# Corporate Value Creation Model

Through its business activities based on its Management Philosophy, Nihon Kohden is working to address social issues and offer value to society as well as attain sustainable development and enhance the corporate value of the Group.

## Realization of the Company's Management Philosophy

BEACON 2030

**Long-term Vision**

Illuminating Medicine for Humanity

| Operating Margin | Overseas Sales Ratio |
|---|---|
| 15% | 45% |

## Changes in the external environment of healthcare that Nihon Kohden Focuses On

### Social Issues
- Demographic changes
- Changes in structure of diseases
- Climate change/Natural disasters

### Medical Issues
- Sustainability of health service provision
- Ensuring quality of medical care
- Shortage of medical staff and review of work style
- Correction of healthcare disparities

### Trends in the Medical Device Industry
- Promoting digital transformation (DX) in healthcare
- Increase in supply chain risks
- Promotion of well-being
- Tightening of laws/regulations

## INPUT

### Main Investment Capital

#### Financial Capital
- **Sound financial structure**
  Current ratio **360**% (FY2025)

#### Human Capital
- **Diverse employees**
  Number of employees **6,116**
  Of which, Overseas 1,834 people (As of March 31, 2026)

#### Intellectual Capital
- **Proactive R&D investment**
  R&D expenses ¥**7.4** billion (FY2025)
- **Innovative technological development capabilities**
  Number of new products released **8** items (FY2025)

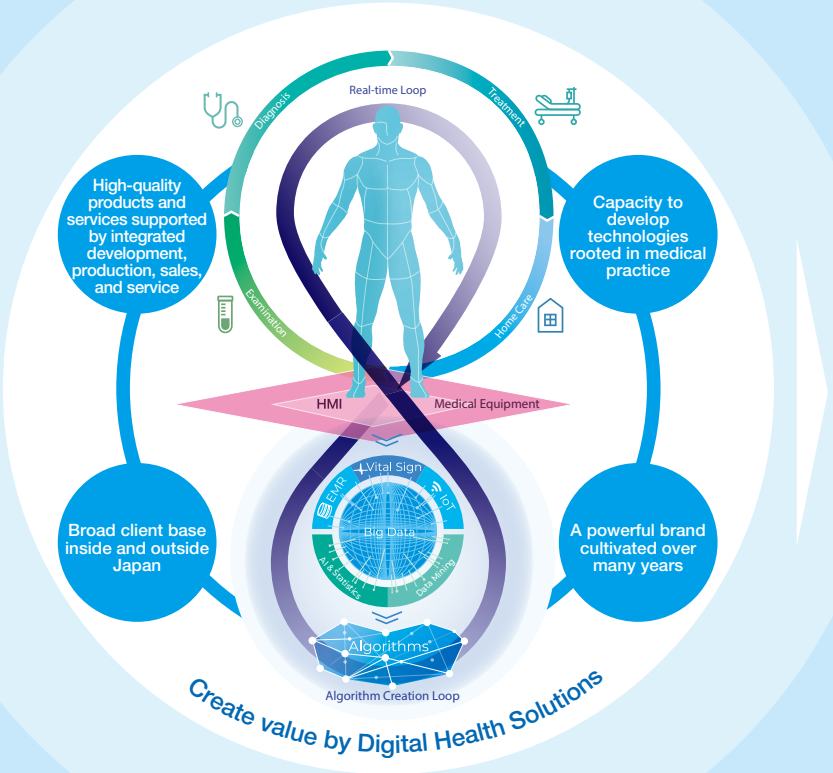
#### Manufacturing Capital/ Social Capital
Number of bases in Japan and overseas
- In Japan: **109** sales offices
- Overseas: **32** group companies

Areas in which products deployed: Over **120** countries (As of March 31, 2026)

#### Natural Capital
$CO_2$ emissions per unit of sales
**4.64** t-$CO_2$/¥100 million (FY2025)

Recycling rate **96.2**% (FY2025)

## 2030 VALUE CREATION COMPASS




## OUTPUT

### Targets of the Three-year Business Plan

FY2026 ending March 2027

| | |
|---|---|
| Sales | ¥256 billion |
| Domestic Sales | ¥157 billion |
| Overseas Sales (Overseas Sales Ratio) | ¥99 billion (38.7%) |
| Operating income (Operating margin) | ¥38.5 billion (15%) |
| Net income | ¥25 billion |
| ROE | 12% |

Results in FY2025

**Physiological Measuring Equipment**

| Net Sales | Composition ratio |
|---|---|
| ¥53.6 billion | 22.8% |


EEG-1290 Electroencephalograph

**Patient Monitors**

| Net Sales | Composition ratio |
|---|---|
| ¥84.2 billion | 35.8% |


WEP-1600 Telemetry System

**Treatment Equipment**

| Net Sales | Composition ratio |
|---|---|
| ¥56.2 billion | 23.9% |


NKV-440 Ventilator

**Other Medical Equipment**

| Net Sales | Composition ratio |
|---|---|
| ¥40.9 billion | 17.5% |


MEK-9200 Automated Hematology Analyzer

## OUTCOME

### Creating Social Value

#### Financial Capital
- Investment funds for sustainable growth
- Return to shareholders

#### Human Capital
- Human resources who take pride in their contribution to healthcare
- Respect for human rights
- Improving well-being

#### Intellectual Capital
- Technologies such as AI and green technology, that are the source of value co-creation

#### Social Capital
- Improve patient outcomes
- Reduce medical incidents
- Ease medical staff workload
- Improve economics of medical care

#### Natural Capital
- Realize carbon neutrality
- Promote circular economy

#### Production Capital
- Value chain which pursues the highest level of quality in the world