

Contact:

Kathy Hart
Director Neurology Business Group
Nihon Kohden America, Inc.
Kathy_Hart@nkusa.com
(949) 580-1555 ext.3405
www.nkusa.com

FOR IMMEDIATE RELEASE

NIHON KOHDEN ANNOUNCES ACQUISITION OF NEUROTRONICS, INC.

Irvine, Calif., December 26, 2008 — Nihon Kohden Corporation today announced the mutual agreement of acquisition of a 100% share of Neurotronics Incorporated (Headquarters: Gainesville, Florida). Neurotronics becomes a subsidiary of Nihon Kohden Corporation on December 31, 2008.

Neurotronics Incorporated was established by Dr. Jack Smith to develop sleep analysis devices and software. Neurotronics develops, sells and services a sleep data management suite of programs, including the sleep brain wave analysis program Polysmith™ DMS. Neurotronics has gained a reputation for quality products and support in the U.S. market. Nihon Kohden will strengthen its position as a leader in the neurology business with the acquisition of Neurotronics.

Fumio Suzuki, President and Chief Operating Officer of Nihon Kohden Corporation commented, "Nihon Kohden and Neurotronics have been long-standing strategic partners in the sleep-respiratory business. Through this acquisition, we can synergize Nihon Kohden's neurology diagnostics technology and Neurotronics' sleep analysis expertise to strengthen our products and services in this growing sleep-respiratory market. We also expect to increase both companies' sales by leveraging Nihon Kohden's global distribution network."

Through the combined efforts of both companies, Nihon Kohden expects to increase world-wide sales in sleep and set a foundation for its long-term strategy in the sleep and neurodiagnostic fields, with the continuing goal of improving the quality of medical treatment.

Background

Nihon Kohden is Japan's leading manufacturer, developer and distributor of medical electronic equipment with subsidiaries in North America, Europe and Asia and distribution in over 100 countries. For more than 50 years, healthcare providers worldwide have relied on the quality and reliability of Nihon Kohden's comprehensive and innovative line of neurodiagnostic and - monitoring instrumentation to aid in the diagnosis, and treatment of their patients.

Sleep Apnea Syndrome (SAS) is a major driver of the sleep diagnostic business. It is estimated that 20 million Americans suffer from sleep apnea and 75% remain undiagnosed. The sleep diagnostic equipment market has shown considerable growth in the last few years and that growth is expected to continue. Nihon Kohden hopes to better serve this market by combining the expertise of Neurotronics with their brain-wave measurement technology and world-wide sales network.

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