts of less than ¥1 million are rounded down)



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

# 3.2) Breakdown of Operating Income for FY2025 4Q

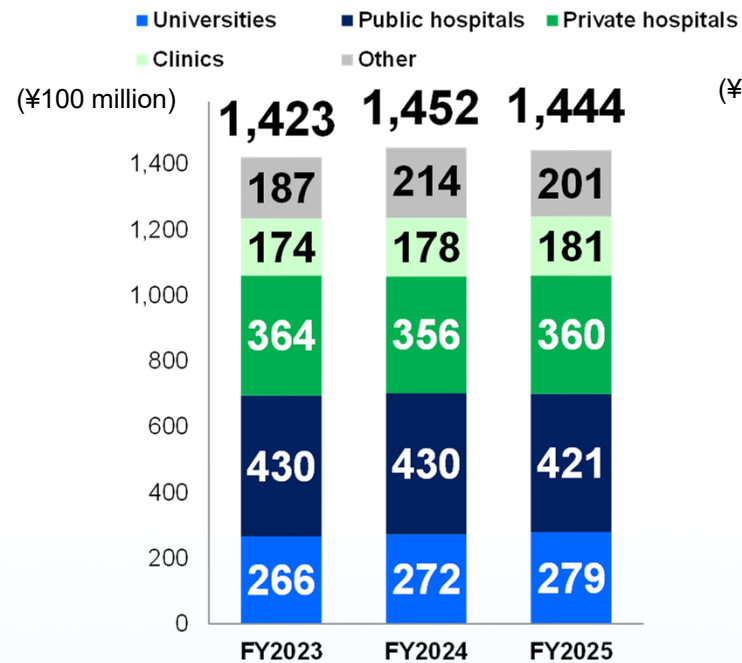
(Amounts of less than ¥1 million are rounded down)



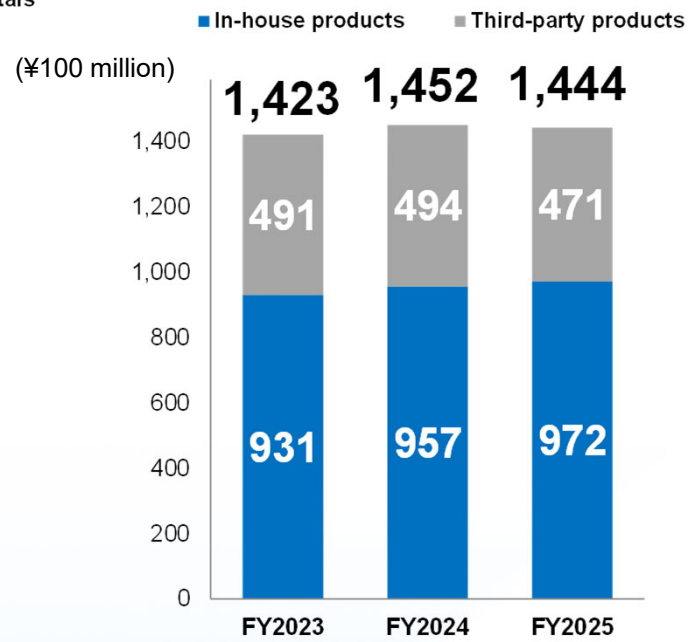
\* Increase in SG&A indicates the amount as a factor of increase/decrease of operating income excluding the currency effect. Items of increase/decrease in SG&A expenses indicate major components of increased/decreased SG&A expenses on a yen basis.

# 4) Domestic Sales

## Sales by market



## Sales of in-house/ third-party products



## Sales by product category

(Sales, millions of yen)

	FY2024	FY2025	YoY(%)
Physiological Measuring Equipment	36,247	36,824	1.6
Patient Monitors	46,194	45,927	- 0.6
Treatment Equipment	30,766	28,912	- 6.0
Other Medical Equipment	32,028	32,742	2.2
<b>Total sales</b>	145,237	144,406	- 0.6

(Reference)

Medical Devices	60,099	58,664	- 2.4
Consumables and Services	85,137	85,742	0.7

**[ Markets ]** Sales of AEDs decreased in the PAD market mainly due to inventory adjustment at distributors. Sales in the public hospital market also decreased. 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 consumables and services increased, while sales of in-house medical devices decreased slightly.

**Physiological Measuring Equipment:** Sales of diagnostic information systems achieved double-digit growth and sales of neurology products also increased favorably. Sales of ECGs and polygraphs for cath lab decreased.

**Patient Monitors:** Sales of telemetry systems and transmitters decreased. Sales of clinical information systems achieved double-digit growth. Sales of bedside monitors also increased.

**Treatment Equipment:** Sales of Abbott's ablation catheters decreased. Sales of AEDs and defibrillators also decreased. Sales of ventilators increased favorably, mainly for intubated-type ventilators.

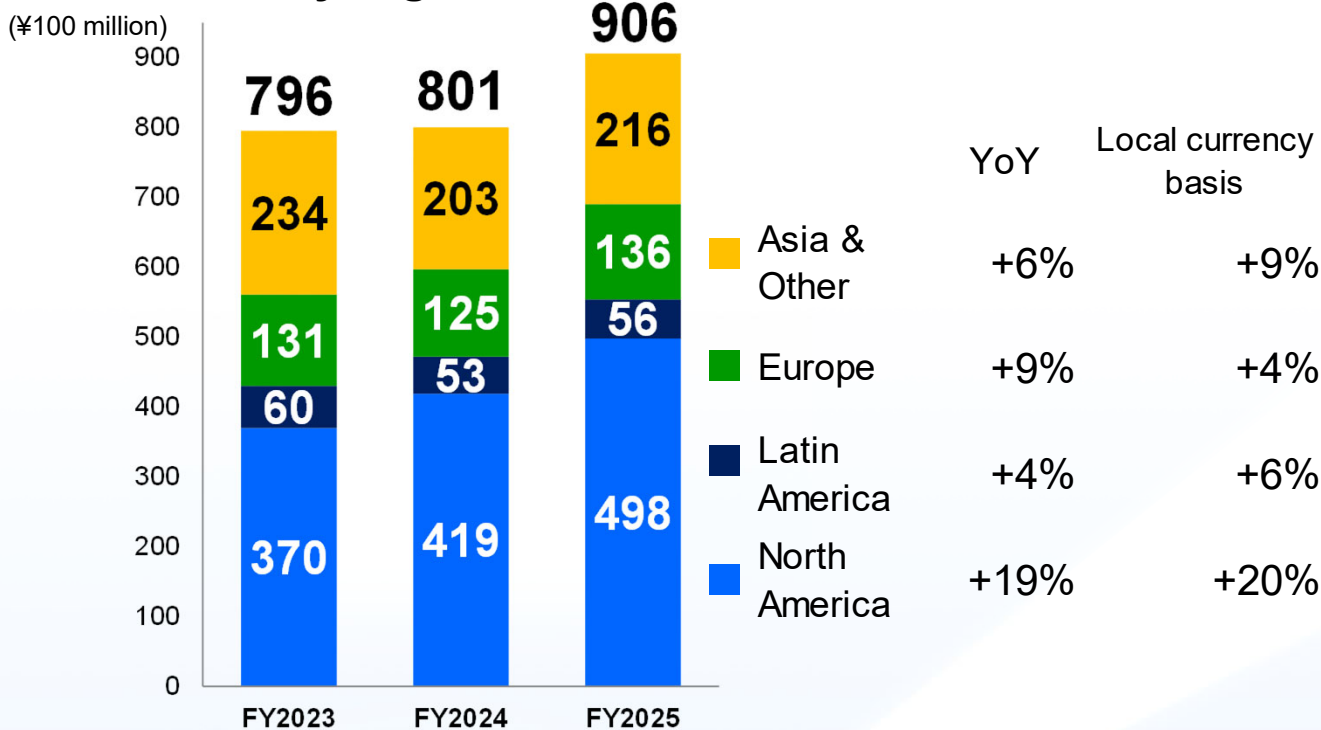
**Other Medical Equipment:** Sales of installation and maintenance services for medical devices increased favorably and sales of hematology instruments and reagents also increased. Sales of locally purchased products decreased.

