Consolidated Financial Highlights for the First Half of FY2026 ending March 31, 2027

1. Consolidated Financial Results for FY2026 1H
2. Forecast for FY2026
3. Business Strategy

NIHON KOHDEN CORPORATION
(Securities Code: 6849)
November 11, 2026

1 Consolidated Financial Results for the First Half of FY2026

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1.1) Executive Summary

In FY26 2Q, overseas sales increased significantly, mainly in North America, and operating income increased excluding the impact of Abbott products

FY2026 1H

Overall sales YoY -4.4%; On a local currency basis excl. Abbott products +2%
Operating income -40.5%

- **Sales:** Domestic sales -1% excl. Abbott products; Overseas sales +6% on a local currency basis
  Domestic sales In-house medical devices, consumables, and services increased
  Overseas sales North America, Latin America, and Europe achieved double-digit growth both on a yen basis and on a local currency basis
- **Operating income** decreased due to lower domestic sales and higher SG&A expenses caused by wage increases. Gross margin improved significantly due to favorable product mix

FY2026 2Q

Overall sales YoY -3.7%; On a local currency basis excl. Abbott products +3%
Operating income -6.5%

- **Sales:** Domestic sales -2% excl. Abbott products; Overseas sales +10% on a local currency basis
  Domestic sales In-house products remained flat. Third-party products decreased due to restraining sales of locally purchased products and delays in supply of imaging systems
  Overseas sales increased significantly mainly in North America thanks to the installation of large orders for patient monitors
- **Operating income** increased excl. Abbott products mainly due to U.S. tariff refunds

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1.2) Executive Summary

Aiming for operating income improvement in FY26 2H by focusing on selling in-house products

FY2026 Forecast

- **Sales:** Revised downward by ¥4 bn to ¥228.5 bn
  Domestic sales are revised downward by ¥7.5 bn. +2% excl. Abbott products.
  Reflecting continued cautious capital expenditure on medical equipment in FY26 1H and delays in supply of third-party products
  Overseas sales are revised upward by ¥3.5 bn;
  Organic: -¥3 bn; currency effect: +¥5.1 bn; Ad-Tech's fiscal term change: +¥1.4 bn
  +13% on a yen basis; +6% on a comparable basis excl. currency effect and Ad-Tech's fiscal term change
- **Operating income:** Revised downward by ¥6.5 bn to ¥17 bn due to lower sales and gross margin than expected.
  Restraining the increase of SG&A expenses on a comparable basis excl. currency effect and Ad-Tech's fiscal term change

FY2026 2H Forecast

- **Sales:** Mid-single-digit growth; Domestic sales low-single-digit growth; Overseas sales high-single-digit growth, on a comparable basis, excl. currency effect, Ad-Tech's fiscal term change, and Abbott products
- **Operating income**: High-single-digit growth
  Securing gross margin of 54% or more and restraining the increase of SG&A expenses

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2) Consolidated Operating Results for FY2026 1H/2Q

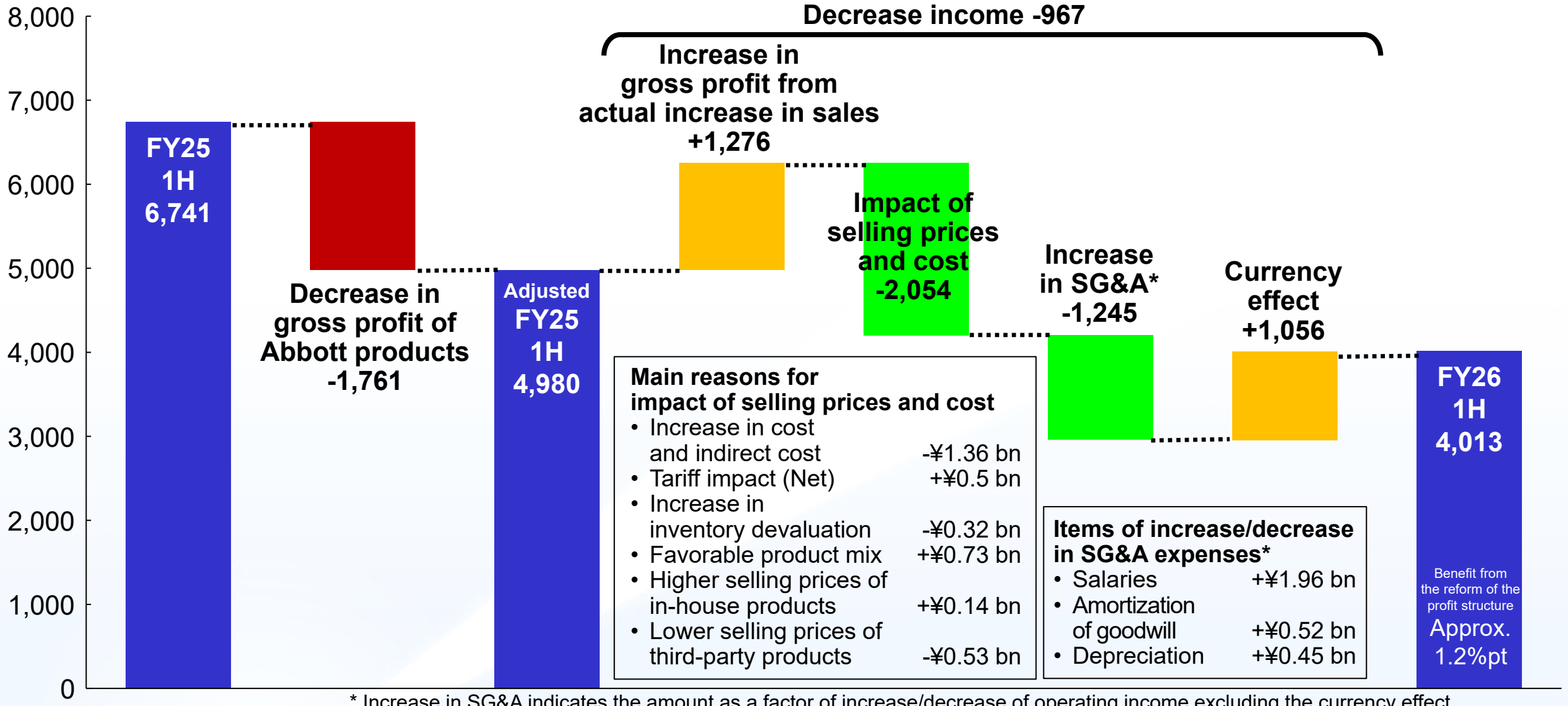
(Amounts of less than ¥1 million are rounded down)

	FY2025 1H	FY2026 1H	YoY (%)		FY2025 2Q	FY2026 2Q	YoY (%)	
Net sales	108,120	**103,369**	- 4.4	+2% on a local currency basis excl. Abbott products	58,100	**55,963**	- 3.7	+3%
Domestic sales	66,880	**55,733**	- 16.7	-1% excl. Abbott products	36,194	**29,652**	- 18.1	-2%
Overseas sales	41,240	**47,635**	15.5	+6% on a local currency basis	21,906	**26,310**	20.1	+10%
Gross profit (Gross margin)	56,798 52.5%	**57,168** 55.3%	0.7		30,481 52.5%	**31,709** 56.7%	4.0	
SG&A expenses (SG&A ratio)	50,056 46.3%	**53,155** 51.4%	6.2		25,140 43.3%	**26,712** 47.8%	6.3	
Operating income (Operating margin)	6,741 6.2%	**4,013** 3.9%	- 40.5		5,341 9.2%	**4,996** 8.9%	- 6.5	
Ordinary income	6,732	**3,032**	- 55.0	Foreign exchange losses: ¥0.15 bn → ¥1.04 bn	6,259	**3,371**	- 46.1	
Income attributable to owners of parent	4,524	**1,976**	- 56.3		4,387	**2,732**	- 37.7	
Average exchange rate (yen) 1 USD/1 EUR	146.7/166.8	160.2/185.4			147.0/170.7	160.8/185.4		

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3.1) Breakdown of Operating Income for FY2026 1H

(Amounts of less than ¥1 million are rounded down)

