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(Securities code: 6849)
June 5, 2025

To Shareholders with Voting Rights

Hirokazu Ogino
Representative Director,
President and Chief Executive Officer
NIHON KOHDEN CORPORATION
31-4, Nishiochiai 1-chome, Shinjuku-ku,
Tokyo, Japan

NOTICE OF THE 74th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby announce that the 74th Ordinary General Meeting of Shareholders of NIHON KOHDEN CORPORATION (the "Company") will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide you with the materials for the General Meeting of Shareholders electronically and posted matters to be provided electronically on the following website.

The Company's website:

<https://www.nihonkohden.co.jp/ir/stock/meeting.html>

In addition, the matters to be provided electronically have also been posted on the following website:

Website of the Tokyo Stock Exchange:

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Please refer to the information by entering either the Company's name or securities code, and selecting "Basic information" and "Documents for public inspection/PR information".)

If you are unable to attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing. We would appreciate it if you could review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and **exercise your voting rights by no later than 5:10 p.m. on Wednesday, June 25, 2025 (JST), via the internet, etc. or by posting the enclosed Voting Rights Exercise Form with indications of your vote for or against the Company's proposals.**

- 1. Date and Time:** Thursday, June 26, 2025 at 10:00 a.m. (JST)
- 2. Venue:** Fourth floor hall, No. 1 building of the Company's head office,
31-4, Nishiochiai 1-chome, Shinjuku-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 74th Fiscal Year (from April 1, 2024 to March 31, 2025), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
 2. Non-Consolidated Financial Statements for the Company's 74th Fiscal Year (from April 1, 2024 to March 31, 2025)
- Proposals to be resolved:**
- Proposal No.1:** Distribution of Surplus
- Proposal No.2:** Election of Eight Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal No.3:** Election of One Director Serving as Audit & Supervisory Committee Member

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk for the General Meeting of Shareholders.
 - Any correction or update of the materials for the General Meeting of Shareholders (the matters to be provided electronically), will be posted on the websites mentioned above.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Distribution of Surplus

The Company recognizes that returning profits to shareholders is one of management's most important tasks. The basic policy on distribution of profits and dividends is to make investments for future business expansion and enhance shareholder returns as well as securing a sound financial foundation. The priority for distribution of profits is i) investment necessary for future business expansion used in R&D investments, capital investments, M&A or alliances, and development of human resources, and ii) shareholder returns. In terms of shareholder returns, the Company will increase dividends in a stable manner in line with growth in business performance. Share buybacks are conducted in a flexible manner, taking into account comprehensively the Company's future business deployment, investment plans, retained earnings, and stock price level. The indicator and target for shareholder returns is a consolidated total return ratio of 35% or more.

Based on this policy, the Company hereby proposes the distribution of surplus as follows.

1. Matters related to the year-end dividend:

(1) Matters concerning allotment of dividend property to shareholders and total amount

16 yen per share of the Company's common stock

Total amount: 2,609,033,088 yen

Note: Combined with the interim dividend (15 yen per share), the total annual dividend for the fiscal year ended March 31, 2025 will be 31 yen per share.

(2) Effective date of distribution of surplus

June 27, 2025

2. Other matters related to distribution of surplus:

(1) Item of surplus increased and amount

General reserve	17,000,000,000 yen
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(2) Item of surplus decreased and amount

Retained earnings brought forward	17,000,000,000 yen
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(Reference) Acquisition of Own Shares and Cancellation of Treasury Shares

In the 74th fiscal year, pursuant to the resolution of the Board of Directors meeting held on May 13, 2024, the Company acquired 4,757,400 of its own shares for a total amount of 9,999,993,550 yen. As a result, the consolidated total return ratio reached 107%.

Effective July 1, 2024, each share of common stock was split into two shares. The Company also cancelled 5.5 million shares of its treasury shares on July 19, 2024.

Proposal No.2: Election of Eight Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

The terms of office for all (nine) Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, eight Directors (excluding Directors serving as Audit & Supervisory Committee Members) is proposed.

The nomination of candidates for the Directors (excluding Directors serving as Audit & Supervisory Committee Members) was resolved by the Board of Directors, after deliberation by the Nominating & Compensation Committee, which has been established for the purpose of securing transparency and objectivity of the management as an optional advisory body for the Board of Directors, which consists of three Outside Directors and which is chaired by one of such Outside Directors.

The candidates are as follows:

No.	Name	Current Position at the Company	Years served as Director
1	Hirokazu Ogino (Male) (Reappointment)	Representative Director	13 years
2	Eiichi Tanaka (Male) (Reappointment)	Corporate Director	8 years
3	Yasuhiro Yoshitake (Male) (Reappointment)	Corporate Director	8 years
4	Kazuhiro Kato (Male) (New Appointment)	—	—
5	Shigeru Kawatsuhara (Male) (Reappointment) Outside Director/ Independent Director	Outside Director	9 years
6	Sumie Morita (Female) (Reappointment) Outside Director/ Independent Director	Outside Director	1 year
7	Danny Risberg (Male) (Reappointment) Outside Director/ Independent Director	Outside Director	1 year
8	Mamoru Morita (Male) (New Appointment) Outside Director/ Independent Director	—	—

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Hirokazu Ogino (May 28, 1970) (Male) (Reappointment)	April 1995 Joined the Company April 2007 President of Nihon Kohden Europe GmbH April 2011 General Manager of Marketing Strategy Department June 2011 Operating Officer June 2012 Corporate Director and Operating Officer April 2013 General Manager of International Operations June 2013 Corporate Director and Senior Operating Officer October 2013 CEO of Nihon Kohden America, Inc. June 2015 Representative Director, President and COO June 2017 Representative Director, President and Chief Executive Officer (current position)		93,221 shares
	<p>(Reasons for nomination of the candidate for Director)</p> <p>Mr. Hirokazu Ogino has abundant experience and achievements acquired through his career in the Company and its group companies, including serving as the President of foreign sales subsidiaries and the General Manager of Marketing Strategy and International Operations. In addition, he has been responsible for management of the Company since 2015 as the President and been devoted to increasing the corporate value through creating the Company's Long-term Vision and implementing the Company's Three-year Business Plan. We anticipate that he will make the most of his expertise and experience of management he has accumulated to date for reinforcement of the Board of Directors' decision-making and supervision of management. Accordingly, we propose that he be nominated in the position of Director continuously.</p>			

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Eiichi Tanaka (July 15, 1962) (Male) (Reappointment)	<p>April 1985 Joined the Company</p> <p>April 2002 General Manager of Marketing & Business Development Department</p> <p>October 2003 President of Nihon Kohden America, Inc.</p> <p>April 2008 General Manager of General Affairs and Human Resources Department</p> <p>June 2008 Operating Officer</p> <p>April 2011 General Manager of Accessories & Consumables Business Operations</p> <p>April 2013 Corporate Director & Senior Operating Officer of Nihon Kohden Tomioka Corporation</p> <p>April 2014 President of Nihon Kohden Tomioka Corporation</p> <p>April 2017 General Manager of Import Business Operations</p> <p>June 2017 Corporate Director and Operating Officer</p> <p>April 2019 General Manager of Corporate Strategy Division</p> <p>April 2020 General Manager of US Operations</p> <p>April 2022 Corporate Director and Senior Operating Officer</p> <p>January 2024 President of Nihon Kohden North America, Inc.</p> <p>April 2024 Corporate Director, Senior Operating Officer, Chief Regional Officer - North America, General Manager of North America Business Operations</p> <p>April 2025 Corporate Director, Executive Operating Officer, Chief Operating Officer (current position)</p>	28,142 shares
<p>(Reasons for nomination of the candidate for Director)</p> <p>Mr. Eiichi Tanaka has abundant experience and achievements acquired through his career in the Company and its group companies, including serving as the General Manager of Marketing & Business Development, General Affairs & Human Resources, Import Business Operations and Corporate Strategy, the President of a foreign and domestic sales subsidiary and a domestic manufacturing subsidiary and the General Manager of North America Business Operations. He currently serves as COO, responsible for domestic business operations and global operations. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Directors' decision-making and supervision of management. Accordingly, we propose that he be nominated in the position of Director continuously.</p>			

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Yasuhiro Yoshitake (March 20, 1966) (Male) (Reappointment)	April 1988 Joined the Company October 2003 President of Nihon Kohden Europe GmbH April 2007 General Manager of Sales Promotion Division, International Operations April 2008 Managing Director of Nihon Kohden Trading (Shanghai) Co., Ltd. April 2011 General Manager, China Operations June 2011 Operating Officer April 2013 General Manager, Asia and Middle East Operations April 2015 General Manager of International Business Operations June 2017 Corporate Director and Operating Officer February 2019 President and CEO of Nihon Kohden America, Inc. April 2022 Corporate Director and Senior Operating Officer April 2024 Chief Regional Officer - International (current position) April 2025 Corporate Director, Executive Operating Officer, Chief Strategy Officer (current position)	20,359 shares
(Reasons for nomination of the candidate for Director) Mr. Yasuhiro Yoshitake has abundant experience and achievements acquired through his career in the Company and its group companies, including serving as the President of foreign sales subsidiaries, the General Manager of China Business Operations, the General Manager of Asia and Middle East Operations and the General Manager of North America Business Operations. He currently serves as CSO and CRO-I, responsible for international business operations and global business strategies. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Directors' decision-making and supervision of management. Accordingly, we propose that he be nominated in the position of Director continuously.			

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Kazuhiro Kato (November 26, 1965) (Male) (New Appointment)	April 1989 Joined Saitama Bank Ltd. April 2019 Operating Officer, in charge of Internal Audit, Saitama Resona Bank Limited April 2021 Senior Operating Officer, in charge of Internal Audit, Saitama Resona Bank Limited April 2022 Corporate Director (serving as an Audit & Supervisory Committee Member) of Saitama Resona Bank Limited March 2024 Retired as Corporate Director (serving as an Audit & Supervisory Committee Member) of Saitama Resona Bank Limited April 2024 Joined the Company In charge of Internal Auditing Department April 2025 Senior Operating Officer, Chief Administrative Officer, General Manager of Corporate Administration Operations, Chief Compliance Officer (current position)	272 shares
(Reasons for nomination of the candidate for Director) Mr. Kazuhiro Kato has plenty of knowledge of finance and accounting acquired through his abundant experience in banking institutions. After he joined the Company, he was responsible for the Internal Auditing Department. He currently serves as CAO, the General Manager of Corporate Administration Operations and Chief Compliance Officer. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Directors' decision-making and supervision of management. Accordingly, we propose that he be nominated in the position of Director.			

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
	Shigeru Kawatsuhara (February 14, 1952) (Male) (Reappointment) Candidate for Outside Director / Independent Director	April 1975 Joined Toko, Inc. April 2002 Senior Manager of Sales Department 1, Sales Operations, Toko, Inc. April 2004 General Manager of Sales Center, Toko, Inc. June 2005 Corporate Director and General Manager of Sales Center, Toko, Inc. April 2008 President of Toko, Inc. May 2014 Chairman of Toko, Inc. March 2015 Senior Advisor of Toko, Inc. April 2016 Part-time Advisor of Toko, Inc. June 2016 Outside Director (serving as an Audit & Supervisory Committee Member) June 2024 Outside Director (current position)		0 shares
5	(Reason for nomination of the candidate for Outside Director and overview of expected roles) Mr. Shigeru Kawatsuhara is a candidate for Outside Director. (1) We anticipate that he will make the most of his excellent expertise and abundant experience of the management of a company acquired through his carrier as a global business executive for providing objective and neutral advice and independent supervision of the Company's management. Accordingly, we propose that he be nominated in the position of Outside Director continuously. He will have been in office as Outside Director for nine years at the conclusion of this General Meeting of Shareholders. (2) The Company has concluded a liability limitation agreement with Mr. Shigeru Kawatsuhara to limit his liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If his re-election is approved, we will continue the liability limitation agreement with him. (3) The Company has filed with the Tokyo Stock Exchange a notification to establish that Mr. Shigeru Kawatsuhara is an independent director as provided by the Exchange, because he satisfies the requirements therefor. If his re-election is approved, the Company will notify the Tokyo Stock Exchange again that he is an Independent Director.			