# 5) Overseas Sales

**Overseas sales: YoY +13%**

(on a local currency basis: +14%,  
on a local currency basis excluding consolidation of Ad-Tech: +8%)

## Sales by region



## Overseas sales ratio

	FY2024	FY2025
Overseas sales ratio	35.6%	<b>38.6%</b>

## Sales by product category

(Sales, millions of yen)

	FY2024	FY2025	YoY (%)	Local currency basis (%)
Physiological Measuring Equipment	10,627	<b>16,812</b>	58.2	58
Patient Monitors	38,771	<b>38,331</b>	- 1.1	- 1
Treatment Equipment	22,417	<b>27,373</b>	22.1	23
Other Medical Equipment	8,371	<b>8,175</b>	- 2.3	- 1
<b>Total sales</b>	<b>80,187</b>	<b>90,693</b>	<b>13.1</b>	<b>14</b>

(Reference)

Medical Devices	53,204	<b>57,332</b>	7.8	9
Consumables and Services	26,982	<b>33,361</b>	23.6	24

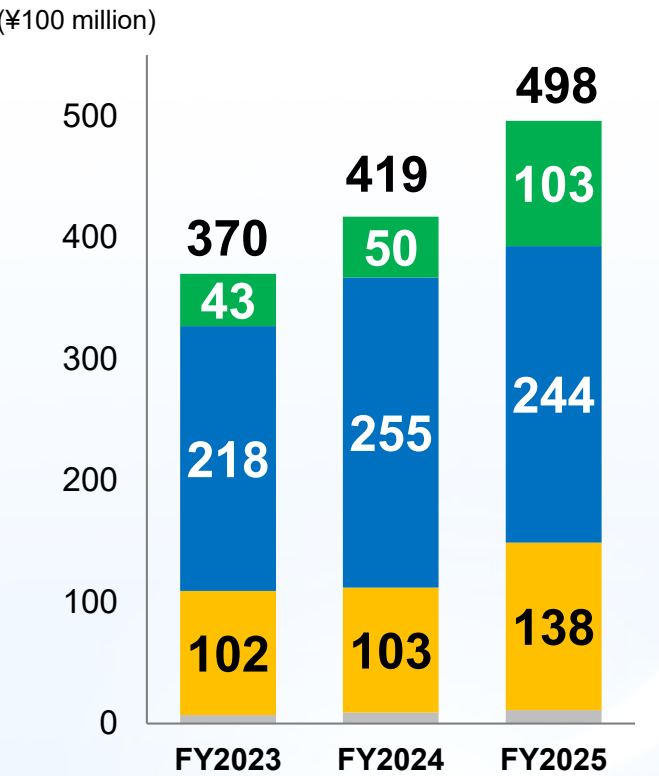
**[ Region ]** Sales increased in all regions driven by double-digit growth in North America. Sales increased favorably on a local currency basis excluding the impact of the consolidation of Ad-Tech.

**[ Products ]** **Physiological Measuring Equipment:** Sales of neurology products including Ad-Tech increased significantly.  
**Treatment Equipment:** Sales of ventilators increased significantly in North America, Europe, and Latin America.  
**Patient Monitors:** Sales in North America and Europe decreased compared to the strong growth in FY24, while sales in Asia & Other achieved double-digit growth. Sales increased favorably in FY25 4Q.

# 5.1) Sales in North America

- Double-digit growth on yen basis / local currency basis excluding impact of consolidation of Ad-Tech
- Significant growth of Physiological Measuring Equipment and Treatment Equipment, Decline in sales of Patient Monitors compared to strong growth in FY24, while double-digit growth in FY25 4Q

YoY (Local currency basis) +19%  
+20%

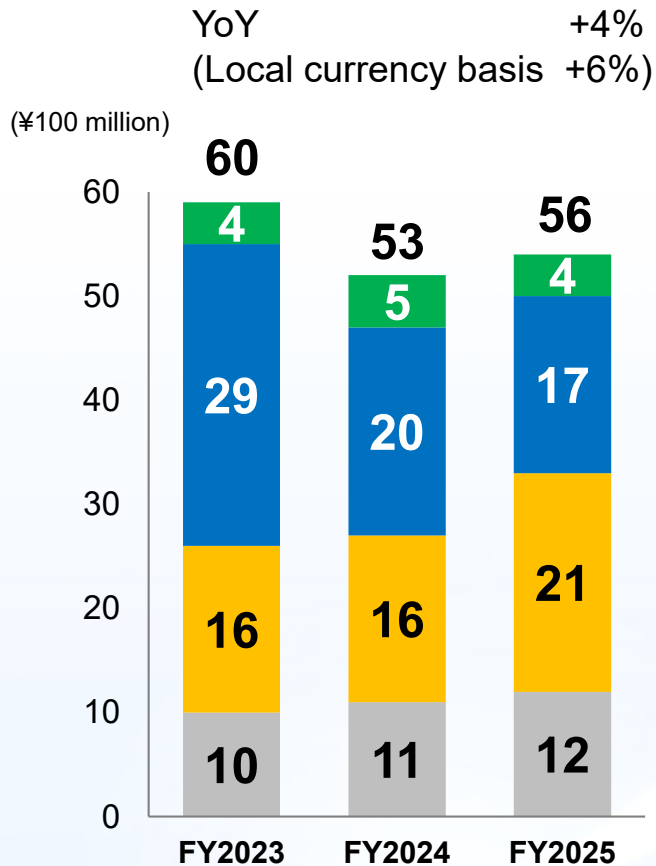


### [ Product Category ] \* YoY on a local currency basis

- **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:** low-single-digit decline  
Decline in medical devices, while double-digit growth in consumables such as sensors. Double-digit growth in FY25 4Q driven by delivery and installation of medical devices
- **Treatment Equipment:** mid-30% growth  
Strong growth of ventilators and double-digit growth of AEDs: Strong growth of mask-type / intubated-type ventilators, Expanded market share of AEDs

## 5.2) Sales in Latin America

- Increased on yen basis / local currency basis in FY25 thanks to double-digit growth in 4Q. Steady growth mainly in Paraguay and Peru

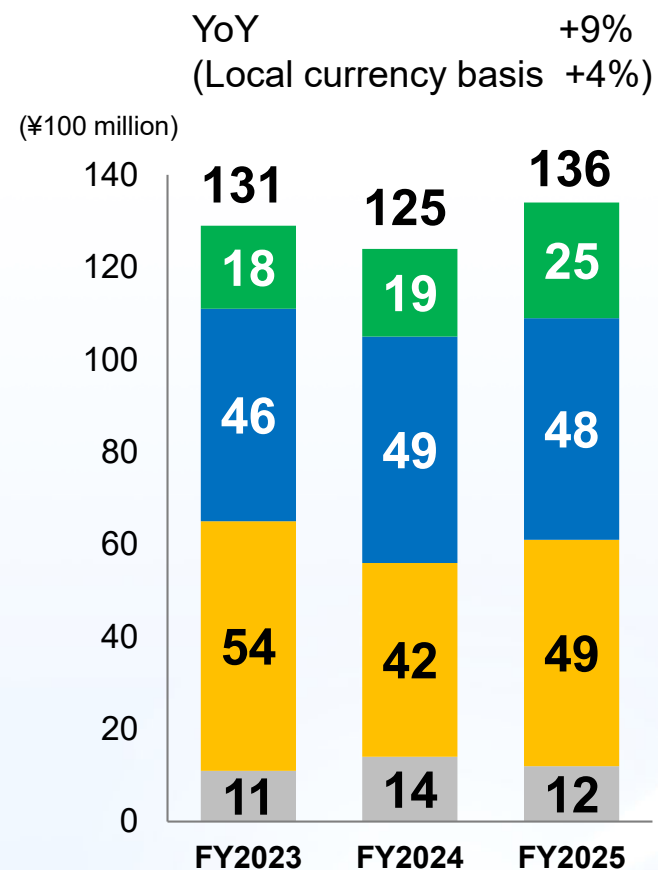


### [ Product Category ] \* YoY on a local currency basis

- **Physiological Measuring Equipment:** high-teen decline  
Decline in sales of neurology products. Favorable growth of ECGs
- **Patient Monitors:** low-teen decline  
Decline mainly in Mexico and Brazil
- **Treatment Equipment:** low-30% growth  
Significant growth of ventilators thanks to large orders in Paraguay. Strong growth of AEDs
- **Other Medical Equipment:** mid-teen growth  
Growth of maintenance services for medical devices in Mexico