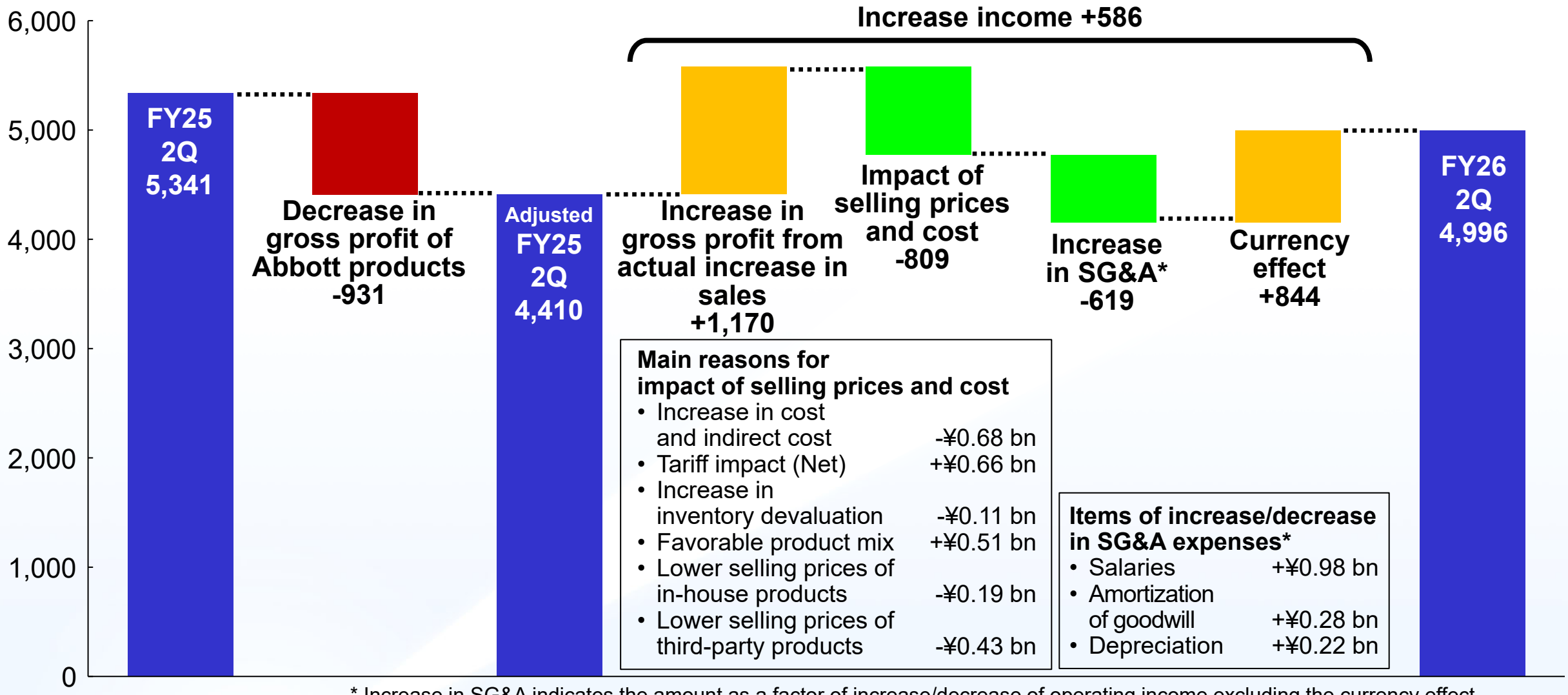


* Increase in SG&A indicates the amount as a factor of increase/decrease of operating income excluding the currency effect.
Items of increase/decrease in SG&A expenses indicate major components of increased/decreased SG&A expenses on a yen basis.

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3.2) Breakdown of Operating Income for FY2026 2Q

(Amounts of less than ¥1 million are rounded down)

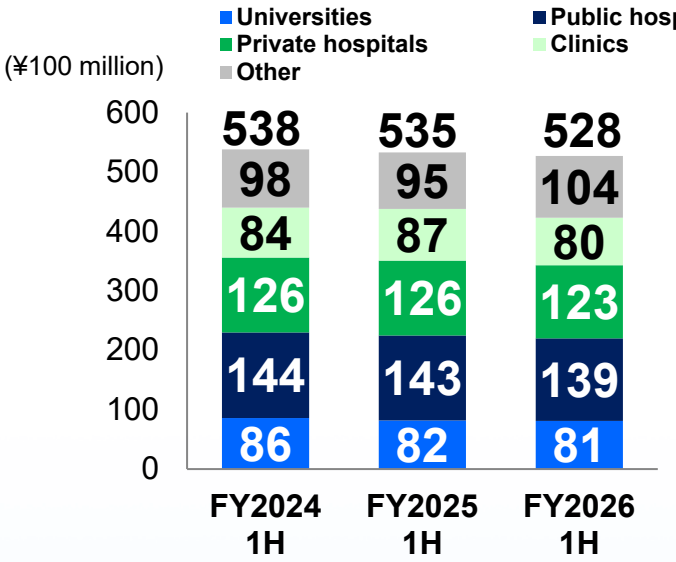


* Increase in SG&A indicates the amount as a factor of increase/decrease of operating income excluding the currency effect.
Items of increase/decrease in SG&A expenses indicate major components of increased/decreased SG&A expenses on a yen basis.

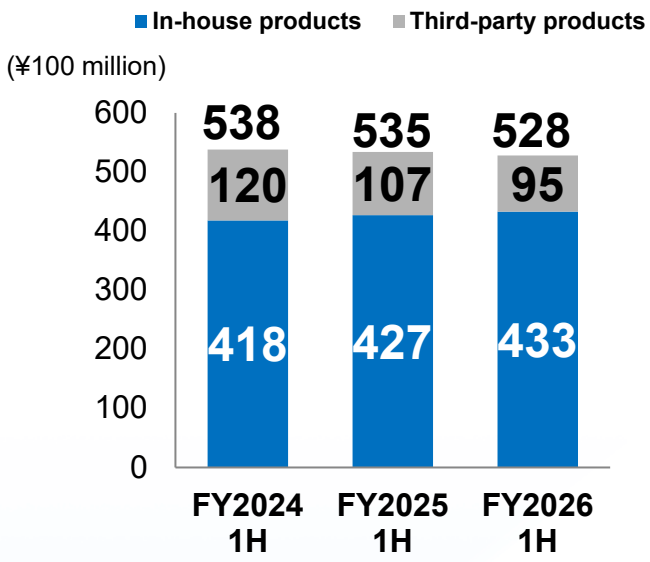
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4) Domestic Sales (excl. Abbott products)

Sales by market



Sales of in-house/ third-party products



Sales by product category

(Sales, millions of yen)

Domestic sales excl. Abbott products	FY2025 1H	FY2026 1H	YoY (%)
Physiological Measuring Equipment	8,762	**8,886**	1.4
Patient Monitors	19,990	**20,097**	0.5
Treatment Equipment	10,453	**9,967**	- 4.7
Other Medical Equipment	14,314	**13,921**	- 2.7
Total sales	53,520	**52,873**	- 1.2
(Reference)			
Medical Devices	23,021	**23,009**	- 0.1
Consumables and Services	30,499	**29,863**	- 2.1

[Markets] Sales in the university, public hospital, private hospital, and clinic markets decreased. Sales in the other market increased due to favorable sales of hematology instruments and reagents for private companies.

[Products] **In-house/third-party products:** Sales of in-house products increased due to favorable sales of clinical information systems and hematology instruments and reagents. Sales of third-party products decreased due to lower sales of imaging systems and locally purchased products.

Physiological Measuring Equipment: Sales of polygraphs for cath lab increased favorably and sales of neurology products also increased. Sales of diagnostic information systems remained flat. Sales of ECGs decreased.

Patient Monitors: Sales of clinical information systems increased significantly. Sales of transmitters increased favorably thanks to the launch of new products. Sales of consumables such as sensors decreased.

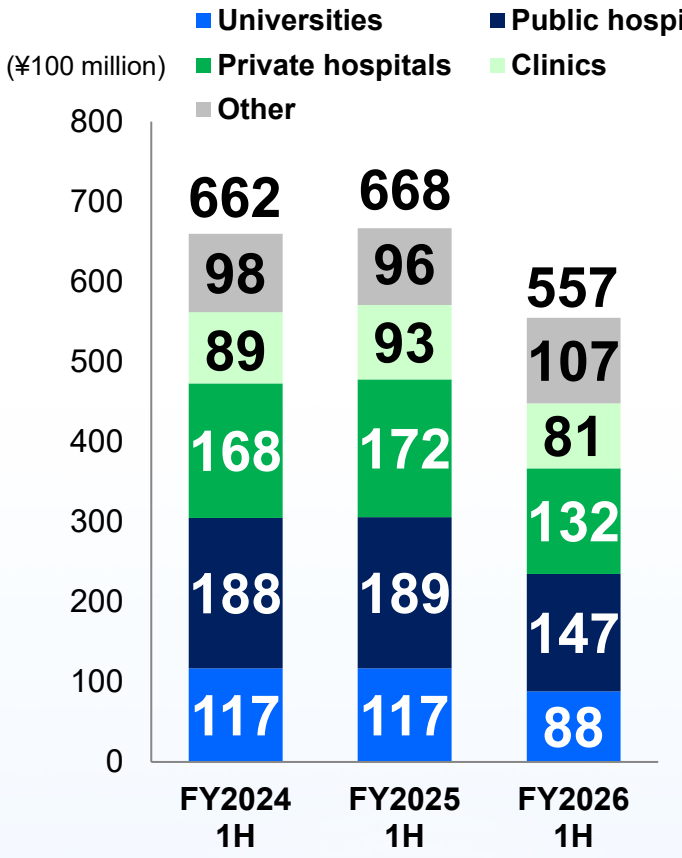
Treatment Equipment: Sales of third-party products such as discontinued cochlear implants decreased. Sales of AEDs decreased in FY26 1H, while sales in FY26 2Q increased.

Other Medical Equipment: Sales of imaging systems and locally purchased products decreased. Sales of hematology instruments and reagents achieved double-digit growth.