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Sumie Morita (May 8, 1960) (Female) (Reappointment) Candidate for Outside Director / Independent Director	April 1983 Joined Fujitsu Limited July 2005 Project Manager of SEI CMMI L3 Certification Project Promotion Department, Communications Division, Fujitsu Limited September 2006 General Manager of Next Generation Network BT21CN Project Promotion Department, Fujitsu Limited October 2008 Project General Manager of Network Product Global Product Planning Department, Fujitsu Limited October 2010 General Manager of Department of Network Product Software Development for Transmission Device for North America, Fujitsu Limited April 2014 Chief Research Officer of Manufacturing Technology Laboratory of Fujitsu Laboratories Ltd. November 2015 Chief Research Officer of Software Research Laboratory of Fujitsu Laboratories Ltd. Senior Director of Common Software Technology Department, Fujitsu Limited January 2018 Joined Fujitsu General Limited, Chief Manager of Air Conditioning System Development Department April 2019 Corporate Executive of Fujitsu General Limited (in charge of Air Conditioning System Development) April 2022 Professor at Department of Information and Computer Science, Faculty of Systems Science and Technology, Akita Prefectural University (current position) March 2023 Outside Director of Sumitomo Heavy Industries, Ltd. (current position) June 2024 Outside Director (current position)	0 shares
(Reason for nomination of the candidate for Outside Director and overview of expected roles) Ms. Sumie Morita is a candidate for Outside Director. (1) Ms. Sumie Morita, after many years of working primarily on product development in the fields of telecommunications and information networks for overseas markets, had been engaged in corporate management from a global perspective as a corporate executive. She is currently a university professor specializing in information engineering. We anticipate that she will make the most of her expertise and abundant experience for providing objective and neutral advice and independent supervision of the Company's management. Accordingly, we propose that she be nominated in the position of Outside Director continuously. She will have been in office as Outside Director for one year at the conclusion of this General Meeting of Shareholders. (2) The Company has concluded a liability limitation agreement with Ms. Sumie Morita to limit her liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If her re-election is approved, we will continue the liability limitation agreement with her. (3) The Company has filed with the Tokyo Stock Exchange a notification to establish that Ms. Sumie Morita is an Independent Director as provided by the Exchange, because she satisfies the requirements therefor. If her re-election is approved, the Company will notify the Tokyo Stock Exchange again that she is an Independent Director. No material conflict of interest exists between the Company and Akita Prefectural University and Sumitomo Heavy Industries, Ltd. where she holds the significant concurrent position. She is also scheduled to be appointed as an Outside Director of BUNKA SHUTTER CO.,LTD. on the date of its Ordinary General Meeting of Shareholders to be held in June 2025. No material conflict of interest exists between the Company and BUNKA SHUTTER CO.,LTD.			

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Danny Risberg (November 20, 1962) (Male) (Reappointment) Candidate for Outside Director / Independent Director	July 1995 Established Suruga Inc. August 1996 Established Metran America Inc. July 1999 Joined Respiroics Inc., as Director APAC responsible for overseeing Asia-Pacific and International Division April 2005 Joined Fuji Respiroics Co. Ltd., President and CEO, with responsibility for overseeing Asia-Pacific and International Division May 2009 Executive Officer of the Healthcare Business Division and COO of Philips Electronics Japan, Ltd. January 2010 President and CEO, Chairman and CEO of Philips Electronics Japan, Ltd April 2010 Chairman of Medical Devices and IVD Committee at the European Business Council in Japan June 2010 Director of Japan Medical Imaging and Radiological Systems Industries Association June 2012 Vice Chairman of Japan Medical Imaging and Radiological Systems Industries Association February 2014 Chairman of the European Business Council in Japan March 2017 Chairman and Director of Philips Electronics Japan, Ltd March 2018 Retired as Chairman and Director of Philips Japan, Ltd May 2018 Deputy Co-Chair of EU-Japan Business Round Table September 2018 President and Representative Director of Baxter Limited October 2018 Director of American Medical Devices and Diagnostics Manufacturers' Association December 2022 Retired as President and Representative Director of Baxter Limited June 2024 Outside Director (current position)	0 shares
(Reasons for nomination of the candidate for Outside Director and overview of expected roles) Mr. Danny Risberg is a candidate for Outside Director. (1) Mr. Danny Risberg has entrepreneurial experience and had been engaged in corporate management, primarily in the medical device industry, for many years. He is also well-versed in activities as a representative of industry associations. We anticipate that he will make the most of his extensive expertise and insight as a global business executive for providing objective and neutral advice and independent supervision of the Company's management. Accordingly, we propose that he be nominated in the position of Outside Director continuously. He will have been in office as Outside Director for one year at the conclusion of this General Meeting of Shareholders. (2) The Company has concluded a liability limitation agreement with Mr. Danny Risberg to limit his liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If his re-election is approved, we will continue the liability limitation agreement with him. (3) The Company has filed with the Tokyo Stock Exchange a notification to establish that Mr. Danny Risberg is an Independent Director as provided by the Exchange, because he satisfies the requirements therefor. If his re-election is approved, the Company will notify the Tokyo Stock Exchange again that he is an Independent Director.			

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
	Mamoru Morita (April 12, 1959) (Male) (New Appointment) Candidate for Outside Director / Independent Director	April 1983 April 2015 April 2016 April 2020 April 2022 April 2024 April 2025	Joined Hitachi, Ltd. General Manager of Strategy Planning Division of Hitachi, Ltd. Vice President and Executive Officer, General Manager of Strategy Planning Division of Hitachi, Ltd. Senior Vice president and Executive Officer, CSO, General Manager of Strategy Planning Division, General Manager of Future Investment Division of Hitachi, Ltd. Senior Vice president and Executive Officer, CSO, General Manager of Strategy Planning Division of Hitachi, Ltd. Executive Advisor of Hitachi, Ltd. Strategic Expert, Nuclear Energy Business Unit of Hitachi, Ltd.	0 shares
8	(Reason for nomination of the candidate for Outside Director and overview of expected roles) Mr. Mamoru Morita is a candidate for Outside Director. (1) Mr. Mamoru Morita, after many years of experience in business development and corporate strategy, had been involved in company management from a global perspective as an Executive Officer. We anticipate that he will make the most of his extensive expertise and insight for providing objective and neutral advice and independent supervision of the Company's management. Accordingly, we propose that he be nominated in the position of Outside Director. (2) If his election is approved, the Company will conclude a liability limitation agreement with Mr. Mamoru Morita to limit his liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. (3) The Company will file with the Tokyo Stock Exchange a notification to establish that Mr. Mamoru Morita is an Independent Director as provided by the Exchange, because he satisfies the requirements therefor. Although the Company has a business relationship with Hitachi, Ltd. where Mr. Mamoru Morita holds the significant concurrent position, the Company's business with Hitachi, Ltd. has been primarily occupied by Hitachi General Hospital. With regard to the 74th fiscal year, the amount of the transaction with Hitachi, Ltd. is less than 1% of the Company's consolidated sales.			

Notes:

1. No material conflict of interest exists between the Company and each candidate.
2. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The summary of the insurance agreement is described in "4. Directors and Operating Officers, (3) Summary of Directors and Officers (D&O) Liability Insurance Agreement" of the Business Report. If the candidates assume office as Director, they will be included in the insured persons under the insurance agreement. The Company intends to renew the insurance agreement with the same terms at the time of the next renewal.

*Opinions of Audit & Supervisory Committee

As for the election and the compensation of Directors (excluding Directors serving as Audit & Supervisory Committee Members), two Outside Directors serving as Audit & Supervisory Committee Members and concurrently serving as Nomination & Remuneration Committee Members reported the result of deliberation on the matter by the Nomination & Remuneration Committee to the Audit & Supervisory Committee. And as the result of review on it by the Audit & Supervisory Committee, the Audit & Supervisory Committee has reached the conclusion that it has no opinion on the election and the compensation of Directors (excluding Directors serving as Audit & Supervisory Committee Members) to state at this General Meeting of Shareholders in accordance with the Companies Act.

Proposal No.3: Election of One Director Serving as Audit & Supervisory Committee Members

Of the three Directors serving as Audit & Supervisory Committee Members, the terms of office for Mr. Shigeru Hirata will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one Director serving as Audit & Supervisory Committee Members is proposed.

The Audit & Supervisory Committee has consented to this proposal.

The candidate is as follows:

Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
Shigeru Hirata (May12, 1961) (Male) (Reappointment)	April 1985 Joined the Company April 2011 General Manager of General Affairs & Human Resources Department June 2011 Operating Officer April 2014 General Manager of Human Resources Department April 2016 General Manager of Finance Department June 2017 Operating Officer April 2020 Deputy General Manager of Global Corporate Administration Operations and General Manager of Finance Department June 2021 Director serving as Audit & Supervisory Committee Member (current position)	53,881 shares
(Reason for candidacy as a Director serving as an Audit & Supervisory Committee Member, etc.) Mr. Shigeru Hirata, engaged primarily in finance, accounting, and human resources including his previous role as the General Manager of General Affairs & Human Resources Department, the General Manager of Human Resources and the General Manager of Financial Department, has abundant experience within the Company and plenty of knowledge of finance and accounting. We anticipate that he will make the most of his expertise and experience he has accumulated to date for supervision of the Company's management from the view point of non-managing Director. Accordingly, we propose that he be nominated as a Director serving as an Audit & Supervisory Committee Member continuously.		

Notes:

1. No material conflict of interest exists between the Company and Mr. Shigeru Hirata.
2. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The summary of the insurance agreement is described in "4. Directors and Operating Officers, (3) Summary of Directors and Officers (D&O) Liability Insurance Agreement" of the Business Report. If Mr. Shigeru Hirata assumes office as Director, he will be included in the insured persons under the insurance agreement. The Company intends to renew the insurance agreement with the same terms at the time of the next renewal.

【Reference】 Skill Matrix (Scheduled for after this Ordinary General Meeting of Shareholders)

The Board of Directors consists of eleven members including six independent outside directors with expertise. Directors utilize their knowledge, experience, and abilities to make decisions and supervise the business executions in order to realize the Long-term Vision and the Three-year Business Plan. In addition to the expertise and experience of each director, all directors are engaged in management from the perspective of sustainability. The Company will continue our efforts to further strengthen sustainability.

Name	Position	Corporate Management	Global Experience	Sales/ Marketing	Production/ Technology/ R&D	Legal/ Risk Management	Finance/ Accounting/ M&A	HR/ HR Development	ESG/ SDGs
Hirokazu Ogino	Representative Director, President and Chief Executive Officer (CEO)	●	●	●			●		●
Eiichi Tanaka	Corporate Director, Executive Operating Officer, Chief Operating Officer (COO)	●	●	●	●			●	
Yasuhiro Yoshitake	Corporate Director, Executive Operating Officer, Chief Strategy Officer (CSO), Chief Regional Officer - International (CRO-I)	●	●	●					
Kazuhiro Kato	Corporate Director, Senior Operating Officer, Chief Administrative Officer (CAO)		●	●		●	●		●
Shigeru Kawatsuhara	Outside Director, Nomination & Remuneration Committee Member	●	●	●					
Sumie Morita	Outside Director		●		●				●
Danny Risberg	Outside Director	●	●	●					
Mamoru Morita	Outside Director		●				●		●
Shigeru Hirata	Corporate Director, Full-time Audit & Supervisory Committee Member			●			●	●	
Kazuo Shimizu	Outside Director, Audit & Supervisory Committee Member, Nomination & Remuneration Committee Member					●	●		
Ikumi Sato	Outside Director, Audit & Supervisory Committee Member, Nomination & Remuneration Committee Member		●			●		●	●

Business Report

1. Overview of the Nihon Kohden Group Business Activities

(1) Review of Operations and Results

During the term under review (April 1, 2024 to March 31, 2025), the global economic outlook remained uncertain due to higher geopolitical risks, while tight monetary policy eased in the U.S. and Europe. In Japan, each medical institution strove to implement task shifting and improve its operational efficiency, as work style reforms for medical staff took effect in April 2024 and medical treatment fees were revised in June 2024. However, business sentiment in medical institutions declined due to price and wage inflation. Internationally, hospital capital expenditure in China was still cautious due to the impacts of the anti-corruption campaign and economic slowdown. In the U.S., hospital finance showed a trend of improvement as the number of testing and surgical procedures increased. Medical institutions both in Japan and internationally have promoted medical digital transformation, which includes data health, telemedicine, and utilization of AI and ICT, because they need to urgently improve the quality and efficiency of medical care.

Under these circumstances, Nihon Kohden implemented its Three-year Business Plan, BEACON 2030 Phase II, which started from FY2024. The Company aims to achieve targets for three indicators: growth, profitability, and capital efficiency, by implementing six key measures including “Enhance product competitiveness”, “Focus on growth of North America Business”, and “Implement the reform of the profit structure”. The Company launched a series of its new high-value-added products and services such as mid-to low-end bedside monitors and defibrillators for hospitals both in Japan and internationally, as well as dashboard software for monitoring patient condition and clinical assistant service for small and mid-sized hospitals in Japan. The Company also started to provide a locally developed remote ICU solution in the U.S. The Company strengthened its overseas business structure through establishing Nihon Kohden Vietnam Company Limited in May 2024, starting full operation of a new reagent factory in India in September 2024, and acquiring 71.4% shares of a parent company of Ad-Tech Medical Instrument Corporation in November 2024.

