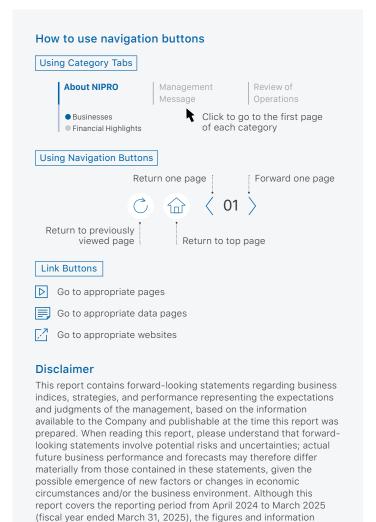


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provided for overseas consolidated subsidiaries refer to the 12-month period from January 1, 2024 to December 31, 2024. BusinessesFinancial Highlights

 \triangleright

PharmaPackaging Business 9%



About NIPRO

Businesses

We Meet the Needs of Medical Professionals and Patients through Our Three Businesses

Sales ratio by business (Fiscal 2025) Medical-Related Business 79%

Net sales ¥644,586 million

Medical-Related Business



Nipro engages globally in the development, manufacture, and sale of medical equipment for injection, infusion and dialysis treatment, and products related to diabetes and cell cultures, as well as the sale of artificial organ-related products.

Dialysis-related Products





Vascular Products



Pharmaceutical-Related Business





As one of the world's leading CDMO* companies, Nipro performs contract manufacturing of orally administered drugs, injectables, and external preparations through its Pharmaceutical-Related business, and supplies products to pharmaceutical companies in Japan and around the world.

* Contract Development and Manufacturing Organization

Injectables



- Orally Administered Drugs



External Preparations



PharmaPackaging Business

Pharmaceutical-Related Business 12%





Nipro's PharmaPackaging business, a part of the company since its founding, manufactures and sells glass products and other comprehensive pharmaceutical packaging containers. Currently, Nipro engages in this business globally from a base of 11 companies and 14 plants in 8 countries, focused on Japan, China, Europe, and the U.S.

Glass Converting



Glass Tubing



Devices



About NIPRO

Financial Highlights

Net sales

¥644,586 million

Net sales increased by 9.9% YoY due to an increase in overseas sales of dialysisrelated products such as dialyzers.

(Millions of yen)



Capital expenditure

¥81,495 million

Despite the reinforcement of production equipment in domestic and overseas plants in each segment, capital expenditure decreased by 14.5% YoY overall.

(Millions of yen)



Operating profit

About NIPRO

Businesses Financial Highlights

¥26,598 million

Operating profit increased by 19.1% YoY due to the successful control of the increase in sales costs, such as raw materials and labor, in addition to the effects of increased revenue.

(Millions of yen)



Total assets/Equity ratios

Total assets: ¥1,170,564 million

Total assets increased by 5.5% YoY and the equity ratio reached 21.6%.

Total assets (Millions of yen)



Net income attributable to the owners of the parent

¥**5**,**113** million

Despite the receipt of insurance money and gains on the sale of cross-shareholdings, net income attributable to the owners of the parent deceased by 54.0% YoY due to the impact of an increase in the effective tax rate such as corporate tax.

(Millions of yen)



Net assets/Return on equity

ROF: 2.1%

The ROE was 2.1% due to the decrease in net income attributable to the owners of the parent.

Net assets (Millions of yen)



R&D expenses

¥21,666 million

R&D expenses increased by 3.9% YoY due to the development of new vascularrelated products.

(Millions of yen)

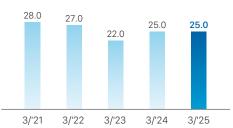


Cash dividend per share

¥25.0

An interim dividend of 12.0 yen per share and a term-end dividend of 13.0 yen per share were distributed, resulting in an annual cash dividend of 25.0 ven per share.

(Yen)







Management Message

President's Message



Aiming to be a company trusted

by stakeholders as "a truly global

comprehensive healthcare company

with a spirit of WA-gokoro"

Tsuyoshi Yamazaki

President and Representative Director

Appointed as president

At the General Meeting of Shareholders in June 2025, Mr. Sano, the former president who led the management for over 13 years, was appointed as chairperson, and Nipro moved to a new management organization with myself as president. Nipro was founded 71 years ago. I would like to explain what I want to realize as the third president.

I have been engaged in global business for 34 years since joining the company. I strived to expand the size of the Nipro Group overseas and spread Nipro products worldwide. My first overseas experience was being in charge of the Indian market when I was 27 years old. In those days, the roads in India were not paved, and I was

covered with mud on my way to my destination. I carried needles and syringes and visited hundreds of wholesalers individually. I conducted a demonstration sale to emphasize our quality in my own way, and conducted subsequent price negotiations. I did everything. Although the quality of Nipro products was overwhelmingly high in India at the time, high quality was not necessary for India's general medical care. However, I gradually increased the number of customers from large hospitals. As hospitals in India modernized, Nipro's brand recognition increased as the company was known to provide high-quality products. Business gradually expanded in the region, and we finally opened a representative office.

Such activities were not conducted exclusively in India. I visited places in Asia such as Singapore, Indonesia, Pakistan, and Thailand, plus the Middle East, and launched small business offices. I opened business offices, acquired licenses for sales activities, and secured local human resources. Moreover, I was involved in launching plants in India, Bangladesh, Indonesia, and Hefei in China. Thus, I endeavored to expand the production facilities, the foundation of the present Nipro.

Looking back at myself, I opened business offices in new markets, employed staff, and was involved in plant construction. This was my effort to make the "box" called Nipro bigger and bigger, which totally coincides with the history of Nipro. In those days, I was convinced that we could improve people's health and enrich their lives by spreading Japan's excellent medical care overseas, which is the duty of Nipro.

I believe that the essence of a company's profit is a token of appreciation. Nipro's products and services are excellent; therefore, profits can be obtained from customers as compensation. I think Nipro has been "a company with momentum" with an excellent sales growth rate. In the future, however, we will be "a company with high quality" at the same time and aim to increase our profit rate. Nipro still has more excellent products and services to offer to the world. We will earn cash by further developing, manufacturing, and promoting the sales of these products; invest our cash; and thus enrich our human resources, organization, development, and production. Through these activities, we will change the "box" called Nipro into a "treasure box" and establish the Nipro brand more firmly than before in the world. That is my goal.



Management Message

President's Message

Targets in the new Medium-Term Management Plan

I announced the new Medium-Term Management Plan (fiscal year ending March 2026 to fiscal year ending March 2028; hereinafter referred to as the "New Plan") as my first management strategy. In the previous Medium-Term Management Plan (March 2021 to March 2025; hereinafter referred to as the "Previous Plan"), we achieved the desired sales growth rate but not the desired operating profit margin, Net Debt/EBITDA ratio, or ROE, indicating the value for our shareholders.

I think that it is most important to increase our corporate value by achieving our targets, as shown in the above figures. Increasing corporate value means thoroughly grasping and evaluating supply chains, balance sheets, human resources, business models, and other aspects and enhancing brand power as part of Nipro's resilient constitution. That is how we will change Nipro into a "treasure box."

Creating a new normal in healthcare

One great advantage of Nipro is that we can deploy highquality products cultivated in Japan to various places throughout the world. Our major product, the dialyzer, is increasing its market share in both developed and emerging countries owing to its competitiveness. While the insufficient supply has been a management issue for many years, there is still the possibility for growth. Japanese dialysis therapy is divided into two types: general HD and advanced and expensive online HDF. Under these circumstances, dialyzers (classified as type Ila according to the classification of the Ministry of Health, Labour and Welfare), positioned in between, have been spreading in Japan for some time. This product provides a level of treatment close to that of HDF at a reasonable price thanks to its higher-performance membrane (small holes of hollow fiber are homogenized with high accuracy) compared to previous HD. In fact, no manufacturing company in the world has such a technology, which gives us a great advantage. It is expected that this product will

enable severely ill patients to avoid expensive HDF in emerging countries and dramatically improve medical quality in countries where HDF is not common.

The dialyzer is not the only such example. Vascular products and regenerative medicine products, whose sales we expect to expand worldwide in the future, have the power to change the medical scene and people's lives in each country. I call this "the creation of a new normal in healthcare," and it is positioned as the first pillar of the New Plan.

Regarding the production capacity of the dialyzer, the Odate Plant in Japan was greatly reinforced as part of the Previous Plan. However, in the New Plan, we will dramatically increase the production capacity of China, India, Vietnam, and the U.S. to promote local production for local consumption. The new plant in Vietnam will begin operations in July 2026, and in the U.S., we acquired land in North Carolina in 2024 for a plant that will begin operations in 2028. Global demand for artificial dialysis is expected to increase by 7% annually. We plan to manufacture 100 million units in the fiscal year ending March 2026 and 200 million units in the fiscal year ending March 2031.

Core strategy for achieving the new Medium-Term Management Plan ①



Organizational and operational excellence

In my view, organizational and operational excellence is about building an organization that can institute our company's management policies amid increasing uncertainty in the economy and society.

First, we will create a solid supply chain by promoting local production for local consumption and improving resistance to currency exchange fluctuations and geopolitical risks. Regarding the operation of overseas businesses, we will actively promote the appointment and development of human resources familiar with the needs of face-to-face customers and the regulatory affairs in these regions.



Management Message

President's Message

Next, I will reinforce the regional headquarters, which brings our overseas footings together. The regional headquarters are currently in Europe, China, and the U.S., and will be opened in India and Asia in the fiscal year ending March 2026. The overseas sales ratio of our group exceeded 50% for the first time in the fiscal year ended March 2025. Medical-related products require particular know-how for procedures, such as approval and licenses for marketing new products. If we must send experts from Japan in every instance, we will fall behind the global competition. The regional headquarters that brings a certain area together should have experts in various fields in the company and exert a head office function that makes it possible to handle matters as they are handled in Japan. Thus, we can accelerate business expansion in each area and prevent quality problems. Regional headquarters also spread uniform standards to each region regarding the common spirit of the Nipro Group. governance, and compliance, the basis of the company. The personnel of the regional headquarters will be secured by reorganizing the operations that overlapped in group companies. Therefore, costs do not increase.

When it comes to the thorough elimination of waste, we have reviewed all operation processes. In the past 70 years, we have provided the products required by users in various businesses and regions. Therefore, product brands, packages, the procurement of materials, and production processes differ in each field. Dramatic measures will be taken to address this theme from 2025. For the first time in 71 years since the company's foundation, we will work on an inventory of various processes, from products to organizations. First, we will reorganize product numbers. If we can realize the reorganization of product numbers, the head office can fully grasp the supply chains of all products and standardize raw materials, packaging materials, and other various processes. This will lead to a reduction in indirect personnel, and we can expect a significant cost-reduction effect.

Sustainable growth

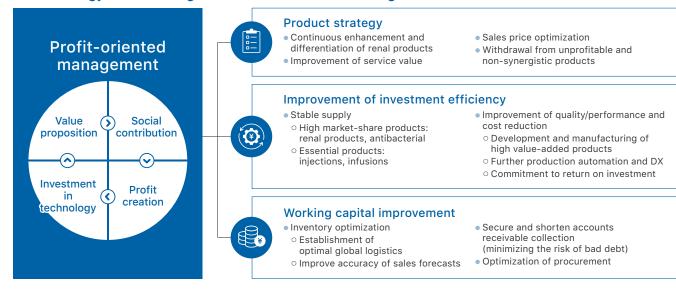
Regarding sustainable growth, I promote a management that focuses on brand value. To increase brand value, I am considering two strategies: reinforcing the marketing function and increasing the value of products. Regarding the marketing function, branding conducted individually by each group company will be integrated based on global standards under the spirit of ONE NIPRO. To achieve this goal, we launched a global marketing headquarters in the Global Division in May 2025. We strongly promote the value of the Nipro brand under the command of the chief marketing officer. In line with this policy, I will reinforce the technical sales of products and increase their value.

Profit-oriented management

Of course, I fully understand that increasing our profit rate is currently the biggest issue in realizing an increase in Nipro's corporate value. Therefore, I intend to continue implementing profit-oriented management in the New Plan.

First, regarding product strategy, we will enrich education/training institutions, such as iMEP, to increase the value of strong products and services. In addition, we will strengthen technical sales, properly reflect the value of products in terms of sales prices, and review unprofitable products.

Core strategy for achieving the new Medium-Term Management Plan 2







Management Message

President's Message

As for improving investment efficiency, society greatly expects a "stable supply" of products from us, since we are a healthcare company. We will strengthen the production of essential products, such as injections and infusions, in addition to high-value-added products, and continuously fulfill our social responsibilities. Subsequently, to reduce costs, we will promote fully automatic production and inspection. As a result of such investments, it is essential to collect profits and cash, which I think is a commitment to our stakeholders.

Regarding the optimization of working capital, we will pursue the aforementioned product inventory and reorganization of product numbers to optimize inventory. In addition, we will focus on the construction of efficient procurement networks and logistics requirements, increasing the accuracy of sales forecasts, and conducting planned production without waste. Furthermore, we will attempt to accelerate the collection of all accounts receivable and optimize procurements. Thus, we will connect a reduction in working capital to a reduction in interest-bearing debt.



A summary of these points is presented in the process diagram for profit-oriented management. In other words, we will (1) provide value, (2) make social contributions through it, (3) receive profits from customers as compensation, and (4) reinvest these profits in technological innovation. We will circulate this series of processes as quickly and efficiently as possible to accelerate profit creation.

Ideas on sustainability

I think that true sustainability management is achieved when a business is connected with initiatives for the environment, society, and governance that produce actual results. The standardization of packaging materials and the rationalization of logistics mentioned in the New Plan will be conducted for the sake of cost reduction and, simultaneously, to contribute to society by reducing resource consumption and CO₂ emissions. Our company prioritizes solving social issues through our business, and with this solution, we will contribute to creating a sustainable society as mentioned in the SDGs.

We have newly specified materiality from the fiscal year ending March 2026, together with the New Plan. These are our priority issues and inform what our group should contribute to the environment, society, and governance through our business. We will also give high priority to working on our response to climate change; that is, the reduction of greenhouse gases, the reinforcement of governance and compliance, the promotion of human capital management, and human rights due diligence.

A vision for the Nipro Group

Our company has been striving to increase in size over the past 70 years. In the future, I want the company to be evaluated for its profits and cash by enriching the contents of the "big box" and improving its quality. In this way, we can return value to our stakeholders, such as shareholders and investors, and provide opportunities for Nipro's employees, our colleagues, to take on further challenges and gain compensation.

For this purpose, stepping up is important for the organization and each employee, and my management focuses on it. After my long experience working overseas, I feel that the Japanese "WA-gokoro," a spirit of harmony, has great power that increases the usability of our products and their safety. I believe that Nipro will grow into a truly global comprehensive healthcare company by combining its strengths and the spirit of ONE NIPRO. I appreciate the continued support provided by our stakeholders.

September 2025

President and Representative Director

T. Jamozaka





Management Message

Message from the CFO



We aim to achieve the KPI targets

of our new Medium-Term

Management Plan, guided by

a management policy that places

greater emphasis on capital cost

and stock-price awareness

Takehito Yogo

Senior Managing Director and Chief Financial Officer

Results for the fiscal year ended March 2025

Net sales reached 644,586 million yen, an increase of 9.9% YoY, driven by strong overseas sales across all dialysis-related products (such as dialyzers and dialysis machines) in the Medical-Related Business, as well as robust performance in our contract manufacturing business.

Operating profit rose 19.1% YoY to 26,598 million yen, supported by our efforts to contain cost increases despite higher labor costs, payment fees, overseas logistics costs, and depreciation.

Profit attributable to owners of parent was 5,113 million yen, a 54.0% decrease YoY, due to impairment losses on business assets resulting from deteriorating market conditions. This decline occurred despite gains from the sale of cross-shareholdings and the receipt of insurance proceeds.

Review of the previous Medium-Term Management Plan (fiscal year ended March 2021 – fiscal year ended March 2025)

Under the previous Medium-Term Management Plan, we focused on four main KPIs: sales growth rate, operating profit margin, ROE, and Net Debt/EBITDA multiple.

Of these, we achieved our sales growth target, supported by business expansion and the positive impact of the weaker yen. However, the other three indicators fell short of targets. This shortfall was largely due to significant changes in the economic environment from the time the plan was formulated, including global logistics disruptions caused by the COVID-19 pandemic, rising inflation, and higher interest rates. In light of these results, our new Medium-Term Management Plan will place greater emphasis on profitability, capital efficiency, and cash flow-oriented management.

KPI targets and results of the previous Medium-Term Management Plan

	Fiscal 2025 Target	Fiscal 2025 Actual
Sales growth rate	Annual average ≥ 7.0%	Annual average 7.8%
Operating profit margin	9.0%	4.1%
ROE	14.0%	2.1%
Net Debt/EBITDA multiple	< 5.0 times	5.7 times

^{*}For detailed analysis of each KPI, please see Dpage 16 "Reflections on the Previous Medium-Term Management Plan."





Management Message

Message from the CFO

New Medium-Term Management Plan (fiscal year ending March 2026 – fiscal year ending March 2028)

KPI Targets

In the new Medium-Term Management Plan, we will continue to use the same KPIs as in the previous plan. The sales growth rate target is 6.0%, compared with 7.0% in the previous plan. We have also set a target operating profit margin of 7.0% or higher in the final fiscal year, with an annual improvement of one percentage point. In addition, we aim to keep the Net Debt/EBITDA multiple below 4.0 times and achieve ROE of 10.0% or more.

KPI targets of the new Medium-Term Management Plan

	Fiscal year ending March 2028 Target
Sales growth rate	≥ 6.0% for annual average
Operating profit margin	≥ 7.0%
Net Debt/EBITDA multiple	< 4.0 times
ROE	≧ 10.0%

* For the long-term strategies and details of KPIs in the new Medium-Term Management Plan, please see ▶ page 21 "New Medium-Term Management Plan."

Basic strategies to achieve these KPI targets:

- Sales growth rate/operating profit margin: Expand overseas market share and strengthen the domestic revenue base.
- Net Debt/EBITDA multiple: Improve operating capital efficiency and manage with a focus on cash flow through optimal investment levels.
- ROE: Strengthen risk management for investments and allocate management resources intensively to highgrowth areas.

Investment policy

In the previous Medium-Term Management Plan, capital expenditure reached 409,600 million yen, exceeding the original target of 320,000 million yen.

This increase was driven by inflation-driven rises in construction costs, the impact of a weaker yen on overseas plant construction, delays in plant construction in China and India due to the COVID-19 pandemic, and the establishment of additional plants in other regions to stabilize product supply.

Looking ahead, we will strengthen our decision-making process, evaluating business feasibility and rigorously reviewing profitability, capital requirements, and recoverability for each project. Capital expenditure in the new plan will be kept within 200,000 million yen. We will also assess M&A opportunities carefully considering the prevailing financial environment.

* For details on the capital expenditure policy under the new Medium-Term Management Plan, please see page 21 "New Medium-Term Management Plan."

Management with greater awareness of capital costs and stock price

We have positioned improving capital efficiency—while maintaining awareness of the cost of shareholders' equity—as a top management priority for enhancing sustainable corporate value.

ROE is currently below the cost of shareholders' equity, and we recognize the need to generate returns exceeding the capital cost, as expected by stakeholders, including the capital markets.

To improve ROE, we will focus on continuously increasing current net income, its numerator. Under the new plan, we aim to achieve this by passing on costs where appropriate, reviewing our cost structure, narrowing the scope of future investments, and addressing unprofitable businesses and low-return assets. We will also strengthen monitoring for performance improvement, leverage external resources such as joint ventures and

partnerships, and make decisive determinations regarding business continuity when necessary.

From a balance-sheet perspective, we will optimize working capital and improve cash flow by accelerating receivables collection and managing inventories at optimal levels, while controlling the impact of potential interest rate increases on profitability.

Through these efforts, we will work to reduce the cost of shareholders' equity and achieve returns above the capital cost.

Dividend policy

In our dividend policy, consolidated net income for the period is set as the base for calculation, with 35% allocated as the dividend resource. However, when the calculated annual dividend falls below 25.00 yen, we apply a minimum annual dividend of 25.00 yen per share to ensure stable shareholder returns.

From the fiscal year ending March 2026 onward, we will maintain this performance-linked dividend policy while continuing to provide stable dividends.

 Pharmaceutical-Related Business PharmaPackaging Business





Japan 45.2%

Infusion-related products 4.4%

Inspection products 2.6% Diabetic products 2.8% Surgical device-related products 2.0%

Others 5.6%

Overseas 54.8%

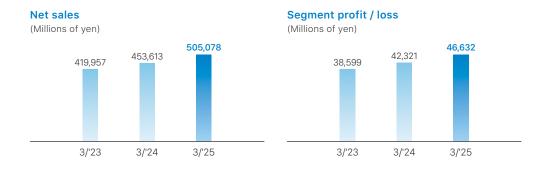
Net sales Total ¥505,078 million



Overview of the fiscal year ended March 2025

Domestic medical device sales have been strong, with increased shipment volume of needles, infusion-related products, and inspection products, along with favorable sales of implantable ventricular assist devices following indication expansion. For pharmaceutical products, sales of orally administered drugs have been sluggish due to the impact of price revisions and intragroup restructuring, including the merger of subsidiary companies to accelerate consolidation, integration, or sales termination of certain product groups. Meanwhile, the sales of Pegfilgrastim, a biosimilar drug, have been strong, and injectables have also performed well.

Overseas demand and market share for our products have continued to surge, driven by increasing demand in the dialysis market and global economic growth. Driven especially by bids won in Europe, centralized purchasing in China, and strong sales of dialysis and hospital products in Latin America and the Asia-Pacific region, overseas sales and profit continue to hit record highs.



Anticipated growth in medium- to long-term demand for dialyzers has promoted proactive investment in areas where steady demand is expected, such as the North American market. Completion of the North American Plant in North Carolina will support large-scale project implementation and stable supply, as well as increase production capacity for diabetic products.

As a result, net sales in this segment were 505,078 million yen (11.3% increase YoY), and segment profit was 46,632 million yen (10.2% increase YoY).

Forecast and strategy for the fiscal year ending March 2026

For the coming fiscal year ending March 2026, we expect net sales to increase by 5.6% YoY to 533,400 million yen and operating profit to increase by 14.5% YoY to 53,400 million yen.

Domestic sales of medical devices are expected to increase by 10.282 million ven annually, driven by price revisions of certain products and increased market share of core products such as dialyzers and HDF filters. We will also contribute to community healthcare by proposing a system that can be used for the workstyle reform of healthcare professionals, as well as online examinations, and online instruction quidance on the use of drugs. Regarding pharmaceutical products, we anticipate an additional 5,920 million yen annually through new product launches and higher sales of existing products, although there will be an impact from drug price revisions.

For overseas sales, we expect to continue expanding our market. We will continually strive to increase sales and profits by promoting targeted sales activities tailored to the characteristics and needs of each region, thereby enhancing the sales of vascular products and infection control products, with dialysis- and hospital-related products as our core product offerings. We are implementing a plan for sales and profit that surpasses the results of the previous year, taking into account exchange-rate fluctuations and rising production costs.

Medical-Related Business
 Pharmaceutical-Related Business
 PharmaPackaging Business





Review of Operations

Medical-Related Business

TOPICS

Overseas Business

Acquisition of a site in the U.S. for medical device manufacturing

In July 2024, the Nipro Group acquired a site in North Carolina, U.S., to build a medical device manufacturing plant. This plant will help to meet the increasing demand for medical devices in the U.S. as well as in neighboring countries.

With this new plant, we will stabilize the supply of medical devices and help improve healthcare quality in the U.S. and the region.



Overview of the new plant

- 1 Name: (Tentative) Nipro Medical Corporation North Carolina Factory
- 2 Address: 1911 Old Creek Rd, Greenville, NC 27834
- 3 Site area: Approx. 528,500 m²
- 4 Production items: Medical devices
- (5) Start of operation: July 2027 (planned)

Launch of DIAMAX™ WOW single-patient dialysis machine overseas

In January 2025, we began overseas sales of the DIAMAX™ WOW single-patient dialysis machine.

This product is a single-patient dialysis machine to be sold in countries around the world, including in Latin America and Asia. To meet diverse needs in medical settings, the product includes new features that improve basic performance, safety, and ease of use compared to the conventional DIAMAX $^{\text{TM}}$.

By delivering this product to medical frontlines around the world, we will improve the QOL for as many dialysis patients as possible, reducing the burden on healthcare professionals, thereby benefiting society.

DIAMAX WOW Single-patient dialysis machine



- 15-inch touchscreen is easy to read even from a distance.
- Guidance using icons and graphics ensures operation is intuitive and simple.
- Enhanced check function provides improved safety.
- Front-mounted B powder cartridge holder reduces the size of the machine while improving operability.
- Liquid preparation and thermal disinfection wait times are reduced to 3 minutes and 30 minutes, respectively, along with automated functions that further reduce pre-treatment time.
- Eco-mode function and highly durable solenoid valves help to reduce the product's total cost of ownership.

Establishment of a research and development center in Sweden

In February 2025, we established Medical Instrument Center Sweden (MIC Sweden) in Malmö as a research and development base for dialysis machines.

We established Medical Instrument Center Europe (MIC Europe) in Belgium in 2019 as our first overseas research and development

Overview of the research and development base

- 1) Name: Medical Instrument Center Sweden
- ② Address: Malmö City, Skåne County, Kingdom of Sweden
- ③ Services: Research and development and maintenance of dialysis machines

base, where we have been striving to reduce the burden on healthcare professionals and improve the QOL of patients through the development, launch, and maintenance of dialysis machines. MIC Sweden operates as a subsidiary of MIC Europe and will play a vital role in the development of dialysis-related products.

By establishing MIC Sweden, we expand our global research and development network, with engineers in Sweden collaborating with centers in Japan and Belgium to shorten lead times for product launches.





Review of

Operations

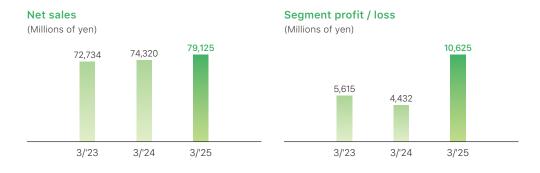
Overview of the fiscal year ended March 2025

In the Pharmaceutical-Related Business, net sales increased compared to the previous year owing to favorable sales of newly contracted injectable drugs and basic pharmaceuticals.

Regarding orally administered drugs, overall sales volume increased by 3% as a result of the start of new product shipments and full-scale operation of packaging lines that were introduced at Zensei Pharmaceutical Co., Ltd. in the previous year.

Regarding injectable drugs, overall sales volume increased by 12% compared to the previous year, owing to full-scale operation of the syringe lines of Nipro Pharma Ise Plant completed in the previous year, the establishment of a system for increased production in the Nipro Pharma Odate Plant, and improvements in production efficiency at Nipro Pharma Vietnam Co., Ltd.

As a result, sales in this segment were 79,125 million yen (6.5% increase YoY) and segment profit was 10,625 million yen (139.7% increase YoY).



Forecast and strategy for the fiscal year ending March 2026

For the fiscal year ending March 2026, we expect net sales to increase by 9.2% YoY to 86,373 million yen and operating profit to increase by 1.5% YoY to 10,789 million yen.

Regarding orally administered drugs, we expect an increase in sales volume following the start of newly contracted product shipments and increased production at Zensei Pharmaceutical Co., Ltd.; however, due to the impact of decreased sales volume of long-listed products, the overall sales volume is expected to be the same as the current year.

For injectable drugs, we will start shipments of newly contracted products and shipments from the newly operated antibiotic drug production sites (the Nipro Pharma Ohmi Plant and Nipro Pharma Vietnam Co., Ltd.).

In addition, we plan to improve production efficiency at the Nipro Pharma Odate Plant to increase production of pre-filled syringe products and expand the ampoule product production facilities at the Nipro Pharma Ise Plant and Nipro Pharma Shiki Plant, expecting an increase in overall sales volume.

With these initiatives to enhance production systems, profit is expected to increase by 164 million yen.

POINT Initiatives to enhance injectable drug production systems

In the syringe production facility completed at the Nipro Pharma Ise Plant in April 2023, production significantly increased after full-scale operation in this fiscal year. To further increase production, we will enhance the production systems and start the production of newly contracted products in fiscal year ending March 2026.



Medical-Related Business

Pharmaceutical-Related Business

PharmaPackaging Business

Review of Operations

Pharmaceutical-Related Business

TOPICS

System enhancement for increased production at the injectable drug plant

▶ Nipro Pharma Ohmi Plant 🔀

In the Nipro Pharma Ohmi Plant, an injectable drug manufacturing plant completed in April 2024, we plan to start shipments of dual-chamber bags of cephem antibiotics in October 2025. The production capacity is expected to be 8 million bags per year, which will cover approximately 50% of the dual-chamber bags of cephem antibiotics distributed in Japan.

In this plant, a vial production facility is also being constructed. This production facility has been selected for "the project of Developing Biopharmaceutical Manufacturing Sites to Strengthen Vaccine Production" of the Ministry of Economy, Trade and Industry to enable prompt supply of vaccines and other vial products in the event of infectious disease pandemics.

In addition, in cooperation with brand-name drug manufacturers, we aim to make this plant an injectable drug manufacturing plant with a global standard quality system and a production system capable of preparing for shipments to Western countries, expecting a production capacity of 40 million vials per year.



Dual-chamber bag production facility



Vial production facility under construction

▶ Nipro Pharma Vietnam Co., Ltd. 🔀

Nipro Pharma Vietnam Co., Ltd. will start shipments from the expanded penicillin antibiotic vial packaging lines in fiscal year ending March 2026. Production capacity is expected to be 5 million vials per year. It also plans to start shipments of dual-chamber bags of penicillin antibiotics in fiscal year ending March 2028.

By establishing this overseas production base, we will develop a production system that can contribute to a stable supply of pharmaceutical products even in the event of conflicts and disasters.



Vial packaging line



Dual-chamber bag production line





Medical-Related Business

Pharmaceutical-Related Business PharmaPackaging Business

Review of Operations

PharmaPackaging Business



Net sales ratio by region (Fiscal 2025)

India 3.4%

US 22.2%

Japan 24.2%

Net sales Total ¥59,262 million

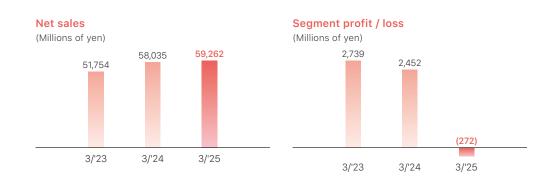


Overview of the fiscal year ended March 2025

In the PharmaPackaging business, we continued to develop sterilized syringe production systems both in Japan and overseas, improved production efficiency on a global scale and implemented sales promotion activities worldwide.

In the Japanese market, the sales of glass containers, dissolving solution injection needles, injection sets, plastic parts etc. contributed to increased revenue. In addition, the development and sales promotion of single-use products for pharmaceutical companies and enhanced technical sales of price-competitive products led to a significant increase in revenue and profit compared to the previous year. In overseas markets, prolonged post-COVID destocking remains severe, led to decreased demand for glass tubing and containers. While focusing on expanding sales of previous year's main driver product sterilized syringes, we have been proactively promoting glass containers for biopharmaceuticals and sterilized ready-to-use products (promote process efficiency that eliminates cleaning and sterilization processes before drug filling at pharmaceutical customers side). In addition to preparing for a recovery in demand for existing products, we will focus on developing high value-added products — such as traceability systems for glass containers to meet next-generation needs — and promoting administration and drug reconstitution devices to overseas markets.

As a result, sales in this segment were 59,262 million yen (2.1% increase YoY) and the segment loss was 272 million yen (segment profit of 2,452 million yen in previous fiscal year).



Forecast for the fiscal year ending March 2026

Net sales are expected to decrease by 4.2% YoY to 56,800 million yen due to lower demand from overseas market destocking, which may continue until the second half of the fiscal year, and the effect of Japanese yen appreciation. In terms of profit, despite several challenges — including inflation of glass raw material and labor cost, decline in U.S. market demand coinciding with the periodic furnaces maintenance, and slower shipments of high-value products in Japan resulted in lower average selling price - operating profit is projected to shift into a surplus in the next fiscal year. This positive turnaround is driven by increased shipments of high-value products such as sterilized glass syringes and acquisition of new customers.

Medical-Related Business
 Pharmaceutical-Related Business
 PharmaPackaging Business



Review of Operations

PharmaPackaging Business

TOPICS

Shift to high value-added products

► High-performance vials VIALEXTM and coated vials (low protein absorption)

In terms of injectable formulation, recently there has been a shift from low molecule drugs to high molecule drugs such as vaccines, anticancer drugs, and biopharmaceuticals. Biopharmaceuticals are particularly sensitive to environmental changes, which challenge the functionality and quality of containers. Nipro's VIALEXTM is a glass container for injectable drugs that meets these high-quality requirements. Although not coated, this vial product significantly reduces the risk of alkaline elution and delamination and will be implemented as standard products.



High-performance vial VIALEX™ product image

As glass containers are known to absorb protein, an active pharmaceutical ingredient, we also developed a coated vial with minimal protein absorption. We will aim for market launch of this product to meet the rapidly growing future demand for biopharmaceuticals.



Coated vial product image



Left: Non-coated product of Nipro Right: Newly developed product Absorption of fibrinogen

Production system for high value-added products

▶ Development of high-quality glass tubing production line in the Aumale Plant, France

We have established a production system to supply high-quality glass tubing for biopharmaceuticals. By installing the latest production line equipped with high-precision visual inspection systems, automatic coating application systems, and high-precision dimensional inspection machines. Using this production line, increasing demand for biopharmaceutical containers and supply to not only our group companies but also to external parties will be met.



New glass tube production facility at the Aumale Plant

POINT Market environment and growth strategy

It is foreseen that growth in the area of injectable drugs such as biopharmaceuticals and vaccines as well as lyophilized formulations, anticancer drugs, and anti-obesity drugs, for which demand for high quality and functionality is increasing, will drive mid-to-long term growth in the pharmaceutical packaging market. We are currently establishing production systems to deliver high-quality products, including a ready-to-use series. These efforts aim to provide enhanced convenience for our users, staying one step ahead of their expectations. In addition, we are engaging to implement One Stop Solution concept which currently available in Japanese market to global market. This concept covers our involvement in early-stage development and manufacturing of new drugs from cell culture related products, glass containers for drug filling, and lastly drug administration and reconstitution devices for end users. We take serious measures to deliver safe and consistent product quality with reasonable price at our production sites around the world.

New Medium-Term Management Plan (FY3/'26-FY3/'28)



Medium-Term Management Plan

Reflections on the Previous Medium-Term Management Plan

Summary of the Previous Medium-Term Management Plan (FY3/'21-FY3/'25)

Management Policy

Promote global expansion of our business based on the idea of local production for local consumption, aiming to achieve the world's top-class product competitiveness and market share from a user-needs perspective even in today's turbulent times.

