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NIHON KOHDEN

November 10, 2026

Consolidated Financial Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2027 (Japan GAAP)

NIHON KOHDEN CORPORATION (6849)

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(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Highlights for the 2nd Quarter of FY2026 (From April 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results

Note: Percentages indicate increase/decrease over the corresponding period in the previous fiscal year.

	Net sales		Operating income		Ordinary income		Income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2026 2Q (6 months)	**103,369**	**-4.4**	**4,013**	**-40.5**	**3,032**	**-55.0**	**1,976**	**-56.3**
FY2025 2Q (6 months)	108,120	5.2	6,741	31.8	6,732	214.7	4,524	876.7

Note: Comprehensive income: FY2026 2Q: 3,033 million yen (22.1%) FY2025 2Q: 2,483 million yen (—%)

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
FY2026 2Q (6 months)	**12.35**	**—**
FY2025 2Q (6 months)	27.74	—

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2026	**249,566**	**180,373**	**72.2**	**1,126.47**
As of March 31, 2026	256,538	179,824	70.1	1,123.47

Reference: Equity Capital: FY2026 2Q: 180,271 million yen FY2025: 179,724 million yen

2. Dividends

	Dividends per share				
	First quarter	Interim (Second quarter)	Third quarter	Year-end	Full-year
	yen	yen	yen	yen	yen
FY2025	—	16.00	—	16.00	32.00
FY2026	—	16.00			
FY2026 (Forecast)			—	17.00	33.00

Note: Revise of dividends forecast: None

3. Consolidated forecast for FY2026 (From April 1, 2026 to March 31, 2027)

Note: Percentages indicate increase/decrease over the corresponding period in the previous fiscal year.

	Net sales		Operating income		Ordinary income		Income attributable to owners of parent		Net income per share - Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	228,500	-2.8	17,000	-9.3	16,000	-29.0	10,500	-27.7	65.61

Note: Revise of consolidated forecast: Yes

*** Notes**

(1) Significant changes in scope of consolidation during the period: Yes

Newly included: ― companies (―)

Excluded: 1 company (Nihon Kohden Innovation Center, LLC)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to "2. Consolidated Financial Statements and Primary Notes (4) Notes to Consolidated Financial Statements (Applying of Specific Accounting of the Consolidated Quarterly Financial Statements)" on page 11 of the attachment.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

FY2026 2Q	167,961,960	shares
FY2025	170,961,960	shares

(ii) Number of treasury shares at the end of the period

FY2026 2Q	7,929,407	shares
FY2025	10,989,474	shares

(iii) Average number of shares outstanding during the period

FY2026 2Q	159,998,201	shares
FY2025 2Q	163,083,441	shares

Note: Number of treasury shares, which are deducted from "Number of treasury shares at the end of the period" and "Average number of shares outstanding during the period," includes the Company's stock held by the trust of Employee Stock Ownership Plan.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* In domestic sales of the Nihon Kohden group, sales to public medical institutions (which include national hospitals, national universities, public agencies, and municipal hospitals) account for a relatively high percentage of total sales. Therefore, the bulk of orders tend to be concentrated in September and March due to these hospitals' budget executions. In particular, sales and income are highly concentrated in the fourth quarter of the fiscal year.

* Earnings forecasts and other forward-looking statements in this release are based on information currently available and certain assumptions that the Company believes are reasonable. Therefore, they do not constitute a guarantee that they will be realized. Actual results may differ from such estimates due to unforeseen circumstances.

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1. Qualitative Information on Financial Results for the Period

(1) Operating Results Analysis

During the term under review (April 1, 2026 to September 30, 2026), the global economic outlook remained uncertain due to concerns about higher oil prices and difficulties in procuring parts and components caused by conflicts in the Middle East as well as prolonged uncertainty caused by geopolitical risks and policy trends in the U.S. In Japan, the Government implemented support for medical institutions through supplementary budgets and revision of medical treatment fees in June 2026, because business sentiment in medical institutions declined due to price and wage inflation. Each medical institution also strove to implement task shifting and improve its operational efficiency. Internationally, overall demand for medical equipment remained steady, while there was uncertainty regarding proposed budget cuts to public health insurance in the U.S., the effects of the economic slowdown in China, and sluggish business negotiations in the Middle East and Southeast Asia caused by conflicts. Medical institutions both in Japan and internationally have been promoting medical digital transformation, which includes data health, telemedicine, and utilization of AI and ICT, because they need to urgently improve the quality and efficiency of their medical care.