As a result, overall sales during the term under review increased 1.5% over FY2023 to ¥225,424 million. Operating income increased 5.7% to ¥20,713 million, as gross profit margin improved due to decrease in inventory devaluation, higher selling prices, and favorable product mix. On the other hand, ordinary income decreased 20.4% to ¥20,373 million, reflecting foreign exchange losses compared to gains in FY2023. Income attributable to owners of parent decreased 17.2% to ¥14,098 million, as gain on sales of investment securities and loss on devaluation of investment securities were recorded as extraordinary income and extraordinary losses, respectively.

[Sales by region]

Japan: Nihon Kohden concentrated on enhancing sales activities which match each market; the acute care hospital market, the small and mid-sized hospital market, and the clinic market. The Company also focused on its consumables and services business as well as strengthening its marketing and service capabilities, creating customer value which contributed to improving medical safety, patient outcomes, and operating efficiency. As a result of these initiatives, domestic sales increased. Sales of AEDs increased favorably in the PAD (public

access defibrillation) market. Sales in the university and clinic markets increased, while sales in the public hospital market remained flat. Sales in the private hospital market decreased compared to the strong growth due to large orders in FY2023. Sales of Treatment Equipment achieved double-digit growth and sales of Physiological Measuring Equipment also increased. Sales of Patient Monitors and Other Medical Equipment decreased. As a result, domestic sales increased 2.0% over FY2023 to ¥145,237 million.

International: Overseas sales increased on a yen basis due to currency effect. Sales on a local currency basis decreased due to lower sales in Asia & Other and Latin America, as well as the impact of a change in the fiscal term of Defibtech, LLC according to the reorganization of subsidiaries in the U.S. in FY2023. In North America, sales of patient monitors, ventilators, and neurology products achieved double-digit growth, while sales of AEDs decreased. Sales in Latin America decreased mainly in Costa Rica and Columbia compared to the strong performance in FY2023, while sales in Brazil increased favorably. Sales in Europe decreased, mainly in the U.K. and the Netherlands, although sales in Germany and Italy increased. Sales in Asia & Other decreased, mainly in China. Sales in the Middle East & Africa also decreased compared to the strong growth due to large orders in Morocco in FY2023. Sales of Other Medical Equipment increased favorably and sales of Patient Monitors also increased. Sales of Treatment Equipment and Physiological Measuring Equipment decreased. As a result, international sales increased 0.7% over FY2023 to ¥80,187 million.

* In the previous fiscal year, Defibtech, LLC changed its fiscal term from end on December 31 to end on March 31, according to the reorganization of U.S. subsidiaries. In FY2023 ended March 31, 2024, Nihon Kohden consolidated the fifteen months of Defibtech's operating results from January 1, 2023 to March 31, 2024.

[Sales by product category]

Physiological Measuring Equipment: In Japan, sales of EEGs achieved double-digit growth. Sales of polygraphs for cath lab and ECGs also increased. Sales of diagnostic information systems decreased compared to the strong growth in FY2023. Internationally, sales of EEGs and ECGs decreased in Asia & Other, especially in China. Overall, sales increased 0.8% over the previous fiscal year to ¥46,874 million.

Patient Monitors: In Japan, sales of clinical information systems decreased compared to the strong growth in FY2023, while sales of consumables such as sensors increased. Internationally, sales in North America achieved double-digit growth and sales in Europe also increased. Sales in Asia & Other and Latin America decreased. Overall, sales increased 1.0% over the previous fiscal year to ¥84,965 million.

Treatment Equipment: In Japan, sales of AEDs showed double-digit growth, as replacement demand for AEDs recovered. Sales of ventilators also achieved double-digit growth driven by a mask-type ventilator. Internationally, sales of Defibtech AEDs decreased due to inventory adjustment at distributors as well as the impact from the change in the fiscal term. Sales of ventilators increased significantly in North America in addition to favorable sales in Asia & Other and Latin America. Overall, sales increased 2.9% over the previous fiscal year to ¥53,184 million.

Other Medical Equipment: In Japan, sales of locally purchased products decreased, while sales of hematology instruments and reagents, and maintenance services for medical devices increased favorably. Internationally, sales of hematology instruments and reagents achieved double-digit growth in Europe and Latin America. Overall, sales increased 1.8% over the previous fiscal year to ¥40,400 million.

(2) Challenges to be Addressed

1) Management Philosophy and Mid-to Long-term Management Strategy

Nihon Kohden's Management Philosophy is that we contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees. The Company aims at the continuous growth of the Nihon Kohden Group and increasing the value of the Company, through deploying permanently its business activities under its Management Philosophy.

In 2020, Nihon Kohden set out its Long-term Vision, BEACON 2030, for the next ten years to 2030. The Company aims to create a better future for people and healthcare by solving global medical issues. The Company has also set three transformations to be achieved: Transforming into a global company creating high added value, Creating a solution business providing superior customer value, and Establishing a global organization founded on Operational Excellence.

2) Three-year Business Plan, BEACON 2030 Phase II, covering FY2024 to FY2026

Faced with a rapidly changing global situation and a difficult business environment, in BEACON 2030 Phase II, Nihon Kohden will implement the reform of the profit structure, make investments in growth areas, and establish collaborations between new business models and existing businesses, based on the results and issues of the previous Three-year Business Plan.

1. Three Indicators and Six Key Measures

Nihon Kohden will strengthen its growth, profitability, and capital efficiency, as well as the practice of Sustainability Management.

- [Growth] Sales CAGR of 5% (FY2023-FY2026)

Enhance product competitiveness, Focus on growth of North America Business

- [Profitability] Operating income margin of 15% (FY2026)

Implement the reform of the profit structure of the entire Group, Advance global supply chain management

- [Capital efficiency] ROE of 12% (FY2026)

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

(1) [Growth] Enhance product competitiveness

Nihon Kohden will focus on strengthening its core Patient Monitoring Business and expanding Treatment Equipment Business including ventilators which are expected to grow rapidly as well as Consumables and Services Business and Solution Business including digital health solutions.

The Company will establish a common design platform and multi-plant design, refine cybersecurity measures, and strengthen QA/RA structures. The Company will also shorten the development time for new products by promoting R&D process reforms in addition to the introduction of PLM/MES systems.

* QA: Quality Assurance, RA: Regulatory Affairs, PLM: Product Life-cycle Management, MES: Manufacturing Execution System.

(2) [Growth] Focus on growth of North America Business

Nihon Kohden will focus on the market strategy in three regions: Japan, North America, Rest of World. In North America, which is expected to high growth, the Company aims to expand its market share and improve its profitability by prioritizing allocation of resources.

[Japan] Strengthen customer base and achieve sustainable growth by enhancing customer value proposition

[North America] Strengthen ties with the major IDN/GPO & DoD/VA and improve brand awareness and profitability

[Rest of World] Comply with laws and regulations related to medical equipment and strengthen local R&D, production, sales, and service capabilities

* IDN: Integrated Delivery Network, GPO: Group Purchase Organization, DoD: Department of Defense, VA: Veterans Affairs.

(3) [Profitability] Implement the reform of the profit structure of the entire Group

Implement several measures to improve product mix, productivity, and supply chains

(4) [Profitability] Advance global supply chain management

Enhance PSI (Production, Sales, Inventory) Management, Strengthen global QMS (Quality Management System), Promote multi-plant production

(5) [Capital Efficiency] Introduce Nihon Kohden's own ROIC formula

Improve operating margins, Strengthen monitoring of return on investment

(6) [Capital Efficiency] Reduce Cash Conversion Cycle

Strengthen procurement and production management capabilities mainly at the newly established Production Operations, Collect debt faster

2. Sustainability Management

To promote its practice of Sustainability Management, Nihon Kohden partially reviewed its material issues and KPIs, which were set out in the Phase I. The Company will also work on solving medical, environmental, and social issues.

Based on its Core Values, Nihon Kohden will disseminate the BEACON personnel system introduced in the Phase I and strengthen its operation. The Company will also work on work style reforms and improve personnel productivity. In addition to promoting Diversity and Inclusion, the Company will foster a corporate culture of pride in contributing to healthcare by enhancing career support such as the development of global/DX human resources.

To further strengthen its Group governance, Nihon Kohden will ensure the diversity of the Board of Directors and speed up decision-making by introducing a CxO framework. With the aim of encouraging the sharing of value with shareholders, the Company will also review the remuneration structure for directors.

3. BEACON 2030 Phase II targets for FY2026 ending March 2027 (consolidated)

¥100 million	Target for FY2026
Sales	2,560
Domestic Sales	1,570
Overseas Sales	990
Operating Income	385
Operating Income Margin	15%
Income attributable to owners of parent	250
ROE	12%

<The progress of BEACON 2030 Phase II>

In FY2024, which was the first year of this plan, sales of consumables and services as well as AEDs in Japan exceeded the Company's expectations. The Company also focused on selling in-house products and restrained sales of locally purchased products. Internationally, sales were lower than its expectations, because

demand for medical equipment was sluggish in China due to the prolonged anti-corruption campaign and economic slowdown. This was also because of slower business deals and intensified competition in the Middle East & Africa and inventory adjustment at AED distributors in each country. Under these circumstances, the Nihon Kohden Group has implemented the reform of the profit structure and accelerated its transformation into a global MedTech company. The Company worked on decreasing inventory devaluation and reviewed pricing policies both in Japan and internationally. The Company also restrained sales of locally purchased products in Japan and strived to sell patient monitors and ventilators in North America, which resulted in improved gross profit margin. The Company made steady progress in transformation into a highly profitable structure. SG&A expenses increased due to wage increases, but remained within the Company's expectations excluding currency effect. The improvement of personnel productivity remains as an issue. As a result of these developments, Nihon Kohden posted record high sales, supported by yen depreciation, and operating income increased.

In FY2025, which is the second year of this plan, Nihon Kohden aims at achieving its numerical targets by focusing on the growth of North America Business and the reform of the profit structure, while the global economic outlook is expected to be increasingly uncertain due to the U.S. tariff policies as well as geopolitical risks.

(3) Capital Investment

In FY2024, a total amount of ¥9,519 million was spent in capital investment. Main expenditures included buildings and structures such as a new plant in Tsurugashima City, products for demonstration, metal molds, measuring equipment, mechanical equipment, IT equipment and business application.

(4) Financing

The Company has borrowed funds from financial institutions related to the acquisition of NeuroAdvanced Corp. shares. The short-term loans at the end of FY2024 were ¥26,030 million.

(5) Consolidated Financial Statements

(Millions of yen)	FY2021 Ended March 31, 2022	FY2022 Ended March 31, 2023	FY2023 Ended March 31, 2024	FY2024 Ended March 31, 2025 (Current fiscal year)
Net sales	205,129	206,603	221,986	225,424
Operating income	30,992	21,120	19,591	20,713
Ordinary income	34,563	24,122	25,589	20,373
Income attributable to owners of parent	23,435	17,110	17,026	14,098
Net income per share (yen)	138.25	101.64	101.23	84.88
Total assets	210,201	216,728	233,233	258,276
Net assets	156,381	167,604	181,082	181,294
Net assets per share (yen)	926.19	996.15	1,079.20	1,101.11
ROE (%)	15.9	10.6	9.8	7.8

Notes:

- 1) In FY2021, both sales and income increased, because overseas sales increased favorably, while domestic sales decreased slightly.

- 2) In FY2022, domestic sales decreased slightly and overseas sales increased on a yen basis. Income decreased due to actual decrease in sales, a lower gross profit margin, and increased SG&A expenses.
- 3) In FY2023, both domestic and overseas sales increased. Operating income decreased due to a lower gross profit margin and increased SG&A expenses.
- 4) In FY2024, results are provided in (1) Review of Operations and Results.
- 5) Effective July 1, 2024, each share of common stock was split into two shares. Net assets per share is calculated on the assumption that the stock split was implemented at the beginning of FY2021.

