Ensuring Fair Trade Practices

We aim to achieve fair business practices across the entire value chain including our business partners as full participants.

Message from Operating Officer



Kentaro Yageta
Operating Officer,
General Manager of Production & Logistics Operations

To sustainably provide medical devices to its customers around the world, Nihon Kohden is committed to stable procurement of parts and materials through communication with its business partners. We ask all partners to understand and comply with the Nihon Kohden Procurement Policy and the Nihon Kohden Sustainable Procurement Standards, and to cooperate with our supplier questionnaire to support sustainable business relationships and strengthen collaboration. We sincerely appreciate their continued support.
During the COVID-19 pandemic, we came to recognize that medical equipment is closely linked to national security as one means of preventing the collapse of healthcare systems. In recent years, uncertainty in the global business environment has increased due to developments such as the situations in Ukraine and the Middle East. To fulfill our responsibility to ensure supply even in such an unstable environment, it is essential to maintain an organizational structure that can adapt flexibly to changing circumstances.
Beginning in FY2026, Nihon Kohden has established an organizational structure that reinforces collaboration between the Production Departments and the Supply Chain Management (SCM) Departments, thereby strengthening a fully integrated global SCM system encompassing procurement, production, logistics, and inventory management. We are also strengthening resilience through activities such as selecting recommended parts that achieve a balance of high quality, appropriate cost, and reliable delivery (QCD), and enhancing visibility into logistics. Under this system, we will continue our efforts to develop and deliver superior products while ensuring high standards of quality and safety by building strong and trusting relationships with our business partners. Through these initiatives, we contribute to supporting healthcare professionals and maintaining a safe and secure healthcare delivery system.

Approach to Sustainable Procurement

Nihon Kohden is committed to conducting sound and fair purchasing practices and promoting fair trade across the entire value chain including our business partners. To further reinforce sustainability in procurement and strengthen our collaboration with our business partners, we have implemented internal training on sustainable procurement and shared the concept with our business partners to foster understanding and cooperation.

Procurement Policy and Procurement Standards

We have established the Nihon Kohden Procurement Policy and the Nihon Kohden Sustainable Procurement Standards to broadly communicate and embed its procurement principles both within the company and externally. The Nihon Kohden Procurement Policy outlines our fundamental approach to procurement, while the Nihon Kohden Sustainable Procurement Standards specify the expectations we ask our business partners to meet in promoting sustainability through procurement. Through these standards, we aim to build strong relationships with our business partners and contribute to the realization of a truly prosperous and sustainable society.
In April 2023, we issued a Partnership Building Declaration to foster new partnerships by promoting collaboration, coexistence, and mutual prosperity with supply chain partners and other companies that share our commitment to value creation.

For further details, please refer to our website.
Procurement Policy and Procurement Standards

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Adherence to the Nihon Kohden Sustainable Procurement Standards

Nihon Kohden provides regular compliance training to all employees to ensure they maintain a correct understanding and awareness of sound and fair business practices. Procurement-related departments conduct annual training on relevant laws and regulations, such as the Fair Competition Code and the Subcontract Act. In FY2025, 47 employees participated in these sessions.
We maintain mutual communication with our business partners and ask for their understanding and compliance with the Nihon Kohden Sustainable Procurement Standards. We also request their cooperation in conducting self-assessments regarding their initiatives related to the environment, quality, and other aspects of sustainability.
In FY2025, we again requested the cooperation of our business partners in completing the Supplier Questionnaire to confirm their understanding of and adherence to the Nihon Kohden Sustainable Procurement Standards. The results, including each partner's initiatives and feedback, are shared internally and utilized to promote fair and responsible procurement.



Supplier Questionnaire

Nihon Kohden administers a questionnaire to all its business partners to promote sustainability in cooperation with its business partners.
As in FY2024, the survey continued to cover Environment, Human Rights, Quality Management, Health and Safety, and Governance. We shared a feedback sheet summarizing the questionnaire results with business partners who participated in the survey, enabling them to utilize the results in their future initiatives.
In FY2025, we reviewed and improved the operation of the questionnaire. Based on suppliers' response status and their responses to higher-risk questions, we worked to enable more effective discussions with our business partners on appropriate improvement measures. This enables us not only to assess the status of our business partners' sustainability initiatives but also to identify potential risks and issues at an early stage. Through dialogue, we aim to mitigate risks and build strong, trusting relationships.
Going forward, we will continue to review and improve the operation of the questionnaire, strengthen collaboration with our business partners to drive more focused improvements in higher-risk areas, and advance our sustainability efforts. (FY2025 response rate: 65.5%)

Questionnaire Results in FY2025

Overall	Sustainability and CSR efforts have made steady progress.
Environment	Efforts to establish and operate environmental management systems and to ensure compliance with environmental laws and regulations are progressing steadily. There remains room for improvement in areas such as management systems, climate change initiatives, and resource utilization.
Human Rights	Suppliers' efforts to respect human rights have generally been implemented appropriately, and no significant violations have been identified.
Quality Management	Efforts to ensure the safety of products and services and stable supply are generally progressing appropriately. Measures to address quality issues have also been implemented appropriately.
Health and Safety	Necessary safety measures are generally in place, including health and safety policies and systems. Occupational accident tracking and internal audits have also been conducted appropriately.
Governance	Governance has progressed through initiatives such as the evaluation of Board effectiveness, while opportunities remain to further strengthen ESG-related expertise. Compliance with laws and regulations and information management have generally been implemented appropriately. Efforts to enhance information security are also being promoted.