Under these circumstances, Nihon Kohden implemented its Three-year Business Plan, BEACON 2030 Phase II that sets FY2026 as its final year. 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”.

Japan: Nihon Kohden concentrated on enhancing sales activities which match each market; the acute care hospital market, the small and mid-sized hospital market, and the clinic market. Sales of in-house products increased as the Company focused on strengthening its marketing and service capabilities, creating customer value which contributed to improving medical safety, patient outcomes, and operating efficiency. However, domestic sales decreased 16.7% over the first half of FY2025 to ¥55,733 million, due to lower sales of Abbott products and restraining sales of locally purchased products. On a comparable basis excluding the impact of the discontinuation of Abbott products, sales in the university, public hospital, private hospital, and clinic markets decreased, while sales in the other market increased thanks to favorable sales of hematology instruments and reagents for private companies. Sales of Treatment Equipment and Other Medical Equipment decreased, while sales of Physiological Measuring Equipment and Patient Monitors increased.

International: Overseas sales achieved double-digit growth driven by favorable sales in North America, Latin America, and Europe. In North America, sales achieved double-digit growth both on a yen basis and on a comparable basis. Sales of Patient Monitors increased significantly thanks to the installation of large orders in the second quarter of FY2026. Sales of ventilators also showed strong growth and sales of neurology products achieved double-digit growth. Sales in Latin America achieved double-digit growth in the first half of FY2026, because sales in Brazil and Mexico increased significantly in the second quarter of FY2026. Sales in Europe also increased significantly, thanks to large orders in Greece, Poland, and the U.K. as well as strong growth in the Netherlands and Germany. Sales in Asia & Other decreased, due to lower sales in the Middle East & Africa, where sales had increased favorably thanks to large orders in the second quarter of the previous fiscal year. Sales of all product categories achieved double-digit growth. On a comparable basis, sales of Patient Monitors and Treatment Equipment increased favorably. Sales of Physiological Measuring Equipment and Other Medical Equipment also increased. As a result, international sales increased 15.5% over the first half of FY2025 to ¥47,635 million.

As a result of the above, overall sales during the term under review decreased 4.4% over the first half of FY2025 to ¥103,369 million. Due to lower domestic sales and higher SG&A expenses caused by wage increases, operating income decreased 40.5% over the first half of FY2025 to ¥4,013 million. Ordinary income decreased 55.0% to ¥3,032 million and income attributable to owners of parent decreased 56.3% to ¥1,976 million, reflecting higher foreign exchange losses.

Consolidated Sales Results by Product Category

(Millions of yen)

	Six months ended September 30, 2026		
	Amount	Growth rate (%)	Growth rate excluding Abbott products (%)
Physiological Measuring Equipment	20,021	- 23.2	+ 6.3
Patient Monitors	40,680	+ 8.3	—
Treatment Equipment	24,386	- 7.2	+ 6.8
Other Medical Equipment	18,279	+ 0.3	—
Total	103,369	- 4.4	+ 6.1
Medical Devices	52,650	+ 5.6	+ 7.2
Consumables and Services	50,718	- 12.9	+ 4.8
(Reference) Sales by Region			
Domestic Sales	55,733	- 16.7	- 1.2
Overseas Sales	47,635	+ 15.5	—
North America	26,951	+ 20.8	—
Latin America	2,603	+ 29.7	—
Europe	7,513	+ 21.1	—
Asia & Other	10,566	- 1.4	—

* Sales of Abbott products which will be discontinued in Japan at the end of December 2026 are included in Physiological Measuring Equipment and Treatment Equipment.

(Operating Results by Reportable Segments)
Japan: Sales decreased 16.8% to ¥55,929 million and segment income decreased 40.3% to ¥3,495 million in the first half of FY2026.
North America: Sales increased 21.5% to ¥29,232 million and segment income increased 103.0% to ¥1,633 million in the first half of FY2026.
Rest of World: Sales increased 8.3% to ¥18,207 million and segment income increased 30.1% to ¥572 million in the first half of FY2026.
Segment Income: Total segment income excluding the unrealized gains on inventories and amortization of goodwill and intangible assets decreased 19.7% to ¥5,701 million in the first half of FY2026.
* The amounts are aggregated by region, based on the location of the Company or its consolidated subsidiaries.