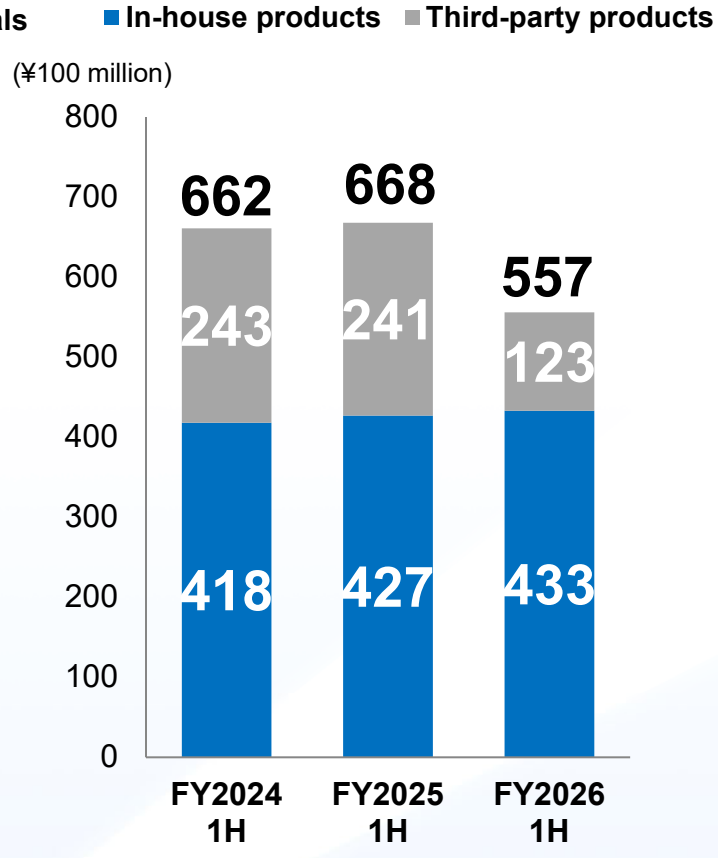
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(Ref.) Domestic Sales (incl. Abbott products)

Sales by market



Sales of in-house/ third-party products



Sales by product category

(Sales, millions of yen)

Domestic sales incl. Abbott products	FY2025 1H	FY2026 1H	YoY (%)
Physiological Measuring Equipment	17,892	**10,911**	- 39.0
Patient Monitors	19,990	**20,097**	0.5
Treatment Equipment	14,682	**10,802**	- 26.4
Other Medical Equipment	14,314	**13,921**	- 2.7
Total sales	66,880	**55,733**	- 16.7
(Reference)			
Medical Devices	24,080	**23,310**	- 3.2
Consumables and Services	42,800	**32,422**	- 24.2

Sales of Abbott products	FY2025 1H	FY2026 1H	YoY (%)
Physiological Measuring Equipment	9,130	**2,024**	- 77.8
Treatment Equipment	4,229	**834**	- 80.3
Total sales	13,359	**2,859**	- 78.6
(Reference)			
Medical Devices	1,058	**300**	- 71.6
Consumables and Services	12,301	**2,559**	- 79.2

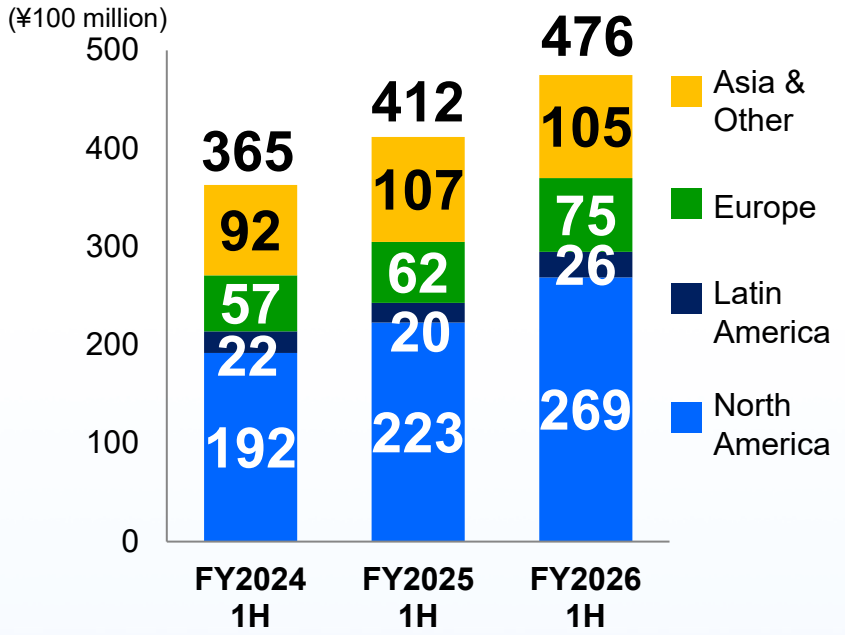
[Transfer of operations for Abbott products]
Completed approx. 98% as of Sep. 30, 2026
Planned to complete 100% as of Dec. 31, 2026

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5) Overseas Sales

Overseas sales: YoY +16%
(on a local currency basis: +6%)

Sales by region



	YoY	Local currency basis
Asia & Other	-1%	-8%
Europe	+21%	+10%
Latin America	+30%	+17%
North America	+21%	+10%

Overseas sales ratio

FY2025 1H	**FY2026 1H**
38.1%	**46.1%**

Sales by product category

(Sales, millions of yen)

	FY2025 1H	**FY2026 1H**	YoY (%)	Local currency basis (%)
Physiological Measuring Equipment	8,161	**9,110**	11.6	3
Patient Monitors	17,568	**20,583**	17.2	7
Treatment Equipment	11,604	**13,584**	17.1	7
Other Medical Equipment	3,906	**4,357**	11.6	3
Total sales	41,240	**47,635**	15.5	6
(Reference)				
Medical Devices	25,797	**29,340**	13.7	4
Consumables and Services	15,442	**18,295**	18.5	9

[Region] Sales in North America, Latin America, and Europe achieved double-digit growth. Sales in Asia & Other decreased mainly in the Middle East & Africa compared to the strong growth due to large orders in FY25 1H.

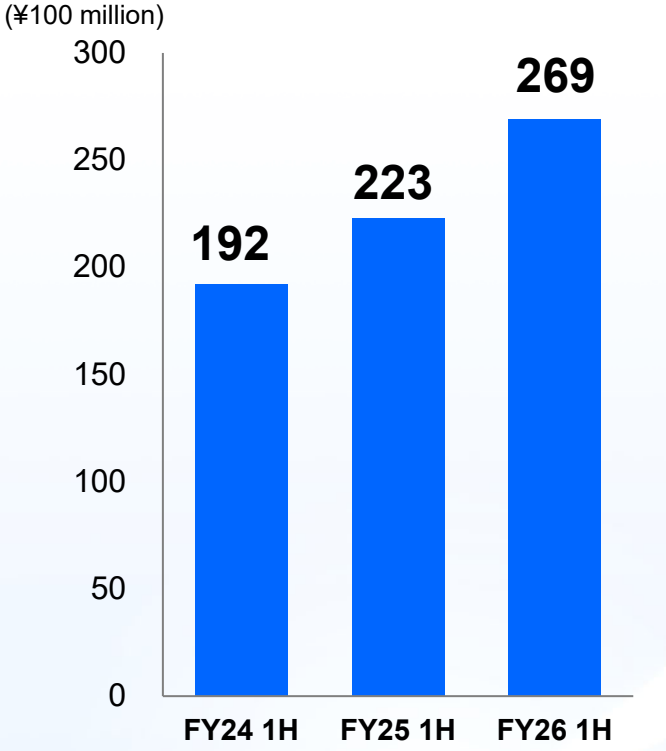
[Products] **Physiological Measuring Equipment:** Sales of neurology products and ECGs increased significantly in Europe. Sales of neurology products achieved double-digit growth in North America and Latin America. Sales in Asia & Other decreased.
Patient Monitors: Sales in North America and Europe achieved double-digit growth. Sales in Latin America increased on a yen basis. Sales in Asia & Other decreased.
Treatment Equipment: Sales in all regions achieved double-digit growth. Sales of ventilators increased significantly in North America and Latin America. Sales of AEDs also increased significantly in Europe. In Asia & Other, sales of ventilators, defibrillators, and AEDs achieved double-digit growth.

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5.1) Sales in North America

- **Double-digit growth on yen basis / local currency basis in FY26 1H, driven by installation of large orders for Patient Monitors in FY26 2Q**
- **Strong growth of patient monitors and ventilators, double-digit growth of neurology products, decline in sales of AEDs**

YoY +21%
(Local currency basis +10%)



[Product Category] * YoY on a local currency basis

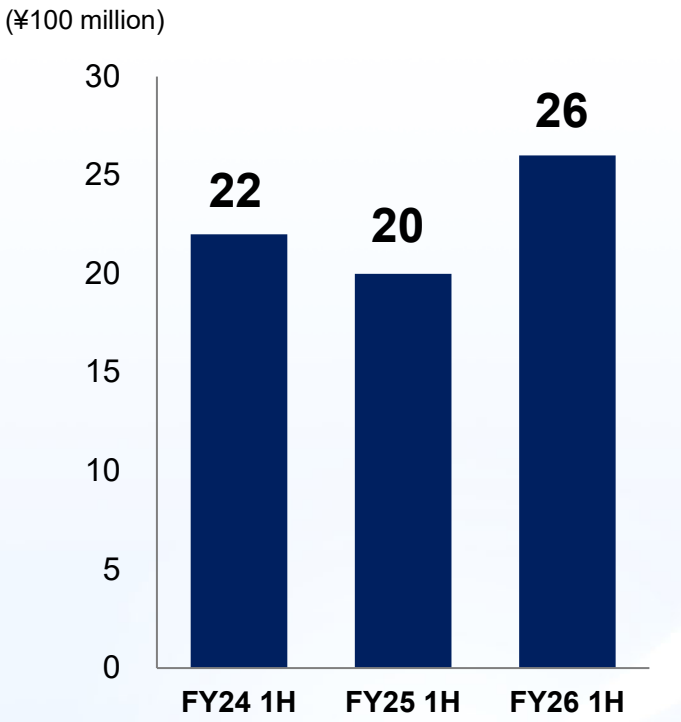
- **Physiological Measuring Equipment:** high-single-digit growth
  Favorable growth of neurology products and home sleep recorders
- **Patient Monitors:** high-teen growth
  Double-digit growth of medical devices as well as consumables and services driven by installation of large orders in FY26 2Q
- **Treatment Equipment:** low-single-digit growth
  Strong growth of ventilators: Strong growth of mask-type / intubated-type ventilators. Decline in sales of AEDs