## 5.3) Sales in Europe

- Increased favorably, especially in Turkey, the U.K., and Italy

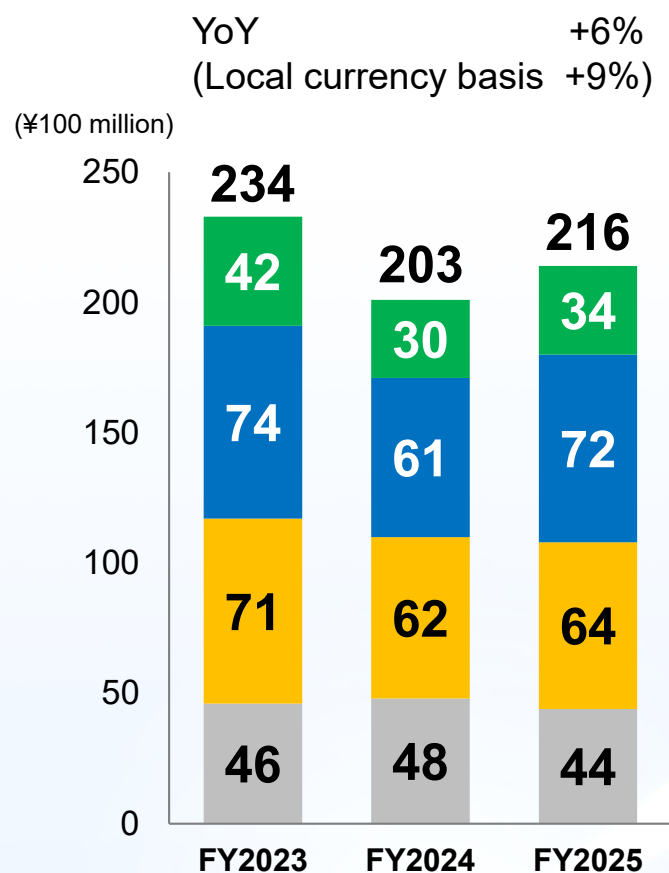


### [ Product Category ] \* YoY on a local currency basis

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

## 5.4) Sales in Asia & Other

- Increased favorably, especially in Southeast Asia such as Thailand and Vietnam, in India, and in the Middle East & Africa such as Morocco and Israel
- FY25 4Q: Increased YoY, compared to decline in 3Q when it took time to comply with laws and regulations



### [ Product Category ] \* YoY on a local currency basis

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

# (Ref.) Sales and Gross Margin by Product Category / Sales Ratio

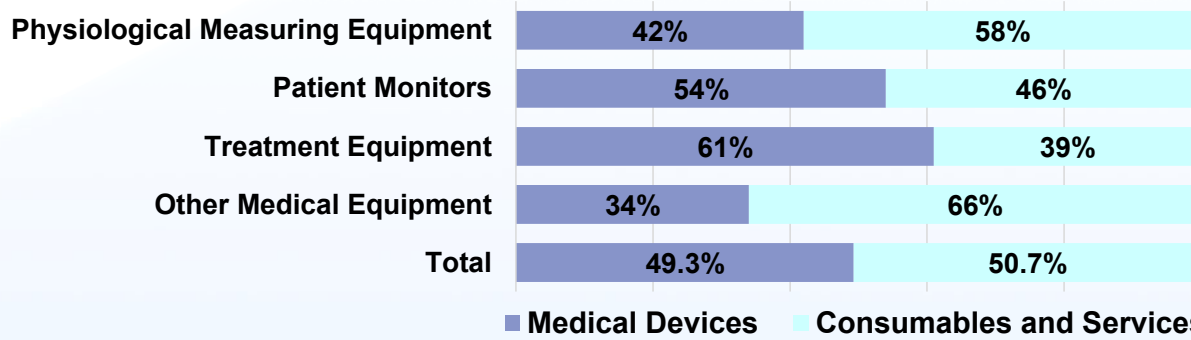
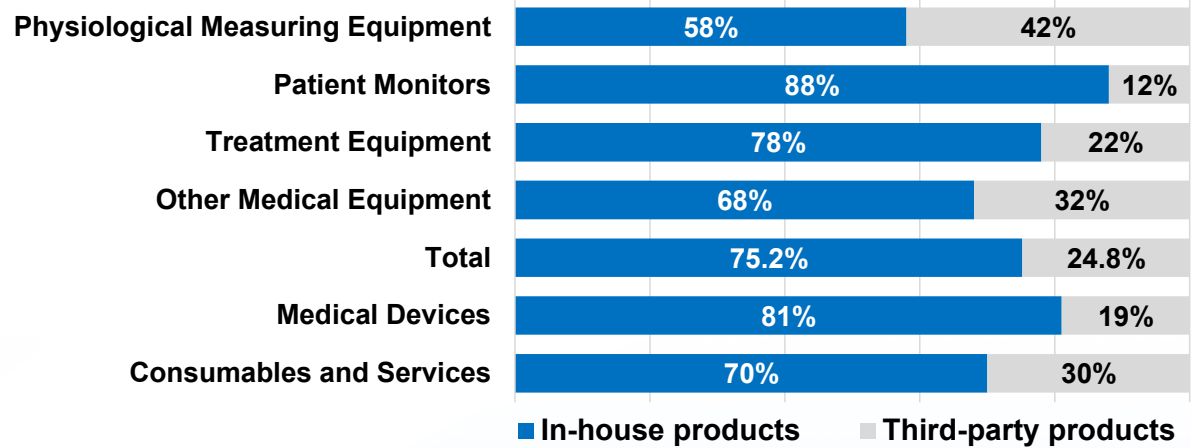
(Sales, millions of yen)

	FY2024	FY2025	YoY(%)
Physiological Measuring Equipment	46,874 (43%)	<b>53,636</b> (45%)	14.4
Patient Monitors	84,965 (65%)	<b>84,258</b> (64%)	- 0.8
Treatment Equipment	53,184 (44%)	<b>56,286</b> (44%)	5.8
Other Medical Equipment	40,400 (45%)	<b>40,918</b> (47%)	1.3
<b>Total sales</b>	<b>225,424</b> (52%)	<b>235,099</b> (52%)	<b>4.3</b>

(Reference)

Medical Devices	113,304 (54%)	<b>115,996</b> (54%)	2.4
Consumables and Services	112,119 (50%)	<b>119,103</b> (50%)	6.2

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



# (Ref.) Breakdown of Sales by Product Category

(Sales, millions of yen)

	FY2024	FY2025	YoY (%)
Neurology Products	10,544	<b>16,273</b>	54.3
ECGs (Electrocardiographs)	6,280	<b>6,230</b>	- 0.8
Polygraphs for Cath Lab	17,841	<b>17,521</b>	- 1.8
Diagnostic Information Systems	6,343	<b>7,116</b>	12.2
Other Physiological Measuring Equipment *	5,864	<b>6,494</b>	10.7
Physiological Measuring Equipment	46,874	<b>53,636</b>	14.4

\*Includes products of other companies.

	FY2024	FY2025	YoY (%)
Patient Monitors	84,965	<b>84,258</b>	- 0.8
Clinical Information Systems	5,585	<b>6,337</b>	13.5

	FY2024	FY2025	YoY (%)
Defibrillators (for Hospital and Ambulance)	8,335	<b>9,093</b>	9.1
AEDs (Automated External Defibrillator)	24,451	<b>24,390</b>	- 0.3
Pacemakers / ICDs	2,446	<b>2,445</b>	- 0.0
Ventilators	9,688	<b>13,190</b>	36.1
Other Treatment Equipment	8,263	<b>7,166</b>	- 13.3
Treatment Equipment	53,184	<b>56,286</b>	5.8
(Ref.) AED Unit Sales (units)	117,000	<b>115,400</b>	- 1.4
Domestic Unit Sales (units)	63,800	<b>57,900</b>	- 9.2

	FY2024	FY2025	YoY (%)
Hematology Instruments	13,217	<b>12,799</b>	- 3.2
Imaging Systems and Others *	27,182	<b>28,119</b>	3.4
Other Medical Equipment	40,400	<b>40,918</b>	1.3

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

## 6) Financial Position

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

	FY2024	FY2025	Change		FY2024	FY2025	Change
Current assets	183,085	<b>177,808</b>	- 5,276	Current liabilities	72,296	<b>49,428</b>	- 22,867
Inventories	56,174	<b>55,992</b>	- 182	Interest-bearing debt	26,030	<b>50</b>	- 25,980
Property, plant & equipment	29,270	<b>32,250</b>	2,979	Non-current liabilities	4,685	<b>27,286</b>	22,601
Intangible assets	27,653	<b>27,222</b>	- 431	Interest-bearing debt	—	<b>22,388</b>	22,388
Investments & other assets	18,266	<b>19,256</b>	989	Net assets	181,294	<b>179,824</b>	- 1,470
<b>Total assets</b>	<b>258,276</b>	<b>256,538</b>	- 1,737	<b>Total liabilities &amp; net assets</b>	<b>258,276</b>	<b>256,538</b>	- 1,737

Inventory turnover (months)	6.2	<b>5.9</b>		Equity ratio	69.5%	<b>70.1%</b>	
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### [Reasons for decrease of current assets]

Notes and accounts receivable decreased by ¥1.3 bn.