(6) Principal Subsidiaries

1) Principal Subsidiaries

Name	Capital	Parent's voting rights (%)	Principal business
NIHON KOHDEN TOMIOKA CORPORATION	JPY 496M	100	Production of medical electronic equipment, and storage and transportation of the Company's products
BENEFICKS CORPORATION	JPY 20M	100	Production and sales of medical information system
NIPPON BIO-TEST LABORATORIES INC.	JPY 10M	100	Development, production and sales of immunochemical products
E-STAFF CORPORATION	JPY 20M	100	Group general affairs and staff dispatch service
Nihon Kohden North America, Inc.	USD 78,514K	100	Management control for subsidiaries in the U.S.
Nihon Kohden America, LLC	USD 4,741K	(100)	Sales of medical electronic equipment
Defibtech, LLC	USD 3,072K	(100)	Development, production and sales of medical electronic equipment
Nihon Kohden OrangeMed, LLC	USD 21,000K	(100)	Development, production and sales of medical electronic equipment
Neurotronics, LLC	USD 100K	(100)	Development of software for medical electronic equipment
Nihon Kohden Digital Health Solutions, LLC	USD 12,500K	(100)	Development of medical electronic equipment
Nihon Kohden Innovation Center, LLC	USD 1,000K	(100)	Research and development of medical electronic equipment
Nihon Kohden Europe GmbH	EUR 2,500K	100	Sales of medical electronic equipment
Shanghai Kohden Medical Electronic Instrument Corp.	USD 6,669K	100	Development, production and sales of medical electronic equipment
Nihon Kohden Singapore Pte Ltd	SGD 1M	100	Sales of medical electronic equipment
Nihon Kohden India Pvt. Ltd.	INR 111M	100	Sales of medical electronic equipment
Nihon Kohden Middle East FZE	AED 6M	100	Sales of medical electronic equipment
Nihon Kohden Korea, Inc.	KRW 800M	100	Sales of medical electronic equipment
Nihon Kohden Mexico S.A. de C.V.	MXN 20M	100	Sales of medical electronic equipment
Nihon Kohden Do Brasil Ltda.	BRL 16,728K	100	Sales of medical electronic equipment
NeuroAdvanced Corp.	\$29.7M	71.4	Holding company of companies that are engaged in R&D, production, and sales of medical equipment
Ad-Tech Medical Instrument Corporation	\$51.5M	(71.4)	Development, production and sales of medical equipment

Note: The percentage in parenthesis in "Parent's voting rights" indicates the percentage of voting rights which the parent company holds indirectly.

2) Progress of Business Combination

The Nihon Kohden Group consolidated NeuroAdvanced Corp., Ad-Tech Medical Instrument Corporation, and two special purpose companies as subsidiaries in November 2024. Nihon Kohden Vietnam Company Limited and Nihon Kohden Arabia RHQ LLC were established in May 2024 and in February 2025, respectively.

In April 2025, E-Staff Insurance Services Corporation was absorbed into E-Staff Corporation and Advanced Medical Predictive Devices, Diagnostics and Displays, LLC was absorbed into Nihon Kohden Digital Health Solutions, LLC, respectively.

3) Results of Business Combination

The Nihon Kohden Group has 36 consolidated subsidiaries. Nihon Kohden Arabia RHQ LLC is not included in the scope of consolidation because the payment of capital has not been completed. Overview of consolidated financial results is provided in (1) Review of Operations and Results.

4) Status of Specified Wholly Owned Subsidiaries as of the End of FY2024

The Company does not have any subsidiaries that qualify as specified wholly-owned subsidiaries.

(7) Principal Businesses

Nihon Kohden's primary business is research & development, production, sales, and repair and maintenance services of medical electronic equipment.

Product category	Principal products
Physiological Measuring Equipment	Electroencephalographs (EEG), evoked potential and electromyogram measuring systems, electrocardiographs (ECG), polygraphs for cath lab, diagnostic information systems, related consumables such as recording paper, electrodes and EP catheters, and maintenance services
Patient Monitors	Patient monitors for continuous monitoring of patients' vital signs such as electrocardiogram, respiration, SpO ₂ (blood oxygen saturation), NIBP (noninvasive blood pressure), clinical information systems, related consumables such as electrodes and sensors, and maintenance services
Treatment Equipment	Defibrillators, AEDs (Automated External Defibrillator), ventilators, pacemakers, anesthesia machine, cochlear implants, automated chest compression devices, related consumables such as AED pads, batteries and ablation catheters, and maintenance services
Other Medical Equipment	Hematology analyzers, clinical chemistry analyzers, ultrasound diagnostic equipment and others, consumables such as test reagents, and installation and maintenance services

(8) Principal Sales Offices and Factories

Japan	Headquarters	Shinjuku-ku, Tokyo
	Offices	Nishiochiai Office (Shinjuku-ku, Tokyo), Tokorozawa Office (Tokorozawa City, Saitama Pref.), Tomioka Office (Tomioka City, Gunma Pref.), Kawamoto Office (Fukaya City, Saitama Pref.), Tsurugashima Office (Tsurugashima City, Saitama Pref.), Asaka Office (Asaka City, Saitama Pref.), Eastern Japan Logistics Center (Sakado City, Saitama Pref.)
	Branch Offices	Hokkaido Branch (Sapporo City, Hokkaido Pref.), Tohoku Branch (Sendai City, Miyagi Pref.), Higashi Kanto Branch (Chiba City, Chiba Pref.), Kita Kanto Branch (Saitama City, Saitama Pref.), Tokyo Regional Office (Bunkyo-

		ku, Tokyo), Capital Area GP Branch (Bunkyo-ku, Tokyo), Minami Kanto Branch (Yokohama City, Kanagawa Pref.), Chubu Branch (Nagoya City, Aichi Pref.), Kansai Regional Office (Osaka City, Osaka Pref.), Chugoku Branch (Hiroshima City, Hiroshima Pref.), Shikoku Branch (Matsuyama City, Ehime Pref.), Kyushu Branch (Fukuoka City, Fukuoka Pref.)
North America	North America	Nihon Kohden North America, Inc. Nihon Kohden America, LLC Defibtech, LLC Nihon Kohden OrangeMed, LLC Ad-Tech Medical Instrument Corporation
Rest of World	Latin America	Nihon Kohden Mexico S.A. de C.V. Nihon Kohden Latin America S.A.S. Nihon Kohden Do Brasil Ltda.
	Europe	Nihon Kohden Europe GmbH Nihon Kohden Deutschland GmbH Nihon Kohden France Sarl Nihon Kohden Iberica S.L. Nihon Kohden Italia S.r.l. Nihon Kohden UK Ltd. Nihon Kohden Firenze S.r.l.
	Asia & Other	Shanghai Kohden Medical Electronic Instrument Corp. Nihon Kohden Singapore Pte Ltd NKS Bangkok Co., Ltd. Nihon Kohden Malaysia Sdn. Bhd. Nihon Kohden Vietnam Company Limited Nihon Kohden India Pvt. Ltd. Nihon Kohden Middle East FZE Nihon Kohden Korea, Inc.

(9) Employees

	Number of employees	Increase/decrease from the end of the previous fiscal year
Japan	4,307 [486]	+106
North America	950 [5]	+177
Rest of World	857 [23]	-60
Total	6,114 [514]	+223

Notes:

- 1) The number of employees indicates full time employees which exclude people assigned by the Nihon Kohden Group to work outside the Nihon Kohden Group and include people assigned from outside the Nihon Kohden Group to work within the Nihon Kohden Group.
- 2) The [Number of employees] column indicates the average number of temporary employees (part-time fixed-time, temporary and part-time employees) employed during the fiscal year.

(10) Major Lenders

Lender	Balance of borrowing
Saitama Resona Bank, Ltd.	14,100 million yen
MUFG Bank, Ltd.	4,050 million yen
Sumitomo Mitsui Banking Corporation	4,050 million yen
Sumitomo Mitsui Trust Bank, Limited	3,550 million yen

2. Stock Information (As of March 31, 2025)

- (1) **Total Number of Issuable Shares** 395,944,000 shares
- (2) **Total Number of Shares Issued** 170,961,960 shares (including 7,897,392 shares of treasury stock)
- (3) **Number of Shareholders** 6,054 (Increase by 386 compared to the end of the previous fiscal year)

(4) Major Shareholders

Shareholders	Number of shares	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	28,056,300	17.20
State Street Bank and Trust Company 505103	9,913,399	6.07
Custody Bank of Japan, Ltd. (trust account)	8,815,600	5.40
Saitama Resona Bank, Ltd.	8,057,500	4.94
CGML PB CLIENT ACCOUNT / COLLATERAL	7,447,300	4.56
GIC PRIVATE LIMITED - C	6,244,273	3.82
JP Morgan Chase Bank 380055	5,527,080	3.38
JP Morgan Chase Bank 385151	4,648,400	2.85
National Mutual Insurance Federation of Agricultural Cooperatives	2,710,000	1.66
MUFG Bank, Ltd.	2,650,260	1.62

Note: The above list excludes Nihon Kohden's treasury stock of 7,897,392 shares. Each shareholding ratio is calculated excluding treasury stock.

(5) Shares Allotted to Directors as Remuneration for the Execution of their Duties during FY2024

The details of stock-based remuneration delivered during FY2024 are as follows.

- Total number of shares allotted to directors and other board members by category

	Number of shares	Number of allottees
Directors, excluding Audit & Supervisory Committee Members and Outside Directors	9,095 shares	3 persons
Outside Directors, excluding Audit & Supervisory Committee Members	—	—
Audit & Supervisory Committee Members	—	—

(6) Other Essential Matters regarding Stock

1) Stock split

Effective July 1, 2024, each share of common stock was split into two shares, pursuant to the resolution of the Board of Directors held on May 13, 2024.

2) Cancellation of own shares

The Company cancelled 5,500,000 shares of its treasury shares on July 19, 2024, pursuant to the resolution of the Board of Directors held on May 13, 2024.

3) Acquisition of own shares

The Company acquired 4,757,400 shares of its own shares from August 5, 2024 to March 24, 2025, pursuant to the resolution of the Board of Directors held on May 13, 2024.

3. Corporate Governance

(1) Basic Policy on Corporate Governance

To realize its Management Philosophy as a medical electronics manufacturer, the Company aims at achieving sustained growth and establishing reliance as a company that is highly evaluated by customers, shareholders, clients and society in all aspects including products, sales, service, technology, financial strength, quality of employees and other point.

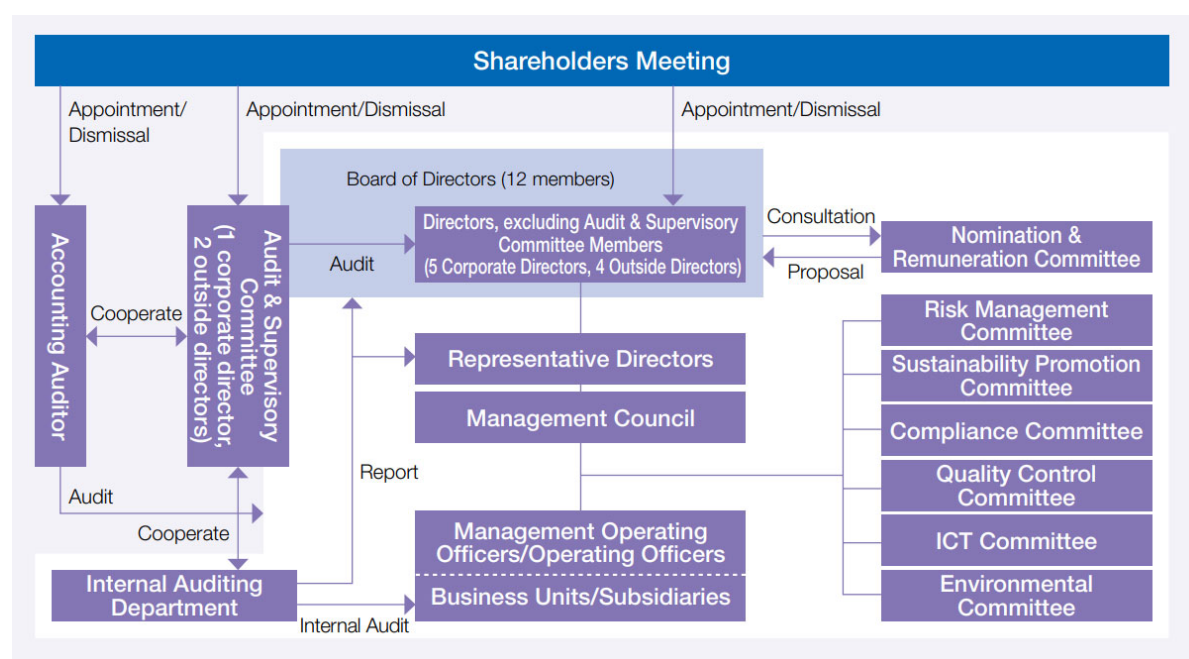
In order to realize this management basic policy and increase corporate value over the mid-to long-term, the Company recognizes that enhancing corporate governance, by establishing a management structure aiming

at improving the soundness, transparency and efficiency of management, is an important management issue.