(2) Financial Conditions Analysis

(i) Financial Position

Total assets at the end of the current fiscal period decreased by ¥6,972 million compared to the end of the previous fiscal year to ¥249,566 million.

Current assets decreased by ¥7,098 million to ¥170,710 million compared with the end of the previous fiscal year. This is mainly due to a decrease in notes and accounts receivable resulting from the collection from the end of the previous fiscal year.

Fixed assets increased by ¥125 million to ¥78,855 million compared with the end of the previous fiscal year. This is mainly due to an increase in the market value of investment securities.

Total liabilities at the end of the current fiscal period decreased by ¥7,521 million compared to the end of the previous fiscal year to ¥69,192 million. This is mainly due to decreases in notes and accounts payable and long-term loans payable.

Total net assets at the end of the current fiscal period increased by ¥549 million compared to the end of the previous fiscal year to ¥180,373 million. This is mainly due to an increase in foreign currency translation adjustments.

As a result, net assets per share increased by ¥3.00 to ¥1,126.47 and the equity ratio increased by 2.1 percentage points from 70.1% at the end of the previous fiscal year to 72.2%.

(ii) Cash Flows

Cash and cash equivalents (hereinafter referred to as “funds”) on a consolidated basis at the end of the current fiscal period increased by ¥13,744 million compared with the end of the previous fiscal year to ¥59,382 million.

The status of each cash flow and their factors in the current fiscal year are as follows.

(Cash flows from operating activities)

Funds obtained from operating activities increased by ¥7,252 million year-on-year to ¥18,992 million. This is mainly due to income before income taxes of ¥3,041 million, a decrease in trade receivables of ¥17,859 million, a decrease in inventories of ¥2,346 million, a decrease in notes and accounts payable of ¥4,014 million, and depreciation and amortization of ¥2,649 million.

(Cash flows from investing activities)

Funds used in investing activities decreased by ¥741 million year-on-year to ¥1,260 million. This is mainly due to the purchase of property, plant and equipment, amounting to ¥1,057 million, and the purchase of intangible assets, amounting to ¥936 million.

(Cash flows from financing activities)

Funds used in financing activities increased by ¥718 million year-on-year to ¥3,898 million. This is mainly due to cash dividends paid of ¥2,575 million and repayments of long-term loans payable of ¥1,277 million.

(3) Consolidated Forecast for FY2026

Based on the results for the first half of FY2026 and recent performance trends, the Company revised its forecast for FY2026, previously announced on May 14, 2026.

The FY2026 full-year forecasts for overall sales, domestic sales, and overseas sales were revised to ¥228,500 million (down ¥4,000 million from its original forecast), ¥126,000 million (down ¥7,500 million from its original forecast), and ¥102,500 million (up ¥3,500 million from its original forecast), respectively. Domestic sales were revised downward, because capital expenditure by medical institutions was still cautious in the first half of FY2026, while their business sentiment showed a recovery trend supported by supplementary budgets and revision of medical treatment fees in June 2026. In the second half of FY2026, the Company continues to enhance sales activities and receive orders for medical equipment and IT systems that contribute to improving the quality and efficiency of medical care. Sales of AEDs are also expected to recover. Overseas sales were revised, reflecting greater-than-expected depreciation of the yen in currency translation and the impact of a change in the fiscal term of Ad-Tech Medical Instrument Corporation according to the reorganization of subsidiaries in the U.S. Sales in the first half exceeded the Company's expectations thanks to large orders in Europe and currency effect. In the second half, sales of AEDs for distributors are expected to decline and sluggish business negotiations are also expected due to conflicts in the Middle East, while demand for medical equipment will remain steady mainly in North America, India, and Southeast Asia. In North America, sales of ventilators and neurology products are expected to increase favorably. Sales growth is expected to be lower than its original forecast, because business negotiations have grown in scale and take longer than before, while the Company enhances its competitiveness by adding digital health solutions to its patient monitor proposals.