### [Reasons for increase of property, plant & equipment]

Buildings and structures increased by ¥6.3 bn.  
The Tsurugashima Production Center started operations

### [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 ¥22.3 bn.

\*Refinancing of short-term borrowings into long-term borrowings

# 7) Cash Flows

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

(Billions of yen)

	FY2024	FY2025	Change
<b>I . Net cash flows from operating activities</b>	15,286	<b>21,055</b>	5,768
<b>II . Net cash flows from investing activities</b>	- 25,138	<b>- 8,285</b>	16,853
<b>Free cash flows</b>	- 9,852	<b>12,770</b>	22,622
<b>III . Net cash flows from financing activities</b>	2,550	<b>- 11,599</b>	- 14,149
<b>Effect of exchange rate change on cash and cash equivalents</b>	485	<b>1,405</b>	919
<b>Net increase (decrease) in cash and cash equivalents</b>	- 6,816	<b>2,576</b>	9,392
<b>Cash and cash equivalents at end of period</b>	43,061	<b>45,637</b>	2,576
<b>ROE</b>	7.8%	<b>8.1%</b>	

	FY2024	FY2025	Change
Income before income taxes	21.5	19.9	-1.6
Decrease (increase) in accounts receivable	0.7	3.3	+2.6
Income taxes paid	-9.7	-7.6	+2.1
Purchase of property, plant and equipment	-7.1	-5.7	+1.3
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-18.8	-0.5	+18.3
Net increase (decrease) in short-term borrowings	25.3	-25.9	-51.3
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

# 8) Capital Investment and R&D Expenses

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

	FY2024	FY2025		Actual	Change	FY2026	Change
	Actual	Original forecast announced May 13	Revised forecast announced Nov 10			Plan	
Capital investment	9,519	9,400	9,400	<b>7,807</b>	- 1,711	6,000	- 1,807
Depreciation	4,067	4,900	5,000	<b>4,757</b>	690	6,000	1,243
R&D expenses	6,826	7,200	7,400	<b>7,453</b>	626	7,700	247

## ● FY2026 capital investment plan

Molds for new products, measuring equipment and jigs, products for demonstration, production equipment, and introduction of new CRM\*1

### PLM/MES\*2 systems

Capital Investments: approx. ¥3.0 bn < FY22: ¥0.3 bn, FY23: ¥0.5 bn, FY24: ¥0.9 bn  
**FY25: ¥0.9 bn, FY26 : ¥0.3 bn ~**

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

### Tsurugashima Production Center

Total investments: approx. ¥11.0 bn < FY22: ¥2.3 bn (Acquisition of the site)  
 ~FY24: ¥4.1 bn, **FY25: ¥2.9 bn**  
**(Building and facilities)**  
 FY26: ¥0.3 bn (Facilities) ~

Construction: Started in July 2024  
**Completed in Oct. 2025**  
**Operation: Started in Mar. 2026**

\*1 CRM: Customer Relationship Management including Sales Force Automation function \*2 PLM: Product Life-cycle Management, MES: Manufacturing Execution System

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# Forecast for FY2026

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# 1) Business Environment

The global economic outlook is expected to remain uncertain due to geopolitical risks and policy trends in the U.S., as well as higher oil prices and difficulties in procuring parts and components

## Japan

### Securing medical staff and promoting reforms in their work style

Medical service fees will rise by 3.09% in June 2026.  
Responses to price and wage inflation. Urgent measures to address deterioration of medical institutions' business environment

### Transformation to a more efficient, higher-quality healthcare system. Establishing integrated community care systems

Funds for securing comprehensive medical and long-term care in the community: FY2026 budget ¥96 bn for medical care

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

Subsidy program for improving operational efficiency and workplace environment by introducing ICT in medical institutions and for addressing price and wage inflation

## International

### U.S.

- Future policy trends such as tariffs and proposed budget cuts to public health insurance should be monitored carefully

### Emerging countries

- China: Enforced new standards and preferential treatment for domestically produced products
- Middle East & Africa, Southeast Asia: Concerns about the impact of conflicts in the Middle East
- Moves to protectionism and tightening of laws and regulatory requirements for medical devices in each country

## 2) Forecast for FY2026

	FY2025 Actual	FY2026 Forecast	YoY (%)
<b>Net sales</b>	235,099	232,500	- 1.1
<b>Domestic sales</b>	144,406	133,500	- 7.6
<b>Overseas sales</b>	90,693	99,000	9.2
<b>Gross profit</b> (Gross margin)	121,726 51.8%	129,000 55.5%	6.0
<b>SG&amp;A expenses</b> (SG&A ratio)	102,981 43.8%	105,500 45.4%	2.4
<b>Operating income</b> (Operating margin)	18,745 8.0%	23,500 10.1%	25.4
<b>Ordinary income</b>	22,544	23,500	4.2
<b>Income attributable to owners of parent</b>	14,513	15,000	3.4
<b>Overseas sales ratio</b>	38.6%	42.6%	

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

+8% on a comparable basis excluding  
impact of discontinuation of Abbott  
products and consolidation of DOWELL

+9% on a local currency basis

### Overseas sales by region

	FY2025 Actual	FY2026 Forecast	YoY (%)
<b>North America</b>	49,808	56,300	13.0
<b>Latin America</b>	5,613	6,200	10.4
<b>Europe</b>	13,649	13,800	1.1
<b>Asia &amp; Other</b>	21,621	22,700	5.0
<b>Total</b>	90,693	99,000	9.2

Average exchange rate (yen)  
1 USD/1 EUR

150.5/174.2

150/175

### 3) Highlights of Forecast for FY2026

**Net sales**  
[ down ¥2.5 bn YoY ]

**Domestic sales**  
[ down ¥10.9 bn ]

- +8% on a comparable basis excluding impact of discontinuation of Abbott products and consolidation of DOWELL  
Focusing on providing in-house products, consumables, and services  
Abbott products: Decline by ¥21.3 bn to ¥2.3 bn from ¥23.6 bn  
Hospital / clinic markets: Growth by ¥9.7 bn by focusing on ventilators and DHS products  
AEDs: Growth by ¥0.7 bn as inventory adjustment at distributors was settled down

**Overseas sales**  
[ up ¥8.4 bn ]

- +9% on a yen basis, +9% on a local currency basis
- Aiming at sales growth in all regions  
North America: Focusing on sales recovery of patient monitors, Sales growth of ventilators and neurology products  
Latin America, India: Steady demand for medical equipment  
Middle East & Africa, Southeast Asia: Concerns about the impact of conflicts in the Middle East

**Operating income**  
[ up ¥4.8 bn ]  
**Ordinary income**  
[ up ¥1.0 bn ]  
**Net income**  
[ up ¥0.5 bn ]

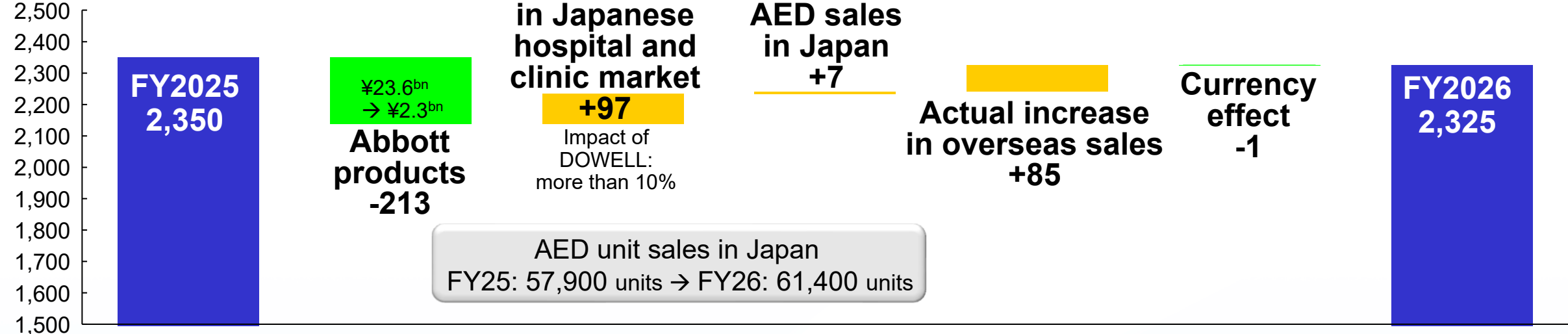
- Gross margin is expected to improve supported by a favorable product mix, while sales will decrease due to the discontinuation of Abbott products
- SG&A expenses are expected to increase due to wage increases and higher depreciation related to investments in internal IT systems
- Continuing implementation of measures in three key areas of the reform of the profit structure

\*The Company incorporates negative factors worth ¥1.8 bn for sales and ¥1.2 bn for operating income caused by conflicts in the Middle East into its full-year forecast, reflecting anticipated lower sales and higher shipping costs, respectively.