(2) Corporate Governance System

The Company has adopted a company with Audit & Supervisory Committee structure to achieve the following: enhancement of supervisory function, improvement of soundness and transparency of the management, and acceleration of the management decision making. In addition, The Company has established the Nomination & Remuneration Committee, which is a voluntary advisory committee under the Board, to ensure transparency and objectivity of the management. The Committee consists of three independent outside directors and the committee chair is also appointed from outside directors.

The Board resolves the matters pursuant to the Companies Act and makes decisions on the execution of important business for the entire group as well as supervises directors' performance of their duties. In addition, Meetings of the Management Council, at which all directors, management operating officers, and operating officers attend, are held to ensure prompt decision making and flexible business operation.



4. Directors and Operating Officers

(1) Names and Other Information of Directors

Title	Name	Areas of Responsibility and Significant Concurrent Positions
Representative Director, President and Chief Executive Officer	Hirokazu Ogino (Male)	
Representative Director	Takashi Tamura (Male)	
Corporate Director, Executive Operating Officer, Chief Administrative Officer	Tadashi Hasegawa (Male)	General Manager of Corporate Administration Operations, Chief Compliance Officer
Corporate Director, Senior Operating Officer, Chief Regional Officer - North America	Eiichi Tanaka (Male)	General Manager of North America Business Operations, President of Nihon Kohden North America, Inc.

Title	Name	Areas of Responsibility and Significant Concurrent Positions
Corporate Director, Senior Operating Officer, Chief Regional Officer - International	Yasuhiro Yoshitake (Male)	General Manager of International Business Operations
Outside Director*	Shigeru Kawatsuhara (Male)	
Outside Director	Hidemitsu Sasaya (Male)	Representative Director of Office Sasaya Co., Ltd., Visiting Professor at Chiba University of Commerce
Outside Director*	Sumie Morita (Female)	Professor at Department of Information and Computer Science, Faculty of Systems Science and Technology, Akita Prefectural University, Outside Director of Sumitomo Heavy Industries, Ltd.
Outside Director*	Danny Risberg (Male)	
Corporate Director, Full-time Audit & Supervisory Committee Member	Shigeru Hirata (Male)	
Outside Director, Audit & Supervisory Committee Member	Kazuo Shimizu (Male)	Certified Public Accountants and Tax Accountants, Representative partner of Ryoh-koh Audit Corporation
Outside Director, Audit & Supervisory Committee Member*	Ikumi Sato (Female)	Attorney, Nozomi Sogo Attorneys at Law, Outside Director of DAI-DAN CO., LTD., Outside Director (Audit & Supervisory Committee Member) of TAIYO HOLDINGS CO., LTD.

Notes:

- 1) Mr. Shigeru Kawatsuhara, Mr. Hidemitsu Sasaya, Ms. Sumie Morita, Mr. Danny Risberg, Mr. Kazuo Shimizu, and Ms. Ikumi Sato are Outside Directors. The Company has filed a notification with the Tokyo Stock Exchange to establish that they are independent directors.
- 2) The Company appoints a full-time Audit & Supervisory Committee Member to ensure the effectiveness of audits by routinely monitoring the establishment and operation of the internal control system and the maintenance of the environment for the collection of internal information and audits.
- 3) Each of the individuals marked with an asterisk (*) in the above table was newly elected and appointed at the 73rd Ordinary General Meeting of Shareholders held on June 26, 2024.
- 4) Mr. Kazuo Shimizu, an Audit & Supervisory Committee Member, is a Certified Public Accountant and Tax Accountant, and possesses a considerable degree of knowledge about finance and accounting.
- 5) Director who retired during the fiscal year under review is as follows.
Retired on June 26, 2024 due to the expiration of term of office
Corporate Director, Senior Operating Officer Hiroyuki Satake
Outside Director Kanako Muraoka
Outside Director serving as Audit & Supervisory Committee Member Shigeru Kawatsuhara
- 6) In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded a liability limitation agreement with each Outside Director to limit his/her liability under the provisions of Article 423, Paragraph 1 of the same Act. The minimum liability amount is the amount stipulated by law.
- 7) Outside Director Shigeru Kawatsuhara, Outside Director Kazuo Shimizu, and Outside Director Ikumi Sato are the Nomination & Remuneration Committee Members. Mr. Shigeru Kawatsuhara is serving as the chairperson.
- 8) The Company has introduced an operating officer system. The management operating officers and operating officers who do not serve as Directors are as follows as of March 31, 2025.

Title	Name	Responsibility
Senior Operating Officer, Chief Human Capital Officer	Kenji Furukawa	General Manager of Human Resources Development Operations, General Manager of Human Resources Department
Operating Officer, Chief Business Development Officer	Kazuomi Shimoda	General Manager of Import Business Operations
Operating Officer, Chief Strategy & Innovation Officer	Kaoru Imajo	In charge of Business Strategy, R&D, Process Management, Brand Equity
Operating Officer, Chief Quality & Regulatory Officer	Yoshiyuki Fujita	General Manager of Corporate Quality Management Operations
Operating Officer, Chief Regional Officer - Japan	Toshihiko Hiraoka	In charge of Domestic Business and Services Business
Operating Officer, Chief Manufacturing Officer	Yutaka Inano	General Manager of Production Operations, General Manager of Supply Chain Management Division, President of Nihon Kohden Tomioka Corporation
Operating Officer, Chief Technology Officer	Hirohiko Ikeya	General Manager of Technology Development Operations
Operating Officer	Shuhei Morinaga	Deputy General Manager of North America Business Operations
Operating Officer	Masahiko Kumakura	General Manager of Customer Service Operations
Operating Officer	Yoshinori Obara	General Manager of Solution Business Division
Operating Officer	Eri Watanabe	Deputy General Manager of Corporate Administration Operations, General Manager of Finance Department
Operating Officer	Hiroko Hagiwara	General Manager of Clinical Development & Regulatory Affairs Division
Operating Officer	Fumio Izumida	General Manager of Corporate Strategy Division
Operating Officer	Tsutomu Wakabayashi	Deputy General Manager of Technology Development Operations
Operating Officer	Seiji Miyazaki	General Manager of China Business Operations
Operating Officer	Hironori Asa	General Manager of Domestic Business Operations

(2) Remuneration to Directors

1) Policy for Determining the Amounts and Calculation Methods of Remuneration to Directors

To increase business performance and shareholder value, as well as improving management transparency and increasing mid-to long-term growth and profitability, the Company has established a policy ("The Decision Policy") for determining the amounts and methods of calculation of Directors' remuneration. The Decision Policy was determined by a resolution of the Board of Directors after receiving a report from the Nomination & Remuneration Committee, a voluntary advisory committee under the Board.

A summary of the Decision Policy is as follows.

Remuneration of Directors shall be linked to shareholder value so as to function effectively as an incentive for continuously improving the Company's corporate value. Remuneration of each Director shall be determined at an appropriate level based on their respective responsibilities.

Remuneration of Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors) shall consist of a base salary as fixed monthly compensation, bonuses as performance-based compensation reflecting short-term business performance, and restricted stock remuneration as an

incentive to continuously improve the Company's corporate value over the mid- to long-term. Remuneration of Audit & Supervisory Committee Members and Outside Directors, who are responsible for supervisory functions, shall consist of the fixed monthly compensation only.

Remuneration to Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors)

Name	Type	Content/Calculation Method	Payment Method
Base salary by position	Monetary compensation	Fixed compensation ●Determined based on the Director's position, responsibilities, and years served as a Director, comprehensively taking into consideration the levels of other companies, the Company's business performance, and the level of employee salaries.	Paid monthly
Annual bonuses		Performance-linked compensation ●Payment rate is determined based on the result of the Company's business performance and individual evaluation of a previous fiscal year Calculated based on a variable payment rate of 0% to 200% Performance indicators for the Company's business performance: Consolidated operating income Performance Indicators for individual evaluation: Degree of Achievement of annual business performance targets, mid-to long-term strategies, and ESG targets	Paid annually
Mid-to long-term incentive	Non-monetary compensation	Fixed compensation ●Non-performance-linked Pre-delivery Restricted Stock Remuneration Allotted the number of shares of the Company's common stock, which is determined based on the Director's position.	Paid annually
		Performance-linked compensation ●Performance-linked Post-delivery Restricted Stock Remuneration Incentives to strengthen remuneration governance and further improve corporate value to achieve Three-year Business Plan, BEACON 2030 Phase II. Calculated in accordance with the payment rate determined based on consolidated operating income margin, consolidated ROE, and relative TSR. Payment rate varies from 0% to 200% Evaluation weight: consolidated operating income margin 30%+ consolidated ROE 30% + relative TSR 40%	Paid annually

The fixed monthly compensation shall be determined based on the Director's position, responsibilities, and years served as Director, comprehensively taking into consideration the level of other companies, the Company's business performance, and the level of employee salaries.

Performance-linked compensation shall consist of bonuses and restricted stock (performance-linked post-delivery type) that reflect key performance indicators (KPI) to raise awareness of the need to improve the Company's business performance in each fiscal year. As regards bonuses, the target performance indicators and their values shall be in line with the medium-term business plan and set at the time of the formulation of the plan. The target values shall be reviewed as appropriate in accordance with the report of the Nomination & Remuneration Committee in response to environmental changes. The degree of achievement of the target values shall be used as a common evaluation index for all Directors. Individual evaluations shall be conducted according to each Director's area of responsibility. The amount of bonuses shall be calculated based on a variable payment rate of 0% to 200% and the bonuses shall be paid at a fixed time each year. As regards restricted stock remuneration (performance-linked post-delivery type), the performance indicators and their values shall be in line with the Medium-term Business Plan and set at the time of the formulation of the plan. The target values shall be reviewed as appropriate in accordance with the report of the Nomination & Remuneration Committee in response to the environmental changes. The degree of achievement of target values shall be used as a common evaluation index for all Directors. The number of shares to be allotted shall be calculated based on a variable payment rate of 0% to 200%, and the shares shall be allotted annually at a

fixed time each year. The method of determining performance evaluation indicators and payout ratio for FY2024 to FY2026 in the event that the plan is introduced is as follows. Provided, however, that if the consolidated operating income margin for the period is less than 10%, the payout ratio in the period will be 0%.

	Valuation weight	Performance evaluation indicators
Financial target evaluation	30%	Consolidated operating income margin
	30%	Consolidated ROE
Corporate value evaluation	40%	Relative TSR*

* (Total shareholder return of the Company at the end of the relevant fiscal year) ÷ (Average of total shareholder return of other companies in the same industry for the period corresponding to the calculation period of total shareholder return of the Company)

Payment ratio = (Coefficient linked to the degree of achievement of the consolidated operating income margin target x 30%) + (Coefficient linked to the degree of achievement of the consolidated ROE target x 30%) + (Coefficient linked to the degree of achievement of the relative TSR target x 40%)

As regards restricted stock remuneration (non-performance-linked pre-delivery type and performance-linked post-delivery type), the Company shall, in principle, allot shares of the Company's common stock every year, after concluding an agreement on allotting restricted stock between the Company and each Director (excluding Audit & Supervisory Members and Outside Directors). As regards non-performance-linked pre-delivery type, the Company shall allot the number of shares of the Company's common stock determined based on the position of the allottee. As regards performance-linked post-delivery type, the Company shall allot the number of shares of the Company's common stock determined based on the degree of achievement of numerical targets for business performance. For both of non-performance-linked pre-delivery type and performance-linked post-delivery type, to encourage the sharing of value with shareholders over the mid- to long-term, the transfer restriction period shall be from the grant date of the restricted stock to the date when each Director retires from the position of Director or Operating Officer.

The ratio by types of compensation for Directors (excluding Audit & Supervisory Committee Members and Outside Directors) shall be reviewed by the Nomination & Remuneration Committee, based on the remuneration levels of benchmark companies whose business scale is similar to the Company. The weighting of performance-based compensation shall be higher for the higher positions. While respecting the report by the Nomination & Remuneration Committee, the Board of Directors shall determine the details of remuneration for each Director within the range of the ratio by types of compensation indicated in the report. The amount of remuneration shall be determined by resolution of the Board of Directors, which shall have the authority to determine the amount of basic salaries for each Director as well as the evaluation and allocation of performance-based compensation based on the performance of the business for which each Director is responsible. The Board of Directors shall consult the Nomination & Remuneration Committee on the draft remuneration plan and obtain a report from the Committee to ensure that the Board exercises its authority appropriately. The Board of Directors shall also resolve the number of shares to be allocated to each Director as restricted stock remuneration based on the report of the Nomination & Remuneration Committee.

