

# NORITSU

*face the NEXT*

## Progress of Medium-Term Management Plan (FY3/2020-FY12/2021)

**Noritsu Koki Co., Ltd.**

Stock Code: 7744 (First Section of the Tokyo Stock Exchange)

## ■ Cautionary note on forward-looking statements

The Company's current plans, strategies, and other matters in these materials that are not historical facts are forward looking statements estimated at the time of publication based on the Company's judgement from information currently available. Actual results may differ significantly due to various factors and risks, and the Company makes no assurances or guarantees whatsoever.

## ■ Operating EBITDA

Operating EBITDA is defined as operating profit less other income and expenses plus depreciation and amortization (excluding depreciation costs for right-of-use assets).

Although operating EBITDA is not a performance indicator defined in the consolidated financial statements, it provides a clearer picture of underlying earnings capabilities by removing the impact of non-recurring profit and loss items and depreciation and amortization. The Company has included operating EBITDA in financial disclosures to provide users of the consolidated financial statements with more information to evaluate the Group's earnings.

## ■ Presentation methods used in these briefing materials

Figures: Rounded down to the nearest unit

Ratios: Converted from yen and rounded to the nearest single digit of the unit

## **1 Positioning of Plan and Progress to Date**

## **2 Key Business Strategies and Financial Strategy**

## **3 Appendix**

# Revision to Medium-Term Management Plan

The Medium-Term Management Plan announced in March 2019 was revised in line with business portfolio reorganization.

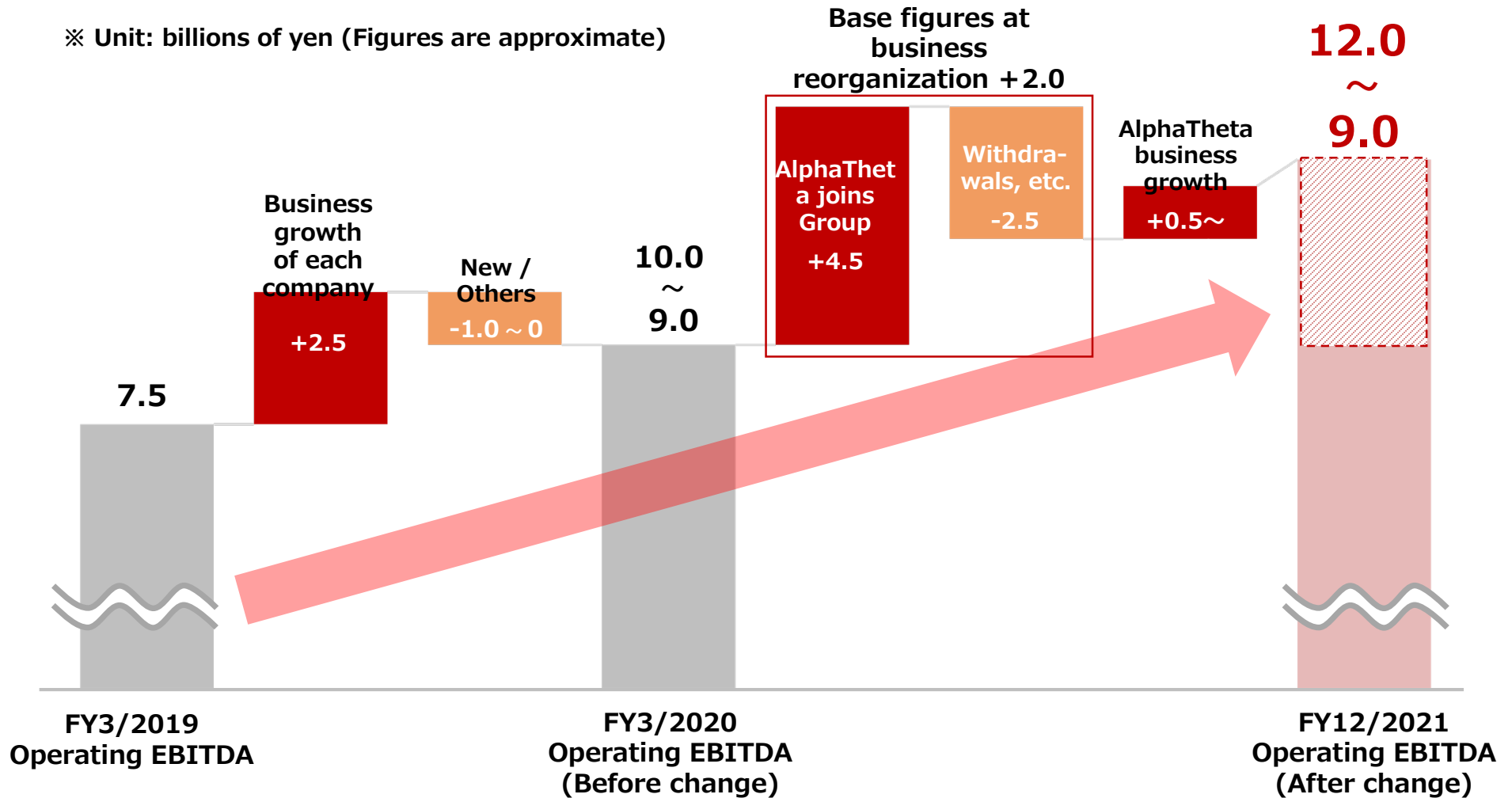
Major changes as follows.

