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January 20, 2021

## **NIHON KOHDEN CORPORATION (6849)**

Stock Exchange Listing: 1<sup>st</sup> section Tokyo Stock Exchange  
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### **Notice regarding Establishment of Investigation Committee**

On January 6, 2021, three employees of Nihon Kohden Corporation were arrested by Mie Prefectural Police Headquarters and Aichi Prefectural Police Department on suspicion of bribery. Nihon Kohden takes this matter very seriously and sincerely apologizes to our customers, shareholders, and all related parties for any concern caused by this matter.

On January 7, 2021, Nihon Kohden established an Investigation Committee which includes two independent outside directors of the Company and two outside lawyers. After taking strict and appropriate action to clarify the facts of this matter, the Company will revise its internal systems and structures and will make every effort to prevent recurrence and to rebuild trust with all stakeholders as quickly as possible. Currently, the internal investigation is being conducted in parallel with the investigation by the police and prosecutor. The following is the summary of this matter and the impact on financial results which the Company has confirmed at this time.

#### **1. Summary of this Matter**

On January 6, 2021, three employees, a Senior Manager of the Sales Department in Chubu Branch Office, an Office Manager of Mie Sales Office in Chubu Branch Office, and an Assistant Manager of Mie Sales Office in Chubu Branch Office, were arrested on suspicion of bribery involving the procurement of patient monitors at Mie University Hospital. Three employees are under suspicion that they asked a medical equipment distributor to transfer two million yen in the name of donations to a general incorporated association which a former professor at Mie University Hospital represents, in exchange for selling patient monitors to the distributor at a discount from the original price. As of now, the Company has not confirmed the fact that there was an application within the Company's approval system to make the donation to the general incorporated association. The Investigation Committee is currently investigating the facts.

#### **2. Impact on Financial Results**

As the impact of this matter on the consolidated results is expected to be limited, the Company reaffirms the forecast for FY2020 ending March 31, 2021, previously announced on November 6, 2020.