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5.2) Sales in Latin America

- **Double-digit growth in FY26 1H, thanks to strong growth in Brazil and Mexico in FY26 2Q**

YoY +30%
(Local currency basis +17%)



[Product Category] * YoY on a local currency basis

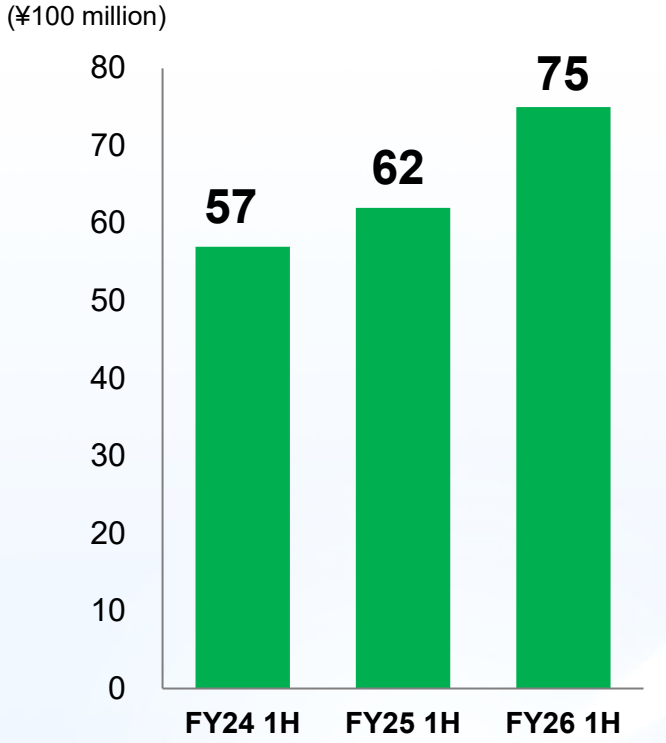
- **Physiological Measuring Equipment:** high-single-digit growth
  Double-digit growth of neurology products. Decline in sales of ECGs
- **Patient Monitors:** high-single-digit decline
  Decline in Peru compared to strong growth in FY25 1H.
  Favorable growth in Brazil and Mexico
- **Treatment Equipment:** high-20% growth
  Significant growth of ventilators.
  Double-digit growth of defibrillators and AEDs
- **Other Medical Equipment:** high-30% growth
  Growth of maintenance services for medical devices in Mexico

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5.3) Sales in Europe

- **Increased significantly thanks to large orders in Greece, Poland, and the U.K., as well as strong growth in the Netherlands and Germany**

YoY +21%
(Local currency basis +10%)



[Product Category] * YoY on a local currency basis

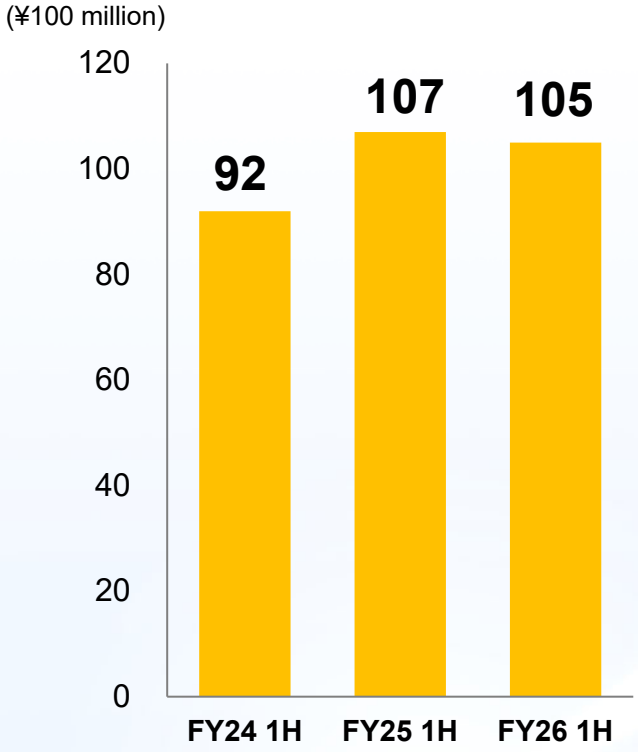
- **Physiological Measuring Equipment:** low-30% growth
  Significant growth of ECGs thanks to large orders in Greece.
  Double-digit growth of neurology products
- **Patient Monitors:** high-single-digit growth
  Strong growth especially in Poland and the U.K. thanks to large orders as well as favorable growth in Germany
- **Treatment Equipment:** mid-teen growth
  Strong growth of AEDs mainly in the Netherlands
- **Other Medical Equipment:** high-30% decline
  Decline in sales of hematology instruments and reagents

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5.4) Sales in Asia & Other

- **Decreased in FY26 1H, mainly due to lower sales in the Middle East & Africa in FY26 2Q compared to strong growth thanks to large orders in FY25 2Q**

YoY -1%
(Local currency basis -8%)



[Product Category] * YoY on a local currency basis

- **Physiological Measuring Equipment:** mid-20% decline
  Decline in sales of neurology products and ECGs compared to strong growth in FY25 1H
- **Patient Monitors:** low-20% decline
  Decline mainly in Morocco, Thailand, and India compared to strong growth in FY25 1H
- **Treatment Equipment:** high-single-digit growth
  Favorable growth of defibrillators thanks to large orders in Saudi Arabia.
  Favorable growth of ventilators and AEDs
- **Other Medical Equipment:** high-single-digit growth

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(Ref.) Sales / Gross Margin by Product Category

(Sales, millions of yen)

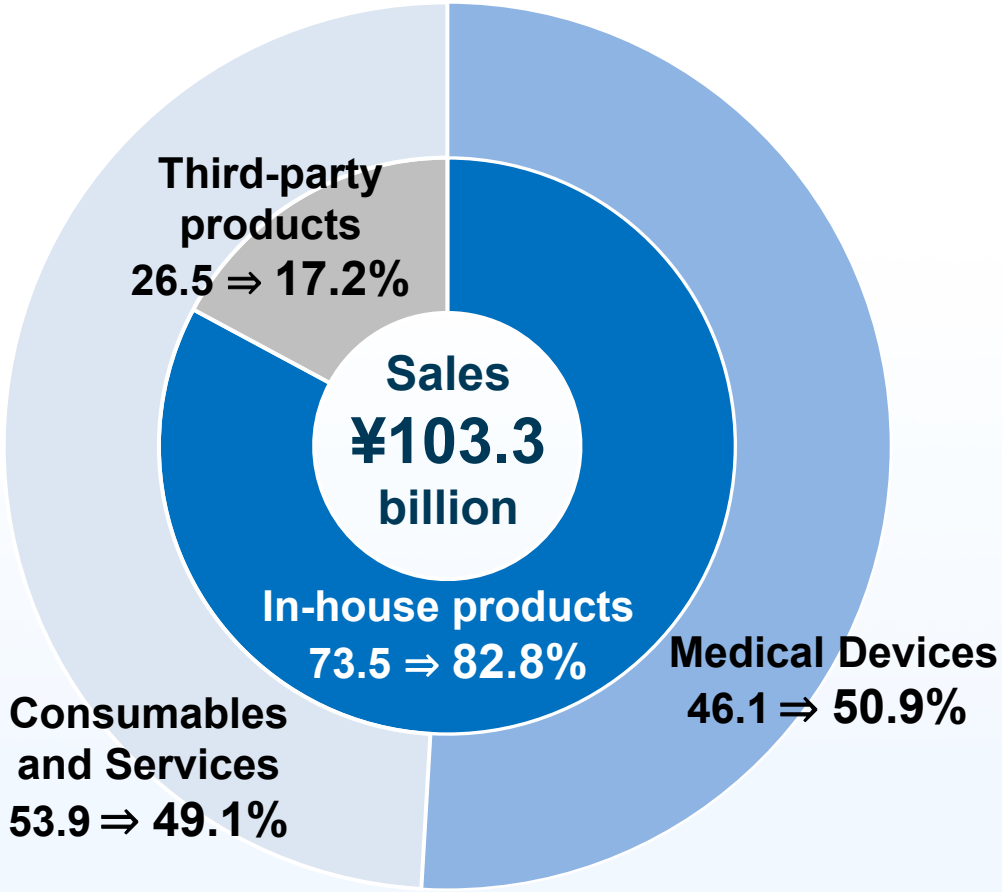
	FY2025 1H	**FY2026 1H**	YoY (%)	excl. Abbott products (%)
Physiological Measuring Equipment	26,053 (45%)	**20,021 (53%)**	- 23.2	6.3
Patient Monitors	37,559 (65%)	**40,680 (64%)**	8.3	—
Treatment Equipment	26,287 (45%)	**24,386 (46%)**	- 7.2	6.8
Other Medical Equipment	18,220 (49%)	**18,279 (51%)**	0.3	—
Total sales	108,120 (53%)	**103,369 (55%)**	- 4.4	6.1

(Reference)

Medical Devices	49,877 (54%)	**52,650 (55%)**	5.6	7.2
Consumables and Services	58,242 (51%)	**50,718 (56%)**	- 12.9	4.8

*The figures in parentheses in the table are gross margins.