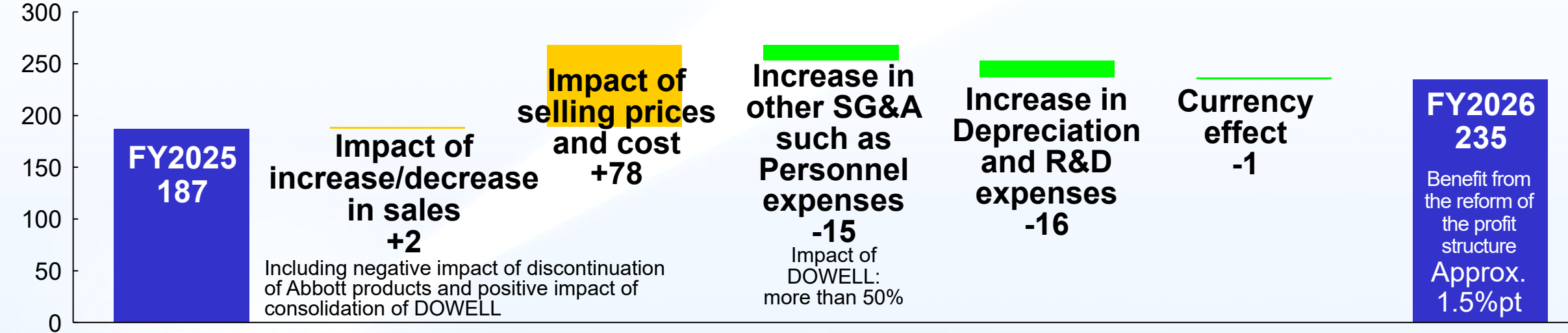
# (Ref.) Analysis of FY2026 Forecast

(¥100 million)

## Sales



## Operating Income



# (Ref.) Consolidated Forecast for FY2026 by Product Category / Effect of Exchange Rates

	FY2025	FY2026		YoY (%)	(Amounts of less than ¥1 million are rounded down)
	Actual	Forecast	Composition ratio (%)		
Physiological Measuring Equipment	53,636	41,200	17.7	- 23.2	← +6% excl. impact of discontinuation of Abbott products
Patient Monitors	84,258	92,300	39.7	9.5	← +8% excl. impact of consolidation of DOWELL
Treatment Equipment	56,286	54,900	23.6	- 2.5	← +10% excl. impact of discontinuation of Abbott products
Other Medical Equipment	40,918	44,100	19.0	7.8	
<b>Total</b>	<b>235,099</b>	<b>232,500</b>	<b>100.0</b>	<b>- 1.1</b>	

(Reference)

Medical Devices	115,996	126,500	54.4	9.1	
Consumables and Services	119,103	106,000	45.6	- 11.0	← +7% excl. impact of discontinuation of Abbott products

## Estimated Exchange Rate Fluctuations for Full Fiscal Year

	Sales	Operating Income
US Dollar	0.52 bn yen	0.18 bn yen
EURO	0.06 bn yen	0.02 bn yen

3

# Business Strategy

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# Long-term Vision and Three-year Business Plan

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



## Illuminating Medicine for Humanity

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

Targets for  
FY2029

Operating  
Margin

15%

Overseas  
Sales Ratio

45%

Management  
Philosophy

Long-term  
Vision

Three-year  
Business Plan

Core Values

Apr. 2027 - Mar. 2030 **BEACON 2030** Phase III: Realize BEACON 2030

Apr. 2024 - Mar. 2027 **BEACON 2030** Phase II: Invest for growth

Apr. 2021 - Mar. 2024 **BEACON 2030** Phase I: Strengthen foundation

Core values are shared by Nihon Kohden staff worldwide, helping to connect them and contributing to the promotion of our Management Philosophy, Long-term Vision, and Three-year Business Plan.

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

# Three Transformation for BEACON 2030

## 1 Transform into a global company creating high added value

- Promote overseas business strategies emphasizing high growth and improved profitability
- Develop sophisticated value propositions and cultivate new businesses areas in domestic business
- Create new business models by utilizing our global business foundation

## 2 Create a solution business providing superior customer value

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

## 3 Establish a global organization founded on Operational Excellence

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

\* Human machine interface is the user interface that connects human and machine. For Nihon Kohden, this refers to sensor technology, signal processing technology, and data analysis technology.

# BEACON 2030 Phase II 3 Indicators and 6 Key Measures

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

## 1) Growth

Sales CAGR  
FY2023 - FY2026

**5%**

Enhance product  
competitiveness

Focus on growth of  
North America Business

## 2) Profitability

Operating income margin  
in FY2026

**15%**

Implement the reform  
of the profit structure

Advance global supply chain  
management

## 3) Capital efficiency

ROE  
in FY2026

**12%**

Introduce Nihon Kohden's own  
ROIC formula

Reduce cash conversion cycle

Practice of Sustainability Management

Medical  
issues

Environmental  
issues

Social  
issues

# BEACON 2030 Phase II Review of the 2<sup>nd</sup> year - 6 Key Measures

## 1) Growth

Sales growth 4.3%  
in FY2025

### Enhance product competitiveness

- ✓ Launched new high-value-added products and services
  - Fully automatic AED
  - Transmitters
  - On-site alarm analytics software
  - Admission and discharge management software
  - AlarmSense alarm solution

### Focus on growth of North America Business

- ✓ Significant growth in sales of ventilators through continuing to sign new contracts with major IDNs/GPOs\*<sup>1</sup>
- ✓ Achieved double-digit sales growth and recorded operating income

## 2) Profitability

OPM 8.0%  
in FY2025

### Implement the reform of the profit structure

- ✓ Achieved YoY 220 bps improvement in operating margin in FY25
- ✓ Accelerating implementation of measures in three key areas toward 500 bps improvement in operating margin (FY26 vs FY23)

### Advance global supply chain management

- ✓ Started production of transport monitors at Defibtech
- ✓ Started operation of PLM/MES systems\*<sup>2</sup>
- ✓ Started operations at Tsurugashima Production Center
- ✓ Preparing for production of medical equipment in India

## 3) Capital efficiency

ROE 8.1%  
in FY2025

### Introduce Nihon Kohden's own ROIC formula

- ✓ Visualizing NK's own ROIC in each R&D, production, sales, and administration division, and providing feedback for improvement in profitability and efficiency
- ✓ Promoting monitoring of ROIC/CCC at North American subsidiaries

### Reduce cash conversion cycle

- ✓ Increased inventories of finished goods temporarily in preparation for starting operation of PLM/MES systems and Tsurugashima Production Center
- ✓ CCC remained at 215 days compared to 225 days in FY24 and forecast of 190 days

\*1 IDN: Integrated Delivery Network, GPO: Group Purchase Organization

\*2 PLM: Product Life-cycle Management, MES: Manufacturing Execution System

# Target and Forecast for the Last Year of BEACON 2030 Phase II



FY2023 Actual FY2026 Target FY2026 Forecast CAGR

<b>Net sales</b>	¥221.9 bn	¥256.0 bn	¥232.5 bn	+2%
<b>Domestic sales</b>	¥142.3 bn	¥157.0 bn	¥133.5 bn	-2%
<b>Overseas sales</b> (Overseas sales ratio)	¥79.6 bn (35.9%)	¥99.0 bn (38.7%)	¥99.0 bn (42.6%)	+8%
<b>Consumables and services sales ratio</b>	47.9%	50%	45.6%	
<b>In-house sales ratio</b>	73.5%	75%		
<b>Solution sales ratio</b>	11%	11%		
<b>Gross profit margin</b>	50.2%	53%	55.5%	
<b>Operating income</b> (Operating income margin)	¥19.5 bn (8.8%)	¥38.5 bn (15%)	¥23.5 bn (10.1%)	+6%
<b>Income attributable to owners of parent</b>	¥17.0 bn	¥25.0 bn	¥15.0 bn	
<b>ROIC</b>	4.0%	12%		
<b>ROE</b>	9.8%	12%		

Average exchange rate (yen)  
1 USD/1 EUR      143.9/156.8      140/150      150/175