	Major changes	Before changes (March 2019 Plan)	After changes
1	Period of Medium-Term Management Plan	FY3/2020-FY3/2022	<b>FY3/2020- FY12/2021</b>
2	Key performance indicator (Operating EBITDA)	¥9.0-¥10.0 billion	<b>¥9.0- ¥12.0 billion</b>

# Breakdown of Key Performance Indicator (Operating EBITDA)

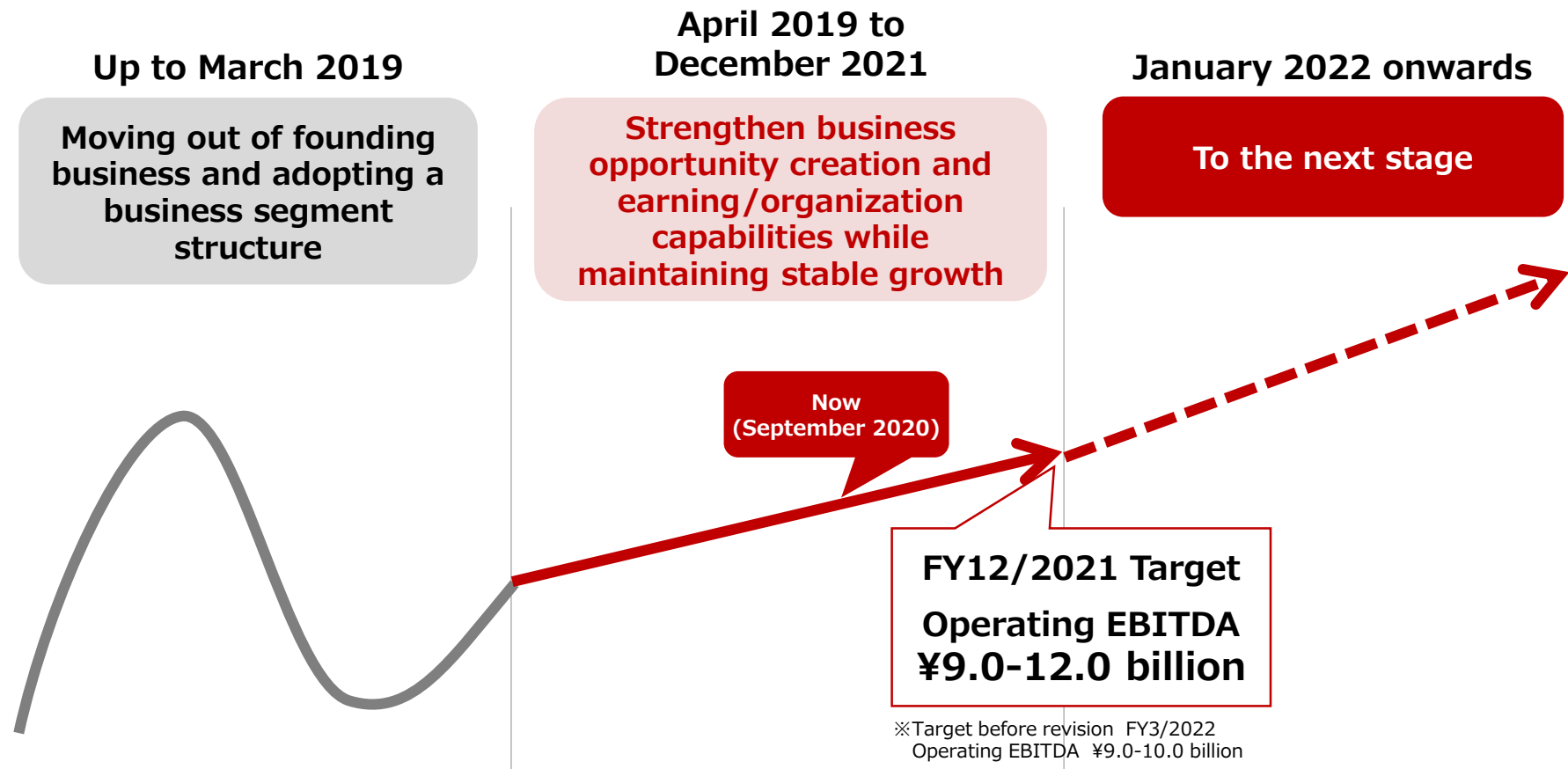
## Breakdown of full-year operating EBITDA

※ Unit: billions of yen (Figures are approximate)



# (Revised) Positioning of Medium-Term Management Plan

The plan is designed to complete preparations for the next leap forward, assuming continued stable growth. Due to the fiscal year end change (end of March to end of December), plan is set to **end in December 2021**.



## Mission

**Prosperity for society and people**

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## Vision

**A corporate group that continues producing “No. 1/Only 1” businesses**

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## Value

**Understand the needs of the age and think one step ahead**  
**Pursue products and services that enrich lives**  
**Respect the potential for growth and innovation and support a spirit of challenge**

## Vision

**A corporate group that continues producing “No. 1/Only 1” businesses**

## Key Strategy 1

**Increase core business earning capability, continue growth**

## Key Strategy 2

**Appropriate investment in development and growth field (create and expand)**

## Key Strategy 3

**Create synergies with reorganization of Group management system**

(Financial soundness, strengthen Group management structure, DX\*, IR/PR)

\*DX = Digital transformation strategy



## **Key Strategy 1**      **Increase core business earning capability, continue growth**

- Reorganized business portfolio. Pursued “No.1/Only1” businesses, defined manufacturing and healthcare as core businesses, withdrew from all other businesses .....P.10~12
- In Manufacturing—Parts/Materials, acquired soliton Corporation (strengthening Cosmetics business)
- In Manufacturing—Parts/Materials, built new factory (strengthening MIM business)
- In Healthcare—Medical Information, listed JMDC Inc. in December 2019, further grew business
- In Healthcare—Medical Information, shifted to structure centered on JMDC Group