Sales composition by product category
(FY2025 1H ⇒ FY2026 1H)



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(Ref.) Breakdown of Sales by Product Category

	FY2025 1H	**FY2026 1H**	YoY (%)
Neurology Products	7,780	**8,091**	4.0
ECGs (Electrocardiographs)	3,002	**3,058**	1.9
Polygraphs for Cath Lab **	9,672	**2,603**	- 73.1
Diagnostic Information Systems	2,587	**2,599**	0.5
Other Physiological Measuring Equipment *	3,010	**3,669**	21.9
Physiological Measuring Equipment	26,053	**20,021**	- 23.2

*Includes products of other companies.

	FY2025 1H	**FY2026 1H**	YoY (%)
Patient Monitors	37,559	**40,680**	8.3
Clinical Information Systems	1,998	**2,837**	42.0

	FY2025 1H	**FY2026 1H**	YoY (%)
Defibrillators (for Hospital and Ambulance)	4,066	**4,481**	10.2
AEDs (Automated External Defibrillator)	12,158	**12,518**	3.0
Ventilators	4,738	**5,972**	26.1
Pacemakers / ICDs **	1,357	**325**	- 76.0
Other Treatment Equipment **	3,966	**1,089**	- 72.5
Treatment Equipment	26,287	**24,386**	- 7.2

(Ref.) AED Unit Sales (units)	60,100	**56,100**	- 6.7
Domestic Unit Sales (units)	33,600	**30,700**	- 8.6

	FY2025 1H	**FY2026 1H**	YoY (%)
Hematology Instruments	6,371	**6,746**	5.9
Imaging Systems and Others *	11,848	**11,533**	- 2.7
Other Medical Equipment	18,220	**18,279**	0.3

*Includes consumables, installation and maintenance services which are not part of other categories.

**Includes Abbott products scheduled to be discontinued at the end of December 2026.

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6) Financial Position

(Amounts of less than ¥1 million are rounded down)

	FY2025	**FY2026 1H**	Change
Current assets	177,808	**170,710**	- 7,098
Inventories	55,992	**53,459**	- 2,533
Property, plant & equipment	32,250	**31,127**	- 1,123
Intangible assets	27,222	**27,142**	- 79
Investments & other assets	19,256	**20,585**	1,328
Total assets	256,538	**249,566**	- 6,972

	FY2025	**FY2026 1H**	Change
Current liabilities	49,428	**43,138**	- 6,290
Interest-bearing debt	50	**50**	—
Non-current liabilities	27,286	**26,054**	- 1,231
Interest-bearing debt	22,388	**21,111**	- 1,277
Net assets	179,824	**180,373**	549
Total liabilities & net assets	256,538	**249,566**	- 6,972

Inventory turnover (months)	5.9	**5.9**	

Equity ratio	70.1%	**72.2%**	

[Reasons for decrease of current assets]
Notes and accounts receivable decreased by ¥17.9 bn.

[Reasons for decrease of current liabilities]
Notes and accounts payable decreased by ¥4.2 bn.
Accrued expenses decreased by ¥1.1 bn.

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7) Cash Flows

(Amounts of less than ¥1 million are rounded down)

	FY2025 1H	**FY2026 1H**	Change
Ⅰ. Net cash flows from operating activities	11,740	**18,992**	7,252
Ⅱ. Net cash flows from investing activities	- 2,001	**- 1,260**	741
Free cash flows	9,739	**17,732**	7,993
Ⅲ. Net cash flows from financing activities	- 3,179	**- 3,898**	- 718
Effect of exchange rate change on cash and cash equivalents	- 84	**- 89**	- 4
Net increase (decrease) in cash and cash equivalents	6,474	**13,744**	7,270
Cash and cash equivalents at end of period	49,535	**59,382**	9,846

(Billions of yen)

	FY25 1H	FY26 1H	Change
Income before income taxes	6.7	3.0	-3.6
Decrease (increase) in accounts receivable	13.4	17.8	+4.4
Decrease (increase) in inventories	-4.1	2.3	+6.4
Increase (decrease) in accounts payable	-0.9	-4.0	-3.0
Income taxes paid	-3.7	-1.1	+2.5

	FY25 1H	FY26 1H	Change
Cash dividends paid	-2.6	-2.5	+0

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8) Capital Investment and R&D Expenses

(Amounts of less than ¥1 million are rounded down)

	FY2025 1H	**FY2026 1H**	Change	FY2025 Actual	FY2026	
					Original forecast announced May 14	Revised forecast announced Nov 10
Capital investment	1,721	**1,661**	- 59	7,807	6,000	6,000
Depreciation	2,164	**2,649**	484	4,757	6,000	6,400
R&D expenses	3,339	**3,596**	257	7,453	7,700	7,700

● FY2026 capital investment plan

Molds for new products, measuring equipment and jigs, products for demonstration, production equipment, and introduction of new CRM[*1]

PLM/MES[*2] systems

Capital Investments: approx. ¥3.0 bn < FY22: ¥0.3 bn, FY23: ¥0.5 bn, FY24: ¥0.9 bn
FY25: ¥0.9 bn, FY26 : ¥0.3 bn ~

PLM: Started operation in Sep. 2025
MES: Started operation in Nov. 2025

Tsurugashima Production Center

Total investments: approx. ¥11.0 bn < FY22: ¥2.3 bn (Acquisition of the site)
~FY24: ¥4.1 bn, FY25: ¥2.9 bn (Building and facilities)
FY26: ¥0.3 bn (Facilities) ~

Construction: Started in July 2024
Completed in Oct. 2025
Operation: Started in Mar. 2026

*1 CRM: Customer Relationship Management including Sales Force Automation function *2 PLM: Product Life-cycle Management, MES: Manufacturing Execution System

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2 Forecast for FY2026

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1) Business Environment

The global economic outlook is expected to remain uncertain due to geopolitical risks and policy trends in the U.S., as well as higher oil prices and difficulties in procuring parts and components

Japan

Securing medical staff and promoting reforms in their work style

Medical service fees rose by 3.09% in June 2026.
Responses to price and wage inflation. Urgent measures to address deterioration of medical institutions' business environment

Transformation to a more efficient, higher-quality healthcare system. Establishing integrated community care systems

Funds for securing comprehensive medical and long-term care in the community: FY2026 budget ¥96 bn for medical care

Deterioration of medical institutions' business due to price and wage inflation

Government subsidy program for improving operational efficiency and workplace environment by introducing ICT in medical institutions and for addressing price and wage inflation

International

U.S.

- Future policy trends such as tariffs and proposed budget cuts to public health insurance should be monitored carefully

Europe

- Demand for medical devices is gradually recovering

Emerging countries

- Middle East & Africa:
  Sluggish business negotiations
- Southeast Asia: Impact of higher oil prices

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2) Forecast for FY2026

(Amounts of less than ¥1 million are rounded down)

	FY2025 Actual	FY2026 Original forecast announced May 14	FY2026 Revised forecast announced Nov 10	YoY (%)
Net sales	235,099	232,500	228,500	- 2.8
Domestic sales	144,406	133,500	126,000	- 12.7
Overseas sales	90,693	99,000	102,500	13.0
Gross profit (Gross margin)	121,726 51.8%	129,000 55.5%	125,000 54.7%	2.7
SG&A expenses (SG&A ratio)	102,981 43.8%	105,500 45.4%	108,000 47.3%	4.9
Operating income (Operating margin)	18,745 8.0%	23,500 10.1%	17,000 7.4%	- 9.3
Ordinary income	22,544	23,500	16,000	- 29.0
Income attributable to owners of parent	14,513	15,000	10,500	- 27.7
Overseas sales ratio	38.6%	42.6%	44.9%	
Average exchange rate (yen) 1 USD/1 EUR	150.5/174.2	150/175	158/181	FY2026 2H 157/178

- **Net sales**: +4% on a comparable basis excl. currency effect, Ad-Tech's fiscal term change, and Abbott products
- **Domestic sales**: +2% excl. Abbott products
- **Overseas sales**: +8% on a local currency basis; +6% on a local currency basis excl. Ad-Tech's fiscal term change

Overseas sales by region

	FY2025 Actual	FY2026 Original forecast announced May 14	FY2026 Revised forecast announced Nov 10	YoY (%)
North America	49,808	56,300	58,300	17.0
Latin America	5,613	6,200	6,400	14.0
Europe	13,649	13,800	14,100	3.3
Asia & Other	21,621	22,700	23,700	9.6
Total	90,693	99,000	102,500	13.0

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3) Reasons for Revisions

Net sales
[down ¥4.0 bn from previous forecast]

Domestic sales
[down ¥7.5 bn]

- +2% excl. Abbott products
- Reflecting continued cautious capital expenditure on medical equipment in 1H and delays in supply of third-party products
- AEDs: expected to exceed original forecast due to recovery from 2Q

Overseas sales
[up ¥3.5 bn]

