

Enhancing Information Disclosure and Shareholder Return

Our management is highly transparent through appropriate information disclosure and we strive for stable long-term returns to shareholders.

Shareholder Returns Policy

Nihon Kohden recognizes that returning profits to shareholders is one of management's most important tasks. The basic policy on distribution of profits and dividends is to maintain stable and continuous dividend payments while retaining necessary reserves for future business expansion. The priority for distribution of profits is: i) investment necessary for future business expansion used in R&D investments, capital investments, M&A or alliances, and development of human resources, ii) dividends, and iii) share buybacks. The Company sets a target consolidated dividend payout ratio of 30% or more. Share buyback is considered in a flexible manner, taking into account comprehensively future business deployment, investment plan, retained earnings, and stock price level. Based on its business performance in FY2022, the Company decided to increase the full-year dividend by 21 yen from the previous forecast to 61 yen. Additionally, the Company acquired ¥999 million of own shares in May and June 2022 and cancelled 500 thousand shares of treasury shares in June 2022.

Information Disclosure Policy

The Nihon Kohden Corporate Charter of Conduct requires that we aim for highly transparent management by fair and proper disclosure of corporate information to shareholders and society. We disclose Nihon Kohden Group-related information in a timely, appropriate, fair, and easy-to-understand manner. We seek to deepen understanding and trust from all stakeholders and gain appropriate evaluation of the Company.

Shareholder and Investor Engagement

■ General shareholders' meeting

We hold our general shareholders' meeting on a date that does not conflict with those of other companies to ensure that shareholders can attend. On the day of the meeting, we exhibit medical devices and explain the features to shareholders. At the shareholders' meeting held in June 2023, we exhibited a fully automatic AED, a resuscitation monitor for neonate, and a mask-type ventilator. We have posted a video of the presentation by the Chairman on the day on our website. For foreign shareholders, convocation notices (including a business report), notice of resolutions, and voting results are translated into English and posted on the external website.

■ Earnings presentations / Business strategy briefing

Nihon Kohden holds financial results briefings (interim and full-year results) for securities analysts and institutional investors and organizes teleconferences (1st and 3rd quarters) where we discuss the Company's performance and strategy. Videos of the presentations, materials, and Q&A summaries are posted on our website and made available to all shareholders and investors. From May 2020, all financial results briefings were held by conference calls or online in order to prevent the spread of COVID-19. In March 2023, the Company held a small online meeting with an officer and persons in charge of the ventilator business.

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■ Company briefings and events for individual investors

We hold Company briefings for individual investors so that they can see our management strategy and business operations and extend their long-term support. In FY2022, we held one in-person meeting and two online meetings while taking into account the status of COVID-19. We also updated Nihon Kohden's video series on our website.



In-person meeting held in Osaka with the cooperation of the Securities Analysts Association of Japan



Online meeting distributed by Nikko Investor Relations

■ Relationship with Shareholders and Institutional Investors

The President, general manager of the Corporate Strategy Division, and persons in charge of IR have meetings with institutional investors in Japan and overseas by making visits to investors, accepting visits as requested, and by phone.

Status of Dialogue with Shareholders

In FY2022, the Company had around 250 meetings with institutional investors, including around 100 meetings with shareholders. The topics of the dialogues were quarterly financial results and forecasts, as well as medium- to long-term growth strategies, capital policies, and initiatives to strengthen corporate governance and embrace sustainability.

Relay Investor Feedback to Management

The Corporate Strategy Division, which bears responsibility for IR activities, relays the views of shareholders and investors through dialogue to the management and relevant departments for sharing and using information.

For further details on the status of dialogue with shareholders and institutional investors, please refer to our website.

<https://www.nihonkohden.com/sustainability/engagement/investors/communication.html>



Topics

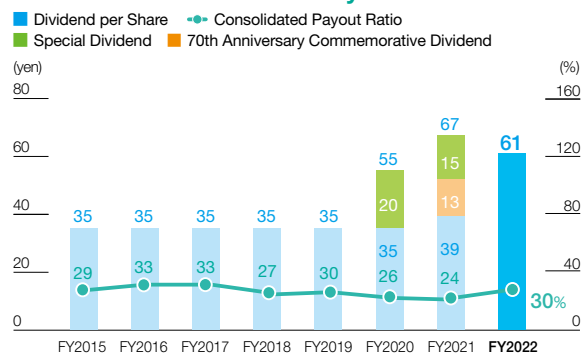
Comments from individual shareholders

Nihon Kohden conducts an annual shareholder survey with the aim of improving communications with shareholders and bolstering our IR activities. Some of the comments we received in the latest survey are as follows:

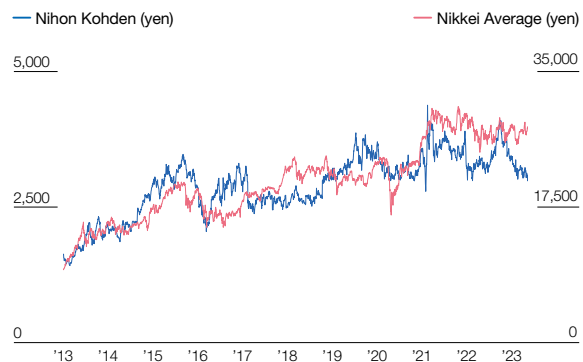
- Although the global situation is severe, I hope that all employees will make a concerted effort to support the development of the Company.
- As the Company that invented the pulse oximeter, I look forward to the Company's contribution to society and medicine.
- I hope the Company will accelerate the expansion of its business globally.
- I expect the Company to secure earnings and pay stable dividends.
- The shareholder newsletters are simple and easy to read.
- New products were well explained with pictures for better understanding.

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Change in Dividend per Share and Consolidated Dividend Payout Ratio



Change in Share Price

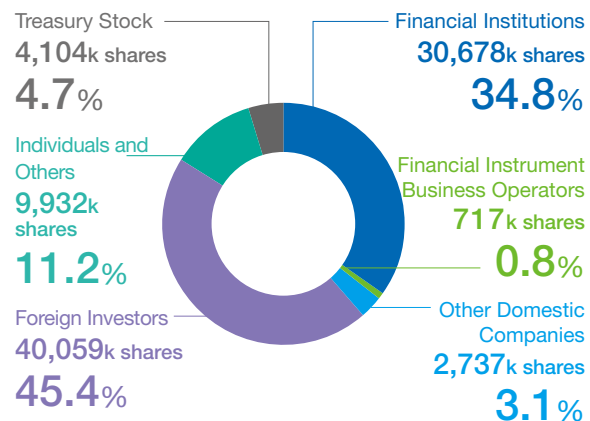


* Effective April 1, 2015, each share of common stock was split into two shares. For the above share prices, trading values before the split date have also been adjusted retroactively.

Number of Dialogues with Institutional and Individual Investors in FY2022

- Meetings with institutional investors and securities analysts: **Approx. 250 meetings including approx. 100 meetings with shareholders**
- Number of responses to annual shareholder survey: **572**
- Company briefings for individual investors (3 sessions): **Live viewing: Approx. 280 viewers, In-person: Approx. 80 attendees**
- Nihon Kohden's introduction video series for individual investors: **Approx. 700 views**

Ownership Breakdown (as of March 31, 2023)



Major Shareholders (as of March 31, 2023)

Shareholders	Number of Shares (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	13,480	16.02
Custody Bank of Japan, Ltd. (trust account)	4,567	5.42
Saitama Resona Bank, Ltd.	4,193	4.98
State Street Bank and Trust Company 505103	2,887	3.43
JP Morgan Chase Bank 385151	2,341	2.78
JP Morgan Chase Bank 380055	1,998	2.37
AVI Global Trust PLC	1,771	2.10
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	1,523	1.81
MUFG Bank, Ltd	1,325	1.57
Nihon Kohden Employee Shareholding Association	1,272	1.51

(Note) The above list excludes Nihon Kohden's treasury stock of 4,104 thousand shares. Each shareholding ratio is calculated excluding treasury stock.

Topics

In December 2022, Nihon Kohden was selected as the highest AAA grade for its website in the 2022 All Japanese Listed Companies' Website Ranking Survey by Nikko Investor Relations Co., Ltd. In this survey, Nikko Investor Relations evaluated 169 items from the following three points of view: understandability, usability/accessibility, and variety of information. The survey targeted the websites of all 3,926 listed companies and was announced as a ranking.

Nihon Kohden will continue to enhance the Company IR site and work to improve IR activities by disclosing timely and easy-to-understand information to shareholders and investors.