Overall sales are expected to be lower than the Company's original forecast and gross profitability improvement is also expected to be lower than originally planned due to higher prices of components and increased price competition for consumables in Japan. As a result, operating income, ordinary income, and income attributable to owners of parent are expected to be ¥17,000 million (down ¥6,500 million from its original forecast), ¥16,000 million (down ¥7,500 million from its original forecast), and ¥10,500 million (down ¥4,500 million from its original forecast), respectively. In the second half, operating income is expected to increase compared to the same period of the previous fiscal year. Nihon Kohden will focus on selling in-house products as well as improving gross profit margin and restraining the increase of SG&A expenses through the reform of the profit structure of the entire Group.

The Company's forecast for the second half of FY2026 is based on an exchange rate of 157 yen to the U.S. dollar and 178 yen to the euro.

* Ad-Tech will change its fiscal term from end on December 31 to end on March 31. Nihon Kohden plans to consolidate the six months of Ad-Tech's operating results from July 1, 2026 to December 31, 2026 in the third quarter of FY2026 and the three months results from January 1, 2027 to March 31, 2027 in the fourth quarter of FY2026. As a result, the fifteen months results from January 1, 2026 to March 31, 2027 will be consolidated in FY2026.

(Consolidated Forecast for FY2026 by Product Category)

(Millions of yen)

	FY2026 (forecast)	
	Amount	Growth rate (%)
Physiological Measuring Equipment	43,400	- 19.1
Patient Monitors	89,900	+ 6.7
Treatment Equipment	53,900	- 4.2
Other Medical Equipment	41,300	+ 0.9
Total	228,500	- 2.8
Medical Devices	124,400	+ 7.2
Consumables and Services	104,100	- 12.6
(Reference) Sales by Region		
Domestic Sales	126,000	- 12.7
Overseas Sales	102,500	+ 13.0
North America	58,300	+ 17.0
Latin America	6,400	+ 14.0
Europe	14,100	+ 3.3
Asia & Other	23,700	+ 9.6

* Sales of Abbott products which will be discontinued in Japan at the end of December 2026 are included in Physiological Measuring Equipment and Treatment Equipment. On a comparable basis excluding the impact of Abbott products, sales of Physiological Measuring Equipment and Treatment Equipment are expected to record double-digit growth and high-single-digit growth, respectively.

2. Consolidated Financial Statements and Notes
(1) Consolidated Balance Sheets

NIHON KOHDEN

(Millions of yen)

	March 31, 2026	September 30, 2026
ASSETS		
Current assets:		
Cash and deposits	35,695	39,963
Notes and accounts receivable - trade	69,851	51,944
Securities	11,000	20,000
Merchandise and finished goods	33,332	31,256
Work in process	4,976	5,167
Raw materials and supplies	17,682	17,035
Other current assets	5,621	5,743
Allowance for doubtful accounts	-351	-399
Total current assets	177,808	170,710
Non-current assets:		
Property, plant and equipment	32,250	31,127
Intangible assets		
Goodwill	12,581	12,349
Other intangible assets	14,641	14,793
Total intangible assets	27,222	27,142
Investments and other assets		
Investment securities	4,272	4,914
Net defined benefit asset	9,137	9,431
Other investments and other assets	6,315	6,708
Allowance for doubtful accounts	-468	-468
Total investments and other assets	19,256	20,585
Total non-current assets	78,730	78,855
Total assets	256,538	249,566
LIABILITIES		
Current liabilities:		
Notes and accounts payable - trade	20,083	15,882
Short-term loans payable	50	50
Current portion of long-term loans payable	2,555	2,555
Accrued income taxes	1,331	1,880
Provision for bonuses	4,565	3,786
Provision for product warranties	1,850	1,903
Other current liabilities	18,993	17,079
Total current liabilities	49,428	43,138
Non-current liabilities:		
Long-term loans payable	22,388	21,111
Other non-current liabilities	4,897	4,943
Total non-current liabilities	27,286	26,054
Total liabilities	76,714	69,192
NET ASSETS		
Shareholders' equity:		
Capital stock	7,544	7,544
Capital surplus	3,938	3,937
Retained earnings	175,451	169,767
Treasury shares	-18,633	-13,456
Total shareholders' equity	168,300	167,792
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	1,596	2,040
Foreign currency translation adjustments	6,823	7,997
Remeasurements of defined benefit plans	3,003	2,440
Total accumulated other comprehensive income	11,423	12,478
Non-controlling interests	100	101
Total net assets	179,824	180,373
Total liabilities and net assets	256,538	249,566