## Sales by region

	Net sales			
	FY23 Actual	FY26 Target	FY26 Forecast	CAGR
<b>Japan</b>	¥142.3 bn	¥157.0 bn	¥133.5 bn	-2%
<b>North America</b>	¥37.0 bn	¥50.0 bn	¥56.3 bn	+15%
<b>Latin America</b>	¥6.0 bn	¥6.0 bn	¥6.2 bn	+1%
<b>Europe</b>	¥13.1 bn	¥14.0 bn	¥13.8 bn	+2%
<b>Asia &amp; Other</b>	¥23.4 bn	¥29.0 bn	¥22.7 bn	-1%

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

**Net sales**  
 [ down ¥23.5 bn ]

**Domestic sales**  
 [ down ¥23.5 bn ]

**Overseas sales**  
 [ flat ]  
 down ¥6.3 bn  
 in actual sales  
 / up ¥6.3 bn  
 in currency effect

- Abbott products: Down ¥24.8 bn
- Locally purchased products: Down ¥2.9 bn
- In-house products: Up ¥4.2 bn  
 including consolidation of DOWELL and raising selling prices



**Contributing to gross margin improvement**

- **Latin America, Southeast Asia, India:** Generally in line with plan
- **China:** Prolonged economic slowdown and anti-corruption campaign  
 ⇒ Promoting partnerships with local companies
- **Middle East & Africa, Europe:**  
 Geopolitical risks and delays in complying with laws and regulations  
 ⇒ Generally completed complying with laws and regulations,  
 The impact of conflicts in the Middle East should be monitored
- **North America:**  
 Customers are cautious about decision-making in patient monitor negotiations  
 ⇒ Recovery trend in orders, Focusing on delivery and installation.  
 Creating synergies with Ad-Tech

**Operating Income**  
 [ down ¥15 bn ]

- Gross profit due to shortfall in sales: Down ¥7.1 bn
- COGS including tariffs / higher raw material prices: Up ¥4.6 bn
- SG&A expenses including wage and price inflation: Up ¥1.0 bn
- Costs related to M&A: Up ¥4.1 bn

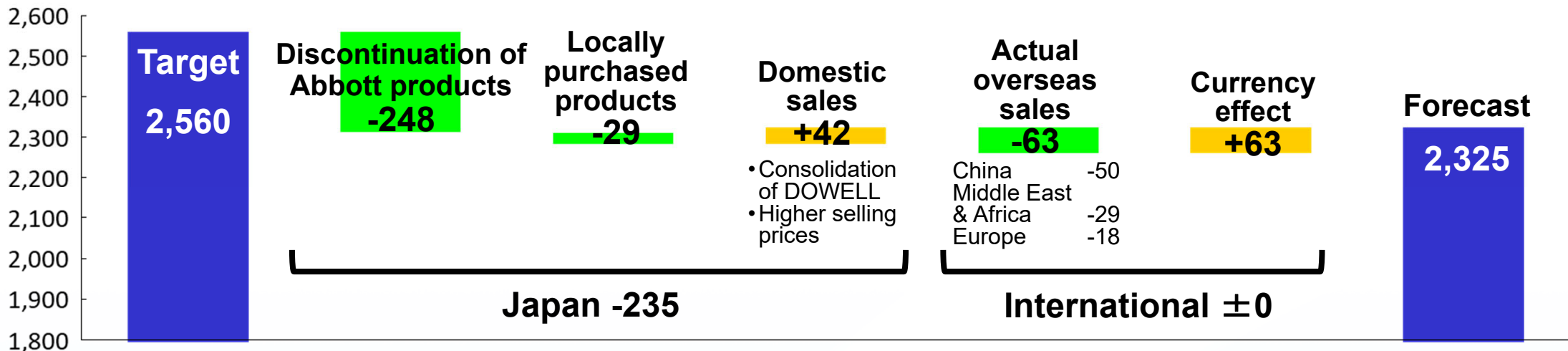


**Steady sales growth**

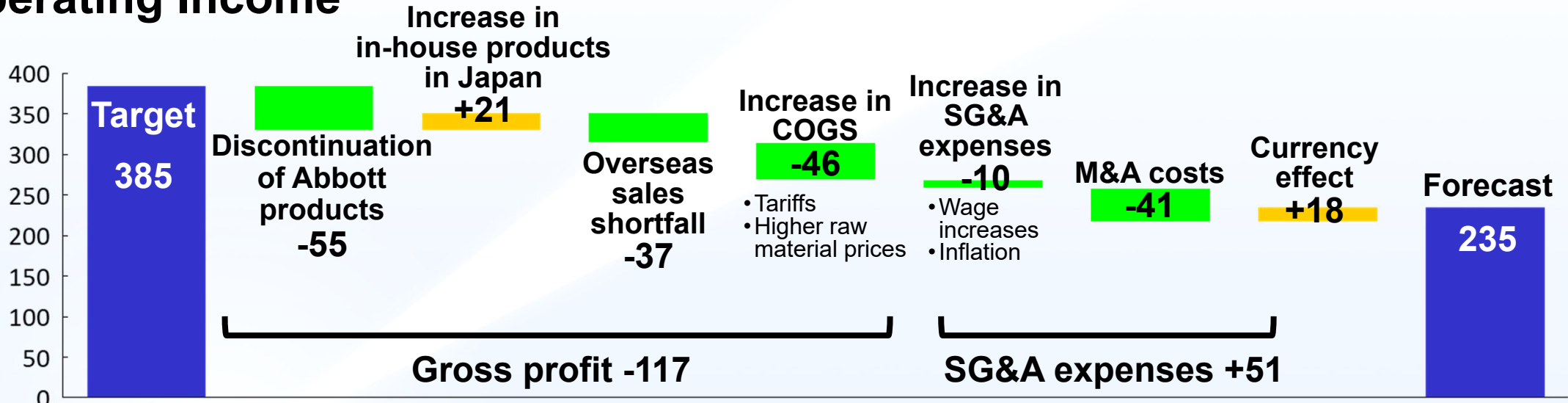
**Continuing the reform of the profit structure**

**Sales**

(¥100 million)



**Operating Income**



**New products and services in FY2025/FY2026**

Contributing to easing medical staff workload



Improving hospital bed occupancy rate  
Reducing length of hospital stays

Optimizing hospital management  
Improving economics of medical care

**Solution Business (ITS+DHS)**

**On-site alarm analytics software**

- Analyzing real-time alarm status and causes for each patient

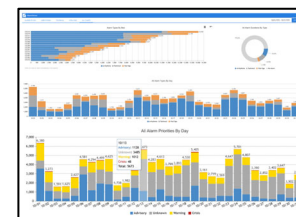
Launched in Japan in FY2025 4Q



**AlarmSense alarm solutions**

Launched in the U.S. in FY2025 2Q  
Planned to launch in Europe in FY2026

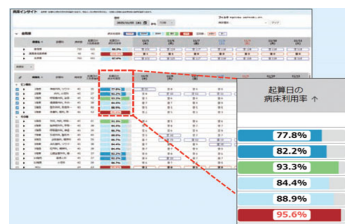
- Analyzing and displaying alarm trends across the hospital
- Reducing alarm fatigue for medical staff



**Admission and discharge management software**

- Automatically acquiring, aggregating, and visualizing information necessary for hospital bed management, including information on admission, discharge, and transfer

Launched in Japan in FY2025 4Q



**Patient Monitoring Business**

**Transmitters ZS-730/720P**



Launched in Japan in FY2025 3Q

**Next generation central monitor**

Planned to launch in the U.S in FY2026

Market growth rate  
Approx. 1~2%

Phase II sales target  
CAGR 3%

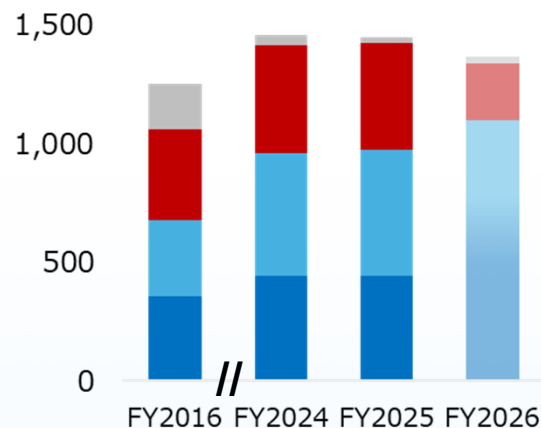
FY2016 - FY2025  
10-year sales CAGR  
**+1.6%**

**In-house products +4.1%**  
Medical devices +2.5%  
Consumables & services +5.6%  
(Ratio of consumables and services: 55%, FY25)

**Purchased products +1.8%**

Locally purchased products  
-20%

(¥100 million) ■ In-house medical devices ■ In-house consumables and services ■ Purchased products ■ Locally purchased products



Abbott products  
¥23.6 bn → ¥2.3 bn

**+8%** YoY  
excluding impact of  
Abbott products and  
consolidation of DOWELL

**NEW!**

## Established Domestic Business Headquarters

Strengthening domestic business structure

Promoting cross-departmental transformation

Creating new growth business

### 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



### Solution Business (ITS + DHS)

- Promoting medical DX\* and contributing to improving quality and economy of medical care
- Consolidated DOWELL as a subsidiary (Feb. 2026)

[ Transfer of operations for Abbott products ] Completed approx. 65% as of Mar. 31, 2026 and planned to complete approx. 90% as of Sep. 30, 2026

\* CX: Customer experience, DX: Digital transformation.