## **Key Strategy 2**      **Appropriate investment in development and growth field (create and expand)**

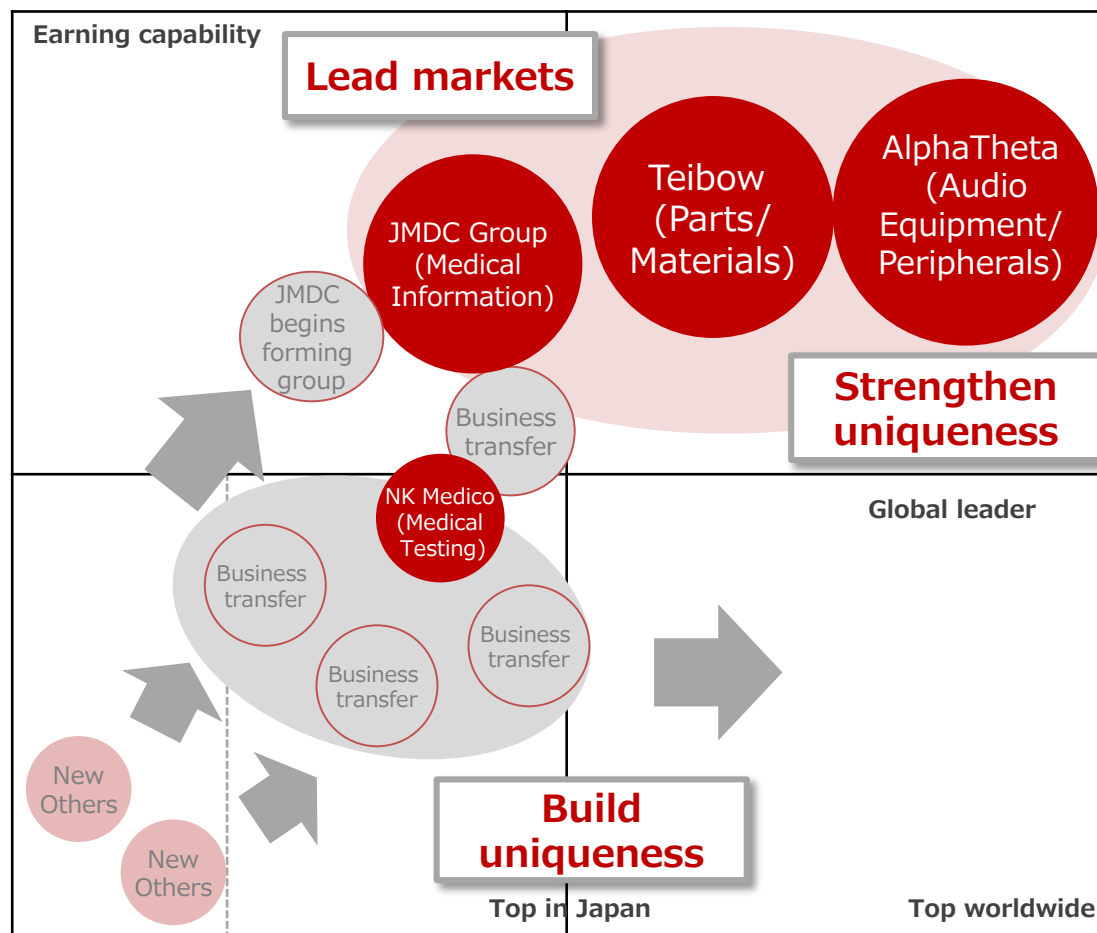
- Acquired shares AlphaTheta, made part of the Group’s Manufacturing—Audio Equipment/Peripherals core business .....P.13

## **Key Strategy 3**      **Create synergies with reorganization of Group management system**

- Financial health and capital policy (divested shareholdings, etc.) .....P.14
- Reinforced governance (clarified functions of Board Of Directors and executives, established Nomination & Remuneration Committee) .....P.15
- Fortified corporate communications (IR, disclosure, English language, video streaming, etc.) .....P.16

# Portfolio Reorganized for “No. 1/Only 1”

Enhance core business profitability and maintain growth. Become “No. 1/Only 1” with unique businesses & services, create and dominate markets, generate high-quality cash flow



## <Progress>

- Evaluated potential of each business from multiple angles: mission, vision, and value (MVV), competitive edge, growth strategy, IRR, etc. Identified core businesses.
- Optimized business resource allocation through selection, consolidation. Conducted largest M&A in company history; strategically withdrew from other businesses
- As a result, EBITDA increased from 12% before reorganization to 20%
- Continue to adapt flexibly to the market, becoming a risk-resistant business with high growth potential

# About Newly Defined Core Businesses

**Manufacturing and Healthcare are defined as the Group's core businesses. Reportable segments are changed to reflect business portfolio realignment.**

Before realignment

<b>Manufacturing</b>	Teibow soliton
<b>Healthcare</b>	JMDC Group ...2019/12 Listed on stock market NK Medico GeneTech ...Share transfer FEED ...Share transfer
<b>Drug Discovery</b>	Japan Regenerative Medicine (JRM) ...Share transfer
<b>Senior and Lifestyle</b>	HALMEK ... Share transfer Zenkokutsuhan ... Share transfer Nihon Kyosai ... Share transfer (scheduled) Health Age SAST Insurance ...Share transfer
<b>Agriculture and Foods</b>	NK AGRI ...Withdrawal
<b>Others</b>	New business ...Withdrawal/Share transfer