Priority Tasks

- 1 Protecting a corporate culture that provides opportunities to motivated people
- 2 Making decisions from the end-user's perspective is our top priority
- 3 Upholding the Sanpoyoshi (Win-Win-Win for users, society, and the company) principle
- Sharing information about each step of the Plan-Do-Check-Act (PDCA) process with all employees so that they can manage the PDCA cycle with a sense of ownership
- 6 Becoming a company wherein the organization managers recognize the gap between theory and reality and can lead their staff to understand it

Enhancements

① Challenge of becoming the No. 1 manufacturer contributing to regional healthcare in the Japanese market

Providing comprehensive medical infrastructure that connects patients, their families, hospitals, and pharmacies, as well as offering medical equipment and pharmaceuticals that meet medical needs in the marketplace

- 2 Top share in the global market for dialyzers
 - Expanding the company's direct sales network and training centers, and accelerating the operation of our own dialysis centers in emerging countries
- 3 Deployment of vascular products to the global market and entering new areas in the domestic market

Establishing a sales network for existing products in the U.S. market with a view to expand globally, and aiming for a full range of products in the domestic market in the cerebrovascular and arrhythmia fields

- (4) Deployment of the drug contract manufacturing business to overseas markets Promoting out-licensing of our GE products in the Chinese market and expanding business in the U.S. market
- (§) Development of high-value-added products and reduction of manufacturing costs in the PharmaPackaging business

Developing high-quality products for biopharmaceuticals and reducing manufacturing costs by automating the manufacturing process

(6) Enhancement of cellular medicine business.

Promoting manufacturing automation and expanding business into the European and American markets

(7) Development of seeds of new businesses

Business expansion into surgical products, electromagnetic wave therapy products, active pharmaceutical ingredients (APIs), and pharmaceuticals in new fields

Policy on Organization, HR Development, and IT Systems

Overseas holdings structure

- Establish holdings in Europe, China, and the U.S. to realize business management by regional headquarters, and matrix management aiming at rapid business decision-making by each operating company
- Centralize compliance, financial, and tax management
- Improve knowledge accumulation and efficiency by consolidating indirect divisions
- New business incubation

► Human resources development

- Nurture training in the medical field to foster a sense of value that enables us to always think and act from the user's viewpoint
- Introduction of the FISH! philosophy, which aims to revitalize the workplace and encourage employees to thrive in their work, and promote employee motivation
- Follow-up training for younger employees, training for different levels of qualifications, and other necessary training for each stage of employment
- Focus on the development of global human resources through selective language training, in-house language classes, and a self-development support system for languages
- Aim to create a workplace where each employee can maximize their abilities regardless of race, nationality, gender, or age; conduct seminars to promote women's activities; and organize exchange meetings to build networks among international employees
- Establish a company-wide education and training system to raise compliance awareness
- Considering the physical and mental health of each employee, the "Nipro Health Declaration" was issued in September 2018, and anti-smoking measures, mental health measures, workstyle reforms, and workplace revitalization activities have been promoted

▶ IT systems

- Review system functions to support management efficiently and expeditiously
- Enhance security against cyber-attacks, such as unauthorized remittance, information leaks by targeted attacks, and ransomware
- Develop an information infrastructure realizing a work style not confined by time and place, improving labor productivity and employee satisfaction



Medium-Term Management Plan

Reflections on the Previous Medium-Term Management Plan

Progress on the Major KPIs

KPIs for Fiscal 3/'25

Guidelines for Fiscal 3/'25

Net sales	Average annual growth of $7.0 + \%$		
Operating profit	Average annual growth of 7.0+%		
Operating profit margin	9.0+%		

Net sales/Operating profit margin



Reflections on the Final Fiscal Year of the Medium-Term Management Plan

► Sales growth rate

We set the target sales growth rate of 7.0% or more from FY3/'21 to FY3/'25 and marked an annual average of 7.8% in FY3/'25, surpassing the target.

By division, the Domestic Division remained on par with the target, while the International Division and the PharmaPackaging Division each significantly exceeded their targets. On the other hand, the Vascular Division, the Pharmaceutical Division, and the Regenerative Medicine Division missed their targets.

In the International Division, strong sales led by dialysis-related products such as dialyzers and dialysis machines in Europe, the U.S., China, India and Asia, as well as strong sales of insulin needles in Europe and the U.S. due to increased demand for GLP-1, contributed significantly to sales growth. The strong performance of the PharmaPackaging Division was driven by increased sales of vials for vaccines from 2020 due to special demand caused by the COVID-19 pandemic, as well as favorable sales of high value-added products such as glass tubing, vials, and sterile syringes for bio packaging ceuticals in the U.S. and Europe.

On the other hand, sales in the Vascular Division slowed due to a decrease in the number of cases treated during the COVID-19 pandemic and the entry of other companies in the market for drug-eluting balloons, the division's core product. The Pharmaceutical Division underperformed due to a decrease in the use of pharmaceuticals caused by the outbreak of COVID-19, damage from the earthquakes at the oral drug plant in Fukushima Prefecture, a decrease in the volume of orders for existing products, and the termination of contract manufacturing.

▶ Operating profit margin

The operating profit margin target of 9.0% was not achieved in any year since FY3/'21, when it peaked at 6.1%, and fell to 4.1% in FY3/'25. This is due to high costs, including raw materials and energy, resulting from inflation and yen depreciation, increased logistics costs of procuring containers overseas, sluggish operating profit from regenerative medicine, and the earthquakes offshore of Fukushima Prefecture in 2021 and 2022.

Reflections by division (sales growth rate)

	FY3/'25 Plan	FY3/'25 Actual
Domestic Division	Annual ave. 5.0%	Annual ave. 5.0%
International Division	Annual ave. 8.0%	Annual ave. 13.6%
Vascular Division	Annual ave. 15.0%	Annual ave. 0.8%
Pharmaceutical Division	Annual ave. 5.0%	Annual ave. 2.4%
PharmaPackaging Division	Annual ave. 8.0%	Annual ave. 10.3%
Regenerative Medicine Division	Annual ave. 249.8 %	Annual ave. 16.3%



Medium-Term Management Plan

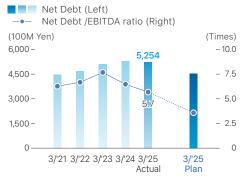
Reflections on the Previous Medium-Term Management Plan

KPIs for Fiscal 3/'25

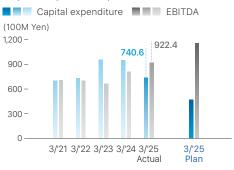
Guidelines for Fiscal 3/'25

Net Debt	Maintain around ¥450,000 M		
EBITDA	Aiming for a level of ¥100,000+ M or higher		
Net Debt/ EBITDA ratio	Less than X 5		

Net Debt, Net Debt/EBITDA ratio



Capital expenditure, EBITDA



Reflections on the Final Fiscal Year of the Medium-Term Management Plan

▶ Net Debt/EBITDA ratio

Interest-bearing debt increased due to capital expenditure exceeding the plan resulting from the addition of new dialyzer lines, acquisition of dialysis centers, construction of a new pharmaceutical plant, and the expansion of glass container facilities in Europe and the U.S. Although the Net Debt/EBITDA multiple peaked at 7.7x in FY3/'23 and has since improved as past investments began contributing to operating profit, the target was not achieved.

► Capital expenditure and EBITDA

Five-year capital expenditure was ¥409,646 million, exceeding the plan of ¥320,000 million by ¥89,646 million. EBITDA was ¥380,969 million, falling short of the ¥441,700 million target by ¥60,730 million. Although capital expenditure increased to meet growing demand for dialyzers and to expand sales of pharmaceuticals and pharmaceutical packaging products, planned operating profit was not achieved due to higher facility construction costs caused by inflation and soaring raw materials and energy costs, resulting in the EBITDA target being missed.

Reflections by division (Capex and EBITDA)

		FY3/'21–FY3/'25 Plan	FY3/'21–FY3/'25 Actual	(¥100 million)
Medical Device	Capex	1,680	1,935	Capital expenditure exceeded the plan due to intense investments, including a 1.5-fold increase in dialyzer production capacity over 5 years. Overseas sales and profits increased due to yen depreciation and sales expansion,
Medical Device	EBITDA	2,324	2,480	but domestic medical device profits were sluggish, resulting in failure to generate EBITDA to cover increased capital expenditure.
Pharmaceutical	Capex	920	1,315	Aiming to expand both in-house and contract sales, capital expenditure was increased in new production lines to increase production and an analysis
Pridiffiaceutical	EBITDA	1,506	1,112	center was established to strengthen quality control systems but the initial EBITDA target was missed.
PharmaPackaging	Capex	300	586	Due to the large increase in operating profit from special demand due to the COVID-19 pandemic, capital expenditure were doubled from the planned level
	EBITDA	359	368	for 5 years to capture sales demand, but EBITDA generation for the increased capital expenditure was not achieved.
Regenerative Medicine	Capex	300	258	During the two years of the COVID-19 pandemic, it remained difficult to administer STEMIRAC due to the priority given to patients with severe disease.
EBITDA 228 (151) It was not possible to generate the originally plate original EBITDA target was missed.	It was not possible to generate the originally planned sales profit and the original EBITDA target was missed.			
Total	Сарех	3,200	4,096	As per the main text.
	EBITDA	4,417	3,809	•



Medium-Term Management Plan

Reflections on the Previous Medium-Term Management Plan

KPIs for Fiscal 3/'25

Guidelines for Fiscal 3/'25

EPS*	¥200 or higher
ROE	14.0+%

^{*} EPS: Earnings per share

EPS/ROE



Reflections on the Final Fiscal Year of the Medium-Term Management Plan

▶ ROE

In FY3/'21, ROE was 9.2%, an outlier due to a decrease in shareholders' equity resulting from a loss in FY3/'20. In FY3/'22, ROE decreased to 7.8%. In FY3/'23, operating profit decreased due to higher SG&A expenses caused by inflation, and profit decreased due to tax effects from loss-making subsidiaries, resulting in ROE of 2.3%.

From FY3/'24, in addition to the impact of exchange rates, efforts were made to increase profit through asset sales, resulting in an improvement trend. However, the target was not achieved with the result of 2.1% in FY3/'25.

YoY comparison of the accounts from operating profit onwards

(¥100 million)

	FY3/'21	FY3/'22	FY3/'23	FY3/'24	FY3/'25
Operating profit	276.2	238.8	177.2	223.3	265.9
Non-operating expenses (income)	(13.5)	37.0	(23.8)	(28.2)	(157.8)
Extraordinary loss (income)	(87.5)	(43.4)	14.3	(2.9)	82.7
Corporate tax, etc.	24.8	81.7	108.4	70.4	124.1
Profit	142.0	134.5	45.7	111.0	51.1
Shareholders' equity*	1,549.0	1,731.3	1,957.7	2,194.9	2,425.5
ROE (%)	9.2	7.8	2.3	5.1	2.1

^{*} Shareholders' equity is the average during the period, calculated as (beginning of period + end of period) / 2

Management

Message







Medium-Term Management Plan

Reflections on the Previous Medium-Term Management Plan

Approaches to SDGs

	Social issues that we aim to solve through our business	Related SDGs
Providing treatment to patients in remote areas with limited access	 In emerging countries, such as Latin America, dialysis clinics have been set up in suburban areas to provide dialysis treatment to patients living in remote areas, where it is more convenient for them to receive dialysis treatment. In Southeast Asia and Africa, dialysis clinics have been set up in urban areas to provide patients with high-quality treatment. 	3 AND MILLION NECTOR MADE AND A STEEL M
Preventing medical accidents at medical institutions	 The company sells safety products to prevent medical accidents while using medical equipment. They include winged needles that prevent needlestick accidents, colored syringes that can be distinguished by color to prevent mix-ups, and pre-fillable syringes and kit preparations that reduce the risk of foreign matter contamination, bacterial contamination, and needlestick accidents. 	9 NOOMEN MANAGEMENT TO SECONDARIES AND PROMOCED IN AND PROMOCE
Providing safe and secure medicines for all	 The company promotes products that can be used without difficulty, regardless of age or disability. The company offers a range of products that enable those with visual difficulties to identify tablets, to write down medication instructions and medication dates, and to prepare PTP sheets for patients with reduced dexterity. 	3 GOOD MALTHING TO MICHIGANITIES TO MICH
Dealing with new infections	 The company sells products that are in high demand worldwide when new infectious diseases, such as COVID-19, become rampant. Surgical masks, medical rubber gloves, tubes and other consumables, blood collection tubes, and disinfectants are stocked. 	3 0000 HULLING 11 SECURAL CERT. 12 MC DESCRIPTION 13 MC DESCRIPTION 14 MC DESCRIPTION 15 MC DESCRIPTION 16 MC DESCRIPTION 17 MC DESCRIPTION 17 MC DESCRIPTION 18 MC DESCRIPTION
Stable supply of antimicrobial agents that are in short supply	 We continue to manufacture and market antimicrobials, although they are unprofitable and there are concerns about the supply of APIs. As a precaution against the future supply of APIs, we are developing some of them in-house. 	3 MODERNICHMAN PROPERTY AND ADDRESS OF THE PROPERTY AND AD
Providing a medical environment for patients who live in remote or are difficult to access locations	 The company sells a cloud-based monitoring system (Nipro Heart Line™) that uses ICT to provide real-time information on patients, even in remote locations. The system enables patients with chronic diseases to receive regular and continuous medical care, sharing vital information in real time, and sending alerts when abnormal values are detected to remotely check the patient's condition. 	3 NOW MILLEDING 9 MORNINGSTREETH 11 SURVINGSTREETH 12 MORNINGSTREETH 13 MORNINGSTREETH 14 MORNINGSTREETH 15 MORNINGSTREETH 16 MORNINGSTREETH 17 MORNINGSTREETH 18 MORNINGSTREETH 18 MORNINGSTREETH 19 MORNINGSTREETH 19 MORNINGSTREETH 10 MORNINGSTREETH 10 MORNINGSTREETH 10 MORNINGSTREETH 11 MORNINGSTREETH 11 MORNINGSTREETH 12 MORNINGSTREETH 13 MORNINGSTREETH 14 MORNINGSTREETH 15 MORNINGSTREETH 16 MORNINGSTREETH 17 MORNINGSTREETH 17 MORNINGSTREETH 18 MORNINGSTREET
Enhancing the labor productivity of healthcare professionals	 The company sells the HN LINE™, which solves business problems by linking medical device information with electronic medical records. The company hopes to support the reduction of labor, efficiency of nursing operations in hospitals, and work-style reforms of healthcare professionals. 	3 MODEL RELIABILISTS 8 RECENT MODEL AGENT 9 MANUAL PRINCEPART MATERIAL PRINCEPART MATERIA
Minimizing the environmental impact of waste	 The heat generated when industrial waste in the manufacturing process is burned in incinerators is reused to generate electricity and hot water, and the company also emphasizes reducing the volume of industrial waste. We promote a paperless office by digitizing internal documents and eliminating meeting materials to reduce the use of paper and other materials. 	7 ATTENDED NO CONTROLL AND PROJECTION AND PROJECTIO
Promoting efficient use of natural resources	 To reduce the global environmental impact, the company promotes the introduction of solar power generation at its plants as part of energy conservation efforts. At Nipro Thailand, a solar power generation system was introduced in 2018 and the electricity generated is used for medical device manufacturing. 	7 minimization customers 9 months months and resolution and resolution and resolutions.
Providing rewarding work opportunities for all	 Training for women in supervisory positions and above is conducted so that they can build a career design with strategies for their work and lives. For international students who have received job offers to seamlessly join the company, exchange meetings are held for the purpose of networking with senior international employees prior to joining. 	5 toward 8 totales and 10 hascall \$ \$ toward of the second states \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$



Reflections on the Previous Medium-Term Management Plan

• New Medium-Term Management Plan (FY3/'26-FY3/'28)

Medium-Term Management Plan

New Medium-Term Management Plan (FY3/'26-FY3/'28)

Management Policy

▶ NIPRO Group's Management Policy

In looking toward our future as a truly global comprehensive medical manufacturer, we believe our current and future responsibility to society is to develop innovative, value-added products and technologies that improve patient outcomes and healthcare worldwide.

NIPRO's 10 Key Policies

- Increase sales prices per unit toward a Group-wide operating profit ratio of 9% or more in FY3/'31.
- 2 Increase product competitiveness for all products through improvements, expansion of product lineups, and DX. Furthermore, work forward automated production for each product, aiming for fully automated inspection and full automation for all products.
- 3 Promote DX in administration, logistics, and production for efficiency, productivity, and labor savings as well as reduce costs and contribute to higher operation margin.
- Treat specialists the same as line managers with performance-based distribution through the implementation of policies 2 and 3.
- 5 Maintain corporate culture that provides opportunities to people exhibiting "Willingness."
- 6 Adopt thorough risk management measures for both natural and man-made disasters.
- 7 Steadily share relevant information related to the PDCA Cycle among all involved parties.
- 3 Adhere to "Sanpo-Yoshi" Principle based on the idea of "Good for everyone (3 parties)—the company, users, and society."
- 9 Promote the concept of local production for local consumption.
- Put priorities on operating profit above sales, on full automation above operating profit, on risk management above full automation, and on compliance above risk management.

5 Specific Measures to Strengthen -

- (1) Ensure a stable supply of dialysis products, especially dialyzers.
- (2) Significantly improve productivity and global sales of vascular products.
- (3) Strive for profitability for all products running deficits.
- (4) Strongly promote developed products to establish them as a business promptly.
- ⑤ Promote greater product lineup variability, systematization, and DX for all products, and enhance informational materials to bolster technology sales, aiming to enhance product competitiveness.

Brand Strategy



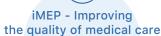
The provision of products and services that enable people worldwide to live better and live longer



To be a brand selected because of quality and trust



ONE NIPRO, ONE VOICE





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- Transmitting useful medical information to the world
- Improving our global presence
- Contributing to medical care through education
- Sustainable management considering the environment, society, and governance



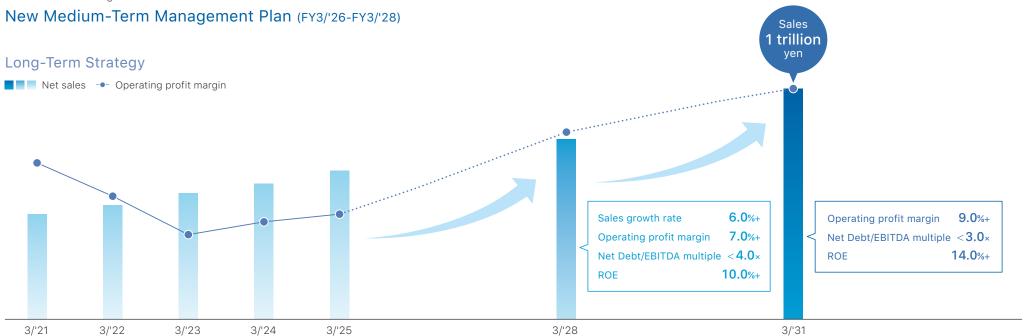
 Management Plan
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 ● Reflections on the Previous Medium-Term Management Plan

Social Bond

New Medium-Term Management Plan (FY3/'26-FY3/'28)





Details of efforts/strengthening items

		FY3/'26-FY3/'28	FY3/'29-FY3/'31
Medical Device	Dialysis	Expand dialyzer share overseas In Japan, establish a stable supply system and expand the share of HDF dialyzers and dialysis machines	Overseas, continuously improve the performance and quality of dialyzers and dialysis products in general, DX of dialysis treatment, and strengthen the dialysis machine maintenance system globally In Japan, enable full-scale entry into the acute-phase market
	Hospital	Overseas, increase sales of safety products and high-performance products in addition to basic products (needles, syringes, intravenous catheters, etc.) In Japan, expand the Nipro comprehensive medical network system and the share of related devices For SD-related products, increase sales of products related to the artificial heart-lung system	 Overseas, continue to expand safety and highly functional products, develop new products, and strengthen sales In Japan, expand product lines in each therapeutic area and prompt market introductions For SD-related products, new entry into other fields such as respiratory surgery, spine surgery, endoscopy, artificial joints, ophthalmology, etc.
	Vascular	Increase sales of coronary artery/peripheral scoring balloon cathetersExpand the introduction of venous/peripheral/dialysis access products	Add products to the cerebrovascular area
	Regenerative Medicine	Acquire approval and secure administration cases	• Expand indications for regenerative medicine products, etc.
	Own-brand GE	•Increase sales by introducing new authorized generic (AG) and biosimilar drugs (BS)	• Expand the antibiotics field (drug substances)
Pharmaceutical	Contract Manufacturing	Steady launch of new plants	• Expand production items centered on new plants
PharmaPackaging		Establish presence as a container manufacturer for biologics	Use sterilized syringes to drive growth

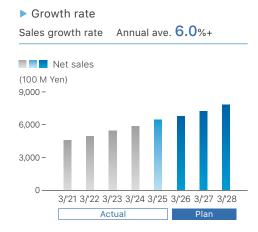




Medium-Term Management Plan

New Medium-Term Management Plan (FY3/'26-FY3/'28)

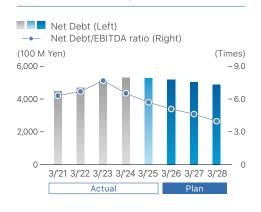
Details of Key KPIs





► Financial soundness

Net Debt (net interest-bearing debt) ¥487 billion Net Debt /EBITDA multiple <4x



► Asset efficiency

EPS ¥180+ ROE 10.0%+



Capital Expenditure Policy

▶ Guidelines

Capex*

¥200 billion

* Capital expenditures are based on capitalized assets (Intangible assets included) EBITDA

¥330 billion

Free Cash Flow

¥70 billion

* Cumulative total for FY3/'26-FY3/'28

Capex plan FY3/'26-FY3/'28

	Capex	EBITDA	Details
Dialysis/Hospital	¥101 billion	¥202 billion	Construct a plant in the U.S. Expand dialyzer lines at plants in Vietnam, India, and Odate (Akita Prefecture)
Vascular	¥ 5 billion	¥12 billion	Expand intravascular imaging devices (NIRS-IVUS) and balloon catheter (Aperta NSE PTA) production facilities as well as sterilization machines
Regenerative Medicine	¥1 billion	¥(11) billion	There will be no major capital expenditure.
Pharmaceutical	¥ 73 billion	¥96 billion	Newly construct the Ohmi Plant (Shiga Prefecture) and renew old lines
PharmaPackaging	¥20 billion	¥31 billion	Limited to investments that contribute to quality improvements and automation



Medium-Term Management Plan

New Medium-Term Management Plan (FY3/'26-FY3/'28)

Sustainability

► The Nipro Group's materiality

Materiality identification process

STEP 1

Interview internal and external stakeholders to identify risks, opportunities, and impacts unique to the Nipro Group



STEP 2

Weight (score) the importance of the risks, opportunities, and impacts to the Nipro Group



STEP 3

Identify the risks, opportunities, and impacts with high scores as being material (important) to the Nipro Group



Environment

- Climate Change
- Biodiversity and Ecosystems
- Circular Economy

Social

- Human Capital Management
- Human Rights in the Value Chain
- Data Privacy and Cyber Security
- Patient Safety and Product Quality

Governance

- Instillation and Establishment of Code of Conduct
- Sustainable Value Chain
- Prevention of Corruption and Bribery



In future, we will promote our ESG information, formulate the sustainability report, and disclose ESG initiatives on our website.

Management

Message

Reflections on the Previous Medium-Term Management Plan
 New Medium-Term Management Plan (FY3/'26-FY3/'28)





Medium-Term Management Plan

New Medium-Term Management Plan (FY3/'26-FY3/'28)

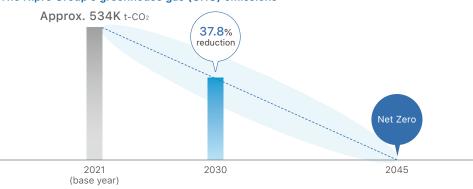
Key initiatives regarding materiality

Environment

Policy Net zero GHG emissions in 2045, conservation of biodiversity, and the promotion of waste reduction and recycling

Materiality	Measures
Climate Change	Purchase Non-Fossil Certificates in Japan and overseas Switch to renewable energy-derived electricity at manufacturing bases Self-generate energy Understand and reduce Scope 3 emissions
Biodiversity and Ecosystems	Understand manufacturing bases within biodiversity priority areas Collect information on potential impacts on biodiversity and ecosystems, and their prevention Comply with related regulations
Circular Economy	Apply recycled materials to packaging Reduce waste

The Nipro Group's greenhouse gas (GHG) emissions



Since the current proportions of GHG emissions at the Nipro Group are about 1/3 for Scope 1 emissions and 2/3 for Scope 2 emissions, we will focus on reducing Scope 2 emissions first.

Social

Policy Focus on human capital management and prioritize work on human rights issues

Materiality	Measures
Human Capital Management	Obtain Great Place to Work certification Expand training opportunities for all employees Ensure the transparency of evaluations by clarifying the roles of all positions Establish a common global compensation system Assure confidentiality for whistle-blowers and whistle-blowing based on the Whistleblower Protection Act Hire without regard to gender, age, nationality, race, religion, or disability Implement risk assessments and safety education to ensure the safety of work environments
Human Rights in the Value Chain	Conduct human rights due diligence Implement human rights seminars and workshops Establish a contact point for whistle-blowing, relief, and consultation Participate in human rights activities undertaken by international organizations, NGOs, human rights advocacy groups, etc.
Data Privacy and Cyber Security	Establish an Information Security Committee for incident responses Implement information security training for employees
Patient Safety and Product Quality	Establish a contact point for product and quality inquiries Implement training for healthcare professionals

Governance

Policy Strengthen management foundations and implement sound business management

Materiality	Measures
Instillation and Establishment of Code of Conduct	 Improvement of issues based on effectiveness evaluation of the Board of Directors Improve social trust and evaluations through dialogue with stakeholders and information disclosure Enhance compliance training for employees Expand the whistle-blowing system
Sustainable Value Chain	Build appropriate relationships with business partnersEstablish a supplier hotline
Prevention of Corruption and Bribery	Comply with laws and regulations in each country and region where we implement business activities Implement regular risk assessments Establish a hotline (contact point for external reporting)

• Investment Status of Social Bonds and Loans

Social Bond Reporting

Investment Status of Social Bonds and Loans

Overview of social bonds

Our business contributes to improving the health and quality of life of people around the world through the stable supply of medical devices, pharmaceuticals, and other essential social initiatives. We believe that these efforts contribute to solving social issues as social projects.

To raise funds that contribute to these efforts as social bonds, we have established a Social Bond Framework and a Social Finance Framework* based on the International Capital Market Association (ICMA) Social Bond Principles.

In line with these frameworks, we raise funds for businesses that contribute to solving social problems by issuing (1) social bonds and (2) social loans.

▶ (1) Social bond

The funds raised from our corporate bonds will be invested in projects with a high social contribution.

Corporate bond name	Nipro Corporation 14th unsecured corporate bond (with inter-bond pari passu clause) (social bond)
Amount ¥19,000 million	
Period	5 years
Interest rate	1.240%
Payment date	October 10, 2024
Use of funds	Expansion of the dialyzer production line of the Odate 7th Plant and repayment of loans procured for construction of the plant and expansion of the production facility

▶ (2) Social loans

The purpose of this loan is to allocate funds to businesses that contribute to the resolution or mitigation of social issues.

The funds raised from this loan enable us to invest actively in projects with high social feasibility.

Financial institution/ arranger	Amount (million yen)	Interest rate	Loan date	Repayment date	Repayment method	Security and guarantee	
Syndicated loan with Aozora Bank as an arranger	10,300	10,300 Variable		May 31, 2029	Bullet	Unsecured and unguaranteed	
Syndicated Ioan with Sumitomo Mitsui Trust Bank as an arranger	8,800	Variable	Jul 31, 2024	Jul 31, 2029	Three-month installment	Unsecured and unguaranteed	
Syndicated loan with Norinchukin	5,000	Variable	Jul 31, 2024	Jul 31, 2029	Bullet	Unsecured and unguaranteed	
Bank as an arranger	6,000		Dec 30, 2024	Dec 28, 2029	Three-month installment		
Syndicated Ioan with Mizuho Bank as an arranger	15,300	Variable	Sep 4, 2024	Aug 31, 2029	Bullet	Unsecured and unguaranteed	
Term loan from Toho Bank	3,000	Variable	Nov 29, 2024	Nov 30, 2031	Three-month installment	Unsecured and unguaranteed	
Syndicated loan with Sumitomo Mitsui Banking Corporation as an arranger	8,600	Variable	Jan 15, 2025	Jan 16, 2032	Three-month installment	Unsecured and unguaranteed	

^{*} The company has obtained a "second opinion" from Rating and Investment Information, Inc. as a third-party evaluation.

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Social Bond Reporting

Investment Status of Social Bonds and Loans

Funding appropriation status

The status of appropriation of funds is as follows.

The funds from (1) social bonds and (2) social loans have been fully allocated.

▶ (1) Social bonds

Use	Project type	Amount (million yen)	Details of allocation
New investment	Domestic business	16,423	Construction of the production facility of the 7th Plant associated with increased production of PES/FB dialyzers in the Odate Plant
Refinancing	Domestic business	2,493	Refinancing the fund for the construction of the 7th Plant and investment in the production facility associated with increased production of PES/FB dialyzers in the Odate Plant

▶ (2) Social loans

Use	Project type	Amount (million yen)	Details of allocation	
New investment	Domestic business	5,400	Research and development expenses for pharmaceutical products, etc., of Nipro	
Refinancing	Domestic business	2,000	Refinancing fund for investment in the syringe production facilities, etc., of Nipro	
New investment	International business	6,900	Land and buildings for the establishment of a new plant, dialysis clinic equipment, etc., in NMC	
New investment	International business	3,870	Dialyzer production facility in Hefei	
New investment	International business	2,860	GLP-1 needle production facility in NTC	
New investment	International business	2,550	Dialyzer production facility in NVC	
New investment	International business	1,760	GLP-1 needle production facility in Nipro Medical Industrie	
New investment	Pharmaceutical business	18,060	NPP Ohmi Plant	
Refinancing	PP business	4,000	Refinancing fund for investment in the medical rubber stopper and vial production facility in Nipro	
New investment	PP business	3,700	Syringe production facility in NPG	
New investment	PP business	2,680	Plant expansion and syringe production facility in NPA	
New investment	PP business	2,000	Land acquisition by NPH	
New investment	PP business	1,220	Production kiln construction in NPF	



• Investment Status of Social Bonds and Loans

Investment Status of Social Bonds and Loans



Social Bond Reporting

Investment Status of Social Bonds and Loans

Progress of each project



Medical-Related Business (Japan)







Main businesses

We develop, manufacture, and sell medical devices, generic and cellular pharmaceuticals in Japan.

Our main medical device products are dialysis products; however, we also provide products for treating various diseases and products with safety measures. Further, we have a wide range of our own branded generic drugs, including oral, injectable, and topical products. We offer universally designed products, such as orally disintegrating tablets that can be swallowed without water, tablets that can be distinguished by fingertips, and packaging that includes a section for medication instructions and the date of administration. For cellular medicines, we provide autologous marrow mesenchymal stem cells for the treatment of spinal cord injury.

► Target social issues

- Help life support, health improvement, and quality of life for patients requiring dialysis
- Prevent medical accidents such as needlesticks, foreign substances/bacterial contamination, and reduction of the burden on healthcare workers
- Reduce obstacles in medication for patients with manual or visual impairments
- Provide an ICT-based medical care system to patients who are unable to visit hospitals due to disasters or residence in remote areas
- Improve the health and life of patients with spinal cord injuries

▶ Approach to social issues (Output indicators)

The funds raised were used as capital expenditure to meet market needs in manufacturing medical devices, pharmaceuticals, and cellular medicines. Please note that there is a time lag before the invested facilities become operational and the manufacturing capacity increases.

Percentage increase in the quantity of medical devices manufactured* ¹	The production quantity of dialyzers increased following the launch of a new production line at the Odate Plant, whereas that of consumables such as needles for injection and dialysis slightly decreased. As a result, total production of medical devices for the Japanese market remained flat at 99% YoY.
Percentage increase in the quantity of in-house brand generics manufactured* ²	Production rose by 117% YoY with the start of operations at the new syringe production facility at the Ise Plant.
Manufacturing capacity of cellular medicines	The production capacity of cellular medicines has remained unchanged at 250 units per year since the launch of the Sapporo CPF.

▶ Outcome of improvement of issues (Outcome indicators)

Percentage increase in the quantity of medical devices sold*1	Although sales of dialyzers decreased, sales of consumables such as dialysis needles and syringes increased, resulting in overall sales performance holding at 100% YoY.
Percentage increase in the quantity of in-house brand generics sold*2	Sales increased by 103% YoY, primarily due to an increase in sales of Pegfilgrastim BS subcutaneous injections.
Quantity of cellular medicines sold	A total of 39 units were sold, reflecting limited use in selected institutions as these products have conditional and time-limited approval.

- *1 Percentage increase in the quantity of medical devices manufactured and sold was calculated by selecting the main products, dialyzers, blood circuits, dialysis needles (AVF), winged needles (PSV), and syringes. In order to align the different unit bases, the quantity was calculated as a weighted average of unit price and compared to the previous year.
- *2 Percentage increase in the quantity of in-house brand generics manufactured and sold was calculated as a weighted average of unit price to align the different units of oral, injectable, and topical formulations compared to the previous year.

Social Bond Reporting

Investment Status of Social Bonds and Loans



Medical-Related Business (Global)









Main businesses

We develop, manufacture, and sell medical devices overseas. In addition, we sell pharmaceutical products, and also open and operate dialysis centers and training centers. Our main medical device products are dialysis products; however, we also provide products for treating various diseases and products with safety measures. Pharmaceuticals provide dialysis solutions used in dialysis treatment. Dialysis centers are specialized clinics that provide dialysis treatment to patients. Training centers are training facilities for healthcare professionals in dialysis treatment techniques and provide an improved on-site medical environment by incorporating feedback and requests obtained during the training into product and technology improvements.

► Target social issues

- Help life support, health improvement, and quality of life for patients requiring dialysis
- Prevent medical accidents such as needlesticks, foreign substances/bacterial contamination, and reduction of the burden on healthcare workers
- Provide medical facilities to patients living in remote regions in emerging countries
- Provide advanced medical care to patients living in urban areas in developing countries
- Provide therapeutic equipment, examination products, and infection control products that can prevent the spread of infectious diseases

► Approach to social issues (Output indicators)

Social Bond

Reporting

The funds raised were used for capital expenditure to meet the market needs in the manufacturing of medical devices. Please note that there is a time lag before the invested facilities become operational and the manufacturing capacity increases.

		Production for overseas markets increased by 114% YoY, driven by the launch of new dialyzer production lines at the Hefei Plant and the Odate Plant.
	Dialysis Center patient capacity*4	Overall capacity increased by 133% YoY, with the largest growth occurring in South Africa and Brazil.
	Number of training centers	The total number of training centers decreased to 23 worldwide as training became impossible following the COVID-19 pandemic and contracts were terminated at several centers, mainly in China.

Outcome of improvement of issues (Outcome indicators)

Percentage increase in the quantity of medical devices sold*3	Strong sales of dialyzers in North America and China, combined with higher sales of dialysis needles and blood circuits, resulted in a 115% YoY increase in sales.
Number of patients treated at Dialysis Centers*4	The number of patients treated at dialysis centers increased by 124% YoY, mainly in South Africa, reflecting the expanded number of centers.
Number of training center users	A total of 42,368 healthcare professionals received training at the 23 training centers worldwide.

- *3 Percentage increase in the quantity of medical devices manufactured and sold was calculated by selecting the main products, dialyzers, blood circuits, dialysis needles (AVF), winged needles (PSV), and syringes. In order to align the different unit bases, the quantity was calculated as a weighted average of unit price and compared to the previous year.
- *4 Number of dialysis centers and patients treated at dialysis centers was calculated as the percentage yearly increase.

