

May 8, 2014

## NIHON KOHDEN CORPORATION (6849)

Stock Exchange Listing: 1<sup>st</sup> section Tokyo Stock Exchange  
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### **Nihon Kohden announces relocation and consolidation of R&D operations and establishment of an R&D facility**

Nihon Kohden today announced plans to relocate and consolidate R&D operations and establish an R&D facility in Tokorozawa City, Saitama Prefecture.

#### **1. Reason**

In its long-term vision, “The Change 2020 – The Global Leader of Medical Solutions,” Nihon Kohden aims to achieve sales of ¥200 billion, operating income of ¥25 billion and overseas sales ratio of 35% in the period ending March 2020. In order to realize this long-term vision, Nihon Kohden started a mid-term business plan, Strong Growth 2017, which aims at sustainable growth in Japan and strong growth in international markets. As part of its strategy to improve intellectual productivity and enhance R&D efficiency, the Company plans to improve its R&D environment.

Nihon Kohden’s existing main R&D base in Nishiochiai office in Tokyo is aging and undersized while the R&D staff has increased. Additionally, part of R&D departments and related departments are located in other offices such as Higashinakano office in Tokyo, Tsurugashima office or Kawamoto office in Saitama Prefecture. This leads to operational inefficiency.

To improve its operational efficiency, Nihon Kohden will establish a new R&D facility in front of Tokorozawa station, Saitama Prefecture, and lease several floors in the neighboring Seibu building (No.2). The new R&D facility will have electromagnetic compatibility test equipment in order to accelerate the development of new products and enhance the Company’s competitiveness.

#### **2. Overview**

##### **(1) R&D facility**

Location:	1-1 Kusunokidai, Tokorozawa, Saitama Prefecture
Start of construction (plan):	December 2014
Completion and relocation:	Spring 2016

Total floor area: approx. 15,800 m<sup>2</sup>, 10 floors above the ground  
Total investment amount: approx. 7 billion-yen  
Departments to be relocated (plan): R&D departments of medical electronic devices such as physiological measuring equipment, patient monitors, treatment equipment and hematology instruments

#### Rendering of R&D facility



#### (2) Seibu building (No.2) (several floors by lease)

Location: 1-11-2 Kusunokidai, Tokorozawa,  
Saitama Prefecture  
Relocation: Spring 2016  
Departments to be relocated (plan): Related departments such as Design Center

### 3. Effect on Operating Results of Nihon Kohden

The effect of this investment on the consolidated results for the fiscal year ending March 31, 2015 would be minor. The expenses of relocation and other items would be incurred in the fiscal year ending March 31, 2017.

### 4. Other

- The address of the head office in its article of incorporation will not be changed.
- There are several buildings in Nishiochiai office. Nihon Kohden will continue to use some parts of the buildings as a workplace. The Company will also consider other uses such as demolishing buildings and constructing parking space.
- The Company's management will remain in Higashinakano office.