FX: up ¥5.1 bn
Ad-Tech: up ¥1.4 bn
Organic: down ¥3.0 bn

- +13% on yen basis;
  +6% on comparable basis excl. currency effect and Ad-Tech's fiscal term change
- Aiming at sales growth in all regions; +10% in North America
- 2H: expected steady demand for medical equipment mainly in North America, India, and Southeast Asia, decline in AED sales to distributors, sluggish business negotiations due to conflicts in the Middle East

Operating income
[down ¥6.5 bn]
Ordinary income
[down ¥7.5 bn]
Net income
[down ¥4.5 bn]

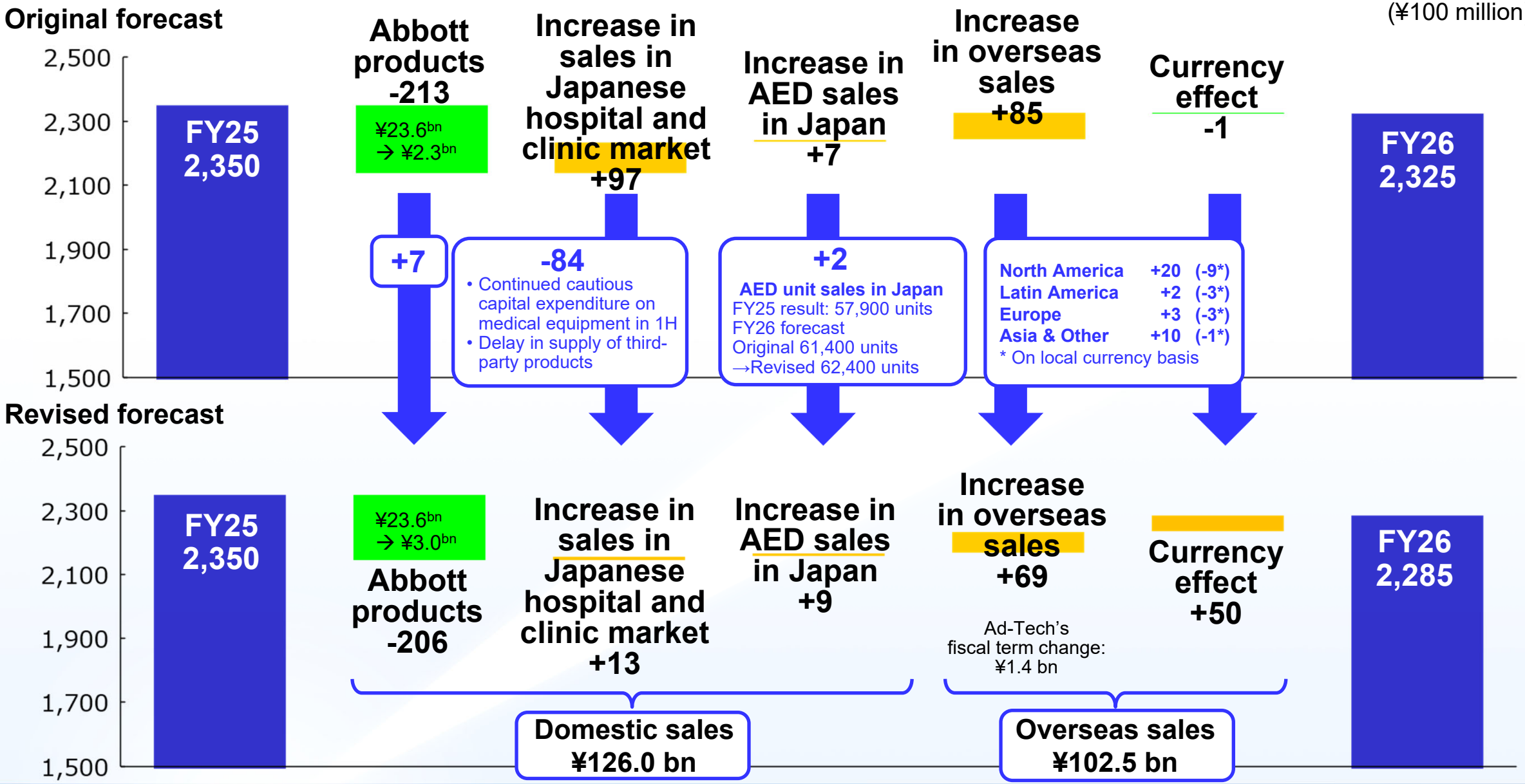
- Sales and gross margin are expected to fall short of original forecast.
  Gross margin is expected to improve YoY, supported by a favorable product mix, but remain below original forecast due to higher prices of components and price competition for consumables in Japan.
  SG&A expenses are expected to be restrained excl. currency effect and Ad-Tech's fiscal term change
- 2H YoY: Sales: mid-single-digit growth; Domestic sales: low-single-digit growth; Overseas sales: high-single-digit growth, on a comparable basis excl. currency effect, Ad-Tech's fiscal term change, and Abbott products, Operating income: high-single-digit growth; Securing gross margin of 54% or more, restraining the increase of SG&A expenses

*The Company incorporates negative factors worth ¥1.8 bn for sales and ¥1.2 bn for operating income caused by conflicts in the Middle East into its full-year forecast, reflecting anticipated lower sales and higher shipping costs, respectively.

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3.1) Analysis of FY2026 Sales Forecast

(¥100 million)

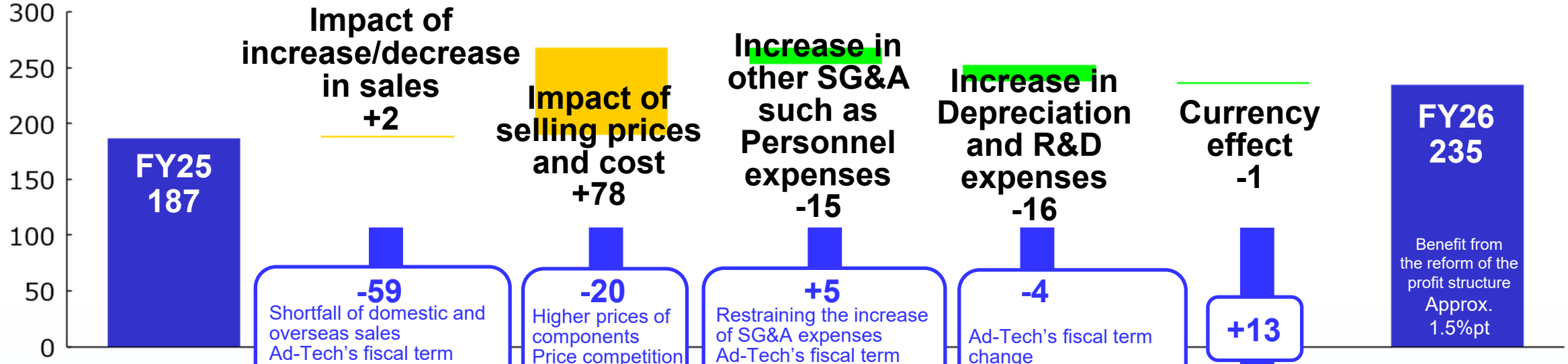


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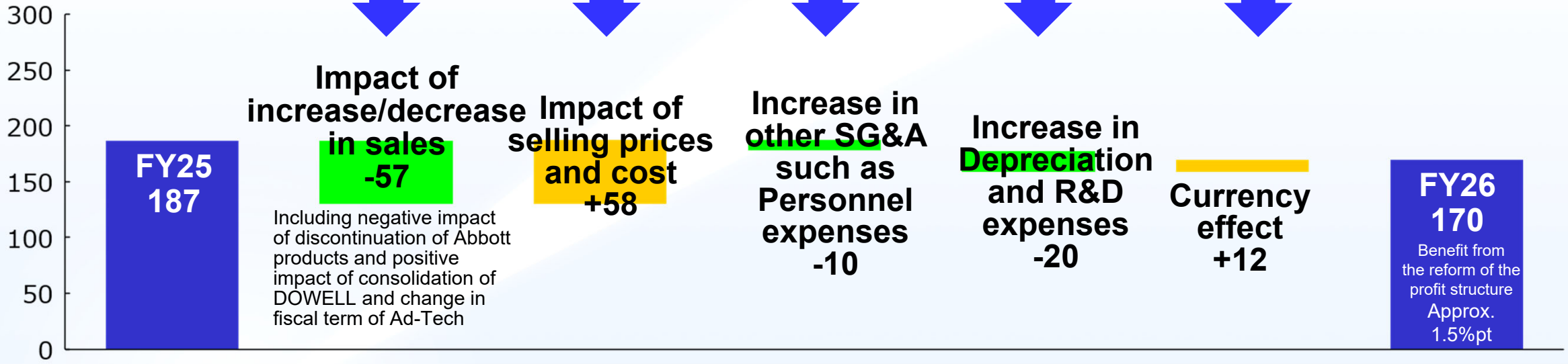
3.2) Analysis of FY2026 Operating Income Forecast

(¥100 million)

Original forecast



Revised forecast



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(Ref.) Consolidated Forecast for FY2026 by Product Category / Effect of Exchange Rates

	FY2025 Actual	FY2026 Original forecast announced May 14	FY2026 Revised forecast announced Nov 10	FY2026 Composition ratio (%)	YoY (%)	
Physiological Measuring Equipment	53,636	41,200	43,400	19.0	- 19.1	← +10% excl. Abbott products
Patient Monitors	84,258	92,300	89,900	39.3	6.7	
Treatment Equipment	56,286	54,900	53,900	23.6	- 4.2	← +9% excl. Abbott products
Other Medical Equipment	40,918	44,100	41,300	18.1	0.9	
Total	235,099	232,500	228,500	100.0	- 2.8	