Investment Status of Social Bonds and Loans





Social Bond Reporting

Investment Status of Social Bonds and Loans



Pharmaceutical-Related Business





Main businesses

We are a contract manufacturer of ethical drugs licensed by domestic and overseas pharmaceutical companies. We have manufacturing facilities in Japan, the U.S., and Europe that are GMP-compliant in each of the three regions. The company can manufacture a wide range of products, including injectable, oral, and external dosage forms, from small-lot study drugs to mass production after launch. We also develop formulations, such as orally disintegrating tablets, as well as slow-release and transdermal-absorption formulations. We can manufacture pre-filled syringes and dual-chamber bags, which are combination products with medical containers. We also handle contracted inspection and packaging processes for products licensed overseas, where pharmaceutical companies sell pharmaceutical products formulated overseas after inspection and packaging in Japan.

► Target social issues

- Contribute to a stable supply of pharmaceuticals by supporting a wide range of dosage forms and production scales
- Contribute to healthcare cost reduction by reducing manufacturing costs through a collective contract of manufacturing pharmaceuticals for many companies

► Approach to social issues (Output indicators)

The procured funds were used as capital expenditure in the contract manufacturing of pharmaceutical products to meet the market needs. Please note that there is a time lag before the invested facilities become operational and the manufacturing capacity increases.

While orders for orally administered drugs and external preparations decreased due to product line adjustments, the production of injectable drugs increased as a result of production system expansion. Overall production performance remained stable at 99% YoY.

▶ Outcome of improvement of issues (Outcome indicators)

Although orders for orally administered drugs and external preparations decreased due to product line adjustments, the shipment volume of injectable drugs increased following the acquisition of new items. Overall shipment performance remained stable at 99% YoY.

*5 Percentage increase in the quantity of contract drugs manufactured and shipped was calculated as a weighted average of unit price to align the different units of oral, injectable, and topical formulations compared to the previous year.



PharmaPackaging Business







Main businesses

We develop, manufacture, and sell pharmaceutical packaging containers and glass tubing, the raw materials for pharmaceutical packaging containers.

For pharmaceutical packaging containers, we provide molded components such as vials, syringes, rubber stoppers, and devices used to administer pharmaceuticals. Packaging containers can be customized to meet the quality requirements of products ranging from general pharmaceutical products to biopharmaceuticals and nucleic acid drugs. The raw materials, glass tubing, is a glass material that meets the standards for primary pharmaceutical glass containers specified in the Japanese, U.S., and European Pharmacopoeias. We sell glass tubing to Japan as an agency of Nippon Electric Glass Co., Ltd. We manufacture our own glass tubing in the U.S., France, India, and China and sell it worldwide.

► Target social issues

- Provide essential products for pharmaceutical manufacturing, contributing to a stable supply of pharmaceuticals and labor saving in the formulation process
- Reduce the burden on healthcare professionals by developing products that meet the needs of the medical field
- Contribute to the reduction of medical accidents such as mix-ups and contamination of foreign substances by creating kits of pharmaceutical products

Approach to social issues (Output indicators)

The procured funds were used as capital expenditure to meet the market needs of manufacturing pharmaceutical packaging containers. Please note that there is a time lag before the invested facilities become operational and the manufacturing capacity increases.

Production of high value-added syringes increased; however, demand for vial products declined due to market inventory adjustments, and ampoule production decreased following the withdrawal of low-profit ampoule products in China. As a result, total production fell to 82% YoY.

Outcome of improvement of issues (Outcome indicators)

While sales of high value-added syringes increased, demand for vial products declined due to market inventory adjustments, and sales of ampoule products decreased due to the withdrawal of low-profit ampoule products in China, resulting in overall sales falling to 85% YoY.

*6 Percentage increase in the quantity of products manufactured and sold was calculated as a weighted average of unit price to align the different units of ampoules, vials, and syringes, which are the main products, compared to the previous year.

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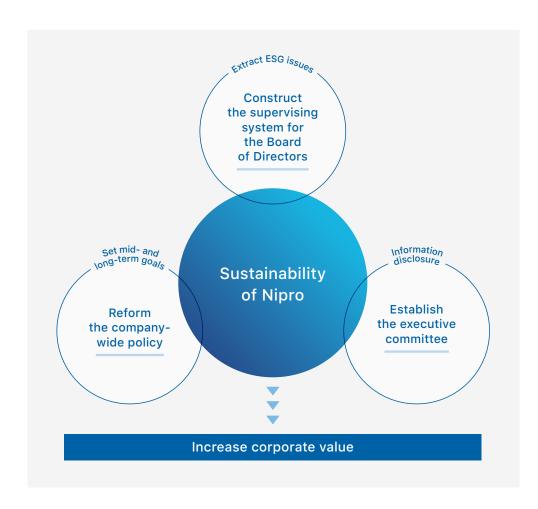
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Sustainability of Nipro

▶ Basic attitude

The Nipro Group is working to promote sustainability management to resolve various social issues through business.



Sustainability promotion system

The Sustainability Committee is divided into Environmental, Social, and Governance Committees. They manage and promote ESG initiatives in each business division (all group companies).

Management and promotion status is placed on the agenda of the Board of Directors at least once every quarter. Accordingly, the strategy is discussed, guidance is provided, and the KPIs are set and progress is reviewed. The content is relayed to each committee's business division.

Sustainability promotion system **Board of Directors** Official supervisor of climate change-related issues among the Board of Directors **President & Representative Director** Deliberation matters are put on Appointment the agenda and deliberated upon Chief Sustainability Officer (CSO) Reporting Appointment the deliberation matters **Sustainability Committee** Secretariat: Sustainability Promotion Department, Human Resources Department, and Governance Control Department **Environmental** Governance **Social Committee** Committee Committee

Each business division

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Cases of sustainability-related initiatives



Initiatives to reduce greenhouse gas emission

► CO₂-free energy use at production bases and application of Non-Fossil Certificate

The Nipro Group is taking multiple steps to achieve Net Zero greenhouse gas (GHG) emissions by 2045 in Scope 1/2, which cover our direct emissions.

One such step involves switching to the use of power derived from renewable energy at the Kondo Plant of Nipro Medical Industries Ltd. (Japan) starting in fiscal year 2022 and at the Izumi Plant of Zensei Pharmaceutical Co., Ltd. starting in fiscal year 2023.

Nipro Group reduces its GHG emissions by utilizing a Non-Fossil Certificate that reflects the CO₂-free environmental value of renewable energy.

Effect of reducing GHG emissions

Reduced 178,900 t-CO₂ (Results in this period)

► Private generation of energy

To carry out continuous business activities, the Nipro Group generates its own energy for production activities at multiple plants. Some bases have solar panels and private power-generation facilities. In particular, at the Odate Plant of Nipro Pharma Corporation, a biomass boiler has been operating since fiscal year 2012. In this boiler, thinned wood chips are burned instead of fossil fuels to power the turbine. This initiative is a joint public-sector and private-sector project driven by Odate City (which has maximized the use of unused thinned wood











Kondo plant



Izumi plant



Biomass boiler, Nipro Pharma Odate Plant

by establishing a woody biomass processing and distribution business) and Nipro Pharma. The Nipro Group is making efforts to contribute to the creation of a sustainable community by participating in the project.

Effect of reducing GHG emissions

Reduced **4,168** t-CO₂ (based on the results for the fiscal year 2025, conversion to LNG)

Case 2

Utilization of all-oxyfuel combustion technology for manufacturing glass tubing









At the Nipro PharmaPackaging France Aumale Plant, GHG emissions have been reduced by utilizing all-oxyfuel-combustion technology for the new glass-tubing furnace, which began operation in October 2022. All-oxyfuel combustion involves burning fuel using only oxygen, which increases the heating efficiency of the furnace. As a result, energy efficiency is improved, and fuel usage can be reduced. Using this glass-tubing furnace, the use of city

gas was reduced from 1,080,000 Nm³ (achieved using the conventional combustion method) to 600,000 Nm³ per year, reducing GHG emissions by 984 t-CO² equivalents. The Nipro Group will promote the further introduction of all-oxyfuel combustion technology to improve production efficiency and reduce GHG emissions.

Effect of reducing GHG emissions

Reduced **984** t-CO₂ (based on the results for the fiscal year 2025, conversion to city gas)



The Aumale Plant, Nipro PharmaPackaging France

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Nipro PharmaPackaging India (NPH) was certified as one of "India's Top 25 Best Workplaces in Manufacturing-2025." This certificate is issued by Great Place to Work®, an international organization, based on the strict evaluation of the Trust Index (employee survey requiring anonymous feedback) and the Culture Audit (survey on the human resource practices in organizations)

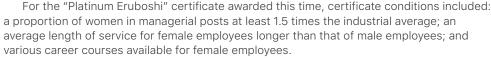
NPH has risen in ranking from the Top 50 of "Best Workplace" over the past two years (2023 and 2024) to the Top 25 of "India's Best Workplaces in Manufacturing." We appreciate the employees' achievements through a good compensation system, encouraging collaboration, giving first priority to workplace safety with the initiative of "safety first," and promoting health and wellness. Based on these efforts, a positive and productive work environment is created.



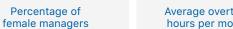
Acquisition of Platinum Eruboshi

Zensei Pharmaceutical of the Nipro Group acquired "Platinum Eruboshi" certification for the first time as a company in Osaka Prefecture (on October 24, 2023).

"Platinum Eruboshi" is awarded to a company with a particularly excellent implementation in promoting women's active engagement among those companies certified as "Eruboshi" which is granted by the Ministry of Health, Labour and Welfare based on the Act on the Promotion of Women's Active Engagement in Professional Life.



We strive to create a better work environment in which all employees find their work comfortable.



27.9% Approx. 2.8 (industrial average:

- * The proportion of female employees in managerial posts was 26.1% when executive officers were included.
- * Most recent business years

Average overtime hours per month

14.4 hours

- * Most recent business years
- * Includes manufacturing bases.

Average length of service

Female Approx.

Male Approx.

- * Most recent business years
- * Non-fixed-term workers

Various career course of female employees

Employment of temporary workers

Re-employment as a full-time employee

* Most recent three business years.

Competition ratio in recruitment by gender

Female

▼ Certificate criterion

The competition ratio for recruitment by gender (number of applicants/number of those employed) must be at the same level.

* Average of the most recent three business years

* Data of fiscal 2025

▼ Reference: Website of Zensei Pharmaceutical

✓

First Company in Osaka Acquisition of "Platinum Eruboshi" certificate as an excellent company based on the Act on the Promotion of Women's Active Engagement in Professional Life.

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Environment

▶ Information disclosure based on TCFD

The Nipro Group recognizes that climate change is a significant issue that greatly affects business continuity. The Nipro Group agrees with the suggestions of the Task Force on Climate-related Financial Disclosures (TCFD), made in June 2023, and will expand information disclosure following the framework proposed by TCFD.

Governance

In the Nipro Group, the President serves as a supervising officer of climate change issues. Our CFO was designated as chairperson of "the Environmental Committee" by the President and manages and supervises the initiatives for climate change issues at the Nipro Group.

In the Environmental Committee, the persons in charge of climate change issues in each business division serve as committee members who identify the impact of climate change on the Nipro Group and examine the policy initiatives and specific measures. The measures examined by the committee are put on the agenda of the Board of Directors through the chairperson of the committee and deliberated as a significant management issue of the Nipro Group.

The Nipro Group makes a quick decision on the management related to climate change issues by introducing the aforementioned committee system and improves the system to work on the measures.

Strategy

The impact of climate change on the Nipro Group is divided into the following two types: one is related to the "transfer" caused by political impact generated in the course of societal change toward carbon neutrality and establishment of new technologies as well as the change in market needs; the other is related to "physical change" such as frequent abnormal weather caused by increasing global warming, occurrence of subsequent disasters, and higher average temperatures. The Nipro Group, a comprehensive medical manufacturer, analyzes these impacts from the perspective of each business division, identifies risks and opportunities, and incorporates them into the business strategy. The following page describes a part of our strategy.

Risk management

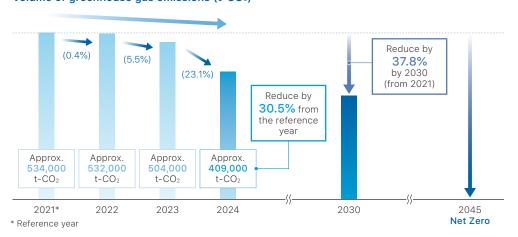
The Nipro Group has formulated the "Regulations on Disaster Prevention and Crisis Management" and "Regulations on Compliance Promotion" to accurately grasp management risks that could have major impacts on the business—including climate-related risks—and to make efforts for appropriate corporate management. In addition, if the estimated risk exceeds a certain threshold, the Board of Directors is engaged to promptly make decisions regarding risk management.

Index and goals

The Nipro Group decided GHG emissions (unit: t-CO₂) as an index for the evaluation and management of risks related to climate change. Furthermore, to promote the reduction of greenhouse gas emissions, the Nipro Group aims for Net Zero in Scope 1/2 by 2045. As an interim goal, the Nipro Group aims for a reduction of 37.8% in Scope 1/2 by 2030 compared to 2021.

GHG emissions in 2023 were approximately $504,000 \text{ t-CO}_2$, with a 5.5% decrease YoY due to the use of Non-Fossil Certificates. However, we failed to achieve a 4.2% decrease in a year, which was necessary to achieve the interim goal, owing to the effect of our ongoing business expansion. In 2024, as a result of forecasting the effect of our business expansion, in addition to increasing the amount of monitoring, we reduced approximately $409,000 \text{ t-CO}_2$, or 30.5% to the reference year, and 4.2% in a year. In 2025, we will understand GHG emissions more accurately and be able to better achieve our goals.

Volume of greenhouse gas emissions (t-CO₂)



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Results of scenario analysis

Risk

Category	Risk items	Impact on business	Degree of impact	Period	Measures
Transfer risk	Increase in carbon price	Increase in the costs of energy and raw materials at plants and business offices due to introduction and reinforcement of carbon tax.	Major	Mid-term	Implementing energy-saving measures and promoting renewable energy usage to reduce GHG emission volume at production bases where a large volume of GHG is emitted through operations.
(1.5°C scenario)	Change in customer behavior due to increasing environmental awareness	Decrease in sales due to loss of sales opportunities and decreasing demands. As the demand for environmentally friendly products increases, it is difficult to switch to alternative materials.	Moderate	Long-term	We are reducing GHG emissions by making existing products smaller and lighter and production processes more efficient. We have simplified packaging while securing quality and changed the packaging material to low-carbon materials for some products. We will further develop products using environmentally friendly materials and use low-carbon materials for product packaging.
Physical risk (4°C scenario)	Occurrence of disaster due to abnormal weather	Decrease in supplied quantity due to the damage caused by disasters to production facilities, logistical problems caused by disasters, and stagnating supply of materials when abnormal weather increasingly causes the occurrence of disasters.	Major	Long-term	Formulating, maintaining, and managing BCP assuming abnormal weather. Constructing the production bases and implementing measures for disasters after considering the system for various disaster risks (having private power generation facility, stockpiling energy and food, having a sufficient stock of raw materials).

Opportunity

Category	Opportunity items	Impact on business	Degree of impact	Period	Measures
Efficiency of materials	Reducing indirect expenses through efficient logistic processes	Leading to cost reduction by strengthening control of the amount of materials and logistics processes and opportunities to implement efficient transportation and improvement in quality.	Moderate	Mid-term	Reviewing the logistics route and transport fees in Japan and overseas, placing logistics bases at appropriate locations, and maintaining the appropriate amount of stock. The appropriate amount of stock contributes to reducing the expenses for storage and transport and amount of disposal.
Products and services	Increase in supply volume to respond to the demands of consumers	Increase in opportunities to provide products that respond to greater interest and demand for infection prevention among consumers. This demand has arisen after the outbreak of new infections or longterm disease trends associated with climate change.	Great	Long-term	To fulfill the responsibility of supplying products to clinical settings during the expansion of demand for the related products, establishing a system for quickly increasing production volume, and supplying products to respond to the globally expanding demands by determining the level of stock of products that is decided to be necessarily higher than that for other products.
Products and services	Increase in demand of products to respond to greater environmental awareness	Leading to an increase in the sales of home care products, which is motivated by greater demand for home care products that do not emit GHG associated with transport.	Minor	Long-term	Promoting research and development while gathering information on customers' demands.

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Human Resources Strategy

"Willingness" is the corporate creed of the Nipro Group. Working on all activities with "Willingness" is fundamental for employees. We aim to establish an environment wherein employees from diverse backgrounds can achieve their goals so that we can firmly maintain the corporate culture of giving opportunities to all personnel with willingness.

▶ Commitment to human rights for sustainable growth

At the Nipro Group, we believe that respect for human rights is essential for the sustainable growth of companies and the enhancement of long-term corporate value. In all countries and regions where we operate, we comply with applicable laws and regulations and fulfill our responsibility to respect internationally recognized human rights, in accordance with the "Guiding Principles on Business and Human Rights" (UN). The Nipro Group's Human Rights Policy was revised in January 2025. We will implement more effective initiatives and continuously promote human rights due diligence.

▶ Promotion of Health Management

Nipro promotes health management based on the belief that maintaining and improving employees' health leads to the development of new technologies, stable production, and the realization of our management philosophy: "supporting the health of people around the world." Under the direction of the Chief Health Officer (CHO), we established a dedicated department and organized the Health Management Promotion Committee. Members selected from each business division and labor union participate in planning and implementing measures for various health issues.

We have designated "mental health," "workplace activation," "prevention of aggravation," and "smoking cessation" as priority issues. Our comprehensive activities include the introduction of online rework programs, promotion of FISH activities, assistance with re-examination expenses, promotion of smoke-free premises, implementation of smoking cessation challenge events, and holding of mental health training and women's health seminars to improve health literacy.



Initiatives for enhancing employee engagement

The Nipro Group promotes the FISH! philosophy as action guidelines for working people. The FISH! philosophy consists of four principles: "Choose Your Attitude," "Play," "Be There," and "Make Their Day." In the concept, people are inspired to be "willing to work" and create a comfortable and vibrant workplace environment by involving people around them and

acknowledging their ideas. The Nipro Group has also been promoting the use of the FISH! philosophy company-wide and holds an in-house event, "FISH Festival/ FISH Award," to introduce and recognize FISH activities at each business office/plant, etc. Based on these initiatives, we aim to further disseminate the FISH! philosophy, facilitate communication among employees, and improve workplace environments.



▶ The Nipro Group Mutual Aid Association

The Nipro Group Mutual Aid Association operates for the purpose of mutual aid of members, improving the culture and health of members, and promoting mutual friendship between members. Further, the Association contributes to stimulating social interactions between members, promoting health through various event activities at branches established in each business office, and implementing nationwide sports events. Our unique system provides assistance with expenses for re-examinations following a complete medical checkup, lifestyle-related disease prevention examinations, gynecological examinations, and company health checkups. It also covers expenses for smoking cessation clinics, GLTD insurance, benefits for members who have taken nursing care or childcare leave, and assistance with expenses for fertility treatment. It has a system where members can use sports facilities, childcare, and nursing care services, among others, at preferential prices. Also, the "Cafeteria Plan" system is adopted for further assistance with health, childcare, and nursing care. It contributes to maintaining mental and physical fitness according to the needs of individual employees and supports the balance between work and family life. Thus, the Association aims to improve employee satisfaction.

Completion of construction of the new head office of Nipro Pharma Corporation

In the new building completed in March 2023. we have allocated spaces to further activate the communication among employees, such as a co-creation space and relaxation room with the concept of "encountering. connecting, and creating," being aware of the FISH! philosophy.





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► Appointment of positions with transparency and promotion of personnel exchanges within the Group

The Nipro Group is working on personnel promotion free from the order of seniority under the company creed "Willingness" to achieve Group sales of 1 trillion yen for the fiscal year ending March 2031. By renovating the personnel system and clarifying the criteria for promotion, more transparent personnel treatment has been implemented, improving the willingness of all employees. We will further expand the internal job-posting system in the future to enable employees to come forward for personnel transfer in anticipation of career development within the Nipro Group. Essentially, we aim to remove the barriers to personnel transfer and allocate the right person to the right job, beyond the borders of companies by unifying the personnel system within the Group.

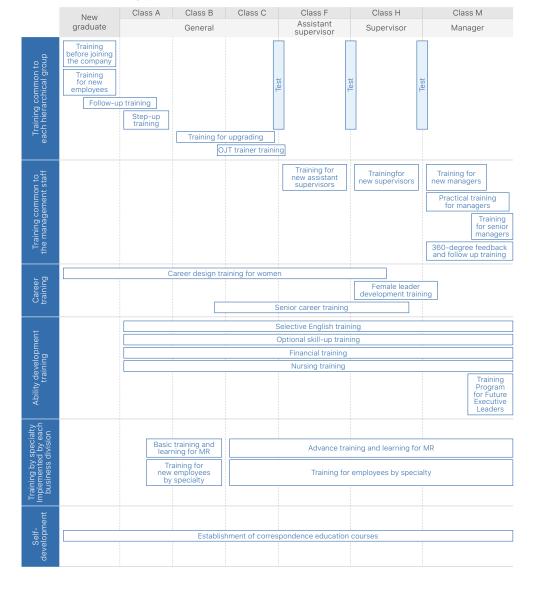
▶ Cultivating language skills and supporting self-development learning

Acquiring language abilities other than Japanese is essential to face the global market of 8 billion people in the borderless era. Therefore, we provide English education programs to selected employees and create opportunities to enhance their language skills. In these programs, we also work on fostering a global mindset by providing group lessons of English conversation in which trainees connect with other trainees around the world in real time as well as holding training events that deepen the understanding of different cultures. Additionally, employees can freely apply for self-development learning on a topic that meets their needs in the a la carte style. In addition to the language education described above, we hold DX-related courses, computer skill courses, and various other skill development courses throughout the year. Therefore, employees with motivation can improve their own skill level by voluntarily attending the courses, and the company will cover the training fees for those who have completed such courses.

Stratified education for young employees and employees promoted to management positions

The Nipro Group places emphasis on human resource development and the enhancement of educational and training programs. As a follow-up for young employees, in addition to systematic, level-based training, we newly introduced OJT trainer training in this period to improve the motivation of new employees and reduce turnover. This training also fosters the growth and career development of trainers themselves, thereby enhancing the overall human resource development capability of the organization. In continuation from the previous term, to improve engagement and create a psychologically safe work environment, we prioritized "reinforcement of management," conducted 360-degree feedback for all managers, and introduced a selective leader training program. We will continue striving to build an organization where employees at all levels can work energetically.

Education and training system



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▶ Promotion of active participation of women

In the Nipro Group, we aim to provide a comfortable work environment for all employees regardless of gender. Particularly, we are making an energetic effort to promote women's active participation and support the development of the next generation. Nipro has set specific goals of increasing the proportion of women in management positions to 10% or more by fiscal 2028. Moreover, we set the proportion of male employees taking childcare leave to 30% or more; since we have achieved this goal, we are now aiming at 45% or higher as the next step. To do so, we are taking various measures for female employees selected as candidates for future managers and their superiors, such as providing female leader-development training to foster a positive mindset of aiming to be a leader, holding roundtable discussions with female managers, and implementing career-design training for women to develop a career in which they can work vibrantly and energetically without frustration.

PICK UP Support for childcare employees

The Nipro Group provides comprehensive support to employees returning to work after childcare leave. To help balance work and childcare and prevent turnover, we allow shortened working hours until a child reaches the 6th grade of elementary school. In addition, in-house nursery centers have been established in Akita, Mie, and Shiga prefectures to support early reinstatement. We also encourage male employees to take leave for childbirth, postpartum paternity, and childcare. The rate of male employees taking childcare leave has already exceeded 30%—the target for the fiscal year ending March 2026—and has reached over 45% in the fiscal year ending March 2025. Looking ahead, we aim for a 50% acquisition rate in the fiscal year ending March 2026 and 85% or higher in the fiscal year ending March 2031. Additionally, we continue to enhance systems that support childcare and promote work-life balance.



Odate City, Akita (Nipro Odate Plant, Nipro Pharma Odate Plant)



Matsusaka City, Mie (Ise Plant, Nipro Pharma Corporation)



Kusatsu City, Shiga (NIPRO Life Science Site)

▶ Promotion of active participation of senior human resources

A decrease in the working population due to a declining birth rate and an aging population is an unavoidable issue in Japan. Nipro extended the mandatory retirement age to 65 on October 1, 2022, to secure labor and enhance senior engagement. We prevent early retirement by guaranteeing the employment of senior employees, extending the mandatory retirement age, and introducing senior career training. Thus, we foster positive career self-reliance, support the handing down of knowledge and technology to younger generations, and contribute to the Nipro Group's development.

► Support for caregivers

The fact that employees of the working generation become caregivers is a problem that cannot be avoided because of nuclear families. The Nipro Group has a system in which the period of nursing care leave is significantly longer than that stipulated by law, and short working hours and telework are available. These efforts have contributed

▶ Flexible work style—Flex system, telework system, staggered working hours system To promote flexible work styles, a flex-time system has been introduced for certain job types, contributing to the maintenance of mental and physical health. We also introduced a teleworking system—not restricted by location—using the COVID-19 pandemic as an opportunity. This supports balancing nursing care and childcare while improving labor productivity. However, as we believe innovation stems from face-to-face communication, we have set a maximum limit on teleworking frequency and require employees to work in the office at least two days a week. Furthermore, we introduced hourly leave and a staggered working hours system to enhance work—life balance. Starting from the fiscal year ending March 2026, the maximum staggered working time will be extended from 60 minutes to 120 minutes, creating an even better work environment.

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PICK UP Various systems to realize work-life balance

- Maternity leave
- Long-term absence from work for childcare
- Childbirth leave system for male employees
- Long-term absence from work for childcare for male employees/Postnatal paternity leave
- Short working hours system for childcare
- Staggered working hours system

- Menstrual leave
- Hospital visit leave during pregnancy
- Maternity health checkup leave
- Morning sickness leave
- · Birth support leave
- Nursing care leave
- Long-term absence from work for nursing care
- Nursing care leave system
- Short working hours system for nursing care

- Work-from-Home Support System for Disabled Employees and Caregivers
- Medical checkup leave
- · Refreshment leave
- Job Return Program for resigned employees
- Telework system
- Flex system
- Opening of nursery centers in the business offices (3 centers in the Group)

[Related to the Mutual Aid Association]

Various support systems: subsidies for fertility treatment, benefits for reinstatement from childcare leave, and subsidies for gynecological screening Maternity celebration system, childbirth celebration system, breast cancer self-check support system, etc.

▶ Job Return Program

To make the most of the know-how cultivated in Nipro, we introduced a system that allows those who resigned from the company due to unavoidable reasons such as transfer of the spouse, childcare, or nursing care to re-join the company after the circumstance is resolved. Employees can use this system to dedicate themselves to issues at home with peace of mind. After the issues are resolved, they can re-join the company, which contributes to harmonization between work and home life.

► Safety and health

The Nipro Group aims to establish a safe and hygienic working environment by complying with laws and regulations related to health and safety and in-house regulations, setting a basic policy to eliminate industrial accidents, prevent diseases, maintain and promote health, and ensure safety and health management.

Data

		Fiscal 2023	Fiscal 2024	Fiscal 2025	Goals
Promoting Health Management					
Employee smoking rate (%)	*1	21.6	22.5	21.7	15.0
Improve Employee Engagement					
Employee work engagement*3	*1	51.1	48.3	48.8	55.0
Diversity and inclusion					
D	*1	27.2	28.3	26.7	_
Percentage of female employees (%)	*2	32.2	34.2	33.7	_
D	*1	4.8	5.5	6.3	10.0
Percentage of female managers (%)	*2	6.5	7.5	8.9	10.0
Percentage of female employees	*1	100	100	100	100
taking long-term absence from work for childcare (%)*4	*2	100	100	100	100
Percentage of male employees	*1	28.2	36.6	48.3	85.0
taking long-term absence from work for childcare (%)*5	*2	27.3	39.8	57.6	85.0
Employees with short working hours	*1	105	131	117	_
for childcare	*2	280	313	326	_
Support to Caregivers					
Employees with short working hours	*1	2	0	2	_
for nursing care	*2	10	7	6	_
Employees taking long-term absences from work for nursing care	*1	5	1	3	_
Employees' health and safety					
	*1	0.35	0.82	0.91	0.16
Frequency of work accidents	*2	1.01	1.50	1.15	_
Mark assident severity reta	*1	0.015	0.028	0.017	0.005
Work accident severity rate	*2	0.014	0.025	0.015	_

^{*1} Scope: Nipro Corporation

^{*2} Scope: Nipro Group (Domestic Companies)

^{*3} Employee work engagement represents a positive psychological state toward an individual's work and is indicated by a deviation value.

Please note that changes have occurred in the scope of the fiscal 2024 survey.

^{*4 (}Number of female employees who took childcare leave during the relevant fiscal year / Number of female employees who gave birth during the relevant fiscal year) x 100

^{*5 (}Number of male employees who took childcare leave out of number of male employees whose spouses gave birth during the relevant fiscal year / number of male employees whose spouses gave birth during the relevant fiscal year)×100

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Research and Development Activities

Contributing to Innovation in Medical Care through Original Technologies and Ideas

The Nipro Group has seven research and development sites, centered on the Research and Development Institute and Pharmaceutical Research Laboratories in Japan and the U.S. We continually address the needs and issues of medical professionals and patients as we work to develop and provide high-value-added products.



Research and **Development Institute**

Number of employees

278



Research themes

- · Cellular and regenerative medicine
- Orthopedic surgery-related products
- Dialysis-related and general medical devices
- Circulatory organ- and interventionrelated products
- Artificial organs
- Test and diagnosis-related products
- High-performance medical containers
- Medical glass products
- Software as a Medical Device

Status of industry-academia collaboration

Implementation of research aimed at the joint development and early realization of new products, in collaboration with universities and research institutions throughout the world.



Number of employees

155



Research themes

- Iniectable drugs
- Oral drugs
- External-use drugs
- Biosimilar drugs
- High-performance medical drugs

Status of industry-academia collaboration

Research activities concerning API, continuous manufacturing technology, bioequivalence studies and new application of broad-spectrum disinfectants collaborate with universities and/or research institutions.



69



Research themes

The establishment of new production technology and the design and development of equipment to increase production, in order to enhance productivity.



04 Regenerative Medicine R&D Center

Number of employees

25



Research themes

We develop manufacturing equipment and consumables to realize regenerative treatments using autologous bone marrow cells for spinal cord injury and other disorders, as well as to manufacture new investigational drugs.

Status of industry-academia collaboration

We signed a license agreement with Sapporo Medical University regarding ioint research on drugs for spinal cord injury and other diseases, as well as regenerative medicine.



05 Goodman Medical **Innovation Center**

Number of employees



Research themes

- Catheters and accessories for cardiac and circulatory organ inspection and therapy
- · Catheters and stents for cerebral blood vessel therapy
- Vascular access catheters

Status of industry-academia collaboration

 Implementation of research in collaboration with Hiroshima University



06 AVANTEC VASCULAR CORPORATION

Number of employees

40



Research themes

- Vascular retrieval system
- Neurovascular/peripheral coils
- Peripheral Atherectomy
- Specialty coronary/peripheral DES
- Venous Thrombectomy



Number of employees

84



Research themes

- Novel coronary and peripheral intravascular imaging technologies -Near-Infrared Spectroscopy (NIRS) and Intravascular Ultrasound (IVUS)
- Al-based Plague Identification & Characterization

Status of industry-academia collaboration

- St Bartholomew's, London, UK
- Washington Hospital Center, Washington, DC
- Queen Mary University London
- UCLA Medical Center, Los Angeles, CA
- German Heart Center Munich and Technical University Munich, Munich, Germany
- Amsterdam University Medical Center, Amsterdam. The Netherlands
- University of Copenhagen, Copenhagen, Denmark

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Research and Development Activities

Research and development (R&D) of medical devices and drugs are mainly conducted by our company at the NIPRO Life Science Site in Kusatsu City, Shiga Prefecture. In the medical-related business segment, we develop medical devices for the next generation that are convenient and easy to use. By using related departments, medical settings, and academic societies to identify new research themes, we strive to achieve a sustainable supply of medical products that aim to improve quality of life (QOL). Therefore, we will work to create and develop new medical products.

In the Pharmaceutical-Related business segment, we are developing high-quality generic drugs targeting brand-name drugs in various disease areas and dosage forms to meet the need for drug cost reduction and to improve the quality of medical care. We are also focusing on the development of value-added products, such as orally disintegrating tablets, which are easy for patients to consume, and kit preparations, which are easy to handle in medical settings. The total R&D cost for the current consolidated fiscal year is 21,666 million yen, and the R&D activities for each segment are as follows:



(1) Medical-Related Business

The following R&D activities are conducted mainly at the Research and Development Institute and Enzyme Center. The R&D cost for Medical-Related Business is 12,538 million ven.

(1) General-purpose Medical Devices

We developed "FilCone® Line," a Cell-free and Concentrated Ascites Reinfusion Therapy (CART) circuit with a large volume collection bag used in the treatment of intractable ascites; "Multi Line®," an acute blood purification circuit with an airless chamber that enables measurement of the pressure without contacting the air considering usability for healthcare professionals in acute blood purification therapy; and "UK Bydiss®," a nextgeneration double-lumen catheter that reduces blood removal failure of the vascular access catheter and the recirculation rate at the time of reverse connection.

The anesthesia-related products we have developed are: "R3 Port® Dynaject®,", a CV port for long-term use that enables easy cleaning of the inside, and the use of a contrast medium; "Nipro Surefuser® PCA Set RQ" with a simplified line and programing operation and a specification in which the button can be gently pushed in: "Wing Catch® Needle." a Huber needle for a CV port with an erroneous puncture prevention mechanism that is used to inject a drug, an anesthetic, a contrast medium, etc. into the CV port using one hand. We developed pharmaceutical products such as "Nipro SQW® Needle (safe type)" that is a set with a butterfly needle for administering globulin preparations and which can be inserted inside the safety cover.

The dialysis-related products we have developed are: "Kanchi-kun® α," a blood leakage detector, which detects blood leakage during dialysis, and "SurdialX PRO Circuit," a blood circuit for dialysis, which facilitates the connection to a dialysis machine and shortens the treatment starting time.

We developed a laboratory-related product named "Neobit Mini", a micro sample container which enables collection of a micro amount of blood from the fingertip and its transport to the testing institution responsible for lifestyle disease testing at pharmacies.

(2) Intervention-related Products

We developed a third-generation guide extension catheter "Guideplus III" to support the delivery of coronary artery treatment devices. Additionally, we developed a catheter with high radiopacity by kneading a high-concentration contrast agent with a special resin at the tip, which enables the tip to remain soft.

"Atherocut" is a directional debulking device for the coronary artery, and we developed a second-generation product "Atherocut MK2" in response to requests to improve this design, such as reducing catheter diameter.

As an additional product type of ultra-high pressure resistant percutaneous transluminal angioplasty (PTA) catheter for dialysis shunt treatment "VASOPEN," we developed a special type of PTA compatible with 0.018 GW. We also developed a tip-less catheter for removing ureteral stones used in transurethral lithotripsy (TUL) that grasps fragments securely, uses a teardrop basket that dilates largely in the body, which reduces the diameter at the time of placement.

3 Artificial Organ-related Products

We developed an oxygenator with a built-in filter for adults, large-diameter arteriovenous cannulas for cardiopulmonary bypass, and a small-size sensor for pediatric blood oxygen saturation monitor.

4 Diagnostics, Test Agents, and Enzyme Products

We developed a commercially available testing kit for simultaneous testing of influenza and COVID-19 infections. We also developed mandelic acid and phenylglyoxylic acid test kits for point-of-care test systems that can be used in clinics and veterinary hospitals, and newly added items for organic solvent health checkup reagents.