In determining the content of remuneration for each Director (excluding Audit & Supervisory Committee Members), the Nomination & Remuneration Committee shall conduct a multifaceted review of the draft

remuneration plan, including consistency with the Decision Policy. As a general rule, the Board of Directors shall defer to the report of the Nomination & Remuneration Committee and determine that the proposed remuneration complies with the Decision Policy.

The remuneration of Audit & Supervisory Committee Members shall consist of fixed monthly compensation only from the perspective of placing importance on the independence and objectivity of management. The amount of remuneration for each Director is determined by consultation among the Audit & Supervisory Committee Members.

2) Resolutions of the General Meeting of Shareholders on Remuneration to Directors

The 65th general shareholders meeting held on June 28, 2016 approved the following: i) with respect to the amount of remuneration to Directors excluding Audit & Supervisory Committee Members, the total amount shall be within the limit of 400 million yen (including the amount of remuneration to Outside Directors, which shall be within the limit of 80 million yen, which was revised by the resolution of the 73rd general shareholders meeting held on June 26, 2024, but not including other Directors' salaries as employees of the Company). The number of Directors excluding Audit & Supervisory Committee Members was 10 (including two Outside Directors) at the time of the resolution on June 28, 2016. The number of Directors excluding Audit & Supervisory Committee Members was nine (including four Outside Directors) at the time of the resolution on June 26, 2024.

The 65th general shareholders meeting held on June 28, 2016 approved the following: with respect to the amount of remuneration to Audit & Supervisory Committee Members, the total amount shall be within the limit of 80 million yen. At the time of the resolution, the number of Audit & Supervisory Committee Members was three (including two Outside Directors).

Separately from the above remuneration, the 69th general shareholders meeting held on June 25, 2020 approved the following: The maximum amount of monetary compensation receivables to be paid to Directors (excluding Audit & Supervisory Committee Members and Outside Directors) in respect of restricted stock (non-performance-linked pre-delivery type) shall be within the limit of 100 million yen. At the time of the resolution, the number of Directors (excluding Audit & Supervisory Committee Members and Outside Directors) was seven.

Separately from the above remuneration and the total amount of monetary compensation receivables to be paid in respect of restricted stock (non-performance-linked pre-delivery type), the 73rd general shareholders meeting held on June 26, 2024 approved the following: the maximum amount of monetary compensation receivables to be paid to Directors (excluding Audit & Supervisory Committee Members and Outside Directors) in respect of restricted stock (performance-linked post-delivery type) shall be within the limit of ¥300 million. At the time of the resolution, the number of Directors (excluding Audit & Supervisory Committee Members and Outside Directors) was five.

3) The Total Amount of Remuneration to Directors

Million yen	Total amount of remuneration	Total Amount of Remuneration by Type			Number of Directors
		Fixed monthly compensation	Performance-based compensation (bonuses)	Restricted stock remuneration	
Directors (excluding Audit & Supervisory Committee Members)	282	210	47	24	11
[Outside Directors]	[35]	[35]	[-]	[-]	[5]
Directors (Audit & Supervisory Committee Members)	47	47	-	-	4
[Outside Directors]	[21]	[21]			[3]
Total	329	258	47	24	15

Note: 1. The number of Directors receiving restricted stock remuneration is three. (One non-resident of Japan is not eligible for payment).
2. The restricted stock remuneration was the amount recorded as an expense in FY2024 as non-performance-linked pre-delivery type. As regards performance-linked post-delivery type, the payout ratio was 0% because the consolidated operating income margin in FY2024 was less than 10%.

4) Performance-based Compensation

The Company pays bonuses and restricted stock remuneration (performance-linked post-delivery type) to Directors (excluding Audit & Supervisory Members and Outside Directors) as performance-based compensation to further increase Directors' morale and motivation to improve its business performance and generate sustainable increases in its corporate value.

The FY2024 performance indicator selected as the basis for calculating the amount of bonuses is consolidated operating income. This is because consolidated operating income is the profit earned from the Company's core businesses as well as reflecting the creation of high customer value and improvement of productivity within the organization. An increase in operating income also leads to a sustainable increase in the Company's corporate value. Amounts of bonuses are calculated based on the degree of achievement of the consolidated operating income target as well as individual evaluation (degree of achievement of annual business performance targets, mid-to long-term strategies, and ESG targets) according to each Director's area of responsibility, and the variable payment rate is 0% to 200%.

The results for operating income in FY2024 are described in 1. (5) Consolidated Financial Statements.

The FY2024 performance indicators selected as the basis for calculating the amount of restricted stock remuneration (performance-linked post-delivery type) are consolidated operating income margin, consolidated ROE, and relative TSR. This is aiming to strengthen remuneration governance and further improve corporate value to achieve the Three-year Business Plan, BEACON 2030 Phase II. Amounts of restricted stock remuneration (performance-linked post-delivery type) are calculated based on the degree of achievement of target values which shall be used as a common evaluation index for all Directors. The number of shares to be allotted shall be calculated based on a variable payment rate of 0% to 200%, and the shares shall be allotted annually at a fixed time each year. In FY2024, the payout ratio was 0% because the consolidated operating income margin was less than 10%.

5) Restricted Stock Remuneration

The Company allots restricted stock to Directors (excluding Audit & Supervisory Committee Members and Outside Directors) to encourage them to continuously improve the Company's corporate value, as well as to facilitate their sense of sharing value with shareholders.

The Company paid monetary compensation receivables as remuneration to the three specified Eligible Directors and allocated 9,095 shares of the Company's common shares as specified restricted shares paid for by the Allottees using the entire amount of the monetary compensation receivables as contributed assets. The shares allotted as restricted stock remuneration (non-performance-linked pre-delivery type) are awarded to Eligible Directors for the period from the 73rd Ordinary General Meeting of Shareholders until the 74th Ordinary General Meeting of Shareholders. The amount of the monetary compensation receivables granted to each Eligible Director was determined by comprehensively taking into consideration a wide range of factors, such as the extent of the contribution of each Eligible Director to the Company. The monetary compensation receivables were also granted on the condition that each Eligible Director enter into a Restricted Stock Allotment Agreement with the Company.

As regards restricted stock remuneration (performance-linked post-delivery type), the payout ratio was 0% because the consolidated operating income margin in FY2024 was less than 10%.

The status of allocation of restricted stock remuneration is described in 2. (5) Shares Allotted to Directors as Remuneration for the Execution of their Duties during FY2024.

(3) Summary of Directors and Officers (D&O) Liability Insurance Agreement

The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The Company intends to renew the insurance agreement in June 2025.

1) Coverage of the Insured Persons

Directors of the Company (including Directors serving as Audit & Supervisory Committee Members), Operating Officers of the Company, and Officers of subsidiaries.

2) Substantial Premium Burden Ratio of the Insured Persons

All the insurance premiums under the insurance agreement are borne by the Company.

3) Summary of Insurance Accidents covered by Insurance

The insurance agreement covers damages incurred by the Officers (legal damage compensation and legal expenses) due to claims for damage compensation during the insurance period arising from acts or omissions of the insured persons in the execution of duties as an Officer of the Company.

4) Measures to Ensure the Appropriateness of the Execution of Duties by Officers is maintained

There are certain exemptions that exclude coverage for liability arising from certain acts by the insured persons, such as intentional behavior, provision of unlawful personal profit and criminal acts.

(4) Outside Directors

The Company appoints independent outside directors in order to enhance transparency and soundness of the management. The Company appoints outside directors who meet the independence criteria set by the

Tokyo Stock Exchange and have a wealth of knowledge and experience in their fields, and can provide advice and supervise the management from their objective and neutral position.

1) Significant Concurrent Positions of Outside Directors

Classification	Name	Concurrent position and organization	Relationship of organization they have concurrent position
Outside Director	Shigeru Kawatsuhara	There are no applicable items.	
	Hidemitsu Sasaya	Representative Director of Office Sasaya Co., Ltd., Visiting Professor at Chiba University of Commerce	He is the Representative Director of Office Sasaya Co., Ltd., which delivered lectures on sustainability to executive officers and employees of the Company, but the amount of remuneration paid to Office Sasaya Co., Ltd. in FY2024 was less than 10 million yen. There is no special relationship between the Company and Chiba University of Commerce.
	Sumie Morita	Professor at Department of Information and Computer Science, Faculty of Systems Science and Technology, Akita Prefectural University, Outside Director of Sumitomo Heavy Industries, Ltd.	There is no special relationship between the Company and each organization.
	Danny Risberg	There are no applicable items.	
Outside Director, Audit & Supervisory Committee Member	Kazuo Shimizu	Certified Public Accountants and Tax Accountants, Representative Partner of Ryoh-koh Audit Corporation	There is no special relationship between the Company and each organization.
	Ikumi Sato	Attorney, Nozomi Sogo Attorneys at Law, Outside Director of DAI-DAN CO., LTD., Outside Director (Audit and Supervisory Committee Member) of TAIYO HOLDINGS CO., LTD.	Although Nozomi Sogo Attorneys at Law is contracted to handle the Company's internal reporting hotline and to conduct employee compliance surveys, the amount of remuneration paid to Nozomi Sogo Attorneys at Law in FY2024 was less than 10 million yen. There is no special relationship between the Company and DAI-DAN CO., LTD. and TAIYO HOLDINGS CO., LTD.

(2) Major Activities of Outside Directors during FY2024

Classification	Name	Attendance at Board Meetings	Attendance at Audit & Supervisory Committee Meetings	Main Activities
Outside Director	Shigeru Kawatsuhara	16/16	7/7 (before retirement on June 26, 2024)	He made appropriate and necessary statements from his abundant knowledge and broad experience as a management of a global company. He also provided objective and neutral advice, and supervised management from an independent standpoint. As a Chairperson of the Nomination & Remuneration Committee, he attended all 10 times meetings held in FY2024 while taking the initiative in discussions and resolutions about the drafts of both nomination and remuneration of directors, which were submitted to the Board of Directors by the Nomination & Remuneration Committee.
	Hidemitsu Sasaya	16/16	-	He made appropriate and necessary statements from his abundant knowledge and broad experience in industry, government and academia. He also strengthened the role and function of the Board of Directors in the promotion of sustainability and provided objective and neutral advice, and supervised management from an independent standpoint. In FY2024, he also delivered lectures on sustainability to executive officers and employees of the Company to promote a further understanding of sustainability.
	Sumie Morita	11/11 (after appointment on June 26, 2024)	-	She made appropriate and necessary statements from her abundant knowledge and broad experience in corporate management from a global perspective as a corporate executive and information engineering specialist. She also provided objective and neutral advice, and supervised management from an independent standpoint.
	Danny Risberg	11/11 (after appointment on June 26, 2024)	-	He made appropriate and necessary statements from his abundant knowledge and broad experience as a management of a global company and through activities in industry associations. He also provided objective and neutral advice, and supervised management from an independent standpoint.
Outside Director, Audit & Supervisory Committee Member	Kazuo Shimizu	16/16	19/19	He made appropriate and necessary statements from his professional perspective as a Certified Public Accountant and Tax Accountant, and supervised the Company's management from an independent standpoint. As a member of the Nomination & Remuneration Committee, he attended all 10 times meetings held in FY2024. He attended discussions and resolutions about the drafts of both nomination and remuneration of directors, which was submitted to the Board of Directors by the Nomination & Remuneration Committee.

Classification	Name	Attendance at Board Meetings	Attendance at Audit & Supervisory Committee Meetings	Main Activities
	Ikumi Sato	11/11 (after appointment on June 26, 2024)	12/12 (after appointment on June 26, 2024)	She made appropriate and necessary statements from her professional perspective as an Attorney, and supervised the Company's management from an independent standpoint. As a member of the Nomination & Remuneration Committee, she attended all six times meetings held after June 26, 2024. She attended discussions and resolutions about the drafts of both nomination and remuneration of directors, which was submitted to the Board of Directors by the Nomination & Remuneration Committee.

5. Accounting Auditor

(1) Name of Accounting Auditor

Crowe Toyo & Co.