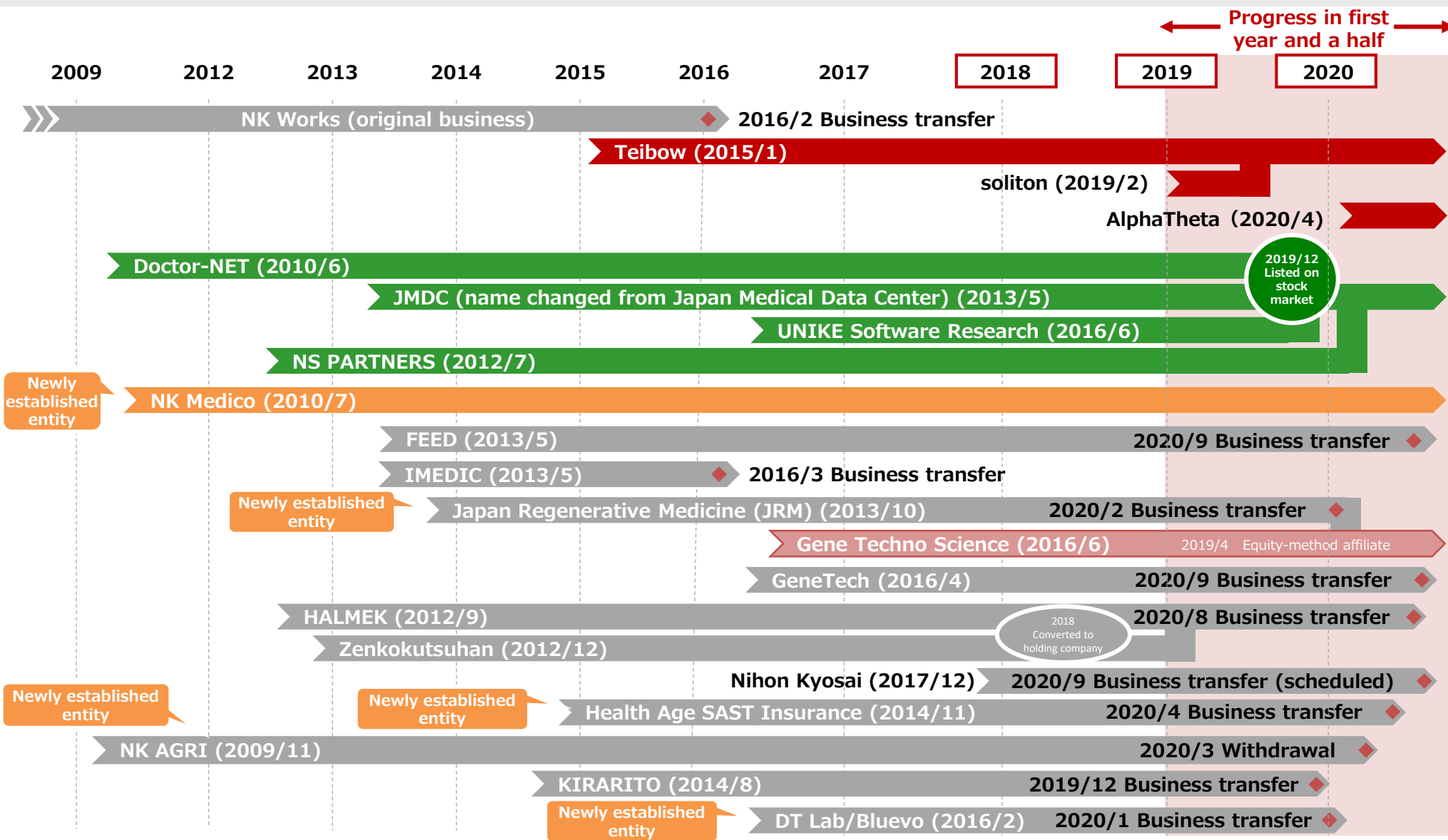
Now

<Key companies>

<b>Manufacturing</b>	Parts/Materials	Teibow soliton
	Audio Equipment/ Peripherals	AlphaTheta
<b>Healthcare</b>	Medical Information	JMDC Group
	Medical Testing	NK Medico
<b>Others</b>		

# (Reference) Business Portfolio Realignment

※ Revised September 1, 2020



# About the AlphaTheta Share Acquisition

AlphaTheta is the industry's largest maker of DJ equipment, known as Pioneer DJ, boasting the top worldwide share. Became part of the Group in April 2020. Noritsu's largest ever M&A. Business is progressing steadily despite COVID-19, generating the Group's highest earnings amount.

※ For details, refer to April 3, 2020 press release: "Acquisition of shares in AlphaTheta Corporation completed Press Release Supplementary Materials"

## Noritsu Koki's Objectives

**Reinforce the manufacturing segment – Group's core business**

**Increase global market share and improve profitability**

**Target investment on business growth to create a company that continues to grow in the long term**

## Significance of AlphaTheta Joining the Group

- **Top share worldwide**  
→ Reinforce unique position, drive market development
- **Expand manufacturing business (core business) based on technologies, quality, development capabilities**
- **Real commitment**  
→ Supported by music professionals and fans worldwide
- **Pursue wellbeing for the mind and body**  
(Entertainment, lifestyle)
- **Shift focus from refined products to services**  
→ Create shared opportunities to feel and experience

While investing in growth and aiming to further enhance corporate value, worked to secure cash flow in anticipation of the impact of COVID-19. As a result, cash equivalent to 10 months' worth of revenue was secured at the end of June 2020, and cash equivalent to a year's worth of revenue is expected be secured at the end of December 2020.

## <Major Initiatives to Date>

- **Divestment of listed stocks**

- ✓ In February 2020, all held shares of PKSHA Technology were sold.

- **Retirement of share warrants**

- ✓ In March 2020, repurchased and retired a portion of share warrants to prevent future equity dilution.
- ✓ Shares in a subsidiary were provided as principal payment for other warrants, minimizing cash outflow.