Furthermore, we developed several enzymes as raw materials for in vitro diagnostic reagents manufactured in house to ensure the stable procurement.

(5) Functional Pharmaceutical Packaging Containers and Related Medical Devices

We developed "Usetm," a single-use bag for biopharmaceuticals used for culture, preparation, and storage. We made a large volume bag with the welding technique

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between the bag over 2 m and the large ferrule at Φ120 mm. "Rectasept" is a new type of aseptic connector for single-use system, with three varieties of tube connecting parts and the separate main body. "Two-Tock" is a reconstitution device with a filter allowing syringe access to the vial.

6 Surgical Devices

We began marketing artificial hip joints which we have jointly developed with our group company. In the future, we will obtain U.S. Food and Drug Administration (FDA) approval and plan to sell this product in both Japan and the U.S. In October 2024, we launched "Bricta," the world's first artificial bone made of octacalcium phosphate, which has good elasticity and is excellent in bone regeneration. We are also planning to add a larger version of the product. Furthermore, regarding the artificial femoral head for the treatment of femoral fractures, we obtained approval from the Pharmaceuticals and Medical Devices Agency (PMDA) in February 2025 and are preparing to launch the product.

(7) Cell Therapy Products

We have developed an improved container with an airtight cap that can withstand the reduced pressure environment during air transport for the peripheral blood and bone marrow fluid used in the manufacture of STEMIRAC, a regenerative medicine product. We also improved the serum-free medium for mesenchymal stem cells (MSC) as a culture medium for regenerative medicine, enhanced cell growth equal to or greater than the serum medium, and completed the medium with a reduced number of fine particles.

(8) Other Activities

The Medical Training Division of iMEP celebrated its 10th anniversary. As a special project, we held a medical experience event for elementary and junior high school students in Shiga Prefecture. At the request of the Vascular Access Society of the International Academic Society, iMEP conducted a hands-on workshop on PTA. This division has also developed a wide range of training programs, such as on PTA and dialysis shunt creation cadaver training.

9 Regenerative Medicine Division

The manufacturing and marketing of STEMIRAC, a regenerative medicine product, commenced in 2019 under conditional and time-limited approval. For STEMIRAC, a postmarketing drug-use results survey will be conducted based on the conditional and timelimited approval to evaluate its efficacy and safety within the granted time period (seven years) prior to reapplication for full approval. As originally planned, we expect to obtain full approval after reapplication by December 2025, when the seven-year period expires. We initiated clinical trials for chronic spinal cord injury in July 2023 and for amyotrophic lateral sclerosis (ALS) in March 2025. By expanding the indication of STEMIRAC to cover chronic spinal cord injury, ALS, and other diseases, we are aiming for early commercialization so that STEMIRAC can be delivered to those in need of treatment.



(2) Pharmaceutical-Related Business

The following R&D activities are conducted mainly at the Pharmaceutical Research Laboratories. The R&D cost for Pharmaceutical-Related Business is 9,128 million yen.

1) Injectable Drugs

In addition to the usual vial and bag drug products, we are actively developing kit preparations to improve convenience in medical settings. We are the only generic company to have developed and already marketed dual-chambered pre-fillable syringes for leuprorelin acetate for the treatment of prostate cancer and premenopausal breast cancer. We focus on products that are difficult to develop, such as extended-release injectable drugs.

During this period, we launched generic drugs of three liquid vial preparations containing two ingredients and one prefilled syringe drug product, and obtained market approval for one liquid vial preparation.

(2) Oral Drugs

We are currently developing exceedingly complex extended-release drug products in addition to common oral drugs (e.g., tablets and granules). Additionally, we provide products with ingredient names printed on tablets and carefully designed packaging specifications, such as individual packages and aluminum pillow packages, to improve convenience in medical settings.

This fiscal year, we launched five generic drugs with three ingredients and obtained marketing approval for three products with two ingredients.

(3) External Use Products

We are currently developing high-quality generic drugs and new dosage forms for transdermal patches and ointments using our own technologies.

4 Biosimilars

Although the biopharmaceutical market in Japan is expanding rapidly, it is expensive. Therefore, there is an increasing need for low-price biosimilars to reduce medical expenses. Therefore, we are developing products in several styles, including joint and independent in-house developments.

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Intellectual Property Investment

▶ Introduction

We regard intellectual properties and intangible assets as important management resources and work on "intellectual property management" every day through the practice of this intellectual property philosophy: respecting the intellectual properties of others, not releasing products that violate the intellectual properties of others, and making efforts to develop products based on original intellectual properties.

The Business Planning, Research and Development, and Intellectual Property divisions, employing the spirit of "ONE NIPRO", are involved in all business processes, from management and business planning and research and development to production and sales activities. They aim to earn 1 trillion yen in consolidated sales for the fiscal year ending March 2031 by focusing on "the user's viewpoint/patient's viewpoint" and "the contribution to management (business)", while integrating each department's strategy.



In intellectual property management, a dedicated system assigns the Intellectual Property Division staff members for each planning and development project. The Business Planning, Research and Development, and Intellectual Property divisions work together to plan and implement strategies for the discovery of inventions, the application, acquisition, and exercise of rights, the invalidation of rights of other companies, and the protection of know-how from business planning to commercialization to post-marketing activities.

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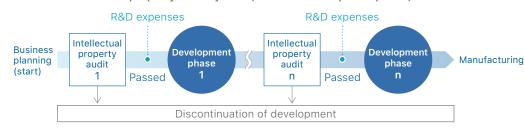
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The intellectual property audit system* has been introduced (as an internal system) to ensure our intellectual property philosophy (respect for the intellectual properties of others).

- * The intellectual property audit system is a voluntary system that establishes multiple checkpoints in the processes of business planning and research and development; the three divisions (Business Planning, Research and Development, and Intellectual Property) check their own intellectual property clearance.
- If an issue is identified during an audit (at a checkpoint), the project cannot proceed, and the issue has to be resolved through changes (the project can proceed only if there are no issues or if the issue can be resolved)
- If this issue cannot be resolved, the project will be discontinued. In this operation, an intellectual property audit contributes to shortening the development period and controlling costs.

At present, in addition to the major domestic group companies, the intellectual property audit system has been introduced to overseas subsidiaries while considering the situations of the countries and companies. The Group is working together to "practice intellectual property management", focusing on "the user's viewpoint/patient's viewpoint" and "the contribution to management (business)".

Outline of intellectual property audit system (linked to development phase)



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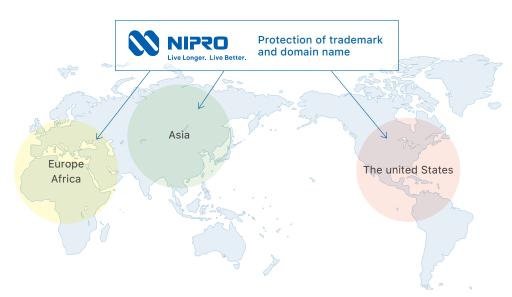
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Intellectual Property Investment

▶ Brand protection activities: Protection of trademarks and domain names

To ensure reassurance and safety to customers around the world, we globally registered many trademarks, including "NIPRO" (filing applications/licensing in more than 100 countries and regions in the world).

We also globally monitor the registration and use of confusing trademarks and domain names including "NIPRO" by third parties. Additionally, we take legal measures such as suspending the use of trademarks and domain names employed for illegal acts to protect customers' and brands' confidence and trust.



► Human Capital Development: Training on Intellectual Properties

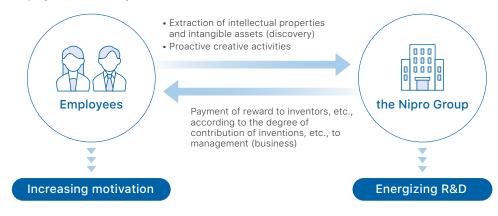
We provide intellectual property training to the Business Planning, Research and Development, and Production divisions, according to the level required by each occupational function to ensure that each employee is motivated to participate in "intellectual property management" based on our intellectual property philosophy. ▶ Encouragement of creative activities such as inventions:

Proposal of inventions and reward systems

To encourage creative activities, such as inventions that can act as a bridge to the next generation of management (business), our employee invention system has the following characteristics:

- In addition to the extraction (discovery) of intellectual property and intangible assets, including inventions, employees can actively conduct creative activities and propose results to the company.
- If an employee files an application for an invention and the rights are acquired (in the case of knowhow, certification of know-how) and the degree of the invention's contribution to management (business) is high, a monetary incentive will be paid to the inventor, etc., in accordance with the integrated rules of the Group.

Employee Invention System



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Status of Corporate Governance

1. Corporate Governance Overview

▶ (1) Corporate governance system and reasons for adoption

In our company's corporate governance system, we have established the General Meeting of Shareholders and Directors, as stipulated in the Companies Act, as well as the Board of Directors, auditors, Board of Auditors, and accounting auditors. We have improved the internal committee system, including both the Compliance Committee and Disciplinary Committee, cooperating closely with professional external advisory bodies and corporate lawyers. Therefore, we have built a system to effectively monitor and supervise the execution of proper and efficient operations for the overall management of the company.

▶ (2) Internal control systems

We strive to build an internal control foundation for the entire group based on the business unit system. At the Board of Directors meeting held at least once a month and the group management meeting concurrently held on the same day, representatives of major companies in the group, in addition to our directors and auditors, are present to report on the progress of business activities, decide on key operating matters, and deliberate on pending matters. Additionally, we have established the NIPRO Code of Practice and thoroughly informed the company, aiming to raise awareness of compliance with laws, regulations, and corporate ethics among executives and employees. We strive to disseminate and promote awareness-raising activities, such as preparing various kinds of manuals for compliance with laws and regulations, including those on our portal site as well as improving compliance training materials, holding regular and occasional compliance workshops, and distributing monthly compliance newsletters to executives and employees. These internal control systems are operated for executives and employees of each company in the Nipro Group based on a uniform management system through close mutual cooperation. We strive to collect risk information by establishing a whistleblowing system and take prompt and effective measures as one of the systems to complement the effectiveness of the whistleblowing system.

▶ (3) Compliance and risk management system

We have been implementing initiatives to prevent our business activities from causing risks that may have a significant impact not only on our financial status and performance but also on society. In addition to the aforementioned whistleblowing system, we have also implemented initiatives that aim to investigate the facts surrounding the risks, determine the causes of risks, and prevent recurrence when the risks become apparent. We also have regulations for promoting compliance to identify potential risks and avoid the occurrence of unexpected risks. These regulations stipulate detailed operational rules on the system and maintenance for the appropriate and effective implementation of prevention, early detection, and prevention of the recurrence of compliance risks. We have established a Compliance Committee with its secretariat in the Legal Department to conduct operations across all companies in the Nipro Group. We have specified the procedure for cases where illegal activities occur so that we can take flexible actions against compliance risks. The Compliance Committee and secretariat work together to implement a series of steps from factual investigation to recurrence prevention according to the procedure that has been established. For example, if an illegal activity occurs, the secretariat (Legal Department) will closely investigate the facts and, based on the results, consider the form and maliciousness of the illegal activity, remorse, willingness to make sincere efforts to prevent a repeat of the offenses, and various other circumstances. Then, deliberation is conducted by the Disciplinary Committee in an independent position composed of multiple senior managers or external persons, based on the regulations on disciplinary measures, if necessary.

In this system, the president will finally determine the details of the disciplinary action based on the results of the consultation. We strive to ensure the soundness of management with an awareness of thorough compliance and principles of reward and punishment by implementing these proper operating procedures. We produced the NIPRO Disaster Prevention Crisis Management Handbook and have clearly informed all employees in the group through the intranet. In addition to large-scale earthquakes, such as the Nankai Trough Earthquake, we have formulated plans for each site on a company-wide basis and in the event of disasters, assuming typhoons, floods, and the spread of new types of influenza, reviewed and updated them as appropriate, and ensured that employees are thoroughly informed.

Furthermore, we have established a Compliance Section within the Legal Department to strengthen the nationwide deployment of compliance training, enhance the risk management system, and ensure awareness of compliance among employees.

To further strengthen the compliance system, we strive to gain the trust of employees and further strengthen the compliance system by establishing a whistleblowing contact desk for employees in an external lawyer's office in addition to one on the intranet.

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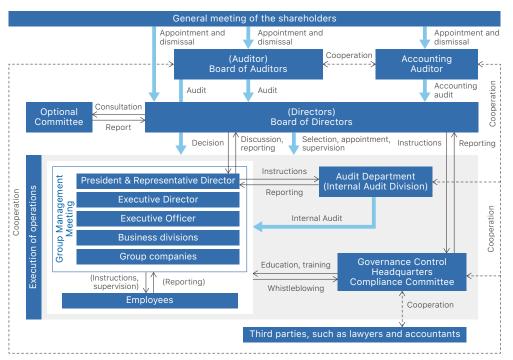
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(4) Basic structure of corporate governance and risk management (as of June 30, 2025)



2. Internal and Statutory Auditing

▶ (1) Internal auditing

We have established the Audit Office and the Overseas Audit Office as the Internal Audit Division and continue to conduct audits of accounting, operations, etc., required in the current corporate governance system. This is achieved by working in close cooperation with accounting auditors, auditors, and outside directors—in accordance with Internal Audit Regulations.

(2) Statutory auditing

Each auditor attends an important meeting—such as that of the Board of Directors—in accordance with the audit policy and division of operations (as established by the Board of Auditors). The auditors also receive reports on the status of the execution of operations

from the directors, employees, etc., and are able to request an explanation as needed, view important documents, and conduct site investigations to establish the status of the operations and assets at major business offices. Thus, auditors conduct audit operations and hold meetings with the Board of Auditors periodically—or as needed—for the mutual exchange of opinions and discussions.

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3. Outside Directors and Outside Audit & Supervisory Board Members

- ▶ (1) Outside directors and outside Audit & Supervisory Board Members Our company has six outside directors and two outside auditors. They are designated independent officers and were notified by the Tokyo Stock Exchange.
- (2) Policy and criteria for independence from the filing company in the election of outside directors and outside Audit & Supervisory Board Members

We have separately established criteria for judging the independence of outside directors and outside auditors via the Corporate Governance Guidelines, as based upon the standards set forth in the Financial Instruments and Exchange Act. If the actors do not fall under any of these criteria, they are deemed independent of the company and are unlikely to have a conflict of interest with general shareholders.

▶ (3) Approach to the election of outside directors and outside Audit & Supervisory **Board Members**

The supervision, audit functions, and roles required in the current corporate governance system are sufficiently guaranteed in close cooperation with internal directors, full-time auditors, staff of the Audit Office, personnel of the management department of the head office, and so on, as necessary.

(4) Mutual collaboration between outside audits and internal, statutory and accounting audits, and the relationship between Internal Control divisions

Outside directors attend meetings of the Board of Directors (among others) and draw upon a wide range of insights and management experiences to supervise the management of our company from an external and independent standpoint. Outside auditors attend important meetings, such as those with the Board of Directors, in accordance with the audit policy and the division of operations established by the Board of Auditors. They also perform audit operations by receiving reports through full-time auditors or directly from directors, employees, etc., and by viewing important documents and materials. They exchange opinions and have objective discussions from an independent standpoint on the Board of Auditors, held periodically or as needed. In conducting audits, they cooperate closely with the staff of the Audit Office, full-time auditors, auditors of subsidiaries, and accounting auditors to ensure smooth operational performance.

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4. Accounting Audits

Name of Accounting Auditor	Kainan Audit Corporation
Continuing audit period	2 years
Names of Certified Public Accountants conducting the Audit	Miho Ishihara, Hiroshi Kobayashi, and Kiminori Funaki
Support Staff for Audits: Certified public accountants	24

Remuneration paid to directors and Audit & Supervisory Board Members

	Total		Total amoun	t of	Number of eligible
	amount of remuneration	Basic remuneration	Bonus	Non-monetary compensation, etc	corporate officers
Internal directors	¥392	¥254	¥138	_	12
Internal Audit & Supervisory Board Members	¥ 11	¥ 11	_	_	1
Outside directors, outside Audit & Supervisory Board Members	¥ 69	¥ 69	_	_	11

	Total		Total amoun	Number of eligible	
	amount of remuneration	Basic remuneration	Bonus	Non-monetary compensation, etc	corporate officers
Internal directors	\$2,596	\$1,684	\$911	_	12
Internal Audit & Supervisory Board Members	\$ 73	\$ 73	_	_	1
Outside directors, outside Audit & Supervisory Board Members	\$ 456	\$ 456	_	_	11

^{*} The basic remuneration for directors includes 26 million ven of provision for directors' retirement benefits and 28 million ven of remuneration received as directors of Nipro Corporation's subsidiaries.

5. Dialogue with Shareholders

Our policy for dialogues with shareholders is as follows:

- We think dialogues with shareholders will provide us with a great opportunity to become aware of potential issues that our management does not recognize.
- We will make efforts to disclose highly transparent and fair information to promote dialogues with shareholders.
- In the dialogues, we will reflect the insights obtained regarding management through the board of director meetings held eight times a year, execute them, and disclose information.
- We will consider the setting of interviews with outside directors and auditors to provide opportunities for constructive dialogues with shareholders.

▶ Results of dialogues in the fisical year ended March 2025

The following shows the results of the above dialogues with shareholders in fiscal 2025, based on the policy for constructive dialogues with shareholders.

1 Main responders

CFO, General Manager of the Project Management Department, Corporate Planning Headquarters

2 Overview of shareholders that have been responded to

Countries: Japan 81%, Overseas 19% Operation method: Both passive and active Investment method: Mainly value Responsible areas: Analysts, fund managers, persons in charge of ESG

3 Number of dialogues

125
23
24
101
2
18
28

4 Main themes of dialogues and matters that shareholders were interested in

Operation-related

· Control of overseas loss-making subsidiary companies (criticism for retaining loss-making subsidiary companies with high effective tax rates for many years)

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- Setting up a nomination committee (placing an independent outside person at the center and clarifying the criteria for determining the appointment and removal of directors)
- · Establishing a system for the evaluation of directors (transitioning from a fixed-salary model for the positions to performance-based evaluation)
- · Disclosure of succession planning
- Disclosure of the results of the effectiveness evaluation of the Board of Directors and correction plan

- Governance enforcement measures associated with the change in the internal system (requesting the review and improvement of the functions of the Board of Directors as the capital expenditure amount for the fiscal year ended March 2024 greatly exceeded the amount determined by the Board of Directors)
- Dialogues with outside directors and auditors (changed from dialogues with internal directors)
- Change in directors' terms

Business strategies

- Standards for reviewing the business portfolio
- Disclosure of quality control status (requesting the disclosure of the future corrective actions and prevention actions after quality issues at the Odate plant)
- · Disclosure of corporate strategies for differentiation from other companies in the same industry and focus areas

Financial strategies

- Future policy for cross-shareholdings
- Disclosure of basic policy for fundraising

ESG/Sustainability

- · Disclosure of human capital initiatives (whether the manager elected by the shareholders provides education to the employees belonging to the company owned by the shareholders, gives them appropriate remuneration, and leads them to maximizing corporate value)
- Disclosure of initiatives for improving the skills of directors
- Human rights due diligence (in particular, whether human rights issues such as forced labor and child labor occur in the companies or in supply chains overseas)
- Compliance declaration (eradicating bribery and breach of trust, general compliance, etc.)

5 The feedback status of shareholders' opinions and concerns shown during the dialogues with the management or the Board of Directors

We report the IR activities of the relevant business year eight times a year at the Board of Directors meetings, wherein the opinions and expectations of shareholders are introduced.

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6. Skill Matrix

Knowledge experience abilities etc. possessed by the directors and auditors of the Company

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	Name	Position	Corporate Management	ESG (Sustainability)	Production/quality	R&D/Technology	Sales/marketing	Global	DX/IT/Digital	Financial Accounting	Legal, Ethical, Crisis-Management
1	Yoshihiko Sano	Chairperson & Representative Director	©			0	0				
2	Tsuyoshi Yamazaki	President & Representative Director	0				0	\circ			
3	Takehito Yogo	Senior Managing Director	0	0						\bigcirc	
4	Kimihito Minoura	Managing Director				(0		0	
5	Kenichi Nishida	Managing Director	0		0						
6	Yasushi Oyama	Managing Director	0			0	©				
7	Hideto Nakamura	Director									0
8	Goichi Miyazumi	Director (New)	0				0	0			
9	Kaname Sadahiro	Director (New)				©	0	0			
10	Taku Nikaido	Director (New)				0	0		0		
11	Hideyuki Nishisako	Director (New)	0				0	0			
12	Atsushi Yoneda	Director (New)			0			0			
13	Yoshiko Tanaka	Outside Director	0	0		©					
14	Yoshiko Shimamori	Outside Director		0							0
15	Toshiaki Hattori	Outside Director	0	0						0	
16	Toshikazu Yoshimori	Outside Director	0						0	0	
17	Yasuhiko Imaizumi	Outside Director	0							0	
18	Yuka Kushida	Outside Director	0				0				
19	Takayuki Nomiya	Auditor								0	0
20	Toshinobu Morimoto	Auditor (New)				0	0				0
21	Shigeru Yanagase	Outside Auditor			0	0					0
22	Yoshitaka Akikuni	Outside Auditor	0					0		0	

^{*} Although the three areas of knowledge, experience, and abilities of the directors and corporate auditors are listed, they do not represent all of the knowledge, experience, and abilities possessed by the directors and corporate auditors.

^{* 🔾} indicates areas in which directors and corporate auditors have in-depth knowledge, experience, and abilities; 🍥 whereas indicates areas in which directors and corporate auditors have especially deep knowledge, experience, and abilities. The Company's main business is the manufacture and sale of medical devices, pharmaceuticals, glass products, etc., and the Company aims to proactively expand its business in markets around the world. Therefore, the Company needs a management team that is both appropriately sized to accommodate its expanding business scale and diverse in terms of gender, internationality, work experience, age, and other factors. The Company recognizes that the sustainable growth of the Company and the enhancement of its corporate value can be achieved when these management members are in charge of business execution (directors) and have the roles and responsibilities to promote the businesses under their control. Therefore, the Board of Directors determines whether a person is qualified to serve as a director or auditor of the Company based on her or his knowledge, experience, and abilities in management, financial accounting, legal affairs, research and development, and human resources development. In addition, independent outside directors shall include those who have corporate management experience at other companies and are capable of providing accurate proposals and advice to management from a broad perspective.

^{*} The skills, careers, and expertise required for the directors and auditors will be reviewed in response to changes in the business environment and management policies.

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The reasons for selecting each skill item are as follows.

Skill item	Reasons for selection	Relation to management strategies
Corporate Management	To appropriately fulfill the sophisticated decisions and supervising functions expected for management gained through management experience in companies other than the affiliated companies in our Group. To realize social contributions through business activities and sustainable growth and the development of businesses while flexibly leading management faced with rapid changes in the business environment.	Strategies in general
SG (Sustainability)	To contribute to social development and the preservation of the global environment by providing environmentally friendly products and services and conducting business activities that use energy efficiently and save power. To construct a highly sustainable business model that reinforces the development and use of human resources who make efforts that align with our company motto "motivation." To establish an environment where each and every employee can exert their abilities at the maximum level, and to enhance the compliance system.	Promotion of sustainability management investment in growing businesses Reinforcement of investment in human resources
roduction/quality	To construct a comprehensive quality assurance system from manufacturing, to shipment, to after-sales service. To provide a stable supply of safe and trustworthy products to medical organizations and patients.	Reinforcement of core business
&D/Technology	We have set "motivation" as the company motto since its foundation. Based on the creation and innovation of medical technology, we seek to sincerely continue our business activities and to improve the health and welfare of people around the world who need such technology, and to create original and easy-to-use products that solve problems and meet the needs of medical organizations and patients.	Reinforcement of core business
ales/marketing	To reinforce our sales power by accurately grasping the needs of medical organizations, planning quick introductions into the market through precise targeting, and providing innovative and high-value-added products and sales information.	Reinforcement of core business
Blobal	To pursue infinite possibilities as a true global general medical care manufacturer that protects the health and lives of people around the world. To provide people worldwide with high-quality products and services and higher-quality medical care by expanding manufacturing and sales footings based on the concept of local production and consumption.	Reinforcement of global deployment
X/IT/Digital	To construct a system to support management efficiently and quickly, reinforce security, improve the information infrastructure, and promote DX that supports work style reform in medical settings, etc.	Promotion of DX of management and medical care
inancial Accounting	To maintain financial soundness so as to achieve major KPIs described in the Medium-Term Management Plan, and to formulate and promote financial strategies to realize growth investment.	Reinforcement of the management infrastructure
egal, Ethical, Crisis-Management	As a company that provides medical products and services directly connected to the maintenance of people's lives and health, we seek to ensure a continuous and stable supply of products and services. We will construct a company constitution that is resistant to risks with the basic policy of fulfilling the social responsibilities of the company by accurately recognizing and grasping risks that may seriously affect the management and taking appropriate measures.	Reinforcement of the management infrastructure

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What I aim to accomplish

as Chairperson

Yoshihiko Sano Chairperson and Representative Director

What we aim for with the new management organization

In June 2025, I was appointed Chairperson, a newly established position, after serving as President for 13 years, and I passed the baton to Mr. Yamazaki, the new President. The shift to this new management structure reflects the significant expansion of the Nipro Group, driven by our growth in overseas markets. The Group now has approximately 40,000 employees and about 160 subsidiaries. We handle a diverse range of products, including dialyzers (our core product), hospital products, vascular-related products, generics, CDMO products, and pharmaceutical packaging products. Each product has its own market share and is available both in Japan and internationally. Looking ahead, we aim to expand globally with groundbreaking products such as regenerative medicines like STEMIRAC injections, vascular-related products, and CL Fine.

While each business operates with strong autonomy, we face challenges in ensuring the unifying influence of the head office and enhancing cross-sectional governance. Group-wide alignment and a shared sense of direction in executing strategies remain areas for improvement. To address these challenges and foster unity across the Group, while ensuring sustainable future growth, our management team needs diverse expertise, encompassing not only technical fields but also including in the humanities and finance. As a first step, we have appointed five new internal directors to strengthen the Board of Directors. I hope they will integrate expertise beyond manufacturing, promote crossorganizational communication, and actively contribute to managing Nipro's growth.

For Nipro to grow further, it is essential to increase our market share in dynamic regions such as emerging countries. I believe Mr. Yamazaki, with his extensive international business experience, will lead the Group with great strength. With a rejuvenated leadership team, including both the President and the Board of Directors, we are now positioned to accelerate business expansion more than ever before.

What I aim to accomplish as Chairperson

First, I aim to fully support the new President. I will provide maximum assistance to ensure he can demonstrate effective leadership and make sound decisions in various situations, including strategic choices and international negotiations. My background is in science and engineering, so I also intend to stay involved in fieldwork, particularly in developing new products for the future.

Second, as Chairperson of the Board of Directors, I aim to work more closely with outside directors than in the past. Previously, I served simultaneously as President and Chairperson of the Board. Now that these roles have been separated, I will be able to devote more time to engaging with outside directors, gathering their insights, and consolidating their opinions. This process will help shape Nipro's long-term vision. Some believe that the Board of Directors should only focus on its supervisory function, but I believe effective oversight requires a solid understanding of our business operations. While the new executive team under Mr. Yamazaki will strengthen execution, the Board will also enhance its supervisory role by staying closely connected to the business.

Lastly

The global environment has become increasingly unstable, and the social issues are growing more complex. In this context, Nipro's future growth will depend largely on expanding our sales channels in the global market, especially in emerging economies. I have high expectations for our new management organization in achieving this.

With Mr. Yamazaki's leadership, we will work together to enhance corporate value. I sincerely hope that our stakeholders, including shareholders and investors, will continue to extend their warm support and guidance in the years ahead.

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What I expect from the new president toward the improvement of Nipro's corporate value

Yoshiko Tanaka Head of Outside Director

At the general meeting of shareholders in June 2025, Mr. Yamazaki from the International Business Division was appointed as the new president, replacing Mr. Sano, the former president, who had led Nipro's management for many years. I highly appreciate that Mr. Yamazaki was elected president unanimously following deliberation by the Board of Directors. A director who becomes the top manager is required to have the ability to oversee not only their own area of responsibility but also the entire company. Mr. Yamazaki has managed the headquarters with this perspective. In the future. I hope that he will make prompt management decisions, which are characteristic of a young president, and lead Nipro into its second founding stage.

Meanwhile, reflecting on the previous Medium-Term Management Plan, although the target sales growth rate was achieved, the ratio of interest-bearing debt remained high, and the operating profit margin showed little growth. To address these issues, I expect that the new Medium-Term Management Plan will include the proactive introduction of products with high profit rates, such as vascular products in addition to dialysis, primarily in overseas high-growth markets.

To improve Nipro's corporate value, the members of the Board of Directors have enhanced their abilities each year, and I find effectiveness is increasing. Additionally, the work of the Independent Committee, which consists only of outside directors, has become more specific, for example, by proposing ways to improve business profitability to the Board of Directors. As an outside director, I will continue to strive to contribute to Nipro's reform.



Expecting product development from the customers' perspective by inheriting Nipro's excellent knowledge

Yoshiko Shimamori Outside Director

In June 2025, Nipro launched the "innovator system," in which personnel with advanced expertise and development capabilities are selected as advisors. In this system, in addition to the conventional vertical line organization, each advisor examines development operations across departments and provides sophisticated suggestions and advice, thereby promoting cooperation among departments. I expect that this system will help Nipro respond to the needs of the medical field more quickly than before. In addition, a new president was appointed, and Nipro now has a new management system. Organizational reform is important for the future growth of Nipro. However, it is also important to transfer the corporate culture, technology, and knowledge that have been cultivated so far to the next generation. The innovator system serves this function.

At the Research Ethics Review Committee in which I participate, a wide range of themes are discussed, such as joint research with universities, ethical review of regenerative medicine products, and issues related to overseas subsidiaries, and we deepen discussions on medical ethics. Additionally, there have been issues related to ethical standards in clinical trials within the company. Currently, the rules are being further clarified.

Mr. Yamazaki, the new president, has the ability to energize the organization and has led the creation of the innovator system. He appears to be the most suitable manager for Nipro's future growth. It is hoped that he will enable the company to meet customer needs more effectively than before, while preserving Nipro's strengths.



Expecting improvement of financial structure and enhancement of governance

Toshiaki Hattori Outside Director

The new Medium-Term Management Plan was formulated in May 2025. I continue to believe that Nipro's future priority is the improvement of its financial constitution, and that the expansion of business operations should be addressed while maintaining this balance. Although there are important businesses with high capital burdens, such as regenerative medicine and the pharmaceutical business, enhancement of cash flow through management efforts, such as reconsideration of the profitability of each business and reduction of accounts receivable and inventory, are important themes to address. In addition, capital expenditure should be prioritized from the perspective of financial efficiency, and investments that focus on Nipro's strengths should be strictly selected.

Furthermore, in corporate management, it is important to thoroughly enforce "compliance," which serves as the cornerstone of the governance function and "corporate defense" itself. To achieve this, organizations should change their perspective, reexamine outdated internal norms and work habits, and actively promote the development of employee capability. It is hoped that young employees will consider compliance an essential element in truly enjoying their work.

Mr. Yamazaki, the new president, has extensive experience in overseas business and makes decisions quickly. Therefore, I expect that he will be able to fully demonstrate his execution ability for Nipro's reform, such as strengthening its financial constitution and governance functions. He has already begun to strengthen management functions, for example, by newly establishing the President's Office. I intend to express my opinions not only at the Board of Directors, but also in various settings to support Nipro under the new system.

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Clarifying the priority of management strategy

Toshikazu Yoshimori Outside Director

One year has passed since I was appointed as an outside director of Nipro. I observed that the Board of Directors operated according to a management model that included many matters for discussion and resolution regarding business execution, probably because of Nipro's diverse business activities. In this model, individual issues are discussed extensively, but these discussions require significant time. Therefore, to efficiently deepen discussions on more important themes, I proposed that the Board of Directors operate in a hybrid manner, incorporating a monitoring model in which the key points are more narrowly focused. Additionally, through explanatory meetings on the operations of each business division and tours of business sites, I gained an understanding of the actual business execution at Nipro. At each opportunity, I exchanged opinions with employees in the field, drawing on my own knowledge and experience.

For Nipro to achieve sustainable growth as a truly global general medical company, it is necessary to conduct operations with an innovative perspective, maintain a sense of speed and highly effective action, possess flexible and resilient organizational capabilities, and make accurate and appropriate management decisions. I expect the new management to accomplish these objectives. To achieve this, I believe it is necessary to further clarify the priorities within Nipro's management strategy. Although the current strategy is clear and strong, there are issues regarding the adaptability of Nipro's management resources to address diversifying and expanding management themes. I find that not only the PDCA cycle, but also the concept of the OODA loop will be effective for the success of the new Medium-Term Management Plan. I intend to contribute as an outside director by drawing on my previous achievements in business promotion and my experience in organizational reform and business improvement.



Expanding the business as a global company and strengthening the governance system to support it

Yasuhiko Imaizumi Outside Director

One year has passed since I became an outside director of Nipro. As a global general medical manufacturer, Nipro faces future challenges that include expanding its business base and refining its management and governance systems to align with those appropriate for a global company.

I have observed many companies that play an active role globally, including during my time working in financial institutions. Many of these companies identify the establishment of a strong management base and a governance system that support it as the most important issue, together with their business strategies.

Nipro has also made efforts to establish regional headquarters, strengthen the internal audit system, localize executive managers, and develop systems for local production and consumption in each country and region within its rapidly growing overseas divisions, and has achieved steady results. It will be necessary to continue these efforts, in addition to expanding overseas business in the future. Furthermore, as a company-wide issue that includes domestic departments, more efforts are needed to improve investment profitability, business efficiency, and financial health, while also considering the perspectives of global stakeholders.

In June, Mr. Yamazaki became the new president.
Mr. Yamazaki has been leading the globalization of Nipro. He is known for his positive thinking and strong execution capability, as well as his speed in decision-making. Soon after assuming the presidency, he introduced a policy that emphasizes financial health more than before, while maintaining investment to expand the business. Given Nipro's financial balance, this policy is timely, and its continued promotion is expected in the future.

I hope that Nipro will continue to grow strongly as a global company, and I am committed to contributing to these initiatives.



Expecting further enhancement of corporate value based on the willingness to take on challenges

Yuka Kushida Outside Director

In the first year as an outside director at Nipro, I observed that each executive officer demonstrates significant pride and dedication to their work. The executive officers also engage in active discussions. For example, when a compliance issue appeared on the agenda, many directors exchanged opinions in a heated manner and then reached an agreement on the appropriate measures. Participating in this process was very impressive for me. However, because Nipro operates in a very broad business area, the meetings tend to be lengthy, which presents a challenge. During this period, the Independent Committee proposed that it is necessary to organize the Board of Directors' agenda in advance and reduce the time allocated for discussion.

Mr. Yamazaki, the new president, demonstrates strong leadership, and I find Nipro's new management organization to be highly reliable. Nipro has already made progress in DX conversion compared to other companies. Nevertheless, I look forward to the additional driving force that the new management team may provide toward the second stage of DX, such as the incorporation of AI.

I am also a manager, and I believe that the entrepreneurial spirit expressed by Mr. Sano, former president, at the Board of Directors' meeting—"Let's do things that no one has ever done"—represents the essence of Nipro. Guided by this spirit, I expect further growth for Nipro, and I will contribute to this growth as an outside director.