(2) Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	108,120	103,369
Cost of sales	51,322	46,200
Gross profit	56,798	57,168
Selling, general and administrative expenses	50,056	53,155
Operating income	6,741	4,013
Non-operating income		
Interest income	128	105
Dividend income	69	61
Subsidy income	33	3
Reversal of allowance for doubtful accounts	21	7
Other, net	211	179
Total non-operating income	464	358
Non-operating expenses		
Interest expenses	146	241
Loss on valuation of investment securities	82	6
Foreign exchange losses	156	1,042
Other, net	87	49
Total non-operating expenses	473	1,339
Ordinary income	6,732	3,032
Extraordinary income		
Gain on sales of non-current assets	4	55
Total extraordinary income	4	55
Extraordinary losses		
Loss on sales of non-current assets	0	29
Loss on retirement of non-current assets	4	7
Loss on disaster	—	8
Total extraordinary losses	4	46
Income before income taxes	6,732	3,041
Income taxes	2,151	1,063
Net income	4,581	1,978
Income attributable to non-controlling interests	56	1
Income attributable to owners of parent	4,524	1,976

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net income	4,581	1,978
Other comprehensive income		
Valuation difference on available-for-sale securities	445	444
Foreign currency translation adjustment	-2,175	1,174
Remeasurements of defined benefit plans, net of tax	-367	-562
Total other comprehensive income	-2,097	1,055
Comprehensive income	2,483	3,033
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,523	3,032
Comprehensive income attributable to non-controlling interests	-39	1

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Income before income taxes	6,732	3,041
Depreciation and amortization	2,164	2,649
Amortization of goodwill	531	618
Increase (decrease) in provision	-894	-668
Increase (decrease) in net defined benefit asset or liability	-700	-1,098
Interest and dividend income	-198	-167
Interest expenses	146	241
Foreign exchange losses (gains)	110	572
Loss (gain) on sales and retirement of property, plant and equipment	-0	-18
Decrease (increase) in notes and accounts receivable - trade	13,427	17,859
Decrease (increase) in inventories	-4,108	2,346
Increase (decrease) in notes and accounts payable - trade	-999	-4,014
Other, net	-799	-1,166
Subtotal	15,412	20,194
Interest and dividend income received	156	127
Interest expenses paid	-119	-199
Income taxes paid	-3,708	-1,129
Net cash flows from operating activities	11,740	18,992
Cash flows from investing activities		
Proceeds from sales of investment securities	0	—
Proceeds from sales of property, plant and equipment	4	203
Purchase of property, plant and equipment	-1,116	-1,057
Purchase of intangible assets	-890	-936
Other, net	1	529
Net cash flows from investing activities	-2,001	-1,260
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-365	—
Repayment of long-term loans payable	—	-1,277
Proceeds from sales of treasury shares	1,616	—
Purchase of treasury shares	-1,616	-0
Cash dividends paid	-2,609	-2,575
Repayments of lease obligations	-18	-44
Decrease (increase) in deposits paid	7,247	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-7,433	—
Net cash flows from financing activities	-3,179	-3,898
Effect of exchange rate change on cash and cash equivalents	-84	-89
Net increase (decrease) in cash and cash equivalents	6,474	13,744
Cash and cash equivalents at beginning of period	43,061	45,637
Cash and cash equivalents at end of period	49,535	59,382

(4) Notes to the Consolidated Financial Statements

(Assumption of Going Concern)
Not applicable.

(Significant Changes in Shareholders' Equity)
(Cancellation of Treasury Shares)
At the Board of Directors meeting held on May 14, 2026, the Company resolved to cancel treasury shares pursuant to Article 178 of the Companies Act and cancelled 3,000,000 shares, ¥5,074 million of treasury shares on June 18, 2026. As a result, during the first half of the current fiscal year, capital surplus decreased by ¥5,074 million and treasury shares decreased by ¥5,074 million. Since the balance of other capital surplus fell into negative figures due to the cancellation of treasury shares, etc., other capital surplus is set at zero, and the negative figures are deducted from other retained earnings.
As a result, at the end of the first half of the current fiscal year, capital surplus amounted to ¥3,937 million, retained earnings amounted to ¥169,767 million, and treasury shares amounted to ¥13,456 million.