- **Partial divestment of JMDC shares**

- ✓ In June 2020, a portion of JMDC stock was sold to increase liquidity.

The Company and Group companies are taking measures to strengthen governance aimed at better fulfilling our corporate social responsibilities, making prompt and adequate management decisions, and boosting competitiveness, in this way increasing corporate value and becoming a company that is trusted and supported by shareholders and customers.

## <Major Initiatives to Date>

- **Established a Medium-Term Management Plan** to achieve sustainable growth across the Group, improve corporate value, and win support for the management vision.
- Revised the management system to flexibly respond to changes in the business environment. Board of Directors refocused priorities on supervisory functions and made outside directors a majority the Board, while revamping the executive officer **system to enable rapid decision-making and execution.**
- **Established Nomination & Remuneration Committee**

We are improving engagement activities to gain even greater support from shareholders, investors, and other stakeholders.

## <Major Initiatives to Date>

- **Website renewal (June 2019)**

- ✓ Supports multiple devices and English.
- ✓ Expanded contents such as company history, business introduction, and service releases.



- **Strengthen IR communications**

- ✓ Working to enhance disclosure through supplementary explanatory materials for various project releases and quarterly financial results.
- ✓ Preparing a Fact Sheet to give a fuller picture of the business. (Scheduled for September 2020)

- **Digitization (video streaming)**

- ✓ As a measure to prevent COVID-19 infection, Noritsu Koki started online video streaming of General Meeting of Shareholders and financial results briefings.



## 1 Positioning of Plan and Progress to Date

## 2 Key Business Strategies and Financial Strategy

## 3 Appendix

# Summary of Group Businesses

Manufacturing—  
Parts/Materials



Teibow Co., Ltd.

**Teibow focuses on pen nibs, where it has the world's leading share, as well as nibs and brushes for cosmetics, backed by high-level technology development skills; Teibow is also developing new markets by moving into fields such as metal injection molding (MIM)**

- Manufacture and sale of nib parts for writing instruments applications (felt, synthetic fiber, plastic) and non-writing instruments applications, cutting-edge parts and materials, MIM manufactured products, cosmetics nibs, etc.

Manufacturing—Audio  
Equipment/Peripherals

**AlphaTheta**

AlphaTheta Corporation

**AlphaTheta aims to drive the development of music culture by creating innovative products and services under the famous Pioneer DJ brand, the world-leader by market share**

- Design, production, sales and related services for DJ/nightclub equipment, professional audio equipment and music production equipment

Healthcare—  
Medical Information



JMDC Inc.

**Drawing on the power of Japan's largest-scale medical big data and ICT to realize a sustainable healthcare system, harnessing the potential of medical big data to create new value and enrich society**

- Health Big Data business and Teleradiology Service business, Dispensing Pharmacy Support business

Healthcare—  
Medical Testing



NK Medico co., LTD.

**Provider of various preventive medical services, such as LOX-index kits to assess risk of strokes and heart attacks. Aiming to be a global preventive medicine company based in Japan**

- Preventive medicine business, R&D business focused on cutting-edge medical technology

# Teibow Group Policy/Key Strategies

## TEIBOW

Teibow will work with customers to create new value in various industries, by maximizing core technologies honed in the Writing Instruments business, where it boasts the top share in the world.

Aiming to double revenue by developing new businesses with growth potential while keeping Writing Instruments business at the core.

Business Areas	Key Strategies
<b>Writing Instruments</b>	<ul style="list-style-type: none"><li>• Maintain far and away the No. 1 share of the world market, and expand sales channels into emerging countries</li><li>• Create attractive products in collaboration with writing/stationery manufacturers around the world</li></ul>
<b>Cosmetics</b>	<ul style="list-style-type: none"><li>• Provide added value to cosmetic products as a supplier of nibs using advanced processing technology</li><li>• In collaboration with Group member soliton, provide world-class technology products such as PBT brushes</li></ul>
<b>MIM</b>	<ul style="list-style-type: none"><li>• Expand sales channels worldwide with new materials and manufacturing methods (¥250 billion in global markets)</li><li>• Build up core technologies, assure world-class quality, and reinforce production systems</li></ul>
<b>New applications, etc.</b>	<ul style="list-style-type: none"><li>• Applying technology to new industries such as air fresheners, stylus pens, and healthcare products.</li></ul>

## AlphaTheta

**Provide the value of “One Through Music” through evolution and growth centered on the DJ Equipment business, where it boasts the world's No. 1 brand. In addition to mainstay DJ Equipment business, grow software and peripheral services as businesses to achieve double-digit growth and double revenue.**

Business Areas	Key Strategies
<b>DJ Equipment</b>	<ul style="list-style-type: none"><li>• Bring differentiated products to market according to the characteristics of each customer segment, maintain and expand profits</li><li>• Raise the fun, experience, and satisfaction of music production activities through hardware (DJ equipment)</li><li>• Build sustainable relationships with customers, establish a revenue base under a new business model</li></ul>
<b>New business areas</b>	<p>&lt;Expansion of digital service business&gt;</p> <ul style="list-style-type: none"><li>• Provide total solutions for the DJ life through hardware and services</li></ul> <p>&lt;Initiatives to expand the DJ population&gt;</p> <ul style="list-style-type: none"><li>• Provide a mechanism and place where people can more casually experience the fun of DJing and share it with people</li></ul>

# AlphaTheta Growth Areas

Existing markets

New markets

## Existing products

Approximately 70% of global market share, mainly in Europe and the Americas



### Growth of DJ Equipment business

- Entry into emerging countries
- Expansion of products for home use and accessories, etc.