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Strengthening the audit system in line with corporate reform

Takayuki Nomiya Audit & Supervisory Board Member (Full-time)

Violations of laws and scandals involving major companies have occurred repeatedly, and inadequacies in governance have been identified each time. Governance should be promoted based on compliance and internal control, which refers to mechanisms of organizational mutual checks. We should learn from the fraud cases of others and prepare by considering their own organization in similar situations, taking preventive measures in advance. This approach ultimately protects the company and increases its reliability.

I always aim to improve the effectiveness of audit activities, recognizing this as an important responsibility of the Audit & Supervisory Board Member. As a specific initiative, I find it important to personally visit each business office nationwide to gain a more accurate understanding of the actual situation in the field and strive to find potential risks. Additionally, I regularly share information and have discussions with outside auditors. Thus, I work closely in cooperation with both inside and outside Audit & Supervisory Board Members.

The Nipro Group has more than 100 overseas offices, and their sales account for more than half of total sales. According to the management policy of continuously expanding the business globally, the positioning of overseas audits will become more important. Therefore, we added two auditors to the Overseas Audit Office during this period, and conducted audits at seven offices in seven countries. Additionally, as an Audit & Supervisory Board Member, I requested that Mr. Akikuni, also an Audit & Supervisory Board Member, conduct an actual inspection overseas, which had been a concern. The audits of overseas offices have been sequentially enhanced by building a cooperative system with international firms, such as PwC.

Although reorganization and human resource restructuring are in progress to achieve the objectives of the new Medium-Term Management Plan, this period of significant reform represents a critical time with increasing risks. The Board of Auditors has established a new organization, appointing the Chief Audit Executive of the Internal Audit Office as a new Audit & Supervisory Board Member, along with two full-time auditors. Thus, we will contribute to enhancing Nipro's medium- to long-term corporate value by further strengthening risk management.



Reinforcing Nipro's audits from both organizational and human resource aspects

Toshinobu Morimoto Audit & Supervisory Board Member (Full-time)

I became a full-time Audit & Supervisory Board Member at the end of June 2025. Previously, I served as Chief Audit Executive of the Internal Audit Office and was involved in internal audits of our company for 12 years. My strength is that I have worked in many divisions, including sales and administration, in addition to audits, and I have developed a broad human network over the 40 years since I joined the company. I believe that my role as a full-time Audit & Supervisory Board Member is to collect information through communication with directors and other department leaders and to establish measures for the early detection and prevention of potential risks.

To support the implementation of the new Medium-Term Management Plan from the audit perspective, the establishment and proper operation of the governance system, including subsidiaries, or the internal control system, are urgent issues. As Nipro continues to globalize, the promotion and expansion of the business become priority issues. However, to build functional internal control, it is necessary to establish internal audit departments in all consolidated subsidiaries, both in Japan and overseas.

Based on previous experience with internal audit operations, it is difficult to identify the root cause of a problem by examining only the results of a specific fraud event. To prevent problems from occurring, it is necessary to first understand the situation in the field. I will continue to listen to the perspectives of those in the field, use this information for improvement, and fulfill my responsibilities as an Audit & Supervisory Board Member. I also believe that "the biggest asset of a company is people." Through audits, I will strive to discover and develop the human resources necessary for the Nipro Group.

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Expecting activation of "the field" that generates profits

Shigeru Yanagase Audit & Supervisory Board Member (Outside)

In formulating the new Medium-Term Management Plan, the Board of Directors commonly recognized that operating profit margin was low, despite achieving the target sales growth rate, which reflected the outcomes of the previous Medium-Term Management Plan. It was also pointed out that the amount of capital expenditure exceeded the plan, and free cash flow was not sufficient.

As measures, it has been discussed that the unit price will increase by improving the competitiveness of the products, and the profit rate will improve by reducing labor through DX conversion. At the same time, in the priority policy of the new Medium-Term Management Plan, it was decided to provide favorable treatment to professional workers at the same level as line managers. I have been requesting the creation of a system in which the technology and knowhow from the field are used. Therefore, I expect that this evaluation system will function effectively.

In addition, the Independent Committee engages in various activities to improve the effectiveness of the Board of Directors. Information is actively shared with outside directors, and the content of discussions has become more in-depth. Based on the discussions of this committee, I will continue to make proposals regarding management and strategies after the start of the new Medium-Term Management Plan.

Many new internal directors have been appointed for the new management organization. I expect that they will deliver new initiatives and ideas. As an outside auditor, I will contribute to improving the corporate value of Nipro by predicting risks related to the new Medium-Term Management Plan as early as possible and rapidly delivering protection measures for them.



Expecting improvement of the debt ratio

Yoshitaka Akikuni Audit & Supervisory Board Member (Outside)

Reflecting on the previous Medium-Term Management Plan, we achieved the sales growth rate target, but failed to achieve the operating profit margin and ROE targets. I am concerned about the failure to achieve the Net Debt/EBITDA target. Considering the recent increase in interest rates, the Board of Directors and management should renew their awareness of the negative effect of large interest-bearing debt. In the new Medium-Term Management Plan, which was implemented in the fiscal year ending March 2026, I am considering systematically reducing external liabilities by placing greater emphasis on strengthening management, in addition to active measures in the sales field, improving the financial structure, and creating free cash flow.

It is also important to further strengthen the overseas audit system, considering that our company is currently engaged in many businesses in various locations around the world. During this period, the Audit Department was strengthened based on the proposal of the Independent Committee, which consists only of outside directors, and the number of full-time overseas staff, as well as full-time domestic staff, was increased. Regarding the Board of Auditors, it is reassuring that Mr. Morimoto, who previously served as Chief Audit Executive of the Internal Audit Office, joined as a full-time Audit & Supervisory Board Member. Although I find that our audit system remains insufficient for the size of the organization, I appreciate these efforts to strengthen the organization.

Lastly, I hope that appointing Mr. Yamazaki, who has extensive overseas experience, as president will lead to further growth of our group in the future. As an outside Audit & Supervisory Board Member, I intend to support the new president's management system by further enhancing corporate governance and compliance, and to contribute to improving both the management and investment efficiency of the company.

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Head of Outside Director

Yoshiko Tanaka

- May, 1983 General Manager of Pharmacy Department of General Incorporated Association Tokushukai (Osaka Head Office)
- Jun. 1997 General Manager of Pharmacy Department and General Manager of Planning Department of General Incorporated Association Tokushukai (Osaka Head Office)
- Apr. 2002 Part-time Lecturer of Kobe Pharmaceutical University
- Jun. 2002 President and Representative Director of Medihope Corporation (Incumbent)
- Jun. 2014 Appointed Director, Nipro Corporation (Incumbent)
- Jul. 2014 Council member of Kobe Pharmaceutical University
- Jun. 2024 Outside Director of Nipro Pharma Corporation (Incumbent) Head of Outside Director, Nipro Corporation (Incumbent)

Outside Directors

Yoshiko Shimamori

- Apr. 1990 Manager of Nursing Division of Preparatory Office for Toho University Sakura Medical Center
- Aug. 1990 Manager of Nursing Division of Tokyo Saiseikai Mukojima Hospital
- Jun. 1999 Executive Officer of Japanese Nursing Association
- Apr. 2002 Manager of Nursing Division and Assistant to Director of Kyoto University Hospital
- Apr. 2007 Professor of Keio University Faculty of Nursing And Medical Care
- Jun. 2010 President of Tokyo Nursing Association
- Jul. 2016 Professor of Institute for Biomedical Sciences of Iwate Medical University
- Apr. 2017 Professor and Dean of School of Nursing of Iwate Medical University
- Apr. 2021 Professor Emeritus and Council member of Iwate Medical University (Incumbent)
- Jun. 2021 Director of the Company (Incumbent)

Toshiaki Hattori

- Jan. 2000 Branch Manager of Kori Branch, Daiwa Bank Ltd. (currently Resona Bank, Ltd.)
- Mar. 2002 General Manager of Taisho Branch, Resona Bank Ltd.
- Jun. 2004 General Manager of General Affairs Department. Administration Division, Toami Corporation
- Jun. 2006 Director and General Manager of General Affairs Department, Administration Division of the same company
- Jun. 2008 Managing Director and General Manager of Administration Division, General Manager of General Affairs Department of the same company
- Jun. 2012 Managing Director and General Manager of Administration Division, General Manager of General Affairs Department General Manager of Accounting Department of the same company
- Jun. 2020 Retired from Managing Director of the same company
- Jun. 2022 Director of the Company (Incumbent)

Toshikazu Yoshimori

- Apr. 1998 Branch Manager of Tsukiji and Tsukishima Branches. Sakura Bank Ltd. (currently Sumitomo Mitsui Banking Corporation)
- Apr. 2000 Branch Manager of Shinbashi-higashi Branch of the same company
- Apr. 2002 General Manager of Ginza Corporate Sales Department of the same company
- Nov. 2002 Advisor of HORAI Co., Ltd.
- Dec. 2002 Director and General Manager of Insurance Department, General Manager of Real Estate Business Department of the same company
- Oct. 2003 Managing Director and General Manager of President's Office. General Manager of Insurance Department of the same company
- Dec. 2008 Senior Managing Director and Executive officer and General Manager of General Planning Department of the Company
- Aug. 2012 Senior Managing Director and Executive officer and General Manager of Insurance Department, General Manager of General Planning Department, in charge of Accounting Department and System Office of the Company
- Dec. 2013 Advisor of Muromachi Building Co., Ltd.
- Oct. 2014 Director of Japan Health Insurance Association
- Apr. 2015 Committee Member of Central Social Insurance Medical Council
- Oct. 2021 Member of the Long-Term Care Insurance committee. Member of the Subcommittee on Long-Term Care Benefits, Expert Member of the Council on Social Security
- Jun. 2024 Director of the Company (Incumbent)

Yasuhiko Imaizumi

- Apr. 2008 Executive officer and General Manager of Nagoya Sales Department of Mizuho Corporate Bank, Limited (currently Mizuho Bank, Ltd.)
- Apr. 2010 Managing Director and Executive Officer in Charge of Sales Department of the same company
- Apr. 2012 Managing Director and Executive Officer in Charge of Sales Branches of the same company
- Apr. 2013 Executive Vice President of the Units of Large Business Corporations, Business Corporations and Financial and Public Corporations of Mizuho Financial Group, Inc.

Executive Vice President of the Units of Large Business Corporations, Business Corporations and Financial and Public Corporations of Mizuho bank, Ltd.

- Representative Vice President of the Units of Large Business Corporations, Business Corporations and Financial and Public Corporations of Mizuho Corporate Bank, Limited
- Jul. 2013 Representative Vice President of the Units of Large Business Corporations, Business Corporations and Financial and Public Corporations of Mizuho Corporate Bank, Limited
- Apr. 2014 Representative Vice President of Sales of Business Corporations of Mizuho Securities Co., Ltd.
- Apr. 2016 Executive Chairperson of Mizuho Securities Co., Ltd.
- Jun. 2018 Executive Vice President of NIPPON STEEL KOWA REAL ESTATE CO., LTD.
- Apr. 2019 President and Representative Director of Director of NIPPON STEEL KOWA REAL ESTATE CO., LTD
- Apr. 2023 Director and Executive Advisor of NIPPON STEEL KOWA REAL ESTATE CO., LTD.
- Jun. 2023 Executive Advisor of NIPPON STEEL KOWA REAL ESTATE CO., LTD.
 - Outside Director of Nippon Seisen Co., Ltd. (Incumbent)
- Jun. 2024 Director of the Company (Incumbent)
- Jul. 2024 Outside Director of KOZO KEIKAKU ENGINEERING HOLDINGS Inc. (Incumbent)

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Board of Directors and Audit & Supervisory Board Members (As of June 26, 2025)

Yuka Kushida

- Mar. 1994 President and Representative Director of Mitsuko Ltd. (currently J MIRAIMEDICAL Co., Ltd.) (Incumbent)

 Apr. 2004 President and Representative Director of SAKURA CLINICAL RESEARCH Co., Ltd. (Incumbent)

 Jun. 2013 Director of PharmaCluster Co., Ltd

 Nov. 2013 Councillor of Social Welfare Corporation Kishokai (Incumbent)

 Apr. 2019 Councillor of Kyoto Pharmaceutical University (Incumbent)

 Jan. 2020 Chairperson and Representative Director of
- Jun. 2021 Executive Vice President of PharmaCluster Co., Ltd (Position to be changed to Director in June 2024)
- Apr. 2023 Director of Kyoto Pharmaceutical University (Incumbent)
- Jun. 2024 Director of the Company (Incumbent)

Leonis Co., Ltd. (Incumbent)

Jun. 2025 Executive Officer of PharmaCluster Co., Ltd (Incumbent)

Audit & Supervisory Board Members (Full-time) =

Takayuki Nomiya

- Oct. 1976 Joined the Company
- Apr. 1997 General Manager of General Affairs
- Feb. 2003 General Manager of Audit Office
- Feb. 2008 Resigned from the Company
- Jun. 2008 Auditor of the Company (Incumbent)

Toshinobu Morimoto

- Apr. 1985 Joined the Company
- Apr. 2005 Manager of Sales Promotion Section of
 Medical Promotion Department of
 Glass Material Development Department of the Company
- Dec. 2011 Manager of Management Section of
 Pharmaceutical Research Laboratories of the Company
- Apr. 2013 Deputy General Manager of Internal Audit Office of the Company
- Apr. 2015 General Manager of Internal Audit Office of the Company
- Jun. 2021 Executive Officer and General Manager of Internal Audit Office of the Company (Incumbent)
- Jun. 2025 Auditor of the Company (Incumbent)

Audit & Supervisory Board Members (Outside)

Shigeru Yanagase

- Apr. 2003 Manager of Special equipment Division of Nippon Sheet Glass Company, Ltd.
- Jul. 2007 Resigned from the same company
- Jun. 2015 Substitute Audit & Supervisory Board Member of the Company
- Jun. 2023 Appointed Audit & Supervisory Board Member, Nipro Corporation (Incumbent)

Yoshitaka Akikuni

- Jul. 2001 General Manager of Pension Trust Management Dept. of Daiwa Bank Ltd. (Currently Resona Bank Ltd.)
- Jun. 2006 Executive Officer and General Manager of Trust Assets Management Dept. of Resona Bank Ltd.
- Apr. 2008 Executive Officer of General Funds Dept. of Resona Bank. Ltd.
- Jun. 2009 Managing Director of J and S Insurance Service Co., Ltd.
- Apr. 2011 Auditor of Osaka Electro-Communication University
- Jun. 2011 Outside Auditor of Japan Trustee Services Bank (currently Japan Custody Bank, Ltd.)
- Jun. 2012 Outside Auditor of FUSO CHEMICAL Co., Ltd.
- Jun. 2014 Outside Auditor of Kokusai AeroMarine Co., Ltd.
- Jun. 2015 Outside Auditor of ISHIHARA SANGYO KAISHA, Ltd.
- Jun. 2023 Appointed Audit & Supervisory Board Member, Nipro Corporation (Incumbent)

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Board of Directors and Audit & Supervisory Board Members (As of June 26, 2025)



Chairperson & Representative Director — Yoshihiko Sano



President & Representative Director Tsuyoshi Yamazaki



Senior Managing Director Takehito Yogo Chief Financial Officer

Directors •



Kimihito Minoura

Executive Officer in charge of
Value Engineering Management and
Regenerative Medicine Division, General Manager
of New Business Development Department



Kenichi Nishida
General Manager of Pharmaceutical Department,
General Manager of Pharmaceutical Production
Management Division of the Company



Yasushi Oyama General Manager of Vascular Division



Hideto Nakamura

General Manager of
General Affairs/Human Resources Department



Goichi Miyazumi
General Manager of Global Business Division



Kaname Sadahiro
General Manager of
Product Development and Technical Sales



Taku Nikaido
General Manager of Domestic Business Division



Hideyuki Nishisako General Manager of PharmaPackaging Division



Atsushi Yoneda
Chief of Production Technology Center

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Overview

In the current consolidated fiscal year, sales of mainstay dialysis-related products were strong, especially in North America, and sales of insulin needles were also strong due to increased demand for GLP-1. In Japan, sales increased in the pharmaceutical business due to strong sales of new commissioned products for injection agents. As a result, consolidated net sales increased.

In addition, labor costs, commissions paid and logistics costs for overseas shipments, and amortization costs associated with the acquisition of dialysis centers in North, Central and South America increased.

Consolidated Business Results

Relevant quantitative data for the period under review has been converted at the rate of US\$1.00 = ¥149.52 (the rate of exchange as of March 31, 2025).

Net Sales

Sales for the current fiscal year were ¥644,586 million (US\$4,311.0 million). Sales increased 9.9% YoY.

Cost of Sales

Cost of sales increased 9.2% from the previous period to 453,702 million (US\$3,034.3 million). This increase was mainly due to higher sales and material costs.

The gross profit margin increased 0.4 percentage points from the previous period to 29.6%. As a result, gross profit increased 11.4% from the previous fiscal year to ¥190,883 million (US\$1,276.6 million).

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by 10.3% compared with the previous fiscal year to ¥164,285 million (US\$1,098.7 million). This is mainly due to an increase in labor costs.

Operating profit

As a result of the aforementioned factors, operating profit was up by 19.1% compared with the previous fiscal year to ¥26,598 million (US\$177.8 million). The ratio of operating profit to net sales increased by 0.3 percentage points to 4.1%.

Ordinary Income

Ordinary income decreased 44.5% YoY to ¥10,817 million. Factors contributing to this decrease include an increase in interest expenses due to higher interest rates and the recording of foreign exchange losses.

Income before Income Taxes

As a result of the factors outlined above, income before income taxes decreased 0.6% from the previous fiscal year to ¥ 19,087 million (US\$127.6 million).

Income Taxes

Income tax including deferred taxes increased by 76.1% compared with the previous fiscal year to ¥12,417 million (US\$83.0 million).

Net Income (Loss) Attributable to Non-controlling Interests

Net income attributable to non-controlling interests amounted to ¥1,555 million (US\$10.4 million).

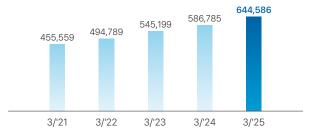
Net Income Attributable to Owners of Parent

Net income attributable to owners of parent was \$5,113 million (US\$34.2 million), compared to net income attributable to owners of parent of \$11,109 million in the previous fiscal year. Basic earnings per share increased to \$31.3 (US\$0.2) from \$68.1 in the previous fiscal year. Return on equity decreased to \$2.1% from \$5.1% for the previous fiscal year.

(Years ended March 31)

Net sales

(Millions of yen)



Operating profit

(Millions of yen)

27,627

23,882

17,729

3/'21

3/'22

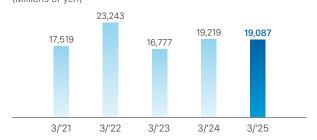
3/'23

3/'24

3/'25

Income before income taxes

(Millions of yen)



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Net Sales by Geographic Segment

Japan

In Japan, net sales increased by 3.0% compared with the previous fiscal year to ¥314,470 million (US\$2,103.1 million) mainly thanks to the increase of sales in the Medical-Related business.

Americas

In Americas, net sales increased by 20.4% compared with the previous fiscal year to ¥130,146 million (US\$870.4 million) mainly thanks to the increase of sales in the Medical-Related business.

Europe

In Europe, net sales increased by 19.9% compared with the previous fiscal year to ¥92,634 million (US\$619.5 million) mainly thanks to the increase of sales in the Medical-Related business.

Asia

In Asia, sales increased 10.7% YoY to ¥107.334 million (US\$717.8 million) due to increased sales in the Medical-related business.

O Financial Position

Total assets increased ¥60,742 million YoY to ¥1,170,564 million (US\$7,828.8 million). Current assets increased ¥50,252 million and noncurrent assets increased ¥10,490 million. The increase in current assets was mainly due to a ¥20,465 million increase in merchandise and finished goods, and the increase in fixed assets was mainly due to a ¥13,975 million increase in machinery, equipment and vehicles.

Total liabilities increased ¥18,910 million YoY to ¥858,942 million (US\$5,744.7 million). Current liabilities decreased ¥15.929 million and noncurrent liabilities increased ¥34,839 million. The main reason for the decrease in current liabilities was decrease of ¥20,000 million in commercial paper, and the reason for the increase in long-term liabilities was mainly due to the ¥21,000 million increase in corporate bonds.

Total net assets increased ¥41,832 million YoY to ¥311,621 million (US\$2,084.1 million). Shareholders' equity increased by ¥460 million and accumulated other comprehensive income increased by ¥19,315 million.

As a result, the equity ratio increased by 0.6% compared with the end of the previous fiscal year to 21.6%.

O Cash Flow

Net cash provided by operating activities amounted to ¥68,461 million (US\$457.9 million). The major cash inflows were depreciation and amortization and income before income taxes. The main accounts of cash outflow were an increase in inventories.

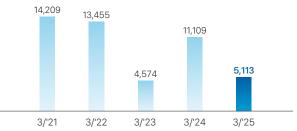
Net cash used in investing activities came to ¥71,876 million (US\$480.7 million). The main item of expenditure was for the acquisition of fixed assets, while the main item of income was the sale of investment securities.

Net cash obtained by financing activities amounted to ¥5,376 million (US\$36.0 million). The main account of cash inflow was repayment of long-term loans, while the main account of expenditures was repayment of long-term loans payable. As a result, cash and cash equivalents stood at ¥101,661 million (US\$679.9 million) as of March 31, 2025

(Years ended March 31)

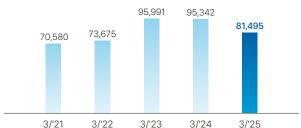
Net income attributable to owners of the parent

(Millions of yen)



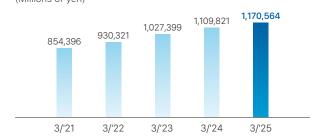
Capital expenditure

(Millions of yen)



Total assets

(Millions of yen)



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Staff

The total number of employees as of the end of the period under review was 39,168.

O Basic Policy on Distribution of Profit

At Nipro, we regard the return of profits as one of the most important management policies and pay dividends to our shareholders. We are striving to strengthen our foundations in development, production, and sales from a long-term perspective, to improve profitability and stabilize production, and to establish a rational profit distribution system.

Risk Factors

The following are risks that may have an effect on the Nipro Group's operational results and/or financial condition. The items concerned were determined as of March 31, 2025.

(1) Risks related to Procurement of Raw Materials

The Nipro Group procures materials and parts for its operations from a large number of suppliers. Some key materials or parts may be obtained only from a single supplier or a limited group of suppliers. We make every effort to obtain long-term, stable supplies of materials and parts to keep our products in the market, but our ability to do so is affected by many factors, those many factors beyond our control, such as supply shortages due to surges in demand, delays and interruptions in supply from our suppliers, and other factors. In addition, the products manufactured by the Nipro Group include some that are made from petrochemical products such as plastics. Should the cost of raw materials such as petrochemicals rise, there could be a material adverse effect on our operational results and/or financial condition.

The Nipro Group will secure stable quantities of raw materials by diversifying procurement of raw materials

of various varieties and origins, and will promote multiple production sites for its main products.

(2) Risks Related to Changes in Sale Prices

The products sold by the Nipro Group include some that are affected by irregular price reductions under the Japanese payment system for medical care, drug prices and reimbursement prices for medical materials and supplies. Moreover, should measures to hold down medical costs also become pervasive worldwide, resulting in intensified competition between corporations and leading to prices falling to a greater degree than anticipated, there could be a material adverse effect on our operational results and/or financial condition.

By expanding production capacity and ensuring a stable supply system, the Nipro Group will strive to achieve a drastic reduction in manufacturing costs and secure profits.

(3) Risks Related to Changes in Government Healthcare Policies

The business sector to which the Nipro Group belongs is intimately connected with the healthcare system and is subject to the regulations laid out by government organizations, including the National Health Insurance System and the Pharmaceutical and Medical Devices Act formerly known as the Pharmaceutical Affairs Law. Should circumstances arise in which we are unable to respond to changes in unforeseeable wholesale changes in government healthcare policies leading to changes in the environment, there could be a material adverse effect on our operational results and/or financial condition.

The Nipro Group will continue to develop new products and technologies based on aggressive R&D activities and respond to the changing environment in the medical industry.

(Years ended March 31)

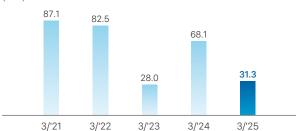
Net assets

(Millions of yen)



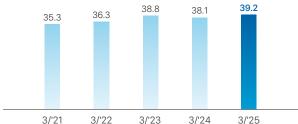
Basic earnings per share

(Yen)



Number of employees

(Thousand)



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(4) Risks Related to Litigation

There is a possibility that the Nipro Group's business or products may be the subject of a lawsuit for infringement of intellectual property rights due to unknowing use of another's patents, etc. In addition, there is a possibility that our products may cause damage and a lawsuit may be filed for this reason, and depending on the nature of such lawsuits, a large amount of damages may be demanded, and there could be a material adverse effect on our operational results and/or financial condition.

(5) Risks Related to Intellectual Property

The Nipro Group owns numerous patents and trademarks, and maintains various proprietary rights for the products it manufactures. Additionally, we take all possible measures to avoid infringing the patents and proprietary rights of any third party, and to avoid breaching any license agreements we have concluded concerning technologies. Nevertheless, if an unanticipated claim for damages were to be made by a third party and the defense of the Nipro Group were to be rejected, there could be a material adverse effect on its operational results and/or financial condition.

The Nipro Group ensures that the technologies used in our products are protected by patent applications and takes measures to prevent persistent infringement of our rights by other companies. In addition, we conduct searches at multiple stages of the technology development and product design process to ensure that we do not infringe on the intellectual property of third parties.

(6) Risks Related to Product Safety

The Nipro Group brings all of its capabilities to bear in ensuring product safety in the design, development and manufacturing of medical devices and pharmaceutical products. There are still risks, however, that accidental defects or adverse effects could result in damages to a third party and our being sued for liability.

To cover these risks, we therefore maintain general liability and product liability insurance. In the unlikely event of a successful claim in excess of the insurance coverage, however, there could be a material adverse effect on our operational results and/or financial condition.

The Nipro Group has established its own quality standards and strives to improve product quality and safety, as well as to comply with related laws and regulations.

(7) Risks Related to Exchange Rate Fluctuations

The Nipro Group, including its overseas subsidiaries, carries out its foreign currency transactions primarily in U.S. dollars and euros, but calculates financial statements for its overseas subsidiaries using Japanese ven for the purpose of producing consolidated financial statements. Fluctuations in exchange rates may therefore have a material adverse effect on our operational results and/or financial condition.

The Nipro Group is working to minimize the impact by hedging risks through forward exchange contracts for certain export receivables denominated in foreign currencies.

(8) Risks Related to Fund Raising

The Nipro Group relies on debt finance in the form of loans from financial institutions or issuance of corporate bonds and commercial paper, etc., to raise business and investment funds. If due to turmoil in financial markets, there is a reduction in lending from financial institutions or a significant downgrade of our credit rating by credit rating agencies, we may not be able to raise the necessary funds when we need them on acceptable terms. At the same time, we may incur restrictions on our fundraising capabilities or see an increase in the cost of fundraising. Any of these occurrences could have a material adverse effect on our operational results and/or financial condition.

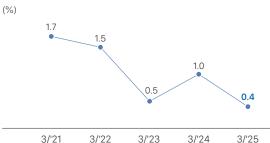
(Years ended March 31)

Equity ratio



3/'21	3/'22	3/'23	3/'24	3/'25

Return on assets



Return on equity



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In order to ensure efficient and stable procurement of business funds, the Nipro Group has entered into commitment line agreements with several financial institutions to secure financing.

(9) Risks Related to Investment Value

The Nipro Group's assets include investments in stocks and other securities. These investments have been made for purposes such as building good business relationships with the issuers of such securities, or for gathering useful information for the development of new products or new business opportunities. Should the value of these investments decline significantly owing to fluctuations in the stock market, circumstances at an issuer, or a change in the accounting methods used to deal with these investments, there could be a material adverse effect on our operational results and/or financial condition.

(10) Risks Related to M&A and Business Alliances

The Nipro Group conducts M&A activities and enters into business alliances to reinforce its business base. Prior to concluding these deals, we carry out a thorough investigation of the target company. However, should any problems arise such as the discovery of unrecognized liabilities or should the development of the acquired business not proceed as planned, there could be a material adverse effect on our operational results and/or financial condition.

The Nipro Group strives to closely scrutinize the management plans of target companies and monitor their business conditions and market environment.

(11) Risks Related to Controls on Personal Information

The Nipro Group has established strict precautions to protect the confidentiality of personal information in our possession. However, if due to unforeseen events or an accident this personal information is leaked outside the group, causing a loss of trust or customers, there could be a material adverse effect on our operational results and/or financial condition.

The Nipro Group has established and strictly enforces rules for information management, and has implemented system measures deemed necessary.

(12) Risks Related to Infectious Disease Spread

An abnormal situation such as the spread of a new coronavirus infection or a natural disaster could occur on a scale beyond our expectations. However, if the production base is closed, logistics are stagnant, or the business operations towards major customers become difficult, there could be a material adverse effect on our operational results and/or financial condition.

The Nipro Group ensures an environment in which work can continue by stockpiling necessary infectionprevention supplies such as disinfectant, implementing staggered work hours, and proactively utilizing remote work tools to prevent the spread of infection.

(13) Other Risks

Fires, earthquakes, acts of terrorism, wars, epidemics, or other unforeseen man-made or natural disasters affecting areas or facilities where the Nipro Group conducts its business activities may cause a delay or interruption in production, sales, distribution, or provision of services. Should such a delay or interruption be extended, there could be a material adverse effect on our operational results and/or financial condition.

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Thousands of Millions of yen U.S. dollars (Note 1)

Nipro Corporation and its Consolidated Subsidiaries Years ended March 31

Years ended March 31	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2025
Income Statement Data:											
Net sales	¥ 644,586	¥ 586,785	¥ 545,199	¥ 494,789	¥ 455,559	¥ 442,516	¥ 426,399	¥ 395,397	¥ 359,699	¥ 366,650	\$ 4,311,036
Medical-Related (*1)	505,078	453,613	419,957	373,481	343,824	335,767	327,359	300,117	262,198	272,167	3,377,999
Pharmaceutical-Related (*1)	79,125	74,320	72,734	74,386	72,388	70,357	63,482	66,846	69,140	62,266	529,198
PharmaPackaging (*1)	59,262	58,035	51,754	46,361	38,655	36,217	35,526	28,404	28,331	32,184	396,350
Other (*1)	1,119	816	752	559	691	174	31	29	29	32	7,486
Cost of sales	453,702	415,465	381,749	345,519	316,718	308,304	295,767	268,272	244,602	250,773	3,034,393
Selling, general and administrative expenses	164,285	148,985	145,720	125,386	111,212	107,791	106,804	100,036	86,326	91,671	1,098,752
Operating profit	26,598	22,335	17,729	23,882	27,627	26,420	23,827	27,088	28,770	24,204	177,890
Medical-Related (*2)	46,632	42,321	38,599	39,241	38,879	36,249	36,722	36,522	30,638	28,204	311,878
Pharmaceutical-Related (*2)	10,625	4,432	5,615	9,826	10,608	13,196	10,662	13,104	14,135	12,060	71,061
PharmaPackaging (*2)	(272)	2,452	2,739	2,889	1,992	675	778	(1,308)	(1,313)	(1,618)	(1,825
Other (*2)	245	80	257	101	376	176	146	75	(10)	61	1,639
Income before income taxes	19,087	19,219	16,777	23,243	17,519	(10,158)	21,233	17,026	18,324	26,284	127,657
Net income attributable to owners of parent	5,113	11,109	4,574	13,455	14,209	(12,281)	12,136	11,829	11,346	19,718	34,202
Increase in tangible and intangible fixed assets	81,495	103,628	102,633	96,793	78,861	64,670	64,394	61,990	58,310	57,101	545,045
Depreciation and amortization	62,504	56,030	46,275	43,313	39,849	38,682	35,252	32,565	31,128	30,147	418,031
R&D expenses	21,666	20,846	19,669	18,734	18,652	18,204	16,526	16,113	11,517	10,269	144,909
Balance Sheet Data:											
Total assets	¥ 1,170,564	¥ 1,109,821	¥ 1,027,399	¥ 930,321	¥ 854,396	¥ 831,865	¥ 845,821	¥ 826,477	¥ 752,839	¥ 708,882	\$ 7,828,815
Property, plant and equipment - net	503,827	481,508	432,550	377,752	335,906	307,551	284,483	270,273	244,222	223,756	3,369,634
Working capital	223,873	157,691	186,379	125,466	149,866	143,626	168,675	184,861	134,983	115,970	1,497,279
Current liabilities	350,545	366,475	302,910	311,993	271,501	289,404	274,277	251,186	251,792	252,147	2,344,472
Long-term liabilities	508,397	473,557	482,315	418,460	408,841	381,223	399,712	392,087	324,639	281,227	3,400,196
Common stock	84,397	84,397	84,397	84,397	84,397	84,397	84,397	84,397	84,397	84,397	564,458
Net assets	311,621	269,788	242,173	199,867	174,053	161,237	171,830	183,485	176,408	175,507	2,084,146

^(*1) Effective the fiscal year ended March 31, 2011, the Company has adopted ASBJ Statement No. 17 "Accounting Standard for Disclosures about Segment of an Enterprise and Related Information" (March 27, 2009) and ASBJ Statement No. 20 "Guidance on Accounting Standard for Disclosures about Segment of an Enterprise and Related Information" (March 21, 2008). Net sales and operating profit for the period for the fiscal year ended March 31, 2010 have been restated to show what the Group's result would have been if the new accounting standards had been applied in that year. Before the fiscal year ended March 31, 2009, net sales and operating profit have been stated in compliance with previous accounting rules. In addition, the corporate reorganization was conducted effective on October 1, 2012 in order to enforce Pharmaceutical-Related business and build a strong cooperative relationship among Medical-Related, Pharmaceutical-Related and Glass-Related businesses. As a result of this reorganization, some business divisions included in Glass-Related business were changed to Pharmaceutical-Related business. The segment information is presented as if the aforementioned reorganization had been conducted at the beginning of the financial year 2012, and the presentation for the prior financial years are not restated. Also, effective on the half year ended September 30, 2014, 13 subsidiaries including Nipro Glass France S.A.S., Nipro Glass Belgium N.V., Nipro Glass Germany AG, Nipro Sterile Glass Germany AG, and Nipro Glass Americas Corporation were reclassified from Medical-Related Business to PharmaPackaging related Business which was formerly known as Glass-Related Business by the corporate reorganization. Segment information after 2014 is based on this reclassification.

From fiscal year ended March 31, 2019, the Company has conducted reorganization for the purpose of doing synthetic PharmaPackaging business and increasing synergy for Pharmaceutical-Related business. As a result of this reorganization, some business divisions included in Pharmaceutical-Related business were changed to PharmaPackaging business. Effective the fiscal year ended March 31,2022, Nipro JMI Pharma Ltd. was reclassified from the Medical-Related Business to the Pharmaceutical-Related Business. The presentations for prior fiscal years are not restated.

(*2) Operating profit at the operating segment level is not adjusted for intra-segment transactions. See Note 13. "Segment Reporting" to the consolidated financial statements.