Market growth rate mid-single digit

Phase II sales target CAGR 11%

FY2016 - FY2025  
10-year sales CAGR  
**+13%**

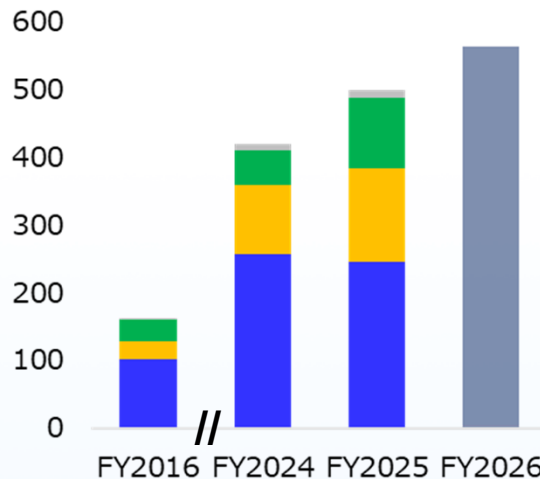
**Treatment Equipment**  
**+20%**

**Patient Monitors**  
**+10%**

**Physiological Measuring Equipment\***  
**+14%**

\* Consolidated Ad-Tech in FY2025

(¥100 million) ■ Physiological Measuring Equipment ■ Patient Monitors ■ Treatment Equipment ■ Other Medical Equipment



**+13%** YoY on a local currency basis

**No.1 market share for mask-type ventilator**

**40% or more**

in 2025 (Company's estimate)

**Increasing number of business negotiations for intubated-type ventilators**

**FY2025 DHS products = 16%**  
(Sales composition in Patient Monitors)



Digital Health Platform

RemoteSense

AlarmSense

## Ventilators

- Signing new contracts with major IDNs/GPOs\*
- Expanding market share



## Patient Monitors

- Achieving differentiation by enhancing DHS\* products
- Expanding market share
- Proposals to facilities that have installed our ventilators



## Physiological Measuring Equipment

- Creating synergies b/w Neurology & Ad-Tech products with high market share
- Increasing demand for home sleep recorders

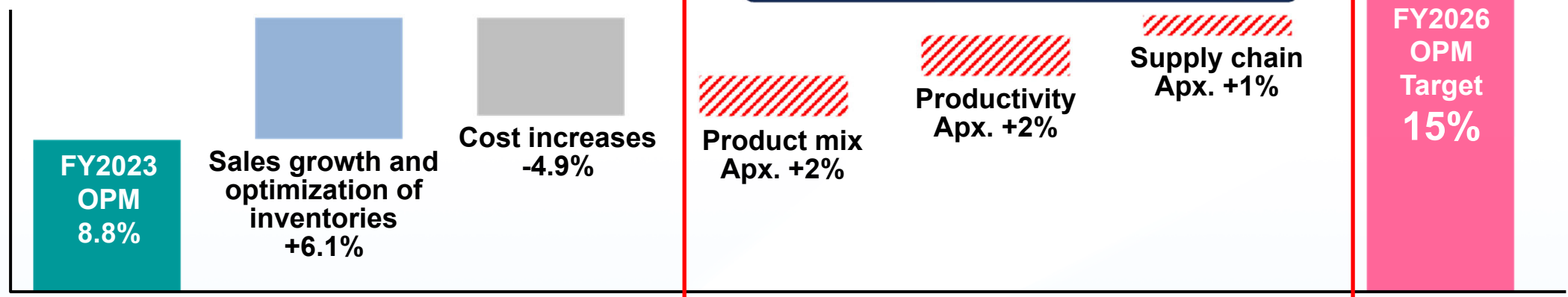
\* IDN: Integrated Delivery Network, GPO: Group Purchase Organization, DHS: Digital Health Solutions

# Implement the reform of the profit structure

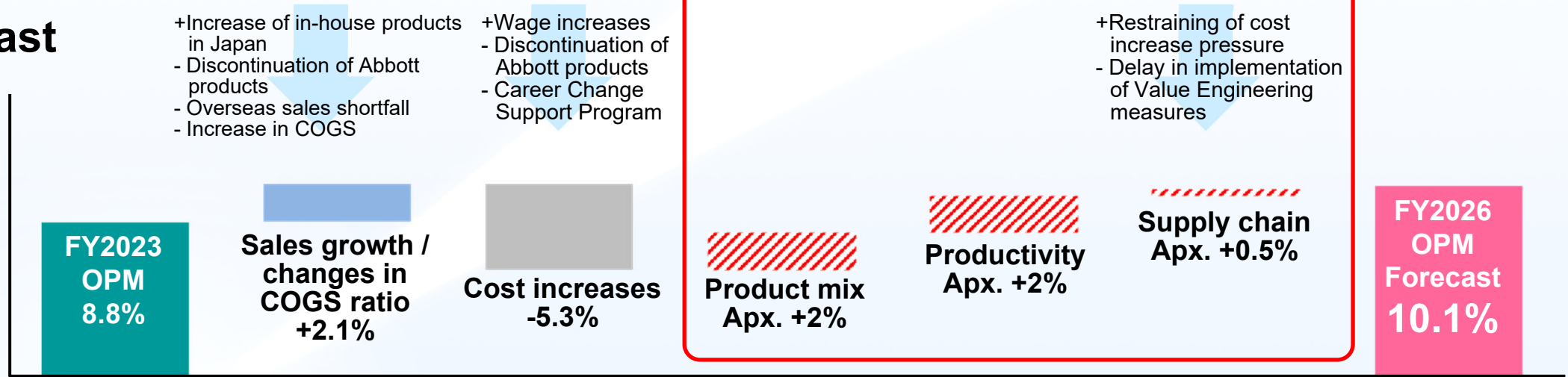
**FY2026 Target**  
**OPM improvement 5%pt**

- ✓ Improvement: 80 bps in FY2024 → 300 bps (YoY +220 bps) in FY2025  
 Expected 450 bps (YoY +150 bps) in FY2026
- ✓ Continuing to implement measures in three key areas to improve profitability

## Target



## Forecast



# Implement the reform of the profit structure

FY2026 Target

**OPM improvement 5%pt**

- ✓ Improvement: 80 bps in FY2024 → 300 bps (YoY +220 bps) in FY2025  
Expected 450 bps (YoY +150 bps) in FY2026
- ✓ Continuing to implement measures in three key areas to improve profitability

Area	Theme	Details of measures	Measures in FY2026
Product mix	Sale pricing	<ul style="list-style-type: none"> <li>✓ Reviewing pricing policies both in Japan and overseas</li> </ul>	<ul style="list-style-type: none"> <li>✓ Reviewing pricing policies such as raising selling prices in Japan and internationally</li> <li>✓ Reviewing product line-up</li> </ul>
	Review of product line-up	<ul style="list-style-type: none"> <li>✓ Reviewing and optimizing the number of products</li> <li>✓ Increasing in-house sales ratio</li> </ul>	
Productivity	Improving personnel productivity, including by utilizing generative AI	<ul style="list-style-type: none"> <li>✓ Improving operational efficiency by introducing generative AI: 1.4 mil hours per year</li> <li>✓ Focusing on core jobs and reallocating resources: 900 k hours per year</li> <li>✓ Reducing the increase of headcount and overtime hours</li> </ul>	<ul style="list-style-type: none"> <li>✓ Restraining increase of headcount through improving productivity by utilizing generative AI Improved operational efficiency: 380k hours/year in FY24 ⇒ 1,990k hours/year in FY25 Target: over 2.5 mil hours/year in FY26</li> <li>✓ Introducing new CRM* / Enhancing call center functions to improve productivity</li> <li>✓ Reviewing license fees, contracts for company vehicles and parking facilities</li> </ul>
	Reducing other expenses	<ul style="list-style-type: none"> <li>✓ Reducing infrastructure costs such as utility costs, rent, and communication expenses, and reviewing traveling costs</li> </ul>	
Supply chain	Optimizing parts procurement	<ul style="list-style-type: none"> <li>✓ Refining price negotiations with suppliers</li> <li>✓ Promoting Value Analysis/Value Engineering</li> </ul>	<ul style="list-style-type: none"> <li>✓ Continuing price negotiations and reviewing suppliers under inflation</li> <li>✓ Promoting Value Engineering at factories in Japan, U.S., and China</li> </ul>