## New products

Create business opportunities by leveraging brand strengths  
(Collaboration across sectors)

- Brand collaboration
- Increasing DJ play opportunities/  
building a DJ community



### Expansion of software services (Subscriptions)

- Increase in rekordbox users
- Improving value of DJ experience



### Creating and attracting new DJ fans

Online lessons/school



# JMDC Group Policy/Key Strategies



By leveraging JMDC's competitive strengths in Healthcare Big Data and Teleradiology Service, gather valuable data by enhancing services targeting medical institutions and people, and maximize future profit opportunities.  
High growth potential = Aiming for continued double-digit growth.

Business Areas	Key Strategies
<b>Healthcare Big Data business</b>	•Maximize transaction value of data distribution business by adding high value and expanding types of data collected
<b>Teleradiology Service business</b>	•Expand remote diagnosis platform and share medical knowledge across Japan and Asia
<b>Dispensing Pharmacy Support business</b>	•Develop medical services by positioning them as touch points between people and medical institutions



**Further grow the LOX-index business, which has the top share in Japan as optional risk testing for medical exams or checkups, and expand peripheral services, targeting continued high growth potential = double-digit growth**

Business Areas	Key Strategies
Medical Testing	<ul style="list-style-type: none"><li>• Further expand existing risk testing businesses<ul style="list-style-type: none"><li>- Expand network of medical institutions that can provide testing</li><li>- Further boost the number of tests per medical facility where testing is already done</li></ul></li><li>• Expansion of peripheral service menu originating from LOX-index testing<ul style="list-style-type: none"><li>- Reinforce post-exam follow-up services</li></ul></li></ul>
New business areas	<ul style="list-style-type: none"><li>• Launch new businesses as second, third growth drivers<ul style="list-style-type: none"><li>- Deepen applications for ongoing R&amp;D projects</li><li>- Reinforce technological seed discovery efforts</li></ul></li><li>• Reinforce management system and organization to support growing businesses</li></ul>

**NK Medico co., LTD. announces start of preparations for IPO.**

**NK Medico is actively pursuing the areas of preventive medicine and cutting-edge medical innovation, aiming to provide new preventive medical testing services, notably LOX-index testing, needed to meet emerging healthcare needs of coming generations.**

**Noritsu Koki intends to direct the funds raised through the IPO towards growth investments that will enhance the Group's corporate value and reinforce NK Medico's position in fast-growing preventive medicine markets, where the company, guided by its corporate philosophy, is aiming to be a Japan-based global leader.**

**Timing of the IPO is undecided.**



Immediate target is **ROE exceeding 8%**; continue to improve cash flow generation capacity and capital efficiency of core businesses

Enable continuous, stable shareholder returns while investing in growth

Consider introducing financial indicators (such as ROIC, CCC\*<sup>1</sup>) in the next Medium-Term Management Plan

## Cash flow generation

- Operating EBITDA margin of **20% or more**
- Improve capital efficiency by disposing of excess assets and reducing assets

## Growth investments

- Concentrate strategic investments in growth areas of core businesses
- Continue R&D spending, maintain and enhance competitiveness
- Set strategic M&A framework (new growth areas and core business support areas)

## Shareholder Returns

- Continuous, stable dividends with a target payout ratio **exceeding 25%**
- Pay out dividends according to business performance while securing funds for growth investment

## Capital Policy

- Maintain financial health by managing the net D/E ratio after AlphaTheta acquisition, aiming at 0.40x or less (maintain a year's worth of revenue in working capital as a buffer against COVID-19-associated changes in the economic environment)

\*1 Cash conversion cycle

# Appendix

## Noritsu Koki Group Business Outline

### **MANUFACTURING**

- **PARTS/MATERIALS**

- **AUDIO EQUIPMENT/PERIPHERALS**

### **HEALTHCARE**

- **MEDICAL INFORMATION**

- **MEDICAL TESTING**

# Teibow Co., Ltd.

A key company in the Group's core Manufacturing segment, Teibow focuses on pen nibs, where it has the world's leading share, as well as nibs and brushes for cosmetics, backed by high-level technology development skills; Teibow is also developing new markets by moving into fields such as MIM

## Social issues and market needs

- Ensure Japan retains its strong skills in manufacturing
- Cultivate global companies from the ranks of SMEs and local firms

## Value and services Teibow can provide

- Meet needs of manufacturers worldwide by supplying a wide range of cutting-edge parts and materials and miniature components, backed by technology development skills built up over many years
- Leverage dominant global share in niche markets to retain position as one of Japan's leading SME manufacturers

## Profile

Company name: Teibow Co., Ltd. (wholly owned Noritsu Koki subsidiary)

Representative: Kenji Takahara, Representative Director and Chairman

Capital: ¥50 million

Major shareholder: Noritsu Koki Co., Ltd. (100%)

Main business activities: Manufacture and sale of nib parts for writing instruments applications (felt, synthetic fiber, plastic) and non-writing instruments applications, cutting-edge parts and materials, MIM manufactured products, cosmetics nibs (synthetic cores, plastic cores, polybutyleneterephthalate (PBT) brushes, etc.)