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Nipro Corporation and its Consolidated Subsidiaries Years ended March 31

U.S. dollars (Note 1)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2025
Per Share Data:											
Basic earnings	¥ 31.3	¥ 68.1	¥ 28.0	¥ 82.5	¥ 87.1	¥ (75.3)	¥ 73.6	¥ 71.1	¥ 67.5	¥ 116.2	\$ 0.2
Diluted earnings	27.7	60.3	24.8	77.4	_	_	66.7	64.5	61.3	114.7	0.2
Cash dividends	25.0	25.0	22.0	27.0	28.0	13.5	28.0	28.5	29.0	33.5	0.2
Equity	1,547.8	1,426.5	1,265.0	1,135.7	987.3	912.2	990.1	1,037.2	999.5	977.6	10.4
Number of common shares issued	171,459,479	171,459,479	171,459,479	171,459,479	171,459,479	171,459,479	171,459,479	171,459,479	171,459,479	171,459,479	_
Number of employees	39,168	38,117	38,770	36,259	35,251	32,786	29,325	28,330	27,415	24,243	_
Selected Data and Ratios:											
Equity ratio (*3) (%)	21.6	21.0	20.1	19.9	18.8	17.9	19.1	20.9	22.1	23.4	_
Return on assets (*3) (%)	0.4	1.0	0.5	1.5	1.7	(1.5)	1.5	1.5	1.6	2.8	_
Return on equity (*3) (%)	2.1	5.1	2.3	7.8	9.2	(7.9)	7.3	7.0	6.8	11.8	
Price earnings ratio (*3) (times)	43.3	17.9	36.3	12.4	15.3	_	19.3	21.6	23.2	9.2	_

^(*3) Equity ratio is the ratio of the sum of the total shareholders' equity and accumulated other comprehensive income to total assets at the period end. Return on assets is the ratio of net income attributable to shareholders of parent for the period to average of total assets during the period. Return on equity is the ratio of net income for the period to average of the sum of total shareholders' equity and accumulated other comprehensive income during the period. The price earnings ratio is the ratio of the closing price of the Company's shares listed on the First Section of the Tokyo Stock Exchange on the last trading day in March of each year to the basic earnings per share.

(*4) Until 2016, yen amounts are rounded to the nearest million yen. Since 2017, yen amounts are rounded down to the nearest million yen.

^(*5) The Group formally adopted the Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter "Revenue Recognition Standard") on April 1, 2021, the start of the current fiscal year. Revenue is recognized when control is transferred to the customer, i.e., when delivery is completed.

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269,788

¥ 1,109,821

311,621

¥ 1,170,564

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30

2,084,146

\$ 7,828,815

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As of March 31, 2025 and 2024	2025	2024	2025
	2025	2024	2025
Assets			
Current assets:			
Cash and deposits	¥ 106,668	¥ 99,667	\$ 713,403
Trade notes and accounts receivable	167,085	160,240	1,117,476
Goods and products	170,857	150,391	1,142,703
Work in progress	21,105	20,757	141,155
Raw materials and supplies	59,149	55,915	395,595
Other current assets	56,317	42,555	376,657
Allowance for doubtful accounts	(6,764)	(5,362)	(45,239
Total current assets	574,418	524,166	3,841,752
Tangible assets (Note 5):			
Buildings and structures	¥ 350,245	¥ 337,409	\$ 2,342,467
Accumulated depreciation and impairment	(171,399)	(156,680)	(1,146,333
Buildings and structures (net)	178,845	180,729	1,196,133
Machinery and equipment	459,621	408,015	3,073,979
Accumulated depreciation and impairment	(326,411)	(288,780)	(2,183,061
Machinery and equipment (net)	133,210	119,235	890,918
Land	48,288	47,061	322,960
Lease assets	45,298	40,149	302,959
Accumulated depreciation	(20,679)	(16,778)	(138,303
Lease assets (net)	24,619	23,371	164,655
Construction in progress	88,975	83,284	595,075
Other tangible fixed assets	113,597	101,983	759,748
Accumulated depreciation and impairment	(83,709)	(74,156)	(559,857
Other tangible fixed assets (net)	29,887	27,826	199,890
Total tangible fixed assets	503,827	481,508	3,369,634
Intangible assets (Note 5):			
Goodwill	¥ 14,099	¥ 15,607	\$ 94,299
Lease assets	1,880	1,921	12,577
Other intangible assets	19,525	17,609	130,588
Total intangible assets	35,505	35,138	237,466
Investments and other assets:			
Investment securities (Note 7)	¥ 15,287	¥ 32,945	\$ 102,246
Assets for retirement benefits	2,278	94	15,240
Deferred tax assets (Note 4)	17,216	13,116	115,147
Other	27,842	29,990	186,215
Allowance for doubtful accounts	(5,814)	(7,139)	(38,886
Total investments and other assets	56,812	69,007	379,962
Total fixed assets	¥ 596,145	¥ 585,655	\$ 3,987,063
IUIAI IIACU ASSEIS	¥ 1,170,564	¥ 1,109,821	\$ 7,828,815

The accompanying notes are an integral part of these statements.

			Milli	ions of yen	Thousands of U.S. dollars (Note
		2025		2024	2025
Liabilities and net assets					
Current liabilities:					
Trade notes and accounts payable	¥	83,802	¥	81,502	\$ 560,47
Short-term debt (Notes 5 and 10)		156,174		160,367	1,044,50
Commercial paper		_		20,000	-
Current portion of corporate bonds (Notes 5 and 10)		1,000		4,700	6,68
Current portion of lease obligations		6,653		4,748	44,49
Accrued payables		30,979		25,837	207,19.
Income taxes payable		5,922		6,125	39,60
Contract liabilities		1,035		368	6,92
Provision for bonuses		9,058		345	60,58
Notes payable-facilities		4,799		11,436	32,09
Other current liabilities		51,119		11	341,89
Total current liabilities	¥	350,545	¥	366,475	\$ 2,344,47.
Long-term liabilities:					
Corporate bonds	¥	103,000	¥	82,000	\$ 688,87
Convertible bond-type bonds with subscription rights to shares		30,090		30,150	201,24
Long-term debt (excluding current portion) (Notes 5 and 10)		309,987		302,819	2,073,21
Lease obligations (excluding current portion) (Note 10)		25,170		25,312	168,34
Deferred tax liabilities (Note 4)		2,018		1,619	13,50.
Liabilities for retirement benefits (Note 11)		7,244		5,675	48,45
Provision for directors' retirement benefits		584		557	3,90
Provision for loss on lawsuits		276		227	1,84
Other long-term liabilities		30,024		25,184	200,80
Total long-term liabilities	¥	508,397	¥	473,557	\$ 3,400,19
Total liabilities	¥	858,942	¥	840,032	\$ 5,744,66
Net assets (Note 14):					
Shareholders' equity					
Capital stock	¥	84,397	¥	84,397	\$ 564,45
Capital surplus		_			_
Retained earnings		104,783		104,321	700,79
Treasury stock		(10,749)		(10,749)	(71,89
Total shareholders' equity		178,431		177,970	1,193,36
Accumulated other comprehensive income (loss)		,		,	, ,
Net unrealized gains on available-for-sale securities		2,741		9,704	18,33.
Deferred gains (losses) on hedges		176		(50)	1,18
Foreign currency translation adjustments		68,920		43,516	460,94
Remeasurements of defined benefit plans		2,172		1,524	14,52
Total accumulated other comprehensive income		74,010		54,695	494,98
Non-controlling interests		59,175		37,123	395,76
Chara annuicition rights (Note 12)		4		,0	2007.0

The accompanying notes are an integral part of these statements.

Share acquisition rights (Note 12)

Total liabilities and net assets

Total net assets

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Nipro Corporation and its Consolidated Subsidiaries For the fiscal years ended March 31, 2025 and 2024

Thousands of Millions of yen U.S. dollars (Note 1)

				Millions of yen		ollars (Note	
		2025		2024		2025	
Net sales (Note 18)	¥	644,586	¥	586,785	\$ 4	4,311,036	
Cost of sales		453,702		415,465		3,034,393	
Gross profit	¥	190,883	¥	171,320	\$	1,276,642	
Selling, general and administrative expenses (Notes 14 and 15)		164,285		148,985		1,098,752	
Operating profit	¥	26,598	¥	22,335	\$	177,890	
Non-operating profit							
Interest income		2,183		1,576		14,606	
Dividend income		783		849		5,243	
Foreign exchange gains		_		2,555		_	
Other		2,574		3,958		17,22	
Total non-operating profit		5,542		8,940		37,07	
Non-operating expenses		·				,	
Interest expenses		7,844		6,527		52,461	
Share of loss of entities accounted for using equity method		3,282		1,996		21,953	
Foreign exchange loss		5,381				35,994	
Hyperinflation accounting adjustment		393		704		2,63	
Others		4,422		2,537		29,576	
Total non-operating expenses		21,323		11,765		142,616	
Ordinary income	¥	10,817	¥	19,509	\$	72,345	
Extraordinary income				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		, -	
Gain on sales of fixed assets		307		2,505		2,055	
Government subsidies		587		1,367		3,929	
Gain on sales of investment securities		8,197		3,682		54,823	
Insurance claim income		8,437				56,43	
Other		482		314		3,225	
Total extraordinary income		18,012		7,870		120,466	
Extraordinary loss		.,		, -		,	
Loss on sales of fixed assets		45		191		301	
Loss on retirement of fixed assets		230		647		1,539	
Impairment losses		4,834		736		32,336	
Loss on tax purpose reduction entry of fixed assets		563		661		3,765	
Loss on valuation of investment securities		535		2,218		3,582	
Provision for allowance for doubtful accounts		72		28		48	
Loss on sales of investments in capital of subsidiaries		_		1,681		_	
Loss on plant closure		1,098				7,343	
Others		2,362		1,995		15,803	
Total extraordinary loss		9,741		8,160		65,155	
Profit before income taxes	¥	19,087	¥	19,219	\$	127,657	
Income taxes		12,326		10,049		82,44	
Income taxes-deferred		91		(2,999)		608	
Total income taxes	¥	12,417	¥	7,049	\$	83,049	
Net income	-	6,669	-	12,169	Ψ.	44,607	
Net income attributable to non-controlling interests		1,555		1,060		10,405	
Net income attributable to owners of the parent		5,113		11,109		34,202	

The accompanying notes are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Nipro Corporation and its Consolidated Subsidiaries For the fiscal years ended March 31, 2025 and 2024

Thousands of Millions of yen U.S. dollars (Note 1)

	2025	2024	2025
Net income	¥ 6,669	¥ 12,169	\$ 44,607
Other comprehensive income:			
Net unrealized gains on available-for-sale securities	(6,963)	2,543	(46,571)
Deferred gains (losses) on hedges	300	1	2,012
Foreign currency translation adjustments	24,885	14,432	166,435
Remeasurements of defined benefit plans	686	217	4,588
Share of other comprehensive income of entities accounted for using equity method	749	531	5,015
Total other comprehensive income	19,658	17,725	131,479
Comprehensive income	¥ 26,328	¥ 29,895	\$ 176,086
Comprehensive income attributable to:			
Owners of parent	24,429	28,658	163,383
Non-controlling interests	1,899	1,237	12,702

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Consolidated Statements of Changes in Net Assets

Nipro Corporation and its Consolidated Subsidiaries For the fiscal years ended March 31, 2025 and 2024 consisted of the following:

		Capital Capital		Retained	Treasury	Total shareholders'	Net unrealized gains (losses) on available-		eferred is (losses)	Foreign currency translation	Remeasurements of defined	Total accumulated other comprehensive	Share acquisition	Non- controlling	Total	
		stock surplus		S	earnings	stock	equity	for- sale securities	on hedges		adjustments	benefit plans	income	rights	interests	net assets
Balance at March 31, 2023	¥	84,397		_	¥ 95,521	¥ (10,748)	¥ 169,170	¥ 7,162	¥	(47)	¥ 28,716	¥ 1,315	¥ 37,147	_	¥ 35,856	¥ 242,173
Hyper Inflation Adjustment					814		814									814
Restated balance		84,397		_	96,335	(10,748)	169,984	7,162		(47)	28,716	1,315	37,147	_	35,856	242,988
Issuance of new shares																
Cash dividends					(3,028)		(3,028)									(3,028)
Net income attributable to owners of parent					11,109		11,109									11,109
Change in the scope of consolidation						(0)	(0)									(0)
Purchase of treasury stock						0	0									0
Disposal of treasury stock							_									_
Change in parent's ownership interest due to transactions with non-controlling interests				-			_									_
Decrease of retained earnings (Other)																
Other					(95)		(95)									(95)
Other net change during the year								2,542		(3)	14,800	208	17,548		1,266	18,814
Total changes during period		_		-	7,985	(0)	7,985	2,542		(3)	14,800	208	17,548		1,266	26,800
Balance at March 31, 2024	¥	84,397	¥	_	¥ 104,321	¥ (10,749)	¥ 177,970	¥ 9,704	¥	(50)	¥ 43,516	¥ 1,524	¥ 54,695	¥ —	¥ 37,123	¥ 269,788
Hyper Inflation Adjustment		_		- 1	(118)	_	(118)	_		_	_	_	_	_	_	(118)
Restated balance		84,397		-	104,202	(10,749)	177,851	9,704		(50)	43,516	1,524	54,695	_	37,123	269,670
Issuance of new shares		_		-	_	_	_	_		_	_	_	_	_	_	_
Cash dividends		_		- 1	(4,419)	_	(4,419)	_		_	_	_	_	_	_	(4,419)
Net income attributable to owners of parent		_		-	5,113	_	5,113	_		_	_	_	_	_	_	5,113
Change in the scope of consolidation		_		- 1	_	_	_	_		_	_	_	_	_	_	_
Purchase of treasury stock		_		-	_	_	_	_		_	_	_	_	_	_	_
Disposal of treasury stock		_		- 1	_	_	_	_		_	_	_	_	_	_	_
Change in parent's ownership interest due to transactions with non-controlling interests		_		(1)	_	_	(1)	_		_	_	_	_	_	_	(1)
Decrease of retained earnings (Other)		_		-	_	_	_	_		_	_	_	_	_	_	_
Deficit disposition		_		113	(113)	_	_	_		_	_	_	_	_	_	_
Other		_	(113)	_	_	(113)	_		_	_	_	_	_	_	(113)
Other net change during the year		_		_	_	_	_	(6,963)		226	25,404	647	19,315	4	22,052	41,371
Total changes during period		_		_	580	_	579	(6,963)		226	25,404	647	19,315	4	22,052	41,951
Balance at March 31, 2025	¥	84,397	¥	_	¥ 104,783	¥ (10,749)	¥ 178.431	¥ 2.741	¥	176	¥ 68.920	¥ 2,172	¥ 74.010	¥ 4	¥ 59,175	¥ 311.621

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Consolidated Statements of Changes in Net Assets

Nipro Corporation and its Consolidated Subsidiaries For the fiscal years ended March 31, 2025 and 2024 consisted of the following:

Thousands of U.S. dollars (Note 1)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available- for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Non- controlling interests	Total net assets
Balance at March 31, 2024	\$ 564,458	\$ 4	\$ 697,707	\$ (71,894)	\$1,190,276	\$ 64,905	\$ (335)	\$ 291,042	\$ 10,194	\$ 365,807	\$ —	\$ 248,281	\$1,804,365
Hyper Inflation Adjustment	_	_	(793)	_	(793)	_	_	_	_	_	_	_	(793)
Restated balance	564,458	4	696,914	(71,894)	1,189,483	64,905	(335)	291,042	10,194	365,807	_	248,281	1,803,571
Issuance of new shares	_	_	_	_	_	_	_	_	_	_	_	_	_
Cash dividends	_	_	(29,559)	_	(29,559)	_	_	_	_	_		_	(29,559)
Net income attributable to owners of parent	_	_	34,202	_	34,202	_	_	_	_	_	_	_	34,202
Change in the scope of consolidation	_	_	_	_	_	_	_	_	_	_		_	<u> </u>
Purchase of treasury stock	_	_	_	(4)	(4)	_	_	_	_	_	_	_	(4)
Disposal of treasury stock	_	_	_	2	2	_	_	_	_	_	_	_	2
Change in parent's ownership interest due to transactions with non-controlling interests	_	(7)	_	_	(7)	_	_	_	_	_	_	_	(7)
Decrease of retained earnings (Other)	_	_	_	_	_	_	_	_	_	_	_	_	_
Deficit disposition	_	759	(759)	_	_	_	_	_	_	_	_	_	_
Other	_	(756)	_	_	(756)	_	_	_	_	_	_	_	(756)
Other net change during the year	_	_	_	_	_	(46,573)	1,517	169,904	4,333	129,181	30	147,486	276,698
Total changes during period	_	(4)	3,883	(1)	3,876	(46,573)	1,517	169,904	4,333	129,181	30	147,486	280,574
Balance at March 31, 2025	\$ 564,458	\$ —	\$ 700,797	\$ (71,896)	\$1,193,360	\$ 18,332	\$ 1,182	\$ 460,946	\$ 14,527	\$ 494,988	\$ 30	\$ 395,767	\$2,084,146

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Consolidated Statements of Cash Flows

Nipro Corporation and its Consolidated Subsidiaries For the fiscal years ended March 31, 2025 and 2024

Thousands of Millions of yen U.S. dollars (Note 1)

Operating activities: Profit before income taxes Depreciation and amortization Impairment loss	2025 ¥ 19,087 62,504 4,834	2024 ¥ 19,219	2025 \$ 127,657
Profit before income taxes Depreciation and amortization Impairment loss	62,504	· · · · · · · · · · · · · · · · · · ·	¢ 127 657
Depreciation and amortization Impairment loss	62,504	· · · · · · · · · · · · · · · · · · ·	\$ 127.657
Impairment loss		F0.000	φ 127,037
•	4,834	56,030	418,031
		736	32,336
Amortization of goodwill	3,144	2,842	21,033
Share of loss (profit) of entities accounted	3,282	1,996	21,953
for using equity method	3,202	1,990	21,900
Increase (decrease) in allowance for doubtful accounts	(305)	1,631	(2,044)
Increase (decrease) in assets for retirement benefits	(2,184)	(94)	(14,611)
Increase (decrease) in liabilities for retirement benefits	2,307	587	15,431
Interest and dividend income	(2,967)	(2,425)	(19,849)
Interest expenses	7,844	6,527	52,461
Foreign exchange losses (gains)	(899)	(5,202)	(6,016)
Loss (gain) on sales of investment securities	(8,190)	(3,682)	(54,775)
Loss (gain) on valuation of investment securities	535	2,218	3,582
Government subsidies	(587)	(1,367)	(3,929)
Loss on tax purpose reduction entry of fixed assets	563	661	3,765
Insurance claim income	(8,437)	_	(56,431)
Loss (gain) on valuation of investments in capital of subsidiaries and associates	_	1,681	_
Decrease (increase) in notes and accounts receivable-trade	2,076	7,845	13,889
Decrease (increase) in inventories	(17,337)	(13,847)	(115,956)
Increase (decrease) in notes and accounts payable-trade	(2,581)	272	(17,265)
Decrease (increase) in other assets	(1,798)	(3,490)	(12,026)
Increase (decrease) in other liabilities	16,717	12,114	111,810
Other loss (gain)	445	159	2,980
Subtotal	78,053	84,414	522,025
Interest and dividends received	3,005	2,285	20,098
Interest expenses paid	(7,825)	(6,272)	(52,338)
Proceeds from insurance income	8,437	_	56,431
Other proceeds	630	905	4,217
Other payments	(1,145)	(878)	(7,660)
Income taxes paid	(13,163)	(9,070)	(88,040)
Income taxes refund	470	1,551	3,144
Cash flows from operating activities	68,461	72,936	457,877
nvesting activities:			
Payments into time deposits	(4,942)	(2,176)	(33,055)
Proceeds from withdrawal of time deposits	3,215	4,349	21,505
Payments for purchase of investment securities	(351)	(463)	(2,348)
Proceeds from sales of investment securities	13,726	8,594	91,803
Payments for sale of investments in capital of subsidiaries resulting in change in scope of consolidation	-	(1,011)	- 31,003

The accompanying notes are an integral part of these statements.

Thousands of Millions of yen U.S. dollars (Note 1)

Investing acitivies:			
Proceeds from liquidation of unconsolidated subsidiaries	¥ 97	¥ —	\$ 652
Purchase of shares of subsidiaries	0	(13)	_
Purchase of investments in capital of subsidiaries	_	(196)	_
Purchase of shares of affiliated entity	(767)	_	(5,134)
Payments for acquisition of shares in subsidiaries resulting in	(2,188)	(3,278)	(14,635)
change in scope of consolidation		(3,276)	
Payments for acquisition of business	(118)	(22)	(791)
Payments for purchase of fixed assets	(76,594)	(94,203)	(512,266)
Proceeds from sales of fixed assets	630	4,907	4,218
Payments for retirement of fixed assets	(14)	(62)	(98)
Proceeds from capital investment subsidies	740	1,243	4,949
Net decrease (increase) in short-term loans receivable	(5,248)	(4,826)	(35,100)
Payments for loans receivable	(119)	(28)	(798)
Proceeds from collection of loans receivable	57	113	385
Other payments	_	(2)	_
Cash flows from investing activities	(71,876)	(87,075)	(480,714)
Financing activities:			
Net increase (decrease) in short-term debt	382	6,146	2,555
Net increase (decrease) in commercial paper	(20,000)	10,000	(133,761)
Proceeds from long-term debt	88,612	72,586	592,649
Repayment of long-term debt	(90,378)	(65,491)	(604,455)
Proceeds from issuance of bonds	21,897	9,949	146,450
Payments for redemption of bonds	(4,700)	(2,000)	(31,433)
Proceeds from issuance of stock	20,000	(=//	133,761
Proceeds from sale of treasury stock	0	_	2
Payments for purchase of treasury stock	(7)	(34)	(49)
Proceeds from sale and leaseback	546	950	3,654
Payments for repayment of finance lease obligations	(3,297)	(4,310)	(22,052)
Cash dividends paid	(4,408)	(3,025)	(29,486)
Dividends paid to non-controlling interests	(488)	(204)	(3,267)
Repayments of installment payables	(2,782)	(2,425)	(18,607)
Cash flows from financing activities	5,376	22,142	35,958
Effect of exchange rate changes on cash and cash equivalents	3,014	3,883	20,159
Net increase (decrease) in cash and cash equivalents	4,976	11,886	33,280
Cash and cash equivalents at beginning of period	96,582	84,695	645,949
Increase in cash and cash equivalents from newly consolidated subsidiaries	102	_	687
Cash and cash equivalents at ending of period (Note 22)	¥ 101,661	¥ 96,582	\$ 679,917
cash and cash equivalents at ending of period (Note 22)	# IUI,001	¥ 90,30Z	\$ 0/3,31/

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1. Basis of Presenting Consolidated Financial Statements

The financial statements of Nipro Corporation and its consolidated domestic subsidiaries have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law of Japan and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, Effective from the year ended March 31, 2009, the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18) and as a result, the accounts of consolidated overseas subsidiaries are prepared in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the U.S., with adjustments for the specified 5 items as applicable.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically. However, no adjustment has been made which would change the financial position or the results of operations presented in the original financial statements.

The financial statements presented herein are expressed in Japanese ven and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of ¥149.52 = US\$1, the approximate exchange rate on March 31, 2025. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollar amounts at that or any other rate.

Amounts of less than one million yen and one thousand U.S. dollars are rounded down to the nearest million yen and thousand U.S. dollars, respectively, in the presentation of the accompanying consolidated financial statements. As a result, the totals in yen and U.S. dollars do not necessarily agree with the sum of the individual amounts.

2. Summary of Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and the significant subsidiaries and affiliated companies accounted for by the equity method.

Investments in unconsolidated subsidiaries are stated at cost and the equity method is not applied for the valuation of such investments since they are considered immaterial in the aggregate.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits included in assets resulting from transactions within the Company and its consolidated subsidiaries have been eliminated. The difference between the cost of investments in subsidiaries and affiliates and the equity in their net assets at the dates of acquisition is amortized on a straight-line basis over 5 to 20 years.

All accounts herein have been presented on the basis of the 12 months ended March 31, 2025 for the Company and for consolidated domestic subsidiaries, and December 31, 2024 for all consolidated overseas subsidiaries.

Adjustments have been made for any significant intercompany transactions which took place during the period between the end of the accounting period of the consolidated overseas subsidiaries and that of the Company.

(b) Translation of Foreign Currencies

Balance sheets of consolidated overseas subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date except for shareholders' equity, which is translated at the historical rates. Income statements of consolidated overseas subsidiaries are translated into Japanese yen at the average exchange rates for the period. Resulting translation adjustments are shown as "Foreign currency translation adjustments" in the "Accumulated other comprehensive income" section of net assets.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, readily available deposits and short-term highly liquid investments with original maturities of three months or less.

(d) Allowance for Doubtful Receivables

An allowance for possible losses from trade notes and accounts receivable, loans and other receivables is provided based on the actual rate of past bad debts and the uncollectible amounts of certain individual receivables.

(e) Inventories

Inventories are stated principally at the lower of average cost or net realizable value.

(f) Property, Plant and Equipment

Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed principally by the declining-balance method. The straight-line method is applied to buildings acquired by the domestic companies after April 1, 1998 and buildings and accompanying facilities and structures acquired by the domestic companies after April 1, 2016, and is principally applied to the property, plant and equipment of consolidated overseas subsidiaries.

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(g) Intangible Assets

Amortization of intangible assets, including software for the Company's own use, is computed by the straight-line method over the estimated useful life of the asset.

Goodwill is amortized on a straight-line basis over the period the Company benefits from its use. If the amount is not significant, it is expensed when incurred.

(h) Investment Securities

Available-for-sale securities, which are not classified either trading securities or held-to-maturity debt securities, are stated at fair value. Unrealized gains and losses, net of applicable taxes, are reported as "Accumulated other comprehensive income" of net assets.

Non-marketable available-for-sale securities are stated at cost determined by the average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(i) Employees' Retirement and Severance Benefits

<Method of Attributing Expected Benefit to Periods>

In calculating retirement benefit obligation, the estimated amount of retirement benefit is attributed to the periods on the benefit formula basis.

<Accounting Method of Actuarial Gains and Losses and Prior Service Costs>
Prior Service Costs are amortized on a straight-line basis over a certain period (mainly 5 years) which is within the average of the estimated remaining service years of the employees when they occur.

Actuarial gains and losses are amortized on a straight-line basis over a certain period (mainly 5 years) which is within the average of the estimated remaining service years of the employees commencing from the following year in which they arise.

Some consolidated subsidiaries amortize their actuarial gains and losses all at once in the fiscal year in which they arise.

(j) Derivatives

Derivatives are stated at fair value, with changes in fair value included in net income or loss for the period in which they arise, unless derivatives are used for hedging purposes. Please see (I) Hedge Accounting below.

(k) Leases

Finance leases, except for certain immaterial leases, are capitalized in the balance sheet. Amortization of finance lease assets is calculated by the straight-line method over the lease period assuming no residual value.

The Company and its consolidated domestic subsidiaries account for certain finance leases as operating leases, which do not transfer ownership to the lessee.

(I) Hedge Accounting

<Method of hedge accounting>

The deferral hedge accounting method is applied in principle. The exceptional accounting method is applied to interest rate swaps when certain hedging criteria are met.

<Hedge instrument and hedge items>

(Hedging instruments) (Hedged items)

<Hedge policy>

The Company uses interest rate swaps to reduce interest volatility risk.

<Method for assessing hedge effectiveness>

Hedge effectiveness is not assessed when substantial items and conditions of hedging instruments and the hedged transactions are the same, and is not assessed when cash flow can be completely offset for a whole hedge period.

(m) Income Taxes

The provision for income taxes is computed based on income for financial statement purposes. The asset and liability approach is used to recognize deferred tax assets and liabilities for the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

(n) Amounts per Common Share

Basic earnings per share are computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities were exercised or converted into common stock. Diluted earnings per share of common stock assume full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

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(o) Revenue Recognition

Revenue is recognized upon delivery of products sold. The customer acquires ownership and control of the products upon delivery. The Nipro Group has fulfilled its performance obligation at this time.

Other Revenue Sources

- As an agent
- When the Company acts as an agent, revenue is recognized on a net basis.
- Repurchase agreements Liability is recognized for the amount of the remaining inventory of the goods to be supplied to the buyer.

Revenue is the contract price less returns, discounts, and rebates. Accounts receivable are all current. All are collected within a year from delivery date.

(p) Changes in Accounting Policies

<Application of Accounting for and Disclosure of Current Taxes Related to the Global</p> Minimum Tax Rules>

Effective April 1, 2024, the Company has applied the "Treatment of the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc." (The Practical Solution No.46, March 22, 2024). The impact of this change on the consolidated financial statements for the fiscal year ended March 31, 2025 is immaterial.

<Application of Accounting Standard for Current Income Taxes, etc.>

Effective April 1, 2024, the Company has applied the "Accounting Standard for Current Income Taxes, etc." (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"). With regard to the amendment to categories in which income taxes, etc., should be recorded (taxes on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of Paragraph 65-2 of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gain or loss on sale of shares of subsidiaries, etc., resulting from transactions between consolidated companies were deferred for tax purposes, the Company has applied the Revised Implementation Guidance 2022 from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively, and the consolidated financial statements for the previous fiscal year have accordingly been restated. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

<Application of International Audit Standard 29 on Financial Reporting in Hyperinflationary</p> Economies (IAS 29)>

The Company operates in Turkey and Argentina, and IAS 29 was applied to these countries. As a result, retained earnings decreased by ¥118 million (US\$0.7 million) at the start of the current fiscal year (FY2025). The impact of inflation on the net monetary position for the FY2025 is presented as "Inflation accounting adjustments" under "Non-operating expenses."

3. Significant Accounting Estimates

- (1) Accounting for impairment of goodwill
- (a) Amount recorded in the consolidated financial statements of the current consolidated fiscal year Thousands of

Millions of ven U.S. dollars (Note 1) 2025 2024 2025 Goodwill ¥14,099 ¥15,607 \$94.299 Impairment loss 1,087 124 7,271

(b) Information on the contents of important accounting estimates related to the identified items

Regarding accounting for impairment of goodwill, assets for business use are grouped based on management accounting categories, and regarding the asset groups showing signs of impairment, the requirement of impairment is determined by comparing the total amount of undiscounted future cash flows obtained from asset groups with the book value.

As a result, if it is determined to be necessary to recognize impairment loss, the book value is reduced to the recoverable value.

Moreover, the estimate of undiscounted future cash flows is determined on the main assumption of the future business plan and the net realizable value of the asset groups at the end of the remaining useful life of goodwill.

If the conditions and assumptions on which the undiscounted future cash flows are estimated are changed owing to changes in the business plan and market environment and the future cash flows decrease, accounting for impairment may be necessary for the next consolidated fiscal year.

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(2) Accounting for impairment of fixed assets

(a) Amount recorded in the consolidated financial statements of the current consolidated fiscal vear Thousands of

	Millions of yen U.S. dollars (No		
	2025	2024	2025
Tangible fixed assets	¥503,827	¥481,508	\$3,369,634
Intangible fixed assets (excluding goodwill)	21,406	19,531	143,166
Impairment loss	3,747	611	25,065

(b) Information on the contents of important accounting estimates related to the identified items

As for accounting for the impairment of fixed assets, assets for business use are grouped based on management accounting categories, and regarding the asset groups showing signs of impairment, the requirement of impairment is determined by comparing the total amount of undiscounted future cash flows obtained from asset groups with the book value.

As a result, if it is determined to be necessary to recognize impairment loss, the book value is reduced to the recoverable value.

The recoverable value is calculated based on the net realizable value or value in use. Moreover, the estimate of undiscounted future cash flows is determined based on the main assumption of the future business plan and the net realizable value of land and buildings.

We capture a sign of impairment and carefully consider the recognition and measurement of impairment losses. However, if the conditions and assumptions on which the value is estimated are changed owing to changes in the business plan and market environment and the future cash flows decrease, accounting for impairment may be necessary for the next consolidated fiscal year.

(c) Judgment on recognition of impairment of Nipro Vietnam Company Limited Previous consolidated fiscal year (March 31, 2024)

i. Major assumption

In the current consolidated fiscal year, Nipro Vietnam Company Limited continuously recorded operating losses, and a sign of impairment was found. Therefore, it is being determined whether recognizing impairment losses is required.

Tangible fixed assets and intangible fixed assets related to the company in the consolidated balance sheet at the end of the current consolidated fiscal year are ¥18,985 million (1.7% of the consolidated total assets).

The recognition of impairment is judged by comparing the undiscounted future cash flows based on the business plan for Nipro Vietnam Company Limited (hereinafter referred to as the "Business Plan") with the book value. We have determined that the acquisition of licenses and approvals required for manufacturing and sales are considered the main assumptions for formulating the business plan.

Sales forecasts are set based on the available past results in our group and the future market forecast.

ii. Judgment result of recognition of impairment

As the total amount of undiscounted future cash flows obtained from Nipro Vietnam Company Limited exceeds the book value at the end of the current consolidated fiscal year, we find it unnecessary to recognize impairment losses.

iii. Impact on the consolidated financial statements of the next consolidated fiscal year Business plans entail uncertainty because they may be affected by the availability of licenses and approvals required for manufacturing, sales, and changes in the market environment. It may be necessary to record impairment losses depending on the future achievement status of the business plan.

Current consolidated fiscal year (March 31, 2025)

i. Major assumption

In the current consolidated fiscal year, Nipro Vietnam Company Limited continuously recorded operating losses, and a sign of impairment was found. Therefore, it is being determined whether recognizing impairment losses is required.

Tangible fixed assets and intangible fixed assets related to the company in the consolidated balance sheet at the end of the current consolidated fiscal year are ¥22,627 million (US\$151,311 thousand) (1.9% of the consolidated total assets).

The recognition of impairment is judged by comparing the undiscounted future cash flows based on the business plan for Nipro Vietnam Company Limited (hereinafter referred to as the "Business Plan") with the book value. We have determined that the acquisition of licenses and approvals required for manufacturing and sales are considered the main assumptions for formulating the business plan.

Sales forecasts are set based on the available past results in our group and the future market forecast.

ii. Judgment result of recognition of impairment

As the total amount of undiscounted future cash flows obtained from Nipro Vietnam Company Limited exceeds the book value at the end of the current consolidated fiscal year, we find it unnecessary to recognize impairment losses.

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iii. Impact on the consolidated financial statements of the next consolidated fiscal year Business plans entail uncertainty because they may be affected by the availability of licenses and approvals required for manufacturing, sales, and changes in the market environment. It may be necessary to record impairment losses depending on the future achievement status of the business plan.

- (3) Recoverability of deferred tax assets
- (a) Amount recorded in the consolidated financial statements of the current consolidated fiscal year

 Thousands of

		Millions of yen	U.S. dollars (Note 1)
	2025	2024	2025
Deferred tax assets	¥17,216	¥13,116	\$115,147

(b) Information on the contents of important accounting estimates related to the identified items

Regarding deferred tax assets, we recorded the future temporary deductible differences for which taxable income based on future profit plans can be sufficiently secured and which are determined to be recoverable.

Considering the change of taxable income in the past and current periods, taxable income is estimated based on the assumption of the future business plan, reasonable information, etc., at that time.

The recoverability of deferred tax assets depends on the estimate of future taxable income based on the budget, etc. If the estimate is reduced owing to changes in the conditions or assumptions as premise for the estimate, the deferred tax assets may be reduced, and tax expenses may be recorded in the following consolidated fiscal year.

4. Income Taxes

The Company and its domestic subsidiaries are subject to several taxes based on income which, in aggregate, resulted in a normal statutory tax rate of approximately 30.6% for the fiscal years ended March 31, 2025 and 2024.