(Amounts of less than ¥1 million are rounded down)

(Reference)

Medical Devices	115,996	126,500	124,400	54.4	7.2	
Consumables and Services	119,103	106,000	104,100	45.6	- 12.6	← +4% excl. Abbott products

Estimated exchange rate fluctuations for full fiscal year

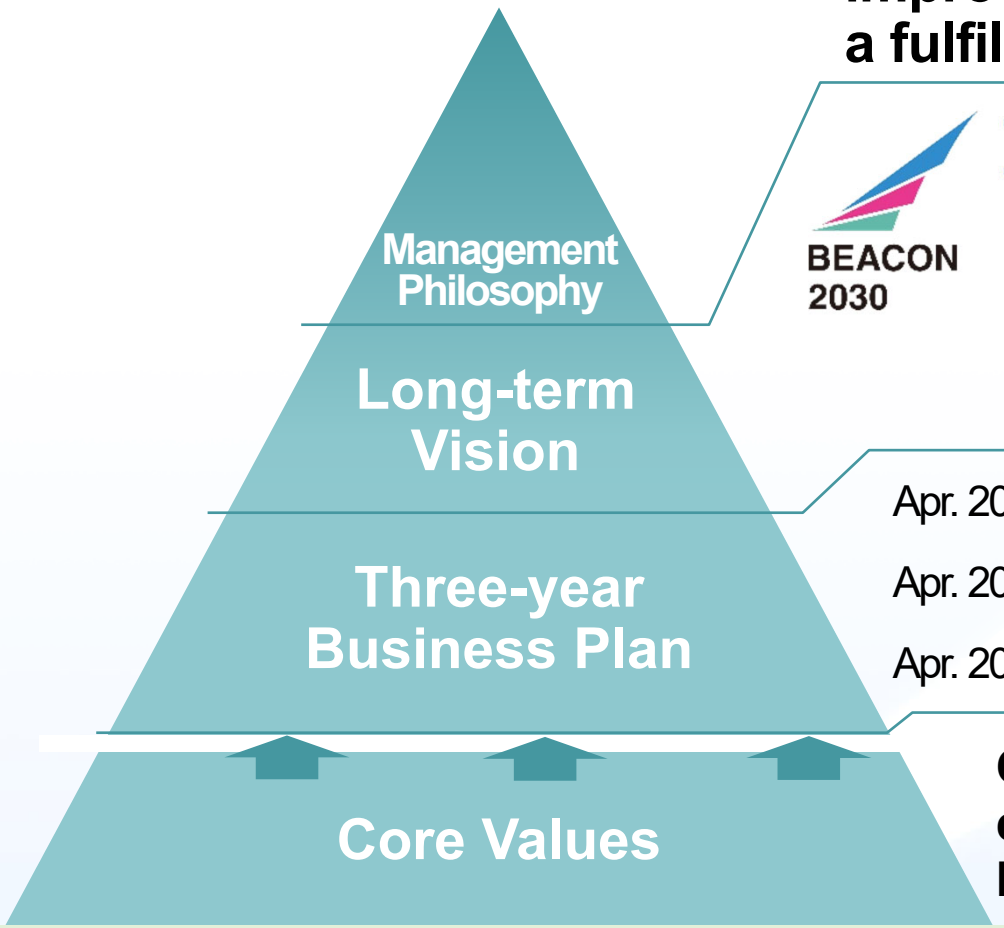
	Sales	Operating income
US Dollar	0.45 bn yen	0.12 bn yen
EURO	0.06 bn yen	0.02 bn yen

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3 Business Strategy

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Long-term Vision and Three-year Business Plan



We contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees.

BEACON 2030

Illuminating Medicine for Humanity

Create a better future for people and healthcare by solving global medical issues

Targets for FY2029	Operating Margin	15%	Overseas Sales Ratio	45%

Apr. 2027 - Mar. 2030 **BEACON 2030 Phase Ⅲ: Realize BEACON 2030**

Apr. 2024 - Mar. 2027 **BEACON 2030 Phase Ⅱ: Invest for growth**

Apr. 2021 - Mar. 2024 **BEACON 2030 Phase Ⅰ: Strengthen foundation**

Core values are shared by Nihon Kohden staff worldwide, helping to connect them and contributing to the promotion of our Management Philosophy, Long-term Vision, and Three-year Business Plan.

Integrity / Humbleness / Diversity / Initiative / Customer Centric / Goal Oriented / Creativity

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Three Transformation for BEACON 2030

BEACON 2030

1 Transform into a global company creating high added value

- Promote overseas business strategies emphasizing high growth and improved profitability
- Develop sophisticated value propositions and cultivate new businesses areas in domestic business
- Create new business models by utilizing our global business foundation

2 Create a solution business providing superior customer value

- Create a business model that helps solve medical issues
- Realize a value creation model that creates value from data, by utilizing our core strength in Human Machine Interface* technology

3 Establish a global organization founded on Operational Excellence

- Establish an organizational and governance system in line with our corporate strategy
- Establish a development, production and sales system based on Global Supply Chain Management
- Strengthen global business deployment capabilities by establishing a Center of Excellence

* Human machine interface is the user interface that connects human and machine. For Nihon Kohden, this refers to sensor technology, signal processing technology, and data analysis technology.

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BEACON 2030 Phase III 3 Indicators and 6 Key Measures

Implement the reform of the profit structure and make investments in growth areas, and accelerate our transformation into a global MedTech company

1) Growth

Sales CAGR
FY2023 - FY2026

5%

- Enhance product competitiveness
- Focus on growth of North America Business

2) Profitability

Operating income margin
in FY2026

15%

- Implement the reform of the profit structure
- Advance global supply chain management

3) Capital efficiency

ROE
in FY2026

12%

- Introduce Nihon Kohden's own ROIC formula
- Reduce cash conversion cycle

Practice of Sustainability Management

Medical issues | Environmental issues | Social issues

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Growth Focus on stable growth in Japan

Market growth rate	Phase II sales target	FY2016 - FY2025 10-year sales CAGR	In-house products	Purchased products	Locally purchased products
Approx.1~2%	CAGR 3%	+1.6%	+4.1% Medical devices +2.5% Consumables & services +5.6% (Ratio of consumables and services: 55%, FY25)	+1.8%	-20%

Measures in FY2026 2H

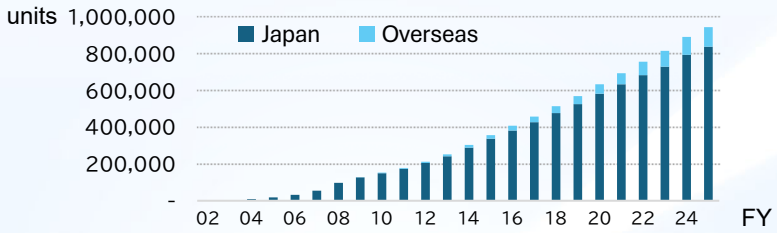
Main reasons for falling short of expectations in 1H

- ✓ Although business sentiment in medical institutions shows a recovery trend, their priority remains addressing price and wage inflation. Recovery in capital expenditure is more concentrated in 2H than expected
- ✓ Intensifying price competition in consumables such as SpO_2 probes
- ✓ Delay in supply of imaging systems
- ✓ Restraining sales of locally purchased products

Measures to recover in 2H

- ✓ Focusing on enhancing sales activities and receiving orders for medical equipment, DHS products, and IT systems that contribute to improving efficiency of medical workers toward the end of the fiscal year
- ✓ Emphasizing high added value provided by genuine consumables, such as measurement accuracy and quality
- ✓ Reallocating employees engaged in Abbott business to growth areas such as ventilators and DHS products

One million cardiolife AEDs shipped worldwide



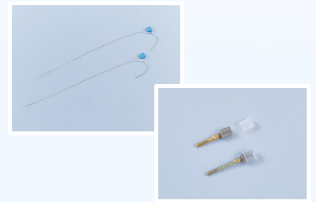
Courage for more tomorrows
2002-2026
AED
One million units

NEW!

Reimbursement price established for SEEG* electrodes

FY25 3Q: Launched FY26 3Q: Established reimbursement price

- Developed by Ad-Tech in the U.S.
- Enables less invasive recording of EEG in deep brain regions
- Target number: 2,300 or more electrodes in the first three years after launch



* SEEG (stereo-electroencephalography) records and analyzes electroencephalograms three-dimensionally by inserting multiple thin electrodes into the deep brain to localize the focus of epilepsy.