Group companies:

Teibow Nib Manufacturing (Chang Shu) Co., Ltd. (wholly owned Teibow subsidiary)

Manufacture and sale of marker pen nib parts in China (Jiangsu Province)

soliton corporation (wholly owned Teibow subsidiary)

Manufacture and sale of nib parts for cosmetics applications

## History

- 1896 Established as Teikoku Seibo Co., Ltd. (Imperial Hat-Maker, Ltd.)
- 1981 Renamed Teibow Co., Ltd.
- 1993 Completed Miyakoda Technical Center in Hamamatsu Technopolis Industrial Park
- 1994 Started production and sale of metal parts made using metal injection molding (MIM)
- 1998 MIM plant (new wing) completed at Miyakoda Technical Center
- 2008 Advanced pen nib finishing plant (south wing) completed at Miyakoda Technical Center
- 2012 Moved into Chinese market with establishment of Teibow Nib Manufacturing (Chang Shu) Co., Ltd. (Jiangsu, China)
- 2015 Joined Noritsu Koki Group
- 2018 NEXT New Technology Wing completed at Miyakoda Technical Center
- 2019 soliton corporation, maker of automated manufacturing equipment for cosmetic brushes, joined Teibow Group
- 2020 Scheduled completion of new MIM plant at Miyakoda Technical Center

## Main business



1896~1974

Manufacture and sale of felt hats



1957~

Manufacture and sale of felt pen nibs for oil-based marker pens



1994~

## MIM business

A global business with proprietary hollow core technology\* and materials development capabilities



Teibow Co., Ltd.  
(Hamamatsu, Shizuoka Prefecture)

\*Molding technology to make metal molds for hollow metal parts → technology to make hollow metal parts

## Pen nib business—writing instruments applications

- Standard pens
- Oil-based markers
- Highlighters
- Water-based coloring pens
- Paint markers
- White board markers, etc.
- Wide range of other products

## Global market leader



Group companies  
Teibow Co., Ltd. (Hamamatsu, Shizuoka Prefecture)  
Teibow Nib Manufacturing (Chang Shu) Co., Ltd. (Jiangsu, China)

## Pen nib business—non-writing instruments applications

- Household products
- Medical products, etc.
- Leveraging technologies in other fields

A leader in technology processing of brush tips and miniature parts



2014~

## Cosmetics business

Supplies a wide range of products, including synthetic, felt and plastic nibs and polybutyleneterephthalate (PBT) brushes



Teibow Co., Ltd.  
(Hamamatsu, Shizuoka Prefecture)  
soliton corporation  
(Nara, Nara Prefecture)



# AlphaTheta Corporation

## Social issues and market needs

- Ensure Japan retains its strong skills in manufacturing
- Raise the visibility of artists in the music industry and protect their creative activities

## Profile

Company name: AlphaTheta Corporation (formerly Pioneer DJ Corporation)

Representative: Yoshinori Kataoka, Representative Director and President

Capital: ¥100 million (As of December 31, 2019)

Major shareholder: Noritsu Koki Co., Ltd.

Main business activities: Design, production, sales and related services for DJ/nightclub equipment, professional audio equipment and music production equipment

Sales companies:

AlphaTheta EMEA Limited

AlphaTheta Music Americas, Inc.

AlphaTheta (Shanghai) CO., Ltd.

## History

- 1994 Pioneer Corporation creates new business with launch of CDJ-500, the world's first flat-top CD player for DJs
- 1995 Launched DJM-500, the world's first professional DJ mixer with Beat Effect
- 2012 Launched CDJ-2000 NXS, a professional DJ multiplayer with smartphone connectivity
- 2014 Introduced PLX-1000, a club-grade professional analog turntable
- 2015 Pioneer DJ spun off from Pioneer Corporation; head office opened in Pioneer Corporation's former head office building in Kawasaki
- 2015 rekordbox™ music management application updated to version 4.0 with rekordbox dj, a proprietary DJ play function
- 2015 Head office moved to Yokohama i-Mark Place, 4-4-5 Minatomirai Nishi-ku, Yokohama, Kanagawa Prefecture
- 2016 Launched TORAIZ SP-16, sampler and sequencer for creative, intuitive music production aimed at producers, DJs and live performers; moved into music production market
- 2019 Opened Pioneer DJ Yokohama Lab, an official DJ school
- 2020 Company name changed to AlphaTheta Corporation
- 2020 Joined Noritsu Koki Group

## One Through Music

To enhance the creative potential of music and enable a world filled with joy AlphaTheta aims to drive the development of music culture by creating innovative products and services under the famous Pioneer DJ brand, the world-leader by market share

## Value and services AlphaTheta can provide

- Use world-leading brand and technology development capabilities behind world-first products such as CDJ to foster music culture that meets the needs of all people, from music professionals to consumers
- Help artists to express themselves musically and create innovative performances with new ways of communicating that link people, things and experiences through Pioneer DJ proprietary platforms

## Main business

Design, development and sale of DJ equipment such as CDJ players and DJ mixers since 1994



# JMDC Group

## Social issues and market needs

- Arrival of genuine aging societies
- Increasing awareness of health and productivity management, supported by the government
- Measures to control rising health and nursing care costs
- Rising life expectancy

## Profile

Company name: JMDC Inc.

Representative: Yosuke Matsushima, Representative Director, President and CEO

Capital: ¥3,412.47 million (As of December 15, 2019)

Major shareholder: Noritsu Koki Co., Ltd.

Main business activities: Healthcare data analysis services

## History

- 2002/1 Company established
- 2003/12 Start of sales of DB Quick Analysis (QA) to pharmaceutical companies
- 2005/8 Start of sales of DB P-MarketBase (PMB) to pharmaceutical companies
- 2005/11 Start of sales of DB D-MarketBase (DMB) to pharmaceutical companies
- 2008/8 Start of sales of DB JMDC Data Mart (JDM) to pharmaceutical companies
- 2012/4 Start of sales of Kenjo health business support tool for insurers and business operators
- 2013/5 Joined Noritsu Koki Group
- 2015/6 Health Data Platform Inc. becomes a subsidiary
- 2018 Doctor-NET Inc., UNIKE SOFTWARE RESEARCH CO., LTD., Clintal Inc. become subsidiaries
- 2019/12 Listed on Tokyo Stock Exchange Mothers Market

## Main group companies

Doctor-NET Inc.

UNIKE Software Research Co., Ltd.

Medical Database Co., Ltd.