(Applying of Specific Accounting of the Consolidated Quarterly Financial Statements)
(Method of Calculating Income Tax)
Income tax amount is calculated principally by multiplying reasonably estimated annual effective tax rate through the half fiscal year ended September 30, 2026, with the effects of deferred taxes reflected, by the amount of year-to-date income before income taxes.

(Segment Information)
Sales and Income by Reportable Segment
Six months ended September 30, 2025 (Millions of yen)

	Reportable Segment			Total	Adjustment (Note 2)	Amount on Quarterly consolidated financial statement (Note 3)
	Japan	North America	Rest of World			
Net sales						
Revenue arising from contract with customers	67,250	24,061	16,809	108,120	—	108,120
Other revenue	—	—	—	—	—	—
Net sales to external customers	67,250	24,061	16,809	108,120	—	108,120
Inter-segment sales or transfers	13,658	1,502	462	15,623	- 15,623	—
Total	80,908	25,563	17,272	123,744	- 15,623	108,120
Segment income	5,856	804	440	7,101	- 359	6,741

(Notes)
1. The amounts are aggregated by region, based on the location of the Company or its consolidated subsidiaries.
2. Segment income adjustments of negative ¥359 million include ¥533 million for the unrealized gains on inventories and negative ¥899 million for amortization of goodwill and intangible assets.
3. Segment income is adjusted to coincide with operating income in the Consolidated Statement of Income.

Six months ended September 30, 2026 (Millions of yen)

	Reportable Segment			Total	Adjustment (Note 2)	Amount on Quarterly consolidated financial statement (Note 3)
	Japan	North America	Rest of World			
Net sales						
Revenue arising from contract with customers	55,929	29,232	18,207	103,369	—	103,369
Other revenue	—	—	—	—	—	—
Net sales to external customers	55,929	29,232	18,207	103,369	—	103,369
Inter-segment sales or transfers	14,183	1,983	320	16,487	- 16,487	—
Total	70,112	31,215	18,527	119,856	- 16,487	103,369
Segment income	3,495	1,633	572	5,701	- 1,688	4,013

(Notes)

1. The amounts are aggregated by region, based on the location of the Company or its consolidated subsidiaries.
2. Segment income adjustments of negative ¥1,688 million include negative ¥679 million for the unrealized gains on inventories and negative ¥1,009 million for amortization of goodwill and intangible assets.
3. Segment income is adjusted to coincide with operating income in the Consolidated Statement of Income.

(Subsequent Event)

(Transactions under Common Control)

At the Board of Directors meeting held on November 10, 2026, the Company resolved to make a contribution in kind of all of its shares in NeuroAdvanced Corp., a wholly owned subsidiary of the Company, to Nihon Kohden North America, Inc., also a wholly owned subsidiary of the Company. The Company also resolved to dissolve and liquidate a total of three companies: NeuroAdvanced Corp. as well as NeuroTech International Holdings LLC and NeuroTech International LLC, which are special purpose companies.

1. Outline of the transaction

(1) Name of the constituent company and its business description

Name of the constituent company: Nihon Kohden North America, Inc.

Business description: Management control for subsidiaries in the U.S.

Name of the constituent company: NeuroAdvanced Corp.

Business description: Holding company of companies that are engaged in R&D, production, and sales of medical equipment

(2) Date of business combination

December 31, 2026

(3) Legal form of business combination

Contribution in kind in Nihon Kohden North America, Inc. of all shares of NeuroAdvanced Corp. held by the Company

(4) Name of the company after the business combination

No change.

(5) Other matters concerning the outline of the transaction

Through this transaction, Ad-Tech Medical Instrument Corporation will be placed under Nihon Kohden North America, Inc. and integrated into its group management structure. This aims to strengthen governance and improve operational efficiency.

2. Outline of the accounting processes

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the transaction will be treated as a common control transaction.