

These documents have been translated from Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail.

December 27, 2022

NIHON KOHDEN CORPORATION (6849)

Stock Exchange Listing: Prime Market, Tokyo Stock Exchange
Head Office: Tokyo
Representative: Hirokazu Ogino, Representative Director, President
Contact: Fumio Izumida, Operating Officer, General Manager, Corporate Strategy Division
Phone: +81 / 3-5996-8003

Nihon Kohden announces plan to acquire a new plant site

Nihon Kohden today announced that the Company was selected as a preferred negotiation right holder for the C area of Saitama Prefecture's project for developing industrial premises on the east side of the Ken-o Tsurugashima Interchange in accordance with a resolution of the Board of Director's meeting held on October 7, 2022. After the acquisition of a new plant site through necessary procedures including a resolution of Saitama Prefectural Assembly, the Company plans to build a new production facility for both manufacturing consumables such as sensors, and R&D of its automated production technology.

1. Reason

Nihon Kohden aims to create a better future for people and healthcare by solving global medical issues in its Long-term Vision, BEACON 2030. In its Three-year Business Plan covering FY2021 to FY2023, BEACON 2030 Phase I, the Company works on improving the profitability of existing businesses by creation of high customer value, improvement of productivity, and timely launches of new products. In Consumables and Services Business, Nihon Kohden focuses on expanding sales of disposable consumables for infection prevention and strengthening its consumables business in overseas markets. The acquisition of the new plant site is a part of the Company's strategic measures aiming for enhancing its production and supply capability by promoting automated production and expanding its line-up of consumables.

In Japan, Nihon Kohden manufactures medical devices mainly at the Tomioka Production Center in Tomioka City, Gunma Prefecture. The Company also manufactures consumables such as electrodes and sensors at the Kawamoto Production Center in Fukaya City, Saitama Prefecture, and at the Tomioka 2nd factory. The new plant to be built on the new plant site to be acquired will become the mother factory for consumables. It will enhance efficiency by utilizing the Company's automated production technology and allow increased production volume to respond growing global demand.

Nihon Kohden aims at starting operations at the new plant in CY2026. The consumables production capacity including the new plant is expected to be more than double by 2030 compared to FY2021. Details for construction of the new plant are under consideration and the total investment amount including the acquisition cost of the new plant site is expected to be approx. 9 to 11 billion yen. The Company will contribute to Saitama Prefecture's goal of realizing a super-smart society and a virtuous cycle of economy through open innovation, as well as promoting sustainable urban development.

2. Overview of plant site

- (1) Location: Industrial premises on the east side of the Ken-o Tsurugashima Interchange in Tsurugashima City, Saitama Prefecture
- (2) Ground area: approx. 34,463m²
- (3) Acquisition date: March 2023 (planned)
- (4) Acquisition cost: approx. 2.3 billion yen (planned)
- (5) Business: Production of consumables such as sensors and R&D of automated production technology

3. Future outlook

The effect of this acquisition on the consolidated results for the fiscal year ending March 31, 2023 will be minor. If an event which is required to be disclosed arises, the Company will immediately announce such event.