\* CRM: Customer Relationship Management including Sales Force Automation function

## Introduce Nihon Kohden's own ROIC formula

- ✓ Visualizing NK's own ROIC in each R&D, production, sales, and administration division, Providing feedback for improvement in profitability and efficiency
- ✓ Promoting monitoring of ROIC and CCC at subsidiaries in North America
- ✓ Cost of capital: approx. 8%, calculated by CAPM and WACC
- ✓ Adopted NPV and IRR as investment decision criteria, Target IRR of 12% in Phase II. Investment decisions are 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

**Consolidated ROIC = NOPAT ÷ Invested capital**

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

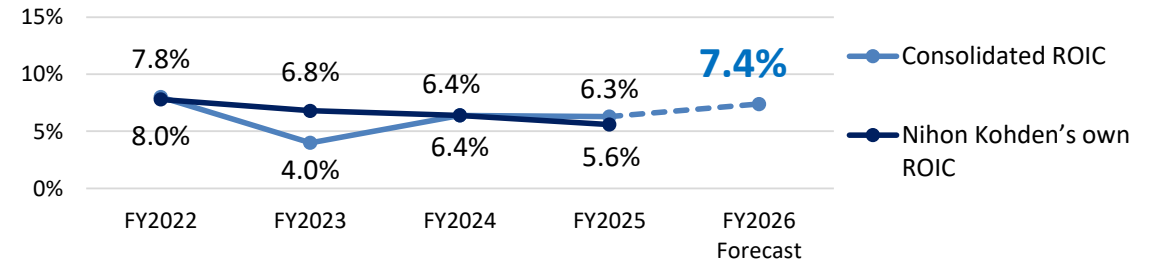
### Nihon Kohden's own ROIC calculation formula

**Operating income**

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

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

### Consolidated ROIC / NK's own ROIC

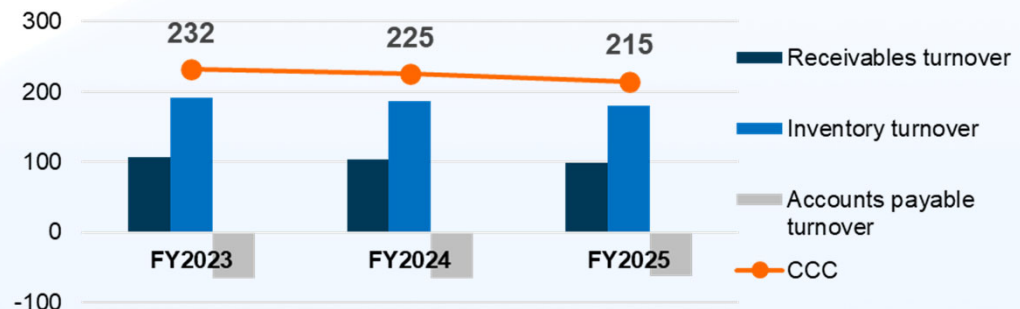


## Reduce cash conversion cycle

- ✓ Securing inventories of parts and components to ensure stable supply of in-house products and consumables, in response to shortages of memory components, higher oil prices, and procurement difficulties

**FY2026 target**

**~195 days**



**Phase II target**

**~175 days**

**Mid-term target**

**~150 days**

# Capital Policy

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

## 1) Investment necessary for future business expansion

Phase II :  
 R&D investments Apx. ¥23.5 bn  
 Capital investments Apx. ¥25.0 bn  
 Growth investments  
 M&A ¥30 bn or more

- R&D investments in patient monitors, ventilators, and Digital Health Solutions
- Capital investments for establishing a new plant in Tsurugashima, promoting corporate digital transformation such as PLM/MES systems and generative AI, and enhancing global supply chain management
- Consolidated Ad-Tech as a wholly owned subsidiary, DOWELL as a subsidiary



## 2) Enhancement of shareholder returns

Phase II :  
 ¥28 bn or more

\*Considering additional shareholder returns depending on the progress of future investment plans

**Dividends** Increase dividends in a stable manner in line with growth in business performance

**Full-year dividends forecasts:**  
 FY25: 32 yen (Consolidated dividend payout ratio: 35.9%)  
 FY26: 33 yen (Consolidated dividend payout ratio: 35.4%)

**Share buyback** Consider in a flexible manner, taking into account comprehensively our future business deployment, investment plans, retained earnings, and stock price level

**Share buybacks:**  
 FY25: ¥5.0 bn  
 (Consolidated total return ratio: 70%)

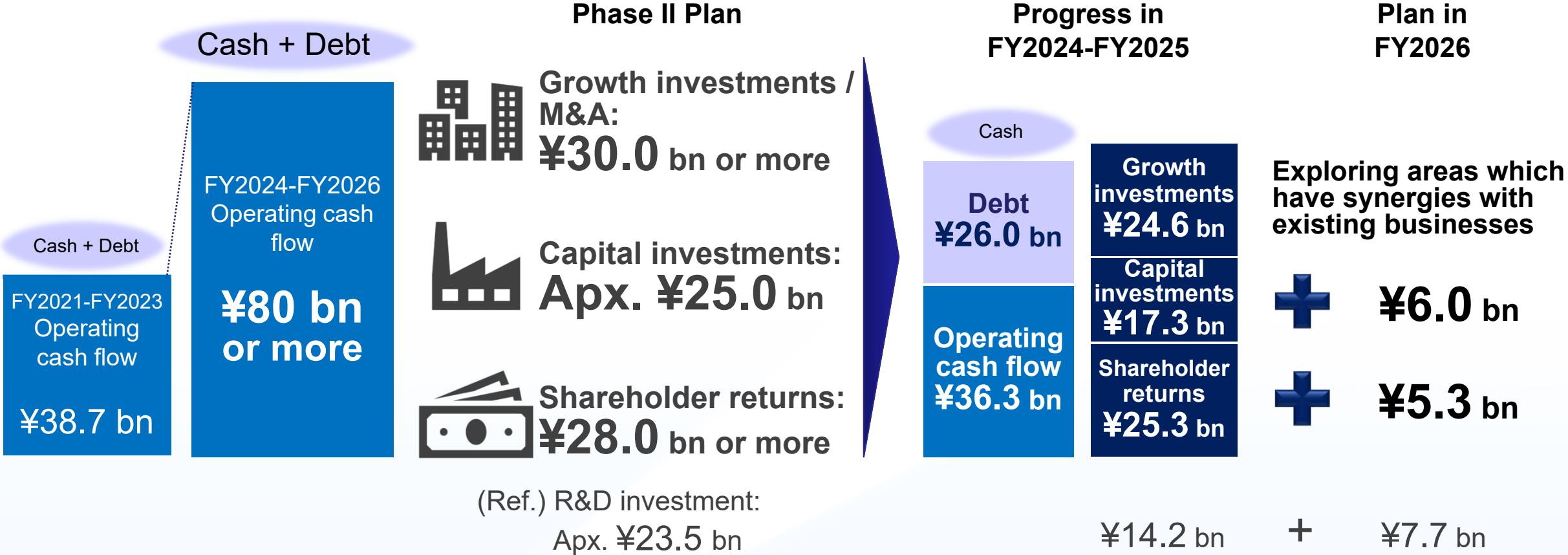
**Target: Consolidated Total Return Ratio of 35% or more**

**Number of treasury stock:**  
 10,980k shares including ESOP  
 (6.4% as of end March 2026)

## 3) Sound financial foundation

Maintain a strong financial foundation to ensure a stable supply of medical equipment

# Cash allocation policy and progress



<b>Fundraising policy</b>	<ul style="list-style-type: none"> <li>Using its own funds as the Group's main source of working capital and capital expenditure.</li> <li>Considering borrowing as an effective means of raising funds, when fundraising becomes necessary, such as for M&amp;A and new businesses and optimizing the weighted average cost of capital, which also takes into account the cost of debt.</li> </ul>
<b>Necessary cash and deposits</b>	<ul style="list-style-type: none"> <li>The level of cash and deposits on hand necessary for stable operations is approx. three months of monthly sales.</li> </ul>

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