(2) Amount of Remuneration to the Accounting Auditor for FY2024

Total amount of remuneration to the accounting auditor for FY2024	60 million yen
Total amount of money and other property benefits to be paid by the Company and its subsidiaries to the accounting auditor	60 million yen

Notes:

- 1) Based on the "Practical Guidelines for Collaboration with Accounting Auditors" published by the Japan Corporate Auditors Association, the Audit & Supervisory Committee agreed to the accounting auditor's remuneration under Article 399, Paragraphs 1 and 3 of the Companies Act after reviewing the details of the accounting auditor's audit plan, the basis for calculating the estimated remuneration, and the performance of duties in previous years.
- 2) The audit contract between the Company and the accounting auditor does not distinguish between audit fees based on the Companies Act and audit fees based on the Financial Instruments and Exchange Act, so the above amounts include audit fees based on the Financial Instruments and Exchange Act.
- 3) Some of the Company's significant overseas subsidiaries are audited by auditing firms other than the Company's accounting auditor.

(3) Policy on Dismissal or Non-reappointment of the Accounting Auditor

If the accounting auditor is found to fall under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Committee shall dismiss the accounting auditor with the consent of all Audit & Supervisory Committee Members.

In addition, the Audit & Supervisory Committee will determine the content of the agenda for the General Meeting of Shareholders regarding the dismissal or non-reappointment of the accounting auditor when it is deemed necessary, such as when the performance of the accounting auditor's duties is impeded.

6. Corporate Structure and Policy

(1) System to Ensure the Appropriateness of Business

The Company is promoting the development of internal control systems in accordance with the following basic policy for the establishment of internal control systems.

1) System to Ensure Compliance by Directors and Employees of the Company Group with Laws and the Articles of Incorporation in the Execution of Their Duties

In order to ensure fair and appropriate corporate activities, the Company has thoroughly notified Nihon Kohden Charter of Conduct, which codifies the basic criteria for business conduct, and Nihon Kohden Code of Ethics and Conduct, which stipulates the way of conduct to be observed from the point of view of compliance with laws, to directors and employees by training and promotion activities. The Compliance Committee and compliance officers at departments and Group companies promote the implementation of compliance. The Company has established an internal compliance hotline for reporting and consultation in order to find and cure unfair practices as early as possible. The Company stands against antisocial forces that threaten the order and safety of civil society, and has no relationship with them.

2) System for Storing and Managing Information Related to the Execution of Duties by Directors

Information related to the execution of duties by directors are stored and managed appropriately during the storage period set for each information in accordance with Standards for Procedures for Requesting Deliberations and Making Decisions. Documents are stored and made available for inspection depending on recording media.

3) Risk Management of Possible Losses

The Company has established the risk management system for managing risks associated with overall operations of the Company Group in accordance with Risk Management Rules in order to ensure the sound and appropriate business operations. The group-wide risk management system regularly evaluates risks and review countermeasures, focusing on significant risks identified by the Risk Management Committee, in collaboration with the risk management manager in each department. The Company shall work to improve the effectiveness of the system. The risk management department implements group-wide risk management, assigning responsibility for each risk associated with operational execution to specific departments. In the event of an emergency, such as a natural disaster, emergency response measures shall be implemented with regard to internal rules such as BCP.

4) System to Ensure Efficient Business Execution by Directors

Meetings of the Management Council, at which directors, management operating officers, and operating officers attend, are held once or twice a month aiming at prompt decision making and flexible business operation. The Company has introduced an operating officer system that provides a clear segregation between managerial decision making and supervisory functions on the one hand and the execution of operations on the other. The Company will endeavor to ensure the effective business execution by establishing internal rules to clarify the allocation of duties, authority, responsibility and execution procedures of each director, management operating officer, operating officer and council.

5) System to Ensure Proper Business Execution of the Company Group

The Company has established the management system to ensure the proper business execution of the Company Group in accordance with the internal rules, assigning responsibility for the appropriate management of each Group company to specific departments, receiving the periodic report regarding the business performance and other important matters from each Group company, and requiring Group companies to obtain prior approval from the Company before conducting important matters. The Internal Auditing Department is in charge of auditing the Company and Group companies. The Company has established the internal control system to ensure the reliability of financial statements under the Financial Instruments and Exchange Act and will assess and improve the system continuously.

6) Matters concerning directors and employees assisting the Audit & Supervisory Committee, the independence of such directors and employees from other directors, excluding Audit & Supervisory Committee Members, and ensuring the effectiveness of instructions from the Audit & Supervisory Committee to such directors and employees.

The Audit & Supervisory Committee Secretariat assists with the Audit & Supervisory Committee's duties when the Audit & Supervisory Committee requests or instructs.

Personnel changes of the Audit & Supervisory Committee Secretariat shall require prior consent of the Audit & Supervisory Committee.

The Audit & Supervisory Committee Secretariat is independent from the directors, excluding Audit & Supervisory Committee Members, line of command when they work under the instruction of the Audit & Supervisory Committee.

7) System for Reporting to the Audit & Supervisory Committee by Directors, excluding Audit & Supervisory Committee Members, and Employees of the Company Group

Directors, excluding Audit & Supervisory Committee Members, and employees of the Company Group shall promptly report to the Audit & Supervisory Committee concerning matters that may cause serious damage to the Company Group, material violations of laws and the Articles of Incorporation, unfair practices as well as results of internal audit. The Audit & Supervisory Committee may request reports of directors, excluding Audit & Supervisory Committee Members, and employees of the Company Group as necessary.

Directors, excluding Audit & Supervisory Committee Members, or employees who report to the Audit & Supervisory Committee will not be subjected to disadvantageous treatment because of such report. The Audit & Supervisory Committee audits the performance of the directors', excluding Audit & Supervisory Committee Members, duties by attending the important meetings such as the Management Council.

8) System to Ensure Effective Audit by the Audit & Supervisory Committee

Representative Directors have periodic meetings with the Audit & Supervisory Committee and exchange opinions regarding challenges that the Company should deal with, the audit environment of the Audit & Supervisory Committee, and other important audit issues. The Audit & Supervisory Committee shall maintain close contact and share information with the Accounting Auditor and Internal Auditing Department in order to

ensure effective audit of the Company and Group companies.

The Company will promptly reimburse expenses invoiced by Audit & Supervisory Committee Members that are deemed necessary for the execution of their duties in accordance with Auditing Standards Conducted by the Audit & Supervisory Committee.

(2) Overview of the Operation of the System to Ensure the Appropriateness of Business

The following is a summary of the results of operations for FY2024.

1) Compliance

The Company ensures thorough compliance by distributing the Compliance Handbook to all executive officers and employees of the Group and conducting compliance training at the workplace level to ensure that they are fully aware of the Nihon Kohden Charter of Conduct and the Nihon Kohden Code of Ethical Conduct. In FY2024, the Compliance Committee was held eight times to continuously supervise, evaluate and improve the Group's compliance system and to confirm its operation of compliance-related consultations and reports. The Company has also strengthened its compliance structure by steadily implementing measures to prevent recurrence of the bribery case involving former employees of the Company in Japan in 2021 under the Compliance Committee.

2) Risk Management System

In accordance with the Risk Management Regulations, the Risk Management Supervisory Division improves and promotes a cross-organizational risk management system of the Nihon Kohden Group, and the specialized committees and divisions set for each risk are responsible for the individual risks associated with the execution of business. In FY2024, each committee such as the Quality Control Committee held regularly to evaluate and report on the effectiveness of each risk management framework, and reported to the Board of Directors on the progress of the Group's overall risk management system. The Risk Management Committee reported the identified significant risks to the Board of Directors as well as promoting to develop a sophisticated company-wide risk management framework. The Company also provided e-learning on risk management including information security to executive officers and employees.

As a medical equipment manufacturer, the Company improved the system to continue the smooth supply of products and services while ensuring the safety of employees and their families in the event of an emergency such as a large-scale natural disaster. In FY2024, the Company conducted evacuation drills and safety confirmation drills, as well as training for the disaster response at the head quarters, to ensure that employees take appropriate action in the event of an emergency in accordance with the Disaster First Response Manual.

3) Execution of Duties by Directors

In accordance with the Board of Directors Rules and the Standards for Procedures for Requesting Deliberations and Making Decisions, the Board of Directors was held 16 times in FY2024, and resolved the matters pursuant to the laws, made decisions on the execution of important business for the Nihon Kohden

Group, as well as supervised directors' performance of their duties. The Management Council, at which Directors and Operating Officers attend, was held 13 times to ensure prompt decision-making and flexible business operation. Outside Directors attended the important meetings such as the Management Council as necessary and provided their opinions from an objective and neutral standpoint if necessary and supervise the Company's management.

The Company has introduced an operating officer system. The number of Management Operating Officers and Operating Officers who do not serve as Directors is 16. This system clarifies the role of the business execution functions and strengthens its functions. In addition, the Company endeavors to ensure the effective business execution by establishing internal rules to clarify the allocation of duties, authority, responsibility and execution procedures of each director, management operating officer, operating officer and council.

4) Group Management System

The Company has established the management system to ensure the proper business execution of the Company Group in accordance with the internal rules, assigning responsibility for the appropriate management of each Group company to specific departments, receiving the periodic report regarding the business performance and other important matters from each Group company, and requiring Group companies to obtain prior approval from the Company before conducting important matters.

In FY2024, after deliberation about strengthening the governance of its overseas subsidiaries, the Company has implemented measures and has reported the progress to the Board of Directors once every six months to enhance governance functions in each subsidiary as the 1st defense, in each administrative department such as finance, legal, human resources, and quality control as the 2nd defense, and in the Internal Audit Department as the 3rd defense. The Company also revised and confirmed the operational and improvement status of the Global Business Management Policy, operation of which started in FY2021 so that the managers of overseas subsidiaries can strengthen risk management related to accounting, human resources, legal, and information security.

The Internal Audit Department conducted internal audits of the Company and its subsidiaries regarding compliance, and effectiveness and appropriateness of business executions, and reported the internal audit results to the President and the Audit & Supervisory Committee each time the internal audit is conducted. In addition, the internal audit results and progress of improvements were reported to Directors, Management Operating Officers, and Operating Officers at the Board of Directors Meetings every quarter.

The final assessment of internal control system for financial statements was conducted at the time of closing and was confirmed to be effective. In FY2024, the Company conducted J-SOX training (e-learning) for newly recruited employees, mid-career employees, and newly appointed managers. The Company also conducted online J-SOX training for all employees in domestic sales branch offices to ensure understanding and awareness of J-SOX.

5) Execution of Duties by the Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three directors, including two outside directors and one full-time member. Each Audit & Supervisory Committee Member attends the important meetings such as the Management Council. Each Audit & Supervisory Committee Member audits the performance of the directors' duties by investigating the conduct of business operations and status of assets at the Company's main offices and subsidiaries through office visits in addition to reports on audit results from the Internal Audit Department. Those activities shall be in accordance with the audit policy and the audit plan for the term which is decided at the Audit & Supervisory Committee. In FY2024, the Audit & Supervisory Committee was held 19 times. The Audit & Supervisory Committee and the Internal Audit Department shared information and exchanged opinions on a monthly basis on the operation of the internal control system as well as on the method of audits, the content of audits, and audit results. The Audit & Supervisory Committee had two meetings with representative directors, seven meetings with the Accounting Auditor, and other meetings with directors on an irregular basis, in order to share information and exchange opinions on the operation of the internal control system and audit results.

(3) Basic Policy on Distribution of Profits and Dividends

Nihon Kohden recognizes that returning profits to shareholders is one of management's most important tasks. The basic policy on distribution of profits and dividends is to make investments for future business expansion and enhance shareholder returns as well as securing a sound financial foundation. The priority for distribution of profits is i) investment necessary for future business expansion used in R&D investments, capital investments, M&A or alliances, and development of human resources, and ii) shareholder returns. In terms of shareholder returns, the Company will increase dividends in a stable manner in line with growth in business performance. Share buybacks are conducted in a flexible manner, taking into account comprehensively the Company's future business deployment, investment plans, retained earnings, and stock price level. The indicator and target for shareholder returns is a consolidated total return ratio of 35% or more.

