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 **15%**

Overseas Sales Ratio **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 **253%** (FY2024)

Human Capital
- **Diverse employees**
  Number of employees **6,114**
  Of which, Overseas 1,807 people (As of March 31, 2025)

Intellectual Capital
- **Proactive R&D investment**
  R&D costs **¥6.8 billion** (FY2024)
- **Innovative technological development capabilities**
  Number of new products released **8 items** (FY2024)

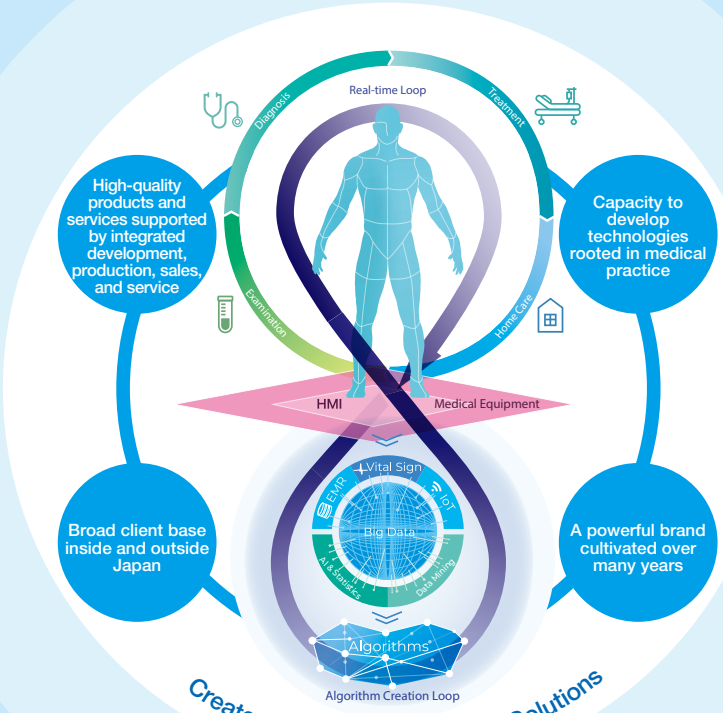
Manufacturing Capital/ Social Capital
Number of bases in Japan and overseas
- In Japan: **111** sales offices
- Overseas: **31** group companies

Areas in which products deployed: Over **120** countries (As of March 31, 2025)

Natural Capital
CO_2 emissions per unit of sales
4.80 t-CO_2/¥100 million (FY2024)

Recycling rate **95.6%** (FY2024)

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 income margin)	¥38.5 billion (15%)
Net income	¥25 billion
ROE	12%

Results in FY2024

Physiological Measuring Equipment



Net Sales ¥46.8 billion | Composition ratio 20.8%

EEG-1260 Electroencephalograph

Patient Monitors



Net Sales ¥84.9 billion | Composition ratio 37.7%

BSM-5700 Bedside Monitor

Treatment Equipment



Net Sales ¥53.1 billion | Composition ratio 23.6%

AED-3250 Automated External Defibrillator

Other Medical Equipment



Net Sales ¥40.4 billion | Composition ratio 17.9%

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