The significant components of deferred tax assets and liabilities were as follows:

Thousands of Millions of yen U.S. dollars (Note 1)

	2025	2024	2025
Deferred tax assets			
Tax loss carryforwards	¥ 41,483	¥ 25,118	\$ 277,442
Intercompany profits	4,577	3,680	30,615
Valuation loss on inventories	2,224	2,513	14,878
Allowance for bonuses to employees	2,102	3,107	14,061
Sales allowance	558	511	3,735
Loss on impairment of fixed assets	525	697	3,514
Excess of allowance for doubtful accounts over tax allowable amounts	2,596	2,796	17,365
Net defined benefit liability	1,265	1,564	8,461
Accrued enterprise taxes	434	437	2,908
Accrued expense	571	699	3,819
Research and development costs	1,352	981	9,045
Other	9,108	6,364	60,921
Gross deferred tax assets	66,801	48,473	446,770
Less: Valuation allowance for the Net Operating Loss Carry Forwards	(37,194)	(19,618)	(248,756)
Less: Valuation allowance for the deductible temporary differences	(6,562)	(6,589)	(43,887)
Total Less: Valuation allowance (*1)	(43,756)	(26,208)	(292,643)
Total deferred tax assets	23,045	22,265	154,127
Offsetting deferred tax liabilities	(5,828)	(9,148)	(38,979)
Net deferred tax assets	17,216	13,116	115,147
Deferred tax liabilities			
Unrealized gain on available-for-sale securities	1,266	4,362	8,469
Revaluation reserve for land	675	783	4,519
Revaluation reserve for fixed assets — other	55	528	371
Retained earnings on foreign subsidiaries	1,151	1,030	7,698
Other	4,698	4,063	31,423
Total deferred tax liabilities	7,847	10,767	52,482
Offsetting deferred tax assets	(5,828)	(9,148)	(38,979)
Net deferred tax assets (liabilities)	¥ 2,018	¥ 1,619	\$ 13,502

^(*1) In the fiscal year ended March 31, 2025, Valuation allowance was increased by ¥17,548 million (US\$117,362 thousand). This increase was mainly due to a ¥10,142 million (US\$67,830 thousand) increase in the valuation allowance for tax loss carryforwards at Infradex, Inc.

In the fiscal year ended March 31, 2024, Valuation allowance was increased by ¥769 million. This increase was mainly due to a ¥960 million increase in the valuation allowance for tax loss carryforwards at Infradex, Inc.



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Reconciliation of the differences between the statutory tax rates and the effective income tax rates were as follows:

	2025	2024
Statutory tax rate	30.6%	30.6%
Expenses not deductible for tax purposes	1.9	1.5
Non-taxable dividend income	(0.5)	(0.5)
Inhabitant tax on per capita basis	1.0	0.8
Amortization of goodwill	5.0	4.5
Accumulated impairment of goodwill	1.7	0.2
Tax credits primarily for research and development costs	(8.5)	(5.1)
Retained earnings on foreign subsidiaries	0.6	0.7
Unrealized Gain	0.8	(7.3)
Valuation allowance	26.4	2.5
Prior tax expense	0.1	3.8
Effect of hyperinflationary accounting	0.6	1.1
Equity in losses of affiliates	5.3	3.2
Other	0.1	0.7
Effective income tax rate	65.1%	36.7%

Millions of yen

		2025					
	Within 1 year	Over 1 year within 2 years		Over 3 years within 4 years		Over 5 years	Total
Net Operating Loss Carry Forwards (*A)	¥ 283	¥ 1,191	¥ 1,406	¥ 1,188	¥ 1,471	¥ 35,942	¥ 41,483
Valuation allowance	(283)	(1,191)	(1,406)	(1,188)	(1,471)	(31,653)	(37,194)
Deferred Tax Assets	_	_	_	_	_	4,289	4,289 ^(*B)

Millions of ven

	2024						
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years	Total
Net Operating Loss Carry Forwards (*A)	¥ 152	¥ 623	¥ 1,029	¥ 981	¥ 972	¥ 21,359	¥ 25,118
Valuation allowance	(152)	(569)	(819)	(980)	(917)	(16,179)	(19,618)
Deferred Tax Assets	_	54	210	0	54	5,180	5,500 ^(*B)

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Thousands of U.S. dollars (Note 1)

		2025						
	Within 1 year	Over 1 year within 2 years		Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years	Total	
Net Operating Loss Carry Forwards (*A)	\$1,894	\$ <i>7</i> ,966	\$9,409	<i>\$7,946</i>	\$9,840	\$240,384	\$277,442	
Valuation allowance	(1,894)	(7,966)	(9,409)	(7,946)	(9,840)	(211,698)	(248,756)	
Deferred Tax Assets	_	_	_	_	_	28,685	28,685 ^(*B)	

- (*A) Each Net Operating Loss Carry Forwards amount is multiplied by Statutory tax rate.
- (*B) Deferred Tax Assets for Net Operating Loss Carry Forwards (multiplied by Statutory tax rate) for the years ended March 31, 2025 and 2024 were ¥41,483 million (US\$277,442 thousand) and ¥25,118 million, respectively. Those Deferred Tax Assets were mainly recognized for the balance of Net Operating Loss Carry Forwards (multiplied by Statutory tax rate) in Nipro Holding Americas, Inc. As a result of tax scheduling, Valuation allowance for those Net Operating Loss Carry Forwards was not recognized due to assumption that this amount is collectable.

Change in presentation

"Accumulated impairment of goodwill" (0.2% in the previous fiscal year), which was included in "Other" in the previous fiscal year, is presented separately in the current fiscal year due to its increased importance. To reflect this change in presentation, the notes for the previous consolidated fiscal year have been reclassified.

Adjustments to deferred tax assets and deferred tax liabilities due to changes in income tax rates

The "Law for Partial Revision of the Income Tax Law, etc." (Law No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the "Special Defense Corporation Tax" will be imposed from the consolidated fiscal year beginning on or after April 1, 2026.

In accordance with this change, the effective statutory tax rate has been changed from 30.6% to 31.5% for the calculation of deferred tax assets and deferred tax liabilities related to temporary differences expected to be eliminated in the consolidated fiscal years beginning on or after April 1, 2026. As a result of this change, deferred tax liabilities (the amount after deducting deferred tax assets) increased ¥18 million (US\$123 thousand), income taxes-deferred increased ¥42 million (US\$285 thousand), net unrealized gains on available-for-sale securities decreased ¥36 million (US\$241 thousand), and remeasurements of defined benefit plans decreased ¥25 million (US\$167 thousand), respectively, for the fiscal year under review.

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5. Pledged Assets

The following assets were pledged as collateral:

		Millions of yen	U.S. dollars (Note 1)
	2025	2024	2025
Buildings and structures	¥ 7,283	¥5,252	\$48,711
Machinery and equipment	3,096	147	20,711
Land	2,981	2,981	19,939
Other	830	663	5,554
Total	¥14,191	¥9,043	\$94,916

The above assets were pledged against the following liabilities:

Thousands of Millions of yen U.S. dollars (Note 1)

	2025	2024	2025
Short-term debt	¥ 516	¥ 699	\$ 3,455
Current portion of long-term debt	2,871	1,562	19,206
Long-term debt (excluding current portion)	5,961	6,733	39,868
Total	¥9,349	¥8,995	\$62,530

6. Leases

- (1) Finance lease transactions (Lessee)
- (a) Lease assets related to finance lease transactions that transfer ownership
- i. Details of lease assets

The lease assets mainly consist of tangible assets such as manufacturing and research facilities of the parent company.

ii. Depreciation method of leased assets

The same depreciation method is applied as that applied to fixed assets owned by the Company.

(b) Lease assets related to finance lease transactions that do not transfer ownership i. Details of lease assets

The lease assets mainly consist of tangible assets such as host computers and servers (tools, furniture, and fixtures) at the parent company.

ii. Depreciation method of leased assets

Depreciation of lease assets is computed by the straight-line method over the lease term with a residual value of zero.

(2) Operating lease transactions (Lessee)

Future minimum lease payments under non-cancelable operating leases

	Millions of yen	U.S. dollars (Note 1)
	2025	2025
Payments due within one year	¥ 2,234	\$14,946
Payments due over one year	10,150	67,889
Total	¥12,385	\$82,836

7. Investment Securities

Investment securities as of March 31, 2025 and 2024 consisted of the following:

		Millions of yen	U.S. dollars (Note 1)
	2025	2024	2025
Non-current:			
Marketable:			
Marketable equity securities	¥ 7,976	¥23,272	\$ 53,348
Investment trust funds and other	_	_	_
Subtotal	7,976	23,272	53,348
Non-marketable securities	1,082	1,322	7,239
Investments in unconsolidated subsidiaries and affiliates accounted for by equity method	6,228	8,350	41,658
Total	¥15,287	¥32,945	¥102,246

The carrying amounts and aggregate fair values of marketable securities for investments as of March 31, 2025 and 2024 were as follows:

Millions of yen

		2025				
	Cost	Unrealized gain	Unrealized loss	Fair value		
Available-for-sale securities						
Equity securities	¥ 4,270	¥ 4,026	¥ 320	¥ 7,976		
Debt securities and other	_	_	_	_		
Total	4,270	4,026	320	7,976		

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Millions of yen

		2024						
	Cost	Unrealized gain	Unrealized loss	Fair value				
Available-for-sale securities								
Equity securities	¥9,466	¥13,938	¥132	¥23,272				
Debt securities and other	_	_	_	_				
Total	9,466	13,938	132	23,272				

Thousands of U.S. dollars (Note 1)

	2025						
	Cost	Unrealized gain	Unrealized loss	Fair value			
Available-for-sale securities							
Equity securities	\$28,563	\$26,926	\$2,141	\$53,348			
Debt securities and other	_	_	_	_			
Total	28,563	26,926	2,141	53,348			

Proceeds from sales of securities and gross realized gains or losses on those sales for the fiscal years ended March 31, 2025 and 2024 were as follows: Thousands of

		Millions of yen U.S. dollars (No			
	2025	2024	2025		
Proceeds	¥13,403	8,541	\$89,644		
Gains on sales	8,197	3,682	54,823		
Losses on sales	7	0	48		

No impairment loss was applied to securities in the fiscal year ended March 31, 2025 and 2024.

In case fair value for the marketable equity security fell by over 50% from the acquisition cost, the stock impairment is applied unless there is a reasonable disproval, the Company records an impairment loss. In case fair value for the marketable equity security fell by 30% to 50%, impairment is applied except when it is expected to recover.

8. Financial Instruments

(1) Circumstances on financial instruments

(a) Policy for financial instruments

The Company and its consolidated subsidiaries manage the temporary surplus funds by deposits with banks that have a high level of safety. Based on capital expenditure planning and financing planning, the Company and its consolidated subsidiaries raise funds for business operation with bank loans, commercial paper, corporate bonds, and issuing convertible bond with stock acquisition rights.

The Company and its consolidated subsidiaries enter into derivative transactions for the purpose of reducing funding costs and hedging their exposures to foreign exchange fluctuations and interest rate fluctuations, but not for speculative purposes.

(b) Details and risk of financial instruments and its risk management

Receivables such as trade notes and accounts receivable are exposed to customer's credit risk. Receivables denominated in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates.

In order to reduce the customer's risk, the Company monitors the dues and balances by customer in accordance with the Company's credit administration regulations.

Investment securities are exposed to market fluctuation risk, but mainly consist of equity of the companies which conduct business with the Company. The Company periodically reviews the market price of such securities.

Payables such as trade notes, accounts payable and accounts payable other are due within 1 year.

Payables denominated in foreign currency are exposed to the risk of fluctuation in foreign currency exchange rates.

Short-term loans payable are mainly borrowed to raise operating capital and long-term loans payable are mainly borrowed to make capital expenditures. A part of long-term loans with the floating interest rate has the risk of interest rate fluctuation, but the Company and its consolidated subsidiaries use interest rate swaps to solidify the interest rate. For some of the loans denominated in foreign currency, the Company and its consolidated subsidiaries use currency swaps to hedge the currency fluctuation risk.

Corporate bonds and convertible bonds are mainly issued to raise the funds for the retirement of bonds.

Lease obligations are mainly for capital expenditures, free from interest-rate risk because the interest rate is fixed.

Payables, loans and bonds are exposed to liquidity risk, but the Company and its consolidated subsidiaries manage the risk by establishing cash planning.

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Regarding derivatives, the Company enters into forward exchange contracts to hedge against the risk of fluctuations in foreign currency exchange rates associated with trade receivables and payables denominated in foreign currencies, interest rate swaps to hedge against the risk of fluctuations in interest rates associated with loans payable, and currency swaps to hedge against the risk of foreign exchange rate fluctuations. For more information on the use of hedge accounting, including hedging instruments, hedged items, the hedging policy, and the method for assessment of hedge effectiveness, please refer to "2. Summary of Significant Accounting Policies" (m) Hedge Accounting.

As the Company manages its exposure to credit risk by limiting its funding to high-credit rating financial institutions, the Company recognizes that the exposure to credit risk is extremely low.

The Company executes and manages derivative transactions under the corporate derivative management policy, which prescribes the authority and limitations on derivative transactions.

(c) Supplemental information on fair values of financial instruments

Because variable factors are counted in the estimation, the estimated values may vary by adopting different assumptions.

With respect to the contract amounts related to derivative transactions in Note 9, the amounts do not reflect market risks to derivative transactions.

(2) Fair values of financial instruments

The book values, fair values and the differences between them as of March 31, 2025 and 2024 were as follows (Financial instruments for which the fair value is extremely difficult to determine are not included as described in remark 1.):

Millions of yen

	2025			
	Book value	Fair value	Difference	
Investment securities	¥ 7,976	¥ 7,976	¥ —	
Assets total	¥ 7,976	¥ 7,976	¥ —	
Corporate bonds	103,000	88,950	(14,049)	
Convertible bond-type bonds with subscription rights to shares	30,090	31,440	1,350	
Long-term debt (excluding current portion)	309,987	303,078	(6,909)	
Lease obligations (excluding current portion)	25,170	22,997	(2,173)	
Liabilities total	¥468,248	¥446,466	¥(21,782)	
Derivatives (*1)	¥ 76	¥ 76	¥ —	

Millions of yen

	2024				
	Book value	Fair value	Difference		
Investment securities	¥ 23,272	¥ 23,272	¥ —		
Assets total	¥ 23,272	¥ 23,272	¥ —		
Corporate bonds	82,000	80,373	(1,626)		
Convertible bond-type bonds with subscription rights to shares	30,150	31,065	915		
Long-term debt (excluding current portion)	302,819	298,995	(3,824)		
Lease obligations (excluding current portion)	25,312	22,973	(2,339)		
Liabilities total	¥440,282	¥433,406	¥(6,875)		
Derivatives (*1)	¥ (635)	¥ (635)	¥ —		

Thousands of U.S. dollars (Note 1)

	2025				
	Book value	Fair value	Difference		
Investment securities	\$ 53,348	\$ 53,348	\$ —		
Assets total	\$ 53,348	\$ 53,348	\$ —		
Corporate bonds	688,871	594,910	(93,960)		
Convertible bond-type bonds with subscription rights to shares	201,243	210,272	9,028		
Long-term debt (excluding current portion)	2,073,219	2,027,008	(46,211)		
Lease obligations (excluding current portion)	168,344	153,806	(14,537)		
Liabilities total	\$3,131,678	<i>\$2,985,997</i>	\$(145,680)		
Derivatives (*1)	\$ 510	\$ 510	\$ —		

(*1) The amount represents the net amount of assets (liabilities). Cash is not disclosed. Deposits out of "Cash and deposits," "Trade notes and accounts receivable," "Trade notes and accounts payable," "Short-term debt," "Commercial paper," "Current portion of corporate bonds," "Current portion of lease obligations" and "Notes payable-facilities" are not disclosed because their maturities are short and the carrying values approximate fair value.

Remark 1 Financial instruments for which the fair value is extremely difficult to determine

Thousands of Millions of ven U.S. dollars (Note 1)

	2025	2024	2025
Unlisted equity securities	¥6,642	¥8,951	\$44,424

They are not included in investment securities because there were no quoted market prices available and it is extremely difficult to determine the fair value as of March 31, 2025 and 2024.

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Remark 2 Planned redemption amounts after the balance sheet date for monetary receivables with maturity dates

Planned redemption amounts after the balance sheet date for monetary receivables with maturity dates at March 31, 2025 and 2024 were as follows:

		Millions of yen	U.S. dollars (Note 1)	
	2025	2024	2025	
	Within 1 year	Within 1 year	Within 1 year	
	¥ 106,668	¥ 99,667	\$ 713,403	
its receivable	166,858	160,240	1,115,961	

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Remark 3 Planned repayment amounts after the balance sheet date for monetary payables with maturity dates

Planned repayment amounts after the balance sheet date for monetary payables with maturity dates at March 31, 2025 and 2024 were as follows:

						Millions of yen	
		2025					
	Within 1 year	Over 1 year and within 2 years	Over 2 years and within 3 years	Over 3 years and within 4 years	Over 4 years and within 5 years	Over 5 years	
Short-term bank debt	¥156,174	¥ —	¥ —	¥ —	¥ —	¥ —	
Current portion of corporate bonds	1,000	_	_	_	_	_	
Current portion of lease obligations	6,653	_	_	_	_	_	
Corporate bonds	_	1,000	_	20,000	32,000	50,000	
Convertible bond-type bonds with subscription rights to shares	_	30,000	_	_	_	_	
Long-term debt (excluding current portion)	_	71,636	76,190	77,157	55,859	29,144	
Lease obligations (excluding current portion)	_	3,529	2,582	1,820	14,434	2,803	
Total	¥163,827	¥106,165	¥ 78,772	¥ 98,978	¥102,294	¥ 81,947	

						Millions of yen		
		2024						
	Within 1 year	Over 1 year and within 2 years	Over 2 years and within 3 years	Over 3 years and within 4 years	Over 4 years and within 5 years	Over 5 years		
Short-term bank debt	¥160,367	¥ —	¥ —	¥ —	¥ —	¥ —		
Commercial paper	20,000	_	_	_	_	_		
Current portion of corporate bonds	4,700	_	_	_	_	_		
Current portion of lease obligations	4,748	_	_	_	_	_		
Corporate bonds	_	1,000	1,000	_	20,000	60,000		
Convertible bond-type bonds with subscription rights to shares	_	_	30,000	_	_	_		
Long-term debt (excluding current portion)	_	69,041	61,024	73,346	59,689	39,717		
Lease obligations (excluding current portion)	_	3,743	2,673	1,870	1,521	15,503		
Total	¥189,816	¥ 73,785	¥ 94,698	¥ 75,216	¥ 81,211	¥115,220		

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Thousands of U.S. dollars (Note 1)

	2025						
	Within 1 year	Over 1 year and within 2 years	Over 2 years and within 3 years	Over 3 years and within 4 years	Over 4 years and within 5 years	Over 5 years	
Short-term bank debt	\$1,044,502	\$ —	\$ —	\$ —	\$ —	\$ —	
Current portion of corporate bonds	6,688	_	_	_	_	_	
Current portion of lease obligations	44,499	_	_	_	_	_	
Corporate bonds	_	6,688	_	133,761	214,018	334,403	
Convertible bond-type bonds with subscription rights to shares	_	200,642	_	_	_	_	
Long-term debt (excluding current portion)	_	479,108	509,564	516,035	373,590	194,920	
Lease obligations (excluding current portion)	_	23,605	17,271	12,178	96,541	18,747	
Total	\$1,095,690	\$ 710,043	\$ 526,835	\$ 661,976	\$ 684,149	\$ 548,071	

(3) Breakdown of fair values of financial instruments by level

The fair values of financial instruments are classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

- Level 1: Fair value calculated based on quoted market prices for assets or liabilities for which such fair value in available in active markets among the inputs used in the calculation of observable fair value.
- Level 2: Fair value calculated using inputs other than Level 1 inputs to the calculation of observable fair value.
- Level 3: Fair value calculated using inputs that are unobservable.

When multiple inputs that have a significant effect on the calculation of fair value are used, fair value is classified into the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

(a) Financial instruments measured at fair value on the consolidated balance sheet

Millions of ven

				Millions of yen			
		2025					
		Fair	/alue				
	Level 1	Level 2	Level 3	Total			
Investment securities							
Other securities							
Stocks	¥7,976	_	_	¥7,976			
Total assets	¥7,976	¥ —	¥ —	¥7,976			
Derivatives transactions							
Currency-related	_	¥ 568	_	¥ 568			
Interest-related	_	¥ (596)	_	¥ (596)			
Interest rate and currency related	_	104	_	104			
Total liabilities	¥ —	¥ 76	¥ —	¥ 76			

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				Millions of yen		
		2024				
	Fair value Fair value					
	Level 1	Level 2	Level 3	Total		
Investment securities						
Other securities						
Stocks	¥23,272	¥ —	¥ —	¥23,272		
Total assets	¥23,272	¥ —	¥ —	¥23,272		
Derivatives transactions						
Currency-related	¥ —	¥ (667)	¥ —	¥ (667)		
Interest-related	_	_	_	_		
Interest rate and currency related	_	31	_	31		
Total liabilities	¥ —	¥ (635)	¥ —	¥ (635)		

Thousands of U.S. dollars (Note1)

		2025 Fair value					
	Level 1	Level 2	Level 3	Total			
Investment securities							
Other securities							
Stocks	\$53,348	_	_	\$53,348			
Total assets	\$53,348	\$ —	\$ —	\$53,348			
Derivatives transactions				\$ —			
Currency-related	_	\$ 3,805	_	\$ 3,805			
Interest-related	_	\$ (3,991)	_	\$ (3,991)			
Interest rate and currency related	_	696	_	696			
Total liabilities	\$ —	\$ 510	\$ —	\$ 510			

(b) Financial instruments other than those measured at fair value on the consolidated balance sheet

Mil	lions	of	yen
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	2025					
		Fair value				
_	Le	vel 1	Level 2	Level 3	Total	
Corporate bonds	¥	_	¥ 88,950	_	¥ 88,950	
Convertible bond-type bonds with subscription rights to shares		_	31,440	_	31,440	
Long-term debt (excluding current portion)		_	303,078	_	303,078	
Lease obligations (excluding current portion)		_	22,997	_	22,997	
Total liabilities	¥	_	¥446,466	¥ —	¥446,466	

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	2024					
	Fair value					
	Level 1	Level 2	Level 3	Total		
Corporate bonds	¥ —	¥ 80,373	¥ —	¥ 80,373		
Convertible bond-type bonds with subscription rights to shares	_	31,065	_	31,065		
Long-term debt (excluding current portion)	_	298,995	_	298,995		
Lease obligations (excluding current portion)	_	22,973	_	22,973		
Total liabilities	¥ —	¥433,406	¥ —	¥433,406		

Thousands of U.S. dollars (Note 1)

	2025 Fair value					
	Level 1	Level 2	Level 3	Total		
Corporate bonds	\$ —	\$ 594,910	\$ —	\$ 594,910		
Convertible bond-type bonds with subscription rights to shares	_	210,273	_	210,273		
Long-term debt (excluding current portion)	_	2,027,008	_	2,027,008		
Lease obligations (excluding current portion)	_	153,806	_	153,806		
Total liabilities	\$ —	\$2,985,998	\$ —	\$2,985,998		

(Note) Explanation of valuation techniques used and inputs related to the calculation of fair value

Investment securities

The fair value of listed stocks is estimated using quoted market prices. Since listed stocks are traded in active markets, their fair value is classified as Level 1.

Derivative transactions

Fair value is calculated based on prices, etc., provided by financial institutions with which the Company has transactions, and is classified as Level 2.

The fair value of interest rate swaps that qualify for special treatment is included in the fair value of the relevant long-term borrowings because they are accounted for as an integral part of long-term borrowings that are hedged.

Corporate bonds and Long-term debt

The fair value of corporate bonds and Long-term debt is calculated based on the present value of the total principal and interest discounted using an appropriate index such as the yield on government bonds plus an interest rate that takes credit risk into account, and is classified as Level 2.

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- Convertible bond-type bonds with subscription rights to shares The fair value of convertible bond with stock acquisition rights is calculated based on the price, etc. provided by the financial institutions with which the Company has transactions and is classified as Level 2.
- Lease obligations The fair value of lease obligations is calculated based on the present value of the principal and interest discounted at an interest rate that takes into account the remaining period of the obligation and credit risk, and is classified as Level 2.

9. Derivatives

The Company and its consolidated subsidiaries held the following derivatives contracts outstanding at March 31, 2025 and 2024.

(1) Derivatives for which hedge accounting has not been applied

(a) Currency-related

Millions of yen

		2025			
	Type of derivative	Contract amount	Over 1 year out-of- contract amount	Fair value	
Transaction other than market transaction	Non-deliverable forward	¥17,183	¥ —	¥203	
	Currency swaption	3,738	-	45	
market transaction	Currency swap	158	-	0	

				Millions of yen
			2024	
	Type of derivative	Contract amount	Over 1 year out-of- contract amount	Fair value
	Non-deliverable forward	¥ 3,534	¥ —	¥ (12)
Transaction other than market transaction	Currency swaption	15,660	_	(467)
	Currency swap	773	_	(17)

Fair value is based on the information provided by a financial institution at the end of the fiscal year.

		Thousands of U.S. dollars (Note			
			2025		
	Type of derivative	Contract amount	Over 1 year out-of- contract amount	Fair value	
Transaction other than market transaction	Non-deliverable forward	\$114,927	\$ —	\$ 1,363	
	Currency swaption	25,000	_	305	
	Currency swap	1,057	-	6	

(b) Interest-related

Millions of yen

		2025		
	Type of derivative	Contract amount	Over 1 year out-of- contract amount	Fair value
Transaction other than market transaction	Interest rate swap	¥30,000	¥30,000	¥(596)

Thousands of U.S. dollars (Note 1)

		2025		
	Type of derivative	Contract amount	Over 1 year out-of- contract amount	
Transaction other than market transaction	Interest rate swap	\$200,642	\$200,642	\$(3,991)

(2) Derivatives for which hedge accounting has been applied

(a) Currency-related

Millions of yen

				2025	
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value
Principle method	Non-deliverable forward	Long-term loans	¥2,746	¥—	¥318

Fair value is based on the information provided by a financial institution at the end of the fiscal year.

Millions of yen

			2024			
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value	
Dringin la mathad	Currency swap	Long-term debt	¥ 558	¥—	¥(139)	
Principle method	Non-deliverable forward	Long-term loans	¥2,758	¥—	¥(29)	

Fair value is based on the information provided by a financial institution at the end of the fiscal year.

Thousands of U.S. dollars (Note 1)

				2025	
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value
Principle method	Non-deliverable forward	Long-term loans	\$18,367	\$ —	\$2,129

Millions of yen





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(b) Interest-related

rate swap

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()					
				2025	
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value
Exceptional accounting method for interest rate swap	Interest rate swap	Long-term debt	¥15,000	¥—	(*1)
					Millions of yen
				2024	
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value
Exceptional accounting method for interest	Interest rate swap	Long-term debt	¥15,000	¥15,000	(*1)

(*1) The fair value of the interest rate swap to which the exceptional accounting method is applied and the fair value of forward foreign exchange contract, etc., to which the allocation method is applied are included in the fair value of long-term loans in Note 8. "Financial Instruments" because such interest rate swap and forward foreign exchange contract, etc., are accounted for as a single item with the corresponding long-term loans.

Thousands of U.S. dollars (Note 1)

				2025	
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value
Exceptional accounting method for interest rate swap	Interest rate swap	Long-term debt	\$100,321	\$ —	(*1)

(c) Interest rate and currency-related					Millions of yen
				2025	
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value
Principle method	Interest rate and currency swap	Long-term debt	¥866	¥—	¥104
					Millions of yen
				2024	
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value
Principle method	Interest rate and currency swap	Long-term debt	¥797	¥797	¥ 31

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Thousands of U.S. dollars (Note 1)

				2025	
Method of hedge accounting	Type of derivative	Principal hedge item	Contract amount	Over 1 year out-of- contract amount	Fair value
Principle method	Interest rate and currency swap	Long-term debt	\$5,797	\$ —	\$69 <i>7</i>

10. Short-Term Debt and Long-Term Debt

Short-Term Debt and Long-Term Debt comprised the following:

Millions of yen

		20	25	
	Balance at the beginning of current period	Balance at the end of current period	Average interest rate	Payment term
Short-term debt	¥ 73,039	¥ 76,593	2.997%	_
Current portion of long-term debt	87,327	79,580	0.763%	_
Current portion of lease obligations	4,748	6,653	_	_
Long-term debt (excluding current portion)	302,819	309,987	0.854%	2026–2033
Lease obligations (excluding current portion)	25,312	25,170	_	2026–2038
Other interest-bearing liabilities Commercial papers (Within 1 year)	20,000	_	_	_
Long-term guarantee deposits from agents	2,533	2,564	0.239%	_
Total	¥515,781	¥500,550	_	_

Millions of yen

	2024				
	Balance at the beginning of current period	Balance at the end of current period	Average interest rate	Payment term	
Short-term debt	¥ 65,511	¥ 73,039	3.121%	_	
Current portion of long-term debt	65,058	87,327	0.499%	_	
Current portion of lease obligations	4,440	4,748	_	_	
Long-term debt (excluding current portion)	316,555	302,819	0.608%	2025–2034	
Lease obligations (excluding current portion)	25,265	25,312	_	2025–2038	
Other interest-bearing liabilities Commercial papers (Within 1 year)	10,000	20,000	0.495%	_	
Long-term guarantee deposits from agents	2,536	2,533	0.243%	_	
Total	¥489,368	¥515,781	_	_	

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Thousands of U.S. dollars (Note 1)

		2025				
	Balance at the beginning of current period	Balance at the end of current period	Average interest rate	Payment term		
Short-term debt	\$ 488,495	\$ 512,261	2.997%	_		
Current portion of long-term debt	584,054	532,241	0.763%	_		
Current portion of lease obligations	31,757	44,499	_	_		
Long-term debt (excluding current portion)	2,025,277	2,073,219	0.854%	2026–2034		
Lease obligations (excluding current portion)	169,294	168,344	_	2026–2038		
Other interest-bearing liabilities Commercial papers (Within 1 year)	133,761	_	_	_		
Long-term guarantee deposits from agents	16,942	17,149	0.239%	_		
Total	\$3,449,584	\$3,347,715	_	_		

Average interest rate is the weighted average interest rate on the balance of borrowings, etc. at the end of the fiscal year. Average interest rate for lease obligations is not stated because lease obligations are recorded on the consolidated balance sheets at the amount before deducting the amount equivalent to interest included in the total lease payments.

The aggregate annual maturities of long-term debt outstanding at March 31, 2025 were as follows: Thousands of

	Millions of yen	U.S. dollars (Note 1)
	2025	2025
2025	¥ 79,580	\$ 532,241
2026	71,636	479,108
2027	76,190	509,564
2028 and thereafter	162,161	1,084,547
Total	¥389,569	\$2,605,460

As is customary in Japan, long-term and short-term bank loans are made under general agreements which provide that additional securities and guarantees for present and future indebtedness will be given under certain circumstances at the

In addition, the agreements provide that the bank has the right to offset cash deposits against any long-term and short-term bank loan that becomes due, and in case of default and certain other specified events, against all other loans payable to the bank.

Corporate bonds comprised the following:

Thousands of Millions of yen U.S. dollars (Note 1)

	2025	2024	2025
0.25% unsecured bonds due 2025	¥ —	¥ 3,000	\$ —
0% convertible bond due 2026	30,090	30,150	201,243
1.6% unsecured bonds with subordinated specials due 2055	50,000	50,000	334,403
0.674% unsecured bonds due 2028	10,000	10,000	66,880
0.44% unsecured bonds due 2029	10,000	10,000	66,880
0.014%–0.025% unsecured bonds due from 2024 to 2027 $^{(\mbox{\tiny 1})}$	2,000	3,700	13,376
1.088% unsecured bonds with subordinated specials due 2028	10,000	10,000	66,880
1.240% unsecured bonds with subordinated specials due 2029	19,000	_	127,073
1.370% unsecured bonds due 2030	3,000	_	20,064
Total	¥134,090	¥116,850	\$896,803

(*1) This is the total amount of the bonds Goodman Co., Ltd. issued.

In March 2020, the Company issued ¥3,000 million (US\$20,064 thousand) of 0.25% unsecured bonds due 2025. In October 2018, the Company issued ¥10,000 million (US\$66,880 thousand) of 0.674% unsecured bonds due 2028. In October 2019, the Company issued ¥10,000 million (US\$ 66,880 thousand) of 0.44% unsecured bonds due 2029. In September 2020, the Company issued ¥50,000 million (US\$334,403 thousand) of 1.6% unsecured bonds due 2055 In September 2021, the Company issued ¥30,270 million (US\$202,447 thousand) of 0% convertible bonds due 2026. From February 2017 to February 2023, Goodman Co., Ltd. issued ¥7,900 million (US\$52,835 thousand) of 0.014% and 0.120% unsecured bonds due from 2024 to 2027.

In October 2023, the Company issued ¥10.000 million (US\$66.045 thousand) of 1.088% unsecured bonds due 2028. In October 2024, the Company issued ¥19,000 million (US\$127,073 thousand) of 1.240% unsecured bonds due 2029. In March 2025, the Company issued ¥3,000 million (US\$20,064 thousand) of 1.370% unsecured bonds due 2030.

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11. Accrued Pension and Severance Liabilities

The Company and certain consolidated subsidiaries have defined benefit pension plans and unfunded retirement benefit plans, and defined contribution pension plans for employees.

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Certain consolidated subsidiaries have recorded liabilities for retirement benefit and assets for a retirement benefit based on the simplified method.

- (1) Defined Benefit Plans
- (a) The reconciliation of beginning and ending balances of the benefit obligation (excluding the defined benefit plans applied based on the simplified method) is as follows:

	2025	2024	2025
Obligation at April 1	¥19,116	¥17,731	\$127,853
Service cost	1,737	1,654	11,620
Interest cost	351	256	2,353
Actuarial gains and losses	(1,320)	(302)	(8,830)
Benefit payments	(529)	(413)	(3,540)
Other (foreign currency translation adjustments, etc.)	159	188	1,064
Obligation at March 31	¥19,515	¥19,116	\$130,520

(b) The reconciliation of beginning and ending balances of the fair value of the plan assets (excluding the defined benefit plans applied based on the simplified method) is as follows:

> Thousands of Millions of yen U.S. dollars (Note 1)

	2025	2024	2025
Fair value of plan assets at April 1	¥13,562	¥12,592	\$90,706
Expected return on plan assets	232	210	1,554
Actuarial gains and losses	(245)	317	(1,638)
Company contribution	785	748	5,255
Benefit payments	(274)	(276)	(1,837)
Other (foreign currency translation adjustments, etc.)	517	(29)	3,461
Fair value of plan assets at March 31	¥14,578	¥13,562	\$97,501

(c) The reconciliation of beginning and ending balances of liabilities for retirement benefit calculated by the simplified method is as follows: Thousands of

		Millions of yen U.S. dollar	
	2025	2024	2025
Liabilities for retirement benefit at April 1	¥27	¥24	\$181
Retirement benefit cost	1	3	11
Retirement payments	(0)	(1)	(2)
Liabilities for retirement henefit at March 31	¥28	¥27	\$190

(d) The reconciliation of ending balance of the benefit obligation and the fair value of the plan assets, and liabilities and assets for retirement benefit are as follows:

		Millions of yen	U.S. dollars (Note 1
	2025	2024	2025
Benefit obligation on funded scheme	¥ 15,651	¥ 15,811	\$104,675
Plan assets	(14,578)	(13,562)	(97,501)
	1,072	2,248	7,174
Benefit obligations on unfunded scheme	3,892	3,332	26,035
Net liabilities in the consolidated balance sheet	4,965	5,581	33,210
Net defined benefit liability	7,244	5,675	48,451
Retirement benefit asset	(2,278)	(94)	(15,240)
Net liabilities in the consolidated balance sheet	¥ 4,965	¥ 5,581	\$ 33,210

(*) Including the defined benefit plans applied based on the simplified method

(e) The breakdown of net pension and severance costs is as follows:

		Millions of yen	Thousands of U.S. dollars (Note 1)
	2025	2024	2025
Service cost	¥1,737	¥1,654	\$11,620
Interest cost	351	256	2,353
Expected return on plan assets	(232)	(210)	(1,554)
Amortization of actuarial gains and losses	(428)	(182)	(2,867)
Amortization of prior service cost	(113)	(132)	(757)
Retirement benefit cost calculated by the simplified method	1	3	11
Other	(113)	(2)	(761)
Total	¥1,202	¥1,386	\$ 8,043

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(f) Remeasurements of defined benefit plans (Other Comprehensive Income)

The breakdown of the items recorded in adjustments to defined benefit plans is as follows:

		Millions of yen	U.S. dollars (Note 1)
	2025	2024	2025
Prior service cost	¥ (113)	¥(132)	\$ (757)
Actuarial gains and losses	1,150	463	7,695
Total	¥1,037	¥ 330	\$6,93 <i>7</i>

(g) Remeasurements of defined benefit plans (Accumulated Other Comprehensive Income) The breakdown of the items recorded in adjustments to defined benefit plans is as follows:

			U.S. dollars (Note 1)
	2025	2024	2025
Unrecognized prior service cost	¥ (153)	¥ 348	\$ (1,029)
Unrecognized actuarial losses	3,420	1,880	22,877
Total	¥3,266	¥2,229	\$21,847

(h) Items concerning the plan assets

1. The breakdown of the plan assets

Plan assets as of March 31, 2025 and 2024 consist of the following:

	2025	2024
Bonds	27%	28%
Equities	31	32
Short-term funds	2	2
General account	17	20
Others	23	18
Total	100%	100%

^(*) Including the defined benefit plans applied based on the simplified method

2. Method of determining the expected rate of return on plan assets

The long-term expected rate of return is determined considering the current and future allocation of plan assets, and the current and expected long-term rate of return from the diverse assets composing the plan assets.