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Growth Focus on higher growth in North America

Market growth rate	Phase II sales target
mid-single-digit	CAGR 11%

FY2016 - FY2025 10-year sales CAGR	Treatment Equipment	Patient Monitors	Physiological Measuring Equipment*
+13%	+20%	+10%	+14%

* Consolidated Ad-Tech in FY2025

Ventilators

Added new functions in the U.S. and some emerging countries in FY26 2Q

- **New high-value-added functions** for intubated-type ventilator
  - ➢ **Estimates patient inspiratory muscle pressure** to visualize breathing effort
  - ➢ Adjusts the timing of the start/end of inspiration
  - ➢ Provides breath-by-breath support for lung-protective ventilation



NKV-550



Patient monitors

Launched in FY26 3Q

- **Launched central monitor as SaMD with FDA approval**



FY2026 1H DHS products = 4%
(Sales composition in North America)



- **AlarmSense's contribution to improved operational efficiency at MaineHealth**
  - ➢ Reduced total alarm time by 3.1 hours (85%) per bed per day
    * Reference: AlarmSense white paper

Neurology products

Planned to launch in FY26 3Q

- **Nihon Kohden's first AI/ML algorithm** for a sleep analysis module with FDA approval
  - ➢ Estimates total sleep time using data obtained from a pulse oximeter



Sleep brain wave analysis program



Home sleep recorder

* SaMD: Software as a Medical Device. AI: Artificial Intelligence. ML: Machine Learning

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Profitability

Implement the reform of the profit structure

FY2026 Target OPM improvement 5%pt

✓Improvement: 80 bps in FY2024 ➔ 300 bps (YoY +220 bps) in FY2025
Expected 450 bps (YoY +150 bps) in FY2026
✓Continuing to implement measures in three key areas to improve profitability

Area	Theme	Details of measures	Measures in FY2026 1H
Product mix	Sale pricing	✓Reviewing pricing policies both in Japan and overseas	✓ Continued measures for raising selling prices in Japan and internationally
	Review of product line-up	✓Reviewing and optimizing the number of products ✓Increasing in-house sales ratio	✓ Reviewed product line-up
Productivity	Improving personnel productivity, including by utilizing generative AI	✓Improving operational efficiency by introducing generative AI: 1.4 mil hours per year ✓Focusing on core jobs and reallocating resources: 900 k hours per year ✓Reducing the increase of headcount and overtime hours	✓ Number of employees: 6,070 (-46 from Mar. 2026) FY25 1H: 6,138 (+24 from Mar. 2025) ✓ Decreased overtime hours by 10.5% YoY ✓ Improved operational efficiency by utilizing generative AI: 650k hours/month ✓ Insourced development of software by utilizing generative AI: ¥0.1 bn/year
	Reducing other expenses	✓Reducing infrastructure costs such as utility costs, rent, and communication expenses, and reviewing traveling costs	✓ Reviewed license fees, contracts for company vehicles and parking facilities
Supply chain	Optimizing parts procurement	✓Refining price negotiations with suppliers ✓Promoting Value Analysis/Value Engineering	✓ Continued price negotiations and review of suppliers under inflation ✓ Reduced costs of AED remote monitoring terminals through Value Engineering: ¥80 mil/year

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Capital efficiency

Introduce Nihon Kohden's own ROIC formula

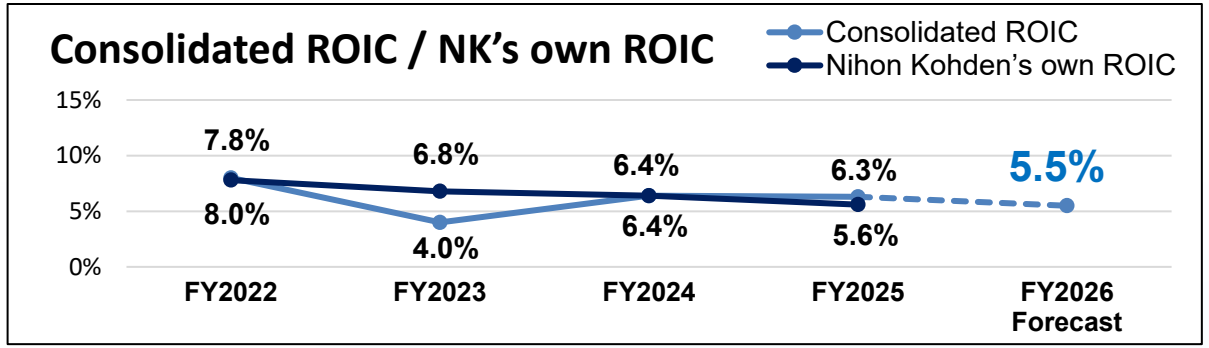
- ✓ **Visualizing NK's own ROIC in each R&D, production, sales, and administration division. Providing feedback for improvement in profitability and efficiency**
- ✓ **Promoting monitoring of ROIC and CCC at subsidiaries in North America**
- ✓ Cost of capital: approx. 8%, calculated by CAPM and WACC
- ✓ Adopted NPV and IRR as investment decision criteria. Target IRR of 12% in Phase II.
  Investment decisions are made based on business strategies and the Three-year Business Plan.
  The Board of Directors verifies the progress and effectiveness of investment projects beyond a certain amount every year

Consolidated ROIC = NOPAT ÷ Invested capital
* Invested capital・・・interest-bearing liabilities ＋shareholders' equity

Nihon Kohden's own ROIC calculation formula

$$\frac{\text{Operating income}}{\text{Invested capital (future investment* + accounts receivable + inventory + property, plant and equipment - accounts payable)}}$$

* R&D costs and personnel expenses in last three years

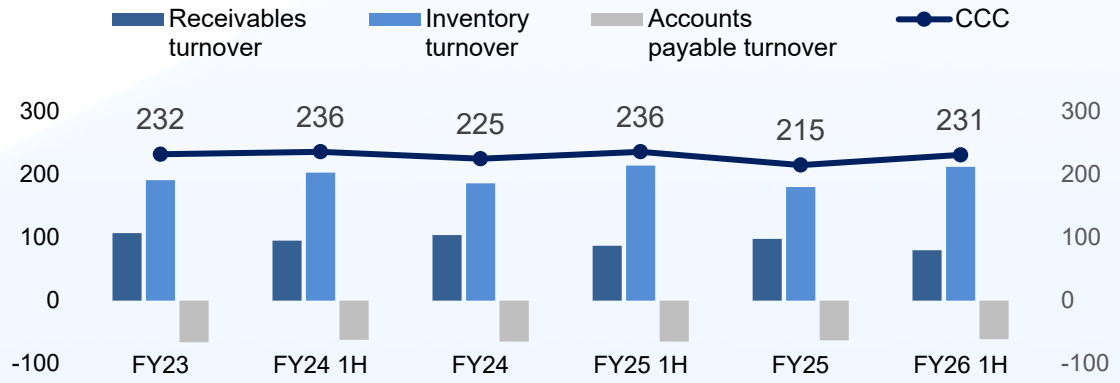


Capital efficiency

Reduce cash conversion cycle

- ✓ Securing inventories of parts and components to ensure stable supply of in-house products and consumables, in response to shortages of memory components and procurement difficulties

FY2026 target
~195 days



Phase II target
~175 days

Mid-term target
~150 days

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Target and Forecast for the Last Year of BEACON 2030 Phase II

	FY2023 Actual	FY2026 Target	FY2026 Forecast	CAGR
Net sales	¥221.9 bn	¥256.0 bn	¥228.5 bn	+1%
Domestic sales	¥142.3 bn	¥157.0 bn	¥126.0 bn	-4%
Overseas sales (Overseas sales ratio)	¥79.6 bn (35.9%)	¥99.0 bn (38.7%)	¥102.5 bn (44.9%)	+9%
Consumables and services sales ratio	47.9%	50%	45.6%	
In-house sales ratio	73.5%	75%		
Solution sales ratio	11%	11%		
Gross profit margin	50.2%	53%	54.7%	
Operating income (Operating income margin)	¥19.5 bn (8.8%)	¥38.5 bn (15%)	¥17.0 bn (7.4%)	-5%
Income attributable to owners of parent	¥17.0 bn	¥25.0 bn	¥10.5 bn	
ROIC	4.0%	12%		
ROE	9.8%	12%		
Average exchange rate (yen) 1 USD/1 EUR	143.9/156.8	140/150	158/181	

Sales by region

	Net sales			
	FY23 Actual	FY26 Target	FY26 Forecast	CAGR
Japan	¥142.3 bn	¥157.0 bn	¥126.0 bn	-4%
North America	¥37.0 bn	¥50.0 bn	¥58.3 bn	+16%
Latin America	¥6.0 bn	¥6.0 bn	¥6.4 bn	+2%
Europe	¥13.1 bn	¥14.0 bn	¥14.1 bn	+3%
Asia & Other	¥23.4 bn	¥29.0 bn	¥23.7 bn	+0%

* Solution business, software/program, and maintenance services are included.

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Capital Policy

Make investments for future business expansion and enhance shareholder returns as well as securing a sound financial foundation.

1) Investment necessary for future business expansion

Phase II :

R&D investments	Apx. ¥23.5 bn
Capital investments	Apx. ¥25.0 bn
Growth investments	
M&A	¥30 bn or more

- R&D investments in patient monitors, ventilators, and Digital Health Solutions
- Capital investments for establishing a new plant in Tsurugashima, promoting corporate digital transformation such as PLM/MES systems and generative AI, and enhancing global supply chain management
- Consolidated Ad-Tech as a wholly owned subsidiary, DOWELL as a subsidiary

R&D Investments | Capital Investments | M&A and Alliance | Human Resource Development

2) Enhancement of shareholder returns

Phase II :
¥28 bn or more
*Considering additional shareholder returns depending on the progress of future investment plans

Dividends

Increase dividends in a stable manner in line with growth in business performance

Full-year dividends forecasts: 33 yen in FY2026
(Consolidated dividend payout ratio: 50.3%)

Share buyback

Consider in a flexible manner, taking into account comprehensively our future business deployment, investment plans, retained earnings, and stock price level

Target: Consolidated Total Return Ratio of **35%** or more

Number of treasury stock: 7,929k shares including ESOP
(4.7% as of end September 2026)

3) Sound financial foundation

Maintain a strong financial foundation to ensure a stable supply of medical equipment

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