NS PARTNERS CO., LTD.

**Supporting healthy and satisfying lives for all**  
**Using the power of data and ICT to realize a sustainable healthcare system**  
**Harnessing the potential of medical big data to create new value and support society**

## Value and services JMDC Group can provide

- Distribution and sale of data from health insurance societies and other sources to third parties; health management information platform for individuals
- Provision of remote diagnostic imaging services
- Development and supply of receipt computers and digital prescription histories to pharmacies

## Business overview

Making preparations to provide various services to key players in the healthcare value chain; JMDC will use data and expertise acquired during the preparation phase to reinforce its business

Core companies		Business overview	Customers	KPI
Health Big Data business	JMDC	Data exploitation (secondary use) Provision of anonymized epidemiological data from health, medical and other institutions	Pharmaceutical firms, life and nonlife insurers, research institutions, medical equipment makers, etc.	•No. of contracted companies •Annual transaction value per customer
		Analysis of data (primary use) for consumers and insurers Provision of ICT PepUp products to health insurance societies	Health insurance societies, local governments, business operators, etc.	•No. of sample groups •No. of issued PepUp IDs •No. of people using services costing ¥5,000/year or more
	MDB	Provision of pharmaceutical database for medical institutions, data analysis services to support business improvement at medical institutions	Medical institutions, pharmacies, etc.	•No. of contracted facilities •No. of patients providing data
Teleradiology Service business	Doctor-NET	Provision of remote diagnostic imaging services	Medical institutions, screening clinics, etc.	•No. of contracted facilities •No. of contracted radiographers •No. of requests per facility
Dispensing Pharmacy Support business	UNIKE Software Research	Development and supply of receipt computers and digital prescription histories to pharmacies	Pharmacies, etc.	•No. of contracted facilities •Ratio of monthly fee contracts

# NK Medico co., LTD.

## Social issues and market needs

- Arrival of genuine aging societies
- Increasing awareness of health and productivity management, supported by the government
- Growing demand for health and nursing care, rising health and nursing care costs associated with aging societies

## Profile

Company name: NK Medico co., LTD.

Representative: Tomo Tominaga, Representative Director and President

Capital: ¥121.95 million (As of March 31, 2019)

Major shareholder: Noritsu Koki Co., Ltd. (100%)

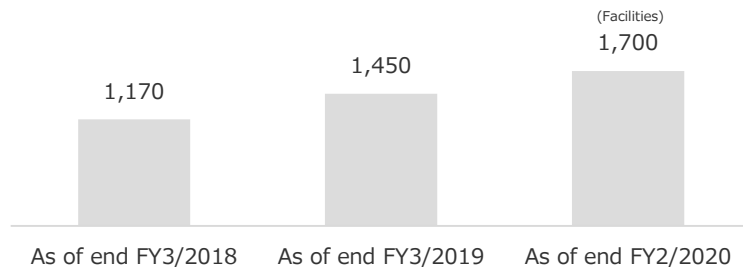
Main business activities: Preventive medicine business, R&D business focused on cutting-edge medical technology

No. of employees: 21 regular 6 temporary (As of March 31, 2019)

## History

- 2010/7 NK Medico co., LTD. established as wholly owned Noritsu Koki subsidiary to develop business in healthcare field
- 2012/6 Launched LOX-index testing services for stroke and heart attack risk
- 2017/8 No. of people tested for stroke and heart attack risk with LOX-index exceeds 100,000
- 2019/1 No. of people tested for stroke and heart attack risk with LOX-index exceeds 200,000
- 2020/3 No. of people tested for stroke and heart attack risk with LOX-index exceeds 300,000

## No. of facilities using NK Medico tests



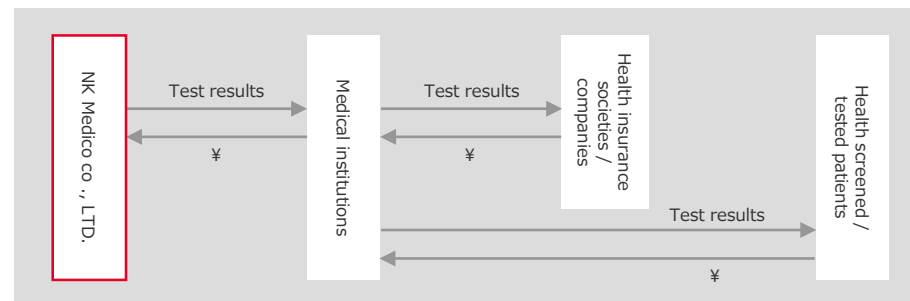
**Provider of various preventive medical services, such as LOX-index kits to assess risk of strokes and heart attacks**  
**Aiming to be a global preventive medicine company based in Japan**

## Value and services JMDC Group can provide

- Provide disease risk and early detection testing
- Help create a better society by promoting wider use of preventive medicine
- Provide high-quality testing services using physician network

## Business model

- Provision of services that provide peace of mind to physicians and patients, using NK Medico's extensive network of physicians – a strength since the company was founded; support for commercializing advanced medical technology ideas



## Main services

- LOX-index®
  - Tests for risk of stroke (third highest cause of death in Japan) and heart attack (second highest), available at more than 1,700 facilities nationwide; 300,000 people already tested (As of February 29, 2020)
  - Cause of arterial hardening identified with only 2ml blood sample; test can determine risk for a wide range of conditions, from early-stage arterial hardening (difficult to identify with existing tests) to plaque development, strokes and heart attacks
- NK Medico also provides other tests: dementia screening, breast cancer risk, digestive system cancer screening, chronic kidney disease risk, Health Age Report, health testing for anti-aging checkups, gut flora testing and DNA testing

**LOX-index®**  
 ロックス インデックス

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