(i) Basis of actuarial calculation

The assumptions used in actuarial calculations for the fiscal years ended March 31,2025 and 2024 are as follows:

	2025	2024
Discount rate	Primarily 2.0%	Primarily 1.4%
Expected long-term rate of return	Primarily 1.5%	Primarily 1.5%
Expected rate of salary increase	Primarily 6.4%	Primarily 6.6%

(2) Defined Contribution Retirement Plans

The amounts of necessary contributions to defined contribution retirement plans within the Company and consolidated subsidiaries were ¥1,085 million (US\$7,260 thousand) and ¥949 million for the years fiscal ended March 2025 and 2024, respectively.

12. Stock Options

(1) Amount of expense recorded for stock options and account titles

	Millions of yen	U.S. dollars (Note 1)
25	2024	2025
4	¥—	\$26

(2) Description, size and changes in stock option

(a) Description of stock option

Selling, general and administrative expenses

(a) Description of Stock option	
Company Name	Consolidated Subsidiary (New England Cell Therapeutics, Inc.)
Date of resolution	Apr 18, 2024
Classification and number of grantees	2 directors and 1 employee of the company
Number of stock options by type of share (*1)	Common stock 2,401,808 shares
Grant date	May 1, 2024
Vesting conditions (*2)	1/2 of the options vest on April 19, 2025, with an additional 1/8 vesting every three months thereafter.
Requisite service period	_
Exercise period	10 years after vesting

- (*1) The number of stock options is converted into the number of shares.
- (*2) Stock acquisition rights may be exercised only when the conditions stipulated in the agreement between the relevant consolidated subsidiary and the grantee of the stock acquisition rights are met.

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(b) Size of stock options and changes in stock options

Stock options that existed during the current fiscal year (fiscal year ended Mar 31, 2025) are included, and the number of stock options is converted into the number of shares.

i. Number of stock options

Company Name	Consolidated Subsidiary (New England Cell Therapeutics, Inc.)
Date of resolution	Apr 18, 2024
Before Vested	
End of previous fiscal year	_
Granted	2,401,818
Forfeited	_
Vested	_
Outstanding	2,401,818
After Vested	
End of previous fiscal year	_
Vested	_
Exercised	_
Forfeited	_
Outstanding	_

ii. Unit price information

Company Name	Consolidated Subsidiary (New England Cell Therapeutics, Inc.)
Date of resolution	Apr 18, 2024
Exercise price (US\$)	0.05
Average share price at exercise (US\$)	Unexercised
Fair value at grant date (US\$)	0.046

- iii. Method for estimating the fair value of stock options granted during the current fiscal year
- 1) Valuation technique used Black-Scholes method
- 2) Principal underlying values and estimation method

Stock price volatility (*1)	103.52%
Expected term (*2)	10 years
Estimated dividends (*3)	_
Risk-free interest rate (*4)	4.61%

- (*1) Calculated based on the comparable company method.
- (*2) Estimated based on the average number of years of service and contract years.
- (*3) Based on past actual results.
- (*4) Yield of U.S. government bonds corresponding to the expected remaining period.

iv. Method for estimating the number of vested stock options

Basically, the method reflects only the actual number of forfeitures, since it is difficult to reasonably estimate the number of forfeitures in the future.

13. Commitments and Contingent Liabilities

The Company and its consolidated subsidiaries had the following commitments and contingent liabilities:

> Thousands of Millions of yen U.S. dollars (Note 1)

	2025	2024	2025
Export drafts discounted	¥4	¥20	\$31
Total	¥4	¥20	\$31

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14. Net Assets

The significant provisions in the Corporate Law of Japan (the "Corporate Law") that influence financial and accounting matters are summarized below:

(a) Dividends

Under the Corporate Law, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon a resolution at the shareholders' meeting. For companies that meet certain criteria such as (1) having a Board of Directors, (2) having independent auditors, (3) having a board of corporate auditors, and (4) the service period of the directors is prescribed as one year rather than the normal term of two years by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) if the company has prescribed so in its articles of incorporation. The Company's present system meets the first three criteria but the two-year service period of the directors does not meet the fourth criterion.

Interim dividends may also be paid once a year by the resolution of the Board of Directors if the articles of incorporation of the company stipulate so. The Company's articles of incorporation contain such a stipulation, and it pays interim dividends semi-annually by the resolution of the Board of Directors.

The Corporate Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock.

(b) Increases / Decreases and Transfer of Common Stock, Reserve and Surplus

The Corporate Law requires that an amount equal to 10% of dividends must be appropriated as legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock.

Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation.

The Corporate Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions by the resolution of the shareholders' meeting.

The Company's legal reserve, which is included in retained earnings, amounted to $\pm 7,001$ million (US\$46,824 thousand) as of March 31, 2025, and its additional paid-in capital, which is included in capital surplus, amounted to ± 635 million (US\$4,248 thousand) as of March 31, 2025.

15. Segment Information

1. Outline of Reportable Operating Segments

In accordance with ASBJ Statement No.17 "The Revised Accounting Standard for Disclosures of Segments of an Enterprise and Related Information", the reportable operating segments are components of an entity for which separate financial information is available and such information is evaluated regularly by the Board of Directors in deciding how to allocate management resources and in assessing performance.

The Company currently operates its business on a stand-alone basis with the divisional organization and evaluates the performance of sales and manufacturing of each division regardless of their products. Accordingly, the Company has three reportable operating business segments according to the divisions (Medical-Related business, Pharmaceutical-Related business and PharmaPackaging business), which are divided mainly by their products.

*Medical-Related

The domestic division sells injection and infusion products, artificial organ products, highly functional products, dialysis products, diabetic products and pharmaceuticals such as generic and kit products. In the Global business division, head office plays the central role, placing overseas sales and manufacturing bases for medical equipment, injection and infusion products, artificial organ products and diabetic products.

*Pharmaceutical-Related

The Pharmaceutical division sells pharmaceutical products with containers for combination products (injectable kit products) consigned by other pharmaceutical companies. Domestic subsidiaries sell and manufacture injectable drugs, oral drugs and combination products.

*PharmaPackaging

The PharmaPackaging division sells glass for vials and ampoules for medical use, glass for thermos bottles, glass for lighting and containers for combination products (injectable kit products). Overseas subsidiaries manufacture and sell glass tubing and glass mainly for syringes, vials and ampoules for medical use.

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Business segment information for the years ended March 31, 2025 and 2024 was as follows:

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		Reportable	segment		Other(*1)	T	4.11	Consolidated financial		
_	Medical-Related	Pharmaceutical-Related	PharmaPackaging	Total	Other	Total	Adjustment ^(*2)	statements		
Net sales:										
Outside	¥505,078	¥ 79,125	¥ 59,262	¥ 643,466	¥ 1,119	¥ 644,586	¥ —	¥ 644,586		
Intersegment	6,934	63,836	6,834	77,606	6,174	83,781	(83,781)	_		
Total	¥512,013	¥142,962	¥ 66,097	¥ 721,073	¥ 7,294	¥ 728,367	¥ (83,781)	¥ 644,586		
Operating profit (loss)	¥ 46,632	¥ 10,625	¥ (272)	¥ 56,984	¥ 245	¥ 57,229	¥ (30,631)	¥ 26,598		
Identifiable assets	711,855	266,448	113,400	1,091,705	250,061	1,341,766	(171,202)	1,170,564		
Other items	_	_	_	_	_	_	_	_		
Depreciation and amortization	34,789	15,319	7,280	57,389	525	57,915	4,588	62,504		
Amortization of goodwill	2,963	0	181	3,144	_	3,144	_	3,144		
Increase in tangible and intangible fixed assets	41,493	19,795	11,721	73,010	1,010	74,021	7,474	81,495		

Millions of yen

		2024									
		Reportable	segment		Other(*1)	Total	Adjustment(*2)	Consolidated financial			
	Medical-Related	Pharmaceutical-Related	PharmaPackaging	Total	Other	iotai	Aujustinent	statements			
Net sales:											
Outside	¥453,613	¥ 74,320	¥ 58,035	¥ 585,969	¥ 816	¥ 586,785	¥ —	¥ 586,785			
Intersegment	5,711	55,287	6,250	67,249	4,147	71,397	(71,397)	_			
Total	¥459,325	¥129,607	¥ 64,286	¥ 653,219	¥ 4,963	¥ 658,182	¥ (71,397)	¥ 586,785			
Operating profit (loss)	¥ 42,321	¥ 4,432	¥ 2,452	¥ 49,206	¥ 80	¥ 49,287	¥ (26,952)	¥ 22,335			
Identifiable assets	663,626	243,189	110,747	1,017,563	234,306	1,251,870	(142,048)	1,109,821			
Other items	_	_	_	_	_	_	_	_			
Depreciation and amortization	29,117	15,032	6,376	50,526	407	50,933	5,097	56,030			
Amortization of goodwill	2,662	10	169	2,842	_	2,842	_	2,842			
Increase in tangible and intangible fixed assets	48,676	31,872	14,545	95,094	739	95,834	7,793	103,628			

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Thousands of U.S. dollars (Note 1)

		2025								
_		Reportable	segment		Other (*1)	Total	4.11	Consolidated financial		
_	Medical-Related	Pharmaceutical-Related	PharmaPackaging	Total	Other ***	iotai	Adjustment (*2)	statements		
Net sales:										
Outside	\$3,377,999	\$ 529,198	\$396,350	\$4,303,549	\$ 7,486	\$4,311,036	\$ —	\$4,311,036		
Intersegment	46,381	426,944	45,710	519,036	41,298	560,335	(560,335)	_		
Total	\$3,424,381	\$ 956,143	\$442,061	\$4,822,586	\$ 48,785	\$4,871,371	\$ (560,335)	\$4,311,036		
Operating profit (loss)	\$ 311,878	\$ 71,061	\$ (1,825)	\$ 381,115	\$ 1,639	\$ 382,754	\$ (204,864)	\$ 177,890		
Identifiable assets	4,760,938	1,782,026	758,433	7,301,397	1,672,430	8,973,828	(1,145,013)	7,828,815		
Other items	_	_	_	_	_	_	_	_		
Depreciation and amortization	232,675	102,460	48,691	383,828	3,513	387,341	30,690	418,031		
Amortization of goodwill	19,818	_	1,214	21,033	_	21,033	_	21,033		
Increase in tangible and intangible fixed assets	277,510	132,394	78,392	488,297	6,760	495,058	49,987	545,045		

^{(*1) &}quot;Other" is the business segment which is not included in the reportable segment and consists of real estate income and sales by headquarters.

- Adjustments for depreciation and amortization ended March 31, 2025 and 2024 are for corporate assets. Depreciation and amortization and Increase in tangible and intangible fixed assets include long-term prepaid expenses.
- · Adjustment for increase in tangible and intangible fixed assets is increase in corporate assets.

^(*2) Adjustment is as follows:

[•] Adjustments for operating profit ended March 31, 2025 and 2024 include ¥(3,347) million (US\$(22,389) thousand) and ¥472 million of adjustment for unrealized gain and ¥(27,283) million (US\$(182,474) thousand) and ¥(27,424) million of corporate cost, respectively. Corporate cost consists primarily of sales, general and administrative expenses and research and development costs which do not belong to the reportable segment.

[•] Adjustments for identifiable assets ended March 31, 2025 and 2024 include ¥(262,988) million (US\$(1,758,886) thousand) and ¥(243,153) million of elimination of inter-segment transaction and ¥91,786 million (US\$613,873 thousand) and ¥101,104 million of corporate assets, respectively. Corporate assets consisted primarily of cash and deposits, investment securities, assets for development and assets for management division of head office which do not belong to the reportable segment.

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Loss on impairment of fixed assets and Unamortized balance of goodwill by reportable segments were as follows: Millions of yen

		2025						
	Reportable segment							
•	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Total	Other	Adjustment	Total	
Loss on impairment of fixed assets	¥ 198	¥32	¥4,603	¥ 4,834	¥—	¥—	¥ 4,834	
Unamortized balance of goodwill	13,393	_	706	14,099	_	_	14,099	

Millions	of yen

		2024							
		Reportable segment							
	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Total	Other	Adjustment	Total		
Loss on impairment of fixed assets	¥ 243	¥—	¥ 493	¥ 736	¥—	¥—	¥ 736		
Unamortized balance of goodwill	13,814	_	1,793	15,607	_	_	15,607		

Thousands of U.S. dollars (Note 1)

	2025								
	Reportable segment								
-	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Total	Other	Adjustment	Total		
Loss on impairment of fixed assets	\$ 1,327	\$220	\$30,788	\$32,336	\$—	\$—	\$32,336		
Unamortized balance of goodwill	89,577	_	4,722	94,299	_	_	94,299		

Net sales and Property, plant and equipment by geographical areas were as follows:

Millions o	f yer
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					willions or ye				
		2025							
	Japan	Americas	Europe	Asia	Total				
Net sales	¥314,470	¥130,146	¥92,634	¥107,334	¥644,586				
Property, plant and equipment	309,365	42,823	50,339	101,298	503,827				

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Millions of yen

Thousands of

	2024								
	Japan	Americas	Europe	Asia	Total				
Net sales	¥304,602	¥108,018	¥77,203	¥96,961	¥586,785				
Property, plant and equipment	304,453	34,123	50,009	92,921	481,508				

Thousands of U.S. dollars (Note 1)

	2025							
	Japan	Americas	Europe	Asia	Total			
Net sales	\$2,103,198	\$870,430	\$619,547	\$717,860	\$4,311,036			
Property, plant and equipment	2,069,055	286,409	336,676	677,493	3,369,634			

16. Selling, General and Administrative Expenses

Significant components of selling, general and administrative expenses for the years ended March 31, 2025 and 2024 were as follows:

		Millions of yen	U.S. dollars (Note 1)
	2025	2024	2025
Salaries	¥35,953	¥29,725	\$240,461

17. Research and Development Expenses

Research and development expenses for the years ended March 31, 2025 and 2024 were ¥21,666 million (US\$144,909 thousand) and ¥20,846 million, respectively.

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18. Impairment Loss

For the years ended March 31, 2025 and 2024, the Company and its consolidated subsidiaries recorded impairment loss of ¥4,834 million (US\$32,336 thousand) and ¥736 million, respectively.

The following table presents the major impaired assets.

Thousands of Millions of yen U.S. dollars (Note 1)

			2025	2025	
Purpose of use	Location	Type of asset	Amount	Amount	
Business use	Nipro PharmaPackaging France S.A.S	Buildings, machinery and equipment, etc.	¥3,412	\$22,823	
Business use	Nipro PharmaPackaging Croatia LLC	Goodwill, etc.	¥990	\$6,626	
Idle assets	Nipro PharmaPackaging (Anyang) Co., Ltd.	Leasehold and other intangible assets	¥200	\$1,339	
Business use	Other	Machinery and	¥231	\$1,54 <i>7</i>	
Idle assets	Other	equipment, etc.	¥231	Φ1,547	

The assets for business use are divided into groups on which separate financial information is reported for management accounting purposes, whereas leased assets and idle assets are categorized individually. Headquarters assets, R&D facilities, dormitories and company-offered houses are categorized into assets for common use, since these assets cannot generate identifiable cash flows.

The company recognized the impairment loss, since the economic performance of above-mentioned assets will be worse than what the company originally expected.

The recoverable amount of an asset group is measured by its net selling price or its value in use. In the case that the recoverable amount is net realizable value, it shall be based on appraisal value. Whether the recoverable amount is the value in use, it is calculated by discounting future cash flow by approximately 5%.

Millions of yen

			2024
Purpose of use	Location	Type of asset	Amount
Idle assets	Nipro PharmaPackaging (Anyang) Co., Ltd.	Buildings, construction in progress, etc.	¥493
Business use	Next OrthoSurgical Inc.	Goodwill, etc.	¥176
Business use	Other	Goodwill, etc.	¥66

19. Revenue Recognition Breakdown

(1) Revenue from contracts with customers

[Sales by product] Millions of yen

	2025						
		Reportable	segments				
•	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Subtotal	Others(*1)	Total	
Medical devices	¥377,358	¥ —	¥ 4,313	¥381,672	¥ —	¥381,672	
Medical products	127,540	79,125	655	207,321	_	207,321	
Pharmaceutical Packaging Products	179	_	54,133	54,313	_	54,313	
Others	_	_	160	160	501	661	
Others	_	_	_	_	618	618	
Sales to external customers	¥505,078	¥79,125	¥59,262	¥643,466	¥1,119	¥644,586	

Millions of yen

	2024						
		Reportable					
	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Subtotal	Others ^(*1)	Total	
Medical devices	¥329,588	¥ —	¥ 4,112	¥333,700	¥ —	¥333,700	
Medical products	123,915	74,320	709	198,945	_	198,945	
Pharmaceutical Packaging Products	109	_	53,064	53,174	_	53,174	
Others	_	_	148	148	420	569	
Others	_	_	_	_	395	395	
Sales to external customers	¥453,613	¥74,320	¥58,035	¥585,969	¥816	¥586,785	

Thousands of U.S. dollars (Note 1)

	2025						
		Reportable	segments				
	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Subtotal	Others ^(*1)	Total	
Medical devices	\$2,523,801	\$ —	\$ 28,849	\$2,552,650	\$ —	\$2,552,650	
Medical products	852,996	529,198	4,382	1,386,577	_	1,386,577	
Pharmaceutical Packaging Products	1,202	_	362,047	363,250	_	363,250	
Others	_	_	1,070	1,070	3,352	4,423	
Others	_	_	_	_	4,134	4,134	
Sales to external customers	\$3,377,999	\$529,198	\$396,350	\$4,303,549	\$7,486	\$4,311,036	

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[Sales by region]						Millions of ye			
		2025							
		Reportable segments							
	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Subtotal	Others ^(*1)	Total			
Japan	¥228,080	¥70,947	¥14,327	¥313,355	¥ 496	¥313,851			
America	117,016	_	13,126	130,143	3	130,146			
Europe	65,016	463	27,154	92,634	_	92,634			
Asia	94,964	7,715	4,653	107,332	1	107,334			
Others	_	_	_	_	618	618			
Sales to external customers	¥505,078	¥79,125	¥59,262	¥643,466	¥1,119	¥644,586			

						Millions of yen
			20:	24		
		Reportable	segments			
	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Subtotal	Others(*1)	Total
Japan	¥222,877	¥67,726	¥13,189	¥303,793	¥413	¥304,206
America	94,517	_	13,494	108,012	5	108,018
Europe	51,960	(69)	25,312	77,203	_	77,203
Asia	84,258	6,662	6,038	96,959	2	96,961
Others	_	_	_	_	395	395
Sales to external customers	¥453,613	¥74,320	¥58,035	¥585,969	¥816	¥586,785

		2025						
		Reportable	segments		Others ^(*1)	Total		
	Medical- Related	Pharmaceutical- Related	PharmaPack- aging	Subtotal				
Japan	\$1,525,419	\$474,500	\$ 95,824	\$2,095,744	\$3,318	\$2,099,063		
America	782,615	_	87,792	870,407	23	870,430		
Europe	434,835	3,097	181,614	619,547	_	619,547		
Asia	635,129	51,600	31,120	717,850	10	717,860		
Others	_	_	_	_	4,134	4,134		
Sales to external customers	\$3,377,999	\$529,198	\$396,350	\$4,303,549	\$7,486	\$4,311,036		

^(*1) Other income refers to income from rentals, etc.

(2) Foundational information to understand revenue from contracts with customers Foundational information to understand revenue from contracts with customers is described in "2. Summary of Significant Accounting Policies (o) Revenue Recognition.

(3) Outstanding Balance of Accounts Receivable, Contract Assets and Contract Liabilities

		Millions of yen
	20	25
	Beginning Balance (April 1, 2024)	Ending Balance (March 31, 2025)
Accounts Receivable	¥160,240	¥166,858
Contract Assets	_	226
Contract Liabilities	714	1,035

		Millions of yen
	20	024
	Beginning Balance (April 1, 2023)	Ending Balance (March 31, 2024)
Accounts Receivable	¥160,271	¥160,240
Contract Assets	_	_
Contract Liabilities	1,004	714

Thousands of U.S. dollars(Note 1)

	2025	
	Beginning Balance (April 1, 2024)	Ending Balance (March 31, 2025)
Accounts Receivable	\$1,071,697	\$1,115,961
Contract Assets	-	1,514
Contract Liabilities	4,777	6,925

- (*1) Contract Assets represent the Nipro Group's rights to receive consideration for uninvoiced contract manufacturing agreements for medical equipment with customers that are satisfied at the end of the period.
- (*2) Contract liabilities consist mainly of customer advances for medical supplies and equipments overseas. They also include unearned income for maintenance service contracts.

(4) Unfulfilled Performance Obligation

The Nipro Group does not have any significant outstanding performance obligations which exceed one year. Most contracts are within one year.

20. Related Parties Information

- (1) Transactions with Related Parties
- (a) Transactions between the Company and Related Parties

There are no significant transactions to disclose for the year ended March 31, 2024. There are no significant transactions to disclose for the year ended March 31, 2025.

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- (b) Transactions between Consolidated Subsidiaries of the Company and Related Parties There are no significant transactions to disclose for the year ended March 31, 2024. There are no significant transactions to disclose for the year ended March 31, 2025.
- (2) Notes Regarding Parent Company or any Significant Affiliated Company
- (a) Parent Company Information

Not applicable for the year ended March 31, 2024.

Not applicable for the year ended March 31, 2025.

(b) Summary Financial Information of any Significant Affiliated Company There are no significant transactions to disclose for the year ended March 31, 2024. In the year ended March 31, 2025, Gentuity, LLC. was a significant affiliate company, whose summary financial statement is presented below.

	Millions of yen	U.S. dollars (Note 1)
	2025	2025
Total current assets	¥ 2,053	\$ 13,735
Total fixed assets	1,859	12,437
Total current liabilities	12,784	85,502
Total long-term liabilities	765	5,116
Total net assets	(9,635)	(64,445)
Net sales	757	5,066
Profit before income taxes	(7,056)	(47,194)
Net income	(7,056)	(47,194)

21. Subsequent Events

(Transfer of trust beneficial interest)

In order to improve the efficiency of our assets and strengthen our financial position through the effective use of management resources, we have decided to transfer the trust beneficial interest in the following real estate (land) owned by us.

Since the Company will continue to use the plant after the transfer of such trust beneficial interest under the lease agreement with the transferee, there will be no relocation of the Company's plant as a result of this transfer.

(1) Description of asset to be transferred

Location	2-1-1 Shinmeidai, Hamura City, Tokyo, Japan
Land area	27,240.39m ²

(2) Overview of the transferee

Name	Hulic Co., Ltd.		
Location	7-3, Nihonbashiodenma-cho, Chuo-ku, Tokyo, Japan		
Representative	President & Representative Director Takaya Maeda		
Business	Real estate ownership, leasing, sales, and brokerage services		
Capital	111,609 million yen (as of December 31, 2024)		
Established	March, 1957		
	Capital relationship	There are no items of note.	
Relationship with the Company	Personal relationship	There are no items of note.	
	Business relationship	There are no items of note.	
	Applicability to related parties	There are no items of note.	

(3) Schedule of transfer

Date of resolution by the Board of Directors	April 23, 2025
Date of conclusion of sale and purchase agreement	June 20, 2025
Date of delivery of property	June 20, 2025

(4) Impact on consolidated financial results

As a result of this transfer of trust beneficial interest, a gain on sales of fixed assets of ¥4,100 million (US\$27,720 thousand) is expected to be recorded for the first guarter of the consolidated fiscal year ending March 2026.

22. Notes to Consolidated Statements of Cash Flows

Reconciliations between "Cash and cash equivalents" on the consolidated statements of cash flows and "Cash and deposits" on the consolidated balance sheets were as follows:

		Millions of yen	U.S. dollars (Note 1)
	2025	2024	2025
Cash and deposits	¥106,668	¥99,667	\$713,403
(Time deposits with maturities exceeding three months)	¥ (5,006)	¥ (3,085)	\$ (33,485)
Cash and cash equivalents	¥101,661	¥96,582	\$679,917

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To the Board of Directors of Nipro Corporation:

Report on the Audit of the Consolidated Financial Statements Opinion

We have audited the accompanying consolidated financial statements of Nipro Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows 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 Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Appropriateness of management's judgement as to whether an impairment loss should be recognized on fixed assets of the consolidated subsidiary (Nipro Vietnam Company LIMITED)

The key audit matter

The property, plant and equipment and the intangible assets of ¥539,333 million recorded on the consolidated balance sheets include the property, plant and equipment and the intangible assets of ¥22,627 million related to the consolidated subsidiary, Nipro Vietnam Company LIMITED.

As described in Note to Consolidated Financial Statements (Significant accounting estimates) 2. Accounting for impairment of fixed assets, the Company, in principle, classified their business assets into groups based on management accounting classification, and if there are asset groups identified any signs of impairment, the Company tested whether to recognize an impairment loss by comparing the total amount of undiscounted future cash flows generated from the asset group to the carrying amount.

As Nipro Vietnam Company LIMITED continued to record operating losses and these are identified as a sign of impairment, the Company tested whether an impairment loss should be recognized

As a result, the Company concluded that the recognition of impairment loss was not necessary since the total amount of the undiscounted future cash flows generated from the asset group exceeded the carrying amount.

How the matter was addressed in our audit

We mainly performed the following procedures to the key audit matter.

- (1) Internal Control Testing
- We tested the operating effectiveness of internal controls over developing the business plan based on the future cash flow of Nipro Vietnam Company LIMITED and approving the business plan by the Company.
- (2) Reasonableness of the estimated undiscounted future cash flow We discussed with management and the personal responsible for the business plan the key assumption used in estimating the business plan by management, and also evaluated the feasibility and uncertainty of used key assumption considering the
- We evaluated the feasibility of of obtaining permits necessary for manufacturing by conducting the interview with nanagement and reviewing the related documents

following items.

We evaluated the feasibility of sales forecast by conducting the interview with management about future prospects, including whether they are consistent with the future forecast reports published by research organizations and others and reviewing contracts for future

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This test was performed on the assumption that its business plan is reasonable and has a high feasibility. As Estimates for obtaining permits necessary to manufacture dialyzers and future sales forecast involve important assumptions, there is a high degree of uncertainty and there is room for arbitrariness in management's judgment. We, therefore, identified our assessment of the appropriateness of management's judgement as to whether an impairment loss should be recognized on fixed assets of this consolidated subsidiary as a key audit matter.

Other Information

The other information comprises the information included in the disclosure documents that contain or accompany the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We do not perform any work on the other information as we determine such information does not exist.

Responsibilities of Management and Corporate Auditors and the Board of **Corporate Auditors for the Consolidated Financial Statements**

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

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Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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 financial statements.

As part of our 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 financial statements, 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express 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
- 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

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conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

- Financial Review
- Ten-Year Summary Consolidated Balance Sheets
- Consolidated Statements of Income
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Net Assets
- Consolidated Statements of Cash Flows
- Notes to Consolidated Financial Statements
- Independent Auditor's Report
- Corporate Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 116 million yen and 0 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of

We 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.

Miho Ishihara

Designated Engagement Partner Certified Public Accountant

Hiroshi Kobayashi

Designated Engagement Partner

Certified Public Accountant

Kiminori Funaki

Designated Engagement Partner Certified Public Accountant

KAINAN AUDIT CORPORATION

Osaka Office, Japan June 25, 2025

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KAINAN AUDIT CORPORATION.

About NIPRO

Management Message

Review of Operations Medium-Term Management Plan Reporting

Number of Shares Held Percentage of Total

Management Foundation

Financial/Data Section

of Income

Financial Review

Ten-Year Summary

Consolidated Balance Sheets

Consolidated Statements of

Consolidated Statements

Comprehensive Income







- Consolidated Statements of Changes in Net Assets Consolidated Statements of
- Cash Flows Notes to Consolidated
- Financial Statements Independent Auditor's Report
- Corporate Information

Financial/Data Section

Corporate Information (As of March 31, 2025)

Date of Establishment

July 8, 1954

Head Office

3-26, Senriokashinmachi, Settsu, Osaka 566-8510, Japan Telephone: +81-6-6310-6910 https://www.nipro.co.jp/en/

Tokyo Office

4-3-4 Hongo, Bunkyo-ku, Tokyo 113-0033, Japan Telephone: +81-3-5684-5611

Number of Employees

Parent company	4,563
Consolidated subsidiaries	34,605
Total	39,168

Common Stock

Authorized 400,000,000	shares
Issued171,459,479	shares
Outstanding 163,095,674	shares
Number of Shareholders per unit 5	53,685
Number of shares per unit 100	shares

Stock Listings

Tokyo Stock Exchange, Prime Market Ticker Code: 8086

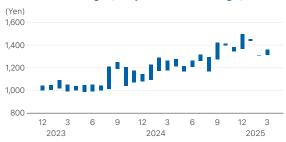
Transfer Agent

Mizuho Trust & Banking Co., Ltd., **Head Office** Stock Transfer Agency Dept. 1-3-3, Marunouchi, Chiyoda-ku, Tokyo 100-8241, Japan

Principal Shareholders

·	(in thousands)	Shares in Issue (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	19,469	11.89
Nippon Electric Glass Co., Ltd.	11,576	7.07
Custody Bank of Japan, Ltd. (Trust Account)	8,419	5.14
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	6,637	4.05
JP Morgan Chase Bank	4,354	2.66
BNYMSANV RE GCLB RE JP RD LMGC	3,789	2.31
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	3,781	2.31
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	3,501	2.14
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS MILMFE	2,798	1.71
Morgan Stanley MUFG Securities Co., Ltd.	2,761	1.69
Total	67,089	40.98

Stock Price Range (Tokyo Stock Exchange)



Major Group Companies (As of March 31, 2025)

Area	Country	Name	Principal business
Domestic	Japan	Nipro Medical Industries Co., Ltd.	Manufacture of Medical Supplies and Devices
		Goodman Co., Ltd.	Manufacture and Sales of Medical Supplies and Devices
		NexMed International Co., Ltd.	Development, Manufacture and Sales of Orthopedic Products
		Nipro Pharma Corporation	Manufacture and Sales of Pharmaceuticals
		Zensei Pharmaceutical Industries Co., Ltd.	Manufacture and Sales of Pharmaceuticals
		Cell Science & Technology Institute, Inc.	Development and Manufacture of Cell Culture Fluid
)verseas	Thailand	Nipro Sales (Thailand) Co., Ltd.	Sales of Medical Supplies and Devices
		Nipro (Thailand) Corporation Limited	Manufacture and Sales of Medical Supplies and Devices
	China	Nipro (China) Holdings Co.,Ltd.	General Management of the Subsidiary
		Nipro Trading (Shanghai) Co., Ltd.	Sales of Medical Supplies and Devices
		Nipro (Shanghai) Co., LTD.	Manufacture and Sales of Medical Supplies and Devices
		Nipro Medical (Hefei) Co., Ltd.	Manufacture of Medical Supplies and Devices
		Nipro PharmaPackaging (Shanghai) Co, Ltd.	Sales of Glass Products for Medical Purpose
		Nipro Pharma Packaging (Anyang) Co. Ltd.	Manufacture and Sales of Glass Products for Medical Purpose
		Chengdu Pingyuan Nipro Pharmaceutical Packaging Co., Ltd.	Manufacture and Sales of Glass Products for Medical Purpose
	Vietnam	Nipro Vietnam Company LIMITED	Manufacture of Medical Supplies and Devices
		Nipro Pharma Vietnam Co., Ltd.	Manufacture and Sales of Pharmaceuticals
	Singapore	Nipro Asia Pte Ltd.	Sales of Medical Supplies and Devices
	India	Nipro Medical (India) Pvt. Ltd.	Sales of Medical Supplies and Devices
		Nipro India Corporation Private Limited	Manufacture of Medical Supplies and Devices
		Nipro PharmaPackaging India Private Limited	Manufacture and Sales of Glass Products for Medical Purpose
	Bangladesh	Nipro JMI Co., Ltd.	Manufacture and Sales of Medical Supplies and Devices
		Nipro JMI Pharma Ltd.	Manufacture and Sales of Pharmaceuticals
	Indonesia	PT. Nipro Indonesia JAYA	Manufacture and Sales of Medical Supplies and Devices
	UAE	Nipro Middle East FZE	Sales of Medical Supplies and Devices
	Brazil	Nipro Medical Ltda.	Manufacture of Medical Supplies and Devices
	U.S.A.	Nipro Holding Americas, Inc.	General Management of the Subsidiary
		Nipro Medical Corporation	Sales of Medical Supplies and Devices
		Infraredex, Inc.	Manufacture and Sales of Medical Supplies and Devices
		Nipro PharmaPackaging Americas Corporation	Manufacture and Sales of Glass Products for Medical Purpose
	Belgium	Nipro Europe Group Companies N.V.	General Management of the Subsidiary
	9	Nipro Medical Europe N.V.	Sales of Medical Supplies and Devices
		Nipro PharmaPackaging International N.V.	General Management of the Subsidiary
	France	Nipro PharmaPackaging France S.A.S.	Manufacture and Sales of Glass Products for Medical Purpose
	Germany	Nipro PharmaPackaging Germany GmbH	Manufacture and Sales of Glass Products for Medical Purpose
	Switzerland	NIPRO PHARMA GLASS AG	General Management of the Subsidiary
	Russia	Nipro PharmaPackaging Ural LLC	Manufacture and Sales of Glass Products for Medical Purpose
	Croatia	Nipro PharmaPackaging Croatia LLC	Manufacture and Sales of Glass Products for Medical Purpose