Consolidated Balance Sheets (As of March 31, 2025)

(Millions of yen)

	March 31, 2025	March 31, 2024
ASSETS		
Current assets	183,085	184,333
Cash and deposits	28,428	36,132
Notes receivable - trade	554	1,408
Electronically recorded monetary claims – operating	3,923	3,744
Accounts receivable – trade	66,708	66,606
Securities	15,000	14,300
Merchandise and finished goods	32,879	33,223
Work in process	4,475	3,258
Raw materials and supplies	18,819	21,305
Other current assets	12,801	4,865
Allowance for doubtful accounts	-505	-511
Non-current assets	75,191	48,899
Property, plant and equipment	29,270	25,418
Buildings and structures, net	11,111	11,441
Machinery, equipment and vehicles, net	1,136	1,252
Tools, furniture and fixtures, net	4,467	4,262
Land	7,099	7,114
Lease assets, net	49	75
Construction in progress	5,406	1,274
Intangible assets	27,653	4,852
Goodwill	12,938	893
Software	3,465	2,246
Other intangible assets	11,249	1,712
Investments and other assets	18,266	18,628
Investment securities	4,117	7,283
Deferred tax assets	4,256	2,782
Net defined benefit asset	7,251	5,970
Other investments and other assets	2,771	2,727
Allowance for doubtful accounts	-129	-134
Total assets	258,276	233,233

(Millions of yen)

	March 31, 2025	March 31, 2024
LIABILITIES		
Current liabilities	72,296	49,901
Notes and accounts payable – trade	19,786	20,143
Short-term loans payable	26,030	579
Accounts payable – other	4,190	4,943
Lease obligations	8	36
Accrued income taxes	3,832	5,597
Accrued expenses	4,512	5,126
Provision for bonuses	4,585	4,242
Provision for product warranties	1,750	1,648
Other current liabilities	7,600	7,583
Non-current liabilities	4,685	2,249
Lease obligations	38	39
Deferred tax liabilities	2,462	265
Other non-current liabilities	2,184	1,943
Total liabilities	76,981	52,151
NET ASSETS		
Shareholders' equity	169,672	170,608
Capital stock	7,544	7,544
Capital surplus	9,663	9,718
Retained earnings	166,171	163,578
Treasury shares	-13,707	-10,233
Accumulated other comprehensive income	9,879	10,474
Valuation difference on available-for-sale securities	1,089	2,796
Foreign currency translation adjustment	6,711	5,772
Remeasurements of defined benefit plans	2,079	1,905
Non-controlling interests	1,742	—
Total net assets	181,294	181,082
Total Liabilities and Net Assets	258,276	233,233

Consolidated Statements of Income (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Net sales	225,424	221,986
Cost of sales	108,266	110,639
Gross profit	117,157	111,346
Selling, general and administrative expenses	96,444	91,755
Operating income	20,713	19,591
Non-operating income	1,072	6,263
Interest income and dividend income	573	419
Foreign exchange gains	—	5,370
Subsidy income	159	175
Other non-operating income	339	297
Non-operating expenses	1,412	265
Interest expenses	144	24
Loss on valuation of investment securities	67	103
Foreign exchange losses	951	—
Other non-operating expenses	249	137
Ordinary income	20,373	25,589
Extraordinary income	2,031	4,054
Gain on sales of non-current assets	4	4
Gain on sales of investment securities	2,027	11
Gain on revision of retirement benefit plan	—	4,038
Extraordinary losses	833	274
Loss on sales of non-current assets	5	0
Loss on retirement of non-current assets	59	20
Business restructuring costs	182	—
Impairment losses	75	168
Loss on valuation of inventories	—	85
Loss on valuation of investment securities	510	—
Income before income taxes	21,570	29,369
Income taxes – current	8,300	9,213
Income taxes – deferred	-828	3,129
Net income	14,098	17,026
Income attributable to owners of parent	14,098	17,026

Non-Consolidated Balance Sheets (As of March 31, 2025)

(Millions of yen)

	March 31, 2025	March 31, 2024
ASSETS		
Current assets	168,653	165,683
Cash and deposits	12,768	16,285
Notes receivable - trade	481	1,346
Electronically recorded monetary claims – operating	3,923	3,744
Accounts receivable – trade	64,935	62,231
Securities	15,000	14,300
Merchandise and finished goods	15,534	16,888
Work in process	1,255	1,001
Raw materials and supplies	581	654
Short-term loans receivable from subsidiaries and associates	39,582	42,417
Accounts receivable – other	9,795	8,155
Other current assets	10,334	1,596
Allowance for doubtful accounts	-5,539	-2,939
Non-current assets	61,840	39,119
Property, plant and equipment	21,980	18,315
Buildings, net	8,470	8,798
Structures, net	32	36
Machinery and equipment, net	113	137
Vehicles, net	0	0
Tools, furniture and fixtures, net	2,918	2,794
Land	5,666	5,666
Lease assets, net	14	17
Construction in progress	4,763	863
Intangible assets	3,663	2,084
Goodwill	75	81
Software	3,200	1,916
Telephone subscription right and right to use facilities	57	59
Other intangible assets	329	27
Investments and other assets	36,196	18,719
Investment securities	4,106	7,272
Shares of subsidiaries and associates	17,486	1,340
Investments in capital of subsidiaries and associates	2,905	2,905
Long-term loans receivable from employees	9	9
Long-term loans receivable from subsidiaries and associates	2,736	—
Prepaid pension costs	3,905	2,938
Deferred tax assets	3,013	2,210
Other investments and other assets	2,109	2,120
Allowance for doubtful accounts	-76	-77
Total assets	230,493	204,803

	March 31, 2025	March 31, 2024
LIABILITIES		
Current liabilities	64,624	39,034
Accounts payable – trade	21,060	20,866
Short-term loans payable	25,750	250
Accounts payable – other	3,258	3,135
Accrued income taxes	3,399	5,149
Accrued expenses	2,793	2,200
Contract liabilities	4,084	3,664
Deposits received	295	277
Provision for bonuses	3,636	3,135
Provision for product warranties	337	348
Other current liabilities	8	6
Non-current liabilities	1,011	933
Asset retirement obligations	918	909
Other non-current liabilities	93	23
Total liabilities	65,636	39,967
NET ASSETS		
Shareholders' equity	163,767	162,039
Capital stock	7,544	7,544
Capital surplus	10,482	10,537
Legal capital surplus	10,482	10,482
Other capital surplus	—	55
Retained earnings	159,448	154,191
Legal retained earnings	1,149	1,149
Other retained earnings	158,298	153,042
General reserve	130,460	133,460
Retained earnings brought forward	27,838	19,582
Treasury shares	-13,707	-10,233
Valuation and translation adjustments	1,089	2,796
Valuation difference on available-for-sale securities	1,089	2,796
Total net assets	164,856	164,836
Total Liabilities and Net Assets	230,493	204,803

Non-Consolidated Statements of Income (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Net sales	171,999	167,006
Total cost of sales	89,325	86,781
Gross profit	82,673	80,225
Selling, general and administrative expenses	61,134	58,605
Operating income	21,538	21,620
Non-operating income	4,608	9,018
Interest income and dividend income	4,156	3,479
Subsidy income	156	174
Foreign exchange gains	—	5,060
Rental income from land and buildings	155	166
Other non-operating income	139	136
Non-operating expenses	1,043	162
Interest expenses	80	1
Foreign exchange losses	869	—
Loss on valuation of investment securities	67	103
Other non-operating expenses	25	57
Ordinary income	25,103	30,476
Extraordinary income	2,027	5,861
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	2,027	11
Reversal of provision of allowance for doubtful accounts for subsidiaries and associates	—	2,100
Gain on revision of retirement benefit plan	—	3,749
Extraordinary losses	3,155	7,804
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	46	13
Loss on valuation of investment securities	510	—
Loss on valuation of shares of subsidiaries and associates	—	7,790
Provision for doubtful accounts of subsidiaries and associates	2,598	—
Income before income taxes	23,974	28,533
Income taxes – current	7,263	8,228
Income taxes – deferred	-50	1,522
Net income	16,761	18,781

(English Translation)
Independent Auditor's Report

May 21, 2025

To the Board of Directors
Nihon Kohden Corporation

Crowe Toyo & Co.
Tokyo Office

Takashi Miura, CPA
Designated Partner,
Engagement Partner

Takahisa Tachizawa, CPA
Designated Partner,
Engagement Partner

Opinion

Pursuant to Article 444, Section 4 of the Companies Act of Japan, we have audited the consolidated accounting documents of Nihon Kohden Corporation and its consolidated subsidiaries (the "Group") for the fiscal year from April 1, 2024 to March 31, 2025, which comprise the consolidated balance sheet, the consolidated statements of income and changes in net assets and other related notes.

In our opinion, the consolidated accounting documents present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Accounting Documents section of this report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information consists of the business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's reporting process of the other information.

Our opinion on the consolidated accounting documents does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated accounting documents, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounting documents or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact.

We have nothing to report in this regard.

Management's and the Audit Committee's Responsibilities for the Consolidated Accounting Documents

Management is responsible for the preparation and fair presentation of these consolidated accounting documents in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of consolidated accounting documents that are free from material misstatement, whether due to fraud or error. In preparing the consolidated accounting documents, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Accounting Documents

Our objectives are to obtain reasonable assurance about whether the consolidated accounting documents as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounting documents.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounting documents, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated accounting documents is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated accounting documents or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounting documents, including the disclosures, and whether the consolidated accounting documents represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting

principles generally accepted in Japan.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounting documents. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated accounting documents in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report for the conveniences of the reader.

(English Translation)
Independent Auditor's Report

May 21, 2025

To the Board of Directors
Nihon Kohden Corporation

Crowe Toyo & Co.
Tokyo Office

Takashi Miura, CPA
Designated Partner,
Engagement Partner

Takahisa Tachizawa, CPA
Designated Partner,
Engagement Partner

Opinion

Pursuant to Article 436, Section 2, Item 1 of the Companies Act of Japan, we have audited the non-consolidated accounting documents of Nihon Kohden Corporation (the "Company") for the 74th fiscal year from April 1, 2024 to March 31, 2025, which comprise the non-consolidated balance sheet, the non-consolidated statements of income and changes in net assets, other related notes, and the non-consolidated supplemental schedules.

In our opinion, the non-consolidated accounting documents present fairly, in all material respects, the non-consolidated financial position of the Company as at March 31, 2025, and its non-consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Accounting Documents section of this report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information consists of the business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Company's reporting process of the other information.

Our opinion on the non-consolidated accounting documents does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated accounting documents, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated accounting documents or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management's and the Audit Committee's Responsibilities for the Non-Consolidated Accounting Documents

Management is responsible for the preparation and fair presentation of these non-consolidated accounting documents in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of non-consolidated accounting documents that are free from material misstatement, whether due to fraud or error. In preparing the non-consolidated accounting documents, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Accounting Documents

Our objectives are to obtain reasonable assurance about whether the non-consolidated accounting documents as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated accounting documents.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated accounting documents, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated accounting documents is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated accounting documents or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated accounting documents,

including the disclosures, and whether the non-consolidated accounting documents represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the non-consolidated accounting documents in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report for the conveniences of the reader.

Audit Report

The audit and supervisory committee have audited the directors' performance of their duties for the 74th fiscal year from April 1, 2024 to March 31, 2025 and reports as follows in regard to the method and results of those audits.

1. Method and Contents of Audits

In regard to the content of resolutions of the board of directors regarding the matters stated in Article 399-13, paragraph (1), items (a)(b) and (a)(c) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e., internal control systems), the audit and supervisory committee periodically received reports from directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the audit and supervisory committee conducted audits using the following methods.

- (i) In compliance with the audit and supervisory committee auditing and supervising standards established by the audit and supervisory committee, in accordance with the audit policies and division of duties, etc., and in cooperation with internal auditing department and other related departments, the audit and supervisory committee attended important meetings, received reports from directors and employees etc. regarding matters related to the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the audit and supervisory committee communicated and exchanged information with the directors etc. of subsidiaries and received reports on business from subsidiaries as necessary.
- (ii) The audit and supervisory committee oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the audit and supervisory committee received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the audit and supervisory committee examined the business report, the supplementary schedules thereto, the accounting documents (i.e., the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and explanatory notes to accounting documents), the supplementary schedules to the accounting documents, and the consolidated accounting documents (i.e., the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and explanatory notes to consolidated accounting documents) for the fiscal year.

2. Audit Results

- (1) Results of audit of business report, etc.
 - (I) We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.
 - (ii) We do not find any misconduct or any material fact constituting a violation of any law, regulation, or articles of incorporation in relation to the directors' performance of their duties.
 - (iii) We find the content of the resolutions of the board of directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the directors' performance of their duties relating to the internal control systems.

- (2) Results of audit of accounting documents and supplementary schedules thereto
We find the methods and results of the audit by the accounting auditor, Crowe Toyo & Co., to be reasonable.
- (3) Results of audit of consolidated accounting documents
We find the methods and results of the audit by the accounting auditor, Crowe Toyo & Co., to be reasonable.

May 22, 2025

Nihon Kodon Corporation	Audit & Supervisory Committee	
Full-time Audit & Supervisory Committee Member	Shigeru Hirata	[Seal]
Audit & Supervisory Committee Member	Kazuo Shimizu	[Seal]
Audit & Supervisory Committee Member	Ikumi Sato	[Seal]